

13.8153.06000

Sixty-third
Legislative Assembly
of North Dakota

**SECOND ENGROSSMENT
with Conference Committee Amendments
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 contingent appropriations; to create and enact six new sections to
3 chapter 15-10 of the North Dakota Century Code, relating to provisions of matching grants for
4 the advancement of postsecondary academics; to amend and reenact sections 15-10-47,
5 15-52-01, 15-52-03, 15-52-04, 15-52-05, 15-52-09, 15-52-31, and 15-62.2-02, subsection 2 of
6 section 15-70-04, and section 54-44.1-11 of the North Dakota Century Code, relating to
7 construction project variance reports, the state medical center, student financial assistance
8 grants, tribally controlled community college grants, and the cancellation of unexpended
9 appropriations; to repeal section section 5 of Senate Bill No. 2018, as approved by the
10 sixty-third legislative assembly, relating to a contingent appropriation; to provide an exemption;
11 to provide for transfer of funds; to authorize the state board of higher education to issue and sell
12 bonds for capital projects; to provide for budget section reports; to provide loan authorization for
13 the university of North Dakota school of medicine and health sciences facility project; to provide
14 for legislative management reports; to provide for a legislative management study; to provide an
15 expiration date; and to declare an emergency.

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

17 **SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds
18 as may be necessary, are appropriated out of any moneys in the general fund in the state
19 treasury, not otherwise appropriated, and from special funds derived from federal funds and
20 other income to the North Dakota university system office and to the various entities and
21 institutions under the supervision of the state board of higher education for the purpose of
22 defraying the expenses of the North Dakota university system office and to the various entities
23 for the biennium beginning July 1, 2013, and ending June 30, 2015, as follows:

24 Subdivision 1.

1 NORTH DAKOTA UNIVERSITY SYSTEM OFFICE

2			Adjustments or	
3		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
4	Capital assets - bond payments	\$12,204,769	(\$1,768,724)	\$10,436,045
5	Competitive research program	7,050,000	0	7,050,000
6	System governance	7,349,806	5,316,696	12,666,502
7	Title II	1,006,472	0	1,006,472
8	System information technology services	36,006,667	2,655,884	38,662,551
9	Professional liability insurance	800,000	(800,000)	0
10	Student financial assistance grants	19,025,594	2,220,085	21,245,679
11	Professional student exchange program	3,321,438	953,577	4,275,015
12	Academic and technical education	10,000,000	0	10,000,000
13	scholarships			
14	Two-year campus marketing	800,000	0	800,000
15	Scholars program	2,113,584	0	2,113,584
16	Native American scholarships	574,267	75,000	649,267
17	Tribally controlled community college grants	1,000,000	0	1,000,000
18	Education incentive programs	3,176,344	172,656	3,349,000
19	Deferred maintenance pool	0	10,000,000	10,000,000
20	Master plan and space utilization study	0	1,000,000	1,000,000
21	Student mental health	0	282,520	282,520
22	Education challenge fund	0	29,000,000	29,000,000
23	Performance funding pool	0	5,000,000	5,000,000
24	Capital projects contingency pool	<u>0</u>	<u>5,483,413</u>	<u>5,483,413</u>
25	Total all funds	\$104,428,941	\$59,591,107	\$164,020,048
26	Less estimated income	<u>3,056,229</u>	<u>(756,317)</u>	<u>2,299,912</u>
27	Total general fund	\$101,372,712	\$60,347,424	\$161,720,136
28	Full-time equivalent positions	100.31	12.60	112.91

29 Subdivision 2.

30 BISMARCK STATE COLLEGE

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		Adjustments or	
	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
1			
2			
3	Operations	\$5,025,340	\$32,653,654
4	Capital assets	<u>19,300,000</u>	<u>19,717,673</u>
5	Total all funds	\$24,325,340	\$52,371,327
6	Less estimated income	<u>6,665,000</u>	<u>6,665,000</u>
7	Total general fund	\$17,660,340	\$45,706,327
8	Full-time equivalent positions	0.00	126.96
9	Subdivision 3.		

LAKE REGION STATE COLLEGE

		Adjustments or	
	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
11			
12			
13	Operations	\$3,425,483	\$12,429,097
14	Capital assets	<u>5,650,184</u>	<u>5,805,551</u>
15	Total all funds	\$9,075,667	\$18,234,648
16	Less estimated income	<u>0</u>	<u>0</u>
17	Total general fund	\$9,075,667	\$18,234,648
18	Full-time equivalent positions	0.00	40.22
19	Subdivision 4.		

WILLISTON STATE COLLEGE

		Adjustments or	
	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
21			
22			
23	Operations	\$3,933,821	\$12,783,506
24	Capital assets	<u>13,340,354</u>	<u>13,538,155</u>
25	Total all funds	\$17,274,175	\$26,321,661
26	Less estimated income	<u>0</u>	<u>0</u>
27	Total general fund	\$17,274,175	\$26,321,661
28	Full-time equivalent positions	0.00	44.15
29	Subdivision 5.		

UNIVERSITY OF NORTH DAKOTA

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Legislative Assembly

		Adjustments or	
	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
1			
2			
3	Operations	\$12,897,283	\$153,354,767
4	Capital assets	<u>169,277,262</u>	<u>173,688,828</u>
5	Total all funds	\$182,174,545	\$327,043,595
6	Less estimated income	<u>96,487,262</u>	<u>96,487,262</u>
7	Total general fund	\$85,687,283	\$230,556,333
8	Full-time equivalent positions	(8.60)	633.60
9	Subdivision 6.		

NORTH DAKOTA STATE UNIVERSITY

		Adjustments or	
	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
11			
12			
13	Operations	\$15,326,235	\$140,341,540
14	Capital assets	<u>67,939,356</u>	<u>70,671,600</u>
15	Total all funds	\$83,265,591	\$211,013,140
16	Less estimated income	<u>39,819,356</u>	<u>39,819,356</u>
17	Total general fund	\$43,446,235	\$171,193,784
18	Full-time equivalent positions	(4.00)	491.21
19	Subdivision 7.		

