

**Sixty-ninth Legislative Assembly of North Dakota
In Regular Session Commencing Tuesday, January 7, 2025**

SENATE BILL NO. 2003
(Appropriations Committee)

AN ACT to provide an appropriation for defraying the expenses of the North Dakota university system; to create and enact two new sections to chapter 15-10 of the North Dakota Century Code, relating to presidential searches and the state commissioner of higher education; to amend and reenact subsection 2 of section 6-09-53, subdivision a of subsection 1 of section 15-10-17, subdivision c of subsection 1 of section 15-10-48, subdivisions a and c of subsection 1 of section 15-10-48.2, subdivision c of subsection 1 of section 15-10-49, subsection 1 of section 15-10-75, subsection 1 of the new section to chapter 15-10, as created by section 1 of House Bill No. 1437, as approved by the sixty-ninth legislative assembly, paragraph 3 of subdivision h of subsection 1 of section 15-18.2-02, subsection 2 of section 15-18.2-03, subsection 1 of section 15-18.2-05, section 15-54.1-04, subsection 2 of section 15-62.5-03, and section 54-44.1-11 of the North Dakota Century Code, sections 6 and 7 of chapter 126 of the 2021 Session Laws, sections 7, 8, and 9 of chapter 3 of the 2023 Session Laws, and subsection 17 of section 1 of chapter 550 of the 2021 Special Session Session Laws, relating to the powers and duties of the state board of higher education, the economic diversification research fund, matching grants for the advancement of academics, the workforce education innovation program, academic tenure policy at institutions of higher education, state aid for institutions of higher education, university system capital building funds, the scholars program, the cancellation of unexpended appropriations, transfers from the Bank of North Dakota to the skilled workforce loan repayment program fund and the skilled workforce scholarship fund, transfers from the Bank of North Dakota to the skilled workforce loan repayment program fund, the skilled workforce scholarship fund, and to the state board of higher education for dual-credit tuition scholarships, and funding for hyperbaric oxygen therapy; to repeal section 15-10-74 of the North Dakota Century Code, relating to the naming of the Bismarck state college polytechnic center; to authorize the state board of higher education to issue and sell bonds for capital projects; to provide for a transfer; to provide for the conveyance of real property; to provide for a legislative management higher education funding review committee; to provide for a legislative management study; to provide for a report; to provide legislative intent; to provide an exemption; and to declare an emergency.

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 other funds derived from special funds and federal funds, to the state board of higher education and to the entities and institutions under the supervision of the board for the purpose of defraying the expenses of the state board of higher education and the entities and institutions under the supervision of the board, for the period beginning with the effective date of this Act, and ending June 30, 2027, as follows:

Subdivision 1.

NORTH DAKOTA UNIVERSITY SYSTEM

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Capital assets - bond payments	\$11,197,896	(\$936,521)	\$10,261,375
Competitive research programs	5,685,750	0	5,685,750
System governance	10,569,162	1,181,064	11,750,226
State employee child care benefits	0	910,000	910,000

Core technology services	71,988,917	6,518,417	78,507,334
Student financial assistance grants	29,917,306	1,000,000	30,917,306
Supplemental student financial assistance grants	0	5,000,000	5,000,000
Professional student exchange program	3,699,342	1,500,000	5,199,342
Academic and CTE scholarships	17,216,749	0	17,216,749
Scholars program	1,807,115	0	1,807,115
Native American scholarship	1,000,000	0	1,000,000
Tribally controlled community college grants	1,400,000	200,000	1,600,000
Education incentive programs	260,000	0	260,000
Student mental health	284,400	0	284,400
Veterans' assistance grants	454,875	0	454,875
Shared campus services	800,000	0	800,000
Nursing education consortium	1,356,000	1,100,000	2,456,000
NASA EPSCoR	342,000	0	342,000
Education challenge fund	0	24,760,000	24,760,000
Workforce education innovation grants	0	10,000,000	10,000,000
Dual-credit tuition scholarship	1,500,000	0	1,500,000
Total all funds	\$159,479,512	\$51,232,960	\$210,712,472
Less other funds	26,260,897	36,885,852	63,146,749
Total general fund	\$133,218,615	\$14,347,108	\$147,565,723
Full-time equivalent positions	162.83	6.00	168.83

Subdivision 2.

BISMARCK STATE COLLEGE

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Operations	\$110,026,302	\$5,165,031	\$115,191,333
Capital assets	1,922,561	2,200,000	4,122,561
Total all funds	\$111,948,863	\$7,365,031	\$119,313,894
Less other funds	74,566,953	5,251,570	79,818,523
Total general fund	\$37,381,910	\$2,113,461	\$39,495,371
Full-time equivalent positions	335.33	2.92	338.25

Subdivision 3.

LAKE REGION STATE COLLEGE

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Operations	\$41,913,733	\$2,418,065	\$44,331,798
Capital assets	362,667	2,500,000	2,862,667
Total all funds	\$42,276,400	\$4,918,065	\$47,194,465
Less other funds	26,601,597	3,431,171	30,032,768
Total general fund	\$15,674,803	\$1,486,894	\$17,161,697
Full-time equivalent positions	120.59	(5.44)	115.15

Subdivision 4.

WILLISTON STATE COLLEGE

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Operations	\$37,378,349	\$2,423,802	\$39,802,151
Capital assets	1,261,968	0	1,261,968

Total all funds	\$38,640,317	\$2,423,802	\$41,064,119
Less other funds	<u>25,154,992</u>	<u>796,812</u>	<u>25,951,804</u>
Total general fund	\$13,485,325	\$1,626,990	\$15,112,315
Full-time equivalent positions	102.83	(3.09)	99.74

Subdivision 5.

