

HOUSE BILL NO. 1003

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

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

5 **SECTION 1. BASE LEVEL FUNDING INFORMATION.** The amounts identified in this
6 section represent the base level funding component appropriated to the North Dakota university
7 system office and to the various entities and institutions under the supervision of the state board
8 of higher education listed in section 3 of this Act as follows:

9 Subdivision 1.

10 NORTH DAKOTA UNIVERSITY SYSTEM OFFICE

11 Capital assets	\$14,278,141
12 Competitive research	5,190,000
13 Board initiatives	1,885,000
14 System governance	5,568,422
15 Title II	695,600
16 Common information services	20,563,093
17 Operations pool	388,559
18 Equity pool	2,000,000
19 Contingency and capital emergency	436,923
20 Professional liability insurance	1,350,000
21 Student financial assistance grants	3,504,402
22 Professional student exchange program	2,127,280
23 Scholars program	862,077
24 Native American scholarships	251,988

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1	Education incentive programs	<u>1,227,902</u>
2	Total all funds - Base level	\$60,329,387
3	Less estimated income - Base level	<u>2,599,776</u>
4	Total general fund - Base level	\$57,729,611
5	Subdivision 2.	
6	BISMARCK STATE COLLEGE	
7	Operations	\$16,865,548
8	Capital assets	<u>3,988,781</u>
9	Total all funds - Base level	\$20,854,329
10	Less estimated income - Base level	<u>3,745,300</u>
11	Total general fund appropriation - Base level	\$17,109,029
12	Subdivision 3.	
13	LAKE REGION STATE COLLEGE	
14	Operations	\$5,389,989
15	Capital assets	<u>387,537</u>
16	Total general fund appropriation - Base level	\$5,777,526
17	Subdivision 4.	
18	WILLISTON STATE COLLEGE	
19	Operations	\$5,752,997
20	Capital assets	<u>8,136,475</u>
21	Total all funds - Base level	\$13,889,472
22	Less estimated income - Base level	<u>7,960,000</u>
23	Total general fund appropriation - Base level	\$5,929,472
24	Subdivision 5.	
25	UNIVERSITY OF NORTH DAKOTA	
26	Operations	\$92,551,602
27	Capital assets	<u>100,132,099</u>
28	Total all funds - Base level	\$192,683,701
29	Less estimated income - Base level	<u>97,831,554</u>
30	Total general fund appropriation - Base level	\$94,852,147
31	Subdivision 6.	

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1	NORTH DAKOTA STATE UNIVERSITY	
2	Operations	\$75,804,650
3	Capital assets	<u>39,192,226</u>
4	Total all funds - Base level	\$114,996,876
5	Less estimated income - Base level	<u>37,500,000</u>
6	Total general fund appropriation - Base level	\$77,496,876
7	Subdivision 7.	
8	NORTH DAKOTA STATE COLLEGE OF SCIENCE	
9	Operations	\$24,986,828
10	Capital assets	<u>3,558,252</u>
11	Total all funds - Base level	\$28,545,080
12	Less estimated income - Base level	<u>2,804,920</u>
13	Total general fund appropriation - Base level	\$25,740,160
14	Subdivision 8.	
15	DICKINSON STATE UNIVERSITY	
16	Operations	\$14,711,627
17	Capital assets	<u>9,484,247</u>
18	Total all funds - Base level	\$24,195,874
19	Less estimated income - Base level	<u>9,100,557</u>
20	Total general fund appropriation - Base level	\$15,095,317
21	Subdivision 9.	
22	MAYVILLE STATE UNIVERSITY	
23	Operations	\$9,003,630
24	Capital assets	<u>1,858,994</u>
25	Total all funds - Base level	\$10,862,624
26	Less estimated income - Base level	<u>1,500,000</u>
27	Total general fund appropriation - Base level	\$9,362,624
28	Subdivision 10.	
29	MINOT STATE UNIVERSITY	
30	Operations	\$27,215,849
31	Capital assets	<u>9,211,870</u>

