

**FIRST ENGROSSMENT
with Conference Committee Amendments****ENGROSSED SENATE BILL NO. 2003**

Introduced by

Appropriations Committee

(At the request of the Governor)

1 A BILL for an Act to provide an appropriation for defraying the expenses of the North Dakota
2 university system; to provide for legislative council studies; to provide statements of legislative
3 intent; to authorize the University of North Dakota to purchase certain land in Grand Forks
4 County; to amend and reenact sections 15-10-12, 54-44.1-04, subsection 7 of section
5 54-44.1-06, and section 54-44.1-11 of the North Dakota Century Code, relating to higher
6 education institutions' special revenue funds, budget requests and block grant appropriations,
7 and unexpended appropriations; to repeal section 2 of House Bill No. 1283, section 2 of House
8 Bill No. 1444, and section 22 of chapter 37 of the 1999 Session Laws, relating to a technology
9 occupations student loan program, a student loan forgiveness program, and the university of
10 North Dakota winter sports facility maintenance fund; to provide an expiration date; and to
11 declare an emergency.

12 BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

13 **SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the
14 funds as may be necessary, are appropriated out of any moneys in the general fund in the state
15 treasury, not otherwise appropriated, and from special funds derived from other income, to the
16 North Dakota university system and to the various institutions of higher learning under the
17 supervision of the board of higher education for the purpose of defraying their expenses, for the
18 biennium beginning July 1, 2001, and ending June 30, 2003, as follows:

19 Subdivision 1.

20 NORTH DAKOTA UNIVERSITY SYSTEM OFFICE

21 Operations	\$3,563,887
22 Student financial assistance grants	4,223,031
23 Information technology management	216,676
24 Professional student exchange program	1,560,716

Fifty-seventh
Legislative Assembly

1	Disabled student services	51,560
2	Technical administration	194,788
3	Contingency and capital improvement emergency fund	344,309
4	Scholars program	770,730
5	Native American scholarships	204,082
6	Title II	534,000
7	Competitive research program	4,000,000
8	Board initiatives	1,370,797
9	Capital bond payments	12,730,841
10	Education incentive programs	<u>830,000</u>
11	Total all funds	\$30,595,417
12	Less estimated income	<u>3,716,822</u>
13	General fund appropriation	\$26,878,595

14 Subdivision 2.

15 NORTH DAKOTA UNIVERSITY SYSTEM

16

17	Equity and special needs pool	\$4,628,824
18	Technology pool	<u>26,938,419</u>
19	General fund appropriation	\$31,567,243

20 Subdivision 3.

21 BISMARCK STATE COLLEGE

22	Operations	\$15,381,193
23	Capital assets	<u>846,000</u>
24	General fund appropriation	\$16,227,193

25 Subdivision 4.

26 LAKE REGION STATE COLLEGE

27	Operations	\$4,881,954
28	Capital assets	<u>399,831</u>
29	Total all funds	\$5,281,785
30	Less estimated income	<u>325,000</u>
31	General fund appropriation	\$4,956,785

Fifty-seventh
Legislative Assembly

1	Subdivision 5.	
2	WILLISTON STATE COLLEGE	
3	Operations	\$5,390,441
4	Capital assets	<u>88,790</u>
5	General fund appropriation	\$5,479,231
6	Subdivision 6.	
7	UNIVERSITY OF NORTH DAKOTA	
8	Operations	\$85,601,876
9	Capital assets	<u>13,572,136</u>
10	Total all funds	\$99,174,012
11	Less estimated income	<u>11,210,000</u>
12	General fund appropriation	\$87,964,012
13	Subdivision 7.	
14	NORTH DAKOTA STATE UNIVERSITY	
15	Operations	\$66,931,216
16	Capital assets	<u>22,937,531</u>
17	Total all funds	\$89,868,747
18	Less estimated income	<u>21,200,000</u>
19	General fund appropriation	\$68,668,747
20	Subdivision 8.	
21	NORTH DAKOTA STATE COLLEGE OF SCIENCE	
22	Operations	\$24,099,302
23	Capital assets	<u>3,800,220</u>
24	Total all funds	\$27,899,522
25	Less estimated income	<u>916,720</u>
26	General fund appropriation	\$26,982,802
27	Subdivision 9.	
28	DICKINSON STATE UNIVERSITY	
29	Operations	\$13,746,171
30	Capital assets	<u>4,393,962</u>
31	Total all funds	\$18,140,133

