

**FIRST ENGROSSMENT  
with Senate Amendments**

Sixtieth  
Legislative Assembly  
of North Dakota

**ENGROSSED 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; to limit student tuition rates; to provide for  
4 a transfer; to provide for a legislative council study; to amend and reenact section 15-10-43 of  
5 the North Dakota Century Code, relating to the contract with the Kansas state university  
6 veterinary medical education program; to repeal section 15-12-27 of the North Dakota Century  
7 Code, relating to North Dakota state university's eighteenth street development fund; to provide  
8 for retroactive application; and to declare an emergency.

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

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

14 Subdivision 1.

15 NORTH DAKOTA UNIVERSITY SYSTEM OFFICE

16 Capital assets	\$14,278,141
17 Competitive research	5,190,000
18 Board initiatives	1,885,000
19 System governance	5,568,422
20 Title II	695,600
21 Common information services	20,563,093
22 Operations pool	388,559
23 Equity pool	2,000,000
24 Contingency and capital emergency	436,923

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1	Professional liability insurance	1,350,000
2	Student financial assistance grants	3,504,402
3	Professional student exchange program	2,127,280
4	Scholars program	862,077
5	Native American scholarships	251,988
6	Education incentive programs	<u>1,227,902</u>
7	Total all funds - Base level	\$60,329,387
8	Less estimated income - Base level	<u>2,599,776</u>
9	Total general fund - Base level	\$57,729,611
10	Subdivision 2.	
11	BISMARCK STATE COLLEGE	
12	Operations	\$16,865,548
13	Capital assets	<u>3,988,781</u>
14	Total all funds - Base level	\$20,854,329
15	Less estimated income - Base level	<u>3,745,300</u>
16	Total general fund appropriation - Base level	\$17,109,029
17	Subdivision 3.	
18	LAKE REGION STATE COLLEGE	
19	Operations	\$5,389,989
20	Capital assets	<u>387,537</u>
21	Total general fund appropriation - Base level	\$5,777,526
22	Subdivision 4.	
23	WILLISTON STATE COLLEGE	
24	Operations	\$5,752,997
25	Capital assets	<u>8,136,475</u>
26	Total all funds - Base level	\$13,889,472
27	Less estimated income - Base level	<u>7,960,000</u>
28	Total general fund appropriation - Base level	\$5,929,472
29	Subdivision 5.	
30	UNIVERSITY OF NORTH DAKOTA	

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1	Operations	\$92,551,602
2	Capital assets	<u>100,132,099</u>
3	Total all funds - Base level	\$192,683,701
4	Less estimated income - Base level	<u>97,831,554</u>
5	Total general fund appropriation - Base level	\$94,852,147
6	Subdivision 6.	
7	NORTH DAKOTA STATE UNIVERSITY	
8	Operations	\$75,804,650
9	Capital assets	<u>39,192,226</u>
10	Total all funds - Base level	\$114,996,876
11	Less estimated income - Base level	<u>37,500,000</u>
12	Total general fund appropriation - Base level	\$77,496,876
13	Subdivision 7.	
14	NORTH DAKOTA STATE COLLEGE OF SCIENCE	
15	Operations	\$24,986,828
16	Capital assets	<u>3,558,252</u>
17	Total all funds - Base level	\$28,545,080
18	Less estimated income - Base level	<u>2,804,920</u>
19	Total general fund appropriation - Base level	\$25,740,160
20	Subdivision 8.	
21	DICKINSON STATE UNIVERSITY	
22	Operations	\$14,711,627
23	Capital assets	<u>9,484,247</u>
24	Total all funds - Base level	\$24,195,874
25	Less estimated income - Base level	<u>9,100,557</u>
26	Total general fund appropriation - Base level	\$15,095,317
27	Subdivision 9.	
28	MAYVILLE STATE UNIVERSITY	
29	Operations	\$9,003,630
30	Capital assets	<u>1,858,994</u>
31	Total all funds - Base level	\$10,862,624



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1	Total general fund appropriation - Base level	\$2,052,283
2	Total general fund appropriation - Section 1	\$387,157,893
3	Total estimated income appropriation - Section 1	\$178,552,108
4	Total all funds appropriation - Section 1	\$565,710,001

