

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 15-18.2-05, 15-18.2-06, 15-62.2-02, and
3 54-44.1-11 of the North Dakota Century Code, relating to state aid to institutions, minimum
4 amount payable, and the cancellation of unexpended appropriations; to provide for transfer of
5 funds; to authorize projects for North Dakota state university and the university of North Dakota;
6 to authorize the state board of higher education to issue and sell bonds for capital projects; to
7 provide exemptions; and to declare an emergency.

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

9 **SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds
10 as may be necessary, are appropriated out of any moneys in the general fund in the state
11 treasury, not otherwise appropriated, and from special funds derived from federal funds and
12 other income to the North Dakota university system office and to the various entities and
13 institutions under the supervision of the state board of higher education for the purpose of
14 defraying the expenses of the North Dakota university system office and to the various entities
15 for the biennium beginning July 1, 2017, and ending June 30, 2019, as follows:

16 Subdivision 1.

17 NORTH DAKOTA UNIVERSITY SYSTEM OFFICE

		Adjustments or	
	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
20 Capital assets - bond payments	\$6,901,461	(\$296,135)	\$6,605,326
21 Competitive research programs	6,588,225	(560,475)	6,027,750
22 System governance	7,212,636	363,444	7,576,080
23 Title II	1,006,472	0	1,006,472
24 Core technology services	41,325,593	20,444,225	61,769,818

Sixty-fifth
Legislative Assembly

1	Student financial assistance grants	23,886,160	(1,968,854)	21,917,306
2	Professional student exchange program	3,941,754	(242,412)	3,699,342
3	Academic and technical education	13,134,096	(1,117,347)	12,016,749
4	scholarship			
5	Two-year campus marketing	747,600	(140,100)	607,500
6	Scholars program	2,113,584	(306,469)	1,807,115
7	Native American scholarship	649,267	(93,944)	555,323
8	Tribally controlled community college grants	967,250	(64,750)	902,500
9	Education incentive programs	3,349,000	(485,607)	2,863,393
10	Student mental health	308,100	(23,700)	284,400
11	Veterans' assistance grants	325,000	(47,125)	277,875
12	Commendation grants	4,486	(4,486)	0
13	Education challenge funds	0	3,000,000	3,000,000
14	Internal audit pool	<u>280,350</u>	<u>(50,850)</u>	<u>229,500</u>
15	Total all funds	\$112,741,034	\$18,405,415	\$131,146,449
16	Less estimated income	<u>2,511,216</u>	<u>26,656,858</u>	<u>29,168,074</u>
17	Total general fund	\$110,229,818	(\$8,251,443)	\$101,978,375
18	Full-time equivalent positions	104.39	44.01	148.40

Subdivision 2.

BISMARCK STATE COLLEGE

21			Adjustments or	
22		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
23	Operations	\$34,214,004	\$69,674,381	\$103,888,385
24	Capital assets	<u>667,732</u>	<u>1,254,829</u>	<u>1,922,561</u>
25	Total all funds	\$34,881,736	\$70,929,210	\$105,810,946
26	Less estimated income	<u>600,000</u>	<u>72,572,234</u>	<u>73,172,234</u>
27	Total general fund	\$34,281,736	(\$1,643,024)	\$32,638,712
28	Full-time equivalent positions	133.53	224.82	358.35

Subdivision 3.

LAKE REGION STATE COLLEGE

Sixty-fifth
Legislative Assembly

1			Adjustments or	
2		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
3	Operations	\$14,143,353	\$22,813,746	\$36,957,099
4	Capital assets	<u>0</u>	<u>755,000</u>	<u>755,000</u>
5	Total all funds	\$14,143,353	\$23,568,746	\$37,712,099
6	Less estimated income	<u>0</u>	<u>24,165,566</u>	<u>24,165,566</u>
7	Total general fund	\$14,143,353	(\$596,820)	\$13,546,533
8	Full-time equivalent positions	50.19	79.42	129.61
9	Subdivision 4.			

WILLISTON STATE COLLEGE

11			Adjustments or	
12		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
13	Operations	\$9,191,151	\$18,573,325	\$27,764,476
14	Capital assets	<u>197,801</u>	<u>866,366</u>	<u>1,064,167</u>
15	Total all funds	\$9,388,952	\$19,439,691	\$28,828,643
16	Less estimated income	<u>0</u>	<u>19,911,298</u>	<u>19,911,298</u>
17	Total general fund	\$9,388,952	(\$471,607)	\$8,917,345
18	Full-time equivalent positions	49.96	50.79	100.75
19	Subdivision 5.			

