

**HOUSE BILL NO. 1500**

Introduced by

Representatives Roers Jones, Blum, Heinert, D. Johnson, M. Johnson, Pyle, Zubke

Senators Bekkedahl, J. Roers

1 A BILL for an Act to create and enact chapter 15-10.5 of the North Dakota Century Code,  
2 relating to a new state higher education governance structure; members, terms, duties, and  
3 authority for new entities comprising the new state higher education governance structure; and  
4 transferring duties of the state board of higher education, the commissioner of higher education,  
5 the North Dakota university system, and the North Dakota university system office to new  
6 entities comprising the new state higher education governance structure; to amend and reenact  
7 sections 1-01-49 and 11-38-12, subdivisions s and w of subsection 2 of section 12-60-24,  
8 sections 15-10.1-01.1, 15-10.1-02, 15-10.1-03, 15-10.1-04, 15-10.1-05, 15-10.3-02, 15-10.3-03,  
9 15-10.3-04, 15-11-15, 15-11-22, and 15-11-30, subsection 2 of section 15-11-35, sections  
10 15-12-10, 15-12.1-01, 15-12.1-02, and 15-12.1-04, subsection 4 of section 15-12.1-14, sections  
11 15-12.1-17, 15-17-03, 15-17-05, 15-18-06, 15-18.1-01, 15-18.1-02, 15-18.1-03, 15-18.1-04,  
12 15-18.1-05, 15-18.1-06, 15-18.1-07, 15-18.1-10, and 15-18.1-12, subsection 4 of section  
13 15-18.1-13, section 15-18.1-15, subsection 2 of section 15-18.1-16, sections 15-18.2-01,  
14 15-18.2-02, and 15-18.2-03, subsection 1 of section 15-18.2-04, sections 15-18.2-05 and  
15 15-20.1-02, subdivision d of subsection 12 of section 15-39.1-04, sections 15-39.1-25,  
16 15-39.2-01, 15-39.2-01.1, 15-39.2-04.1, 15-39.2-05, and 15-52-02, subdivision b of  
17 subsection 2 of section 15-52-03, sections 15-52-05 and 15-52-10, subsection 1 of section  
18 15-52-16, sections 15-52-25, 15-52-26, 15-52-28, 15-52-29, 15-52-30, 15-52-31, 15-55-01,  
19 15-55-02, 15-55-03, 15-55-04.1, 15-55-05.1, 15-55-06, 15-55-07, 15-55-09, 15-55-10, 15-55-14,  
20 15-55-20, 15-62.4-01, 15-62.4-02, 15-62.4-03, 15-62.4-05, 15-62.5-01, 15-62.5-02, 15-62.5-03,  
21 15-62.5-04, 15-63-01, 15-69-01, 15-69-03, 15-70-03, 15-70-04, 15-71-01, 15-71-02, 15-71-03,  
22 15.1-01-02, and 15.1-07-25.1, subsection 1 of section 15.1-15-12, sections 15.1-21-02.6 and  
23 15.1-21-02.8, subdivision f of subsection 1 of section 15.1-37-02, sections 18-12-03, 18-12-04,  
24 and 18-12-23, subdivision e of subsection 12 of section 20.1-02-05, subsection 7 of section  
25 26.1-05-19, section 26.1-22-09, subdivision j of subsection 2 of section 28-32-01, section

1 29-29.5-03, subsection 5 of section 34-11.1-04, sections 37-07.2-01 and 44-04-18.4,  
2 subsection 1 of section 44-04-18.15, sections 44-04-18.16 and 44-04-18.28, subsection 7 of  
3 section 44-04-20, subsection 2 of section 44-08-05.1, section 48-01.2-02, subsection 7 of  
4 section 51-35-01, subdivision c of subsection 13 of section 52-02.1-01, sections 52-08-08,  
5 52-08-09, 52-08-10, 52-08-11, 54-10-22.1, 54-10-30, and 54-12-08, subsections 1 and 5 of  
6 section 54-12-35, sections 54-27-10, 54-27-11, 54-27-12, and 54-27-27, subsection 1 of section  
7 54-27-27.1, sections 54-27-27.2, 54-35-15.2, and 54-44.1-04, subsection 4 of section  
8 54-44.1-06, subsection 8 of section 54-44.3-20, section 54-44.4-11, subsections 1 and 2 of  
9 section 54-44.4-13, subsection 1 of section 54-46-02, subsection 3 of section 54-52.6-01,  
10 subsection 1 of section 54-57-03, sections 54-59-02.1, 54-59-05, 54-59-07, and 54-59-11.1,  
11 section 54-59-12, subdivision c of subsection 2 of section 54-59-17, section 54-59-22,  
12 subdivision e of subsection 1 of section 54-59-22.1, subsection 1 of section 54-59-23,  
13 subsection 1 of section 54-59-32, subdivision f of subsection 4 of section 54-59-34, section  
14 54-60-06, subdivision a of subsection 1 of section 54-60-19, section 54-60-26, subdivision h of  
15 subsection 1 of section 54-63-03, subsection 6 of section 54-65-01, subsection 6 of section  
16 54-65-02, and section 65-05.1-06.3 of the North Dakota Century Code, relating to a new state  
17 higher education governance structure; members, terms, duties, and authority for new entities  
18 comprising the new state higher education governance structure; and transferring duties of the  
19 state board of higher education, the commissioner of higher education, the North Dakota  
20 university system, and the North Dakota university system office to new entities comprising the  
21 new state higher education governance structure; to repeal chapter 15-10 of the North Dakota  
22 Century Code, relating to the state board of higher education; to provide a penalty; and to  
23 provide a contingent effective date.

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

25 **SECTION 1. AMENDMENT.** Section 1-01-49 of the North Dakota Century Code is amended  
26 and reenacted as follows:

27 **1-01-49. Other general definitions.**

28 As used in this code, unless the context otherwise requires:

- 29 1. "Depose" includes every mode of written statement under oath or affirmation.  
30 2. "Executor" includes administrator and "administrator" includes executor.

- 1        3.    "Higher education governing board" means a governing board of a state institution of  
2        higher education, as established under chapter 15-10.5.
- 3        4.    "Individual" means a human being.
- 4        4.5.   "Oath" includes "affirmation".
- 5        5.6.   "Organization" includes a foreign or domestic association, business trust, corporation,  
6        enterprise, estate, joint venture, limited liability company, limited liability partnership,  
7        limited partnership, partnership, trust, or any legal or commercial entity.
- 8        6.7.   "Partnership" includes a limited liability partnership registered under chapter 45-22.
- 9        7.8.   "Penitentiary" includes any affiliated facilities.
- 10       8.9.   "Person" means an individual, organization, government, political subdivision, or  
11       government agency or instrumentality.
- 12       9.10.   "Personal property" includes money, goods, chattels, things in action, and evidences  
13       of debt.
- 14       10.11.   "Preceding" and "following" when used by way of reference to a chapter or other part  
15       of a statute means the next preceding or next following chapter or other part.
- 16       11.12.   "Primary sector business" means an individual, corporation, limited liability company,  
17       partnership, or association certified by the department of commerce division of  
18       economic development and finance which through the employment of knowledge or  
19       labor adds value to a product, process, or service which results in the creation of new  
20       wealth.
- 21       For purposes of this subsection, "new wealth" means revenues generated by a  
22       business in this state through the sale of products or services to:
- 23       a.    Customers outside of this state; or
- 24       b.    Customers in this state if the products or services were previously unavailable or  
25       difficult to obtain from a business in this state.
- 26       12.13.   "Process" means a writ or summons issued in the course of judicial proceedings.
- 27       13.14.   "Property" includes property, real and personal.
- 28       14.15.   "Real property" shall be coextensive with lands, tenements, and hereditaments.
- 29       15.16.   "Rule" includes regulation.

1 ~~16-17.~~ "Signature" or "subscription" includes "mark" when the person cannot write, the  
2 person's name being written near it and written by a person who writes that person's  
3 own name as a witness.

4 ~~17-18.~~ "State" when applied to the different parts of the United States, includes the District of  
5 Columbia and the territories.

6 ~~18-19.~~ "Testify" includes every mode of oral statement under oath or affirmation.

7 ~~19-20.~~ "United States" includes the District of Columbia and the territories.

8 ~~20-21.~~ "Will" includes codicils.

9 ~~21-22.~~ "Writ" means an order or precept in writing, issued in the name of the state or of a  
10 court or judicial officer.

11 **SECTION 2. AMENDMENT.** Section 11-38-12 of the North Dakota Century Code is  
12 amended and reenacted as follows:

13 **11-38-12. Administration - Position adjustments - Budget section report.**

14 The state board of agricultural research and education and the president of North Dakota  
15 state university shall control and administer the North Dakota state university extension service  
16 subject to the supervision of the ~~state board of higher education~~ North Dakota state research  
17 university governing board. Funds appropriated to the North Dakota state university extension  
18 service may not be commingled with funds appropriated to North Dakota state university. An  
19 appropriation request to defray expenses of the North Dakota state university extension service  
20 must be separate from an appropriation request to defray expenses of North Dakota state  
21 university. Subject to the availability of funds, the director of the North Dakota state university  
22 extension service may adjust or increase full-time or part-time equivalent positions to carry out  
23 the mission of the extension service. All full-time or part-time positions must be separate from  
24 North Dakota state university. Annually, the director of the North Dakota state university  
25 extension service shall report to the office of management and budget and to the budget section  
26 any adjustments or increases made under this section.

27 **SECTION 3. AMENDMENT.** Subdivision s of subsection 2 of section 12-60-24 of the North  
28 Dakota Century Code is amended and reenacted as follows:

29 s. All agencies, departments, bureaus, boards, commissions, or institutions of the  
30 state, including the ~~North Dakota university system~~ higher education advisory  
31 committee, office of higher education, higher education governing boards, and

1            institutions controlled by higher education governing boards, for all employees or  
2            final applicants for employment as a security guard or to otherwise provide  
3            security.

4            **SECTION 4. AMENDMENT.** Subdivision w of subsection 2 of section 12-60-24 of the North  
5            Dakota Century Code is amended and reenacted as follows:

6            w.    ~~The North Dakota university system~~higher education advisory committee, office  
7            of higher education, higher education governing boards, and institutions  
8            controlled by higher education governing boards for a final applicant for or  
9            employee in a specified position in ~~the university system or a university system-~~  
10           ~~institution~~one of the entities or for each student applying for or admitted to a  
11           specified program of study, as designated by the ~~chancellor~~higher education  
12           administrator.

13           **SECTION 5. AMENDMENT.** Section 15-10.1-01.1 of the North Dakota Century Code is  
14           amended and reenacted as follows:

15           **~~15-10.1-01.1. Legislative intent on reciprocity~~Reciprocal agreements.**

16           ~~It is the intent of the legislative assembly that the board of~~Each higher education  
17           ~~thoroughly~~governing board shall investigate ~~thoroughly~~ the possibility of entering into  
18           appropriate reciprocal agreements with the appropriate institutions in the states of South  
19           Dakota, Montana, and Minnesota, and ~~that such~~the agreements, if found feasible, must be  
20           entered into by the board. ~~It is further declared to be the intent of the legislative assembly that~~  
21           ~~before~~Before entering into ~~any such an~~an agreement which~~that~~ necessitates the expenditure of  
22           state funds, the ~~state board of~~higher education governing board shall return to the legislative  
23           assembly for approval of ~~such~~the expenditures.

24           **SECTION 6. AMENDMENT.** Section 15-10.1-02 of the North Dakota Century Code is  
25           amended and reenacted as follows:

26           **15-10.1-02. Agreements - Reciprocal basis.**

27           ~~The state board of higher~~Higher education governing boards may enter into agreements  
28           with public or private institutions of higher education, or the governing boards ~~thereof~~of those  
29           institutions, in this state and in contiguous states on a reciprocal basis ~~in order~~ to accomplish  
30           the following:

- 1        1.    To enable a student at any institution party to ~~such an~~the agreement to take a  
2            specialized course or courses at a different institution from that in which the student is  
3            enrolled, with or without the payment of tuition charges at the other institution.
- 4        2.    To enable a student enrolled in any of the institutions party to the agreement to attend  
5            another institution party to ~~such~~the agreement without being required to pay  
6            nonresident tuition fees and in accordance with the terms of ~~such~~the agreement.

7        **SECTION 7. AMENDMENT.** Section 15-10.1-03 of the North Dakota Century Code is  
8 amended and reenacted as follows:

9        **15-10.1-03. Remission of nonresident tuition - Agreements.**

10        ~~The state board of higher~~Higher education governing boards may enter into agreements for  
11 the remission of nonresident tuition for designated categories of students at state institutions of  
12 higher education. ~~Such agreements~~Agreements under this section must have as their purpose  
13 the mutual improvement of educational advantages for residents of this state and ~~such~~ other  
14 states or institutions of other states with ~~whom~~which agreements are made.

15        **SECTION 8. AMENDMENT.** Section 15-10.1-04 of the North Dakota Century Code is  
16 amended and reenacted as follows:

17        **15-10.1-04. Procedures - Limitations.**

18        ~~The state board of higher~~Higher education governing boards may prescribe the procedures  
19 for carrying out the authority conferred by sections 15-10.1-02 and 15-10.1-03. An agreement  
20 entered into ~~pursuant to~~under this chapter must provide for approximately equal advantages  
21 between the contracting institutions or the contracting states.

22        **SECTION 9. AMENDMENT.** Section 15-10.1-05 of the North Dakota Century Code is  
23 amended and reenacted as follows:

24        **15-10.1-05. Supplementary authority.**

25        The authority granted ~~the state board of~~ to higher education governing boards by this  
26 chapter is supplemental to the authority granted ~~such~~to each board by ~~section 15-10-28~~chapter  
27 15-10.5.

28        **SECTION 10. AMENDMENT.** Section 15-10.3-02 of the North Dakota Century Code is  
29 amended and reenacted as follows:

1           **15-10.3-02. Mandatory fees - Fees for optional purposes or services - Publication for**  
2 **comparison purposes.**

3           The state board of Each higher education governing board shall publish on its website in a  
4 clear and comprehensible form that allows for ease of comparison among all state institutions  
5 under its control of higher education:

- 6           1. The amount of mandatory fees ~~that~~ each institution governing board has determined  
7 at the institutions under its control shall assess each full-time and part-time student  
8 during the ensuing academic year, together with a breakdown of the fees by purpose  
9 or service;
- 10          2. The amount of any program-specific fees ~~that~~ each institution governing board has  
11 determined at the institutions under its control shall assess each student in a particular  
12 program during the ensuing academic year; and
- 13          3. The amount of fees for optional purposes or services ~~that~~ each institution governing  
14 board has determined at the institutions under its control may assess a full-time or a  
15 part-time student during the ensuing academic year, together with a breakdown of the  
16 fees by purpose or service.

17           **SECTION 11. AMENDMENT.** Section 15-10.3-03 of the North Dakota Century Code is  
18 amended and reenacted as follows:

19           **15-10.3-03. Mandatory fees - Limitation on increases - Exemption.**

- 20          1. The total amount of mandatory fees, other than program-specific fees, which ~~are~~ a state  
21 institution under the control of the state board of higher education assesses each  
22 full-time and part-time student, may not increase from one academic year to the  
23 ensuing academic year by more than one percent of the latest available average  
24 full-time, resident, on-campus, undergraduate tuition rate at that institution, unless the  
25 state governing board of the institution determines ~~that~~ an exemption from the  
26 requirements of this section is necessitated as a result of student demand, as  
27 evidenced by a campuswide student election or formal action by an institution's  
28 student governing board or committee.
- 29          2. a. Before mandatory fees on students may be increased to support the construction  
30 or renovation of a campus building valued at more than one million dollars, the

1 use must be approved by a majority of the students voting on the question at a  
2 campuswide election.

3 b. This subsection does not apply to any construction or renovation for which the  
4 use of mandatory fees was authorized before July 1, 2013.

5 **SECTION 12. AMENDMENT.** Section 15-10.3-04 of the North Dakota Century Code is  
6 amended and reenacted as follows:

7 **15-10.3-04. Mandatory fee increases - Criteria - Explanation.**

- 8 1. Before the ~~state board of higher education~~ higher education governing board may  
9 approve an institution's request to increase a mandatory fee, other than a program-  
10 specific fee, the institution shall provide to the governing board the following  
11 information:
- 12 a. The estimated revenue collection to be generated by the proposed fee increase;
  - 13 b. The specific purpose to which the generated revenue will be allocated;
  - 14 c. Other anticipated tuition and fee increases;
  - 15 d. A delineation of fee increases during the preceding five-year period and the  
16 revenues collected as a result of each increase;
  - 17 e. The extent to which students were allowed to participate in the decisionmaking  
18 process that preceded and resulted in the request for a fee increase; and
  - 19 f. The approximate number of students that would be assessed the fee each year.
- 20 2. The governing board shall examine the information provided by the requesting  
21 institution and shall support its decision to grant or deny a request for a mandatory fee  
22 increase with specific reference to each piece of information required by this section.

23 **SECTION 13.** Chapter 15-10.5 of the North Dakota Century Code is created and enacted  
24 as follows:

25 **15-10.5-01. Definitions.**

26 For purposes of this chapter, unless the context otherwise requires:

- 27 1. "Higher education governing boards" or "governing boards" means the ~~university of~~  
28 ~~North Dakota governing board, the North Dakota state~~research university governing  
29 board, and the community and regional institutions governing board.
- 30 2. "Institution of higher education" means a public institution of higher education under  
31 the control of a higher education governing board.



1       3. "Review committee" means the review committee that approves or disapproves  
2           nominations of voting members of higher education governing boards under  
3           section 15-10.5-04.

4       **15-10.5-02. Higher education governing boards - Quorum.**

5       The ~~public~~ institutions of higher education in North Dakota are governed by ~~threetwo~~  
6       boards. The ~~research~~ university ~~of North Dakota~~ governing board shall govern the university of  
7       North Dakota. ~~The North Dakota state university governing board shall govern and~~ North  
8       Dakota state university. The community and regional institutions governing board shall govern  
9       the remaining institutions. The president of each ~~public~~ institution of higher education shall  
10       report and be accountable to the board governing the institution. A majority of the members of a  
11       higher education governing board is a quorum of the board.

12       **15-10.5-03. Higher education governing boards - Members.**

13       1. ~~The university of North Dakota~~Each governing board consists of ~~twelve~~~~fourteen~~  
14       members, including ~~nine~~~~eleven~~ voting members and three nonvoting members.

15       2. ~~The North Dakota state university governing board consists of twelve members,~~  
16       ~~including nine voting members and three nonvoting members.~~

17       ~~3. The community and regional institutions governing board consists of fourteen~~  
18       ~~members, including eleven voting members and three nonvoting members.~~

19       ~~4. On each higher education governing board:~~

20       a. At least ~~five~~~~six~~ voting members must be residents of the state.

21       b. One voting member must be a student member.

22       c. One nonvoting member must be a faculty member.

23       d. One nonvoting member must be a staff member.

24       e. The superintendent of public instruction or the superintendent's designee shall  
25       serve as a nonvoting member.

26       f. A ~~nonresident voting member must~~maximum of two voting members may be  
27       nonresidents who do not hold an undergraduate degree from a North Dakota  
28       institution of higher education, ~~unless fewer than three voting members on the~~  
29       ~~board are nonresidents.~~

30       g. The membership ~~of higher education governing boards~~ must be maintained in a  
31       balanced, equitable, and representative manner.

1 3. A full-time employee of the office of higher education or any institution of higher  
2 education, including private and tribal institutions, in North Dakota may not serve on a  
3 higher education governing board until at least two years after the end of the  
4 employee's period of employment.

5 5.4. In addition to the requirements in subsection 4.2, on the community or regional  
6 institutions governing board:

7 a. No more than two voting members, excluding the student member, may hold a  
8 degree from the same institution of higher education governed by the board.

9 b. The faculty member and staff member may not represent the same institution  
10 during a term.

11 c. The faculty member may not represent the same institution for more than two  
12 consecutive years.

13 d. The staff member may not represent the same institution for more than two  
14 consecutive years.

15 5. In addition to the requirements of subsection 2, on the research university governing  
16 board:

17 a. No more than four board members may hold a degree from the university of  
18 North Dakota;

19 b. No more than four board members may hold a degree from North Dakota state  
20 university;

21 c. At least two board members must not hold a degree from the university of North  
22 Dakota or North Dakota state university;

23 d. The student member must alternate each term between a student from the  
24 university of North Dakota and a student from North Dakota state university.

25 e. The faculty and staff member may not represent the same institution during a  
26 term. For a term beginning in an even-numbered year, the faculty member shall  
27 represent the university of North Dakota, and the staff member shall represent  
28 North Dakota state university. For a term beginning in an odd-numbered year, the  
29 faculty member shall represent North Dakota state university, and the staff  
30 member shall represent the university of North Dakota.

1        **15-10.5-04. Selection of voting members.**

2        For each open position for a voting member of a higher education governing board other  
3 than a student member, the governor shall solicit applications from the public and nominate one  
4 applicant to fill the open position. A review committee consisting of the superintendent of public  
5 instruction, president pro tempore of the senate, speaker of the house of representatives,  
6 secretary of state, and a representative of North Dakota united shall consider the nominated  
7 applicant. A member of the review committee may appoint a designee to serve on the  
8 committee in place of the member. The superintendent or the designee of the superintendent  
9 shall serve as chairman of the review committee. Upon approval by four of the review  
10 committee members, the nominated applicant shall fill the open position. If the nominated  
11 applicant is not approved, the governor shall nominate another applicant to the review  
12 committee.

13        **15-10.5-05. Selection of student members.**

- 14        1. Each year, by a date chosen by the governor, the North Dakota student association  
15 shall submit at least two but no more than four nominees for the student member of  
16 the community and regional institutions governing board. A student government  
17 organization of an institution of higher education governed by the board may submit  
18 one nominee for the student member of the board by the date chosen by the governor.  
19 Each nominee must be a full-time student attending an institution governed by the  
20 board. The governor shall appoint one nominee as the student member of the board.
- 21        2. Each ~~odd-numbered~~ year, by a date chosen by the governor, the student government  
22 organization of the university of North Dakota ~~and the student government~~  
23 ~~organization of North Dakota state university each~~ shall submit to the governor at least  
24 two but no more than four nominees for the student member of the ~~research university~~  
25 governing board ~~of the respective university~~. The governor shall appoint one nominee  
26 ~~from each university~~ as the student member of the governing board ~~for the university~~.
- 27        3. Each even-numbered year, by a date chosen by the governor, the student government  
28 organization of North Dakota state university shall submit at least two, but no more  
29 than four nominees for the student member of the research university governing  
30 board. The governor shall appoint one nominee as the student member of the  
31 governing board.

1        **15-10.5-06. Selection of faculty and staff members.**

2        Each year, by July first:

- 3        1.    The North Dakota council of college faculties shall appoint one faculty member to the  
4            community and regional institutions governing board. The faculty member must be in a  
5            benefited position at an institution governed by the board.
- 6        2.    The North Dakota staff senate shall appoint one staff member to the community and  
7            regional institutions governing board. The staff member must be in a benefited position  
8            at an institution governed by the board.
- 9        3.    In accordance with subdivision e of subsection 5 of section 15-10.5-03, the  
10           university of North Dakota faculty and or staff organizations each organization and the  
11           North Dakota state university faculty or staff organization shall appoint one  
12           membermembers to the research university of North Dakota governing board. The  
13           members must be in benefited positions at the university of North Dakota universities  
14           they represent.
- 15       4.    ~~The North Dakota state university faculty and staff organizations each shall appoint~~  
16           ~~one member to the North Dakota state university governing board. The members must~~  
17           ~~be in benefited positions at North Dakota state university.~~

18       **15-10.5-07. Terms of higher education governing board members.**

- 19       1.    The term of each member of a higher education governing board other than a student  
20           member, faculty member, or staff member is six years. The six-year terms must be  
21           staggered so no more than two six-year terms expire in a year. The terms of the initial  
22           members of a board may be less than six years to provide for staggered terms.
- 23       2.    The term of each student member, faculty member, and staff member of a board  
24           begins on July first and ends on June thirtieth of the following year.
- 25       3.    If a member is unable to fulfill the member's term, a new member must be selected in  
26           the same manner as the member unable to fulfill the term. The term of the new  
27           member expires on the date the term of the original member would have expired.
- 28       4.    An individual who serves two terms as a member of a higher education governing  
29           board may not serve the terms consecutively and may not serve additional terms,  
30           regardless whether the individual served the two terms on one board or two different  
31           boards. An individual may not serve on two higher education governing boards.

1 simultaneously. The following terms are excluded from the number of terms served for  
2 purposes of the limitations in this subsection:

3 a. A term as a student member, faculty member, or staff member of a higher  
4 education governing board.

5 b. A term of less than three years for a member selected under subsection 3.

6 **15-10.5-08. Removal of higher education governing board members.**

7 1. A member of a higher education governing board may be impeached by the same  
8 means and for the same reasons as the governor under chapter 44-09.

9 2. If the governor recommends to the review committee a member be removed from a  
10 governing board and provides reasons supporting the recommendation, and the  
11 review committee reviews the reasons and approves the recommendation within thirty  
12 calendar days, the member is removed from the governing board. Approval by the  
13 review committee under this subsection requires a vote of at least four members of the  
14 committee.

15 **15-10.5-09. Higher education governing board duties and authority.**

- 16 1. Each higher education governing board shall:
- 17 a. Annually select one member of the board to serve as chairman;
  - 18 b. Represent the full educational value and intent of students and the state within  
19 the mission of each individual institution;
  - 20 c. Maintain high-quality academic programs;
  - 21 d. Ensure excellence in programs, faculty, staff, and students;
  - 22 e. Provide responsible policies and procedures for proper governance and holding  
23 each institution's leadership accountable;
  - 24 f. Undertake periodic strategic planning to guide institutions governed by the board,  
25 advance the needs of the state, and compete within the global higher education  
26 market;
  - 27 g. Appoint, monitor, advise, motivate, support, evaluate and, if necessary or  
28 advisable, replace an institution president;
  - 29 h. Ensure collaboration and partnership with other public institutions in the state and  
30 the private sector;
  - 31 i. Hear appeals when appropriate and provided by law;

- 1           j. Regularly evaluate the board members' performance;
- 2           k. Ensure regular and proper training of board members;
- 3           l. Receive proposals for budgets, tuition and fee modifications, and ranked capital  
4           construction projects from presidents of institutions governed by the board to  
5           promote equity and appropriate investment of state resources through each  
6           institution;
- 7           m. Approve tuition and fee levels for institutions governed by the board;
- 8           n. Biennially, provide a budget recommendation to the governor and legislative  
9           assembly for consideration;
- 10          o. Approve new and discontinuance of academic programs;
- 11          p. Engage with, listen to, and deliver value to stakeholders, including students, state  
12          government entities, and alumni who provide direct financial support;
- 13          q. Shield institutions from direct political and other outside interference;
- 14          r. Ensure an ongoing reporting mechanism for accountability in research enterprise,  
15          collaboration, and student learning;
- 16          s. Ensure academic freedom at institutions governed by the board;
- 17          t. ~~For the university of North Dakota governing board and the North Dakota state~~  
18          ~~university governing board, hold one joint board meeting per year to review~~  
19          ~~collaboration efforts and determine where additional collaboration could be~~  
20          ~~advanced~~Maintain a system of common course numbering and transferability  
21          agreements among institutions of higher education;
- 22          u. Fix the salaries of the presidents, professors, instructors, teachers, officers, and  
23          other employees of the institutions under its control;
- 24          v. Determine policy for purchasing by the institutions under its control in  
25          coordination with the office of management and budget as provided by law;
- 26          w. Establish by rule an early retirement program for faculty and officers of the  
27          governing board. The limitations on severance pay pursuant to section  
28          54-14-04.3 and on requiring an employee to pay contributions to continue on the  
29          state uniform group insurance program upon retirement or upon termination of  
30          employment pursuant to section 54-52.1-03 do not apply to the early retirement  
31          program;

1           x. Adopt rules to protect the confidentiality of student records, medical records, and  
2           consistent with section 44-04-18.4, trade secret, proprietary, commercial, and  
3           financial information;

4           y. Authorize and encourage institutions and entities under its control to enter  
5           partnerships, limited liability companies, joint ventures, or other contractual  
6           arrangements with private business and industry for the purpose of business or  
7           industrial development or fostering basic and applied research or technology  
8           transfer; and

9           z. Adopt rules promoting research, encouraging development of intellectual  
10          property and other inventions and discoveries by employees, and protecting and  
11          marketing the inventions and discoveries. The rules must govern ownership or  
12          transfer of ownership rights and distribution of income that may be derived from  
13          an invention or discovery resulting from research or employment in the university  
14          system. The rules may provide for transfer of ownership rights or distribution of  
15          income to a private, nonprofit entity created for the support of a public institution  
16          of higher education; and

17          aa. Utilize the core technology services provided under section 15-10.5-47 and  
18          ensure the institutions governed by the board utilize the core technology  
19          services.

20          2. Each higher education governing board may organize or reorganize, within  
21          constitutional and statutory limitations, the work of each institution under its control  
22          and do everything necessary and proper for the efficient and economical  
23          administration of the institution.

24          3. Each higher education governing board may delegate to its executive director and  
25          staff and the staff of the office of higher education, the details of administration of each  
26          institution under the governing board's control.

27          **15-10.5-10. Executive director and support**Support staff for higher education  
28          **governing boards.**

29          The staff of the office of higher education shall provide support services for the community  
30          and regional institutions governing board ~~shall appoint an executive director and up to four~~  
31          ~~additional staff members to support the work of the board. The staff members for the board shall~~

1 ~~report to the executive director.~~ The university of North Dakota and North Dakota state  
2 university shall provide staff support to the ~~research university of North Dakota~~ governing board  
3 ~~and North Dakota state university governing board, respectively.~~ The university of North Dakota  
4 and North Dakota state university may not hire or contract with additional staff to provide  
5 support services to their governing ~~boards~~board.

6 **15-10.5-11. ~~Executive director and support~~Support staff duties.**

7 ~~The executive director of the community and regional institutions governing board and the~~  
8 support staff for higher education governing boards shall:

- 9 1. Provide administrative support to their respective boards;
- 10 2. Coordinate with their board chairmen to develop agendas and supporting materials for  
11 board meetings;
- 12 3. Support the presidents of institutions governed by their respective boards in advancing  
13 educational opportunities within the state;
- 14 4. Administer presidential searches for the institutions governed by their boards;
- 15 5. Serve as liaisons to the higher education administrator, the legislative assembly, and  
16 the executive branch; and
- 17 6. Draft, maintain, and coordinate procedures and policies for their respective boards.

18 **15-10.5-12. Higher education administrator and office of higher education - Duties.**

19 A higher education administrator must be appointed in the same manner as voting  
20 members of higher education governing boards. The administrator shall report to the governor,  
21 serve as a member of the governor's cabinet, and lead the office of higher education. The  
22 administrator may hire staff to help carry out the administrator's duties. The administrator also  
23 shall:

- 24 1. Represent, articulate, and advocate the needs of the state, as set forth by the  
25 legislative and executive branches, to the higher education governing boards;
- 26 2. Support the executive director and staff of the respective boards;
- 27 3. Maintain common course numbering across boards and institutions;
- 28 4. Maintain student transferability agreements across boards and institutions;
- 29 5. Administer state scholarship programs including scholarships for members of Indian  
30 tribes;



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- 1       6. Serve as the administrator of federal grant moneys to public institutions of higher
- 2       education when required by federal law;
- 3       7. Manage state authorization reciprocity agreements;
- 4       8. Manage loan forgiveness programs for teachers and North Dakota residents in
- 5       science, technology, engineering, and mathematics fields;
- 6       9. Administer student exchange and reciprocity programs with states that are members
- 7       of the western interstate commission for higher education, and the Minnesota and
- 8       midwest student exchanges for veterinary medicine, dentistry, and optometry;
- 9       10. Administer a student health insurance program;
- 10      11. Manage participation in the midwestern higher education compact;
- 11      12. Manage the higher education challenge grant program;
- 12      13. Administer data support and research support for the department of public instruction;
- 13      14. Provide institutional data to the higher education governing boards, and state and
- 14      federal entities, and for longitudinal studies;
- 15      15. Implement statewide higher education studies;
- 16      16. Establish a retirement program as an alternative to chapter 15-39.1 for employees of
- 17      higher education governing boards and institutions of higher education, provide for the
- 18      administration of the program, and establish rules for the program consistent with
- 19      section 15-10.5-30;
- 20      17. Administer the telemental health services for institution personnel and students;
- 21      18. Administer a hotline for, and conduct investigations of, allegations regarding fraud or
- 22      abuse by members of higher education governing boards, the higher education
- 23      administrator or office of higher education staff, institution presidents, or other persons
- 24      at institutions governed by the higher education governing boards;
- 25      19. Administer the interactive video network;
- 26      20. Maintain a data warehouse for public institutions of higher education, the governing
- 27      board of each institution, and the office of higher education;
- 28      21. License private, in-state institutions of higher education and assure out-of-state
- 29      institutions of higher education that have entered reciprocity agreements with North
- 30      Dakota comply with the agreements;
- 31      22. Prepare consolidated financial reports for state institutions of higher education;

- 1        23. Maintain a core technology services department to provide information technology to  
2            state institutions of higher education; and
- 3        24. Other tasks deemed necessary by higher education governing boards, leaders of state  
4            executive branch agencies, and the higher education office.