UNIVERSITY OF NORTH DAKOTA

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Operations	\$967,725,670	\$56,041,426	\$1,023,767,096
Capital assets	4,411,566	124,500,000	128,911,566
Research network	<u>2,500,000</u>	<u>0</u>	<u>2,500,000</u>
Total all funds	\$974,637,236	\$180,541,426	\$1,155,178,662
Less other funds	<u>790,481,856</u>	<u>169,626,346</u>	<u>960,108,202</u>
Total general fund	\$184,155,380	\$10,915,080	\$195,070,460
Full-time equivalent positions	2,060.56	131.39	2,191.95

Subdivision 6.

UNIVERSITY OF NORTH DAKOTA SCHOOL OF MEDICINE AND HEALTH SCIENCES

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Operations	\$240,396,968	\$18,815,356	\$259,212,324
Healthcare workforce initiative	<u>10,676,150</u>	<u>0</u>	<u>10,676,150</u>
Total all funds	\$251,073,118	\$18,815,356	\$269,888,474
Less other funds	<u>168,241,842</u>	<u>5,776,474</u>	<u>174,018,316</u>
Total general fund	\$82,831,276	\$13,038,882	\$95,870,158
Full-time equivalent positions	488.83	40.23	529.06

Subdivision 7.

NORTH DAKOTA STATE UNIVERSITY

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Operations	\$807,365,091	\$45,414,240	\$852,779,331
Capital assets	7,799,104	125,000,000	132,799,104
Research network	<u>2,500,000</u>	<u>0</u>	<u>2,500,000</u>
Total all funds	\$817,664,195	\$170,414,240	\$988,078,435
Less other funds	<u>653,917,430</u>	<u>163,772,791</u>	<u>817,690,221</u>
Total general fund	\$163,746,765	\$6,641,449	\$170,388,214
Full-time equivalent positions	1,867.50	(61.54)	1,805.96

Subdivision 8.

NORTH DAKOTA STATE COLLEGE OF SCIENCE

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Operations	\$102,490,255	\$8,221,477	\$110,711,732
Capital assets	<u>1,012,379</u>	<u>65,000</u>	<u>1,077,379</u>
Total all funds	\$103,502,634	\$8,286,477	\$111,789,111
Less other funds	<u>63,645,097</u>	<u>2,338,578</u>	<u>65,983,675</u>
Total general fund	\$39,857,537	\$5,947,899	\$45,805,436
Full-time equivalent positions	313.95	12.59	326.54

Subdivision 9.

DICKINSON STATE UNIVERSITY

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Operations	\$56,728,746	\$3,370,815	\$60,099,561
Capital assets	<u>409,078</u>	<u>12,500,000</u>	<u>12,909,078</u>
Total all funds	\$57,137,824	\$15,870,815	\$73,008,639
Less other funds	<u>32,697,829</u>	<u>13,758,716</u>	<u>46,456,545</u>
Total general fund	\$24,439,995	\$2,112,099	\$26,552,094
Full-time equivalent positions	178.00	(7.20)	170.80

Subdivision 10.

MAYVILLE STATE UNIVERSITY

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Operations	\$56,295,375	\$2,799,716	\$59,095,091
Capital assets	<u>358,992</u>	<u>34,924,814</u>	<u>35,283,806</u>
Total all funds	\$56,654,367	\$37,724,530	\$94,378,897
Less other funds	<u>34,375,971</u>	<u>36,760,335</u>	<u>71,136,306</u>
Total general fund	\$22,278,396	\$964,195	\$23,242,591
Full-time equivalent positions	226.92	0.00	226.92

Subdivision 11.

MINOT STATE UNIVERSITY

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Operations	\$116,510,048	\$4,701,181	\$121,211,229
Capital assets	<u>1,099,620</u>	<u>27,867,000</u>	<u>28,966,620</u>
Total all funds	\$117,609,668	\$32,568,181	\$150,177,849
Less other funds	<u>68,644,425</u>	<u>22,339,213</u>	<u>90,983,638</u>
Total general fund	\$48,965,243	\$10,228,968	\$59,194,211
Full-time equivalent positions	423.63	(2.47)	421.16

Subdivision 12.

VALLEY CITY STATE UNIVERSITY

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Operations	\$56,008,906	\$1,499,518	\$57,508,424
Capital assets	<u>455,823</u>	<u>0</u>	<u>455,823</u>
Total all funds	\$56,464,729	\$1,499,518	\$57,964,247
Less other funds	<u>28,111,916</u>	<u>1,421,115</u>	<u>29,533,031</u>
Total general fund	\$28,352,813	\$78,403	\$28,431,216
Full-time equivalent positions	211.94	5.50	217.44

Subdivision 13.

DAKOTA COLLEGE AT BOTTINEAU

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Operations	\$26,229,141	\$1,249,697	\$27,478,838

Capital assets	<u>114,007</u>	<u>500,000</u>	<u>614,007</u>
Total all funds	\$26,343,148	\$1,749,697	\$28,092,845
Less other funds	<u>14,900,270</u>	<u>555,764</u>	<u>15,456,034</u>
Total general fund	\$11,442,878	\$1,193,933	\$12,636,811
Full-time equivalent positions	84.00	3.85	87.85

Subdivision 14.

NORTH DAKOTA FOREST SERVICE

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Operations	\$24,874,803	\$1,942,413	\$26,817,216
Capital assets	<u>118,728</u>	<u>0</u>	<u>118,728</u>
Total all funds	\$24,993,531	\$1,942,413	\$26,935,944
Less other funds	<u>19,141,941</u>	<u>1,399,079</u>	<u>20,541,020</u>
Total general fund	\$5,851,590	\$543,334	\$6,394,924
Full-time equivalent positions	29.00	7.00	36.00

Subdivision 15.