UNIVERSITY OF NORTH DAKOTA

21			Adjustments or	
22		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
23	Operations	\$146,572,961	\$726,598,294	\$873,171,255
24	Capital assets	<u>10,411,566</u>	<u>85,000,000</u>	<u>95,411,566</u>
25	Total all funds	\$156,984,527	\$811,598,294	\$968,582,821
26	Less estimated income	<u>6,000,000</u>	<u>815,835,743</u>	<u>821,835,743</u>
27	Total general fund	\$150,984,527	(\$4,237,449)	\$146,747,078
28	Full-time equivalent positions	630.20	1,587.87	2,218.07
29	Subdivision 6.			

NORTH DAKOTA STATE UNIVERSITY

Sixty-fifth
Legislative Assembly

1			Adjustments or	
2		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
3	Operations	\$144,323,680	\$599,464,617	\$743,788,297
4	Capital assets	<u>14,332,244</u>	<u>42,971,860</u>	<u>57,304,104</u>
5	Total all funds	\$158,655,924	\$642,436,477	\$801,092,401
6	Less estimated income	<u>11,600,000</u>	<u>651,238,489</u>	<u>662,838,489</u>
7	Total general fund	\$147,055,924	(\$8,802,012)	\$138,253,912
8	Full-time equivalent positions	537.10	1,358.56	1,895.66
9	Subdivision 7.			

NORTH DAKOTA STATE COLLEGE OF SCIENCE

11			Adjustments or	
12		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
13	Operations	\$39,903,860	\$54,253,716	\$94,157,576
14	Capital assets	<u>1,012,379</u>	<u>0</u>	<u>1,012,379</u>
15	Total all funds	\$40,916,239	\$54,253,716	\$95,169,955
16	Less estimated income	<u>0</u>	<u>57,743,495</u>	<u>57,743,495</u>
17	Total general fund	\$40,916,239	(\$3,489,779)	\$37,426,460
18	Full-time equivalent positions	168.30	176.74	345.04
19	Subdivision 8.			

DICKINSON STATE UNIVERSITY

21			Adjustments or	
22		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
23	Operations	\$26,527,233	\$24,270,453	\$50,797,686
24	Capital assets	<u>0</u>	<u>409,078</u>	<u>409,078</u>
25	Total all funds	\$26,527,233	\$24,679,531	\$51,206,764
26	Less estimated income	<u>2,000,000</u>	<u>27,814,566</u>	<u>29,814,566</u>
27	Total general fund	\$24,527,233	(\$3,135,035)	\$21,392,198
28	Full-time equivalent positions	120.26	48.64	168.90
29	Subdivision 9.			

MAYVILLE STATE UNIVERSITY

Sixty-fifth
Legislative Assembly

1			Adjustments or	
2		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
3	Operations	\$15,642,731	\$29,528,600	\$45,171,331
4	Capital assets	<u>0</u>	<u>429,050</u>	<u>429,050</u>
5	Total all funds	\$15,642,731	\$29,957,650	\$45,600,381
6	Less estimated income	<u>0</u>	<u>30,401,110</u>	<u>30,401,110</u>
7	Total general fund	\$15,642,731	(\$443,460)	\$15,199,271
8	Full-time equivalent positions	66.23	144.30	210.53
9	Subdivision 10.			

MINOT STATE UNIVERSITY

11			Adjustments or	
12		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
13	Operations	\$45,037,266	\$58,519,262	\$103,556,528
14	Capital assets	<u>499,620</u>	<u>600,000</u>	<u>1,099,620</u>
15	Total all funds	\$45,536,886	\$59,119,262	\$104,656,148
16	Less estimated income	<u>0</u>	<u>62,255,966</u>	<u>62,255,966</u>
17	Total general fund	\$45,536,886	(\$3,136,704)	\$45,400,182
18	Full-time equivalent positions	204.10	237.55	441.65
19	Subdivision 11.			

VALLEY CITY STATE UNIVERSITY

21			Adjustments or	
22		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
23	Operations	\$23,221,807	\$26,478,465	\$49,700,272
24	Capital assets	<u>15,996,319</u>	<u>10,113,184</u>	<u>26,109,503</u>
25	Total all funds	\$39,218,126	\$36,591,649	\$75,809,775
26	Less estimated income	<u>16,000,000</u>	<u>38,018,750</u>	<u>54,018,750</u>
27	Total general fund	\$23,218,126	(\$1,427,101)	\$21,791,025
28	Full-time equivalent positions	105.59	97.16	202.75
29	Subdivision 12.			

