

**SECOND ENGROSSMENT
with House Amendments**

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 to create and enact three new sections to chapter 15-62.2 of the North Dakota Century Code,
5 relating to merit scholarships for students attending certain institutions of higher education; to
6 amend and reenact subsections 1 and 3 of section 15-10-37 and sections 15-62.2-02 and
7 15.1-01-02 of the North Dakota Century Code, relating to student financial assistance grants,
8 technology grants, and joint meetings of the state's education boards; and to declare an
9 emergency.

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

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

18 Subdivision 1.

19 **NORTH DAKOTA UNIVERSITY SYSTEM OFFICE**

20		Adjustments or	
21	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
22 Capital assets	\$15,754,112	(\$3,740,064)	\$12,014,048
23 Competitive research program	5,650,000	1,400,000	7,050,000
24 System governance	6,281,894	1,703,718	7,985,612

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1	Title II	695,600	0	695,600
2	System information technology	25,983,293	4,246,745	30,230,038
3	services			
4	Professional liability insurance	1,100,000	0	1,100,000
5	Student financial assistance grants	5,987,497	3,386,525	9,374,022
6	Professional student exchange	2,722,946	614,154	3,337,100
7	program			
8	Merit scholarships	0	3,000,000	3,000,000
9	Scholars program	1,478,566	635,018	2,113,584
10	Native American scholarships	380,626	666	381,292
11	Security and emergency	0	750,000	750,000
12	preparedness			
13	Education incentive programs	1,740,314	1,436,030	3,176,344
14	Science, technology, engineering, and	0	1,500,000	1,500,000
15	mathematics teacher education			
16	enhancement			
17	Grants	<u>700,000</u>	<u>(600,000)</u>	<u>100,000</u>
18	Total all funds	\$68,474,848	\$14,332,792	\$82,807,640
19	Less estimated income	<u>3,343,730</u>	<u>705,228</u>	<u>4,048,958</u>
20	Total general fund	\$65,131,118	\$13,627,564	\$78,758,682
21	Full-time equivalent positions	20.00	1.30	21.30

Subdivision 2.

BISMARCK STATE COLLEGE

24			Adjustments or	
25		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
26	Operations	\$19,733,680	\$3,896,421	\$23,630,101
27	Capital assets	243,481	3,409,500	3,652,981
28	Deferred maintenance	<u>0</u>	<u>340,637</u>	<u>340,637</u>
29	Total all funds	\$19,977,161	\$7,646,558	\$27,623,719
30	Less estimated income	<u>0</u>	<u>409,500</u>	<u>409,500</u>

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1	Total general fund	\$19,977,161	\$7,237,058	\$27,214,219
2	Full-time equivalent positions	105.38	5.55	110.93
3	Subdivision 3.			

LAKE REGION STATE COLLEGE

5			Adjustments or	
6		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
7	Operations	\$6,511,348	\$1,042,287	\$7,553,635
8	Capital assets	43,662	2,609,920	2,653,582
9	Deferred maintenance	<u>0</u>	<u>93,807</u>	<u>93,807</u>
10	Total all funds	\$6,555,010	\$3,746,014	\$10,301,024
11	Less estimated income	<u>0</u>	<u>0</u>	<u>0</u>
12	Total general fund	\$6,555,010	\$3,746,014	\$10,301,024
13	Full-time equivalent positions	30.49	2.48	32.97
14	Subdivision 4.			

WILLISTON STATE COLLEGE

16			Adjustments or	
17		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
18	Operations	\$6,422,504	\$1,024,495	\$7,446,999
19	Capital assets	86,475	10,985,000	11,071,475
20	Deferred maintenance	<u>0</u>	<u>382,002</u>	<u>382,002</u>
21	Total all funds	\$6,508,979	\$12,391,497	\$18,900,476
22	Less estimated income	<u>0</u>	<u>9,375,000</u>	<u>9,375,000</u>
23	Total general fund	\$6,508,979	\$3,016,497	\$9,525,476
24	Full-time equivalent positions	39.80	1.30	41.10
25	Subdivision 5.			

