

Sixty-fourth  
Legislative Assembly  
of North Dakota

## ENGROSSED HOUSE BILL NO. 1003

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 create and enact ~~six~~five new sections to chapter 15-10, chapters 15-62.4  
3 and 15-62.5, and a new subsection to a new section to chapter 54-10 as created in section 5 of  
4 Senate Bill No. 2004, as approved by the sixty-fourth legislative assembly, of the North Dakota  
5 Century Code, relating to a unified workforce, vocational, and technical education program  
6 system, the workforce education advisory council, the required use of electronic mail, file server  
7 administration, database administration, application server, and hosting services, ~~capital project~~  
8 ~~budget requests~~, audits of higher education computer systems, annual reports regarding  
9 scholarships, the student financial assistance program, the scholars program, and higher  
10 education audits; to amend and reenact ~~section 15-10-12.1, subsection 3 of section~~  
11 ~~15-10-17, subdivision c of subsection 1 of section 15-10-17~~, sections 15-18.2-02, 15-18.2-03,  
12 15-18.2-04, 15-18.2-05, ~~15-1-21-02.6~~, 54-12-08, and 54-44.1-04, subsection 4 of section  
13 54-44.1-06, and section 54-44.1-11 of the North Dakota Century Code, relating to ~~campus~~  
14 ~~building projects and maintenance, legislative authority to set tuition and fees at institutions of~~  
15 ~~higher education~~university system office personnel, state aid to institutions, ~~career and technical~~  
16 ~~education scholarships~~, attorneys hired by the state board of higher education, budget requests  
17 submitted to the office of the budget, preparation of budget data, and the cancellation of  
18 unexpended appropriations; to repeal chapter 15-62.2 of the North Dakota Century Code,  
19 relating to the student financial assistance program and the scholars program; to provide for the  
20 transfer of funds; to authorize the state board of higher education to issue and sell bonds for  
21 capital projects; to limit tuition rate increases; to reauthorize projects for North Dakota state  
22 university and Minot state university; to provide for budget section reports; to provide for reports  
23 to the sixty-fifth legislative assembly; to provide for legislative management reports and studies;  
24 ~~to provide an appropriation to the state auditor; to provide an appropriation to the attorney~~

1 ~~general~~; to provide a-contingent ~~appropriation~~appropriations to the state board of higher  
2 education; to provide exemptions; and to declare an emergency.

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

4 **SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds  
5 as may be necessary, are appropriated out of any moneys in the general fund in the state  
6 treasury, not otherwise appropriated, and from special funds derived from federal funds and  
7 other income to the state board of higher education and to the entities and institutions under the  
8 supervision of the board, for the purpose of defraying the expenses of the state board of higher  
9 education and the entities and institutions under the control of the board, for the biennium  
10 beginning July 1, 2015, and ending June 30, 2017, as follows:

11 ~~Subdivision 1.~~

12 ~~NORTH DAKOTA UNIVERSITY SYSTEM OFFICE~~

	<del>Adjustments or</del>			
	<del>Base Level</del>	<del>Enhancements</del>	<del>Appropriation</del>	
13				
14				
15	<del>Capital assets – bond payments</del>	<del>\$10,436,045</del>	<del>(\$2,067,209)</del>	<del>\$8,368,836</del>
16	<del>Competitive research program</del>	<del>7,050,000</del>	<del>0</del>	<del>7,050,000</del>
17	<del>System governance</del>	<del>12,666,502</del>	<del>(5,114,727)</del>	<del>7,551,775</del>
18	<del>Title II</del>	<del>1,006,472</del>	<del>0</del>	<del>1,006,472</del>
19	<del>Core technology services</del>	<del>38,662,551</del>	<del>7,390,980</del>	<del>46,053,531</del>
20	<del>Student financial assistance grants</del>	<del>21,245,679</del>	<del>4,388,597</del>	<del>25,634,276</del>
21	<del>Professional student exchange program</del>	<del>4,275,015</del>	<del>0</del>	<del>4,275,015</del>
22	<del>Academic and technical education</del>	<del>10,000,000</del>	<del>4,997,653</del>	<del>14,997,653</del>
23	<del>—scholarships</del>			
24	<del>Two-year campus marketing</del>	<del>800,000</del>	<del>0</del>	<del>800,000</del>
25	<del>Scholars program</del>	<del>2,113,584</del>	<del>0</del>	<del>2,113,584</del>
26	<del>Native American scholarships</del>	<del>649,267</del>	<del>0</del>	<del>649,267</del>
27	<del>Tribally controlled community college grants</del>	<del>1,000,000</del>	<del>(500,000)</del>	<del>500,000</del>
28	<del>Education incentive programs</del>	<del>3,349,000</del>	<del>0</del>	<del>3,349,000</del>
29	<del>Student mental health</del>	<del>282,520</del>	<del>33,480</del>	<del>316,000</del>
30	<del>Veterans assistance grants</del>	<del>325,000</del>	<del>0</del>	<del>325,000</del>

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1	Deferred maintenance pool	0	5,000,000	5,000,000
2	Campus security pool	0	3,000,000	3,000,000
3	Open education resources training	0	110,000	110,000
4	Extraordinary repairs pool	0	11,162,008	11,162,008
5	Total all funds	\$113,861,635	\$28,400,782	\$142,262,417
6	Less estimated income	2,299,912	(288,696)	2,011,216
7	Total general fund	\$111,561,723	\$28,689,478	\$140,251,201
8	Full-time equivalent positions	112.91	(16.52)	96.39

9 — Subdivision 2.

BISMARCK STATE COLLEGE

11			Adjustments or	
12		Base Level	Enhancements	Appropriation
13	Operations	\$32,653,654	\$3,975,752	\$36,629,406
14	Capital assets	417,673	939,927	1,357,600
15	Total all funds	\$33,071,327	\$4,915,679	\$37,987,006
16	Less estimated income	0	0	0
17	Total general fund	\$33,071,327	\$4,915,679	\$37,987,006
18	Full-time equivalent positions	126.96	6.57	133.53

19 — Subdivision 3.

LAKE REGION STATE COLLEGE

21			Adjustments or	
22		Base Level	Enhancements	Appropriation
23	Operations	\$12,429,097	\$2,844,995	\$15,274,092
24	Capital assets	155,367	(155,367)	0
25	Total all funds	\$12,584,464	\$2,689,628	\$15,274,092
26	Less estimated income	0	0	0
27	Total general fund	\$12,584,464	\$2,689,628	\$15,274,092
28	Full-time equivalent positions	40.22	9.97	50.19

29 — Subdivision 4.

WILLISTON STATE COLLEGE

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	Adjustments or		
	Base Level	Enhancements	Appropriation
Operations	\$12,783,506	(\$535,584)	\$12,247,922
Capital assets	197,801	87,199	285,000
Total all funds	\$12,981,307	(\$448,385)	\$12,532,922
Less estimated income	0	0	0
Total general fund	\$12,981,307	(\$448,385)	\$12,532,922
Full-time equivalent positions	44.15	5.81	49.96

Subdivision 5.

UNIVERSITY OF NORTH DAKOTA

	Adjustments or		
	Base Level	Enhancements	Appropriation
Operations	\$149,683,005	\$12,074,256	\$161,757,261
Capital assets	4,411,566	57,830,019	62,241,585
Total all funds	\$154,094,571	\$69,904,275	\$223,998,846
Less estimated income	0	0	0
Total general fund	\$154,094,571	\$69,904,275	\$223,998,846
Full-time equivalent positions	633.60	(3.40)	630.20

Subdivision 6.

NORTH DAKOTA STATE UNIVERSITY

	Adjustments or		
	Base Level	Enhancements	Appropriation
Operations	\$140,341,540	\$10,545,417	\$150,886,957
Capital assets	2,732,244	(1,140,818)	1,591,426
Total all funds	\$143,073,784	\$9,404,599	\$152,478,383
Less estimated income	0	0	0
Total general fund	\$143,073,784	\$9,404,599	\$152,478,383
Full-time equivalent positions	491.21	45.89	537.10

Subdivision 7.

NORTH DAKOTA STATE COLLEGE OF SCIENCE

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	Adjustments or		
	Base Level	Enhancements	Appropriation
Operations	\$38,181,456	\$3,511,925	\$41,693,381
Capital assets	1,012,379	(737,281)	275,098
Total all funds	\$39,193,835	\$2,774,644	\$41,968,479
Less estimated income	0	0	0
Total general fund	\$39,193,835	\$2,774,644	\$41,968,479
Full-time equivalent positions	171.87	(3.57)	168.30

Subdivision 8.

DICKINSON STATE UNIVERSITY

	Adjustments or		
	Base Level	Enhancements	Appropriation
Operations	\$26,299,227	(\$1,096,445)	\$25,202,782
Capital assets	409,078	(409,078)	0
Total all funds	\$26,708,305	(\$1,505,523)	\$25,202,782
Less estimated income	0	0	0
Total general fund	\$26,708,305	(\$1,505,523)	\$25,202,782
Full-time equivalent positions	100.32	19.94	120.26

Subdivision 9.

MAYVILLE STATE UNIVERSITY

	Adjustments or		
	Base Level	Enhancements	Appropriation
Operations	\$14,364,424	\$623,654	\$14,988,078
Capital assets	358,992	(130,707)	228,285
Total all funds	\$14,723,416	\$492,947	\$15,216,363
Less estimated income	0	0	0
Total general fund	\$14,723,416	\$492,947	\$15,216,363
Full-time equivalent positions	62.78	3.45	66.23

Subdivision 10.

MINOT STATE UNIVERSITY

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	Adjustments or		
	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
Operations	\$43,810,211	\$2,980,534	\$46,790,745
Capital assets	899,620	(899,620)	0
Total all funds	\$44,709,831	\$2,080,914	\$46,790,745
Less estimated income	0	0	0
Total general fund	\$44,709,831	\$2,080,914	\$46,790,745
Full-time equivalent positions	201.76	2.34	204.10

Subdivision 11.

VALLEY CITY STATE UNIVERSITY

	Adjustments or		
	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
Operations	\$20,691,135	\$1,215,404	\$21,906,539
Capital assets	408,319	(165,081)	243,238
Total all funds	\$21,099,454	\$1,050,323	\$22,149,777
Less estimated income	0	0	0
Total general fund	\$21,099,454	\$1,050,323	\$22,149,777
Full-time equivalent positions	97.29	8.30	105.59

Subdivision 12.

DAKOTA COLLEGE AT BOTTINEAU

	Adjustments or		
	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
Operations	\$7,892,043	(\$18,821)	\$7,873,222
Capital assets	114,007	(85,550)	28,457
Total all funds	\$8,006,050	(\$104,371)	\$7,901,679
Less estimated income	0	0	0
Total general fund	\$8,006,050	(\$104,371)	\$7,901,679
Full-time equivalent positions	36.12	10.84	46.96

Subdivision 13.

