Sixty-first Legislative Assembly of North Dakota
In Regular Session Commencing Tuesday, January 6, 2009

SENATE BILL NO. 2003
(Appropriations Committee)
(At the request of the Governor)

AN ACT to provide an appropriation for defraying the expenses of the North Dakota university system; to provide a contingent appropriation; to provide for transfer of funds; to authorize the state board of higher education to issue and sell bonds for capital projects; to provide for legislative council studies; to create and enact a new section to chapter 15-62.2 of the North Dakota Century Code, relating to reporting requirements of scholarship programs; to amend and reenact subsections 1 and 3 of section 15-10-37 and sections 15-62.2-02 and 15.1-01-02 of the North Dakota Century Code, relating to student financial assistance grants, technology grants, and joint meetings of the state's education boards; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

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

Subdivision 1.

NORTH DAKOTA UNIVERSITY SYSTEM OFFICE

	Base Level	Adjustments or Enhancements	Appropriation
Capital assets	$15,754,112	($3,740,064)	$12,014,048
Competitive research program	5,650,000	1,400,000	7,050,000
System governance	6,281,894	903,718	7,185,612
Title II	695,600	0	695,600
System information technology services	25,983,293	4,246,745	30,230,038
Professional liability insurance	1,100,000	0	1,100,000
Student financial assistance grants	5,987,497	13,386,525	19,374,022
Professional student exchange program	2,722,946	614,154	3,337,100
Academic and technical education scholarships	0	3,000,000	3,000,000
Two-year campus marketing	0	800,000	800,000
Scholars program	1,478,566	635,018	2,113,584
Native American scholarships	380,626	666	381,292
Security and emergency preparedness	0	750,000	750,000
Education incentive programs	1,740,314	1,436,030	3,176,344
Science, technology, engineering, and mathematics teacher education enhancement	0	1,500,000	1,500,000
Grants	700,000	(600,000)	100,000
Total all funds	$68,474,848	$24,332,792	$92,807,640
Less estimated income	3,343,730	705,228	4,048,958

Total general fund	$65,131,118	$23,627,564	$88,758,682
Full-time equivalent positions	20.00	1.30	21.30

Subdivision 2.

BISMARCK STATE COLLEGE

	Base Level	Adjustments or Enhancements	Appropriation
Operations	$19,733,680	$4,470,325	$24,204,005
Capital assets	243,481	3,409,500	3,652,981
Deferred maintenance	0	340,637	340,637
Total all funds	$19,977,161	$8,220,462	$28,197,623
Less estimated income	0	409,500	409,500
Total general fund	$19,977,161	$7,810,962	$27,788,123
Full-time equivalent positions	105.38	5.55	110.93

Subdivision 3.

LAKE REGION STATE COLLEGE

	Base Level	Adjustments or Enhancements	Appropriation
Operations	$6,511,348	$1,444,862	$7,956,210
Capital assets	43,662	2,609,920	2,653,582
Deferred maintenance	0	93,807	93,807
Total all funds	$6,555,010	$4,148,589	$10,703,599
Less estimated income	0	0	0
Total general fund	$6,555,010	$4,148,589	$10,703,599
Full-time equivalent positions	30.49	2.48	32.97

Subdivision 4.

WILLISTON STATE COLLEGE

	Base Level	Adjustments or Enhancements	Appropriation
Operations	$6,422,504	$1,274,495	$7,696,999
Capital assets	86,475	16,985,000	17,071,475
Deferred maintenance	0	382,002	382,002
Total all funds	$6,508,979	$18,641,497	$25,150,476
Less estimated income	0	15,375,000	15,375,000
Total general fund	$6,508,979	$3,266,497	$9,775,476
Full-time equivalent positions	39.80	1.30	41.10

Subdivision 5.

UNIVERSITY OF NORTH DAKOTA

	Base Level	Adjustments or Enhancements	Appropriation
Operations	$107,011,830	$18,024,953	$125,036,783
Capital assets	2,300,545	49,919,000	52,219,545
Deferred maintenance	0	7,178,674	7,178,674
Total all funds	$109,312,375	$75,122,627	$184,435,002
Less estimated income	0	49,919,000	49,919,000
Total general fund	$109,312,375	$25,203,627	$134,516,002
Full-time equivalent positions	637.24	(11.96)	625.28

Subdivision 6.