UNIVERSITY OF NORTH DAKOTA

27			Adjustments or	
28		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
29	Operations	\$107,011,830	\$15,923,492	\$122,935,322
30	Capital assets	2,300,545	43,019,000	45,319,545
31	Deferred maintenance	<u>0</u>	<u>7,178,674</u>	<u>7,178,674</u>

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1	Total all funds	\$109,312,375	\$66,121,166	\$175,433,541
2	Less estimated income	<u>0</u>	<u>43,019,000</u>	<u>43,019,000</u>
3	Total general fund	\$109,312,375	\$23,102,166	\$132,414,541
4	Full-time equivalent positions	637.24	(11.96)	625.28

5 Subdivision 6.

6 NORTH DAKOTA STATE UNIVERSITY

7			Adjustments or	
8		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
9	Operations	\$89,593,630	\$14,665,029	\$104,258,659
10	Capital assets	1,692,225	71,100,000	72,792,225
11	Deferred maintenance	<u>0</u>	<u>5,355,817</u>	<u>5,355,817</u>
12	Total all funds	\$91,285,855	\$91,120,846	\$182,406,701
13	Less estimated income	<u>0</u>	<u>58,100,000</u>	<u>58,100,000</u>
14	Total general fund	\$91,285,855	\$33,020,846	\$124,306,701
15	Full-time equivalent positions	498.12	17.64	515.76

16 Subdivision 7.

17 NORTH DAKOTA STATE COLLEGE OF SCIENCE

18			Adjustments or	
19		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
20	Operations	\$27,390,368	\$3,966,787	\$31,357,155
21	Capital assets	753,332	12,836,000	13,589,332
22	Deferred maintenance	<u>0</u>	<u>1,034,143</u>	<u>1,034,143</u>
23	Total all funds	\$28,143,700	\$17,836,930	\$45,980,630
24	Less estimated income	<u>0</u>	<u>7,136,000</u>	<u>7,136,000</u>
25	Total general fund	\$28,143,700	\$10,700,930	\$38,844,630
26	Full-time equivalent positions	156.77	0.47	157.24

27 Subdivision 8.

28 DICKINSON STATE UNIVERSITY

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

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1	Operations	\$16,856,110	\$3,772,639	\$20,628,749
2	Capital assets	383,690	2,000,000	2,383,690
3	Deferred maintenance	<u>0</u>	<u>1,662,172</u>	<u>1,662,172</u>
4	Total all funds	\$17,239,800	\$7,434,811	\$24,674,611
5	Less estimated income	<u>0</u>	<u>350,000</u>	<u>350,000</u>
6	Total general fund	\$17,239,800	\$7,084,811	\$24,324,611
7	Full-time equivalent positions	121.60	(30.50)	91.10

8 Subdivision 9.

9 MAYVILLE STATE UNIVERSITY

10			Adjustments or	
11		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
12	Operations	\$10,115,065	\$1,264,551	\$11,379,616
13	Capital assets	208,994	8,626,825	8,835,819
14	Deferred maintenance	<u>0</u>	<u>1,910,120</u>	<u>1,910,120</u>
15	Total all funds	\$10,324,059	\$11,801,496	\$22,125,555
16	Less estimated income	<u>0</u>	<u>3,668,500</u>	<u>3,668,500</u>
17	Total general fund	\$10,324,059	\$8,132,996	\$18,457,055
18	Full-time equivalent positions	55.89	(.50)	55.39

19 Subdivision 10.

20 MINOT STATE UNIVERSITY

21			Adjustments or	
22		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
23	Operations	\$30,095,122	\$4,066,475	\$34,161,597
24	Capital assets	596,870	26,000,000	26,596,870
25	Deferred maintenance	<u>0</u>	<u>595,111</u>	<u>595,111</u>
26	Total all funds	\$30,691,992	\$30,661,586	\$61,353,578
27	Less estimated income	<u>0</u>	<u>22,250,000</u>	<u>22,250,000</u>
28	Total general fund	\$30,691,992	\$8,411,586	\$39,103,578
29	Full-time equivalent positions	184.83	4.99	189.82