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1	Total all funds - Base level	\$36,427,719
2	Less estimated income - Base level	<u>8,535,000</u>
3	Total general fund appropriation - Base level	\$27,892,719
4	Subdivision 11.	
5	VALLEY CITY STATE UNIVERSITY	
6	Operations	\$11,806,526
7	Capital assets	<u>508,416</u>
8	Total general fund appropriation - Base level	\$12,314,942
9	Subdivision 12.	
10	MINOT STATE UNIVERSITY - BOTTINEAU	
11	Operations	\$4,334,460
12	Capital assets	<u>6,109,725</u>
13	Total all funds - Base level	\$10,444,185
14	Less estimated income - Base level	<u>6,000,000</u>
15	Total general fund appropriation - Base level	\$4,444,185
16	Subdivision 13.	
17	UNIVERSITY OF NORTH DAKOTA SCHOOL OF MEDICINE AND HEALTH SCIENCES	
18	Operations	<u>\$31,361,002</u>
19	Total general fund appropriation - Base level	\$31,361,002
20	Subdivision 14.	
21	NORTH DAKOTA FOREST SERVICE	
22	Operations	\$2,925,646
23	Capital assets	<u>101,638</u>
24	Total all funds - Base level	\$3,027,284
25	Less estimated income - Base level	<u>975,001</u>
26	Total general fund appropriation - Base level	\$2,052,283
27	Total general fund appropriation - Section 1	\$387,157,893
28	Total estimated income appropriation - Section 1	\$178,552,108
29	Total all funds appropriation - Section 1	\$565,710,001

30 **SECTION 2. FUNDING ADJUSTMENTS OR ENHANCEMENTS INFORMATION.** The
31 amounts identified in this section represent the funding adjustments or enhancements to the

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1 base funding level for the North Dakota university system office and to the various entities and
2 institutions under the supervision of the state board of higher education which are included in
3 the appropriation in section 3 of this Act as follows:

4 Subdivision 1.

5 NORTH DAKOTA UNIVERSITY SYSTEM OFFICE

6 Capital assets	\$2,543,861
7 Competitive research program	310,000
8 Board initiatives	206,174
9 System governance	872,972
10 Common information services	6,840,200
11 Operations pool	(44,000)
12 Equity pool	(2,000,000)
13 Contingency and capital emergency	59,559
14 Student financial assistance grants	2,483,095
15 Professional student exchange program	489,746
16 Scholars program	616,489
17 Native American scholarships	128,638
18 Education incentive programs	<u>512,412</u>
19 Total all funds - Adjustments/enhancements	\$13,019,146
20 Estimated income - Adjustments/enhancements	<u>(161,966)</u>
21 Total general fund - Adjustments/enhancements	\$13,181,112

22 Subdivision 2.

23 BISMARCK STATE COLLEGE

24 Operations	\$2,917,590
25 Capital assets	<u>(2,972,589)</u>
26 Total all funds - Adjustments/enhancements	(\$54,999)
27 Less estimated income - Adjustments/enhancements	<u>(3,717,495)</u>
28 Total general fund - Adjustments/enhancements	\$3,662,496

29 Subdivision 3.

30 LAKE REGION STATE COLLEGE

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1	Operations	\$1,137,678
2	Capital assets	<u>2,745,667</u>
3	Total all funds - Adjustments/enhancements	\$3,883,345
4	Less estimated income - Adjustments/enhancements	<u>3,007,600</u>
5	Total general fund - Adjustments/enhancements	\$875,745
6	Subdivision 4.	

7 WILLISTON STATE COLLEGE

8	Operations	\$686,105
9	Capital assets	<u>(6,579,277)</u>
10	Total all funds - Adjustments/enhancements	(\$5,893,172)
11	Less estimated income - Adjustments/enhancements	<u>(6,560,000)</u>
12	Total general fund - Adjustments/enhancements	\$666,828
13	Subdivision 5.	

