

Introduced by

Appropriations Committee

1 A BILL for an Act to provide an appropriation for defraying the expenses of the North Dakota
2 university system; to create and enact section 15-18.2-06.1 and a new chapter to title 15 of the
3 North Dakota Century Code, relating to a higher education funding formula minimum amount
4 payable and a university system capital building fund; to amend and reenact subdivision k of
5 subsection 1 of section 15-18.2-02, and sections 15-18.2-03, 15-18.2-05, and 54-44.1-11 of the
6 North Dakota Century Code, relating to the higher education funding formula and the
7 cancellation of unexpended appropriations; to amend and reenact section 2 of chapter 53 of the
8 2019 Session Laws, relating to appropriations for higher education capital projects; to repeal
9 section 15-18.2-04 of the North Dakota Century Code, relating to the institutional size factor of
10 the higher education funding formula; to provide for a transfer; to provide for a report; to provide
11 an exemption; to provide for a study; to provide a statement of legislative intent; to provide a
12 continuing appropriation; and to declare an emergency.

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

14 **SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds
15 as may be necessary, are appropriated out of any moneys in the general fund in the state
16 treasury, not otherwise appropriated, and from special funds derived from federal funds and
17 other income, to the state board of higher education and to the entities and institutions under
18 the supervision of the board, for the purpose of defraying the expenses of the state board of
19 higher education and the entities and institutions under the control of the board, for the
20 biennium beginning July 1, 2021, and ending June 30, 2023, as follows:

21 Subdivision 1.

22 NORTH DAKOTA UNIVERSITY SYSTEM

23		Adjustments or		
24		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>

Sixty-seventh
Legislative Assembly

1	Capital assets - bond payments	\$4,959,448	\$8,425,816	\$13,385,264
2	Competitive research programs	5,685,750	0	5,685,750
3	System governance	8,737,867	81,471	8,819,338
4	Core technology services	62,286,128	740,101	63,026,229
5	Student financial assistance grants	23,917,306	2,400,000	26,317,306
6	Professional student exchange program	3,699,342	0	3,699,342
7	Academic and CTE scholarships	12,016,749	4,200,000	16,216,749
8	Scholars program	1,807,115	0	1,807,115
9	Native American scholarship	555,323	0	555,323
10	Tribally controlled community	1,000,000	0	1,000,000
11	college grants			
12	Education incentive programs	260,000	0	260,000
13	Student mental health	284,400	0	284,400
14	Veterans' assistance grants	277,875	0	277,875
15	Shared campus services	500,000	300,000	800,000
16	Nursing education consortium	0	1,356,000	1,356,000
17	Math pathways	0	150,000	150,000
18	NASA EPSCoR	<u>342,000</u>	<u>0</u>	<u>342,000</u>
19	Total all funds	\$126,329,303	\$17,653,388	\$143,982,691
20	Less estimated income	<u>24,002,206</u>	<u>276,821</u>	<u>24,279,027</u>
21	Total general fund	\$102,327,097	\$17,376,567	\$119,703,664
22	Full-time equivalent positions	148.90	9.93	158.83

23 Subdivision 2.

24 BISMARCK STATE COLLEGE

25			Adjustments or	
26		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
27	Operations	\$98,743,682	\$1,788,163	\$100,531,845
28	Capital assets	<u>1,922,561</u>	<u>0</u>	<u>1,922,561</u>
29	Total all funds	\$100,666,243	\$1,788,163	\$102,454,406
30	Less estimated income	<u>69,598,016</u>	<u>782,330</u>	<u>70,380,346</u>

Sixty-seventh
Legislative Assembly

1	Total general fund	\$31,068,227	\$1,005,833	\$32,074,060
2	Full-time equivalent positions	323.93	8.97	332.90
3	Subdivision 3.			

LAKE REGION STATE COLLEGE

5			Adjustments or	
6		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
7	Operations	\$37,559,127	\$1,588,168	\$39,147,295
8	Capital assets	<u>362,667</u>	<u>363,000</u>	<u>725,667</u>
9	Total all funds	\$37,921,794	\$1,951,168	\$39,872,962
10	Less estimated income	<u>24,976,514</u>	<u>658,619</u>	<u>25,635,133</u>
11	Total general fund	\$12,945,280	\$1,292,549	\$14,237,829
12	Full-time equivalent positions	118.10	(2.34)	115.76
13	Subdivision 4.			