30 Subdivision 11.

31 VALLEY CITY STATE UNIVERSITY

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1			Adjustments or	
2		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
3	Operations	\$13,350,137	\$1,650,864	\$15,001,001
4	Capital assets	258,416	19,500,000	19,758,416
5	Deferred maintenance	<u>0</u>	<u>1,304,921</u>	<u>1,304,921</u>
6	Total all funds	\$13,608,553	\$22,455,785	\$36,064,338
7	Less estimated income	<u>0</u>	<u>18,500,000</u>	<u>18,500,000</u>
8	Total general fund	\$13,608,553	\$3,955,785	\$17,564,338
9	Full-time equivalent positions	78.15	8.71	86.86

10 Subdivision 12.

11 MINOT STATE UNIVERSITY - BOTTINEAU

12			Adjustments or	
13		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
14	Operations	\$4,759,548	\$852,824	\$5,612,372
15	Capital assets	109,725	3,080,000	3,189,725
16	Deferred maintenance	<u>0</u>	<u>97,021</u>	<u>97,021</u>
17	Total all funds	\$4,869,273	\$4,029,845	\$8,899,118
18	Less estimated income	<u>0</u>	<u>2,000,000</u>	<u>2,000,000</u>
19	Total general fund	\$4,869,273	\$2,029,845	\$6,899,118
20	Full-time equivalent positions	31.11	0.64	31.75

21 Subdivision 13.

22 UNIVERSITY OF NORTH DAKOTA SCHOOL OF MEDICINE AND HEALTH SCIENCES

23			Adjustments or	
24		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
25	Operations	\$34,027,701	\$6,581,701	\$40,609,402
26	Total all funds	\$34,027,701	\$6,581,701	\$40,609,402
27	Less estimated income	<u>0</u>	<u>0</u>	<u>0</u>
28	Total general fund	\$34,027,701	\$6,581,701	\$40,609,402
29	Full-time equivalent positions	157.74	(12.82)	144.92

30 Subdivision 14.

31 NORTH DAKOTA FOREST SERVICE

1			Adjustments or	
2		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
3	Operations	\$3,352,828	\$1,118,212	\$4,471,040
4	Capital assets	36,638	300,000	336,638
5	Deferred maintenance	<u>0</u>	<u>45,576</u>	<u>45,576</u>
6	Total all funds	\$3,389,466	\$1,463,788	\$4,853,254
7	Less estimated income	<u>997,486</u>	<u>0</u>	<u>997,486</u>
8	Total general fund	\$2,391,980	\$1,463,788	\$3,855,768
9	Full-time equivalent positions	19.47	7.53	27.00

10 Subdivision 15.

11 BILL TOTAL

12			Adjustments or	
13		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
14	Grand total general fund	\$440,067,556	\$132,111,587	\$572,179,143
15	Grand total special funds	<u>4,341,216</u>	<u>184,323,148</u>	<u>188,664,364</u>
16	Grand total all funds	\$444,408,772	\$316,434,735	\$760,843,507

17 **SECTION 2. CONTINGENT FUNDING - LAKE REGION STATE COLLEGE.** The
18 capital assets line item in subdivision 3 of section 1 of this Act includes \$2,609,920 from the
19 general fund for a wind energy project at lake region state college which may be spent only to
20 the extent that federal funds appropriated in section 3 of this Act are not available for these
21 purposes.

22 **SECTION 3. APPROPRIATION - FEDERAL FISCAL STIMULUS FUNDS -**

23 **ADDITIONAL FUNDING APPROVAL.** The funds provided in this section, or so much of the
24 funds as may be necessary, are appropriated from federal funds made available to the state
25 under the federal American Recovery and Reinvestment Act of 2009, not otherwise
26 appropriated, to the North Dakota university system, for the period beginning with the effective
27 date of this Act and ending June 30, 2011, as follows:

28	Lake region state college - Wind energy project	<u>\$2,609,920</u>
29	Total federal funds	\$2,609,920

30 The North Dakota university system may seek emergency commission and budget
31 section approval under chapter 54-16 for authority to spend any additional federal funds

received under the federal American Recovery and Reinvestment Act of 2009 in excess of the amounts appropriated under this section, for the period beginning with the effective date of this Act and ending June 30, 2011.

