

**Department 239 - Dickinson State University
Senate Bill No. 2003**

Executive Budget Comparison to Prior Biennium Appropriations

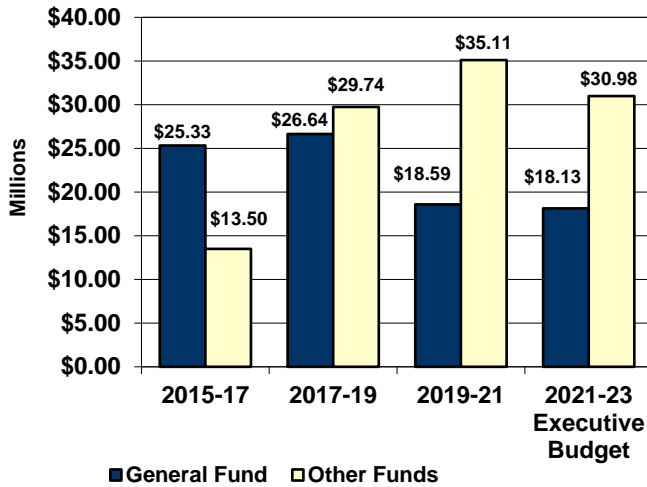
| | FTE Positions | General Fund | Other Funds | Total |
|---|---------------|--------------|---------------|---------------|
| 2021-23 Executive Budget | 175.50 | \$18,126,267 | \$30,982,753 | \$49,109,020 |
| 2019-21 Legislative Appropriations ¹ | 213.26 | 18,593,063 | 35,114,733 | 53,707,796 |
| Increase (Decrease) | (37.76) | (\$466,796) | (\$4,131,980) | (\$4,598,776) |

¹The 2019-21 biennium agency appropriation amounts have not been adjusted for additional federal Coronavirus (COVID-19) funds authority of \$3,018,424 during the 2019-21 biennium.

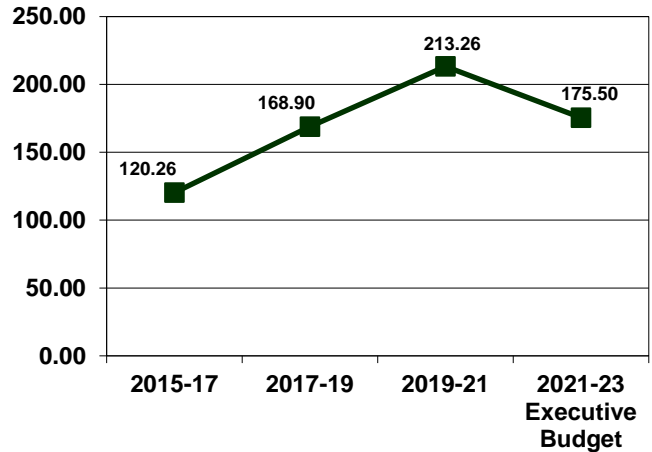
Ongoing and One-Time General Fund Appropriations

| | Ongoing General Fund Appropriation | One-Time General Fund Appropriation | Total General Fund Appropriation |
|------------------------------------|------------------------------------|-------------------------------------|----------------------------------|
| 2021-23 Executive Budget | \$18,126,267 | \$0 | \$18,126,267 |
| 2019-21 Legislative Appropriations | 18,393,063 | 200,000 | 18,593,063 |
| Increase (Decrease) | (\$266,796) | (\$200,000) | (\$466,796) |

Agency Funding



FTE Positions



Executive Budget Comparison to Base Level

| | General Fund | Other Funds | Total |
|--------------------------|--------------|--------------|--------------|
| 2021-23 Executive Budget | \$18,126,267 | \$30,982,753 | \$49,109,020 |
| 2021-23 Base Level | 18,393,063 | 30,577,009 | 48,970,072 |
| Increase (Decrease) | (\$266,796) | \$405,744 | \$138,948 |

Attached as an appendix is a detailed comparison of the executive budget to the agency's base level appropriations.