14 UNIVERSITY OF NORTH DAKOTA

15	Operations	\$14,728,428
16	Capital assets	<u>(13,803,224)</u>
17	Total all funds - Adjustments/enhancements	\$925,204
18	Less estimated income - Adjustments/enhancements	<u>(19,631,554)</u>
19	Total general fund - Adjustments/enhancements	\$20,556,758
20	Subdivision 6.	

21 NORTH DAKOTA STATE UNIVERSITY

22	Operations	\$14,013,525
23	Capital assets	<u>(9,483,065)</u>
24	Total all funds - Adjustments/enhancements	\$4,530,460
25	Less estimated income - Adjustments/enhancements	<u>(17,000,000)</u>
26	Total general fund - Adjustments/enhancements	\$21,530,460
27	Subdivision 7.	

28 NORTH DAKOTA STATE COLLEGE OF SCIENCE

29	Operations	\$2,373,065
30	Capital assets	<u>7,912,613</u>
31	Total all funds - Adjustments/enhancements	\$10,285,678

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1	Operations	\$437,017
2	Capital assets	<u>(5,699,023)</u>
3	Total all funds - Adjustments/enhancements	(\$5,262,006)
4	Less estimated income - Adjustments/enhancements	<u>(5,987,095)</u>
5	Total general fund - Adjustments/enhancements	\$725,089

6 Subdivision 13.

7 UNIVERSITY OF NORTH DAKOTA SCHOOL OF MEDICINE AND HEALTH SCIENCES

8	Operations	<u>\$2,513,936</u>
9	Total general fund - Adjustments/enhancements	\$2,513,936

10 Subdivision 14.

11 NORTH DAKOTA FOREST SERVICE

12	Operations	\$433,085
13	Capital assets	<u>78,566</u>
14	Total all funds - Adjustments/enhancements	\$511,651
15	Less estimated income - Adjustments/enhancements	<u>22,485</u>
16	Total general fund - Adjustments/enhancements	\$489,166
17	Total general fund - Section 2	\$83,069,547
18	Total estimated income - Section 2	(\$49,078,952)
19	Total all funds - Section 2	\$33,990,595

20 **SECTION 3. APPROPRIATION.** The funds provided in this section, or so much of the
21 funds as may be necessary, are appropriated out of any moneys in the general fund in the state
22 treasury, not otherwise appropriated, and from special funds derived from federal funds and
23 other income, to the North Dakota university system office and the various entities and
24 institutions under the supervision of the state board of higher education for the purpose of
25 defraying the expenses of those entities and institutions, for the biennium beginning July 1,
26 2007, and ending June 30, 2009, as follows:

27 Subdivision 1.

28 NORTH DAKOTA UNIVERSITY SYSTEM OFFICE AND INSTITUTIONS

29	Capital assets	\$16,822,002
30	Competitive research program	5,500,000
31	Board initiatives	2,091,174

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1	System governance	6,441,394
2	Title II	695,600
3	Common information services	27,403,293
4	Operations pool	344,559
5	Contingency and capital emergency	496,482
6	Professional liability insurance	1,350,000
7	Student financial assistance grants	5,987,497
8	Professional student exchange program	2,617,026
9	Scholars program	1,478,566
10	Native American scholarships	380,626
11	Education incentive programs	<u>1,740,314</u>
12	Total all funds	\$73,348,533
13	Less estimated income	<u>2,437,810</u>
14	Total general fund appropriation	\$70,910,723
15	Subdivision 2.	
16	BISMARCK STATE COLLEGE	
17	Operations	\$19,783,138
18	Capital assets	<u>1,016,192</u>
19	Total all funds	\$20,799,330
20	Less estimated income	<u>27,805</u>
21	Total general fund appropriation	\$20,771,525
22	Subdivision 3.	
23	LAKE REGION STATE COLLEGE	
24	Operations	\$6,527,667
25	Capital assets	<u>3,133,204</u>
26	Total all funds	\$9,660,871
27	Less estimated income	<u>3,007,600</u>
28	Total general fund appropriation	\$6,653,271
29	Subdivision 4.	
30	WILLISTON STATE COLLEGE	