5        **15-10.5-13. Higher education advisory committee - Members.**

6        ~~1.—The higher education advisory committee consists of the chairman of each higher~~  
7            ~~education governing board, an additional member appointed by the community and~~  
8            ~~regional institutions governing board, and the higher education administrator, who~~  
9            ~~serves as the chairman of the committee.~~

10        ~~2.—If the chairman of the community and regional institutions governing board and the~~  
11            ~~committee member appointed by the governing board both are alumni of state~~  
12            ~~institutions of higher education, one must be an alumnus of a two-year college and the~~  
13            ~~other must be an alumnus of a four-year college or university.~~

14        **15-10.5-14. Higher education advisory committee - Duties.**

15        The higher education advisory committee facilitates collaboration and communication  
16        ~~amongbetween~~ the higher education governing boards and shall:

- 17        1. Seek and advance efficiencies and opportunities for shared services among the higher  
18            education governing boards;
- 19        2. Assist the higher education administrator in activities involving collaboration and  
20            coordination amongbetween higher education governing boards;
- 21        3. Review petitions for new programs, program changes, and program cancellations  
22            under section 15-10.5-15; and
- 23        4. Undertake other duties assigned by the legislative and executive branches of state  
24            government or agreed upon by members of the committee.

25        **15-10.5-15. Program petitions.**

26        1. A state institution of higher education may not implement a program change that would  
27            result in a new major, or a new program or program cancellation unless the institution  
28            submits a petition for the program change, new program, or program cancellation to its  
29            governing board and receives approval from the board. A majority vote by the  
30            governing board is required to approve a petition under this section.

1       2. An institution of higher education may submit a protest petition to the governing board  
2       that approved a program change, new program, or program cancellation. The protest  
3       petition must be submitted within thirty calendar days after the governing board first  
4       provides notice of the petition under subsection 1 at a board meeting. After a protest  
5       petition is submitted timely, the two institutions of higher education involved shall make  
6       reasonable efforts to design a plan for program collaboration. If the institutions are  
7       satisfied with the plan, the protest petition is deemed satisfied.

8       3. If the protest petition is not deemed satisfied and the original petition is approved, the  
9       approval is subject to review by the higher education advisory committee, which shall  
10      consider the original petition and the protest petition. If at least three of the members  
11      of the higher education advisory committee vote against the program change, new  
12      program, or program cancellation, the original petition is deemed denied, and the  
13      program change, new program, or program cancellation may not be implemented.

14      **15-10.5-16. Compensation - Expenses - Legislative appropriations.**

15      Each member of a higher education governing board, except student members, and each  
16      member of the higher education advisory committee is entitled to receive as compensation one  
17      hundred forty-eight dollars per day for each calendar day actually spent devoted to the duties of  
18      office, and necessary expenses in the same manner and amounts as other state officials for  
19      attending meetings and performing other functions of office. The legislative assembly shall  
20      provide adequate funds to carry out the duties and functions of the advisory committee and  
21      governing boards.

22      **15-10.5-17. Gifts and bequests - Deposit of funds.**

23      Each higher education governing board may receive, subject to the limitations of section  
24      15-10.5-18, donations, gifts, grants, and bequests offered or tendered to or for the benefit of  
25      any institution of higher education under its control, and all moneys coming into the hands of the  
26      governing board as donations, gifts, grants, and bequests must be used for the specific purpose  
27      for which the moneys are donated or given. A special revenue fund for each institution of higher  
28      education under the control of a higher education governing board must be maintained within  
29      the state treasury, and all institutional income from tuition collections must be placed in the  
30      special fund for the use of the institution for which the money was raised. All rent, interest, or  
31      income from land, money, or property, donated or granted by the United States and allocated to

1 specific institutions of higher education under the terms of the Enabling Act and the Constitution  
2 of North Dakota must be deposited in the special revenue fund of each institution and expended  
3 in accordance with section 1 of article IX of the Constitution of North Dakota. Moneys in the  
4 special revenue fund are subject to legislative appropriations. All other funds, unless restricted  
5 by the terms of a grant, donation, or bequest, received by the institutions from federal, state,  
6 and local grants and contracts, indirect cost recoveries, special student fees, room and board  
7 fees and other auxiliary enterprise fees, student activity fees, continuing education program  
8 fees, internal service fund revenues, and all other revenues must be deposited in the institution  
9 special revenue funds. The state treasurer immediately shall transfer the funds deposited in the  
10 special revenue funds to institution accounts in the Bank of North Dakota. Biennial estimates of  
11 revenue and expenditures of the other funds by source of funds must be presented at the same  
12 time biennial budget requests for appropriations from the special revenue fund and state  
13 general fund are prepared and submitted to the office of the budget. Payments from each  
14 institution's general fund appropriation must be made in amounts as may be necessary for the  
15 operation and maintenance of each institution, except that at the close of the biennium the  
16 balance of funds not paid from the general fund appropriation must be deposited in the special  
17 revenue funds of the institutions. All the appropriations are subject to proration in the same  
18 manner as other appropriations are prorated if insufficient funds are available to meet  
19 expenditures from the general fund. Sinking funds for the payment of interest and principal of  
20 institutional revenue bonds must be deposited pursuant to section 15-55-06.

21 **15-10.5-18. Acceptance of buildings and campus improvements - Legislative**  
22 **approval.**

23 Each higher education governing board may authorize campus improvements and building  
24 maintenance on land under the control of the governing board which are financed by donations,  
25 gifts, grants, and bequests, if the cost of the improvement or building maintenance is not more  
26 than seven hundred thousand dollars. The consent of the legislative assembly is required for  
27 construction of any building or any addition to a building on land under the control of the  
28 governing board which is financed by donations, gifts, grants, and bequests. The consent of the  
29 legislative assembly is required for campus improvements or building maintenance financed by  
30 donations, gifts, grants, and bequests if the cost of the improvements or maintenance is more  
31 than seven hundred thousand dollars. During the time the legislative assembly is not in session,

1 except for the six months preceding the convening of a regular session and the three months  
2 following the close of a regular session, and unless otherwise restricted by previous legislative  
3 action or other law, a higher education governing board, with the approval of the budget section  
4 of the legislative management, may authorize campus improvements and building maintenance  
5 financed by donations, gifts, grants, and bequests if the cost of the improvement or  
6 maintenance is more than seven hundred thousand dollars. The budget section approval must  
7 include a specific dollar limit for each campus improvement project or maintenance project. A  
8 higher education governing board may authorize the sale of any real property or buildings that  
9 an institution of higher learning under its control has received by gift or bequest. The governing  
10 board shall prescribe the conditions for the sale of the property it determines necessary. The  
11 conditions must include requiring an appraisal and public auction or advertisement for bids,  
12 unless the gift instrument requires a different process. If the higher education governing board  
13 submits a request for campus improvements or building maintenance under this section to the  
14 budget section for approval, the legislative council shall notify each member of the legislative  
15 assembly of the date of the budget section meeting at which the request will be considered and  
16 provide a copy of the meeting agenda to each member of the legislative assembly. The  
17 chairman of the budget section shall allow any member of the legislative assembly an  
18 opportunity to present testimony to the budget section regarding any such request.

19 **15-10.5-19. College and university investment income.**

20 All income earned on college and university funds not deposited in the state treasury must  
21 be retained by those funds.

22 **15-10.5-20. Capital construction projects - Local fund sources - Local matching funds**  
23 **- Report to budget section.**

24 If any institution under the control of a higher education governing board undertakes a  
25 capital construction project, including any renovation or expansion, with the approval of the  
26 legislative assembly, all local funds to be used for the project must be derived from sources that  
27 have been presented to and approved by the legislative assembly or the budget section  
28 pursuant to section 15-10.5-18. The source of any local matching funds required for state-  
29 funded or bonded projects must be funds raised and designated for the project and may not  
30 include funding from the state general fund, state and federal grant and contract funds, tuition or  
31 fees, endowment or investment income, institutional sales and services income including

1 indirect and administrative costs, or transfers or loans from other institutions' funds or agency  
2 funds unless the institution has received prior approval from the legislative assembly or from the  
3 budget section pursuant to section 15-10.5-18. Each institution undertaking a capital  
4 construction project approved by the legislative assembly and for which local funds are to be  
5 used shall present a biennial report to the budget section of the legislative management  
6 detailing the source of all funds used in the capital construction project, including local funds.

7 **15-10.5-21. Faculties of institutions of higher education.**

8 In each institution of higher education under the control of a higher education governing  
9 board, the faculty consists of the president, instructors, teachers, and assistants. The faculty  
10 shall adopt, subject to policies the higher education governing board for the institution may  
11 adopt, all necessary rules and regulations for the government of the school.

12 **15-10.5-22. Faculty - English language proficiency.**

13 A professor, instructor, teacher, assistant, or graduate assistant at a state institution of  
14 higher education must exhibit written and verbal proficiency in the English language. Any  
15 deficiency must be remedied by special training or coursework provided by the institution.

16 **15-10.5-23. Institutions of higher education - Faculty members - Oath or affirmation.**

17 1. Before entering upon the discharge of duties, each faculty member employed by an  
18 institution under the control of a higher education governing board shall take the  
19 following oath or affirmation: I do solemnly swear (or affirm) that I will support the  
20 Constitution of the United States and the Constitution of the state of North Dakota, and  
21 that I will faithfully discharge the duties of my position, according to the best of my  
22 ability.

23 2. The faculty member shall execute the oath or affirmation in duplicate. One copy of the  
24 oath or affirmation must be filed with the higher education governing board of the  
25 institution where the faculty member is employed. The faculty member shall retain the  
26 other copy.

27 **15-10.5-24. Institutions of higher education - Alien faculty members - Oath or**  
28 **affirmation.**

29 Before entering upon the discharge of duties, a faculty member employed by an institution  
30 under the control of a higher education governing board who is not a citizen of the United States

1 shall take an oath or affirmation to support the institutions and policies of the United States  
2 during the period of the individual's employment within the state.

3 **15-10.5-25. Higher education reports.**

4 Each higher education governing board shall submit the reports required under section  
5 15-10.5-26 and other reports requested by the legislative assembly or governor.

6 **15-10.5-26. Higher education strategic plan - Reports.**

7 1. Each higher education governing board shall adopt a strategic planning process and  
8 develop a strategic plan to define and prioritize its goals and objectives. The governing  
9 board shall provide an annual performance and accountability report regarding  
10 performance and progress toward the goals outlined in the strategic plan and  
11 accountability measures.

12 2. The higher education administrator shall report to the legislative assembly during each  
13 regular legislative session regarding the status of higher education in this state.

14 **15-10.5-27. Control of funds and appropriations.**

15 Each higher education governing board controls the expenditure of the funds belonging and  
16 allocated to the institutions under its control and also of those appropriated by the legislative  
17 assembly for the institutions, but funds appropriated by the legislative assembly and specifically  
18 designated for any one or more institutions may not be used for any other institution.

19 **15-10.5-28. Loans from Bank of North Dakota.**

20 Institutions under the control of a higher education governing board are authorized to  
21 borrow, and the Bank of North Dakota is authorized to loan to those institutions, amounts not to  
22 exceed ninety percent of the value of an institution's certificate of deposit held by the Bank. The  
23 term of the loan may not exceed the term of the certificate of deposit offered as security for the  
24 loan. The loans are subject to such additional terms and conditions as may be established by  
25 the Bank.

26 **15-10.5-29. Law enforcement officers.**

27 1. Each higher education governing board may authorize the employment of law  
28 enforcement officers having jurisdiction on property owned or leased by the respective  
29 governing board to enforce laws and regulations at the respective institution under the  
30 control of the governing board, or as otherwise provided in this section.

- 1       2. A law enforcement officer employed by the university of North Dakota has jurisdiction  
2       on all property owned or leased by the ~~research~~ university ~~of North Dakota~~ governing  
3       board and property on and within the boundaries of the intersection of demers avenue  
4       and north fifty-fifth street; north fifty-fifth street, north to university avenue; university  
5       avenue east to north forty-second street; north forty-second street, north to gateway  
6       drive; gateway drive east to north columbia road; north columbia road south to tenth  
7       avenue north; tenth avenue north, east to north twenty-fifth street; north twenty-fifth  
8       street south to sixth avenue north; sixth avenue north, east to north twentieth street;  
9       north twentieth street south to fifth avenue north; fifth avenue north, west to north  
10       twenty-third street; north twenty-third street, south to university avenue; university  
11       avenue east to north twenty-first street; north twenty-first street, south to dyke avenue;  
12       dyke avenue east to north washington street; north washington street, south to demers  
13       avenue; and demers avenue west to north fifty-fifth street. Jurisdiction under this  
14       subsection includes Grand Forks international airport.
- 15       3. A law enforcement officer employed by North Dakota state university has jurisdiction  
16       on all property owned or leased by the ~~North Dakota state~~ ~~research~~ university  
17       governing board and property on and within the boundaries of the intersection of  
18       nineteenth avenue north and Dakota drive, south to eighth avenue north; eighth  
19       avenue north, east to tenth street north; tenth street north, north to nineteenth avenue  
20       north; nineteenth avenue north west to Dakota drive.
- 21       4. A law enforcement officer employed by the North Dakota state college of science has  
22       jurisdiction on all property owned or leased by the community and regional institutions  
23       governing board and property on and within the boundaries of the intersection of  
24       seventh avenue north and eleventh street north; eleventh street north to sixteenth  
25       avenue north; sixteenth avenue north, east to fourth street north; and fourth street  
26       north south, to seventh avenue north.
- 27       5. A law enforcement officer employed by an institution under the control of a higher  
28       education governing board who is in "hot pursuit" may continue beyond the  
29       jurisdictional boundaries of an institution to make an arrest, in compliance with a  
30       warrant or without a warrant under the conditions of section 29-06-15, if obtaining the  
31       aid of peace officers having jurisdiction beyond that limit would cause a delay



1           permitting escape. As used in this subdivision, "hot pursuit" means the immediate  
2           pursuit of a person who is endeavoring to avoid arrest.

3           6. A higher education governing board may enter a joint powers agreement with a  
4           political subdivision to enable law enforcement from the political subdivision and law  
5           enforcement from an institution under the control of the governing board to provide  
6           secondary response to each other outside the jurisdictional boundaries provided in this  
7           section.

8           7. Notwithstanding any other provision of law or joint powers agreement, any  
9           misdemeanor or felony violation of law occurring in or on property owned or leased by  
10           a higher education governing board or within the extraterritorial jurisdiction must be  
11           filed in district court unless the primary law enforcement officer involved is not  
12           employed by the governing board. An infraction or noncriminal offense occurring in or  
13           on property owned or leased by the governing board or within the extraterritorial  
14           jurisdiction may be filed in municipal court.

15           **15-10.5-30. Retirement program.**

16           The retirement program established by the office of higher education under section  
17           15-10.5-12 does not derogate any existing retirement program for employees of higher  
18           education governing boards or institutions of higher education, and is subject to the following  
19           guidelines.

- 20           1. Benefits under the program must be provided through annuity contracts purchased by  
21           the office of higher education, but which become the property of the participants;  
22           2. The cost of the annuity contracts must be defrayed by contributions made pursuant to  
23           rules of the office of higher education;  
24           3. Eligible employees appointed before July 1, 1973, shall participate in the alternate  
25           retirement program only by the employee's individual election. When the electing  
26           eligible employee is a member of the teachers' fund for retirement, the employee's  
27           assessments and employer's contributions, together with interest credited at the  
28           current rate for one-year certificates then being paid by the Bank of North Dakota must  
29           be transferred to the employee's account in the alternate program. The election  
30           relinquishes all rights the eligible employee or the employee's beneficiary may have to  
31           benefits provided in chapters 15-39 and 15-39.2; and

1       4. Employees of higher education governing boards and institutions of higher education  
2       who are members of the public employees retirement system under chapter 54-52 or  
3       54-52.6 and who become entitled to participate in the alternate retirement program are  
4       entitled to a special annuity purchase in the alternate retirement program in  
5       accordance with this subdivision. An eligible employee who consents to have that  
6       employee's contribution included is entitled to have that employee's contribution and  
7       employer's contribution, with interest, in the public employees retirement system fund,  
8       used by the retirement board of the public employees retirement system to purchase  
9       for that employee an annuity in the alternate retirement program in lieu of any other  
10       rights under the public employees retirement fund. However, before the employer's  
11       contribution may be used for an annuity purchase, the employee's combined years of  
12       service with the public employees retirement system and the alternate retirement  
13       program must equal or exceed the years of service necessary to be eligible for  
14       retirement benefits under the public employees retirement system. An employee who  
15       transferred from the public employees retirement system before March 30, 1987, and  
16       who received a refund of that employee's contribution is entitled to have the  
17       employer's contribution, with interest, used to purchase an annuity even if that  
18       employee did not purchase an annuity in the alternate employee program with the  
19       employee's contribution. If an employee makes the election allowed under this  
20       subdivision, that employee relinquishes all rights the employee or any of the  
21       employee's beneficiaries may have had to benefits provided under chapters 54-52 and  
22       54-52.6.

23       **15-10.5-31. Political advertising - Student housing.**

24       A state institution of higher education may not include in student housing leases provisions  
25       that prohibit lessees from placing political advertisements on the leased property. A political  
26       advertising sign placed on student housing property must be placed in compliance with any  
27       applicable city ordinance relating to signs.

28       **15-10.5-32. Contract - Preparation and provision of meals - Policy.**

29       1. An institution under the control of a higher education governing board may enter a  
30       contract to prepare and provide meals, snacks, or other food services for persons or  
31       programs not affiliated with the institution, and may provide catering services for an

1 event if the event is organized predominantly for persons affiliated with the institution,  
2 the event is held predominantly for persons enrolled in the institution, or the event is  
3 held under the auspices of the institution, provided the institution first establishes a  
4 policy regarding such services and specifically addresses issues related to competition  
5 with private sector entities.

6 2. The limitations provided under subsection 1 do not apply to an institution if no private  
7 sector entity located in the same city as the institution is capable and willing to meet  
8 the facility or personnel requirements necessary to:

9 a. Prepare and provide the meals, snacks, or other food services for a specific  
10 event; or

11 b. Provide the catering services for a specific event.

12 3. An institution under the control of a higher education governing board may not  
13 advertise to the general public its willingness to provide the services permitted under  
14 this section.

15 4. This section may not be construed to limit the activities of a private sector entity that  
16 provides meals, snacks, or other food services to an institution of higher education  
17 under the provisions of a contract.

18 **15-10.5-33. Definitions.**

19 1. "Dependent" for purposes of section 15-10.5-34 means:

20 a. A child, stepchild, spouse, widow, or widower of a resident veteran, as "veteran"  
21 is defined in section 37-01-40, who was killed in action or died from wounds or  
22 other service-connected causes, has a one hundred percent service-connected  
23 disability as determined by the department of veterans' affairs, has an extra-  
24 schedular rating to include individual unemployability that brings the veteran's  
25 total disability rating to one hundred percent as determined by the department of  
26 veterans' affairs, died from service-connected disabilities, was a prisoner of war,  
27 or was declared missing in action;

28 b. A child or a stepchild of a veteran, as defined in section 37-01-40, who was killed  
29 in action or died from wounds or other service-connected causes, has a one  
30 hundred percent service-connected disability as determined by the department of  
31 veterans' affairs, has an extra-schedular rating to include individual

1 unemployability that brings the veteran's total disability rating to one hundred  
2 percent as determined by the department of veterans' affairs, died from service-  
3 connected disabilities, was a prisoner of war, or was declared missing in action,  
4 provided the child's other parent has been a resident of this state and was a  
5 resident of this state at the time of death or determination of total disability of the  
6 veteran; or

7 c. A child or a stepchild of a veteran, as defined in section 37-01-40, who was killed  
8 in action or died from wounds or other service-connected causes, has a one  
9 hundred percent service-connected disability as determined by the department of  
10 veterans' affairs, has an extra-schedular rating to include individual  
11 unemployability that brings the veteran's total disability rating to one hundred  
12 percent as determined by the department of veterans' affairs, died from service-  
13 connected disabilities, was a prisoner of war, or was declared missing in action,  
14 provided the child's other parent establishes residency in this state and maintains  
15 that residency for a period of five years immediately preceding the child's or  
16 stepchild's enrollment at an institution under the control of the state board of  
17 higher education.

18 2. "Resident veteran" means a veteran who:

- 19 a. Was born in and lived in this state until entrance into the armed forces of the  
20 United States;
- 21 b. Was born in, but was temporarily living outside this state not having abandoned  
22 residence therein prior to entrance into the armed forces of the United States;
- 23 c. Was born elsewhere but had resided within this state for at least six months prior  
24 to entrance into military service and had, prior to or during such six-month period:
- 25 (1) Registered for voting, or voted in this state;
- 26 (2) Being an unemancipated minor during such period of residence, lived with a  
27 parent or person standing in loco parentis who had acquired a residence as  
28 set forth in this section; or
- 29 (3) If not registered for voting in this state, not registered for voting in another  
30 state; or

1           d. Has been a resident of this state for the ten years prior to the request for tuition  
2           waiver.

3           **15-10.5-34. Free tuition in state institutions of higher education.**

4           Any dependent, as defined in section 15-10.5-33, upon being duly accepted for enrollment  
5 into any undergraduate degree or certificate program of a North Dakota state institution of  
6 higher education, must be allowed to obtain a bachelor's degree or certificate of completion, for  
7 so long as the dependent is eligible, free of any tuition and fee charges if the bachelor's degree  
8 or certificate of completion is earned within a forty-five-month or ten-semester period or its  
9 equivalent and if tuition and fee charges do not include costs for aviation flight charges or  
10 expenses. Once an individual qualifies as a dependent under section 15-10.5-33 and this  
11 section, the dependent may not be disqualified from the benefits of this section:

- 12           1. Due to the return of the prisoner of war;  
13           2. Due to the return of the individual missing in action; or  
14           3. Because the veteran through whom the benefit was obtained had a one hundred  
15           percent service-connected disability at the time of death.

16           **15-10.5-35. Definitions.**

17           For purposes of section 15-10.5-36:

- 18           1. "Firefighter" means a person who is a member of a paid or volunteer fire department  
19           that is a part of, or administered by this state, any political subdivision of this state, or  
20           a rural fire protection district.  
21           2. "Peace officer" means any person who is employed by a state law enforcement  
22           agency or a political subdivision of the state who is charged with the prevention and  
23           detection of crime and the enforcement of the criminal laws of the state, and who has  
24           full power of arrest.  
25           3. "Stepchild" means a child of the decedent's spouse or predeceased spouse, and not  
26           of the decedent.  
27           4. "Survivor" means, at the time of the firefighter's or peace officer's death, the  
28           firefighter's or peace officer's biological or adopted child under the age of twenty-one,  
29           stepchild under the age of twenty-one, and spouse.

1        **15-10.5-36. Free tuition in state institutions of higher education for survivor of**  
2 **firefighter, emergency medical services personnel, or peace officer.**

3        If a firefighter, an emergency medical services personnel, as defined under section  
4 23-27-04.3, or a peace officer dies as a direct result of injuries received while engaged in the  
5 performance of official duties under circumstances dangerous to human life, the survivor, upon  
6 being duly accepted for enrollment into any undergraduate degree or certificate program of a  
7 state institution of higher education, must be allowed to obtain a bachelor's degree or certificate  
8 of completion, for so long as the dependent is eligible, free of any tuition and fee charges;  
9 provided the bachelor's degree or certificate of completion is earned within a forty-five-month or  
10 ten-semester period or its equivalent; and further provided tuition and fee charges may not  
11 include costs for aviation flight charges or expenses.

12        **15-10.5-37. Nonresident and resident student definitions for tuition purposes.**

13        1. "Nonresident student" for tuition purposes means any student other than a resident  
14 student.

15        2. "Resident student" for tuition purposes means:

16        a. An individual whose guardian, custodial parent, or parents are legal residents of  
17 this state and have resided in this state for twelve months, or a dependent child  
18 whose custodial parent moved into the state with the intent to establish legal  
19 residency for a period of years within the last twelve months immediately prior to  
20 the beginning of the academic term;

21        b. An individual eighteen years of age or over who is a legal resident of this state  
22 and has resided in this state after reaching eighteen years of age for twelve  
23 months immediately prior to the beginning of the academic term;

24        c. An individual who graduated from a North Dakota high school;

25        d. (1) A full-time active duty member of the armed forces;

26        (2) A member of the North Dakota national guard;

27        (3) A member of the armed forces reserve component stationed in this state; or

28        (4) A veteran, as defined in section 37-01-40;

29        e. A benefited employee of a higher education governing board, office of higher  
30 education, or an institution under the control of a higher education governing  
31 board;

- 1           f. The spouse of:
- 2           (1) A full-time active duty member of the armed forces;
- 3           (2) A member of the North Dakota national guard;
- 4           (3) A member of the armed forces reserve component stationed in this state;
- 5           (4) A veteran, as defined in section 37-01-40, provided the veteran is eligible to  
6           transfer entitlement under the Post 9-11 Veterans Educational Assistance  
7           Act of 2008 [38 U.S.C. 3301];
- 8           (5) A benefited employee of a higher education governing board, office of  
9           higher education, or an institution under the control of a higher education  
10           governing board; or
- 11           (6) Any other individual who is a resident for tuition purposes;
- 12          g. A dependent of:
- 13           (1) A full-time active duty member of the armed forces;
- 14           (2) A member of the North Dakota national guard;
- 15           (3) A member of the armed forces reserve component stationed in this state;
- 16           (4) A veteran, as defined in section 37-01-40, provided the veteran is eligible to  
17           transfer entitlement under the Post 9-11 Veterans Educational Assistance  
18           Act of 2008 [38 U.S.C. 3301]; or
- 19           (5) A benefited employee of a higher education governing board, office of  
20           higher education, or an institution under the control of a higher education  
21           governing board;
- 22          h. An individual who was a legal resident of this state for at least three consecutive  
23           years within six years of the beginning of the academic term;
- 24          i. A child, widow, or widower of a veteran as defined in section 37-01-40 who was  
25           killed in action or died from wounds or other service-connected causes, was  
26           totally disabled as a result of service-connected causes, died from service-  
27           connected disabilities, was a prisoner of war, or was declared missing in action;  
28           or
- 29          j. A covered individual as defined by section 702 of Pub. L. 113-146 [128 Stat.  
30           1797; 38 U.S.C. 3679].

1       3. A temporary absence from the state for vacation or other special or temporary  
2       purposes may not be considered an abandonment of residency in this state, provided  
3       a residence is maintained in this state during the temporary absence. However, a  
4       student who leaves the state and resides in another state for a period of months is not  
5       considered a resident of this state during those months if the student does not  
6       maintain a place of residence in this state during the student's absence.

7       **15-10.5-38. Agreements with other states' institutions of higher learning and regional**  
8       **education compacts.**

9       The office of higher education or a higher education governing board may enter agreements  
10      with institutions of higher education in other states and regional education compacts. The office  
11      or governing board, subject to the limits of legislative appropriations, may make expenditures as  
12      necessary to utilize the educational facilities of the institutions for teaching North Dakota  
13      students. In addition, the office or governing board may enter agreements with institutions of  
14      higher education in other states and regional education compacts for the acceptance of  
15      students from other states in North Dakota institutions of higher education.

16      **15-10.5-39. Regional veterinary medical education program - Authority to enter**  
17      **agreements - Limitations.**

- 18      1. A higher education governing board may enter agreements with the university of  
19      Nebraska board of regents and with the appropriate governing entities or institutions of  
20      higher education in other states to provide a program of regional veterinary medical  
21      education and services.
- 22      2. Any agreements entered pursuant to subsection 1 may provide for the following:
- 23      a. Service by the university of Nebraska as the degree-granting institution.
- 24      b. Assumption by the university of Nebraska of final responsibility for the overall  
25      governance and administration of the educational aspects of the program.
- 26      c. Cooperation by North Dakota state university in providing input in the  
27      establishment of policies relating to curriculum, academic standards, student  
28      admissions, and other matters.
- 29      3. Within the limits of legislative appropriations, any agreements entered pursuant to  
30      subsection 1 may provide for the payment by the higher education governing board of  
31      North Dakota's share of the cost of facility construction in Nebraska based upon the



1           proportion of North Dakota students in the program, provided the payment is based  
2           upon a per student annual facilities use charge.

3           4. Within the limits of legislative appropriations, any agreements entered pursuant to  
4           subsection 1 may provide for the payment by the higher education governing board of  
5           North Dakota's share of the operating costs during the planning, startup, and full  
6           operational phases, based upon the proportion of North Dakota students in the  
7           program.

8           **15-10.5-40. Student registration with selective service system.**

9           An individual who is required by the Military Selective Service Act [Pub. L. 759; 62 Stat.  
10          604; 50 U.S.C. App. 451 et seq.] to register with the selective service system may not receive  
11          student financial aid funds from the state until that individual has registered. Each higher  
12          education governing board may adopt rules to achieve the purpose of this section.

13          **15-10.5-41. Technology occupations student loan program.**

14          1. The office of higher education shall administer a science, technology, engineering, and  
15          mathematics occupations student loan program that encourages college students to  
16          pursue studies in these fields, to participate in internship programs, and to remain in  
17          the state after graduation. The office shall adopt rules to implement the program,  
18          including internship requirements, guidelines to determine which technology-related  
19          courses of study are eligible under the program, and standards for eligibility.

20          2. Graduates of office-approved colleges may apply for the technology occupations  
21          student loan program. To be eligible to receive student loan grants under the program,  
22          the applicant:

23               a. Must have graduated from an office-approved college;

24               b. Must have completed successfully the office-approved technology-related  
25               courses;

26               c. Must have maintained at least a 2.5 grade point average, based on a 4.0 grading  
27               system, at an office-approved college;

28               d. Must have a student loan with the Bank of North Dakota or other participating  
29               lender;

- 1           e. Following graduation, must be employed in the state in an office-approved  
2           technology occupation with a salary or equivalent hourly wage of sixty thousand  
3           dollars or less per year; and
- 4           f. Must have met and must continue to meet any requirements established by rule.
- 5        3. The office of higher education shall distribute student loan grants directly to the Bank  
6        of North Dakota or other participating lender to repay outstanding student loan  
7        principal balances for eligible applicants. The maximum student loan grant amount for  
8        which an applicant may qualify is one thousand five hundred dollars per year and a  
9        total of six thousand dollars, or a lesser amount established by rule adopted by the  
10       office of higher education.
- 11       4. If an individual is receiving loan forgiveness under any other provision, the individual  
12       may not receive loan forgiveness under this section during the same application year.

13       **15-10.5-42. Loans - Teacher shortages - Loan forgiveness.**

- 14       1. The office of higher education shall administer a student loan forgiveness program for  
15       individuals teaching at grade levels, in content areas, and in geographical locations  
16       identified as having a teacher shortage or critical need. The office may approve loan  
17       forgiveness for no more than two teachers per year in a school district. The office shall  
18       adopt rules to implement the program.
- 19       2. The superintendent of public instruction annually shall identify grade levels, content  
20       areas, and geographical locations in which a teacher shortage or critical need exists.
- 21       3. To be eligible for loan forgiveness under this section, an individual must have:
- 22       a. Graduated from an accredited teacher preparation program and signed a  
23       contract to teach at a grade level or in a content area and in a geographical  
24       location identified by the superintendent of public instruction as having an  
25       existing teacher shortage or critical need; and
- 26       b. An existing student loan.
- 27       4. For purposes of this section, the definitions of rural school district and remote town  
28       school district have the same meaning as the definitions under the national center for  
29       education statistics locale codes.
- 30       5. If an individual is receiving loan forgiveness under any other provision, the individual  
31       may not receive loan forgiveness under this section during the same application year.

- 1       6. An eligible individual may receive loan forgiveness under the program as follows:  
2           a. If the individual accepts one of up to five positions of critical need in a nonrural  
3           school district or nonremote town school district, the individual may receive up to  
4           three thousand dollars per year for a maximum of four years.  
5           b. If the individual accepts a position in a rural school district or remote town school  
6           district with an enrollment of fewer than one thousand students, the individual  
7           may receive up to four thousand five hundred dollars per year for a maximum of  
8           four years.  
9           c. If the individual accepts one of up to five positions of critical need in a rural  
10          school district or remote town school district with an enrollment of fewer than one  
11          thousand students, the individual may receive up to six thousand five hundred  
12          dollars per year for a maximum of four years.  
13       7. The superintendent of public instruction shall consider all applications under this  
14          section based on the number of unfilled school vacancies, prioritized by critical need,  
15          and geographic location.  
16       8. Upon notification the individual has completed a full year of teaching in a school  
17          district, state-supported school, or nonpublic school in this state at a grade level or in a  
18          content area and in a geographical location identified by the superintendent of public  
19          instruction as one in which a teacher shortage or critical need exists, the office shall  
20          distribute funds directly to the lending institution of the individual to repay outstanding  
21          loan principal balances on behalf of eligible applicants. The office shall terminate loan  
22          forgiveness payments to eligible individuals when the loan principal balance of the  
23          eligible individual is paid in full.