NORTH DAKOTA STATE COLLEGE OF SCIENCE

		Adjustments or	
	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
21			
22			
23	Operations	\$3,994,914	\$38,181,456
24	Capital assets	<u>9,435,879</u>	<u>10,448,258</u>
25	Total all funds	\$13,430,793	\$48,629,714
26	Less estimated income	<u>1,350,000</u>	<u>1,350,000</u>
27	Total general fund	\$12,080,793	\$47,279,714
28	Full-time equivalent positions	0.00	171.87
29	Subdivision 8.		

DICKINSON STATE UNIVERSITY

Sixty-third
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		Adjustments or	
	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
1			
2			
3	Operations	\$4,715,688	\$27,099,227
4	Capital assets	<u>0</u>	<u>409,078</u>
5	Total all funds	\$4,715,688	\$27,508,305
6	Less estimated income	<u>0</u>	<u>0</u>
7	Total general fund	\$4,715,688	\$27,508,305
8	Full-time equivalent positions	0.00	100.32
9	Subdivision 9.		

MAYVILLE STATE UNIVERSITY

		Adjustments or	
	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
11			
12			
13	Operations	\$1,588,636	\$14,364,424
14	Capital assets	<u>7,663,650</u>	<u>8,022,642</u>
15	Total all funds	\$9,252,286	\$22,387,066
16	Less estimated income	<u>0</u>	<u>0</u>
17	Total general fund	\$9,252,286	\$22,387,066
18	Full-time equivalent positions	0.00	62.78
19	Subdivision 10.		

MINOT STATE UNIVERSITY

		Adjustments or	
	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
21			
22			
23	Operations	\$8,471,237	\$46,310,211
24	Capital assets	<u>13,532,595</u>	<u>14,432,215</u>
25	Total all funds	\$22,003,832	\$60,742,426
26	Less estimated income	<u>11,801,785</u>	<u>11,801,785</u>
27	Total general fund	\$10,202,047	\$48,940,641
28	Full-time equivalent positions	0.00	201.76
29	Subdivision 11.		

VALLEY CITY STATE UNIVERSITY

30

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		Adjustments or		
	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>	
1				
2				
3	Operations	\$17,694,741	\$2,996,394	\$20,691,135
4	Capital assets	<u>408,319</u>	<u>8,991,990</u>	<u>9,400,309</u>
5	Total all funds	\$18,103,060	\$11,988,384	\$30,091,444
6	Less estimated income	<u>0</u>	<u>4,806,837</u>	<u>4,806,837</u>
7	Total general fund	\$18,103,060	\$7,181,547	\$25,284,607
8	Full-time equivalent positions	97.29	0.00	97.29
9	Subdivision 12.			

DAKOTA COLLEGE AT BOTTINEAU

		Adjustments or		
	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>	
11				
12				
13	Operations	\$6,489,750	\$1,430,793	\$7,920,543
14	Capital assets	<u>115,507</u>	<u>8,744,609</u>	<u>8,860,116</u>
15	Total all funds	\$6,605,257	\$10,175,402	\$16,780,659
16	Less estimated income	<u>0</u>	<u>7,600,789</u>	<u>7,600,789</u>
17	Total general fund	\$6,605,257	\$2,574,613	\$9,179,870
18	Full-time equivalent positions	36.12	0.00	36.12
19	Subdivision 13.			

UNIVERSITY OF NORTH DAKOTA SCHOOL OF MEDICINE AND HEALTH SCIENCES

		Adjustments or		
	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>	
21				
22				
23	Operations	<u>\$47,747,971</u>	<u>\$8,757,663</u>	<u>\$56,505,634</u>
24	Total all funds	\$47,747,971	\$8,757,663	\$56,505,634
25	Less estimated income	<u>0</u>	<u>0</u>	<u>0</u>
26	Total general fund	\$47,747,971	\$8,757,663	\$56,505,634
27	Full-time equivalent positions	156.55	0.00	156.55
28	Subdivision 14.			

NORTH DAKOTA FOREST SERVICE

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

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1	Operations	\$5,514,681	\$735,298	\$6,249,979
2	Capital assets	<u>97,791</u>	<u>788,419</u>	<u>886,210</u>
3	Total all funds	\$5,612,472	\$1,523,717	\$7,136,189
4	Less estimated income	<u>1,650,000</u>	<u>0</u>	<u>1,650,000</u>
5	Total general fund	\$3,962,472	\$1,523,717	\$5,486,189
6	Full-time equivalent positions	28.00	1.00	29.00
7	Subdivision 15.			
8	BILL TOTAL			
9			Adjustments or	
10		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
11	Grand total all funds	\$611,231,666	\$457,554,190	\$1,068,785,856
12	Grand total special funds	<u>4,706,229</u>	<u>167,774,712</u>	<u>172,480,941</u>
13	Grand total general fund	\$606,525,437	\$289,779,478	\$896,304,915

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

SIXTY-FOURTH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-second legislative assembly for the 2011-13 biennium and the 2013-15 one-time funding items included in the appropriation in section 1 of this Act:

18	<u>One-Time Funding Description</u>	<u>2011-13</u>	<u>2013-15</u>
19	Capital projects - general fund	\$47,136,000	\$155,691,350
20	Capital projects - other funds	105,065,555	168,531,029
21	Capital projects contingency pool	0	5,483,413
22	Campus deferred maintenance projects	0	440,000
23	Performance funding pool	0	5,000,000
24	Dickinson state university operating funds	900,000	800,000
25	Minot state university flood recovery funds	0	2,500,000
26	Dakota college at Bottineau - campus software updates	0	28,500
27	Special assessments payments	819,357	0
28	Mayville state university drainage study	55,000	0
29	UND school of medicine space utilization study	100,000	0
30	Williston state college operating funds	2,000,000	0
31	Emerald ash borer program	250,000	0

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1	Deferred maintenance pool	0	10,000,000
2	Education challenge fund	0	29,000,000
3	Health care workforce initiative	0	7,414,806
4	Master plan and space utilization study	<u>0</u>	<u>1,000,000</u>
5	Total all funds	\$156,325,912	\$385,889,098
6	Total other funds	<u>105,065,555</u>	<u>168,531,029</u>
7	Total general fund	\$51,260,357	\$217,358,069

8 The 2013-15 one-time funding amounts are not a part of the entity's base budget for the
9 2015-17 biennium. The North Dakota university system shall report to the appropriations
10 committees of the sixty-fourth legislative assembly on the use of this one-time funding for the
11 biennium beginning July 1, 2013, and ending June 30, 2015.

