

**FIRST ENGROSSMENT
with Conference Committee Amendments
ENGROSSED SENATE BILL NO. 2003**

Introduced by

Appropriations Committee

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 two new sections to chapter 15-10 and a new section to
3 chapter 54-12 of the North Dakota Century Code, relating to approval of capital projects
4 requested by institutions under the control of the state board of higher education, the nickel
5 trophy, and tuition and fee waivers for law enforcement officers; and to amend and reenact
6 sections 15-10-48, 15-10-49, 15-18.2-05, 15-18.2-06, 54-10-22.1, and 54-44.1-11 of the North
7 Dakota Century Code, relating to matching grants for institutions under the control of the state
8 board of higher education, state aid to institutions, the minimum amount payable through the
9 higher education funding formula, protecting donor records from audits of university and college
10 foundations and the cancellation of unexpended appropriations; to repeal chapter 15-10.2 of the
11 North Dakota Century Code, relating to the midwestern higher education compact; to provide
12 for the transfer of funds; to authorize the state board of higher education to issue and sell bonds
13 for capital projects; to provide exemptions; to provide for the reallocation of oil and gas tax
14 distributions; to authorize the conveyance of real property owned by the state of North Dakota;
15 to provide for studies; to provide for legislative management reports; to provide legislative
16 intent; to provide an effective date; and to declare an emergency.

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

18 **SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds
19 as may be necessary, are appropriated out of any moneys in the general fund in the state
20 treasury, not otherwise appropriated, and from special funds derived from federal funds and
21 other income, to the state board of higher education and to the entities and institutions under
22 the supervision of the board, for the purpose of defraying the expenses of the state board of
23 higher education and the entities and institutions under the control of the board, for the
24 biennium beginning July 1, 2017, and ending June 30, 2019, as follows:

Sixty-fifth
Legislative Assembly

1 Subdivision 1.

2 NORTH DAKOTA UNIVERSITY SYSTEM OFFICE

3 Adjustments or

4 Base Level Enhancements Appropriation

5 Capital assets - bond payments \$6,901,461 (\$296,135) \$6,605,326

6 Competitive research programs 6,588,225 (560,475) 6,027,750

7 System governance 7,212,636 1,180,602 8,393,238

8 Title II 1,006,472 0 1,006,472

9 Core technology services 41,325,593 20,201,754 61,527,347

10 Student financial assistance grants 23,886,160 (1,968,854) 21,917,306

11 Professional student exchange program 3,941,754 (242,412) 3,699,342

12 Academic and technical education 13,134,096 (1,117,347) 12,016,749

13 scholarship

14 Two-year campus marketing 747,600 (747,600) 0

15 Scholars program 2,113,584 (306,469) 1,807,115

16 Native American scholarship 649,267 (93,944) 555,323

17 Tribally controlled community college grants 967,250 (367,250) 600,000

18 Education incentive programs 3,349,000 (485,607) 2,863,393

19 Student mental health 308,100 (23,700) 284,400

20 Veterans' assistance grants 325,000 (47,125) 277,875

21 Commendation grants 4,486 (4,486) 0

22 Internal audit pool 280,350 (280,350) 0

23 Shared campus services 0 500,000 500,000

24 Two-year campus study 0 40,000 40,000

25 Education challenge grants 0 2,000,000 2,000,000

26 Total all funds \$112,741,034 \$17,380,602 \$130,121,636

27 Less estimated income 2,511,216 23,700,890 26,212,106

28 Total general fund \$110,229,818 (\$6,320,288) \$103,909,530

29 Full-time equivalent positions 104.39 45.01 149.40

30 Subdivision 2.

31 BISMARCK STATE COLLEGE

Sixty-fifth
Legislative Assembly

		Adjustments or		
	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>	
1				
2				
3	Operations	\$34,214,004	\$67,580,404	\$101,794,408
4	Capital assets	<u>67,732</u>	<u>1,854,829</u>	<u>1,922,561</u>
5	Total all funds	\$34,281,736	\$69,435,233	\$103,716,969
6	Less estimated income	<u>0</u>	<u>72,991,998</u>	<u>72,991,998</u>
7	Total general fund	\$34,281,736	(\$3,556,765)	\$30,724,971
8	Full-time equivalent positions	133.53	224.82	358.35
9	Subdivision 3.			

LAKE REGION STATE COLLEGE

		Adjustments or		
	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>	
11				
12				
13	Operations	\$14,143,353	\$22,356,652	\$36,500,005
14	Capital assets	<u>0</u>	<u>362,667</u>	<u>362,667</u>
15	Total all funds	\$14,143,353	\$22,719,319	\$36,862,672
16	Less estimated income	<u>0</u>	<u>24,111,092</u>	<u>24,111,092</u>
17	Total general fund	\$14,143,353	(\$1,391,773)	\$12,751,580
18	Full-time equivalent positions	50.19	79.42	129.61
19	Subdivision 4.			

WILLISTON STATE COLLEGE

		Adjustments or		
	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>	
21				
22				
23	Operations	\$9,191,151	\$17,797,826	\$26,988,977
24	Capital assets	<u>197,801</u>	<u>1,064,167</u>	<u>1,261,968</u>
25	Total all funds	\$9,388,952	\$18,861,993	\$28,250,945
26	Less estimated income	<u>0</u>	<u>19,855,598</u>	<u>19,855,598</u>
27	Total general fund	\$9,388,952	(\$993,605)	\$8,395,347
28	Full-time equivalent positions	49.96	50.79	100.75
29	Subdivision 5.			