Executive Budget Highlights

| | General Fund | Other Funds | Total |
|--|--------------------|-------------|--------------------|
| 1. Provides funding adjustments through the higher education funding formula as follows: | | | |
| • Reduces funding for institution operations by 7.5 percent | (\$1,441,955) | \$0 | (\$1,441,955) |
| • Adjusts funding to reflect changes in completed student credit-hours | 833,012 | 0 | 833,012 |
| • Adds funding for inflationary increases, including employee compensation and benefit adjustments | 342,147 | 0 | 342,147 |
| Total | (\$266,796) | \$0 | (\$266,796) |

FTE Positions

The 2021-23 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 2021-23 biennium executive budget recommendation includes appropriation authority of all special funds received by the 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 Recommended to be Added in the Executive Budget (As Detailed in the Attached Appendix)

Higher education challenge grants - Sections 3 and 4 would adjust the higher education challenge grant statutory language and provide for the distribution of up to \$20 million of grant funds to eligible institutions.

Higher education funding formula - Section 5 would adjust the base credit-hour funding rates of the higher education funding formula.

Carryover authority - Section 6 would continue the authorization through July 31, 2023, 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 7 would appropriate any additional other funds received by entities under the control of the State Board of Higher Education to the respective entities.

Project management oversight - Section 8 would require 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 10 would provide that the State Board of Higher Education may transfer funds from an institution's operations line item to the institution's capital assets line item if the board determines that additional funds are needed for capital assets.

FTE positions - Section 11 would authorize 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.

Capital building fund program - Sections 12, 13, 15, and 16 would provide for the continuation of the capital building fund program, including the carry over of unexpended funds appropriated for the 2019-21 biennium.

Extraordinary repairs matching funds - Section 14 would require institutions to match state extraordinary repairs funding on a \$2 to \$1 basis using operations or other funding.

Significant Audit Findings

The State Auditor's office reported Dickinson State University:

- Did not negotiate an annual contract with Edgewood Hawks Point setting forth the terms under which the residents of the facility will access certain university programs, including athletics, theater, music, and multicultural programming;
- Did not include a required provision in its bookstore contract for a performance review every 2 years;
- Allowed its blanket bond coverage to lapse;
- Did not ensure proper use of purchasing cards;
- Did not follow bidding requirements; and
- Did not have a policy for identifying, documenting, monitoring, and resolving conflicts of interest and nepotism issues.

Major Related Legislation

House Bill No. 1132 - Provides \$1.1 billion of bonding authority for various projects statewide, including \$50 million for the North Dakota State University agriculture products development center, \$35 million for a polytechnic program at Bismarck State College, \$15 million for a career and technical education (CTE) program at Dickinson State University, \$2 million for a CTE program at Lake Region State College, \$19 million for the capital building fund program, \$3 million for the Dickinson State University Pulver Hall project, \$3 million for the Dakota College at Bottineau Old Main renovation, and \$4 million for a space command initiative at the University of North Dakota.

Senate Bill No. 2013 - 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 | 2019-21 Distribution | 2021-23 Distribution | Increase (Decrease) |
|---------------------------------------|----------------------|----------------------|---------------------|
| North Dakota State University | \$5,916,000 | \$6,620,000 | \$704,000 |
| University of North Dakota | 4,504,000 | 5,084,000 | 580,000 |
| North Dakota State College of Science | 1,736,000 | 1,941,000 | 205,000 |
| Valley City State University | 1,034,000 | 1,178,000 | 144,000 |
| Mayville State University | 668,000 | 742,000 | 74,000 |
| Dakota College at Bottineau | 242,000 | 285,000 | 43,000 |
| Dickinson State University | 242,000 | 285,000 | 43,000 |

| Institution | 2019-21 Distribution | 2021-23 Distribution | Increase (Decrease) |
|------------------------|----------------------|----------------------|---------------------|
| Minot State University | 242,000 | 285,000 | 43,000 |
| Total | \$14,584,000 | \$16,420,000 | \$1,836,000 |

Senate Bill No. 2030 - Appropriates \$9.65 million from the general fund to continue the higher education challenge matching grant program.

