

**Department 241 - Minot State University
House Bill No. 1003**

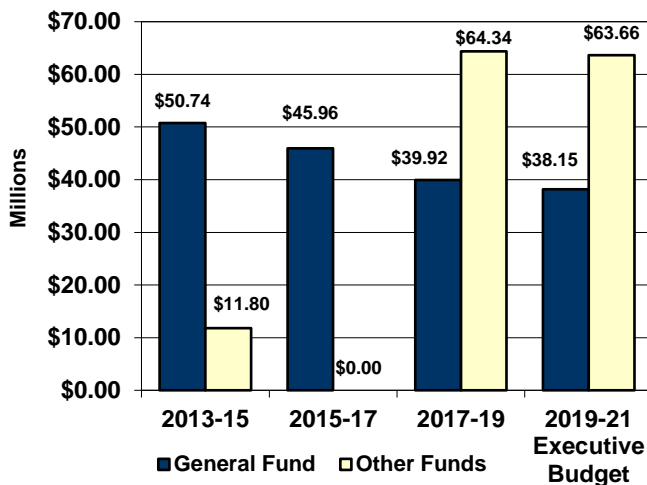
Executive Budget Comparison to Prior Biennium Appropriations

| | FTE Positions | General Fund | Other Funds | Total |
|------------------------------------|---------------|---------------|--------------|---------------|
| 2019-21 Executive Budget | 407.58 | \$38,146,932 | \$63,663,260 | \$101,810,192 |
| 2017-19 Legislative Appropriations | 441.65 | 39,916,756 | 64,342,916 | 104,259,672 |
| Increase (Decrease) | (34.07) | (\$1,769,824) | (\$679,656) | (\$2,449,480) |

Ongoing and One-Time General Fund Appropriations

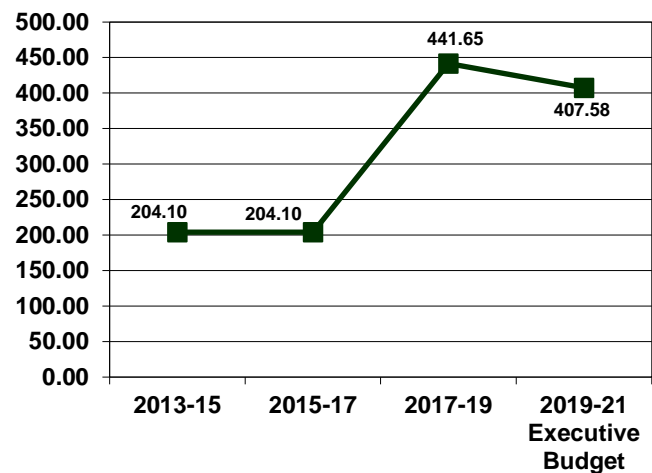
| | Ongoing General Fund Appropriation | One-Time General Fund Appropriation | Total General Fund Appropriation |
|------------------------------------|------------------------------------|-------------------------------------|----------------------------------|
| 2019-21 Executive Budget | \$38,146,932 | \$0 | \$38,146,932 |
| 2017-19 Legislative Appropriations | 39,750,979 | 165,777 | 39,916,756 |
| Increase (Decrease) | (\$1,604,047) | (\$165,777) | (\$1,769,824) |

Agency Funding



NOTE: Beginning with the 2017-19 biennium, other funds amounts include the appropriation of certain special funds. See the **Special Funds Appropriations** section below for additional information.

FTE Positions



NOTE: Beginning with the 2017-19 biennium, there was a change in reporting methods for University System FTE positions. See the **FTE Positions** section below for additional information.

Executive Budget Comparison to Base Level

| | General Fund | Other Funds | Total |
|--------------------------|---------------|--------------|---------------|
| 2019-21 Executive Budget | \$38,146,932 | \$63,663,260 | \$101,810,192 |
| 2019-21 Base Level | 39,750,979 | 62,058,916 | 101,809,895 |
| Increase (Decrease) | (\$1,604,047) | \$1,604,344 | \$297 |

Executive Budget Highlights

| | General Fund | Other Funds | Total |
|--|----------------------|-------------|----------------------|
| 1. Provides funding adjustments through the higher education funding formula as follows: | | | |
| • Reduces funding for institution operations | (\$1,908,047) | \$0 | (\$1,908,047) |
| • Adjusts funding to reflect changes in completed student credit-hours | (2,300,918) | 0 | (2,300,918) |
| • Provides funding to limit funding reductions through the funding formula (hold-harmless provision) | 710,879 | 0 | 710,879 |
| • Adds funding for inflationary increases, including employee compensation and benefit adjustments | 1,894,039 | 0 | 1,894,039 |
| Total | (\$1,604,047) | \$0 | (\$1,604,047) |

FTE Positions

The 2019-21 biennium executive budget recommendation includes authorization of all FTE positions for institutions and entities under the control of the State Board of Higher Education, including positions supported by special funds. Prior to the 2017-19 biennium, only FTE positions supported by the general fund were authorized.