UNIVERSITY OF NORTH DAKOTA

Sixty-fifth
Legislative Assembly

		Adjustments or		
	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>	
1				
2				
3	Operations	\$146,572,961	\$712,782,489	\$859,355,450
4	Capital assets	<u>4,411,566</u>	<u>91,000,000</u>	<u>95,411,566</u>
5	Total all funds	\$150,984,527	\$803,782,489	\$954,767,016
6	Less estimated income	<u>0</u>	<u>819,870,450</u>	<u>819,870,450</u>
7	Total general fund	\$150,984,527	(\$16,087,961)	\$134,896,566
8	Full-time equivalent positions	630.20	1,587.87	2,218.07
9	Subdivision 6.			

NORTH DAKOTA STATE UNIVERSITY

		Adjustments or		
	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>	
11				
12				
13	Operations	\$144,323,680	\$588,884,780	\$733,208,460
14	Capital assets	<u>2,732,244</u>	<u>82,571,860</u>	<u>85,304,104</u>
15	Total all funds	\$147,055,924	\$671,456,640	\$818,512,564
16	Less estimated income	<u>0</u>	<u>689,386,329</u>	<u>689,386,329</u>
17	Total general fund	\$147,055,924	(\$17,929,689)	\$129,126,235
18	Full-time equivalent positions	537.10	1,358.56	1,895.66
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	\$40,916,239	\$50,918,458	\$91,834,697
24	Capital assets	<u>0</u>	<u>1,012,379</u>	<u>1,012,379</u>
25	Total all funds	\$40,916,239	\$51,930,837	\$92,847,076
26	Less estimated income	<u>0</u>	<u>57,605,613</u>	<u>57,605,613</u>
27	Total general fund	\$40,916,239	(\$5,674,776)	\$35,241,463
28	Full-time equivalent positions	168.30	176.74	345.04
29	Subdivision 8.			

DICKINSON STATE UNIVERSITY

Sixty-fifth
Legislative Assembly

		Adjustments or	
	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
1			
2			
3	Operations	\$22,608,359	\$47,135,592
4	Capital assets	409,078	409,078
5	One-time operations and debt repayment	<u>7,409,626</u>	<u>7,409,626</u>
6	Total all funds	\$30,427,063	\$54,954,296
7	Less estimated income	<u>0</u>	<u>29,737,827</u>
8	Total general fund	\$24,527,233	\$25,216,469
9	Full-time equivalent positions	120.26	168.90

10 Subdivision 9.

11 MAYVILLE STATE UNIVERSITY

		Adjustments or	
	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
12			
13			
14	Operations	\$28,611,943	\$44,254,674
15	Capital assets	<u>358,992</u>	<u>358,992</u>
16	Total all funds	\$28,970,935	\$44,613,666
17	Less estimated income	<u>0</u>	<u>30,307,148</u>
18	Total general fund	(\$1,336,213)	\$14,306,518
19	Full-time equivalent positions	66.23	210.53

20 Subdivision 10.

21 MINOT STATE UNIVERSITY

		Adjustments or	
	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
22			
23			
24	Operations	\$55,838,786	\$100,876,052
25	Capital assets	<u>600,000</u>	<u>1,099,620</u>
26	Total all funds	\$56,438,786	\$101,975,672
27	Less estimated income	<u>0</u>	<u>62,058,916</u>
28	Total general fund	(\$5,620,130)	\$39,916,756
29	Full-time equivalent positions	204.10	441.65

30 Subdivision 11.

31 VALLEY CITY STATE UNIVERSITY

Sixty-fifth
Legislative Assembly

		Adjustments or	
	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
1			
2			
3	Operations	\$23,218,126	\$25,312,806
4	Capital assets	<u>0</u>	<u>455,823</u>
5	Total all funds	\$23,218,126	\$25,768,629
6	Less estimated income	<u>0</u>	<u>28,470,657</u>
7	Total general fund	\$23,218,126	(\$2,702,028)
8	Full-time equivalent positions	105.59	97.16
9	Subdivision 12.		202.75

DAKOTA COLLEGE AT BOTTINEAU

		Adjustments or	
	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
11			
12			
13	Operations	\$8,017,920	\$9,179,785
14	Capital assets	<u>86,537</u>	<u>27,470</u>
15	Total all funds	\$8,104,457	\$9,207,255
16	Less estimated income	<u>0</u>	<u>9,629,173</u>
17	Total general fund	\$8,104,457	(\$421,918)
18	Full-time equivalent positions	46.96	37.34
19	Subdivision 13.		84.30

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	\$53,166,247	\$158,723,654
24	Total all funds	\$53,166,247	\$158,723,654
25	Less estimated income	<u>0</u>	<u>154,078,620</u>
26	Total general fund	\$53,166,247	\$4,645,034
27	Full-time equivalent positions	184.58	251.17
28	Subdivision 14.		435.75

NORTH DAKOTA FOREST SERVICE

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

Sixty-fifth
Legislative Assembly

1	Operations	\$6,228,620	\$8,729,827	\$14,958,447
2	Capital assets	<u>101,210</u>	<u>17,518</u>	<u>118,728</u>
3	Total all funds	\$6,329,830	\$8,747,345	\$15,077,175
4	Less estimated income	<u>1,650,000</u>	<u>9,000,748</u>	<u>10,650,748</u>
5	Total general fund	\$4,679,830	(\$253,403)	\$4,426,427
6	Full-time equivalent positions	28.96	(1.96)	27.00
7	Subdivision 15.			
8	BILL TOTAL			
9			Adjustments or	
10		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
11	Grand total general fund	\$681,876,059	(\$56,954,279)	\$624,921,780
12	Grand total special funds	<u>4,161,216</u>	<u>2,030,805,059</u>	<u>2,034,966,275</u>
13	Grand total all funds	\$686,037,275	\$1,973,850,780	\$2,659,888,055

14 **SECTION 2. HEALTH INSURANCE INCREASE.** Section 1 of this Act includes the sum of
 15 \$17,991,140, of which \$5,638,788 is from the general fund, for increases in employee health
 16 insurance premiums from \$1,130 to \$1,241 per month.