Any federal funds appropriated under this section are not a part of the agency's 2011-13 base budget. Any program expenditures made with these funds will not be replaced with state funds after the federal American Recovery and Reinvestment Act of 2009 funds are no longer available.

SECTION 4. APPROPRIATION - FEDERAL FISCAL STABILIZATION - OTHER GOVERNMENT SERVICES FUNDS - ADDITIONAL FUNDING APPROVAL. The funds provided in this section, or so much of the funds as may be necessary, are appropriated from federal fiscal stabilization - other government services funds made available to the governor under the federal American Recovery and Reinvestment Act of 2009, not otherwise appropriated, to the North Dakota university system, for the period beginning with the effective date of this Act and ending June 30, 2011, for the following capital construction project:

Minot state university Swain hall	\$5,000,000
University of North Dakota education building	<u>11,200,000</u>
Total federal funds	\$16,200,000

The North Dakota university system may seek emergency commission and budget section approval under chapter 54-16 for authority to spend any additional federal funds received under the federal American Recovery and Reinvestment Act of 2009 in excess of the amounts appropriated under this section, for the period beginning with the effective date of this Act and ending June 30, 2011.

Any federal funds appropriated under this section are not a part of the agency's 2011-13 base budget. Any program expenditures made with these funds will not be replaced with state funds after the federal American Recovery and Reinvestment Act of 2009 funds are no longer available.

SECTION 5. 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:

<u>One-Time Funding Description</u>	<u>2007-09</u>	<u>2009-11</u>
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1	Northern tier network infrastructure	\$2,773,800	\$0
2	from permanent oil tax fund		
3	ConnectND system support	2,300,000	0
4	Common information system pool parity	420,000	0
5	funding		
6	Campus initiatives	960,800	0
7	UND simulation lab	200,000	0
8	Williston state college oil rig program	200,000	0
9	Deferred maintenance - General fund	10,893,033	20,000,000
10	Capital projects - General fund	13,808,235	39,008,248
11	Capital projects - Special funds	153,295,170	183,267,920
12	Capital projects from permanent oil tax	4,809,515	0
13	trust fund		
14	Electronic medical records system UND	0	225,000
15	medical school		
16	Total all funds	\$189,660,553	\$242,501,168
17	Total special funds	<u>161,078,485</u>	<u>183,267,920</u>
18	Total general fund	\$28,582,068	\$59,233,248

19 The 2009-11 one-time funding amounts are not a part of the entity's base budget for the
20 2011-13 biennium. The North Dakota university system shall report to the appropriations
21 committees of the sixty-second legislative assembly on the use of this one-time funding for the
22 biennium beginning July 1, 2009, and ending June 30, 2011.

23 **SECTION 6. PERMANENT OIL TAX TRUST FUND - DICKINSON STATE**

24 **UNIVERSITY.** The estimated income line item in subdivision 8 of section 1 of this Act includes
25 \$350,000 from the permanent oil tax trust fund for operations of Dickinson state university, for
26 the biennium beginning July 1, 2009, and ending June 30, 2011.

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

1 **SECTION 8. CAPITAL ASSETS - VALLEY CITY STATE UNIVERSITY.** The sum of
2 \$1,000,000, or so much of the sum as may be necessary, included in the capital assets line
3 item in subdivision 11 of section 1 of this Act, may be used for development of a campuswide
4 master plan and for maintenance and repair projects.

5 **SECTION 9. CAPITAL ASSETS - DICKINSON STATE UNIVERSITY.** The sum of
6 \$2,000,000, or so much of the sum as may be necessary, included in the capital assets line
7 item in subdivision 8 of section 1 of this Act, may be used for development of a campuswide
8 master plan, an asbestos survey and removal and schematic design for Stoxen library, other
9 campus repairs, and payoff of energy or construction loans.

