Sixty-third Legislative Assembly of North Dakota

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 sections 15-10-47, 15-62.2-02, and 15.1-21-02.6 of
- 3 the North Dakota Century Code, relating to construction project variance reports, student
- 4 financial assistance grants, and the North Dakota scholarships; to provide an exemption; to
- 5 provide for transfer of funds; to authorize the state board of higher education to issue and sell
- 6 bonds for capital projects; and to declare an emergency.

7 BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

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, 2013, and ending June 30, 2015, as follows:

Subdivision 1.

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NORTH DAKOTA UNIVERSITY SYSTEM OFFICE

17			Adjustments or	
18		Base Level	Enhancements	<u>Appropriation</u>
19	Capital assets	\$12,204,769	(\$1,768,724)	\$10,436,045
20	Competitive research program	7,050,000	0	7,050,000
21	System governance	7,349,806	3,283,522	10,633,328
22	Title II	1,006,472	0	1,006,472
23	System information technology services	36,006,667	2,786,279	38,792,946
24	Professional liability insurance	800,000	0	800,000

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1	Student financial assistance grants	19,025,594	2,220,085	21,245,679
2	Professional student exchange program	3,321,438	781,609	4,103,047
3	Academic and technical education	10,000,000	3,700,000	13,700,000
4	scholarships			
5	Two-year campus marketing	800,000	0	800,000
6	Scholars program	2,113,584	0	2,113,584
7	Native American scholarships	574,267	75,000	649,267
8	Tribally controlled community college gra	ants 1,000,000	0	1,000,000
9	Education incentive programs	3,176,344	172,656	3,349,000
10	Deferred maintenance pool	0	10,000,000	10,000,000
11	Master plan and space utilization study	0	1,000,000	1,000,000
12	Student mental health	0	282,520	282,520
13	Education challenge fund	0	30,000,000	30,000,000
14	New program startup pool	<u>0</u>	<u>1,500,000</u>	<u>1,500,000</u>
15	Total all funds	\$54,032,947	\$158,461,888	
16	Less estimated income	3,056,229	<u>(756,317)</u>	2,299,912
17	Total general fund	\$101,372,712	\$54,789,264	\$156,161,976
18	Full-time equivalent positions	107.31		
19	Subdivision 2.			
20	BISMAI	RCK STATE CO	LLEGE	
21			Adjustments or	
22		Base Level	Enhancements	<u>Appropriation</u>
23	Operations	\$27,628,314	\$7,368,548	\$34,996,862
24	Capital assets	417,673	13,300,000	<u>13,717,673</u>
25	Total all funds	\$28,045,987	\$20,668,548	\$48,714,535
26	Less estimated income	<u>0</u>	<u>0</u>	<u>0</u>
27	Total general fund	\$28,045,987	\$20,668,548	\$48,714,535
28	Full-time equivalent positions	126.96	4.00	130.96
29	Subdivision 3.			
30	LAKE RE	GION STATE C	OLLEGE	

1			Adjustments or		
2		Base Level	<u>Enhancements</u>	<u>Appropriation</u>	
3	Operations	\$9,003,614	\$4,250,594	\$13,254,208	
4	Capital assets	<u>155,367</u>	<u>5,947,562</u>	6,102,929	
5	Total all funds	\$9,158,981	\$10,198,156	\$19,357,137	
6	Less estimated income	<u>0</u>	<u>0</u>	<u>0</u>	
7	Total general fund	\$9,158,981	\$10,198,156	\$19,357,137	
8	Full-time equivalent positions	40.22	3.00	43.22	
9	Subdivision 4.				
10		WILLISTON STATE CO	LLEGE		
11			Adjustments or		
12		Base Level	Enhancements	<u>Appropriation</u>	
13	Operations	\$8,849,685	\$1,097,278	\$9,946,963	
14	Capital assets <u>197,801</u> <u>14,042,478</u>				
15	Total all funds	\$24,187,242			
16	Less estimated income	<u>0</u>	<u>0</u>	<u>0</u>	
17	Total general fund \$9,047,486 \$15,139,756 \$				
18	Full-time equivalent positions 44.15 6.00 50				
19	Subdivision 5.				
20		UNIVERSITY OF NORTH	DAKOTA		
21			Adjustments or		
22		Base Level	Enhancements	<u>Appropriation</u>	
23	Operations	\$140,457,484	\$18,447,364	\$158,904,848	
24	Capital assets	<u>4,411,566</u>	147,787,262	152,198,828	
25	Total all funds	\$144,869,050	\$166,234,626	\$311,103,676	
26	Less estimated income	<u>0</u>	<u>67,487,262</u>	67,487,262	
27	Total general fund	\$144,869,050	\$98,747,364	\$243,616,414	
28	Full-time equivalent positions	642.20	0.00	642.20	
29	Subdivision 6.				
30	N	ORTH DAKOTA STATE UI	NIVERSITY		

