

HOUSE BILL NO. 1003

Introduced by

Appropriations Committee

(At the request of the Governor)

1 A BILL for an Act to provide an appropriation for defraying the expenses of the North Dakota
2 university system; to create and enact six new sections to chapter 15-10, chapters 15-62.4 and
3 15-62.5, and a new section to chapter 54-10 of the North Dakota Century Code, relating to a
4 unified workforce, vocational, and technical education program system, the workforce education
5 advisory council, the required use of electronic mail, file server administration, database
6 administration, application server, and hosting services, capital project budget requests, audits
7 of higher education computer systems, annual reports regarding scholarships, the student
8 financial assistance program, the scholars program, and higher education audits; to amend and
9 reenact ~~sections~~ section 15-10-12.1, subsection 3 of section 15-10-17, sections 15-18.2-02,
10 15-18.2-03, 15-18.2-04, 15-18.2-05, ~~15-62.2-02,~~ 15.1-21-02.6, 54-12-08, and 54-44.1-04,
11 subsection 4 of section 54-44.1-06, and section 54-44.1-11 of the North Dakota Century Code,
12 relating to campus building projects and maintenance, legislative authority to set tuition and
13 fees at institutions of higher education, state aid to institutions, ~~student financial assistance-~~
14 ~~grants,~~ career and technical education scholarships, attorneys hired by the state board of higher
15 education, budget requests submitted to the office of the budget, preparation of budget data,
16 and the cancellation of unexpended appropriations; to repeal chapter 15-62.2 of the North
17 Dakota Century Code, relating to the student financial assistance program and the scholars
18 program; to provide for the transfer of funds; to reauthorize projects for North Dakota state
19 university and Minot state university; ~~to authorize the state board of higher education to issue~~
20 ~~and sell bonds for capital projects~~ to provide for budget section reports; to provide for reports to
21 the sixty-fifth legislative assembly; to provide for legislative management reports and studies; to
22 provide an appropriation to the state auditor; to provide an appropriation to the attorney general;
23 to provide a contingent appropriation to the state board of higher education; to provide
24 exemptions; and to declare an emergency.

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

2 **SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds
3 as may be necessary, are appropriated out of any moneys in the general fund in the state
4 treasury, not otherwise appropriated, and from special funds derived from federal funds and
5 other income to the ~~North Dakota university system~~ state board of higher education and to the
6 ~~various~~ entities and institutions under the supervision of the ~~state board of higher education,~~ for
7 the purpose of defraying the expenses of the ~~North Dakota university system office~~ state board
8 of higher education and ~~to the various entities and institutions under the control of the board,~~ for
9 the biennium beginning July 1, 2015, and ending June 30, 2017, as follows:

10 ~~— Subdivision 1.~~

11 ~~NORTH DAKOTA UNIVERSITY SYSTEM OFFICE~~

	Adjustments or		
	Base Level	Enhancements	Appropriation
14 Capital assets – bond payments	\$10,436,045	(\$2,067,209)	\$8,368,836
15 Competitive research program	7,050,000	950,000	8,000,000
16 System governance	12,666,502	2,270,393	14,936,895
17 Title II	1,006,472	0	1,006,472
18 Core technology services	38,662,551	7,812,587	46,475,138
19 Student financial assistance grants	21,245,679	1,723,000	22,968,679
20 Professional student exchange program	4,275,015	0	4,275,015
21 Academic and technical education	10,000,000	7,171,000	17,171,000
22 —scholarships			
23 Two-year campus marketing	800,000	0	800,000
24 Scholars program	2,113,584	0	2,113,584
25 Native American scholarships	649,267	0	649,267
26 Tribally controlled community college grants	1,000,000	500,000	1,500,000
27 Veterans assistance grants	325,000	0	325,000
28 Education incentive programs	3,349,000	0	3,349,000
29 Open education resources initiative	0	220,000	220,000
30 Deferred maintenance pool	0	5,000,000	5,000,000
31 Master plan and space utilization study	0	750,000	750,000

Sixty-fourth
Legislative Assembly

1	Student mental health	282,520	33,480	316,000
2	Education challenge fund	0	29,000,000	29,000,000
3	Total all funds	\$113,861,635	\$53,363,251	\$167,224,886
4	Less estimated income	2,299,912	(288,696)	2,011,216
5	Total general fund	\$111,561,723	\$53,651,947	\$165,213,670
6	Full-time equivalent positions	112.99	2.00	114.99

Subdivision 2.

BISMARCK STATE COLLEGE

		Adjustments or		
	Base Level	Enhancements	Appropriation	
11	Operations	\$32,653,654	\$5,277,763	\$37,931,417
12	Capital assets	417,673	4,089,102	4,506,775
13	Total all funds	\$33,071,327	\$9,366,865	\$42,438,192
14	Less estimated income	0	600,000	600,000
15	Total general fund	\$33,071,327	\$8,766,865	\$41,838,192
16	Full-time equivalent positions	133.53	3.00	136.53

Subdivision 3.

LAKE REGION STATE COLLEGE

		Adjustments or		
	Base Level	Enhancements	Appropriation	
21	Operations	\$12,429,097	\$5,028,307	\$17,457,404
22	Capital assets	155,367	1,790,039	1,945,406
23	Total all funds	\$12,584,464	\$6,818,346	\$19,402,810
24	Less estimated income	0	0	0
25	Total general fund	\$12,584,464	\$6,818,346	\$19,402,810
26	Full-time equivalent positions	50.19	3.00	53.19

Subdivision 4.

WILLISTON STATE COLLEGE

		Adjustments or		
	Base Level	Enhancements	Appropriation	
31	Operations	\$12,783,506	\$1,352,338	\$14,135,844

Sixty-fourth
Legislative Assembly

1	Capital assets	<u>197,801</u>	<u>1,346,207</u>	<u>1,544,008</u>
2	Total all funds	\$12,981,307	\$2,698,545	\$15,679,852
3	Less estimated income	<u>0</u>	<u>0</u>	<u>0</u>
4	Total general fund	\$12,981,307	\$2,698,545	\$15,679,852
5	Full-time equivalent positions	49.96	0.00	49.96

Subdivision 5.

UNIVERSITY OF NORTH DAKOTA

8		Adjustments or		
9		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
10	Operations	\$149,683,005	\$35,971,637	\$185,654,642
11	Capital assets	<u>4,411,566</u>	<u>86,513,357</u>	<u>90,924,923</u>
12	Total all funds	\$154,094,571	\$122,484,994	\$276,579,565
13	Less estimated income	<u>0</u>	<u>6,000,000</u>	<u>6,000,000</u>
14	Total general fund	\$154,094,571	\$116,484,994	\$270,579,565
15	Full-time equivalent positions	630.20	0.00	630.20

Subdivision 6.

NORTH DAKOTA STATE UNIVERSITY

18		Adjustments or		
19		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
20	Operations	\$140,341,540	\$27,376,993	\$167,718,533
21	Capital assets	<u>2,732,244</u>	<u>14,920,537</u>	<u>17,652,781</u>
22	Total all funds	\$143,073,784	\$42,297,530	\$185,371,314
23	Less estimated income	<u>0</u>	<u>11,600,000</u>	<u>11,600,000</u>
24	Total general fund	\$143,073,784	\$30,697,530	\$173,771,314
25	Full-time equivalent positions	537.10	0.00	537.10

Subdivision 7.

NORTH DAKOTA STATE COLLEGE OF SCIENCE

28		Adjustments or		
29		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
30	Operations	\$38,181,456	\$20,178,359	\$58,359,815
31	Capital assets	<u>1,012,379</u>	<u>14,158,207</u>	<u>15,170,586</u>

Sixty-fourth
Legislative Assembly

1	Total all funds	\$39,193,835	\$34,336,566	\$73,530,401
2	Less estimated income	0	0	0
3	Total general fund	\$39,193,835	\$34,336,566	\$73,530,401
4	Full-time equivalent positions	168.30	1.50	169.80
5	Subdivision 8:			
6	DICKINSON STATE UNIVERSITY			
7			Adjustments or	
8		Base Level	Enhancements	Appropriation
9	Operations	\$26,299,227	\$1,258,059	\$27,557,286
10	Capital assets	409,078	400,663	809,741
11	Total all funds	\$26,708,305	\$1,658,722	\$28,367,027
12	Less estimated income	0	0	0
13	Total general fund	\$26,708,305	\$1,658,722	\$28,367,027
14	Full-time equivalent positions	120.26	0.00	120.26
15	Subdivision 9:			
16	MAYVILLE STATE UNIVERSITY			
17			Adjustments or	
18		Base Level	Enhancements	Appropriation
19	Operations	\$14,364,424	\$3,887,225	\$18,251,649
20	Capital assets	358,992	817,779	1,176,771
21	Total all funds	\$14,723,416	\$4,705,004	\$19,428,420
22	Less estimated income	0	0	0
23	Total general fund	\$14,723,416	\$4,705,004	\$19,428,420
24	Full-time equivalent positions	66.23	3.00	69.23
25	Subdivision 10:			
26	MINOT STATE UNIVERSITY			
27			Adjustments or	
28		Base Level	Enhancements	Appropriation
29	Operations	\$43,810,211	\$6,997,350	\$50,787,561
30	Capital assets	899,620	1,317,747	2,217,367
31	Total all funds	\$44,709,831	\$8,295,097	\$53,004,928

