Department 241 - Minot State University
House Bill No. 1003

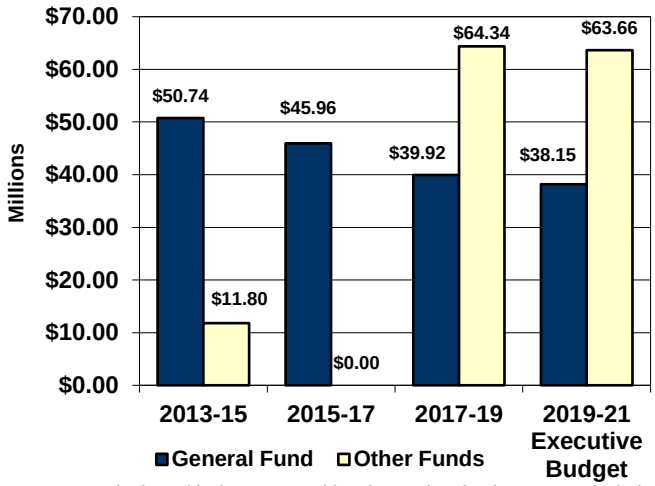
Executive Budget Comparison to Prior Biennium Appropriations

	FTE Positions	General Fund	Other Funds	Total
2019-21 Executive Budget	407.58	$38,146,932	$63,663,260	$101,810,192
2017-19 Legislative Appropriations	441.65	39,916,756	64,342,916	104,259,672
Increase (Decrease)	(34.07)	($1,769,824)	($679,656)	($2,449,480)

Ongoing and One-Time General Fund Appropriations

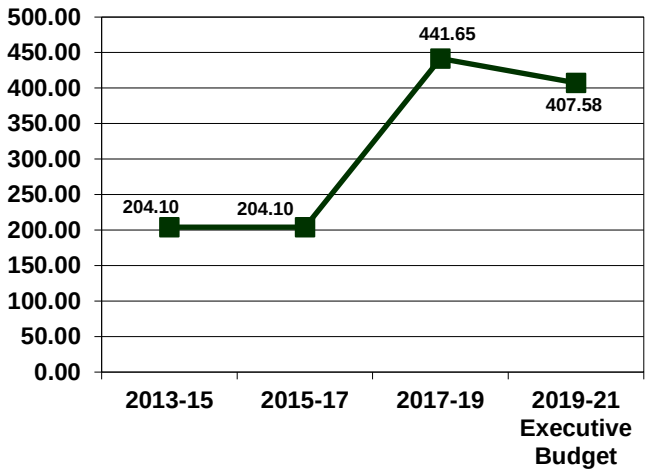
	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2019-21 Executive Budget	$38,146,932	$0	$38,146,932
2017-19 Legislative Appropriations	39,750,979	165,777	39,916,756
Increase (Decrease)	($1,604,047)	($165,777)	($1,769,824)

Agency Funding



NOTE: Beginning with the 2017-19 biennium, other funds amounts include the appropriation of certain special funds. See the **Special Funds Appropriations** section below for additional information.

FTE Positions



NOTE: Beginning with the 2017-19 biennium, there was a change in reporting methods for University System FTE positions. See the **FTE Positions** section below for additional information.

Executive Budget Comparison to Base Level

	General Fund	Other Funds	Total
2019-21 Executive Budget	$38,146,932	$63,663,260	$101,810,192
2019-21 Base Level	39,750,979	62,058,916	101,809,895
Increase (Decrease)	($1,604,047)	$1,604,344	$297

First House Action

Attached is a comparison worksheet detailing first house changes to base level funding and the executive budget.

Executive Budget Highlights
(With First House Changes in Bold)

	General Fund	Other Funds	Total
1. Provides funding adjustments through the higher education funding formula as follows:			
• Reduces funding for institution operations. **The House did not reduce funding for operations.**	($1,908,047)	$0	($1,908,047)
• Adjusts funding to reflect changes in completed student credit-hours	(2,300,918)	0	(2,300,918)
• Provides funding to limit funding reductions through the funding formula (hold-harmless provision)	710,879	0	710,879
• Adds funding for inflationary increases, including employee compensation and benefit adjustments. **The House added funding for salary adjustments of 2 percent per year and**	1,894,039	0	1,894,039

increases in health insurance premiums from $1,241 to $1,427 per month. The House did not add funding for retirement contribution increases.			
Total	($1,604,047)	$0	($1,604,047)

FTE Positions

The 2019-21 biennium executive budget recommendation includes authorization of all FTE positions for institutions and entities under the control of the State Board of Higher Education, including positions supported by special funds. Prior to the 2017-19 biennium, only FTE positions supported by the general fund were authorized.