Special Funds Appropriations

The 2019-21 biennium executive budget recommendation includes appropriation authority of all special funds received by the University System office and institutions. Prior to the 2017-19 biennium, special funds appropriations for the University System office and institutions were provided only for certain items, such as capital projects.

Other Bill Sections Recommended to be Added in the Executive Budget (As Detailed in the Attached Appendix)

Carryover authority - Section 9 would continue the authorization through July 31, 2021, for institutions under the control of the State Board of Higher Education to carry over unexpended appropriations at the end of a biennium.

Additional funds appropriation authority - Section 10 would appropriate any additional special funds received by entities under the control of the State Board of Higher Education to the respective entities.

Project management oversight - Section 11 would require capital projects authorized by the State Board of Higher Education to have adequate project oversight by an institution official or representative of an external entity.

Transfer authority - Section 14 would provide that the State Board of Higher Education may transfer funds from an institution's operations line item to the institution's capital assets line item if the board determines that additional funds are needed for capital projects or extraordinary repairs.

FTE positions - Section 15 would authorize the State Board of Higher Education to adjust FTE positions as needed, subject to the availability of funds, for institutions and entities under its control.

Extraordinary repairs matching funds - Section 19 would require institutions to match state extraordinary repairs funding on a \$2 to \$1 basis using operations or other funding.

Additional Funds Appropriation Authority

Additional special funds received - Section 10 of the attached appendix would appropriate any additional federal, private, and other local funds received by entities under the control of the State Board of Higher Education, including tuition revenue, to the respective entities during the 2019-21 biennium.

Significant Audit Findings

There were no significant audit findings for this institution.

Major Related Legislation

House Bill No. 1013 - Permanent funds distributions - Provides distributions to University System institutions from permanent funds established for the benefit of the institutions. The following is a comparison of distributions from permanent funds during the 2017-19 biennium and the 2019-21 executive budget recommendation:

| Institution | 2017-19 Distribution | 2019-21 Distribution | Increase (Decrease) |
|---------------------------------------|----------------------|----------------------|---------------------|
| North Dakota State University | \$4,738,000 | \$5,916,000 | \$1,178,000 |
| University of North Dakota | 3,662,000 | 4,504,000 | 842,000 |
| North Dakota State College of Science | 1,446,286 | 1,736,000 | 289,714 |
| Valley City State University | 808,000 | 1,034,000 | 226,000 |
| Mayville State University | 542,000 | 668,000 | 126,000 |
| Dakota College at Bottineau | 186,286 | 242,000 | 55,714 |
| Dickinson State University | 186,286 | 242,000 | 55,714 |
| Minot State University | 186,286 | 242,000 | 55,714 |
| Total | \$11,755,144 | \$14,584,000 | \$2,828,856 |

House Bill No. 1030 - Extends the minimum amount payable provision of the higher education funding formula to June 30, 2021.

Senate Bill No. 2116 - Allows institutions under the control of the State Board of Higher Education to access the infrastructure revolving loan fund for essential infrastructure projects.

North Dakota University System Institutions
House Bill No. 1003
Base Level Funding Changes

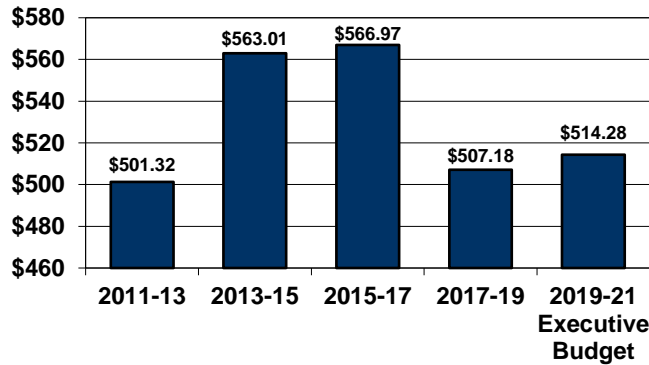
| | Executive Budget Recommendation | | | |
|--|--|-------------------------|------------------------|-----------------|
| | FTE Positions | General Fund | Other Funds | Total |
| 2019-21 Biennium Base Level | 6,591.36 | \$507,176,197 | \$1,829,598,421 | \$2,336,774,618 |
| 2019-21 Ongoing Funding Changes | | | | |
| Base payroll changes | (157.39) | | (\$13,811,230) | (\$13,811,230) |
| Salary increase | | \$15,196,654 | 30,018,344 | 45,214,998 |
| Health insurance increase | | 7,812,061 | 15,757,812 | 23,569,873 |
| Retirement contribution increase | | 458,405 | 905,498 | 1,363,903 |
| Student credit-hour completion adjustment | | 4,439,819 | | 4,439,819 |
| Funding model reduction | | (25,307,427) | | (25,307,427) |
| UND School of Medicine and Health Sciences residency program | | 4,507,252 | | 4,507,252 |
| Adjust special funds authority | | | 8,700,514 | 8,700,514 |
| Total ongoing funding changes | (157.39) | \$7,106,764 | \$41,570,938 | \$48,677,702 |
| One-time funding items | | | | |
| Hold-harmless provision | | \$710,879 | | \$710,879 |
| UND Athletics High Performance Center Phase 2 | | | \$35,000,000 | 35,000,000 |
| UND Memorial Union | | | 80,000,000 | 80,000,000 |
| NDSU Barry Hall renovation | | | 3,000,000 | 3,000,000 |
| NDSU indoor practice facility | | | 37,200,000 | 37,200,000 |
| NDSU softball indoor facility | | | 2,000,000 | 2,000,000 |
| NDSU University Village Phase 2 | | | 37,600,000 | 37,600,000 |
| NDSU Dunbar Hall | | | 51,350,000 | 51,350,000 |
| NDSU workforce career academy | | | 30,000,000 | 30,000,000 |
| VCSU communication and fine arts building | | | 3,900,000 | 3,900,000 |
| DCB dining facility | | | 2,500,000 | 2,500,000 |
| DSU Theodore Roosevelt digitization | | 750,000 | | 750,000 |
| Total one-time funding changes | 0.00 | \$1,460,879 | \$282,550,000 | \$284,010,879 |
| Total Changes to Base Level Funding | (157.39) | \$8,567,643 | \$324,120,938 | \$332,688,581 |
| 2019-21 Total Funding | 6,433.97 | \$515,743,840 | \$2,153,719,359 | \$2,669,463,199 |