24       **15-10.5-43. Fees - Room and meals - Authorization.**

25       An institution of higher education may charge a fee for room and meals when provided by  
26       the institution in connection with summer programs at the institution for which high school credit  
27       is awarded. If a student or the student's parent or guardian is unable to pay the fee for room and  
28       meals, the institution shall waive the fee.

1        **15-10.5-44. Long-term lease and leaseback transaction revenue.**

2        Each higher education governing board shall use revenue earned from long-term lease and  
3 leaseback transactions under chapter 54-01 for the repair and upkeep of campus buildings  
4 commonly referred to as deferred maintenance projects.

5        **15-10.5-45. Faculty - English pronunciation - Policy - Report.**

6        Each higher education governing board shall create a policy for all institutions under its  
7 control, relating to the assessment of faculty and teaching assistant communication skills,  
8 including the ability to speak English clearly and with good pronunciation, the notification to  
9 students of opportunities to file complaints, the process for responding to student complaints,  
10 and the resolution of reported communication problems.

11        **15-10.5-46. Veterinary medical education program - Kansas state university -**

12 **Contract.**

13        1. In addition to any contracts under section 15-10.5-39, a higher education governing  
14 board may contract with Kansas state university to provide an opportunity for up to five  
15 eligible students to enroll in the veterinary medical education program at Kansas state  
16 university.

17        2. Eligible students must be residents of this state and selected for enrollment by an  
18 admissions committee consisting of one faculty member from the department of  
19 veterinary and microbiological sciences at North Dakota state university, one  
20 veterinarian practicing in this state, one member of the legislative assembly, and one  
21 livestock producer, all of whom must be appointed by the legislative management, and  
22 the chairman of the admissions committee at the Kansas state university school of  
23 veterinary medicine. The legislative management and the chairman of the admissions  
24 committee at the Kansas state university school of veterinary medicine may select an  
25 alternative for each of the designated positions to serve as necessary.

26        3. The admissions committee shall determine the criteria to be used in the selection of  
27 eligible students, with eligible students interested in large animal veterinary medicine  
28 receiving a priority.

1        **15-10.5-47. Higher education information technology - Core technology services.**

- 2        1. The office of higher education shall manage and regulate information technology  
3        planning and services for higher education governing boards and institutions of higher  
4        education including:
- 5        a. Development of information technology policies, standards, and guidelines in  
6        coordination with the information technology department.
  - 7        b. Implementation of a process for project management oversight and reporting.
  - 8        c. Integration of higher education information technology planning and reporting  
9        with the higher education governing boards' strategic planning process and  
10       annual performance and accountability report required by section 15-10.5-26.
  - 11       d. Participation in internet2 or other advanced higher education or research-related  
12       networking projects as provided in section 54-59-08.
  - 13       e. Development of an annual report concerning higher education information  
14       technology planning and services.
  - 15       f. Requiring utilization by each institution under the control of a higher education  
16       governing board of systemwide electronic mail services provided by the office of  
17       higher education for all public business electronic correspondence.
  - 18       g. Development and implementation of an electronic mail retention policy for the  
19       higher education governing boards and institutions under control of the governing  
20       boards which requires retention of nonstudent employee electronic mail  
21       messages for at least two years after the creation or receipt of the messages.
- 22       2. The office of higher education shall collaborate with the information technology  
23       department to coordinate higher education information technology planning with  
24       statewide information technology planning.
- 25       3. The office of higher education shall provide advice to the information technology  
26       department regarding the development of policies, standards, and guidelines relating  
27       to access to or use of wide area network services as provided by section 54-59-09.
- 28       4. The office of higher education shall present information regarding higher education  
29       information technology planning, services, and major projects to the information  
30       technology committee on request of the committee.

1        **15-10.5-48. Required use of electronic mail, file server administration, database**  
2 **administration, application server, and hosting services.**

3        Each institution and entity under the control of a higher education governing board shall  
4 obtain electronic mail, file server administration, database administration, research computing,  
5 storage, application server, and hosting services through a delivery system established by the  
6 office of higher education. The office shall establish policies and guidelines for the delivery of  
7 services, including the transition from existing systems to functional consolidation, with  
8 consideration given to the creation of efficiencies, cost-savings, and improved quality of service.

9        **15-10.5-49. Audits of computer systems - Penalty.**

- 10        1. An auditor hired to conduct audits of the higher education advisory committee, the  
11 office of higher education, a higher education governing board, or an institution of  
12 higher education may:
- 13        a. Conduct a review and assessment of any computer system or related security  
14 system of the higher education advisory committee, the office of higher  
15 education, a higher education governing board, or an institution of higher  
16 education. A review and assessment under this section may include an  
17 assessment of system vulnerability, network penetration, any potential security  
18 breach, and the susceptibility of the system to cyber attack or cyber fraud.
- 19        b. Disclose the findings of a review and assessment to the office of higher education  
20 or an individual or committee designated by the office of higher education. Any  
21 record relating to a review and assessment, including a working paper or  
22 preliminary draft of a review and assessment report and a report of the findings of  
23 a review and assessment, and any record that may cause or perpetuate  
24 vulnerability of a computer system or related security system which is obtained or  
25 created during a review and assessment is an exempt record.
- 26        c. In conjunction with the office of higher education, procure the services of a  
27 specialist in information security systems or any other contractor deemed  
28 necessary in conducting a review and assessment under this section.
- 29        2. A person hired or contracted to provide services in relation to a review and  
30 assessment under this section is subject to the privacy and confidentiality provisions of

1           subsection 1 and any other section of law, including section 44-04-27, and for the  
2           purposes of section 12.1-13-01, is a public servant.

3           **15-10.5-50. Telecommunications and information services competition prohibited -**  
4           **Report.**

- 5           1. The northern tier network, part of a national research network infrastructure, serves  
6           entities within and outside this state. The office of higher education, a higher education  
7           governing board, or an institution of higher education may use the northern tier  
8           network infrastructure only for the purpose of supporting the research and education  
9           missions of the entity. The office of higher education, a higher education governing  
10           board, or an institution of higher education may not use the northern tier network  
11           infrastructure for traditional internet, voice, video, or other telecommunications  
12           services beyond those required for research networks.
- 13           2. The office of higher education, a higher education governing board, an institution of  
14           higher education, or an affiliated entity may not resell any portion of the northern tier  
15           network infrastructure to nonuniversity entities other than research collaborators.
- 16           3. The northern tier network may not replace any wide area network services to any city,  
17           county, or school district which are provided by the information technology department  
18           under section 54-59-08.
- 19           4. An entity using the northern tier network under this section shall submit to a biennial  
20           audit of the northern tier network activities.

21           **15-10.5-51. Construction projects at institutions of higher education - Variance**  
22           **reports.**

- 23           1. When any new construction, renovation, or repair valued at more than two hundred  
24           fifty thousand dollars is underway on the campus of an institution of higher education,  
25           the governing board for the institution shall provide semiannual project variance  
26           reports to the director of the office of management and budget. Each report must  
27           include:
- 28           a. The name or a description of the project;
- 29           b. The expenditure authorized by the legislative assembly;
- 30           c. The amount of the original contract;
- 31           d. The amount of any change orders;

- 1 e. The amount of any potential or anticipated change orders;
- 2 f. The sum of subdivisions c through e and the amount by which that sum varies
- 3 from the expenditure authorized by the legislative assembly;
- 4 g. The total expended for the project to date; and
- 5 h. The scheduled date of completion as noted in the original contract and the latest
- 6 available scheduled date of completion.
- 7 2. The governing board also shall provide to the director of the office of management and
- 8 budget, at the same time as the project variance report required by subsection 1:
- 9 a. A brief description of each change order included in subdivision d of
- 10 subsection 1; and
- 11 b. A list of each public and nonpublic entity that has a contractually reflected
- 12 financial obligation with respect to the project.
- 13 3. The office of management and budget shall review the information received under this
- 14 section and provide reports to the budget section of the legislative management upon
- 15 request.

16 **15-10.5-52. Advancement of academics - Matching grants - University of North Dakota**  
17 **and North Dakota state university.**

- 18 1. a. Subject to legislative appropriations, each biennium during the period beginning
- 19 July first of each odd-numbered year and ending December thirty-first of each
- 20 even-numbered year, the office of higher education shall award one dollar in
- 21 matching grants for every two dollars raised by the institutional foundations of the
- 22 university of North Dakota and North Dakota state university for projects
- 23 dedicated exclusively to the advancement of academics.
- 24 b. To be eligible for a matching grant, an institution must demonstrate:
- 25 (1) The institution's foundation has raised at least fifty thousand dollars in cash
- 26 or monetary pledges for a qualifying project; and
- 27 (2) The project has been approved by the grant review committee established
- 28 in section 15-10.5-55.
- 29 c. The office may award up to two hundred thousand dollars in matching grants to
- 30 each institution.



- 1           d. Projects at the university of North Dakota school of medicine and health sciences  
2           are not eligible to receive a grant under this section.
- 3           2. a. If any available dollars have not been awarded by the office before January first  
4           of each odd-numbered year, in accordance with subsection 1, the university of  
5           North Dakota or North Dakota state university may apply for an additional  
6           matching grant.
- 7           b. An application submitted under this subsection must meet the same criteria as an  
8           original application.
- 9           c. The office shall consider each application submitted under this subsection in  
10          chronological order.
- 11          d. If the remaining dollars are insufficient to provide a matching grant in the amount  
12          of one dollar for every two dollars raised by the institutional foundation, the office  
13          shall award a lesser amount.
- 14          3. The office of higher education shall retain up to one-quarter of one percent of any  
15          grant awarded under this section to assist with administrative expenses incurred in the  
16          grant review process.

17          **15-10.5-53. Advancement of academics - Matching grants - Two-year and four-year**  
18          **institutions of higher education.**

- 19          1. a. Subject to legislative appropriations, each biennium during the period beginning  
20          July first of each odd-numbered year and ending December thirty-first of each  
21          even-numbered year, the office of higher education shall award one dollar in  
22          matching grants for every two dollars raised by the institutional foundations of  
23          Bismarck state college, Dakota college at Bottineau, Lake Region state college,  
24          Mayville state university, Minot state university, North Dakota state college of  
25          science, Valley City state university, and Williston state college for projects  
26          dedicated exclusively to the advancement of academics.
- 27          b. To be eligible for a matching grant, an institution must demonstrate:
- 28               (1) The institution's foundation has raised at least twenty-five thousand dollars  
29               in cash or monetary pledges for a qualifying project; and
- 30               (2) The project has been approved by the grant review committee established  
31               in section 15-10.5-55.

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

16          **15-10.5-54. Liability for pledged amount.**

17          If in accordance with section 15-10.5-52 or 15-10.5-53, the office of higher education  
18          provides grant funds to an institution, on the basis of a monetary pledge, and if the amount  
19          forthcoming is less than the amount pledged, the institutional foundation is liable to the  
20          institution for any shortfall.

21          **15-10.5-55. Grant review committee.**

- 22          1. The grant review committee consists of:
- 23           a. The governor, or the governor's designee, who shall serve as the chairman;
- 24           b. Two members of the house of representatives appropriations committee,  
25           selected by the majority leader of the house of representatives;
- 26           c. Two members of the senate appropriations committee, selected by the majority  
27           leader of the senate;
- 28           d. Two members appointed by the governor, with the consent of the legislative  
29           management; and
- 30           e. Two members appointed by the office of higher education, with the consent of the  
31           legislative management.

- 1       2. The gubernatorial appointees must have an understanding of higher education's role  
2       in advancing agriculture, the arts, commerce and finance, manufacturing, mineral  
3       extraction, natural resources, and the professions.
- 4       3. The grant review committee shall establish its rules of operation and procedure and  
5       shall develop and publish the criteria upon which all requests for matching grants will  
6       be reviewed.
- 7       4. a. A request for a matching grant may be presented to the committee by:  
8             (1) The president of the institution; or  
9             (2) A designee of the president.
- 10       b. Either presenter may be accompanied by other individuals having an expertise  
11       with respect to the project.
- 12       c. If the request is to be presented by a designee of a president, the designee shall  
13       provide to the committee a written statement signed by the president and  
14       certifying the president has full knowledge of all aspects of the request, as it is  
15       presented.

16       **15-10.5-56. Grant review committee - Compensation.**

17       Each member of the grant review committee is entitled to receive compensation in the  
18       amount of one hundred thirty-five dollars per day plus reimbursement for expenses as provided  
19       by law for state officers if the member is attending meetings or performing duties directed by the  
20       committee. The compensation provided for in this section may not be paid to any member of the  
21       committee who receives a salary or other compensation as an employee or official of this state  
22       if the individual is serving on the committee by virtue of the individual's state office or state  
23       employment.

24       **15-10.5-57. Definition.**

25       For purposes of sections 15-10.5-52 through 15-10.5-56, projects dedicated to the  
26       advancement of enhanced academics include investments in research, scholarships,  
27       technology, endowed chairs, and investments in educational infrastructure, but exclude  
28       scholarships intended solely for the benefit of athletics, campus facility repair projects, and new  
29       capital construction projects.

30       **15-10.5-58. Student journalists - Freedom of expression - Civil remedy.**

- 31       1. As used in this section:

- 1           a. "Protected activity" means an expression of free speech or freedom of the press.
- 2           b. "School-sponsored media" means any material prepared, substantially written,
- 3                 published, or broadcast by a student journalist at a public institution of higher
- 4                 education, distributed or generally made available to members of the student
- 5                 body, and prepared under the direction of a student media adviser. The term
- 6                 does not include any media intended for distribution or transmission solely in the
- 7                 classroom in which the media is produced.
- 8           c. "Student journalist" means a student of a public institution of higher education
- 9                 who gathers, compiles, writes, edits, photographs, records, or prepares
- 10                 information for dissemination in school-sponsored media.
- 11           d. "Student media adviser" means an individual employed, appointed, or designated
- 12                 by a public institution of higher education to supervise or provide instruction
- 13                 relating to school-sponsored media.
- 14        2. Except as provided in subsection 3, a student journalist has the right to exercise
- 15                 freedom of speech and of the press in school-sponsored media, regardless of whether
- 16                 the media is supported financially by the institution or by use of facilities of the
- 17                 institution or produced in conjunction with a class in which the student is enrolled.
- 18                 Subject to subsection 3, a student journalist is responsible for determining the news,
- 19                 opinion, feature, and advertising content of school-sponsored media. This subsection
- 20                 may not be construed to prevent a student media adviser from teaching professional
- 21                 standards of English and journalism to student journalists. A student media adviser
- 22                 may not be dismissed, suspended, or disciplined for acting to protect a student
- 23                 journalist engaged in a protected activity or for refusing to infringe on a protected
- 24                 activity.
- 25        3. This section does not authorize or protect expression by a student that:
- 26           a. Is libelous, slanderous, or obscene;
- 27           b. Constitutes an unwarranted invasion of privacy;
- 28           c. Violates federal or state law; or
- 29           d. So incites students as to create a clear and present danger of the commission of
- 30                 an unlawful act, the violation of policy of an institution of higher education or its

1                   governing board, or the material and substantial disruption of the orderly  
2                   operation of the institution.

3       4.   An expression of free speech or freedom of the press made by a student journalist  
4           under this section may not be construed as an expression of school policy. A school,  
5           school official, employee, or parent or legal guardian of a student journalist may not be  
6           liable in any civil or criminal action for an expression of free speech or freedom of the  
7           press made by a student journalist, except in the case of willful or wanton misconduct.

8       **15-10.5-59. Disciplinary proceedings - Right to counsel for students and**  
9       **organizations - Appeals.**

10       1.   Any student enrolled at an institution of higher education has the right to be  
11           represented, at the student's expense, by the student's choice of either an attorney or  
12           a nonattorney advocate, who may participate fully during any disciplinary proceeding  
13           or during any other procedure adopted and used by that institution to address an  
14           alleged violation of the institution's rules or policies. This right applies to both the  
15           student who has been accused of the alleged violation and to the student who is the  
16           accuser or victim. This right only applies if the disciplinary proceeding involves a  
17           violation that could result in a suspension or expulsion from the institution. This right  
18           does not apply to matters involving academic misconduct. Before the disciplinary  
19           proceeding is scheduled, the institution shall inform the students in writing of the  
20           students' rights under this section.

21       2.   Any student organization officially recognized by an institution of higher education has  
22           the right to be represented, at the student organization's expense, by the student  
23           organization's choice of either an attorney or nonattorney advocate, who may fully  
24           participate during any disciplinary proceeding or during any other procedure adopted  
25           and used by the institution to address an alleged violation of the institution's rules or  
26           policies. This right only applies if the disciplinary proceeding involves a violation that  
27           could result in the suspension or the removal of the student organization from the  
28           institution. This right applies to both the student organization accused of the alleged  
29           violation and to the accuser or victim.

30       3.   a.   Any student who is suspended or expelled from an institution of higher education  
31           for a violation of the rules or policies of that institution and any student

1           organization found to be in violation of the rules or policies of that institution must  
2           be afforded an opportunity to appeal the institution's initial decision to an  
3           institutional administrator or body that did not make the initial decision for a  
4           period of one year after receiving final notice of the institution's decision. The  
5           right to appeal the result of the institution's disciplinary proceeding applies to a  
6           student who is the accuser or victim.

7           b. The right of the student or the student organization under subsection 1 or 2 to be  
8           represented, at the student's or the student organization's expense, by the  
9           student's or the student organization's choice of either an attorney or a  
10          nonattorney advocate, also applies to the appeal.

11          c. The issues that may be raised on appeal include new evidence, contradictory  
12          evidence, and evidence the student or student organization was not afforded due  
13          process. The institutional body considering the appeal may consider police  
14          reports, transcripts, and the outcome of any civil or criminal proceeding directly  
15          related to the appeal.

16          4. Upon consideration of the evidence, the institutional body considering the appeal may  
17          grant the appeal, deny the appeal, order a new hearing, or reduce or modify the  
18          suspension or expulsion. If the appeal results in the reversal of the decision or a  
19          lessening of the sanction, the institution may reimburse the student for any tuition and  
20          fees paid to the institution for the period of suspension or expulsion which had not  
21          been previously refunded.

22          5. For purposes of this section, "participate fully" includes the opportunity to make  
23          opening and closing statements, to examine and cross-examine witnesses, and to  
24          provide the accuser or accused with support, guidance, and advice. This section does  
25          not require an institution to use formal rules of evidence in institutional disciplinary  
26          proceedings. The institution, however, shall make good faith efforts to include relevant  
27          evidence and exclude evidence which is neither relevant or probative.

28          6. This section does not affect the obligation of an institution to provide equivalent rights  
29          to a student who is the accuser or victim in the disciplinary proceeding under this  
30          section, including equivalent opportunities to have others present during any  
31          institutional disciplinary proceeding, to not limit the choice of attorney or nonattorney

1 advocate in any meeting or institutional disciplinary proceeding, and to provide  
2 simultaneous notification of the institution's procedures for the accused and the  
3 accuser or victim to appeal the result of the institutional disciplinary proceeding.

4 **15-10.5-60. Workforce, vocational, and technical education program.**

5 The higher education advisory committee shall ensure institutions of higher education offer  
6 coordinated workforce training, vocational education, and technical education programs. The  
7 advisory committee periodically shall review programs offered by the institutions and revise  
8 program offerings based on the workforce needs of the state identified by the workforce  
9 education advisory council. The advisory committee shall develop administrative arrangements  
10 that make possible the efficient use of facilities and staff. The advisory committee shall limit  
11 administrative costs by working with governing boards to eliminate duplicative administrative  
12 positions.

13 **15-10.5-61. Workforce education advisory council - Membership - Duties.**

14 The office of higher education shall establish a workforce education advisory council to  
15 advise the advisory council regarding skills and qualifications needed for workforce training,  
16 vocational, and technical education programs offered at institutions of higher education. The  
17 council is composed of a representative of the department of career and technical education, a  
18 representative of job service North Dakota, a representative of the department of commerce,  
19 and eight members representing business and industry in the state. The eight members  
20 representing business and industry are appointed by the chairman of the legislative  
21 management. The office of higher education shall provide staff services for the workforce  
22 education advisory council. Members of the council who are not employees of the state are  
23 entitled to expense reimbursement from the office of higher education, as provided by law for  
24 state officers, for attending meetings of the council.

25 **15-10.5-62. Annual report - Scholarships.**

26 The office of higher education shall provide to the legislative management an annual report  
27 regarding the number of North Dakota academic scholarships and career and technical  
28 education scholarships provided and demographic information pertaining to the recipients.

29 **15-10.5-63. Dual-credit courses - Pilot program.**

30 1. The office of higher education shall establish a four-year pilot program to offer a credit  
31 incentive to instructors teaching dual-credit courses in core subject matter areas at

1           public or private high schools in the state. An instructor who participates in the  
2           program is entitled to receive a credit-for-credit coupon that may be used toward  
3           graduate level classes at a public or private postsecondary education institution in the  
4           state. The office shall provide a qualified participant with a coupon that covers the cost  
5           of tuition for one graduate level credit in an amount not exceeding the tuition charged  
6           for the credit at the institution in which the participant is enrolled, except the amount  
7           may not exceed the highest tuition for a graduate level credit charged at a state  
8           institution of higher education, for every credit-hour of a dual-credit course the  
9           individual teaches. An individual is eligible for the program if the individual teaches a  
10          concurrent dual enrollment class at a public or private high school in the state and the  
11          class includes at least four students receiving dual credit.

12          2. If an individual eligible for a credit coupon offered under this section has met  
13          accreditation qualification standards, the individual may transfer a credit coupon to a  
14          family member or to a student being taught by the individual.

15          3. The office of higher education shall develop a long-term sustainability plan for the  
16          program and, if determined necessary, continue the program for up to five additional  
17          years.

18          **15-10.5-64. Nickel trophy.**

19          To promote national recognition and statewide enthusiasm, the legislative assembly  
20          encourages the university of North Dakota and the North Dakota state university of agriculture  
21          and applied science to play for the nickel trophy during the course of a national collegiate  
22          athletic association football game. If the athletic director or president of either institution elects  
23          not to play for the nickel trophy, the nickel trophy must be permanently displayed in the heritage  
24          center.

25          **15-10.5-65. Capital project and capital lease requests - Maintenance reserve account.**

26          1. Notwithstanding any existing agreements, an institution of higher education shall  
27          obtain approval from the legislative assembly before the institution acquires any  
28          additional facility space to be used by the institution for any purpose, if the acquisition  
29          would result in additional operating costs funded from any source. This subsection  
30          does not apply to operating lease agreements that preclude the ownership of the  
31          leased facility.



- 1       2. Notwithstanding any existing agreements, an institution of higher education shall  
2       obtain approval from the legislative assembly before an institution purchases, rents,  
3       occupies, or otherwise utilizes a building or any portion of a building for a purpose that  
4       directly or indirectly supports or relates to the institution's educational or administrative  
5       functions if the building is located more than ten miles from the campus of the  
6       institution. This subsection does not apply to buildings used by an institution to offer  
7       dual-credit courses, buildings used by the agricultural experiment station and research  
8       extension centers, and buildings used by the North Dakota state university extension  
9       service. For purposes of this section, "campus" means the campus of the institution  
10      under the Federal Clery Act [Pub. L. 105-244; 20 U.S.C. 1092(f)].
- 11      3. An institution of higher education may undertake a facility renovation project only if the  
12      project will reduce the deferred maintenance amount of the facility by no less than  
13      seventy-five percent of the total cost of the renovation. The institution shall maintain  
14      documentation that demonstrates the cost and scope of the deferred maintenance  
15      reduction that results directly from the renovation. This subsection does not apply to  
16      projects undertaken solely to correct building code deficiencies or to installations of  
17      infrastructure determined by the institution's governing board to be essential to the  
18      mission of the institution.
- 19      4. Facility construction and renovation projects undertaken by an institution of higher  
20      education must conform to campus master plan and space utilization requirements  
21      approved by the institution's governing board and the higher education advisory  
22      committee.
- 23      5. An institution that obtains legislative approval under subsection 1 shall establish a  
24      maintenance reserve fund of three percent of the total construction cost or  
25      replacement value, whichever is greater, of the acquired space. The institution's plans  
26      for funding the maintenance reserve fund must be included in the request for  
27      legislative approval under subsection 1. Maintenance reserve funds must be deposited  
28      in an account under the control of the institution's higher education governing board  
29      before the acquired space may be occupied, and the funds may be used for  
30      maintenance repairs after the total deferred maintenance of the space exceeds thirty  
31      percent of its replacement value. The funds may not be used for any other purpose.

1           This subsection does not apply to additional space acquired through the sale of  
2           revenue bonds that require by covenant the establishment of maintenance reserve  
3           funds.

4           **SECTION 14. AMENDMENT.** Section 15-11-15 of the North Dakota Century Code is  
5 amended and reenacted as follows:

6           **15-11-15. Tests of state mineral and other resources - Duty of state board of higher-**  
7 **education**research university of North Dakota governing board - Bulletins published.

8           The state board of higher educationresearch university of North Dakota governing board  
9 shall provide at the university of North Dakota suitable means for experimentation and practical  
10 testing of the mineral and other allied resources of the state in order to demonstrate their fitness  
11 for mining and manufacturing industries.

12           **SECTION 15. AMENDMENT.** Section 15-11-22 of the North Dakota Century Code is  
13 amended and reenacted as follows:

14           **15-11-22. State university alumni building - Construction on campus - Power of state-**  
15 **board of higher education**research university of North Dakota governing board.

16           The alumni association of the university of North Dakota, a corporation, with the advice and  
17 consent of the state board of higher educationresearch university of North Dakota governing  
18 board, may select a space and plat of ground upon the campus of the university, not exceeding  
19 three hundred feet [91.44 meters] in length and one hundred fifty feet [45.72 meters] in width,  
20 for the purpose of erecting and maintaining ~~thereon~~ on the space an alumni building by the  
21 alumni association, to cost not less than seventy-five thousand dollars.

22           **SECTION 16. AMENDMENT.** Section 15-11-30 of the North Dakota Century Code is  
23 amended and reenacted as follows:

24           **15-11-30. Sale of university land to fraternal societies.**

25           The state board of higher educationresearch university of North Dakota governing board is  
26 hereby authorized to plat and replat, and after such platting, to sell and convey tracts of land  
27 lying within the east thirty-one acres [12.55 hectares] of the north half of the southwest quarter  
28 of section five in township one hundred fifty-one north, range fifty west of the fifth meridian, in  
29 Grand Forks County, North Dakota, of ~~such~~ a size as may in the judgment of ~~said~~ the governing  
30 board be for the best interests of the university, at ~~such prices as may be determined by said~~ the  
31 governing board to be adequate and proper in the light of the cost ~~thereof~~ of the land and of the

1 improvements provided, to fraternities, sororities, and institutional dormitory corporations for use  
2 solely and only as sites for fraternity houses, sorority houses, dormitories, and like buildings, for  
3 the housing of students and faculty of the university of North Dakota.

4 All ~~such~~ deeds of conveyance for conveyances under this section must contain a provision  
5 for the reversion of the title ~~thereto~~ to the land and improvements to the state of North Dakota  
6 should ~~said~~ the premises ever be used for purposes other than those ~~above provided~~ permitted  
7 under this section.

8 Conveyances of ~~said~~ property under this section must be executed in the name of the state  
9 of North Dakota by the governor and attested by the secretary of state, under the great seal of  
10 the state of North Dakota, upon resolution duly adopted by the ~~state board of higher-~~  
11 education ~~research university of North Dakota governing board~~ and filed with the secretary of  
12 state.

13 **SECTION 17. AMENDMENT.** Subsection 2 of section 15-11-35 of the North Dakota Century  
14 Code is amended and reenacted as follows:

15 2. The ~~state board of higher education~~ administrator shall appoint a director of the fetal  
16 alcohol syndrome program. The director shall prepare an annual report on the status  
17 of fetal alcohol syndrome in North Dakota.

18 **SECTION 18. AMENDMENT.** Section 15-12-10 of the North Dakota Century Code is  
19 amended and reenacted as follows:

20 **15-12-10. Experiment station - Administered by board - Purpose.**

21 The agricultural experiment station established in connection with the North Dakota state  
22 university of agriculture and applied science must be operated under the direction of the ~~state-~~  
23 board of higher education ~~North Dakota state~~ research university governing board for the  
24 purpose of conducting experiments in agriculture according to the provisions of section \_1 of the  
25 Act of Congress approved March 2, 1887, entitled "An act to establish agricultural experiment  
26 stations in connection with the colleges established in the several states under the provisions of  
27 an act approved July 2, 1862, and of the acts supplementary thereto".

28 **SECTION 19. AMENDMENT.** Section 15-12.1-01 of the North Dakota Century Code is  
29 amended and reenacted as follows:

30 **15-12.1-01. Definitions.**

31 In this chapter, unless the context otherwise requires:

- 1       1. "Agricultural experiment station" means the North Dakota state university main  
2       research center, the Dickinson research extension center, the Williston research  
3       extension center, the Langdon research extension center, the central grasslands  
4       research extension center, the Carrington research extension center, the Hettinger  
5       research extension center, the north central research extension center, the agronomy  
6       seed farm, and any other department or agency designated by the ~~state board of~~  
7       higher education North Dakota state research university governing board.  
8       2. "Center director" means the administrator in charge of a research or research  
9       extension center.  
10      3. "Station director" means the administrator of the agricultural experiment station.

11       **SECTION 20. AMENDMENT.** Section 15-12.1-02 of the North Dakota Century Code is  
12      amended and reenacted as follows:

13       **15-12.1-02. Agricultural experiment station.**

14       The state board of agricultural research and education and the president of North Dakota  
15      state university shall control and administer the North Dakota agricultural experiment station  
16      subject to the supervision of the ~~state board of higher education~~ North Dakota state research  
17      university governing board. Funds appropriated to the agricultural experiment station may not  
18      be commingled with funds appropriated to North Dakota state university. Appropriation requests  
19      to defray expenses of the agricultural experiment station must be separate from appropriation  
20      requests to defray expenses of North Dakota state university.

21       **SECTION 21. AMENDMENT.** Section 15-12.1-04 of the North Dakota Century Code is  
22      amended and reenacted as follows:

23       **15-12.1-04. Reports.**

24       Each center director shall submit an annual report to the station director. Each report must  
25      set forth in detail the investigations and experiments made during the preceding year,  
26      recommendations for the welfare of the center, the financial condition of the center, how all  
27      moneys have been expended during the preceding year, and the results of all experiments that  
28      have been completed during the preceding year. By September first of each year, the station  
29      director shall submit these reports, with a report of the North Dakota state university main  
30      research center, to the state board of agricultural research and education and the ~~state board of~~  
31      higher education North Dakota state research university governing board.

1       **SECTION 22. AMENDMENT.** Subsection 4 of section 15-12.1-14 of the North Dakota  
2 Century Code is amended and reenacted as follows:

3       4.   a.   At least ninety days before the term of a member appointed by the ag coalition  
4            expires, the ag coalition shall provide to the ~~state board of higher education~~North  
5            Dakota state university governing board a list of one or more names from which  
6            the ~~state board of higher education~~governing board shall appoint a successor.  
7            The ~~state board of higher education~~governing board shall ensure four out of the  
8            five seats are held by agricultural producers.

9       b.   At least ninety days before the term of a member appointed by the extension  
10          service's multicounty program units expires, the units through their advisory  
11          groups shall provide to the ~~state board of higher education~~North Dakota  
12          state research university governing board a list of one or more names from which  
13          the ~~state board of higher education~~governing board shall appoint a successor.  
14          The ~~state board of higher education~~governing board shall ensure four out of the  
15          five seats are held by agricultural producers.