NORTH DAKOTA STATE UNIVERSITY

	Base Level	Adjustments or Enhancements	Appropriation
Operations	$89,593,630	$18,773,992	$108,367,622
Capital assets	1,692,225	71,100,000	72,792,225

Deferred maintenance	0	5,355,817	5,355,817
Total all funds	$91,285,855	$95,229,809	$186,515,664
Less estimated income	0	58,100,000	58,100,000
Total general fund	$91,285,855	$37,129,809	$128,415,664
Full-time equivalent positions	498.12	17.64	515.76

Subdivision 7.

NORTH DAKOTA STATE COLLEGE OF SCIENCE

	Base Level	Adjustments or Enhancements	Appropriation
Operations	$27,390,368	$4,216,787	$31,607,155
Capital assets	753,332	12,836,000	13,589,332
Deferred maintenance	0	1,034,143	1,034,143
Total all funds	$28,143,700	$18,086,930	$46,230,630
Less estimated income	0	7,136,000	7,136,000
Total general fund	$28,143,700	$10,950,930	$39,094,630
Full-time equivalent positions	156.77	0.47	157.24

Subdivision 8.

DICKINSON STATE UNIVERSITY

	Base Level	Adjustments or Enhancements	Appropriation
Operations	$16,856,110	$4,367,627	$21,223,737
Capital assets	383,690	2,000,000	2,383,690
Deferred maintenance	0	1,662,172	1,662,172
Total all funds	$17,239,800	$8,029,799	$25,269,599
Less estimated income	0	350,000	350,000
Total general fund	$17,239,800	$7,679,799	$24,919,599
Full-time equivalent positions	121.60	(30.50)	91.10

Subdivision 9.

MAYVILLE STATE UNIVERSITY

	Base Level	Adjustments or Enhancements	Appropriation
Operations	$10,115,065	$1,514,551	$11,629,616
Capital assets	208,994	8,626,825	8,835,819
Deferred maintenance	0	1,910,120	1,910,120
Total all funds	$10,324,059	$12,051,496	$22,375,555
Less estimated income	0	3,668,500	3,668,500
Total general fund	$10,324,059	$8,382,996	$18,707,055
Full-time equivalent positions	55.89	(.50)	55.39

Subdivision 10.

MINOT STATE UNIVERSITY

	Base Level	Adjustments or Enhancements	Appropriation
Operations	$30,095,122	$4,528,585	$34,623,707
Capital assets	596,870	26,000,000	26,596,870
Deferred maintenance	0	595,111	595,111
Total all funds	$30,691,992	$31,123,696	$61,815,688
Less estimated income	0	22,250,000	22,250,000
Total general fund	$30,691,992	$8,873,696	$39,565,688
Full-time equivalent positions	184.83	4.99	189.82

Subdivision 11.

VALLEY CITY STATE UNIVERSITY

	Base Level	Adjustments or Enhancements	Appropriation
Operations	$13,350,137	$3,017,864	$16,368,001
Capital assets	258,416	19,500,000	19,758,416
Deferred maintenance	0	1,304,921	1,304,921
Total all funds	$13,608,553	$23,822,785	$37,431,338
Less estimated income	0	18,500,000	18,500,000
Total general fund	$13,608,553	$5,322,785	$18,931,338
Full-time equivalent positions	78.15	8.71	86.86

Subdivision 12.

MINOT STATE UNIVERSITY - BOTTINEAU

	Base Level	Adjustments or Enhancements	Appropriation
Operations	$4,759,548	$1,102,824	$5,862,372
Capital assets	109,725	3,080,000	3,189,725
Deferred maintenance	0	97,021	97,021
Total all funds	$4,869,273	$4,279,845	$9,149,118
Less estimated income	0	2,000,000	2,000,000
Total general fund	$4,869,273	$2,279,845	$7,149,118
Full-time equivalent positions	31.11	0.64	31.75

Subdivision 13.

UNIVERSITY OF NORTH DAKOTA SCHOOL OF MEDICINE AND HEALTH SCIENCES

	Base Level	Adjustments or Enhancements	Appropriation
Operations	$34,027,701	$7,087,700	$41,115,401
Total all funds	$34,027,701	$7,087,700	$41,115,401
Less estimated income	0	0	0
Total general fund	$34,027,701	$7,087,700	$41,115,401
Full-time equivalent positions	157.74	(12.82)	144.92

Subdivision 14.

