

**FIRST ENGROSSMENT  
with Conference Committee Amendments**

**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 legislative council study; to amend and reenact section 15-10-43 of the North Dakota Century  
5 Code, relating to the contract with the Kansas state university veterinary medical education  
6 program; to repeal section 15-12-27 of the North Dakota Century Code, relating to North  
7 Dakota state university's eighteenth street development fund; to provide for retroactive  
8 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

Sixtieth  
Legislative Assembly

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	

Sixtieth  
Legislative Assembly

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

Sixtieth  
Legislative Assembly

1	Less estimated income - Base level	<u>1,500,000</u>
2	Total general fund appropriation - Base level	\$9,362,624
3	Subdivision 10.	
4	MINOT STATE UNIVERSITY	
5	Operations	\$27,215,849
6	Capital assets	<u>9,211,870</u>
7	Total all funds - Base level	\$36,427,719
8	Less estimated income - Base level	<u>8,535,000</u>
9	Total general fund appropriation - Base level	\$27,892,719
10	Subdivision 11.	
11	VALLEY CITY STATE UNIVERSITY	
12	Operations	\$11,806,526
13	Capital assets	<u>508,416</u>
14	Total general fund appropriation - Base level	\$12,314,942
15	Subdivision 12.	
16	MINOT STATE UNIVERSITY - BOTTINEAU	
17	Operations	\$4,334,460
18	Capital assets	<u>6,109,725</u>
19	Total all funds - Base level	\$10,444,185
20	Less estimated income - Base level	<u>6,000,000</u>
21	Total general fund appropriation - Base level	\$4,444,185
22	Subdivision 13.	
23	UNIVERSITY OF NORTH DAKOTA SCHOOL OF MEDICINE AND HEALTH SCIENCES	
24	Operations	<u>\$31,361,002</u>
25	Total general fund appropriation - Base level	\$31,361,002
26	Subdivision 14.	
27	NORTH DAKOTA FOREST SERVICE	
28	Operations	\$2,925,646
29	Capital assets	<u>101,638</u>
30	Total all funds - Base level	\$3,027,284
31	Less estimated income - Base level	<u>975,001</u>

Sixtieth  
Legislative Assembly

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	\$2,225,971
13	Competitive research program	460,000
14	Board initiatives	(1,486,500)
15	System governance	314,972
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	Professional liability insurance	(250,000)
21	Student financial assistance grants	2,483,095
22	Professional student exchange program	595,666
23	Scholars program	616,489
24	Native American scholarships	128,638
25	Education incentive programs	<u>512,412</u>
26	Total all funds - Adjustments/enhancements	\$13,689,261
27	Less estimated income - Adjustments/enhancements	<u>2,817,754</u>
28	Total general fund - Adjustments/enhancements	\$10,871,507

29           Subdivision 2.

30                                   BISMARCK STATE COLLEGE

Sixtieth  
Legislative Assembly

1	Operations	\$2,719,759
2	Capital assets	<u>2,707,161</u>
3	Total all funds - Adjustments/enhancements	\$5,426,920
4	Less estimated income - Adjustments/enhancements	<u>1,988,750</u>
5	Total general fund - Adjustments/enhancements	\$3,438,170

6 Subdivision 3.

7 LAKE REGION STATE COLLEGE

8	Operations	\$1,072,401
9	Capital assets	<u>2,745,667</u>
10	Total all funds - Adjustments/enhancements	\$3,818,068
11	Less estimated income - Adjustments/enhancements	<u>3,007,600</u>
12	Total general fund - Adjustments/enhancements	\$810,468

13 Subdivision 4.

14 WILLISTON STATE COLLEGE

15	Operations	\$819,714
16	Capital assets	<u>(5,879,277)</u>
17	Total all funds - Adjustments/enhancements	(\$5,059,563)
18	Less estimated income - Adjustments/enhancements	<u>(5,660,000)</u>
19	Total general fund - Adjustments/enhancements	\$600,437

