

Fifty-fifth
Legislative Assembly
of North Dakota

ENGROSSED SENATE BILL NO. 2003

Introduced by

Appropriations Committee

(At the request of the Governor)

1 A BILL for an Act to provide an appropriation for defraying the expenses of the North Dakota
2 university system; to amend and reenact section 54-02-11 of the North Dakota Century Code,
3 relating to the state art gallery; and to declare an emergency.

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

5 **SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the
6 funds as may be necessary, are hereby appropriated out of any moneys in the general fund in
7 the state treasury, not otherwise appropriated, and from special funds derived from federal
8 funds or other income, to the North Dakota university system and to the various institutions of
9 higher learning under the supervision of the North Dakota university system for the purpose of
10 defraying their expenses, for the biennium beginning July 1, 1997, and ending June 30, 1999,
11 as follows:

12 Subdivision 1.

13 NORTH DAKOTA UNIVERSITY SYSTEM

14 Salaries and wages	\$356,043,998
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15 Technology	<u>23,563,400</u>
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16 Total salaries, wages, and technology	\$379,607,398
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17 Estimated income:

18 Bismarck state college	\$6,461,060
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19 University of North Dakota - Lake Region	1,423,217
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20 University of North Dakota - Williston	2,266,959
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21 University of North Dakota	53,046,381
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22 North Dakota state university	45,301,979
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23 North Dakota state college of science	8,482,258
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24 Dickinson state university	5,497,688
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1	Mayville state university	2,865,468	
2	Minot state university	13,452,405	
3	Valley City state university	3,709,027	
4	Minot state university - Bottineau	1,352,782	
5	University of North Dakota medical center	41,176,495	
6	Forest service	<u>663,040</u>	
7	Less institutional estimated income		<u>\$185,698,759</u>
8	General fund appropriation		\$193,908,639
9	Subdivision 2.		
10	NORTH DAKOTA UNIVERSITY SYSTEM OFFICE		
11	Operating expenses	\$	717,665
12	Equipment		21,000
13	Capital improvements emergency		200,000
14	Student financial assistance grants		4,480,386
15	ADA projects		500,000
16	Computer network management		205,494
17	Small campus projects		500,000
18	Professional student exchange program		1,389,801
19	Disabled student services		26,693
20	Technical administration		184,906
21	Contingency fund		200,000
22	Scholars program		659,286
23	Perkins loan program match		102,885
24	Native American scholarships		204,000
25	Title II		434,000
26	Competitive research program		1,980,000
27	Virtual university		<u>100,000</u>
28	Total operating fund appropriation	\$	11,906,116
29	Less operating fund estimated income		<u>3,604,886</u>
30	General fund appropriation	\$	8,301,230
31	Subdivision 3.		

1	BISMARCK STATE COLLEGE	
2	Operating fund appropriation	
3	Operating expenses	\$ 4,127,109
4	Equipment	576,407
5	Capital improvements	<u>1,124,542</u>
6	Total operating fund appropriation	\$ 5,828,058
7	Less operating fund estimated income	<u>350,000</u>
8	General fund appropriation	\$ 5,478,058
9	Local funds appropriation	<u>2,785,000</u>
10	Total general fund and local funds appropriations	\$ 8,263,058
11	Total all funds appropriation	\$ 8,613,058

12 Subdivision 4.

13 UNIVERSITY OF NORTH DAKOTA - LAKE REGION

14	Operating fund appropriation	
15	Operating expenses	\$ 1,197,043
16	Equipment	136,338
17	Capital improvements	<u>74,993</u>
18	Total operating fund appropriation	\$ 1,408,374
19	Less operating fund estimated income	<u>0</u>
20	General fund appropriation	\$ 1,408,374
21	Local funds appropriation	<u>1,964,700</u>
22	Total general fund and local funds appropriations	\$ 3,373,074
23	Total all funds appropriation	\$ 3,373,074

24 Subdivision 5.

25 UNIVERSITY OF NORTH DAKOTA - WILLISTON

26	Operating fund appropriation	
27	Operating expenses	\$ 1,477,524
28	Equipment	210,815
29	Capital improvements	<u>71,929</u>
30	Total operating fund appropriation	\$ 1,760,268

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1	Less operating fund estimated income	<u>0</u>
2	General fund appropriation	\$ 1,760,268
3	Local funds appropriation	<u>182,300</u>
4	Total general fund and local funds appropriations	\$ 1,942,568
5	Total all funds appropriation	\$ 1,942,568
6	Subdivision 6.	