NORTH DAKOTA FOREST SERVICE

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

Subdivision 15.

BILL TOTAL

	Base Level	Adjustments or Enhancements	Appropriation
Grand total general fund	$440,067,556	$153,228,587	$593,296,143
Grand total special funds	4,341,216	197,223,148	201,564,364
Grand total all funds	$444,408,772	$350,451,735	$794,860,507

SECTION 2. CONTINGENT FUNDING - LAKE REGION STATE COLLEGE. The capital assets line item in subdivision 3 of section 1 of this Act includes $2,609,920 from the general fund for a wind energy project at lake region state college which may be spent only to the extent that federal

funds appropriated in section 3 of this Act are not available for these purposes. Notwithstanding provisions of section 54-44.1-11 which authorize the North Dakota university system to continue appropriation authority, any unspent funds from the general fund appropriation provided for the lake region state college wind energy project must be returned to the general fund at the end of the 2009-11 biennium.

SECTION 3. APPROPRIATION - FEDERAL FISCAL STIMULUS FUNDS - ADDITIONAL FUNDING APPROVAL. The funds provided in this section, or so much of the funds as may be necessary, are appropriated from federal funds made available to the state 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, as follows:

Lake region state college - Wind energy project	$2,609,920
Total federal funds	$2,609,920

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 4. APPROPRIATION - FEDERAL FISCAL STABILIZATION - OTHER GOVERNMENT SERVICES FUNDS - ADDITIONAL FUNDING APPROVAL - PRIORITY. 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	11,200,000
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. If the sum of federal fiscal stabilization - other government services funds appropriated by the sixty-first legislative assembly exceed funds available, the governor shall give priority for using the funds available for the Minot state university Swain hall project and the university of North Dakota education building project.

SECTION 5. ESTIMATED INCOME - PERMANENT OIL TAX TRUST FUND - WILLISTON STATE COLLEGE. The estimated income line item in subdivision 4 of section 1 of this Act includes $5,000,000 from the permanent oil tax trust fund for the Williston state college virtual center for career and technical education. Williston state college may only use the funding provided from the permanent oil tax trust fund for the purpose of constructing a virtual center for career and technical education to provide secondary and postsecondary career and technical education programs.

SECTION 6. CONTINGENT APPROPRIATION - DICKINSON STATE UNIVERSITY. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of $8,800,000, or so much of the sum as may be necessary, to Dickinson state university for the purpose of the renovation and construction of the Dickinson state university Stoxen library, for the biennium beginning July 1, 2009, and ending June 30, 2011. Dickinson state university may spend this funding only if actual general fund revenues for the period from July 1, 2009, through December 31, 2009, exceed estimated general fund revenues for that period by at least $25,000,000, as determined by the office of management and budget, based on the legislative estimates made at the close of the 2009 legislative session.

SECTION 7. 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:

One-Time Funding Description	2007-09	2009-11
Northern tier network infrastructure from permanent oil tax fund	$2,773,800	$0
ConnectND system support	2,300,000	0
Common information system pool parity funding	420,000	0
Campus initiatives	960,800	0
UND simulation lab	200,000	0
Williston state college oil rig program	200,000	0
Deferred maintenance - General fund	10,893,033	20,000,000
Capital projects - General fund	13,808,235	39,008,248
Capital projects - Special funds	153,295,170	166,958,000
Capital projects from permanent oil tax trust fund	4,809,515	10,400,000
Electronic medical records system UND medical school	0	225,000
Total all funds	$189,660,553	$236,591,248
Total special funds	161,078,485	177,358,000
Total general fund	$28,582,068	$59,233,248

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

SECTION 8. PERMANENT OIL TAX TRUST FUND - DICKINSON STATE UNIVERSITY. The estimated income line item in subdivision 8 of section 1 of this Act includes $350,000 from the permanent oil tax trust fund for operations of Dickinson state university, for the biennium beginning July 1, 2009, and ending June 30, 2011.

SECTION 9. PERMANENT OIL TAX TRUST FUND - BISMARCK FAMILY PRACTICE CENTER. The estimated income line item in subdivision 5 of section 1 of this Act includes $5,400,000 from the permanent oil tax trust fund for the construction of a building for the university of North Dakota school of medicine and health sciences Bismarck family practice center, for the biennium beginning July 1, 2009, and ending June 30, 2011.