Special Funds Appropriations

The 2019-21 biennium executive budget recommendation includes appropriation authority of all special funds received by the North Dakota University System office and institutions. Prior to the 2017-19 biennium, special funds appropriations for the University System office and institutions were provided only for certain items, such as capital projects.

Other Sections in House Bill No. 1003

Carryover authority - Section 11 continues the authorization through July 31, 2021, for institutions under the control of the State Board of Higher Education to carry over unexpended appropriations at the end of a biennium.

Additional funds appropriation authority - Section 13 appropriates any additional special funds received by entities under the control of the State Board of Higher Education to the respective entities.

Project management oversight - Section 14 requires capital projects authorized by the State Board of Higher Education to have adequate project oversight by an institution official or representative of an external entity.

Transfer authority - Section 16 provides that the State Board of Higher Education may transfer funds from an institution's operations line item to the institution's capital assets and capital building fund line items if the board determines that additional funds are needed for capital projects or extraordinary repairs.

FTE positions - Section 17 authorizes the State Board of Higher Education to adjust FTE positions as needed, subject to the availability of funds, for institutions and entities under its control.

Extraordinary repairs matching funds - Section 18 requires institutions to match state extraordinary repairs funding on a $2 to $1 basis using operations or other funding.

Capital building funds - Sections 20, 21, and 22 provide for the establishment of capital building funds at each institution, establish matching fund requirements, and authorize the use of capital building fund money for certain capital projects. Section 24 provides these sections are an emergency measure.

Tuition rate increase limitation - Section 23 limits tuition rate increases to 3 percent per year. An institution may increase tuition by an additional 1 percent if it has secured matching funds to place the revenue from the additional 1 percent tuition increase in its capital building fund.

Additional Funds Appropriation Authority

Additional special funds received - Section 13 of House Bill No. 1003 appropriates any additional federal, private, and other local funds received by entities under the control of the State Board of Higher Education, including tuition revenue, to the respective entities during the 2019-21 biennium.

Significant Audit Findings

There were no significant audit findings for this institution.

Major Related Legislation

House Bill No. 1013 - Permanent funds distributions - Provides distributions to University System institutions from permanent funds established for the benefit of the institutions. The following is a comparison of distributions from permanent funds during the 2017-19 biennium and the 2019-21 executive budget recommendation:

Institution	2017-19 Distribution	2019-21 Distribution	Increase (Decrease)
North Dakota State University	$4,738,000	$5,916,000	$1,178,000
University of North Dakota	3,662,000	4,504,000	842,000
North Dakota State College of Science	1,446,286	1,736,000	289,714
Valley City State University	808,000	1,034,000	226,000
Mayville State University	542,000	668,000	126,000
Dakota College at Bottineau	186,286	242,000	55,714
Dickinson State University	186,286	242,000	55,714
Minot State University	186,286	242,000	55,714
Total	$11,755,144	$14,584,000	$2,828,856

Senate Bill No. 2016 - Increases the National Guard tuition waiver from 25 percent to 35 percent.

Senate Bill No. 2275 - Expands eligibility relating to the infrastructure revolving loan fund to include University System institutions.

House Concurrent Resolution No. 3016 - Provides for the removal of the University System institutions from the constitution.

North Dakota University System Institutuions
House Bill No. 1003
Base Level Funding Changes