5           **SECTION 2. FUNDING ADJUSTMENTS OR ENHANCEMENTS INFORMATION.** The  
6 amounts identified in this section represent the funding adjustments or enhancements to the  
7 base funding level for the North Dakota university system office and to the various entities and  
8 institutions under the supervision of the state board of higher education which are included in  
9 the appropriation in section 3 of this Act as follows:

10           Subdivision 1.

11                           NORTH DAKOTA UNIVERSITY SYSTEM OFFICE AND INSTITUTIONS

12	Capital assets	\$2,475,971
13	Competitive research program	460,000
14	Board initiatives	(1,486,500)
15	System governance	514,972
16	Common information services	10,914,000
17	Operations pool	(388,559)
18	Equity pool	(2,000,000)
19	Contingency and capital emergency	(436,923)
20	Student financial assistance grants	2,483,095
21	Professional student exchange program	595,666
22	Scholars program	616,489
23	Native American scholarships	128,638
24	Education incentive programs	<u>512,412</u>
25	Total all funds - Adjustments/enhancements	\$14,389,261
26	Less estimated income - Adjustments/enhancements	<u>43,954</u>
27	Total general fund - Adjustments/enhancements	\$14,345,307

28           Subdivision 2.

29   BISMARCK STATE COLLEGE

30	Operations	\$2,917,590
31	Capital assets	<u>2,707,161</u>

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1	Total all funds - Adjustments/enhancements	\$5,624,751
2	Less estimated income - Adjustments/enhancements	<u>1,962,255</u>
3	Total general fund - Adjustments/enhancements	\$3,662,496

4 Subdivision 3.

5 LAKE REGION STATE COLLEGE

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

11 Subdivision 4.

12 WILLISTON STATE COLLEGE

13	Operations	\$886,105
14	Capital assets	<u>(5,879,277)</u>
15	Total all funds - Adjustments/enhancements	(\$4,993,172)
16	Less estimated income - Adjustments/enhancements	<u>(5,660,000)</u>
17	Total general fund - Adjustments/enhancements	\$666,828

18 Subdivision 5.

19 UNIVERSITY OF NORTH DAKOTA

20	Operations	\$14,728,428
21	Capital assets	<u>(18,303,224)</u>
22	Total all funds - Adjustments/enhancements	(\$3,574,796)
23	Less estimated income - Adjustments/enhancements	<u>(24,131,554)</u>
24	Total general fund - Adjustments/enhancements	\$20,556,758

25 Subdivision 6.

26 NORTH DAKOTA STATE UNIVERSITY

27	Operations	\$14,013,525
28	Capital assets	<u>4,016,935</u>
29	Total all funds - Adjustments/enhancements	\$18,030,460
30	Less estimated income - Adjustments/enhancements	<u>(3,500,000)</u>
31	Total general fund - Adjustments/enhancements	\$21,530,460

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1 Subdivision 7.