16       **SECTION 23. AMENDMENT.** Section 15-12.1-17 of the North Dakota Century Code is  
17 amended and reenacted as follows:

18       **15-12.1-17. State board of agricultural research and education - Duties.**

19       Within the policies of the ~~state board of higher education~~North Dakota state research  
20 university governing board, the state board of agricultural research and education is responsible  
21 for budgeting and policymaking associated with the agricultural experiment station and the  
22 North Dakota state university extension service. The state board of agricultural research and  
23 education shall:

- 24       1.   Determine the causes of any adverse economic impacts on crops and livestock  
25            produced in this state;
- 26       2.   Develop ongoing strategies for the provision of research solutions and resources to  
27            negate adverse economic impacts on crops and livestock produced in this state;
- 28       3.   Develop proactive strategies for the extension service to fulfill the mission of improving  
29            the lives and livelihood of the citizens of North Dakota by providing research-based  
30            education;

- 1 4. Implement the strategies developed under subsections 2 and 3, subject to approval  
2 by the ~~state board of higher education~~ North Dakota state research university governing  
3 board;
- 4 5. Develop, with the agricultural experiment station and the North Dakota state university  
5 extension service, an annual budget for the operations of these entities;
- 6 6. Develop a biennial budget request based on its prioritized needs list and submit that  
7 request to the president of North Dakota state university and the ~~state board of higher-~~  
8 ~~education~~ North Dakota state research university governing board, and forward its  
9 prioritized needs list and request without modification to the office of management and  
10 budget and the appropriations committees of the legislative assembly;
- 11 7. Maximize the use of existing financial resources, equipment, and facilities to generate  
12 the greatest economic benefit from research and extension efforts and to promote  
13 efficiency;
- 14 8. Annually evaluate the results of research and extension activities and expenditures  
15 and report the findings to the legislative management and the ~~state board of higher-~~  
16 ~~education~~ North Dakota state research university governing board;
- 17 9. Advise the president of North Dakota state university regarding the recruitment,  
18 selection, and performance of the vice president of agricultural affairs, the extension  
19 service director, and the station director; and
- 20 10. Provide a status report to the budget section of the legislative management.

21 **SECTION 24. AMENDMENT.** Section 15-17-03 of the North Dakota Century Code is  
22 amended and reenacted as follows:

23 **15-17-03. Limitations on powers of institutional holding association.**

24 An institutional holding association is subject to the following limitations and restrictions:

- 25 1. Dormitories and their equipment and appurtenances must be erected and installed  
26 only according to plans and specifications ~~therefor~~ approved by the ~~state board of~~  
27 ~~higher education~~ governing board for the institution for which the dormitories and their  
28 equipment and appurtenances are erected and installed, and at a cost for site,  
29 building, and equipment to be fixed by the governing board within the maximum limit  
30 provided in this section.

- 1        2.    ~~Such dormitories~~A dormitory and their equipment and appurtenances for a state  
2        institution of higher education under this chapter must be owned, managed, operated,  
3        and conducted at all times by the association, its successors or assigns, solely for the  
4        educational purpose provided in this chapter in connection with ~~one of the state~~  
5        ~~educational institutions and must be~~institution of higher education; under the control  
6        and supervision of the ~~state board of higher education~~; governing board for the  
7        institution; and operated according to ~~such~~ rules and regulations, including rental  
8        charges, ~~as must be prescribed by the governing board, but such~~. The rental charges  
9        may not be less than an amount sufficient to pay the interest on the bonded  
10        indebtedness and the serial bonds of the association as they mature.
- 11       3.    An institutional holding association must be nonprofit sharing, ~~shall~~ and may not issue  
12       ~~no~~ corporate stock, ~~and no~~. A member of the association may not have or acquire any  
13       divisional or other share or interest in any ~~of its~~ property of the association.
- 14       4.    The income of ~~such an~~ association under this chapter must be applied only to the  
15       payment of its debts and operating expenses, including necessary repairs and upkeep  
16       of its properties.
- 17       5.    When all of the debts against any site, dormitory, and equipment are paid, all of the  
18       right, title, and interest of the association or its successors or assigns ~~therein~~ in the  
19       site, dormitory, and equipment terminates immediately, and the ~~same~~ becomes right,  
20       title, and interest become the property of and must be conveyed to the state.
- 21       6.    Any transfer or encumbrance of the property of an institutional holding association,  
22       except as permitted in this chapter, is prohibited and is null and void.
- 23       7.    The amount of money borrowed or debts contracted by an institutional holding  
24       association may not exceed the aggregate cost of the site, dormitory, and equipment  
25       as fixed by the ~~state board of higher education~~ governing board of the institution of  
26       higher education for which the dormitory and equipment were constructed, and the  
27       payment ~~thereof~~ of the debts may not extend over a period of more than fifty years.  
28       The terms and conditions of ~~such~~ loans or debts under the chapter, except as ~~herein~~  
29       provided in the chapter, must be fixed and approved by the governing board.

- 1           8. Dormitories must be erected only at the state educational institutions herein named of  
2           higher education in this subsection, and within the cost limits for site, building, and  
3           equipment herein specified in this subsection:
- 4           a. One at or near the university at a cost of not more than two hundred thousand  
5           dollars.
- 6           b. One at or near the North Dakota state university of agriculture and applied  
7           science at a cost of not more than two hundred thousand dollars.
- 8           c. One at or near each of the normal schools located at Valley City, Mayville, Minot,  
9           and Dickinson at a cost of not more than one hundred fifty thousand dollars.
- 10          d. One at or near the state school of science at Wahpeton at a cost of not more than  
11          one hundred thousand dollars.
- 12          e. One at or near Dakota college; at Bottineau at a cost of not more than fifty  
13          thousand dollars.
- 14          9. ~~No~~ A dormitory may not be erected upon the campus of any state educational-  
15          institution of higher education until a written permit ~~therefor~~ for the dormitory first is  
16          granted and issued to the association by the ~~state board of higher education~~ governing  
17          board for the institution at which the dormitory would be erected. ~~Such~~ The permit must  
18          describe the ground to be used and ~~must~~ provide that the dormitory to be erected  
19          ~~thereon~~ must be erected, owned, and operated only by the association, its successors  
20          and assigns. The association and its successors and assigns shall acquire no right,  
21          title, or interest in and to the campus site, the dormitory erected ~~thereon~~ on the  
22          campus, or the equipment ~~thereof~~ of the dormitory, except the right to operate the  
23          dormitory solely for the educational purposes, in the manner, and upon the terms and  
24          conditions provided in this chapter.

25           **SECTION 25. AMENDMENT.** Section 15-17-05 of the North Dakota Century Code is  
26           amended and reenacted as follows:

27           **15-17-05. ~~State board of higher~~ Higher education governing boards may lease or**  
28           **purchase dormitory - State to incur no liability.**

29           ~~The state board of~~ Each higher education governing board has the power, and the state  
30           ~~shall~~ may not incur ~~no any~~ liability ~~whatever~~ by reason of the exercise of the authority granted to  
31           ~~the~~ governing board of higher education ~~by~~ under this chapter:



- 1           1. To take all necessary and proper action and proceedings to carry out the terms and  
2           provisions of this chapter and to do and perform all of the acts and duties imposed  
3           upon said board.
- 4           2. To lease from an institutional holding association, its successors or assigns, the site,  
5           dormitory, and equipment, or any of them, for a term of not to exceed fifty years, to be  
6           used and operated by the board solely for educational purposes in connection with  
7           one of the ~~educational~~ institutions of higher education governed by the board  
8           enumerated in this chapter. ~~Such~~The lease must provide for the payment to ~~such~~the  
9           association, its successors or assigns, of a net cash annual rental of not more than  
10          fifteen percent of the cost of the site, dormitory, and equipment, but at least equal to  
11          an amount sufficient to pay the interest on the bonded indebtedness of the association  
12          and to retire its serial bonds as they mature. The annual rental ~~shall~~must be payable  
13          solely and exclusively out of the income derived from the operation of the dormitory.
- 14          3. To purchase from an institutional holding association, its successors or assigns, the  
15          site, dormitory, and equipment, or any of them, at a price not to exceed the cost of the  
16          same, to be used and operated by ~~said~~the governing board solely for educational  
17          purposes in connection with one of the ~~educational~~ institutions of higher education  
18          governed by the board enumerated in this chapter. ~~Such~~The purchase price ~~shall~~must  
19          be payable for not more than fifty years, in annual installments of not more than fifteen  
20          percent of the purchase price, at a rate of interest of not more than five percent per  
21          annum, payable semiannually, and ~~shall~~must be payable solely and exclusively out of  
22          the income derived from the operation of ~~such~~the dormitory.

23           **SECTION 26. AMENDMENT.** Section 15-18-06 of the North Dakota Century Code is  
24   amended and reenacted as follows:

25           **15-18-06. Proceeds of levy to be certified to special school district.**

26           The proceeds of any tax levy hereby authorized under this section must be certified  
27   quarterly to the clerk of any special school district which maintained a junior college or  
28   off-campus educational center pursuant to this chapter as it existed on June 30, 1984. The  
29   proceeds must be placed in a special junior college fund or an off-campus center fund and must  
30   be used to finance any residual or other fiscal obligations of the special school district under the

1 terms of an agreement between the district and a higher education governing board, institution  
2 of higher education, or the state board of higher education, its successors or assigns.

3 **SECTION 27. AMENDMENT.** Section 15-18.1-01 of the North Dakota Century Code is  
4 amended and reenacted as follows:

5 **15-18.1-01. Definitions.**

6 As used in this chapter:

- 7 1. "Authorization to operate" or like term means approval of the ~~board~~office to operate or  
8 to contract to operate a postsecondary educational institution in this state.
- 9 2. ~~"Board" means the state board of higher education.~~
- 10 3. "Education" or "educational services" or like term includes any class, course, or  
11 program of training, instruction, or study.
- 12 4.3. "Educational credentials" means degrees, diplomas, certificates, transcripts, reports,  
13 documents, or letters of designation, marks, appellations, series of letters, numbers, or  
14 words which signify, purport, or are generally taken to signify enrollment, attendance,  
15 progress, or satisfactory completion of the requirements or prerequisites for education  
16 at a postsecondary educational institution operating in this state.
- 17 5.4. "Office" means office of higher education.
- 18 5. "Postsecondary educational institution" means an academic, technical, home study,  
19 business, professional or other school, college, or university, or other person,  
20 operating in this state, offering educational credentials or offering instruction or  
21 educational services, primarily to any individual who has completed or terminated  
22 secondary education or who is beyond the age of compulsory high school attendance,  
23 for attainment of educational, or professional objectives at the associate in arts level or  
24 higher.
- 25 6. "To grant" includes awarding, selling, conferring, bestowing, or giving.
- 26 7. "To offer" includes, in addition to its usual meanings, advertising, publicizing, soliciting,  
27 or encouraging any individual, directly or indirectly, in any form, to perform the act  
28 described.
- 29 8. "To operate" an educational institution, or like term, means to establish, keep, or  
30 maintain any facility or location in this state where, from, or through which, education

1 is offered or given, or educational credentials are offered or granted, and includes  
2 contracting with any person to perform any such act.

3 **SECTION 28. AMENDMENT.** Section 15-18.1-02 of the North Dakota Century Code is  
4 amended and reenacted as follows:

5 **15-18.1-02. Exemptions.**

6 The following education and educational schools or institutions are exempted from the  
7 provisions of this chapter:

- 8 1. Education sponsored by a bona fide trade, business, professional, or fraternal  
9 organization, so recognized by the ~~board~~office, solely for that organization's  
10 membership, or offered on a no-fee basis.
- 11 2. Education offered by charitable institutions, organizations, or agencies, so recognized  
12 by the ~~board~~office, provided the education is not advertised or promoted as leading  
13 toward educational credentials.
- 14 3. Postsecondary educational institutions established, operated, and governed by this or  
15 any other state or its political subdivisions, as determined by the ~~board~~office and any  
16 educational consortium that includes one or more of the institutions.
- 17 4. Private four-year institutions chartered or incorporated and operating in the state prior  
18 to July 1, 1977, so long as the institutions retain accreditation by national or regional  
19 accrediting agencies recognized by the United States office of education.
- 20 5. Schools of nursing regulated under chapter 43-12.1.
- 21 6. Native American colleges operating in this state, established by federally recognized  
22 Indian tribes.
- 23 7. Postsecondary educational institutions not operating in this state.
- 24 8. Institutions whose only physical presence in this state consists of students enrolled in  
25 practicums, internships, clinicals, or student teaching in this state.
- 26 9. Postsecondary career schools regulated under chapter 15-20.4.

27 **SECTION 29. AMENDMENT.** Section 15-18.1-03 of the North Dakota Century Code is  
28 amended and reenacted as follows:

29 **15-18.1-03. Voluntary application for authorization to operate.**

30 Although a postsecondary educational institution not operating in this state is exempt from  
31 this chapter by section 15-18.1-02, the institution may subject itself to the requirements of this

1 chapter by applying for and being awarded an authorization to operate by the ~~board~~office. An  
2 authorization to operate, as applied to a postsecondary educational institution not operating in  
3 this state, means approval of the ~~board~~office to offer to students in this state educational  
4 services leading to educational credentials.

5 **SECTION 30. AMENDMENT.** Section 15-18.1-04 of the North Dakota Century Code is  
6 amended and reenacted as follows:

7 **15-18.1-04. BoardOffice powers and duties.**

8 The ~~board~~office shall:

- 9 1. Establish and require compliance with minimum standards and criteria for  
10 postsecondary educational institutions under this chapter. The standards and criteria  
11 must include quality of education, ethical and business practices, health and safety  
12 and fiscal responsibility, which applicants for authorization to operate shall meet:
  - 13 a. Before such authorization may be issued; and
  - 14 b. To continue such authorization in effect.
- 15 2. Prescribe forms and conditions for, receive, investigate as it may deem necessary, and  
16 act upon applications for authorization to operate postsecondary educational  
17 institutions.
- 18 3. Maintain a list of postsecondary educational institutions authorized to operate in this  
19 state.
- 20 4. Consider entering interstate reciprocity agreements with similar agencies in other  
21 states.
- 22 5. Receive and maintain in a permanent file, copies of academic records specified by the  
23 ~~board~~office in the event any postsecondary educational institution required to have an  
24 authorization to operate under this chapter proposes to discontinue its operation.
- 25 6. Adopt policies for the conduct of its work and the implementation of this chapter.
- 26 7. Adopt policies to investigate on its own initiative or in response to any complaint  
27 lodged with it, any person subject to, or reasonably believed by the board to be subject  
28 to, the jurisdiction of this chapter. The ~~board~~office may, after hearing, revoke or  
29 suspend authorizations to operate.
- 30 8. Require fees or bonds from postsecondary educational institutions in ~~such~~ sums and  
31 under ~~such~~ conditions as it may establish.

1       9. Apply fees received under this chapter to implement and manage its duties under this  
2           chapter.

3       10. Take any action necessary to carry out the provisions of this chapter.

4       **SECTION 31. AMENDMENT.** Section 15-18.1-05 of the North Dakota Century Code is  
5 amended and reenacted as follows:

6       **15-18.1-05. Minimum standards.**

7       All postsecondary educational institutions must be accredited by national or regional  
8 accrediting agencies recognized by the United States department of education. The ~~board~~office  
9 may additionally require such further evidence and make such further investigation as in its  
10 judgment may be necessary. Any postsecondary educational institution operating in this state  
11 seeking its first authorization to operate may be issued a provisional authorization to operate on  
12 an annual basis until the institution becomes eligible for accreditation by a recognized  
13 accrediting agency. Institutions issued a provisional authorization to operate must demonstrate  
14 a substantial good-faith showing of progress toward such status. Only upon accreditation may  
15 an institution become eligible for a regular authorization to operate. An institution shall give  
16 written notification to the ~~board~~office within thirty days of any change to the institution's  
17 accreditation status.

18       **SECTION 32. AMENDMENT.** Section 15-18.1-06 of the North Dakota Century Code is  
19 amended and reenacted as follows:

20       **15-18.1-06. Prohibition - Penalty.**

21       1. A person may not:

22           a. Operate, in this state, a postsecondary educational institution not exempted from  
23 the provisions of this chapter, unless the institution has a currently valid  
24 authorization to operate issued under this chapter.

25           b. Instruct or educate, or offer to instruct or educate, including advertising or  
26 soliciting for ~~such purpose~~instructing or educating, enroll or offer to enroll,  
27 contract or offer to contract with any person for ~~such purpose~~instructing or  
28 educating, or award any educational credential, or contract with any institution or  
29 party to perform any ~~such act of the acts in this subdivision~~, at a facility or location  
30 in this state unless ~~such~~the person, ~~group, or entity~~ observes and is in

- 1 compliance with the minimum standards and criteria established by the  
2 boardoffice and the policies adopted by the boardoffice.
- 3 c. Use the term "university", "institute", or "college" without authorization to do so  
4 from the boardoffice.
- 5 d. Grant, or offer to grant, educational credentials, without authorization to do so  
6 from the boardoffice.
- 7 2. A person who violates this section, or who fails or refuses to deposit with the  
8 boardoffice the records required by the boardoffice under this chapter, is subject to a  
9 civil penalty not to exceed one hundred dollars for each violation. Each day's failure to  
10 comply with these provisions is a separate violation. The fine may be imposed by the  
11 board in an administrative proceeding or by any court of competent jurisdiction.
- 12 3. A person who willfully violates this section, or who willfully fails or refuses to deposit  
13 with the boardoffice the records required by the boardoffice under this chapter, is guilty  
14 of a class B misdemeanor. The criminal sanctions may be imposed by a court of  
15 competent jurisdiction in an action brought by the attorney general of this state or a  
16 state's attorney pursuant to section 15-18.1-12.

17 **SECTION 33. AMENDMENT.** Section 15-18.1-07 of the North Dakota Century Code is  
18 amended and reenacted as follows:

19 **15-18.1-07. Refund of tuition fees.**

20 Postsecondary educational institutions shall refund tuition and other charges, other than a  
21 reasonable application fee, in accordance with the schedule determined by the boardoffice.

22 **SECTION 34. AMENDMENT.** Section 15-18.1-10 of the North Dakota Century Code is  
23 amended and reenacted as follows:

24 **15-18.1-10. BoardOffice review.**

25 A person aggrieved by a decision of the boardoffice respecting denial or revocation of an  
26 authorization to operate, or the placing of conditions ~~thereon~~ on an authorization to operate,  
27 whether on initial application or on application for renewal may appeal to the boardoffice in the  
28 manner provided by the boardoffice.

29 **SECTION 35. AMENDMENT.** Section 15-18.1-12 of the North Dakota Century Code is  
30 amended and reenacted as follows:

1       **15-18.1-12. Enforcement - Injunction.**

- 2       1. The attorney general of this state, or the state's attorney of any county in which a  
3       postsecondary educational institution is found, at the request of the ~~board~~office or on  
4       the attorney general's own motion, may bring any appropriate action or proceeding,  
5       including injunctive proceedings or criminal proceedings, in any court of competent  
6       jurisdiction for the enforcement of the provisions of this chapter.
- 7       2. Whenever it appears to the ~~board~~office a person is about to, or has been violating  
8       any of the ~~provisions of~~ this chapter or any policies or orders of the ~~board~~office, the  
9       ~~board~~office may file, on its own motion or on the written complaint of any individual, ~~file~~  
10      a petition for injunction in the name of the ~~board~~office in any court in this state against  
11      ~~at~~ the person, ~~for the purpose of enjoining such~~ to enjoin the violation or for an order  
12      directing compliance with this chapter, and any policies or orders issued by the  
13      ~~board~~office. ~~It is not necessary that the board~~The office need not allege or prove that it  
14      has no adequate remedy at law. The right of injunction provided in this section is in  
15      addition to any other legal remedy ~~which the board~~the office has, and is in addition to  
16      any right of criminal prosecution provided by law; provided, however, the ~~board~~office  
17      may not obtain a temporary restraining order without notice to the person affected.

18      **SECTION 36. AMENDMENT.** Subsection 4 of section 15-18.1-13 of the North Dakota  
19      Century Code are amended and reenacted as follows:

- 20      4. As used in this section, "duly authorized institution of higher learning" means an  
21      institution that:
- 22      a. Has accreditation recognized by the United States secretary of education or has  
23      the foreign equivalent of such accreditation;
  - 24      b. Has an authorization to operate under this chapter or under chapter 15-20.4;
  - 25      c. Operates in this state, and is exempt from this chapter under section 15-18.1-02  
26      or is exempt from chapter 15-20.4 under section 15-20.4-02;
  - 27      d. Does not operate in this state and is:
    - 28      (1) Licensed by the appropriate state agency; and
    - 29      (2) An active applicant for accreditation by an accrediting body recognized by  
30      the United States secretary of education; or

- 1           e. Has been found by the ~~state board of higher education~~office of higher education  
2           or the state board for career and technical education to meet standards of  
3           academic quality comparable to those of an institution located in the United  
4           States that has accreditation recognized by the United States secretary of  
5           education to offer degrees of the type and level claimed.

6           **SECTION 37. AMENDMENT.** Section 15-18.1-15 of the North Dakota Century Code is  
7 amended and reenacted as follows:

8           **15-18.1-15. Consumer protection - False academic degrees.**

9           The ~~North Dakota university system~~office of higher education, in collaboration with the state  
10 board for career and technical education, shall provide information via internet websites to  
11 protect students, businesses, and others from persons that issue, manufacture, or use false  
12 academic degrees.

13           **SECTION 38. AMENDMENT.** Subsection 2 of section 15-18.1-16 of the North Dakota  
14 Century Code is amended and reenacted as follows:

15           2. As used in this section:

- 16           a. "Accreditation mill" means an accrediting entity that is not recognized by the  
17           United States department of education, the ~~state board of higher education~~office  
18           of higher education, or the state board for career and technical education.  
19           b. "Operate" includes to use an address, telephone number, facsimile number, or  
20           other contact point located in North Dakota.

21           **SECTION 39. AMENDMENT.** Section 15-18.2-01 of the North Dakota Century Code is  
22 amended and reenacted as follows:

23           **15-18.2-01. Credit-hours - Determination.**

- 24           1. For each institution under its control, ~~the state board of a~~ higher education governing  
25           board shall determine the number of credit-hours completed by students during the  
26           two-year period ending June thirtieth of each odd-numbered year.  
27           2. For purposes of this section, a completed credit-hour is one for which a student met all  
28           institutional requirements and obtained a passing grade.

29           **SECTION 40. AMENDMENT.** Section 15-18.2-02 of the North Dakota Century Code is  
30 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~~To determine the weighted credit-hours for each institution under its control,  
4 ~~the state board of a~~ higher education governing board shall multiply each of an  
5 institution's completed credit-hours, as determined under section 15-18.2-01, by an  
6 instructional program 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 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 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~~ a higher education governing board shall ensure that all
- 30               delineations in this section reflect the requirements of a nationally recognized and
- 31               standardized instructional program classification system.

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

5           **SECTION 41. AMENDMENT.** Section 15-18.2-03 of the North Dakota Century Code is  
6 amended and reenacted as follows:

7           **15-18.2-03. Credit completion factor - Determination.**

- 8           1. Except as provided in subsections 2 and 3 of this section, for each institution under its  
9           control, ~~the state board of a~~ higher education governing board shall multiply the  
10          product determined under section 15-18.2-02 by a factor of:
- 11          a. 1.00 if the number of credit-hours is at least 240,000;
  - 12          b. 1.05 if the number of credit-hours is at least 180,000 but less than 240,000;
  - 13          c. 1.10 if the number of credit-hours is at least 120,000 but less than 180,000;
  - 14          d. 1.15 if the number of credit-hours is at least 90,000 but less than 120,000;
  - 15          e. 1.20 if the number of credit-hours is at least 80,000 but less than 90,000;
  - 16          f. 1.30 if the number of credit-hours is at least 70,000 but less than 80,000;
  - 17          g. 1.40 if the number of credit-hours is at least 60,000 but less than 70,000;
  - 18          h. 1.50 if the number of credit-hours is at least 50,000 but less than 60,000;
  - 19          i. 1.60 if the number of credit-hours is at least 40,000 but less than 50,000;
  - 20          j. 1.70 if the number of credit-hours is at least 30,000 but less than 40,000; and
  - 21          k. 1.80 if the number of credit-hours is less than 30,000.
- 22          2. If the square footage of an institution, when divided by the institution's weighted credit-  
23          hours results in a quotient greater than 5.00, the ~~state board of~~ higher education  
24          governing board for the institution shall multiply the product determined under section  
25          15-18.2-02 by a factor of 1.00. For purposes of this subsection, the square footage of  
26          an institution includes real property as determined by the ~~state board of~~ higher  
27          education governing board in accordance with section 15-18.2-04.
- 28          3. If the number of credit-hours completed by an institution causes a decrease in the  
29          credit completion factor for that institution, the new credit completion factor shall not be  
30          in effect for calculation purposes for the first two fiscal years following the change.

- 1           4. For purposes of this section, the number of credit-hours must be those determined by  
2           the ~~state board of~~ higher education governing board for the institution in accordance  
3           with section 15-18.2-01.

4           **SECTION 42. AMENDMENT.** Subsection 1 of section 15-18.2-04 of the North Dakota  
5 Century Code is amended and reenacted as follows:

- 6           1. For each institution under its control, ~~the state board of a~~ higher education governing  
7           board shall multiply the product determined under section 15-18.2-03 by a size factor  
8           of:

9           a. 1.0 if the square footage of the institution, when divided by the institution's  
10           weighted credit-hours results in a quotient of less than 5.00; or

11           b. 1.7 if the square footage of the institution, when divided by the institution's  
12           weighted credit-hours results in a quotient of 5.00 or more.

13           **SECTION 43. AMENDMENT.** Section 15-18.2-05 of the North Dakota Century Code is  
14 amended and reenacted as follows:

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

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

20           a. \$58.65 in the case of North Dakota state university and the university of North  
21           Dakota;

22           b. \$86.95 in the case of Dickinson state university, Mayville state university, Minot  
23           state university, and Valley City state university; and

24           c. \$93.03 in the case of Bismarck state college, Dakota college at Bottineau, Lake  
25           Region state college, North Dakota state college of science, and Williston state  
26           college.

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

30           **SECTION 44. AMENDMENT.** Section 15-20.1-02 of the North Dakota Century Code is  
31 amended and reenacted as follows:

1           **15-20.1-02. State board for career and technical education - Director of career and**  
2 **technical education - Appointment, qualifications, assistants, duties.**

3           The state board for career and technical education consists of the members of the state  
4 board of public school education, the executive director of job service North Dakota, and the  
5 ~~commissioner of higher education~~ administrator or the ~~commissioner's~~administrator's designee.  
6 The state board shall oversee the department and appoint a director and executive officer of  
7 career and technical education who are charged with the administration, under the direction and  
8 supervision of the board, of the provisions of this chapter relating to career and technical  
9 education. The state board shall designate such assistants to the director as may be necessary  
10 to carry out the provisions of this chapter. The duties, terms of office, and compensation of the  
11 director and of the director's assistants must be determined by the state board. The director  
12 shall hold as a minimum a baccalaureate degree received from a recognized college or  
13 university. The director shall enforce ~~such~~the rules and regulations as the state board ~~may~~  
14 ~~adopt~~adopts and shall prepare ~~such~~ reports concerning career and technical education as the  
15 state board ~~may require~~requires.

16           **SECTION 45. AMENDMENT.** Subdivision d of subsection 12 of section 15-39.1-04 of the  
17 North Dakota Century Code is amended and reenacted as follows:

18           d. Employees of institutions under the control ~~and administration of the state board~~  
19           of a higher education governing board who are members of the fund on July 16,  
20           1989.

21           **SECTION 46. AMENDMENT.** Section 15-39.1-25 of the North Dakota Century Code is  
22 amended and reenacted as follows:

23           **15-39.1-25. Certain rights and obligations fixed.**

24           Except as otherwise provided in chapter 15-39.2, the laws pertaining to the teachers' fund  
25 for retirement, as contained in chapter 15-39.1, apply to teachers, superintendents, assistant  
26 superintendents, principals, assistant principals, special teachers, supervisors of instruction and  
27 other supervisors, presidents, deans, school librarians, and registrars employed by any state  
28 institution under the ~~supervision and control of the state board of~~ a higher education governing  
29 board and the ~~commissioner's~~office of higher education, only in the form and substance as  
30 chapter 15-39 existed as of July 1, 1967, and all such persons have only ~~such~~the rights,  
31 benefits, and privileges as provided in chapter 15-39 as it existed on July 1, 1967. ~~Such~~The

1 persons are responsible or liable for only those costs or assessments provided for in chapter  
2 15-39 as such laws and chapter existed on July 1, 1967. ~~The state board of~~ a higher education  
3 governing board or any institution under the ~~supervision or control of the state board of~~ a higher  
4 education governing board is not liable for any costs, assessments, or payments under the  
5 provisions of chapter 15-39 in excess of that provided or required under the provisions of  
6 chapter 15-39 as ~~such~~ the laws and chapter existed on July 1, 1967. It is ~~hereby declared to be~~  
7 the intent of the legislative assembly to freeze the rights, benefits, privileges, assessments,  
8 payments, and obligations of the persons, offices, and institutions specified in this section to  
9 those rights, benefits, privileges, assessments, payments, and obligations as they existed under  
10 the provisions of chapter 15-39 as ~~such~~ the laws and chapter existed in form and substance as  
11 of July 1, 1967, and that all legislative enactments subsequent to ~~such~~ that date do not affect or  
12 apply to those persons, offices, and institutions specified in this section or their rights, benefits,  
13 privileges, assessments, payments, and obligations as fixed by this section.

14 **SECTION 47. AMENDMENT.** Section 15-39.2-01 of the North Dakota Century Code is  
15 amended and reenacted as follows:

16 **15-39.2-01. Retired teachers - Election of coverage - Eligibility - Limitation.**

17 Notwithstanding the provisions of chapter 15-39.1, any person who retired from teaching  
18 under the teachers' insurance and retirement fund prior to July 1, 1971, who had ten or more  
19 years of teaching credit under that program is entitled to elect to qualify for benefits under the  
20 teachers' fund for retirement by complying with the provisions of this chapter. A college teacher  
21 who retired from teaching after July 1, 1971, ~~may~~, notwithstanding the provisions of section  
22 15-39.1-25, may elect to receive benefits in accordance with chapter 15-39.1 and section  
23 15-39.2-05. The amount of monthly benefits to which an annuitant electing to come under the  
24 1971 law is entitled until death is equal to one and one-half percent of the monthly salary of the  
25 annuitant for the last school year for each year of service of that annuitant. Monthly salary within  
26 the meaning of this provision is deemed to be an amount equal to one-twelfth of the annual  
27 salary of the teacher. If for any reason the earnings of the teacher for the last year of teaching  
28 are shown to have been nonrepresentative of the teacher's typical earnings, the board shall  
29 readjust the credit to be allowed for past years of service to the last year of typical earnings. As  
30 used in this section, "college teacher" means a retired teacher who is entitled to receive an  
31 annuity through the teachers' insurance and annuity association of America - college retirement

1 equities fund (TIAA-CREF) as a result of having participated in the North Dakota state-  
2 ~~board~~office of higher education TIAA-CREF retirement plan for North Dakota state institutions of  
3 higher education.

4 **SECTION 48. AMENDMENT.** Section 15-39.2-01.1 of the North Dakota Century Code is  
5 amended and reenacted as follows:

6 **15-39.2-01.1. Retired teachers - Minimum benefits.**

7 Any teacher who was sixty-five years of age at retirement and who is eligible to receive or  
8 who is receiving benefits under former chapter 15-39 may receive benefits which are not less  
9 than:

10 1. ~~Six~~ six dollars per month per year of teaching to twenty-five years-

11 2. ~~Seven~~ seven dollars and fifty cents per month per year of teaching over twenty-five  
12 years.

13 Teachers, superintendents, assistant superintendents, principals, assistant principals,  
14 special teachers, supervisors of instruction and other supervisors, presidents, deans, school  
15 librarians, and registrars employed by any state institution ~~under the supervision and control of~~  
16 ~~the state board~~ of higher education and any person employed in teaching as lay faculty in a  
17 nonpublic school are not eligible for the minimum benefits provided by this section. As used in  
18 this section, the term "lay faculty" means any person who teaches elementary or high school  
19 students in a nonpublic school, and is neither a member of an ecclesiastical order or religious  
20 house, nor an ordained member of the clergy.

21 A teacher who retired at any time prior to sixty-five years of age is entitled to benefits not  
22 less than the minimum benefits established by this section reduced to the actuarial equivalent of  
23 the benefit credits earned to the date of early retirement.

24 **SECTION 49. AMENDMENT.** Section 15-39.2-04.1 of the North Dakota Century Code is  
25 amended and reenacted as follows:

26 **15-39.2-04.1. Beneficiaries of deceased college teachers.**

27 If a college teacher who is eligible to make the election provided by this chapter dies prior to  
28 receiving an annuity, the college teacher's designated beneficiary may elect to receive a  
29 monthly annuity computed according to the provisions of this chapter in a manner which the  
30 deceased teacher's annuity would have been computed if the deceased teacher had lived,  
31 made ~~such an~~the election, and selected option one as outlined in section 15-39.1-16. The

1 designated beneficiary of a college teacher who exercised the election in section  
2 ~~15-10-17~~15-10.5-30 is not eligible for benefits provided in this section.

3 **SECTION 50. AMENDMENT.** Section 15-39.2-05 of the North Dakota Century Code is  
4 amended and reenacted as follows:

5 **15-39.2-05. Benefits payable - Calculation.**

6 A retired teacher who makes the election authorized under section 15-39.2-01 shall receive  
7 from the teachers' fund for retirement a benefit amount equal to the difference between the  
8 benefit payable under the single life annuity option to which that teacher would otherwise be  
9 entitled under the teachers' fund for retirement and an income offset. The income offset is equal  
10 to the single life annuity income, as of the first day of the month coinciding with or next following  
11 a teacher's retirement date under the teachers' fund for retirement based on accumulations  
12 attributed to employee and employer contributions under the TIAA-CREF retirement plan  
13 adopted by the state board of higher education for North Dakota institutions of higher education  
14 and assuming that all such ~~the~~ contributions were paid to TIAA.

