Sixty-sixth Legislative Assembly of North Dakota
In Regular Session Commencing Thursday, January 3, 2019

HOUSE BILL NO. 1003
(Appropriations Committee)

AN ACT to provide an appropriation for defraying the expenses of the North Dakota university system; to create and enact a new chapter to title 15, two new sections to chapter 15-10, section 15-10-48.1, and a new section to chapter 15-18 of the North Dakota Century Code, relating to the midwestern higher education compact, the university of North Dakota men's golf program, the professional student exchange program, matching grants for the university of North Dakota school of law, and the Curtis and Annette Hofstad agricultural center; to amend and reenact sections 15-10-12.1, 15-10-48, 15-10-49, 15-10-50, 15-18.2-02, 15-18.2-05, 15-62.4-03, and 54-44.1-11 of the North Dakota Century Code, relating to acceptance of buildings and campus improvements, matching grants for institutions under the control of the state board of higher education, state aid to institutions, the student financial assistance grant program, and the cancellation of unexpended appropriations; to repeal sections 15-10-37 and 15-10-61 of the North Dakota Century Code, relating to the technology occupations student loan program and the dual-credit instructor assistance program; to authorize the industrial commission to issue and sell evidences of indebtedness for capital projects; to authorize the state board of higher education to issue and sell bonds for capital projects; to provide for a transfer; to provide for the conveyance of real property; to provide for a legislative management study; to provide for reports; to provide for application; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the state board of higher education and to the entities and institutions under the supervision of the board, for the purpose of defraying the expenses of the state board of higher education and the entities and institutions under the control of the board, for the biennium beginning July 1, 2019, and ending June 30, 2021, as follows:

Subdivision 1.

NORTH DAKOTA UNIVERSITY SYSTEM OFFICE

	Base Level	Adjustments or Enhancements	Appropriation
Capital assets - bond payments	$6,605,326	($1,645,878)	$4,959,448
Competitive research programs	6,027,750	(342,000)	5,685,750
NASA EPSCoR	0	342,000	342,000
System governance	8,163,238	574,629	8,737,867
Title II	1,006,472	(1,006,472)	0
Core technology services	61,527,347	758,781	62,286,128
Student financial assistance grants	21,917,306	2,000,000	23,917,306
Professional student exchange program	3,699,342	0	3,699,342
Academic and technical education scholarships	12,016,749	0	12,016,749
Scholars program	1,807,115	0	1,807,115
Native American scholarship	555,323	0	555,323
Tribally controlled community college grants	600,000	400,000	1,000,000
Education incentive programs	2,863,393	(2,353,393)	510,000
Student mental health	284,400	0	284,400

Veterans' assistance grants	277,875	0	277,875
Shared campus services	500,000	0	500,000
Dual-credit instructor assistance	200,000	(200,000)	0
Education challenge fund	0	9,400,000	9,400,000
Tier III capital building fund pool	0	9,000,000	9,000,000
Total all funds	$128,051,636	$16,927,667	$144,979,303
Less estimated income	26,412,106	4,590,100	31,002,206
Total general fund	$101,639,530	$12,337,567	$113,977,097
Full-time equivalent positions	149.40	(0.50)	148.90

Subdivision 2.

BISMARCK STATE COLLEGE

	Base Level	Adjustments or Enhancements	Appropriation
Operations	$101,670,034	($2,926,352)	$98,743,682
Capital assets	1,922,561	0	1,922,561
Capital building fund	0	851,386	851,386
Total all funds	$103,592,595	($2,074,966)	$101,517,629
Less estimated income	72,991,998	(2,542,596)	70,449,402
Total general fund	$30,600,597	$467,630	$31,068,227
Full-time equivalent positions	358.35	(34.42)	323.93

Subdivision 3.

LAKE REGION STATE COLLEGE

	Base Level	Adjustments or Enhancements	Appropriation
Operations	$36,449,048	$1,110,079	$37,559,127
Capital assets	362,667	3,000,000	3,362,667
Capital building fund	0	354,750	354,750
Total all funds	$36,811,715	$4,464,829	$41,276,544
Less estimated income	24,111,092	4,220,172	28,331,264
Total general fund	$12,700,623	$244,657	$12,945,280
Full-time equivalent positions	129.61	(11.51)	118.10

Subdivision 4.

WILLISTON STATE COLLEGE

	Base Level	Adjustments or Enhancements	Appropriation
Operations	$26,954,133	$5,641,927	$32,596,060
Capital assets	1,261,968	0	1,261,968
Capital building fund	0	275,894	275,894
Total all funds	$28,216,101	$5,917,821	$34,133,922
Less estimated income	19,855,598	4,210,581	24,066,179
Total general fund	$8,360,503	$1,707,240	$10,067,743
Full-time equivalent positions	100.75	(0.27)	100.48

Subdivision 5.

UNIVERSITY OF NORTH DAKOTA

	Base Level	Adjustments or Enhancements	Appropriation

Operations	$864,554,974	$26,999,006	$891,553,980
Capital assets	4,411,566	145,000,000	149,411,566
Capital building fund	0	8,723,602	8,723,602
Total all funds	$868,966,540	$180,722,608	$1,049,689,148
Less estimated income	728,870,450	170,538,829	899,409,279
Total general fund	$140,096,090	$10,183,779	$150,279,869
Full-time equivalent positions	2,218.07	(85.90)	2,132.17

Subdivision 6.

NORTH DAKOTA STATE UNIVERSITY

	Base Level	Adjustments or Enhancements	Appropriation
Operations	$732,673,267	$12,602,304	$745,275,571
Capital assets	7,799,104	79,800,000	87,599,104
Capital building fund	0	5,799,192	5,799,192
Total all funds	$740,472,371	$98,201,496	$838,673,867
Less estimated income	611,881,329	94,077,555	705,958,884
Total general fund	$128,591,042	$4,123,941	$132,714,983
Full-time equivalent positions	1,895.66	(25.50)	1,870.16

Subdivision 7.

NORTH DAKOTA STATE COLLEGE OF SCIENCE

	Base Level	Adjustments or Enhancements	Appropriation
Operations	$91,682,610	$4,042,801	$95,725,411
Capital assets	1,012,379	0	1,012,379
Capital building fund	0	1,001,390	1,001,390
Total all funds	$92,694,989	$5,044,191	$97,739,180
Less estimated income	57,605,613	3,591,545	61,197,158
Total general fund	$35,089,376	$1,452,646	$36,542,022
Full-time equivalent positions	345.04	(34.31)	310.73

Subdivision 8.

