



HB1034

House Appropriations Education and Environment Committee

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Chair Nathe and members of the House Appropriations Education and Environment Committee. My name is David Krebsbach, and I serve as the Vice Chancellor of Administrative Affairs & Chief Financial Officer for the North Dakota University System (NDUS). I am here today on behalf of the North Dakota University System and its eleven institutions to provide testimony in support of HB1040 and offer a request for one amendment.

The North Dakota University System institutions are supportive of the Capital Building funds provided by the legislature over the past biennia. Utilizing these funds, the institutions have completed many capital and deferred maintenance projects that reflect very positively at each of the institutions.

Section 1 of HB1034 requires NDUS institutions to utilize other funds from gifts, grants, donations, the university system capital building fund, or other local funds for a specified percentage of capital project requests. Requires renovation projects reduce the deferred maintenance amount of the facility by no less than seventy five percent of the renovation and requires construction and renovation projects to conform to campus master plans.

Section 2 defines the uses of the capital building funds. Institutions may use their allocation of capital building funds for projects authorized by the legislative assembly and extraordinary repair and deferred maintenance projects for **academic facilities** that do not increase the overall square footage of a building. This section also requires a biennial report by the State Board of Higher Education to legislative management and to the appropriations committee on the use of the funding, source of matching funds and each institutions five-year capital construction spending.

The North Dakota University System requests an amendment to the bill to expand the allowable uses by removing the reference to “academic facilities.” This would allow the institutions to utilize these funds for residence life and other auxiliary facility projects.

Section 3 provides a transfer of \$29 million in funding from the strategic investment and improvements fund to the university system capital building fund for the 2023-25 biennium and provides specific institution allocations for tier II and tier III.



Section 4 specifies extraordinary repair matching requirements of one dollar matching funds from operations or other sources for each one dollar of extraordinary repairs funding used for a project for all institutions except the university of North Dakota and North Dakota state university, which are required to provide two dollars of matching funds for each one dollar of extraordinary repairs funding used for a project. **The North Dakota University System requests an amendment to the bill to allow the university of North Dakota and North Dakota State University a matching requirement of one dollar for each one dollar of extraordinary repairs funding.**

This concludes my testimony. I will stand for questions from Committee members.