TOTAL - SECTION 1

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Grand total all funds	\$2,838,425,542	\$535,352,511	\$3,373,778,053
Grand total other funds	<u>2,026,743,016</u>	<u>464,113,816</u>	<u>2,490,856,832</u>
Grand total general fund	\$811,682,526	\$71,238,695	\$882,921,221

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO THE SEVENTIETH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items included in the appropriation in section 1 of this Act which are not included in the entity's base budget for the 2027-29 biennium and which the entity shall report to the appropriations committees of the seventieth legislative assembly regarding the use of this funding:

<u>One-Time Funding Description</u>	<u>General Fund</u>	<u>Other Funds</u>	<u>Total Funds</u>
Capital projects - general fund	\$9,635,000	\$0	\$9,635,000
Capital projects - strategic investment and improvements fund	0	101,196,814	101,196,814
Capital projects - other funds	0	219,225,000	219,225,000
Williston state college health care program startup costs	1,490,000	0	1,490,000
University of North Dakota national security crossroads	0	16,000,000	16,000,000
North Dakota state university new horizon programming	0	16,000,000	16,000,000
State college of science lease payments and aviation maintenance program	1,300,000	0	1,300,000
Mayville state university nursing simulation laboratory	500,000	0	500,000
Minot state university advancing students toward education and employment	500,000	0	500,000
Dual-credit scholarships	0	1,500,000	1,500,000
Challenge grants	0	24,760,000	24,760,000
Nursing education consortium	0	1,100,000	1,100,000
Financial aid system enhancements	25,000	0	25,000
Workforce education innovation grants	0	10,000,000	10,000,000

Forest service emerald ash borer mitigation	0	950,000	950,000
Total	\$13,450,000	\$390,731,814	\$404,181,814

SECTION 3. ADDITIONAL FEDERAL, PRIVATE, AND OTHER FUNDS - APPROPRIATION. All funds, in addition to those appropriated in section 1 of this Act, from federal, private, and other sources for competitive grants or other funds that the legislative assembly has not indicated the intent to reject, including tuition revenue, received by the state board of higher education and the institutions and entities under the control of the state board of higher education, are appropriated to the board and those institutions and entities, for the biennium beginning July 1, 2025, and ending June 30, 2027. All additional funds received under the North Dakota-Minnesota reciprocity agreement during the biennium beginning July 1, 2025, and ending June 30, 2027, are appropriated to the state board of higher education for reimbursement to institutions under the control of the board.

SECTION 4. USE OF EXTRAORDINARY REPAIRS FUNDING - MATCHING FUNDS. The capital assets line items in subdivisions 2 through 12 of section 1 of this Act include funding from the general fund for institution extraordinary repairs. An institution, excluding the university of North Dakota and North Dakota state university, shall provide one dollar of matching funds from operations or other sources for each one dollar of extraordinary repairs funding used for a project. The university of North Dakota and North Dakota state university shall provide two dollars of matching funds from operations or other sources for each one dollar of extraordinary repairs funding used for a project.

SECTION 5. OTHER FUNDS - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND. The grand total other funds line item in subdivision 15 of section 1 of this Act includes \$170,006,814 from the strategic investment and improvements fund as follows:

Challenge grants	\$24,760,000
Nursing education consortium	1,100,000
Workforce education innovation grants	10,000,000
Forest service emerald ash borer mitigation	950,000
Lake Region state college roof project	2,500,000
University of North Dakota science, technology, engineering, and mathematics building	55,640,000
University of North Dakota national security crossroads	16,000,000
North Dakota state university new horizon programming	16,000,000
Mayville state university old main renovation	34,924,814
Minot state university academic facilities projects	8,132,000
Total strategic investment and improvements fund	\$170,006,814

SECTION 6. OTHER FUNDS - COMMUNITY HEALTH TRUST FUND - UNIVERSITY OF NORTH DAKOTA SCHOOL OF MEDICINE AND HEALTH SCIENCES - ALLIED HEALTH FACILITY. The other funds line item in subdivision 5 of section 1 of this Act includes \$5,000,000 from the community health trust fund for the university of North Dakota school of medicine and health sciences allied health facility project.

SECTION 7. TRANSFER - NORTH DAKOTA UNIVERSITY SYSTEM OFFICE - BISMARCK STATE COLLEGE. Of the funding appropriated in the system governance and core technology services line items in subdivision 1 of section 1 of this Act, the state board of higher education shall transfer \$500,000 to the operations line item in subdivision 2 of section 1 of this Act by August 1, 2025. The North Dakota university system office may not assess institutions under the control of the state board of higher education to recover the cost of this transfer.

SECTION 8. TRANSFER - NORTH DAKOTA UNIVERSITY SYSTEM OFFICE - LAKE REGION STATE COLLEGE. Of the funding appropriated in the system governance and core technology services line items in subdivision 1 of section 1 of this Act, the state board of higher education shall transfer \$342,000 to the operations line item in subdivision 3 of section 1 of this Act by August 1, 2025. The North Dakota university system office may not assess institutions under the control of the state board of higher education to recover the cost of this transfer.

SECTION 9. TRANSFER - BANK OF NORTH DAKOTA PROFITS - STATE BOARD OF HIGHER EDUCATION SCHOLARSHIPS. The industrial commission shall transfer to the North Dakota university system office a total of \$1,500,000 from the current earnings and accumulated undivided profits of the Bank of North Dakota during the biennium beginning July 1, 2025, and ending June 30, 2027, as requested by the commissioner of higher education. The other funds line item in subdivision 1 of section 1 includes \$1,500,000 for the North Dakota university system office for dual-credit tuition scholarships.