10 **SECTION 10. SYSTEM INFORMATION TECHNOLOGY SERVICES.** The sum of
11 \$30,230,038, or so much of the sum as may be necessary, included in the system information
12 technology services line item in subdivision 1 of section 1 of this Act, must be used for the
13 benefit of the institutions and entities under the control of the state board of higher education,
14 as determined by the board. Funding allocations are to be made based on the North Dakota
15 university system information technology plan and technology priorities. Funds allocated
16 pursuant to this section must be used to support the system information technology services
17 including the higher education computer network, the interactive video network, the on-line
18 Dakota information network, ConnectND, and other related technology initiatives as determined
19 by the board.

20 **SECTION 11. NORTH DAKOTA FOREST SERVICE FEDERAL FUNDS.** The sum of
21 \$826,284 in section 1, subdivision 14, of this Act is available on a dollar-for-dollar basis to offset
22 lost federal funds.

23 **SECTION 12. STUDENT LOAN TRUST FUND.** Subdivision 1 of section 1 of this Act
24 includes the sum of \$2,011,570, or so much of the sum as may be necessary, from the student
25 loan trust fund of which \$990,970 is for the professional student exchange program and
26 \$1,020,600 ConnectND campus solution positions, for the biennium beginning July 1, 2009,
27 and ending June 30, 2011.

28 **SECTION 13. FEDERAL, PRIVATE, AND OTHER FUNDS - APPROPRIATION.** All
29 funds, in addition to those appropriated in section 1 of this Act, from federal, private, and other
30 sources, received by the institutions and entities under the control of the state board of higher
31 education are appropriated to those institutions and entities, for the biennium beginning July 1,

2009, and ending June 30, 2011. All additional funds received under the North Dakota-Minnesota reciprocity agreement during the biennium beginning July 1, 2009, and ending June 30, 2011, are appropriated to the state board of higher education for reimbursement to institutions under the control of the board.

SECTION 14. TRANSFER AUTHORITY. If, during the biennium beginning July 1, 2009, and ending June 30, 2011, the state board of higher education determines that funds allocated to operations in section 1 of this Act are needed for capital assets or deferred maintenance, the board may transfer funds from operations to capital assets or to deferred maintenance. The board shall report any transfer of funds under this section to the office of management and budget.

SECTION 15. DEFERRED MAINTENANCE - TRANSFERS. If, during the biennium beginning July 1, 2009, and ending June 30, 2011, the state board of higher education determines that funds allocated to deferred maintenance in section 1 of this Act are needed for capital assets, the board may transfer funds from deferred maintenance to capital assets or may transfer funds from capital assets to deferred maintenance. The board shall report any transfer of funds under this section to the office of management and budget.

SECTION 16. SECURITY AND EMERGENCY PREPAREDNESS TRANSFERS. The sum of \$750,000, or so much of the sum as may be necessary, included in the security and 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 17. 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 18. 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 19. CAPITAL ASSETS - MINOT STATE UNIVERSITY. The sum of \$2,500,000, or so much of the sum as may be necessary, included in the capital assets line item in subdivision 10 of section 1 of this Act, may be used to refurbish the existing coal boiler or in combination with or to match federal or other funds to design and install a geothermal energy system, for the biennium beginning July 1, 2009, and ending June 30, 2011.

SECTION 20. USE OF UNSPENT 2007-09 GENERAL FUND APPROPRIATIONS - TWO-YEAR COLLEGE MARKETING. The state board of higher education shall use \$200,000 of the North Dakota university system office unspent 2007-09 general fund appropriation authorized to continue under section 54-44.1-11 for marketing and awareness efforts of two-year colleges and technical careers, for the biennium beginning July 1, 2009, and ending June 30, 2011.

SECTION 21. USE OF UNSPENT 2007-09 GENERAL FUND APPROPRIATIONS - NORTHERN TIER NETWORK. The state board of higher education shall use \$1,100,000 of the North Dakota university system office unspent 2007-09 general fund appropriation authorized to continue under section 54-44.1-11 for maintenance and improvements of the northern tier network, for the biennium beginning July 1, 2009, and ending June 30, 2011.

