

**FIRST ENGROSSMENT  
with House Amendments**

Fifty-seventh  
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 provide an appropriation to the department of commerce; to provide for  
3 legislative council studies; to provide statements of legislative intent; to amend and reenact  
4 sections 15-10-08, 15-10-12, 52-08-08, 52-08-09, 52-08-10, 52-08-11, 54-44.1-04,  
5 subsection 7 of section 54-44.1-06, and section 54-44.1-11 of the North Dakota Century Code,  
6 relating to compensation for members of the board of higher education, higher education  
7 institutions' special revenue funds, workforce training, budget requests and block grant  
8 appropriations, and unexpended appropriations; to repeal section 22 of chapter 37 of the 1999  
9 Session Laws relating to the university of North Dakota winter sports facility maintenance fund;  
10 to provide an expiration date; and to declare an emergency.

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

12 **SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the  
13 funds as may be necessary, are appropriated out of any moneys in the general fund in the state  
14 treasury, not otherwise appropriated, and from special funds derived from other income, to the  
15 North Dakota university system and to the various institutions of higher learning under the  
16 supervision of the board of higher education for the purpose of defraying their expenses, for the  
17 biennium beginning July 1, 2001, and ending June 30, 2003, as follows:

18 Subdivision 1.

19 NORTH DAKOTA UNIVERSITY SYSTEM OFFICE

20 Salaries and wages	\$2,498,553
21 Operating expenses	1,013,844
22 Equipment	25,481
23 Student financial assistance grants	4,088,031
24 Information technology management	216,676

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1	Professional student exchange program	1,560,716
2	Disabled student services	51,560
3	Contingency and capital improvement emergency fund	344,309
4	Scholars program	770,730
5	Native American scholarships	204,082
6	Title II	534,000
7	Competitive research program	4,000,000
8	Board initiatives	870,797
9	Capital bond payments	12,730,841
10	Education incentive programs	<u>965,000</u>
11	Total all funds	\$29,874,620
12	Less estimated income	<u>3,716,822</u>
13	General fund appropriation	\$26,157,798
14	Subdivision 2.	
15	NORTH DAKOTA UNIVERSITY SYSTEM	
16	Equity and special needs pool	\$4,580,824
17	Technology pool	<u>26,938,419</u>
18	General fund appropriation	\$31,519,243
19	Subdivision 3.	
20	BISMARCK STATE COLLEGE	
21	Operations	\$15,381,193
22	Capital assets	<u>846,000</u>
23	General fund appropriation	\$16,227,193
24	Subdivision 4.	
25	LAKE REGION STATE COLLEGE	
26	Operations	\$4,881,954
27	Capital assets	<u>399,831</u>
28	Total all funds	\$5,281,785
29	Less estimated income	325,000
30	General fund appropriation	\$4,956,785
31	Subdivision 5.	

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1		WILLISTON STATE COLLEGE	
2	Operations		\$5,390,441
3	Capital assets		<u>88,790</u>
4	General fund appropriation		\$5,479,231
5	Subdivision 6.		
6		UNIVERSITY OF NORTH DAKOTA	
7	Operations		\$85,601,876
8	Capital assets		<u>13,572,136</u>
9	Total all funds		\$99,174,012
10	Less estimated income		<u>11,210,000</u>
11	General fund appropriation		\$87,964,012
12	Subdivision 7.		
13		NORTH DAKOTA STATE UNIVERSITY	
14	Operations		\$66,931,216
15	Capital assets		<u>22,937,531</u>
16	Total all funds		\$89,868,747
17	Less estimated income		<u>21,200,000</u>
18	General fund appropriation		\$68,668,747
19	Subdivision 8.		
20		NORTH DAKOTA STATE COLLEGE OF SCIENCE	
21	Operations		\$24,099,302
22	Capital assets		<u>3,800,220</u>
23	Total all funds		\$27,899,522
24	Less estimated income		<u>916,720</u>
25	General fund appropriation		\$26,982,802
26	Subdivision 9.		
27		DICKINSON STATE UNIVERSITY	
28	Operations		\$13,746,171
29	Capital assets		<u>4,393,962</u>
30	Total all funds		\$18,140,133