UNIVERSITY OF NORTH DAKOTA

8	Operating fund appropriation	
9	Operating expenses	\$ 29,207,492
10	Equipment	1,517,369
11	Capital improvements	<u>4,407,305</u>
12	Total operating fund appropriation	\$ 35,132,166
13	Less operating fund estimated income	<u>2,500,000</u>
14	General fund appropriation	\$ 32,632,166
15	Local funds appropriation	<u>56,720,000</u>
16	Total general fund and local funds appropriations	\$ 89,352,166
17	Total all funds appropriation	\$ 91,852,166
18	Subdivision 7.	

NORTH DAKOTA STATE UNIVERSITY

20	Operating fund appropriation	
21	Operating expenses	\$ 20,589,385
22	Equipment	1,905,500
23	Capital improvements	<u>6,277,072</u>
24	Total operating fund appropriation	\$ 28,771,957
25	Less operating fund estimated income	<u>4,850,000</u>
26	General fund appropriation	\$ 23,921,957
27	Local funds appropriation	<u>18,670,000</u>
28	Total general fund and local funds appropriations	\$ 42,591,957
29	Total all funds appropriation	\$ 47,441,957
30	Subdivision 8.	

NORTH DAKOTA STATE SCHOOL OF SCIENCE

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1	Operating fund appropriation	
2	Operating expenses	\$ 5,849,613
3	Equipment	1,337,662
4	Capital improvements	<u>598,947</u>
5	Total operating fund appropriation	\$ 7,786,222
6	Less operating fund estimated income	<u>110,000</u>
7	General fund appropriation	\$ 7,676,222
8	Local funds appropriation	<u>3,992,300</u>
9	Total general fund and local funds appropriations	\$ 11,668,522
10	Total all funds appropriation	\$ 11,778,522

11 Subdivision 9.

12 DICKINSON STATE UNIVERSITY

13	Operating fund appropriation	
14	Operating expenses	\$ 3,866,764
15	Equipment	322,500
16	Capital improvements	<u>321,103</u>
17	Total operating fund appropriation	\$ 4,510,367
18	Less operating fund estimated income	<u>150,000</u>
19	General fund appropriation	\$ 4,360,367
20	Local funds appropriation	<u>1,430,000</u>
21	Total general fund and local funds appropriations	\$ 5,790,367
22	Total all funds appropriation	\$ 5,940,367

23 Subdivision 10.

24 MAYVILLE STATE UNIVERSITY

25	Operating fund appropriation	
26	Operating expenses	\$ 2,004,481
27	Equipment	220,500
28	Capital improvements	<u>131,925</u>
29	Total operating fund appropriation	\$ 2,356,906
30	Less operating fund estimated income	<u>0</u>
31	General fund appropriation	\$ 2,356,906

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1	Local funds appropriation	<u>685,000</u>
2	Total general fund and local funds appropriations	\$ 3,041,906
3	Total all funds appropriation	\$ 3,041,906
4	Subdivision 11.	
5	MINOT STATE UNIVERSITY	
6	Operating fund appropriation	
7	Operating expenses	\$ 6,037,692
8	Equipment	779,668
9	Capital improvements	<u>842,098</u>
10	Total operating fund appropriation	\$ 7,659,458
11	Less operating fund estimated income	<u>0</u>
12	General fund appropriation	\$ 7,659,458
13	Local funds appropriation	<u>4,535,732</u>
14	Total general fund and local funds appropriations	\$ 12,195,190
15	Total all funds appropriation	\$ 12,195,190
16	Subdivision 12.	
17	VALLEY CITY STATE UNIVERSITY	
18	Operating fund appropriation	
19	Operating expenses	\$ 2,646,453
20	Equipment	308,500
21	Capital improvements	765,000
22	Special initiatives	<u>202,837</u>
23	Total operating fund appropriation	\$ 3,922,790
24	Less operating fund estimated income	<u>0</u>
25	General fund appropriation	\$ 3,922,790
26	Local funds appropriation	<u>1,550,000</u>
27	Total general fund and local funds appropriations	\$ 5,472,790
28	Total all funds appropriation	\$ 5,472,790
29	Subdivision 13.	
30	MINOT STATE UNIVERSITY - BOTTINEAU	
31	Operating fund appropriation	