Sixty-fourth
Legislative Assembly

1	Less estimated income	0	0	0
2	Total general fund	\$44,709,831	\$8,295,097	\$53,004,928
3	Full-time equivalent positions	204.10	0.00	204.10
4	Subdivision 11.			
5	VALLEY CITY STATE UNIVERSITY			
6			Adjustments or	
7		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
8	Operations	\$20,691,135	\$6,355,467	\$27,046,602
9	Capital assets	408,319	57,072,364	57,480,683
10	Total all funds	\$21,099,454	\$63,427,831	\$84,527,285
11	Less estimated income	0	16,000,000	16,000,000
12	Total general fund	\$21,099,454	\$47,427,831	\$68,527,285
13	Full-time equivalent positions	105.59	3.00	108.59
14	Subdivision 12.			
15	DAKOTA COLLEGE AT BOTTINEAU			
16			Adjustments or	
17		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
18	Operations	\$7,892,043	\$2,243,271	\$10,135,314
19	Capital assets	114,007	12,019,995	12,134,002
20	Total all funds	\$8,006,050	\$14,263,266	\$22,269,316
21	Less estimated income	0	10,648,194	10,648,194
22	Total general fund	\$8,006,050	\$3,615,072	\$11,621,122
23	Full-time equivalent positions	46.96	2.00	48.96
24	Subdivision 13.			
25	UNIVERSITY OF NORTH DAKOTA SCHOOL OF MEDICINE AND HEALTH SCIENCES			
26			Adjustments or	
27		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
28	Operations	\$52,762,590	\$13,814,806	\$66,577,396
29	Total all funds	\$52,762,590	\$13,814,806	\$66,577,396
30	Less estimated income	0	0	0

Sixty-fourth
Legislative Assembly

1	Total general fund	\$52,762,590	\$13,814,806	\$66,577,396
2	Full-time equivalent positions	163.58	21.00	184.58
3	Subdivision 14.			
4	NORTH DAKOTA FOREST SERVICE			
5			Adjustments or	
6		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
7	Operations	\$6,249,979	\$616,890	\$6,866,869
8	Capital assets	101,210	44,260	145,470
9	Total all funds	\$6,351,189	\$661,150	\$7,012,339
10	Less estimated income	1,650,000	0	1,650,000
11	Total general fund	\$4,701,189	\$661,150	\$5,362,339
12	Full-time equivalent positions	28.96	1.00	29.96
13	Subdivision 15.			
14	BILL TOTAL			
15			Adjustments or	
16		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
17	Grand total all funds	\$683,221,758	\$378,191,973	\$1,061,413,731
18	Grand total special funds	3,949,912	44,559,498	48,509,410
19	Grand total general fund	\$679,271,846	\$333,632,475	\$1,012,904,321
20	<u>Subdivision 1.</u>			
21	NORTH DAKOTA UNIVERSITY SYSTEM OFFICE			
22			Adjustments or	
23		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
24	Capital assets - bond payments	\$10,436,045	(\$2,067,209)	\$8,368,836
25	Competitive research program	7,050,000	0	7,050,000
26	System governance	12,666,502	(5,114,727)	7,551,775
27	Title II	1,006,472	0	1,006,472
28	Core technology services	38,662,551	7,390,980	46,053,531
29	Student financial assistance grants	21,245,679	4,388,597	25,634,276
30	Professional student exchange program	4,275,015	0	4,275,015
31	Academic and technical education	10,000,000	4,997,653	14,997,653

Sixty-fourth
Legislative Assembly

1	<u>scholarships</u>			
2	Two-year campus marketing	800,000	0	800,000
3	Scholars program	2,113,584	0	2,113,584
4	Native American scholarships	649,267	0	649,267
5	Tribally controlled community college grants	1,000,000	(500,000)	500,000
6	Education incentive programs	3,349,000	0	3,349,000
7	Student mental health	282,520	33,480	316,000
8	Veterans assistance grants	325,000	0	325,000
9	Deferred maintenance pool	0	5,000,000	5,000,000
10	Campus security pool	0	3,000,000	3,000,000
11	Open education resources training	0	110,000	110,000
12	Extraordinary repairs pool	0	11,162,008	11,162,008
13	Total all funds	\$113,861,635	\$28,400,782	\$142,262,417
14	Less estimated income	2,299,912	(288,696)	2,011,216
15	Total general fund	\$111,561,723	\$28,689,478	\$140,251,201
16	Full-time equivalent positions	112.91	(16.52)	96.39

Subdivision 2.

BISMARCK STATE COLLEGE

		<u>Adjustments or</u>		
	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>	
21	Operations	\$32,653,654	\$3,975,752	\$36,629,406
22	Capital assets	417,673	939,927	1,357,600
23	Total all funds	\$33,071,327	\$4,915,679	\$37,987,006
24	Less estimated income	0	0	0
25	Total general fund	\$33,071,327	\$4,915,679	\$37,987,006
26	Full-time equivalent positions	126.96	6.57	133.53

Subdivision 3.

LAKE REGION STATE COLLEGE

		<u>Adjustments or</u>		
	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>	
31	Operations	\$12,429,097	\$2,844,995	\$15,274,092

Sixty-fourth
Legislative Assembly

1	Capital assets	155,367	(155,367)	0
2	Total all funds	\$12,584,464	\$2,689,628	\$15,274,092
3	Less estimated income	0	0	0
4	Total general fund	\$12,584,464	\$2,689,628	\$15,274,092
5	Full-time equivalent positions	40.22	9.97	50.19
6	<u>Subdivision 4.</u>			
7	<u>WILLISTON STATE COLLEGE</u>			
8		Adjustments or		
9		Base Level	Enhancements	Appropriation
10	Operations	\$12,783,506	(\$535,584)	\$12,247,922
11	Capital assets	197,801	87,199	285,000
12	Total all funds	\$12,981,307	(\$448,385)	\$12,532,922
13	Less estimated income	0	0	0
14	Total general fund	\$12,981,307	(\$448,385)	\$12,532,922
15	Full-time equivalent positions	44.15	5.81	49.96
16	<u>Subdivision 5.</u>			
17	<u>UNIVERSITY OF NORTH DAKOTA</u>			
18		Adjustments or		
19		Base Level	Enhancements	Appropriation
20	Operations	\$149,683,005	\$12,074,256	\$161,757,261
21	Capital assets	4,411,566	57,830,019	62,241,585
22	Total all funds	\$154,094,571	\$69,904,275	\$223,998,846
23	Less estimated income	0	0	0
24	Total general fund	\$154,094,571	\$69,904,275	\$223,998,846
25	Full-time equivalent positions	633.60	(3.40)	630.20
26	<u>Subdivision 6.</u>			
27	<u>NORTH DAKOTA STATE UNIVERSITY</u>			
28		Adjustments or		
29		Base Level	Enhancements	Appropriation
30	Operations	\$140,341,540	\$10,545,417	\$150,886,957
31	Capital assets	2,732,244	(1,140,818)	1,591,426

Sixty-fourth
Legislative Assembly

1	Total all funds	\$143,073,784	\$9,404,599	\$152,478,383
2	Less estimated income	0	0	0
3	Total general fund	\$143,073,784	\$9,404,599	\$152,478,383
4	Full-time equivalent positions	491.21	45.89	537.10
5	<u>Subdivision 7.</u>			
6	<u>NORTH DAKOTA STATE COLLEGE OF SCIENCE</u>			
7			Adjustments or	
8		Base Level	Enhancements	Appropriation
9	Operations	\$38,181,456	\$3,511,925	\$41,693,381
10	Capital assets	1,012,379	(737,281)	275,098
11	Total all funds	\$39,193,835	\$2,774,644	\$41,968,479
12	Less estimated income	0	0	0
13	Total general fund	\$39,193,835	\$2,774,644	\$41,968,479
14	Full-time equivalent positions	171.87	(3.57)	168.30
15	<u>Subdivision 8.</u>			
16	<u>DICKINSON STATE UNIVERSITY</u>			
17			Adjustments or	
18		Base Level	Enhancements	Appropriation
19	Operations	\$26,299,227	(\$1,096,445)	\$25,202,782
20	Capital assets	409,078	(409,078)	0
21	Total all funds	\$26,708,305	(\$1,505,523)	\$25,202,782
22	Less estimated income	0	0	0
23	Total general fund	\$26,708,305	(\$1,505,523)	\$25,202,782
24	Full-time equivalent positions	100.32	19.94	120.26
25	<u>Subdivision 9.</u>			
26	<u>MAYVILLE STATE UNIVERSITY</u>			
27			Adjustments or	
28		Base Level	Enhancements	Appropriation
29	Operations	\$14,364,424	\$623,654	\$14,988,078
30	Capital assets	358,992	(130,707)	228,285
31	Total all funds	\$14,723,416	\$492,947	\$15,216,363

Sixty-fourth
Legislative Assembly

1	Less estimated income	0	0	0
2	Total general fund	\$14,723,416	\$492,947	\$15,216,363
3	Full-time equivalent positions	62.78	3.45	66.23
4	<u>Subdivision 10.</u>			
5	<u>MINOT STATE UNIVERSITY</u>			
6		Adjustments or		
7		Base Level	Enhancements	Appropriation
8	Operations	\$43,810,211	\$2,980,534	\$46,790,745
9	Capital assets	899,620	(899,620)	0
10	Total all funds	\$44,709,831	\$2,080,914	\$46,790,745
11	Less estimated income	0	0	0
12	Total general fund	\$44,709,831	\$2,080,914	\$46,790,745
13	Full-time equivalent positions	201.76	2.34	204.10
14	<u>Subdivision 11.</u>			
15	<u>VALLEY CITY STATE UNIVERSITY</u>			
16		Adjustments or		
17		Base Level	Enhancements	Appropriation
18	Operations	\$20,691,135	\$1,215,404	\$21,906,539
19	Capital assets	408,319	(165,081)	243,238
20	Total all funds	\$21,099,454	\$1,050,323	\$22,149,777
21	Less estimated income	0	0	0
22	Total general fund	\$21,099,454	\$1,050,323	\$22,149,777
23	Full-time equivalent positions	97.29	8.30	105.59
24	<u>Subdivision 12.</u>			
25	<u>DAKOTA COLLEGE AT BOTTINEAU</u>			
26		Adjustments or		
27		Base Level	Enhancements	Appropriation
28	Operations	\$7,892,043	(\$18,821)	\$7,873,222
29	Capital assets	114,007	(85,550)	28,457
30	Total all funds	\$8,006,050	(\$104,371)	\$7,901,679
31	Less estimated income	0	0	0