2 NORTH DAKOTA STATE COLLEGE OF SCIENCE

3 Operations \$2,823,065

4 Capital assets 1,198,613

5 Total all funds - Adjustments/enhancements \$4,021,678

6 Less estimated income - Adjustments/enhancements (1,104,920)

7 Total general fund - Adjustments/enhancements \$5,126,598

8 Subdivision 8.

9 DICKINSON STATE UNIVERSITY

10 Operations \$2,186,729

11 Capital assets (465,484)

12 Total all funds - Adjustments/enhancements \$1,721,245

13 Less estimated income - Adjustments/enhancements (1,100,557)

14 Total general fund - Adjustments/enhancements \$2,821,802

15 Subdivision 9.

16 MAYVILLE STATE UNIVERSITY

17 Operations \$886,159

18 Capital assets 130,969

19 Total all funds - Adjustments/enhancements \$1,017,128

20 Less estimated income - Adjustments/enhancements (600,000)

21 Total general fund - Adjustments/enhancements \$1,617,128

22 Subdivision 10.

23 MINOT STATE UNIVERSITY

24 Operations \$2,954,699

25 Capital assets 367,024

26 Total all funds - Adjustments/enhancements \$3,321,723

27 Less estimated income - Adjustments/enhancements (7,295,850)

28 Total general fund - Adjustments/enhancements \$10,617,573

29 Subdivision 11.

30 VALLEY CITY STATE UNIVERSITY

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1	Operations	\$1,577,070
2	Capital assets	<u>2,487,819</u>
3	Total general fund - Adjustments/enhancements	\$4,064,889
4	Subdivision 12.	
5	MINOT STATE UNIVERSITY - BOTTINEAU	
6	Operations	\$437,017
7	Capital assets	<u>(5,699,023)</u>
8	Total all funds - Adjustments/enhancements	(\$5,262,006)
9	Less estimated income - Adjustments/enhancements	<u>(5,987,095)</u>
10	Total general fund - Adjustments/enhancements	\$725,089
11	Subdivision 13.	
12	UNIVERSITY OF NORTH DAKOTA SCHOOL OF MEDICINE	
13	AND HEALTH SCIENCES	
14	Operations	<u>\$3,213,936</u>
15	Total general fund - Adjustments/enhancements	\$3,213,936
16	Subdivision 14.	
17	NORTH DAKOTA FOREST SERVICE	
18	Operations	\$433,085
19	Capital assets	<u>78,566</u>
20	Total all funds - Adjustments/enhancements	\$511,651
21	Less estimated income - Adjustments/enhancements	<u>22,485</u>
22	Total general fund - Adjustments/enhancements	\$489,166
23	Total general fund - Section 2	\$90,313,775
24	Total estimated income - Section 2	(\$44,343,682)
25	Total all funds - Section 2	\$45,970,093

26       **SECTION 3. 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, and from special funds derived from federal funds and  
29 other income, to the North Dakota university system office and the various entities and  
30 institutions under the supervision of the state board of higher education for the purpose of

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1 defraying the expenses of those entities and institutions, for the biennium beginning July 1,  
2 2007, and ending June 30, 2009, as follows:

3 Subdivision 1.

4 NORTH DAKOTA UNIVERSITY SYSTEM OFFICE AND INSTITUTIONS

5 Capital assets	\$16,754,112
6 Competitive research program	5,650,000
7 Board initiatives	398,500
8 System governance	6,083,394
9 Title II	695,600
10 Common information services	31,477,093
11 Professional liability insurance	1,350,000
12 Student financial assistance grants	5,987,497
13 Professional student exchange program	2,722,946
14 Scholars program	1,478,566
15 Native American scholarships	380,626
16 Education incentive programs	<u>1,740,314</u>
17 Total all funds	\$74,718,648
18 Less estimated income	<u>2,643,730</u>
19 Total general fund appropriation	\$72,074,918

20 Subdivision 2.

21 BISMARCK STATE COLLEGE

22 Operations	\$19,783,138
23 Capital assets	<u>6,695,942</u>
24 Total all funds	\$26,479,080
25 Less estimated income	<u>5,707,555</u>
26 Total general fund appropriation	\$20,771,525

27 Subdivision 3.

28 LAKE REGION STATE COLLEGE

29 Operations	\$6,527,667
30 Capital assets	<u>3,133,204</u>
31 Total all funds	\$9,660,871



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1		DICKINSON STATE UNIVERSITY	
2	Operations		\$16,898,356
3	Capital assets		<u>9,018,763</u>
4	Total all funds		\$25,917,119
5	Less estimated income		<u>8,000,000</u>
6	Total general fund appropriation		\$17,917,119
7	Subdivision 9.		
8		MAYVILLE STATE UNIVERSITY	
9	Operations		\$9,889,789
10	Capital assets		<u>1,989,963</u>
11	Total all funds		\$11,879,752
12	Less estimated income		<u>900,000</u>
13	Total general fund appropriation		\$10,979,752
14	Subdivision 10.		
15		MINOT STATE UNIVERSITY	
16	Operations		\$30,170,548
17	Capital assets		<u>9,578,894</u>
18	Total all funds		\$39,749,442
19	Less estimated income		<u>1,239,150</u>
20	Total general fund appropriation		\$38,510,292
21	Subdivision 11.		
22		VALLEY CITY STATE UNIVERSITY	
23	Operations		\$13,383,596
24	Capital assets		<u>2,996,235</u>
25	Total general fund appropriation		\$16,379,831
26	Subdivision 12.		
27		MINOT STATE UNIVERSITY - BOTTINEAU	
28	Operations		\$4,771,477
29	Capital assets		<u>410,702</u>
30	Total all funds		\$5,182,179