DICKINSON STATE UNIVERSITY

	Base Level	Adjustments or Enhancements	Appropriation
Operations	$47,135,592	$1,425,402	$48,560,994
Capital assets	409,078	0	409,078
Capital building fund	0	537,724	537,724
Theodore Roosevelt digitization	0	200,000	200,000
Total all funds	$47,544,670	$2,163,126	$49,707,796
Less estimated income	29,737,827	1,376,906	31,114,733
Total general fund	$17,806,843	$786,220	$18,593,063
Full-time equivalent positions	168.90	44.36	213.26

Subdivision 9.

MAYVILLE STATE UNIVERSITY

	Base Level	Adjustments or Enhancements	Appropriation
Operations	$44,197,761	$3,521,794	$47,719,555

Capital assets	358,992	0	358,992
Capital building fund	0	480,058	480,058
Total all funds	$44,556,753	$4,001,852	$48,558,605
Less estimated income	30,307,148	1,830,841	32,137,989
Total general fund	$14,249,605	$2,171,011	$16,420,616
Full-time equivalent positions	210.53	(1.26)	209.27

Subdivision 10.

MINOT STATE UNIVERSITY

	Base Level	Adjustments or Enhancements	Appropriation
Operations	$100,710,275	$1,614,798	$102,325,073
Capital assets	1,099,620	0	1,099,620
Capital building fund	0	1,145,602	1,145,602
Total all funds	$101,809,895	$2,760,400	$104,570,295
Less estimated income	62,058,916	2,614,686	64,673,602
Total general fund	$39,750,979	$145,714	$39,896,693
Full-time equivalent positions	441.65	(34.07)	407.58

Subdivision 11.

VALLEY CITY STATE UNIVERSITY

	Base Level	Adjustments or Enhancements	Appropriation
Operations	$48,444,336	($267,408)	$48,176,928
Capital assets	455,823	0	455,823
Capital building fund	0	618,274	618,274
Total all funds	$48,900,159	$350,866	$49,251,025
Less estimated income	28,470,657	(1,878,565)	26,592,092
Total general fund	$20,429,502	$2,229,431	$22,658,933
Full-time equivalent positions	202.75	(22.07)	180.68

Subdivision 12.

DAKOTA COLLEGE AT BOTTINEAU

	Base Level	Adjustments or Enhancements	Appropriation
Operations	$17,168,111	$4,272,495	$21,440,606
Capital assets	114,007	2,500,000	2,614,007
Capital building fund	0	212,128	212,128
Total all funds	$17,282,118	$6,984,623	$24,266,741
Less estimated income	9,629,173	6,896,742	16,525,915
Total general fund	$7,652,945	$87,881	$7,740,826
Full-time equivalent positions	84.30	(2.01)	82.29

Subdivision 13.

UNIVERSITY OF NORTH DAKOTA SCHOOL OF MEDICINE AND HEALTH SCIENCES

	Base Level	Adjustments or Enhancements	Appropriation
Operations	$205,926,712	$5,369,938	$211,296,650
Health care workforce initiative	0	10,676,150	10,676,150
Total all funds	$205,926,712	$16,046,088	$221,972,800

Less estimated income	154,078,620	4,958,391	159,037,011
Total general fund	$51,848,092	$11,087,697	$62,935,789
Full-time equivalent positions	435.75	49.57	485.32

Subdivision 14.

NORTH DAKOTA FOREST SERVICE

	Base Level	Adjustments or Enhancements	Appropriation
Operations	$14,958,447	$264,889	$15,223,336
Capital assets	118,728	0	118,728
Total all funds	$15,077,175	$264,889	$15,342,064
Less estimated income	10,650,748	14,652	10,665,400
Total general fund	$4,426,427	$250,237	$4,676,664
Full-time equivalent positions	27.00	0.00	27.00

Subdivision 15.

BILL TOTAL

	Base Level	Adjustments or Enhancements	Appropriation
Grand total general fund	$613,242,154	$47,275,651	$660,517,805
Grand total special funds	1,866,661,275	294,499,839	2,161,161,114
Grand total all funds	$2,479,903,429	$341,775,490	$2,821,678,919

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-SEVENTH LEGISLATIVE ASSEMBLY. The following amounts reflect one-time funding items approved by the sixty-fifth legislative assembly for the 2017-19 biennium and the 2019-21 biennium one-time funding items included in the appropriation in section 1 of this Act:

One-Time Funding Description	2017-19	2019-21
Capital projects - other funds	$168,505,000	$230,300,000
Education challenge grants	2,000,000	9,400,000
School of law matching grants	0	250,000
Tier II and tier III capital building funds	0	29,000,000
Theodore Roosevelt digitization	0	200,000
University of North Dakota campus network upgrades	0	1,500,000
North Dakota state university campus network upgrades	0	1,500,000
Institution operations distributions	2,000,000	0
Dickinson state university operations and debt repayment	8,284,626	0
Two-year campus study	40,000	0
Valley City state university integrated carbon project	22,500,000	0
Minot state university projects	2,284,000	0
Midwestern higher education compact dues	230,000	0
Total all funds	$205,843,626	$272,150,000
Total other funds	193,289,000	260,300,000
Total general fund	$12,554,626	$11,850,000

The 2019-21 biennium one-time funding amounts are not a part of the entity's base budget for the 2021-23 biennium. The institutions and entities under the control of the state board of higher education shall report to the appropriations committees of the sixty-seventh legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 3. APPROPRIATION - 2017-19 BIENNIUM - WILLISTON STATE COLLEGE. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of $491,850, or so much of the sum as may be necessary, to Williston state college for

institution operations, for the period beginning with the effective date of this Act, and ending June 30, 2019. In accordance with section 54-44.1-11, any unexpended funds from this appropriation may be continued into the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 4. APPROPRIATION - 2017-19 BIENNIUM - DICKINSON STATE UNIVERSITY. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of $550,000, or so much of the sum as may be necessary, to Dickinson state university for the digitization of documents at the Theodore Roosevelt center, for the period beginning with the effective date of this Act, and ending June 30, 2019. In accordance with section 54-44.1-11, any unexpended funds from this appropriation may be continued into the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 5. APPROPRIATION - 2017-19 BIENNIUM - STATE BOARD OF HIGHER EDUCATION. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of $2,700,000, or so much of the sum as may be necessary, to the state board of higher education for campus workforce initiative projects, including $1,000,000 for the Bismarck state college polytechnic transition, $1,000,000 for the Dickinson state university dual-mission transition, and $700,000 for Williston state college, for the period beginning with the effective date of this Act, and ending June 30, 2019. In accordance with section 54-44.1-11, any unexpended funds from this appropriation may be continued into the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 6. A new chapter to title 15 of the North Dakota Century Code is created and enacted as follows:

Midwestern regional higher education compact.