17 **SECTION 3. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO THE**
 18 **SIXTY-SIXTH LEGISLATIVE ASSEMBLY.** The following amounts reflect the one-time funding
 19 items approved by the sixty-fourth legislative assembly as adjusted for the 2015-17 biennium
 20 and the 2017-19 biennium one-time funding items included in section 1 of this Act:

21	<u>One-Time Funding Description</u>	<u>2015-17</u>	<u>2017-19</u>
22	Capital projects - general funds	\$99,167,288	\$0
23	Capital projects - other funds	44,848,194	168,505,000
24	Campus security pool	2,763,562	0
25	Core technology services projects	2,821,500	0
26	Open education resource training	107,250	0
27	Theodore Roosevelt center	800,000	0
28	Williston state college energy development impact	2,500,000	0
29	Dickinson state university leadership transition	2,000,000	0
30	Museum of art deferred maintenance	760,000	0
31	Deferred maintenance pool	8,482,500	0

Sixty-fifth
Legislative Assembly

1	School of medicine and health sciences residency positions	4,700,000	0
2	Health care workforce initiative	13,814,806	0
3	Desktop support services	81,750	0
4	Email retention	350,000	0
5	Dickinson state university Woods Hall renovation	11,500,000	0
6	Education challenge grants	22,124,500	2,000,000
7	Institution operations distributions	0	2,000,000
8	Dickinson state university operations and debt repayment	0	7,409,626
9	Two-year campus study	0	40,000
10	Midwestern higher education compact dues	<u>0</u>	<u>230,000</u>
11	Total all funds	\$216,821,350	\$180,184,626
12	Total other funds	<u>60,848,194</u>	168,505,000
13	Total general fund	\$155,973,156	\$11,679,626

14 The 2017-19 biennium one-time funding amounts are not a part of the entity's base budget for
 15 the 2019-21 biennium. The North Dakota university system shall report to the appropriations
 16 committees of the sixty-sixth legislative assembly on the use of this one-time funding for the
 17 biennium July 1, 2017, and ending June 30, 2019.

18 **SECTION 4. AMENDMENT.** Section 15-10-48 of the North Dakota Century Code is
 19 amended and reenacted as follows:

20 **15-10-48. Advancement of academics - Matching grants - University of North Dakota**
 21 **and North Dakota state university.**

- 22 1. a. ~~During the period beginning July 1, 2015, and ending December 31, 2016~~Subject
 23 to legislative appropriations, each biennium during the period beginning July first
 24 of each odd-numbered year and ending December thirty-first of each even-
 25 numbered year, the state board of higher education shall award one dollar in
 26 matching grants for every two dollars raised by the institutional foundations of the
 27 university of North Dakota and North Dakota state university for projects
 28 dedicated exclusively to the advancement of academics.
- 29 b. To be eligible for a matching grant, an institution must demonstrate that:
 30 (1) Its foundation has raised at least fifty thousand dollars in cash or monetary
 31 pledges for a qualifying project; and

- 1 (2) The project has been approved by the grant review committee established
2 in section 15-10-51.
- 3 c. The board may award up to ~~seven million~~two hundred thousand dollars in
4 matching grants to each institution. ~~The first two million dollars in matching grants~~
5 ~~awarded to each institution must be used for student scholarships that comply~~
6 ~~with section 15-10-53.~~
- 7 d. Projects at the university of North Dakota school of medicine and health sciences
8 are not eligible to receive a grant under this section.
- 9 2. a. If any available dollars have not been awarded by the board before January 1,
10 ~~2017~~first of each odd-numbered year, in accordance with subsection 1, either the
11 university of North Dakota or North Dakota state university may apply for an
12 additional matching grant.
- 13 b. An application submitted under this subsection must meet the same criteria as an
14 original application.
- 15 c. The board shall consider each application submitted under this subsection in
16 chronological order.
- 17 d. If the remaining dollars are insufficient to provide a matching grant in the amount
18 of one dollar for every two dollars raised by the institutional foundation, the board
19 shall award a lesser amount.
- 20 3. The state board of higher education shall retain up to one-quarter of one percent of
21 any grant awarded under this section to assist with administrative expenses incurred
22 in the grant review process.

23 **SECTION 5. AMENDMENT.** Section 15-10-49 of the North Dakota Century Code is
24 amended and reenacted as follows:

25 **15-10-49. Advancement of academics - Matching grants - Two-year and four-year**
26 **institutions of higher education.**

- 27 1. a. ~~During the period beginning July 1, 2015, and ending December 31, 2016~~Subject
28 to legislative appropriations, each biennium during the period beginning July first
29 of each odd-numbered year and ending December thirty-first of each even-
30 numbered year, the state board of higher education shall award one dollar in
31 matching grants for every two dollars raised by the institutional foundations of