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1	Less estimated income	<u>12,905</u>
2	Total general fund appropriation	\$5,169,274
3	Subdivision 13.	
4	UNIVERSITY OF NORTH DAKOTA SCHOOL OF MEDICINE	
5	AND HEALTH SCIENCES	
6	Operations	<u>\$34,574,938</u>
7	Total general fund appropriation	\$34,574,938
8	Subdivision 14.	
9	NORTH DAKOTA FOREST SERVICE	
10	Operations	\$3,358,731
11	Capital assets	<u>180,204</u>
12	Total all funds	\$3,538,935
13	Less estimated income	<u>997,486</u>
14	Total general fund appropriation	\$2,541,449
15	Total general fund appropriation - Section 3	\$477,471,668
16	Total estimated income appropriation - Section 3	\$134,208,426
17	Total all funds appropriation - Section 3	\$611,680,094
18	Grand total general fund appropriation - H.B. 1003	\$477,471,668
19	Grand total estimated income appropriation - H.B. 1003	\$156,922,426
20	Grand total all funds appropriation - H.B. 1003	\$634,394,094"

21 **SECTION 4. BOARD INITIATIVES - REPORT TO THE SIXTY-FIRST LEGISLATIVE**  
22 **ASSEMBLY.** The board initiatives line item in subdivision 1 of section 3 of this Act includes the  
23 sum of \$300,000 for a grant to the space grant consortium to match federal funds and the sum  
24 of \$98,500 for a recruiting initiative for Minot state university and Minot state university -  
25 Bottineau. Minot state university shall provide additional funding of \$98,500 from special funds  
26 for the initiative. The funding for the initiative is provided for a two-year pilot basis. Both Minot  
27 state university and Minot state university - Bottineau shall report on the effectiveness of the  
28 initiative to the appropriations committees of the sixty-first legislative assembly.

29 **SECTION 5. CAPITAL ASSETS.** The sum of \$15,754,112, or so much of the sum as  
30 may be necessary, included in the capital assets line item in subdivision 1 of section 3 of this

1 Act, must be used by the state board of higher education to satisfy outstanding bond  
2 obligations.

3 **SECTION 6. COMMON INFORMATION SERVICES.** The sum of \$31,477,093, or so  
4 much of the sum as may be necessary, included in the common information services line item  
5 in subdivision 1 of section 3 of this Act, must be used for the benefit of the institutions and  
6 entities under the control of the state board of higher education, as determined by the board.  
7 Funding allocations are to be made based on the North Dakota university system information  
8 technology plan and technology priorities. Funds allocated pursuant to this section must be  
9 used to support the higher education computer network, the interactive video network, the  
10 on-line Dakota information network, ConnectND, northern tier network, and other related  
11 technology initiatives as determined by the board.

12 **SECTION 7. CAPITAL ASSETS - MAYVILLE STATE UNIVERSITY.** The sum of  
13 \$1,000,000, or so much of the sum as may be necessary, included in the capital assets line  
14 item in subdivision 1 of section 3 of this Act, may be used for the development of a master  
15 capital plan and for deferred maintenance projects at Mayville state university as approved by  
16 the board.

17 **SECTION 8. STUDENT LOAN TRUST FUND.** Section 3 of this Act includes the sum  
18 of \$523,380, or so much of the sum as may be necessary, from the student loan trust fund for  
19 the professional student exchange program, for the biennium beginning July 1, 2007, and  
20 ending June 30, 2009.

21 **SECTION 9. PERMANENT OIL TAX TRUST FUND.** Section 3 of this Act includes the  
22 sum of \$900,000, or so much of the sum as may be necessary, from the permanent oil tax trust  
23 fund for the service rig program at Williston state college, for the biennium beginning July 1,  
24 2007, and ending June 30, 2009.

25 **SECTION 10. FEDERAL, PRIVATE, AND OTHER FUNDS - APPROPRIATION.** All  
26 funds, in addition to those appropriated in section 3 of this Act, from federal, private, and other  
27 sources, received by the institutions and entities under the control of the state board of higher  
28 education are appropriated to those institutions and entities, for the biennium beginning July 1,  
29 2007, and ending June 30, 2009. All additional funds received under the North  
30 Dakota-Minnesota reciprocity agreement during the biennium beginning July 1, 2007, and

1 ending June 30, 2009, are appropriated to the state board of higher education for  
2 reimbursement to institutions under the control of the board.

3 **SECTION 11. TRANSFER AUTHORITY.** If, during the biennium beginning July 1,  
4 2007, and ending June 30, 2009, the state board of higher education determines that funds  
5 allocated to campus operations in section 3 of this Act are needed for capital projects or  
6 extraordinary repairs, the board may transfer funds from operations to capital assets. The  
7 board shall report any transfer of funds under this section to the office of management and  
8 budget.