WILLISTON STATE COLLEGE

15			Adjustments or	
16		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
17	Operations	\$32,596,060	\$1,452,908	\$34,048,968
18	Capital assets	<u>1,261,968</u>	<u>0</u>	<u>1,261,968</u>
19	Total all funds	\$33,858,028	\$1,452,908	\$35,310,936
20	Less estimated income	<u>23,790,285</u>	<u>237,339</u>	<u>24,027,624</u>
21	Total general fund	\$10,067,743	\$1,215,569	\$11,283,312
22	Full-time equivalent positions	100.48	0.81	101.29
23	Subdivision 5.			

UNIVERSITY OF NORTH DAKOTA

25			Adjustments or	
26		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
27	Operations	\$888,106,266	\$15,637,951	\$903,744,217
28	Capital assets	<u>4,411,566</u>	<u>0</u>	<u>4,411,566</u>
29	Total all funds	\$892,517,832	\$15,637,951	\$908,155,783
30	Less estimated income	<u>744,185,677</u>	<u>11,777,467</u>	<u>755,963,144</u>

Sixty-seventh
Legislative Assembly

1	Total general fund	\$148,332,155	\$3,860,484	\$152,192,639
2	Full-time equivalent positions	2,132.17	(72.19)	2,059.98
3	Subdivision 6.			

NORTH DAKOTA STATE UNIVERSITY

			Adjustments or	
	<u>Base Level</u>		<u>Enhancements</u>	<u>Appropriation</u>
7	Operations	\$743,775,571	\$12,770,712	\$756,546,283
8	Capital assets	<u>7,799,104</u>	<u>0</u>	<u>7,799,104</u>
9	Total all funds	\$751,574,675	\$12,770,712	\$764,345,387
10	Less estimated income	<u>618,859,692</u>	<u>6,692,288</u>	<u>625,551,980</u>
11	Total general fund	\$132,714,983	\$6,078,424	\$138,793,407
12	Full-time equivalent positions	1,870.16	(40.73)	1,829.43
13	Subdivision 7.			

NORTH DAKOTA STATE COLLEGE OF SCIENCE

			Adjustments or	
	<u>Base Level</u>		<u>Enhancements</u>	<u>Appropriation</u>
17	Operations	\$95,725,411	(\$213,890)	\$95,511,521
18	Capital assets	<u>1,012,379</u>	<u>0</u>	<u>1,012,379</u>
19	Total all funds	\$96,737,790	(\$213,890)	\$96,523,900
20	Less estimated income	<u>60,195,768</u>	<u>624,033</u>	<u>60,819,801</u>
21	Total general fund	\$36,542,022	(\$837,923)	\$35,704,099
22	Full-time equivalent positions	310.73	0.88	311.61
23	Subdivision 8.			

DICKINSON STATE UNIVERSITY

			Adjustments or	
	<u>Base Level</u>		<u>Enhancements</u>	<u>Appropriation</u>
27	Operations	\$48,560,994	\$2,245,941	\$50,806,935
28	Capital assets	<u>409,078</u>	<u>0</u>	<u>409,078</u>
29	Total all funds	\$48,970,072	\$2,245,941	\$51,216,013
30	Less estimated income	<u>30,577,009</u>	<u>405,018</u>	<u>30,982,027</u>

Sixty-seventh
Legislative Assembly

1	Total general fund	\$18,393,063	\$1,840,923	\$20,233,986
2	Full-time equivalent positions	213.26	(37.76)	175.50
3	Subdivision 9.			

MAYVILLE STATE UNIVERSITY

5			Adjustments or	
6		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
7	Operations	\$47,719,555	\$2,809,482	\$50,529,037
8	Capital assets	<u>358,992</u>	<u>0</u>	<u>358,992</u>
9	Total all funds	\$48,078,547	\$2,809,482	\$50,888,029
10	Less estimated income	<u>31,657,931</u>	<u>558,339</u>	<u>32,216,270</u>
11	Total general fund	\$16,420,616	\$2,251,143	\$18,671,759
12	Full-time equivalent positions	209.27	21.08	230.35
13	Subdivision 10.			

MINOT STATE UNIVERSITY

15			Adjustments or	
16		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
17	Operations	\$102,325,073	\$1,786,019	\$104,111,092
18	Capital assets	<u>1,099,620</u>	<u>0</u>	<u>1,099,620</u>
19	Total all funds	\$103,424,693	\$1,786,019	\$105,210,712
20	Less estimated income	<u>63,528,000</u>	<u>493,882</u>	<u>64,021,882</u>
21	Total general fund	\$39,896,693	\$1,292,137	\$41,188,830
22	Full-time equivalent positions	407.58	(4.54)	403.04
23	Subdivision 11.			