15 A retired teacher who made the election authorized under section 15-39.2-01 prior to May 1,  
16 1979, shall have a TIAA-CREF income offset which will be fixed at the value of the May 1, 1979,  
17 TIAA-CREF income offset as calculated in accordance with this section prior to its being  
18 amended.

19 No payment may be made from the teachers' fund for retirement to a retired teacher  
20 affected by this section unless the board of trustees of the teachers' fund for retirement, or its  
21 agent, has received notice of the amount of the teacher's income offset from TIAA-CREF.

22 **SECTION 51. AMENDMENT.** Section 15-52-02 of the North Dakota Century Code is  
23 amended and reenacted as follows:

24 **15-52-02. Control and operation.**

25 The control and operation of the university of North Dakota school of medicine and health  
26 sciences is the duty and responsibility of the administrative authorities of the university of North  
27 Dakota and its medical school under the policies of the ~~state board of higher education~~ research  
28 university of North Dakota governing board or its successor in authority.

29 **SECTION 52. AMENDMENT.** Subdivision b of subsection 2 of section 15-52-03 of the North  
30 Dakota Century Code is amended and reenacted as follows:

31 b. One member selected by each of the following:



- 1 (1) The department of human services;
- 2 (2) The ~~state board of higher education~~ research university of North Dakota  
3 governing board;
- 4 (3) The state department of health;
- 5 (4) The North Dakota medical association;
- 6 (5) The North Dakota hospital association;
- 7 (6) The veterans administration hospital in Fargo;
- 8 (7) The North Dakota center for nursing; and
- 9 (8) The university of North Dakota center for rural health; and

10 **SECTION 53. AMENDMENT.** Section 15-52-05 of the North Dakota Century Code is  
11 amended and reenacted as follows:

12 **15-52-05. Facilities.**

13 The university authorities shall make the facilities of the university of North Dakota school of  
14 medicine and health sciences available to all agencies of the state, federal, and local  
15 governments engaged in health and welfare activities to the fullest extent possible within the  
16 limits of a complete and coordinated program for the use ~~thereof~~ of the facilities on terms  
17 commensurate with the cost of services rendered and facilities furnished. The work of the  
18 school of medicine and health sciences must be coordinated with the work of the other  
19 departments of the university of North Dakota. Means must be provided ~~whereby~~ for regularly  
20 enrolled students in other schools or departments of the university of North Dakota may enroll,  
21 upon approval of the dean of ~~such~~ the other school or department, ~~enroll~~ in elective courses in  
22 the medical school and receive credit ~~therefor~~ for the courses in the school or department in  
23 which they are regularly enrolled, subject to ~~such~~ any policy and procedures ~~as may be~~  
24 ~~established by the university of North Dakota and the state board of higher education~~ research  
25 university of North Dakota governing board may establish. Medical students may enroll in other  
26 departments and schools. ~~Such action must be taken as may serve to~~ The university of North  
27 Dakota and the research university of North Dakota governing board shall make both the school  
28 of medicine and health sciences and the other departments and schools of the university of  
29 North Dakota more efficient and responsive to needs of the people through the mutual  
30 interchange of facilities, and service, wherever possible.

1       **SECTION 54. AMENDMENT.** Section 15-52-10 of the North Dakota Century Code is  
2 amended and reenacted as follows:

3       **15-52-10. School of medicine and health sciences revolving loan fund.**

4       The school of medicine and health sciences loan fund must be administered as a revolving  
5 loan fund by the university of North Dakota under the direction and control of the ~~state board of~~  
6 ~~higher education~~ research university of North Dakota governing board. As used in this chapter,  
7 the word "university" means the university of North Dakota ~~under the direction and control of the~~  
8 ~~state board of higher education~~. All moneys transferred into the fund, interest upon moneys in  
9 the fund, and payments to the fund of principal and interest on loans made from the fund are  
10 appropriated for the purpose of providing loans to qualified applicants.

11       **SECTION 55. AMENDMENT.** Subsection 1 of section 15-52-16 of the North Dakota  
12 Century Code is amended and reenacted as follows:

- 13       1. Meets the criteria as a resident for tuition purposes as defined by section  
14       ~~15-10-19.1~~ 15-10.5-37; and

15       **SECTION 56. AMENDMENT.** Section 15-52-25 of the North Dakota Century Code is  
16 amended and reenacted as follows:

17       **15-52-25. Deposit and payment of funds.**

18       All funds made available to the university pursuant to the provisions of this chapter are to be  
19 deposited by it and are to be paid out only upon vouchers signed by the official properly  
20 designated by the ~~state board of higher education~~ research university of North Dakota governing  
21 board.

22       **SECTION 57. AMENDMENT.** Section 15-52-26 of the North Dakota Century Code is  
23 amended and reenacted as follows:

24       **15-52-26. Availability of funds.**

25       ~~The state board of higher education is hereby directed and authorized to~~ research university  
26 of North Dakota governing board shall make available to the university, from the portion of the  
27 proceeds of the one-mill levy provided by section 10 of article X of the Constitution of North  
28 Dakota as the ~~state~~ governing board of ~~higher education~~ shall have retained in its possession  
29 pursuant to the provisions of section 15-52-09, ~~such~~ the funds as may be required for the  
30 operation of the school of medicine and health sciences revolving loan fund, but not in excess  
31 of one hundred thousand dollars in any one year.

1       **SECTION 58. AMENDMENT.** Section 15-52-28 of the North Dakota Century Code is  
2 amended and reenacted as follows:

3       **15-52-28. Biennial report.**

4       ~~The state board of higher education~~ research university of North Dakota governing board  
5 may submit a biennial report to the governor and the secretary of state in accordance with  
6 section 54-06-04.

7       **SECTION 59. AMENDMENT.** Section 15-52-29 of the North Dakota Century Code is  
8 amended and reenacted as follows:

9       **15-52-29. Training of psychiatric personnel.**

10       The university of North Dakota school of medicine and health sciences, under the policies  
11 of the ~~state board of higher education~~ research university of North Dakota governing board, shall  
12 provide or encourage means for providing for the training of such psychiatrists and other  
13 psychiatric personnel as ~~may be~~ necessary to properly staff state institutions and agencies  
14 providing services in the field of mental health. The school of medicine and health sciences may  
15 execute contracts with any suitable public or private agency providing ~~such~~ the training services  
16 and facilities and to pay for ~~such~~ the services from funds of the school of medicine and health  
17 sciences as provided in section 15-52-09.

18       **SECTION 60. AMENDMENT.** Section 15-52-30 of the North Dakota Century Code is  
19 amended and reenacted as follows:

20       **15-52-30. Contracts or agreements authorized - Legislative intent.**

- 21       1.   ~~The state board of higher education is authorized to~~ research university of North  
22       Dakota governing board may enter ~~into~~ contracts or agreements, both interstate and  
23       intrastate, to provide medical education opportunities. ~~These~~ The contracts and  
24       agreements must be made within the limits of available legislative appropriation and  
25       may be for ~~such~~ periods of time as the ~~state board of higher education~~ governing board  
26       deems necessary.
- 27       2.   It is the intent of the legislative assembly that the state of North Dakota, through its  
28       ~~state board of higher education~~ the research university of North Dakota governing  
29       board, provide for a comprehensive program of medical education leading to a doctor  
30       of medicine degree.

1       **SECTION 61. AMENDMENT.** Section 15-52-31 of the North Dakota Century Code is  
2 amended and reenacted as follows:

3       **15-52-31. Admission of students - Qualifications.**

4       The faculty of the school of medicine and health sciences at the university of North Dakota  
5 may adopt, with the advice of the school of medicine and health sciences advisory council and  
6 ~~with the approval of the state board of higher education~~ research university of North Dakota  
7 governing board, and in accordance with applicable accreditation requirements as specified by  
8 the liaison committee on medical education, ~~adopt such~~ rules and regulations governing the  
9 education and residency qualifications of applicants for admission to the school of medicine and  
10 health sciences as it deems necessary and proper to carry out its purpose ~~as provided in~~ under  
11 section 15-52-01.

12       **SECTION 62. AMENDMENT.** Section 15-55-01 of the North Dakota Century Code is  
13 amended and reenacted as follows:

14       **15-55-01. Portions of campuses set aside for authorized revenue-producing buildings**  
15 **or other revenue-producing campus improvements.**

16       Subject to and in accordance with the terms of this chapter, ~~the state board of each~~ higher  
17 education governing board, for and on behalf of the institutions under its supervision and  
18 control, ~~from time to time~~, may set aside ~~such~~ portions of the respective campuses of ~~said~~ the  
19 institutions as may be necessary and suitable for the construction ~~thereon~~ of such  
20 revenue-producing buildings or other revenue-producing campus improvements ~~as, from time to~~  
21 ~~time~~, may be authorized by the legislative assembly, ~~and~~ including additions to existing  
22 buildings or other campus improvements used for ~~such~~ revenue-producing purposes, ~~and~~. Each  
23 governing board also may construct ~~such~~ campus improvements and buildings or additions  
24 ~~thereon~~ on the portions of the campus set aside, and may equip, furnish, maintain, and operate  
25 ~~such~~ the buildings and other campus improvements.

26       **SECTION 63. AMENDMENT.** Section 15-55-02 of the North Dakota Century Code is  
27 amended and reenacted as follows:

28       **15-55-02. Board Governing boards may borrow money and issue bonds - Conditions -**  
29 **Bonds tax free.**

30       ~~For the purpose of paying~~ To pay all or part of, ~~but not to exceed~~, the cost of construction,  
31 equipment, and furnishing of any ~~such~~ buildings or any addition to existing buildings, or other

1 campus improvements under this chapter, or in order to refund any outstanding bonds or interim  
2 financing issued for ~~such~~that purpose, ~~the state board of a~~ higher education governing board  
3 may borrow money on the credit of the income and revenue to be derived from the operation of  
4 the ~~said~~ building or buildings or other campus improvements, and, in anticipation of ~~such~~  
5 collections of ~~such~~the income and revenues, may issue negotiable bonds in ~~such~~ an amount  
6 ~~as~~that, in the opinion of the board, may be necessary for ~~such~~those purposes, all within the  
7 limits of the authority granted by the legislative assembly in ~~each instance~~, and may provide for  
8 the payment of ~~such~~the bonds and the rights of the bond holders thereof as provided in this  
9 chapter. The bonds may bear ~~such~~ the date ~~or dates~~; mature at ~~such~~the time ~~or times~~ not  
10 exceeding fifty years from their date; be in ~~such~~the denomination ~~or denominations~~; be in  
11 ~~such~~the form, either coupon or registered; carry ~~such~~the registration and conversion privileges;  
12 be executed in ~~such~~the manner; be payable in ~~such~~the medium of payment at ~~such~~the place ~~or~~  
13 ~~places~~; be subject to ~~such~~the terms of redemption with or without premium; bear ~~such~~the rate ~~or~~  
14 rates of interest; and be subject to ~~such~~the other terms or conditions ~~as may be~~ provided by  
15 resolution ~~or resolutions to be~~ adopted by the governing board. The bonds may be sold in  
16 ~~such~~the manner and at ~~such~~the price ~~or prices as may be~~ considered by the governing board to  
17 be advisable. The average net interest cost to maturity for any bond issues sold at private sale  
18 may not exceed twelve percent per annum. There is no interest rate ceiling on ~~these~~the issues  
19 sold at public sale or to the state of North Dakota or any of its agencies or instrumentalities. Any  
20 grants agreed to be made by the United States of America or any agency or instrumentality  
21 ~~thereof of the United States~~ to reduce the interest cost of bonds, whether or not pledged to the  
22 payment of the bonds or interest ~~thereon~~on the bonds as part of the income and revenue to be  
23 derived from the operation of the buildings or improvements pledged to the payment of the  
24 issue, must be considered as a reduction in the interest costs of the bonds with respect to which  
25 the grant is made, for purposes of the rate limitations on interest costs provided ~~herein~~in this  
26 section. The bonds have all of the qualities and incidents of negotiable paper and are not  
27 subject to taxation by the state of North Dakota, or by any county, municipality, or political  
28 subdivision ~~therein~~. The governing board, in its discretion, may authorize one issue of bonds  
29 ~~hereunder~~ for the construction, furnishing, and equipment of more than one building or other  
30 campus improvement and may make the bonds payable from the combined revenues of all  
31 buildings or other campus improvements acquired in whole or in part with the proceeds thereof,

1 and when bonds are so issued, the words "the building", as herein used in this section, refers to  
2 all the buildings or other campus improvements so acquired.

3 **SECTION 64. AMENDMENT.** Section 15-55-03 of the North Dakota Century Code is  
4 amended and reenacted as follows:

5 **15-55-03. Bonds are special obligations and the governing board may insert special**  
6 **provisions in bonds.**

- 7 1. The bonds issued under ~~the provisions of~~ this chapter may not be an indebtedness of  
8 the state of North Dakota ~~nor of~~ the institution for which ~~they~~the bonds are issued ~~nor~~  
9 ~~of~~ the ~~state board of~~ higher education ~~thereof~~ governing board of the institution, ~~nor~~  
10 ~~of~~ or the individual members, officers, or agents ~~thereof~~ ~~nor may any of the institution~~.  
11 A building or other campus improvement or the land upon which it is situated, or any  
12 part thereof ~~of the building, improvement, or land may not~~ be security for ~~or be~~ levied  
13 upon, or sold for the payment of ~~said~~the bonds, but the ~~said~~ bonds must be special  
14 obligations payable solely from the revenues to be derived from the operation of the  
15 building or other campus improvement, and the governing board ~~is authorized and~~  
16 ~~directed to~~may pledge all or any part of ~~such~~the revenues to the payment of principal  
17 and interest on the bonds. In order to secure the prompt payment of ~~such~~the principal  
18 and interest and the proper application of the revenues pledged ~~thereto~~, the governing  
19 ~~board is authorized~~may, by appropriate provisions in the resolution ~~or resolutions~~  
20 authorizing the bonds:
- 21 4. a. ~~To covenant~~Covenant as to the use and disposition of the proceeds of the sale of  
22 ~~such~~the bonds;
- 23 2. b. ~~To covenant~~Covenant as to the operation of the building or other campus  
24 improvement and the collection and disposition of the revenues derived from  
25 ~~such~~the operation;
- 26 3. c. ~~To covenant~~Covenant as to the rights, liabilities, powers, and duties arising from  
27 the breach of any covenant or agreement into which it may enter in authorizing  
28 and issuing the bonds;
- 29 4. d. ~~To covenant~~Covenant and agree to carry ~~such~~ insurance on the building or other  
30 campus improvement; and the use and occupancy ~~thereof~~ of the building or  
31 improvement as ~~may be~~ considered desirable and, in ~~its~~the discretion of the

1            ~~governing board,~~ to provide that the cost of ~~such~~the insurance shall ~~be~~is  
2            considered as part of the expense of operating the building or other campus  
3            improvement;

4            5. ~~e.~~ e. ~~To vest~~Vest in a trustee ~~or trustees~~ for the bondholders the right to receive all or  
5            any part of the income and revenues pledged and assigned to or for the benefit  
6            of the ~~holder or~~ holders of bonds issued ~~hereunder~~under this chapter and to hold,  
7            apply, and dispose of the same, and the right to enforce any covenant made to  
8            secure the bonds and to execute and deliver a trust agreement ~~or agreements~~  
9            ~~which may set~~setting forth the powers ~~and~~, duties, and the remedies available to  
10           ~~such~~the trustee ~~or trustees~~ and may limit the liabilities ~~thereof~~of the trustee and  
11           prescribe the terms and conditions upon which ~~such~~the trustee ~~or trustees~~ or the  
12           holder ~~or holders~~ of the bonds in any specified amount or percentage may  
13           exercise ~~such~~ rights ~~and~~, enforce ~~any or all such~~ covenants, and resort to ~~such~~  
14           remedies as may be appropriate;

15           6. ~~f.~~ f. ~~To fix~~Fix rents, charges, and fees to be imposed in connection with and for the  
16           use of the building or other campus improvement and the facilities supplied  
17           ~~thereby, which rents, charges, and fees shall~~must be considered ~~to be~~ income  
18           and revenues derived from the operation of the building or campus improvement,  
19           and ~~are hereby expressly required to~~must be fully sufficient to assure the prompt  
20           payment of principal and interest on the bonds as each becomes due, and to  
21           make and enforce ~~such~~ rules and regulations with reference to the use of the  
22           building or campus improvement, and with reference to requiring any class ~~or~~  
23           classes of students to use the buildings or other campus improvements as it may  
24           deem desirable for the welfare of the ~~institutions~~institution and its students or ~~for~~  
25           ~~the accomplishments of the purposes~~to satisfy the requirements of this chapter;

26           7. ~~g.~~ g. ~~To covenant~~Covenant to maintain a maximum percentage of occupancy of the  
27           building or other campus improvement;

28           8. ~~h.~~ h. ~~To covenant~~Covenant against the issuance of any other obligations payable from  
29           the revenues to be derived from the building or other campus improvement; and

1           9.    ~~i.~~    ~~To make~~Make covenants other than and in addition to those herein expressly  
2                                   ~~mentioned of such character~~under this chapter as may be considered necessary  
3                                   or advisable to affect the purposes of this chapter.

4           2.    All ~~such~~ agreements and covenants entered into by the governing board under this  
5                                   chapter are enforceable by appropriate action or suit at law or in equity, which may be  
6                                   brought by any holder ~~or holders~~ of bonds issued ~~hereunder~~under this chapter.

7           **SECTION 65. AMENDMENT.** Section 15-55-04.1 of the North Dakota Century Code is  
8 amended and reenacted as follows:

9           **15-55-04.1. Lease of revenue-producing buildings.**

10           ~~The state board of~~A higher education governing board may, ~~at such times as it deems~~  
11 ~~necessary,~~ enter into agreements with other persons, ~~including any federal or state agency,~~ for  
12 the lease of revenue-producing buildings, constructed or purchased under the provisions of this  
13 chapter, upon ~~such~~ terms and conditions as the board deems proper. However, any ~~such~~ lease  
14 entered into ~~pursuant to~~under this section must be limited to a maximum term of ten years.

15           **SECTION 66. AMENDMENT.** Section 15-55-05.1 of the North Dakota Century Code is  
16 amended and reenacted as follows:

17           **15-55-05.1. Interim financing.**

18           1.    ~~The~~A higher education governing board may provide for interim financing pending  
19 completion of a revenue-producing projects~~project~~ at a state institutions~~institution~~ of  
20 higher ~~learning~~education and ~~for financing the cost thereof and of the project.~~ A higher  
21 education governing board may authorize the issuance and sale of special interim  
22 warrants for that essential governmental purpose, ~~such provided the warrants to be~~are  
23 paid with interest from:

- 24           4.    ~~a.~~    The proceeds of definitive bonds issued in accordance with this chapter;  
25           2.    ~~b.~~    Warrants issued to refund outstanding warrants; or  
26           3.    ~~c.~~    The combined net revenues to be derived from the operation of buildings and  
27                                   campus improvements for which bonds are outstanding with which the definitive  
28                                   bonds to be issued for ~~such~~the project will be on a parity.
- 29           2.    The higher education governing board shall arrange for the proper preparation and  
30 sale of the warrants and ~~shall~~ issue the warrants in an aggregate principal amount not  
31 exceeding the sum of bonds authorized and necessary to finance completion of the



1 project. Interim warrants are subject to call and prepayment on thirty days' prior written  
2 notice to the place of payment at par and accrued interest to date of prepayment at  
3 the option of the governing board; must mature not more than three years from their  
4 date; and may bear ~~such a~~ rate or rates of interest as the board may provide, not  
5 exceeding an average net interest cost of twelve percent per annum on issues sold at  
6 private sale. There is no interest rate ceiling on warrant issues sold at public sale or to  
7 the state of North Dakota or any of its agencies or instrumentalities. Interim warrants  
8 may be sold on the basis of ninety-five percent of par plus accrued interest to date of  
9 delivery. All warrants for a particular project must mature within three years from the  
10 date of issuing the first warrants for the project. If warrants are issued to refund  
11 warrants, the refunded warrants must be paid and canceled upon the issuance of the  
12 refunding warrants, or the proceeds at the sale of the refunding warrants, excepting  
13 the accrued interest received, must be used to purchase direct obligations of the  
14 United States of America. ~~Such~~The obligations must mature at ~~such~~the time ~~or times~~,  
15 with interest ~~thereon~~on or the proceeds received ~~therefrom~~from the obligations, to  
16 provide funds adequate to pay, when due or called for redemption prior to maturity, the  
17 warrants to be refunded together with the interest accrued ~~thereon~~ and any  
18 redemption premium due ~~thereon~~on the obligations. ~~Such~~The proceeds or obligations  
19 of the United States of America ~~must~~, with all other funds legally available for ~~such~~the  
20 purpose, must be deposited in escrow with a banking corporation or national banking  
21 association located in and doing business in the state of North Dakota, with power to  
22 accept and execute trusts, or any successor ~~thereto~~, which is also a member of the  
23 federal deposit insurance corporation and of the federal reserve system. The proceeds  
24 or obligations are to be held in an irrevocable trust solely for and until the payment and  
25 redemption of the warrant to be refunded. Any balance remaining in escrow after the  
26 payment and retirement of the warrants to be refunded must be returned to the  
27 governing board to be used and held for use as revenues pledged for the payment of  
28 the definitive bonds. Interim warrants have all of the qualities and incidents of  
29 negotiable paper and are not subject to taxation by the state of North Dakota or by any  
30 county, municipality, or political subdivision ~~therein~~. Interim warrants are eligible for

1 investment of funds the same as definitive bonds are or would be eligible for  
2 investment under section 15-55-08.

3 ~~3. Such~~The warrants may not constitute a general obligation indebtedness of the state of  
4 North Dakota ~~nor of~~; the institution for which ~~they~~the warrants are issued ~~nor of the~~  
5 ~~state board of~~; a higher education ~~nor of~~governing board; or the individual members,  
6 officers, or agents ~~thereof~~; of the governing board. The warrants are, and must state  
7 the warrants are, payable solely as provided in this section; ~~and the warrants issued~~  
8 ~~and sold must so state.~~

9 **SECTION 67. AMENDMENT.** Section 15-55-06 of the North Dakota Century Code is  
10 amended and reenacted as follows:

11 **15-55-06. Designations of agent and depositories - Disposition and use of revenues -**  
12 **Funds created.**

13 All income and revenues derived from the operation of any building or other campus  
14 improvement financed or the revenues of which are pledged in the manner provided in this  
15 chapter must be collected by ~~such~~an officer or agent of the institution where the building or  
16 other campus improvement is located as the ~~state board of~~ higher education ~~from time to time~~  
17 ~~may designate~~governing board designates, and must be accounted for by ~~such~~the officer or  
18 agent, deposited, and remitted as provided in this section ~~provided~~. The ~~said~~governing board, in  
19 its resolution authorizing the bonds or in the trust agreement ~~or agreements~~ executed and  
20 delivered by the governing board, shall provide for the disposition of and accounting for all ~~such~~  
21 revenues under this section by ~~such~~the officer or agent, including the designation of a  
22 depository ~~or depositories~~, the payment of expenses of operation and maintenance, the  
23 remittance of revenues to the paying agent designated in the bonds for payment of principal of  
24 and interest on the bonds when due, and the investment and disposition of revenues not  
25 immediately required for payment of expenses, principal, and interest. The governing board  
26 may designate as a depository for ~~such~~the revenues and funds either the state treasury ~~or~~, the  
27 Bank of North Dakota ~~or~~, the trustee under the trust agreement for the bondholders ~~or~~, a bank  
28 ~~which~~that is a duly designated depository for state funds, or as provided in section 15-55-05.  
29 The ~~said~~governing board may provide, in its resolution authorizing the bonds or in the trust  
30 agreement ~~or agreements~~ executed and delivered by the governing board, ~~provide~~ for an  
31 expense fund to be retained by the collecting officer ~~for the purpose of paying to pay~~, and may

1 direct the collecting officer to pay, the accrued or anticipated expenses of operation and  
2 maintenance of the building or campus improvement, and if the board so directs or if ~~such~~the  
3 expense fund is so provided, the collecting officer may pay ~~such~~the expenses as so directed by  
4 the board or from ~~said~~the fund. The funds required to be remitted to the state treasurer, ~~if any,~~  
5 and any funds derived from revenues pledged to the bondholders must be held by the collecting  
6 officer or in the depository for ~~such~~the funds designated by the governing board in a special  
7 fund ~~or funds~~, to be applied solely to the payment of the principal and interest on ~~said~~the bonds,  
8 and the establishment of a reserve for future payments until all ~~of said~~the bonds and interest  
9 ~~thereon~~ on the bonds have been fully paid; provided, ~~that~~ to the extent not prohibited or  
10 restricted by any covenant made with or for the benefit of the bondholders, the board may  
11 invest any ~~such~~of the funds in direct obligations of, or obligations the principal of and interest on  
12 ~~which~~ are guaranteed by, the United States of America, or obligations of the state of North  
13 Dakota or of any municipality as defined in section 21-03-01, and may devote revenues not  
14 currently required for payment of principal and interest, for the creation or maintenance of a  
15 debt service reserve, or for expenses of operation and maintenance to ~~such~~ purposes as the  
16 board ~~from time to time~~ may designate, including replacing the furnishings and equipment of  
17 ~~such~~the building ~~or buildings~~ or campus improvements and improving ~~said~~the building ~~or~~  
18 ~~buildings~~ or campus improvements.

19 **SECTION 68. AMENDMENT.** Section 15-55-07 of the North Dakota Century Code is  
20 amended and reenacted as follows:

21 **15-55-07. Endorsement of bonds - Attorney general to approve - Incontestable -**  
22 **Exception.**

23 All bonds issued under ~~the provisions of~~ this chapter must have endorsed ~~thereon~~ on the  
24 bonds a statement to the effect ~~that the same~~the bonds do not constitute an obligation of the  
25 state of North Dakota, ~~the state board of, the higher education, nor governing board;~~ the  
26 individual members, officers, or agents ~~thereof, nor of,~~ or the institution upon the campus of  
27 which the building or campus improvement is located, and ~~that~~ the ~~said~~ bonds are payable  
28 solely and only out of the revenues to be produced and received from the operation of ~~said~~the  
29 building or campus improvement. ~~Such~~The bonds must be submitted to the attorney general ~~of~~  
30 ~~North Dakota~~ for examination, and when ~~such~~the bonds have been examined and certified as  
31 legal obligations by the attorney general in accordance with ~~such~~ requirements as the attorney

1 general may make, are incontestable in any court in this state unless suit ~~thereon~~ on the bonds  
2 is brought in a court having jurisdiction ~~thereof~~ over the matter within thirty days from the date of  
3 ~~such~~ the approval. Bonds so approved by the attorney general are prima facie valid and binding  
4 obligations according to their terms, and the only defense which may be offered ~~thereto~~ in any  
5 suit instituted after ~~such~~ the thirty-day period has expired is forgery, fraud, or violation of the  
6 constitution.

7 **SECTION 69. AMENDMENT.** Section 15-55-09 of the North Dakota Century Code is  
8 amended and reenacted as follows:

9 **15-55-09. Construction of chapter not to permit obligating of state.**

10 ~~Nothing in this~~ This chapter may not be construed to authorize or permit ~~the state board of a~~  
11 higher education governing board, or any officer or agency of the state, to create any state  
12 debts, or to incur any obligations ~~of any kind or nature~~, except as are payable solely and only  
13 from the special funds to be created from the revenues of the building ~~or buildings~~ or other  
14 campus improvements erected or constructed under ~~the terms and provisions of this chapter,~~  
15 ~~nor may the.~~ The state of North Dakota ~~or~~ and any funds ~~or moneys~~ of this state other than the  
16 special funds derived from the income of ~~said~~ the building ~~or buildings~~ or campus improvements  
17 respectively ~~ever~~ may not be deemed obligated for the payment of the ~~said~~ bonds or any part  
18 ~~thereof~~ of the bonds.

19 **SECTION 70. AMENDMENT.** Section 15-55-10 of the North Dakota Century Code is  
20 amended and reenacted as follows:

21 **15-55-10. Limitation on buildings and other campus improvements and issuance of**  
22 **bonds.**

23 ~~Ne~~ A building or other campus improvement may not be erected or constructed under this  
24 chapter, and ~~no~~ bonds may not be issued for the payment of the cost of any building or other  
25 campus improvement under this chapter, unless authorized by legislative act, ~~nor may any.~~ A  
26 building or other campus improvement may not be erected at a cost exceeding the amount fixed  
27 by the legislative assembly as the maximum to be expended for the building or other campus  
28 improvement undertaken under this chapter. The legislative authorization may be aggregated,  
29 and the appropriation of the proceeds of the bonds for the construction of the buildings or  
30 improvements are not subject to cancellation under section 54-44.1-11. Authorization for the  
31 issuance of bonds by the legislative assembly expires four years after the effective date of the

1 authorization unless bonds have been issued for the construction of buildings or improvements  
2 in the amounts so authorized or a contract for the design of the building has been signed by the  
3 ~~state board of a~~ higher education governing board before the expiration date or the  
4 authorization specifies a different expiration date. Refunding bonds may be issued by ~~the state-~~  
5 ~~board of a~~ higher education governing board under this chapter without legislative act to refund,  
6 at or before the maturity of or pursuant to any privilege of prepayment reserved in or granted  
7 with respect to, any bonds issued to pay the cost of buildings or other campus improvements  
8 designated and authorized by legislative act.

9 **SECTION 71. AMENDMENT.** Section 15-55-14 of the North Dakota Century Code is  
10 amended and reenacted as follows:

11 **15-55-14. Rental income from unencumbered revenue-producing buildings or other**  
12 **campus improvements may be applied to bond retirement.**

13 ~~The state board of higher education, when issuing bonds under the provisions of this~~  
14 ~~chapter and the powers herein granted, has additional powers as follows:~~

- 15 1. When the ~~state board of higher education~~governing board has issued bonds as  
16 provided in this chapter ~~for the purpose of securing~~to secure funds for all or part of the  
17 cost of construction, equipment, and furnishing of any new revenue-producing building  
18 or other campus improvement for any of the ~~state-supported institutions~~institution of  
19 higher learning of the state of North Dakota ~~education under its control~~, or for the  
20 purpose of refunding any such bonds, ~~said~~the governing board is hereby authorized  
21 ~~to~~may cover, ~~from time to time~~, into the interest and principal payment fund for bonds  
22 issued, or into a fund for operation and maintenance of the building or other campus  
23 improvement so financed or into a fund for repair or replacement of the building or  
24 other campus improvement, its equipment and furnishings, the rental or income from  
25 revenue-producing buildings or other campus improvements ~~which~~that are not  
26 encumbered or impressed with any lien and ~~which are located upon the campuses of~~  
27 ~~such institutions~~on the campus of the institution.
- 28 2. ~~In case of destruction of such~~If a revenue-producing buildings or campus  
29 ~~improvements~~building or campus improvement is destroyed by fire, tornado, cyclone,  
30 or other cause, the proceeds from insurance on ~~such revenue-producing buildings or~~  
31 ~~campus improvements~~shall the building or campus improvement must be covered into

1 the bond payment fund for the payment of bonds issued under this chapter unless  
2 ~~such~~the insurance may be and is used for the repair or replacement of the building or  
3 campus improvement, its equipment and furnishings.

4 3. The rental income from ~~said~~ revenue-producing buildings or other revenue-producing  
5 campus improvements, and the proceeds of insurance ~~thereon~~on them, may be  
6 irrevocably pledged to the payment of the principal and interest of the bonds issued  
7 ~~as in~~under this chapter ~~provided~~, or to the expenses of operation and maintenance or  
8 repair or replacement of the building or campus improvement, its equipment and  
9 furnishings.

10 4. The bonds issued under ~~the provisions of~~ this chapter may not be an indebtedness or  
11 obligation of the state of North Dakota ~~or of~~; any of the state institutions ~~nor of~~; or any  
12 board, bureau, or officer of the state of North Dakota, but ~~such~~the bonds must be  
13 payable solely out of income and revenue as provided in this chapter.

14 5. The rental income from the revenue-producing buildings or other revenue-producing  
15 campus improvements, ~~as defined herein~~, of any educational institutions of higher-  
16 ~~learning of the state shall~~state institution of higher education must be covered only into  
17 a fund for a revenue-producing building or other revenue-producing campus  
18 improvement for ~~such educational~~the institution and not to any other institution.