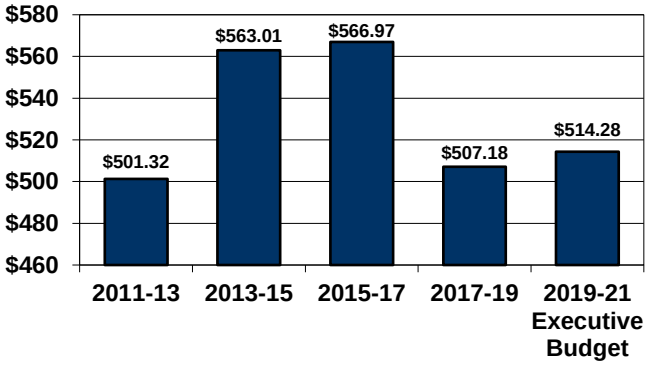
	Executive Budget Recommendation				House Version			
	FTE Position	General Fund	Other Funds	Total	FTE Position	General Fund	Other Funds	Total
2019-21 Biennium Base Level	6,591.36	$507,176,197	$1,829,598,421	$2,336,774,618	6,591.36	$507,176,197	$1,829,598,421	$2,336,774,618
2019-21 Ongoing Funding Changes								
Base payroll changes	(157.39)		($13,811,230)	($13,811,230)	(157.39)		($13,811,230)	($13,811,230)
Salary increase		15,196,654	30,018,344	45,214,998		9,108,175	17,890,120	26,998,295
Health insurance increase		7,812,061	15,757,812	23,569,873		9,313,597	18,608,530	27,922,127
Retirement contribution increase		458,405	905,498	1,363,903				0
Student credit-hour completion adjustment		4,439,819		4,439,819		4,439,819		4,439,819
Hold-harmless provision		710,879		710,879		710,879		710,879
Funding model reduction		(25,307,427)		(25,307,427)				0
UND SMHS residency program		4,507,252		4,507,252		4,507,252		4,507,252
Adjust special funds authority			8,700,514	8,700,514				0
Total ongoing funding changes	(157.39)	$7,817,643	$41,570,938	$49,388,581	(157.39)	$28,079,722	$22,687,420	$50,767,142
One-time funding items								
UND Athletics High Performance Center Phase II			$35,000,000	$35,000,000			$35,000,000	$35,000,000
UND Memorial Union			80,000,000	80,000,000			80,000,000	80,000,000
NDSU Barry Hall			3,000,000	3,000,000			3,000,000	3,000,000
NDSU indoor practice facility			37,200,000	37,200,000			37,200,000	37,200,000
NDSU softball indoor facility			2,000,000	2,000,000			2,000,000	2,000,000
NDSU University Village Phase II			37,600,000	37,600,000			37,600,000	37,600,000
NDSU Dunbar Hall			51,350,000	51,350,000				0
NDSCS Workforce Career Academy			30,000,000	30,000,000				0
VCSU Communication and Fine Arts Buildin			3,900,000	3,900,000				0
DCB Dining Facility			2,500,000	2,500,000				0
LRSC Precision Agriculture Center				0			3,000,000	3,000,000
DSU Theodore Roosevelt digitization		750,000		750,000		250,000		250,000
Tier II Capital building fund				0			37,297,110	37,297,110
Total one-time funding changes	0.00	$750,000	$282,550,000	$283,300,000	0.00	$250,000	$235,097,110	$235,347,110
Total Changes to Base Level Funding	(157.39)	$8,567,643	$324,120,938	$332,688,581	(157.39)	$28,329,722	$257,784,530	$286,114,252
2019-21 Total Funding	6,433.97	$515,743,840	$2,153,719,359	$2,669,463,199	6,433.97	$535,505,919	$2,087,382,951	$2,622,888,870

North Dakota University System Institutions

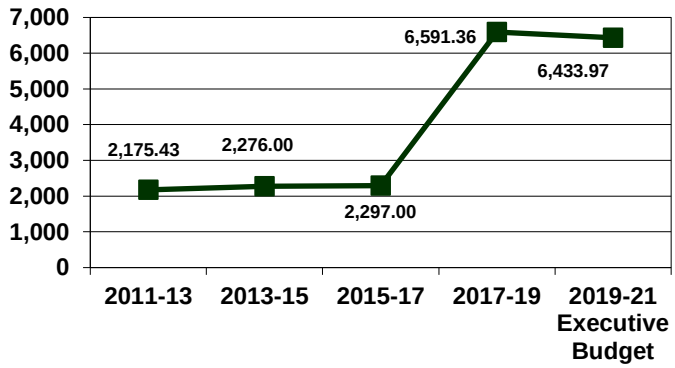
Historical Appropriations Information

Ongoing General Fund Appropriations Since 2011-13

Ongoing General Fund Appropriations (in Millions)



FTE Positions



Ongoing General Fund Appropriations					
	2011-13	2013-15	2015-17	2017-19	2019-21 Executive Budget
Ongoing general fund appropriations	$501,323,720	$563,008,934	$566,966,411	$507,176,197	$514,282,961
Increase (decrease) from previous biennium	N/A	$61,685,214	$3,957,477	($59,790,214)	$7,106,764
Percentage increase (decrease) from previous biennium	N/A	12.3%	0.7%	(10.5%)	1.4%
Cumulative percentage increase (decrease) from 2011-13 biennium	N/A	12.3%	13.1%	1.2%	2.6%

Major Increases (Decreases) in Ongoing General Fund Appropriations

2013-15 Biennium

1. Provided funding for campus equalization payments	$16,526,024
2. Provided funding for salary increases, health insurance increases, retirement contribution increases, and utility cost increases	$39,475,866

2015-17 Biennium

1. Provided funding base credit rate adjustments for inflation (This item was affected by the August 2016 budget reductions)	$13,583,565
2. Provided funding for base funding formula adjustments including campus equalization adjustments (This item was affected by the August 2016 budget reductions)	$40,201,487