UNIVERSITY OF NORTH DAKOTA SCHOOL OF MEDICINE AND HEALTH SCIENCES

	Adjustments or		
	Base Level	Enhancements	Appropriation
Operations	\$52,762,590	\$19,511,649	\$72,274,239
Total all funds	\$52,762,590	\$19,511,649	\$72,274,239
Less estimated income	0	0	0
Total general fund	\$52,762,590	\$19,511,649	\$72,274,239
Full-time equivalent positions	156.55	28.03	184.58
Subdivision 14.			

NORTH DAKOTA FOREST SERVICE

	Adjustments or		
	Base Level	Enhancements	Appropriation
Operations	\$6,249,979	\$326,982	\$6,576,961
Capital assets	101,210	(44,962)	56,248
Total all funds	\$6,351,189	\$282,020	\$6,633,209
Less estimated income	1,650,000	0	1,650,000
Total general fund	\$4,701,189	\$282,020	\$4,983,209
Full-time equivalent positions	29.00	(0.04)	28.96
Subdivision 15.			

BILL TOTAL

	Adjustments or		
	Base Level	Enhancements	Appropriation
Grand total general fund	\$679,271,846	\$142,614,291	\$821,886,137
Grand total special funds	3,949,912	(288,696)	3,661,216
Grand total all funds	\$683,221,758	\$142,325,595	\$825,547,353

Subdivision 1.

NORTH DAKOTA UNIVERSITY SYSTEM OFFICE

	Adjustments or		
	Base Level	Enhancements	Appropriation
Capital assets - bond payments	\$10,436,045	(\$2,067,209)	\$8,368,836
Competitive research program	7,050,000	0	7,050,000
System governance	12,666,502	(4,702,515)	7,963,987

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1	Title II	1,006,472	0	1,006,472
2	Core technology services	38,662,551	7,318,414	45,980,965
3	Student financial assistance grants	21,245,679	4,388,597	25,634,276
4	Professional student exchange program	4,275,015	0	4,275,015
5	Academic and technical education	10,000,000	4,054,677	14,054,677
6	scholarships			
7	Two-year campus marketing	800,000	0	800,000
8	Scholars program	2,113,584	0	2,113,584
9	Native American scholarships	649,267	0	649,267
10	Tribally controlled community college grants	1,000,000	0	1,000,000
11	Education incentive programs	3,349,000	0	3,349,000
12	Student mental health	282,520	33,480	316,000
13	Veterans assistance grants	325,000	0	325,000
14	Deferred maintenance pool	0	5,000,000	5,000,000
15	Campus security pool	0	3,000,000	3,000,000
16	Open education resources training	0	110,000	110,000
17	Internal audit pool	0	300,000	300,000
18	Contract and leave payouts	0	250,000	250,000
19	Total all funds	\$113,861,635	\$17,685,444	\$131,547,079
20	Less estimated income	2,299,912	211,304	2,511,216
21	Total general fund	\$111,561,723	\$17,474,140	\$129,035,863
22	Full-time equivalent positions	112.91	(8.52)	104.39
23	Subdivision 2.			
24		<u>BISMARCK STATE COLLEGE</u>		
25			<u>Adjustments or</u>	
26		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
27	Operations	\$32,653,654	\$2,943,192	\$35,596,846
28	Capital assets	417,673	3,532,600	3,950,273
29	Total all funds	\$33,071,327	\$6,475,792	\$39,547,119
30	Less estimated income	0	600,000	600,000



1	Total general fund	\$33,071,327	\$5,875,792	\$38,947,119
2	Full-time equivalent positions	126.96	6.57	133.53
3	<u>Subdivision 3.</u>			
4	<u>LAKE REGION STATE COLLEGE</u>			
5			Adjustments or	
6		Base Level	Enhancements	Appropriation
7	Operations	\$12,429,097	\$2,514,217	\$14,943,314
8	Capital assets	155,367	1,648,423	1,803,790
9	Total all funds	\$12,584,464	\$4,162,640	\$16,747,104
10	Less estimated income	0	0	0
11	Total general fund	\$12,584,464	\$4,162,640	\$16,747,104
12	Full-time equivalent positions	40.22	9.97	50.19
13	<u>Subdivision 4.</u>			
14	<u>WILLISTON STATE COLLEGE</u>			
15			Adjustments or	
16		Base Level	Enhancements	Appropriation
17	Operations	\$12,783,506	(\$157,056)	\$12,626,450
18	Capital assets	197,801	285,000	482,801
19	Total all funds	\$12,981,307	\$127,944	\$13,109,251
20	Less estimated income	0	0	0
21	Total general fund	\$12,981,307	\$127,944	\$13,109,251
22	Full-time equivalent positions	44.15	5.81	49.96
23	<u>Subdivision 5.</u>			
24	<u>UNIVERSITY OF NORTH DAKOTA</u>			
25			Adjustments or	
26		Base Level	Enhancements	Appropriation
27	Operations	\$149,683,005	\$19,256,679	\$168,939,684
28	Capital assets	4,411,566	74,241,585	78,653,151
29	Total all funds	\$154,094,571	\$93,498,264	\$247,592,835
30	Less estimated income	0	6,000,000	6,000,000

1	Total general fund	\$154,094,571	\$87,498,264	\$241,592,835
2	Full-time equivalent positions	633.60	(3.40)	630.20
3	<u>Subdivision 6.</u>			
4	<u>NORTH DAKOTA STATE UNIVERSITY</u>			
5			<u>Adjustments or</u>	
6		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
7	Operations	\$140,341,540	\$15,504,698	\$155,846,238
8	Capital assets	2,732,244	13,191,426	15,923,670
9	Total all funds	\$143,073,784	\$28,696,124	\$171,769,908
10	Less estimated income	0	11,600,000	11,600,000
11	Total general fund	\$143,073,784	\$17,096,124	\$160,169,908
12	Full-time equivalent positions	491.21	45.89	537.10
13	<u>Subdivision 7.</u>			
14	<u>NORTH DAKOTA STATE COLLEGE OF SCIENCE</u>			
15			<u>Adjustments or</u>	
16		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
17	Operations	\$38,181,456	\$5,869,593	\$44,051,049
18	Capital assets	1,012,379	13,573,098	14,585,477
19	Total all funds	\$39,193,835	\$19,442,691	\$58,636,526
20	Less estimated income	0	0	0
21	Total general fund	\$39,193,835	\$19,442,691	\$58,636,526
22	Full-time equivalent positions	171.87	(3.57)	168.30
23	<u>Subdivision 8.</u>			
24	<u>DICKINSON STATE UNIVERSITY</u>			
25			<u>Adjustments or</u>	
26		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
27	Operations	\$26,299,227	\$501,965	\$26,801,192
28	Capital assets	409,078	0	409,078
29	Total all funds	\$26,708,305	\$501,965	\$27,210,270
30	Less estimated income	0	0	0

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1	Total general fund	\$26,708,305	\$501,965	\$27,210,270
2	Full-time equivalent positions	100.32	19.94	120.26
3	<u>Subdivision 9.</u>			
4	<u>MAYVILLE STATE UNIVERSITY</u>			
5			Adjustments or	
6		Base Level	Enhancements	Appropriation
7	Operations	\$14,364,424	\$2,139,817	\$16,504,241
8	Capital assets	358,992	228,285	587,277
9	Total all funds	\$14,723,416	\$2,368,102	\$17,091,518
10	Less estimated income	0	0	0
11	Total general fund	\$14,723,416	\$2,368,102	\$17,091,518
12	Full-time equivalent positions	62.78	3.45	66.23
13	<u>Subdivision 10.</u>			
14	<u>MINOT STATE UNIVERSITY</u>			
15			Adjustments or	
16		Base Level	Enhancements	Appropriation
17	Operations	\$43,810,211	\$3,293,399	\$47,103,610
18	Capital assets	899,620	0	899,620
19	Total all funds	\$44,709,831	\$3,293,399	\$48,003,230
20	Less estimated income	0	0	0
21	Total general fund	\$44,709,831	\$3,293,399	\$48,003,230
22	Full-time equivalent positions	201.76	2.34	204.10
23	<u>Subdivision 11.</u>			
24	<u>VALLEY CITY STATE UNIVERSITY</u>			
25			Adjustments or	
26		Base Level	Enhancements	Appropriation
27	Operations	\$20,691,135	\$4,559,020	\$25,250,155
28	Capital assets	408,319	56,382,238	56,790,557
29	Total all funds	\$21,099,454	\$60,941,258	\$82,040,712
30	Less estimated income	0	16,000,000	16,000,000

1	Total general fund	\$21,099,454	\$44,941,258	\$66,040,712
2	Full-time equivalent positions	97.29	8.30	105.59
3	<u>Subdivision 12.</u>			
4	<u>DAKOTA COLLEGE AT BOTTINEAU</u>			
5			Adjustments or	
6		Base Level	Enhancements	Appropriation
7	Operations	\$7,892,043	\$762,099	\$8,654,142
8	Capital assets	114,007	11,775,440	11,889,447
9	Total all funds	\$8,006,050	\$12,537,539	\$20,543,589
10	Less estimated income	0	10,648,194	10,648,194
11	Total general fund	\$8,006,050	\$1,889,345	\$9,895,395
12	Full-time equivalent positions	36.12	10.84	46.96
13	<u>Subdivision 13.</u>			
14	<u>UNIVERSITY OF NORTH DAKOTA SCHOOL OF MEDICINE AND HEALTH SCIENCES</u>			
15			Adjustments or	
16		Base Level	Enhancements	Appropriation
17	Operations	\$52,762,590	\$18,514,806	\$71,277,396
18	Total all funds	\$52,762,590	\$18,514,806	\$71,277,396
19	Less estimated income	0	0	0
20	Total general fund	\$52,762,590	\$18,514,806	\$71,277,396
21	Full-time equivalent positions	156.55	28.03	184.58
22	<u>Subdivision 14.</u>			
23	<u>NORTH DAKOTA FOREST SERVICE</u>			
24			Adjustments or	
25		Base Level	Enhancements	Appropriation
26	Operations	\$6,249,979	\$306,655	\$6,556,634
27	Capital assets	101,210	0	101,210
28	Total all funds	\$6,351,189	\$306,655	\$6,657,844
29	Less estimated income	1,650,000	0	1,650,000
30	Total general fund	\$4,701,189	\$306,655	\$5,007,844
31	Full-time equivalent positions	29.00	(0.04)	28.96

1	<u>Subdivision 15.</u>		
2	<u>BILL TOTAL</u>		
3		<u>Adjustments or</u>	
4		<u>Base Level</u>	<u>Enhancements</u>
			<u>Appropriation</u>
5	<u>Grand total general fund</u>	<u>\$679,271,846</u>	<u>\$223,543,125</u>
6	<u>Grand total special funds</u>	<u>3,949,912</u>	<u>45,059,498</u>
7	<u>Grand total all funds</u>	<u>\$683,221,758</u>	<u>\$951,824,381</u>