The midwestern regional higher education compact is adopted as follows:

ARTICLE I - PURPOSE

The purpose of the midwestern higher education compact is to provide greater higher education opportunities and services in the midwestern region, with the aim of furthering regional access to, research in, and choice of higher education for the citizens residing in the states that are parties to this compact.

ARTICLE II - THE COMMISSION

1. The compacting states create the midwestern higher education commission, hereinafter called the commission. The commission is a body corporate of each compacting state. The commission has all the responsibilities, powers, and duties set forth in this chapter, including the power to sue and be sued, and any additional powers conferred upon it by subsequent action of the respective legislative assemblies of the compacting states in accordance with the terms of this compact.

2. The commission consists of the following five resident members from each state: the governor or the governor's designee who serves during the tenure of office of the governor; two legislators, one from each house, except for Nebraska, which may appoint two legislators from its legislative assembly, who serve two-year terms and are appointed by the appropriate appointing authority in each house of the legislative assembly; and two other at large members, at least one of whom is to be selected from the field of higher education. The at large members are to be appointed as provided by the laws of the appointing state. One of the two at large members initially appointed in each state serves a two-year term. The other, and any regularly appointed successor to either at large member, serves a four-year term. All vacancies are to be filled in accordance with the laws of the appointing states. Any commissioner appointed to fill a vacancy serves until the end of the incomplete term.

3. The commission shall select annually, from among its members, a chairman, a vice chairman, and a treasurer.

4. The commission shall appoint an executive director who serves at its pleasure and who is secretary to the commission. The treasurer, the executive director, and other personnel as the commission determines must be bonded in the amounts required by the commission.

5. The commission shall meet at least once each calendar year. The chairman may call additional meetings and upon the request of a majority of the commission members of three or more compacting states, shall call additional meetings. The commission shall give public notice of all meetings. All meetings must be open to the public.

6. Each compacting state represented at any meeting of the commission is entitled to one vote. A majority of the compacting states constitute a quorum for the transaction of business, unless a larger quorum is required by the bylaws of the commission.

ARTICLE III - POWERS AND DUTIES OF THE COMMISSION

1. The commission shall adopt bylaws governing its management and operations.

2. Notwithstanding the laws of any compacting state, the commission shall provide for the personnel policies and programs of the compact in its bylaws.

3. The commission shall submit a budget to the governor and legislative assembly of each compacting state at the time and for the period required by each state. The budget must contain recommendations regarding the amount to be appropriated by each compacting state.

4. The commission shall report annually to the legislative assemblies and governors of the compacting states, to the midwestern governors' conference, and to the midwestern legislative conference of the council of state governments regarding the activities of the commission during the preceding year. The reports must include any recommendations that have been adopted by the commission.

5. The commission may borrow, accept, or contract for the services of personnel from any state or from the United States, or from any subdivision or agency thereof, from any interstate agency, or from any person.

6. The commission may accept for any of its purposes and functions under the compact donations and grants of money, equipment, supplies, materials, and services, conditional or otherwise, from any state or the United States or from any subdivision or agency thereof, from an interstate agency, or from any person, and may receive, use, and dispose of the same.

7. The commission may enter agreements with any other interstate education organization or agency, with institutions of higher education located in nonmember states, and with any of the various states to provide adequate programs and services in higher education for the citizens of the respective compacting states. After negotiations with interested institutions and interstate organizations or agencies, the commission shall determine the cost of providing the programs and services in higher education for use in these agreements.

8. The commission may establish and maintain offices in one or more of the compacting states.

9. The commission may establish committees and hire staff as necessary to carry out its functions.

10. The commission may provide for actual and necessary expenses for the attendance of its members at official meetings of the commission or of its designated committees.

ARTICLE IV - ACTIVITIES OF THE COMMISSION

1. The commission shall collect data on the long-range effects of the compact on higher education. By the end of the fourth year from the effective date of the compact and every two years thereafter, the commission shall review its accomplishments and make

recommendations to the governors and legislative assemblies of the compacting states regarding continuance of the compact.

2. The commission shall study higher education issues that are of particular concern to the midwestern region. The commission also shall study the need for higher education programs and services in the compacting states and the resources for meeting those needs. The commission shall prepare reports, on its research, for presentation to the governors and legislative assemblies of the compacting states, as well as to other interested parties. In conducting the studies, the commission may confer with any national or regional planning body. The commission may draft and recommend to the governors and legislative assemblies of the various compacting states suggested legislation addressing issues in higher education.

3. The commission shall study the need for the provision of adequate programs and services in higher education, such as undergraduate, graduate, or professional student exchanges in the region. If a need for exchange in a field is apparent, the commission may enter agreements with any institution of higher education and with any compacting state to provide programs and services in higher education for the citizens of the respective compacting states. After negotiating with interested institutions and the compacting states, the commission shall determine the cost of providing the programs and services in higher education for use in its agreements. The contracting states shall contribute funds not otherwise provided, as determined by the commission, to carry out the agreements. The commission may also serve as the administrative and fiscal agent in carrying out agreements for higher education programs and services.

4. The commission shall serve as a clearinghouse for information regarding higher education activities among institutions and agencies.

5. The commission may provide services and research in any other area of regional concern.

ARTICLE V - FINANCE

1. The compacting states will appropriate the amount necessary to finance the general operations of the commission, not otherwise provided for, when authorized by their respective legislative assemblies. The amount must be apportioned equally among the compacting states.

2. The commission may not incur any obligations prior to the passage of appropriations adequate to meet the same; nor may the commission pledge the credit of any of the compacting states, except by and with the authority of the compacting state.

3. The commission shall keep accurate accounts of its receipts and disbursements. The receipts and disbursements of the commission are subject to the audit and accounting procedures established under its bylaws. All receipts and disbursements handled by the commission must be audited yearly by a certified or licensed public accountant and the report of the audit must be included in and become part of the annual report of the commission.