1			Adjustments or	
2		<u>Appropriation</u>		
3	Operations	\$19,272,934	\$144,288,239	
4	Capital assets	2,732,244	68,759,356	71,491,600
5	Total all funds	\$127,747,549	\$88,032,290	\$215,779,839
6	Less estimated income	<u>0</u>	<u>39,159,356</u>	<u>39,159,356</u>
7	Total general fund	\$127,747,549	\$48,872,934	\$176,620,483
8	Full-time equivalent positions	495.21	0.00	495.21
9	Subdivision 7.			
10	NORTH	DAKOTA STATE COLLEG	GE OF SCIENCE	
11			Adjustments or	
12		Base Level	Enhancements	<u>Appropriation</u>
13	Operations	\$34,186,542	\$6,791,805	\$40,978,347
14	Capital assets	<u>9,861,452</u>	10,873,831	
15	Total all funds	\$51,852,178		
16	Less estimated income	<u>1,350,000</u>		
17	Total general fund	\$50,502,178		
18	Full-time equivalent positions	173.62		
19	Subdivision 8.			
20		DICKINSON STATE UNIV	/ERSITY	
21			Adjustments or	
22		Base Level	Enhancements	<u>Appropriation</u>
23	Operations	\$22,383,539	\$5,290,197	\$27,673,736
24	Capital assets	409,078	<u>0</u>	409,078
25	Total all funds	\$22,792,617	\$5,290,197	\$28,082,814
26	Less estimated income	<u>0</u>	<u>0</u>	<u>0</u>
27	Total general fund	\$22,792,617	\$5,290,197	\$28,082,814
28	Full-time equivalent positions	100.32	5.00	105.32
29	Subdivision 9.			
30		MAYVILLE STATE UNIV	ERSITY	

1			Adjustments or		
2		Base Level	<u>Enhancements</u>	<u>Appropriation</u>	
3	Operations	\$12,775,788	\$2,617,878	\$15,393,666	
4	Capital assets	<u>358,992</u>	<u>8,067,000</u>	8,425,992	
5	Total all funds	\$13,134,780	\$10,684,878	\$23,819,658	
6	Less estimated income	<u>0</u>	<u>0</u>	<u>0</u>	
7	Total general fund	\$13,134,780	\$10,684,878	\$23,819,658	
8	Full-time equivalent positions	62.78	3.00	65.78	
9	Subdivision 10.				
10		MINOT STATE UNIVE	RSITY		
11			Adjustments or		
12		Base Level	Enhancements	<u>Appropriation</u>	
13	Operations	\$37,838,974	\$4,725,919	\$42,564,893	
14	Capital assets 899,620 13,623,690				
15	Total all funds	\$57,088,203			
16	Less estimated income	<u>0</u>	<u>11,801,785</u>	<u>11,801,785</u>	
17	Total general fund \$38,738,594 \$6,547,824				
18	Full-time equivalent positions 201.76 3.00 204				
19	Subdivision 11.				
20		VALLEY CITY STATE UNI	VERSITY		
21			Adjustments or		
22		Base Level	Enhancements	<u>Appropriation</u>	
23	Operations	\$17,694,741	\$4,410,281	\$22,105,022	
24	Capital assets	408,319	8,949,103	9,357,422	
25	Total all funds	\$18,103,060	\$13,359,384	\$31,462,444	
26	Less estimated income	<u>0</u>	4,806,837	4,806,837	
27	Total general fund	\$18,103,060	\$8,552,547	\$26,655,607	
28	Full-time equivalent positions	97.29	3.00	100.29	
29	Subdivision 12.				
30]	DAKOTA COLLEGE AT BO	DTTINEAU		