North Dakota University System Institutions

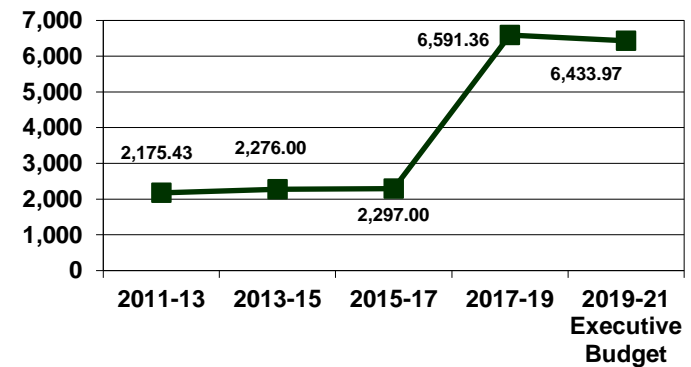
Historical Appropriations Information

Ongoing General Fund Appropriations Since 2011-13

Ongoing General Fund Appropriations (in Millions)



FTE Positions



| Ongoing General Fund Appropriations | | | | | |
|---|---------------|---------------|---------------|----------------|--------------------------|
| | 2011-13 | 2013-15 | 2015-17 | 2017-19 | 2019-21 Executive Budget |
| Ongoing general fund appropriations | \$501,323,720 | \$563,008,934 | \$566,966,411 | \$507,176,197 | \$514,282,961 |
| Increase (decrease) from previous biennium | N/A | \$61,685,214 | \$3,957,477 | (\$59,790,214) | \$7,106,764 |
| Percentage increase (decrease) from previous biennium | N/A | 12.3% | 0.7% | (10.5%) | 1.4% |
| Cumulative percentage increase (decrease) from 2011-13 biennium | N/A | 12.3% | 13.1% | 1.2% | 2.6% |

Major Increases (Decreases) in Ongoing General Fund Appropriations

2013-15 Biennium

1. Provided funding for campus equalization payments \$16,526,024
2. Provided funding for salary increases, health insurance increases, retirement contribution increases, and utility cost increases \$39,475,866

2015-17 Biennium

1. Provided funding base credit rate adjustments for inflation (This item was affected by the August 2016 budget reductions) \$13,583,565
2. Provided funding for base funding formula adjustments including campus equalization adjustments (This item was affected by the August 2016 budget reductions) \$40,201,487

2017-19 Biennium

1. Reduced funding for institution operations (\$76,770,014)
2. Adjusted funding for changes in completed student credits \$11,889,020
3. Added funding for changes in health insurance premiums \$5,297,632

2019-21 Biennium (Executive Budget Recommendation)

1. Reduces funding for institution operations (\$25,307,427)
2. Adjusts funding for changes in completed student credits \$4,439,819
3. Adds funding for inflationary increases, including employee compensation and benefit adjustments \$23,467,120
4. Adds funding for residency positions at UND School of Medicine and Health Sciences \$4,507,252

**GOVERNOR'S RECOMMENDATION FOR THE
NORTH DAKOTA UNIVERSITY SYSTEM AS SUBMITTED
BY THE OFFICE OF MANAGEMENT AND BUDGET**

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

Subdivision 1.