VALLEY CITY STATE UNIVERSITY

25			Adjustments or	
26		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
27	Operations	\$48,176,928	\$1,875,867	\$50,052,795
28	Capital assets	<u>455,823</u>	<u>0</u>	<u>455,823</u>
29	Total all funds	\$48,632,751	\$1,875,867	\$50,508,618
30	Less estimated income	<u>25,973,818</u>	<u>383,860</u>	<u>26,357,678</u>

Sixty-seventh
Legislative Assembly

1	Total general fund	\$22,658,933	\$1,492,007	\$24,150,940
2	Full-time equivalent positions	180.68	22.09	202.77

3 Subdivision 12.

4 DAKOTA COLLEGE AT BOTTINEAU

5			Adjustments or	
6		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
7	Operations	\$21,440,606	\$2,177,944	\$23,618,550
8	Capital assets	<u>114,007</u>	<u>4,000,000</u>	<u>4,114,007</u>
9	Total all funds	\$21,554,613	\$6,177,944	\$27,732,557
10	Less estimated income	<u>13,813,787</u>	<u>4,383,803</u>	<u>18,197,590</u>
11	Total general fund	\$7,740,826	\$1,794,141	\$9,534,967
12	Full-time equivalent positions	82.29	9.57	91.86

13 Subdivision 13.

14 UNIVERSITY OF NORTH DAKOTA SCHOOL OF MEDICINE AND HEALTH SCIENCES

15			Adjustments or	
16		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
17	Operations	\$213,244,364	\$3,870,855	\$217,115,219
18	Health care workforce initiative	<u>10,676,150</u>	<u>0</u>	<u>10,676,150</u>
19	Total all funds	\$223,920,514	\$3,870,855	\$227,791,369
20	Less estimated income	<u>159,037,011</u>	<u>1,728,353</u>	<u>160,765,364</u>
21	Total general fund	\$64,883,503	\$2,142,502	\$67,026,005
22	Full-time equivalent positions	485.32	7.35	492.67

23 Subdivision 14.

24 NORTH DAKOTA FOREST SERVICE

25			Adjustments or	
26		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
27	Operations	\$15,223,336	\$112,394	\$15,335,730
28	Capital assets	<u>118,728</u>	<u>0</u>	<u>118,728</u>
29	Total all funds	\$15,342,064	\$112,394	\$15,454,458
30	Less estimated income	<u>10,665,400</u>	<u>3,333</u>	<u>10,668,733</u>

Sixty-seventh
Legislative Assembly

1	Total general fund	\$4,676,664	\$109,061	\$4,785,725
2	Full-time equivalent positions	27.00	1.00	28.00
3	Subdivision 15.			
4	TOTAL - SECTION 1			
5			Adjustments or	
6		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
7	Grand total general fund	\$648,667,805	\$40,913,417	\$689,581,222
8	Grand total special funds	<u>1,900,861,114</u>	<u>29,005,485</u>	<u>1,929,866,599</u>
9	Grand total all funds	\$2,549,528,919	\$69,918,902	\$2,619,447,821

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO

SIXTY-EIGHTH LEGISLATIVE ASSEMBLY. The following amounts reflect one-time funding items approved by the sixty-sixth legislative assembly for the 2019-21 biennium and the 2021-23 biennium one-time funding items included in section 1 of this Act:

14	<u>One-Time Funding Description</u>	<u>2019-21</u>	<u>2021-23</u>
15	Capital projects - other funds	\$408,500,000	\$4,363,000
16	North Dakota state university settlement agreement	0	125,000
17	Math pathways	0	150,000
18	Education challenge grants	9,400,000	0
19	School of law matching grants	250,000	0
20	Tier II and tier III capital building funds	29,000,000	0
21	Theodore Roosevelt digitization	200,000	0
22	University of North Dakota campus network upgrades	1,500,000	0
23	North Dakota state university campus network upgrades	<u>1,500,000</u>	<u>0</u>
24	Total all funds	\$450,350,000	\$4,638,000
25	Total other funds	<u>438,500,000</u>	<u>4,363,000</u>
26	Total general fund	\$11,850,000	\$275,000

SECTION 3. APPROPRIATION - 2019-21 BIENNIUM - NORTH DAKOTA STATE

UNIVERSITY. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$474,657, or so much of the sum as may be necessary, to North Dakota state university for litigation fees relating to the A. Glenn Hill center project, for the period beginning with the effective date of this Act, and ending June 30, 2021.