DAKOTA COLLEGE AT BOTTINEAU

Sixty-fifth
Legislative Assembly

1			Adjustments or	
2		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
3	Operations	\$8,017,920	\$9,713,673	\$17,731,593
4	Capital assets	<u>10,734,731</u>	<u>(10,648,192)</u>	<u>86,539</u>
5	Total all funds	\$18,752,651	(\$934,519)	\$17,818,132
6	Less estimated income	<u>10,648,194</u>	<u>(992,722)</u>	<u>9,655,472</u>
7	Total general fund	\$8,104,457	\$58,203	\$8,162,660
8	Full-time equivalent positions	46.96	37.34	84.30
9	Subdivision 13.			
10	UNIVERSITY OF NORTH DAKOTA SCHOOL OF MEDICINE AND HEALTH SCIENCES			
11			Adjustments or	
12		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
13	Operations	\$53,166,247	\$143,523,654	\$196,689,901
14	Capital assets	<u>0</u>	<u>0</u>	<u>0</u>
15	Total all funds	\$53,166,247	\$143,523,654	\$196,689,901
16	Less estimated income	<u>0</u>	<u>139,771,764</u>	<u>139,771,764</u>
17	Total general fund	\$53,166,247	\$3,751,890	\$56,918,137
18	Full-time equivalent positions	184.58	251.17	435.75
19	Subdivision 14.			
20	NORTH DAKOTA FOREST SERVICE			
21			Adjustments or	
22		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
23	Operations	\$6,228,620	\$8,868,002	\$15,096,622
24	Capital assets	<u>101,210</u>	<u>17,518</u>	<u>118,728</u>
25	Total all funds	\$6,329,830	\$8,885,520	\$15,215,350
26	Less estimated income	<u>1,650,000</u>	<u>9,000,748</u>	<u>10,650,748</u>
27	Total general fund	\$4,679,830	(\$115,228)	\$4,564,602
28	Full-time equivalent positions	28.96	(1.96)	27.00
29	Subdivision 15.			
30	BILL TOTAL			

		Adjustments or	
	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
Grand total all funds	\$732,885,469	\$1,942,454,296	\$2,675,339,765
Grand total special funds	<u>51,009,410</u>	<u>1,974,393,865</u>	<u>2,025,403,275</u>
Grand total general funds	\$681,876,059	(\$31,939,569)	\$649,936,490

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

SIXTH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-fourth legislative assembly for the 2015-17 biennium and the 2017-19 one-time funding items included in the appropriation in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2015-17</u>	<u>2017-19</u>
Capital projects - general funds	\$99,909,212	\$0
Capital projects - other funds	44,848,194	0
Campus security pool	3,000,000	0
CTS technology project	2,821,500	0
Open education resource training	107,250	0
Theodore Roosevelt center	800,000	0
WSC energy development impact	2,500,000	0
DSU leadership transition	2,000,000	0
Museum of art deferred maintenance	760,000	0
Deferred maintenance pool	8,482,500	0
School of medicine and health sciences residence positions	4,700,000	0
Health care workforce initiative	13,814,806	0
Education challenge grants	<u>19,624,500</u>	<u>3,000,000</u>
Total all funds	\$203,367,962	\$3,000,000
Total other funds	<u>49,348,194</u>	<u>3,000,000</u>
Total general fund	\$154,019,768	\$0

The 2017-19 one-time funding amounts are not a part of the entity's base budget for the 2019-21 biennium. The North Dakota university system shall report to the appropriations committees of the sixty-sixth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2017, and ending June 30, 2019.

1 **SECTION 3. SPECIAL FUNDS TRANSFER - STRATEGIC INVESTMENT AND**

2 **IMPROVEMENTS FUND.** The less estimated income line item in section 1 of this Act includes
3 the sum of \$3,000,000, or so much of the sum as may be necessary, from the strategic
4 investment and improvements fund for education challenge funds. The less estimated income
5 line in section 1 of this Act also includes the sum of \$25,470,500, from the strategic investment
6 and improvements fund for the construction of the Communication and Fine Arts building at
7 Valley City state university. Both of these amounts may be transferred at the direction of the
8 state board of higher education and both are one-time items for the biennium beginning July 1,
9 2017, and ending June 30, 2019.

10 **SECTION 4. AMENDMENT.** Section 15-18.2-05 of the North Dakota Century Code is
11 amended and reenacted as follows:

12 **15-18.2-05. Base funding - Determination of state aid.**

13 In order to determine the state aid payment to which each institution under its control is
14 entitled, the state board of higher education shall multiply the product determined under section
15 15-18.2-04 by a base amount of:

- 16 1. ~~\$72.63~~\$62.52 in the case of North Dakota state university and the university of North
17 Dakota;
18 2. ~~\$107.33~~\$92.74 in the case of Dickinson state university, Mayville state university,
19 Minot state university, and Valley City state university; and
20 3. ~~\$114.88~~\$99.23 in the case of Bismarck state college, Dakota college at Bottineau,
21 Lake Region state college, North Dakota state college of science, and Williston state
22 college.