SECTION 10. TRANSFER - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND - UNIVERSITY SYSTEM CAPITAL BUILDING FUND. The office of management and budget shall transfer \$26,500,000 from the strategic investment and improvements fund to the university system capital building fund during the period beginning with the effective date of this Act, and ending June 30, 2027, as requested by the commissioner of higher education. Funding transferred pursuant to this section is to be allocated to each institution as follows:

	<u>Tier II</u>	<u>Tier III</u>	<u>Total</u>
Bismarck state college	\$770,505	\$700,000	\$1,470,505
Lake Region state college	233,263	700,000	933,263
Williston state college	322,154	700,000	1,022,154
University of North Dakota	5,354,139	2,600,000	7,954,139
North Dakota state university	4,695,895	2,600,000	7,295,895
North Dakota state college of science	1,214,738	700,000	1,914,738
Dickinson state university	516,884	700,000	1,216,884
Mayville state university	332,070	700,000	1,032,070
Minot state university	906,412	700,000	1,606,412
Valley City state university	452,403	700,000	1,152,403
Dakota college at Bottineau	<u>201,537</u>	<u>700,000</u>	<u>901,537</u>
Total	\$15,000,000	\$11,500,000	\$26,500,000

SECTION 11. CAPITAL BUILDING FUNDS - USES. The institutions listed may use funding from the respective institution's university system capital building fund allocation for the following projects authorized by the sixty-ninth legislative assembly:

Bismarck state college - student housing	\$2,200,000
University of North Dakota - science, technology, engineering, and mathematics building	79,500,000
University of North Dakota - allied health facility	45,000,000
Dickinson state university - Woods hall and agriculture and technical education building projects	12,500,000
North Dakota state university - university village replacement phase II	54,000,000
North Dakota state university - Van Es biosafety laboratory	8,000,000
Minot state university - regional health sciences institute	<u>13,000,000</u>
Total	\$214,200,000

SECTION 12. CAMPUS CAPITAL PROJECTS - PROJECT MANAGEMENT. During the biennium beginning July 1, 2025, and ending June 30, 2027, each capital project authorized by the state board of higher education must have adequate project management oversight by either an institution official or a representative of an external entity. An institution may seek assistance from the university system office for project management oversight of a capital project.

SECTION 13. BOND ISSUANCE AUTHORIZATION - PURPOSES. The state board of higher education, in accordance with chapter 15-55, may arrange for the funding of projects authorized in this section, declared to be in the public interest, through the issuance of self-liquidating, tax-exempt evidences of indebtedness under chapter 15-55, during the period beginning with the effective date of this Act, and ending June 30, 2027. 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 - university village replacement phase II	\$54,000,000
North Dakota state university - memorial union renovation and addition and related demolition of other facilities	50,000,000
Dickinson state university - Woods hall, agriculture and technical education building, and rodeo arena projects	12,500,000
Minot state university - student center	<u>3,100,000</u>
Total special funds	\$119,600,000

SECTION 14. NORTH DAKOTA STATE COLLEGE OF SCIENCE - ENHANCED LEASE PAYMENTS. The appropriation in subdivision 8 of section 1 of this Act includes \$800,000 for enhanced lease payments for deferred maintenance and extraordinary repairs for a facility in Fargo. The enhanced lease payments must be made pursuant to an agreement with the lessor that includes the repayment of the enhanced lease payments if the property is leased to another party or conveyed prior to June 30, 2035.

SECTION 15. AMENDMENT. Subsection 2 of section 6-09-53 of the North Dakota Century Code is amended and reenacted as follows:

2. In consultation with representatives of North Dakota state university and the university of North Dakota, the Bank, in consultation with the state board of higher education, shall award grants to institutions under the control of the state board of higher education. ~~The sum of five million dollars must be awarded~~The bank must award ninety percent of the funds available each biennium to North Dakota state university and the university of North Dakota with equal amounts awarded to each institution. The remaining funding must be awarded to the other institutions under the control of the state board of higher education, as determined by the board. The state board of higher education may not award more than fifty percent of the available funding during the first year of the biennium. The Bank of North Dakota shall distribute the grant funding as awarded by the state board of higher education.

SECTION 16. AMENDMENT. Subdivision a of subsection 1 of section 15-10-17 of the North Dakota Century Code is amended and reenacted as follows:

- a. ~~Appoint~~Subject to section 24 of this Act, appoint and remove the president or other faculty head, and the professors, instructors, teachers, officers, and other employees of the several institutions under the board's control, fix the salaries for those positions within the limits of legislative appropriations; and fix the terms of office and prescribe the duties of the positions.

SECTION 17. AMENDMENT. Subdivision c of subsection 1 of section 15-10-48 of the North Dakota Century Code is amended and reenacted as follows:

- c. The board may award up to ~~two million seven hundred thousand~~three million two hundred forty-five thousand dollars in matching grants each to the university of North Dakota and North Dakota state university; and up to ~~two million two hundred thousand~~two million six hundred forty-five thousand dollars in matching grants to the university of North Dakota school of medicine and health sciences. Of the amount available to the university of North Dakota, two hundred fifty thousand dollars must be awarded for projects dedicated to projects at the school of law.

SECTION 18. AMENDMENT. Subdivision a of subsection 1 of section 15-10-48.2 of the North Dakota Century Code is amended and reenacted as follows:

- a. Subject to legislative appropriations, each biennium the state board of higher education shall award one dollar in matching grants for every two dollars raised by the institutional foundation of North Dakota state university for projects dedicated exclusively to

agricultural research and extension at the agricultural experiment station. Notwithstanding section 15-10-53, awards under this section may be used for endowments, academic scholarships, operations, facility repair projects, and new capital construction projects.