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1	Less estimated income	4,000,000
2	General fund appropriation	\$14,140,133
3	Subdivision 10.	
4		MAYVILLE STATE UNIVERSITY
5	Operations	\$8,330,748
6	Capital assets	<u>4,724,589</u>
7	Total all funds	\$13,055,337
8	Less estimated income	<u>4,000,000</u>
9	General fund appropriation	\$9,055,337
10	Subdivision 11.	
11		MINOT STATE UNIVERSITY
12	Operations	\$25,919,536
13	Capital assets	<u>612,850</u>
14	General fund appropriation	\$26,532,386
15	Subdivision 12.	
16		VALLEY CITY STATE UNIVERSITY
17	Operations	\$11,325,513
18	Capital assets	<u>1,115,334</u>
19	General fund appropriation	\$12,440,847
20	Subdivision 13.	
21		MINOT STATE UNIVERSITY - BOTTINEAU
22	Operations	\$4,097,577
23	Capital assets	<u>187,663</u>
24	General fund appropriation	\$4,285,240
25	Subdivision 14.	
26		NORTH DAKOTA FOREST SERVICE
27	Salaries and wages	\$1,909,839
28	Operating expenses	442,998
29	Equipment	48,011
30	Capital improvements	171,061
31	Grants to centennial trees	<u>247,486</u>

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1	Total all funds	\$2,819,395
2	Less estimated income	<u>1,050,526</u>
3	General fund appropriation	\$1,768,869
4	Subdivision 15.	
5	UNIVERSITY OF NORTH DAKOTA SCHOOL OF MEDICINE AND HEALTH SCIENCES	
6	Operations	<u>\$30,006,416</u>
7	General fund appropriation	\$30,006,416
8	Grand total general fund appropriation S.B. 2003	\$366,379,827
9	Grand total estimated income S.B. 2003	\$46,419,068
10	Grand total all funds appropriation S.B. 2003	\$412,798,895

11       **SECTION 2. APPROPRIATION TRANSFER.** The higher education contingency and  
12 capital improvements emergency fund, board initiatives, and disabled student services in  
13 subdivision 1 of section 1 of this Act must be used for the benefit of the institutions and entities  
14 in section 1 of this Act as determined by the board of higher education. The university system  
15 office shall notify the office of management and budget of the allocation to the various entities  
16 and institutions and which line items in the various institutions and entities must be adjusted.

17       **SECTION 3. FEDERAL, PRIVATE, AND OTHER FUNDS - APPROPRIATION.** All  
18 funds, in addition to those appropriated in section 1 of this Act, received by the entities under  
19 the control of the state board of higher education pursuant to federal acts, private grants, and  
20 other sources are appropriated.

21       **SECTION 4. APPROPRIATION.** There is appropriated out of any moneys in the  
22 general fund in the state treasury, not otherwise appropriated, the sum of \$194,788, or so much  
23 of the sum as may be necessary, to the department of commerce for the college technical  
24 education council, for the biennium beginning July 1, 2001, and ending June 30, 2003.

25       **SECTION 5. APPROPRIATION.** The funds provided in this section, or so much of the  
26 funds as may be necessary, are appropriated out of any moneys in the general fund in the state  
27 treasury, not otherwise appropriated, to the university of North Dakota for the purpose of  
28 defraying flood-related expenses, for the period beginning with the effective date of this Act and  
29 ending June 30, 2001, as follows:

30	1997 flood expenditures	<u>\$269,676</u>
31	Total general fund appropriation	\$269,676

1           **SECTION 6. TRANSFER AUTHORITY.** The state board of higher education may  
2 approve transfer of funds between line items for each entity included in section 1 of this Act and  
3 shall notify the office of management and budget of each transfer; however, funds may not be  
4 transferred out of the capital assets appropriations.