1	Total general fund	\$8,006,050	(\$104,371)	\$7,901,679
2	Full-time equivalent positions	36.12	10.84	46.96
3	<u>Subdivision 13.</u>			
4	<u>UNIVERSITY OF NORTH DAKOTA SCHOOL OF MEDICINE AND HEALTH SCIENCES</u>			
5		Adjustments or		
6		Base Level	Enhancements	Appropriation
7	Operations	\$52,762,590	\$19,511,649	\$72,274,239
8	Total all funds	\$52,762,590	\$19,511,649	\$72,274,239
9	Less estimated income	0	0	0
10	Total general fund	\$52,762,590	\$19,511,649	\$72,274,239
11	Full-time equivalent positions	156.55	28.03	184.58
12	<u>Subdivision 14.</u>			
13	<u>NORTH DAKOTA FOREST SERVICE</u>			
14		Adjustments or		
15		Base Level	Enhancements	Appropriation
16	Operations	\$6,249,979	\$326,982	\$6,576,961
17	Capital assets	101,210	(44,962)	56,248
18	Total all funds	\$6,351,189	\$282,020	\$6,633,209
19	Less estimated income	1,650,000	0	1,650,000
20	Total general fund	\$4,701,189	\$282,020	\$4,983,209
21	Full-time equivalent positions	29.00	(0.04)	28.96
22	<u>Subdivision 15.</u>			
23	<u>BILL TOTAL</u>			
24		Adjustments or		
25		Base Level	Enhancements	Appropriation
26	Grand total general fund	\$679,271,846	\$142,614,291	\$821,886,137
27	Grand total special funds	3,949,912	(288,696)	3,661,216
28	Grand total all funds	\$683,221,758	\$142,325,595	\$825,547,353

29 **SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO**
 30 **SIXTY-FIFTH LEGISLATIVE ASSEMBLY.** The following amounts reflect the one-time funding

Sixty-fourth
Legislative Assembly

1 items approved by the sixty-third legislative assembly for the 2013-15 biennium and the
2 2015-17 one-time funding items included in the appropriation in section 1 of this Act:

3	<u>One-Time Funding Description</u>	<u>2013-15</u>	<u>2015-17</u>
4	Capital projects – general fund	\$155,691,350	\$135,759,212
5	Capital projects – other funds	168,531,029	44,848,194
6	<u>Capital projects - general fund</u>	<u>\$155,691,350</u>	<u>\$62,000,000</u>
7	<u>Capital projects - other funds</u>	<u>168,531,029</u>	<u>0</u>
8	Capital projects contingency pool	5,483,413	0
9	Special assessment payoff	0	4,250,689
10	Campus security	0	6,016,291
11	NDSGS expansion	0	5,000,000
12	<u>Campus security pool</u>	<u>0</u>	<u>3,000,000</u>
13	CTS technology projects	0	2,821,500
14	Open education resource initiative	0	220,000
15	<u>Open education resource training</u>	<u>0</u>	<u>110,000</u>
16	Theodore Roosevelt center	6,000,000	0
17	Williston state college workforce training facility	2,500,000	0
18	Campus deferred maintenance projects	440,000	0
19	Performance funding pool	5,000,000	0
20	Dickinson state university operating funds	800,000	0
21	Minot state university flood recovery funds	2,500,000	0
22	Dakota college at Bottineau - campus software updates	28,500	0
23	Deferred maintenance pool	10,000,000	5,000,000
24	Education challenge fund	29,000,000	29,000,000
25	<u>Education challenge fund</u>	<u>29,000,000</u>	<u>0</u>
26	<u>School of medicine and health sciences residency positions</u>	<u>0</u>	<u>4,700,000</u>
27	Health care workforce initiative	7,414,806	13,814,806
28	Master plan and space utilization study	1,000,000	0
29	Total all funds	\$394,389,098	\$246,730,692
30	Total other funds	171,031,029	44,848,194
31	Total general fund	\$223,358,069	\$201,882,498

1	<u>Total all funds</u>	<u>\$394,389,098</u>	<u>\$95,696,995</u>
2	<u>Total other funds</u>	<u>171,031,029</u>	<u>0</u>
3	<u>Total general fund</u>	<u>\$223,358,069</u>	<u>\$95,696,995</u>

4 The 2015-17 one-time funding amounts are not a part of the entity's base budget for the
5 2017-19 biennium. The North Dakota university system shall report to the appropriations
6 committees of the sixty-fifth legislative assembly on the use of this one-time funding for the
7 biennium beginning July 1, 2015, and ending June 30, 2017.

8 **SECTION 3. CONTINGENT APPROPRIATION - LEGISLATIVE MANAGEMENT REPORT.**

9 There is appropriated out of any moneys in the general fund in the state treasury, not otherwise
10 appropriated, the sum of \$50,000, or so much of the sum as may be necessary, to the state
11 board of higher education for the unified workforce, vocational, and technical education program
12 system, for the biennium beginning July 1, 2015, and ending June 30, 2017. The funding
13 provided in this section is available only if the state board of higher education certifies to the
14 office of management and budget that a unified workforce, vocational, and technical program
15 system has been established. The board shall provide reports to the legislative management on
16 the status of the development of the unified system.

17 **SECTION 4. APPROPRIATION - STATE AUDITOR.** There is appropriated out of any
18 moneys in the general fund in the state treasury, not otherwise appropriated, the sum of
19 \$1,221,914, or so much of the sum as may be necessary, to the state auditor for the purpose of
20 conducting audits of institutions and entities under the control of the state board of higher
21 education, for the biennium beginning July 1, 2015, and ending June 30, 2017. The state
22 auditor is authorized six full-time equivalent positions for higher education audit purposes.

23 **SECTION 5. APPROPRIATION - ATTORNEY GENERAL.** There is appropriated out of any
24 moneys in the general fund in the state treasury, not otherwise appropriated, the sum of
25 \$1,604,500, or so much of the sum as may be necessary, to the attorney general for the
26 purpose of providing legal services for the state board of higher education and institutions and
27 entities under the control of the board, for the biennium beginning July 1, 2015, and ending
28 June 30, 2017. The attorney general is authorized six full-time equivalent positions for the
29 purpose of providing legal services to the state board of higher education and institutions and
30 entities under the control of the board.

1 **SECTION 6. AMENDMENT.** Section 15-10-12.1 of the North Dakota Century Code is
2 amended and reenacted as follows:

3 **15-10-12.1. Acceptance of buildings and campus improvements - Legislative**
4 **approval.**

5 The state board of higher education may authorize campus improvements and building
6 maintenance on land under the control of the board ~~which are financed by donations, gifts,~~
7 ~~grants, and bequests~~ if the cost of the improvement or building maintenance is not more than
8 three hundred eighty-five thousand dollars. The consent of the legislative assembly is required
9 for the construction, purchase, or receipt of any building ~~financed by donations, gifts, grants,~~
10 ~~and bequests~~ and for campus improvements or building maintenance ~~financed by donations,~~
11 ~~gifts, grants, and bequests~~ if the cost or estimated cost of the building improvements, or
12 maintenance is more than three hundred eighty-five thousand dollars. During the time the
13 legislative assembly is not in session, except for the six months preceding the convening of a
14 regular session and the three months following the close of a regular session, and unless
15 otherwise restricted by previous legislative action or other law, the state board of higher
16 education, with the approval of the budget section of the legislative management, may authorize
17 the ~~use of land under the control of the board and construct buildings financed by donations,~~
18 ~~gifts, grants, and bequests~~ construction, purchase, or receipt of any building and may authorize
19 campus improvements and building maintenance ~~financed by donations, gifts, grants, and~~
20 ~~bequests and~~ if the cost or estimated cost of the building improvement, or maintenance is more
21 than three hundred eighty-five thousand dollars. The budget section approval must include a
22 specific dollar limit for each building, campus improvement project, or maintenance project. The
23 state board of higher education may authorize the sale of any real property or buildings which
24 an institution of higher learning has received by gift or bequest. The board shall prescribe such
25 conditions for the sale of the property as it determines necessary. The conditions must include
26 requiring an appraisal and public auction or advertisement for bids, unless the gift instrument
27 requires a different process. If the state board of higher education submits a request for campus
28 improvements, building maintenance, or to construct buildings under this section to the budget
29 section for approval, the legislative council shall notify each member of the legislative assembly
30 of the date of the budget section meeting at which the request will be considered and provide a
31 copy of the meeting agenda to each member of the legislative assembly. The chairman of the

1 budget section shall allow any member of the legislative assembly an opportunity to present
2 testimony to the budget section regarding any such request.

3 **SECTION 7. AMENDMENT.** Subsection 3 of section 15-10-17 of the North Dakota Century
4 Code is amended and reenacted as follows:

- 5 3. a. ~~Set~~Charge tuition ~~and fees~~ in the amounts established by the legislative
6 assembly.
7 b. Charge fees subject to any statutory limitations or requirements.