1 **SECTION 4. APPROPRIATION - VALLEY CITY STATE UNIVERSITY - PURCHASE OF**
2 **LAND AUTHORIZED.** The state board of higher education, acting for and through Valley City
3 state university, is authorized to purchase two parcels of land in Barnes county, described as
4 the south half of the east one-third of lot one, block four, of Andrus and Sifton's addition to the
5 city of Valley City, and the south one hundred feet of the west one-third of the east half and the
6 east one-third of the west half of lot one, block four, in Andrus and Sifton's addition to the city of
7 Valley City, from the Valley City state university foundation for the use and betterment of Valley
8 City state university. There is appropriated from other funds the sum of \$309,000, or so much of
9 the sum as may be necessary, to Valley City state university for the purposes of this section for
10 the period beginning with the effective date of this Act and ending June 30, 2023. The funding
11 provided in this section is considered a one-time funding item.

12 **SECTION 5. ADDITIONAL FEDERAL, PRIVATE, AND OTHER FUNDS -**
13 **APPROPRIATION.** All funds, in addition to those appropriated in section 1 of this Act, from
14 federal, private, and other sources for competitive grants or other funds that the legislative
15 assembly has not indicated the intent to reject, including tuition revenue, received by the state
16 board of higher education and the institutions and entities under the control of the state board of
17 higher education, are appropriated to the board and those institutions and entities, for the
18 biennium beginning July 1, 2021, and ending June 30, 2023. All additional funds received under
19 the North Dakota-Minnesota reciprocity agreement during the biennium beginning July 1, 2021,
20 and ending June 30, 2023, are appropriated to the state board of higher education for
21 reimbursement to institutions under the control of the board.

22 **SECTION 6. TRANSFER - UNIVERSITY OF NORTH DAKOTA SCHOOL OF MEDICINE**
23 **AND HEALTH SCIENCES OPERATIONS.** The operations line item in subdivision 5 of section 1
24 of this Act includes a funding allocation from the higher education per student credit-hour
25 funding formula attributable to inflation during the biennium beginning July 1, 2021, and ending
26 June 30, 2023. Based on the recommendation of the commissioner of higher education, a
27 portion of the allocation may be transferred by the state board of higher education between the
28 university of North Dakota school of medicine and health sciences and the university of North
29 Dakota.

30 **SECTION 7. UNSPENT FUNDS - TRANSFER - BANK OF NORTH DAKOTA PROFITS -**
31 **GENERAL FUND - UNIVERSITY SYSTEM CAPITAL BUILDING FUND.** Any amounts from the

1 \$17,000,000 from the current earnings and accumulated profits of the Bank of North Dakota for
2 the tier II and tier III capital building fund program and any amounts from the \$2,000,000 from
3 the general fund for the tier III capital building fund program appropriated in section 1 of
4 chapter 3 of the 2019 Session Laws which are not matched and committed for a project by
5 June 30, 2021, must be transferred to the university system capital building fund at the end of
6 the biennium beginning July 1, 2019, and ending June 30, 2021.

7 **SECTION 8. TRANSFER - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND -**
8 **UNIVERSITY SYSTEM CAPITAL BUILDING FUND.** The office of management and budget
9 shall transfer \$19,000,000 from the strategic investment and improvements fund to the
10 university system capital building fund during the period beginning with the effective date of this
11 Act, and ending June 30, 2023, as requested by the commissioner of higher education. Funding
12 transferred pursuant to this section is to be allocated to each institution as follows:

	<u>Tier II</u>	<u>Tier III</u>	<u>Total</u>
14 Bismarck state college	\$425,693	\$500,000	\$925,693
15 Lake Region state college	177,375	500,000	677,375
16 Williston state college	137,947	500,000	637,947
17 University of North Dakota	4,361,801	2,250,000	6,611,801
18 North Dakota state university	2,899,596	2,250,000	5,149,596
19 North Dakota state college of science	500,695	500,000	1,000,695
20 Dickinson state university	268,862	500,000	768,862
21 Mayville state university	240,029	500,000	740,029
22 Minot state university	572,801	500,000	1,072,801
23 Valley City state university	309,137	500,000	809,137
24 Dakota college at Bottineau	<u>106,064</u>	<u>500,000</u>	<u>606,064</u>
25 Total	\$10,000,000	\$9,000,000	\$19,000,000

