

Sixty-first
Legislative Assembly
of North Dakota

REENGROSSED SENATE BILL NO. 2003

Introduced by

Appropriations Committee

(At the request of the Governor)

1 A BILL for an Act to provide an appropriation for defraying the expenses of the North Dakota
2 university system; to provide for transfer of funds; to authorize the state board of higher
3 education to issue and sell bonds for capital projects; to provide for legislative council studies;
4 and to declare an emergency.

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

6 **SECTION 1. APPROPRIATION.** The funds provide in this section, or so much of the
7 funds as may be necessary, are appropriated out of any moneys in the general fund in the state
8 treasury, not otherwise appropriated, and from special funds derived from federal funds and
9 other income to the North Dakota university system office and to the various entities and
10 institutions under the supervision of the state board of higher education for the purpose of
11 defraying the expenses of the North Dakota university system office and to the various entities
12 for the biennium beginning July 1, 2009, and ending June 30, 2011, as follows:

13 Subdivision 1.

14 NORTH DAKOTA UNIVERSITY SYSTEM OFFICE

		Adjustments or	
	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
17 Capital assets	\$15,754,112	(\$3,740,064)	\$12,014,048
18 Competitive research program	5,650,000	1,400,000	7,050,000
19 System governance	6,281,894	765,707	7,047,601
20 Title II	695,600	0	695,600
21 System information technology	25,983,293	4,246,745	30,230,038
22 services			
23 Professional liability insurance	1,100,000	0	1,100,000

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1	Student financial assistance grants	5,987,497	1,248,728	7,236,225
2	Professional student exchange	2,722,946	614,154	3,337,100
3	program			
4	Scholars program	1,478,566	635,018	2,113,584
5	Native American scholarships	380,626	666	381,292
6	Security and emergency	0	750,000	750,000
7	preparedness			
8	Education incentive programs	1,740,314	436,030	2,176,344
9	Science, technology, engineering, and	0	1,500,000	1,500,000
10	mathematics teacher education			
11	enhancement			
12	Grants	<u>700,000</u>	<u>(600,000)</u>	<u>100,000</u>
13	Total all funds	\$68,474,848	\$7,256,984	\$75,731,832
14	Less estimated income	<u>3,343,730</u>	<u>705,228</u>	<u>4,048,958</u>
15	Total general fund	\$65,131,118	\$6,551,756	\$71,682,874
16	Full-time equivalent positions	20.00	1.30	21.30

Subdivision 2.

BISMARCK STATE COLLEGE

19		Adjustments or		
20		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
21	Operations	\$19,733,680	\$4,312,999	\$24,046,679
22	Capital assets	243,481	3,409,500	3,652,981
23	Deferred maintenance	<u>0</u>	<u>340,637</u>	<u>340,637</u>
24	Total all funds	\$19,977,161	\$8,063,136	\$28,040,297
25	Less estimated income	<u>0</u>	<u>409,500</u>	<u>409,500</u>
26	Total general fund	\$19,977,161	\$7,653,636	\$27,630,797
27	Full-time equivalent positions	105.38	5.55	110.93

Subdivision 3.

LAKE REGION STATE COLLEGE

30		Adjustments or		
31		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>

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1	Operations	\$6,511,348	\$1,238,516	\$7,749,864
2	Capital assets	43,662	2,609,920	2,653,582
3	Deferred maintenance	<u>0</u>	<u>93,807</u>	<u>93,807</u>
4	Total all funds	\$6,555,010	\$3,942,243	\$10,497,253
5	Less estimated income	<u>0</u>	<u>0</u>	<u>0</u>
6	Total general fund	\$6,555,010	\$3,942,243	\$10,497,253
7	Full-time equivalent positions	30.49	2.48	32.97

8 Subdivision 4.

9 WILLISTON STATE COLLEGE

10			Adjustments or	
11		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
12	Operations	\$6,422,504	\$1,159,630	\$7,582,134
13	Capital assets	86,475	10,985,000	11,071,475
14	Deferred maintenance	<u>0</u>	<u>382,002</u>	<u>382,002</u>
15	Total all funds	\$6,508,979	\$12,526,632	\$19,035,611
16	Less estimated income	<u>0</u>	<u>9,375,000</u>	<u>9,375,000</u>
17	Total general fund	\$6,508,979	\$3,151,632	\$9,660,611
18	Full-time equivalent positions	39.80	1.30	41.10