9 **SECTION 12. FULL-TIME EQUIVALENT POSITION ADJUSTMENTS.** The state  
10 board of higher education is authorized to adjust full-time equivalent positions as needed,  
11 subject to the availability of funds, for institutions and entities under its control. The university  
12 system shall report any adjustments to the office of management and budget before the  
13 submission of the 2009-11 biennium budget request.

14 **SECTION 13. EDUCATION INCENTIVE PROGRAMS.** The funding appropriated for  
15 education incentive programs in subdivision 1 of section 3 of this Act may be allocated to  
16 education incentive programs as determined by the state board of higher education, including  
17 the reduction or elimination of specific programs, and the state board of higher education may  
18 determine the appropriate number of years of program eligibility for each education incentive  
19 program.

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

26 **SECTION 15. BOND ISSUANCE AUTHORIZATION - PURPOSES -**  
27 **APPROPRIATION.** The state board of higher education, in accordance with chapter 15-55,  
28 may arrange for the funding of projects authorized in this section, declared to be in the public  
29 interest, through the issuance of self-liquidating, tax-exempt evidences of indebtedness under  
30 chapter 15-55, beginning with the effective date of this Act and ending June 30, 2009.  
31 Evidences of indebtedness issued pursuant to this section are not a general obligation of the

1 state of North Dakota. Any unexpended balance resulting from the proceeds of the evidences  
2 of indebtedness must be placed in a sinking fund to be used for the retirement of indebtedness.  
3 The evidences of indebtedness may be issued and the proceeds are appropriated, for the  
4 biennium beginning July 1, 2007, and ending June 30, 2009, for the purpose of financing the  
5 following capital projects:

6 University of North Dakota - Wilkerson dining center	\$4,000,000
7 North Dakota state university - Living learning center west and Ceres hall	12,000,000
8 North Dakota state college of science - Robertson hall	6,000,000
9 North Dakota state college of science - Parking lot	<u>714,000</u>
10 Total special funds appropriation	\$22,714,000

11 **SECTION 16. LEGISLATIVE INTENT - HIGHER EDUCATION ACCOUNTABILITY**

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

- 15 1. Education excellence, including:
- 16 a. Student performance on nationally recognized examinations in their major
  - 17 fields compared to the national averages.
  - 18 b. First-time licensure pass rates compared to other states.
  - 19 c. Alumni-reported and student-reported satisfaction with preparation in selected
  - 20 major, acquisition of specific skills, and technology knowledge and abilities.
  - 21 d. Employer-reported satisfaction with preparation of recently hired graduates.
  - 22 e. Biennial report on employee satisfaction relating to the university system and
  - 23 local institutions.
  - 24 f. Student graduation and retention rates.
- 25 2. Economic development, including:
- 26 a. Enrollment in entrepreneurship courses and the number of graduates of
  - 27 entrepreneurship programs.
  - 28 b. Percentage of university system graduates obtaining employment appropriate
  - 29 to their education in the state.
  - 30 c. Number of businesses and employees in the region receiving training.

- 1           3. Student access, including number and proportion of enrollments in courses offered
- 2                    by nontraditional methods.
- 3           4. Student affordability, including:
- 4                a. Tuition and fees on a per student basis compared to the regional average.
- 5                b. Tuition and fees as a percentage of median North Dakota household income.
- 6                c. Cost per student in terms of general fund appropriations and total university
- 7                    system funding.
- 8                d. Per capita general fund appropriations for higher education.
- 9                e. State general fund appropriation levels for university system institutions
- 10                    compared to peer institutions general fund appropriation levels.
- 11           5. Financial operations, including:
- 12                a. Cost per student and percentage distribution by major function.
- 13                b. Ratio measuring the funding derived from operating and contributed income
- 14                    compared to total university system funding.
- 15                c. Ratio measuring the amount of expendable net assets as compared to the
- 16                    amount of long-term debt.
- 17                d. Research expenditures in proportion to the amount of revenue generated by
- 18                    research activity and funding received for research activity.
- 19                e. Ratio measuring the amount of expendable fund balances divided by total
- 20                    expenditures and mandatory transfers.
- 21                f. Ratio measuring net total revenues divided by total current revenues.