Senate Bill No. 2031 - Changes the higher education funding formula to restore the hold harmless clause, remove the institutional size factor, and increase funding for credits completed in CTE and computer science courses.

Senate Bill No. 2032 - Changes the higher education funding formula to adjust the base funding rate for certain credits completed at dual-mission and polytechnic institutions.

Senate Bill No. 2033 - Continues the University System capital building fund program.

**North Dakota University System Institutions
Senate Bill No. 2003
Base Level Funding Changes**

| | Executive Budget Recommendation | | | |
|--|--|-------------------------|------------------------|------------------------|
| | FTE Positions | General Fund | Other Funds | Total |
| 2021-23 Biennium Base Level | 6,433.97 | \$541,664,044 | \$1,866,193,508 | \$2,407,857,552 |
| 2021-23 Ongoing Funding Changes | | | | |
| Base payroll changes | (94.81) | | | \$0 |
| Salary increase | | \$9,286,128 | \$20,718,652 | 30,004,780 |
| Health insurance increase | | 91,579 | 216,910 | 308,489 |
| Student credit-hour completion adjustment | 8.00 | (1,169,412) | | (1,169,412) |
| Funding model reduction | | (39,736,383) | | (39,736,383) |
| Adjusts special funds authority | | | 119,292 | 119,292 |
| Adds funding for bond payments | | | 3,819,375 | 3,819,375 |
| Total ongoing funding changes | (86.81) | (\$31,528,088) | \$24,874,229 | (\$6,653,859) |
| One-time funding items | | | | |
| NDSU agriculture products development center | | | \$14,000,000 | \$14,000,000 |
| NDSU settlement agreement | | \$125,000 | | 125,000 |
| Dakota College at Bottineau Old Main renovation project | | | 4,000,000 | 4,000,000 |
| Total one-time funding changes | 0.00 | \$125,000 | \$18,000,000 | \$18,125,000 |
| Total Changes to Base Level Funding | (86.81) | (\$31,403,088) | \$42,874,229 | \$11,471,141 |
| 2021-23 Total Funding | 6,347.16 | \$510,260,956 | \$1,909,067,737 | \$2,419,328,693 |
| <i>Total ongoing changes as a percentage of base level</i> | <i>(1.3%)</i> | <i>(5.8%)</i> | <i>1.3%</i> | <i>(0.3%)</i> |
| <i>Total changes as a percentage of base level</i> | <i>(1.3%)</i> | <i>(5.8%)</i> | <i>2.3%</i> | <i>0.5%</i> |

Other Sections in North Dakota University System Institutions

| | Executive Budget Recommendation |
|--|--|
| Higher education challenge grants | Sections 3 and 4 would adjust the higher education challenge grant statutory language and provide for the distribution of up to \$20 million of grant funds to eligible institutions. |
| Higher education funding formula | Section 5 would adjust the base credit-hour funding rates of the higher education funding formula. |
| Carryover authority | Section 6 would continue the authorization through July 31, 2023, 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 7 would appropriate any additional other funds received by entities under the control of the State Board of Higher Education to the respective entities. |
| Project management oversight | Section 8 would require 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. |
| UND School of Medicine and Health Sciences funding | Section 9 would authorize the transfer of funds between UND and the UND School of Medicine and Health Sciences based on the recommendation of the Commissioner of Higher Education. |
| Transfer authority | Section 10 would provide that the State Board of Higher Education may transfer funds from an institution's operations line item to the institution's capital assets line item if the board determines that additional funds are needed for capital assets. |