5           **SECTION 7. EXEMPTION.** The appropriations contained in section 1 of chapter 3 of  
6 the 1999 Session Laws are not subject to the provisions of section 54-44.1-11. Capital  
7 improvement appropriations contained in section 1 of chapter 3 of the 1999 Session Laws may  
8 be expended as directed by the university system for capital repairs and improvements.

9           **SECTION 8. LEGISLATIVE INTENT - FULL-TIME EQUIVALENTS.** The state board  
10 of higher education may adjust full-time equivalent positions as needed, subject to the  
11 availability of funds, for institutions and entities in subdivisions 3 through 15 of section 1 of this  
12 Act. The university system shall report any adjustments to the office of management and  
13 budget before the submission of the 2003-05 biennium budget request.

14           **SECTION 9. STUDENT FINANCIAL ASSISTANCE GRANTS.** Not less than twenty  
15 percent of the funds appropriated for student financial assistance grants in section 1 of this Act  
16 must be allocated to students at private institutions with the remaining funds allocated to  
17 students at public and Native American institutions.

18           **SECTION 10. EDUCATION INCENTIVE PROGRAMS.** Of the funds appropriated for  
19 education incentives in section 1 of this Act, \$60,000 is to provide incentives to encourage  
20 additional doctoral graduates in North Dakota, \$370,000 is provided for teacher retraining  
21 scholarships and a teacher student loan forgiveness program, \$400,000 is provided for a  
22 technology occupations student loan program authorized in House Bill No. 1283, and \$135,000  
23 is provided for a dentists' loan repayment program authorized in Senate Bill No. 2276.

24           **SECTION 11. TECHNOLOGY POOL.** The technology pool amount in subdivision 2 of  
25 section 1 must be used for the benefit of the institutions and entities in section 1 as determined  
26 by the state board of higher education. Technology funding allocations must be made based  
27 on historic funding, the North Dakota university system information technology plan, the  
28 statewide network plan, base funding for higher education computer network computer center  
29 operations, and base funding for interactive video network and on-line dakota information  
30 network operations.

1           **SECTION 12. EQUITY AND SPECIAL NEEDS POOL.** The equity and special needs  
2 pool in subdivision 2 of section 1 must be used for the benefit of the institutions and entities in  
3 subdivisions 3 through 15 of section 1 as determined by the state board of higher education.  
4 When making allocations from the equity and special needs pool, the state board of higher  
5 education shall allocate the funds to address equity and parity funding needs and to support  
6 new initiatives or program costs consistent with board and statewide needs.

7           **SECTION 13. STATE FORESTER RESERVE ACCOUNT APPROPRIATION -**  
8 **BUDGET SECTION APPROVAL.** The estimated income in subdivision 13 of section 1 of this  
9 Act includes the sum of \$120,000 from the state forester reserve account, established in  
10 section 4-19-01.2, for the construction of the Towner nursery tree storage building.

11           After receiving approval from the budget section, the forest service may obtain and  
12 utilize any available funds, in addition to the \$120,000 from the reserve account, received from  
13 federal, public, private, or other sources, which are appropriated to the state forest service to  
14 assist in the construction of the Towner nursery tree storage building.

15           **SECTION 14. LEGISLATIVE INTENT - ENROLLMENT MANAGEMENT PLAN.** It is  
16 the intent of the legislative assembly that the state board of higher education establish a  
17 long-term enrollment management plan and procedures for implementation of the plan. The  
18 board shall report to the legislative council during the 2001-02 interim on the board's progress  
19 toward establishing a long-term enrollment management plan and related implementation  
20 procedures and provide the final report to the fifty-eighth legislative assembly.

21           **SECTION 15. LEGISLATIVE INTENT - ALTERNATIVE HEATING SOURCES.** It is  
22 the intent of the legislative assembly that institutions under the control of the state board of  
23 higher education explore the possible use of alternative heating sources, including the use of  
24 North Dakota coal.