SECTION 19. AMENDMENT. Subdivision c of subsection 1 of section 15-10-48.2 of the North Dakota Century Code is amended and reenacted as follows:

- c. The board may award up to ~~two million two hundred thousand~~ two million six hundred forty-five thousand dollars in matching grants under this section.

SECTION 20. AMENDMENT. Subdivision c of subsection 1 of section 15-10-49 of the North Dakota Century Code is amended and reenacted as follows:

- c. The board may award up to:
 - (1) ~~One million seven hundred thousand~~ Two million forty-five thousand dollars each to Bismarck state college, Dickinson state university, Minot state university, and the North Dakota state college of science;
 - (2) ~~One million one hundred thousand~~ One million three hundred twenty thousand dollars each to ~~Dickinson state university~~, Mayville state university, and Valley City state university; and
 - (3) ~~Six hundred thousand~~ Seven hundred twenty thousand dollars each to Dakota college at Bottineau, Lake Region state college, and Williston state college.

SECTION 21. AMENDMENT. Subsection 1 of section 15-10-75 of the North Dakota Century Code is amended and reenacted as follows:

1. The state board of higher education may provide award funds to institutions under its control, excluding the university of North Dakota and North Dakota state university, to create or enhance educational programs that address the workforce needs of North Dakota business and industry. An award made under this section may be used for curriculum development, equipment and technology purchases, facility modifications and equipment installation, hiring and training new and existing instructors, educational program promotion, and enhancement of postsecondary partnerships with primary and secondary schools. An institution may not be awarded more than one million five hundred thousand dollars pursuant to this section during a biennium. The state board of higher education shall establish a committee, guidelines, and application process for administration of the grant program established under this section.

SECTION 22. A new section to chapter 15-10 of the North Dakota Century Code is created and enacted as follows:

Presidential searches.

The state board of higher education is responsible for appointment of presidents at institutions under the control of the board. Upon notification that the position of an institution president will become vacant, the state board of higher education may authorize a search committee to conduct a search for a new president. The state board of higher education may retain the services of a consultant, determined and selected by the search committee, to assist the search committee.

SECTION 23. A new section to chapter 15-10 of the North Dakota Century Code is created and enacted as follows:

State commissioner of higher education - Contract terms - Institution position.

The state board of higher education may enter into a personnel contract with the state commissioner of higher education. The personnel contract may provide for the commissioner to

become a faculty or staff member at an institution under the control of the state board of higher education when the contract term is complete. The salaries and wages of a person who becomes a faculty or staff member pursuant to this section must be paid from the appropriation to the North Dakota university system office. The North Dakota university system office may not assess institutions under the control of the state board of higher education to recover the cost of the salaries and wages paid pursuant to this section.

SECTION 24. AMENDMENT. Subsection 1 of the new section to chapter 15-10 of the North Dakota Century Code, as created by section 1 of House Bill No. 1437, as approved by the sixty-ninth legislative assembly, is amended and reenacted as follows:

1. By July 1, 2026, institutions of higher education under the control of the state board of higher education offering faculty academic tenure shall develop and adopt a policy for tenured and tenure-track faculty employed by the institution, which:
 - a. Defines progression and advancement criteria at each stage of tenure progression, including criteria for continued post-tenure review.
 - b. Establishes a procedure for annual evaluation of all nontenure, tenure-track, and tenured faculty by the president of the institution or the designee of the president.
 - c. Establishes a procedure for post-tenure evaluations, which must be informed by the annual evaluations under subdivision b and conducted by a committee appointed by the president of the institution or the designee of the president. The first post-tenure evaluation must be completed within three years. Subsequent post-tenure evaluations must be completed at least every five years or more frequently.
 - d. Provides the composition of a culminating post-tenure evaluation committee must include the administrative supervisor of the faculty member being evaluated, at least one ranking administrator, and tenured faculty comprising no less than one-third and no more than one-half of the committee.
 - e. Defines the outcome of an unsatisfactory review of post-tenured faculty, which may be removal from the position. The decision to remove faculty from a position must be made by the employing institution and the state board of higher education.
 - f. Is approved by the state board of higher education.
 - g. Provides for a hearing and appeal process for a faculty member aggrieved by the policy adopted under this subsection or decision made by the committee under subdivision c.

SECTION 25. AMENDMENT. Paragraph 3 of subdivision h of subsection 1 of section 15-18.2-02 of the North Dakota Century Code is amended and reenacted as follows:

- (3) 9.014.0 for professional level credits;

SECTION 26. AMENDMENT. Subsection 2 of section 15-18.2-03 of the North Dakota Century Code is amended and reenacted as follows:

2. If the number of credit-hours completed by an institution would cause a decrease in the credit completion factor for that institution compared to the credit completion factor the institution ~~was entitled to receive during the 2017-19~~received during the prior biennium, the state board of higher education shall multiply the product determined under section 15-18.2-02 by a credit growth factor of 1.0 for credits in excess of the factor the institution ~~was entitled to receive during the 2017-19~~received during the prior biennium. Any weighted credit-hours multiplied by a credit growth factor under this section must have a weight of 1.0 under section 15-18.2-02. The state board of higher education shall multiply the remaining weighted credits by the credit

completion factor the institution ~~was entitled to receive during the 2017-19~~received during the prior biennium.