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

**SIXTY-FIFTH LEGISLATIVE ASSEMBLY.** The following amounts reflect the one-time funding items approved by the sixty-third legislative assembly for the 2013-15 biennium and the 2015-17 one-time funding items included in the appropriation in section 1 of this Act:

12	<u>One-Time Funding Description</u>	<u>2013-15</u>	<u>2015-17</u>
13	<del>Capital projects – general fund</del>	<del>\$155,691,350</del>	<del>\$62,000,000</del>
14	<del>Capital projects – other funds</del>	<del>168,531,029</del>	<del>0</del>
15	<u>Capital projects - general fund</u>	<u>\$155,691,350</u>	<u>\$125,759,212</u>
16	<u>Capital projects - other funds</u>	<u>168,531,029</u>	<u>44,848,194</u>
17	Capital projects contingency pool	5,483,413	0
18	Special assessment payoff	0	4,250,689
19	Campus security pool	0	3,000,000
20	CTS technology projects	0	2,821,500
21	Open education resource training	0	110,000
22	<del>Theodore Roosevelt center</del>	<del>6,000,000</del>	<del>0</del>
23	<u>Theodore Roosevelt center</u>	<u>6,000,000</u>	<u>800,000</u>
24	<u>Employee contract and leave payouts</u>	<u>0</u>	<u>250,000</u>
25	<u>Williston state college energy development impact</u>	<u>0</u>	<u>2,500,000</u>
26	Williston state college workforce training facility	2,500,000	0
27	Campus deferred maintenance projects	440,000	0
28	Performance funding pool	5,000,000	0
29	Dickinson state university operating funds	800,000	0
30	Minot state university flood recovery funds	2,500,000	0
31	Dakota college at Bottineau - campus software updates	28,500	0

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1	Deferred maintenance pool	10,000,000	5,000,000
2	Education challenge fund	29,000,000	0
3	School of medicine and health sciences residency positions	0	4,700,000
4	Health care workforce initiative	7,414,806	13,814,806
5	Master plan and space utilization study	1,000,000	0
6	<del>Total all funds</del>	<del>\$394,389,098</del>	<del>\$95,696,995</del>
7	<del>Total other funds</del>	<del>171,031,029</del>	<del>0</del>
8	<del>Total general fund</del>	<del>\$223,358,069</del>	<del>\$95,696,995</del>
9	Total all funds	\$394,389,098	\$207,854,401
10	Total other funds	171,031,029	44,848,194
11	Total general fund	\$223,358,069	\$163,006,207

12 The 2015-17 one-time funding amounts are not a part of the entity's base budget for the  
13 2017-19 biennium. The North Dakota university system shall report to the appropriations  
14 committees of the sixty-fifth legislative assembly on the use of this one-time funding for the  
15 biennium beginning July 1, 2015, and ending June 30, 2017.

16 **SECTION 3. CONTINGENT APPROPRIATION - LEGISLATIVE MANAGEMENT REPORT.**

17 There is appropriated out of any moneys in the general fund in the state treasury, not otherwise  
18 appropriated, the sum of \$50,000, or so much of the sum as may be necessary, to the state  
19 board of higher education for the unified workforce, vocational, and technical education program  
20 system, for the biennium beginning July 1, 2015, and ending June 30, 2017. The funding  
21 provided in this section is available only if the state board of higher education certifies to the  
22 office of management and budget that a unified workforce, vocational, and technical program  
23 system has been established. The board shall provide reports to the legislative management on  
24 the status of the development of the unified system.

25 ~~SECTION 4. APPROPRIATION -- STATE AUDITOR. There is appropriated out of any~~  
26 ~~moneys in the general fund in the state treasury, not otherwise appropriated, the sum of~~  
27 ~~\$1,221,914, or so much of the sum as may be necessary, to the state auditor for the purpose of~~  
28 ~~conducting audits of institutions and entities under the control of the state board of higher~~  
29 ~~education, for the biennium beginning July 1, 2015, and ending June 30, 2017. The state~~  
30 ~~auditor is authorized six full time equivalent positions for higher education audit purposes.~~

1 ~~— **SECTION 5. APPROPRIATION -- ATTORNEY GENERAL.** There is appropriated out of any~~  
2 ~~moneys in the general fund in the state treasury, not otherwise appropriated, the sum of~~  
3 ~~\$1,604,500, or so much of the sum as may be necessary, to the attorney general for the~~  
4 ~~purpose of providing legal services for the state board of higher education and institutions and~~  
5 ~~entities under the control of the board, for the biennium beginning July 1, 2015, and ending~~  
6 ~~June 30, 2017. The attorney general is authorized six full-time equivalent positions for the~~  
7 ~~purpose of providing legal services to the state board of higher education and institutions and~~  
8 ~~entities under the control of the board.~~

9 ~~— **SECTION 6. AMENDMENT.** Section 15-10-12.1 of the North Dakota Century Code is~~  
10 ~~amended and reenacted as follows:~~

11 ~~— **15-10-12.1. Acceptance of buildings and campus improvements -- Legislative**~~  
12 ~~**approval.**~~

13 ~~— The state board of higher education may authorize campus improvements and building~~  
14 ~~maintenance on land under the control of the board which are financed by donations, gifts,~~  
15 ~~grants, and bequests if the cost of the improvement or building maintenance is not more than~~  
16 ~~three hundred eighty-five thousand dollars. The consent of the legislative assembly is required~~  
17 ~~for the construction, purchase, or receipt of any building financed by donations, gifts, grants,~~  
18 ~~and bequests and for campus improvements or building maintenance financed by donations,~~  
19 ~~gifts, grants, and bequests if the cost or estimated cost of the building, improvements, or~~  
20 ~~maintenance is more than three hundred eighty-five thousand dollars. During the time the~~  
21 ~~legislative assembly is not in session, except for the six months preceding the convening of a~~  
22 ~~regular session and the three months following the close of a regular session, and unless~~  
23 ~~otherwise restricted by previous legislative action or other law, the state board of higher~~  
24 ~~education, with the approval of the budget section of the legislative management, may authorize~~  
25 ~~the use of land under the control of the board and construct buildings financed by donations,~~  
26 ~~gifts, grants, and bequests construction, purchase, or receipt of any building and may authorize~~  
27 ~~campus improvements and building maintenance financed by donations, gifts, grants, and~~  
28 ~~bequests and if the cost or estimated cost of the building, improvement, or maintenance is more~~  
29 ~~than three hundred eighty-five thousand dollars. The budget section approval must include a~~  
30 ~~specific dollar limit for each building, campus improvement project, or maintenance project. The~~  
31 ~~state board of higher education may authorize the sale of any real property or buildings which~~

1 an institution of higher learning has received by gift or bequest. The board shall prescribe such  
2 conditions for the sale of the property as it determines necessary. The conditions must include  
3 requiring an appraisal and public auction or advertisement for bids, unless the gift instrument  
4 requires a different process. If the state board of higher education submits a request for campus  
5 improvements, building maintenance, or to construct buildings under this section to the budget  
6 section for approval, the legislative council shall notify each member of the legislative assembly  
7 of the date of the budget section meeting at which the request will be considered and provide a  
8 copy of the meeting agenda to each member of the legislative assembly. The chairman of the  
9 budget section shall allow any member of the legislative assembly an opportunity to present  
10 testimony to the budget section regarding any such request.

11 ~~SECTION 7. AMENDMENT.~~ Subsection 3 of section 15-10-17 of the North Dakota Century  
12 Code is amended and reenacted as follows: \_\_\_\_\_

13 ~~3. a. SetCharge tuition and fees in the amounts established by the legislative~~  
14 ~~assembly.~~

15 ~~b. Charge fees subject to any statutory limitations or requirements.~~

16 ~~SECTION 8.~~ A new section to chapter 15-10 of the North Dakota Century Code is created  
17 and enacted as follows:

18 ~~**Capital project requests - Maintenance reserve account.**~~

19 ~~Every new building project funding request and building maintenance funding request~~  
20 ~~submitted for approval to the legislative assembly or to the budget section of the legislative~~  
21 ~~management under section 15-10-12.1 must conform to campus master plan and space~~  
22 ~~utilization studies completed by or for the state board of higher education. Each new building~~  
23 ~~project request exceeding five million dollars must include a funding request for future~~  
24 ~~maintenance costs equal to three percent of the project cost. The future maintenance funds~~  
25 ~~must be deposited in an account under the control of the state board of higher education to be~~  
26 ~~used only for future maintenance costs of buildings subject to this section.~~

27 **SECTION 4. CONTINGENT APPROPRIATION - STATE BOARD OF HIGHER**  
28 **EDUCATION - DUNBAR HALL.** Subject to the provisions of this section, there is appropriated  
29 out of any moneys in the general fund, not otherwise appropriated, the sum of \$46,000,000, or  
30 so much of the sum as may be necessary, to the state board of higher education for the North



1 Dakota state university Dunbar Hall project, for the biennium beginning July 1, 2015, and  
2 ending June 30, 2017.

3 The appropriation in this section is available only if the office of management and budget  
4 determines that actual general fund revenues for the period beginning July 1, 2015, and ending  
5 May 31, 2016, exceed the legislative estimates made at the close of the 2015 legislative  
6 session for general fund revenues during the same period by at least \$50,000,000. For  
7 purposes of this section, "estimated general fund revenues" excludes the unobligated general  
8 fund balance on July 1, 2015, and transfers to the general fund from the strategic investment  
9 and improvements fund, property tax relief fund, the lottery, the mill and elevator, and gas tax  
10 administration.

11 **SECTION 5. AMENDMENT.** Subdivision c of subsection 1 of section 15-10-17 of the North  
12 Dakota Century Code is amended and reenacted as follows:

13 c. Appoint and remove at will, all university system office personnel, fix their  
14 salaries within the limits of legislative appropriations, ~~fix their terms of office,~~ and  
15 prescribe their duties. The board may provide severance pay to an employee  
16 upon termination of employment only in accordance with section 54-14-04.3.

17 **SECTION 6.** A new section to chapter 15-10 of the North Dakota Century Code is created  
18 and enacted as follows:

19 **Required use of electronic mail, file server administration, database administration,**  
20 **application server, and hosting services.**

21 Each institution and entity under the control of the state board of higher education shall  
22 obtain electronic mail, file server administration, database administration, storage, application  
23 server, and hosting services through a delivery system established by the board. The board  
24 shall establish policies and guidelines for the delivery of services, including the transition from  
25 existing systems to functional consolidation, with consideration given to the creation of  
26 efficiencies, cost-savings, and improved quality of service.