4. The accounts of the commission must be open at any reasonable time for inspection by duly authorized representatives of the compacting states and by persons authorized by the commission.

ARTICLE VI - ELIGIBLE PARTIES AND ENTRY INTO FORCE

1. The states of Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota, and Wisconsin are eligible to become parties to this compact. Additional states may be eligible if approved by a majority of the compacting states.

2. This compact becomes effective, as to any eligible party state, when its legislative assembly enacts the compact into law.

3. An amendment to the compact becomes effective upon its enactment by the legislative assemblies of all compacting states.

ARTICLE VII - WITHDRAWAL, DEFAULT, AND TERMINATION

1. A compacting state may withdraw from the compact by enacting a statute repealing the compact, but the withdrawal may not become effective until two years after the enactment of such statute. A withdrawing state is liable for any obligation that it incurred on account of its party status, up to the effective date of withdrawal, except that if the withdrawing state has specifically undertaken or committed itself to any performance of an obligation extending beyond the effective date of withdrawal, it remains liable to the extent of the obligation.

2. If a compacting state at any time defaults in the performance of its obligations, assumed or imposed, in accordance with this compact, all rights, privileges, and benefits conferred by this compact or by agreements made under the compact are suspended from the effective date of the default, as fixed by the commission. The commission shall stipulate the conditions and maximum time for compliance under which the defaulting state may resume its regular status. Unless the default is remedied under the stipulations and within the time period set by the commission, the compact may be terminated with respect to the defaulting state by affirmative vote of a majority of the other member states. A defaulting state may be reinstated by performing all acts and obligations required by the commission.

ARTICLE VIII - SEVERABILITY AND CONSTRUCTION

The provisions of this compact are severable, and if any phrase, clause, sentence, or provision of this compact is declared to be contrary to the constitution of any compacting state or of the United States or its applicability to any person or circumstance is held invalid, the validity of the remainder of the compact and its applicability to any person or circumstance may not be affected. If the compact is found to be contrary to the constitution of any compacting state, the compact remains in full force and effect as to the remaining states and in full force and effect as to the state affected as to all severable matters. The provisions of the compact must be liberally construed to effectuate the purpose of the compact.

Midwestern higher education commission - Terms - Vacancies.

1. The members of the midwestern higher education commission representing this state are:

   a. The governor or the governor's designee.

   b. One member of the senate and one member of the house of representatives, appointed by the chairman of the legislative management.

   c. Two at-large members, one of whom must be knowledgeable about the field of higher education, appointed by the governor.

2. The term of each legislative appointee is two years. One initial at-large member must be appointed for a term of two years and the other for a term of four years. Thereafter, the term of each at-large member is four years.

3. If a member vacates the position to which the member was appointed, the position must be filled for the remainder of the unexpired term in the same manner as that position was filled initially.

SECTION 7. AMENDMENT. Section 15-10-12.1 of the North Dakota Century Code is amended and reenacted as follows:

15-10-12.1. Acceptance of buildings and campus improvements - Legislative approval.

The state board of higher education may authorize campus improvements and building maintenance on land under the control of the board which are financed by donations, gifts, grants, and bequests if the cost of the improvement or building maintenance is not more than seven hundred thousand dollars. The consent of the legislative assembly is required for construction of any building or any addition to a building on land under the control of the board which is financed by donations, gifts, grants, and bequests. The consent of the legislative assembly is required for campus improvements or building maintenance financed by donations, gifts, grants, and bequests if the cost of the improvements or maintenance is more than seven hundred thousand dollars. During the time the legislative assembly is not in session, except for the six months preceding the convening of a regular session and the three months following the close of a regular session, and unless otherwise restricted by previous legislative action or other law, the state board of higher education, with the approval of the budget section of the legislative management, may authorize the use of land under the control of the board and construct buildings financed by donations, gifts, grants, and bequests and campus improvements and building maintenance financed by donations, gifts, grants, and bequests if the cost of the improvement or maintenance is more than seven hundred thousand dollars. Any project request submitted to the budget section for the construction of a building financed by donations, gifts, grants, and bequests must include the removal of a building or buildings with an equivalent or greater total number of square feet compared to the proposed building. The budget section approval must include a specific dollar limit for each building, campus improvement project, or maintenance project. The state board of higher education may authorize the sale of any real property or buildings which an institution of higher learning has received by gift or bequest. The board shall prescribe such conditions for the sale of the property as it determines necessary. The conditions must include requiring an appraisal and public auction or advertisement for bids, unless the gift instrument requires a different process. If the state board of higher education submits a request for campus improvements ~~or,~~ building maintenance, or to construct buildings under this section to the budget section for approval, the legislative council shall notify each member of the legislative assembly of the date of the budget section meeting at which the request will be considered and provide a copy of the meeting agenda to each member of the legislative assembly. The chairman of the budget section shall allow any member of the legislative assembly an opportunity to present testimony to the budget section regarding any such request.

SECTION 8. AMENDMENT. Section 15-10-48 of the North Dakota Century Code is amended and reenacted as follows:

15-10-48. Advancement of academics - Matching grants - University of North Dakota and North Dakota state university.

1. a. Subject to legislative appropriations, each biennium during the period beginning July first of each odd-numbered year and ending December thirty-first of each even-numbered year, the state board of higher education shall award one dollar in matching grants for every two dollars raised by the institutional foundations of the university of North Dakota and North Dakota state university for projects dedicated exclusively to the advancement of academics.

   b. To be eligible for a matching grant, an institution must demonstrate that:

      (1) Its foundation has raised at least fifty thousand dollars in cash or monetary pledges for a qualifying project; and

      (2) The project has been approved by the grant review committee established in section 15-10-51.

   c. The board may award up to ~~two hundred thousand~~one million seven hundred thousand dollars in matching grants to each institution.

   d. Projects at the university of North Dakota school of medicine and health sciences are not eligible to receive a grant under this section.

2. a. If any available dollars have not been awarded by the board before January first of each odd-numbered year, in accordance with subsection 1, either the university of North Dakota or North Dakota state university may apply for an additional matching grant.

   b. An application submitted under this subsection must meet the same criteria as an original application.

   c. The board shall consider each application submitted under this subsection in chronological order.

   d. If the remaining dollars are insufficient to provide a matching grant in the amount of one dollar for every two dollars raised by the institutional foundation, the board shall award a lesser amount.