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1	Operations	\$6,439,102
2	Capital assets	<u>1,557,198</u>
3	Total all funds	\$7,996,300
4	Less estimated income	<u>1,400,000</u>
5	Total general fund appropriation	\$6,596,300

6 Subdivision 5.

7 UNIVERSITY OF NORTH DAKOTA

8	Operations	\$107,280,030
9	Capital assets	<u>86,328,875</u>
10	Total all funds	\$193,608,905
11	Less estimated income	<u>78,200,000</u>
12	Total general fund appropriation	\$115,408,905

13 Subdivision 6.

14 NORTH DAKOTA STATE UNIVERSITY

15	Operations	\$89,818,175
16	Capital assets	<u>29,709,161</u>
17	Total all funds	\$119,527,336
18	Less estimated income	<u>20,500,000</u>
19	Total general fund appropriation	\$99,027,336

20 Subdivision 7.

21 NORTH DAKOTA STATE COLLEGE OF SCIENCE

22	Operations	\$27,359,893
23	Capital assets	<u>11,470,865</u>
24	Total all funds	\$38,830,758
25	Less estimated income	<u>8,414,000</u>
26	Total general fund appropriation	\$30,416,758

27 Subdivision 8.

28 DICKINSON STATE UNIVERSITY

29	Operations	\$16,898,356
30	Capital assets	<u>9,018,763</u>
31	Total all funds	\$25,917,119

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1 Less estimated income 8,000,000
2 Total general fund appropriation \$17,917,119

3 Subdivision 9.

4 MAYVILLE STATE UNIVERSITY

5 Operations \$9,889,789

6 Capital assets 1,846,930

7 Total all funds \$11,736,719

8 Less estimated income 900,000

9 Total general fund appropriation \$10,836,719

10 Subdivision 10.

11 MINOT STATE UNIVERSITY

12 Operations \$30,170,548

13 Capital assets 9,528,294

14 Total all funds \$39,698,842

15 Less estimated income 5,575,550

16 Total general fund appropriation \$34,123,292

17 Subdivision 11.

18 VALLEY CITY STATE UNIVERSITY

19 Operations \$12,983,596

20 Capital assets 2,996,235

21 Total general fund appropriation \$15,979,831

22 Subdivision 12.

23 MINOT STATE UNIVERSITY - BOTTINEAU

24 Operations \$4,771,477

25 Capital assets 410,702

26 Total all funds \$5,182,179

27 Less estimated income 12,905

28 Total general fund appropriation \$5,169,274

29 Subdivision 13.

30 UNIVERSITY OF NORTH DAKOTA SCHOOL OF MEDICINE AND HEALTH SCIENCES

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1	Operations	<u>\$33,874,938</u>
2	Total general fund appropriation	\$33,874,938
3	Subdivision 14.	
4	NORTH DAKOTA FOREST SERVICE	
5	Operations	\$3,358,731
6	Capital assets	<u>180,204</u>
7	Total all funds	\$3,538,935
8	Less estimated income	<u>997,486</u>
9	Total general fund appropriation	\$2,541,449
10	Total general fund appropriation - Section 3	\$470,227,440
11	Total estimated income appropriation - Section 3	\$129,473,156
12	Total all funds appropriation - Section 3	\$599,700,596
13	Grand total general fund appropriation - H.B. 1003	\$470,227,440
14	Grand total estimated income appropriation - H.B. 1003	\$129,473,156
15	Grand total all funds appropriation - H.B. 1003	\$599,700,596

16 **SECTION 4. BOARD INITIATIVES.** The sum of \$300,000 of the funding included in
17 the board initiatives line item in subdivision 1 of section 3 of this Act must be used for a grant to
18 the space grant consortium to match federal funds.