Fifty-seventh
Legislative Assembly

1	Less estimated income	<u>4,000,000</u>
2	General fund appropriation	\$14,140,133
3	Subdivision 10.	
4	MAYVILLE STATE UNIVERSITY	
5	Operations	\$8,330,748
6	Capital assets	<u>4,724,589</u>
7	Total all funds	\$13,055,337
8	Less estimated income	<u>4,000,000</u>
9	General fund appropriation	\$9,055,337
10	Subdivision 11.	
11	MINOT STATE UNIVERSITY	
12	Operations	\$25,919,536
13	Capital assets	<u>612,850</u>
14	General fund appropriation	\$26,532,386
15	Subdivision 12.	
16	VALLEY CITY STATE UNIVERSITY	
17	Operations	\$11,325,513
18	Capital assets	<u>1,115,334</u>
19	General fund appropriation	\$12,440,847
20	Subdivision 13.	
21	MINOT STATE UNIVERSITY - BOTTINEAU	
22	Operations	\$4,097,577
23	Capital assets	<u>187,663</u>
24	General fund appropriation	\$4,285,240
25	Subdivision 14.	
26	NORTH DAKOTA FOREST SERVICE	
27	Salaries and wages	\$1,909,839
28	Operating expenses	442,998
29	Equipment	48,011
30	Capital improvements	171,061
31	Grants to centennial trees	<u>247,486</u>

1	Total all funds	\$2,819,395
2	Less estimated income	<u>1,050,526</u>
3	General fund appropriation	\$1,768,869

4 Subdivision 15.

5 UNIVERSITY OF NORTH DAKOTA SCHOOL OF MEDICINE AND HEALTH SCIENCES

6	Operations	<u>\$30,006,416</u>
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7	General fund appropriation	\$30,006,416
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8	Grand total general fund appropriation S.B. 2003	\$366,953,836
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9	Grand total estimated income S.B. 2003	\$46,560,068
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10	Grand total all funds appropriation S.B. 2003	\$413,513,904
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11 **SECTION 2. APPROPRIATION TRANSFER.** The contingency and capital

12 improvement emergency fund, board initiatives, and disabled student services line items in

13 subdivision 1 of section 1 of this Act must be used for the benefit of the institutions and entities

14 in section 1 of this Act as determined by the board of higher education. The university system

15 office shall notify the office of management and budget of the allocation to the various entities

16 and institutions and which line items in the various institutions and entities must be adjusted.

17 **SECTION 3. FEDERAL, PRIVATE, AND OTHER FUNDS - APPROPRIATION.** All

18 funds, in addition to those appropriated in section 1 of this Act, received by the entities under

19 the control of the state board of higher education pursuant to federal acts, private grants, and

20 other sources are appropriated.

21 **SECTION 4. APPROPRIATION.** There is appropriated out of any moneys in the

22 general fund in the state treasury, not otherwise appropriated, the sum of \$16,441, or so much

23 of the sum as may be necessary, to Mayville state university for the purpose of defraying repair

24 costs for the university's fieldhouse floor, for the period beginning with the effective date of this

25 Act and ending June 30, 2003.

26 **SECTION 5. APPROPRIATION.** The funds provided in this section, or so much of the

27 funds as may be necessary, are appropriated out of any moneys in the general fund in the state

28 treasury, not otherwise appropriated, to the university of North Dakota for the purpose of

29 defraying flood-related expenses, for the period beginning with the effective date of this Act and

30 ending June 30, 2003, as follows:

1	1997 flood expenditures	<u>\$269,676</u>
2	Total general fund appropriation	\$269,676

3 **SECTION 6. AUTHORIZATION.** Notwithstanding section 3 of chapter 3 of the 1999
4 Session Laws, Lake Region state college is authorized to expend \$130,000 in excess tuition
5 collections in the biennium beginning July 1, 1999, and ending June 30, 2003.