12 **SECTION 3. CONTINGENT APPROPRIATIONS - DICKINSON STATE UNIVERSITY -**
13 **DEPARTMENT OF PUBLIC INSTRUCTION.** There is appropriated out of any moneys in the
14 general fund in the state treasury, not otherwise appropriated, the sum of \$6,000,000, or so
15 much of the sum as may be necessary, to Dickinson state university for the purpose of awarding
16 a grant as provided under this section, and out of any moneys in the general fund in the state
17 treasury, not otherwise appropriated, the sum of \$5,000,000, or so much of the sum as may be
18 necessary, to the department of public instruction for the purpose of awarding a grant as
19 provided under this section, for the biennium beginning July 1, 2013, and ending June 30, 2015.

20 The funding appropriated to Dickinson state university under this section is for the purpose
21 of awarding a grant to the Theodore Roosevelt center or the Theodore Roosevelt presidential
22 library for the construction of a Theodore Roosevelt presidential library, for the biennium
23 beginning July 1, 2013, and ending June 30, 2015. Dickinson state university may not use any
24 of the funds appropriated in this section for administrative costs and may not award any of the
25 funds until the grant recipient has raised at least \$3,000,000 from nonstate sources for the
26 project. A grant awarded under this section may be used only for construction costs of the
27 Theodore Roosevelt presidential library. The facility constructed may be used only to house the
28 Theodore Roosevelt presidential library.

29 The funding appropriated to the department of public instruction under this section is for the
30 purpose of awarding a grant to a state agency or nonprofit organization to construct a children's

1 science center in the city where the state capitol is located for providing informal science
2 education to children and others.

3 The funding provided under this section is available only if the sum of actual general fund
4 revenues and the amount by which the July 1, 2013, unobligated general fund balance is more
5 than the legislative estimate made at the close of the 2013 regular legislative session exceeds
6 three and one-half percent of the estimated general fund revenues for the period from July 1,
7 2013, through June 30, 2014, as determined by the office of management and budget. For
8 purposes of this section, "actual general fund revenues" and "estimated general fund revenues"
9 exclude the estimated July 1, 2013, unobligated general fund balance and transfers into the
10 general fund from the strategic investment and improvements fund, the mill and elevator, the
11 lottery, and the gas tax administration. The funding provided in this section is considered a
12 one-time funding item.

13 **SECTION 4. AMENDMENT.** Section 15-10-47 of the North Dakota Century Code is
14 amended and reenacted as follows:

15 **15-10-47. Construction projects at institutions of higher education - Variance reports.**

- 16 1. Whenever any new construction, renovation, or repair, valued at more than two
17 hundred fifty thousand dollars is underway on the campus of an institution of higher
18 education under the control of the state board of higher education, the board shall
19 provide ~~monthly~~semiannual project variance reports to the director of the office of
20 management and budget. Each report must include:
- 21 a. The name or a description of the project;
 - 22 b. The expenditure authorized by the legislative assembly;
 - 23 c. The amount of the original contract;
 - 24 d. The amount of any change orders;
 - 25 e. The amount of any potential or anticipated change orders;
 - 26 f. The sum of subdivisions c through e and the amount by which that sum varies
27 from the expenditure authorized by the legislative assembly;
 - 28 g. The total expended for the project to date; and
 - 29 h. The scheduled date of completion as noted in the original contract and the latest
30 available scheduled date of completion.

- 1 2. The state board of higher education also shall provide to the director of the office of
2 management and budget, at the same time as the project variance report required by
3 subsection 1:
- 4 a. A brief description of each change order included in subdivision d of
5 subsection 1; and
- 6 b. A list of each public and nonpublic entity that has a contractually reflected
7 financial obligation with respect to the project.
- 8 3. The office of management and budget shall review the information received under this
9 section and provide reports to the budget section of the legislative management upon
10 request.

11 **SECTION 5.** A new section to chapter 15-10 of the North Dakota Century Code is created
12 and enacted as follows:

13 **Advancement of academics - Matching grants - University of North Dakota and North**
14 **Dakota state university.**

- 15 1. a. During the period beginning July 1, 2013, and ending December 31, 2014, the
16 state board of higher education shall award one dollar in matching grants for
17 every two dollars raised by the institutional foundations of the university of North
18 Dakota and North Dakota state university for projects dedicated exclusively to the
19 advancement of academics.
- 20 b. To be eligible for a matching grant, an institution must demonstrate that:
- 21 (1) Its foundation has raised at least fifty thousand dollars in cash or monetary
22 pledges for a qualifying project; and
- 23 (2) The project has been approved by the grant review committee established
24 in section 8 of this Act.
- 25 c. The board may award up to ten million dollars in matching grants to each
26 institution.
- 27 2. a. If any available dollars have not been awarded by the board before January 1,
28 2015, in accordance with subsection 1, either the university of North Dakota or
29 North Dakota state university may apply for an additional matching grant.
- 30 b. An application submitted under this subsection must meet the same criteria as an
31 original application.

- 1 c. The board shall consider each application submitted under this subsection in
2 chronological order.
- 3 d. If the remaining dollars are insufficient to provide a matching grant in the amount
4 of one dollar for every two dollars raised by the institutional foundation, the board
5 shall award a lesser amount.