1			Adjustments or		
2		Base Level	Enhancements	<u>Appropriation</u>	
3	Operations	\$6,489,750	\$1,886,639	\$8,376,389	
4	Capital assets	<u>115,507</u>	7,996,389	<u>8,111,896</u>	
5	Total all funds	\$6,605,257	\$9,883,028	\$16,488,285	
6	Less estimated income	<u>0</u>	7,600,789	7,600,789	
7	Total general fund	\$6,605,257	\$2,282,239	\$8,887,496	
8	Full-time equivalent positions	36.12	4.00	40.12	
9	Subdivision 13.				
10	UNIVERSITY OF NORTH DA	KOTA SCHOOL OF M	EDICINE AND HEALT	H SCIENCES	
11			Adjustments or		
12		Base Level	Enhancements	<u>Appropriation</u>	
13	Operations	<u>\$47,747,971</u>	<u>\$7,414,806</u>	<u>\$55,162,777</u>	
14	4 Total all funds \$47,747,971 \$7,414,806 \$5				
15	Less estimated income	.ess estimated income $\underline{0}$			
16	Total general fund	\$47,747,971	47,971 \$7,414,806 \$55,10		
17	Full-time equivalent positions 156.55 0.00				
18	Subdivision 14.				
19	NOR	TH DAKOTA FOREST	SERVICE		
20			Adjustments or		
21		Base Level	Enhancements	<u>Appropriation</u>	
22	Operations	\$5,514,681	\$758,131	\$6,272,812	
23	Capital assets	<u>97,791</u>	<u>788,419</u>	886,210	
24	Total all funds	\$5,612,472	\$1,546,550	\$7,159,022	
25	Less estimated income	<u>1,650,000</u>	<u>0</u>	<u>1,650,000</u>	
26	Total general fund	\$3,962,472	\$1,546,550	\$5,509,022	
27	Full-time equivalent positions	28.00	1.00	29.00	
28	Subdivision 15.				
29		BILL TOTAL			
30			Adjustments or		
31		Base Level	<u>Enhancements</u>	<u>Appropriation</u>	

	Legislative Assembly			
1	Grand total all funds	\$611,231,666	\$437,488,032	\$1,048,719,698
2	Grand total special funds	4,706,229	<u>131,449,712</u>	<u>136,155,941</u>
3	Grand total general fund	\$606,525,437	\$306,038,320	\$912,563,757
4	SECTION 2. ONE-TIME FUNDIN	IG - EFFECT ON BA	SE BUDGET - REP	ORT TO
5	SIXTY-FOURTH LEGISLATIVE ASS	SEMBLY. The following	ng amounts reflect th	e one-time
6	funding items approved by the sixty-s	second legislative as:	sembly for the 2011-	13 biennium and
7	the 2013-15 one-time funding items i	ncluded in the appro	priation in section 1	of this Act:
8	One-Time Funding Description	<u>on</u>	<u>2011-13</u>	<u>2013-15</u>
9	Capital projects - general fund		\$47,136,000	\$166,913,263
10	Capital projects - other funds		105,065,555	132,206,029
11	Dickinson state university operating f	unds	900,000	0
12	Special assessments payments		819,357	0
13	Mayville state university drainage stu	dy	55,000	0
14	UND school of medicine space utiliza	ation study	100,000	0
15	Williston state college operating fund	S	2,000,000	0
16	Emerald ash borer program		250,000	0
17	Deferred maintenance pool		0	10,000,000
18	Systemwide master plan and space s	study	0	1,000,000
19	New program startup fund		0	1,500,000
20	Education challenge fund		0	30,000,000
21	Health care workforce initiative		<u>0</u>	<u>7,414,806</u>
22	Total all funds		\$156,325,912	\$349,034,098
23	Total other funds		<u>105,065,555</u>	132,206,029
24	Total general fund		\$51,260,357	\$216,828,069
25	The 2013-15 one-time funding amou	nts are not a part of t	he entity's base bud	get for the
26	2015-17 biennium. The North Dakota university system shall report to the appropriations			
27	committees of the sixty-fourth legisla	tive assembly on the	use of this one-time	funding for the

