

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 authorize the state board of higher education to issue and sell bonds for
3 capital projects; and to declare an emergency.

4 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

5 **SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the
6 funds as may be necessary, are appropriated out of any moneys in the general fund in the state
7 treasury, not otherwise appropriated, and from special funds derived from other income, to the
8 North Dakota university system office and to the various entities and institutions under the
9 supervision of the board of higher education for the purpose of defraying the expenses of those
10 entities and institutions, for the biennium beginning July 1, 2003, and ending June 30, 2005, as
11 follows:

12 Subdivision 1.

13 **NORTH DAKOTA UNIVERSITY SYSTEM OFFICE AND INSTITUTIONS**

14 Capital assets	\$117,068,750
15 Competitive research program	4,000,000
16 Board initiatives	535,306
17 System governance	4,512,642
18 Title II	695,600
19 Technology pool	26,138,137
20 Contingency and capital emergency	1,752,767
21 System initiatives	5,000,000
22 Campus operations	299,415,187
23 Student grant programs	<u>8,458,969</u>
24 Total all funds	\$467,577,358

1	Less estimated income	<u>115,498,722</u>
2	Total general fund appropriation	\$352,078,636
3	Subdivision 2.	
4	NORTH DAKOTA FOREST SERVICE	
5	Capital assets	\$146,061
6	Operations	<u>2,769,197</u>
7	Total all funds	\$2,915,258
8	Less estimated income	<u>1,090,001</u>
9	Total general fund appropriation	\$1,825,257
10	Grand total general fund appropriation H.B. 1003	\$353,903,893
11	Grand total estimated income appropriation H.B. 1003	\$116,588,723
12	Grand total all funds appropriation H.B. 1003	\$470,492,616

13 **SECTION 2. BOARD INITIATIVES.** The sum of \$535,306, or so much of the sum as
14 may be necessary, included in the board initiatives line item in subdivision 1 of section 1 of this
15 Act, must be used to support university system and statewide goals linked to the state board of
16 higher education strategic plan and the higher education roundtable report, as determined by
17 the board.

18 **SECTION 3. SYSTEM INITIATIVES.** The sum of \$5,000,000, or so much of the sum
19 as may be necessary, included in the system initiatives line item in subdivision 1 of section 1 of
20 this Act, must be used to establish centers of excellence, as determined by the state board of
21 higher education, which will provide support for university system instruction, research, and
22 outreach efforts. The board may establish criteria relating to the allocation of these funds.

23 **SECTION 4. CAMPUS OPERATIONS.** The sum of \$299,415,187, or so much of the
24 sum as may be necessary, included in the campus operations line item in subdivision 1 of
25 section 1 of this Act, must be used to support the operations of the various institutions and
26 entities under the control of the state board of higher education, including the university of North
27 Dakota school of medicine and health sciences. Each institution and entity receiving funds
28 pursuant to this section must receive at least 95 percent of the 2001-03 biennium general fund
29 appropriation for operations, as authorized by the fifty-seventh legislative assembly. In order to
30 determine allocations under this section, the state board of higher education may consider the

1 long-term finance plan, costs to continue current operations, major new expenditures, other
2 available funding sources, and other related criteria established by the board.

3 **SECTION 5. STUDENT GRANT PROGRAMS - APPROPRIATION.** The sum of
4 \$6,458,969, or so much of the sum as may be necessary, included in the student grant
5 programs line item in subdivision 1 of section 1 of this Act, must be used as determined by the
6 state board of higher education for student grant and exchange programs, pursuant to title 15.
7 Any other funds from private, federal, or other sources that become available during the
8 biennium beginning July 1, 2003, and ending June 30, 2005, are appropriated to the state
9 board of higher education for student grant programs. The sum of \$2,000,000, or so much of
10 the sum as may be necessary, included in the student grant programs line item in subdivision 1
11 of section 1 of this Act, must be used as determined by the state board of higher education for
12 administration and implementation of a student internship program.

13 **SECTION 6. CAPITAL ASSETS.** The sum of \$117,068,750, or so much of the sum as
14 may be necessary, included in the capital assets line item in subdivision 1 of section 1 of this
15 Act, must be used as determined by the state board of higher education to satisfy outstanding
16 bond obligations, the payment of special assessments, and the repair and construction of
17 capital assets at the various institutions and entities under the control of the board, provided
18 that all funds deposited in an institution's special revenue fund must be allocated to that
19 institution. Each entity must receive at least 95 percent of the 2001-03 biennium general fund
20 capital assets appropriation for extraordinary repairs, as authorized by the fifty-seventh
21 legislative assembly. The balance of the capital assets funding must be allocated by the board
22 based on historical funding, the condition of physical plant facilities, campus needs as reflected
23 in the campus master plans, and the board's long-term finance plan for capital assets. Any
24 major capital project funded from the capital assets line item must be a stand-alone project that
25 will not require future general fund appropriations to complete in order to be functional. An
26 institution may not receive a general fund appropriation in a future biennium for additional
27 operating , maintenance, and repair costs incurred as a result of a building project funded with
28 non-general fund moneys pursuant to this section.