19 **SECTION 5. CAPITAL ASSETS.** The sum of \$15,822,002, or so much of the sum as
20 may be necessary, included in the capital assets line item in subdivision 1 of section 3 of this
21 Act, must be used by the state board of higher education to satisfy outstanding bond
22 obligations.

23 **SECTION 6. OPERATIONS POOL.** The sum of \$344,559, or so much of the sum as
24 may be necessary, included in the operations pool line item in subdivision 1 of section 3 of this
25 Act, is to be allocated for system priorities as determined by the state board of higher
26 education.

27 **SECTION 7. COMMON INFORMATION SERVICES.** The sum of \$27,403,293, or so
28 much of the sum as may be necessary, included in the common information services line item
29 in subdivision 1 of section 3 of this Act, must be used for the benefit of the institutions and
30 entities under the control of the state board of higher education, as determined by the board.
31 Funding allocations are to be made based on the North Dakota university system information

1 technology plan and technology priorities. Funds allocated pursuant to this section must be
2 used to support the higher education computer network, the interactive video network, the
3 on-line Dakota information network, ConnectND, northern tier network, and other related
4 technology initiatives as determined by the board.

5 **SECTION 8. CONTINGENCY AND CAPITAL EMERGENCY.** The sum of \$496,482, or
6 so much of the sum as may be necessary, included in the contingency and capital emergency
7 line item in subdivision 1 of section 3 of this Act, must be used to meet unforeseen operations
8 or capital asset needs and opportunities, as determined by the state board of higher education.

9 **SECTION 9. CAPITAL ASSETS - MAYVILLE STATE UNIVERSITY.** The sum of
10 \$1,000,000, or so much of the sum as may be necessary, included in the capital assets line
11 item in subdivision 1 of section 3 of this Act, may be used for the development of a master
12 capital plan and for deferred maintenance projects at Mayville state university as approved by
13 the board.

14 **SECTION 10. APPROPRIATION.** There is appropriated out of any moneys in the
15 student loan trust fund, not otherwise appropriated, the sum of \$317,460 or so much of the sum
16 as may be necessary for the professional student exchange program, for the biennium
17 beginning July 1, 2007, and ending June 30, 2009.

18 **SECTION 11. FEDERAL, PRIVATE, AND OTHER FUNDS - APPROPRIATION.** All
19 funds, in addition to those appropriated in section 3 of this Act, from federal, private, and other
20 sources, received by the institutions and entities under the control of the state board of higher
21 education are appropriated to those institutions and entities, for the biennium beginning July 1,
22 2007, and ending June 30, 2009. All additional funds received under the North
23 Dakota-Minnesota reciprocity agreement during the biennium beginning July 1, 2007, and
24 ending June 30, 2009, are appropriated to the state board of higher education for
25 reimbursement to institutions under the control of the board.

26 **SECTION 12. TRANSFER AUTHORITY.** If, during the biennium beginning July 1,
27 2007, and ending June 30, 2009, the state board of higher education determines that funds
28 allocated to campus operations in section 3 of this Act are needed for capital projects or
29 extraordinary repairs, the board may transfer funds from operations to capital assets. The
30 board shall report any transfer of funds under this section to the office of management and
31 budget.

1 **SECTION 13. FULL-TIME EQUIVALENT POSITION ADJUSTMENTS.** The state
2 board of higher education is authorized to adjust full-time equivalent positions as needed,
3 subject to the availability of funds, for institutions and entities under its control. The university
4 system shall report any adjustments to the office of management and budget before the
5 submission of the 2009-11 biennium budget request.

6 **SECTION 14. EDUCATION INCENTIVE PROGRAMS.** The funding appropriated for
7 education incentive programs in subdivision 1 of section 3 of this Act may be allocated to
8 education incentive programs as determined by the state board of higher education, including
9 the reduction or elimination of specific programs, and the state board of higher education may
10 determine the appropriate number of years of program eligibility for each education incentive
11 program.