NORTH DAKOTA UNIVERSITY SYSTEM OFFICE

| | <u>Base Level</u> | <u>Adjustments or Enhancements</u> | <u>Appropriation</u> |
|--|-------------------|--|----------------------|
| Capital Assets | \$6,605,326 | (\$1,645,878) | \$4,959,448 |
| Student Financial Assistance Grants | 21,917,306 | 0 | 21,917,306 |
| Veterans assistance grants | 277,875 | 0 | 277,875 |
| ND Scholars Program | 1,807,115 | 0 | 1,807,115 |
| Title II Grants | 1,006,472 | (1,006,472) | 0 |
| Native American scholarships | 555,323 | 0 | 555,323 |
| Core Technology Services | 61,527,347 | (301,330) | 61,226,017 |
| Education Challenge Fund | 0 | 40,000,000 | 40,000,000 |
| Education incentive programs | 2,863,393 | (2,103,393) | 760,000 |
| Tribally-controlled community college grants | 600,000 | 400,000 | 1,000,000 |
| Academic and Tech Ed Scholarship | 12,016,749 | 2,939,803 | 14,956,552 |
| Student Exchange Program | 3,699,342 | 0 | 3,699,342 |
| Student mental health | 284,400 | (14,220) | 270,180 |
| Competitive Research Program | 6,027,750 | 0 | 6,027,750 |
| Dual Credit Pilot Program | 200,000 | (200,000) | 0 |
| System Governance | 8,163,238 | (201,194) | 7,962,044 |
| Two-Year Campus Study | 0 | 0 | 0 |
| Shared Campus Services | 500,000 | (25,000) | 475,000 |

| | | | |
|-------------------------------------|-------------------|------------------|-------------------|
| Online Curriculum Development Grant | <u>0</u> | <u>5,000,000</u> | <u>5,000,000</u> |
| Total all funds | \$128,051,636 | \$42,842,316 | \$170,893,952 |
| Less estimated income | <u>26,412,106</u> | <u>2,712,233</u> | <u>29,124,339</u> |
| Total general fund | \$101,639,530 | \$40,130,083 | \$141,769,613 |
| Full-time equivalent positions | 149.40 | (0.50) | 148.90 |

Subdivision 2

BISMARCK STATE COLLEGE

| | <u>Base Level</u> | <u>Adjustments or Enhancements</u> | <u>Appropriation</u> |
|--------------------------------|-------------------|------------------------------------|----------------------|
| Operations | \$101,670,034 | (\$4,176,861) | \$97,493,173 |
| Capital assets | <u>1,922,561</u> | <u>(10,348)</u> | <u>1,912,213</u> |
| Total all funds | \$103,592,595 | (\$4,187,209) | \$99,405,386 |
| Less estimated income | <u>72,991,998</u> | <u>(3,278,439)</u> | <u>69,713,559</u> |
| Total general fund | \$30,600,597 | (\$908,770) | \$29,691,827 |
| Full-time equivalent positions | 358.35 | (34.42) | 323.93 |

Subdivision 3

LAKE REGION STATE COLLEGE

| | <u>Base Level</u> | <u>Adjustments or Enhancements</u> | <u>Appropriation</u> |
|--------------------------------|-------------------|------------------------------------|----------------------|
| Operations | \$36,449,048 | \$581,500 | \$37,030,548 |
| Capital assets | <u>362,667</u> | <u>0</u> | <u>362,667</u> |
| Total all funds | \$36,811,715 | \$581,500 | \$37,393,215 |
| Less estimated income | <u>24,111,092</u> | <u>910,351</u> | <u>25,021,443</u> |
| Total general fund | \$12,700,623 | (\$328,851) | \$12,371,772 |
| Full-time equivalent positions | 129.61 | (11.51) | 118.10 |

Subdivision 4

WILLISTON STATE COLLEGE

| | <u>Base Level</u> | <u>Adjustments or Enhancements</u> | <u>Appropriation</u> |
|------------|-------------------|------------------------------------|----------------------|
| Operations | \$26,954,133 | \$5,052,426 | \$32,006,559 |

| | | | |
|--------------------------------|-------------------|------------------|-------------------|
| Capital assets | <u>1,261,968</u> | <u>0</u> | <u>1,261,968</u> |
| Total all funds | \$28,216,101 | \$5,052,426 | \$33,268,527 |
| Less estimated income | <u>19,855,598</u> | <u>3,791,213</u> | <u>23,646,811</u> |
| Total general fund | \$8,360,503 | \$1,261,213 | \$9,621,716 |
| Full-time equivalent positions | 100.75 | (0.27) | 100.48 |

Subdivision 5

UNIVERSITY OF NORTH DAKOTA

| | <u>Base Level</u> | <u>Adjustments or Enhancements</u> | <u>Appropriation</u> |
|--------------------------------|--------------------|--|----------------------|
| Operations | \$864,554,973 | \$16,881,361 | \$881,436,334 |
| Capital assets | <u>95,411,566</u> | <u>119,411,566</u> | <u>119,411,566</u> |
| Total all funds | \$959,966,539 | \$40,881,361 | \$1,000,847,900 |
| Less estimated income | <u>819,870,450</u> | <u>41,626,913</u> | <u>861,497,363</u> |
| Total general fund | \$140,096,089 | (\$745,552) | \$139,350,537 |
| Full-time equivalent positions | 2,218.07 | (85.90) | 2,132.17 |