20 Subdivision 5.

21 UNIVERSITY OF NORTH DAKOTA

22	Operations	\$13,655,628
23	Capital assets	<u>(18,303,224)</u>
24	Total all funds - Adjustments/enhancements	(\$4,647,596)
25	Less estimated income - Adjustments/enhancements	<u>(23,911,554)</u>
26	Total general fund - Adjustments/enhancements	\$19,263,958

27 Subdivision 6.

28 NORTH DAKOTA STATE UNIVERSITY

29	Operations	\$13,115,343
30	Capital assets	<u>4,016,935</u>
31	Total all funds - Adjustments/enhancements	\$17,132,278

Sixtieth  
Legislative Assembly

1	Less estimated income - Adjustments/enhancements	<u>(3,000,000)</u>
2	Total general fund - Adjustments/enhancements	\$20,132,278
3	Subdivision 7.	
4	NORTH DAKOTA STATE COLLEGE OF SCIENCE	
5	Operations	\$2,544,966
6	Capital assets	<u>1,198,613</u>
7	Total all funds - Adjustments/enhancements	\$3,743,579
8	Less estimated income - Adjustments/enhancements	<u>565,500</u>
9	Total general fund - Adjustments/enhancements	\$3,178,079
10	Subdivision 8.	
11	DICKINSON STATE UNIVERSITY	
12	Operations	\$2,017,745
13	Capital assets	<u>(465,484)</u>
14	Total all funds - Adjustments/enhancements	\$1,552,261
15	Less estimated income - Adjustments/enhancements	<u>(1,100,557)</u>
16	Total general fund - Adjustments/enhancements	\$2,652,818
17	Subdivision 9.	
18	MAYVILLE STATE UNIVERSITY	
19	Operations	\$1,037,261
20	Capital assets	<u>130,969</u>
21	Total all funds - Adjustments/enhancements	\$1,168,230
22	Less estimated income - Adjustments/enhancements	<u>(600,000)</u>
23	Total general fund - Adjustments/enhancements	\$1,768,230
24	Subdivision 10.	
25	MINOT STATE UNIVERSITY	
26	Operations	\$2,652,994
27	Capital assets	<u>367,024</u>
28	Total all funds - Adjustments/enhancements	\$3,020,018
29	Less estimated income - Adjustments/enhancements	<u>(7,128,385)</u>
30	Total general fund - Adjustments/enhancements	\$10,148,403
31	Subdivision 11.	

1	VALLEY CITY STATE UNIVERSITY	
2	Operations	\$1,443,234
3	Capital assets	<u>2,487,819</u>
4	Total all funds - Adjustments/enhancements	\$3,931,053
5	Less estimated income - Adjustments/enhancements	<u>2,200,000</u>
6	Total general fund - Adjustments/enhancements	\$1,731,053

7 Subdivision 12.

8	MINOT STATE UNIVERSITY - BOTTINEAU	
9	Operations	\$389,302
10	Capital assets	<u>(5,699,023)</u>
11	Total all funds - Adjustments/enhancements	(\$5,309,721)
12	Less estimated income - Adjustments/enhancements	<u>(5,748,000)</u>
13	Total general fund - Adjustments/enhancements	\$438,279

14 Subdivision 13.

15	UNIVERSITY OF NORTH DAKOTA SCHOOL OF MEDICINE	
16	AND HEALTH SCIENCES	
17	Operations	<u>\$2,868,187</u>
18	Total general fund - Adjustments/enhancements	\$2,868,187

19 Subdivision 14.

20	NORTH DAKOTA FOREST SERVICE	
21	Operations	\$409,473
22	Capital assets	<u>78,566</u>
23	Total all funds - Adjustments/enhancements	\$488,039
24	Less estimated income - Adjustments/enhancements	<u>22,485</u>
25	Total general fund - Adjustments/enhancements	\$465,554
26	Total general fund - Section 2	\$78,367,421
27	Total estimated income - Section 2	(\$36,546,407)
28	Total all funds - Section 2	\$41,821,014