25           **SECTION 16. LEGISLATIVE COUNCIL STUDY - BOARD OF HIGHER EDUCATION**  
26 **- CHANCELLOR.** The legislative council shall consider studying during the 2001-02 interim the  
27 role of the state board of higher education and the chancellor in the North Dakota university  
28 system, including the communications between individual campuses, the board, and the  
29 chancellor. The legislative council shall report its findings and recommendations, together with  
30 any legislation recommended, to the fifty-eighth legislative assembly.

1           **SECTION 17. LEGISLATIVE COUNCIL STUDY - HIGHER EDUCATION**

2   **ACCOUNTABILITY MEASURES.** The legislative council shall consider studying during the  
3 2001-02 interim the board of higher education's implementation of the performance and  
4 accountability measures report required by Senate Bill No. 2041. If conducted, the study may  
5 include the use of the higher education roundtable format. The legislative council shall report  
6 its findings and recommendations, together with any legislation recommended, to the  
7 fifty-eighth legislative assembly.

8           **SECTION 18. LEGISLATIVE INTENT - HIGHER EDUCATION ACCOUNTABILITY**

9   **MEASURES.** It is the intent of the legislative assembly that the board of higher education's  
10 performance and accountability report as required by Senate Bill No. 2041 include an executive  
11 summary and information regarding:

- 12           1. Education excellence, including:
  - 13           a. Student performance on nationally recognized exams in the student's major
  - 14           fields compared to the national averages.
  - 15           b. First-time licensure pass rates compared to other states.
  - 16           c. Alumni-reported and student-reported satisfaction with preparation in selected
  - 17           major, acquisition of specific skills, and technology knowledge and abilities.
  - 18           d. Employer-reported satisfaction with preparation of recently hired graduates.
  - 19           e. Faculty-reported and staff-reported satisfaction with the university system and
  - 20           local institution administration.
  - 21           f. Ratio of faculty and staff to students.
  - 22           g. Student graduation and retention rates.
- 23           2. Economic development, including:
  - 24           a. Enrollment in entrepreneurship courses and the number of graduates of
  - 25           entrepreneurship programs.
  - 26           b. Percentage of university system graduates obtaining employment appropriate
  - 27           to the graduates' education in the state.
  - 28           c. Average salary of university system graduates employed in the state as a
  - 29           percentage of the national average.
  - 30           d. Number of businesses and employees in the region receiving training.



- 1 e. Number of new jobs created in the state as a direct result of the efforts of a
- 2 university system graduate.
- 3 3. Student access, including:
  - 4 a. Proportion of residents of the state who are within a forty-five-minute drive of
  - 5 a location at which the residents can receive educational programs from a
  - 6 provider.
  - 7 b. Number and proportion of enrollments in courses offered by nontraditional
  - 8 methods.
- 9 4. Student affordability, including:
  - 10 a. Tuition and fees on a per student basis compared to the regional average.
  - 11 b. Tuition and fees as a percentage of median North Dakota household income.
  - 12 c. Cost per student in terms of general fund appropriations and total university
  - 13 system funding.
  - 14 d. Administrative, instructional, and other cost per student.
  - 15 e. Per capita general fund appropriations for higher education.
  - 16 f. State general fund appropriation levels for university system institutions
  - 17 compared to peer institutions general fund appropriation levels.
- 18 5. Financial operations, including:
  - 19 a. Percentage of total university system funding used for instruction, research,
  - 20 and public service.
  - 21 b. Percentage of total university system funding used for institutional support,
  - 22 operations, and maintenance of physical plant.
  - 23 c. Ratio measuring the funding derived from operating and contributed income
  - 24 compared to total university system funding.
  - 25 d. Ratio measuring the size of the university system's outstanding maintenance
  - 26 as compared to its expendable net assets.
  - 27 e. Ratio measuring the amount of expendable net assets as compared to the
  - 28 amount of long-term debt.
  - 29 f. Research expenditures in proportion to the amount of revenue generated by
  - 30 research activity and funding received for research activity.