22           **SECTION 17. TUITION RATE INCREASES - LIMIT - BUDGET SECTION**

23   **APPROVAL.** Notwithstanding any other provision of law, the state board of higher education  
24 shall limit any annual tuition increase for students attending institutions under its control for the  
25 2007-08 and 2008-09 academic years to not more than five percent for each year unless the  
26 board receives prior budget section approval.

27           **SECTION 18. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO**

28   **SIXTY-FIRST LEGISLATIVE ASSEMBLY.** The grand total general fund appropriation line  
29 item in section 3 of this Act includes \$39,979,343 for one-time funding items identified in this  
30 section. This amount is not a part of the institutions' base budgets to be used in preparing the  
31 2009-11 executive budget. The North Dakota university system shall report to the

1 appropriations committees of the sixty-first legislative assembly on the use of this one-time  
2 funding for the biennium beginning July 1, 2007, and ending June 30, 2009.

3 Northern tier network infrastructure	\$2,773,800
4 ConnectND system support	6,000,000
5 Common information system pool parity funding	420,000
6 Deferred maintenance	11,143,033
7 Capital projects	18,831,710
8 Campus initiatives	<u>810,800</u>
9 Total	\$39,979,343

10 **SECTION 19. USE OF UNSPENT 2005-07 GENERAL FUND APPROPRIATIONS.**

11 The state board of higher education shall use \$200,000 of the North Dakota university system  
12 office unspent 2005-07 general fund appropriation authorized to continue under section  
13 54-44.1-11 for completing and furnishing the thatcher hall renovation and addition at Minot  
14 state university - Bottineau for the biennium beginning July 1, 2007, and ending June 30, 2009.

15 **SECTION 20. LEGISLATIVE INTENT - NORTHERN TIER NETWORK.** It is the intent  
16 of the sixtieth legislative assembly that higher education institutions utilizing the northern tier  
17 network be responsible for funding the related ongoing maintenance costs for the network.

18 **SECTION 21. NORTH DAKOTA STATE UNIVERSITY - COLLEGE OF BUSINESS**  
19 **BUILDING.** The state board of higher education may enter an agreement or agreements with  
20 the North Dakota state university foundation or other private entity and do all things necessary  
21 and proper to authorize construction by the foundation or other private entity of a college of  
22 business building off the North Dakota state university campus, using donations, gifts, or other  
23 private funds.

24 **SECTION 22. LEGISLATIVE COUNCIL STUDY - HIGHER EDUCATION.**

25 1. The legislative council shall consider appointing a higher education committee for  
26 the 2007-08 interim. If appointed, the committee shall spend a majority of time  
27 studying the means by which the North Dakota university system can further  
28 contribute to developing and attracting the human capital to meet North Dakota's  
29 economic and workforce needs, and if time allows, the committee may visit select  
30 higher education institutions.

- 1           2.    The study must focus on ways to increase postsecondary access, improve the  
2                    quality of education, contain costs and other means, including productivity, to  
3                    maximize the usage of the North Dakota university system in meeting the human  
4                    capital needs of the state.
- 5           3.    The study must include a review of policy recommendations, as appropriate, which  
6                    address the postsecondary delivery system, including the mix of institutions,  
7                    educational attainment gaps, degree production gaps, recruitment and retention of  
8                    students, and workforce training needs.
- 9           4.    The study must include a review of the impact of the state's changing  
10                   demographics on the university system long-term financing plan.
- 11          5.    The study must recommend goals for each of the higher education cornerstones.
- 12          6.    The study may include the use of a higher education roundtable format.
- 13          7.    The legislative council shall report its findings and recommendations, together with  
14                    any legislation required to implement the recommendations, to the sixty-first  
15                    legislative assembly.
- 16          8.    The state board of higher education also shall take the recommendations into  
17                    account and make appropriate changes to practices, board policy, and budget  
18                    needs and allocation.

19           **SECTION 23. LEGISLATIVE COUNCIL STUDY - PROFESSIONAL STUDENT**

20   **EXCHANGE PROGRAMS.** The legislative council shall consider studying, during the 2007-08  
21   interim, higher education professional student exchange programs. The study should include  
22   review of:

- 23          1.    The amount of annual tuition and fees paid by students for health care-related  
24                    professional education programs.
- 25          2.    The amount of annual support fees paid by the state for health care-related  
26                    professional education programs.
- 27          3.    The number of state-supported slots funded and demand for state-supported slots,  
28                    including the consideration of basing the number of slots on the estimated  
29                    workforce needs to fill positions due to retirements, geographic, and professional  
30                    specific service needs.