26 **SECTION 9. CAPITAL BUILDING FUNDS - USES.** The institutions listed may use funding
27 from the respective institution's university system capital building fund allocation for the
28 following projects authorized by the sixty-sixth and sixty-seventh legislative assemblies:

29 North Dakota state university - Dunbar Hall	\$51,200,000
30 North Dakota state university - Agriculture products development center	60,000,000
31 Dakota college at Bottineau - Old main renovation	4,000,000

1	University of North Dakota - Business school	<u>70,000,000</u>
2	Total	\$185,200,000

3 **SECTION 10. STRATEGIC INVESTMENT AND IMPROVEMENTS FUND - LAKE REGION**

4 **STATE COLLEGE - DAKOTA COLLEGE AT BOTTINEAU - CAPITAL PROJECTS.** The
5 appropriation in subdivision 3 of section 1 of this Act includes the sum of \$363,000 from the
6 strategic investment and improvements fund for the Lake Region state college Curtis and
7 Annette Hofstad agricultural center project. The appropriation in subdivision 12 of section 1 of
8 this Act includes the sum of \$2,000,000 from the strategic investment and improvements fund
9 for the Dakota college at Bottineau old main renovation project.

10 **SECTION 11. USE OF EXTRAORDINARY REPAIRS FUNDING - MATCHING FUNDS.**

11 The capital assets line items in subdivisions 2 through 12 of section 1 of this Act include funding
12 from the general fund for institution extraordinary repairs. An institution shall provide two dollars
13 of matching funds from operations or other sources for each one dollar of extraordinary repairs
14 funding used for a project.

15 **SECTION 12. AMENDMENT.** Subdivision k of subsection 1 of section 15-18.2-02 of the
16 North Dakota Century Code is amended and reenacted as follows:

17 k. The ~~factor~~factors for credits completed in career and technical education is-
18 ~~2.0~~are:

19 (1) 3.0 for lower division credits; and

20 (2) 5.0 for upper division credits.

21 **SECTION 13. AMENDMENT.** Section 15-18.2-03 of the North Dakota Century Code is
22 amended and reenacted as follows:

23 **15-18.2-03. Credit completion factor - Determination.**

24 1. Except as provided in subsections 2 and 3 of this section, for each institution under its
25 control, the state board of higher education shall multiply the product determined
26 under section 15-18.2-02 by a factor of:

27 a. 1.00 if the number of credit-hours is at least 240,000;

28 b. 1.05 if the number of credit-hours is at least 180,000 but less than 240,000;

29 c. 1.10 if the number of credit-hours is at least ~~120,000~~135,000 but less than
30 180,000;

Sixty-seventh
Legislative Assembly

- 1 d. 1.15 if the number of credit-hours is at least ~~90,000~~130,000 but less than
2 ~~120,000~~135,000;
- 3 e. 1.20 if the number of credit-hours is at least ~~80,000~~120,000 but less than
4 ~~90,000~~130,000;
- 5 f. 1.30 if the number of credit-hours is at least 70,000 but less than ~~80,000~~120,000;
- 6 g. 1.40 if the number of credit-hours is at least 60,000 but less than 70,000;
- 7 h. 1.50 if the number of credit-hours is at least 50,000 but less than 60,000;
- 8 i. 1.60 if the number of credit-hours is at least 40,000 but less than 50,000;
- 9 j. 1.70 if the number of credit-hours is at least 30,000 but less than 40,000; and
- 10 k. 1.80 if the number of credit-hours is less than 30,000.
- 11 2. ~~If the square footage of an institution, when divided by the institution's weighted credit-~~
12 ~~hours results in a quotient greater than 5.00, the state board of higher education shall~~
13 ~~multiply the product determined under section 15-18.2-02 by a factor of 1.00. For~~
14 ~~purposes of this subsection, the square footage of an institution includes real property~~
15 ~~as determined by the state board of higher education in accordance with section~~
16 ~~15-18.2-04.~~
- 17 3. If the number of credit-hours completed by an institution ~~causes~~would cause a
18 decrease in the credit completion factor for that institution, ~~the new credit completion-~~
19 ~~factor shall not be in effect for calculation purposes for the first two fiscal years~~
20 ~~following the change~~ compared to the credit completion factor the institution was
21 entitled to receive during the 2017-19 biennium, the state board of higher education
22 shall multiply the product determined under section 15-18.2-02 by a credit growth
23 factor of 1.0 for credits in excess of the factor the institution was entitled to receive
24 during the 2017-19 biennium. Any weighted credit-hours multiplied by a credit growth
25 factor under this section must have a weight of 1.0 under section 15-18.2-02. The
26 state board of higher education shall multiply the remaining weighted credits by the
27 credit completion factor the institution was entitled to receive during the 2017-19
28 biennium.
- 29 4.3. For purposes of this section, the number of credit-hours must be those determined by
30 the state board of higher education in accordance with section 15-18.2-01.