1           **SECTION 19. LEGISLATIVE INTENT - STATE COLLEGE OF SCIENCE - BLIKRE**  
2 **ACTIVITIES CENTER RENOVATION.** It is the intent of the legislative assembly that the  
3 funding of \$368,920 included in the estimated income in subdivision 8 of section 1 of this Act  
4 for an addition to the Blikre activities center at the state college of science must be collected  
5 before construction of an addition may begin. The state college of science, after receiving  
6 approval from the budget section, may obtain and utilize any available funds, in addition to the  
7 \$368,920, received from federal, public, private, or other sources which are appropriated to the  
8 state college of science to assist in the Blikre activities center addition.

9           **SECTION 20. LEGISLATIVE INTENT - BISMARCK STATE COLLEGE - SCHAFER**  
10 **HALL RENOVATION.** It is the intent of the legislative assembly that funding of \$596,000  
11 included in the capital assets line item in subdivision 3 of section 1 of this Act for renovation of  
12 Schafer hall be used only for renovation of classroom or student-related areas. No funds from  
13 any source may be used for renovation of administrative offices in Schafer hall.

14           **SECTION 21. AMENDMENT.** Section 15-10-08 of the North Dakota Century Code is  
15 amended and reenacted as follows:

16           **15-10-08. Compensation of board members - Expenses - Legislative**  
17 **appropriations.** Each member of the state board of higher education, except the student  
18 member, is entitled to receive as compensation two hundred fifty dollars per month, sixty-two  
19 dollars and fifty cents per day for each calendar day actually spent devoted to the duties of  
20 office, and necessary expenses in the same manner and amounts as other state officials for  
21 attending meetings and performing other functions of office. The faculty adviser is entitled to  
22 receive as compensation two hundred fifty dollars per month and necessary expenses in the  
23 same manner and amounts as other state officials for attending meetings and performing other  
24 functions of office. The legislative assembly shall provide adequate funds to carry out the  
25 functions and duties of the board.

26           **SECTION 22. AMENDMENT.** Section 15-10-12 of the 1999 Supplement to the North  
27 Dakota Century Code is amended and reenacted as follows:

28           **15-10-12. Board may accept gifts and bequests - Deposit and appropriation of**  
29 **institutional funds.** ~~The~~ Subject to the limitations of section 15-10-12.1, the state board of  
30 higher education may, ~~subject to the limitations of section 15-10-12.1,~~ receive donations, gifts,  
31 grants, and bequests offered or tendered to or for the benefit of any institution of higher

1 education under its control or subject to its administration, and all moneys coming into the  
2 hands of the board as donations, gifts, grants, and bequests must be used for the specific  
3 purpose for which they are donated or given. A special revenue fund, for each institution of  
4 higher education under the control of the board or subject to its administration, must be  
5 maintained within the state treasury ~~and all institutional income from tuition collections must be~~  
6 ~~placed in the special fund for the use of the institution for which the money was raised.~~ All rent,  
7 interest, or income from land, money, or property, donated or granted by the United States and  
8 allocated to specific institutions of higher learning under the terms of the Enabling Act and the  
9 Constitution of North Dakota must be deposited in the special revenue fund of each institution  
10 and expended in accordance with section 1 of article IX of the Constitution of North Dakota.  
11 ~~Moneys in the special revenue fund are subject to legislative appropriations.~~ All other funds,  
12 unless restricted by the terms of a grant, donation, or bequest, received by the institutions from  
13 federal, state, and local grants and contracts, indirect cost recoveries, tuition, special student  
14 fees, room and board fees and other auxiliary enterprise fees, student activity fees, continuing  
15 education program fees, internal service fund revenues, and all other revenues must be  
16 deposited in the institution special revenue funds. The state treasurer shall immediately  
17 transfer the funds deposited in the special revenue funds to institution accounts in the Bank of  
18 North Dakota. Biennial estimates of revenue and expenditures of the other funds by source of  
19 funds must be presented at the same time biennial budget requests for appropriations from the  
20 special revenue fund and state general fund are prepared and submitted to the office of the  
21 budget pursuant to section 15-10-15. Payments from each institution's general fund  
22 appropriation must be made in amounts as may be necessary for the operation and  
23 maintenance of each institution, ~~except that at the close of the biennium the balance of funds~~  
24 ~~not paid from the general fund appropriation must be deposited in the special revenue funds of~~  
25 ~~the institutions.~~ The funds in the institution accounts are appropriated on a continuing basis to  
26 the state board of higher education. All such appropriations are subject to proration in the  
27 same manner as other appropriations are prorated if insufficient funds are available to meet  
28 expenditures from the general fund. Sinking funds for the payment of interest and principal of  
29 institutional revenue bonds must be deposited pursuant to section 15-55-06.