19 **SECTION 72. AMENDMENT.** Section 15-55-20 of the North Dakota Century Code is  
20 amended and reenacted as follows:

21 **15-55-20. Financial records required.**

22 Each state institution ~~under the control of the state board~~ of higher education which has  
23 constructed student housing, a food service facility, or a student union ~~under the provisions of~~  
24 this chapter shall maintain records of financial accounts to provide a record of revenues  
25 received and expenses incurred in the use of ~~such~~the revenue-producing building. The  
26 definition of "expenses incurred" includes, ~~but is not limited to~~, the estimated value of heat,  
27 electricity, water, repairs, insurances, and janitorial and maintenance services provided. From  
28 the information recorded in ~~such~~the records, appropriate financial statements must be prepared  
29 and included in the ~~institutions'~~institution's published and audited annual or biennial financial  
30 reports.

1       **SECTION 73. AMENDMENT.** Section 15-62.4-01 of the North Dakota Century Code is  
2 amended and reenacted as follows:

3       **15-62.4-01. Student financial assistance program.**

4       The ~~state board~~office of higher education shall administer the North Dakota student  
5 financial assistance program ~~for the purpose of providing to~~ provide a grant to an individual who  
6 demonstrates significant financial need and who:

- 7       1.   a.   Graduated from a high school in this state;  
8           b.   Graduated from a high school in a bordering state, pursuant to chapter 15.1-29;  
9           c.   Graduated from a nonpublic high school in a bordering state while residing with a  
10           custodial parent in this state;  
11           d.   Completed a program of home education supervised in accordance with chapter  
12           15.1-23; or  
13           e.   Received a general educational development high school diploma from the  
14           superintendent of public instruction;  
15       2.   a.   Is enrolled at an accredited institution of higher education in this state, provided  
16           the institution offers a program of instruction equal to at least two academic  
17           years; or  
18           b.   Because of a medically certifiable disability is enrolled at an accredited institution  
19           of higher education outside of this state which offers the individual special  
20           services or facilities not available in this state, provided the institution offers a  
21           program of instruction equal to at least two academic years; and  
22       3.   Is pursuing a course of study determined by the ~~state board~~office of higher education  
23           to be at least quarter-time.

24       **SECTION 74. AMENDMENT.** Section 15-62.4-02 of the North Dakota Century Code is  
25 amended and reenacted as follows:

26       **15-62.4-02. Student financial assistance program - Criteria and procedures.**

27       The ~~state board~~office of higher education shall adopt:

- 28       1.   Criteria governing the application process;  
29       2.   Criteria governing the determination of financial need, which must include  
30           consideration of parental contributions to educational expenses;  
31       3.   Criteria governing the selection process; and

1           4.    Procedures for providing fiscal control, fund accounting, and reports.

2           **SECTION 75. AMENDMENT.** Section 15-62.4-03 of the North Dakota Century Code is  
3 amended and reenacted as follows:

4           **15-62.4-03. Student financial assistance program - Grants.**

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

7           a.    Nine hundred seventy-five dollars per semester; or

8           b.    Six hundred fifty dollars per quarter.

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

11               (1) Eight semesters of full-time enrollment; or

12               (2) Twelve quarters of full-time enrollment.

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

15           3.    The ~~board~~office shall forward grants payable under this chapter directly to the  
16 institution of higher education in which the student is enrolled.

17           **SECTION 76. AMENDMENT.** Section 15-62.4-05 of the North Dakota Century Code is  
18 amended and reenacted as follows:

19           **15-62.4-05. Student financial assistance program - Gifts and grants - Acceptance.**

20           The ~~state board~~office of higher education may receive, administer, and expend moneys  
21 from public and private sources for the purposes of this chapter.

22           **SECTION 77. AMENDMENT.** Section 15-62.5-01 of the North Dakota Century Code is  
23 amended and reenacted as follows:

24           **15-62.5-01. Scholars program.**

25           The ~~state board~~office of higher education shall administer the scholars program for the  
26 purpose of providing a merit-based scholarship to an individual who:

27           1.    a.    Graduated from a high school in this state;

28               b.    Graduated from a high school in a bordering state, pursuant to chapter 15.1-29;

29               c.    Graduated from a nonpublic high school in a bordering state while residing with a  
30 custodial parent in this state; or



- 1 d. Completed a program of home education supervised in accordance with chapter
- 2 15.1-23;
- 3 2. On the ACT, achieved composite scores that ranked the individual at or above the
- 4 ninety-fifth percentile among those who took the ACT prior to July first in the calendar
- 5 year preceding the individual's enrollment;
- 6 3. a. Is enrolled at an accredited institution of higher education in this state that offers
- 7 a program of instruction equal to at least two academic years;
- 8 b. Because of a medically certifiable disability is enrolled at an accredited institution
- 9 of higher education outside of this state that offers the individual special services
- 10 or facilities not available in this state, provided the institution offers a program of
- 11 instruction equal to at least two academic years; and
- 12 4. Is pursuing a course of study determined by the ~~board~~office to be full-time.

13 **SECTION 78. AMENDMENT.** Section 15-62.5-02 of the North Dakota Century Code is  
14 amended and reenacted as follows:

15 **15-62.5-02. Scholars program - Criteria and procedures.**

16 The ~~state board~~office of higher education shall adopt:

- 17 1. Criteria governing the application process;
- 18 2. Criteria governing the selection process, within the requirements of section
- 19 15-62.5-03; and
- 20 3. Procedures for providing fiscal control, fund accounting, and reports.

21 **SECTION 79. AMENDMENT.** Section 15-62.5-03 of the North Dakota Century Code is  
22 amended and reenacted as follows:

23 **15-62.5-03. Scholars program - Ranking and selection of recipients.**

- 24 1. The ~~state board~~office of higher education shall rank scholars program applicants by
- 25 their ACT composite scores.
- 26 2. If two or more applicants have the same composite scores, they must be ranked by
- 27 the numeric sum of their four scale scores on the ACT.
- 28 3. If two or more applicants have the same composite scores and the same numeric sum
- 29 of the four scale scores, they must be ranked by the numeric sum of their English and
- 30 mathematics scores.

- 1           4.    The ~~state board~~office of higher education may establish additional criteria to rank  
2           applicants who have the same numeric sum of their English and mathematics scores.  
3           5.    Scholarships must be offered to applicants in descending order according to this  
4           ranking until available funds have been expended or until the pool of applicants has  
5           been exhausted.

6           **SECTION 80. AMENDMENT.** Section 15-62.5-04 of the North Dakota Century Code is  
7 amended and reenacted as follows:

8           **15-62.5-04. Scholars program - Scholarship amounts - Stipends.**

- 9           1.    a.    Each semester, the ~~state board~~office of higher education shall provide to an  
10           eligible student a scholarship in an amount not exceeding the tuition charged at  
11           the institution in which the student is enrolled, provided the amount may not  
12           exceed the highest undergraduate semester tuition charged at ~~ana state~~  
13           institution of higher education ~~under the control of the state board of higher-~~  
14           education.  
15           b.    Each quarter the ~~state board~~office of higher education shall provide to an eligible  
16           student a scholarship in an amount not exceeding the tuition charged per quarter  
17           at the institution in which the student is enrolled, provided the amount may not  
18           exceed two-thirds of the highest undergraduate semester tuition charged at ~~ana~~  
19           state institution of higher education ~~under the control of the state board of higher-~~  
20           education.  
21           c.    For purposes of this subsection, the rates are calculated using a traditional fall  
22           and spring academic year.  
23           2.    The scholarships provided for under this section are conditioned on the student  
24           maintaining a 3.5 cumulative grade point average, based on a 4.0 grading system.  
25           3.    Any student eligible for a scholarship under this section is also eligible for a stipend in  
26           an amount not exceeding two thousand dollars annually. The ~~state board~~office of  
27           higher education may distribute the stipend on a semester or a quarter basis.  
28           4.    a.    A student is not entitled to receive scholarships under this chapter for more than  
29           the equivalent of:  
30           (1)   Eight semesters of full-time enrollment; or  
31           (2)   Twelve quarters of full-time enrollment.

1           b. Notwithstanding subdivision a, a student is not entitled to receive a scholarship  
2           under this chapter after the student obtains a baccalaureate degree.

3           5. The ~~state board~~office of higher education shall forward scholarships and stipends  
4           payable under this chapter directly to the institution in which the student is enrolled.

5           **SECTION 81. AMENDMENT.** Section 15-63-01 of the North Dakota Century Code is  
6           amended and reenacted as follows:

7           **15-63-01. State board for Indian scholarships.**

8           ~~There is hereby established a~~A state board for Indian scholarships consisting of an Indian  
9           appointed by the governor, the executive director of the state Indian affairs commission, and ~~the~~  
10          ~~commissioner of higher education or the commissioner's designee~~the higher education  
11          administrator is established. The ~~commissioner of higher education or the commissioner's~~  
12          ~~designee~~administrator shall serve as chairperson, and the executive director of the state Indian  
13          affairs commission shall serve as secretary of the board for Indian scholarships. The ~~state~~  
14          ~~board~~office of higher education shall request scholarship funds and staff to administer the  
15          Indian scholarship program in the ~~board's~~office's biennial budget request.

16          **SECTION 82. AMENDMENT.** Section 15-69-01 of the North Dakota Century Code is  
17          amended and reenacted as follows:

18          **15-69-01. Definitions. (Effective through July 31, 2023)**

19          In this chapter, unless the context otherwise requires:

- 20          1. ~~"Board" means the state board of~~"Administrator" means the higher education  
21          administrator.
- 22          2. "Center" means a center of excellence relating to economic development which has  
23          been designated or named under this chapter.
- 24          3. "Commission" means the centers of excellence commission.
- 25          4. "Department" means the department of commerce.
- 26          5. "Foundation" means the North Dakota economic development foundation.
- 27          6. "Infrastructure" means new building construction or major building renovation. The  
28          term does not include a purchase of equipment or remodel of an existing building.

29          **SECTION 83. AMENDMENT.** Section 15-69-03 of the North Dakota Century Code is  
30          amended and reenacted as follows:

1           **15-69-03. Centers of excellence commission. (Effective through July 31, 2023)**

2           The centers of excellence commission consists of six members. The foundation shall  
3 appoint three of the foundation's members to serve on the commission, and the  
4 ~~board administrator~~ shall appoint three of the ~~board's~~ members of higher education governing  
5 boards to serve on the commission. The commission members shall designate a chairman and  
6 a vice chairman of the commission. Each member of the commission shall serve for a term of  
7 three years, beginning July first; may be reappointed for additional terms; and serves at the  
8 pleasure of the appointing entity. If a commission member ceases to serve as a member of the  
9 appointing entity, that member's membership on the commission ceases immediately and the  
10 appointing entity shall appoint a new member for the remainder of the term. Terms of  
11 commission members must be staggered. On a meeting-by-meeting basis, an appointing entity  
12 may substitute a member of that appointing entity to serve in place of one of the regular  
13 members appointed by that entity. If the commission chairman and vice chairman are not  
14 present at a meeting, the commission members present at that meeting shall select a  
15 commission member to serve as chairman for that meeting. A commission member may receive  
16 compensation and travel and expense reimbursement from the appointing entity. The  
17 department of commerce shall provide the commission with appropriate staff services as may  
18 be requested by the commission.

19           **SECTION 84. AMENDMENT.** Section 15-70-03 of the North Dakota Century Code is  
20 amended and reenacted as follows:

21           **15-70-03. Grant authorization.**

22           The ~~state board of~~ higher education administrator shall make grants to tribally controlled  
23 community colleges to defray the costs of education associated with enrollment of  
24 nonbeneficiary students. Grants made pursuant to this section must go directly to the recipient  
25 institutions.

26           **SECTION 85. AMENDMENT.** Section 15-70-04 of the North Dakota Century Code is  
27 amended and reenacted as follows:

28           **15-70-04. Submission of grant application - Distribution of grants.**

29           1. In order to qualify for a grant under this chapter, a tribally controlled community college  
30 shall submit an application at the time and in the manner required by the ~~state board~~  
31 ~~of higher education~~ administrator. The application must:

- 1           a.    Include the name and address of each student who qualifies for financial  
2                    assistance under this chapter; and
- 3           b.    Document the enrollment status of each student who qualifies for financial  
4                    assistance under this chapter.
- 5           2.    If an application is approved, the ~~state board~~ of higher education administrator shall  
6                    distribute to the tribally controlled community college, during each year of the  
7                    biennium, an amount equivalent to the most recent per student payment provided in  
8                    accordance with the Tribally Controlled Colleges and Universities Assistance Act of  
9                    1978 [25 U.S.C. 20] for each nonbeneficiary student who is a resident of the state. If  
10                   the amount appropriated is insufficient to meet the requirements of this section, the  
11                   board shall prorate the amount to be distributed. The ~~board~~administrator may  
12                   distribute no more than one-half of the biennial legislative appropriation provided for  
13                   grants under this section during the first year of the biennium.
- 14           3.    If after meeting the requirements of this section any amount remains available for  
15                   distribution at the conclusion of each year of the biennium, the ~~state board~~ of higher  
16                   education administrator shall provide prorated distribution based on criteria set forth in  
17                   this section.
- 18           4.    At the time and in the manner determined by the ~~state board~~ of higher education  
19                   administrator, each tribally controlled community college receiving assistance under  
20                   this section shall file a report indicating:
  - 21                   a.    The graduation rate of nonbeneficiary students; and
  - 22                   b.    The ratio between the amount of funding received by the tribally controlled  
23                        community college under this section and the college's annual budget.

24           **SECTION 86. AMENDMENT.** Section 15-71-01 of the North Dakota Century Code is  
25           amended and reenacted as follows:

26           **15-71-01. ~~State board of higher~~Higher education advisory committee - Biomass**  
27           **energy center.**

28           The ~~state board~~ of higher education advisory committee is encouraged to establish or name  
29           a biomass energy center or centers at an institution ~~or institutions~~ under the control of the a  
30           higher education governing board to conduct research and provide education and technical  
31           assistance related to biomass production, harvesting, transportation, and conversion.

1       **SECTION 87. AMENDMENT.** Section 15-71-02 of the North Dakota Century Code is  
2 amended and reenacted as follows:

3       **15-71-02. Biomass research responsibilities.**

4       If established or named by the ~~state board of~~ higher education advisory committee, the  
5 biomass energy center ~~or centers~~ shall:

- 6       1. Complete agronomic research to determine the most efficient perennial grasses or  
7       other plants for cellulose production and the amount of fertilization required.
- 8       2. Conduct research to determine the most efficient method of harvesting biomass.
- 9       3. Determine the benefits of biomass densification or preprocessing.
- 10      4. Complete an economic evaluation of all steps in the utilization of biomass for energy.

11      **SECTION 88. AMENDMENT.** Section 15-71-03 of the North Dakota Century Code is  
12 amended and reenacted as follows:

13      **15-71-03. Ethanol and biomass incentives.**

14      If established or named by the ~~state board of~~ higher education advisory committee, the  
15 biomass energy center ~~or centers~~ shall work to identify and evaluate incentives for cellulosic  
16 ethanol production and biomass energy through the legislative assembly or at the federal level.  
17 The center ~~or centers~~ shall identify and evaluate incentives for producers, such as providing  
18 payment for producers to grow a dedicated bio-energy crop or support equipment, harvesting,  
19 and transportation costs.

20      **SECTION 89. AMENDMENT.** Section 15.1-01-02 of the North Dakota Century Code is  
21 amended and reenacted as follows:

22      **15.1-01-02. Joint meetings - State board of public school education - ~~State board of~~**  
23 **~~higher~~Higher education advisory committee - Education standards and practices board -**  
24 **State board for career and technical education.**

25      The state board of public school education, the ~~state board of~~ higher education advisory  
26 committee, the education standards and practices board, and the state board for career and  
27 technical education shall meet together at least once each year at the call of the superintendent  
28 of public instruction, the ~~commissioner of~~ higher education administrator, the executive director  
29 of the education standards and practices board, and the director of career and technical  
30 education for the purposes of:

- 1 1. Coordinating elementary and secondary education programs, career and technical
- 2 education programs, and higher education programs;
- 3 2. Establishing high standards and expectations of students at all levels of the education
- 4 continuum;
- 5 3. Ensuring that all students have access to challenging curricula;
- 6 4. Ensuring that the individuals instructing students at all levels of the education
- 7 continuum are highly qualified and capable;
- 8 5. Cooperating in the provision of professional growth and development opportunities for
- 9 individuals instructing students at all levels of the education continuum; and
- 10 6. Ensuring cooperation in any other jointly beneficial project or program.

11 **SECTION 90. AMENDMENT.** Section 15.1-07-25.1 of the North Dakota Century Code is  
12 amended and reenacted as follows:

13 **15.1-07-25.1. Student names and addresses - Authorized disclosure.**

14 Notwithstanding section 44-04-18.13, and subject to any limitations on the disclosure of  
15 directory information under title 34, Code of Federal Regulations, part 99, sections 31, 33, and  
16 37, each high school shall provide to the ~~North Dakota university system~~office of higher  
17 education a list of all students enrolled in grades ten and eleven as of April fifteenth of each  
18 year, together with the students' addresses and telephone numbers. The ~~North Dakota~~  
19 ~~university system~~office of higher education shall disclose this information to each institution  
20 under the control of the ~~state board of a~~ higher education governing board and to each  
21 nonpublic university and college in this state.

22 **SECTION 91. AMENDMENT.** Subsection 1 of section 15.1-15-12 of the North Dakota  
23 Century Code is amended and reenacted as follows:

- 24 1. Any individual employed to teach at an institution of higher education under the control
- 25 of the ~~state board of a~~ higher education governing board;

26 **SECTION 92. AMENDMENT.** Section 15.1-21-02.6 of the North Dakota Century Code is  
27 amended and reenacted as follows:

28 **15.1-21-02.6. North Dakota scholarship - Amount - Applicability.**

- 29 1. a. The ~~state board~~office of higher education shall provide to any student certified as
- 30 being eligible by the superintendent of public instruction either a North Dakota
- 31 academic scholarship or a North Dakota career and technical education

- 1 scholarship in the amount of seven hundred fifty dollars for each semester during  
2 which the student is enrolled full time at an accredited institution of higher  
3 education in this state, maintains a cumulative grade point average of 2.75, and  
4 maintains progress toward degree completion.
- 5 b. The ~~state board~~office of higher education shall provide to any student certified as  
6 being eligible by the superintendent of public instruction either a North Dakota  
7 academic scholarship or a North Dakota career and technical education  
8 scholarship in the amount of five hundred dollars for each quarter during which  
9 the student is enrolled full time at an accredited institution of higher education in  
10 this state, maintains a cumulative grade point average of 2.75, and maintains  
11 progress toward degree completion.
- 12 2. The ~~state board~~office of higher education shall monitor each scholarship recipient to  
13 ensure that the student meets the academic and other requirements of this section.  
14 Upon determining that a recipient student has failed to meet the requirements of this  
15 section, the ~~board~~office shall provide notification to the student within ten days.
- 16 3. A student is not entitled to receive more than six thousand dollars under this section.
- 17 4. The ~~state board~~office of higher education shall forward the scholarship directly to the  
18 institution in which the student is enrolled.
- 19 5. a. (1) This section does not require a student to be enrolled in consecutive  
20 semesters.  
21 (2) This section does not require a student to be enrolled in consecutive  
22 quarters.
- 23 b. A scholarship under this section is valid only for six academic years after the  
24 student's graduation from high school and may be applied to a graduate program.
- 25 6. A scholarship under this section is available to any eligible resident student who fulfills  
26 the requirements of section 15.1-21-02.4 or 15.1-21-02.5 and who:  
27 a. Graduates from a high school in this state;  
28 b. Graduates from a high school in a bordering state under chapter 15.1-29;  
29 c. Graduates from a nonpublic high school in a bordering state while residing with a  
30 custodial parent in this state; or



- 1           d.    Completes a program of home education supervised in accordance with chapter  
2                    15.1-23.
- 3        7.    a.    For purposes of North Dakota scholarship eligibility under this section, "full-time"  
4                    has the same meaning as the term is defined by the institution the student is  
5                    attending.
- 6            b.    For the purpose of North Dakota scholarship eligibility under this section,  
7                    "progress toward degree completion" means earning the following minimum  
8                    number of credits after each semester or quarter term disbursement to qualify for  
9                    the subsequent disbursement:
- 10                   (1)   Twenty-four credits after disbursement two;  
11                   (2)   Thirty-nine credits after disbursement three;  
12                   (3)   Fifty-four credits after disbursement four;  
13                   (4)   Sixty-nine credits after disbursement five;  
14                   (5)   Eighty-four credits after disbursement six; and  
15                   (6)   Ninety-nine credits after disbursement seven.

16        **SECTION 93. AMENDMENT.** Section 15.1-21-02.8 of the North Dakota Century Code is  
17    amended and reenacted as follows:

18        **15.1-21-02.8. North Dakota scholarship - Eligibility - One-time exception.**

- 19        1.    a.    Notwithstanding section 15.1-21-02.6, if a student's cumulative grade point  
20                    average as determined by the ~~state board~~office of higher education at the  
21                    conclusion of a semester is below 2.75, the ~~board~~office shall grant an exception  
22                    and provide the North Dakota scholarship to which the student would otherwise  
23                    be entitled for the next semester in which the student is enrolled full time. The  
24                    exception provided by this section is applicable to a student only one time.
- 25            b.    If a student's cumulative grade point average as determined by the ~~state-~~  
26                    ~~board~~office of higher education at the conclusion of a semester is below 2.75 for  
27                    a second time, the student is no longer eligible to receive any additional North  
28                    Dakota academic or career and technical education scholarships.
- 29        2.    a.    Notwithstanding section 15.1-21-02.6, if a student's cumulative grade point  
30                    average as determined by the ~~state board~~office of higher education at the  
31                    conclusion of a quarter is below 2.75, the ~~board~~office shall grant an exception

1                   and provide the North Dakota scholarship to which the student would otherwise  
2                   be entitled for the next quarter in which the student is enrolled full time. The  
3                   exception provided by this section is applicable to a student only one time.

4                   b. If a student's cumulative grade point average as determined by the ~~state-~~  
5                   ~~board~~office of higher education at the conclusion of a quarter is below 2.75 for a  
6                   second time, the student is no longer eligible to receive any additional North  
7                   Dakota academic or career and technical education scholarships.

8                   **SECTION 94. AMENDMENT.** Subdivision f of subsection 1 of section 15.1-37-02 of the  
9                   North Dakota Century Code is amended and reenacted as follows:

10                   f. The ~~commissioner of higher education~~ administrator, or the  
11                   ~~commissioner's~~administrator's designee;

12                   **SECTION 95. AMENDMENT.** Section 18-12-03 of the North Dakota Century Code is  
13                   amended and reenacted as follows:

14                   **18-12-03. Plans and specifications.**

15                   Plans and specifications for all new public school buildings and for all additions to and  
16                   remodeling of existing public school buildings must be submitted for approval to the state fire  
17                   marshal, chief of the fire department or fire protection district with jurisdiction, and the  
18                   superintendent of public instruction or ~~state board~~office of higher education. Private school  
19                   plans and specifications must be submitted directly to the state fire marshal and the chief of the  
20                   fire department or fire protection district with jurisdiction for approval.

21                   **SECTION 96. AMENDMENT.** Section 18-12-04 of the North Dakota Century Code is  
22                   amended and reenacted as follows:

23                   **18-12-04. Employment of registered architects and engineers.**

24                   All plans and specifications for construction, except agricultural sheds and barns, the  
25                   monetary worth of which is one hundred thousand dollars or more, must be prepared by and the  
26                   construction administration and construction observation services supervised by architects or  
27                   engineers registered in this state. The architect or engineer is legally responsible for designing  
28                   the building in accordance with the provisions of this chapter of adequate strength so as to  
29                   resist fire, and constructing the building in a workmanlike manner, according to the plans and  
30                   specifications as approved. School district projects are subject to the approval requirements of  
31                   section 15.1-36-01 and projects involving institutions of higher education under the control of

1 ~~the state board of a~~ higher education governing board are subject to the approval requirements  
2 of chapter 15-10.

3 **SECTION 97. AMENDMENT.** Section 18-12-23 of the North Dakota Century Code is  
4 amended and reenacted as follows:

5 **18-12-23. Electrical.**

6 All electrical wiring and apparatus must be installed in accordance with the provisions of the  
7 state electrical law, rules, and regulations and local ordinances and the current edition of the  
8 National Electrical Code.

9 Electrical plans and specifications must be reviewed by the state electrical board upon  
10 referral by the superintendent of public instruction, the ~~state board~~office of higher education,  
11 and the state fire marshal, and complete inspection service with final certificate of compliance  
12 covering the electrical installation must be made by the same agency or by the local inspection  
13 authority where available.

14 All educational facilities must be provided with exit marking, illumination of means of egress,  
15 and emergency lighting as provided for within the N.F.P.A. Life Safety Code, standard 101  
16 edition, corresponding to that of the state building code as defined in section 54-21.3-03.

17 **SECTION 98. AMENDMENT.** Subdivision e of subsection 12 of section 20.1-02-05 of the  
18 North Dakota Century Code is amended and reenacted as follows:

19 e. A nonresident full-time student living in this state who is attending an institution  
20 under the ~~jurisdiction of the state board~~control of a higher education governing  
21 board, a private institution of higher education, or a tribal college. A license may  
22 not be issued under this subdivision unless a valid student identification number  
23 accompanies the application.

24 **SECTION 99. AMENDMENT.** Subsection 7 of section 26.1-05-19 of the North Dakota  
25 Century Code is amended and reenacted as follows:

26 7. Bonds issued by ~~the state board of a~~ higher education governing board under chapter  
27 15-55.

28 **SECTION 100. AMENDMENT.** Section 26.1-22-09 of the North Dakota Century Code is  
29 amended and reenacted as follows:

1           **26.1-22-09. Buildings to be reported to commissioner.**

2           In each odd-numbered year, or upon application for insurance, ~~the state board of each~~  
3 higher education, ~~and governing board~~; each officer, department, or agent of the state and of  
4 any industry thereof having in charge any public building belonging to the state; each county  
5 auditor, city auditor, township clerk, and school district business manager, ~~as the case may be;~~  
6 the agent for an international peace garden; and the agent for a winter show, if applicable, shall  
7 report to the commissioner the insurable value of each public building, or of each building  
8 owned by an international peace garden or a winter show with the exception of buildings  
9 insured by private insurance companies, and of the fixtures and permanent contents ~~therein~~  
10 the buildings, with the exception of fixtures and permanent contents insured by private  
11 insurance companies, belonging to the state, political subdivision, an international peace  
12 garden, or a winter show, and shall supply such other information ~~as may be required by the~~  
13 commissioner on forms provided by the commissioner.

14           **SECTION 101. AMENDMENT.** Subdivision j of subsection 2 of section 28-32-01 of the  
15 North Dakota Century Code is amended and reenacted as follows:

16           j.    The ~~board of~~ higher education advisory committee, office of higher education,  
17               and higher education governing boards.

18           **SECTION 102. AMENDMENT.** Section 29-29.5-03 of the North Dakota Century Code is  
19 amended and reenacted as follows:

20           **29-29.5-03. Limitation on use of campus police.**

21           A law enforcement officer employed under section 15-10-17 may not enter an informant  
22 agreement with a student enrolled in an institution under the control of ~~the state board of a~~  
23 higher education governing board.

24           **SECTION 103. AMENDMENT.** Subsection 5 of section 34-11.1-04 of the North Dakota  
25 Century Code is amended and reenacted as follows:

26           5.    An employee of the state may appeal a claim of reprisal under this section in the  
27               manner prescribed for a classified employee under chapter 54-44.3. This subsection  
28               does not apply to an employee under the jurisdiction of ~~the state board of a~~ higher  
29               education governing board or the judicial branch of government.

30           **SECTION 104. AMENDMENT.** Section 37-07.2-01 of the North Dakota Century Code is  
31 amended and reenacted as follows:

1           **37-07.2-01. National guard tuition grants - Terms of grants.**

2           Any qualifying member of the national guard who enrolls in an accredited postsecondary  
3 institution in North Dakota may receive, subject to the limitations of available appropriated funds  
4 and subject to national guard rules adopted by the adjutant general, ~~receive~~ a grant in an  
5 amount not to exceed the cost of tuition and fees for similar courses and credit hours for each  
6 qualifying member of the national guard who is enrolled at a ~~North Dakota university system-~~  
7 ~~school~~state institution of higher education with the highest tuition and fee rate. Any accredited  
8 postsecondary institution that agrees to participate in such ~~the~~ a program must waive twenty-five  
9 percent of the tuition for qualifying national guardsmen. These grants must be distributed  
10 according to rules promulgated by the adjutant general and are available only so long as the  
11 member maintains satisfactory performance with the guard, meets the qualification  
12 requirements of the rules, and pursues a course of study which satisfies the normal  
13 requirements of the school.

14           **SECTION 105. AMENDMENT.** Section 44-04-18.4 of the North Dakota Century Code is  
15 amended and reenacted as follows:

16           **44-04-18.4. Confidentiality of trade secret, proprietary, commercial, financial, and**  
17 **research information.**

- 18           1. Trade secret, proprietary, commercial, and financial information is confidential if it is of  
19 a privileged nature and it has not been previously publicly disclosed.
- 20           2. Under this section, unless the context otherwise requires:
- 21           a. "Commercial information" means information pertaining to buying or selling of  
22 goods and services that has not been previously publicly disclosed and that if the  
23 information were to be disclosed would impair the public entity's future ability to  
24 obtain necessary information or would cause substantial competitive injury to the  
25 person from which the information was obtained.
- 26           b. "Financial information" means information pertaining to monetary resources of a  
27 person that has not been previously publicly disclosed and that if the information  
28 were to be disclosed would impair the public entity's future ability to obtain  
29 necessary information or would cause substantial competitive injury to the person  
30 from which the information was obtained.
- 31           c. "Proprietary information" includes:

- 1 (1) Information shared between a sponsor of research or a potential sponsor of  
2 research and a public entity conducting or negotiating an agreement for the  
3 research.
- 4 (2) Information received from a private business that has entered or is  
5 negotiating an agreement with a public entity to conduct research or  
6 manufacture or create a product for potential commercialization.
- 7 (3) A discovery or innovation generated by the research information, technical  
8 information, financial information, or marketing information acquired under  
9 activities described under paragraph 1 or 2.
- 10 (4) A document specifically and directly related to the licensing or  
11 commercialization resulting from activities described under paragraph 1, 2,  
12 or 6.
- 13 (5) Technical, financial, or marketing records that are received by a public  
14 entity, which are owned or controlled by the submitting person, are intended  
15 to be and are treated by the submitting person as private, and the disclosure  
16 of which would cause harm to the submitting person's business.
- 17 (6) A discovery or innovation produced by the public entity that an employee or  
18 the entity intends to commercialize.
- 19 (7) A computer software program and components of a computer software  
20 program that are subject to a copyright or a patent and any formula, pattern,  
21 compilation, program, device, method, technique, or process supplied to a  
22 public entity that is the subject of efforts by the supplying person to maintain  
23 its secrecy and that may derive independent economic value, actual or  
24 potential, from not being generally known to, and not being readily  
25 ascertainable by proper means by, other persons that might obtain  
26 economic value from its disclosure or use.
- 27 (8) A discovery or innovation that is subject to a patent or a copyright, and any  
28 formula, pattern, compilation, program, device, combination of devices,  
29 method, technique, technical know-how or process that is for use, or is  
30 used, in the operation of a business and is supplied to or prepared by a  
31 public entity that is the subject of efforts by the supplying or preparing

1 person to maintain its secrecy and provides the preparing person an  
2 advantage or an opportunity to obtain an advantage over those who do not  
3 know or use it or that may derive independent economic value, actual or  
4 potential, from not being generally known to, and not being readily  
5 ascertainable by proper means by, a person that might obtain economic  
6 value from its disclosure or use.

7 d. "Trade secret" means information, including a formula, pattern, compilation,  
8 program, device, method, technique, technical know-how, or process, that:

9 (1) Derives independent economic value, actual or potential, from not being  
10 generally known to, and not being readily ascertainable by proper means by,  
11 other persons that can obtain economic value from its disclosure or use;  
12 and

13 (2) Is the subject of efforts that are reasonable under the circumstances to  
14 maintain the secrecy of the information.

15 3. This section does not limit or otherwise affect a record pertaining to any rule of the  
16 state department of health or to any record pertaining to the application for a permit or  
17 license necessary to do business or to expand business operations within this state,  
18 except as otherwise provided by law.

19 4. This section does not limit the release or use of records obtained in an investigation by  
20 the attorney general or other law enforcement official.

21 5. Unless made confidential under subsection 1, the following economic development  
22 records and information are exempt:

23 a. Records and information pertaining to a prospective location of a business or  
24 industry, including the identity, nature, and location of the business or industry,  
25 when no previous public disclosure has been made by the business or industry of  
26 the interest or intent of the business or industry to locate in, relocate within,  
27 expand within this state, or partner with a public entity to conduct research or to  
28 license a discovery or innovation. This exemption does not include records  
29 pertaining to the application for permits or licenses necessary to do business or  
30 to expand business operations within this state, except as otherwise provided by  
31 law.