6 **SECTION 6.** A new section to chapter 15-10 of the North Dakota Century Code is created
7 and enacted as follows:

8 **Advancement of academics - Matching grants - Two-year and four-year institutions of**
9 **higher education.**

- 10 1. a. During the period beginning July 1, 2013, and ending December 31, 2014, the
11 state board of higher education shall award one dollar in matching grants for
12 every two dollars raised by the institutional foundations of Bismarck state college,
13 Dakota college at Bottineau, Dickinson state university, Lake Region state
14 college, Mayville state university, Minot state university, North Dakota state
15 college of science, Valley City state university, and Williston state college for
16 projects dedicated exclusively to the advancement of academics.
- 17 b. To be eligible for a matching grant, an institution must demonstrate that:
- 18 (1) Its foundation has raised at least twenty-five thousand dollars in cash or
19 monetary pledges for a qualifying project; and
- 20 (2) The project has been approved by the grant review committee established
21 in section 8 of this Act.
- 22 c. The board may award up to one million dollars in matching grants to each
23 institution.
- 24 2. a. If any available dollars have not been awarded by the board before January 1,
25 2015, in accordance with subsection 1, any institution listed in subsection 1 may
26 apply for an additional matching grant.
- 27 b. An application submitted under this subsection must meet the same criteria as an
28 original application.
- 29 c. The board shall consider each application submitted under this subsection in
30 chronological order.

- 1 d. If the remaining dollars are insufficient to provide a matching grant in the amount
2 of one dollar for every two dollars raised by the institutional foundation, the board
3 shall award a lesser amount.

4 **SECTION 7.** A new section to chapter 15-10 of the North Dakota Century Code is created
5 and enacted as follows:

6 **Liability for pledged amount.**

- 7 If the state board of higher education provides grant funds under this Act to an institution on
8 the basis of a monetary pledge and if the amount forthcoming is less than the amount pledged,
9 the institutional foundation is liable to the institution for any shortfall.

10 **SECTION 8.** A new section to chapter 15-10 of the North Dakota Century Code is created
11 and enacted as follows:

12 **Grant review committee.**

- 13 1. There is created a grant review committee consisting of:
- 14 a. The governor, or the governor's designee, who shall serve as the chairman;
 - 15 b. Two members of the house of representatives appropriations committee,
16 selected by the majority leader of the house of representatives;
 - 17 c. Two members of the senate appropriations committee, selected by the majority
18 leader of the senate;
 - 19 d. Two members appointed by the governor, with the consent of the legislative
20 management; and
 - 21 e. Two members appointed by the state board of higher education, with the consent
22 of the legislative management.
- 23 2. The gubernatorial appointees must have an understanding of higher education's role
24 in advancing agriculture, the arts, commerce and finance, manufacturing, mineral
25 extraction, natural resources, and the professions.
- 26 3. The grant review committee shall establish its rules of operation and procedure and
27 shall develop and publish the criteria upon which all requests for matching grants will
28 be reviewed.
- 29 4. A request for a matching grant must be presented to the committee by the president of
30 the institution. The president may be accompanied by other individuals having an
31 expertise with respect to the project.

1 **SECTION 9.** A new section to chapter 15-10 of the North Dakota Century Code is created
2 and enacted as follows:

3 **Grant review committee - Compensation.**

4 Each member of the grant review committee is entitled to receive compensation in the
5 amount of one hundred thirty-five dollars per day plus reimbursement for expenses as provided
6 by law for state officers if the member is attending meetings or performing duties directed by the
7 committee. The compensation provided for in this section may not be paid to any member of the
8 committee who receives a salary or other compensation as an employee or official of this state
9 if the individual is serving on the committee by virtue of the individual's state office or state
10 employment.

11 **SECTION 10.** A new section to chapter 15-10 of the North Dakota Century Code is created
12 and enacted as follows:

13 **Definition.**

14 For purposes of this Act, projects dedicated to the advancement of enhanced academics
15 include investments in research, scholarships, technology, endowed chairs, and investments in
16 educational infrastructure, including new capital construction projects that conform with the
17 university system campus master plan and space utilization study.

18 **SECTION 11. AMENDMENT.** Section 15-52-01 of the North Dakota Century Code is
19 amended and reenacted as follows:

20 **15-52-01. School of medicine and health sciences.**

21 The primary purpose of the university of North Dakota school of medicine and health
22 sciences is to educate physicians and other health professionals for subsequent service in
23 North Dakota and to enhance the quality of life ~~in North Dakota~~ of its people. Other purposes
24 include the discovery of knowledge that benefits the people of this state and enhances the
25 quality of their lives.

26 **SECTION 12. AMENDMENT.** Section 15-52-03 of the North Dakota Century Code is
27 amended and reenacted as follows:

28 **15-52-03. School of medicine and health sciences advisory council - Members, terms,**
29 **meetings.**

30 1. To assure the proper coordination of the university of North Dakota school of medicine
31 and health sciences with all other health activities of the state, a permanent school of

- 1 medicine and health sciences advisory council is established to perform the duties in
2 section 15-52-04.
- 3 2. The council consists of fifteen members:
- 4 a. (1) Two members of the senate, one of whom must be from the majority party
5 and one of whom must be from the minority party, selected by the chairman
6 of the legislative management; and
7 (2) Two members of the house of representatives, one of whom must be from
8 the majority party and one of whom must be from the minority party, to be
9 selected by the chairman of the legislative management;
- 10 b. One member selected by each of the following:
- 11 (1) The department of human services;
12 (2) The state board of higher education;
13 (3) The state department of health;
14 (4) The North Dakota medical association;
15 (5) The North Dakota hospital association;
16 (6) The veterans administration hospital in Fargo; and
17 (7) The university of North Dakota center for rural health; and
- 18 c. Four members selected by the dean of the university of North Dakota school of
19 medicine and health sciences, one from each of the four campuses of the school
20 of medicine and health sciences with headquarters in Bismarck, Fargo, Grand
21 Forks, and Minot.
- 22 3. The representatives named by the state agencies and boards must be selected to
23 serve as members of the advisory council for periods of at least one year, but may not
24 serve longer than their term of office on the public agency. The representatives from
25 the North Dakota state medical association and the North Dakota hospital association
26 shall serve a term of three years or until their successors are named and qualified.
- 27 4. The council shall name its own chairman and the dean of the university of North
28 Dakota school of medicine and health sciences shall serve as executive secretary of
29 the council. The executive secretary does not have voting privileges. The council shall
30 meet not less than twice each year, and, from time to time, on its own motion or upon
31 request of the university administration.