2017-19 Biennium

1. Reduced funding for institution operations	($76,770,014)
2. Adjusted funding for changes in completed student credits	$11,889,020
3. Added funding for changes in health insurance premiums	$5,297,632

2019-21 Biennium (Executive Budget Recommendation)

1. Reduces funding for institution operations. **The House did not reduce funding for operations.**	($25,307,427)
2. Adjusts funding for changes in completed student credits	$4,439,819
3. Adds funding for inflationary increases, including employee compensation and benefit adjustments. **The House added funding for salary adjustments of 2 percent per year and increases in health insurance premiums from $1,241 to $1,427 per month. The House did not add funding for retirement contribution increases.**	$23,467,120
4. Adds funding for residency positions at UND School of Medicine and Health Sciences	$4,507,252

GOVERNOR'S RECOMMENDATION FOR THE NORTH DAKOTA UNIVERSITY SYSTEM AS SUBMITTED BY THE OFFICE OF MANAGEMENT AND BUDGET

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income to the North Dakota university system office and to the various entities and institutions under the supervision of the state board of higher education for the purpose of defraying the expenses of the North Dakota university system office and to the various entities for the biennium beginning July 1, 2019, and ending June 30, 2021, as follows:

Subdivision 1.

NORTH DAKOTA UNIVERSITY SYSTEM OFFICE

	Base Level	Adjustments or Enhancements	Appropriation
Capital Assets	$6,605,326	($1,645,878)	$4,959,448
Student Financial Assistance Grants	21,917,306	0	21,917,306
Veterans assistance grants	277,875	0	277,875
ND Scholars Program	1,807,115	0	1,807,115
Title II Grants	1,006,472	(1,006,472)	0
Native American scholarships	555,323	0	555,323
Core Technology Services	61,527,347	(301,330)	61,226,017
Education Challenge Fund	0	40,000,000	40,000,000
Education incentive programs	2,863,393	(2,103,393)	760,000
Tribally-controlled community college grants	600,000	400,000	1,000,000
Academic and Tech Ed Scholarship	12,016,749	2,939,803	14,956,552
Student Exchange Program	3,699,342	0	3,699,342
Student mental health	284,400	(14,220)	270,180
Competitive Research Program	6,027,750	0	6,027,750
Dual Credit Pilot Program	200,000	(200,000)	0
System Governance	8,163,238	(201,194)	7,962,044
Two-Year Campus Study	0	0	0
Shared Campus Services	500,000	(25,000)	475,000

Online Curriculum Development Grant	0	5,000,000	5,000,000
Total all funds	$128,051,636	$42,842,316	$170,893,952
Less estimated income	26,412,106	2,712,233	29,124,339
Total general fund	$101,639,530	$40,130,083	$141,769,613
Full-time equivalent positions	149.40	(0.50)	148.90

Subdivision 2

BISMARCK STATE COLLEGE

	Base Level	Adjustments or Enhancements	Appropriation
Operations	$101,670,034	($4,176,861)	$97,493,173
Capital assets	1,922,561	(10,348)	1,912,213
Total all funds	$103,592,595	($4,187,209)	$99,405,386
Less estimated income	72,991,998	(3,278,439)	69,713,559
Total general fund	$30,600,597	($908,770)	$29,691,827
Full-time equivalent positions	358.35	(34.42)	323.93

Subdivision 3

LAKE REGION STATE COLLEGE

	Base Level	Adjustments or Enhancements	Appropriation
Operations	$36,449,048	$581,500	$37,030,548
Capital assets	362,667	0	362,667
Total all funds	$36,811,715	$581,500	$37,393,215
Less estimated income	24,111,092	910,351	25,021,443
Total general fund	$12,700,623	($328,851)	$12,371,772
Full-time equivalent positions	129.61	(11.51)	118.10

Subdivision 4

WILLISTON STATE COLLEGE

	Base Level	Adjustments or Enhancements	Appropriation
Operations	$26,954,133	$5,052,426	$32,006,559

Capital assets	1,261,968	0	1,261,968
Total all funds	$28,216,101	$5,052,426	$33,268,527
Less estimated income	19,855,598	3,791,213	23,646,811
Total general fund	$8,360,503	$1,261,213	$9,621,716
Full-time equivalent positions	100.75	(0.27)	100.48

Subdivision 5

UNIVERSITY OF NORTH DAKOTA

	Base Level	Adjustments or Enhancements	Appropriation
Operations	$864,554,973	$16,881,361	$881,436,334
Capital assets	95,411,566	119,411,566	119,411,566
Total all funds	$959,966,539	$40,881,361	$1,000,847,900
Less estimated income	819,870,450	41,626,913	861,497,363
Total general fund	$140,096,089	($745,552)	$139,350,537
Full-time equivalent positions	2,218.07	(85.90)	2,132.17