3. The state board of higher education shall retain up to one-quarter of one percent of any grant awarded under this section to assist with administrative expenses incurred in the grant review process.

SECTION 9. Section 15-10-48.1 of the North Dakota Century Code is created and enacted as follows:

15-10-48.1. Clinical legal education, including indigent legal services, and faculty recruitment and retention - Matching grants - University of North Dakota school of law.

1. a. Subject to legislative appropriations, each biennium the state board of higher education shall award one dollar in matching grants for every two dollars raised by the institutional foundation of the university of North Dakota for projects dedicated exclusively to clinical legal education, including indigent legal services, or the recruitment and retention of faculty at the school of law.

   b. To be eligible for a matching grant, the institution shall demonstrate:

      (1) Its foundation has raised at least twenty-five thousand dollars in cash or monetary pledges for a qualifying project; and

      (2) The project has been approved by the grant review committee established in section 15-10-51.

   c. The board may award up to two hundred fifty thousand dollars in matching grants under this section.

   d. If the remaining dollars are insufficient to provide a matching grant in the amount of one dollar for every two dollars raised by the institutional foundation, the board shall award a lesser amount.

2. The state board of higher education shall retain up to one-quarter of one percent of any grant awarded under this section to assist with the administrative expenses incurred in the grant review process.

SECTION 10. AMENDMENT. Section 15-10-49 of the North Dakota Century Code is amended and reenacted as follows:

15-10-49. Advancement of academics - Matching grants - Two-year and four-year institutions of higher education.

1. a. Subject to legislative appropriations, each biennium during the period beginning July first of each odd-numbered year and ending December thirty-first of each even-numbered year, the state board of higher education shall award one dollar in matching grants for every two dollars raised by the institutional foundations of Bismarck state college, Dakota

college at Bottineau, Dickinson state university, Lake Region state college, Mayville state university, Minot state university, North Dakota state college of science, Valley City state university, and Williston state college for projects dedicated exclusively to the advancement of academics.

b. To be eligible for a matching grant, an institution must demonstrate that:

(1) Its foundation has raised at least twenty-five thousand dollars in cash or monetary pledges for a qualifying project; and

(2) The project has been approved by the grant review committee established in section 15-10-51.

c. The board may award up to ~~two hundred thousand dollars in matching grants to each institution.~~:

(1) Nine hundred fifty thousand dollars each to Bismarck state college, Minot state university, and the North Dakota state college of science;

(2) Seven hundred thousand dollars each to Dickinson state university, Mayville state university, and Valley City state university; and

(3) Three hundred fifty thousand dollars each to Dakota college at Bottineau, Lake Region state college, and Williston state college.

2. a. If any available dollars have not been awarded by the board before January first of each odd-numbered year, in accordance with subsection 1, any institution listed in subsection 1 may apply for an additional matching grant.

b. An application submitted under this subsection must meet the same criteria as an original application.

c. The board shall consider each application submitted under this subsection in chronological order.

d. If the remaining dollars are insufficient to provide a matching grant in the amount of one dollar for every two dollars raised by the institutional foundation, the board shall award a lesser amount.

3. The state board of higher education shall retain up to one-quarter of one percent of any grant awarded under this section to assist with administrative expenses incurred in the grant review process.

SECTION 11. AMENDMENT. Section 15-10-50 of the North Dakota Century Code is amended and reenacted as follows:

15-10-50. Liability for pledged amount.

If in accordance with section 15-10-48, 15-10-48.1, or 15-10-49, the state board of higher education provides grant funds to an institution, on the basis of a monetary pledge, and if the amount forthcoming is less than the amount pledged, the institutional foundation is liable to the institution for any shortfall.

SECTION 12. A new section to chapter 15-10 of the North Dakota Century Code is created and enacted as follows:

Professional student exchange programs - Bank of North Dakota - Agreements - Repayment.

1. The state board of higher education may not make a payment to an out-of-state institution on behalf of an individual participating in a professional student exchange program in veterinary

medicine, dentistry, or optometry unless that individual signed a legally binding agreement with the state board of higher education which identifies the amount of the award under the professional student exchange program.

2. If the individual who signed the agreement under subsection 1 is not practicing veterinary medicine, dentistry, or optometry in this state within thirty-six months following graduation or of leaving the education program, the individual shall repay the amount of the agreement in full at that time.

3. If the individual who signed the agreement under subsection 1 practices veterinary medicine, dentistry, or optometry in this state within thirty-six months following graduation, the state board of higher education shall reduce the amount of the agreement by one-third, for each full year the individual continues practicing in the state. If the individual stops practicing in this state before the amount of the agreement is waived in its entirety, the individual shall repay the remaining portion of the agreement in full from the date the individual stopped practicing in the state.

4. If the individual who signed the agreement under subsection 1 departs before graduation from a program in dentistry or optometry, at the time of departure that individual shall repay the amount of the agreement in full.

5. The Bank of North Dakota shall allow an individual who is required to repay all or a portion of an agreement under this section to utilize one of the Bank's student loan programs as an option for repayment, up to the amount certified by the state board of higher education. To qualify under this subsection, the individual must meet student loan credit criteria as established by the Bank.

6. The state board of higher education shall defer any repayment of an agreement otherwise due under this section for the period of time the individual who signed the agreement is pursuing full-time graduate or postdoctoral studies or is called to active duty as a member of the armed forces. The repayment provisions under an agreement signed under this section must provide for cancellation of the repayment requirements if the individual dies or becomes permanently or totally disabled.

7. The state board of higher education shall adopt policies and procedures implementing this section. The state board of higher education shall confirm eligibility, to the Bank, of any individual who uses the Bank's student loan program to repay any outstanding agreement amounts in full.

SECTION 13. A new section to chapter 15-10 of the North Dakota Century Code is created and enacted as follows:

University of North Dakota men's varsity golf program.

If certain real property known as the Ray Richards golf course or Ray Richards golf course addition, 3801 demers avenue, lot 1, block 1, and Ray Richards golf course addition, 3501 demers avenue, lot 2, block 1, in the records of the city of Grand Forks, or any portion of the property, is conveyed, fifty-three and fifty-seven one hundredths percent of the sale price must be transferred to a permanent endowment fund named the Ray Richards golf endowment fund, which must be controlled and administered by the university of North Dakota alumni foundation for the sole benefit of the university of North Dakota men's varsity golf program in honor of the Ray Richards family. If the university of North Dakota men's varsity golf program has been terminated prior to the conveyance, so much of the funds in the Ray Richards golf endowment fund as necessary must be used to reinstate the program, and the remainder must be used for the sole benefit of the program.