- 1           b. Trade secrets and proprietary, commercial, or financial information received from  
2           a person that is interested in applying for or receiving financing, technical  
3           assistance, or other forms of business assistance.
- 4        6. Unless made confidential under subsection 1 or made exempt under subsection 5:
- 5           a. Bids received by a public entity in response to an invitation for bids by the public  
6           entity are exempt until all of the bids have been received and opened by the  
7           public entity.
- 8           b. Proposals received by a public entity in response to a request for proposals are  
9           exempt records until a notice of intent to award is issued.
- 10          c. Records included with any bid or proposal naming and generally describing the  
11          entity submitting the proposal are open.
- 12        7. Unless made confidential under subsection 1, records received by the state  
13          department of emergency services under chapter 37-17.1 and the state local  
14          intelligence center from the federal government and any public or private agency or  
15          entity for disaster mitigation, preparation, response, and recovery, or for cyber threat  
16          are exempt.
- 17        8. Unless made confidential under subsection 1, university research records are exempt.  
18          "University research records" means data and records, other than a financial or  
19          administrative record, produced or collected by or for faculty or staff of an institution  
20          under the control of ~~the state board of a~~ higher education governing board in the  
21          conduct of or as a result of study or research on an educational, commercial, scientific,  
22          artistic, technical, or scholarly issue, regardless of whether the study or research was  
23          sponsored by the institution alone, or in conjunction with a governmental or private  
24          entity, provided the information has not been publicly released, published, or patented.
- 25        9. Personally identifiable study information is confidential. "Personally identifiable study  
26          information" means information about an individual participating in a human research  
27          study or project at an institution under the control of ~~the state board of a~~ higher  
28          education governing board which requires prospective institutional review board  
29          review or a determination of exemption, if the information can be used to distinguish or  
30          trace the individual's identity, or is linked or linkable to the individual. Examples of  
31          personally identifiable study information include name, maiden name, mother's maiden



1 name, alias, personal identification number, social security number, passport number,  
2 driver's license number, taxpayer identification number, financial account or credit card  
3 number, address, email address, photographic images, fingerprints, handwriting, and  
4 other biometric data. Information about participants in human subjects research which  
5 does not constitute personally identifiable study information but is part of a human  
6 subjects research study or project at an institution under the control of ~~the state board~~  
7 ~~of a~~ higher education governing board requiring prospective institutional review board  
8 review or a determination of exemption is a university research record under  
9 subsection 8.

- 10 10. Subsections 8 and 9 do not apply to a student record or other information disclosed by  
11 an institution under the control of ~~the state board of a~~ higher education governing board  
12 to the statewide longitudinal data system.

13 **(Contingent effective date - [See note](#)) Confidentiality of trade secret, proprietary,**  
14 **commercial, financial, and research information.**

- 15 1. Trade secret, proprietary, commercial, and financial information is confidential if it is of  
16 a privileged nature and it has not been previously publicly disclosed.
- 17 2. Under this section, unless the context otherwise requires:
- 18 a. "Commercial information" means information pertaining to buying or selling of  
19 goods and services that has not been previously publicly disclosed and that if the  
20 information were to be disclosed would impair the public entity's future ability to  
21 obtain necessary information or would cause substantial competitive injury to the  
22 person from which the information was obtained.
- 23 b. "Financial information" means information pertaining to monetary resources of a  
24 person that has not been previously publicly disclosed and that if the information  
25 were to be disclosed would impair the public entity's future ability to obtain  
26 necessary information or would cause substantial competitive injury to the person  
27 from which the information was obtained.
- 28 c. "Proprietary information" includes:
- 29 (1) Information shared between a sponsor of research or a potential sponsor of  
30 research and a public entity conducting or negotiating an agreement for the  
31 research.

- 1 (2) Information received from a private business that has entered or is  
2 negotiating an agreement with a public entity to conduct research or  
3 manufacture or create a product for potential commercialization.
- 4 (3) A discovery or innovation generated by the research information, technical  
5 information, financial information, or marketing information acquired under  
6 activities described under paragraph 1 or 2.
- 7 (4) A document specifically and directly related to the licensing or  
8 commercialization resulting from activities described under paragraph 1, 2,  
9 or 6.
- 10 (5) Technical, financial, or marketing records that are received by a public  
11 entity, which are owned or controlled by the submitting person, are intended  
12 to be and are treated by the submitting person as private, and the disclosure  
13 of which would cause harm to the submitting person's business.
- 14 (6) A discovery or innovation produced by the public entity that an employee or  
15 the entity intends to commercialize.
- 16 (7) A computer software program and components of a computer software  
17 program that are subject to a copyright or a patent and any formula, pattern,  
18 compilation, program, device, method, technique, or process supplied to a  
19 public entity that is the subject of efforts by the supplying person to maintain  
20 its secrecy and that may derive independent economic value, actual or  
21 potential, from not being generally known to, and not being readily  
22 ascertainable by proper means by, other persons that might obtain  
23 economic value from its disclosure or use.
- 24 (8) A discovery or innovation that is subject to a patent or a copyright, and any  
25 formula, pattern, compilation, program, device, combination of devices,  
26 method, technique, technical know-how or process that is for use, or is  
27 used, in the operation of a business and is supplied to or prepared by a  
28 public entity that is the subject of efforts by the supplying or preparing  
29 person to maintain its secrecy and provides the preparing person an  
30 advantage or an opportunity to obtain an advantage over those who do not  
31 know or use it or that may derive independent economic value, actual or

1 potential, from not being generally known to, and not being readily  
2 ascertainable by proper means by, a person that might obtain economic  
3 value from its disclosure or use.

4 d. "Trade secret" means information, including a formula, pattern, compilation,  
5 program, device, method, technique, technical know-how, or process, that:

6 (1) Derives independent economic value, actual or potential, from not being  
7 generally known to, and not being readily ascertainable by proper means by,  
8 other persons that can obtain economic value from its disclosure or use;  
9 and

10 (2) Is the subject of efforts that are reasonable under the circumstances to  
11 maintain the secrecy of the information.

12 3. This section does not limit or otherwise affect a record pertaining to any rule of the  
13 state department of health or department of environmental quality or to any record  
14 pertaining to the application for a permit or license necessary to do business or to  
15 expand business operations within this state, except as otherwise provided by law.

16 4. This section does not limit the release or use of records obtained in an investigation by  
17 the attorney general or other law enforcement official.

18 5. Unless made confidential under subsection 1, the following economic development  
19 records and information are exempt:

20 a. Records and information pertaining to a prospective location of a business or  
21 industry, including the identity, nature, and location of the business or industry,  
22 when no previous public disclosure has been made by the business or industry of  
23 the interest or intent of the business or industry to locate in, relocate within,  
24 expand within this state, or partner with a public entity to conduct research or to  
25 license a discovery or innovation. This exemption does not include records  
26 pertaining to the application for permits or licenses necessary to do business or  
27 to expand business operations within this state, except as otherwise provided by  
28 law.

29 b. Trade secrets and proprietary, commercial, or financial information received from  
30 a person that is interested in applying for or receiving financing, technical  
31 assistance, or other forms of business assistance.

- 1           6. Unless made confidential under subsection 1 or made exempt under subsection 5:
  - 2           a. Bids received by a public entity in response to an invitation for bids by the public
  - 3           entity are exempt until all of the bids have been received and opened by the
  - 4           public entity.
  - 5           b. Proposals received by a public entity in response to a request for proposals are
  - 6           exempt records until a notice of intent to award is issued.
  - 7           c. Records included with any bid or proposal naming and generally describing the
  - 8           entity submitting the proposal are open.
- 9           7. Unless made confidential under subsection 1, records received by the state
- 10          department of emergency services under chapter 37-17.1 and the state local
- 11          intelligence center from the federal government and any public or private agency or
- 12          entity for disaster mitigation, preparation, response, and recovery, or for cyber threat
- 13          are exempt.
- 14          8. Unless made confidential under subsection 1, university research records are exempt.
- 15          "University research records" means data and records, other than a financial or
- 16          administrative record, produced or collected by or for faculty or staff of an institution
- 17          under the control of ~~the state board of a~~ higher education governing board in the
- 18          conduct of or as a result of study or research on an educational, commercial, scientific,
- 19          artistic, technical, or scholarly issue, regardless of whether the study or research was
- 20          sponsored by the institution alone, or in conjunction with a governmental or private
- 21          entity, provided the information has not been publicly released, published, or patented.
- 22          9. Personally identifiable study information is confidential. "Personally identifiable study
- 23          information" means information about an individual participating in a human research
- 24          study or project at an institution under the control of ~~the state board of a~~ higher
- 25          education governing board which requires prospective institutional review board
- 26          review or a determination of exemption, if the information can be used to distinguish or
- 27          trace the individual's identity, or is linked or linkable to the individual. Examples of
- 28          personally identifiable study information include name, maiden name, mother's maiden
- 29          name, alias, personal identification number, social security number, passport number,
- 30          driver's license number, taxpayer identification number, financial account or credit card
- 31          number, address, email address, photographic images, fingerprints, handwriting, and

1 other biometric data. Information about participants in human subjects research which  
2 does not constitute personally identifiable study information but is part of a human  
3 subjects research study or project at an institution under the control of ~~the state board~~  
4 ~~of a~~ higher education governing board requiring prospective institutional review board  
5 review or a determination of exemption is a university research record under  
6 subsection 8.

7 10. Subsections 8 and 9 do not apply to a student record or other information disclosed by  
8 an institution under the control of ~~the state board of a~~ higher education governing board  
9 to the statewide longitudinal data system.

10 **SECTION 106. AMENDMENT.** Subsection 1 of section 44-04-18.15 of the North Dakota  
11 Century Code is amended and reenacted as follows:

12 1. Any private donor or prospective donor name, address, telephone number, electronic  
13 mail address, estate planning information, tax record or financial information, or other  
14 personal information or correspondence received or retained by ~~a board of higher~~  
15 ~~education or university system~~ an officer or employee of the higher education advisory  
16 committee, the office of higher education, a higher education governing board, or an  
17 institution governed by a higher education governing board, or by an affiliated  
18 nonprofit organization that provides support to and is organized and operated for the  
19 benefit of an institution under the ~~authority of the board~~ control of a higher education  
20 governing board is exempt.

21 **SECTION 107. AMENDMENT.** Section 44-04-18.16 of the North Dakota Century Code is  
22 amended and reenacted as follows:

23 **44-04-18.16. Confidentiality of patient records at student health services and**  
24 **university system clinics.**

25 Any patient record of a patient at a state college or university student health service,  
26 university of North Dakota medical center or family practice center, or other ~~university system~~  
27 ~~medical center or clinic~~ under the control of a higher education governing board is confidential.

28 **SECTION 108. AMENDMENT.** Section 44-04-18.28 of the North Dakota Century Code is  
29 amended and reenacted as follows:

1       **44-04-18.28. Title IX records at state universities and colleges exempt.**

2       Any record related to a complaint or investigation under title IX of the Education  
3 Amendments of 1972 [Pub. L. 92-318; 20 U.S.C. 1681 et seq.] at an institution under the control  
4 of ~~the state board of a~~ higher education governing board which contains personally identifiable  
5 information about a party to the complaint is an exempt record. For purposes of this section,  
6 "personally identifiable information" means information that directly identifies an individual, and  
7 information that, alone or in combination with other information, is linked or linkable to an  
8 individual and would allow a reasonable person who lacks knowledge of the relevant  
9 circumstances to identify the individual.

10       **SECTION 109. AMENDMENT.** Subsection 7 of section 44-04-20 of the North Dakota  
11 Century Code is amended and reenacted as follows:

12       7. A committee of an institution under the ~~authority of the state board~~control of a higher  
13 education governing board, in lieu of the notice requirements in this section, may file in  
14 the office of the president of the institution the name, address, and telephone number  
15 of a person who may be contacted to obtain specific times, dates, and locations of any  
16 meetings of that committee or to request specific notification of each meeting of that  
17 committee.

18       **SECTION 110. AMENDMENT.** Subsection 2 of section 44-08-05.1 of the North Dakota  
19 Century Code is amended and reenacted as follows:

20       2. The director of the office of management and budget, the ~~state board~~office of higher  
21 education, a higher education governing board, the governing body of any political  
22 subdivision, and the board of any school district may establish and administer a  
23 purchasing card system for use by its officers, employees, representatives, or agents.  
24 If the director of the office of management and budget establishes a cooperative  
25 purchasing contract under section 54-44.4-13, each participating government entity is  
26 responsible for its purchasing card system.

27       **SECTION 111. AMENDMENT.** Section 48-01.2-02 of the North Dakota Century Code is  
28 amended and reenacted as follows:

29       **48-01.2-02. Plans and specifications for a public improvement contract.**

30       Except as otherwise provided in this chapter, if the estimated cost for the construction of a  
31 public improvement is in excess of the threshold established under section 48-01.2-02.1, the

1 governing body shall procure plans, drawings, and specifications for the improvement from an  
2 architect or engineer. For a public building in use by or to be used by the North Dakota  
3 agricultural experiment station in connection with farm or agricultural research operations, the  
4 plans, drawings, and specifications, with the approval of the ~~state board of higher-~~  
5 ~~education~~ North Dakota state research university governing board, may be prepared by an  
6 engineer in the regular employment of the agricultural experiment station. For a public building  
7 in use by or to be used by the department of transportation for the storage and housing of road  
8 materials or road machinery, equipment, and tools, the plans, drawings, and specifications may  
9 be prepared by an engineer employed by the department of transportation. Plans, drawings,  
10 and specifications of an architect or engineer must be stamped and sealed by the date of the  
11 initial bid advertisement.

12 **SECTION 112. AMENDMENT.** Subsection 7 of section 51-35-01 of the North Dakota  
13 Century Code is amended and reenacted as follows:

14 7. "Scrap metal dealer" means a person, ~~as defined in subsection 8 of section 1-01-49,~~  
15 engaged in the business of purchasing, selling, trading, or bartering scrap metal, and  
16 includes all employees of the scrap metal dealer.

17 **SECTION 113. AMENDMENT.** Subdivision c of subsection 13 of section 52-02.1-01 of the  
18 North Dakota Century Code is amended and reenacted as follows:

19 c. Subcontracted services with institutions governed by ~~the state board of a~~ higher  
20 education, governing board; private colleges or universities; federal, state, or  
21 local agencies; or other private training or educational services.

22 **SECTION 114. AMENDMENT.** Section 52-08-08 of the North Dakota Century Code is  
23 amended and reenacted as follows:

24 **52-08-08. Institution to serve workforce needs.**

25 Subject to ~~state board of higher education~~ policies of the relevant higher education  
26 governing board, the president of an institution of higher education ~~that, which~~ is assigned  
27 primary responsibility for workforce training shall establish a division or other unit within the  
28 institution to serve the workforce needs of business and industry and to serve as a broker in  
29 arranging the delivery of training.

30 **SECTION 115. AMENDMENT.** Section 52-08-09 of the North Dakota Century Code is  
31 amended and reenacted as follows:

1           **52-08-09. Workforce training board - Formation.**

2           Subject to ~~state board of higher education~~ policies of the relevant higher education  
3 governing board, the president of an institution of higher education ~~that, which~~ is assigned  
4 primary responsibility for workforce training shall appoint a workforce training board consisting  
5 of representatives from businesses, labor, and industries located within the institution's delivery  
6 area. The workforce training board must consist of at least seven but no more than fifteen  
7 members and must include at least one representative from either an Indian-owned business,  
8 the tribal government, or the tribal colleges within the designated region.

9           **SECTION 116. AMENDMENT.** Section 52-08-10 of the North Dakota Century Code is  
10 amended and reenacted as follows:

11           **52-08-10. Preparation of business plan - Revolving loans.**

12           Subject to ~~state board of higher education~~ policies of the relevant higher education  
13 governing board, the president of an institution of higher education ~~that, which~~ is assigned  
14 primary responsibility for workforce training shall prepare an annual business plan that must  
15 include provisions for use of the training capacity of the tribal colleges within the designated  
16 region, in consultation with the workforce training board. The business plan may include  
17 participation as a community under the new jobs training program under chapter 52-02.1. The  
18 workforce training board shall approve the business plan and make recommendations for  
19 funding of the business plan to the ~~state board of higher education~~ governing board of the  
20 institution of higher education. Any state funds received under this program by ~~the institutions an~~  
21 institution of higher education assigned primary responsibility for workforce training must be  
22 used for business and customized training activities. The ~~state board of higher education~~  
23 governing board may establish for each institution of higher education under the control of the  
24 governing board which is assigned primary responsibility for workforce training a revolving loan  
25 fund for workforce training program startups using the borrowing authority provided in section  
26 ~~15-10-16.115-10.5-28.~~

27           **SECTION 117. AMENDMENT.** Section 52-08-11 of the North Dakota Century Code is  
28 amended and reenacted as follows:

29           **52-08-11. Performance measurements for workforce training.**

30           Subject to ~~state board of higher education~~ policies of the relevant higher education  
31 governing board, the president of an institution of higher education ~~that, which~~ is assigned



1 primary responsibility for workforce training shall develop, in consultation with the workforce  
2 training board, performance measurements for workforce training. The measurements must  
3 include requirements for being time-sensitive and results-oriented and must determine how well  
4 the training needs of business and industry are being met.

5 **SECTION 118. AMENDMENT.** Section 54-10-22.1 of the North Dakota Century Code is  
6 amended and reenacted as follows:

7 **54-10-22.1. State auditor's access to information relating to operations of**  
8 **governmental entities subject to audit.**

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

22 **SECTION 119. AMENDMENT.** Section 54-10-30 of the North Dakota Century Code is  
23 amended and reenacted as follows:

24 **54-10-30. ~~State board of higher~~Higher education audits - Higher education audit**  
25 **division.**

26 1. The state auditor shall establish a higher education audit division and employ a  
27 division audit manager to perform all audits of and audit related functions of ~~the state-~~  
28 ~~board of for the~~ higher education advisory committee, office of higher education, higher  
29 education governing boards, and state institutions of higher education, including the  
30 examination and evaluation of the adequacy and effectiveness of ~~the board's each~~  
31 entity's governance, risk management, internal controls, performance of

1 constitutionally and statutorily required duties, and other areas as determined by the  
2 state auditor. The audit manager shall conduct audits, as determined appropriate by  
3 the state auditor, of each institution under the supervision and control of ~~the state~~  
4 ~~board of a~~ higher education governing board. The audit manager may consult with the  
5 ~~state board of institution's~~ higher education governing board, or a committee  
6 designated by the board, regarding audit plans, results of audit activities, and any  
7 other appropriate issue. The state auditor shall determine the audit scope and related  
8 audit areas of any audit conducted by the audit manager. This section does not require  
9 the state auditor to perform any duties that would compromise the auditor's  
10 independence under government auditing standards.

11 2. The audit manager may access and examine any record under the control of ~~the state~~  
12 ~~board of a~~ higher education governing board. For purposes of reviewing records under  
13 the Family Educational Rights and Privacy Act [20 U.S.C. 1232g; 34 CFR 99] or any  
14 other federal privacy law, the audit manager must be considered a state educational  
15 official authorized to access student records for audit purposes.

16 3. The state auditor may hire employees necessary to carry out the duties and  
17 responsibilities of this section. The state auditor may hire consultants to assist with  
18 any duties required under this section subject to approval by the legislative audit and  
19 fiscal review committee. ~~The state board of higher education~~The entity regarding  
20 which the state auditor hires a consultant under this subsection shall pay for the cost  
21 of any consultant approved under this section.

22 4. This section does not prohibit ~~the state board of a~~ higher education governing board  
23 from employing internal audit staff or contracting for internal audit services.

24 **SECTION 120. AMENDMENT.** Section 54-12-08 of the North Dakota Century Code is  
25 amended and reenacted as follows:

26 **54-12-08. Assistant and special assistant attorneys general - Appointment -**  
27 **Revocation - Compensation.**

28 1. After consultation with the head of the state department or institution or with the state  
29 board, commission, committee, or agency affected, the attorney general may appoint  
30 assistant or special assistant attorneys general to represent the state board,  
31 commission, committee, or agency. A state officer, head of any state department,

1 whether elected or appointed, or state department, board, commission, committee, or  
2 agency may not employ legal counsel, and no person may act as legal counsel in any  
3 matter, action, or proceeding in which the state or any state department, board,  
4 commission, committee, or agency is interested or is a party, except upon written  
5 appointment by the attorney general. Workforce safety and insurance, the department  
6 of transportation, the state tax commissioner, the public service commission, the  
7 insurance commissioner, and the securities commissioner may employ attorneys to  
8 represent them. These entities shall pay the salaries and expenses of the attorneys  
9 they employ within the limits of legislative appropriations. The attorneys that represent  
10 these entities must be special assistant attorneys general appointed by the attorney  
11 general pursuant to this section. Absent good cause, the attorney general shall appoint  
12 as special assistant attorneys general licensed attorneys selected by these entities.  
13 The attorney general may revoke the appointment only for good cause or upon the  
14 request of the entity. Good cause means an inadequate level of experience,  
15 competence, or ethical standards.

16 2. The powers conferred upon special assistant attorneys general are the same as are  
17 exercised by the regular assistant attorneys general, unless the powers are limited  
18 specifically by the terms of the appointment. Except as otherwise provided by this  
19 section, an appointment is revocable at the pleasure of the attorney general. The  
20 appointment may be made with or without compensation, and when compensation is  
21 allowed by the attorney general for services performed, the compensation must be  
22 paid out of the funds appropriated therefor.

23 3. The attorney general may require payment for legal services rendered by any  
24 assistant or special assistant attorney general to any state official, board, department,  
25 agency, or commission and those entities shall make the required payment to the  
26 attorney general. Moneys received by the attorney general in payment for legal  
27 services rendered must be deposited into the attorney general's operating fund.  
28 General fund moneys may not be utilized for the payment of legal services provided by  
29 the attorneys employed by the attorney general, except for those payments required of  
30 the department of human services, state department of health, and the state hospital.

1           4.    An assistant or special assistant attorney general appointed to represent the state-  
2           ~~board of higher education~~ advisory committee, the office of higher education, a higher  
3           education governing board, or an institution under the control of ~~the state board of a~~  
4           higher education governing board may access and examine any record under the  
5           control of ~~the state board of higher education~~ the entity represented. For purposes of  
6           reviewing records under the Family Educational Rights and Privacy Act [20 U.S.C.  
7           1232g; 34 CFR 99] or any other federal privacy law, the assistant or special assistant  
8           attorney general is considered a state educational official authorized to access student  
9           records.

10           **Assistant and special assistant attorneys general - Appointment - Revocation -**  
11           **Compensation. (Contingent effective date - [See note](#))**

12           1.    After consultation with the head of the state department or institution or with the state  
13           board, commission, committee, or agency affected, the attorney general may appoint  
14           assistant or special assistant attorneys general to represent the state board,  
15           commission, committee, or agency. A state officer, head of any state department,  
16           whether elected or appointed, or state department, board, commission, committee, or  
17           agency may not employ legal counsel, and no person may act as legal counsel in any  
18           matter, action, or proceeding in which the state or any state department, board,  
19           commission, committee, or agency is interested or is a party, except upon written  
20           appointment by the attorney general. Workforce safety and insurance, the department  
21           of transportation, the state tax commissioner, the public service commission, the  
22           insurance commissioner, and the securities commissioner may employ attorneys to  
23           represent them. These entities shall pay the salaries and expenses of the attorneys  
24           they employ within the limits of legislative appropriations. The attorneys that represent  
25           these entities must be special assistant attorneys general appointed by the attorney  
26           general pursuant to this section. Absent good cause, the attorney general shall appoint  
27           as special assistant attorneys general licensed attorneys selected by these entities.  
28           The attorney general may revoke the appointment only for good cause or upon the  
29           request of the entity. Good cause means an inadequate level of experience,  
30           competence, or ethical standards.

- 1           2.    The powers conferred upon special assistant attorneys general are the same as are  
2                    exercised by the regular assistant attorneys general, unless the powers are limited  
3                    specifically by the terms of the appointment. Except as otherwise provided by this  
4                    section, an appointment is revocable at the pleasure of the attorney general. The  
5                    appointment may be made with or without compensation, and when compensation is  
6                    allowed by the attorney general for services performed, the compensation must be  
7                    paid out of the funds appropriated therefor.
- 8           3.    The attorney general may require payment for legal services rendered by any  
9                    assistant or special assistant attorney general to any state official, board, department,  
10                   agency, or commission and those entities shall make the required payment to the  
11                   attorney general. Moneys received by the attorney general in payment for legal  
12                   services rendered must be deposited into the attorney general's operating fund.  
13                   General fund moneys may not be utilized for the payment of legal services provided by  
14                   the attorneys employed by the attorney general, except for those payments required of  
15                   the department of human services, state department of health, department of  
16                   environmental quality, and the state hospital.
- 17           4.    An assistant or special assistant attorney general appointed to represent the ~~state-~~  
18                   ~~board of~~ higher education advisory committee, the office of higher education, a higher  
19                   education governing board, or an institution under the control of ~~the state board of a~~  
20                   higher education governing board may access and examine any record under the  
21                   control of the ~~state board of higher education~~entity represented. For purposes of  
22                   reviewing records under the Family Educational Rights and Privacy Act [20 U.S.C.  
23                   1232g; 34 CFR 99] or any other federal privacy law, the assistant or special assistant  
24                   attorney general is considered a state educational official authorized to access student  
25                   records.

26           **SECTION 121. AMENDMENT.** Subsections 1 and 5 of section 54-12-35 of the North  
27   Dakota Century Code are amended and reenacted as follows:

- 28           1.    To the extent the annual cap under this section has not been met, an individual who is  
29                   employed as a full-time law enforcement officer in this state, who has a minimum of  
30                   two years of employment, and who is licensed under chapter 12-63, is entitled to a  
31                   waiver of twenty-five percent of resident tuition and fees of any institution of higher

1 education under the control of ~~the state board of a~~ higher education governing board if  
2 the law enforcement officer:

- 3 a. Maintains satisfactory performance with the officer's law enforcement agency;
- 4 b. Obtains authorization to participate in the waiver program and a certificate of  
5 verification from the law enforcement officer's superior officer which attests to the  
6 officer's satisfactory performance;
- 7 c. Meets all admission requirements of the institution; and
- 8 d. Pursues studies leading to a degree from an associate degree program or a  
9 baccalaureate degree program.

10 5. The total amount of waivers granted each academic year by institutions under the  
11 control of ~~the state board of a~~ higher education governing board may not exceed five  
12 hundred thousand dollars.

13 **SECTION 122. AMENDMENT.** Section 54-27-10 of the North Dakota Century Code is  
14 amended and reenacted as follows:

15 **54-27-10. Appropriations - When available.**

16 Unless otherwise authorized as provided in this section, seventy-five percent of the  
17 appropriations made by the legislative assembly for the line items of salaries and wages and  
18 operating expenses for any state institution, department, board, commission, or bureau in the  
19 executive branch of state government for the biennium, except institutions under the ~~jurisdiction~~  
20 ~~and supervision of the state board of~~ control of a higher education governing board, shall  
21 become available on the first day of July next succeeding the enactment by the legislative  
22 assembly. The remaining twenty-five percent of any such appropriations shall be available only  
23 at the beginning of the fourth quarter of the biennium. No state institution, department, board,  
24 commission, or bureau in the executive branch of government for which an appropriation for  
25 salaries and wages and operating expenses is made may disburse more than seventy-five  
26 percent of such appropriation during the first eighteen months of the biennium nor incur any  
27 expense or liability which shall be discharged from such appropriation or for which such  
28 appropriation shall become available. Whenever it is made to appear to the emergency  
29 commission by a verified petition submitted by a state institution, department, board,  
30 commission, or bureau in the executive branch of state government that the percentage of the  
31 appropriation for operating expenses allocated for the first three-quarters of the biennium will

1 not be adequate to properly perform its duties and functions, because of seasonal or other  
2 unusual circumstances, it may authorize a revision of the allocated percentage in any such  
3 items, except salaries and wages, provided it will not deprive such state institution, department,  
4 board, commission, or bureau from maintaining its office for the fourth quarter of the biennium.

5 **SECTION 123. AMENDMENT.** Section 54-27-11 of the North Dakota Century Code is  
6 amended and reenacted as follows:

7 **54-27-11. Appropriation - Record kept by office of management and budget - Duties**  
8 **and limitations.**

9 1. The office of management and budget shall keep a record showing:

10 4. a. The total amount appropriated for maintenance for each state officer or agency,  
11 and of each separate item ~~thereof~~ of the state officer or agency.

12 2. b. The amount equal to seventy-five and twenty-five percent of the total  
13 appropriated and each separate item ~~thereof~~ of the state officer or agency.

14 3. c. The amount expended and the balance on hand. The term expended includes  
15 amounts which are payable for which funds have not yet been disbursed.

16 2. The office of management and budget may not allow any expenditure or issue any  
17 warrant during the first eighteen months of each biennium in excess of seventy-five  
18 percent of any item appropriated for salaries and wages and operating expenses for  
19 any state official or state agency in the executive branch of government. The duties  
20 and limitations imposed upon the office of management and budget apply only to the  
21 total amount appropriated for salaries and wages and operating expenses for the  
22 biennium but not to separate amounts appropriated for those line items, for all penal  
23 and charitable institutions of this state and all institutions under the ~~jurisdiction and~~  
24 ~~supervision of the state board of~~ control of a higher education governing board. The  
25 administrative department, office, or board shall keep a record showing the amount,  
26 equal to seventy-five and twenty-five percent, respectively, of the total amount and of  
27 each separate item appropriated for salaries and wages and operating expenses for  
28 all such institutions under its control and is responsible for the enforcement of the  
29 restrictions upon the expenditure of all moneys appropriated to such institutions for  
30 such purposes.

1       **SECTION 124. AMENDMENT.** Section 54-27-12 of the North Dakota Century Code is  
2 amended and reenacted as follows:

3       **54-27-12. Expenditure of amount in excess of appropriation for state institutions -**  
4 **Unlawful.**

5       The administrative department, office, or board of any penal or charitable state institution, or  
6 ~~the state board of a~~ higher education governing board, or any person ~~thereof of the entity~~, in the  
7 transaction of the business of any state institution under its direction or control, may not make  
8 nor authorize knowingly any expenditure in the matter of the erection or improvement of any  
9 public building or structure, or the purchase of any real property, in excess of any appropriation  
10 made by the legislative assembly for ~~such~~that purpose. The president, superintendent, or  
11 managing officer of any state institution ~~conducted~~ under the direction or control of any  
12 department, office, or board, or ~~the state board of~~ higher education governing board may not  
13 connive nor conspire knowingly with ~~such~~ departments, offices, or boards in violation of this  
14 section, nor with any member ~~thereof of an entity in violation of this section~~, to procure to be  
15 expended in the matter of the erection or improvement of any public building or structure, or the  
16 purchase of any real property at the state institution of which the person is president,  
17 superintendent, or managing officer, any sum in excess of the appropriation ~~therefor as~~ made  
18 by the legislative assembly.

19       **SECTION 125. AMENDMENT.** Section 54-27-27 of the North Dakota Century Code is  
20 amended and reenacted as follows:

21       **54-27-27. Report on federal grant applications by state agency.**

22       Each state agency, excluding entities under the control of ~~the state board of a~~ higher  
23 education governing board, shall report to the office of management and budget before applying  
24 for a federal grant for which the agency may receive estimated funding of twenty-five thousand  
25 dollars or more. The report must include the purpose of the grant; the potential amount of the  
26 grant; any additional employees that may be required because of the grant; the time period  
27 covered by the grant; and grant requirements, including state matching requirements or  
28 maintenance of effort. The state agency shall provide updates on the status of the grant  
29 application as required by the office of management and budget. At each meeting of the budget  
30 section of the legislative management, the office of management and budget shall report to the  
31 budget section on the reports received from state agencies under this section.



1       **SECTION 126. AMENDMENT.** Subsection 1 of section 54-27-27.1 of the North Dakota  
2 Century Code is amended and reenacted as follows:

- 3       1. Biennially, each executive branch state agency, excluding entities under the control of  
4 ~~the state board of a~~ higher education governing board, receiving federal funds, shall  
5 report to the office of management and budget a plan to operate the state agency  
6 when federal funds are reduced by five percent or more of the total federal funds the  
7 state agency receives. The report must include information on whether the agency will  
8 request state funds to offset the decrease in federal funds. The report is not required  
9 to address a reduction in federal funds received by the agency which is a result of:
- 10       a. A decrease in caseloads or cost per case;  
11       b. A change in the anticipated project completion date for a construction project  
12       qualifying for federal fund reimbursement; or  
13       c. The completion of a one-time project funded in whole or in part by federal funds.

14       **SECTION 127. AMENDMENT.** Section 54-27-27.2 of the North Dakota Century Code is  
15 amended and reenacted as follows:

16       **54-27-27.2. Federal funding requirements - State agency analysis.**

17       Each state agency, excluding entities under the control of ~~the state board of a~~ higher  
18 education governing board, prior to applying for or accepting federal grant funds, shall:

- 19       1. Consider the federal requirements that the state must comply with as a condition of  
20 receipt of the federal funds;  
21       2. Determine that acceptance of the federal funds does not subject the state to undue  
22 federal oversight or regulations; and  
23       3. Determine that the federal requirements are not in conflict with legislative intent.