Subdivision 6

NORTH DAKOTA STATE UNIVERSITY

	Base Level	Adjustments or Enhancements	Appropriation
Operations	$732,673,267	$7,320,793	$739,994,060
Capital assets	85,304,104	(26,155,000)	59,149,104
Capital projects - Non-State	0	79,800,000	79,800,000
Total all funds	$817,977,371	$60,965,793	$878,943,164
Less estimated income	689,386,329	62,314,410	751,700,739
Total general fund	$128,591,042	($1,348,617)	$127,242,425
Full-time equivalent positions	1,895.66	(25.50)	1,870.16

Subdivision 7

NORTH DAKOTA STATE COLLEGE OF SCIENCE

	Base Level	Adjustments or Enhancements	Appropriation
Operations	$91,682,610	$2,503,528	$94,186,138
Capital assets	1,012,379	0	1,012,379
Capital projects - Non-State	0	30,000,000	30,000,000
Total all funds	$92,694,989	$32,503,528	$125,198,517
Less estimated income	57,605,613	32,669,784	90,275,397
Total general fund	$35,089,376	($166,256)	$34,923,120
Full-time equivalent positions	345.04	(34.31)	310.73

Subdivision 8

DICKINSON STATE UNIVERSITY

	Base Level	Adjustments or Enhancements	Appropriation
Operations	$47,135,592	$685,259	$47,820,851
Capital assets	409,078	0	409,078
Digitization Project	0	750,000	750,000
Total all funds	$47,544,670	$1,435,259	$48,979,929
Less estimated income	29,737,827	903,660	30,641,487
Total general fund	$17,806,843	$531,599	$18,338,442
Full-time equivalent positions	168.90	44.36	213.26

Subdivision 9

MAYVILLE STATE UNIVERSITY

	Base Level	Adjustments or Enhancements	Appropriation
Operations	$44,197,761	$2,724,941	$46,922,702
Capital assets	358,992	67,648	426,640
Total all funds	$44,556,753	$2,792,589	$47,349,342
Less estimated income	30,307,148	1,339,912	31,647,060
Total general fund	$14,249,605	$1,452,677	$15,702,282
Full-time equivalent positions	210.53	(1.26)	209.27

Subdivision 10

MINOT STATE UNIVERSITY

	Base Level	Adjustments or Enhancements	Appropriation
Operations	$100,710,275	$297	$100,710,572
Capital assets	1,099,620	0	1,099,620
Total all funds	$101,809,895	$297	$101,810,192
Less estimated income	62,058,916	1,604,344	63,663,260
Total general fund	$39,750,979	($1,604,047)	$38,146,932
Full-time equivalent positions	441.65	(34.07)	407.58

Subdivision 11

VALLEY CITY STATE UNIVERSITY

	Base Level	Adjustments or Enhancements	Appropriation
Operations	$48,444,336	($2,742,443)	$45,701,893
Capital assets	455,823	3,957,520	4,413,343
Total all funds	$48,900,159	$1,215,077	$50,115,236
Less estimated income	28,470,657	1,421,429	29,892,086
Total general fund	$20,429,502	($206,352)	$20,223,150
Full-time equivalent positions	202.75	(22.07)	180.68

Subdivision 12

DAKOTA COLLEGE AT BOTTINEAU

	Base Level	Adjustments or Enhancements	Appropriation
Operations	$17,168,111	$3,422,579	$20,590,690
Capital assets	114,007	2,963,312	3,077,319
Total all funds	$17,282,118	$6,385,891	$23,668,009
Less estimated income	9,629,173	6,640,948	16,270,121
Total general fund	$7,652,945	($255,057)	$7,397,888

Full-time equivalent positions	84.30	(2.01)	82.29

Subdivision 13

UNIVERSITY OF NORTH DAKOTA SCHOOL OF MEDICINE AND HEALTH SCIENCES

	Base Level	Adjustments or Enhancements	Appropriation
Operations	$205,926,713	$5,880,919	$211,807,632
Healthcare Workforce Initiative	0	10,676,150	10,676,150
Total all funds	$205,926,713	$16,557,069	$222,483,782
Less estimated income	154,078,620	5,671,413	159,750,033
Total general fund	$51,848,093	$10,885,656	$62,733,749
Full-time equivalent positions	435.75	49.57	485.32