- 1 Bismarck state college, Dakota college at Bottineau, ~~Dickinson state university,~~
2 Lake Region state college, Mayville state university, Minot state university, North
3 Dakota state college of science, Valley City state university, and Williston state
4 college for projects dedicated exclusively to the advancement of academics.
- 5 b. To be eligible for a matching grant, an institution must demonstrate that:
6 (1) Its foundation has raised at least twenty-five thousand dollars in cash or
7 monetary pledges for a qualifying project; and
8 (2) The project has been approved by the grant review committee established
9 in section 15-10-51.
- 10 c. The board may award up to ~~one million~~ two hundred thousand dollars in matching
11 grants to each institution.
- 12 2. a. If any available dollars have not been awarded by the board before January 4,
13 ~~2017~~ first of each odd-numbered year, in accordance with subsection 1, any
14 institution listed in subsection 1 may apply for an additional matching grant.
- 15 b. An application submitted under this subsection must meet the same criteria as an
16 original application.
- 17 c. The board shall consider each application submitted under this subsection in
18 chronological order.
- 19 d. If the remaining dollars are insufficient to provide a matching grant in the amount
20 of one dollar for every two dollars raised by the institutional foundation, the board
21 shall award a lesser amount.
- 22 3. a. ~~The board may award an additional five hundred thousand dollars in matching~~
23 ~~grants to institutions that have been awarded one million dollars in matching~~
24 ~~grants under subsection 1 and apply for an additional matching grant.~~
- 25 b. ~~An application submitted under this subsection must meet the same criteria as an~~
26 ~~original application.~~
- 27 c. ~~The board shall consider each application submitted under this subsection in~~
28 ~~chronological order.~~
- 29 d. ~~If the funding provided under this subsection is insufficient to provide a matching~~
30 ~~grant in the amount of one dollar for every two dollars raised by the institutional~~
31 ~~foundation, the board shall award a lesser amount.~~

- 1 4. The state board of higher education shall retain up to one-quarter of one percent of
2 any grant awarded under this section to assist with administrative expenses incurred
3 in the grant review process.

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

6 **Capital project and capital lease requests - Maintenance reserve account.**

- 7 1. Notwithstanding any existing agreements, an institution under the control of the state
8 board of higher education shall obtain approval from the legislative assembly before
9 the institution acquires any additional facility space to be used by the institution for any
10 purpose, if the acquisition would result in additional operating costs funded from any
11 source. This subsection does not apply to operating lease agreements that preclude
12 the ownership of the leased facility.
- 13 2. Notwithstanding any existing agreements, an institution under the control of the state
14 board of higher education shall obtain approval from the legislative assembly before
15 an institution purchases, rents, occupies, or otherwise utilizes a building or any portion
16 of a building for a purpose that directly or indirectly supports or relates to the
17 institution's educational or administrative functions if the building is located more than
18 ten miles from the campus of the institution. This subsection does not apply to
19 buildings utilized by an institution to offer dual-credit courses, buildings utilized by the
20 agricultural experiment station and research extension centers, and buildings utilized
21 by the North Dakota state university extension service. For purposes of this section,
22 "campus" means the campus of the institution under the Federal Clery Act [Pub. L.
23 105-244; 20 U.S.C. 1092(f)].
- 24 3. An institution under the control of the state board of higher education may undertake a
25 facility renovation project only if the project will reduce the deferred maintenance
26 amount of the facility by no less than seventy five percent of the total cost of the
27 renovation. The institution shall maintain documentation that demonstrates the cost
28 and scope of the deferred maintenance reduction that results directly from the
29 renovation. This subsection does not apply to projects undertaken solely to correct
30 building code deficiencies or to installations of infrastructure determined by the board
31 to be essential to the mission of the institution.

- 1 4. Facility construction and renovation projects undertaken by an institution under the
2 control of the state board of higher education must conform to campus master plan
3 and space utilization requirements approved by the state board of higher education.
- 4 5. An institution that obtains legislative approval under subsection 1 must establish a
5 maintenance reserve fund of three percent of the total construction cost or
6 replacement value, whichever is greater, of the acquired space. The institution's plans
7 for funding the maintenance reserve fund must be included in the request for
8 legislative approval under subsection 1. Maintenance reserve funds must be deposited
9 in an account under the control of the state board of higher education before the
10 acquired space may be occupied, and the funds may be used for maintenance repairs
11 after the total deferred maintenance of the space exceeds thirty percent of its
12 replacement value. The funds may not be used for any other purpose. This subsection
13 does not apply to additional space acquired through the sale of revenue bonds that
14 require by covenant the establishment of maintenance reserve funds.

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

17 **Nickel trophy.**

18 To promote national recognition and statewide enthusiasm, the legislative assembly
19 encourages the university of North Dakota and the North Dakota state university of agriculture
20 and applied science to play for the nickel trophy during the course of a national collegiate
21 athletic association football game. If the athletic director or president of either institution elects
22 not to play for the nickel trophy, the nickel trophy must be permanently displayed in the heritage
23 center.

24 **SECTION 8. AMENDMENT.** Section 15-18.2-05 of the North Dakota Century Code is
25 amended and reenacted as follows:

26 **15-18.2-05. Base funding - Determination of state aid.**

- 27 1. ~~In~~Except as provided under subsection 2, in order to determine the state aid payment
28 to which each institution under its control is entitled, the state board of higher
29 education shall multiply the product determined under section 15-18.2-04 by a base
30 amount of:

1 accounts, or records that may be relevant to an ongoing audit of any other state agency or
2 computer system audit. The state auditor and persons employed by the state auditor examining
3 any information, which is confidential by law, shall guard the secrecy of such information except
4 when otherwise directed by judicial order or as is otherwise provided by law.

5 **SECTION 11.** A new section to chapter 54-12 of the North Dakota Century Code is created
6 and enacted as follows:

7 **Law enforcement officer tuition and fees waiver.**

- 8 1. To the extent the annual cap under this section has not been met, an individual who is
9 employed as a full-time law enforcement officer in this state, who has a minimum of
10 two years of employment, and who is licensed under chapter 12-63, is entitled to a
11 waiver of twenty-five percent of resident tuition and fees of any institution of higher
12 education under the control of the state board of higher education if the law
13 enforcement officer:
- 14 a. Maintains satisfactory performance with the officer's law enforcement agency;
 - 15 b. Obtains authorization to participate in the waiver program and a certificate of
16 verification from the law enforcement officer's superior officer which attests to the
17 officer's satisfactory performance;
 - 18 c. Meets all admission requirements of the institution; and
 - 19 d. Pursues studies leading to a degree from an associate degree program or a
20 baccalaureate degree program.
- 21 2. The law enforcement officer may receive the waiver for up to five years from the date
22 the law enforcement officer first receives a waiver under this section.
- 23 3. The institution of higher education shall waive twenty-five percent of the officer's tuition
24 and fees after subtracting awarded federal financial aid grants and state scholarships
25 and grants for an eligible law enforcement officer during the time the officer is enrolled.
26 To remain eligible for the waiver, the officer shall comply with all requirements of the
27 institution for continued attendance and award of an associate degree or a
28 baccalaureate degree.
- 29 4. The law enforcement officer shall include the certificate of verification when applying
30 for enrollment to the institution of higher education.