19 Subdivision 5.

20 UNIVERSITY OF NORTH DAKOTA

21			Adjustments or	
22		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
23	Operations	\$107,011,830	\$18,364,555	\$125,376,385
24	Capital assets	2,300,545	54,219,000	56,519,545
25	Deferred maintenance	<u>0</u>	<u>7,178,674</u>	<u>7,178,674</u>
26	Total all funds	\$109,312,375	\$79,762,229	\$189,074,604
27	Less estimated income	<u>0</u>	<u>43,019,000</u>	<u>43,019,000</u>
28	Total general fund	\$109,312,375	\$36,743,229	\$146,055,604
29	Full-time equivalent positions	637.24	(11.96)	625.28

30 Subdivision 6.

31 NORTH DAKOTA STATE UNIVERSITY

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1			Adjustments or	
2		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
3	Operations	\$89,593,630	\$19,628,094	\$109,221,724
4	Capital assets	1,692,225	71,100,000	72,792,225
5	Deferred maintenance	<u>0</u>	<u>5,355,817</u>	<u>5,355,817</u>
6	Total all funds	\$91,285,855	\$96,083,911	\$187,369,766
7	Less estimated income	<u>0</u>	<u>58,100,000</u>	<u>58,100,000</u>
8	Total general fund	\$91,285,855	\$37,983,911	\$129,269,766
9	Full-time equivalent positions	498.12	17.64	515.76

10 Subdivision 7.

11 NORTH DAKOTA STATE COLLEGE OF SCIENCE

12			Adjustments or	
13		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
14	Operations	\$27,390,368	\$4,101,922	\$31,492,290
15	Capital assets	753,332	12,836,000	13,589,332
16	Deferred maintenance	<u>0</u>	<u>1,034,143</u>	<u>1,034,143</u>
17	Total all funds	\$28,143,700	\$17,972,065	\$46,115,765
18	Less estimated income	<u>0</u>	<u>7,136,000</u>	<u>7,136,000</u>
19	Total general fund	\$28,143,700	\$10,836,065	\$38,979,765
20	Full-time equivalent positions	156.77	0.47	157.24

21 Subdivision 8.

22 DICKINSON STATE UNIVERSITY

23			Adjustments or	
24		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
25	Operations	\$16,856,110	\$3,116,332	\$19,972,442
26	Capital assets	383,690	2,000,000	2,383,690
27	Deferred maintenance	<u>0</u>	<u>1,662,172</u>	<u>1,662,172</u>
28	Total all funds	\$17,239,800	\$6,778,504	\$24,018,304
29	Less estimated income	<u>0</u>	<u>0</u>	<u>0</u>
30	Total general fund	\$17,239,800	\$6,778,504	\$24,018,304
31	Full-time equivalent positions	121.60	(30.50)	91.10

1 Subdivision 9.

2 MAYVILLE STATE UNIVERSITY

3		Adjustments or		
4		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
5	Operations	\$10,115,065	\$1,399,686	\$11,514,751
6	Capital assets	208,994	8,626,825	8,835,819
7	Deferred maintenance	<u>0</u>	<u>1,910,120</u>	<u>1,910,120</u>
8	Total all funds	\$10,324,059	\$11,936,631	\$22,260,690
9	Less estimated income	<u>0</u>	<u>3,668,500</u>	<u>3,668,500</u>
10	Total general fund	\$10,324,059	\$8,268,131	\$18,592,190
11	Full-time equivalent positions	55.89	(.50)	55.39

12 Subdivision 10.

13 MINOT STATE UNIVERSITY

14		Adjustments or		
15		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
16	Operations	\$30,095,122	\$4,339,273	\$34,434,395
17	Capital assets	596,870	26,000,000	26,596,870
18	Deferred maintenance	<u>0</u>	<u>595,111</u>	<u>595,111</u>
19	Total all funds	\$30,691,992	\$30,934,384	\$61,626,376
20	Less estimated income	<u>0</u>	<u>22,250,000</u>	<u>22,250,000</u>
21	Total general fund	\$30,691,992	\$8,684,384	\$39,376,376
22	Full-time equivalent positions	184.83	4.99	189.82

23 Subdivision 11.

24 VALLEY CITY STATE UNIVERSITY

25		Adjustments or		
26		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
27	Operations	\$13,350,137	\$1,785,999	\$15,136,136
28	Capital assets	258,416	19,500,000	19,758,416
29	Deferred maintenance	<u>0</u>	<u>1,304,921</u>	<u>1,304,921</u>
30	Total all funds	\$13,608,553	\$22,590,920	\$36,199,473
31	Less estimated income	<u>0</u>	<u>18,500,000</u>	<u>18,500,000</u>

