21.0044.02000

Sixty-seventh
Legislative Assembly
of North Dakota

SECOND DRAFT:
Prepared by the Legislative Council staff for the
Higher Education Funding Formula Review Committee
December 2019

Introduced by

A BILL for an Act to create and enact section 15-18.2-06.1 of the North Dakota Century Code, relating to a higher education funding formula minimum amount payable; to amend and reenact subdivision k of subsection 1 of section 15-18.2-02 and sections 15-18.2-03 and 15-18.2-05 of the North Dakota Century Code, relating to the higher education funding formula; to repeal section 15-18.2-04 of the North Dakota Century Code, relating to the institutional size factor of the higher education funding formula; to provide for a study; to provide for a report; and to provide legislative intent.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Subdivision k of subsection 1 of section 15-18.2-02 of the North Dakota Century Code is amended and reenacted as follows:

k. The factor for credits completed in career and technical education is ~~2.0~~3.0.

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

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

1. Except as provided in subsections 2 and 3 of this section, for each institution under its control, the state board of higher education shall multiply the product determined under section 15-18.2-02 by a factor of:
   a. 1.00 if the number of credit-hours is at least 240,000;
   b. 1.05 if the number of credit-hours is at least 180,000 but less than 240,000;
   c. 1.10 if the number of credit-hours is at least ~~120,000~~135,000 but less than 180,000;
   d. 1.15 if the number of credit-hours is at least ~~90,000~~130,000 but less than ~~120,000~~135,000;

e. 1.20 if the number of credit-hours is at least ~~80,000~~120,000 but less than ~~90,000~~130,000;

f. 1.30 if the number of credit-hours is at least 70,000 but less than ~~80,000~~120,000;

g. 1.40 if the number of credit-hours is at least 60,000 but less than 70,000;

h. 1.50 if the number of credit-hours is at least 50,000 but less than 60,000;

i. 1.60 if the number of credit-hours is at least 40,000 but less than 50,000;

j. 1.70 if the number of credit-hours is at least 30,000 but less than 40,000; and

k. 1.80 if the number of credit-hours is less than 30,000.

~~2. If the square footage of an institution, when divided by the institution's weighted credit-hours results in a quotient greater than 5.00, the state board of higher education shall multiply the product determined under section 15-18.2-02 by a factor of 1.00. For purposes of this subsection, the square footage of an institution includes real property as determined by the state board of higher education in accordance with section 15-18.2-04.~~

~~3.~~ If the number of credit-hours completed by an institution ~~causes~~would cause a decrease in the credit completion factor for that institution~~, the new credit completion factor shall not be in effect for calculation purposes for the first two fiscal years following the change~~ compared to the credit completion factor the institution was entitled to receive during the 2017-19 biennium, the state board of higher education shall multiply the product determined under section 15-18.2-02 by a credit growth factor of 1.0 for credits in excess of the factor the institution was entitled to receive during the 2017-19 biennium. Any weighted credit-hours multiplied by a credit growth factor under this section must have a weight of 1.0 under section 15-18.2-02. The state board of higher education shall multiply the remaining weighted credits by the credit completion factor the institution was entitled to receive during the 2017-19 biennium.

~~4.~~3. For purposes of this section, the number of credit-hours must be those determined by the state board of higher education in accordance with section 15-18.2-01.

SECTION 3. 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~~

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~~15-18.2-03 by a base amount of:

~~a.~~1. $60.87 in the case of North Dakota state university and the university of North Dakota;

~~b.~~2. $90.98 in the case of Dickinson state university, Mayville state university, Minot state university, and Valley City state university; and

~~c.~~3. $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 4. Section 15-18.2-06.1 of the North Dakota Century Code is created and enacted as follows:

15-18.2-06.1. Base funding - Minimum amount payable.

Notwithstanding any calculations required by this chapter, during each biennium beginning with the 2021-23 biennium, an institution may not receive less than ninety-six percent of the state aid to which the institution was entitled under this chapter during the previous biennium.

SECTION 5. REPEAL. Section 15-18.2-04 of the North Dakota Century Code is repealed.

SECTION 6. STATE BOARD OF HIGHER EDUCATION - STUDY OF THE HIGHER EDUCATION FUNDING FORMULA - REPORT TO THE LEGISLATIVE MANAGEMENT. During the period beginning July 1, 2021, and ending June 30, 2022, the state board of higher education shall study the higher education funding formula, including instructional program classification factors. The state board of higher education shall provide a report to the legislative management regarding any findings or recommended changes to the funding formula by June 30, 2022.

SECTION 7. LEGISLATIVE INTENT - WEIGHTED CREDIT-HOURS - INSTRUCTIONAL PROGRAM CLASSIFICATION FACTORS. It is the intent of the sixty-seventh legislative assembly that veterinary medicine courses remain under the health sciences instructional

program classification within the higher education funding formula. It is further the intent of the sixty-seventh legislative assembly that computer and information sciences and support services courses be transferred to the engineering instructional program classification within the higher education funding formula.