1 5. The total amount of waivers granted each academic year by institutions under the
2 control of the state board of higher education may not exceed five hundred thousand
3 dollars.

4 6. The attorney general shall adopt the rules necessary to implement this section.

5 **SECTION 12. AMENDMENT.** Section 54-44.1-11 of the North Dakota Century Code is
6 amended and reenacted as follows:

7 **54-44.1-11. (Effective through July 31, 2017~~2019~~) Office of management and budget to**
8 **cancel unexpended appropriations - When they may continue.**

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

- 23 1. New construction projects.
- 24 2. Major repair or improvement projects.
- 25 3. Purchases of new equipment costing more than ten thousand dollars per unit if it was
26 ordered during the first twelve months of the biennium in which the funds were
27 appropriated.
- 28 4. The purchase of land by the state on a "contract for deed" purchase if the total
29 purchase price is within the authorized appropriation.

1 5. Purchases by the department of transportation of roadway maintenance equipment
2 costing more than ten thousand dollars per unit if the equipment was ordered during
3 the first twenty-one months of the biennium in which the funds were appropriated.

4 6. Authorized ongoing information technology projects.

5 **(Effective after July 31, ~~2017~~2019) Office of management and budget to cancel**

6 **unexpended appropriations - When they may continue.** The office of management and
7 budget, thirty days after the close of each biennial period, shall cancel all unexpended
8 appropriations or balances of appropriations after the expiration of the biennial period during
9 which they became available under the law. Unexpended appropriations for the state historical
10 society are not subject to this section and the state historical society shall report on the amounts
11 and uses of funds carried over from one biennium to the appropriations committees of the next
12 subsequent legislative assembly. The chairmen of the appropriations committees of the senate
13 and house of representatives of the legislative assembly with the office of the budget may
14 continue appropriations or balances in force for not more than two years after the expiration of
15 the biennial period during which they became available upon recommendation of the director of
16 the 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 **SECTION 13. REPEAL.** Chapter 15-10.2 of the North Dakota Century Code is repealed.

29 **SECTION 14. ADDITIONAL FEDERAL, PRIVATE, AND OTHER FUNDS -**

30 **APPROPRIATION.** All funds, in addition to those appropriated in section 1 of this Act, from
31 federal, private, and other sources for competitive grants or other funds that the legislative

1 assembly has not indicated the intent to reject, including tuition revenue, received by the state
2 board of higher education and the institutions and entities under the control of the state board of
3 higher education, are appropriated to the board and those institutions and entities, for the
4 biennium beginning July 1, 2017, and ending June 30, 2019. All additional funds received under
5 the North Dakota-Minnesota reciprocity agreement during the biennium beginning July 1, 2017,
6 and ending June 30, 2019, are appropriated to the state board of higher education for
7 reimbursement to institutions under the control of the board.

8 **SECTION 15. CAMPUS CAPITAL PROJECTS - PROJECT MANAGEMENT.** During the
9 biennium beginning July 1, 2017, and ending June 30, 2019, each capital project authorized by
10 the state board of higher education must have adequate project management oversight by
11 either an institution official or a representative of an external entity. An institution may seek
12 assistance from the North Dakota university system office for project management oversight of
13 a capital project.

14 **SECTION 16. STUDENT LOAN TRUST FUND - LEGISLATIVE INTENT.** Subdivision 1 of
15 section 1 of this Act includes the sum of \$1,504,744, or so much of the sum as may be
16 necessary, from the student loan trust fund of which \$465,307 is for the professional student
17 exchange program, \$500,000 is for grants to tribally controlled community colleges, and
18 \$539,437 is for connectND campus solution positions, for the biennium beginning July 1, 2017,
19 and ending June 30, 2019.

20 Subdivision 13 of section 1 of this Act includes the sum of \$13,806,856, or so much of the
21 sum as may be necessary, from the student loan trust fund for residency positions at the
22 university of North Dakota school of medicine and health sciences, for the biennium beginning
23 July 1, 2017, and ending June 30, 2019. It is the intent of the sixty-fifth legislative assembly that
24 funding for the residency positions becomes part of ongoing base funding in future budget
25 requests of the school.

26 **SECTION 17. STATEWIDE MEMBERSHIP DUES.** Subdivision 1 of section 1 of this Act
27 includes the sum of \$294,000 for membership dues for the western interstate commission for
28 higher education. Subdivision 1 of section 1 of this Act includes the sum of \$230,000 of
29 one-time funding for membership dues of the midwestern higher education compact.