6 **SECTION 7. TRANSFER AUTHORITY.** The state board of higher education may
7 approve transfer of funds between line items for each entity included in section 1 of this Act and
8 shall notify the office of management and budget of each transfer; however, funds may not be
9 transferred out of the capital assets appropriations.

10 **SECTION 8. EXEMPTION.** The appropriations contained in section 1 of chapter 3 of
11 the 1999 Session Laws are not subject to the provisions of section 54-44.1-11. Capital
12 improvement appropriations contained in section 1 of chapter 3 of the 1999 Session Laws may
13 be expended as directed by the university system for capital repairs and improvements.

14 **SECTION 9. LEGISLATIVE INTENT - FULL-TIME EQUIVALENTS.** The state board
15 of higher education is authorized to adjust full-time equivalent positions as needed, subject to
16 the availability of funds, for institutions and entities in subdivisions 3 through 15 of section 1 of
17 this Act. The university system shall report any adjustments to the office of management and
18 budget prior to the submission of the 2003-05 biennium budget request. The number of
19 full-time equivalent positions for the university system office may not be increased above the
20 level employed as of April 28, 2001.

21 **SECTION 10. STUDENT FINANCIAL ASSISTANCE GRANTS.** The funds
22 appropriated for student financial assistance grants in section 1 of this Act must be allocated
23 not less than twenty percent to students at private institutions with the remaining funds
24 allocated to students at public and Native American institutions.

25 **SECTION 11. EDUCATION INCENTIVE PROGRAMS.** Of the funds appropriated for
26 education incentives in section 1 of this Act, \$60,000 is to provide incentives to encourage
27 additional doctoral graduates in North Dakota, \$370,000 is provided for teacher retraining
28 scholarships and a teacher student loan forgiveness program, and \$400,000 is provided for a
29 technology occupations student loan program authorized in House Bill No. 1283.

30 **SECTION 12. TECHNOLOGY POOL.** The technology pool amount in subdivision 2 of
31 section 1 must be used for the benefit of the institutions and entities in section 1 as determined

1 by the state board of higher education. Technology funding allocations are to be made based
2 on historic funding, the North Dakota university system information technology plan, the
3 statewide network plan, base funding for higher education computer network computer center
4 operations, and base funding for interactive video network and on-line dakota information
5 network operations.

6 **SECTION 13. EQUITY AND SPECIAL NEEDS POOL.** The equity and special needs
7 pool in subdivision 2 of section 1 must be used for the benefit of the institutions and entities in
8 subdivisions 3 through 15 of section 1 as determined by the state board of higher education.
9 When making allocations from the equity and special needs pool, the state board of higher
10 education shall allocate the funds to address equity and parity funding needs and to support
11 new initiatives or program costs consistent with board and statewide needs.

12 **SECTION 14. STATE FORESTER RESERVE ACCOUNT APPROPRIATION -**
13 **BUDGET SECTION APPROVAL.** The estimated income in subdivision 14 of section 1 of this
14 Act includes the sum of \$120,000 from the state forester reserve account, established in
15 section 4-19-01.2, for the construction of the Towner nursery tree storage building.

16 After receiving approval from the budget section, the forest service may obtain and
17 utilize any available funds, in addition to the \$120,000 from the reserve account, received from
18 federal, public, private, or other sources, which are appropriated to the state forest service to
19 assist in the construction of the Towner nursery tree storage building.