Subdivision 14

NORTH DAKOTA FOREST SERVICE

	Base Level	Adjustments or Enhancements	Appropriation
Operations	$14,958,447	$60,874	$15,019,321
Capital assets	118,728	0	118,728
Total all funds	$15,077,175	$60,874	$15,138,049
Less estimated income	10,650,748	14,652	10,665,400
Total general fund	$4,426,427	$46,222	$4,472,649
Full-time equivalent positions	27.00	0	27.00

Subdivision 15

BILL TOTAL

	Base Level	Adjustments or Enhancements	Appropriation
Grand total general fund			

	$613,242,154	$48,743,948	$661,986,102
Grand total special funds	2,035,166,275	158,342,823	2,193,509,098
Grand total all funds	$2,648,408,429	$207,086,771	$2,855,495,200

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-SEVENTH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-fifth legislative assembly for the 2017-19 biennium and the 2019-21 one-time funding items included in the appropriation in section 1 of this Act:

One-Time Funding Description	2017-19	2019-21
Capital projects – other funds	$168,505,000	$282,550,000
Midwestern Higher Education Compact Dues	230,000	0
Two Year Campus Study	40,000	0
One-time Campus Operations	2,000,000	0
Dickinson State University – Campus operations and debt	8,284,626	0
Online Curriculum Development Grant	0	5,000,000
Dickinson State University – Digitization Project	0	750,000
Education challenge grants	2,000,000	40,000,000
Total all funds	$203,367,962	$328,300,000
Total other funds	49,348,194	287,550,000
Total general fund	$154,019,768	$40,750,000

The 2019-21 one-time funding amounts are not a part of the entity's base budget for the 2021-23 biennium. The North Dakota university system shall report to the appropriations committees of the sixty-seventh legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 3. SPECIAL FUNDS TRANSFER – STRATEGIC INVESTMENT AND IMPROVEMENTS FUND. The less estimated income line item in section 1 of this Act includes the sum of $5,000,000, from the strategic investment and improvements fund for competitive grants for the institutions for online curriculum development. The less estimated income line in section 1 of this Act also includes the sum of $2,900,000, from

the strategic investment and improvements fund for the renovation of McCarthy Hall and demolition of Foss Hall at Valley City State University. The less estimated income line in section 1 of this Act also includes the sum of $25,675,000, from the strategic investment and improvements fund for Dunbar Hall at North Dakota State University. The funding for Dunbar Hall requires a minimum of $13,000,000 in matching funds before it shall be transferred and notwithstanding Section 54-44.1-11 of the North Dakota Century Code any unexpended appropriation available for Dunbar under this section must be returned to the strategic investment and improvement fund on June 30, 2021. All of these amounts may be transferred at the direction of the state board of higher education and all are one-time items for the biennium beginning July 1, 2019 and ending June 30, 2021.

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

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

1. a. Subject to legislative appropriations, each biennium during the period beginning July first of each odd-numbered year and ending December thirty-first of each even-numbered year, the state board of higher education shall award one dollar in matching grants for every two dollars raised by the institutional foundations of the university of North Dakota and North Dakota state university for projects dedicated exclusively to the advancement of academics.

b. To be eligible for a matching grant, an institution must demonstrate that:

(1) Its foundation has raised at least fifty thousand dollars in cash or monetary pledges for a qualifying project; and

(2) The project has been approved by the grant review committee established in section 15-10-51.

c. The board may award ~~up to two hundred thousand dollars in~~ matching grants to each institution based on total completed credit-hours, as determined under section 15-18.2-01, and as set forth in this section. The matching grant award dollar amounts are:

(1) $1,250,000 for institutions with less than 100,000 completed credit hours;

(2) $3,000,000 for institutions with 100,000 to 599,999 completed credit hours; and

(3) $11,750,000 for institutions with more than 599,999 completed credit hours.

d. Projects at the university of North Dakota school of medicine and health sciences are not eligible to receive a grant under this section.

2. a. If any available dollars have not been awarded by the board before January first of each odd-numbered year, in accordance with subsection 1, either the university of North Dakota or North Dakota state university may apply for an additional matching grant.

b. An application submitted under this subsection must meet the same criteria as an original application.

c. The board shall consider each application submitted under this subsection in chronological order.