30 **SECTION 18. DICKINSON STATE UNIVERSITY - USES OF FUNDS.**

- 1 1. The one-time operations and debt repayment line item included in subdivision 8 of
2 section 1 of this Act includes the sum of \$7,409,626, or so much of the sum as may be
3 necessary, which must be used by Dickinson state university as follows:
 - 4 a. \$3,100,000 must be used to repay any outstanding debt of the Biesiot activities
5 center. The funds provided under this subdivision may be used only if the funding
6 provided under this subdivision will result in final satisfaction of any debt
7 associated with the facility; and
 - 8 b. \$4,309,626 must be used for the operations of the institution.
- 9 2. Dickinson state university shall utilize up to \$2,000,000 of funding from campus
10 reserves for any additional funding needed to maintain the operations of the institution
11 during the biennium beginning July 1, 2017, and ending June 30, 2019.
- 12 3. Dickinson state university may not discontinue any portion of its department of nursing
13 academic program during the biennium beginning July 1, 2017, and ending June 30,
14 2019.
- 15 4. The appropriations identified under this section are considered one-time funding items.

16 **SECTION 19. STATE TREASURER - REALLOCATION OF OIL AND GAS TAX**

17 **DISTRIBUTIONS.** Notwithstanding any other provision of law, during the period beginning
18 September 1, 2017, and ending August 31, 2019, the state treasurer shall withhold fifty percent
19 of the amounts allocated to the city of Dickinson under subdivision a of subsection 1 of section
20 57-51-15, up to a maximum of \$2,500,000 of withholdings, and shall deposit the amounts
21 withheld in the state general fund.

22 Notwithstanding any other provision of law, during the period beginning September 1, 2017,
23 and ending August 31, 2019, the state treasurer shall withhold fifty percent of the amounts
24 allocated to stark county under subdivision a of subsection 5 of section 57-51-15, up to a
25 maximum of \$375,000 of withholdings, and shall deposit the amounts withheld in the state
26 general fund.

27 **SECTION 20. TRANSFER AUTHORITY - LEGISLATIVE MANAGEMENT REPORT.**

28 Notwithstanding section 54-16-04, the state board of higher education may transfer
29 appropriation authority from the operations to the capital assets line items within subdivisions 2
30 through 14 of section 1 of this Act for the biennium beginning July 1, 2017, and ending June 30,

1 2019. The board shall report any transfer of funds under this section to the office of
2 management and budget and the legislative management.

3 **SECTION 21. FULL-TIME EQUIVALENT POSITION ADJUSTMENTS.** Notwithstanding
4 any other provisions of law, the state board of higher education may adjust full-time equivalent
5 positions as needed, subject to the availability of funds, for institutions and entities under its
6 control during the biennium beginning July 1, 2017, and ending June 30, 2019. The North
7 Dakota university system shall report any adjustments to the office of management and budget
8 as part of the submission of the 2019-21 biennium budget request.

9 **SECTION 22. UNIVERSITY OF NORTH DAKOTA SCHOOL OF MEDICINE AND HEALTH**
10 **SCIENCES OPERATIONS.** The operations line item in subdivision 5 of section 1 of this Act
11 includes a funding allocation from the higher education per student credit-hour funding formula
12 attributable to inflation during the biennium beginning July 1, 2017, and ending June 30, 2019.
13 Based on the recommendation of the commissioner of higher education, a portion of the
14 allocation must be transferred by the state board of higher education to the university of North
15 Dakota school of medicine and health sciences.

16 **SECTION 23. BOND ISSUANCE AUTHORIZATION - PURPOSES.** The state board of
17 higher education, in accordance with chapter 15-55, may arrange for the funding of projects
18 authorized in this section, declared to be in the public interest, through the issuance of self-
19 liquidating, tax-exempt evidences of indebtedness under chapter 15-55, beginning with the
20 effective date of this section and ending June 30, 2019. Evidences of indebtedness issued
21 pursuant to this section are not a general obligation of the state of North Dakota. Any
22 unexpended balance resulting from the proceeds of the evidences of indebtedness must be
23 placed in a sinking fund to be used for the retirement of indebtedness. The evidences of
24 indebtedness may be issued and the proceeds are appropriated in section 1 of this Act for the
25 following capital projects:

26 North Dakota state university - New residence hall	\$39,505,000
27 North Dakota state university - University village replacement	<u>10,000,000</u>
28 Total special funds	\$49,505,000

29 **SECTION 24. EXEMPTION - THEODORE ROOSEVELT CENTER PROJECT.** Except as
30 provided in this section, the amounts appropriated for the Theodore Roosevelt center project in
31 section 3 of chapter 34 of the 2013 Session Laws and section 4 of chapter 49 of the 2013

1 Session Laws are not subject to section 54-44.1-11 and any unexpended funds from these
2 sections are available during the biennium beginning July 1, 2017, and ending June 30, 2019,
3 as follows:

- 4 1. Of the unexpended appropriations available under this section, up to \$750,000 may be
5 used for the operations of the Theodore Roosevelt presidential library. Any remaining
6 funds may be used only for the planning, design, and construction of the Theodore
7 Roosevelt presidential library building and may not be used for operations, exhibits, or
8 replica structures.
- 9 2. Any expenditure of funds continued under this section, including funds used to match
10 state funds, must be approved in advance by an employee of the office of
11 commissioner of higher education designated by the state board of higher education.
- 12 3. The director of the office of management and budget shall cancel any appropriation
13 authority continued under this section on December 31, 2018, unless Dickinson state
14 university has certified to the director that:
 - 15 a. Construction commenced on the presidential library building prior to
16 December 31, 2018;
 - 17 b. A North Dakota architect was used to design the presidential library building;
 - 18 c. The cost of constructing the building, including planning and design costs, will
19 exceed fourteen million dollars; and
 - 20 d. Except as provided in subsection 1, no state appropriated funds designated for
21 the Theodore Roosevelt presidential library building project nor any funds used to
22 match the state funding are being used for purposes other than for planning,
23 design, and construction costs of the building.