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

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

4 1. Except as provided under ~~subsection 2, in order~~subsections 2 and 3, to determine the
5 state aid payment to which each institution under its control is entitled, the state board
6 of higher education shall multiply the product determined under section
7 ~~15-18.2-04~~15-18.2-03 by a base amount of:

8 a. ~~\$60.87~~\$61.86 in the case of North Dakota state university and the university of
9 North Dakota;

10 b. ~~\$90.98~~\$92.56 in the case of Dickinson state university, Mayville state university,
11 Minot state university, and Valley City state university; and

12 c. ~~\$97.06~~\$98.81 in the case of Bismarck state college, Dakota college at Bottineau,
13 Lake Region state college, North Dakota state college of science, and Williston
14 state college.

15 2. ~~An institution is entitled to an amount equal to seventy five percent of the product~~
16 ~~determined under subsection 1 for credits completed by students receiving a tuition~~
17 ~~waiver pursuant to section 54-12-35.~~For institutions under subdivision b of
18 subsection 1, the state board of higher education shall multiply the product determined
19 under section 15-18.2-03 for credits completed in instructional programs under
20 subdivision k of subsection 1 of section 15-18.2-02 by the base amount under
21 subdivision c of subsection 1.

22 3. For institutions under subdivision c of subsection 1, the state board of higher
23 education shall multiply the product determined under section 15-18.2-03 for upper
24 division credits completed in instructional programs under subdivisions a through j of
25 subsection 1 of section 15-18.2-02 by the base amount under subdivision b of
26 subsection 1.

27 **SECTION 15.** Section 15-18.2-06.1 of the North Dakota Century Code is created and
28 enacted as follows:

1 **15-18.2-06.1. Base funding - Minimum amount payable.**

2 Notwithstanding any calculations required by this chapter, during each biennium beginning
3 with the 2021-23 biennium, an institution may not receive less than ninety-six percent of the
4 state aid to which the institution was entitled under this chapter during the previous biennium.

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

7 **University system capital building fund - Creation - Continuing appropriation.**

8 There is created in the state treasury the university system capital building fund. The
9 university system capital building fund consists of moneys transferred to the fund and any
10 interest and earnings of the fund. The state board of higher education may provide for the fund
11 to be invested under the supervision of the state investment board. Moneys in the fund are
12 appropriated to the state board of higher education on a continuing basis for allocations to the
13 institutions under the control of the state board of higher education for capital projects as
14 directed by the legislative assembly and in accordance with this chapter. Any interest or
15 earnings of the fund must be allocated to the capital building fund pool within the university
16 system capital building fund.

17 **Capital building funds - Uses - Reports.**

18 Subject to tier II and tier III capital building fund matching requirements under this chapter,
19 each institution may use its allocation of funds from the university system capital building fund
20 for projects specifically authorized by the legislative assembly to use university system capital
21 building fund moneys. In addition, after an institution has matched and committed seventy-five
22 percent of the funding appropriated for the institution's tier I extraordinary repairs and subject to
23 state board of higher education approval and matching requirements under this chapter, each
24 institution may use its allocation of funds from the university system capital building fund for
25 extraordinary repairs and deferred maintenance projects that do not increase the overall square
26 footage of a building. The state board of higher education shall report biennially to the legislative
27 management and to the appropriations committees of the legislative assembly on the use of
28 funding in the university system capital building fund, the source of matching funds, and each
29 institution's five-year plan for capital construction spending.

1 **Tier II capital building funds - Matching requirements.**

2 The state board of higher education may allocate tier II capital building fund moneys to an
3 institution for a project only after the institution provides one dollar of matching funds from
4 operations or other sources for each one dollar from the university system capital building fund
5 for the project. An institution may not use tier I extraordinary repairs funding, tier III capital
6 building fund moneys, or state funding appropriated for a specific capital project as matching
7 funds under this section.