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

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

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

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

1. a. Subject to legislative appropriations, each biennium during the period beginning July first of each odd-numbered year and ending December thirty-first of each even-numbered year, the state board of higher education shall award one dollar in matching grants for every two dollars raised by the institutional foundations of Bismarck state college, Dakota college at Bottineau, Dickinson state university, Lake Region state college, Mayville state university, Minot state university, North Dakota state college of science, Valley City state university, and Williston state college for projects dedicated exclusively to the advancement of academics.

b. To be eligible for a matching grant, an institution must demonstrate that:

(1) Its foundation has raised at least twenty-five thousand dollars in cash or monetary pledges for a qualifying project; and

(2) The project has been approved by the grant review committee established in section 15-10-51.

c. The board may award ~~up to two hundred thousand dollars in~~ matching grants to each institution based on total completed credit-hours, as determined under section 15-18.2-01, and as set forth in this section. The matching grant award dollar amounts are:

(1) $1,250,000 for institutions with less than 100,000 completed credit hours;

(2) $3,000,000 for institutions with 100,000 to 599,999 completed credit hours; and

(3) $11,750,000 for institutions with more than 599,999 completed credit hours.

2. a. If any available dollars have not been awarded by the board before January first of each odd-numbered year, in accordance with subsection 1, any institution listed in subsection 1 may apply for an additional matching grant.

b. An application submitted under this subsection must meet the same criteria as an original application.

c. The board shall consider each application submitted under this subsection in chronological order.

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

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

SECTION 6. AMENDMENT. Section 15-18.2-02 of the North Dakota Century Code is amended and reenacted as follows:

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

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

a. The factors for credits completed in agriculture are:

(1) 1.9 for lower division credits;

(2) 3.8 for upper division credits;

(3) 5.7 for professional level credits; and

(4) 7.6 for graduate level credits.

b. The factors for credits completed in architecture are:

(1) 1.8 for lower division credits;

(2) 3.6 for upper division credits;

(3) 5.4 for professional level credits; and

(4) 7.2 for graduate level credits.

c. The factors for credits completed in transportation are:

(1) 1.9 for lower division credits;

(2) 3.8 for upper division credits;

(3) 5.7 for professional level credits; and

(4) 7.6 for graduate level credits.

d. The factors for credits completed in the biological and physical sciences are:

(1) 1.9 for lower division credits;

(2) 3.8 for upper division credits;

(3) 5.7 for professional level credits; and

(4) 7.6 for graduate level credits.

e. The factors for credits completed in business are:

(1) 1.9 for lower division credits;

(2) 3.8 for upper division credits;

(3) 5.7 for professional level credits; and

(4) 7.6 for graduate level credits.

f. The factors for credits completed in education are:

(1) 1.9 for lower division credits;

(2) 3.8 for upper division credits;

(3) 5.7 for professional level credits; and

(4) 7.6 for graduate level credits.

g. The factors for credits completed in engineering are:

(1) 2.5 for lower division credits;

(2) 5.0 for upper division credits;

(3) 7.5 for professional level credits; and

(4) 10.0 for graduate level credits.

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

(1) 3.0 for lower division credits;

(2) 6.0 for upper division credits;

(3) 9.0 for professional level credits;

(4) 12.0 for graduate level credits;

(5) ~~38.0~~34.5 for medical school credits.

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

(1) 3.5 for lower division credits;

(2) 7.0 for upper division credits;

(3) 10.5 for professional level credits; and

(4) 14.0 for graduate level credits.

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

(1) 1.0 for lower division credits;

(2) 2.0 for upper division credits;

(3) 3.0 for professional level credits; and

(4) 4.0 for graduate level credits.

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

l. The factor for completed basic skills credits is 2.3.

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

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

SECTION 7. AMENDMENT. Section 15-18.2-05 of the North Dakota Century Code is amended and reenacted as follows:

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

In order to determine the state aid payment to which each institution under its control is entitled, the state board of higher education shall multiply the product determined under section 15-18.1-04 by a base amount of:

1. ~~$58.65~~$58.36 in the case of North Dakota state university and the university of North Dakota;

2. ~~$86.95~~$87.00 in the case of Dickinson state university~~,~~ Mayville state university, Minot state university, and Valley City state university;

3. ~~$93.03~~$92.76 in the case of Bismarck state college, Dakota college at Bottineau, Lake Region state college, and North Dakota state college of science; and Williston state college.

SECTION 8. AMENDMENT. Section 15-18.2-06 of the North Dakota Century Code is amended and reenacted as follows:

15-18.2-06. (Effective through ~~June 30, 2019~~ June 30, 2021~~)~~ Base funding - Minimum amount payable.

Notwithstanding any calculations required by this chapter, during each biennium, an institution may not receive less than ninety-six percent of the state aid to which the institution was entitled under this chapter during the previous biennium.