SECTION 3. AMENDMENT. Section 15-10-47 of the North Dakota Century Code is amended and reenacted as follows:

biennium beginning July 1, 2015, and ending June 30, 2017.

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1	15-1	0-47	. Construction projects at institutions of higher education - Variance reports.
2	1.	Wh	enever any new construction, renovation, or repair, valued at more than two
3		hur	dred fifty thousand dollars is underway on the campus of an institution of higher
4		edu	cation under the control of the state board of higher education, the board shall
5		pro	vide monthly semiannual project variance reports to the director of the office of
6		mai	nagement and budget. Each report must include:
7		a.	The name or a description of the project;
8		b.	The expenditure authorized by the legislative assembly;
9		C.	The amount of the original contract;
0		d.	The amount of any change orders;
11		e.	The amount of any potential or anticipated change orders;
2		f.	The sum of subdivisions c through e and the amount by which that sum varies
3			from the expenditure authorized by the legislative assembly;
4		g.	The total expended for the project to date; and
5		h.	The scheduled date of completion as noted in the original contract and the latest
6			available scheduled date of completion.
7	2.	The	e state board of higher education also shall provide to the director of the office of
8		ma	nagement and budget, at the same time as the project variance report required by
9		sub	section 1:
20		a.	A brief description of each change order included in subdivision d of
21			subsection 1; and
22		b.	A list of each public and nonpublic entity that has a contractually reflected
23			financial obligation with respect to the project.
24	3.	The	e office of management and budget shall review the information received under this
25		sec	tion and provide reports to the budget section of the legislative management upon
26		req	uest.
27	SEC	TIO	N 4. AMENDMENT. Section 15-62.2-02 of the North Dakota Century Code is
28	amende	d an	d reenacted as follows:
29	15-6	2.2-	02. State board of higher education - Powers and duties.

The state board of higher education shall:

- Administer the North Dakota student financial assistance program and the North
 Dakota scholars program and adopt functional rules regarding the eligibility and
 selection of grant and scholarship recipients.
 - Determine the amount of individual grants, which may not exceed one thousand
 fivesix hundred fifty dollars per recipient per academic year, under the North Dakota
 student financial assistance program.
 - For the North Dakota student financial assistance program, adopt criteria for substantial need, based upon the ability of the parents or guardian to contribute toward the applicant's educational expenses.
- Establish the appropriate procedures for fiscal control, fund accounting, and necessary
 reports.
 - 5. Apply for, receive, expend, and administer granted moneys from federal or private sources.
 - **SECTION 5. AMENDMENT.** Section 15.1-21-02.6 of the North Dakota Century Code is amended and reenacted as follows:

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

- 1. a. The state board of higher education shall provide to any student certified as being eligible by the superintendent of public instruction either a North Dakota academic scholarship or a North Dakota career and technical education scholarship in the amount of seven hundredone thousand two hundred fifty dollars for each semester during which the student is enrolled full time at an accredited institution of higher education in this state and maintains a cumulative grade point average of 2.75.
 - b. The state board of higher education shall provide to any student certified as being eligible by the superintendent of public instruction either a North Dakota academic scholarship or a North Dakota career and technical education scholarship in the amount of five hundred dollars for each quarter during which the student is enrolled full time at an accredited institution of higher education in this state and maintains a cumulative grade point average of 2.75.
- 2. The state board shall monitor each scholarship recipient to ensure that the student meets the academic and other requirements of this section. Upon determining that a