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

10 **Capital project requests - Maintenance reserve account.**

11 Every new building project funding request and building maintenance funding request
12 submitted for approval to the legislative assembly or to the budget section of the legislative
13 management under section 15-10-12.1 must conform to campus master plan and space
14 utilization studies completed by or for the state board of higher education. Each new building
15 project request exceeding five million dollars must include a funding request for future
16 maintenance costs equal to three percent of the project cost. The future maintenance funds
17 must be deposited in an account under the control of the state board of higher education to be
18 used only for future maintenance costs of buildings subject to this section.

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

21 **Required use of electronic mail, file server administration, database administration,**
22 **application server, and hosting services.**

23 Each institution and entity under the control of the state board of higher education shall
24 obtain electronic mail, file server administration, database administration, storage, application
25 server, and hosting services through a delivery system established by the board. The board
26 shall establish policies and guidelines for the delivery of services, including the transition from
27 existing systems to functional consolidation, with consideration given to the creation of
28 efficiencies, cost-savings, and improved quality of service.

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

Audits of computer systems - Penalty.

1. Any auditor hired to conduct audits of the state board of higher education and the entities under the control and supervision of the board may:

a. Conduct a review and assessment of any computer system or related security system of the state board of higher education or any entity under the control and supervision of the board. A review and assessment under this section may include an assessment of system vulnerability, network penetration, any potential security breach, and the susceptibility of the system to cyber attack or cyber fraud.

b. Disclose the findings of a review and assessment to an individual or committee designated by the state board of higher education or to the board. Any record relating to a review and assessment, including a working paper or preliminary draft of a review and assessment report and a report of the findings of a review and assessment, and any record that may cause or perpetuate vulnerability of a computer system or related security system which is obtained or created during a review and assessment is an exempt record.

c. In conjunction with the state board of higher education or a committee designated by the board, procure the services of a specialist in information security systems or any other contractor deemed necessary in conducting a review and assessment under this section.

2. Any person hired or contracted to provide services in relation to a review and assessment under this section is subject to the privacy and confidentiality provisions of subsection 1 and any other section of law, including section 44-04-27, and for the purposes of section 12.1-13-01, is a public servant.

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

Unified workforce, vocational, and technical education program system.

The state board of higher education shall establish and maintain a unified system to offer workforce training, vocational education, and technical education programs at institutions under its control. The board shall periodically review programs offered by institutions under its control and revise program offerings based on the workforce needs of the state identified by the

1 workforce education advisory council. The board shall develop administrative arrangements that
2 make possible the efficient use of facilities and staff. The board shall limit administrative costs
3 by eliminating duplicative administrative positions.

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

6 **Workforce education advisory council - Membership - Duties.**

7 The state board of higher education shall establish a workforce education advisory council
8 to advise the board regarding skills and qualifications needed for workforce training, vocational,
9 and technical education programs offered at institutions under the control of the board. The
10 council is composed of a representative of the department of career and technical education, a
11 representative of job service North Dakota, a representative of the department of commerce,
12 and eight members representing business and industry in the state. The eight members
13 representing business and industry shall be appointed by the chairman of the legislative
14 management. The North Dakota university system office shall provide staff services for the
15 advisory council and members of the council who are not employees of the state are entitled to
16 expense reimbursement from the board, as provided by law for state officers, for attending
17 meetings of the council.

18 **SECTION 13.** A new section to chapter 15-10 of the North Dakota Century Code is created
19 and enacted as follows:

20 **Annual report - Scholarships.**

21 The state board of higher education shall provide to the legislative management an annual
22 report regarding the number of North Dakota academic scholarships and career and technical
23 education scholarships provided and demographic information pertaining to the recipients.

24 **SECTION 14. AMENDMENT.** Section 15-18.2-02 of the North Dakota Century Code is
25 amended and reenacted as follows:

26 **15-18.2-02. Weighted credit-hours - Determination - Instructional program**
27 **classification factors - Submission to legislative management.**

- 28 1. In order to determine the weighted credit-hours for each institution under its control,
29 the state board of higher education shall multiply each of an institution's completed
30 credit-hours, as determined under section 15-18.2-01, by an instructional program
31 classification factor, as set forth in this section.

- 1 a. The factors for credits completed in agriculture are:
- 2 (1) 1.9 for lower division credits;
- 3 (2) 3.8 for upper division credits;
- 4 (3) 5.7 for professional level credits; and
- 5 (4) 7.6 for graduate level credits.
- 6 b. The factors for credits completed in architecture are:
- 7 (1) 1.8 for lower division credits;
- 8 (2) 3.6 for upper division credits;
- 9 (3) 5.4 for professional level credits; and
- 10 (4) 7.2 for graduate level credits.
- 11 c. The factors for credits completed in ~~aviation~~transportation are:
- 12 (1) 1.9 for lower division credits;
- 13 (2) 3.8 for upper division credits;
- 14 (3) 5.7 for professional level credits; and
- 15 (4) 7.6 for graduate level credits.
- 16 d. The factors for credits completed in the biological and physical sciences are:
- 17 (1) 1.9 for lower division credits;
- 18 (2) 3.8 for upper division credits;
- 19 (3) 5.7 for professional level credits; and
- 20 (4) 7.6 for graduate level credits.
- 21 e. The factors for credits completed in business are:
- 22 (1) 1.9 for lower division credits;
- 23 (2) 3.8 for upper division credits;
- 24 (3) 5.7 for professional level credits; and
- 25 (4) 7.6 for graduate level credits.
- 26 f. The factors for credits completed in education are:
- 27 (1) 1.9 for lower division credits;
- 28 (2) 3.8 for upper division credits;
- 29 (3) 5.7 for professional level credits; and
- 30 (4) 7.6 for graduate level credits.
- 31 g. The factors for credits completed in engineering are:

Sixty-fourth
Legislative Assembly

1 (1) 2.5 for lower division credits;

2 (2) 5.0 for upper division credits;

3 (3) 7.5 for professional level credits; and

4 (4) 10.0 for graduate level credits.

5 h. The factors for credits completed in the health sciences are:

6 (1) 3.0 for lower division credits;

7 (2) 6.0 for upper division credits;

8 (3) 9.0 for professional level credits;

9 (4) 12.0 for graduate level credits; and

10 (5) 38.0 for medical school credits.

11 i. The factors for credits completed in legal studies are:

12 (1) 3.5 for lower division credits;

13 (2) 7.0 for upper division credits;

14 (3) 10.5 for professional level credits; and

15 (4) 14.0 for graduate level credits.

16 j. The factors for credits completed in the core disciplines are:

17 (1) 1.0 for lower division credits;

18 (2) 2.0 for upper division credits;

19 (3) 3.0 for professional level credits; and

20 (4) 4.0 for graduate level credits.

21 k. The factor for credits completed in career and technical education is 2.0.

22 l. The factor for completed ~~remedial~~ basic skills credits is ~~2.3~~ 1.0.

23 2. a. The state board of higher education shall ensure that all delineations in this
24 section reflect the requirements of a nationally recognized and standardized
25 instructional program classification system.

26 b. Before adopting any changes to the delineations implemented in accordance with
27 this section, the state board of higher education shall present the proposed
28 changes to and receive the approval of the legislative management.

29 **SECTION 15. AMENDMENT.** Section 15-18.2-03 of the North Dakota Century Code is
30 amended and reenacted as follows:

15-18.2-03. Credit completion factor - Determination.

1. ~~For~~Except as provided in subsections 2 and 3 of this section, for each institution under its control, the state board of higher education shall multiply the product determined under section 15-18.2-02 by a factor of:

- ~~a. 1.00 if the number of credit-hours is at least 100,000;~~
- ~~b. 1.05 if the number of credit hours is at least 95,000 but less than 100,000;~~
- ~~c. 1.10 if the number of credit hours is at least 90,000 but less than 95,000;~~
- ~~d. 1.15 if the number of credit hours is at least 85,000 but less than 90,000;~~
- ~~e. 1.20 if the number of credit hours is at least 80,000 but less than 85,000;~~
- ~~f. 1.25 if the number of credit hours is at least 75,000 but less than 80,000;~~
- ~~g. 1.30 if the number of credit hours is at least 70,000 but less than 75,000;~~
- ~~h. 1.35 if the number of credit hours is at least 65,000 but less than 70,000;~~
- ~~i. 1.40 if the number of credit hours is at least 60,000 but less than 65,000;~~
- ~~j. 1.45 if the number of credit hours is at least 55,000 but less than 60,000;~~
- ~~k. 1.50 if the number of credit hours is at least 50,000 but less than 55,000;~~
- ~~l. 1.55 if the number of credit hours is at least 45,000 but less than 50,000;~~
- ~~m. 1.60 if the number of credit hours is at least 40,000 but less than 45,000;~~
- ~~n. 1.65 if the number of credit hours is at least 35,000 but less than 40,000;~~
- ~~o. 1.70 if the number of credit hours is at least 30,000 but less than 35,000;~~
- ~~p. 1.75 if the number of credit hours is at least 25,000 but less than 30,000;~~
- ~~q. 1.80 if the number of credit hours is at least 20,000 but less than 25,000;~~
- ~~r. 1.85 if the number of credit hours is at least 15,000 but less than 20,000;~~
- ~~s. 1.90 if the number of credit hours is at least 10,000 but less than 15,000;~~
- ~~t. 1.95 if the number of credit hours is at least 5,000 but less than 10,000; and~~
- ~~u. 2.00 if the number of credit hours is less than 5,000.~~
- a. 1.00 if the number of credit-hours is at least 1,000,000;
- b. 1.10 if the number of credit-hours is at least 400,000 but less than 1,000,000;
- c. 1.15 if the number of credit-hours is at least 200,000 but less than 400,000;
- d. 1.35 if the number of credit-hours is at least 100,000 but less than 200,000;
- e. 1.50 if the number of credit-hours is at least 50,000 but less than 100,000; and
- f. 1.75 if the number of credit-hours is less than 50,000.