29 **SECTION 7. TECHNOLOGY POOL.** The sum of \$26,138,137, or so much of the sum
30 as may be necessary, included in the technology pool line item in subdivision 1 of section 1 of
31 this Act, must be used for the benefit of the institutions and entities under the control of the

1 state board of higher education, as determined by the board. Technology funding allocations
2 must be made based on historic funding and the North Dakota university system information
3 technology plan. Funds allocated pursuant to this section must be used to support the higher
4 education computer network, the interactive video network, the on-line dakota information
5 network, and other related technology initiatives as determined by the board.

6 **SECTION 8. CONTINGENCY AND CAPITAL EMERGENCY.** The sum of \$296,693, or
7 so much of the sum as may be necessary, included in the contingency and capital emergency
8 line item in subdivision 1 of section 1 of this Act, must be used to meet unforeseen operations
9 or capital asset needs and opportunities, as determined by the state board of higher education,
10 at institutions and entities under the control of the board.

11 **SECTION 9. FEDERAL, PRIVATE, AND OTHER FUNDS - APPROPRIATION.** All
12 funds, in addition to those appropriated in section 1 of this Act, from federal, private, and other
13 sources, received by the institutions and entities under the control of the state board of higher
14 education are appropriated to those institutions and entities, for the biennium beginning July 1,
15 2003, and ending June 30, 2005.

16 **SECTION 10. EXEMPTION.** The appropriations contained in section 1 of chapter 28 of
17 the 2001 Session Laws are not subject to the provisions of section 54-44.1-11.

18 **SECTION 11. UNEXPENDED GENERAL FUND - EXCESS INCOME.** Any
19 unexpended general fund appropriation authority to and any excess income received by the
20 institutions and entities under the control of the state board of higher education are not subject
21 to the provisions of section 54-44.1-11, and any unexpended funds from these appropriations or
22 revenues are available and may be expended by those entities, during the biennium beginning
23 July 1, 2005, and ending June 30, 2007.

24 **SECTION 12. FULL-TIME EQUIVALENT POSITION ADJUSTMENTS.** The state
25 board of higher education is authorized to adjust full-time equivalent positions as needed,
26 subject to the availability of funds, for institutions and entities under its control. The university
27 system shall report any adjustments to the office of management and budget before the
28 submission of the 2005-07 biennium budget request.

29 **SECTION 13. TRANSFER AUTHORITY.** If, during the biennium beginning July 1,
30 2003, and ending June 30, 2005, the state board of higher education determines that moneys
31 allocated to campus operations pursuant to section 4 of this Act are needed to address capital

1 projects or extraordinary repair needs, funds may be allocated from campus operations to
2 capital assets. Any transfer of funds pursuant to this section must be reported to the office of
3 management and budget.

4 **SECTION 14. STATE FORESTER RESERVE ACCOUNT - BUDGET SECTION**

5 **APPROVAL.** The estimated income line item in subdivision 2 of section 1 of this Act includes
6 the sum of \$115,000 from the state forester reserve account, established pursuant to section
7 4-19-01.2, for construction of equipment and supply storage buildings in Towner and Bottineau.
8 After receiving approval from the budget section, the forest service may obtain and utilize any
9 additional funds, which are appropriated for the biennium beginning July 1, 2003, and ending
10 June 30, 2005, to assist in the construction of the equipment and supply storage buildings.

11 **SECTION 15. WATER DEVELOPMENT TRUST FUND.** Notwithstanding section
12 54-27-25, the sum of \$1,456,074, or so much of the sum as may be necessary, included in the
13 contingency and capital emergency line item in subdivision 1 of section 1 of this Act, is from the
14 water development trust fund and may be spent by the state board of higher education for the
15 purpose of repaying principal and interest on disaster response loans from the Bank of North
16 Dakota, pursuant to section 54-16-13, during the biennium beginning July 1, 2003, and ending
17 June 30, 2005.

18 **SECTION 16. STUDENT LOAN TRUST FUND.** The sum of \$17,258,969, or so much
19 of the sum as may be necessary, included in the competitive research program, system
20 initiatives, and student grant programs line items in subdivision 1 of section 1 of this Act, is from
21 the student loan trust fund and may be spent by the state board of higher education during the
22 biennium beginning July 1, 2003, and ending June 30, 2005.

23 **SECTION 17. BOND ISSUANCE AUTHORIZATION - PURPOSES.** The state board of
24 higher education, in accordance with chapter 15-55, may arrange for the funding of the projects
25 authorized in this section, declared to be in the public interest, through the issuance of
26 self-liquidating, tax-exempt evidences of indebtedness under chapter 15-55, beginning with the
27 effective date of this Act and ending June 30, 2005. Evidences of indebtedness issued
28 pursuant to this section are not a general obligation of the state of North Dakota. Any
29 unexpended balance resulting from the proceeds of the evidences of indebtedness must be
30 placed in a sinking fund to be used for the retirement of the indebtedness. The evidences of
31 indebtedness may be issued for the purpose of financing the following capital projects:

Fifty-eighth
Legislative Assembly

1	Lake region state college - North residence hall renovation	\$375,000
2	North Dakota state university - Bison court construction	\$11,000,000

3 **SECTION 18. EMERGENCY.** The capital assets line items contained in subdivisions 1
4 and 2 of section 1 of this Act and section 17 of this Act are declared to be an emergency
5 measure.