20 **SECTION 15. LEGISLATIVE INTENT - ENROLLMENT MANAGEMENT PLAN.** It is
21 the intent of the legislative assembly that the state board of higher education establish a
22 long-term enrollment management plan and procedures for implementation of the plan. The
23 board shall report to the legislative council during the 2001-02 interim on the board's progress
24 toward establishing a long-term enrollment management plan and related implementation
25 procedures and provide the final report to the fifty-eighth legislative assembly.

26 **SECTION 16. LEGISLATIVE INTENT - ALTERNATIVE HEATING SOURCES.** It is
27 the intent of the legislative assembly that institutions under the control of the state board of
28 higher education explore the possible use of alternative heating sources, including the use of
29 North Dakota coal.

30 **SECTION 17. LEGISLATIVE COUNCIL STUDY - COLLEGE TECHNICAL**
31 **EDUCATION COUNCIL.** The legislative council shall consider studying during the 2001-02

interim the responsibilities and the functions of the college technical education council and the implementation of the workforce training regions including how the regions are functioning. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the fifty-eighth legislative assembly.

SECTION 18. LEGISLATIVE COUNCIL STUDY - HIGHER EDUCATION

ACCOUNTABILITY MEASURES. The legislative council shall consider studying during the 2001-02 interim the board of higher education's implementation of the performance and accountability measures report required by Senate Bill No. 2041. If conducted, the study may include the use of the higher education roundtable format. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the fifty-eighth legislative assembly.

SECTION 19. LEGISLATIVE INTENT - HIGHER EDUCATION ACCOUNTABILITY

MEASURES. It is the intent of the legislative assembly that the board of higher education's performance and accountability report as required by Senate Bill No. 2041 include an executive summary and information regarding:

1. Education excellence, including:
 - a. Student performance on nationally recognized exams in their major fields compared to the national averages.
 - b. First-time licensure pass rates compared to other states.
 - c. Alumni-reported and student-reported satisfaction with preparation in selected major, acquisition of specific skills, and technology knowledge and abilities.
 - d. Employer-reported satisfaction with preparation of recently hired graduates.
 - e. Biennial report on employee satisfaction relating to the university system and local institutions.
 - f. Ratio of faculty and staff to students.
 - g. Student graduation and retention rates.
2. Economic development, including:
 - a. Enrollment in entrepreneurship courses and the number of graduates of entrepreneurship programs.
 - b. Percentage of university system graduates obtaining employment appropriate to their education in the state.

- 1 c. Number of businesses and employees in the region receiving training.
- 2 3. Student access, including:
 - 3 a. Proportion of residents of the state who are within a forty-five-minute drive of
 - 4 a location at which they can receive educational programs from a provider.
 - 5 b. Number and proportion of enrollments in courses offered by nontraditional
 - 6 methods.
- 7 4. Student affordability, including:
 - 8 a. Tuition and fees on a per student basis compared to the regional average.
 - 9 b. Tuition and fees as a percentage of median North Dakota household income.
 - 10 c. Cost per student in terms of general fund appropriations and total university
 - 11 system funding.
 - 12 d. Administrative, instructional, and other cost per student.
 - 13 e. Per capita general fund appropriations for higher education.
 - 14 f. State general fund appropriation levels for university system institutions
 - 15 compared to peer institutions general fund appropriation levels.
- 16 5. Financial operations, including:
 - 17 a. Percentage of total university system funding used for instruction, research,
 - 18 and public service.
 - 19 b. Percentage of total university system funding used for institutional support,
 - 20 operations, and maintenance of physical plant.
 - 21 c. Ratio measuring the funding derived from operating and contributed income
 - 22 compared to total university system funding.
 - 23 d. Ratio measuring the size of the university system's outstanding maintenance
 - 24 as compared to its expendable net assets.
 - 25 e. Ratio measuring the amount of expendable net assets as compared to the
 - 26 amount of long-term debt.
 - 27 f. Research expenditures in proportion to the amount of revenue generated by
 - 28 research activity and funding received for research activity.
 - 29 g. Report on new construction and major renovation capital projects for which
 - 30 specific appropriations are made, including budget to actual comparison, use
 - 31 of third-party funding, and related debt.