SECTION 22. 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

1	North Dakota state university - Niskanen student apartments	20,000,000
2	North Dakota state school of science - Robertson hall renovation	6,000,000
3	North Dakota state school of science - Parking lot	1,136,000
4	Mayville state university - Agassiz hall housing renovation	3,668,500
5	Minot state university - Wellness center	10,000,000
6	Valley City state university - Snoeyenbos hall renovation	<u>3,500,000</u>
7	Total special funds	\$60,679,500

8 **SECTION 23. LEGISLATIVE INTENT - NORTH DAKOTA UNIVERSITY SYSTEM**

9 **EMPLOYEE COMPENSATION ADJUSTMENTS.** It is the intent of the sixty-first legislative
10 assembly that each North Dakota university system employee whose documented performance
11 meets all standards is to receive a minimum monthly salary increase of \$100 on July 1, 2009,
12 and \$100 on July 1, 2010.

13 **SECTION 24. SCIENCE, TECHNOLOGY, ENGINEERING, AND MATHEMATICS**

14 **TEACHER EDUCATION ENHANCEMENT.** The sum of \$1,500,000 included in the science,
15 technology, engineering, and mathematics teacher education line item in subdivision 1 of
16 section 1 of this Act must be used for the benefit of institutions under the control of the state
17 board of higher education, as determined by the board. Funding allocations are to be used to
18 enhance the use of science, technology, engineering, and mathematics in existing teacher
19 education program curriculums and may not be used for infrastructure projects.

20 **SECTION 25. TUITION RATE INCREASES - LIMIT - BUDGET SECTION**

21 **APPROVAL.** Notwithstanding any other provision of law, the state board of higher education
22 shall limit any annual tuition increase for students attending institutions under its control for the
23 2009-10 and 2010-11 academic years to not more than four percent for each year unless the
24 board receives prior budget section approval.

25 **SECTION 26. LEGISLATIVE COUNCIL STUDY - BISMARCK FAMILY PRACTICE**

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

SECTION 27. LEGISLATIVE COUNCIL STUDY - COMPLETION-BASED FUNDING.

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

SECTION 28. LEGISLATIVE COUNCIL STUDY - TUITION WAIVERS.

During the 2009-10 interim, the legislative council shall consider studying the impact of tuition waivers on institutions under the control of the state board of higher education. The study if conducted must review the types of tuition waivers available, the number of tuition waivers granted, and the value of tuition waivers. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-second legislative assembly.

SECTION 29. LEGISLATIVE COUNCIL STUDY - EDUCATION GOVERNANCE.

During the 2009-10 interim, the legislative council shall consider studying the feasibility and desirability of creating a department to oversee early childhood, elementary, secondary, and postsecondary education. The study if conducted must include a review of education governance in other states, the efficiency of combining governing agencies, and the potential governing structure of a combined education department. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-second legislative assembly.

SECTION 30. LEGISLATIVE COUNCIL STUDY - HIGHER EDUCATION STUDENT

TRUST FUND. During the 2009-10 interim, the legislative council shall consider studying the establishment of a higher education student trust fund, including available funding sources. The study if conducted must review best practices to include demonstrated in-migration patterns and long-term return on investment to the citizens of North Dakota by ensuring students are prepared to meet the changing needs of a global economy and to strengthen the economy of the state. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-second legislative assembly.

1 **SECTION 31. AMENDMENT.** Subsections 1 and 3 of section 15-10-37 of the North
2 Dakota Century Code are amended and reenacted as follows:

- 3 1. The state board of higher education shall administer a science, technology,
4 engineering, and mathematics occupations student loan program that encourages
5 college students to pursue ~~technology-based~~ studies in these fields, to participate
6 in ~~technology~~ internship programs, and to remain in the state after graduation.
7 The board shall adopt rules to implement the program, including internship
8 requirements, guidelines to determine which technology-related courses of study
9 are eligible under the program, and standards for eligibility.
- 10 3. The state board of higher education shall distribute student loan grants directly to
11 the Bank of North Dakota to repay outstanding student loan principal balances for
12 eligible applicants. The maximum student loan grant amount for which an
13 applicant may qualify is one thousand five hundred dollars per year and a total of
14 ~~five six~~ thousand dollars, or a lesser amount established by rule adopted by the
15 state board of higher education.