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1	Total general fund	\$13,608,553	\$4,090,920	\$17,699,473
2	Full-time equivalent positions	78.15	8.71	86.86

3 Subdivision 12.

4 MINOT STATE UNIVERSITY - BOTTINEAU

5			Adjustments or	
6		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
7	Operations	\$4,759,548	\$922,959	\$5,682,507
8	Capital assets	109,725	2,800,000	2,909,725
9	Deferred maintenance	<u>0</u>	<u>97,021</u>	<u>97,021</u>
10	Total all funds	\$4,869,273	\$3,819,980	\$8,689,253
11	Less estimated income	<u>0</u>	<u>2,000,000</u>	<u>2,000,000</u>
12	Total general fund	\$4,869,273	\$1,819,980	\$6,689,253
13	Full-time equivalent positions	31.11	0.64	31.75

14 Subdivision 13.

15 UNIVERSITY OF NORTH DAKOTA SCHOOL OF MEDICINE AND HEALTH SCIENCES

16			Adjustments or	
17		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
18	Operations	<u>\$34,027,701</u>	<u>\$7,172,600</u>	<u>\$41,200,301</u>
19	Total all funds	\$34,027,701	\$7,172,600	\$41,200,301
20	Less estimated income	<u>0</u>	<u>0</u>	<u>0</u>
21	Total general fund	\$34,027,701	\$7,172,600	\$41,200,301
22	Full-time equivalent positions	157.74	(12.82)	144.92

23 Subdivision 14.

24 NORTH DAKOTA FOREST SERVICE

25			Adjustments or	
26		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
27	Operations	\$3,352,828	\$1,118,212	\$4,471,040
28	Capital assets	36,638	300,000	336,638
29	Deferred maintenance	<u>0</u>	<u>45,576</u>	<u>45,576</u>
30	Total all funds	\$3,389,466	\$1,463,788	\$4,853,254
31	Less estimated income	<u>997,486</u>	<u>0</u>	<u>997,486</u>

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1	Total general fund	\$2,391,980	\$1,463,788	\$3,855,768
2	Full-time equivalent positions	19.47	7.53	27.00
3	Subdivision 15.			

BILL TOTAL

5			Adjustments or	
6		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
7	Grand total general fund	\$440,067,556	\$145,140,779	\$585,208,335
8	Grand total special funds	<u>4,341,216</u>	<u>165,163,228</u>	<u>169,504,444</u>
9	Grand total all funds	\$444,408,772	\$310,304,007	\$754,712,779

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO

SIXTY-SECOND LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixtieth legislative assembly for the 2007-09 biennium and the 2009-11 one-time funding items included in the appropriation in section 1 of this Act:

14	<u>One-Time Funding Description</u>	<u>2007-09</u>	<u>2009-11</u>
15	Northern tier network infrastructure	\$2,773,800	\$0
16	from permanent oil tax fund		
17	ConnectND system support	2,300,000	0
18	Common information system pool parity	420,000	0
19	funding		
20	Campus initiatives	960,800	0
21	UND simulation lab	200,000	0
22	Williston state college oil rig program	200,000	0
23	Deferred maintenance - General fund	10,893,033	20,000,000
24	Capital projects - General fund	13,808,235	49,928,248
25	Capital projects - Special funds	153,295,170	164,458,000
26	Capital projects from permanent oil tax	4,809,515	0
27	trust fund		
28	Electronic medical records system UND	0	225,000
29	medical school		
30	Total all funds	\$189,660,553	\$234,611,248

1	Total special funds	<u>161,078,485</u>	<u>164,458,000</u>
2	Total general fund	\$28,582,068	\$70,153,248

3 The 2009-11 one-time funding amounts are not a part of the entity's base budget for the
4 2011-13 biennium. The North Dakota university system shall report to the appropriations
5 committees of the sixty-second legislative assembly on the use of this one-time funding for the
6 biennium beginning July 1, 2009, and ending June 30, 2011.

7 **SECTION 3. CAPITAL ASSETS.** The sum of \$12,014,048, or so much of the sum as
8 may be necessary, included in the capital assets line item in subdivision 1 of section 1 of this
9 Act, must be used by the state board of higher education to satisfy outstanding bond
10 obligations.

11 **SECTION 4. CAPITAL ASSETS - VALLEY CITY STATE UNIVERSITY.** The sum of
12 \$1,000,000, or so much of the sum as may be necessary, included in the capital assets line
13 item in subdivision 11 of section 1 of this Act, may be used for development of a campuswide
14 master plan and for maintenance and repair projects.