SECTION 14. A new section to chapter 15-18 of the North Dakota Century Code is created and enacted as follows:

Curtis and Annette Hofstad agricultural center.

The agricultural center constructed on the campus of Lake Region state college is officially named the Curtis and Annette Hofstad agricultural center.

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

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

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

   a. The factors for credits completed in agriculture are:

      (1) 1.9 for lower division credits;

      (2) 3.8 for upper division credits;

      (3) 5.7 for professional level credits; and

      (4) 7.6 for graduate level credits.

   b. The factors for credits completed in architecture are:

      (1) 1.8 for lower division credits;

      (2) 3.6 for upper division credits;

      (3) 5.4 for professional level credits; and

      (4) 7.2 for graduate level credits.

   c. The factors for credits completed in transportation are:

      (1) 1.9 for lower division credits;

      (2) 3.8 for upper division credits;

      (3) 5.7 for professional level credits; and

      (4) 7.6 for graduate level credits.

   d. The factors for credits completed in the biological and physical sciences are:

      (1) 1.9 for lower division credits;

      (2) 3.8 for upper division credits;

      (3) 5.7 for professional level credits; and

      (4) 7.6 for graduate level credits.

   e. The factors for credits completed in business are:

      (1) 1.9 for lower division credits;

      (2) 3.8 for upper division credits;

(3) 5.7 for professional level credits; and

(4) 7.6 for graduate level credits.

f. The factors for credits completed in education are:

(1) 1.9 for lower division credits;

(2) 3.8 for upper division credits;

(3) 5.7 for professional level credits; and

(4) 7.6 for graduate level credits.

g. The factors for credits completed in engineering are:

(1) 2.5 for lower division credits;

(2) 5.0 for upper division credits;

(3) 7.5 for professional level credits; and

(4) 10.0 for graduate level credits.

h. The factors for credits completed in the health sciences are:

(1) 3.0 for lower division credits;

(2) 6.0 for upper division credits;

(3) 9.0 for professional level credits;

(4) 12.0 for graduate level credits; and

(5) ~~38.0~~34.5 for medical school credits.

i. The factors for credits completed in legal studies are:

(1) 3.5 for lower division credits;

(2) 7.0 for upper division credits;

(3) ~~10.5~~14.0 for professional level credits; and

(4) 14.0 for graduate level credits.

j. The factors for credits completed in the core disciplines are:

(1) 1.0 for lower division credits;

(2) 2.0 for upper division credits;

(3) 3.0 for professional level credits; and

(4) 4.0 for graduate level credits.

k. The factor for credits completed in career and technical education is 2.0.

l. The factor for completed basic skills credits is 2.3.

2. a. The state board of higher education shall ensure that all delineations in this section reflect the requirements of a nationally recognized and standardized instructional program classification system.

   b. Before adopting any changes to the delineations implemented in accordance with this section, the state board of higher education shall present the proposed changes to and receive the approval of the legislative management.

SECTION 16. AMENDMENT. Section 15-18.2-05 of the North Dakota Century Code is amended and reenacted as follows:

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

1. Except as provided under subsection 2, in order to determine the state aid payment to which each institution under its control is entitled, the state board of higher education shall multiply the product determined under section 15-18.2-04 by a base amount of:

   a. ~~$58.65~~$60.87 in the case of North Dakota state university and the university of North Dakota;

   b. ~~$86.95~~$90.98 in the case of Dickinson state university, Mayville state university, Minot state university, and Valley City state university; and

   c. ~~$93.03~~$97.06 in the case of Bismarck state college, Dakota college at Bottineau, Lake Region state college, North Dakota state college of science, and Williston state college.

2. An institution is entitled to an amount equal to seventy-five percent of the product determined under subsection 1 for credits completed by students receiving a tuition waiver pursuant to section 54-12-35.

SECTION 17. AMENDMENT. Section 15-62.4-03 of the North Dakota Century Code is amended and reenacted as follows:

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

1. The state board of higher education shall provide to each eligible student a financial assistance grant in an amount not exceeding:

   a. ~~Nine hundred seventy-five~~One thousand one hundred dollars per semester; or

   b. ~~Six hundred fifty~~Seven hundred thirty-three dollars per quarter.

2. a. A student is not entitled to receive grants under this chapter for more than the equivalent of:

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

      (2) Twelve quarters of full-time enrollment.

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

3. The board shall forward grants payable under this chapter directly to the institution in which the student is enrolled.

SECTION 18. AMENDMENT. Section 54-44.1-11 of the North Dakota Century Code is amended and reenacted as follows:

54-44.1-11. Office of management and budget to cancel unexpended appropriations - When they may continue. (Effective through July 31, ~~2019~~2021)

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

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

Office of management and budget to cancel unexpended appropriations - When they may continue. (Effective after July 31, ~~2019~~2021) The office of management and budget, thirty days after the close of each biennial period, shall cancel all unexpended appropriations or balances of appropriations after the expiration of the biennial period during which they became available under the law. Unexpended appropriations for the state historical society are not subject to this section and the state historical society shall report on the amounts and uses of funds carried over from one biennium to the appropriations committees of the next subsequent legislative assembly. The chairmen of the appropriations committees of the senate and house of representatives of the legislative assembly with the office of the budget may continue appropriations or balances in force for not more than two years after the expiration of the biennial period during which they became available upon recommendation of the director of the budget for:

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

6. Authorized ongoing information technology projects.

SECTION 19. REPEAL. Sections 15-10-37 and 15-10-61 of the North Dakota Century Code are repealed.

SECTION 20. ADDITIONAL FEDERAL, PRIVATE, AND OTHER FUNDS - APPROPRIATION. All funds, in addition to those appropriated in section 1 of this Act, from federal, private, and other sources for competitive grants or other funds that the legislative assembly has not indicated the intent to reject, including tuition revenue, received by the state board of higher education and the institutions and entities under the control of the state board of higher education, are appropriated to the board and those institutions and entities, for the biennium beginning July 1, 2019, and ending June 30, 2021. All additional funds received under the North Dakota-Minnesota reciprocity agreement during the biennium beginning July 1, 2019, and ending June 30, 2021, are appropriated to the state board of higher education for reimbursement to institutions under the control of the board.