1 2. If the square footage of an institution, when divided by the institution's weighted credit-
2 hours results in a quotient greater than 5.00, the state board of higher education shall
3 multiply the product determined under section 15-18.2-02 by a factor of 1.00. For
4 purposes of this subsection, the square footage of an institution includes real property
5 as determined by the state board of higher education in accordance with section
6 15-18.2-04.

7 3. If the number of credit-hours completed by an institution causes a decrease in the
8 credit completion factor for that institution, the new credit completion factor shall not be
9 in effect for calculation purposes for the first two fiscal years following the change.

10 4. For purposes of this section, the number of credit-hours must be those determined by
11 the state board of higher education in accordance with section 15-18.2-01.

12 **SECTION 16. AMENDMENT.** Section 15-18.2-04 of the North Dakota Century Code is
13 amended and reenacted as follows:

14 **15-18.2-04. Institutional size factor - Determination.**

15 1. For each institution under its control, the state board of higher education shall multiply
16 the product determined under section 15-18.2-03 by a size factor of:

17 a. 1.0 if the square footage of the institution, when divided by the institution's
18 weighted credit-hours results in a quotient of less than 5.00; or

19 b. ~~1.8~~1.7 if the square footage of the institution, when divided by the institution's
20 weighted credit-hours results in a quotient of 5.00 or more.

21 2. For purposes of this section, an institution's square footage:

22 a. Includes all real property owned by the state within an institution's perimeter,
23 except for agricultural experiment stations, agricultural research extension
24 centers, technology parks, and state agencies; and

25 b. Is determined as of June thirtieth in each odd-numbered year.

26 **SECTION 17. AMENDMENT.** Section 15-18.2-05 of the North Dakota Century Code is
27 amended and reenacted as follows:

28 **15-18.2-05. Base funding - Determination of state aid.**

29 In order to determine the state aid payment to which each institution under its control is
30 entitled, the state board of higher education shall multiply the product determined under section
31 15-18.2-04 by a base amount of:

- 1 1. ~~\$66.35~~~~\$79.05~~\$71.00 in the case of North Dakota state university and the university of
2 North Dakota;
- 3 2. ~~\$95.57~~~~\$120.32~~\$105.10 in the case of Dickinson state university, Mayville state
4 university, Minot state university, and Valley City state university; and
- 5 3. ~~\$98.75~~~~\$121.19~~ in the case of Minot~~Dickinson~~ state university;
- 6 ~~4. \$101.73~~~~\$132.58~~\$112.46 in the case of Bismarck state college, Dakota college at
7 Bottineau, Lake Region state college, ~~and~~ North Dakota state college of science; and
- 8 ~~5. \$104.88~~~~\$138.69~~ in the case of Williston state college.

9 ~~SECTION 18. AMENDMENT. Section 15-62.2-02 of the North Dakota Century Code is~~
10 ~~amended and reenacted as follows:~~

11 ~~15-62.2-02. State board of higher education – Powers and duties.~~

12 ~~The state board of higher education shall:~~

- 13 ~~1. Administer the North Dakota student financial assistance program and the North~~
14 ~~Dakota scholars program and adopt functional rules regarding the eligibility and~~
15 ~~selection of grant and scholarship recipients.~~
- 16 ~~2. Determine the amount of individual grants, which may not exceed one thousand~~
17 ~~sixseven hundred fiftysixteen dollars per recipient per for the 2015-16 academic year~~
18 ~~and one thousand seven hundred eighty four dollars per recipient for the 2016-17~~
19 ~~academic year, under the North Dakota student financial assistance program.~~
- 20 ~~3. For the North Dakota student financial assistance program, adopt criteria for~~
21 ~~substantial need, based upon the ability of the parents or guardian to contribute~~
22 ~~toward the applicant's educational expenses.~~
- 23 ~~4. Establish the appropriate procedures for fiscal control, fund accounting, and necessary~~
24 ~~reports.~~
- 25 ~~5. Apply for, receive, expend, and administer granted moneys from federal or private~~
26 ~~sources.~~

27 **SECTION 18.** Chapter 15-62.4 of the North Dakota Century Code is created and enacted
28 as follows:

15-62.4-01. Student financial assistance program.

The state board of higher education shall administer the North Dakota student financial assistance program for the purpose of providing a grant to an individual who demonstrates significant financial need and who:

1. a. Graduated from a high school in this state;
- b. Graduated from a high school in a bordering state, pursuant to chapter 15.1-29;
- c. Graduated from a nonpublic high school in a bordering state while residing with a custodial parent in this state; or
- d. Completed a program of home education supervised in accordance with chapter 15.1-23;
2. a. Is enrolled at an accredited institution of higher education in this state, provided the institution offers a program of instruction equal to at least two academic years; or
- b. Because of a medically certifiable disability is enrolled at an accredited institution of higher education outside of this state which offers the individual special services or facilities not available in this state, provided the institution offers a program of instruction equal to at least two academic years; and
3. Is pursuing a course of study determined by the state board of higher education to be at least quarter-time.

15-62.4-02. Student financial assistance program - Criteria and procedures.

The state board of higher education shall adopt:

1. Criteria governing the application process;
2. Criteria governing the determination of financial need, which must include consideration of parental contributions to educational expenses;
3. Criteria governing the selection process; and
4. Procedures for providing fiscal control, fund accounting, and reports.

15-62.4-03. Student financial assistance program - Grants.

1. The state board of higher education shall provide to each eligible student a financial assistance grant in an amount not exceeding:
 - a. Nine hundred seventy-five dollars per semester; or
 - b. Six hundred fifty dollars per quarter.

1 2. a. A student is not entitled to receive grants under this chapter for more than the
2 equivalent of:

3 (1) Eight semesters of full-time enrollment; or

4 (2) Twelve quarters of full-time enrollment.

5 b. Notwithstanding subdivision a, a student is not entitled to receive a grant under
6 this chapter after the student obtains a baccalaureate degree.

7 3. The board shall forward grants payable under this chapter directly to the institution in
8 which the student is enrolled.

9 **15-62.4-04. Student financial assistance program - Advisory board.**

10 1. The student financial assistance advisory board is created for the purposes of:

11 a. Providing advice to the state board of higher education regarding the student
12 financial assistance program; and

13 b. Functioning as a liaison between the state board of higher education and the
14 institutions of higher education participating in the student financial assistance
15 program.

16 2. a. The student financial assistance advisory board consists of:

17 (1) Three financial aid officers;

18 (2) A chief financial officer;

19 (3) A high school counselor; and

20 (4) A student enrolled at an institution of higher education in this state.

21 b. All members must be appointed by the state board of higher education.

22 c. All members other than the student must be employed by an educational
23 institution in this state.

24 d. No more than one member may be employed by the same educational institution
25 as another member.

26 3. The state board of higher education shall determine the terms of the student financial
27 assistance advisory board members and establish any necessary rules of operation
28 and procedure.

29 4. Each member of the student financial assistance advisory board is entitled to
30 reimbursement for expenses, as provided by law for state officers, if the member is
31 attending meetings or performing duties directed by the advisory board.

15-62.4-05. Student financial assistance program - Gifts and grants - Acceptance.

The state board of higher education may receive, administer, and expend moneys from public and private sources for the purposes of this chapter.

SECTION 19. Chapter 15-62.5 of the North Dakota Century Code is created and enacted as follows:

15-62.5-01. Scholars program.

The state board of higher education shall administer the scholars program for the purpose of providing a merit-based scholarship to an individual who:

1. a. Graduated from a high school in this state;
- b. Graduated from a high school in a bordering state, pursuant to chapter 15.1-29;
- c. Graduated from a nonpublic high school in a bordering state while residing with a custodial parent in this state; or
- d. Completed a program of home education supervised in accordance with chapter 15.1-23;
2. On the ACT, achieved composite scores that ranked the individual at or above the ninety-fifth percentile among those who took the ACT prior to July first in the calendar year preceding the individual's enrollment;
3. a. Is enrolled at an accredited institution of higher education in this state that offers a program of instruction equal to at least two academic years;
- b. Because of a medically certifiable disability is enrolled at an accredited institution of higher education outside of this state that offers the individual special services or facilities not available in this state, provided the institution offers a program of instruction equal to at least two academic years; and
4. Is pursuing a course of study determined by the board to be full-time.

15-62.5-02. Scholars program - Criteria and procedures.

The state board of higher education shall adopt:

1. Criteria governing the application process;
2. Criteria governing the selection process, within the requirements of section 15-62.5-03; and
3. Procedures for providing fiscal control, fund accounting, and reports.

15-62.5-03. Scholars program - Ranking and selection of recipients.

1. The state board of higher education shall rank scholars program applicants by their ACT composite scores.
2. If two or more applicants have the same composite scores, they must be ranked by the numeric sum of their four scale scores on the ACT.
3. If two or more applicants have the same composite scores and the same numeric sum of the four scale scores, they must be ranked by the numeric sum of their English and mathematics scores.
4. The state board of higher education may establish additional criteria to rank applicants who have the same numeric sum of their English and mathematics scores.
5. Scholarships must be offered to applicants in descending order according to this ranking until available funds have been expended or until the pool of applicants has been exhausted.

15-62.5-04. Scholars program - Scholarship amounts - Stipends.