24 **SECTION 25. EXEMPTION - HIGHER EDUCATION CHALLENGE GRANTS -**
25 **TRANSFER.** The unexpended amount remaining for the education challenge fund line item in
26 section 1 of chapter 34 of the 2013 Session Laws is not subject to section 54-44.1-11 and the
27 state board of higher education shall transfer any unexpended funds in this line item to
28 Dickinson state university for the operations of the institution during the biennium beginning July
29 1, 2017, and ending June 30, 2019.

30 **SECTION 26. EXEMPTION - STUDENT FINANCIAL ASSISTANCE GRANTS.** Of the
31 \$25,634,276 appropriated from the general fund in the student financial assistance grants line

1 item in subdivision 1 of section 1 of chapter 3 of the 2015 Session Laws, \$5,000,000 is not
2 subject to section 54-44.1-11 and must be canceled by the office of management and budget on
3 the effective date of this section.

4 **SECTION 27. TUITION RATE INCREASE LIMITATIONS - BUDGET SECTION**

5 **APPROVAL.**

- 6 1. Except as provided in this section, notwithstanding any other provision of law, the state
7 board of higher education may not increase tuition rates for resident students
8 attending institutions of higher education under its control during the 2017-18
9 academic year by more than four percent as compared to the tuition rate in effect
10 during the 2017 spring semester unless the board receives prior budget section
11 approval.
- 12 2. Except as provided in this section, notwithstanding any other provision of law, the state
13 board of higher education may not increase tuition rates for resident students
14 attending institutions of higher education under its control during the 2018-19
15 academic year by more than four percent as compared to the tuition rate in effect
16 during the 2018 spring semester unless the board receives prior budget section
17 approval.
- 18 3. This section does not apply to tuition rates charged for graduate level programs,
19 including programs offered through the university of North Dakota school of medicine
20 and health sciences, the university of North Dakota school of law, or the North Dakota
21 state university school of pharmacy.
- 22 4. This section does not apply to tuition rates for nonresident students attending
23 institutions of higher education under the control of the state board of higher
24 education. For purposes of this section, the residency of students for tuition purposes
25 must be determined under section 15-10-19.1.
- 26 5. This section does not apply to tuition rates determined under tuition reciprocity
27 agreements entered into by the state board of higher education with other states or
28 state education compacts.
- 29 6. For purposes of this section, an institution must calculate a resident tuition rate
30 increase based on the tuition rate paid by an average full-time resident student. The
31 state board of higher education may exclude adjustments to a tuition rate resulting

1 from a change in an institution's method of charging tuition, including the consolidation
2 of existing fees into tuition rates or charging tuition based on a per-credit rate, from
3 tuition rate calculations under this section.

4 **SECTION 28. USE OF EXTRAORDINARY REPAIRS FUNDING - MATCHING FUNDS.**

5 The capital assets line items in subdivisions 2 through 12 of section 1 of this Act include funding
6 from the general fund for institution extraordinary repairs. An institution shall provide two dollars
7 of matching funds from operations or other sources for each one dollar of extraordinary repairs
8 funding used for a project.

9 **SECTION 29. TRANSFER OF LAND AUTHORIZED.** The state of North Dakota, by and
10 through the state board of higher education, shall convey certain real property consisting of
11 approximately 0.8 acres parallel and adjacent to the BNSF railway company right-of-way in
12 Cass County, North Dakota, known as parcel number 01-3504-08500-000 in the records of
13 Cass County, North Dakota, to BNSF railway company, if determined appropriate by the state
14 board of higher education and the commissioner of university and school lands. The terms of
15 the conveyance must be determined jointly by the state board of higher education or a designee
16 of the board and the commissioner of university and school lands. North Dakota Century Code
17 sections 54-01-05.2 and 54-01-05.5 do not apply to the transfer authorized by this section.

18 **SECTION 30. TRANSFER OF LAND AUTHORIZED.** The state of North Dakota, by and
19 through the state board of higher education, may convey certain real property known as Dakota
20 hall or airport addition, 1015 north forty-third street, lot h, replat of lot 1 and 2, b 3 block 3 and
21 part northwest quarter of northwest quarter section 6-151-60 in the records of the city of Grand
22 Forks, if determined appropriate by the state board of higher education. If any of the real
23 property authorized to be conveyed under this section is conveyed, the terms of the
24 conveyance must be determined jointly by the state board of higher education or a designee of
25 the board and the commissioner of university and school lands. North Dakota Century Code
26 sections 54-01-05.2 and 54-01-05.5 do not apply to the transfer authorized by this section.

27 **SECTION 31. TRANSFER OF LAND AUTHORIZED.** The state of North Dakota, by and
28 through the state board of higher education, may convey certain real property known as Ray
29 Richard's golf course or Ray Richard's golf course addition, 3801 demers avenue, lot 1, block 1,
30 and Ray Richard's golf course addition, 3501 demers avenue, lot 2, block 1, in the records of
31 the city of Grand Forks, if determined appropriate by the state board of higher education. If any

1 of the real property authorized to be conveyed under this section is conveyed, the terms of the
2 conveyance must be determined by the state board of higher education or a designee of the
3 board. North Dakota Century Code sections 54-01-5.2 and 54-01-05.5 do not apply to the
4 transfer authorized by this section.

5 **SECTION 32. TRANSFER OF DAKOTA INSTITUTE INVENTORY.** The parks and
6 recreation department shall transfer the name Dakota institute and all rights, title, interests, and
7 copyrights and up to eighty percent of any remaining inventory of any Dakota institute
8 publication, book, or other document or production, regardless of format, to Bismarck state
9 college. Bismarck state college may transfer any rights, title, interests, copyrights, inventory of
10 any of the Dakota institute's publications, books, or other documents or productions, regardless
11 of format, to the author or producer of the document or production.