15 **SECTION 5. CAPITAL ASSETS - DICKINSON STATE UNIVERSITY.** The sum of
16 \$2,000,000, or so much of the sum as may be necessary, included in the capital assets line
17 item in subdivision 8 of section 1 of this Act, may be used for development of a campuswide
18 master plan, an asbestos survey and removal and schematic design for Stoxen library, other
19 campus repairs, and payoff of energy or construction loans.

20 **SECTION 6. SYSTEM INFORMATION TECHNOLOGY SERVICES.** The sum of
21 \$30,230,038, or so much of the sum as may be necessary, included in the system information
22 technology services line item in subdivision 1 of section 1 of this Act, must be used for the
23 benefit of the institutions and entities under the control of the state board of higher education,
24 as determined by the board. Funding allocations are to be made based on the North Dakota
25 university system information technology plan and technology priorities. Funds allocated
26 pursuant to this section must be used to support the system information technology services
27 including the higher education computer network, the interactive video network, the on-line
28 Dakota information network, ConnectND, and other related technology initiatives as determined
29 by the board.

1 **SECTION 7. NORTH DAKOTA FOREST SERVICE FEDERAL FUNDS.** The sum of
2 \$826,284 in section 1, subdivision 14, of this Act is available on a dollar-for-dollar basis to offset
3 lost federal funds.

4 **SECTION 8. STUDENT LOAN TRUST FUND.** Subdivision 1 of section 1 of this Act
5 includes the sum of \$2,011,570, or so much of the sum as may be necessary, from the student
6 loan trust fund of which \$990,970 is for the professional student exchange program and
7 \$1,020,600 ConnectND campus solution positions, for the biennium beginning July 1, 2009,
8 and ending June 30, 2011.

9 **SECTION 9. FEDERAL, PRIVATE, AND OTHER FUNDS - APPROPRIATION.** All
10 funds, in addition to those appropriated in section 1 of this Act, from federal, private, and other
11 sources, received by the institutions and entities under the control of the state board of higher
12 education are appropriated to those institutions and entities, for the biennium beginning July 1,
13 2009, and ending June 30, 2011. All additional funds received under the North
14 Dakota-Minnesota reciprocity agreement during the biennium beginning July 1, 2009, and
15 ending June 30, 2011, are appropriated to the state board of higher education for
16 reimbursement to institutions under the control of the board.

17 **SECTION 10. TRANSFER AUTHORITY.** If, during the biennium beginning July 1,
18 2009, and ending June 30, 2011, the state board of higher education determines that funds
19 allocated to operations in section 1 of this Act are needed for capital assets or deferred
20 maintenance, the board may transfer funds from operations to capital assets or to deferred
21 maintenance. The board shall report any transfer of funds under this section to the office of
22 management and budget.

23 **SECTION 11. DEFERRED MAINTENANCE - TRANSFERS.** If, during the biennium
24 beginning July 1, 2009, and ending June 30, 2011, the state board of higher education
25 determines that funds allocated to deferred maintenance in section 1 of this Act are needed for
26 capital assets, the board may transfer funds from deferred maintenance to capital assets or
27 may transfer funds from capital assets to deferred maintenance. The board shall report any
28 transfer of funds under this section to the office of management and budget.

29 **SECTION 12. SECURITY AND EMERGENCY PREPAREDNESS TRANSFERS.** The
30 sum of \$750,000, or so much of the sum as may be necessary, included in the security and
31 emergency preparedness line item in subdivision 1 of section 1 of this Act, must be used for the

benefit of the institutions and entities under the control of the state board of higher education,
as determined by the board for security and emergency preparedness needs.

SECTION 13. FULL-TIME EQUIVALENT POSITION ADJUSTMENTS.

Notwithstanding any other provisions of law, the state board of higher education may adjust
full-time equivalent positions as needed, subject to the availability of funds, for institutions and
entities under its control. The university system shall report any adjustments to the office of
management and budget before the submission of the 2011-13 biennium budget request.

