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TESTIMONY IN SUPPORT OF SB 2212

Senate Appropriations Committee - Education & Environment Division

January 22, 2025

SB 2212 builds off legislative efforts over the past decade to better manage the capital building assets of our public colleges and universities by providing a more stable and consistent source of state funds to maintain existing facilities and build capital projects. This bill, which works within the existing three tier system of our university system capital building fund, would also allow the campuses greater flexibility to manage deferred maintenance, ongoing maintenance, and to fundraise in support of new construction.

In short, each institution would be allocated a certain amount of funds to be determined each biennium to use for capital building projects. The intent is that these allocations would reduce or eliminate the need to fund specific capital projects in a single biennium. Instead, campus leadership would have the flexibility to spend or save biennial fund allocations at a pace that is most appropriate for the long-term facility plans of their institution. Legislative authorization would still be required for specific projects once a campus is ready to move forward on any given project.

The bill also alters the matching requirements. To access Tier II funds, which are used for extraordinary repairs and deferred maintenance projects, all institutions other than UND and NDSU would continue to be required to provide one dollar in local funds for every one dollar from the capital building fund. This bill would increase the match requirement for UND and NDSU to two dollars of local funds for every one dollar from the capital building fund. This recognizes the larger donor bases and other sources of local funds available to our two research institutions.

Tier III funds, used for certain new facilities, would require that all institutions, except UND and NDSU, provide one dollar in local funds for every nine dollars from the capital building fund. UND and NDSU would be required to provide one dollar for every two dollars from the state. Again, this difference recognizes the additional resources available to our two largest campuses.

The proposed fund amounts in both Tier II and Tier III are allocated among the institutions using factors such as existing square footage and enrollment, consistent with past capital building fund allocations.