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1	Operating expenses	\$ 1,002,968
2	Equipment	147,500
3	Capital improvements	<u>74,130</u>
4	Total operating fund appropriation	\$ 1,224,598
5	Less operating fund estimated income	<u>0</u>
6	General fund appropriation	\$ 1,224,598
7	Local funds appropriation	<u>211,100</u>
8	Total general fund and local funds appropriations	\$ 1,435,698
9	Total all funds appropriation	\$ 1,435,698

10 Subdivision 14.

11 NORTH DAKOTA FOREST SERVICE

12	Operating fund appropriation	
13	Operating expenses	\$ 416,323
14	Equipment	48,011
15	Capital improvements	81,061
16	Grants to centennial trees	<u>147,486</u>
17	Total operating fund appropriation	\$ 692,881
18	Less operating fund estimated income	<u>147,486</u>
19	General fund appropriation	\$ 545,395
20	Local funds appropriation	<u>50,000</u>
21	Total general fund and local funds appropriations	\$ 595,395
22	Total all funds appropriation	\$ 742,881

23 Subdivision 15.

24 UNIVERSITY OF NORTH DAKOTA MEDICAL CENTER

25	Operating fund appropriation	
26	Operating expenses	\$ 16,218,818
27	Equipment	<u>4,705,045</u>
28	Total operating fund appropriation	\$ 20,923,863
29	Less operating fund estimated income	<u>13,008,600</u>
30	General fund appropriation	\$ 7,915,263

1	Grand total general fund appropriation S.B. 2003	\$303,071,691
2	Grand total special funds appropriation S.B. 2003	\$210,419,731
3	Grand total local funds appropriation S.B. 2003	\$ 92,776,132
4	Grand total all funds appropriation S.B. 2003	\$606,267,554

5 **SECTION 2. APPROPRIATION TRANSFER.** The higher education contingency fund,
6 capital improvements emergency, ADA projects, small campus projects, and disabled student
7 services in subdivision 2 of section 1 must be used for the benefit of the institutions and entities
8 in subdivisions 2 through 15 of section 1 as determined by the North Dakota university system.
9 The board shall notify the office of management and budget of the allocation of general fund
10 authority from the university system contingency fund, capital improvements emergency, ADA
11 projects, small campus projects, and disabled student services to the various entities and
12 institutions and which line items in the various institutions and entities must be adjusted.

13 **SECTION 3. ADDITIONAL INCOME - APPROPRIATION.** Operating fund income
14 received in excess of the estimated income line item appropriated to the entities in section 1 of
15 this Act which is deposited in their respective operating funds in the state treasury up to the
16 following amounts is hereby appropriated and may be spent subject to university system
17 approval:

18	INSTITUTION	AMOUNT
19	North Dakota university system office	\$ 108,147
20	Bismarck state college	204,332
21	University of North Dakota - Lake Region	42,697
22	University of North Dakota - Williston	68,009
23	University of North Dakota	1,666,391
24	North Dakota state university	1,504,559
25	North Dakota state college of science	257,768
26	Dickinson state university	164,931
27	Mayville state university	85,964
28	Minot state university	523,572
29	Valley City state university	111,271
30	Minot state university - Bottineau	40,583
31	North Dakota forest service	24,316

1	University of North Dakota medical center	<u>1,625,553</u>
2	Total	\$6,428,093

3 Any additional excess estimated income is hereby appropriated and may be spent only upon
4 authorization of the emergency commission. Any funds received by the board of higher
5 education and the entities of the North Dakota university system pursuant to federal acts,
6 private grants, and other sources not deposited in the operating funds in the state treasury are
7 hereby appropriated for the period beginning July 1, 1997, and ending June 30, 1999.

8 **SECTION 4. TRANSFER AUTHORITY.** The North Dakota university system is
9 authorized to approve transfer of funds between line items for each entity included in section 1
10 of this Act and shall notify the office of management and budget of each transfer.