29 **SECTION 3. APPROPRIATION.** The funds provided in this section, or so much of the  
30 funds as may be necessary, are appropriated out of any moneys in the general fund in the state  
31 treasury, not otherwise appropriated, and from special funds derived from federal funds and

Sixtieth  
Legislative Assembly

1 other income, to the North Dakota university system office and the various entities and  
2 institutions under the supervision of the state board of higher education for the purpose of  
3 defraying the expenses of those entities and institutions, for the biennium beginning July 1,  
4 2007, and ending June 30, 2009, as follows:

5 Subdivision 1.

6 NORTH DAKOTA UNIVERSITY SYSTEM OFFICE AND INSTITUTIONS

7 Capital assets	\$16,504,112
8 Competitive research program	5,650,000
9 Board initiatives	398,500
10 System governance	5,883,394
11 Title II	695,600
12 Common information services	31,477,093
13 Professional liability insurance	1,100,000
14 Student financial assistance grants	5,987,497
15 Professional student exchange program	2,722,946
16 Scholars program	1,478,566
17 Native American scholarships	380,626
18 Education incentive programs	<u>1,740,314</u>
19 Total all funds	\$74,018,648
20 Less estimated income	<u>5,417,530</u>
21 Total general fund appropriation	\$68,601,118

22 Subdivision 2.

23 BISMARCK STATE COLLEGE

24 Operations	\$19,585,307
25 Capital assets	<u>6,695,942</u>
26 Total all funds	\$26,281,249
27 Less estimated income	<u>5,734,050</u>
28 Total general fund appropriation	\$20,547,199

29 Subdivision 3.

30 LAKE REGION STATE COLLEGE

Sixtieth  
Legislative Assembly

1	Operations	\$6,462,390
2	Capital assets	<u>3,133,204</u>
3	Total all funds	\$9,595,594
4	Less estimated income	<u>3,007,600</u>
5	Total general fund appropriation	\$6,587,994

6 Subdivision 4.

7 WILLISTON STATE COLLEGE

8	Operations	\$6,572,711
9	Capital assets	<u>2,257,198</u>
10	Total all funds	\$8,829,909
11	Less estimated income	<u>2,300,000</u>
12	Total general fund appropriation	\$6,529,909

13 Subdivision 5.

14 UNIVERSITY OF NORTH DAKOTA

15	Operations	\$106,207,230
16	Capital assets	<u>81,828,875</u>
17	Total all funds	\$188,036,105
18	Less estimated income	<u>73,920,000</u>
19	Total general fund appropriation	\$114,116,105

20 Subdivision 6.

21 NORTH DAKOTA STATE UNIVERSITY

22	Operations	\$88,919,993
23	Capital assets	<u>43,209,161</u>
24	Total all funds	\$132,129,154
25	Less estimated income	<u>34,500,000</u>
26	Total general fund appropriation	\$97,629,154

27 Subdivision 7.

28 NORTH DAKOTA STATE COLLEGE OF SCIENCE

29	Operations	\$27,531,794
30	Capital assets	<u>4,756,865</u>
31	Total all funds	\$32,288,659

Sixtieth  
Legislative Assembly

1	Less estimated income	<u>3,370,420</u>
2	Total general fund appropriation	\$28,918,239
3	Subdivision 8.	
4		DICKINSON STATE UNIVERSITY
5	Operations	\$16,729,372
6	Capital assets	<u>9,018,763</u>
7	Total all funds	\$25,748,135
8	Less estimated income	<u>8,000,000</u>
9	Total general fund appropriation	\$17,748,135
10	Subdivision 9.	
11		MAYVILLE STATE UNIVERSITY
12	Operations	\$10,040,891
13	Capital assets	<u>1,989,963</u>
14	Total all funds	\$12,030,854
15	Less estimated income	<u>900,000</u>
16	Total general fund appropriation	\$11,130,854
17	Subdivision 10.	
18		MINOT STATE UNIVERSITY
19	Operations	\$29,868,843
20	Capital assets	<u>9,578,894</u>
21	Total all funds	\$39,447,737
22	Less estimated income	<u>1,406,615</u>
23	Total general fund appropriation	\$38,041,122
24	Subdivision 11.	
25		VALLEY CITY STATE UNIVERSITY
26	Operations	\$13,249,760
27	Capital assets	<u>2,996,235</u>
28	Total all funds	\$16,245,995
29	Less estimated income	<u>2,200,000</u>
30	Total general fund appropriation	\$14,045,995
31	Subdivision 12.	