Subdivision 6

NORTH DAKOTA STATE UNIVERSITY

| | <u>Base Level</u> | <u>Adjustments or Enhancements</u> | <u>Appropriation</u> |
|--------------------------------|--------------------|--|----------------------|
| Operations | \$732,673,267 | \$7,320,793 | \$739,994,060 |
| Capital assets | 85,304,104 | (26,155,000) | 59,149,104 |
| Capital projects - Non-State | <u>0</u> | <u>79,800,000</u> | <u>79,800,000</u> |
| Total all funds | \$817,977,371 | \$60,965,793 | \$878,943,164 |
| Less estimated income | <u>689,386,329</u> | <u>62,314,410</u> | <u>751,700,739</u> |
| Total general fund | \$128,591,042 | (\$1,348,617) | \$127,242,425 |
| Full-time equivalent positions | 1,895.66 | (25.50) | 1,870.16 |

Subdivision 7

NORTH DAKOTA STATE COLLEGE OF
SCIENCE

| | <u>Base Level</u> | <u>Adjustments or Enhancements</u> | <u>Appropriation</u> |
|--------------------------------|-------------------|------------------------------------|----------------------|
| Operations | \$91,682,610 | \$2,503,528 | \$94,186,138 |
| Capital assets | 1,012,379 | 0 | 1,012,379 |
| Capital projects - Non-State | <u>0</u> | <u>30,000,000</u> | <u>30,000,000</u> |
| Total all funds | \$92,694,989 | \$32,503,528 | \$125,198,517 |
| Less estimated income | <u>57,605,613</u> | <u>32,669,784</u> | <u>90,275,397</u> |
| Total general fund | \$35,089,376 | (\$166,256) | \$34,923,120 |
| Full-time equivalent positions | 345.04 | (34.31) | 310.73 |

Subdivision 8

DICKINSON STATE UNIVERSITY

| | <u>Base Level</u> | <u>Adjustments or Enhancements</u> | <u>Appropriation</u> |
|--------------------------------|-------------------|------------------------------------|----------------------|
| Operations | \$47,135,592 | \$685,259 | \$47,820,851 |
| Capital assets | 409,078 | 0 | 409,078 |
| Digitization Project | <u>0</u> | <u>750,000</u> | <u>750,000</u> |
| Total all funds | \$47,544,670 | \$1,435,259 | \$48,979,929 |
| Less estimated income | <u>29,737,827</u> | <u>903,660</u> | <u>30,641,487</u> |
| Total general fund | \$17,806,843 | \$531,599 | \$18,338,442 |
| Full-time equivalent positions | 168.90 | 44.36 | 213.26 |

Subdivision 9

MAYVILLE STATE UNIVERSITY

| | <u>Base Level</u> | <u>Adjustments or Enhancements</u> | <u>Appropriation</u> |
|--------------------------------|-------------------|------------------------------------|----------------------|
| Operations | \$44,197,761 | \$2,724,941 | \$46,922,702 |
| Capital assets | <u>358,992</u> | <u>67,648</u> | <u>426,640</u> |
| Total all funds | \$44,556,753 | \$2,792,589 | \$47,349,342 |
| Less estimated income | <u>30,307,148</u> | <u>1,339,912</u> | <u>31,647,060</u> |
| Total general fund | \$14,249,605 | \$1,452,677 | \$15,702,282 |
| Full-time equivalent positions | 210.53 | (1.26) | 209.27 |

Subdivision 10

MINOT STATE UNIVERSITY

| | <u>Base Level</u> | <u>Adjustments or Enhancements</u> | <u>Appropriation</u> |
|--------------------------------|-------------------|--|----------------------|
| Operations | \$100,710,275 | \$297 | \$100,710,572 |
| Capital assets | <u>1,099,620</u> | <u>0</u> | <u>1,099,620</u> |
| Total all funds | \$101,809,895 | \$297 | \$101,810,192 |
| Less estimated income | <u>62,058,916</u> | <u>1,604,344</u> | <u>63,663,260</u> |
| Total general fund | \$39,750,979 | (\$1,604,047) | \$38,146,932 |
| Full-time equivalent positions | 441.65 | (34.07) | 407.58 |

Subdivision 11

VALLEY CITY STATE UNIVERSITY

| | <u>Base Level</u> | <u>Adjustments or Enhancements</u> | <u>Appropriation</u> |
|--------------------------------|-------------------|--|----------------------|
| Operations | \$48,444,336 | (\$2,742,443) | \$45,701,893 |
| Capital assets | <u>455,823</u> | <u>3,957,520</u> | <u>4,413,343</u> |
| Total all funds | \$48,900,159 | \$1,215,077 | \$50,115,236 |
| Less estimated income | <u>28,470,657</u> | <u>1,421,429</u> | <u>29,892,086</u> |
| Total general fund | \$20,429,502 | (\$206,352) | \$20,223,150 |
| Full-time equivalent positions | 202.75 | (22.07) | 180.68 |