24       **SECTION 128. AMENDMENT.** Section 54-35-15.2 of the North Dakota Century Code is  
25 amended and reenacted as follows:

26       **54-35-15.2. Information technology committee - Powers and duties.**

27       The information technology committee has continuing existence and may meet and conduct  
28 its business during the legislative session and in the interim between sessions. The committee  
29 shall:

- 30       1. Meet at least once each calendar quarter.  
31       2. Receive a report from the chief information officer of the state at each meeting.

- 1        3.    Review the business plan of the information technology department.
- 2        4.    Review macro-level issues relating to information technology.
- 3        5.    Review the activities of the information technology department.
- 4        6.    Review statewide information technology standards.
- 5        7.    Review the statewide information technology plan.
- 6        8.    Review information technology efficiency and security.
- 7        9.    Review established or proposed information technology programs and information
- 8                technology acquisition by the executive and judicial branches.
- 9        10.   Except as provided in subsection 11, receive and review information, including a
- 10               project startup report summarizing the project description, project objectives, business
- 11               need or problem, cost-benefit analysis, and project risks and a project closeout report
- 12               summarizing the project objectives achieved, project budget and schedule variances,
- 13               and lessons learned, from the information technology department and the affected
- 14               agency regarding any major information technology project of an executive branch
- 15               agency. For the purposes of this subsection, a major project is a project with a total
- 16               cost of five hundred thousand dollars or more.
- 17        11.   a.    Receive and review information, including a project startup report summarizing
- 18               the project description, project objectives, business need or problem, cost-benefit
- 19               analysis, and project risks and a project closeout report summarizing the project
- 20               objectives achieved, project budget and schedule variances, and lessons
- 21               learned, from the ~~state board~~office of higher education regarding any major
- 22               project of the ~~state board~~office of higher education or any institution under the
- 23               control of the ~~state board of~~ a higher education governing board if the project:
- 24               (1)    Significantly impacts the statewide wide area network, including the campus
- 25               access routers;
- 26               (2)    Impacts the statewide library system; or
- 27               (3)    Is an administrative project. An administrative project is a project that
- 28               directly collects, aggregates, modifies, stores, or reports institutional
- 29               student, financial, or human resources records or data and is provided
- 30               primarily for administrative purposes.

- 1           b. For the purposes of this subsection, a major project is a project with a total cost  
2           of five hundred thousand dollars or more.
- 3       12. Receive and review information from the information technology department and the  
4       affected agency regarding any information technology project of an executive branch  
5       agency with a total cost of between one hundred thousand and five hundred thousand  
6       dollars as determined necessary by the information technology department.
- 7       13. Receive a report from the chief information officer regarding the recommendations of  
8       the state information technology advisory committee relating to the prioritization of  
9       proposed major information technology projects and other information technology  
10      issues.
- 11      14. Receive and review information, including a project startup report summarizing the  
12      project description, project objectives, business need or problem, cost-benefit  
13      analysis, and project risks and a project closeout report summarizing the project  
14      objectives achieved, project budget and schedule variances, and lessons learned,  
15      from the affected legislative or judicial branch agency regarding any information  
16      technology project of the legislative or judicial branch with a total cost of five hundred  
17      thousand dollars or more.
- 18      15. Receive information from the ~~state board~~office of higher education regarding higher  
19      education information technology planning, services, and major projects.

20       **SECTION 129. AMENDMENT.** Section 54-44.1-04 of the North Dakota Century Code is  
21      amended and reenacted as follows:

22       **54-44.1-04. Budget estimates of budget units filed with the office of the budget -**  
23      **Deadline.**

24       The head of each budget unit, not later than July fifteenth of each year next preceding the  
25      session of the legislative assembly, shall submit to the office of the budget, estimates of  
26      financial requirements of the person's budget unit for the next two fiscal years, on the forms and  
27      in the manner prescribed by the office of the budget, with ~~such~~the explanatory data ~~as is~~  
28      required by the office of the budget and ~~such~~ additional data as the head of the budget unit  
29      wishes to submit. The estimates of financial requirements for budget units under the control of  
30      ~~the state board of a~~ higher education governing board must be made using the same forms,  
31      supporting information, and documentation as other budget units. Any request for a new

1 full-time or part-time permanent position included in a budget unit's estimate of its financial  
2 requirements for the next two fiscal years must include documentation justifying the need for the  
3 position. The documentation must describe the circumstances resulting in the need for the  
4 position and identify the number of hours the position will be involved in specific types of  
5 activities and the anticipated outcomes of the activities. The estimates ~~se~~ submitted must bear  
6 the approval of the board or commission of each budget unit for which a board or commission is  
7 constituted. The director of the budget may extend the filing date for any budget unit if the  
8 director finds there is some circumstance that makes it advantageous to authorize the  
9 extension. If a budget unit has not submitted its estimate of financial requirements by the  
10 required date or within a period of extension set by the director of the budget, the director of the  
11 budget shall prepare the budget unit's estimate of financial requirements except the estimate  
12 may not exceed ninety percent of the budget unit's previous biennial appropriation. The director  
13 of the budget or a subordinate officer ~~as designated by the director shall designate~~ shall  
14 examine the estimates and shall afford to the heads of budget units reasonable opportunity for  
15 explanation ~~in regard thereto~~ regarding the estimates and, when requested, shall grant to the  
16 heads of budget units a hearing ~~thereon which must be on the estimates which is~~ open to the  
17 public.

18 **SECTION 130. AMENDMENT.** Subsection 4 of section 54-44.1-06 of the North Dakota  
19 Century Code is amended and reenacted as follows:

20 4. Detailed comparative statements of expenditures and requests for appropriations by  
21 funds, budget units and classification of expenditures, showing the expenditures for  
22 the previous biennium, the first fiscal year of the present biennium, the budget of the  
23 current biennium, and the governor's recommendation for appropriations for each  
24 budget unit for the next biennium, all distributed according to the prescribed  
25 classification of expenditures. Following the lists of actual and proposed expenditures  
26 of each budget unit there must be a brief explanation of the functions of the unit and  
27 comments on its policies and plans and on any considerable differences among the  
28 amounts recommended, with any descriptive, quantitative, comparative, and other  
29 data as to work done, unit costs, and like information as may be considered necessary  
30 or desirable. For capital outlay expenditures involving construction projects to be  
31 completed in two or more fiscal years, there must be shown the total estimated cost of

1 each such project and the amount thereof recommended to be appropriated and  
2 expended in each ensuing fiscal year until completion of the project. Capital outlay  
3 needs may be projected for at least two years beyond the period covered by the  
4 budget. The detailed comparative statements of budget units under the control of the  
5 ~~state board of a~~ higher education governing board must include the same information  
6 presented for other budget units.

7 **SECTION 131. AMENDMENT.** Subsection 8 of section 54-44.3-20 of the North Dakota  
8 Century Code is amended and reenacted as follows:

9 8. Employees of the institutions of higher education under the control of the ~~state board~~  
10 ~~of a~~ higher education governing board.

11 **SECTION 132. AMENDMENT.** Section 54-44.4-11 of the North Dakota Century Code is  
12 amended and reenacted as follows:

13 **54-44.4-11. Small purchases.**

- 14 1. A procurement not exceeding the amount established by written directive of the  
15 director of the office of management and budget or by the ~~state board of a~~ higher  
16 education governing board under subdivision v of subsection ~~51~~ of section  
17 ~~45-10-17~~15-10.5-09 may be made in accordance with small purchase procedures.
- 18 2. A small purchase need not be made through competitive sealed bidding or competitive  
19 sealed proposals. However, small purchases must be made with competition that is  
20 practicable under the circumstances.
- 21 3. Procurement requirements may not be artificially divided as to constitute a small  
22 purchase under this section.

23 **SECTION 133. AMENDMENT.** Subsections 1 and 2 of section 54-44.4-13 of the North  
24 Dakota Century Code are amended and reenacted as follows:

- 25 1. The office of management and budget shall purchase commodities or services as  
26 requested by agencies and institutions under the ~~jurisdiction of the state board~~control  
27 of higher education governing boards and the legislative and judicial branches of state  
28 government.
- 29 2. The office of management and budget and the agencies and institutions under the  
30 ~~jurisdiction~~control of the ~~state board of~~ higher education governing boards shall make  
31 joint purchases of like commodities or services of high common usage when the office

1           of management and budget and the ~~state board of~~relevant higher education governing  
2           board determine it is in the best interest of the state.

3           **SECTION 134. AMENDMENT.** Subsection 1 of section 54-46-02 of the North Dakota  
4 Century Code is amended and reenacted as follows:

5           1. "Agency" means any department, office, commission, board, or other unit, however  
6           designated, of the executive branch of state government, including the ~~state board of~~  
7           higher education advisory committee, office of higher education, higher education  
8           governing boards, and the ~~entities~~institutions under the control of the ~~state board of~~  
9           higher education governing boards.

10          **SECTION 135. AMENDMENT.** Subsection 3 of section 54-52.6-01 of the North Dakota  
11 Century Code is amended and reenacted as follows:

12          3. "Eligible employee" means a permanent state employee, except an employee of the  
13          judicial branch or an employee of the ~~board of~~ higher education advisory committee,  
14          office of higher education, higher education governing boards, and state institutions  
15          under the jurisdiction of the board of higher education, who is eighteen years or more  
16          of age and who is in a position not classified by North Dakota human resource  
17          management services. If a participating member loses permanent employee status  
18          and becomes a temporary employee, the member may still participate in the defined  
19          contribution retirement plan.

20          **SECTION 136. AMENDMENT.** Subsection 1 of section 54-57-03 of the North Dakota  
21 Century Code is amended and reenacted as follows:

22          1. Notwithstanding the authority granted in chapter 28-32 allowing agency heads or other  
23          persons to preside in an administrative proceeding, all adjudicative proceedings of  
24          administrative agencies under chapter 28-32, except those of the public service  
25          commission, the industrial commission, the insurance commissioner, the state  
26          engineer, the department of transportation, job service North Dakota, and the labor  
27          commissioner, must be conducted by the office of administrative hearings in  
28          accordance with the adjudicative proceedings provisions of chapter 28-32 and any  
29          rules adopted pursuant to chapter 28-32. But, appeals hearings pursuant to section  
30          61-03-22 and drainage appeals from water resource boards to the state engineer  
31          pursuant to chapter 61-32 must be conducted by the office of administrative hearings.

1           Additionally, hearings of the department of corrections and rehabilitation for the parole  
2           board in accordance with chapter 12-59, regarding parole violations; job discipline and  
3           dismissal appeals to the ~~board of a~~ higher education governing board; Individuals With  
4           Disabilities Education Act and section 504 due process hearings of the superintendent  
5           of public instruction; and chapter 37-19.1 veterans' preferences hearings for any  
6           agency must be conducted by the office of administrative hearings in accordance with  
7           applicable laws.

8           **SECTION 137. AMENDMENT.** Section 54-59-02.1 of the North Dakota Century Code is  
9           amended and reenacted as follows:

10          **54-59-02.1. Prioritization of proposed major information technology projects.**

11          The department shall submit information regarding proposed major information technology  
12          projects for executive branch state agencies, departments, and institutions, excluding  
13          institutions under control of the ~~state board of~~ higher education governing boards and agencies  
14          of the judicial and legislative branches, to the state information technology advisory committee.  
15          The committee shall review the projects and rank those projects that receive the committee's  
16          affirmative recommendation. The chief information officer shall submit recommendations of the  
17          committee regarding the prioritization of major information technology projects to the  
18          information technology committee, the office of management and budget, and the  
19          appropriations committees of the legislative assembly. The judicial and legislative branches  
20          shall notify biennially the committee on their major information technology projects and  
21          priorities.

22          **SECTION 138. AMENDMENT.** Section 54-59-05 of the North Dakota Century Code is  
23          amended and reenacted as follows:

24          **54-59-05. Powers and duties of department. (Effective through July 31, 2023)**

25          The department:

- 26          1.    Shall provide, supervise, and regulate information technology of all executive branch  
27              state entities, excluding the higher education advisory committee, office of higher  
28              education, higher education governing boards, and institutions under the control of the  
29              ~~board of~~ higher education governing boards.
- 30          2.    Shall provide network services in a way that ensures the network requirements of a  
31              single entity do not adversely affect the functionality of the whole network, facilitates

1 open communications with the citizens of the state, minimizes the state's investment in  
2 human resources, accommodates an ever-increasing amount of traffic, supports rapid  
3 detection and resolution of problems, protects the network infrastructure from damage  
4 and security breaches, provides for the aggregation of data, voice, video, and  
5 multimedia into a statewide transport mechanism or backbone, and provides for the  
6 network support for the entity to carry out its mission.

7 3. May review and approve additional network services that are not provided by the  
8 department.

9 4. May purchase, finance the purchase, or lease equipment, software, or implementation  
10 services or replace, including by trade or resale, equipment or software as may be  
11 necessary to carry out this chapter. With the exception of agreements entered related  
12 to the statewide interoperable radio network, an agreement to finance the purchase of  
13 software, equipment, or implementation services may not exceed a period of five  
14 years. The department shall submit any intended financing proposal for the purchase  
15 of software, equipment, or implementation services under this subsection, which is in  
16 excess of one million dollars, to the budget section of the legislative management or  
17 the legislative assembly before executing a financing agreement. If the budget section  
18 or the legislative assembly does not approve the execution of a financing agreement,  
19 the department may not proceed with the proposed financing arrangement. With the  
20 exception of financing for the statewide interoperable radio network, the department  
21 may finance the purchase of software, equipment, or implementation services only to  
22 the extent the purchase amount does not exceed seven and one-half percent of the  
23 amount appropriated to the department during that biennium.

24 5. Shall review requests for lease, purchase, or other contractual acquisition of  
25 information technology as required by this subsection. Each executive branch agency  
26 or institution, excluding the institutions under the control of the ~~board of~~ higher  
27 education governing boards, shall submit to the department, in accordance with  
28 guidelines established by the department, a written request for the lease, purchase, or  
29 other contractual acquisition of information technology. The department shall review  
30 requests for conformance with the requesting entity's information technology plan and  
31 compliance with statewide policies and standards. If the request is not in conformance



- 1 or compliance, the department may disapprove the request or require justification for  
2 the departure from the plan or statewide policy or standard.
- 3 6. Shall provide information technology, including assistance and advisory service, to the  
4 executive, legislative, and judicial branches. If the department is unable to fulfill a  
5 request for service from the legislative or judicial branch, the information technology  
6 may be procured by the legislative or judicial branch within the limits of legislative  
7 appropriations.
- 8 7. Shall request and review information, including project startup information  
9 summarizing the project description, project objectives, business need or problem,  
10 cost-benefit analysis, and project risks and a project closeout information summarizing  
11 the project objectives achieved, project budget and schedule variances, and lessons  
12 learned, regarding any major information technology project of an executive branch  
13 agency. The department shall present the information to the information technology  
14 committee on request of the committee.
- 15 8. May request and review information regarding any information technology project of  
16 an executive branch agency with a total cost of between one hundred thousand and  
17 five hundred thousand dollars as determined necessary by the department. The  
18 department shall present the information to the information technology committee on  
19 request of the committee.
- 20 9. Shall study emerging technology and evaluate its impact on the state's system of  
21 information technology.
- 22 10. Shall develop guidelines for reports to be provided by each agency of the executive,  
23 legislative, and judicial branches, excluding the institutions under the control of the  
24 board of higher education, on information technology in those entities.
- 25 11. Shall collaborate with the ~~state board~~office of higher education on guidelines for  
26 reports to be provided by the office of higher education and institutions under the  
27 ~~control of the state board of higher education~~ governing boards on information  
28 technology in those entities.
- 29 12. Shall perform all other duties necessary to carry out this chapter.
- 30 13. May provide wide area network services to a state agency, city, county, school district,  
31 or other political subdivision of this state. The information technology department may

1 not provide wide area network service to any private, charitable, or nonprofit entity  
2 except the information technology department may continue to provide the wide area  
3 network service the department provided to the private, charitable, and nonprofit  
4 entities receiving services from the department on January 1, 2003.

5 14. Shall assure proper measures for security, firewalls, and internet protocol addressing  
6 at the state's interface with other facilities.

7 15. Notwithstanding subsection 13, may provide wide area network services for a period  
8 not to exceed four years to an occupant of a technology park associated with an  
9 institution of higher education or to a business located in a business incubator  
10 associated with an institution of higher education.

11 **Powers and duties of department. (Effective after July 31, 2023)**

12 The department:

13 1. Shall provide, supervise, and regulate information technology of all executive branch  
14 state entities, excluding the higher education advisory committee, office of higher  
15 education, higher education governing boards, and institutions under the control of the  
16 board of higher education governing boards.

17 2. Shall provide network services in a way that ensures the network requirements of a  
18 single entity do not adversely affect the functionality of the whole network, facilitates  
19 open communications with the citizens of the state, minimizes the state's investment in  
20 human resources, accommodates an ever-increasing amount of traffic, supports rapid  
21 detection and resolution of problems, protects the network infrastructure from damage  
22 and security breaches, provides for the aggregation of data, voice, video, and  
23 multimedia into a statewide transport mechanism or backbone, and provides for the  
24 network support for the entity to carry out its mission.

25 3. May review and approve additional network services that are not provided by the  
26 department.

27 4. May purchase, finance the purchase, or lease equipment, software, or implementation  
28 services or replace, including by trade or resale, equipment or software as may be  
29 necessary to carry out this chapter. An agreement to finance the purchase of software,  
30 equipment, or implementation services may not exceed a period of five years. The  
31 department shall submit any intended financing proposal for the purchase of software,

1 equipment, or implementation services under this subsection, which is in excess of  
2 one million dollars, to the budget section of the legislative management or the  
3 legislative assembly before executing a financing agreement. If the budget section or  
4 the legislative assembly does not approve the execution of a financing agreement, the  
5 department may not proceed with the proposed financing arrangement. The  
6 department may finance the purchase of software, equipment, or implementation  
7 services only to the extent the purchase amount does not exceed seven and one-half  
8 percent of the amount appropriated to the department during that biennium.

9 5. Shall review requests for lease, purchase, or other contractual acquisition of  
10 information technology as required by this subsection. Each executive branch agency  
11 or institution, excluding the institutions under the control of the ~~board of~~ higher  
12 education governing boards, shall submit to the department, in accordance with  
13 guidelines established by the department, a written request for the lease, purchase, or  
14 other contractual acquisition of information technology. The department shall review  
15 requests for conformance with the requesting entity's information technology plan and  
16 compliance with statewide policies and standards. If the request is not in conformance  
17 or compliance, the department may disapprove the request or require justification for  
18 the departure from the plan or statewide policy or standard.

19 6. Shall provide information technology, including assistance and advisory service, to the  
20 executive, legislative, and judicial branches. If the department is unable to fulfill a  
21 request for service from the legislative or judicial branch, the information technology  
22 may be procured by the legislative or judicial branch within the limits of legislative  
23 appropriations.

24 7. Shall request and review information, including project startup information  
25 summarizing the project description, project objectives, business need or problem,  
26 cost-benefit analysis, and project risks and a project closeout information summarizing  
27 the project objectives achieved, project budget and schedule variances, and lessons  
28 learned, regarding any major information technology project of an executive branch  
29 agency. The department shall present the information to the information technology  
30 committee on request of the committee.

- 1       8.    May request and review information regarding any information technology project of  
2            an executive branch agency with a total cost of between one hundred thousand and  
3            five hundred thousand dollars as determined necessary by the department. The  
4            department shall present the information to the information technology committee on  
5            request of the committee.
- 6        9.    Shall study emerging technology and evaluate its impact on the state's system of  
7            information technology.
- 8        10.   Shall develop guidelines for reports to be provided by each agency of the executive,  
9            legislative, and judicial branches, excluding the institutions under the control of the  
10           board of higher education, on information technology in those entities.
- 11       11.   Shall collaborate with the ~~state board~~office of higher education on guidelines for  
12           reports to be provided by the office of higher education and institutions under the  
13           control of ~~the state board of higher education governing boards~~ on information  
14           technology in those entities.
- 15       12.   Shall perform all other duties necessary to carry out this chapter.
- 16       13.   May provide wide area network services to a state agency, city, county, school district,  
17            or other political subdivision of this state. The information technology department may  
18            not provide wide area network service to any private, charitable, or nonprofit entity  
19            except the information technology department may continue to provide the wide area  
20            network service the department provided to the private, charitable, and nonprofit  
21            entities receiving services from the department on January 1, 2003.
- 22       14.   Shall assure proper measures for security, firewalls, and internet protocol addressing  
23            at the state's interface with other facilities.
- 24       15.   Notwithstanding subsection 13, may provide wide area network services for a period  
25            not to exceed four years to an occupant of a technology park associated with an  
26            institution of higher education or to a business located in a business incubator  
27            associated with an institution of higher education.

28        **SECTION 139. AMENDMENT.** Section 54-59-07 of the North Dakota Century Code is  
29        amended and reenacted as follows:

1           **54-59-07. State information technology advisory committee.**

2           The state information technology advisory committee consists of the chief information  
3 officer; the ~~commissioner of higher education administrator~~ or the ~~commissioner's administrator's~~  
4 designee; the attorney general or the attorney general's designee; the secretary of state or the  
5 secretary of state's designee; the tax commissioner or the commissioner's designee; the chief  
6 justice of the supreme court or the chief justice's designee; two members of the legislative  
7 assembly appointed by the legislative management; a minimum of eight members representing  
8 state agencies, appointed by the governor; and two members with technology management  
9 expertise representing private industry, appointed by the governor. The appointees of the  
10 governor serve at the pleasure of the governor. The governor shall designate the chairman of  
11 the committee. Additional members may be asked to participate at the request of the chairman.  
12 The department shall provide staff services to the committee. The members of the committee  
13 representing private industry are entitled to be compensated for time spent in attendance at  
14 meetings of the committee and for other travel as approved by the chairman of the committee at  
15 the rate of sixty-two dollars and fifty cents per day and are entitled to reimbursement for actual  
16 and necessary expenses incurred in the same manner as other state officials. The  
17 compensation and expenses are to be paid from appropriations for the department. The  
18 committee shall advise the department regarding statewide information technology planning  
19 and budgeting, services of the information technology department, and statewide information  
20 technology initiatives and policy and shall review reports on major information technology  
21 projects as required by this chapter and policies, standards, and guidelines developed by the  
22 department. The chief information officer shall submit recommendations of the committee  
23 regarding information technology issues to the information technology committee for its  
24 consideration.

25           **SECTION 140. AMENDMENT.** Section 54-59-11.1 of the North Dakota Century Code is  
26 amended and reenacted as follows:

27           **54-59-11.1. Information technology project planning.**

28           Each executive branch state agency, excluding entities under the control of ~~the state board~~  
29 of higher education governing boards, considering the development of an information  
30 technology project with an estimated cost of one hundred thousand dollars or more shall involve  
31 the information technology department in the planning and study of the project. A state agency

1 must receive a recommendation from the information technology department prior to  
2 proceeding with any study relating to the project.

3 **SECTION 141. AMENDMENT.** Section 54-59-12 of the North Dakota Century Code is  
4 amended and reenacted as follows:

5 **54-59-12. Coordination of activities - Reports.**

6 The department shall cooperate with each state entity providing access to any computer  
7 database or electronically filed or stored information under subsection 4 of section 44-04-18 to  
8 assist in providing economical, efficient, and compatible access. The chief information officer  
9 shall conduct conferences and meetings with political subdivisions to review and coordinate  
10 information technology. The chief information officer and the chief information officer of the  
11 ~~North Dakota university system~~office of higher education shall meet at least twice each year to  
12 plan and coordinate their information technology. The chief information officer and the chief  
13 information officer of the ~~North Dakota university system~~office of higher education shall consider  
14 areas in which joint or coordinated information technology may result in more efficient and  
15 effective state government operations. Upon request, the chief information officer shall report to  
16 the legislative management regarding the coordination of services with political subdivisions,  
17 and the chief information officer and the chief information officer of the ~~North Dakota university~~  
18 ~~system~~office of higher education shall report to the legislative management regarding their  
19 findings and recommendations.

20 **SECTION 142. AMENDMENT.** Subdivision c of subsection 2 of section 54-59-17 of the  
21 North Dakota Century Code is amended and reenacted as follows:

22 c. The ~~commissioner of higher education~~ administrator or the  
23 ~~commissioner's~~administrator's designee.

24 **SECTION 143. AMENDMENT.** Section 54-59-22 of the North Dakota Century Code is  
25 amended and reenacted as follows:

26 **54-59-22. Required use of electronic mail, file and print server administration,  
27 database administration, application server, and hosting services.**

28 Each state agency and institution, excluding the legislative and judicial branches, the higher  
29 education advisory committee, office of higher education, institutions under the control of the  
30 ~~state board of higher education~~ governing boards, the attorney general, and any entity  
31 exempted by the office of management and budget after advisement by the information

1 technology department, shall obtain electronic mail, file and print server administration,  
2 database administration, storage, application server, and hosting services through a delivery  
3 system established by the information technology department in conjunction with the office of  
4 management and budget. The office of management and budget, after receiving advice from  
5 the information technology department, shall establish policies and guidelines for the delivery of  
6 services, including the transition from existing systems to functional consolidation, with  
7 consideration given to the creation of efficiencies, cost-savings, and improved quality of service.

8 **SECTION 144. AMENDMENT.** Subdivision e of subsection 1 of section 54-59-22.1 of the  
9 North Dakota Century Code is amended and reenacted as follows:

10 e. ~~North Dakota university system office~~Office of higher education.

11 **SECTION 145. AMENDMENT.** Subsection 1 of section 54-59-23 of the North Dakota  
12 Century Code is amended and reenacted as follows:

13 1. An executive, legislative, or judicial branch agency, except for institutions under the  
14 control of ~~the state board of higher education~~ governing boards, shall report to the  
15 state information technology advisory committee according to guidelines developed by  
16 the department and reviewed by the state information technology advisory committee  
17 regarding the plan for and status of any information technology project that is  
18 estimated to cost more than five hundred thousand dollars.

19 **SECTION 146. AMENDMENT.** Subsection 1 of section 54-59-32 of the North Dakota  
20 Century Code is amended and reenacted as follows:

21 1. An executive branch state agency, excluding institutions under the control of ~~the state~~  
22 ~~board of a~~ higher education governing board, proposing to conduct a major information  
23 technology project as described in subsection 10 of section 54-35-15.2, the  
24 department, and the office of management and budget, in consultation with the  
25 attorney general, shall collaborate on the procurement, contract negotiation, and  
26 contract administration of the project. The agency, the department, and the office of  
27 management and budget, in consultation with the attorney general, shall approve the  
28 solicitation, contract, or agreement, and any amendments relating to the project before  
29 submission to the executive steering committee as provided in subsection 3.

30 **SECTION 147. AMENDMENT.** Subdivision f of subsection 4 of section 54-59-34 of the  
31 North Dakota Century Code is amended and reenacted as follows:

- 1           f.    Require the provision of annual training regarding data protection to any  
2                    individuals who have access to the statewide longitudinal data system, including  
3                    school district employees, employees of the ~~North Dakota university system~~  
4                    office of higher education, higher education governing boards, and institutions  
5                    under the control of ~~the state board of higher education~~ governing boards, and  
6                    elected or appointed state or local governmental officials.

7           **SECTION 148. AMENDMENT.** Section 54-60-06 of the North Dakota Century Code is  
8 amended and reenacted as follows:

9           **54-60-06. Commerce cabinet.**

10          The North Dakota commerce cabinet is created. The cabinet is composed of the directors of  
11 each of the department divisions and of the executive heads, or other authorized  
12 representatives, of the state board for career and technical education, the ~~state board~~office of  
13 higher education, the Bank of North Dakota, the department of agriculture, workforce safety and  
14 insurance, the department of transportation, job service North Dakota, the game and fish  
15 department, and of any other state agency appointed by the commissioner. The commissioner  
16 is the chairman of the cabinet and shall determine which agencies are members of the cabinet.  
17 The cabinet shall:

- 18          1.    Coordinate and communicate economic development and tourism efforts of the  
19                   agencies represented.  
20          2.    Meet at times determined by the commissioner.

21          **SECTION 149. AMENDMENT.** Subdivision a of subsection 1 of section 54-60-19 of the  
22 North Dakota Century Code is amended and reenacted as follows:

- 23          a.    Consult with partners in the state's system for workforce development, workforce  
24                   training, and talent attraction, including job service North Dakota, the department  
25                   of career and technical education, the superintendent of public instruction, the  
26                   ~~state board~~office of higher education, the department of human services, and  
27                   other divisions of the department of commerce.

28          **SECTION 150. AMENDMENT.** Section 54-60-26 of the North Dakota Century Code is  
29 amended and reenacted as follows:



1           **54-60-26. Division of workforce development - Annual reports - North Dakota**  
2 **workforce development council - Budget acceptance.**

- 3           1. Annually, job service North Dakota, the department of career and technical education,  
4 the department, and the ~~state board~~office of higher education each shall submit a  
5 report to the division of workforce development relating to the respective agency's  
6 current workforce initiatives and activities and that agency's plan for future workforce  
7 initiatives and activities. The division of workforce development shall consider these  
8 reports in preparing the consolidated biennial statewide strategic plan for the state's  
9 system for workforce development, workforce training, and talent attraction required  
10 under section 54-60-19.
- 11          2. Before November first of each even-numbered year, job service North Dakota, the  
12 department of career and technical education, the department, and the ~~state-~~  
13 ~~board~~office of higher education each shall present the respective agency's  
14 workforce-related budget initiatives for the upcoming biennium, including alignment of  
15 these initiatives with the consolidated biennial statewide strategic plan, to the North  
16 Dakota workforce development council, created by governor's executive order  
17 1995-01, dated January 3, 1996. The North Dakota workforce development council  
18 members shall consider potential areas for collaboration.

19           **SECTION 151. AMENDMENT.** Subdivision h of subsection 1 of section 54-63-03 of the  
20 North Dakota Century Code is amended and reenacted as follows:

- 21           h. Fund technical assistance from ~~the university system~~institutions under the control  
22           of higher education governing boards and private entities to producers.

23           **SECTION 152. AMENDMENT.** Subsection 6 of section 54-65-01 of the North Dakota  
24 Century Code is amended and reenacted as follows:

- 25           6. "Research university" means an institution under the control of the ~~state board of~~  
26           higher education research university of North Dakota governing board ~~or North Dakota~~  
27           state university governing board which has a full-time student enrollment in excess of  
28           nine thousand students.

29           **SECTION 153. AMENDMENT.** Subsection 6 of section 54-65-02 of the North Dakota  
30 Century Code is amended and reenacted as follows:

1           6.    The ~~board~~ rules adopted under subdivision z of subsection 91 of section ~~15-10-~~  
2                    4715-10.5-09, relating to ownership of intellectual property, inventions, and  
3                    discoveries, must address activities and issues unique to centers.

4           **SECTION 154. AMENDMENT.** Section 65-05.1-06.3 of the North Dakota Century Code is  
5 amended and reenacted as follows:

6           **65-05.1-06.3. Rehabilitation services pilot programs - Reports.**

7           The organization may implement a system of pilot programs to allow the organization to  
8 assess alternative methods of providing rehabilitation services. A pilot program may address  
9 one or more of the organization's comprehensive rehabilitation services, including vocational,  
10 medical, psychological, economic, and social rehabilitation services. The goal of a pilot program  
11 must be to improve the outcome of the rehabilitation services offered by the organization to  
12 assist the injured employee in making adjustments necessitated from the employee's injury and  
13 to improve the effectiveness of vocational rehabilitation services in returning an employee to  
14 substantial gainful employment. Notwithstanding laws to the contrary, a pilot program may  
15 address a broad range of approaches, including collaborative efforts between the organization  
16 and the injured employee through which there are variances from the rehabilitation services  
17 hierarchy; return-to-work trial periods during which cash benefits are suspended; intensive job  
18 search assistance; recognition of and focused services for injured employees who are at risk;  
19 and coordination of services of public and private entities. If a pilot program utilizes coordination  
20 of services of other state agencies, such as job service North Dakota, department of human  
21 services, ~~North Dakota university system~~institutions under the control of higher education  
22 governing boards, or department of public instruction, the organization shall consult with the  
23 state agency in establishing the relevant portions of the pilot program and the state agency shall  
24 cooperate with the organization in implementing the pilot program. The organization shall  
25 include in its biennial report to the workers' compensation review committee under section  
26 54-35-22 status reports on current pilot programs.

27           **SECTION 155. REPEAL.** Chapter 15-10 of the North Dakota Century Code is repealed.

28           **SECTION 156. CONTINGENT EFFECTIVE DATE.** This Act becomes effective on the date  
29 the proposed amendments to article VIII of the Constitution of North Dakota as contained in  
30 House Concurrent Resolution XXXX, as agreed to by the sixty-sixth legislative assembly and  
31 approved by the electors, becomes effective.