

Sixty-seventh
Legislative Assembly
of North Dakota

ENGROSSED SENATE BILL NO. 2033

Introduced by

Legislative Management

(Higher Education Committee)

1 A BILL for an Act to create and enact a new chapter to title 15 of the North Dakota Century
2 Code, relating to the university system capital building fund; to provide an appropriation; to
3 provide for a transfer; and to declare an emergency.

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

5 **SECTION 1.** A new chapter to title 15 of the North Dakota Century Code is created and
6 enacted as follows:

7 **University system capital building fund - Creation - Continuing appropriation.**

8 There is created in the state treasury the university system capital building fund. The
9 university system capital building fund consists of moneys transferred to the fund and any
10 interest and earnings of the fund. The state board of higher education may provide for the fund
11 to be invested under the supervision of the state investment board. Moneys in the fund are
12 appropriated to the state board of higher education on a continuing basis for allocations to the
13 institutions under the control of the state board of higher education for capital projects as
14 directed by the legislative assembly and in accordance with this chapter. Any interest or
15 earnings of the fund must be allocated to the capital building fund pool within the university
16 system capital building fund.

17 **Capital building funds - Uses - Reports.**

18 Subject to tier II and tier III capital building fund matching requirements under this chapter,
19 each institution may use its allocation of funds from the university system capital building fund
20 for projects specifically authorized by the legislative assembly to use university system capital
21 building fund moneys. In addition, after an institution has matched and committed seventy-five
22 percent of the funding appropriated for the institution's tier I extraordinary repairs and subject to
23 state board of higher education approval and matching requirements under this chapter, each
24 institution may use its allocation of funds from the university system capital building fund for

extraordinary repairs and deferred maintenance projects that do not increase the overall square footage of a building. The state board of higher education shall report biennially to the legislative management and to the appropriations committees of the legislative assembly on the use of funding in the university system capital building fund, the source of matching funds, and each institution's five-year plan for capital construction spending.

Tier II capital building funds - Matching requirements.

The state board of higher education may allocate tier II capital building fund moneys to an institution for a project only after the institution provides one dollar of matching funds from operations or other sources for each one dollar from the university system capital building fund for the project. An institution may not use tier I extraordinary repairs funding, tier III capital building fund moneys, or state funding appropriated for a specific capital project as matching funds under this section.

Tier III capital building funds - Matching requirements.

The state board of higher education may allocate tier III capital building fund moneys to an institution only after the institution provides two dollars of matching funds from operations or other sources for each one dollar from the university system capital building fund for the project. An institution may not use tier I extraordinary repairs funding, tier II capital building fund moneys, or state funding appropriated for a specific capital project as matching funds under this section.

Capital building fund pool.

If the state board of higher education has not allocated capital building fund moneys to an institution by January first of the third biennium after the funding was appropriated or transferred to the fund, the board shall reallocate the funds to a pool within the university system capital building fund. Any institution under the control of the state board of higher education that has fully matched and committed its university system capital building fund allocation may apply for and be allocated funding from the capital building fund pool, subject to state board of higher education approval and tier III capital building fund matching requirements under this chapter.

SECTION 2. UNSPENT FUNDS - TRANSFER - BANK OF NORTH DAKOTA PROFITS - GENERAL FUND - UNIVERSITY SYSTEM CAPITAL BUILDING FUND. Any amounts from the \$17,000,000 from the current earnings and accumulated profits of the Bank of North Dakota for the tier II and tier III capital building fund program and any amounts from the \$2,000,000 from

the general fund for the tier III capital building fund program appropriated in section 1 of chapter 3 of the 2019 Session Laws which are not matched and committed for a project by June 30, 2021, must be transferred to the university system capital building fund at the end of the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 3. APPROPRIATION - TRANSFER - GENERAL FUND - UNIVERSITY

SYSTEM CAPITAL BUILDING FUND. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$2,000,000, or so much of the sum as may be necessary, which the director of the office of management and budget shall transfer to the university system capital building fund during the period beginning with the effective date of this Act, and ending June 30, 2023.

SECTION 4. CAPITAL BUILDING FUNDS - USES. The institutions listed may use funding from the respective institution's university system capital building fund allocation for the following projects authorized by the sixty-sixth legislative assembly:

North Dakota state university - Dunbar Hall	\$51,200,000
North Dakota state university - Agriculture products development center	60,000,000
University of North Dakota - Gamble Hall	<u>70,000,000</u>
Total	\$181,200,000

SECTION 5. EMERGENCY. This Act is declared to be an emergency measure.