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

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

SECTION 12. CAPITAL ASSETS - DICKINSON STATE UNIVERSITY. The sum of $2,000,000, or so much of the sum as may be necessary, included in the capital assets line item in subdivision 8 of section 1 of this Act, may be used for development of a campuswide master plan, an asbestos survey and removal and schematic design for Stoxen library, other campus repairs, and payoff of energy or construction loans.

SECTION 13. SYSTEM INFORMATION TECHNOLOGY SERVICES. The sum of $30,230,038, or so much of the sum as may be necessary, included in the system information technology services 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. Funding allocations are to be made based on the North Dakota university system information technology plan and technology priorities. Funds allocated pursuant to this section must be used to support the system information technology services including the higher education computer network, the interactive video network, the on-line Dakota information network, ConnectND, and other related technology initiatives as determined by the board.

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

SECTION 15. STUDENT LOAN TRUST FUND. Subdivision 1 of section 1 of this Act includes the sum of $2,011,570, or so much of the sum as may be necessary, from the student loan trust fund of which $990,970 is for the professional student exchange program and $1,020,600 ConnectND campus solution positions, for the biennium beginning July 1, 2009, and ending June 30, 2011.

SECTION 16. FEDERAL, PRIVATE, AND OTHER FUNDS - APPROPRIATION. All funds, in addition to those appropriated in section 1 of this Act, from federal, private, and other sources, including funding received through the federal American Recovery and Reinvestment Act of 2009 for competitive grants or other funds that the legislative assembly has not indicated the intent to reject, received by the institutions and entities under the control of the state board of higher 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 17. 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 18. 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 19. 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 20. 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 21. 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 22. CAPITAL ASSETS - MINOT STATE UNIVERSITY - GEOTHERMAL SYSTEM. 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 23. CAPITAL ASSETS - MINOT STATE UNIVERSITY SWAIN HALL. The sum of $1,250,000, 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 for the Minot state university Swain hall renovation project, for the biennium beginning July 1, 2009, and ending June 30, 2011.

SECTION 24. OPERATING EXPENSES - VALLEY CITY STATE UNIVERSITY. The sum of $800,000, or so much of the sum as may be necessary, included in the operations line item in subdivision 11 of section 1 of this Act, may be used in support of strategic goals and initiatives, to offset enrollment impacts, and address other needs, including capital, as determined by Valley City state university.

SECTION 25. USE OF UNSPENT 2007-09 GENERAL FUND APPROPRIATIONS - CAMPUS 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 student retention at Valley City state university, for the biennium beginning July 1, 2009, and ending June 30, 2011.

SECTION 26. 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 and addition and auxiliary services renovation	7,000,000
North Dakota state university - Niskanen student apartments	20,000,000
North Dakota state school of science - Robertson hall renovation and addition and auxiliary services 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
University of North Dakota - Hangar renovation and addition	1,500,000
Valley City state university - Snoeyenbos hall renovation	3,500,000
Total special funds	$62,179,500

SECTION 27. LEGISLATIVE INTENT - NORTH DAKOTA UNIVERSITY SYSTEM EMPLOYEE COMPENSATION ADJUSTMENTS. It is the intent of the sixty-first legislative assembly that each North Dakota university system employee whose documented performance meets all standards is to receive a minimum monthly salary increase of $100 on July 1, 2009, and $100 on July 1, 2010.

SECTION 28. SCIENCE, TECHNOLOGY, ENGINEERING, AND MATHEMATICS TEACHER EDUCATION ENHANCEMENT. The sum of $1,500,000 included in the science, technology, engineering, and mathematics teacher education line item in subdivision 1 of section 1 of this Act must be used for the benefit of institutions under the control of the state board of higher education, as determined by the board. Funding allocations are to be used to enhance the use of science, technology, engineering, and mathematics in existing teacher education program curriculums and may not be used for infrastructure projects.