1 recipient student has failed to meet the requirements of this section, the board shall 2 provide notification to the student within ten days. 3 3. A student is not entitled to receive more than sixten thousand dollars under this 4 section. 5 4. The state board of higher education shall forward the scholarship directly to the 6 institution in which the student is enrolled. 7 This section does not require a student to be enrolled in consecutive 5. a. (1) 8 semesters. 9 (2) This section does not require a student to be enrolled in consecutive 10 quarters. 11 b. However, a scholarship under this section is valid only for six academic years 12 after the student's graduation from high school and may not be applied to 13 graduate programs. 14 A scholarship under this section is available to any eligible resident student who fulfills 15 the requirements of section 15.1-21-02.4 or 15.1-21-02.5 and who graduates from: 16 A high school in this state; a. 17 b. A high school in a bordering state under chapter 15.1-29; or 18 C. A nonpublic high school in a bordering state while residing with a custodial parent 19 in this state. 20 For purposes of North Dakota scholarship eligibility under this section, "full-time" 7. 21 means enrollment in at least twelve credits during a student's first two semesters and 22 enrollment in at least fifteen credits during each semester thereafter or enrollment in 23 the equivalent number of credits, as determined by the state board of higher 24 education, with respect to students in a quarter system. 25 **SECTION 6. CAPITAL ASSETS.** The sum of \$10,436,045, or so much of the sum as may 26 be necessary, included in the capital assets line item in subdivision 1 of section 1 of this Act, 27 must be used by the state board of higher education to satisfy outstanding bond obligations. 28 SECTION 7. NORTH DAKOTA STATE UNIVERSITY - MINARD HALL - BUDGET 29 **SECTION REPORT.** North Dakota state university may use unspent funding from the 30 \$5,000,000 appropriation received during the biennium beginning July 1, 2007, and ending

June 30, 2009, and unspent funding from the \$13,000,000 appropriation received during the

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- Legislative Assembly 1 biennium beginning July 1, 2009, and ending June 30, 2011, for the Minard hall project, for the 2 biennium beginning July 1, 2013, and ending June 30, 2015. North Dakota state university shall 3 report to the budget section regarding the status of the Minard hall project and may request 4 increased spending authorization from the budget section for the project. 5 SECTION 8. SYSTEM INFORMATION TECHNOLOGY SERVICES. The sum of 6 \$38,792,946, or so much of the sum as may be necessary, included in the system information 7 technology services line item in subdivision 1 of section 1 of this Act, must be used for the 8 benefit of the institutions and entities under the control of the state board of higher education, as 9 determined by the board. Funding allocations are to be made based on the North Dakota 10 university system information technology plan and data and technology priorities. Funds 11 allocated pursuant to this section must be used to support the system information technology 12 services, including the data network, video and collaborative academic services, the on-line 13 Dakota information network, connectND, and other related data technology initiatives and 14 services as determined by the board.
 - **SECTION 9. STUDENT LOAN TRUST FUND.** Subdivision 1 of section 1 of this Act includes the sum of \$1,004,744, or so much of the sum as may be necessary, from the student loan trust fund of which \$465,307 is for the professional student exchange program and \$539,437 is for connectND campus solution positions, for the biennium beginning July 1, 2013, and ending June 30, 2015.
 - **SECTION 10. DEFERRED MAINTENANCE POOL.** The deferred maintenance pool line item in subdivision 1 of section 1 of this Act includes the sum of \$10,000,000 which must be transferred by the state board of higher education to institutions under its control, based on the recommendation of the chancellor, to address deferred maintenance and other critical renovation needs as identified in the systemwide facility master plan.
 - SECTION 11. NEW PROGRAM STARTUP POOL. The new program startup pool line item in subdivision 1 of section 1 of this Act includes the sum of \$1,500,000 which must be transferred by the state board of higher education to institutions under its control, based on the recommendation of the chancellor, to assist with initiating new or expanding existing academic or technical programs that support state needs.