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

1           **52-08-08. Institution to serve work force needs.** Subject to ~~state board of higher~~  
2 ~~education~~ department of commerce policies, the president of an institution of higher education  
3 that is assigned primary responsibility for work force training shall establish a division or other  
4 unit within the institution to serve the work force needs of business and industry and to serve as  
5 a broker in arranging the delivery of training.

6           **SECTION 24. AMENDMENT.** Section 52-08-09 of the North Dakota Century Code is  
7 amended and reenacted as follows:

8           **52-08-09. Work force training board - Formation.** Subject to ~~state board of higher~~  
9 ~~education~~ department of commerce policies, the president of an institution of higher education  
10 that is assigned primary responsibility for work force training shall appoint a work force training  
11 board consisting of representatives from businesses, labor, and industries located within the  
12 institution's delivery area. The work force training board must consist of at least seven but no  
13 more than fifteen members and must include at least one representative from either an  
14 Indian-owned business, the tribal government, or the tribal colleges within the designated  
15 region.

16           **SECTION 25. AMENDMENT.** Section 52-08-10 of the North Dakota Century Code is  
17 amended and reenacted as follows:

18           **52-08-10. Preparation of business plan - Revolving loans.** Subject to ~~state board of~~  
19 ~~higher education~~ department of commerce policies, the president of an institution of higher  
20 education that is assigned primary responsibility for work force training shall prepare an annual  
21 business plan that must include provisions for use of the training capacity of the tribal colleges  
22 within the designated region, in consultation with the work force training board. The work force  
23 training board shall approve the business plan and make recommendations for funding of the  
24 business plan to the ~~state board of higher education~~ department of commerce. The ~~state~~  
25 ~~board of higher education~~ department of commerce may establish for each institution of higher  
26 education assigned primary responsibility for work force training a revolving loan fund for work  
27 force training program startups ~~using the borrowing authority provided in section 15-10-16.1.~~

28           **SECTION 26. AMENDMENT.** Section 52-08-11 of the North Dakota Century Code is  
29 amended and reenacted as follows:

30           **52-08-11. Performance measurements for work force training.** Subject to ~~state~~  
31 ~~board of higher education~~ department of commerce policies, the president of an institution of

1 higher education that is assigned primary responsibility for work force training shall develop, in  
2 consultation with the work force training board, performance measurements for work force  
3 training. The measurements must include requirements for being time sensitive and results  
4 oriented and must determine how well the training needs of business and industry are being  
5 met.

6 **SECTION 27. AMENDMENT.** Section 54-44.1-04 of the North Dakota Century Code is  
7 amended and reenacted as follows:

8 **54-44.1-04. Budget estimates of budget units filed with the office of the budget -**  
9 **Deadline.** The head of each budget unit, not later than July fifteenth of each year next  
10 preceding the session of the legislative assembly, shall submit to the office of the budget,  
11 estimates of financial requirements of his budget unit for the next two fiscal years, on the forms  
12 and in the manner prescribed by the office of the budget, with such explanatory data as is  
13 required by the office of the budget and such additional data as the head of the budget unit  
14 wishes to submit. The budget estimates for the North Dakota university system must include  
15 block grants for the university system for a base funding component and for an initiative funding  
16 component for specific strategies or initiatives and a budget estimate for an asset funding  
17 component for renewal and replacement of physical plant assets at the institutions of higher  
18 education. The estimates so submitted must bear the approval of the board or commission of  
19 each budget unit for which a board or commission is constituted. The director of the budget in  
20 ~~his~~ the director's discretion may extend the filing date for any budget unit if ~~he~~ the director finds  
21 there is some circumstance which makes it advantageous to authorize the extension. If a  
22 budget unit has not submitted its estimate of financial requirements by the required date or  
23 within a period of extension set by the director of the budget, the director of the budget shall  
24 prepare such budget unit's estimate of financial requirements except such estimate may not  
25 exceed ninety percent of such budget unit's previous biennial appropriation. The director of the  
26 budget or such subordinate officer as ~~he shall designate~~ the director designates shall examine  
27 the estimates and shall afford to the heads of budget units reasonable opportunity for  
28 explanation in regard thereto and, when requested, shall grant to the heads of budget units a  
29 hearing thereon which must be open to the public.

30 **SECTION 28. AMENDMENT.** Subsection 7 of section 54-44.1-06 of the 1999  
31 Supplement to the North Dakota Century Code is amended and reenacted as follows:

1           7.   Drafts of a proposed general ~~appropriations act~~ and special appropriations acts  
2                    embodying the budget data and recommendations of the governor for  
3                    appropriations for the next biennium, and drafts of such revenues and other acts  
4                    recommended by the governor for putting into effect the proposed financial plan.  
5                    The recommended general appropriation for each budget unit must be specified in  
6                    a separate section of the general appropriations act. The draft of the proposed  
7                    appropriations act for the North Dakota university system must include block  
8                    grants for a base funding appropriation and for an initiative funding appropriation  
9                    for specific strategies or initiatives, and an appropriation for asset funding for  
10                   renewal and replacement of physical plant assets at the institutions of higher  
11                   education in the format approved by the fifty-seventh legislative assembly.

12           **SECTION 29. AMENDMENT.** Section 54-44.1-11 of the North Dakota Century Code is  
13 amended and reenacted as follows:

14           **54-44.1-11. Office of management and budget to cancel unexpended**  
15 **appropriations - When they may continue.** ~~The~~ Except as otherwise provided by law, the  
16 office of management and budget, thirty days after the close of each biennial period, shall  
17 cancel all unexpended appropriations or balances of appropriations after the expiration of the  
18 biennial period during which they became available under the law. Unexpended appropriations  
19 for the North Dakota university system are not subject to this section and the North Dakota  
20 university system shall report on the amounts and uses of funds carried over from one  
21 biennium to the next to subsequent appropriations committees of the legislative assembly. The  
22 chairman of the appropriations committees of the senate and house of representatives of the  
23 legislative assembly with the office of the budget may continue appropriations or balances in  
24 force for not more than two years after the expiration of the biennial period during which they  
25 became available upon recommendation of the director of the budget for:

- 26           1.   New construction projects.  
27           2.   Major repair or improvement projects.  
28           3.   Purchases of new equipment costing more than ten thousand dollars per unit if it  
29                    was ordered during the first twelve months of the biennium in which the funds were  
30                    appropriated.

1           4.    The purchase of land by the state on a "contract for deed" purchase where the  
2                   total purchase price is within the authorized appropriation.

3           **SECTION 30. REPEAL.** Section 22 of chapter 37 of the 1999 Session Laws is  
4 repealed.

5           **SECTION 31. EXPIRATION DATE.** Sections 22, 27, 28, and 29 of this Act are  
6 effective through June 30, 2003, and after that date are ineffective.

7           **SECTION 32. EMERGENCY.** The capital assets line items contained in sections 1 and  
8 5 of this Act are declared to be an emergency measure, and those funds are available  
9 immediately upon the filing of this Act with the secretary of state.