1.
 - a. Each semester, the state board of higher education shall provide to an eligible student a scholarship in an amount not exceeding the tuition charged at the institution in which the student is enrolled, provided the amount may not exceed the highest undergraduate semester tuition charged at an institution of higher education under the control of the state board of higher education.
 - b. Each quarter the state board of higher education shall provide to an eligible student a scholarship in an amount not exceeding the tuition charged per quarter at the institution in which the student is enrolled, provided the amount may not exceed two-thirds of the highest undergraduate semester tuition charged at an institution of higher education under the control of the state board of higher education.
 - c. For purposes of this subsection, the rates are calculated using a traditional fall and spring academic year.
2. The scholarships provided for under this section are conditioned on the student maintaining a 3.5 cumulative grade point average, based on a 4.0 grading system.

1 3. Any student eligible for a scholarship under this section is also eligible for a stipend in
2 an amount not exceeding two thousand dollars annually. The state board of higher
3 education may distribute the stipend on a semester or a quarter basis.

4 4. a. A student is not entitled to receive scholarships under this chapter for more than
5 the equivalent of:

6 (1) Eight semesters of full-time enrollment; or

7 (2) Twelve quarters of full-time enrollment.

8 b. Notwithstanding subdivision a, a student is not entitled to receive a scholarship
9 under this chapter after the student obtains a baccalaureate degree.

10 5. The state board of higher education shall forward scholarships and stipends payable
11 under this chapter directly to the institution in which the student is enrolled.

12 **15-62.5-05. Use of scholarships and stipends - Refund policy.**

13 Scholarships and stipends awarded under this chapter may be applied to defray tuition
14 charges, fees, room and board charges, and the cost of books and supplies, and for any other
15 expenses incidental to attending an institution of higher education. If an individual discontinues
16 attendance before the completion of any semester or quarter for which a scholarship or stipend
17 has been received, the individual is subject to the refund or repayment policy of the institution at
18 which the individual was enrolled.

19 **SECTION 20. AMENDMENT.** Section 15.1-21-02.6 of the North Dakota Century Code is
20 amended and reenacted as follows:

21 **15.1-21-02.6. North Dakota scholarship - Amount - Applicability.**

22 1. a. (1) The state board of higher education shall provide to any student who
23 graduates from high school before the 2014-15 school year and who is
24 certified as being eligible by the superintendent of public instruction either a
25 North Dakota academic scholarship or a North Dakota career and technical
26 education scholarship in the amount of seven hundred fifty dollars for each
27 semester during which the student is enrolled full time at an accredited
28 institution of higher education in this state and maintains a cumulative grade
29 point average of at least 2.75 on a 4.0 scale.

30 b. (2) The state board of higher education shall provide to any student who
31 graduates from high school before the 2014-15 school year and who is

1 certified as being eligible by the superintendent of public instruction either a
2 North Dakota academic scholarship or a North Dakota career and technical
3 education scholarship in the amount of five hundred dollars for each quarter
4 during which the student is enrolled full time at an accredited institution of
5 higher education in this state and maintains a cumulative grade point
6 average of at least 2.75 on a 4.0 scale.

7 b. (1) The state board of higher education shall provide to any student who
8 graduates from high school during or after the 2014-15 school year and who
9 is certified as being eligible by the superintendent of public instruction either
10 a North Dakota academic scholarship or a North Dakota career and
11 technical education scholarship, in the amount of ~~one thousand two-~~
12 ~~hundred fifty~~ nine hundred seventy-five dollars each semester during which
13 the student is enrolled full time at an accredited institution of higher
14 education in this state and maintains a cumulative grade point average of at
15 least 2.75 on a 4.0 grading scale.

16 (2) The state board of higher education shall provide to any student who
17 graduates from high school during or after the 2014-15 school year and who
18 is certified as being eligible by the superintendent of public instruction either
19 a North Dakota academic scholarship or a North Dakota career and
20 technical education scholarship, in the amount of ~~eight hundred-~~
21 ~~thirty three~~ six hundred fifty dollars for each quarter during which the student
22 is enrolled full time at an accredited institution of higher education in this
23 state and maintains a cumulative grade point average of at least 2.75 on a
24 4.0 grading scale.

25 2. The state board shall monitor each scholarship recipient to ensure that the student
26 meets the academic and other requirements of this section. Upon determining that a
27 recipient student has failed to meet the requirements of this section, the board shall
28 provide notification to the student within ten days.

29 3. a. Except as provided in this subsection, a student is not entitled to receive more
30 than six thousand dollars under this section.

- 1 b. A student who graduates from high school during or after the 2014-15 school
2 year is entitled to receive up to ~~ten thousand~~seven thousand eight hundred
3 dollars under this section.
- 4 4. The state board of higher education shall forward the scholarship directly to the
5 institution in which the student is enrolled.
- 6 5. a. (1) This section does not require a student to be enrolled in consecutive
7 semesters.
8 (2) This section does not require a student to be enrolled in consecutive
9 quarters.
- 10 b. However, a scholarship under this section is valid only for six academic years
11 after the student's graduation from high school and may not be applied to
12 graduate programs.
- 13 6. A scholarship under this section is available to any eligible resident student who fulfills
14 the requirements of section 15.1-21-02.4 or 15.1-21-02.5 and who:
- 15 a. Graduates from a high school in this state;
16 b. Graduates from a high school in a bordering state under chapter 15.1-29;
17 c. Graduates from a nonpublic high school in a bordering state while residing with a
18 custodial parent in this state; or
19 d. Completes a program of home education supervised in accordance with chapter
20 15.1-23.
- 21 7. a. For purposes of North Dakota scholarship eligibility under this section, "full-time"
22 means enrollment in at least twelve credits during a student's first two semesters
23 and enrollment in at least fifteen credits during each semester thereafter or
24 enrollment in the equivalent number of credits, as determined by the state board
25 of higher education, with respect to students in a quarter system.
- 26 b. (1) If a student requires fewer than fifteen credits to graduate, the student may
27 retain scholarship eligibility by enrolling in fewer than fifteen but at least
28 twelve credits during the semester, or the equivalent number of credits, as
29 determined by the state board of higher education, with respect to students
30 in a quarter system.

1 (2) Students who graduated from high school during the 2009-10 or the
2 2010-11 school year and who have completed six semesters may retain
3 scholarship eligibility by enrolling in only twelve credits during each of the
4 student's final two semesters, or the equivalent number of credits, as
5 determined by the state board of higher education, with respect to students
6 in a quarter system.

7 (3) The requirement that a student be enrolled in at least fifteen credits, as set
8 forth in subdivision a, does not apply in the case of a student participating in
9 a clinical, practicum, internship, cooperative program, or similar external
10 experience, provided the external experience is equivalent to at least twelve
11 units, or such similar amount as determined by the state board of higher
12 education, with respect to students in a quarter system, and considered to
13 be a "full time" placement for purposes of meeting graduation requirements.

14 **SECTION 21.** A new section to chapter 54-10 of the North Dakota Century Code is created
15 and enacted as follows:

16 **State board of higher education audits.**

- 17 1. The state auditor shall employ an audit manager to perform all audit related functions
18 of the state board of higher education, including the examination and evaluation of the
19 adequacy and effectiveness of the board's governance, risk management, internal
20 controls, and performance of constitutionally and statutorily required duties. The audit
21 manager shall conduct audits, as determined appropriate by the state auditor, of each
22 institution under the supervision and control of the state board of higher education.
23 The audit manager shall consult with the state board of higher education, or a
24 committee designated by the board, regarding audit plans, results of audit activities,
25 and any other appropriate issue. This section does not require the state auditor to
26 perform any duties that would compromise the auditor's independence under
27 government auditing standards.
- 28 2. The audit manager may access and examine any record under the control of the state
29 board of higher education. For purposes of reviewing records under the Family
30 Educational Rights and Privacy Act [20 U.S.C. 1232g; 34 CFR 99] or any other federal

privacy law, the audit manager must be considered an agent of the state board of higher education.

3. The state auditor may hire employees necessary to carry out the duties and responsibilities of this section. The state auditor may hire consultants to assist with any duties required under this section subject to approval by the legislative audit and fiscal review committee. The state board of higher education shall pay for the cost of any consultant approved under this section.

SECTION 22. AMENDMENT. Section 54-12-08 of the North Dakota Century Code is amended and reenacted as follows:

54-12-08. Assistant and special assistant attorneys general - Appointment - Revocation - Compensation.

After consultation with the head of the state department or institution or with the state board, commission, committee, or agency affected, the attorney general may appoint assistant or special assistant attorneys general to represent the state board, commission, committee, or agency. A state officer, head of any state department, whether elected or appointed, or state department, board, commission, committee, or agency may not employ legal counsel, and no person may act as legal counsel in any matter, action, or proceeding in which the state or any state department, board, commission, committee, or agency is interested or is a party, except upon written appointment by the attorney general. Workforce safety and insurance, the department of transportation, the state tax commissioner, the public service commission, the insurance commissioner, ~~the board of higher education~~, and the securities commissioner may employ attorneys to represent them. These entities shall pay the salaries and expenses of the attorneys they employ within the limits of legislative appropriations. The attorneys that represent these entities must be special assistant attorneys general appointed by the attorney general pursuant to this section. Absent good cause, the attorney general shall appoint as special assistant attorneys general licensed attorneys selected by these entities. The attorney general may revoke the appointment only for good cause or upon the request of the entity. Good cause means an inadequate level of experience, competence, or ethical standards. The powers conferred upon special assistant attorneys general are the same as are exercised by the regular assistant attorneys general, unless the powers are limited specifically by the terms of the appointment. Except as otherwise provided by this section, an appointment is revocable at

1 the pleasure of the attorney general. The appointment may be made with or without
2 compensation, and when compensation is allowed by the attorney general for services
3 performed, the compensation must be paid out of the funds appropriated therefor. The attorney
4 general may require payment for legal services rendered by any assistant or special assistant
5 attorney general to any state official, board, department, agency, or commission and those
6 entities shall make the required payment to the attorney general. Moneys received by the
7 attorney general in payment for legal services rendered must be deposited into the attorney
8 general's operating fund. General fund moneys may not be utilized for the payment of legal
9 services provided by the attorneys employed by the attorney general, except for those
10 payments required of the department of human services, state department of health, and the
11 state hospital.

