

PROPOSED AMENDMENTS TO SENATE BILL NO. 2003

Page 1, line 2, after "system" insert "; to amend and reenact section 54-02-11 of the North Dakota Century Code, relating to the state art gallery; and to declare an emergency"

Page 1, replace lines 12 through 24 with:

"NORTH DAKOTA UNIVERSITY SYSTEM		
Salaries and wages		\$356,043,998
Technology		<u>23,563,400</u>
Total salaries, wages, and technology		\$379,607,398
Estimated income:		
Bismarck state college	\$6,461,060	
University of North Dakota - Lake Region	1,423,217	
University of North Dakota - Williston	2,266,959	
University of North Dakota	53,046,381	
North Dakota state university	45,301,979	
North Dakota state college of science	8,482,258	
Dickinson state university	5,497,688	
Mayville state university	2,865,468	
Minot state university	13,452,405	
Valley City state university	3,709,027	
Minot state university - Bottineau	1,352,782	
University of North Dakota medical center	41,176,495	
Forest service	<u>663,040</u>	
Less institutional estimated income		\$185,698,759
General fund appropriation		\$193,908,639

Subdivision 2.

NORTH DAKOTA UNIVERSITY SYSTEM OFFICE	
Operating expenses	\$ 717,665
Equipment	21,000
Capital improvements emergency	200,000
Student financial assistance grants	4,480,386
ADA projects	500,000
Computer network management	205,494
Small campus projects	500,000
Professional student exchange program	1,389,801
Disabled student services	26,693
Technical administration	184,906
Contingency fund	200,000
Scholars program	659,286
Perkins loan program match	102,885
Native American scholarships	204,000
Title II	434,000
Competitive research program	1,980,000
Virtual university	<u>100,000</u>
Total operating fund appropriation	\$ 11,906,116
Less operating fund estimated income	<u>3,604,886</u>
General fund appropriation	\$ 8,301,230

Subdivision 3.

BISMARCK STATE COLLEGE	
Operating fund appropriation	

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

Subdivision 4.

UNIVERSITY OF NORTH DAKOTA - LAKE REGION

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

Subdivision 5.

UNIVERSITY OF NORTH DAKOTA - WILLISTON

Operating fund appropriation	
Operating expenses	\$ 1,477,524
Equipment	210,815
Capital improvements	<u>71,929</u>
Total operating fund appropriation	\$ 1,760,268
Less operating fund estimated income	<u>0</u>
General fund appropriation	\$ 1,760,268
Local funds appropriation	<u>182,300</u>
Total general fund and local funds appropriations	\$ 1,942,568
Total all funds appropriation	\$ 1,942,568

Subdivision 6.

UNIVERSITY OF NORTH DAKOTA

Operating fund appropriation	
Operating expenses	\$ 29,207,492
Equipment	1,517,369
Capital improvements	<u>4,407,305</u>
Total operating fund appropriation	\$ 35,132,166
Less operating fund estimated income	<u>2,500,000</u>
General fund appropriation	\$ 32,632,166
Local funds appropriation	<u>56,720,000</u>
Total general fund and local funds appropriations	\$ 89,352,166
Total all funds appropriation	\$ 91,852,166

Subdivision 7.

NORTH DAKOTA STATE UNIVERSITY

Operating fund appropriation	
Operating expenses	\$ 20,589,385
Equipment	1,905,500
Capital improvements	<u>6,277,072</u>
Total operating fund appropriation	\$ 28,771,957
Less operating fund estimated income	<u>4,850,000</u>
General fund appropriation	\$ 23,921,957

Local funds appropriation	<u>18,670,000</u>
Total general fund and local funds appropriations	\$ 42,591,957
Total all funds appropriation	\$ 47,441,957

Subdivision 8.

NORTH DAKOTA STATE SCHOOL OF SCIENCE

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

Subdivision 9.

DICKINSON STATE UNIVERSITY

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

Subdivision 10.

MAYVILLE STATE UNIVERSITY

Operating fund appropriation	
Operating expenses	\$ 2,004,481
Equipment	220,500
Capital improvements	<u>131,925</u>
Total operating fund appropriation	\$ 2,356,906
Less operating fund estimated income	<u>0</u>
General fund appropriation	\$ 2,356,906
Local funds appropriation	<u>685,000</u>
Total general fund and local funds appropriations	\$ 3,041,906
Total all funds appropriation	\$ 3,041,906

Subdivision 11.

MINOT STATE UNIVERSITY

Operating fund appropriation	
Operating expenses	\$ 6,037,692
Equipment	779,668
Capital improvements	<u>842,098</u>
Total operating fund appropriation	\$ 7,659,458
Less operating fund estimated income	<u>0</u>
General fund appropriation	\$ 7,659,458
Local funds appropriation	<u>4,535,732</u>
Total general fund and local funds appropriations	\$ 12,195,190
Total all funds appropriation	\$ 12,195,190

Subdivision 12.