SECTION 29. LEGISLATIVE INTENT - LOAN FORGIVENESS PROGRAM. It is the intent of the sixty-first legislative assembly that any qualified returning technology occupation loan forgiveness program applicants for the 2009-10 academic year and forward be eligible to receive $1,500 per year, for up to four years, combined between the technology occupation loan forgiveness program and science, technology, engineering, and mathematics loan forgiveness program. All new applicants beginning with the 2009-10 academic year are eligible to receive $1,500 per year, up to a maximum of $6,000. It is also the intent of the sixty-first legislative assembly that the North Dakota university system make new and continuing loan forgiveness program awards in the 2009-11 biennium to ensure adequate program funding carryover to the 2011-13 biennium to continue the program with approximately the same number of new awards in the 2011-13 biennium without increased state program funding.

SECTION 30. TUITION RATE INCREASES - LIMIT - BUDGET SECTION APPROVAL. Notwithstanding any other provision of law, the state board of higher education shall limit any annual tuition increase for students attending institutions under its control for the 2009-10 and 2010-11 academic years to not more than four percent for each year unless the board receives prior budget section approval.

SECTION 31. 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 32. 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 33. 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 34. 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.

SECTION 35. AMENDMENT. Subsections 1 and 3 of section 15-10-37 of the North Dakota Century Code are amended and reenacted as follows:

1. The state board of higher education shall administer a science, technology, engineering, and mathematics occupations student loan program that encourages college students to pursue ~~technology-based~~ studies in these fields, to participate in ~~technology~~ internship programs, and to remain in the state after graduation. The board shall adopt rules to implement the program, including internship requirements, guidelines to determine which technology-related courses of study are eligible under the program, and standards for eligibility.

3. The state board of higher education shall distribute student loan grants directly to the Bank of North Dakota to repay outstanding student loan principal balances for eligible applicants. The maximum student loan grant amount for which an applicant may qualify is one thousand five hundred dollars per year and a total of ~~five~~ six thousand dollars, or a lesser amount established by rule adopted by the state board of higher education.

SECTION 36. AMENDMENT. Section 15-62.2-02 of the North Dakota Century Code is amended and reenacted as follows:

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

1. Administer the North Dakota student financial assistance program and the North Dakota scholars program and adopt functional rules regarding the eligibility and selection of grant and scholarship recipients.

2. Determine the amount of individual grants, ~~but~~ which may not ~~to~~ exceed one thousand five hundred dollars per recipient per academic year, under the North Dakota student financial assistance program.

3. ~~Adopt for~~ For the North Dakota student financial assistance program, adopt criteria for substantial need, based upon the ability of the parents or guardian to contribute toward the applicant's educational expenses.

4. Establish the appropriate procedures for fiscal control, fund accounting, and necessary reports.

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

SECTION 37. 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 North Dakota academic scholarships and career and technical education scholarships provided and demographic information pertaining to the recipients.

SECTION 38. 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

~~3.~~ 6. Ensuring cooperation in any other jointly beneficial project or program.

SECTION 39. UNIVERSITY OF NORTH DAKOTA HANGAR PROJECT. The state board of higher education may enter an agreement with a private entity to do all things necessary and proper to authorize construction of a hangar addition and renovation at the university of North Dakota aerospace complex at the Grand Forks international airport using current fees for flight operations, for the biennium beginning July 1, 2009, and ending June 30, 2011.

SECTION 40. EMERGENCY. The capital assets, deferred maintenance, and education incentive line items and $317,000 of the operations line item in subdivision 11 contained in section 1 of this Act and sections 3, 4, 11, 12, 14, 21, 26, and 36 of this Act are declared to be an emergency measure.

____________________________ ____________________________
President of the Senate Speaker of the House

Secretary of the Senate Chief Clerk of the House

This certifies that the within bill originated in the Senate of the Sixty-first Legislative Assembly of North Dakota and is known on the records of that body as Senate Bill No. 2003 and that two-thirds of the members-elect of the Senate voted in favor of said law.

Vote: Yeas 41 Nays 5 Absent 1

President of the Senate Secretary of the Senate

This certifies that two-thirds of the members-elect of the House of Representatives voted in favor of said law.

Vote: Yeas 70 Nays 24 Absent 0

Speaker of the House Chief Clerk of the House

Received by the Governor at _________ M. on __________________________________, 2009.

Approved at _________ M. on ____, 2009.

Governor

Filed in this office this _____________ day of ____________________________________, 2009,

at ___ o'clock ______ M.

Secretary of State