Sixtieth  
Legislative Assembly

1	MINOT STATE UNIVERSITY - BOTTINEAU	
2	Operations	\$4,723,762
3	Capital assets	<u>410,702</u>
4	Total all funds	\$5,134,464
5	Less estimated income	<u>252,000</u>
6	Total general fund appropriation	\$4,882,464

7 Subdivision 13.

8 UNIVERSITY OF NORTH DAKOTA SCHOOL OF MEDICINE  
9 AND HEALTH SCIENCES

10	Operations	<u>\$34,229,189</u>
11	Total general fund appropriation	\$34,229,189

12 Subdivision 14.

13 NORTH DAKOTA FOREST SERVICE

14	Operations	\$3,335,119
15	Capital assets	<u>180,204</u>
16	Total all funds	\$3,515,323
17	Less estimated income	<u>997,486</u>
18	Total general fund appropriation	\$2,517,837

19	Total general fund appropriation - Section 3	\$465,525,314
20	Total estimated income appropriation - Section 3	\$142,005,701
21	Total all funds appropriation - Section 3	\$607,531,015
22	Grand total general fund appropriation - H.B. 1003	\$465,675,314
23	Grand total estimated income appropriation - H.B. 1003	\$164,719,701
24	Grand total all funds appropriation - H.B. 1003	\$630,395,015

25 **SECTION 4. APPROPRIATION.** There is appropriated out of any moneys in the  
26 general fund, not otherwise appropriated, the sum of \$150,000, or so much of the sum as may  
27 be necessary, to Dickinson state university for the purpose of providing one-time startup  
28 funding for establishing a Theodore Roosevelt center, for the biennium beginning July 1, 2007,  
29 and ending June 30, 2009.

30 **SECTION 5. BOARD INITIATIVES - REPORT TO THE SIXTY-FIRST LEGISLATIVE**  
31 **ASSEMBLY.** The board initiatives line item in subdivision 1 of section 3 of this Act includes the

1 sum of \$300,000 for a grant to the space grant consortium to match federal funds and the sum  
2 of \$98,500 for a recruiting initiative for Minot state university - Bottineau. The funding for the  
3 initiative is provided for a two-year pilot basis. Minot state university - Bottineau shall report on  
4 the effectiveness of the initiative to the appropriations committees of the sixty-first legislative  
5 assembly.

6 **SECTION 6. CAPITAL ASSETS.** The sum of \$15,754,112, or so much of the sum as  
7 may be necessary, included in the capital assets line item in subdivision 1 of section 3 of this  
8 Act, must be used by the state board of higher education to satisfy outstanding bond  
9 obligations.

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

19 **SECTION 8. CAPITAL ASSETS - MAYVILLE STATE UNIVERSITY.** The sum of  
20 \$750,000, or so much of the sum as may be necessary, included in the capital assets line item  
21 in subdivision 1 of section 3 of this Act, may be used for the development of a master capital  
22 plan and for deferred maintenance projects at Mayville state university as approved by the  
23 board.

24 **SECTION 9. STUDENT LOAN TRUST FUND.** Section 3 of this Act includes the sum  
25 of \$523,380, or so much of the sum as may be necessary, from the student loan trust fund for  
26 the professional student exchange program, for the biennium beginning July 1, 2007, and  
27 ending June 30, 2009.