SECTION 21. CAMPUS CAPITAL PROJECTS - PROJECT MANAGEMENT. During the period beginning with the effective date of this Act, and ending June 30, 2021, each capital project authorized by the state board of higher education must have adequate project management oversight by either an institution official or a representative of an external entity. An institution may seek assistance from the North Dakota university system office for project management oversight of a capital project.

SECTION 22. UNIVERSITY OF NORTH DAKOTA SCHOOL OF MEDICINE AND HEALTH SCIENCES OPERATIONS. The operations line item in subdivision 5 of section 1 of this Act includes a funding allocation from the higher education per student credit-hour funding formula attributable to inflation during the biennium beginning July 1, 2019, and ending June 30, 2021. Based on the recommendation of the commissioner of higher education a portion of the allocation may be transferred by the state board of higher education between the university of North Dakota school of medicine and health sciences and the university of North Dakota.

SECTION 23. TRANSFER AUTHORITY - LEGISLATIVE MANAGEMENT REPORT. Notwithstanding section 54-16-04, the state board of higher education may transfer appropriation authority from the operations to the capital assets and capital building fund line items within subdivisions 2 through 14 of section 1 of this Act for the period beginning with the effective date of this Act, and ending June 30, 2021. The board shall report any transfer of funds under this section to the office of management and budget and the legislative management.

SECTION 24. FULL-TIME EQUIVALENT POSITION ADJUSTMENTS. Notwithstanding any other provisions of law, the state board of higher education may adjust full-time equivalent positions as needed, subject to the availability of funds, for institutions and entities under its control during the biennium beginning July 1, 2019, and ending June 30, 2021. The North Dakota university system shall report any adjustments to the office of management and budget as part of the submission of the 2021-23 biennium budget request.

SECTION 25. USE OF EXTRAORDINARY REPAIRS FUNDING - MATCHING FUNDS. The capital assets line items in subdivisions 2 through 12 of section 1 of this Act include funding from the general fund for institution extraordinary repairs. An institution shall provide two dollars of matching funds from operations or other sources for each one dollar of extraordinary repairs funding used for a project. An institution may not use tier II or tier III capital building fund moneys as matching funds under this section.

SECTION 26. SALE OF PROPERTY AUTHORIZED. The state of North Dakota, by and through the state board of higher education, may sell and convey certain real property known as gallery apartments, lots 1, 2, and 3, block 13, university heights addition, and lots 1, 2, 3, 4, 5, and 6, block 1, university heights 2nd addition, in the records of the city of Grand Forks. The state of North Dakota, by and through the state board of higher education, may sell and convey certain real property located at 1225 stanford road, lots 1 and 2, block 5, university heights addition, in the records of the city of Grand Forks. If any of the real property authorized to be conveyed under this section is conveyed, the terms of

the conveyance must be determined jointly by the state board of higher education or a designee of the board and the commissioner of university and school lands. Sections 54-01-05.2 and 54-01-05.5 do not apply to the transfers authorized by this section.

SECTION 27. PROJECT AUTHORIZATIONS. The industrial commission, acting as the North Dakota building authority, shall arrange for the funding of the projects authorized in this section, declared to be in the public interest, through the issuance of evidences of indebtedness under chapter 54-17.2, beginning with the effective date of this Act, and ending June 30, 2021. The industrial commission shall issue evidences of indebtedness under this section with the condition that lease rental payments need not begin until July 1, 2021. The authority of the industrial commission to issue evidences of indebtedness under this section ends June 30, 2021, but the industrial commission may continue to exercise all other powers granted to it under chapter 54-17.2 and this Act and comply with any covenants entered before that date. The proceeds of the evidences of indebtedness are included in the appropriation in subdivision 5 of section 1, beginning with the effective date of this Act, and ending June 30, 2021, for the following projects:

University of North Dakota - deferred maintenance and parking projects	$30,000,000
Total special funds	$30,000,000

The university of North Dakota is responsible for the repayment of any evidences of indebtedness issued under this section from institution operations funding or other local funds.

SECTION 28. BOND ISSUANCE AUTHORIZATION - PURPOSES. The state board of higher education, in accordance with chapter 15-55, may arrange for the funding of projects authorized in this section, declared to be in the public interest, through the issuance of self-liquidating, tax-exempt evidences of indebtedness under chapter 15-55, beginning with the effective date of this Act and ending June 30, 2021. Evidences of indebtedness issued pursuant to this section are not a general obligation of the state of North Dakota. Any unexpended balance resulting from the proceeds of the evidences of indebtedness must be placed in a sinking fund to be used for the retirement of indebtedness. The evidences of indebtedness may be issued and the proceeds are appropriated in section 1 of this Act for the following capital projects:

University of North Dakota - memorial union	$80,000,000
North Dakota state university - university village phase II	37,600,000
Dakota college at Bottineau - dining facility	2,500,000
Total special funds	$120,100,000

SECTION 29. TRANSFER - BANK OF NORTH DAKOTA PROFITS - TIER II CAPITAL BUILDING FUNDS - MATCHING FUNDS. The industrial commission shall transfer to institutions under the control of the state board of higher education a total of $10,000,000, or so much of the sum as may be necessary, from the current earnings and accumulated undivided profits of the Bank of North Dakota during the period beginning with the effective date of this Act, and ending June 30, 2021, as requested by the commissioner of higher education. The capital building fund and estimated income line items in subdivisions 2 through 12 of section 1 of this Act include $10,000,000 from the current earnings and accumulated undivided profits of the Bank of North Dakota as follows:

	Bank of North Dakota
Bismarck state college	$425,693
Lake Region state college	177,375
Williston state college	137,947
University of North Dakota	4,361,801
North Dakota state university	2,899,596
North Dakota state college of science	500,695
Dickinson state university	268,862
Mayville state university	240,029
Minot state university	572,801
Valley City state university	309,137

Dakota college at Bottineau	106,064
Total	$10,000,000

An institution shall provide one dollar of matching funds from operations or other sources for each one dollar from Bank of North Dakota profits deposited in each institution's capital building fund. An institution may not use extraordinary repairs funding or tier III capital building fund moneys as matching funds under this section.