SECTION 9. AMENDMENT. Section 54-44.1-11 of the North Dakota Century Code is amended and reenacted as follows:

54-44.1-11. Office of management and budget to cancel unexpended appropriations - When they may continue. (Effective through July 31, ~~2019~~2021)

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

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

Office of management and budget to cancel unexpended appropriations - When they may continue. (Effective after July 31, ~~2019~~ 2021) The office of management and budget, thirty days after the

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

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

SECTION 10. ADDITIONAL FEDERAL, PRIVATE, AND OTHER FUNDS - APPROPRIATION. All funds, in addition to those appropriated in section 1 of this Act, from federal, private, and other sources for competitive grants or other funds that the legislative assembly has not indicated the intent to reject, including tuition revenue, received by the state board of higher education and the institutions and entities under the control of the state board of higher education, are appropriated to the board and those institutions and entities, for the biennium beginning July 1, 2019, and ending June 30, 2021. All additional funds received under the North Dakota-Minnesota reciprocity agreement during the biennium beginning July 1, 2019, and ending June 30, 2021, are appropriated to the state board of higher education for reimbursement to institutions under the control of the board.

SECTION 11. CAMPUS CAPITAL PROJECTS - PROJECT MANAGEMENT. During the biennium beginning July 1, 2019, and ending June 30, 2021, each capital project authorized by the state board of higher education must have adequate project management oversight by either an institution official or a representative of an external entity. An institution may seek assistance from the university system office for project management oversight of a capital project.

SECTION 12. STATEWIDE MEMBERSHIP DUES. Subdivision 1 of section 1 of this Act includes the sum of $294,000 for membership dues for the western interstate commission for higher education.

SECTION 13. UNIVERSITY OF NORTH DAKOTA SCHOOL OF MEDICINE AND HEALTH SCIENCES OPERATIONS. The operations line item in subdivision 5 of section 1 of this Act includes a funding allocation from the higher education per student credit-hour funding formula attributable to inflation during the biennium beginning July 1, 2019, and ending June 30, 2021. Based on the recommendation of the commissioner of higher education a portion of the allocation may be transferred by the state board of higher education between the university of North Dakota school of medicine and health sciences and the university of North Dakota.

SECTION 14. TRANSFER AUTHORITY. If, during the biennium beginning July 1, 2019, and ending June 30, 2021, the state board of higher education determines that funds allocated to operations in section 1 of this Act are needed for capital assets, the board may transfer funds from operations to capital assets. The board shall report any transfer of funds under this section to the office of management and budget.

SECTION 15. FULL-TIME EQUIVALENT POSITION ADJUSTMENTS. Notwithstanding any other provisions of law, the state board of higher education may adjust full-time equivalent positions as needed, subject to the availability of funds, for institutions and entities under its control during the biennium beginning July 1, 2019, and ending June 30, 2021. The North Dakota university system shall report any adjustments to the office of management and budget before the submission of the 2021-23 biennium budget request.

SECTION 16. BOND ISSUANCE AUTHORIZATION - PURPOSES. The state board of higher education, in accordance with chapter 15-55, may arrange for the funding of projects authorized in this section, declared to be in the public interest, through the issuance of self-liquidating, tax-exempt evidences of indebtedness under chapter 15-55, beginning with the effective date of this Act and ending June 30, 2021. Evidences of indebtedness issued pursuant to this section are not a general obligation of the state of North Dakota. Any unexpended balance resulting from the proceeds of the evidences of indebtedness must be placed in a sinking fund to be used for the retirement of indebtedness. The evidences of indebtedness may be issued and the proceeds are appropriated in section 1 of this Act for the following capital projects:

Dakota College at Bottineau – new dining facility	$2,500,000
University of North Dakota – memorial union	80,000,000
North Dakota State University – university village phase 2	37,600,000
Total special funds	$120,100,000

SECTION 17. EXEMPTION – HIGHER EDUCATION CHALLENGE GRANT. The unexpended amount remaining for the Education Challenge Fund in section 1 of chapter 34 of the 2013 Session Laws

are not subject to section 54-44.1-11 and any unexpended funds from these lines are available during the biennium beginning July 1, 2019 and ending June 30, 2021.

SECTION 18. USE OF HIGHER EDUCATION CHALLENGE GRANT – MATCHING FUNDS. The education challenge fund line item in subdivision 1 of this Act may leverage any funds raised by the institutional foundations beginning January 1, 2019 and ending June 30, 2021 as part of the matching funds.

SECTION 19. USE OF EXTRAORDINARY REPAIRS FUNDING - MATCHING FUNDS. The capital assets line items in subdivisions 2 through 12 of section 1 of this Act include funding from the general fund for institution extraordinary repairs. An institution shall provide two dollars of matching funds from operations or other sources for each one dollar of extraordinary repairs funding used for a project.

SECTION 20. EMERGENCY. Section 16 and the capital assets items in section 1 of this Act are declared to be an emergency measure.