28 **SECTION 10. PERMANENT OIL TAX TRUST FUND.** Section 3 of this Act includes  
29 the sum of \$7,783,315, or so much of the sum as may be necessary, from the permanent oil  
30 tax trust fund of which \$2,773,800 is for northern tier network infrastructure, \$4,109,515 is for  
31 steamline projects at the state college of science, Valley City state university, and Minot state

1 university - Bottineau, and \$900,000 is for the service rig program at Williston state college, for  
2 the biennium beginning July 1, 2007, and ending June 30, 2009.

3 **SECTION 11. FEDERAL, PRIVATE, AND OTHER FUNDS - APPROPRIATION.** All  
4 funds, in addition to those appropriated in section 3 of this Act, from federal, private, and other  
5 sources, received by the institutions and entities under the control of the state board of higher  
6 education are appropriated to those institutions and entities, for the biennium beginning July 1,  
7 2007, and ending June 30, 2009. All additional funds received under the North  
8 Dakota-Minnesota reciprocity agreement during the biennium beginning July 1, 2007, and  
9 ending June 30, 2009, are appropriated to the state board of higher education for  
10 reimbursement to institutions under the control of the board.

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

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

22 **SECTION 14. EDUCATION INCENTIVE PROGRAMS.** The funding appropriated for  
23 education incentive programs in subdivision 1 of section 3 of this Act may be allocated to  
24 education incentive programs as determined by the state board of higher education, including  
25 the reduction or elimination of specific programs, and the state board of higher education may  
26 determine the appropriate number of years of program eligibility for each education incentive  
27 program.

28 **SECTION 15. BISMARCK STATE COLLEGE NATIONAL ENERGY CENTER OF**  
29 **EXCELLENCE BUILDING.** The state board of higher education may enter into an agreement  
30 or agreements with the Bismarck state college foundation or other private entity and do all  
31 things necessary and proper to authorize construction by the foundation or other private entity

1 of a national energy center of excellence building on the Bismarck state college campus using  
2 state funds, federal funds, donations, gifts, or other private funds.

3 **SECTION 16. BOND ISSUANCE AUTHORIZATION - PURPOSES -**

4 **APPROPRIATION.** The state board of higher education, in accordance with chapter 15-55,  
5 may arrange for the funding of projects authorized in this section, declared to be in the public  
6 interest, through the issuance of self-liquidating, tax-exempt evidences of indebtedness under  
7 chapter 15-55, beginning with the effective date of this Act and ending June 30, 2009.  
8 Evidences of indebtedness issued pursuant to this section are not a general obligation of the  
9 state of North Dakota. Any unexpended balance resulting from the proceeds of the evidences  
10 of indebtedness must be placed in a sinking fund to be used for the retirement of indebtedness.  
11 The evidences of indebtedness may be issued and the proceeds are appropriated, for the  
12 biennium beginning July 1, 2007, and ending June 30, 2009, for the purpose of financing the  
13 following capital projects:

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

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

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

- 23 1. Education excellence, including:
- 24 a. Student performance on nationally recognized examinations in their major  
25 fields compared to the national averages.
  - 26 b. First-time licensure pass rates compared to other states.
  - 27 c. Alumni-reported and student-reported satisfaction with preparation in selected  
28 major, acquisition of specific skills, and technology knowledge and abilities.
  - 29 d. Employer-reported satisfaction with preparation of recently hired graduates.
  - 30 e. Biennial report on employee satisfaction relating to the university system and  
31 local institutions.

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

29 **SECTION 18. TUITION RATE INCREASES - LIMIT - BUDGET SECTION**

30 **APPROVAL.** Notwithstanding any other provision of law, the state board of higher education  
31 shall limit any annual tuition increase for students attending institutions under its control for the

1 2007-08 and 2008-09 academic years to not more than five percent for each year unless the  
2 board receives prior budget section approval.

3 **SECTION 19. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO**  
4 **SIXTY-FIRST LEGISLATIVE ASSEMBLY.** The grand total appropriation in section 3 of this  
5 Act includes \$28,382,068 from the general fund and \$7,583,315 from the permanent oil tax  
6 trust fund for one-time funding items identified in this section. This amount is not part of the  
7 institutions' base budgets to be used in preparing the 2009-11 executive budget. The North  
8 Dakota university system shall report to the appropriations committees of the sixty-first  
9 legislative assembly on the use of this one-time funding for the biennium beginning July 1,  
10 2007, and ending June 30, 2009.