27 **SECTION 7.** A new section to chapter 15-10 of the North Dakota Century Code is created  
28 and enacted as follows:

29 **Audits of computer systems - Penalty.**

30 1. Any auditor hired to conduct audits of the state board of higher education and the  
31 entities under the control and supervision of the board may:

- 1           a. Conduct a review and assessment of any computer system or related security  
2           system of the state board of higher education or any entity under the control and  
3           supervision of the board. A review and assessment under this section may  
4           include an assessment of system vulnerability, network penetration, any potential  
5           security breach, and the susceptibility of the system to cyber attack or cyber  
6           fraud.
- 7           b. Disclose the findings of a review and assessment to an individual or committee  
8           designated by the state board of higher education or to the board. Any record  
9           relating to a review and assessment, including a working paper or preliminary  
10          draft of a review and assessment report and a report of the findings of a review  
11          and assessment, and any record that may cause or perpetuate vulnerability of a  
12          computer system or related security system which is obtained or created during a  
13          review and assessment is an exempt record.
- 14          c. In conjunction with the state board of higher education or a committee designated  
15          by the board, procure the services of a specialist in information security systems  
16          or any other contractor deemed necessary in conducting a review and  
17          assessment under this section.
- 18          2. Any person hired or contracted to provide services in relation to a review and  
19          assessment under this section is subject to the privacy and confidentiality provisions of  
20          subsection 1 and any other section of law, including section 44-04-27, and for the  
21          purposes of section 12.1-13-01, is a public servant.

22          **SECTION 8.** A new section to chapter 15-10 of the North Dakota Century Code is created  
23 and enacted as follows:

24          **Unified workforce, vocational, and technical education program system.**

25          The state board of higher education shall establish and maintain a unified system to offer  
26 workforce training, vocational education, and technical education programs at institutions under  
27 its control. The board shall periodically review programs offered by institutions under its control  
28 and revise program offerings based on the workforce needs of the state identified by the  
29 workforce education advisory council. The board shall develop administrative arrangements that  
30 make possible the efficient use of facilities and staff. The board shall limit administrative costs  
31 by eliminating duplicative administrative positions.

1       **SECTION 9.** A new section to chapter 15-10 of the North Dakota Century Code is created  
2 and enacted as follows:

3       **Workforce education advisory council - Membership - Duties.**

4       The state board of higher education shall establish a workforce education advisory council  
5 to advise the board regarding skills and qualifications needed for workforce training, vocational,  
6 and technical education programs offered at institutions under the control of the board. The  
7 council is composed of a representative of the department of career and technical education, a  
8 representative of job service North Dakota, a representative of the department of commerce,  
9 and eight members representing business and industry in the state. The eight members  
10 representing business and industry shall be appointed by the chairman of the legislative  
11 management. The North Dakota university system office shall provide staff services for the  
12 advisory council and members of the council who are not employees of the state are entitled to  
13 expense reimbursement from the board, as provided by law for state officers, for attending  
14 meetings of the council.

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

17       **Annual report - Scholarships.**

18       The state board of higher education shall provide to the legislative management an annual  
19 report regarding the number of North Dakota academic scholarships and career and technical  
20 education scholarships provided and demographic information pertaining to the recipients.

21       **SECTION 11. AMENDMENT.** Section 15-18.2-02 of the North Dakota Century Code is  
22 amended and reenacted as follows:

23       **15-18.2-02. Weighted credit-hours - Determination - Instructional program**  
24 **classification factors - Submission to legislative management.**

25       1. In order to determine the weighted credit-hours for each institution under its control,  
26 the state board of higher education shall multiply each of an institution's completed  
27 credit-hours, as determined under section 15-18.2-01, by an instructional program  
28 classification factor, as set forth in this section.

29       a. The factors for credits completed in agriculture are:

30               (1) 1.9 for lower division credits;

31               (2) 3.8 for upper division credits;

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- 1 (3) 5.7 for professional level credits; and  
2 (4) 7.6 for graduate level credits.
- 3 b. The factors for credits completed in architecture are:  
4 (1) 1.8 for lower division credits;  
5 (2) 3.6 for upper division credits;  
6 (3) 5.4 for professional level credits; and  
7 (4) 7.2 for graduate level credits.
- 8 c. The factors for credits completed in ~~aviation~~transportation are:  
9 (1) 1.9 for lower division credits;  
10 (2) 3.8 for upper division credits;  
11 (3) 5.7 for professional level credits; and  
12 (4) 7.6 for graduate level credits.
- 13 d. The factors for credits completed in the biological and physical sciences are:  
14 (1) 1.9 for lower division credits;  
15 (2) 3.8 for upper division credits;  
16 (3) 5.7 for professional level credits; and  
17 (4) 7.6 for graduate level credits.
- 18 e. The factors for credits completed in business are:  
19 (1) 1.9 for lower division credits;  
20 (2) 3.8 for upper division credits;  
21 (3) 5.7 for professional level credits; and  
22 (4) 7.6 for graduate level credits.
- 23 f. The factors for credits completed in education are:  
24 (1) 1.9 for lower division credits;  
25 (2) 3.8 for upper division credits;  
26 (3) 5.7 for professional level credits; and  
27 (4) 7.6 for graduate level credits.
- 28 g. The factors for credits completed in engineering are:  
29 (1) 2.5 for lower division credits;  
30 (2) 5.0 for upper division credits;  
31 (3) 7.5 for professional level credits; and

- 1 (4) 10.0 for graduate level credits.
- 2 h. The factors for credits completed in the health sciences are:
- 3 (1) 3.0 for lower division credits;
- 4 (2) 6.0 for upper division credits;
- 5 (3) 9.0 for professional level credits;
- 6 (4) 12.0 for graduate level credits; and
- 7 (5) 38.0 for medical school credits.
- 8 i. The factors for credits completed in legal studies are:
- 9 (1) 3.5 for lower division credits;
- 10 (2) 7.0 for upper division credits;
- 11 (3) 10.5 for professional level credits; and
- 12 (4) 14.0 for graduate level credits.
- 13 j. The factors for credits completed in the core disciplines are:
- 14 (1) 1.0 for lower division credits;
- 15 (2) 2.0 for upper division credits;
- 16 (3) 3.0 for professional level credits; and
- 17 (4) 4.0 for graduate level credits.
- 18 k. The factor for credits completed in career and technical education is 2.0.
- 19 l. The factor for completed ~~remedial~~basic skills credits is ~~2.31.0~~.
- 20 2. a. The state board of higher education shall ensure that all delineations in this
- 21 section reflect the requirements of a nationally recognized and standardized
- 22 instructional program classification system.
- 23 b. Before adopting any changes to the delineations implemented in accordance with
- 24 this section, the state board of higher education shall present the proposed
- 25 changes to and receive the approval of the legislative management.

26 **SECTION 12. AMENDMENT.** Section 15-18.2-03 of the North Dakota Century Code is  
27 amended and reenacted as follows:

28 **15-18.2-03. Credit completion factor - Determination.**

- 29 1. ~~For~~Except as provided in subsections 2 and 3 of this section, for each institution under  
30 its control, the state board of higher education shall multiply the product determined  
31 under section 15-18.2-02 by a factor of:

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- 1 a. 1.00 if the number of credit hours is at least 100,000;
- 2 b. 1.05 if the number of credit hours is at least 95,000 but less than 100,000;
- 3 c. 1.10 if the number of credit hours is at least 90,000 but less than 95,000;
- 4 d. 1.15 if the number of credit hours is at least 85,000 but less than 90,000;
- 5 e. 1.20 if the number of credit hours is at least 80,000 but less than 85,000;
- 6 f. 1.25 if the number of credit hours is at least 75,000 but less than 80,000;
- 7 g. 1.30 if the number of credit hours is at least 70,000 but less than 75,000;
- 8 h. 1.35 if the number of credit hours is at least 65,000 but less than 70,000;
- 9 i. 1.40 if the number of credit hours is at least 60,000 but less than 65,000;
- 10 j. 1.45 if the number of credit hours is at least 55,000 but less than 60,000;
- 11 k. 1.50 if the number of credit hours is at least 50,000 but less than 55,000;
- 12 l. 1.55 if the number of credit hours is at least 45,000 but less than 50,000;
- 13 m. 1.60 if the number of credit hours is at least 40,000 but less than 45,000;
- 14 n. 1.65 if the number of credit hours is at least 35,000 but less than 40,000;
- 15 o. 1.70 if the number of credit hours is at least 30,000 but less than 35,000;
- 16 p. 1.75 if the number of credit hours is at least 25,000 but less than 30,000;
- 17 q. 1.80 if the number of credit hours is at least 20,000 but less than 25,000;
- 18 r. 1.85 if the number of credit hours is at least 15,000 but less than 20,000;
- 19 s. 1.90 if the number of credit hours is at least 10,000 but less than 15,000;
- 20 t. 1.95 if the number of credit hours is at least 5,000 but less than 10,000; and
- 21 u. 2.00 if the number of credit hours is less than 5,000.
- 22 ~~a. 1.00 if the number of credit hours is at least 1,000,000;~~
- 23 ~~b. 1.10 if the number of credit hours is at least 400,000 but less than 1,000,000;~~
- 24 ~~c. 1.15 if the number of credit hours is at least 200,000 but less than 400,000;~~
- 25 ~~d. 1.35 if the number of credit hours is at least 100,000 but less than 200,000;~~
- 26 ~~e. 1.50 if the number of credit hours is at least 50,000 but less than 100,000; and~~
- 27 ~~f. 1.75 if the number of credit hours is less than 50,000.~~
- 28 a. 1.00 if the number of credit-hours is at least 210,000;
- 29 b. 1.05 if the number of credit-hours is at least 180,000 but less than 210,000;
- 30 c. 1.075 if the number of credit-hours is at least 150,000 but less than 180,000;
- 31 d. 1.10 if the number of credit-hours is at least 120,000 but less than 150,000;

- 1 e. 1.125 if the number of credit-hours is at least 100,000 but less than 120,000;
- 2 f. 1.15 if the number of credit-hours is at least 90,000 but less than 100,000;
- 3 g. 1.20 if the number of credit-hours is at least 80,000 but less than 90,000;
- 4 h. 1.30 if the number of credit-hours is at least 70,000 but less than 80,000;
- 5 i. 1.40 if the number of credit-hours is at least 60,000 but less than 70,000;
- 6 j. 1.50 if the number of credit-hours is at least 50,000 but less than 60,000;
- 7 k. 1.60 if the number of credit-hours is at least 40,000 but less than 50,000;
- 8 l. 1.70 if the number of credit-hours is at least 30,000 but less than 40,000; and
- 9 m. 1.80 if the number of credit-hours is less than 30,000.

- 10 2. If the square footage of an institution, when divided by the institution's weighted credit-
- 11 hours results in a quotient greater than 5.00, the state board of higher education shall
- 12 multiply the product determined under section 15-18.2-02 by a factor of 1.00. For
- 13 purposes of this subsection, the square footage of an institution includes real property
- 14 as determined by the state board of higher education in accordance with section
- 15 15-18.2-04.
- 16 3. If the number of credit-hours completed by an institution causes a decrease in the
- 17 credit completion factor for that institution, the new credit completion factor shall not be
- 18 in effect for calculation purposes for the first two fiscal years following the change.
- 19 4. For purposes of this section, the number of credit-hours must be those determined by
- 20 the state board of higher education in accordance with section 15-18.2-01.