1 **SECTION 13. AMENDMENT.** Section 15-52-04 of the North Dakota Century Code is
2 amended and reenacted as follows:

3 **15-52-04. Duties of council.**

- 4 1. The advisory council, in consultation with the school of medicine and health sciences
5 and the other agencies, associations, and institutions represented on the advisory
6 council, shall study and make recommendations regarding the strategic plan,
7 programs, and facilities of the school of medicine and health sciences in support of its
8 purpose as defined in section 15-52-01.
- 9 2. Biennially, the advisory council shall submit a report, together with its
10 recommendations, to the agencies, associations, and institutions represented on the
11 advisory council, to the university of North Dakota, and to the legislative council.
- 12 3. a. The report must describe the advisory council's recommendations regarding the
13 strategic plan, programs, and facilities of the school of medicine and health
14 sciences as developed under subsection 1. The recommendations for
15 implementing strategies through the school of medicine and health sciences or
16 other agencies and institutions must:
- 17 (1) Address the health care needs of the people of the state; and
18 (2) Provide information regarding the state's health care workforce needs; and
19 (3) Provide information that specifies the contributions that the university of
20 North Dakota school of medicine and health sciences and the residency
21 training programs in the state are making to meet the health care provider
22 workforce needs of the state. Such information must include data regarding:
- 23 (a) The effectiveness of activities conducted throughout the state relating
24 to the recruitment and progression of students into medical school
25 and into the health care provider workforce;
- 26 (b) Class characteristics of the medical school matriculants, specifically to
27 include a description of their geographic background;
- 28 (c) Residency choices of medical school graduates;
- 29 (d) Practice location choices of graduates of North Dakota residencies;
30 and

1 (e) Any other relevant information that the university of North Dakota
2 school of medicine and health sciences advisory council determines
3 to be important and useful in assessing the degree of success of the
4 university of North Dakota school of medicine and health sciences in
5 meeting the health care workforce needs of the state as specified in
6 section 15-52-01.

7 b. The recommendations required under subdivision a may address:

8 (1) Medical education and training;

9 (2) The recruitment and retention of physicians and other health care
10 professionals;

11 (3) Factors influencing the practice environment for physicians and other health
12 care professionals;

13 (4) Access to health care;

14 (5) Patient safety;

15 (6) The quality of health care and the efficiency of its delivery; and

16 (7) Financial challenges in the delivery of health care.

17 4. The council may consult with any individual or entity in performing its duties under this
18 section.

19 **SECTION 14. AMENDMENT.** Section 15-52-05 of the North Dakota Century Code is
20 amended and reenacted as follows:

21 **15-52-05. Facilities.**

22 The university authorities shall make the facilities of the university of North Dakota school of
23 medicine and health sciences available to all agencies of the state, federal, and local
24 governments engaged in health and welfare activities to the fullest extent possible within the
25 limits of a complete and coordinated program for the use thereof on terms commensurate with
26 the cost of services rendered and facilities furnished. The work of the school of medicine and
27 health sciences must be coordinated with the work of the other departments of the university of
28 North Dakota. Means must be provided whereby regularly enrolled students in other schools or
29 departments of the university of North Dakota may, upon approval of the dean of such other
30 school or department, enroll in elective courses in the medical school and receive credit therefor
31 in the school or department in which they are regularly enrolled, subject to such policy and

1 procedures as may be established by the university of North Dakota and the state board of
2 higher education. Medical students may enroll in other departments and schools. Such action
3 must be taken as may serve to make both the school of medicine and health sciences and the
4 other departments and schools of the university of North Dakota more efficient and responsive
5 to needs of the people through the mutual interchange of facilities, and service, wherever
6 possible.

7 **SECTION 15. AMENDMENT.** Section 15-52-09 of the North Dakota Century Code is
8 amended and reenacted as follows:

9 **15-52-09. Expenditure of proceeds of one-mill levy authorized - Limitation.**

10 The proceeds of the one-mill tax levy established by section 10 of article X of the
11 Constitution of North Dakota, together with any other funds that may be received by the state
12 treasurer, from time to time, for the benefit of the ~~North-Dakota state medical center~~university of
13 North Dakota school of medicine and health sciences, must be expended to establish, develop,
14 and maintain the university of North Dakota school of medicine and health sciences, as
15 provided in this chapter, by the issuance of state warrants drawn on such funds by the director
16 of the office of management and budget.

17 **SECTION 16. AMENDMENT.** Section 15-52-31 of the North Dakota Century Code is
18 amended and reenacted as follows:

19 **15-52-31. Admission of students - Qualifications.**

20 The faculty of the school of medicine and health sciences at the university of North Dakota
21 may, with the advice of the school of medicine and health sciences advisory council and with
22 the approval of the state board of higher education and in accordance with applicable
23 accreditation requirements as specified by the liaison committee on medical education, adopt
24 such rules and regulations governing the education and residency qualifications of applicants
25 for admission to the school of medicine and health sciences as it deems necessary and proper
26 to carry out its purpose as provided in section 15-52-01.

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

29 **15-62.2-02. State board of higher education - Powers and duties.**

30 The state board of higher education shall:

- 1 1. Administer the North Dakota student financial assistance program and the North
2 Dakota scholars program and adopt functional rules regarding the eligibility and
3 selection of grant and scholarship recipients.
- 4 2. Determine the amount of individual grants, which may not exceed one thousand
5 ~~fivesix~~ hundred ~~fifty~~ dollars per recipient per academic year, under the North Dakota
6 student financial assistance program.
- 7 3. For the North Dakota student financial assistance program, adopt criteria for
8 substantial need, based upon the ability of the parents or guardian to contribute
9 toward the applicant's educational expenses.
- 10 4. Establish the appropriate procedures for fiscal control, fund accounting, and necessary
11 reports.
- 12 5. Apply for, receive, expend, and administer granted moneys from federal or private
13 sources.