11 **SECTION 5. EXEMPTION.** The scholars program, university system contingency fund,
12 student financial assistance grants, professional student exchange program appropriations,
13 Native American scholarships, and operating expenses contained in subdivision 1 of section 1
14 of chapter 3 of the 1995 Session Laws are not subject to the provisions of section 54-44.1-11
15 and any unexpended funds from these appropriations are available during the biennium
16 beginning July 1, 1997, and ending June 30, 1999.

17 **SECTION 6. LEGISLATIVE INTENT - FULL-TIME EQUIVALENTS.** The North Dakota
18 university system is authorized to adjust or increase full-time equivalent positions as needed,
19 subject to availability of funds. The university system shall report any adjustments to the office
20 of management and budget prior to the submission of the 1999-2001 budget request.

21 **SECTION 7. UNEXPENDED GENERAL FUNDS - EXCESS INCOME.** Unexpended
22 general funds appropriated to and excess income received by entities listed in section 1 of this
23 Act are not subject to the provisions of section 54-44.1-11 and any unexpended funds from
24 these appropriations or revenues are available during the biennium beginning July 1, 1997, and
25 ending June 30, 1999, and may be expended, as directed by the university system, for capital
26 repairs and improvements, equipment, and other purposes not requiring an increase in future
27 general fund appropriations.

28 **SECTION 8. LOCAL FUNDS APPROPRIATED.** The local funds appropriations in
29 section 1 of this Act include funds derived from indirect cost recoveries, special course and
30 program fees, utility sales, building and equipment lease rental, excess property sales, sales
31 and services of educational departments, and miscellaneous local funds. Any funds from these

1 sources beyond the local funds appropriation included in section 1 of this Act are hereby
2 appropriated for the biennium ending June 30, 1999, and may be spent subject to approval of
3 the North Dakota university system and reported to the budget section of the legislative council.

4 **SECTION 9. NORTH DAKOTA UNIVERSITY SYSTEM - BOND ISSUANCE -**

5 **PURPOSES.** The North Dakota university system, in accordance with chapter 15-55, may
6 issue and sell self-liquidating, tax-exempt bonds in an amount not exceeding \$3,500,000 for the
7 purpose of constructing a health and wellness center at North Dakota state university for the
8 biennium beginning July 1, 1997, and ending June 30, 1999. Bonds issued under the
9 provisions of this Act may not become a general obligation of the state of North Dakota.

10 **SECTION 10. USE OF BOND PROCEEDS - APPROPRIATION.** The proceeds
11 resulting from the sale of bonds authorized under section 9, or so much of the sum as may be
12 necessary, plus any available funds received from federal or private sources, are hereby
13 appropriated for the purpose of constructing a health and wellness center at North Dakota state
14 university and providing equipment for the facility for the biennium beginning July 1, 1997, and
15 ending June 30, 1999. Any unexpended balance from the sale of bonds must be placed in
16 sinking funds for the retirement of the authorized bonds.

17 **SECTION 11. UNEXPENDED FUNDS - EXEMPTION.** Capital improvements funds
18 contained in subdivision 2 of section 1 of chapter 5 of the 1995 Session Laws for the northern
19 crops institute, capital improvements funds contained in subdivision 8 of section 1 of chapter 5
20 of the 1995 Session Laws for the north central research center, and capital improvements
21 funds of \$300,000 contained in subdivision 10 of section 1 of chapter 3 of the 1995 Session
22 Laws for old main emergency exits at Minot state university are not subject to the provisions of
23 section 54-44.1-11 and any unexpended funds from these appropriations are available during
24 the biennium beginning July 1, 1997, and ending June 30, 1999.

25 **SECTION 12. BOARD OF HIGHER EDUCATION ALLOCATIONS - AUTHORITY.**

26 The amounts in subdivision 1 of section 1 must be used for the benefit of the institutions and
27 entities in subdivisions 2 through 15 of section 1 as determined by the board of higher
28 education in accordance with the guidelines established in section 13 of this Act. The board
29 shall notify the office of management and budget of the allocation of authority and which line
30 items in the various institutions must be adjusted.