21 **SECTION 13. AMENDMENT.** Section 15-18.2-04 of the North Dakota Century Code is  
22 amended and reenacted as follows:

23 **15-18.2-04. Institutional size factor - Determination.**

- 24 1. For each institution under its control, the state board of higher education shall multiply
- 25 the product determined under section 15-18.2-03 by a size factor of:
  - 26 a. 1.0 if the square footage of the institution, when divided by the institution's
  - 27 weighted credit-hours results in a quotient of less than 5.00; or
  - 28 b. ~~4.81.7~~ 1.7 if the square footage of the institution, when divided by the institution's
  - 29 weighted credit-hours results in a quotient of 5.00 or more.
- 30 2. For purposes of this section, an institution's square footage:

- 1 a. Includes all real property owned by the state within an institution's perimeter,
- 2 except for agricultural experiment stations, agricultural research extension
- 3 centers, technology parks, and state agencies; and
- 4 b. Is determined as of June thirtieth in each odd-numbered year.

5 **SECTION 14. AMENDMENT.** Section 15-18.2-05 of the North Dakota Century Code is  
6 amended and reenacted as follows:

7 **15-18.2-05. Base funding - Determination of state aid.**

8 In order to determine the state aid payment to which each institution under its control is  
9 entitled, the state board of higher education shall multiply the product determined under section  
10 15-18.2-04 by a base amount of:

- 11 1. ~~\$66.35~~~~\$71.00~~\$73.17 in the case of North Dakota state university and the university of  
12 North Dakota;
- 13 2. ~~\$95.57~~~~\$105.10~~\$108.13 in the case of Dickinson state university, Mayville state  
14 university, Minot state university, and Valley City state university; and
- 15 3. ~~\$98.75~~ in the case of ~~Minot state university~~;
- 16 4. ~~\$101.73~~~~\$112.46~~\$115.73 in the case of Bismarck state college, Dakota college at  
17 Bottineau, Lake Region state college, ~~and~~ North Dakota state college of science; and
- 18 5. ~~\$104.88~~ in the case of ~~Williston state college~~.

19 **SECTION 15.** Chapter 15-62.4 of the North Dakota Century Code is created and enacted  
20 as follows:

21 **15-62.4-01. Student financial assistance program.**

22 The state board of higher education shall administer the North Dakota student financial  
23 assistance program for the purpose of providing a grant to an individual who demonstrates  
24 significant financial need and who:

- 25 1. a. Graduated from a high school in this state;
- 26 b. Graduated from a high school in a bordering state, pursuant to chapter 15.1-29;
- 27 c. Graduated from a nonpublic high school in a bordering state while residing with a  
28 custodial parent in this state; or
- 29 d. Completed a program of home education supervised in accordance with chapter  
30 15.1-23;



- 1       2.   a.   Is enrolled at an accredited institution of higher education in this state, provided  
2           the institution offers a program of instruction equal to at least two academic  
3           years; or
- 4       b.   Because of a medically certifiable disability is enrolled at an accredited institution  
5           of higher education outside of this state which offers the individual special  
6           services or facilities not available in this state, provided the institution offers a  
7           program of instruction equal to at least two academic years; and
- 8       3.   Is pursuing a course of study determined by the state board of higher education to be  
9           at least quarter-time.

10       **15-62.4-02. Student financial assistance program - Criteria and procedures.**

11       The state board of higher education shall adopt:

- 12       1.   Criteria governing the application process;
- 13       2.   Criteria governing the determination of financial need, which must include  
14           consideration of parental contributions to educational expenses;
- 15       3.   Criteria governing the selection process; and
- 16       4.   Procedures for providing fiscal control, fund accounting, and reports.

17       **15-62.4-03. Student financial assistance program - Grants.**

- 18       1.   The state board of higher education shall provide to each eligible student a financial  
19           assistance grant in an amount not exceeding:
  - 20           a.   Nine hundred seventy-five dollars per semester; or
  - 21           b.   Six hundred fifty dollars per quarter.
- 22       2.   a.   A student is not entitled to receive grants under this chapter for more than the  
23           equivalent of:
  - 24           (1) Eight semesters of full-time enrollment; or
  - 25           (2) Twelve quarters of full-time enrollment.
- 26           b.   Notwithstanding subdivision a, a student is not entitled to receive a grant under  
27           this chapter after the student obtains a baccalaureate degree.
- 28       3.   The board shall forward grants payable under this chapter directly to the institution in  
29           which the student is enrolled.

30       **15-62.4-04. Student financial assistance program - Advisory board.**

- 31       1.   The student financial assistance advisory board is created for the purposes of:

- 1           a. Providing advice to the state board of higher education regarding the student  
2           financial assistance program; and  
3           b. Functioning as a liaison between the state board of higher education and the  
4           institutions of higher education participating in the student financial assistance  
5           program.  
6        2. a. The student financial assistance advisory board consists of:  
7           (1) Three financial aid officers;  
8           (2) A chief financial officer;  
9           (3) A high school counselor; and  
10          (4) A student enrolled at an institution of higher education in this state.  
11        b. All members must be appointed by the state board of higher education.  
12        c. All members other than the student must be employed by an educational  
13        institution in this state.  
14        d. No more than one member may be employed by the same educational institution  
15        as another member.  
16        3. The state board of higher education shall determine the terms of the student financial  
17        assistance advisory board members and establish any necessary rules of operation  
18        and procedure.  
19        4. Each member of the student financial assistance advisory board is entitled to  
20        reimbursement for expenses, as provided by law for state officers, if the member is  
21        attending meetings or performing duties directed by the advisory board.

22        **15-62.4-05. Student financial assistance program - Gifts and grants - Acceptance.**

23        The state board of higher education may receive, administer, and expend moneys from  
24        public and private sources for the purposes of this chapter.

25        **SECTION 16.** Chapter 15-62.5 of the North Dakota Century Code is created and enacted  
26        as follows:

27        **15-62.5-01. Scholars program.**

28        The state board of higher education shall administer the scholars program for the purpose  
29        of providing a merit-based scholarship to an individual who:

- 30        1. a. Graduated from a high school in this state;  
31        b. Graduated from a high school in a bordering state, pursuant to chapter 15.1-29;

- 1           c. Graduated from a nonpublic high school in a bordering state while residing with a  
2           custodial parent in this state; or
- 3           d. Completed a program of home education supervised in accordance with chapter  
4           15.1-23;
- 5           2. On the ACT, achieved composite scores that ranked the individual at or above the  
6           ninety-fifth percentile among those who took the ACT prior to July first in the calendar  
7           year preceding the individual's enrollment;
- 8           3. a. Is enrolled at an accredited institution of higher education in this state that offers  
9           a program of instruction equal to at least two academic years;
- 10           b. Because of a medically certifiable disability is enrolled at an accredited institution  
11           of higher education outside of this state that offers the individual special services  
12           or facilities not available in this state, provided the institution offers a program of  
13           instruction equal to at least two academic years; and
- 14           4. Is pursuing a course of study determined by the board to be full-time.

15           **15-62.5-02. Scholars program - Criteria and procedures.**

16           The state board of higher education shall adopt:

- 17           1. Criteria governing the application process;
- 18           2. Criteria governing the selection process, within the requirements of section  
19           15-62.5-03; and
- 20           3. Procedures for providing fiscal control, fund accounting, and reports.

21           **15-62.5-03. Scholars program - Ranking and selection of recipients.**

- 22           1. The state board of higher education shall rank scholars program applicants by their  
23           ACT composite scores.
- 24           2. If two or more applicants have the same composite scores, they must be ranked by  
25           the numeric sum of their four scale scores on the ACT.
- 26           3. If two or more applicants have the same composite scores and the same numeric sum  
27           of the four scale scores, they must be ranked by the numeric sum of their English and  
28           mathematics scores.
- 29           4. The state board of higher education may establish additional criteria to rank applicants  
30           who have the same numeric sum of their English and mathematics scores.

1       5. Scholarships must be offered to applicants in descending order according to this  
2           ranking until available funds have been expended or until the pool of applicants has  
3           been exhausted.

4       **15-62.5-04. Scholars program - Scholarship amounts - Stipends.**

5       1. a. Each semester, the state board of higher education shall provide to an eligible  
6           student a scholarship in an amount not exceeding the tuition charged at the  
7           institution in which the student is enrolled, provided the amount may not exceed  
8           the highest undergraduate semester tuition charged at an institution of higher  
9           education under the control of the state board of higher education.

10       b. Each quarter the state board of higher education shall provide to an eligible  
11           student a scholarship in an amount not exceeding the tuition charged per quarter  
12           at the institution in which the student is enrolled, provided the amount may not  
13           exceed two-thirds of the highest undergraduate semester tuition charged at an  
14           institution of higher education under the control of the state board of higher  
15           education.

16       c. For purposes of this subsection, the rates are calculated using a traditional fall  
17           and spring academic year.

18       2. The scholarships provided for under this section are conditioned on the student  
19           maintaining a 3.5 cumulative grade point average, based on a 4.0 grading system.

20       3. Any student eligible for a scholarship under this section is also eligible for a stipend in  
21           an amount not exceeding two thousand dollars annually. The state board of higher  
22           education may distribute the stipend on a semester or a quarter basis.

23       4. a. A student is not entitled to receive scholarships under this chapter for more than  
24           the equivalent of:

25           (1) Eight semesters of full-time enrollment; or

26           (2) Twelve quarters of full-time enrollment.

27       b. Notwithstanding subdivision a, a student is not entitled to receive a scholarship  
28           under this chapter after the student obtains a baccalaureate degree.

29       5. The state board of higher education shall forward scholarships and stipends payable  
30           under this chapter directly to the institution in which the student is enrolled.

1        **15-62.5-05. Use of scholarships and stipends - Refund policy.**

2        Scholarships and stipends awarded under this chapter may be applied to defray tuition  
3 charges, fees, room and board charges, and the cost of books and supplies, and for any other  
4 expenses incidental to attending an institution of higher education. If an individual discontinues  
5 attendance before the completion of any semester or quarter for which a scholarship or stipend  
6 has been received, the individual is subject to the refund or repayment policy of the institution at  
7 which the individual was enrolled.