1	SECTION 12. STUDENT FINANCIAL ASSISTANCE GRANTS. The student financial
2	assistance grants line item in subdivision 1 of section 1 of this Act includes the sum of
3	\$21,245,679, which may be used, in part, to provide financial assistance to part-time students.
4	SECTION 13. UNIVERSITY OF NORTH DAKOTA SCHOOL OF MEDICINE AND HEALTH
5	SCIENCES OPERATIONS. The operations line item in subdivision 5 of section 1 of this Act
6	includes the sum of \$158,904,848, which must be transferred, in part, by the state board of
7	higher education, based on the recommendation of the chancellor, to the university of North
8	Dakota school of medicine and health sciences for operations consistent with the higher
9	education per student credit-hour funding formula.
10	SECTION 14. FEDERAL, PRIVATE, AND OTHER FUNDS - APPROPRIATION. All funds,
11	in addition to those appropriated in section 1 of this Act, from federal, private, and other sources
12	for competitive grants or other funds that the legislative assembly has not indicated the intent to
13	reject, received by the institutions and entities under the control of the state board of higher
14	education are appropriated to those institutions and entities, for the biennium beginning
15	July 1,2013, and ending June 30, 2015. All additional funds received under the North Dakota-
16	Minnesota reciprocity agreement during the biennium beginning July 1, 2013, and ending
17	June 30, 2015, are appropriated to the state board of higher education for reimbursement to
18	institutions under the control of the board.
19	SECTION 15. TRANSFER AUTHORITY. If, during the biennium beginning July 1, 2013,
20	and ending June 30, 2015, the state board of higher education determines that funds allocated
21	to operations in section 1 of this Act are needed for capital assets, the board may transfer funds
22	from operations to capital assets. The board shall report any transfer of funds under this section
23	to the office of management and budget.
24	SECTION 16. FULL-TIME EQUIVALENT POSITION ADJUSTMENTS. Notwithstanding
25	any other provisions of law, the state board of higher education may adjust full-time equivalent
26	positions as needed, subject to the availability of funds, for institutions and entities under its
27	control. The North Dakota university system shall report any adjustments to the office of
28	management and budget before the submission of the 2015-17 biennium budget request.
29	SECTION 17. EDUCATION INCENTIVE PROGRAMS. The funding appropriated for
30	education incentive programs in subdivision 1 of section 1 of this Act may be allocated to
31	education incentive programs as determined by the state board of higher education, including

1 the reduction or elimination of specific programs, and the state board of higher education may 2 determine the appropriate number of years of program eligibility for each education incentive 3 program. SECTION 18. TRIBALLY CONTROLLED COMMUNITY COLLEGE GRANTS. The tribally 4 5 controlled community college grants line in subdivision 1 of section 1 of this Act, includes the 6 sum of \$1,000,000 from the general fund, or so much of the sum as may be necessary, for the 7 purpose of providing grant assistance payments to tribally controlled community colleges, for 8 the biennium beginning July 1, 2013, and ending June 30, 2015. No more than \$500,000 may 9 be expended for this purpose during the first year of the biennium. 10 SECTION 19. BOND ISSUANCE AUTHORIZATION - PURPOSES - APPROPRIATION. 11 The state board of higher education, in accordance with chapter 15-55, may arrange for the 12 funding of projects authorized in this section, declared to be in the public interest, through the 13 issuance of self-liquidating, tax-exempt evidences of indebtedness under chapter 15-55, 14 beginning with the effective date of this Act and ending June 30, 2015. Evidences of 15 indebtedness issued pursuant to this section are not a general obligation of the state of North 16 Dakota. Any unexpended balance resulting from the proceeds of the evidences of indebtedness 17 must be placed in a sinking fund to be used for the retirement of indebtedness. The evidences 18 of indebtedness may be issued and the proceeds are appropriated, for the biennium beginning 19 July 1, 2013, and ending June 30, 2015, for the purpose of financing the following capital 20 projects: 21 University of North Dakota - student housing facility \$19,187,262 22 University of North Dakota - resident apartment building 8,300,000 23 Total special funds \$27,487,262 24 SECTION 20. EMERGENCY. The capital assets and education incentive line items 25 contained in section 1 and sections 6 and 19 of this Act are declared to be an emergency 26 measure.