12 **SECTION 33. RESEARCH NETWORKS - REPORT TO THE LEGISLATIVE**
13 **MANAGEMENT.** During the biennium beginning July 1, 2017, and ending June 30, 2019, the
14 state board of higher education, in association with the research institutions under its control,
15 shall consider opportunities for collaboration on high-performance computing, data analytics,
16 and connectivity to Minnesota research networks to improve access, increase capacity, and
17 create efficiencies. The board may utilize appropriations and reserves designated for the
18 northern tier network to accommodate continued use of existing research networks and to
19 expand network capabilities. The board shall consider developing policies and procedures to
20 authorize private entities to utilize the research network. During the 2017-18 interim, the state
21 board of higher education shall provide a report to the legislative management regarding the
22 status of efforts to collaborate with Minnesota entities for research network purposes.

23 **SECTION 34. LEGISLATIVE MANAGEMENT STUDY - UNIVERSITY OF NORTH**
24 **DAKOTA ENERGY AND ENVIRONMENTAL RESEARCH CENTER RELATIONSHIP WITH**
25 **THE UNIVERSITY OF NORTH DAKOTA.** During the 2017-18 interim, the Legislative
26 Management shall consider studying the relationship between the University of North Dakota
27 and the Energy and Environmental Research Center. The study, if conducted, must include a
28 review of the working relationship between the entities including financial responsibilities and
29 expectations of each entity including potential alternative administrative reporting lines and
30 business models. The Legislative Management shall report its findings and recommendations,

1 including any legislation necessary to implement the recommendations, to the sixty-sixth
2 legislative assembly.

3 **SECTION 35. STATE BOARD OF HIGHER EDUCATION - STUDY OF THE**
4 **REORGANIZATION OF TWO-YEAR INSTITUTIONS - REPORT TO SIXTY-SIXTH**
5 **LEGISLATIVE ASSEMBLY.** During the period beginning July 1, 2017, and ending

6 December 31, 2018, the state board of higher education shall study the reorganization of the
7 two-year institutions under its control into a community and technology college system that
8 addresses workforce and education needs of the state. As part of the study, the board shall
9 consider:

- 10 1. Shared administration;
- 11 2. Shared courses, including a common course catalog;
- 12 3. Articulation agreements linking elementary and secondary education, career
13 academies, and career and technical education to postsecondary certificates and
14 associate's degrees;
- 15 4. Centralized processing of student admissions, housing applications, financial aid, and
16 advising; and
- 17 5. Centralized services, including bookstore operations, food services, marketing,
18 procurement, accounting, and human resources.

19 The state board of higher education shall approve and present a plan to implement the
20 recommendations of its study to reorganize two-year institutions, including drafts of legislation
21 necessary to implement the recommendations, to the appropriations committees of the
22 sixty-sixth legislative assembly.

23 **SECTION 36. STATE BOARD OF HIGHER EDUCATION - STUDY OF NURSING**
24 **PROGRAMS - REPORT TO THE SIXTY-SIXTH LEGISLATIVE ASSEMBLY.** During the period
25 beginning July 1, 2017, and ending December 31, 2018, the state board of higher education
26 shall study the reorganization of nursing programs at institutions under its control. As part of the
27 study, the board shall review the number of institutions offering nursing programs, the level of
28 programs offered, and the locations of programs. The board shall consider options to develop
29 collaborations among institutions to offer programs in an efficient and effective manner to
30 address the workforce needs of the state.

1 The state board of higher education shall approve and present a plan to implement the
2 recommendations of its study to reorganize nursing programs, including drafts of legislation
3 necessary to implement the recommendations, to the appropriations committees of the
4 sixty-sixth legislative assembly.

5 **SECTION 37. STATE BOARD OF HIGHER EDUCATION DATA AND REPORTING**

6 **INCONSISTENCIES - REPORT TO LEGISLATIVE MANAGEMENT.** During the biennium
7 beginning July 1, 2017, and ending June 30, 2019, the state board of higher education shall
8 evaluate the following data and reporting inconsistency issues at institutions and entities under
9 its control and develop policies and procedures to correct:

- 10 1. Inconsistent employee classifications and human resources reporting;
- 11 2. Inconsistent employee leave policies;
- 12 3. Inconsistent practices for awarding tuition waivers; and
- 13 4. Inconsistent practices regarding the charging of student fees.

14 The state board of higher education shall provide a report to and consult with the legislative
15 management during the 2017-18 interim regarding the status of the inconsistencies, including
16 policies and procedures being developed to address the inconsistencies.

17 **SECTION 38. REDUCTION IN EMPLOYEES - LEGISLATIVE INTENT - REPORT TO**

18 **LEGISLATIVE MANAGEMENT.** It is the intent of the sixty-fifth legislative assembly that if the
19 number of full-time equivalent positions is reduced at institutions under the control of the state
20 board of higher education, any reduction be applied among all classifications of employees with
21 emphasis on senior administrative positions. During the 2017-18 interim, the state board of
22 higher education shall provide reports to the legislative management regarding the total number
23 of employee positions reduced at each institution, the number of administrative positions
24 reduced at each institution, and whether any former administrative staff employees are still
25 employed by the institution in a different position.

26 **SECTION 39. LEGISLATIVE INTENT - NORTH DAKOTA STATE UNIVERSITY - LEASE**

27 **ARRANGEMENT AND OTHER SAVINGS.** It is the intent of the sixty-fifth legislative assembly
28 that future general fund appropriations in support of the North Dakota state university
29 department of nursing program in Bismarck be adjusted for savings resulting from facility lease
30 negotiations and for credit-hours completed at the school.

1 **SECTION 40. EFFECTIVE DATE.** Section 13 of this Act become effective on June 30,
2 2017.

3 **SECTION 41. EMERGENCY.** Sections 13, 23, 24, 26, 28, and 40 and the capital assets line
4 items in section 1 of this Act are declared to be an emergency measure.