16 **SECTION 32. AMENDMENT.** Section 15-62.2-02 of the North Dakota Century Code is
17 amended and reenacted as follows:

18 **15-62.2-02. State board of higher education - Powers and duties.** The state board
19 of higher education shall:

- 20 1. Administer the North Dakota student financial assistance program and the North
21 Dakota scholars program and adopt functional rules regarding the eligibility and
22 selection of grant and scholarship recipients.
- 23 2. Determine the amount of individual grants, ~~but~~ which may not ~~to~~ exceed one
24 thousand five hundred dollars per recipient per academic year, under the North
25 Dakota student financial assistance program.
- 26 3. ~~Adopt for~~ For the North Dakota student financial assistance program, adopt criteria
27 for substantial need, based upon the ability of the parents or guardian to contribute
28 toward the applicant's educational expenses.
- 29 4. Establish the appropriate procedures for fiscal control, fund accounting, and
30 necessary reports.

- 1 5. Apply for, receive, expend, and administer granted moneys from federal or private
2 sources.

3 **SECTION 33.** A new section to chapter 15-62.2 of the North Dakota Century Code is
4 created and enacted as follows:

5 **Merit scholarship - Eligibility.** A student is eligible for a merit scholarship if the
6 student:

- 7 1. Was a resident of this state for the twelve months preceding the date the student
8 met the graduation or high school diploma requirements set forth in subsection 2;
9 2. During or after the 2010-11 school year:
10 a. Graduated from a public or nonpublic high school in this state;
11 b. Graduated from a high school in another state under chapter 15.1-29; or
12 c. Met the requirements for a high school diploma through home education, in
13 accordance with section 15.1-23-17;
14 3. Completed the requirements for a scholarship as set forth in sections 15.1-21-02.4
15 or 15.1-21-02.5;
16 4. Submitted an application for a merit scholarship to the state board of higher
17 education; and
18 5. a. Is enrolled in an associate or a baccalaureate program at an accredited public
19 or private institution of higher education in this state;
20 b. Is a "full-time" student, as defined by the institution; and
21 c. Maintains a minimum 2.75 cumulative grade point average.

22 **SECTION 34.** A new section to chapter 15-62.2 of the North Dakota Century Code is
23 created and enacted as follows:

24 **Merit scholarship - Amount payable.**

- 25 1. Beginning with the 2010-11 school year, the board shall forward to the institution in
26 which an eligible student is enrolled, on behalf of the student, an amount equal to
27 seven hundred fifty dollars per semester.
28 2. A student is not entitled to receive more than six thousand dollars under section 33
29 of this Act.
30 3. Section 33 of this Act does not require a student to be enrolled in consecutive
31 semesters. However, a merit scholarship is valid for only six academic years after

the student's graduation from high school and may not be applied to graduate programs.

SECTION 35. A new section to chapter 15-62.2 of the North Dakota Century Code is created and enacted as follows:

Annual report. The state board of higher education shall provide to the legislative council an annual report regarding the number of scholarships provided under section 34 of this Act and demographic information pertaining to the recipients.

SECTION 36. AMENDMENT. Section 15.1-01-02 of the North Dakota Century Code is amended and reenacted as follows:

15.1-01-02. Joint meetings - State board of public school education - State board of higher education - Education standards and practices board - State board for career and technical education. The state board of public school education, the state board of higher education, the education standards and practices board, and the state board for career and technical education shall meet together at least once each year at the call of the superintendent of public instruction, the commissioner of higher education, the executive director of the education standards and practices board, and the director of career and technical education for the purposes of:

1. Coordinating elementary and secondary education programs, career and technical education programs, and higher education programs;
2. Establishing high standards and expectations of students at all levels of the education continuum;
3. Ensuring that all students have access to challenging curricula;
4. Ensuring that the individuals instructing students at all levels of the education continuum are highly qualified and capable;
5. Cooperating in the provision of professional growth and development opportunities for elementary and secondary teachers and administrators; individuals instructing students at all levels of the education continuum; and
6. Ensuring cooperation in any other jointly beneficial project or program.

SECTION 37. EMERGENCY. The capital assets, deferred maintenance, and education incentive line items contained in section 1 of this Act and sections 3, 4, 8, 9, 11, 18, 22, and 32 of this Act are declared to be an emergency measure.