SECTION 30. TRANSFER - BANK OF NORTH DAKOTA PROFITS - TIER III CAPITAL BUILDING FUND POOL - MATCHING FUNDS. The industrial commission shall transfer to the North Dakota university system office a total of $7,000,000, or so much of the sum as may be necessary, from the current earnings and accumulated undivided profits of the Bank of North Dakota during the period beginning with the effective date of this Act, and ending June 30, 2021, as requested by the commissioner of higher education. The tier III capital building fund pool and estimated income line items in subdivision 1 of section 1 of this Act include $7,000,000 from the current earnings and accumulated undivided profits of the Bank of North Dakota. The tier III capital building fund pool in subdivision 1 of section 1 of this Act also includes $2,000,000 from the general fund. Funding from the tier III capital building fund pool is to be allocated to each institution as follows:

	Tier III Capital Building Fund
Bismarck state college	$500,000
Lake Region state college	500,000
Williston state college	500,000
University of North Dakota	2,250,000
North Dakota state university	2,250,000
North Dakota state college of science	500,000
Dickinson state university	500,000
Mayville state university	500,000
Minot state university	500,000
Valley City state university	500,000
Dakota college at Bottineau	500,000
Total	$9,000,000

An institution shall provide two dollars of matching funds from operations or other sources for each one dollar from the tier III capital building fund pool. An institution may not use extraordinary repairs funding or tier II capital building fund moneys as matching funds under this section. Any funds transferred to an institution pursuant to this section from the tier III capital building fund pool must be placed in that institution's capital building fund line item.

SECTION 31. CAPITAL BUILDING FUNDS - USES - REPORTS. After the institution has matched seventy-five percent of the funding appropriated from the general fund for institution extraordinary repairs pursuant to section 25 of this Act and subject to state board of higher education approval, each institution in subdivisions 2 through 12 of section 1 of this Act may use moneys from its capital building fund line item for extraordinary repairs and deferred maintenance projects which do not exceed $700,000 and do not increase the square footage of a building. In addition, the following projects are authorized to use funding from the corresponding institution's capital building fund line item:

Lake Region state college - precision agriculture center	$3,000,000
North Dakota state college of science - Hektner Student Center	6,708,000
Minot state university - dome wellness emergency generators	1,130,335
Valley City state university - life safety projects	2,529,323
Dakota college at Bottineau - Nelson Science Center	1,177,758
Total	$14,545,416

The North Dakota university system shall report to the legislative management during the 2019-20 interim and to the appropriations committees of the sixty-seventh legislative assembly on the use of

funding in each institutions' capital building fund line item, the source of matching funds, and each institutions' five-year plan for capital construction spending.

SECTION 32. TRANSFER - BANK OF NORTH DAKOTA PROFITS - CAMPUS NETWORK UPGRADES. The industrial commission shall transfer to the university of North Dakota a total of $1,500,000, or so much of the sum as may be necessary, and to North Dakota state university a total of $1,500,000, or so much of the sum as may be necessary, from the current earnings and accumulated undivided profits of the Bank of North Dakota during the biennium beginning July 1, 2019, and ending June 30, 2021, as requested by the commissioner of higher education. The estimated income line items in subdivisions 5 and 6 of section 1 include $1,500,000 each for the university of North Dakota and North Dakota state university for campus network upgrades.

SECTION 33. TUITION RATE INCREASE LIMITATION - BUDGET SECTION APPROVAL.

1. Except as provided in this section, notwithstanding any other provision of law, the state board of higher education may not increase tuition rates for resident students attending institutions of higher education under its control during the 2019-20 academic year by more than four percent as compared to the tuition rate in effect during the 2019 spring semester unless the board receives prior budget section approval. Before approving or denying the request, the budget section shall consider the effect the tuition rate increase will have on current and prospective students, tuition rates at comparable institutions in neighboring states, and the institution's planned use of additional tuition revenue.

2. Except as provided in this section, notwithstanding any other provision of law, the state board of higher education may not increase tuition rates for resident students attending institutions of higher education under its control during the 2020-21 academic year by more than four percent as compared to the tuition rate in effect during the 2020 spring semester unless the board receives prior budget section approval. Before approving or denying the request, the budget section shall consider the effect the tuition rate increase will have on current and prospective students, tuition rates at comparable institutions in neighboring states, and the institution's planned use of additional tuition revenue.

3. This section does not apply to tuition rates charged for graduate level programs, including programs offered through the university of North Dakota school of medicine and health sciences, the university of North Dakota school of law, or the North Dakota state university school of pharmacy.

4. This section does not apply to tuition rates for nonresident students attending institutions of higher education under the control of the state board of higher education. For purposes of this section, the residency of students for tuition purposes must be determined under section 15-10-19.1.

5. This section does not apply to tuition rates determined under tuition reciprocity agreements entered into by the state board of higher education with other states or state education compacts.

6. This section does not apply to differentiated tuition rates charged for higher cost programs.

7. For purposes of this section, an institution must calculate a resident tuition rate increase based on the tuition rate paid by an average full-time resident student. The state board of higher education may exclude adjustments to a tuition rate resulting from a change in an institution's method of charging tuition, including the consolidation of existing fees into tuition rates or charging tuition based on a per-credit rate, from tuition rate calculations under this section.

SECTION 34. LEGISLATIVE MANAGEMENT STUDY. During the 2019-20 interim, the legislative management shall consider studying North Dakota university system competitive research programs, including the established program to stimulate competitive research. The legislative management shall

report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-seventh legislative assembly.

SECTION 35. APPLICATION. Section 12 of this Act applies to individuals initially entering a professional student exchange program in veterinary medicine, dentistry, or optometry after June 30, 2020.

SECTION 36. EMERGENCY. Sections 3, 4, 5, 21, 23, 25, 26, 27, 28, 29, 30, and 31 of this Act and the tier III capital building fund pool, capital assets, and capital building fund line items in section 1 of this Act are declared to be an emergency measure.

Speaker of the House	President of the Senate
Chief Clerk of the House	Secretary of the Senate

This certifies that the within bill originated in the House of Representatives of the Sixty-sixth Legislative Assembly of North Dakota and is known on the records of that body as House Bill No. 1003 and that two-thirds of the members-elect of the House of Representatives voted in favor of said law.

Vote: Yeas 68 Nays 23 Absent 3

Speaker of the House	Chief Clerk of the House

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

Vote: Yeas 40 Nays 7 Absent 0

President of the Senate	Secretary of the Senate

Received by the Governor at _____M. on _____, 2019.

Approved at _____M. on _____, 2019.

Governor

Filed in this office this _____day of _____, 2019,

at _____ o'clock _____M.

Secretary of State