Subdivision 12

DAKOTA COLLEGE AT BOTTINEAU

| | <u>Base Level</u> | <u>Adjustments or Enhancements</u> | <u>Appropriation</u> |
|-----------------------|-------------------|--|----------------------|
| Operations | \$17,168,111 | \$3,422,579 | \$20,590,690 |
| Capital assets | <u>114,007</u> | <u>2,963,312</u> | <u>3,077,319</u> |
| Total all funds | \$17,282,118 | \$6,385,891 | \$23,668,009 |
| Less estimated income | <u>9,629,173</u> | <u>6,640,948</u> | <u>16,270,121</u> |
| Total general fund | \$7,652,945 | (\$255,057) | \$7,397,888 |

| | | | |
|--------------------------------|-------|--------|-------|
| Full-time equivalent positions | 84.30 | (2.01) | 82.29 |
|--------------------------------|-------|--------|-------|

Subdivision 13

UNIVERSITY OF NORTH DAKOTA
SCHOOL OF MEDICINE AND HEALTH
SCIENCES

| | <u>Base Level</u> | <u>Adjustments or Enhancements</u> | <u>Appropriation</u> |
|---------------------------------|--------------------|--|----------------------|
| Operations | \$205,926,713 | \$5,880,919 | \$211,807,632 |
| Healthcare Workforce Initiative | <u>0</u> | <u>10,676,150</u> | <u>10,676,150</u> |
| Total all funds | \$205,926,713 | \$16,557,069 | \$222,483,782 |
| Less estimated income | <u>154,078,620</u> | <u>5,671,413</u> | <u>159,750,033</u> |
| Total general fund | \$51,848,093 | \$10,885,656 | \$62,733,749 |
| Full-time equivalent positions | 435.75 | 49.57 | 485.32 |

Subdivision 14

NORTH DAKOTA FOREST SERVICE

| | <u>Base Level</u> | <u>Adjustments or Enhancements</u> | <u>Appropriation</u> |
|--------------------------------|-------------------|--|----------------------|
| Operations | \$14,958,447 | \$60,874 | \$15,019,321 |
| Capital assets | <u>118,728</u> | <u>0</u> | <u>118,728</u> |
| Total all funds | \$15,077,175 | \$60,874 | \$15,138,049 |
| Less estimated income | <u>10,650,748</u> | <u>14,652</u> | <u>10,665,400</u> |
| Total general fund | \$4,426,427 | \$46,222 | \$4,472,649 |
| Full-time equivalent positions | 27.00 | 0 | 27.00 |

Subdivision 15

BILL TOTAL

| | <u>Base Level</u> | <u>Adjustments or Enhancements</u> | <u>Appropriation</u> |
|--------------------------|-------------------|--|----------------------|
| Grand total general fund | | | |

| | | | |
|---------------------------|----------------------|--------------------|----------------------|
| | \$613,242,154 | \$48,743,948 | \$661,986,102 |
| Grand total special funds | <u>2,035,166,275</u> | <u>158,342,823</u> | <u>2,193,509,098</u> |
| Grand total all funds | \$2,648,408,429 | \$207,086,771 | \$2,855,495,200 |

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-SEVENTH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-fifth legislative assembly for the 2017-19 biennium and the 2019-21 one-time funding items included in the appropriation in section 1 of this Act:

| <u>One-Time Funding Description</u> | <u>2017-19</u> | <u>2019-21</u> |
|---|-------------------|--------------------|
| Capital projects – other funds | \$168,505,000 | \$282,550,000 |
| Midwestern Higher Education Compact Dues | 230,000 | 0 |
| Two Year Campus Study | 40,000 | 0 |
| One-time Campus Operations | 2,000,000 | 0 |
| Dickinson State University – Campus operations and debt | 8,284,626 | 0 |
| Online Curriculum Development Grant | 0 | 5,000,000 |
| Dickinson State University – Digitization Project | 0 | 750,000 |
| Education challenge grants | <u>2,000,000</u> | <u>40,000,000</u> |
| Total all funds | \$203,367,962 | \$328,300,000 |
| Total other funds | <u>49,348,194</u> | <u>287,550,000</u> |
| Total general fund | \$154,019,768 | \$40,750,000 |

The 2019-21 one-time funding amounts are not a part of the entity's base budget for the 2021-23 biennium. The North Dakota university system shall report to the appropriations committees of the sixty-seventh legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 3. SPECIAL FUNDS TRANSFER – STRATEGIC INVESTMENT AND IMPROVEMENTS FUND. The less estimated income line item in section 1 of this Act includes the sum of \$5,000,000, from the strategic investment and improvements fund for competitive grants for the institutions for online curriculum development. The less estimated income line in section 1 of this Act also includes the sum of \$2,900,000, from

the strategic investment and improvements fund for the renovation of McCarthy Hall and demolition of Foss Hall at Valley City State University. The less estimated income line in section 1 of this Act also includes the sum of \$25,675,000, from the strategic investment and improvements fund for Dunbar Hall at North Dakota State University. The funding for Dunbar Hall requires a minimum of \$13,000,000 in matching funds before it shall be transferred and notwithstanding Section 54-44.1-11 of the North Dakota Century Code any unexpended appropriation available for Dunbar under this section must be returned to the strategic investment and improvement fund on June 30, 2021. All of these amounts may be transferred at the direction of the state board of higher education and all are one-time items for the biennium beginning July 1, 2019 and ending June 30, 2021.