SECTION 27. AMENDMENT. Subsection 1 of section 15-18.2-05 of the North Dakota Century Code is amended and reenacted as follows:

1. Except as provided under subsections 2 and 3, to determine the state aid payment to which each institution under its control is entitled, the state board of higher education shall multiply the product determined under section 15-18.2-03 by a base amount of:
 - a. ~~\$73.15~~\$79.57 in the case of North Dakota state university and the university of North Dakota;
 - b. ~~\$103.76~~\$111.55 in the case of Dickinson state university, Mayville state university, Minot state university, and Valley City state university; and
 - c. ~~\$110.38~~\$119.91 in the case of Bismarck state college, Dakota college at Bottineau, Lake Region state college, North Dakota state college of science, and Williston state college.

SECTION 28. AMENDMENT. Section 15-54.1-04 of the North Dakota Century Code is amended and reenacted as follows:

15-54.1-04. Tier III capital building funds - Matching requirements.

The state board of higher education may allocate tier III capital building fund moneys to an institution only after the institution, ~~excluding the university of North Dakota and North Dakota state university, provides two dollars~~one dollar of matching funds from operations or other sources for each one dollar from the university system capital building fund for the project. ~~The state board of higher education may allocate tier III capital building fund moneys to the university of North Dakota and North Dakota state university only after the institution provides two dollars of matching funds from operations or other sources for each one dollar from the university system capital building fund for the project.~~ An institution may not use tier I extraordinary repairs funding, tier II capital building fund moneys, or state funding appropriated for a specific capital project as matching funds under this section.

SECTION 29. AMENDMENT. Subsection 2 of section 15-62.5-03 of the North Dakota Century Code is amended and reenacted as follows:

2. If two or more applicants have the same scores as determined in subsection 1, they must be ranked by the numeric sum of their ~~four~~ scale scores on the ACT or equivalent scores. If a nationally recognized standardized test approved by the state board of higher education does not calculate scale scores, the equivalent will be zero.

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

54-44.1-11. Office of management and budget to cancel unexpended appropriations - When they may continue. (Effective through July 31, ~~2025~~2027)

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

budget may continue appropriations or balances in force for not more than two years after the expiration of the biennial period during which they became available upon recommendation of the director of the budget for:

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

Office of management and budget to cancel unexpended appropriations - When they may continue. (Effective after July 31, 2025~~2027~~) The office of management and budget, thirty days after the close of each biennial period, shall cancel all unexpended appropriations or balances of appropriations after the expiration of the biennial period during which they became available under the law. Unexpended appropriations for the state historical society are not subject to this section and the state historical society shall report on the amounts and uses of funds carried over from one biennium to the appropriations committees of the next subsequent legislative assembly. The chairmen of the appropriations committees of the senate and house of representatives of the legislative assembly with the office of the budget may continue appropriations or balances in force for not more than two years after the expiration of the biennial period during which they became available upon recommendation of the director of the budget for:

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

SECTION 31. AMENDMENT. Section 6 of chapter 126 of the 2021 Session Laws is amended and reenacted as follows:

SECTION 6. TRANSFER - BANK OF NORTH DAKOTA - SKILLED WORKFORCE STUDENT LOAN REPAYMENT PROGRAM FUND. The Bank of North Dakota shall transfer the sum of \$2,250,000, or so much of the sum as may be necessary, from the Bank's current earnings and undivided profits to the skilled workforce student loan repayment fund during the ~~biennium period~~ beginning July 1, 2021, and ending June 30, ~~2023~~2027.

SECTION 32. AMENDMENT. Section 7 of chapter 126 of the 2021 Session Laws is amended and reenacted as follows:

SECTION 7. TRANSFER - BANK OF NORTH DAKOTA - SKILLED WORKFORCE SCHOLARSHIP FUND. The Bank of North Dakota shall transfer the sum of \$2,250,000, or so much of the sum as may be necessary, from the Bank's current earnings and undivided profits to the skilled workforce scholarship fund during the bienniumperiod beginning July 1, 2021, and ending June 30, ~~2023~~2027.

SECTION 33. AMENDMENT. Section 7 of chapter 3 of the 2023 Session Laws is amended and reenacted as follows:

SECTION 7. TRANSFER - BANK OF NORTH DAKOTA PROFITS - STATE BOARD OF HIGHER EDUCATION SCHOLARSHIPS. The industrial commission shall transfer to the North Dakota university system a total of \$1,500,000 from the current earnings and accumulated undivided profits of the Bank of North Dakota during the bienniumperiod beginning July 1, 2023, and ending June 30, ~~2025~~2027, as requested by the commissioner of higher education. The estimated income line item in subdivision 1 of section 1 includes \$1,500,000 for the North Dakota university system office for dual-credit tuition scholarships.

SECTION 34. AMENDMENT. Section 8 of chapter 3 of the 2023 Session Laws is amended and reenacted as follows:

SECTION 8. TRANSFER - BANK OF NORTH DAKOTA PROFITS - SKILLED WORKFORCE STUDENT LOAN REPAYMENT PROGRAM FUND. The industrial commission shall transfer the sum of \$3,400,000 from the current earnings and accumulated undivided profits of the Bank of North Dakota to the skilled workforce student loan repayment program fund during the bienniumperiod beginning July 1, 2023, and ending June 30, ~~2025~~2027.

SECTION 35. AMENDMENT. Section 9 of chapter 3 of the 2023 Session Laws is amended and reenacted as follows:

SECTION 9. TRANSFER - BANK OF NORTH DAKOTA PROFITS - SKILLED WORKFORCE SCHOLARSHIP FUND. The industrial commission shall transfer the sum of \$3,400,000 from the current earnings and accumulated undivided profits of the Bank of North Dakota to the skilled workforce scholarship fund during the bienniumperiod beginning July 1, 2023, and ending June 30, ~~2025~~2027.