12 **SECTION 23. AMENDMENT.** Section 54-44.1-04 of the North Dakota Century Code is
13 amended and reenacted as follows:

14 **54-44.1-04. Budget estimates of budget units filed with the office of the budget -**
15 **Deadline.**

16 The head of each budget unit, not later than July fifteenth of each year next preceding the
17 session of the legislative assembly, shall submit to the office of the budget, estimates of
18 financial requirements of the person's budget unit for the next two fiscal years, on the forms and
19 in the manner prescribed by the office of the budget, with such explanatory data as is required
20 by the office of the budget and such additional data as the head of the budget unit wishes to
21 submit. The estimates of financial requirements for budget units under the control of the state
22 board of higher education must be made using the same forms, supporting information, and
23 documentation as other budget units. Any request for a new full-time or part-time permanent
24 position included in a budget unit's estimate of its financial requirements for the next two fiscal
25 years must include documentation justifying the need for the position. The documentation must
26 describe the circumstances resulting in the need for the position and identify the number of
27 hours the position will be involved in specific types of activities and the anticipated outcomes of
28 the activities. The estimates so submitted must bear the approval of the board or commission of
29 each budget unit for which a board or commission is constituted. The director of the budget may
30 extend the filing date for any budget unit if the director finds there is some circumstance that
31 makes it advantageous to authorize the extension. If a budget unit has not submitted its

1 estimate of financial requirements by the required date or within a period of extension set by the
2 director of the budget, the director of the budget shall prepare the budget unit's estimate of
3 financial requirements except the estimate may not exceed ninety percent of the budget unit's
4 previous biennial appropriation. The director of the budget or a subordinate officer as the
5 director shall designate shall examine the estimates and shall afford to the heads of budget
6 units reasonable opportunity for explanation in regard thereto and, when requested, shall grant
7 to the heads of budget units a hearing thereon which must be open to the public.

8 **SECTION 24. AMENDMENT.** Subsection 4 of section 54-44.1-06 of the North Dakota
9 Century Code is amended and reenacted as follows:

- 10 4. Detailed comparative statements of expenditures and requests for appropriations by
11 funds, budget units and classification of expenditures, showing the expenditures for
12 the previous biennium, the first fiscal year of the present biennium, the budget of the
13 current biennium, and the governor's recommendation for appropriations for each
14 budget unit for the next biennium, all distributed according to the prescribed
15 classification of expenditures. Following the lists of actual and proposed expenditures
16 of each budget unit there must be a brief explanation of the functions of the unit and
17 comments on its policies and plans and on any considerable differences among the
18 amounts recommended, with any descriptive, quantitative, comparative, and other
19 data as to work done, unit costs, and like information as may be considered necessary
20 or desirable. For capital outlay expenditures involving construction projects to be
21 completed in two or more fiscal years, there must be shown the total estimated cost of
22 each such project and the amount thereof recommended to be appropriated and
23 expended in each ensuing fiscal year until completion of the project. Capital outlay
24 needs may be projected for at least two years beyond the period covered by the
25 budget. The detailed comparative statements of budget units under the control of the
26 state board of higher education must include the same information presented for other
27 budget units.

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

1 **54-44.1-11. (Effective through July 31, 2015~~2017~~) Office of management and budget to**
2 **cancel unexpended appropriations - When they may continue.**

3 Except as otherwise provided by law, the office of management and budget, thirty days after
4 the close of each biennial period, shall cancel all unexpended appropriations or balances of
5 appropriations after the expiration of the biennial period during which they became available
6 under the law. Unexpended appropriations for the state historical society are not subject to this
7 section and the state historical society shall report on the amounts and uses of funds carried
8 over from one biennium to the appropriations committees of the next subsequent legislative
9 assembly. Unexpended appropriations for the North Dakota university system are not subject to
10 this section and the North Dakota university system shall report on the amounts and uses of
11 funds carried over from one biennium to the next to subsequent appropriations committees of
12 the legislative assembly. The chairmen of the appropriations committees of the senate and
13 house of representatives of the legislative assembly with the office of the budget may continue
14 appropriations or balances in force for not more than two years after the expiration of the
15 biennial period during which they became available upon recommendation of the director of the
16 budget for:

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

28 **(Effective after July 31, 2015~~2017~~) Office of management and budget to cancel**
29 **unexpended appropriations - When they may continue.** The office of management and
30 budget, thirty days after the close of each biennial period, shall cancel all unexpended
31 appropriations or balances of appropriations after the expiration of the biennial period during

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

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

20 **SECTION 26. REPEAL.** Chapter 15-62.2 of the North Dakota Century Code is repealed.

21 **SECTION 27. SYSTEMWIDE FUNDING POOLS - TRANSFER AUTHORITY -**

22 **LEGISLATIVE MANAGEMENT REPORT.** The following line items contained in subdivision 1 of
23 section 1 of this Act include funding that may be transferred in full or in part as provided in this
24 section for the period beginning with the effective date of this Act and ending June 30, 2017, by
25 the state board of higher education to the institutions and entities under its control ~~based on the~~
26 ~~recommendations of the commissioner of higher education~~ as follows:

- 27 1. The deferred maintenance funding pool line item includes funding that must be used to
28 address deferred maintenance and other infrastructure needs at institutions based on
29 ~~the~~ university system master plan and space utilization study studies.

1 2. The education incentive programs line item includes funding that may be allocated to
2 education incentive programs based on program eligibility criteria and the reduction or
3 elimination of specific programs as determined by the board.

4 3. The campus security funding pool line item includes funding that must be used to
5 address security needs at institutions based on campus risk and security
6 assessments.

7 4. The extraordinary repairs funding pool line item includes funding that must be used to
8 address infrastructure needs at institutions and forest service facilities based on
9 university system master plan and space utilization studies and identified needs of the
10 forest service.

11 The state board of higher education may not transfer any funding from the deferred
12 maintenance funding pool or the extraordinary repairs funding pool to an institution or entity
13 under its control unless the institution or entity has submitted a comprehensive space utilization
14 study to the board. The comprehensive space utilization study must include a review of current
15 space for instruction, academic support, student services, and administration; the current
16 utilization of each type of space; and the projected future needs for each type of space. The
17 state board of higher education shall provide reports to the legislative management during the
18 2015-16 interim regarding distributions from the deferred maintenance, campus security, and
19 extraordinary repairs funding pools.

20 **SECTION 28. CAMPUS CAPITAL PROJECTS - PROJECT MANAGEMENT.** During the
21 biennium beginning July 1, 2015, and ending June 30, 2017, each capital project authorized by
22 the state board of higher education must have adequate project management oversight by
23 either an institution official or a representative of an external entity. An institution may seek
24 assistance from the university system office for project management oversight of a capital
25 project.

26 **SECTION 29. NORTH DAKOTA STATE UNIVERSITY - MINARD HALL -**
27 **REAUTHORIZATION - BUDGET SECTION REPORT.** In addition to the funds appropriated in
28 section 1 of this Act, North Dakota state university may use unspent state funding from the
29 \$5,000,000 appropriation received during the biennium beginning July 1, 2007, and ending
30 June 30, 2009, and unspent state funding from the \$13,000,000 appropriation received during
31 the biennium beginning July 1, 2009, and ending June 30, 2011, and special funds derived from

1 insurance litigation settlement and other local institutional funds, to a total of \$23,474,300 for
2 the Minard hall project, for the biennium beginning July 1, 2015, and ending June 30, 2017.
3 North Dakota state university shall report to the budget section regarding the status of the
4 Minard hall project and may request increased spending authorization from the budget section
5 for the project.

6 **SECTION 30. MINOT STATE UNIVERSITY - FOOTBALL STADIUM PRESS BOX -**
7 **REAUTHORIZATION.** Minot state university may use up to \$4,000,000 in private funds from the
8 city of Minot and \$1,000,000 in local institutional funds for the completion of the football stadium
9 press box during the biennium beginning July 1, 2015, and ending June 30, 2017.

10 **SECTION 31. STUDENT LOAN TRUST FUND.** Subdivision 1 of section 1 of this Act
11 includes the sum of \$1,004,744, or so much of the sum as may be necessary, from the student
12 loan trust fund of which \$465,307 is for the professional student exchange program and
13 \$539,437 is for connectND campus solution positions, for the biennium beginning July 1, 2015,
14 and ending June 30, 2017.

15 **SECTION 32. UNIVERSITY OF NORTH DAKOTA SCHOOL OF MEDICINE AND HEALTH**
16 **SCIENCES OPERATIONS.** The operations line item in subdivision 5 of section 1 of this Act
17 includes a funding allocation from the higher education per student credit-hour funding formula
18 attributable to inflation during the biennium beginning July 1, 2015, and ending June 30, 2017. A
19 minimum of twenty-five percent of the allocation must be transferred by the state board of
20 higher education to the university of North Dakota school of medicine and health sciences
21 ~~based on the recommendation of the commissioner of higher education.~~

22 **SECTION 33. FEDERAL, PRIVATE, AND OTHER FUNDS - APPROPRIATION.** All funds,
23 in addition to those appropriated in section 1 of this Act, from federal, private, and other sources
24 for competitive grants or other funds that the legislative assembly has not indicated the intent to
25 reject, including tuition revenue, received by the institutions and entities under the control of the
26 state board of higher education are appropriated to those institutions and entities, for the
27 biennium beginning July 1, 2015, and ending June 30, 2017. All additional funds received under
28 the North Dakota-Minnesota reciprocity agreement during the biennium beginning July 1, 2015,
29 and ending June 30, 2017, are appropriated to the state board of higher education for
30 reimbursement to institutions under the control of the board.