14 **SECTION 18. AMENDMENT.** Subsection 2 of section 15-70-04 of the North Dakota
15 Century Code is amended and reenacted as follows:

- 16 2. If an application is approved, the state board of higher education shall distribute to the
17 tribally controlled community college, during each year of the biennium, an amount
18 equivalent to the most recent per student payment provided in accordance with the
19 Tribally Controlled Colleges and Universities Assistance Act of 1978 [25 U.S.C. 20] for
20 each nonbeneficiary student who is a resident of the state. If the amount appropriated
21 is insufficient to meet the requirements of this section, the board shall prorate the
22 amount to be distributed. The board may distribute no more than one-half of the
23 biennial legislative appropriation provided for grants under this section during the first
24 year of the biennium.

25 **SECTION 19. AMENDMENT.** Section 54-44.1-11 of the North Dakota Century Code is
26 amended and reenacted as follows:

27 **54-44.1-11. (Effective through July 31, 2013~~2015~~) Office of management and budget to**
28 **cancel unexpended appropriations - When they may continue.**

29 Except as otherwise provided by law, the office of management and budget, thirty days after
30 the close of each biennial period, shall cancel all unexpended appropriations or balances of
31 appropriations after the expiration of the biennial period during which they became available

1 under the law. Unexpended appropriations for the state historical society are not subject to this
2 section and the state historical society shall report on the amounts and uses of funds carried
3 over from one biennium to the appropriations committees of the next subsequent legislative
4 assembly. Unexpended appropriations for the North Dakota university system are not subject to
5 this section and the North Dakota university system shall report on the amounts and uses of
6 funds carried over from one biennium to the next to subsequent appropriations committees of
7 the legislative assembly. The chairmen of the appropriations committees of the senate and
8 house of representatives of the legislative assembly with the office of the budget may continue
9 appropriations or balances in force for not more than two years after the expiration of the
10 biennial period during which they became available upon recommendation of the director of the
11 budget for:

- 12 1. New construction projects.
- 13 2. Major repair or improvement projects.
- 14 3. Purchases of new equipment costing more than ten thousand dollars per unit if it was
15 ordered during the first twelve months of the biennium in which the funds were
16 appropriated.
- 17 4. The purchase of land by the state on a "contract for deed" purchase if the total
18 purchase price is within the authorized appropriation.
- 19 5. Purchases by the department of transportation of roadway maintenance equipment
20 costing more than ten thousand dollars per unit if the equipment was ordered during
21 the first twenty-one months of the biennium in which the funds were appropriated.
- 22 6. Authorized ongoing information technology projects.

23 **(Effective after July 31, 2013~~2015~~) Office of management and budget to cancel**
24 **unexpended appropriations - When they may continue.** The office of management and
25 budget, thirty days after the close of each biennial period, shall cancel all unexpended
26 appropriations or balances of appropriations after the expiration of the biennial period during
27 which they became available under the law. Unexpended appropriations for the state historical
28 society are not subject to this section and the state historical society shall report on the amounts
29 and uses of funds carried over from one biennium to the appropriations committees of the next
30 subsequent legislative assembly. The chairmen of the appropriations committees of the senate
31 and house of representatives of the legislative assembly with the office of the budget may

1 continue appropriations or balances in force for not more than two years after the expiration of
2 the biennial period during which they became available upon recommendation of the director of
3 the budget for:

- 4 1. New construction projects.
- 5 2. Major repair or improvement projects.
- 6 3. Purchases of new equipment costing more than ten thousand dollars per unit if it was
7 ordered during the first twelve months of the biennium in which the funds were
8 appropriated.
- 9 4. The purchase of land by the state on a "contract for deed" purchase if the total
10 purchase price is within the authorized appropriation.
- 11 5. Purchases by the department of transportation of roadway maintenance equipment
12 costing more than ten thousand dollars per unit if the equipment was ordered during
13 the first twenty-one months of the biennium in which the funds were appropriated.
- 14 6. Authorized ongoing information technology projects.

15 **SECTION 20. REPEAL.** Section 5 of Senate Bill No. 2018, as approved by the sixty-third
16 legislative assembly, is repealed.

17 **SECTION 21. SYSTEMWIDE FUNDING POOLS - TRANSFER AUTHORITY -**

18 **LEGISLATIVE MANAGEMENT REPORT.** The following line items contained in subdivision 1 of
19 section 1 of this Act include funding that may be transferred in full or in part for the period
20 beginning with the effective date of this Act and ending June 30, 2015, by the state board of
21 higher education to the institutions and entities under its control based on the recommendations
22 of the commissioner of higher education as follows:

- 23 1. The deferred maintenance funding pool line item includes funding that must be used to
24 address deferred maintenance and other infrastructure needs at institutions based on
25 the university system master plan and space utilization study. However, the state
26 board of higher education may distribute up to one-half of the funds in the pool to
27 institutions prior to the completion of the master plan and space utilization study.
- 28 2. The education incentive programs line item includes funding that may be allocated to
29 education incentive programs based on program eligibility criteria and the reduction or
30 elimination of specific programs as determined by the board.

1 3. The performance funding pool line item includes funding that may be allocated to
2 institutions based on the institution meeting specified goals or other performance
3 measures as determined by the board. The funding in the performance funding pool
4 may not be used for the operations or any function of the university system office. The
5 state board of higher education shall consider any allocations from the oil and gas
6 impact grant fund to higher education institutions when determining allocations to
7 institutions from the performance funding pool. During the 2013-14 interim, the state
8 board of higher education shall provide a report to the legislative management
9 regarding the distribution of funds from the performance funding pool.