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

SECTION 15. BOND ISSUANCE AUTHORIZATION - PURPOSES -

APPROPRIATION. The state board of higher education, in accordance with chapter 15-55,
may arrange for the funding of projects authorized in this section, declared to be in the public
interest, through the issuance of self-liquidating, tax-exempt evidences of indebtedness under
chapter 15-55, beginning with the effective date of this Act and ending June 30, 2011.
Evidences of indebtedness issued pursuant to this section are not a general obligation of the
state of North Dakota. Any unexpended balance resulting from the proceeds of the evidences
of indebtedness must be placed in a sinking fund to be used for the retirement of indebtedness.
The evidences of indebtedness may be issued and the proceeds are appropriated, for the
biennium beginning July 1, 2009, and ending June 30, 2011, for the purpose of financing the
following capital projects:

Williston state college - New dormitory	\$9,375,000
North Dakota state university - West dining services renovation	7,000,000
North Dakota state university - Niskanen student apartments	20,000,000
North Dakota state school of science - Robertson hall renovation	6,000,000
North Dakota state school of science - Parking lot	1,136,000
Mayville state university - Agassiz hall housing renovation	3,668,500
Minot state university - Wellness center	10,000,000

1	Valley City state university - Snoeyenbos hall renovation	<u>3,500,000</u>
2	Total special funds	\$60,679,500

3 **SECTION 16. TUITION INCREASES LIMITED - 2009-11 BIENNIUM.** Notwithstanding
4 any other provision of law, the state board of higher education may not increase tuition rates by
5 more than four percent per year beyond the level in effect during the 2009 spring semester for
6 students attending Dickinson state university, Mayville state university, Minot state university,
7 North Dakota state university, the university of North Dakota, and Valley City state university,
8 for the biennium beginning July 1, 2009, and ending June 30, 2011. Notwithstanding any other
9 provision of law, the state board of higher education may not increase tuition for students
10 attending Bismarck state college, lake region state college, Minot state university - Bottineau,
11 the state college of science, and Williston state college beyond the level in effect during the
12 2009 spring semester, for the biennium beginning July 1, 2009, and ending June 30, 2011.

13 **SECTION 17. LEGISLATIVE INTENT - NORTH DAKOTA UNIVERSITY SYSTEM**
14 **EMPLOYEE COMPENSATION ADJUSTMENTS.** It is the intent of the sixty-first legislative
15 assembly that each North Dakota university system employee whose documented performance
16 meets all standards is to receive a minimum monthly salary increase of \$100 on July 1, 2009,
17 and \$100 on July 1, 2010.

18 **SECTION 18. NORTH DAKOTA UNIVERSITY SYSTEM OFFICE EMPLOYEE**
19 **COMPENSATION - EXCEPTION.** Notwithstanding any other provision of law, an employee of
20 the North Dakota university system office whose annual salary exceeded \$100,000 on
21 January 1, 2009, must receive a monthly salary at the same level as provided on January 1,
22 2009, for the biennium beginning July 1, 2009, and ending June 30, 2011. An employee of the
23 North Dakota university system office whose annual salary did not exceed \$100,000 on
24 January 1, 2009, may not receive annual compensation adjustments greater than five percent
25 based on each employee's salary as of January 1, 2009, for the biennium beginning July 1,
26 2009, and ending June 30, 2011.

27 **SECTION 19. SCIENCE, TECHNOLOGY, ENGINEERING, AND MATHEMATICS**
28 **TEACHER EDUCATION ENHANCEMENT.** The sum of \$1,500,000 included in the science,
29 technology, engineering, and mathematics teacher education line item in subdivision 1 of
30 section 1 of this Act must be used for the benefit of institutions under the control of the state
31 board of higher education, as determined by the board. Funding allocations are to be used to

1 enhance the use of science, technology, engineering, and mathematics in existing teacher
2 education program curriculums and may not be used for infrastructure projects.

3 **SECTION 20. LEGISLATIVE COUNCIL STUDY - BISMARCK FAMILY PRACTICE**

4 **CENTER.** During the 2009-10 interim, the legislative council shall consider studying the facility
5 needs of the university of North Dakota school of medicine and health sciences' Bismarck
6 family practice center. The study, if conducted, must include a review of the feasibility of
7 locating the Bismarck family practice center on the campus of Bismarck state college. The
8 legislative council shall report its findings and recommendations, together with any legislation
9 required to implement the recommendations, to the sixty-second legislative assembly.

10 **SECTION 21. LEGISLATIVE COUNCIL STUDY - COMPLETION-BASED FUNDING.**

11 During the 2009-10 interim, the legislative council shall consider studying options for funding
12 higher education institutions. The study, if conducted, must include a review of the feasibility of
13 implementing a higher education funding mechanism based on student completion rates. The
14 legislative council shall report its findings and recommendations, together with any legislation
15 required to implement the recommendations, to the sixty-second legislative assembly.

16 **SECTION 22. EMERGENCY.** The capital assets, deferred maintenance, and
17 education incentive line items contained in section 1 of this Act and sections 4, 5, 7, 14, and 15
18 of this Act are declared to be an emergency measure.