1 **SECTION 34. TRANSFER AUTHORITY.** If, during the biennium beginning July 1, 2015,
2 and ending June 30, 2017, the state board of higher education determines that funds allocated
3 to operations in section 1 of this Act are needed for capital assets, the board may transfer funds
4 from operations to capital assets. The board shall report any transfer of funds under this section
5 to the office of management and budget.

6 **SECTION 35. EXEMPTION - CONTINGENT APPROPRIATION REDUCTION.** The amount
7 appropriated for the performance funding pool line item in section 1 of chapter 34 of the 2013
8 Session Laws is not subject to section 54-44.1-11 and any unexpended funds ~~from this line item~~
9 ~~are available during the biennium beginning July 1, 2015, and ending June 30, 2017. Funds~~
10 ~~may be allocated to institutions, by the state board of higher education, based on the institution-~~
11 ~~meeting specified goals or other performance measures as determined by the board. The~~
12 ~~funding may not be used for the operations or any function of the university system office. The~~
13 ~~state board of higher education shall consider any allocations from the oil and gas impact grant~~
14 ~~fund to higher education institutions when determining allocations to institutions from the~~
15 ~~performance funding pool. During the 2015-16 interim, the state board of higher education shall~~
16 ~~provide a report to the legislative management regarding the distribution of funds from the~~
17 ~~performance funding pool~~ in this line item must be canceled by the office of management and
18 budget on the effective date of this section. The office of management and budget shall reduce
19 the general fund appropriation authority included in the system governance line item contained
20 in subdivision 1 of section 1 of this Act in an amount equal to any appropriation used from the
21 performance funding pool line item contained in section 1 of chapter 34 of the 2013 Session
22 Laws.

23 **SECTION 36. EXEMPTION - TRANSFER - GRANT.** The sum of \$750,000 from the general
24 fund is appropriated in the capital assets line item in subdivision 5 of section 1 of chapter 34 of
25 the 2013 Session Laws for the university of North Dakota school of medicine and health
26 sciences Bismarck family practice center skywalk project. Pursuant to section 54-44.1-11,
27 \$200,000 of the unexpended appropriation authority for the project must be continued into the
28 biennium beginning July 1, 2015, and ending June 30, 2017, and must be transferred to the
29 university system office for the purpose of providing a grant to the North Dakota humanities
30 council for the development of elementary and secondary civics education. Any remaining
31 unexpended appropriation authority for the project is not subject to section 54-44.1-11 and the

1 office of management and budget shall cancel the remaining unexpended appropriation
2 authority on the effective date of this section.

3 **SECTION 37. STATE FLEET REIMBURSEMENT - TRANSFER.** Notwithstanding any other
4 provision of law, the university of North Dakota shall transfer the sum of \$375,000 to the
5 department of transportation for costs associated with previous use by the institution of state
6 fleet services motor coaches and North Dakota state university shall transfer the sum of
7 \$375,000 to the department of transportation for costs associated with previous use by the
8 institution of state fleet services motor coaches. The university of North Dakota and North
9 Dakota state university shall transfer the funds as directed under this section to the department
10 of transportation prior to January 1, 2016.

11 **SECTION 38. STATE BOARD OF HIGHER EDUCATION - EVALUATION OF**
12 **EMPLOYEES.** The state board of higher education shall conduct or contract for comprehensive
13 performance evaluations of the president and each individual designated as a vice president of
14 an institution under the supervision and control of the board and of the commissioner of higher
15 education and each individual within the university system office with the title of "vice
16 chancellor". Each performance review must include participation and input from the individual's
17 subordinates, peers, supervisors, and other appropriate individuals, as well as the individual
18 being evaluated. Each performance review must include an analysis of the individual's
19 contribution and performance in leadership, teamwork, interpersonal communication,
20 management, contribution, work habits, interpersonal interaction, and accountability.
21 Notwithstanding any provision of law, any record created or collected in the conduct of a
22 performance review under this section and the report of each performance review is a public
23 record. This section does not apply to any individual who has served in their respective position
24 for less than three years as of July 1, 2015.

25 **SECTION 39. STATE BOARD OF HIGHER EDUCATION DATA INCONSISTENCIES -**
26 **REPORT TO THE SIXTY-FIFTH LEGISLATIVE ASSEMBLY.** During the biennium beginning
27 July 1, 2015, and ending June 30, 2017, the state board of higher education shall evaluate the
28 following data inconsistency issues at institutions and entities under its control and develop
29 policies and procedures to correct the inconsistencies:

- 30 1. Lack of integration of personal and demographic information among computer
31 systems;

2. Lack of use of standard chart of accounts for financial reporting and standard department budget table deduction and tax override flags;
3. Absence of standard business processes for recording mandatory fees and for changing payroll funding source information;
4. Inconsistent methods and procedures at institutions for recording high school completions, identifying student cohorts for reporting purposes, and classifying agency funds;
5. Inconsistent practices and policies at institutions for awarding tuition waivers, admitting students, using purchasing card, charging tuition and fees, and accruing of faculty sick leave;
6. Inconsistent coding and naming for bad debt expense and journal entries;
7. Use of shadow accounting systems for reporting purposes; and
8. Inconsistent definitions for a distance education student, a resident student for tuition purposes, and a full-time student for federal tax purposes.

The state board of higher education shall provide a report to the appropriations committees of the sixty-fifth legislative assembly regarding the status of the inconsistencies, including policies and procedures implemented to correct the inconsistencies.

SECTION 40. HIGHER EDUCATION INSTITUTION PERMANENT FUNDS - REPORT TO SIXTY-FIFTH LEGISLATIVE ASSEMBLY. The state board of higher education shall provide a report to the appropriations committees of the sixty-fifth legislative assembly regarding the use of funds received by institutions under its control from permanent fund income established for the benefit of the institutions in section 1 of article IX of the Constitution of North Dakota.

SECTION 41. EXTRAORDINARY CAMPUS NEEDS FUNDING - REPORT TO THE SIXTY-FIFTH LEGISLATIVE ASSEMBLY. The operations line item in subdivision 4 of section 1 of this Act includes the sum of \$2,500,000 for extraordinary campus needs at Williston state college. Williston state college shall provide a report to the appropriations committees of the sixty-fifth legislative assembly regarding the use of this funding and the need to continue the funding in to the biennium beginning July 1, 2017, and ending June 30, 2019.

SECTION 42. LEGISLATIVE MANAGEMENT STUDY - HIGHER EDUCATION COURSE DELIVERY METHODS. During the 2015-16 interim, the legislative management shall consider studying the delivery methods of higher education courses offered by institutions under the

1 control of the state board of higher education. The study, if conducted, must include a review of
2 current methods of distance education offered by institutions, options to improve delivery
3 methods, revenue generated by each type of delivery method, and how course delivery
4 methods may affect future campus infrastructure needs. The legislative management shall
5 report its findings and recommendations, together with any legislation required to implement the
6 recommendations, to the sixty-fifth legislative assembly.

7 **SECTION 43. LEGISLATIVE MANAGEMENT STUDY - INSTITUTION MISSIONS.** During
8 the 2015-16 interim, the legislative management shall study the missions of all two-year
9 institutions and the missions of any other institutions under the control of the state board of
10 higher education, as determined by the legislative management, including the feasibility and
11 desirability of the institutions offering only workforce and career and technical education
12 programs. The study must review the current missions of the institutions, current and projected
13 course and program enrollments, projected workforce needs, including how the institutions can
14 serve the needs, and options to increase operating efficiencies. The legislative management
15 shall report its findings, together with any legislation necessary to implement the findings, to the
16 sixty-fifth legislative assembly.

17 ~~— **SECTION 28. FULL-TIME EQUIVALENT POSITION ADJUSTMENTS.** Notwithstanding~~
18 ~~any other provisions of law, the state board of higher education may adjust full-time equivalent~~
19 ~~positions as needed, subject to the availability of funds, for institutions and entities under its~~
20 ~~control during the biennium beginning July 1, 2015, and ending June 30, 2017. The North~~
21 ~~Dakota university system shall report any adjustments to the office of management and budget~~
22 ~~before the submission of the 2017-19 biennium budget request.~~

23 ~~— **SECTION 29. BOND ISSUANCE AUTHORIZATION - PURPOSES.** The state board of~~
24 ~~higher education, in accordance with chapter 15-55, may arrange for the funding of projects~~
25 ~~authorized in this section, declared to be in the public interest, through the issuance of~~
26 ~~self-liquidating, tax-exempt evidences of indebtedness under chapter 15-55, beginning with the~~
27 ~~effective date of this Act and ending June 30, 2015. Evidences of indebtedness issued pursuant~~
28 ~~to this section are not a general obligation of the state of North Dakota. Any unexpended~~
29 ~~balance resulting from the proceeds of the evidences of indebtedness must be placed in a~~
30 ~~sinking fund to be used for the retirement of indebtedness. The evidences of indebtedness may~~

1 ~~be issued and the proceeds are appropriated in section 1 of this Act for the following capital~~
2 ~~projects:~~

3 ~~North Dakota state university aquatic center — \$10,000,000~~

4 ~~Total special funds — \$10,000,000~~

5 **SECTION 44. EMERGENCY.** ~~The~~ Sections 10, 27, 35, and 36 and the capital assets,
6 extraordinary repairs pool, campus security pool, and deferred maintenance pool line items in
7 section 1 of this Act are declared to be an emergency measure.