8 **Tier III capital building funds - Matching requirements.**

9 The state board of higher education may allocate tier III capital building fund moneys to an
10 institution only after the institution provides two dollars of matching funds from operations or
11 other sources for each one dollar from the university system capital building fund for the project.
12 An institution may not use tier I extraordinary repairs funding, tier II capital building fund
13 moneys, or state funding appropriated for a specific capital project as matching funds under this
14 section.

15 **Capital building fund pool.**

16 If the state board of higher education has not allocated capital building fund moneys to an
17 institution by January first of the third biennium after the funding was appropriated or transferred
18 to the fund, the board shall reallocate the funds to a pool within the university system capital
19 building fund. Any institution under the control of the state board of higher education that has
20 fully matched and committed its university system capital building fund allocation may apply for
21 and be allocated funding from the capital building fund pool, subject to state board of higher
22 education approval and tier III capital building fund matching requirements under this chapter.

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

25 **54-44.1-11. Office of management and budget to cancel unexpended appropriations -**
26 **When they may continue. (Effective through July 31, 20242023)**

27 Except as otherwise provided by law, the office of management and budget, thirty days after
28 the close of each biennial period, shall cancel all unexpended appropriations or balances of
29 appropriations after the expiration of the biennial period during which they became available
30 under the law. Unexpended appropriations for the state historical society are not subject to this
31 section and the state historical society shall report on the amounts and uses of funds carried

1 over from one biennium to the appropriations committees of the next subsequent legislative
2 assembly. Unexpended appropriations for the North Dakota university system are not subject to
3 this section and the North Dakota university system shall report on the amounts and uses of
4 funds carried over from one biennium to the next to subsequent appropriations committees of
5 the legislative assembly. The chairmen of the appropriations committees of the senate and
6 house of representatives of the legislative assembly with the office of the budget may continue
7 appropriations or balances in force for not more than two years after the expiration of the
8 biennial period during which they became available upon recommendation of the director of the
9 budget for:

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

21 **Office of management and budget to cancel unexpended appropriations - When they**
22 **may continue. (Effective after July 31, 2021-2023)** The office of management and budget,
23 thirty days after the close of each biennial period, shall cancel all unexpended appropriations or
24 balances of appropriations after the expiration of the biennial period during which they became
25 available under the law. Unexpended appropriations for the state historical society are not
26 subject to this section and the state historical society shall report on the amounts and uses of
27 funds carried over from one biennium to the appropriations committees of the next subsequent
28 legislative assembly. The chairmen of the appropriations committees of the senate and house of
29 representatives of the legislative assembly with the office of the budget may continue
30 appropriations or balances in force for not more than two years after the expiration of the

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

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

14 **SECTION 18. AMENDMENT.** Section 2 of chapter 53 of the 2019 Session Laws is
15 amended and reenacted as follows:

16 **SECTION 2. APPROPRIATION - CAPITAL PROJECTS - EXEMPTION.**

- 17 1. Subject to the provisions of this section, the funds provided in this section, or so
18 much of the funds as may be necessary, are appropriated out of any moneys in
19 the general fund in the state treasury, not otherwise appropriated, to the following
20 institutions for the identified capital projects, for the period beginning with the
21 effective date of this Act, and ending June 30, 2019, as follows:

22 Bismarck state college Nursing Building	\$8,900,000
23 Dakota college at Bottineau dining hall and other projects	1,000,000
24 Lake Region state college precision agriculture project	1,000,000
25 North Dakota state university agriculture products 26 development center project	20,000,000
27 North Dakota state university Dunbar Hall project	8,000,000
28 University of North Dakota Gamble Hall project	9,000,000
29 Valley City state university Communications and Fine Arts 30 Building project	<u>2,000,000</u>
31 Total general fund	\$49,900,000

1 In accordance with section 54-44.1-11, any unaccepted funds from these
2 appropriations may be continued into the biennium beginning July 1, 2019, and ending
3 June 30, 2021.