10 **SECTION 22. SYSTEM INFORMATION TECHNOLOGY SERVICES - OFFICE**

11 **CONSOLIDATION - LEGISLATIVE MANAGEMENT REPORTS - REPORT TO**

12 **SIXTY-FOURTH LEGISLATIVE ASSEMBLY.** Upon the completion of the joint information
13 technology building project on the campus of the university of North Dakota, as approved by the
14 sixty-second legislative assembly, the state board of higher education shall require system
15 information technology services staff offices of newly hired employees to be located in the
16 building unless the position is specifically assigned to an institution or the university system
17 office. During the 2013-14 interim, the state board of higher education shall provide annual
18 reports to the budget section and information technology committee regarding the status of the
19 consolidation of university system information technology services, including the location of staff
20 members providing those services. The university system shall provide a report to the
21 appropriations committees of the sixty-fourth legislative assembly regarding the consolidation of
22 university system information technology services and shall provide a comprehensive report of
23 the budget for all university system information technology services, including services provided
24 by institutions.

25 **SECTION 23. UNIVERSITY OF NORTH DAKOTA - RESEARCH ENTERPRISE AND**

26 **COMMERCIALIZATION BUILDING PURCHASE - BUDGET SECTION REPORT.** During the
27 period beginning with the effective date of this Act and ending June 30, 2015, the state board of
28 higher education may enter a purchase and financing agreement or agreements with a private
29 entity and do all things necessary and proper to authorize the purchase of the research
30 enterprise and commercialization building on the campus of the university of North Dakota
31 using donations, gifts, or other funds. The state board of higher education shall provide a report

1 to the budget section if the research enterprise and commercialization building is purchased as
2 provided under this section.

3 **SECTION 24. CAPITAL PROJECTS CONTINGENCY POOL - TRANSFER AUTHORITY -**
4 **BUDGET SECTION REPORT.** The capital projects contingency pool line item contained in
5 subdivision 1 of section 1 of this Act includes funding that may be transferred to institutions for
6 capital projects as provided under this section. The state board of higher education may transfer
7 funds from the capital projects contingency pool to an institution if the lowest acceptable bid
8 received for a capital project exceeds the legislative appropriation provided for the project. The
9 board shall provide a prorated amount to institutions from the pool if the amount of funding
10 required for eligible projects exceeds available funding. An institution may only receive funding
11 from the pool for capital projects that receive a general fund appropriation and are authorized
12 under this Act. For purposes of this section, the "legislative appropriation provided for a project"
13 does not include funds appropriated from private donations and other local funds to enhance a
14 project. During the 2013-14 interim, the state board of higher education shall provide periodic
15 reports to the budget section regarding funds distributed from the capital projects contingency
16 pool.

17 **SECTION 25. CAMPUS CAPITAL PROJECTS - PROJECT MANAGEMENT.** During the
18 biennium beginning July 1, 2013, and ending June 30, 2015, each capital project authorized by
19 the state board of higher education must have adequate project management oversight by
20 either an institution official or a representative of an external entity. An institution may seek
21 assistance from the university system office for project management oversight of a capital
22 project.

23 **SECTION 26. BISMARCK STATE COLLEGE COMMUNICATIONS AND CREATIVE ARTS**
24 **CENTER.** The capital assets line item in subdivision 2 of section 1 of this Act includes the sum
25 of \$12,635,000 from the general fund and \$665,000 from special funds derived from donations
26 and other income for the Bismarck state college communications and creative arts center
27 project. The capital assets line item in subdivision 2 of section 1 of this Act also includes the
28 sum of \$6,000,000 from special funds derived from donations and other income which may be
29 used to construct a theater as part of the communications and creative arts center project. Up to
30 \$600,000 of the general fund appropriation for the project may be used to develop programming
31 at the communications and creative arts center that includes written and spoken

1 communications, visual and performing arts, social sciences, history, law, economics,
2 philosophy, and current events. Funding may be used for items including curriculum
3 development, student activities, faculty enhancement, public programming, and the
4 development and publication of appropriate media to promote these activities.

5 **SECTION 27. UNIVERSITY OF NORTH DAKOTA SCHOOL OF MEDICINE AND HEALTH**
6 **SCIENCES BISMARCK FAMILY PRACTICE CENTER SKYWALK PROJECT.** The capital
7 assets line item in subdivision 5 of section 1 of this Act includes the sum of \$750,000 from the
8 general fund for the university of North Dakota school of medicine and health sciences
9 Bismarck family practice center skywalk project. The university of North Dakota shall provide
10 \$1 of nonstate funding for the project for every \$1 of funding used from the general fund
11 appropriation.

12 **SECTION 28. UNIVERSITY OF NORTH DAKOTA SCHOOL OF MEDICINE AND HEALTH**
13 **SCIENCES FACILITY PROJECT - LOAN AUTHORIZATION.** The legislative assembly
14 authorizes the construction of the university of North Dakota school of medicine and health
15 sciences facility project to be funded in two phases as provided under this section. The capital
16 assets line item in subdivision 5 of section 1 of this Act includes the sum of \$60,450,000, or so
17 much of the sum as may be necessary, for phase 1 of the project. The university of North
18 Dakota may also seek funding from the capital projects contingency pool in accordance with
19 section 24 of this Act for costs associated with phase 1 of the project. During the biennium
20 beginning July 1, 2013, and ending June 30, 2015, and continuing into the biennium beginning
21 July 1, 2015, and ending June 30, 2017, the state board of higher education may borrow the
22 sum of \$62,000,000, or so much of the sum as may be necessary, from the Bank of North
23 Dakota for completion of phase 2 of the school of medicine and health sciences facility project.
24 The state board of higher education shall seek funding from the sixty-fourth legislative assembly
25 to repay the loan authorized under this section.

26 **SECTION 29. DICKINSON STATE UNIVERSITY - THEODORE ROOSEVELT CENTER -**
27 **THEODORE ROOSEVELT PRESIDENTIAL LIBRARY.** The operations line item in
28 subdivision 8 of section 1 of this Act includes the sum of \$800,000 for the Theodore Roosevelt
29 center. Of this amount, up to \$200,000 may be used for the planning and design of a facility to
30 house the Theodore Roosevelt presidential library.

1 **SECTION 30. MINOT STATE UNIVERSITY - FLOOD RECOVERY FUNDING.** The sum of
2 \$5,000,000 included in the operations line item in subdivision 10 of section 1 of this Act must be
3 used by Minot state university to address housing, budget, and other needs relating to the 2011
4 flood, including capital, as determined by the university.