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

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

1. a. Subject to legislative appropriations, each biennium during the period beginning July first of each odd-numbered year and ending December thirty-first of each even-numbered year, the state board of higher education shall award one dollar in matching grants for every two dollars raised by the institutional foundations of the university of North Dakota and North Dakota state university for projects dedicated exclusively to the advancement of academics.

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

- (1) Its foundation has raised at least fifty thousand dollars in cash or monetary pledges for a qualifying project; and
- (2) The project has been approved by the grant review committee established in section 15-10-51.

c. The board may award ~~up to two hundred thousand dollars~~ in matching grants to each institution based on total completed credit-hours, as determined under section 15-18.2-01, and as set forth in this section. The matching grant award dollar amounts are:

- (1) \$1,250,000 for institutions with less than 100,000 completed credit hours;
- (2) \$3,000,000 for institutions with 100,000 to 599,999 completed credit hours; and
- (3) \$11,750,000 for institutions with more than 599,999 completed credit hours.

d. Projects at the university of North Dakota school of medicine and health sciences are not eligible to receive a grant under this section.

2. a. If any available dollars have not been awarded by the board before January first of each odd-numbered year, in accordance with subsection 1, either the university of North Dakota or North Dakota state university may apply for an additional matching grant.

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

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

SECTION 5. AMENDMENT. Section 15-10-49 of the North Dakota Century Code is amended and reenacted as follows:

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

1. a. Subject to legislative appropriations, each biennium during the period beginning July first of each odd-numbered year and ending December thirty-first of each even-numbered year, the state board of higher education shall award one dollar in matching grants for every two dollars raised by the institutional foundations of Bismarck state college, Dakota college at Bottineau, Dickinson state university, Lake Region state college, Mayville state university, Minot state university, North Dakota state college of science, Valley City state university, and Williston state college for projects dedicated exclusively to the advancement of academics.
- b. To be eligible for a matching grant, an institution must demonstrate that:
- (1) Its foundation has raised at least twenty-five thousand dollars in cash or monetary pledges for a qualifying project; and
 - (2) The project has been approved by the grant review committee established in section 15-10-51.
- c. The board may award ~~up to two hundred thousand dollars in~~ matching grants to each institution based on total completed credit-hours, as determined under section 15-18.2-01, and as set forth in this section. The matching grant award dollar amounts are:
- (1) \$1,250,000 for institutions with less than 100,000 completed credit hours;
 - (2) \$3,000,000 for institutions with 100,000 to 599,999 completed credit hours; and
 - (3) \$11,750,000 for institutions with more than 599,999 completed credit hours.
2. a. If any available dollars have not been awarded by the board before January first of each odd-numbered year, in accordance with subsection 1, any institution listed in subsection 1 may apply for an additional matching grant.
- b. An application submitted under this subsection must meet the same criteria as an original application.
- c. The board shall consider each application submitted under this subsection in chronological order.
- d. If the remaining dollars are insufficient to provide a matching grant in the amount of one dollar for every two dollars raised by the institutional foundation, the board shall award a lesser amount.
3. The state board of higher education shall retain up to one-quarter of one percent of any grant awarded under this section to assist with administrative expenses incurred in the grant review process.

SECTION 6. AMENDMENT. Section 15-18.2-02 of the North Dakota Century Code is amended and reenacted as follows:

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

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

a. The factors for credits completed in agriculture are:

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

b. The factors for credits completed in architecture are:

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

c. The factors for credits completed in transportation are:

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

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

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

e. The factors for credits completed in business are:

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

f. The factors for credits completed in education are:

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

g. The factors for credits completed in engineering are:

- (1) 2.5 for lower division credits;

- (2) 5.0 for upper division credits;
- (3) 7.5 for professional level credits; and
- (4) 10.0 for graduate level credits.

h. The factors for credits completed in the health sciences are:

- (1) 3.0 for lower division credits;
- (2) 6.0 for upper division credits;
- (3) 9.0 for professional level credits;
- (4) 12.0 for graduate level credits;
- (5) ~~38.0~~34.5 for medical school credits.

i. The factors for credits completed in legal studies are:

- (1) 3.5 for lower division credits;
- (2) 7.0 for upper division credits;
- (3) 10.5 for professional level credits; and
- (4) 14.0 for graduate level credits.

j. The factors for credits completed in the core disciplines are:

- (1) 1.0 for lower division credits;
- (2) 2.0 for upper division credits;
- (3) 3.0 for professional level credits; and
- (4) 4.0 for graduate level credits.

k. The factor for credits completed in career and technical education is 2.0.

l. The factor for completed basic skills credits is 2.3.

- 2. a. The state board of higher education shall ensure that all delineations in this section reflect the requirements of a nationally recognized and standardized instructional program classification system.
- b. Before adopting any changes to the delineations implemented in accordance with this section, the state board of higher education shall present the proposed changes to and receive the approval of the legislative management.