- 1           4.    The present repayment provisions and loan forgiveness programs to determine  
2                    cost-effectiveness, equality issues, and development of program enhancements  
3                    that would aid in the recruitment of professional students to return to the state to  
4                    practice their chosen profession.
- 5           5.    Discontinuation of the contracts with the western interstate commission on higher  
6                    education for access to veterinary medicine programs and consideration of  
7                    negotiating contracts for veterinary medicine with Kansas, Iowa, and Minnesota.  
8           The legislative council shall report its findings and recommendations, together with any  
9           legislation required to implement the recommendations, to the sixty-first legislative  
10          assembly.

11          **SECTION 24. AMENDMENT.** Section 15-10-43 of the North Dakota Century Code is  
12   amended and reenacted as follows:

13           **15-10-43. Veterinary medical education program - Kansas state university -**  
14   **Contract.**

- 15          1.    In addition to any contracts under section 15-10-28.2, the state board of higher  
16                    education may contract with Kansas state university to provide an opportunity for  
17                    up to five eligible students to enroll in the veterinary medical education program at  
18                    Kansas state university.
- 19          2.    Eligible students must be residents of this state and must have been selected for  
20                    enrollment by an admissions committee consisting of one faculty member from the  
21                    department of veterinary and microbiological sciences at North Dakota state  
22                    university, one veterinarian practicing in this state, one member of the legislative  
23                    assembly, and one livestock producer, all of whom must be appointed by the  
24                    legislative council, and the chairman of the admissions committee at the Kansas  
25                    state university school of veterinary medicine. The legislative council and the  
26                    chairman of the admissions committee at the Kansas state university school of  
27                    veterinary medicine may select an alternative for each of the designated positions  
28                    to serve as necessary.
- 29          3.    The admissions committee shall determine the criteria to be used in the selection  
30                    of eligible students, with eligible students interested in large animal veterinary  
31                    medicine receiving a priority.

- 1           4. As a condition of selection under this program, an eligible student shall agree to  
2           practice veterinary medicine in this state for a period of three years upon  
3           graduation. If a student fails to fulfill the commitment for practice in this state, the  
4           student shall repay to the state board of higher education all moneys forwarded to  
5           or for the student under this Act, on a proportionate basis.

6           **SECTION 25. AMENDMENT.** Section 15-10-43 of the North Dakota Century Code is  
7 amended and reenacted as follows:

8           **15-10-43. Veterinary medical education program - Kansas state university -**  
9 **Contract.**

- 10          1. In addition to any contracts under section 15-10-28.2, the state board of higher  
11          education may contract with Kansas state university to provide an opportunity for  
12          up to five eligible students to enroll in the veterinary medical education program at  
13          Kansas state university.
- 14          2. Eligible students must be residents of this state and must have been selected for  
15          enrollment by an admissions committee consisting of one faculty member from the  
16          department of veterinary and microbiological sciences at North Dakota state  
17          university, one veterinarian practicing in this state, one member of the legislative  
18          assembly, and one livestock producer, all of whom must be appointed by the  
19          legislative council, and the chairman of the admissions committee at the Kansas  
20          state university school of veterinary medicine.
- 21          3. The admissions committee shall determine the criteria to be used in the selection  
22          of eligible students, with eligible students interested in large animal veterinary  
23          medicine receiving a priority.
- 24          4. ~~As a condition of selection under this program, an eligible student shall agree to~~  
25          ~~practice veterinary medicine in this state for a period of three years upon~~  
26          ~~graduation. If a student fails to fulfill the commitment for practice in this state, the~~  
27          ~~student shall repay to the state board of higher education all moneys forwarded to~~  
28          ~~or for the student under this Act, on a proportionate basis.~~

29          **SECTION 26. REPEAL.** Section 15-12-27 of the North Dakota Century Code is  
30 repealed.

1           **SECTION 27. RETROACTIVE APPLICATION.** Section 25 of this Act applies  
2 retroactively to students participating in the Kansas state university veterinary medicine  
3 program.

4           **SECTION 28. EMERGENCY.** The capital assets, professional student exchange  
5 program, and contingency and capital emergency line items contained in section 3 of this Act  
6 and sections 7, 13, and 15 of this Act are declared to be an emergency measure.