8        ~~**SECTION 18. AMENDMENT.** Section 15.1-21-02.6 of the North Dakota Century Code is~~  
9 ~~amended and reenacted as follows:~~

10        ~~**15.1-21-02.6. North Dakota scholarship -- Amount -- Applicability.**~~

11        ~~1. a. (1) The state board of higher education shall provide to any student who~~  
12 ~~graduates from high school before the 2014-15 school year and who is~~  
13 ~~certified as being eligible by the superintendent of public instruction either a~~  
14 ~~North Dakota academic scholarship or a North Dakota career and technical~~  
15 ~~education scholarship in the amount of seven hundred fifty dollars for each~~  
16 ~~semester during which the student is enrolled full time at an accredited~~  
17 ~~institution of higher education in this state and maintains a cumulative grade-~~  
18 ~~point average of at least 2.75 on a 4.0 scale.~~

19        ~~b. (2) The state board of higher education shall provide to any student who~~  
20 ~~graduates from high school before the 2014-15 school year and who is~~  
21 ~~certified as being eligible by the superintendent of public instruction either a~~  
22 ~~North Dakota academic scholarship or a North Dakota career and technical~~  
23 ~~education scholarship in the amount of five hundred dollars for each quarter~~  
24 ~~during which the student is enrolled full time at an accredited institution of~~  
25 ~~higher education in this state and maintains a cumulative grade point~~  
26 ~~average of at least 2.75 on a 4.0 scale.~~

27        ~~b. (1) The state board of higher education shall provide to any student who~~  
28 ~~graduates from high school during or after the 2014-15 school year and who~~  
29 ~~is certified as being eligible by the superintendent of public instruction either~~  
30 ~~a North Dakota academic scholarship or a North Dakota career and~~  
31 ~~technical education scholarship, in the amount of nine hundred seventy-five~~

~~dollars each semester during which the student is enrolled full time at an accredited institution of higher education in this state and maintains a cumulative grade point average of at least 2.75 on a 4.0 grading scale.~~

~~(2) The state board of higher education shall provide to any student who graduates from high school during or after the 2014-15 school year and who is certified as being eligible by the superintendent of public instruction either a North Dakota academic scholarship or a North Dakota career and technical education scholarship, in the amount of six hundred fifty dollars for each quarter during which the student is enrolled full time at an accredited institution of higher education in this state and maintains a cumulative grade point average of at least 2.75 on a 4.0 grading scale.~~

~~2. The state board shall monitor each scholarship recipient to ensure that the student meets the academic and other requirements of this section. Upon determining that a recipient student has failed to meet the requirements of this section, the board shall provide notification to the student within ten days.~~

~~3. a. Except as provided in this subsection, a student is not entitled to receive more than six thousand dollars under this section.~~

~~b. A student who graduates from high school during or after the 2014-15 school year is entitled to receive up to seven thousand eight hundred dollars under this section.~~

~~4. The state board of higher education shall forward the scholarship directly to the institution in which the student is enrolled.~~

~~5. a. (1) This section does not require a student to be enrolled in consecutive semesters.~~

~~(2) This section does not require a student to be enrolled in consecutive quarters.~~

~~b. However, a scholarship under this section is valid only for six academic years after the student's graduation from high school and may not be applied to graduate programs.~~

~~6. A scholarship under this section is available to any eligible resident student who fulfills the requirements of section 15.1-21-02.4 or 15.1-21-02.5 and who:~~

- 1 ~~———— a. Graduates from a high school in this state;~~  
2 ~~———— b. Graduates from a high school in a bordering state under chapter 15.1-29;~~  
3 ~~———— c. Graduates from a nonpublic high school in a bordering state while residing with a~~  
4 ~~custodial parent in this state; or~~  
5 ~~———— d. Completes a program of home education supervised in accordance with chapter~~  
6 ~~15.1-23.~~

7 ~~7. a. For purposes of North Dakota scholarship eligibility under this section, "full-time"~~  
8 ~~means enrollment in at least twelve credits during a student's first two semesters~~  
9 ~~and enrollment in at least fifteen credits during each semester thereafter or~~  
10 ~~enrollment in the equivalent number of credits, as determined by the state board~~  
11 ~~of higher education, with respect to students in a quarter system.~~

12 ~~———— b. (1) If a student requires fewer than fifteen credits to graduate, the student may~~  
13 ~~retain scholarship eligibility by enrolling in fewer than fifteen but at least~~  
14 ~~twelve credits during the semester, or the equivalent number of credits, as~~  
15 ~~determined by the state board of higher education, with respect to students~~  
16 ~~in a quarter system.~~

17 ~~———— (2) Students who graduated from high school during the 2009-10 or the~~  
18 ~~2010-11 school year and who have completed six semesters may retain~~  
19 ~~scholarship eligibility by enrolling in only twelve credits during each of the~~  
20 ~~student's final two semesters, or the equivalent number of credits, as~~  
21 ~~determined by the state board of higher education, with respect to students~~  
22 ~~in a quarter system.~~

23 ~~———— (3) The requirement that a student be enrolled in at least fifteen credits, as set~~  
24 ~~forth in subdivision a, does not apply in the case of a student participating in~~  
25 ~~a clinical, practicum, internship, cooperative program, or similar external~~  
26 ~~experience, provided the external experience is equivalent to at least twelve~~  
27 ~~units, or such similar amount as determined by the state board of higher~~  
28 ~~education, with respect to students in a quarter system, and considered to~~  
29 ~~be a "full time" placement for purposes of meeting graduation requirements.~~

30 ~~———— **SECTION 21.** A new section to chapter 54-10 of the North Dakota Century Code is created~~  
31 ~~and enacted as follows:~~

1 ~~State board of higher education audits.~~

2 ~~1. The state auditor shall employ an audit manager to perform all audit related functions~~  
3 ~~of the state board of higher education, including the examination and evaluation of the~~  
4 ~~adequacy and effectiveness of the board's governance, risk management, internal~~  
5 ~~controls, and performance of constitutionally and statutorily required duties. The audit~~  
6 ~~manager shall conduct audits, as determined appropriate by the state auditor, of each~~  
7 ~~institution under the supervision and control of the state board of higher education.~~  
8 ~~The audit manager shall consult with the state board of higher education, or a~~  
9 ~~committee designated by the board, regarding audit plans, results of audit activities,~~  
10 ~~and any other appropriate issue. This section does not require the state auditor to~~  
11 ~~perform any duties that would compromise the auditor's independence under~~  
12 ~~government auditing standards.~~

13 ~~2. The audit manager may access and examine any record under the control of the state~~  
14 ~~board of higher education. For purposes of reviewing records under the Family~~  
15 ~~Educational Rights and Privacy Act [20 U.S.C. 1232g; 34 CFR 99] or any other federal~~  
16 ~~privacy law, the audit manager must be considered an agent of the state board of~~  
17 ~~higher education.~~

18 ~~3. The state auditor may hire employees necessary to carry out the duties and~~  
19 ~~responsibilities of this section. The state auditor may hire consultants to assist with~~  
20 ~~any duties required under this section subject to approval by the legislative audit and~~  
21 ~~fiscal review committee. The state board of higher education shall pay for the cost of~~  
22 ~~any consultant approved under this section.~~

23 **SECTION 17.** A new subsection to a new section to chapter 54-10, as created in section 5  
24 of Senate Bill No. 2004, as approved by the sixty-fourth legislative assembly, is created and  
25 enacted as follows:

26 4. This section does not prohibit the state board of higher education from employing  
27 internal audit staff or contracting for internal audit services.

28 **SECTION 18. AMENDMENT.** Section 54-12-08 of the North Dakota Century Code is  
29 amended and reenacted as follows:



1           **54-12-08. Assistant and special assistant attorneys general - Appointment -**  
2 **Revocation - Compensation.**

3       1. After consultation with the head of the state department or institution or with the state  
4 board, commission, committee, or agency affected, the attorney general may appoint  
5 assistant or special assistant attorneys general to represent the state board,  
6 commission, committee, or agency. A state officer, head of any state department,  
7 whether elected or appointed, or state department, board, commission, committee, or  
8 agency may not employ legal counsel, and no person may act as legal counsel in any  
9 matter, action, or proceeding in which the state or any state department, board,  
10 commission, committee, or agency is interested or is a party, except upon written  
11 appointment by the attorney general. The state board of higher education may employ  
12 attorneys to provide legal services limited to the field of intellectual property law on  
13 behalf of research institutions under the supervision of the board. Workforce safety  
14 and insurance, the department of transportation, the state tax commissioner, the public  
15 service commission, the insurance commissioner, ~~the board of higher education~~, and  
16 the securities commissioner may employ attorneys to represent them. These entities  
17 shall pay the salaries and expenses of the attorneys they employ within the limits of  
18 legislative appropriations. The attorneys that represent these entities must be special  
19 assistant attorneys general appointed by the attorney general pursuant to this section.  
20 Absent good cause, the attorney general shall appoint as special assistant attorneys  
21 general licensed attorneys selected by these entities. The attorney general may  
22 revoke the appointment only for good cause or upon the request of the entity. Good  
23 cause means an inadequate level of experience, competence, or ethical standards.

24       2. The powers conferred upon special assistant attorneys general are the same as are  
25 exercised by the regular assistant attorneys general, unless the powers are limited  
26 specifically by the terms of the appointment. Except as otherwise provided by this  
27 section, an appointment is revocable at the pleasure of the attorney general. The  
28 appointment may be made with or without compensation, and when compensation is  
29 allowed by the attorney general for services performed, the compensation must be  
30 paid out of the funds appropriated therefor.

1 3. The attorney general may require payment for legal services rendered by any  
2 assistant or special assistant attorney general to any state official, board, department,  
3 agency, or commission and those entities shall make the required payment to the  
4 attorney general. Moneys received by the attorney general in payment for legal  
5 services rendered must be deposited into the attorney general's operating fund.  
6 General fund moneys may not be utilized for the payment of legal services provided by  
7 the attorneys employed by the attorney general, except for those payments required of  
8 the department of human services, state department of health, and the state hospital.

9 4. An assistant or special assistant attorney general appointed to represent the state  
10 board of higher education or an institution under the control of the state board of  
11 higher education may access and examine any record under the control of the state  
12 board of higher education. For purposes of reviewing records under the Family  
13 Educational Rights and Privacy Act [20 U.S.C. 1232g; 34 CFR 99] or any other federal  
14 privacy law, the assistant or special assistant attorney general is considered a state  
15 educational official authorized to access student records.