VALLEY CITY STATE UNIVERSITY

Operating fund appropriation	
Operating expenses	\$ 2,646,453

Equipment	308,500
Capital improvements	765,000
Special initiatives	202,837
Total operating fund appropriation	\$ 3,922,790
Less operating fund estimated income	0
General fund appropriation	\$ 3,922,790
Local funds appropriation	1,550,000
Total general fund and local funds appropriations	\$ 5,472,790
Total all funds appropriation	\$ 5,472,790

Subdivision 13.

MINOT STATE UNIVERSITY - BOTTINEAU

Operating fund appropriation	
Operating expenses	\$ 1,002,968
Equipment	147,500
Capital improvements	74,130
Total operating fund appropriation	\$ 1,224,598
Less operating fund estimated income	0
General fund appropriation	\$ 1,224,598
Local funds appropriation	211,100
Total general fund and local funds appropriations	\$ 1,435,698
Total all funds appropriation	\$ 1,435,698

Subdivision 14.

NORTH DAKOTA FOREST SERVICE

Operating fund appropriation	
Operating expenses	\$ 416,323
Equipment	48,011
Capital improvements	81,061
Grants to centennial trees	147,486
Total operating fund appropriation	\$ 692,881
Less operating fund estimated income	147,486
General fund appropriation	\$ 545,395
Local funds appropriation	50,000
Total general fund and local funds appropriations	\$ 595,395
Total all funds appropriation	\$ 742,881

Subdivision 15.

UNIVERSITY OF NORTH DAKOTA MEDICAL CENTER

Operating fund appropriation	
Operating expenses	\$ 16,218,818
Equipment	4,705,045
Total operating fund appropriation	\$ 20,923,863
Less operating fund estimated income	13,008,600
General fund appropriation	\$ 7,915,263
Grand total general fund appropriation S.B. 2003	\$303,071,691
Grand total special funds appropriation S.B. 2003	\$210,419,731
Grand total local funds appropriation S.B. 2003	\$ 92,776,132
Grand total all funds appropriation S.B. 2003	\$606,267,554"

Page 2, remove lines 1 through 31

Page 3, remove lines 1 through 31

Page 4, remove lines 1 through 31

Page 5, remove lines 1 through 31

Page 6, remove lines 1 through 31

Page 7, remove lines 1 through 31

Page 8, remove lines 1 and 2

Page 8, line 3, after "fund" insert ", capital improvements emergency, ADA projects, small campus projects,"

Page 8, line 4, replace the first "1" with "2"

Page 8, line 5, replace the first "1" with "2" and replace "14" with "15"

Page 8, line 7, after the second "fund" insert ", capital improvements emergency, ADA projects, small campus projects,"

Page 8, after line 30, insert:

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

Page 9, line 19, after "improvements" insert ", equipment, and other purposes not requiring an increase in future general fund appropriations"

Page 9, remove lines 27 through 30

Page 10, remove lines 1 through 8

Page 10, line 11, remove "\$1,200,000, for"

Page 10, line 12, remove "the purpose of renovating the bookstore at the university of North Dakota and"

Page 10, line 19, remove "remodeling the bookstore at the university of North Dakota and"

Page 10, after line 31, insert:

"SECTION 12. BOARD OF HIGHER EDUCATION ALLOCATIONS - AUTHORITY. The amounts in subdivision 1 of section 1 must be used for the benefit of the institutions and entities in subdivisions 2 through 15 of section 1 as determined by

the board of higher education in accordance with the guidelines established in section 13 of this Act. The board shall notify the office of management and budget of the allocation of authority and which line items in the various institutions must be adjusted.

SECTION 13. ALLOCATIONS - SALARIES AND WAGES - TECHNOLOGY FUNDING - LEGISLATIVE INTENT - DECLARATION OF PURPOSE - GUIDELINES.

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

- d. Notwithstanding guidelines a, b, and c, an institution of higher education shall receive salaries and wages for the 1997-99 biennium that are at least ninety-five percent of the salaries and wages for the 1995-97 biennium.
4. The state board of higher education shall periodically report to the budget section of the legislative council on the allocations made pursuant to this section and shall make recommendations regarding the allocation process for the 1999-2001 biennium.

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

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

SECTION 15. LEGISLATIVE INTENT - MINOT STATE UNIVERSITY - BOTTINEAU COAL HANDLING PROJECT.

It is the intent of the fifty-fifth legislative assembly that the board of higher education give consideration to allocating \$130,000, from the small campus projects pool of \$500,000, to Minot state university - Bottineau for improvements to the coal handling system.

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

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

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

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

DEPARTMENT 215 - NORTH DAKOTA UNIVERSITY SYSTEM

SENATE - This amendment provides funding for salaries and wages and technology in a new subdivision 1, the North Dakota University System. The amounts were previously included in the institutional and agency subdivisions in Senate Bill No. 2003. A total of \$356,043,998 is transferred for salaries and wages, of which \$185,698,759 is from estimated income and \$170,345,239 is from the general fund.

In addition, a total of \$23,563,400 is transferred from the institutional budgets to the technology line item in subdivision 1, all from the general fund.

In addition, new Sections 12 and 13 are added that provide authority for the Board of Higher Education to allocate the salaries and wages and technology funding contained in subdivision 1 to the institutions and agencies.