SECTION 36. AMENDMENT. Subsection 17 of section 1 of chapter 550 of the 2021 Special Session Session Laws is amended and reenacted as follows:

17. There is appropriated from federal funds derived from the state fiscal recovery fund, not otherwise appropriated, the sum of \$2,104,121, or so much of the sum as may be necessary, to the university of North Dakota school of medicine and health sciences for the purpose of purchasing equipment and hiring personnel to be granted to health care providers in the state to provide hyperbaric oxygen therapy for the period beginning with the effective date of this Act, and ending June 30, ~~2023~~2027.

SECTION 37. REPEAL. Section 15-10-74 of the North Dakota Century Code is repealed.

SECTION 38. EXEMPTION - TRANSFER AUTHORITY - LEGISLATIVE MANAGEMENT REPORT. Notwithstanding section 54-16-04, the office of management and budget shall transfer appropriation authority from the operations to the capital assets line items within subdivisions 2 through 14 of section 1 of this Act as requested by the state board of higher education, for the period beginning with the effective date of this Act, and ending June 30, 2027. The board shall report any transfer of funds under this section to the legislative management.

SECTION 39. EXEMPTION - FULL-TIME EQUIVALENT POSITION ADJUSTMENTS. Notwithstanding any other provisions of law, the state board of higher education may adjust full-time equivalent positions as needed, subject to the availability of funds, for institutions and entities under its

control during the biennium beginning July 1, 2025, and ending June 30, 2027. The North Dakota university system shall report any adjustments to the office of management and budget as part of the submission of the 2027-29 biennium budget request.

SECTION 40. EXEMPTION - UNEXPENDED APPROPRIATIONS. The following appropriations are not subject to the provisions of section 54-44.1-11 and may be continued into the biennium beginning July 1, 2025, and ending June 30, 2027:

1. Any amounts remaining from the \$18,160,000 appropriated from the general fund for capital projects inflation and \$411,724,026 appropriated from other funds, including \$209,976,971 appropriated from the strategic investment and improvements fund, for capital projects at institutions under the control of the state board of higher education in section 1 of chapter 3 of the 2023 Session Laws;
2. Any amounts remaining from the \$8,500,000 appropriated from other funds to Bismarck state college for the multipurpose academic and athletic center in section 2 of chapter 638 of the 2023 Special Session Session Laws;
3. Any amounts remaining from the \$1,500,000 appropriated from Bank of North Dakota profits for dual-credit scholarships in section 1 of chapter 3 of the 2023 Session Laws;
4. Any amounts remaining from the funding appropriated from federal funds derived from the state fiscal recovery fund to the state board of higher education and institutions under the control of the state board of higher education in section 1 of chapter 548 and section 1 of chapter 550 of the 2021 Special Session Session Laws and continued into the biennium beginning July 1, 2023, and ending June 30, 2025, in section 42 of chapter 3 of the 2023 Session Laws.

SECTION 41. EXEMPTION - UNEXPENDED APPROPRIATIONS. The following appropriations are not subject to the provisions of section 54-44.1-11 and may be continued into the biennium beginning July 1, 2025, and ending June 30, 2027:

1. Any amounts remaining from the funding appropriated for the branch research centers capital projects inflation in subdivision 4 of section 1 of chapter 20 of the 2023 Session Laws, including related revenues.
2. Any amounts remaining from the funding appropriated for the northern crops institute feed production center facility upgrade and pellet mill in subdivision 2 of section 1 of chapter 20 of the 2023 Session Laws, including related revenues.
3. Any amounts remaining from the funding appropriated for the main research center Waldron hall replacement project in subdivision 4 of section 1 of chapter 20 of the 2023 Session Laws, including related revenues.

SECTION 42. EXEMPTION - SALE OF PROPERTY AUTHORIZED - USE OF PROCEEDS. The state of North Dakota, by and through the state board of higher education, may sell and convey certain real property located at the intersection of sixth avenue north and forty-second street north, in the southeast corner, unplatted parts including the north half of the northwest quarter of the southwest quarter of section 5, township 151 north, range 50, estimated to include 20 acres, in the records of the city of Grand Forks. If any real property authorized to be conveyed under this section is conveyed, the terms of conveyance must be determined jointly by the state board of higher education or a designee of the board and the commissioner of university and school lands. Sections 54-01-05.2 and 54-01-05.5 do not apply to the transfers authorized by this section. Any proceeds from the sale of land pursuant to this section may be used only for deferred maintenance and extraordinary repairs.

SECTION 43. EXEMPTION - SALE OF PROPERTY AUTHORIZED - USE OF PROCEEDS. The state of North Dakota, by and through the state board of higher education, may sell and convey certain real property located at the intersection of Demers avenue and forty-second street north, in the

northwest corner, known as 4201 James Ray drive, the south east corner of lot 1, block 1, estimated to be 2.74 acres, in the records of the city of Grand Forks. If any real property authorized to be conveyed under this section is conveyed, the terms of conveyance must be determined jointly by the state board of higher education or a designee of the board and the commissioner of university and school lands. Sections 54-01-05.2 and 54-01-05.5 do not apply to the transfers authorized by this section. Any proceeds from the sale of land pursuant to this section may be used only for deferred maintenance and extraordinary repairs.

SECTION 44. UNIVERSITY OF NORTH DAKOTA SCHOOL OF MEDICINE AND HEALTH SCIENCES - UNIVERSITY OF NORTH DAKOTA PHYSICIAN ASSISTANT PROGRAM - STUDENT RESIDENCY - REPORT. The university of North Dakota shall develop and implement student recruitment and acceptance strategies to increase the number of resident medical students enrolled in the school of medicine and health sciences and to increase the number of resident students enrolled in the physician assistant program, with a goal for eighty-five percent of medical students enrolled at the school of medicine and health sciences and in the physician assistant program to be residents of the state by the fall 2030 semester. The university of North Dakota shall provide an annual report to the legislative management regarding strategies under consideration and implemented to increase resident medical student enrollment in the school of medicine and health sciences and in the physician assistant program, during the biennium beginning July 1, 2025, and ending June 30, 2027.