16 **SECTION 19. AMENDMENT.** Section 54-44.1-04 of the North Dakota Century Code is  
17 amended and reenacted as follows:

18 **54-44.1-04. Budget estimates of budget units filed with the office of the budget -**  
19 **Deadline.**

20 The head of each budget unit, not later than July fifteenth of each year next preceding the  
21 session of the legislative assembly, shall submit to the office of the budget, estimates of  
22 financial requirements of the person's budget unit for the next two fiscal years, on the forms and  
23 in the manner prescribed by the office of the budget, with such explanatory data as is required  
24 by the office of the budget and such additional data as the head of the budget unit wishes to  
25 submit. The estimates of financial requirements for budget units under the control of the state  
26 board of higher education must be made using the same forms, supporting information, and  
27 documentation as other budget units. Any request for a new full-time or part-time permanent  
28 position included in a budget unit's estimate of its financial requirements for the next two fiscal  
29 years must include documentation justifying the need for the position. The documentation must  
30 describe the circumstances resulting in the need for the position and identify the number of  
31 hours the position will be involved in specific types of activities and the anticipated outcomes of

1 the activities. The estimates so submitted must bear the approval of the board or commission of  
2 each budget unit for which a board or commission is constituted. The director of the budget may  
3 extend the filing date for any budget unit if the director finds there is some circumstance that  
4 makes it advantageous to authorize the extension. If a budget unit has not submitted its  
5 estimate of financial requirements by the required date or within a period of extension set by the  
6 director of the budget, the director of the budget shall prepare the budget unit's estimate of  
7 financial requirements except the estimate may not exceed ninety percent of the budget unit's  
8 previous biennial appropriation. The director of the budget or a subordinate officer as the  
9 director shall designate shall examine the estimates and shall afford to the heads of budget  
10 units reasonable opportunity for explanation in regard thereto and, when requested, shall grant  
11 to the heads of budget units a hearing thereon which must be open to the public.

12 **SECTION 20. AMENDMENT.** Subsection 4 of section 54-44.1-06 of the North Dakota  
13 Century Code is amended and reenacted as follows:

14 4. Detailed comparative statements of expenditures and requests for appropriations by  
15 funds, budget units and classification of expenditures, showing the expenditures for  
16 the previous biennium, the first fiscal year of the present biennium, the budget of the  
17 current biennium, and the governor's recommendation for appropriations for each  
18 budget unit for the next biennium, all distributed according to the prescribed  
19 classification of expenditures. Following the lists of actual and proposed expenditures  
20 of each budget unit there must be a brief explanation of the functions of the unit and  
21 comments on its policies and plans and on any considerable differences among the  
22 amounts recommended, with any descriptive, quantitative, comparative, and other  
23 data as to work done, unit costs, and like information as may be considered necessary  
24 or desirable. For capital outlay expenditures involving construction projects to be  
25 completed in two or more fiscal years, there must be shown the total estimated cost of  
26 each such project and the amount thereof recommended to be appropriated and  
27 expended in each ensuing fiscal year until completion of the project. Capital outlay  
28 needs may be projected for at least two years beyond the period covered by the  
29 budget. The detailed comparative statements of budget units under the control of the  
30 state board of higher education must include the same information presented for other  
31 budget units.

1       **SECTION 21. AMENDMENT.** Section 54-44.1-11 of the North Dakota Century Code is  
2 amended and reenacted as follows:

3       **54-44.1-11. (Effective through July 31, 2015~~2017~~) Office of management and budget to**  
4 **cancel unexpended appropriations - When they may continue.**

5       Except as otherwise provided by law, the office of management and budget, thirty days after  
6 the close of each biennial period, shall cancel all unexpended appropriations or balances of  
7 appropriations after the expiration of the biennial period during which they became available  
8 under the law. Unexpended appropriations for the state historical society are not subject to this  
9 section and the state historical society shall report on the amounts and uses of funds carried  
10 over from one biennium to the appropriations committees of the next subsequent legislative  
11 assembly. Unexpended appropriations for the North Dakota university system are not subject to  
12 this section and the North Dakota university system shall report on the amounts and uses of  
13 funds carried over from one biennium to the next to subsequent appropriations committees of  
14 the legislative assembly. The chairmen of the appropriations committees of the senate and  
15 house of representatives of the legislative assembly with the office of the budget may continue  
16 appropriations or balances in force for not more than two years after the expiration of the  
17 biennial period during which they became available upon recommendation of the director of the  
18 budget for:

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

30       **(Effective after July 31, 2015~~2017~~) Office of management and budget to cancel**  
31 **unexpended appropriations - When they may continue.** The office of management and

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

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

22 **SECTION 22. REPEAL.** Chapter 15-62.2 of the North Dakota Century Code is repealed.

23 **SECTION 23. SYSTEMWIDE FUNDING POOLS - TRANSFER AUTHORITY -**

24 **LEGISLATIVE MANAGEMENT REPORT.** The following line items contained in subdivision 1 of  
25 section 1 of this Act include funding that may be transferred in full or in part as provided in this  
26 section for the period beginning with the effective date of this Act ~~section~~ and ending June 30,  
27 2017, by the state board of higher education to the institutions and entities under its control as  
28 follows:

- 29 1. The deferred maintenance funding pool line item includes funding that must be used to  
30 address deferred maintenance and other infrastructure needs at institutions based on  
31 university system master plan and space utilization studies.

1           2.    The education incentive programs line item includes funding that may be allocated to  
2           education incentive programs based on program eligibility criteria and the reduction or  
3           elimination of specific programs as determined by the board.

4           3.    The campus security funding pool line item includes funding that must be used to  
5           address security needs at institutions based on campus risk and security  
6           assessments.

7           4.    The ~~extraordinary repairs funding pool line item includes funding that must be used to~~  
8           ~~address infrastructure needs at institutions and forest service facilities based on~~  
9           ~~university system master plan and space utilization studies and identified needs of the~~  
10          ~~forest service~~internal audit funding pool line item includes funding that must be used  
11          for systemwide and campus internal audit purposes.

12          ~~The state board of higher education may not transfer any funding from the deferred-~~  
13          ~~maintenance funding pool or the extraordinary repairs funding pool to an institution or entity~~  
14          ~~under its control unless the institution or entity has submitted a comprehensive space utilization-~~  
15          ~~study to the board. The comprehensive space utilization study must include a review of current~~  
16          ~~space for instruction, academic support, student services, and administration; the current~~  
17          ~~utilization of each type of space; and the projected future needs for each type of space.~~ The  
18          state board of higher education shall provide reports to the legislative management during the  
19          2015-16 interim regarding distributions from the deferred maintenance, campus security, and  
20          ~~extraordinary repairs~~internal audit funding pools.

21           **SECTION 24. CAMPUS CAPITAL PROJECTS - PROJECT MANAGEMENT.** During the  
22          biennium beginning July 1, 2015, and ending June 30, 2017, each capital project authorized by  
23          the state board of higher education must have adequate project management oversight by  
24          either an institution official or a representative of an external entity. An institution may seek  
25          assistance from the university system office for project management oversight of a capital  
26          project.

27           **SECTION 25. NORTH DAKOTA STATE UNIVERSITY - MINARD HALL -**  
28          **REAUTHORIZATION - BUDGET SECTION REPORT.** In addition to the funds appropriated in  
29          section 1 of this Act, North Dakota state university may use unspent state funding from the  
30          \$5,000,000 appropriation received during the biennium beginning July 1, 2007, and ending  
31          June 30, 2009, and unspent state funding from the \$13,000,000 appropriation received during

1 the biennium beginning July 1, 2009, and ending June 30, 2011, and special funds derived from  
2 insurance litigation settlement and other local institutional funds, to a total of \$23,474,300 for  
3 the Minard hall project, for the biennium beginning July 1, 2015, and ending June 30, 2017.  
4 North Dakota state university shall report to the budget section regarding the status of the  
5 Minard hall project and may request increased spending authorization from the budget section  
6 for the project.

7 **SECTION 26. MINOT STATE UNIVERSITY - FOOTBALL STADIUM PRESS BOX -**

8 **REAUTHORIZATION.** Minot state university may use up to \$4,000,000 in private funds from the  
9 city of Minot and \$1,000,000 in local institutional funds for the completion of the football stadium  
10 press box during the ~~biennium period~~ beginning ~~July 1, 2015~~ with the effective date of this  
11 section, and ending June 30, 2017.

12 **SECTION 27. STUDENT LOAN TRUST FUND.** Subdivision 1 of section 1 of this Act  
13 includes the sum of ~~\$1,004,744~~ \$1,504,744, or so much of the sum as may be necessary, from  
14 the student loan trust fund, of which \$465,307 is for the professional student exchange  
15 program, \$500,000 is for grants to tribally controlled community colleges, and \$539,437 is for  
16 connectND campus solution positions, for the biennium beginning July 1, 2015, and ending  
17 June 30, 2017.

18 **SECTION 28. UNIVERSITY OF NORTH DAKOTA SCHOOL OF MEDICINE AND HEALTH**  
19 **SCIENCES OPERATIONS.** The operations line item in subdivision 5 of section 1 of this Act  
20 includes a funding allocation from the higher education per student credit-hour funding formula  
21 attributable to inflation during the biennium beginning July 1, 2015, and ending June 30, 2017. A  
22 ~~minimum of twenty-five percent~~ portion of the allocation must be transferred by the state board  
23 of higher education to the university of North Dakota school of medicine and health sciences.

24 **SECTION 29. FEDERAL, PRIVATE, AND OTHER FUNDS - APPROPRIATION.** All funds,  
25 in addition to those appropriated in section 1 of this Act, from federal, private, and other sources  
26 for competitive grants or other funds that the legislative assembly has not indicated the intent to  
27 reject, including tuition revenue, received by the institutions and entities under the control of the  
28 state board of higher education are appropriated to those institutions and entities, for the  
29 biennium beginning July 1, 2015, and ending June 30, 2017. All additional funds received under  
30 the North Dakota-Minnesota reciprocity agreement during the biennium beginning July 1, 2015,

1 and ending June 30, 2017, are appropriated to the state board of higher education for  
2 reimbursement to institutions under the control of the board.

3 **SECTION 30. TRANSFER AUTHORITY.** If, during the biennium beginning July 1, 2015,  
4 and ending June 30, 2017, the state board of higher education determines that funds allocated  
5 to operations in section 1 of this Act are needed for capital assets, the board may transfer funds  
6 from operations to capital assets. The board shall report any transfer of funds under this section  
7 to the office of management and budget.

8 **SECTION 31. EXEMPTION - CONTINGENT APPROPRIATION REDUCTION.** ~~The amount~~  
9 ~~appropriated for the performance funding pool line item in section 1 of chapter 34 of the 2013~~  
10 ~~Session Laws is not subject to section 54-44.1-11 and any unexpended funds in this line item~~  
11 ~~must be canceled by the office of management and budget on the effective date of this section.~~  
12 Pursuant to section 54-44.1-11, the sum of \$5,000,000 appropriated from the general fund  
13 in the performance funding pool line item of subdivision 1 of section 1 of chapter 34 of the 2013  
14 Session Laws may be continued into the biennium beginning July 1, 2015, and ending June 30,  
15 2017. Of the unexpended appropriation, the state board of higher education shall transfer  
16 \$1,500,000 to Williston state college, \$1,500,000 to Dickinson state university, \$1,500,000 to  
17 Minot state university, and \$500,000 to Dakota college at Bottineau for extraordinary campus  
18 needs resulting from energy development. The board shall transfer a prorated amount if  
19 sufficient funding is not available to provide for full transfers. Excluding the transfers authorized  
20 in this section, the office of management and budget shall reduce the general fund  
21 appropriation authority included in the system governance line item contained in subdivision 1  
22 of section 1 of this Act in an amount equal to any appropriation used from the performance  
23 funding pool line item contained in section 1 of chapter 34 of the 2013 Session Laws.