SECTION 20. LEGISLATIVE INTENT - STATE COLLEGE OF SCIENCE - BLIKRE

ACTIVITIES CENTER RENOVATION. It is the intent of the legislative assembly that the funding of \$368,920 included in the estimated income in subdivision 8 of section 1 of this Act for an addition to the Blikre activities center at the state college of science must be collected before construction of an addition may begin. The state college of science, after receiving approval from the budget section, may obtain and utilize any available funds, in addition to the \$368,920, received from federal, public, private, or other sources which are appropriated to the state college of science to assist in the Blikre activities center addition.

SECTION 21. LEGISLATIVE INTENT - BISMARCK STATE COLLEGE - SCHAFER

HALL RENOVATION. It is the intent of the legislative assembly that funding of \$596,000 included in the capital assets line item in subdivision 3 of section 1 of this Act for renovation of Schafer hall be used only for renovation of classroom or student-related areas. No funds from any source may be used for renovation of administrative offices in Schafer hall.

SECTION 22. PURCHASE OF LAND AUTHORIZED.

1. The university of North Dakota may purchase the land described in this subsection for the price and on the terms as determined by the university of North Dakota. The land to be purchased is that portion of the burlington northern and santa fe railway company's (formerly great northern railway company) yard property at Grand Forks, North Dakota, situated in the S 1/2 SE 1/4 SE 1/4 of section 5, township 151 north, range 50 west of the fifth principal meridian, Grand Forks County, North Dakota, being a portion of the same 5 1/2 acre tract of land described in warranty deed from Thomas Campbell, et ux, to the Saint Paul, Minneapolis and Manitoba railway company filed for record July 29, 1880 in book c of deed, page 85 in and for said county, described as follows, to-wit:

Beginning at a point on the north line of said 5 1/2 acre tract of land distant 33.0 feet west of the east line of said section 5, said point being 75.0 feet north, as measured at right angles from said railway company's main track centerline, as originally located and constructed, and 85 feet, more or less, north of the south line of said section 5; thence west along said north line, and parallel with said main track centerline, a distance of 848.5 feet; thence south at right angles to the last described course 46.5 feet; thence east parallel with the north line of said 5 1/2

1 acre tract to the intersection with a line drawn parallel with and distant 33.0 feet
2 west, as measured at right angles from the east line of said section 5, thence north
3 along the last described parallel line to the point of beginning,

4 **EXCEPTING THEREFROM**, that portion, if any, lying within 10.0 feet of said
5 railway company's most northerly spur track centerline, as now located and
6 constructed upon, over and across said S 1/2 SE 1/4 SE 1/4.

7 **ALSO,**

8 That portion of the burlington northern and santa fe railway company's
9 (formerly great northern railway company) yard property at Grand Forks, North
10 Dakota, situated in the S 1/2 SW 1/4 SE 1/4 of section 5, township 151 north,
11 range 50 west of the fifth principal meridian, Grand Forks County, North Dakota,
12 being a portion of the same 5 1/2 acre tract of land described in warranty deed
13 from Thomas Campbell, et ux, to the Saint Paul, Minneapolis and Manitoba railway
14 company filed for record July 29, 1880 in book c of deed, page 85 in and for said
15 county, described as follows, to-wit:

16 Beginning at a point on the north line of said 5 1/2 acre tract of land distant
17 290.0 feet east of the west line of said S 1/2 SW 1/4 SE 1/4, said point being 75.0
18 feet north, as measured at right angles from said railway company's main track
19 centerline, as originally located and constructed, and 85 feet, more or less, north of
20 the south line of said section 5; thence east along said north line, and parallel with
21 said main track centerline, a distance of 990 feet, more or less, to the intersection
22 with a line drawn concentric with and distant 15.0 feet northwesterly, as measured
23 radially from said railway company's university power house spur track centerline,
24 as now located and constructed; thence southwesterly along said concentric line to
25 the intersection with a line drawn parallel with and distant 50.0 feet south, as
26 measured at right angles from said north line; thence west along said parallel line
27 to the intersection with a line drawn parallel with and distant 290.0 feet east, as
28 measured at right angles from the west line of said S 1/2 SW 1/4 SE 1/4; thence
29 north along the last described parallel line 50.0 feet to the point of beginning.

2. The attorney general shall review and approve as to form and legality all legal documents, papers, and instruments required for the purchase authorized by this section.

SECTION 23. APPROPRIATION. There is appropriated out of any moneys received by the university of North Dakota pursuant to federal acts, private grants, and other sources enumerated in section 3 of this Act, not otherwise appropriated, the sum of \$141,000, or so much of the sum as may be necessary, to the university of North Dakota for the purpose of purchasing the land described in section 22 of this Act, for the biennium beginning July 1, 2001, and ending June 30, 2003.

SECTION 24. AMENDMENT. Section 15-10-12 of the 1999 Supplement to the North Dakota Century Code is amended and reenacted as follows:

15-10-12. Board may accept gifts and bequests - Deposit and appropriation of institutional funds. ~~The~~ Subject to the limitations of section 15-10-12.1, the state board of higher education may, ~~subject to the limitations of section 15-10-12.1,~~ receive donations, gifts, grants, and bequests offered or tendered to or for the benefit of any institution of higher education under its control or subject to its administration, and all moneys coming into the hands of the board as donations, gifts, grants, and bequests must be used for the specific purpose for which they are donated or given. A special revenue fund, for each institution of higher education under the control of the board or subject to its administration, must be maintained within the state treasury ~~and all institutional income from tuition collections must be placed in the special fund for the use of the institution for which the money was raised.~~ All rent, interest, or income from land, money, or property, donated or granted by the United States and allocated to specific institutions of higher learning under the terms of the Enabling Act and the Constitution of North Dakota must be deposited in the special revenue fund of each institution and expended in accordance with section 1 of article IX of the Constitution of North Dakota. ~~Moneys in the special revenue fund are subject to legislative appropriations.~~ All other funds, unless restricted by the terms of a grant, donation, or bequest, received by the institutions from federal, state, and local grants and contracts, indirect cost recoveries, tuition, special student fees, room and board fees and other auxiliary enterprise fees, student activity fees, continuing education program fees, internal service fund revenues, and all other revenues must be deposited in the institution special revenue funds. The state treasurer shall immediately

1 transfer the funds deposited in the special revenue funds to institution accounts in the Bank of
2 North Dakota. Biennial estimates of revenue and expenditures of the other funds by source of
3 funds must be presented at the same time biennial budget requests for appropriations from the
4 special revenue fund and state general fund are prepared and submitted to the office of the
5 budget pursuant to section 15-10-15. Payments from each institution's general fund
6 appropriation must be made in amounts as may be necessary for the operation and
7 maintenance of each institution; ~~except that at the close of the biennium the balance of funds~~
8 ~~not paid from the general fund appropriation must be deposited in the special revenue funds of~~
9 ~~the institutions.~~ The funds in the institution accounts are appropriated on a continuing basis to
10 the state board of higher education. All such appropriations are subject to proration in the
11 same manner as other appropriations are prorated if insufficient funds are available to meet
12 expenditures from the general fund. Sinking funds for the payment of interest and principal of
13 institutional revenue bonds must be deposited pursuant to section 15-55-06.