SECTION 45. HIGHER EDUCATION FUNDING REVIEW COMMITTEE - REPORT TO THE LEGISLATIVE MANAGEMENT.

1. During the 2025-26 interim, the higher education funding review committee is created and composed of thirteen members as follows:
 - a. Two members of the house of representatives appointed by the majority leader of the house of representatives and one member appointed by the minority leader of the house of representatives;
 - b. Two members of the senate appointed by the majority leader of the senate and one member appointed by the minority leader of the senate;
 - c. One member of the legislative assembly appointed by the legislative management to serve as the committee chairman;
 - d. Six nonvoting members, including:
 - (1) The university of North Dakota vice president for finance and operations, or a designee of the vice president for finance and operations;
 - (2) The North Dakota state university vice president for finance and administration, or a designee of the vice president for finance and administration;
 - (3) Two representatives from regional four-year universities, including dual-mission institutions, appointed by the state board of higher education; and
 - (4) Two representatives from two-year colleges, including polytechnic institutions, appointed by the state board of higher education.
2. The committee shall review funding methods for higher education in the state, including the higher education funding formula, the university system capital building fund, permanent funds distributions, property tax allocations, oil and gas gross production and oil extraction tax revenue allocations, other statutory funds for higher education and research, and other funding appropriated to institutions and entities under the control of the state board of higher education.
3. The committee must receive and consider input from representatives of all higher education institutions under the control of the state board of higher education.

4. The committee shall report its findings and recommendations to the legislative management by September 1, 2026.

SECTION 46. LEGISLATIVE MANAGEMENT STUDY - DUAL-CREDIT. During the 2025-26 interim, the legislative management shall study dual-credit in the state, including which institutions may offer dual-credit courses, where dual-credit courses may be provided by the institutions, and state funding provided for dual-credit. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the seventieth legislative assembly.

SECTION 47. PRAXIS CORE TESTING PERFORMANCE - LEGISLATIVE MANAGEMENT REPORT. The legislative management shall request a report during the 2025-26 interim from the association of colleges for teacher education regarding a study of the praxis core testing performance of student teachers who used grades and exams to demonstrate reading, writing, and mathematics competencies.

SECTION 48. STATE BOARD OF HIGHER EDUCATION STUDY AND REPORT - COMMISSIONER OF HIGHER EDUCATION - LEGISLATIVE INTENT - REPORT.

1. The state board of higher education shall study the costs and benefits of a system of higher education led by a chancellor compared to a commissioner during the 2025-26 interim. The state board of higher education shall report its findings and recommendations, including any legislation required to implement the recommendations, to the legislative management by May 31, 2026.
2. It is the intent of the sixty-ninth legislative assembly that:
 - a. The state board of higher education appoint a state commissioner of higher education in compliance with chapter 15-10 of the North Dakota Century Code and subsection 7 of section 6 of article VIII of the Constitution of North Dakota.
 - b. The state commissioner of higher education be recognized as a position important to the efficient and effective functioning of the North Dakota university system.
 - c. The state board of higher education recognize the importance of hiring an individual for the position of state commissioner of higher education in an efficient and timely manner.
3. The state board of higher education shall provide a report to the legislative management by October 15, 2025, regarding the hiring process for the state commissioner of higher education position, including detail regarding the cause or reasoning behind any delays in the hiring process.

SECTION 49. LEGISLATIVE INTENT - WEIGHTED CREDIT-HOURS - INSTRUCTIONAL PROGRAM CLASSIFICATION FACTORS. It is the intent of the sixty-ninth legislative assembly that wind energy technology and law enforcement courses be transferred to the career and technical education instructional program classification within the higher education funding formula.

SECTION 50. LEGISLATIVE INTENT - UNIVERSITY OF NORTH DAKOTA SCHOOL OF MEDICINE AND HEALTH SCIENCES - ALLIED HEALTH FACILITY. It is the intent of the sixty-ninth legislative assembly that an allied health facility expansion be completed at the university of North Dakota school of medicine and health sciences.

SECTION 51. LEGISLATIVE INTENT - SEPARATION AGREEMENTS. It is the intent of the sixty-ninth legislative assembly that the state board of higher education not enter into any separation or early retirement agreements, other than approved agreements consistent with the individual's personnel contract and state law, with a cost to the state or the institutions under the control of the state board of higher education during the biennium beginning July 1, 2025, and ending June 30, 2027.

SECTION 52. EMERGENCY. The workforce education innovation grants and capital assets line items in section 1 and sections 4, 5, 6, 10, 11, 13, 14, 21, 38, 42, and 43 of this Act are declared to be an emergency measure.

President of the Senate

Speaker of the House

Secretary of the Senate

Chief Clerk of the House

This certifies that the within bill originated in the Senate of the Sixty-ninth Legislative Assembly of North Dakota and is known on the records of that body as Senate Bill No. 2003 and that two-thirds of the members-elect of the Senate voted in favor of said law.

Vote: Yeas 42 Nays 2 Absent 3

President of the Senate

Secretary of the Senate

This certifies that two-thirds of the members-elect of the House of Representatives voted in favor of said law.

Vote: Yeas 69 Nays 18 Absent 7

Speaker of the House

Chief Clerk of the House

Received by the Governor at _____ M. on _____, 2025.

Approved at _____ M. on _____, 2025.

Governor

Filed in this office this _____ day of _____, 2025,

at _____ o'clock _____ M.

Secretary of State