11 Northern tier network infrastructure from permanent oil tax trust fund	\$2,773,800
12 ConnectND system support	2,300,000
13 Common information system pool parity funding	420,000
14 Deferred maintenance	10,893,033
15 Capital projects	13,808,235
16 Capital projects from permanent oil tax trust fund	4,809,515
17 Campus initiatives	<u>960,800</u>
18 Total	\$35,965,383

19 **SECTION 20. USE OF UNSPENT 2005-07 GENERAL FUND APPROPRIATIONS.**

20 The state board of higher education shall use \$200,000 of the North Dakota university system  
21 office unspent 2005-07 general fund appropriation authorized to continue under section  
22 54-44.1-11 for completing and furnishing the thatcher hall renovation and addition at Minot  
23 state university - Bottineau for the biennium beginning July 1, 2007, and ending June 30, 2009.

24 **SECTION 21. LEGISLATIVE INTENT - NORTHERN TIER NETWORK.** It is the intent  
25 of the sixtieth legislative assembly that higher education institutions utilizing the northern tier  
26 network be responsible for funding the related ongoing maintenance costs for the network.

27 **SECTION 22. NORTH DAKOTA STATE UNIVERSITY - COLLEGE OF BUSINESS**  
28 **BUILDING.** The state board of higher education may enter an agreement or agreements with  
29 the North Dakota state university foundation or other private entity and do all things necessary  
30 and proper to authorize construction by the foundation or other private entity of a college of

1 business building off the North Dakota state university campus, using donations, gifts, or other  
2 private funds.

3 **SECTION 23. LEGISLATIVE COUNCIL STUDY - HIGHER EDUCATION.**

- 4 1. The legislative council shall consider appointing a higher education committee for  
5 the 2007-08 interim. If appointed, the committee shall spend a majority of time  
6 studying the means by which the North Dakota university system can further  
7 contribute to developing and attracting the human capital to meet North Dakota's  
8 economic and workforce needs, and if time allows, the committee may visit select  
9 higher education institutions.
- 10 2. The study must focus on ways to increase postsecondary access, improve the  
11 quality of education, contain costs and other means, including productivity, to  
12 maximize the usage of the North Dakota university system in meeting the human  
13 capital needs of the state.
- 14 3. The study must include a review of policy recommendations, as appropriate, which  
15 address the postsecondary delivery system, including the mix of institutions,  
16 educational attainment gaps, degree production gaps, recruitment and retention of  
17 students, and workforce training needs.
- 18 4. The study must include a review of the impact of the state's changing  
19 demographics on the university system long-term financing plan.
- 20 5. The study must recommend goals for each of the higher education cornerstones.
- 21 6. The study may include the use of a higher education roundtable format.
- 22 7. The legislative council shall report its findings and recommendations, together with  
23 any legislation required to implement the recommendations, to the sixty-first  
24 legislative assembly.
- 25 8. The state board of higher education also shall take the recommendations into  
26 account and make appropriate changes to practices, board policy, and budget  
27 needs and allocation.

28 **SECTION 24. LEGISLATIVE COUNCIL STUDY - PROFESSIONAL STUDENT**

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

- 1           1.    The amount of annual tuition and fees paid by students for health care-related  
2                    professional education programs.
- 3           2.    The amount of annual support fees paid by the state for health care-related  
4                    professional education programs.
- 5           3.    The number of state-supported slots funded and demand for state-supported slots,  
6                    including the consideration of basing the number of slots on the estimated  
7                    workforce needs to fill positions due to retirements, geographic, and professional  
8                    specific service needs.
- 9           4.    The present repayment provisions and loan forgiveness programs to determine  
10                   cost-effectiveness, equality issues, and development of program enhancements  
11                   that would aid in the recruitment of professional students to return to the state to  
12                   practice their chosen profession.
- 13          5.    Discontinuation of the contracts with the western interstate commission on higher  
14                   education for access to veterinary medicine programs and consideration of  
15                   negotiating contracts for veterinary medicine with Kansas, Iowa, and Minnesota.  
16           The legislative council shall report its findings and recommendations, together with any  
17           legislation required to implement the recommendations, to the sixty-first legislative  
18           assembly.