The local funds included in the executive budget and appropriated in this bill remain under the control of the respective institutions. Local funds include funds from the following sources:

- Tuition (local funds tuition)
- Miscellaneous fees
- Special course and program fees, including student technology fees
- Indirect and administration costs recoveries
- Building and equipment/land lease and rental
- Electricity, gas, and utility sales
- Excess property sales
- Nonauxiliary sales and services
- Hospital and medical school

New Sections 14, 15, 16, and 17 are added as follows:

Section 14 provides intent relating to the North Dakota university system's cooperation with other state agencies and private organizations in providing work force training programs.

Section 15 provides intent relating to the Board of Higher Education being urged to use \$130,000, of the \$500,000 pool for small campus projects, for coal handling improvements at Minot state university - Bottineau.

Section 16 clarifies ownership issues for items located in the state art gallery.

Section 17 provides that the \$150,000 of other funds for the Sudro Hall remodeling project at North Dakota state university be an emergency measure.

The following is a schedule of the transfers from the institutional budgets to subdivision 1 for salaries and wages:

	SALARY LINE ITEM	LESS SALARY RELATING TO TECHNOLOGY	LESS SALARY FOR FARGO SKILLS CENTER ¹	NET SALARIES	LESS ESTIMATED INCOME	GENERAL FUND
Bismarck State College	\$ 15,355,194	\$ (253,023)		\$ 15,102,171	\$ 6,461,060	\$ 8,641,111
University of North Dakota - Lake Region	4,160,165	(66,502)		4,093,663	1,423,217	2,670,446
University of North Dakota - Williston	5,090,088	(70,612)		5,019,476	2,266,959	2,752,517
University of North Dakota	100,776,514	(3,256,139)		97,520,375	53,046,381	44,473,994
North Dakota State University	84,510,555	(3,111,103)	\$(163,998)	81,235,454	45,301,979	35,933,475
North Dakota State College of Science	21,790,873	(278,131)		21,512,742	8,482,258	13,030,484
Dickinson State University	13,355,676	(288,564)		13,067,112	5,497,688	7,569,424
Mayville State University	7,871,165	(194,885)		7,676,280	2,865,468	4,810,812
Minot State University	29,701,878	(323,400)		29,378,478	13,452,405	15,926,073
Valley City State University	10,335,209	(241,739)		10,093,470	3,709,027	6,384,443
Minot State University - Bottineau	3,775,524	(23,600)		3,751,924	1,352,782	2,399,142
Subtotal	\$296,722,841	\$(8,107,698)	\$(163,998)	\$288,451,145	\$143,859,224	\$144,591,921
North Dakota University System office (includes salary incentive)	\$ 5,143,808			\$ 5,143,808		\$ 5,143,808
UND Medical Center Forest Service	60,767,426			60,767,426	\$ 41,176,495	19,590,931
	1,681,619			1,681,619	663,040	1,018,579
Subtotal	\$ 67,592,853			\$ 67,592,853	\$ 41,839,535	\$ 25,753,318
Total salaries	\$364,315,694	\$(8,107,698)	\$(163,998)	\$356,043,998	\$185,698,759	\$170,345,239

¹ Even though the general fund support for the Fargo Skills Center was removed (\$163,998 from salaries and wages and \$136,002 from operating expenses for a total general fund reduction of \$300,000), the Legislative Assembly supports the Fargo Skills Center being funded from other funds.

The following is a schedule of the transfers from the institutional budgets to subdivision 1 for technology:

	IVN/ODIN*	SALARIES	OPERATING	EQUIPMENT	TOTAL
Bismarck State College		\$ 253,023	\$ 167,832		\$ 420,855
University of North Dakota - Lake Region		66,502	106,850	\$ 9,000	182,352
University of North Dakota - Williston		70,612	19,912	9,499	100,023
University of North Dakota	\$2,737,434	3,256,139	4,429,986	1,316,424	11,739,983
North Dakota State University		3,111,103	5,076,897	425,203	8,613,203
North Dakota State College of Science		278,131	502,233	87,346	867,710
Dickinson State University		288,564	71,400	42,160	402,124
Mayville State University		194,885	77,600	3,000	275,485
Minot State University		323,400	198,437		521,837
Valley City State University		241,739	135,282	5,000	382,021
Minot State University - Bottineau		23,600	34,207		57,807
Total general fund	\$2,737,434	\$8,107,698	\$10,820,636	\$1,897,632	\$23,563,400

* IVN and ODIN are separate line items in the University of North Dakota's budget, \$2,079,942 for IVN and \$657,492 for ODIN.

The amendment also changes the funding source of the University of North Dakota bookstore renovations from bonds issued by the university system to special funds.

The amendment also adds \$150,000 of special funds to the capital improvements line item for Dickinson State University. The funds are to be generated from a private donation to be used for the construction of a pavilion on the Dickinson State University campus.

The amendment also removes \$280,000 of general fund support for agricultural initiatives. The funding is intended to be added to Senate Bill No. 2064 which contains the funding for the agricultural research centers and Extension Service.