23 **SECTION 5. AMENDMENT.** Section 15-18.2-06 of the North Dakota Century Code is
24 amended and reenacted as follows:

25 **15-18.2-06. (Effective through June 30, 2017June 30, 2019) Base funding - Minimum**
26 **amount payable.**

27 Notwithstanding any calculations required by this chapter, ~~during each fiscal year, beginning~~
28 ~~with 2014-15~~, an institution may not receive less than ninety-six percent of the state aid to which
29 the institution was entitled under this chapter during the previous ~~fiscal year~~biennium.

30 **SECTION 6. AMENDMENT.** Section 54-44.1-11 of the North Dakota Century Code is
31 amended and reenacted as follows:

54-44.1-11. (Effective through July 31, 2017~~2019~~) Office of management and budget to cancel unexpended appropriations - When they may continue.

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.

(Effective after July 31, 2019) Office of management and budget to cancel

unexpended appropriations - When they may continue. 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

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

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

20 **SECTION 7. CAMPUS CAPITAL PROJECTS - PROJECT MANAGEMENT.** During the
21 biennium beginning July 1, 2017, and ending June 30, 2019, each capital project authorized by
22 the state board of higher education must have adequate project management oversight by
23 either an institution official or a representative of an external entity. An institution may seek
24 assistance from the North Dakota university system office for project management oversight of
25 a capital project.

26 **SECTION 8. STUDENT LOAN TRUST FUND.** Subdivision 1 of section 1 of this Act
27 includes the sum of \$1,504,744, or so much of the sum as may be necessary, from the student
28 loan trust fund of which \$465,307 is for the professional student exchange program, \$500,000 is
29 for grants to tribally controlled community colleges, and \$539,437 is for connectND campus
30 solution positions, for the biennium beginning July 1, 2017, and ending June 30, 2019.

1 **SECTION 9. UNIVERSITY OF NORTH DAKOTA SCHOOL OF MEDICINE AND HEALTH**

2 **SCIENCES OPERATIONS.** The operations line item in subdivision 5 of section 1 of this Act
3 includes a funding allocation from the higher education per student credit-hour funding formula
4 attributable to inflation during the biennium beginning July 1, 2017, and ending June 30, 2019.
5 Based on the recommendation of the commissioner of higher education a portion of the
6 allocation must be transferred by the state board of higher education to the university of North
7 Dakota school of medicine and health sciences.

8 **SECTION 10. FEDERAL, PRIVATE, AND OTHER FUNDS - APPROPRIATION.** All funds,
9 in addition to those appropriated in section 1 of this Act, from federal, private, and other sources
10 for competitive grants or other funds that the legislative assembly has not indicated the intent to
11 reject, including tuition revenue, received by the institutions and entities under the control of the
12 state board of higher education are appropriated to those institutions and entities, for the
13 biennium beginning July 1, 2017, and ending June 30, 2019. All additional funds received under
14 the North Dakota-Minnesota reciprocity agreement during the biennium beginning July 1, 2017,
15 and ending June 30, 2019, are appropriated to the state board of higher education for
16 reimbursement to institutions under the control of the board.

17 **SECTION 11. TRANSFER AUTHORITY.** If, during the biennium beginning July 1, 2017,
18 and ending June 30, 2019, the state board of higher education determines that funds allocated
19 to operations in section 1 of this Act are needed for capital assets, the board may transfer funds
20 from operations to capital assets. The board shall report any transfer of funds under this section
21 to the office of management and budget.

22 **SECTION 12. FULL-TIME EQUIVALENT POSITION ADJUSTMENTS.** Notwithstanding
23 any other provisions of law, the state board of higher education may adjust full-time equivalent
24 positions as needed, subject to the availability of funds, for institutions and entities under its
25 control during the biennium beginning July 1, 2017, and ending June 30, 2019. The North
26 Dakota university system shall report any adjustments to the office of management and budget
27 before the submission of the 2019-21 biennium budget request.

28 **SECTION 13. BOND ISSUANCE AUTHORIZATION - PURPOSES.** The state board of
29 higher education, in accordance with chapter 15-55, may arrange for the funding of projects
30 authorized in this section, declared to be in the public interest, through the issuance of self-
31 liquidating, tax-exempt evidences of indebtedness under chapter 15-55, beginning with the

effective date of this Act and ending June 30, 2019. 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:

North Dakota state university - New residence hall	\$39,505,000
North Dakota state university - University village replacement	<u>10,000,000</u>
Total special funds	\$49,505,000

SECTION 14. EXEMPTION - THEODORE ROOSEVELT CENTER PROJECT. The amounts appropriated for the Theodore Roosevelt center project in section 3 of chapter 34 of the 2013 Session Laws and section 4 of chapter 49 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, 2017, and ending June 30, 2019.

SECTION 15. 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, 2017, and ending June 30, 2019.

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