19           **SECTION 25. LEGISLATIVE INTENT - BISMARCK FAMILY PRACTICE CENTER.** It  
20 is the intent of the sixtieth legislative assembly that the university of North Dakota school of  
21 medicine and health sciences may construct, renovate, remodel, purchase, or lease a building  
22 for the Bismarck family practice center.

23           **SECTION 26. AMENDMENT.** Section 15-10-43 of the North Dakota Century Code is  
24 amended and reenacted as follows:

25           **15-10-43. Veterinary medical education program - Kansas state university -**  
26 **Contract.**

- 27           1.    In addition to any contracts under section 15-10-28.2, the state board of higher  
28                   education may contract with Kansas state university to provide an opportunity for  
29                   up to five eligible students to enroll in the veterinary medical education program at  
30                   Kansas state university.

- 1           2. Eligible students must be residents of this state and must have been selected for  
2 enrollment by an admissions committee consisting of one faculty member from the  
3 department of veterinary and microbiological sciences at North Dakota state  
4 university, one veterinarian practicing in this state, one member of the legislative  
5 assembly, and one livestock producer, all of whom must be appointed by the  
6 legislative council, and the chairman of the admissions committee at the Kansas  
7 state university school of veterinary medicine. The legislative council and the  
8 chairman of the admissions committee at the Kansas state university school of  
9 veterinary medicine may select an alternative for each of the designated positions  
10 to serve as necessary.
- 11           3. The admissions committee shall determine the criteria to be used in the selection  
12 of eligible students, with eligible students interested in large animal veterinary  
13 medicine receiving a priority.
- 14           4. As a condition of selection under this program, an eligible student shall agree to  
15 practice veterinary medicine in this state for a period of three years upon  
16 graduation. If a student fails to fulfill the commitment for practice in this state, the  
17 student shall repay to the state board of higher education all moneys forwarded to  
18 or for the student under this Act, on a proportionate basis.

19           **SECTION 27. AMENDMENT.** Section 15-10-43 of the North Dakota Century Code is  
20 amended and reenacted as follows:

21           **15-10-43. Veterinary medical education program - Kansas state university -**  
22 **Contract.**

- 23           1. In addition to any contracts under section 15-10-28.2, the state board of higher  
24 education may contract with Kansas state university to provide an opportunity for  
25 up to five eligible students to enroll in the veterinary medical education program at  
26 Kansas state university.
- 27           2. Eligible students must be residents of this state and must have been selected for  
28 enrollment by an admissions committee consisting of one faculty member from the  
29 department of veterinary and microbiological sciences at North Dakota state  
30 university, one veterinarian practicing in this state, one member of the legislative  
31 assembly, and one livestock producer, all of whom must be appointed by the

1 legislative council, and the chairman of the admissions committee at the Kansas  
2 state university school of veterinary medicine.

3 3. The admissions committee shall determine the criteria to be used in the selection  
4 of eligible students, with eligible students interested in large animal veterinary  
5 medicine receiving a priority.

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

11 **SECTION 28. REPEAL.** Section 15-12-27 of the North Dakota Century Code is  
12 repealed.

13 **SECTION 29. RETROACTIVE APPLICATION.** Section 27 of this Act applies  
14 retroactively to students participating in the Kansas state university veterinary medicine  
15 program.

16 **SECTION 30. EMERGENCY.** The capital assets and professional student exchange  
17 program line items contained in section 3 of this Act and sections 4, 8, 15, 16, and 22 of this  
18 Act are declared to be an emergency measure.