24 **SECTION 32. EXEMPTION ~~TRANSFER GRANT.~~** The sum of \$750,000 from the general  
25 fund is appropriated in the capital assets line item in subdivision 5 of section 1 of chapter 34 of  
26 the 2013 Session Laws for the university of North Dakota school of medicine and health  
27 sciences Bismarck family practice center skywalk project. ~~Pursuant to section 54-44.1-11,~~  
28 ~~\$200,000 of the unexpended appropriation authority for the project must be continued into the~~  
29 ~~biennium beginning July 1, 2015, and ending June 30, 2017, and must be transferred to the~~  
30 ~~university system office for the purpose of providing a grant to the North Dakota humanities~~  
31 ~~council for the development of elementary and secondary civics education.~~ Any remaining



1 unexpended appropriation authority for the project is not subject to section 54-44.1-11 and the  
2 office of management and budget shall cancel the remaining unexpended appropriation  
3 authority on the effective date of this section.

4 ~~— **SECTION 37. STATE FLEET REIMBURSEMENT – TRANSFER.** Notwithstanding any other  
5 provision of law, the university of North Dakota shall transfer the sum of \$375,000 to the  
6 department of transportation for costs associated with previous use by the institution of state  
7 fleet services motor coaches and North Dakota state university shall transfer the sum of  
8 \$375,000 to the department of transportation for costs associated with previous use by the  
9 institution of state fleet services motor coaches. The university of North Dakota and North  
10 Dakota state university shall transfer the funds as directed under this section to the department  
11 of transportation prior to January 1, 2016.~~

12 ~~— **SECTION 38. STATE BOARD OF HIGHER EDUCATION – EVALUATION OF**  
13 **EMPLOYEES.** The state board of higher education shall conduct or contract for comprehensive  
14 performance evaluations of the president and each individual designated as a vice president of  
15 an institution under the supervision and control of the board and of the commissioner of higher  
16 education and each individual within the university system office with the title of "vice  
17 chancellor". Each performance review must include participation and input from the individual's  
18 subordinates, peers, supervisors, and other appropriate individuals, as well as the individual  
19 being evaluated. Each performance review must include an analysis of the individual's  
20 contribution and performance in leadership, teamwork, interpersonal communication,  
21 management, contribution, work habits, interpersonal interaction, and accountability.  
22 Notwithstanding any provision of law, any record created or collected in the conduct of a  
23 performance review under this section and the report of each performance review is a public  
24 record. This section does not apply to any individual who has served in their respective position  
25 for less than three years as of July 1, 2015.~~

26 **SECTION 33. FULL-TIME EQUIVALENT POSITION ADJUSTMENTS.** Notwithstanding  
27 any other provisions of law, the state board of higher education may adjust full-time equivalent  
28 positions as needed, subject to the availability of funds, for institutions and entities under its  
29 control during the biennium beginning July 1, 2015, and ending June 30, 2017. The North  
30 Dakota university system shall report any adjustments to the office of management and budget  
31 before the submission of the 2017-19 biennium budget request.

1       **SECTION 34. BOND ISSUANCE AUTHORIZATION - PURPOSES.** The state board of  
2 higher education, in accordance with chapter 15-55, may arrange for the funding of projects  
3 authorized in this section, declared to be in the public interest, through the issuance of  
4 self-liquidating, tax-exempt evidences of indebtedness under chapter 15-55, beginning with the  
5 effective date of this section and ending June 30, 2017. Evidences of indebtedness issued  
6 pursuant to this section are not a general obligation of the state of North Dakota. Any  
7 unexpended balance resulting from the proceeds of the evidences of indebtedness must be  
8 placed in a sinking fund to be used for the retirement of indebtedness. The evidences of  
9 indebtedness may be issued and the proceeds are appropriated in section 1 of this Act for the  
10 following capital projects:

11 Dakota college at Bottineau - dormitory renovations	\$2,900,000
12 North Dakota state university - aquatic center	<u>10,000,000</u>
13 Total special funds	\$12,900,000

14       **SECTION 35. TUITION RATE INCREASE LIMITATIONS - BUDGET SECTION**  
15 **APPROVAL.**

- 16       1. Notwithstanding any other provision of law, the state board of higher education may  
17       not increase tuition rates for students attending institutions of higher education under  
18       its control during the 2015-16 academic year by more than two and one-half percent  
19       as compared to the tuition rate in effect during the 2015 spring semester unless the  
20       board receives prior budget section approval.
- 21       2. Notwithstanding any other provision of law, the state board of higher education may  
22       not increase tuition rates for students attending institutions of higher education under  
23       its control during the 2016-17 academic year by more than two and one-half percent  
24       as compared to the tuition rate in effect during the 2016 spring semester unless the  
25       board receives prior budget section approval.
- 26       3. For purposes of this section, any adjustments to an institution's method of charging  
27       tuition and fees must be included in calculations of tuition limits.
- 28       4. This section does not apply to tuition rates determined under tuition reciprocity  
29       agreements entered into by the state board of higher education with other states or  
30       state education compacts.

- 1       5. This section does not apply to tuition rates charged for programs offered through the  
2           university of North Dakota school of medicine and health sciences.

3       **SECTION 36. LEGISLATIVE MANAGEMENT REPORT - DICKINSON STATE**

4 **UNIVERSITY.** Before July 1, 2016, the state board of higher education shall provide a report to  
5 the legislative management regarding the operations of Dickinson state university. The report  
6 must detail the financial condition of the institution and board directives and plans to improve  
7 the financial stability of the institution.

8       **SECTION 37. STATE BOARD OF HIGHER EDUCATION DATA INCONSISTENCIES -**  
9 **REPORT TO THE SIXTY-FIFTH LEGISLATIVE ASSEMBLY.** During the biennium beginning  
10 July 1, 2015, and ending June 30, 2017, the state board of higher education shall evaluate the  
11 following data inconsistency issues at institutions and entities under its control and develop  
12 policies and procedures to correct the inconsistencies:

- 13       1. Lack of integration of personal and demographic information among computer  
14           systems;
- 15       2. Lack of use of standard chart of accounts for financial reporting and standard  
16           department budget table deduction and tax override flags;
- 17       3. Absence of standard business processes for recording mandatory fees and for  
18           changing payroll funding source information;
- 19       4. Inconsistent methods and procedures at institutions for recording high school  
20           completions, identifying student cohorts for reporting purposes, and classifying agency  
21           funds;
- 22       5. Inconsistent practices and policies at institutions for awarding tuition waivers, admitting  
23           students, using purchasing card, charging tuition and fees, and accruing of faculty sick  
24           leave;
- 25       6. Inconsistent coding and naming for bad debt expense and journal entries;
- 26       7. Use of shadow accounting systems for reporting purposes; and
- 27       8. Inconsistent definitions for a distance education student, a resident student for tuition  
28           purposes, and a full-time student for federal tax purposes.

29 The state board of higher education shall provide a report to the appropriations committees of  
30 the sixty-fifth legislative assembly regarding the status of the inconsistencies, including policies  
31 and procedures implemented to correct the inconsistencies.

1       **SECTION 38. HIGHER EDUCATION INSTITUTION PERMANENT FUNDS - REPORT TO**  
2 **SIXTY-FIFTH LEGISLATIVE ASSEMBLY.** The state board of higher education shall provide a  
3 report to the appropriations committees of the sixty-fifth legislative assembly regarding the use  
4 of funds received by institutions under its control from permanent fund income established for  
5 the benefit of the institutions in section 1 of article IX of the Constitution of North Dakota.

6       **SECTION 39. EXTRAORDINARY CAMPUS NEEDS FUNDING - REPORT TO THE**  
7 **SIXTY-FIFTH LEGISLATIVE ASSEMBLY.** The operations line item in subdivision 4 of section 1  
8 of this Act includes the sum of \$2,500,000 for extraordinary campus needs at Williston state  
9 college. Williston state college shall provide a report to the appropriations committees of the  
10 sixty-fifth legislative assembly regarding the use of this funding and the need to continue the  
11 funding in to the biennium beginning July 1, 2017, and ending June 30, 2019.

12       **SECTION 40. LEGISLATIVE MANAGEMENT STUDY - HIGHER EDUCATION COURSE**  
13 **DELIVERY METHODS.** During the 2015-16 interim, the legislative management shall consider  
14 studying the delivery methods of higher education courses offered by institutions under the  
15 control of the state board of higher education. The study, if conducted, must include a review of  
16 current methods of distance education offered by institutions, options to improve delivery  
17 methods, revenue generated by each type of delivery method, and how course delivery  
18 methods may affect future campus infrastructure needs. The legislative management shall  
19 report its findings and recommendations, together with any legislation required to implement the  
20 recommendations, to the sixty-fifth legislative assembly.

21       **SECTION 41. LEGISLATIVE MANAGEMENT STUDY - INSTITUTION MISSIONS.** During  
22 the 2015-16 interim, the legislative management shall ~~study~~consider studying the missions of all  
23 two-year institutions and the missions of any other institutions under the control of the state  
24 board of higher education, as determined by the legislative management, including the  
25 feasibility and desirability of the institutions offering only workforce and career and technical  
26 education programs. The study must review the current missions of the institutions, current and  
27 projected course and program enrollments, projected workforce needs, including how the  
28 institutions can serve the needs, and options to increase operating efficiencies. The legislative  
29 management shall report its findings, together with any legislation necessary to implement the  
30 findings, to the sixty-fifth legislative assembly.

1 | **SECTION 42. LEGISLATIVE MANAGEMENT STUDY - INSTITUTION ADMINISTRATION**

2 | **COSTS.** During the 2015-16 interim, the legislative management shall consider studying  
3 | administrative costs at institutions under the control of the state board of higher education. The  
4 | study, if conducted, must review the number of administrator positions at each institution, the  
5 | number of new administrator positions added at each institution during the previous five  
6 | academic years, the total salaries and benefits associated with the administrator positions, the  
7 | average salaries and benefits for administrator positions at each institution for each of the  
8 | previous five fiscal years, the percentage of overall institution operating costs attributable to  
9 | administration, and options to provide future increased legislative appropriations to institutions  
10 | specifically for instructional purposes. The legislative management shall report its findings,  
11 | together with any legislation necessary to implement the findings, to the sixty-fifth legislative  
12 | assembly.

13 | **SECTION 43. EMERGENCY.** Sections ~~10, 27, 35, and 36~~ 7, 23, 26, 31, 32, and 34 and the  
14 | capital assets, ~~extraordinary repairs pool~~, campus security pool, and deferred maintenance pool  
15 | line items in section 1 of this Act are declared to be an emergency measure.