14 **SECTION 25. AMENDMENT.** Section 54-44.1-04 of the North Dakota Century Code is
15 amended and reenacted as follows:

16 **54-44.1-04. Budget estimates of budget units filed with the office of the budget -**
17 **Deadline.** The head of each budget unit, not later than July fifteenth of each year next
18 preceding the session of the legislative assembly, shall submit to the office of the budget,
19 estimates of financial requirements of his budget unit for the next two fiscal years, on the forms
20 and in the manner prescribed by the office of the budget, with such explanatory data as is
21 required by the office of the budget and such additional data as the head of the budget unit
22 wishes to submit. The budget estimates for the North Dakota university system must include
23 block grants for the university system for a base funding component and for an initiative funding
24 component for specific strategies or initiatives and a budget estimate for an asset funding
25 component for renewal and replacement of physical plant assets at the institutions of higher
26 education. The estimates so submitted must bear the approval of the board or commission of
27 each budget unit for which a board or commission is constituted. The director of the budget in
28 ~~his~~ the director's discretion may extend the filing date for any budget unit if ~~he~~ the director finds
29 there is some circumstance which makes it advantageous to authorize the extension. If a
30 budget unit has not submitted its estimate of financial requirements by the required date or
31 within a period of extension set by the director of the budget, the director of the budget shall

1 prepare such budget unit's estimate of financial requirements except such estimate may not
2 exceed ninety percent of such budget unit's previous biennial appropriation. The director of the
3 budget or such subordinate officer as ~~he shall designate~~ the director designates shall examine
4 the estimates and shall afford to the heads of budget units reasonable opportunity for
5 explanation in regard thereto and, when requested, shall grant to the heads of budget units a
6 hearing thereon which must be open to the public.

7 **SECTION 26. AMENDMENT.** Subsection 7 of section 54-44.1-06 of the 1999
8 Supplement to the North Dakota Century Code is amended and reenacted as follows:

9 7. Drafts of a proposed general ~~appropriations act~~ and special appropriations acts
10 embodying the budget data and recommendations of the governor for
11 appropriations for the next biennium, and drafts of such revenues and other acts
12 recommended by the governor for putting into effect the proposed financial plan.
13 The recommended general appropriation for each budget unit must be specified in
14 a separate section of the general appropriations act. The draft of the proposed
15 appropriations act for the North Dakota university system must include block
16 grants for a base funding appropriation and for an initiative funding appropriation
17 for specific strategies or initiatives, and an appropriation for asset funding for
18 renewal and replacement of physical plant assets at the institutions of higher
19 education in the format approved by the fifty-seventh legislative assembly.

20 **SECTION 27. AMENDMENT.** Section 54-44.1-11 of the North Dakota Century Code is
21 amended and reenacted as follows:

22 **54-44.1-11. Office of management and budget to cancel unexpended**
23 **appropriations - When they may continue.** ~~The~~ Except as otherwise provided by law, the
24 office of management and budget, thirty days after the close of each biennial period, shall
25 cancel all unexpended appropriations or balances of appropriations after the expiration of the
26 biennial period during which they became available under the law. Unexpended appropriations
27 for the North Dakota university system are not subject to this section and the North Dakota
28 university system shall report on the amounts and uses of funds carried over from one
29 biennium to the next to subsequent appropriations committees of the legislative assembly. The
30 chairman of the appropriations committees of the senate and house of representatives of the
31 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 where the total purchase price is within the authorized appropriation.

SECTION 28. REPEAL. Section 2 of House Bill No. 1283 and section 2 of House Bill No. 1444, as approved by the fifty-seventh legislative assembly, and section 22 of chapter 37 of the 1999 Session Laws are repealed.

SECTION 29. EXPIRATION DATE. Sections 24, 25, 26, and 27 of this Act are effective through June 30, 2003, and after that date are ineffective.

SECTION 30. EMERGENCY. The capital assets line items contained in section 1 of this Act and sections 4, 5, 6, and 9 of this Act are declared to be an emergency measure, and those funds are available immediately upon the filing of this Act with the secretary of state.