

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 commissioner of
2 university and school lands; to provide for transfers; to provide for distributions from permanent
3 funds; and to provide an exemption.

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

5 **SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds
6 as may be necessary, are appropriated from special funds derived from the state lands
7 maintenance fund, the strategic investment and improvements fund, and the oil and gas impact
8 grant fund in the state treasury, to the commissioner of university and school lands for the
9 purpose of defraying the expenses of the commissioner of university and school lands, for the
10 biennium beginning July 1, 2017, and ending June 30, 2019, as follows:

| | <u>Base Level</u> | <u>Adjustments or Enhancements</u> | <u>Appropriation</u> | |
|----|---|--|----------------------|----------------|
| 11 | | | | |
| 12 | | | | |
| 13 | Salaries and wages | \$6,123,516 | \$122,176 | \$6,245,692 |
| 14 | Operating expenses | 2,019,637 | (243,914) | 1,775,723 |
| 15 | Capital assets | 0 | 5,520,000 | 5,520,000 |
| 16 | Grants | 99,300,000 | (75,200,000) | 24,100,000 |
| 17 | Contingencies | 100,000 | 0 | 100,000 |
| 18 | Energy infrastructure and impact office | <u>700,000</u> | <u>(478,265)</u> | <u>221,735</u> |
| 19 | Total special funds | \$108,243,153 | (\$70,280,003) | \$37,963,150 |
| 20 | Full-time equivalent positions | 33.00 | (1.00) | 32.00 |

21 **SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO**
22 **SIXTY-SIXTH LEGISLATIVE ASSEMBLY.** The following amounts reflect the one-time funding
23 items approved by the sixty-fourth legislative assembly for the 2015-17 biennium and the
24 2017-19 one-time funding items included in the appropriation in section 1 of this Act:

| | <u>One-Time Funding Description</u> | <u>2015-17</u> | <u>2017-19</u> |
|---|-------------------------------------|--------------------|----------------|
| 1 | | | |
| 2 | Grants | \$0 | \$24,100,000 |
| 3 | Capital assets | 0 | 5,520,000 |
| 4 | Impact grants | <u>139,300,000</u> | <u>0</u> |
| 5 | Total special funds | \$139,300,000 | \$29,620,000 |

6 The 2017-19 one-time funding amounts are not a part of the entity's base budget for the
7 2019-21 biennium. The department shall report to the appropriations committees of the
8 sixty-sixth legislative assembly on the use of this one-time funding for the biennium beginning
9 July 1, 2017, and ending June 30, 2019.

10 **SECTION 3. APPROPRIATION LINE ITEM TRANSFERS.** Upon approval of the board of
11 university and school lands, the commissioner of university and school lands may transfer
12 between the various line items in section 1 of this Act, including transfers from the contingencies
13 line item to all other line items. The commissioner shall notify the office of management and
14 budget of each transfer made pursuant to this section.

15 **SECTION 4. EXEMPTION - USE OF OIL AND GAS IMPACT GRANT FUND.**

16 Notwithstanding any other provisions of law, the energy infrastructure and impact office line item
17 in section 1 of this Act includes \$221,735, or so much of the sum as may be necessary, from the
18 oil and gas impact grant fund for administrative costs associated with the fund.

19 **SECTION 5. DISTRIBUTIONS TO STATE INSTITUTIONS.** Pursuant to section 1 of
20 article IX of the Constitution of North Dakota, the board of university and school lands shall
21 distribute during the biennium beginning July 1, 2017, and ending June 30, 2019, the following
22 amounts, from the permanent funds managed for the benefit of the following entities:

| | | | |
|----|---------------------------------------|--|---------------|
| 23 | Commons schools | | \$288,264,000 |
| 24 | North Dakota state university | | 4,738,000 |
| 25 | University of North Dakota | | 3,662,000 |
| 26 | Youth correctional center | | 1,422,000 |
| 27 | School for the deaf | | 1,598,000 |
| 28 | North Dakota state college of science | | 1,446,286 |
| 29 | State hospital | | 1,370,286 |
| 30 | Veterans' home | | 622,286 |
| 31 | Valley City state university | | 808,000 |

| | | |
|---|---|----------------|
| 1 | North Dakota vision services - school for the blind | 840,286 |
| 2 | Mayville state university | 542,000 |
| 3 | Dakota college at Bottineau | 186,286 |
| 4 | Dickinson state university | 186,286 |
| 5 | Minot state university | <u>186,286</u> |
| 6 | Total | \$305,872,002 |

7 **SECTION 6. ONE-TIME ADJUSTMENT TO CERTAIN STATE INSTITUTION**

8 **DISTRIBUTIONS.** The board of university and school lands shall make the following
9 adjustments to the distributions outlined in section 5 of this Act as a result of the misallocation of
10 mineral revenues between certain permanent funds. The proposed distribution adjustments
11 shall be one-time adjustments and represent the historic over or under payment to trust
12 beneficiaries that resulted from the misallocation of mineral revenues.

| | | |
|----|---|------------------|
| 13 | North Dakota state college of science | \$89,698 |
| 14 | State hospital | 89,698 |
| 15 | Veterans' home | 89,698 |
| 16 | North Dakota vision services - school for the blind | 89,698 |
| 17 | Dakota college at Bottineau | 89,698 |
| 18 | Dickinson state university | 89,698 |
| 19 | Minot state university | 89,698 |
| 20 | Youth correctional center | <u>(621,186)</u> |
| 21 | Total | \$6,700 |

22 **SECTION 7. STRATEGIC INVESTMENT AND IMPROVEMENTS FUND - GRANTS TO**

23 **AIRPORTS.** The grants line item in section 1 of this Act includes the sum of \$24,100,000 from
24 the strategic investment and improvements fund for grants to airports impacted by oil and gas
25 development, for the biennium beginning July 1, 2017, and ending June 30, 2019. The
26 department of trust lands shall adopt grant procedures and requirements necessary for the
27 distribution of grants under this section.