5 **SECTION 31. NORTH DAKOTA STATE UNIVERSITY - MINARD HALL - BUDGET**

6 **SECTION REPORT.** North Dakota state university may use unspent funding from the
7 \$5,000,000 appropriation received during the biennium beginning July 1, 2007, and ending
8 June 30, 2009, and unspent funding from the \$13,000,000 appropriation received during the
9 biennium beginning July 1, 2009, and ending June 30, 2011, for the Minard hall project, for the
10 biennium beginning July 1, 2013, and ending June 30, 2015. North Dakota state university shall
11 report to the budget section regarding the status of the Minard hall project and may request
12 increased spending authorization from the budget section for the project.

13 **SECTION 32. STUDENT LOAN TRUST FUND.** Subdivision 1 of section 1 of this Act
14 includes the sum of \$1,004,744, or so much of the sum as may be necessary, from the student
15 loan trust fund of which \$465,307 is for the professional student exchange program and
16 \$539,437 is for connectND campus solution positions, for the biennium beginning July 1, 2013,
17 and ending June 30, 2015.

18 **SECTION 33. UNIVERSITY OF NORTH DAKOTA SCHOOL OF MEDICINE AND HEALTH**

19 **SCIENCES OPERATIONS.** The operations line item in subdivision 5 of section 1 of this Act
20 includes a funding allocation from the higher education per student credit-hour funding formula
21 attributable to inflation during the biennium beginning July 1, 2013, and ending June 30, 2015. A
22 minimum of twenty-five percent of the allocation must be transferred by the state board of
23 higher education to the university of North Dakota school of medicine and health sciences
24 based on the recommendation of the commissioner of higher education.

25 **SECTION 34. FEDERAL, PRIVATE, AND OTHER FUNDS - APPROPRIATION.** All funds,
26 in addition to those appropriated in section 1 of this Act, from federal, private, and other sources
27 for competitive grants or other funds that the legislative assembly has not indicated the intent to
28 reject, including tuition revenue, received by the institutions and entities under the control of the
29 state board of higher education are appropriated to those institutions and entities, for the
30 biennium beginning July 1, 2013, and ending June 30, 2015. All additional funds received under
31 the North Dakota-Minnesota reciprocity agreement during the biennium beginning July 1, 2013,

1 and ending June 30, 2015, are appropriated to the state board of higher education for
2 reimbursement to institutions under the control of the board.

3 **SECTION 35. TRANSFER AUTHORITY.** If, during the biennium beginning July 1, 2013,
4 and ending June 30, 2015, the state board of higher education determines that funds allocated
5 to operations in section 1 of this Act are needed for capital assets, the board may transfer funds
6 from operations to capital assets. The board shall report any transfer of funds under this section
7 to the office of management and budget.

8 **SECTION 36. FULL-TIME EQUIVALENT POSITION ADJUSTMENTS.** Notwithstanding
9 any other provisions of law, the state board of higher education may adjust full-time equivalent
10 positions as needed, subject to the availability of funds, for institutions and entities under its
11 control during the biennium beginning July 1, 2013, and ending June 30, 2015. The North
12 Dakota university system shall report any adjustments to the office of management and budget
13 before the submission of the 2015-17 biennium budget request.

14 **SECTION 37. BOND ISSUANCE AUTHORIZATION - PURPOSES.** The state board of
15 higher education, in accordance with chapter 15-55, may arrange for the funding of projects
16 authorized in this section, declared to be in the public interest, through the issuance of
17 self-liquidating, tax-exempt evidences of indebtedness under chapter 15-55, beginning with the
18 effective date of this Act and ending June 30, 2015. Evidences of indebtedness issued pursuant
19 to this section are not a general obligation of the state of North Dakota. Any unexpended
20 balance resulting from the proceeds of the evidences of indebtedness must be placed in a
21 sinking fund to be used for the retirement of indebtedness. The evidences of indebtedness may
22 be issued and the proceeds are appropriated in section 1 of this Act for the following capital
23 projects:

24 University of North Dakota - Student housing facility	\$19,187,262
25 University of North Dakota - Wilkerson hall dining center	29,000,000
26 University of North Dakota - Resident apartment building	<u>8,300,000</u>
27 Total special funds	\$56,487,262

28 **SECTION 38. LEGISLATIVE MANAGEMENT REPORT - POSTSECONDARY ACADEMIC**
29 **MATCHING GRANTS.** Before October 1, 2014, the state board of higher education shall
30 provide a report to the legislative management regarding the number of matching grants that

1 were sought, the number that were awarded, and the manner in which the grants were used as
2 provided in sections 5 through 10 of this Act.

3 **SECTION 39. LEGISLATIVE MANAGEMENT STUDY - STATE AGENCY LEGAL**

4 **SERVICES.** During the 2013-14 interim, the legislative management shall consider studying
5 legal services provided by attorneys in executive branch state agencies. The study, if
6 conducted, must review the services provided by attorneys in each agency, supervision of the
7 attorneys in each agency, and whether the attorneys are classified as assistant or special
8 assistant attorneys general. The study must also review the use of contracted legal services by
9 each agency. The legislative management shall report its findings and recommendations,
10 together with any legislation needed to implement the recommendations, to the sixty-fourth
11 legislative assembly.

12 **SECTION 40. EXPIRATION DATE.** Sections 5 through 10 of this Act are effective through
13 June 30, 2015, and after that date are ineffective.

14 **SECTION 41. EMERGENCY.** Sections 21, 23, 27, 28, 29, 30, and 37 of this Act; \$200,000
15 included in the operations line item in subdivision 8 of section 1 of this Act for the Theodore
16 Roosevelt center; \$5,000,000 included in the operations line item in subdivision 10 of section 1
17 of this Act for flood recovery funding; and the capital assets, master plan and space utilization
18 study, and deferred maintenance pool line items contained in section 1 of this Act are declared
19 to be an emergency measure.