12 **SECTION 15. BISMARCK STATE COLLEGE NATIONAL ENERGY CENTER OF**
13 **EXCELLENCE BUILDING.** The state board of higher education may enter into an agreement
14 or agreements with the Bismarck state college foundation or other private entity and do all
15 things necessary and proper to authorize construction by the foundation or other private entity
16 of a national energy center of excellence building on the Bismarck state college campus using
17 state funds, federal funds, donations, gifts, or other private funds.

18 **SECTION 16. BOND ISSUANCE AUTHORIZATION - PURPOSES -**
19 **APPROPRIATION.** The state board of higher education, in accordance with chapter 15-55,
20 may arrange for the funding of projects authorized in this section, declared to be in the public
21 interest, through the issuance of self-liquidating, tax-exempt evidences of indebtedness under
22 chapter 15-55, beginning with the effective date of this Act and ending June 30, 2009.
23 Evidences of indebtedness issued pursuant to this section are not a general obligation of the
24 state of North Dakota. Any unexpended balance resulting from the proceeds of the evidences
25 of indebtedness must be placed in a sinking fund to be used for the retirement of indebtedness.
26 The evidences of indebtedness may be issued and the proceeds are appropriated, for the
27 biennium beginning July 1, 2007, and ending June 30, 2009, for the purpose of financing the
28 following capital projects:

29 University of North Dakota - Wilkerson dining center	\$4,000,000
30 North Dakota state university - Living learning center west and Ceres hall	\$12,000,000

1	North Dakota state college of science - Robertson hall	\$6,000,000
2	North Dakota state college of science - Parking lot	\$714,000

3 **SECTION 17. LEGISLATIVE INTENT - HIGHER EDUCATION ACCOUNTABILITY**

4 **MEASURES.** It is the intent of the legislative assembly that the state board of higher
5 education's performance and accountability report as required by section 15-10-14.2 include an
6 executive summary and information regarding:

- 7 1. Education excellence, including:
- 8 a. Student performance on nationally recognized examinations in their major
9 fields compared to the national averages.
- 10 b. First-time licensure pass rates compared to other states.
- 11 c. Alumni-reported and student-reported satisfaction with preparation in selected
12 major, acquisition of specific skills, and technology knowledge and abilities.
- 13 d. Employer-reported satisfaction with preparation of recently hired graduates.
- 14 e. Biennial report on employee satisfaction relating to the university system and
15 local institutions.
- 16 f. Student graduation and retention rates.
- 17 2. Economic development, including:
- 18 a. Enrollment in entrepreneurship courses and the number of graduates of
19 entrepreneurship programs.
- 20 b. Percentage of university system graduates obtaining employment appropriate
21 to their education in the state.
- 22 c. Number of businesses and employees in the region receiving training.
- 23 3. Student access, including number and proportion of enrollments in courses offered
24 by nontraditional methods.
- 25 4. Student affordability, including:
- 26 a. Tuition and fees on a per student basis compared to the regional average.
- 27 b. Tuition and fees as a percentage of median North Dakota household income.
- 28 c. Cost per student in terms of general fund appropriations and total university
29 system funding.
- 30 d. Per capita general fund appropriations for higher education.

- 1 e. State general fund appropriation levels for university system institutions
2 compared to peer institutions general fund appropriation levels.
- 3 5. Financial operations, including:
- 4 a. Cost per student and percentage distribution by major function.
- 5 b. Ratio measuring the funding derived from operating and contributed income
6 compared to total university system funding.
- 7 c. Ratio measuring the amount of expendable net assets as compared to the
8 amount of long-term debt.
- 9 d. Research expenditures in proportion to the amount of revenue generated by
10 research activity and funding received for research activity.
- 11 e. Ratio measuring the amount of expendable fund balances divided by total
12 expenditures and mandatory transfers.
- 13 f. Ratio measuring net total revenues divided by total current revenues.

14 **SECTION 18. EMERGENCY.** The capital assets, professional student exchange
15 program, and contingency and capital emergency line items contained in section 3 of this Act
16 and sections 9 and 14 of this Act are declared to be an emergency measure.