SECTION 7. AMENDMENT. Section 15-18.2-05 of the North Dakota Century Code is amended and reenacted as follows:

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

In order to determine the state aid payment to which each institution under its control is entitled, the state board of higher education shall multiply the product determined under section 15-18.1-04 by a base amount of:

- 1. ~~\$58.65~~\$58.36 in the case of North Dakota state university and the university of North Dakota;
- 2. ~~\$86.95~~\$87.00 in the case of Dickinson state university; Mayville state university, Minot state university, and Valley City state university;
- 3. ~~\$93.03~~\$92.76 in the case of Bismarck state college, Dakota college at Bottineau, Lake Region state college, and North Dakota state college of science; and Williston state college.

SECTION 8. AMENDMENT. Section 15-18.2-06 of the North Dakota Century Code is amended and reenacted as follows:

15-18.2-06. (Effective through ~~June 30, 2019~~ June 30, 2021) Base funding - Minimum amount payable.

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

SECTION 9. AMENDMENT. Section 54-44.1-11 of the North Dakota Century Code is amended and reenacted as follows:

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

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

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

Office of management and budget to cancel unexpended appropriations - When they may continue. (Effective after July 31, ~~2019~~ 2021) The office of management and budget, thirty days after the

close of each biennial period, shall cancel all unexpended appropriations or balances of appropriations after the expiration of the biennial period during which they became available under the law. Unexpended appropriations for the state historical society are not subject to this section and the state historical society shall report on the amounts and uses of funds carried over from one biennium to the appropriations committees of the next subsequent legislative assembly. The chairmen of the appropriations committees of the senate and house of representatives of the legislative assembly with the office of the budget may continue appropriations or balances in force for not more than two years after the expiration of the biennial period during which they became available upon recommendation of the director of the budget for:

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

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

SECTION 11. CAMPUS CAPITAL PROJECTS - PROJECT MANAGEMENT. During the biennium beginning July 1, 2019, and ending June 30, 2021, each capital project authorized by the state board of higher education must have adequate project management oversight by either an institution official or a representative of an external entity. An institution may seek assistance from the university system office for project management oversight of a capital project.

SECTION 12. STATEWIDE MEMBERSHIP DUES. Subdivision 1 of section 1 of this Act includes the sum of \$294,000 for membership dues for the western interstate commission for higher education.

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

SECTION 14. TRANSFER AUTHORITY. If, during the biennium beginning July 1, 2019, and ending June 30, 2021, the state board of higher education determines that funds allocated to operations in section 1 of this Act are needed for capital assets, the board may transfer funds from operations to capital assets. The board shall report any transfer of funds under this section to the office of management and budget.

SECTION 15. FULL-TIME EQUIVALENT POSITION ADJUSTMENTS. Notwithstanding any other provisions of law, the state board of higher education may adjust full-time equivalent positions as needed, subject to the availability of funds, for institutions and entities under its control during the biennium beginning July 1, 2019, and ending June 30, 2021. The North Dakota university system shall report any adjustments to the office of management and budget before the submission of the 2021-23 biennium budget request.

SECTION 16. BOND ISSUANCE AUTHORIZATION - PURPOSES. The state board of higher education, in accordance with chapter 15-55, may arrange for the funding of projects authorized in this section, declared to be in the public interest, through the issuance of self-liquidating, tax-exempt evidences of indebtedness under chapter 15-55, beginning with the effective date of this Act and ending June 30, 2021. Evidences of indebtedness issued pursuant to this section are not a general obligation of the state of North Dakota. Any unexpended balance resulting from the proceeds of the evidences of indebtedness must be placed in a sinking fund to be used for the retirement of indebtedness. The evidences of indebtedness may be issued and the proceeds are appropriated in section 1 of this Act for the following capital projects:

| | |
|--|-------------------|
| Dakota College at Bottineau – new dining facility | \$2,500,000 |
| University of North Dakota – memorial union | 80,000,000 |
| North Dakota State University – university village phase 2 | <u>37,600,000</u> |
| Total special funds | \$120,100,000 |

SECTION 17. EXEMPTION – HIGHER EDUCATION CHALLENGE GRANT. The unexpended amount remaining for the Education Challenge Fund in section 1 of chapter 34 of the 2013 Session Laws

are not subject to section 54-44.1-11 and any unexpended funds from these lines are available during the biennium beginning July 1, 2019 and ending June 30, 2021.

SECTION 18. USE OF HIGHER EDUCATION CHALLENGE GRANT – MATCHING FUNDS. The education challenge fund line item in subdivision 1 of this Act may leverage any funds raised by the institutional foundations beginning January 1, 2019 and ending June 30, 2021 as part of the matching funds.

SECTION 19. USE OF EXTRAORDINARY REPAIRS FUNDING - MATCHING FUNDS. The capital assets line items in subdivisions 2 through 12 of section 1 of this Act include funding from the general fund for institution extraordinary repairs. An institution shall provide two dollars of matching funds from operations or other sources for each one dollar of extraordinary repairs funding used for a project.

SECTION 20. EMERGENCY. Section 16 and the capital assets items in section 1 of this Act are declared to be an emergency measure.