Sixty-seventh
Legislative Assembly
of North Dakota

BILL NO.

Introduced by

Legislative Management

(Higher Education Committee)

A BILL for an Act to create and enact a new chapter to title 15 of the North Dakota Century Code, relating to the university system capital building fund; to provide an appropriation; to provide for a transfer; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. A new chapter to title 15 of the North Dakota Century Code is created and enacted as follows:

University system capital building fund - Creation - Continuing appropriation.

There is created in the state treasury the university system capital building fund. The university system capital building fund consists of moneys transferred to the fund and any interest and earnings of the fund. The state board of higher education may provide for the fund to be invested under the supervision of the state investment board. Moneys in the fund are appropriated to the state board of higher education on a continuing basis for allocations to the institutions under the control of the state board of higher education for capital projects as directed by the legislative assembly and in accordance with this chapter. Any interest or earnings of the fund must be allocated to the capital building fund pool within the university system capital building fund.

Capital building funds - Uses - Reports.

Subject to tier II and tier III capital building fund matching requirements under this chapter, each institution may use its allocation of funds from the university system capital building fund for projects specifically authorized by the legislative assembly to use university system capital building fund moneys. In addition, after an institution has matched and committed seventy-five percent of the funding appropriated for the institution's tier I extraordinary repairs and subject to state board of higher education approval and matching requirements under this chapter, each institution may use its allocation of funds from the university system capital building fund for

extraordinary repairs and deferred maintenance projects that do not increase the overall square footage of a building. The state board of higher education shall report biennially to the legislative management and to the appropriations committees of the legislative assembly on the use of funding in the university system capital building fund, the source of matching funds, and each institution's five-year plan for capital construction spending.

Tier II capital building funds - Matching requirements.

The state board of higher education may allocate tier II capital building fund moneys to an institution for a project only after the institution provides one dollar of matching funds from operations or other sources for each one dollar from the university system capital building fund for the project. An institution may not use tier I extraordinary repairs funding, tier III capital building fund moneys, or state funding appropriated for a specific capital project as matching funds under this section.

Tier III capital building funds - Matching requirements.

The state board of higher education may allocate tier III capital building fund moneys to an institution only after the institution provides two dollars of matching funds from operations or other sources for each one dollar from the university system capital building fund for the project. An institution may not use tier I extraordinary repairs funding, tier II capital building fund moneys, or state funding appropriated for a specific capital project as matching funds under this section.

Capital building fund pool.

If the state board of higher education has not allocated capital building fund moneys to an institution by January first of the third biennium after the funding was appropriated or transferred to the fund, the board shall reallocate the funds to a pool within the university system capital building fund. Any institution under the control of the state board of higher education that has fully matched and committed its university system capital building fund allocation may apply for and be allocated funding from the capital building fund pool, subject to state board of higher education approval and tier III capital building fund matching requirements under this chapter.

SECTION 2. UNSPENT FUNDS - TRANSFER - BANK OF NORTH DAKOTA PROFITS - GENERAL FUND - UNIVERSITY SYSTEM CAPITAL BUILDING FUND. Any amounts from the $17,000,000 from the current earnings and accumulated profits of the Bank of North Dakota for the tier II and tier III capital building fund program and any amounts from the $2,000,000 from

the general fund for the tier III capital building fund program appropriated in section 1 of chapter 3 of the 2019 Session Laws which are not matched and committed for a project by June 30, 2021, must be transferred to the university system capital building fund at the end of the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 3. APPROPRIATION - TRANSFER - BANK OF NORTH DAKOTA PROFITS - GENERAL FUND - UNIVERSITY SYSTEM CAPITAL BUILDING FUND. The industrial commission shall transfer to the university system capital building fund a total of $17,000,000, 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, 2023. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of $2,000,000, or so much of the sum as may be necessary, which the director of the office of management and budget shall transfer to the university system capital building fund during the period beginning with the effective date of this Act, and ending June 30, 2023. Funding transferred pursuant to this section is to be allocated to each institution as follows:

	Tier II	Tier III	Total
Bismarck state college	$379,229	$500,000	$879,229
Williston state college	132,917	500,000	632,917
Lake Region state college	182,643	500,000	682,643
University of North Dakota	4,396,913	2,250,000	6,646,913
North Dakota state university	2,874,621	2,250,000	5,124,621
North Dakota state college of science	471,184	500,000	971,184
Dickinson state university	278,687	500,000	778,687
Mayville state university	264,426	500,000	764,426
Minot state university	579,303	500,000	1,079,303
Valley City state university	315,966	500,000	815,966
Dakota college at Bottineau	124,111	500,000	624,111
Total	$10,000,000	$9,000,000	$19,000,000

SECTION 4. CAPITAL BUILDING FUNDS - USES. The institutions listed may use funding from the respective institution's university system capital building fund allocation for the following projects authorized by the sixty-sixth legislative assembly:

North Dakota state university - Dunbar Hall	$51,200,000
North Dakota state university - Agriculture products development center	60,000,000
University of North Dakota - Gamble Hall	70,000,000
Total	$181,200,000

SECTION 5. EMERGENCY. This Act is declared to be an emergency measure.