4 2. The appropriation for the agriculture products development center project must
5 be continued into the biennium beginning July 1, 2019, and ending June 30,
6 2021, ~~and is available only if North Dakota state university certifies to the~~
7 ~~industrial commission and the director of the office of management and budget~~
8 ~~that \$20,000,000 of local and other funds has been obtained for the project or if~~
9 ~~North Dakota state university receives approval for a change in project scope~~
10 ~~from the legislative assembly or budget section pursuant to section 48-01.2-25.~~

11 3. The appropriation for the Gamble Hall project must be continued into the
12 biennium beginning July 1, 2019, and ending June 30, 2021, and is available only
13 if the university of North Dakota certifies to the industrial commission and the
14 director of the office of management and budget that \$55,000,000 of local and
15 other funds has been obtained for the project or if the university of North Dakota
16 receives approval for a change in project scope from the legislative assembly or
17 budget section pursuant to section 48-01.2-25.

18 **SECTION 19. REPEAL.** Section 15-18.2-04 of the North Dakota Century Code is repealed.

19 **SECTION 20. CAMPUS CAPITAL PROJECTS - PROJECT MANAGEMENT.** During the
20 period beginning with the effective date of this Act, and ending June 30, 2023, each capital
21 project authorized by the state board of higher education must have adequate project
22 management oversight by either an institution official or a representative of an external entity.
23 An institution may seek assistance from the North Dakota university system office for project
24 management oversight of a capital project.

25 **SECTION 21. UNIVERSITY OF NORTH DAKOTA - TECHNOLOGY ACCELERATOR**
26 **BUILDING REFINANCING.** The state board of higher education, acting for and through the
27 university of North Dakota, may enter into a refinancing agreement with a private entity for the
28 technology accelerator building during the period beginning with the effective date of this Act
29 and ending June 30, 2023.

30 **SECTION 22. EXEMPTION - TRANSFER AUTHORITY - LEGISLATIVE MANAGEMENT**
31 **REPORT.** Notwithstanding section 54-16-04, the office of management and budget shall

1 transfer appropriation authority from the operations to the capital assets line items within
2 subdivisions 2 through 14 of section 1 of this Act as requested by the state board of higher
3 education for the biennium beginning July 1, 2021, and ending June 30, 2023. The board shall
4 report any transfer of funds under this section to the legislative management.

5 **SECTION 23. EXEMPTION - FULL-TIME EQUIVALENT POSITION ADJUSTMENTS.**

6 Notwithstanding any other provisions of law, the state board of higher education may adjust full-
7 time equivalent positions as needed, subject to the availability of funds, for institutions and
8 entities under its control during the biennium beginning July 1, 2021, and ending June 30, 2023.
9 The North Dakota university system shall report any adjustments to the office of management
10 and budget as part of the submission of the 2023-25 biennium budget request.

11 **SECTION 24. EXEMPTION - PROJECT AUTHORIZATIONS.** Any unexpended amounts
12 remaining from the \$49,900,000 appropriated from the general fund for capital projects at
13 institutions under the control of the state board of higher education in section 2 of chapter 53 of
14 the 2019 Session Laws are not subject to section 54-44.1-11 and any unexpended funds from
15 the appropriations are available to the respective institutions to complete the projects during the
16 biennium beginning July 1, 2021, and ending June 30, 2023.

17 **SECTION 25. STATE BOARD OF HIGHER EDUCATION - STUDY OF THE HIGHER**
18 **EDUCATION FUNDING FORMULA - REPORT TO LEGISLATIVE MANAGEMENT.** During the
19 period beginning July 1, 2021, and ending June 30, 2022, the state board of higher education
20 shall study the higher education funding formula, including instructional program classification
21 factors. The state board of higher education shall provide a report to the legislative
22 management regarding any findings or recommended changes to the funding formula by
23 June 30, 2022.

24 **SECTION 26. LEGISLATIVE INTENT - WEIGHTED CREDIT-HOURS - INSTRUCTIONAL**
25 **PROGRAM CLASSIFICATION FACTORS.** It is the intent of the sixty-seventh legislative
26 assembly that:

- 27 1. Veterinary medicine courses remain under the health sciences instructional program
28 classification within the higher education funding formula;
- 29 2. Computer and information sciences and support services courses be transferred to the
30 engineering instructional program classification within the higher education funding
31 formula; and

1 3. Lineworker; plumbing; powersports technology; heating, ventilating, air conditioning,
2 and refrigeration technology; diesel technology; mechanical systems; and machine
3 tooling courses be placed in an upper division under the career and technical
4 education instructional program classification within the higher education funding
5 formula.

6 **SECTION 27. EMERGENCY.** Sections 3, 4, 7, 8, 9, 10, 16, 18, 20, and 21 of this Act and
7 the capital assets line items in section 1 of this Act are declared to be an emergency measure.