SECTION 13. ALLOCATIONS - SALARIES AND WAGES - TECHNOLOGY FUNDING

- LEGISLATIVE INTENT - DECLARATION OF PURPOSE - GUIDELINES.

1. It is the intent of the legislative assembly that the state board of higher education consider the following items in making annual budget allocations for salaries and wages and technology from the appropriations contained in subdivision 1 of section 1 of this Act:
 - a. Base salary allocations are to be made for operations based on mission, historical funding, major enrollment changes, campus size, size of physical plant, instructional and research programs, program type, comparisons with peer institutions, special systemwide services, student service levels, and tuition revenues related to each entity.
 - b. Salary increase allocations are to be made based on general salary increases, one-time increases, performance-based increases, market increases, and other increases, including workload changes, new responsibilities, and promotions.
 - c. Targeted initiative allocations are to be made for campus reallocation efforts, consolidation of administrative functions across campuses, collaborative academic programs offered among campuses, and for distance education initiatives or innovations in instructional delivery.
 - d. Technology funding allocations are to be made based on historic funding, the higher education computer network strategic plan, base funding for higher education computer network computer center operations, base funding for interactive video network and on-line Dakota information network operations, the system distance learning plan, training needs, classroom technology renovation, technology innovations, and technology-related matching grants. Technology fees paid by students shall remain at the respective institution.
2. The legislative assembly recognizes the constitutional authority of the state board of higher education and also recognizes the role of the legislative assembly in providing adequate funds for the board to carry out its functions and duties. The legislative assembly declares its intent that allocations are not to be used to close any institution of higher education. In addition, the board of higher education may

not substantially reorganize the work of any institution except as authorized by the legislative assembly.

3. The state board of higher education shall follow the following guidelines in making the allocations for salaries and wages and technology as provided in this Act:

a. Changes in allocations from historic patterns may be made if based upon documented enrollment changes.

b. The state board of higher education may provide incentives to institutions for effectuating savings in administrative costs.

c. The board may allocate funds to maximize benefits of matching programs and grants from outside sources.

d. Notwithstanding guidelines a, b, and c, an institution of higher education shall receive salaries and wages for the 1997-99 biennium that are at least ninety-five percent of the salaries and wages for the 1995-97 biennium.

4. The state board of higher education shall periodically report to the budget section of the legislative council on the allocations made pursuant to this section and shall make recommendations regarding the allocation process for the 1999-2001 biennium.

SECTION 14. LEGISLATIVE INTENT - STATEWIDE ACCESS TO WORK FORCE TRAINING PROGRAMS - REPORT TO LEGISLATIVE COUNCIL COMMITTEE.

It is the intent of the fifty-fifth legislative assembly that the North Dakota university system cooperate with other state agencies and private organizations to provide work force training programs in a manner that will allow statewide access to these programs and will improve the system's ability to coordinate and implement work force training programs in anticipation of future work force training needs. The state board for vocational and technical education shall provide, during the 1997-98 interim, periodic reports to the legislative council or its designated committee, on the agency's progress in coordinating statewide access to work force training programs.

SECTION 15. LEGISLATIVE INTENT - MINOT STATE UNIVERSITY - BOTTINEAU COAL HANDLING PROJECT. It is the intent of the fifty-fifth legislative assembly that the board of higher education give consideration to allocating \$130,000, from the small campus projects pool of \$500,000, to Minot state university - Bottineau for improvements to the coal handling system.

1 **SECTION 16. AMENDMENT.** Section 54-02-11 of the North Dakota Century Code is
2 amended and reenacted as follows:

3 **54-02-11. State art gallery - Ownership of art.** The university of North Dakota art
4 galleries, established in 1972 on the university campus in Grand Forks, is hereby designated
5 the North Dakota state art gallery. No general fund moneys may be used to support the North
6 Dakota art gallery now or in the future. Unless clear title is otherwise demonstrable, any work
7 of art, artifact, or artistic property located in the state art gallery is deemed to be the property of
8 the state art gallery and is subject to disposition by the state art gallery.

9 **SECTION 17. EMERGENCY.** The capital improvement line item contained in
10 subdivision 7 of section 1 includes \$150,000 for Sudro hall remodeling at North Dakota state
11 university, which is declared to be an emergency measure and those funds are available
12 immediately upon filing of this Act with the secretary of state.