Other Sections in North Dakota University System Institutions

Executive Budget Recommendation

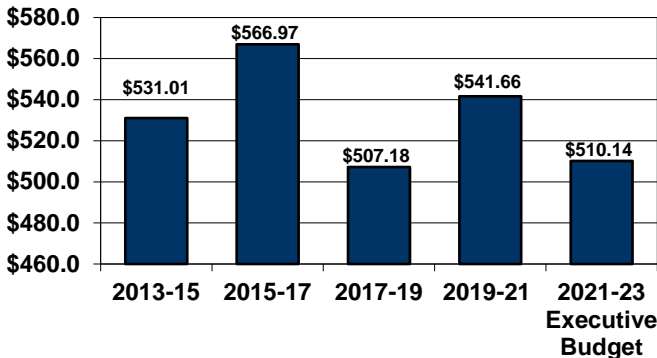
| | |
|--|---|
| FTE positions | Section 11 would authorize the State Board of Higher Education to adjust FTE positions as needed, subject to the availability of funds, for institutions and entities under its control. |
| Capital building fund program | Sections 12, 13, 15, and 16 provide for the continuation of the capital building fund program, including the carryover of unexpended funds appropriated for the 2019-21 biennium. |
| Extraordinary repairs matching funds | Section 14 would require institutions to match state extraordinary repairs funding on a \$2 to \$1 basis using operations or other funding. |
| Capital project bonding | Section 17 would provide bonding authorization through the Public Finance Authority for \$14 million of bonds for the NDSU agriculture products development center project and \$2 million of bonds for the Dakota College at Bottineau Old Main project. |
| NDSU agriculture products development center carryover | Sections 18 and 19 would allow NDSU to carry over the \$20 million of general fund appropriation authority and \$20 million of appropriation bond authority for the agriculture products development center project. |

North Dakota University System Institutions

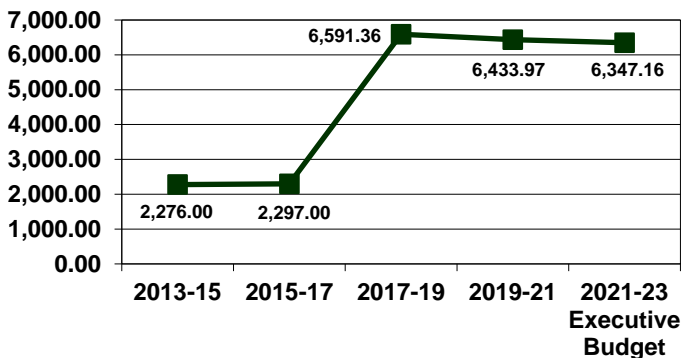
Historical Appropriations Information

Ongoing General Fund Appropriations Since 2013-15

Ongoing General Fund Appropriations (in Millions)



FTE Positions



| Ongoing General Fund Appropriations | | | | | |
|---|---------------|---------------|----------------|---------------|--------------------------|
| | 2013-15 | 2015-17 | 2017-19 | 2019-21 | 2021-23 Executive Budget |
| Ongoing general fund appropriations | \$563,008,934 | \$566,966,411 | \$507,176,197 | \$541,664,044 | \$510,135,956 |
| Increase (decrease) from previous biennium | N/A | \$3,957,477 | (\$59,790,214) | \$34,487,847 | (\$31,528,088) |
| Percentage increase (decrease) from previous biennium | N/A | 0.7% | (10.5%) | 6.8% | (5.8%) |
| Cumulative percentage increase (decrease) from 2013-15 biennium | N/A | 0.7% | (9.9%) | (3.8%) | (9.4%) |

Major Increases (Decreases) in Ongoing General Fund Appropriations

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

- 1. Adjusted funding for changes in completed student credits \$5,883,536
- 2. Increased funding for compensation and health insurance adjustments \$20,592,798
- 3. Increased funding for the UND School of Law \$2,793,382
- 4. Increased funding for residency positions at the UND School of Medicine and Health Sciences \$4,507,252

2021-23 Biennium (Executive Budget Recommendation)

- 1. Adjusts funding for changes in completed student credits (\$1,169,412)
- 2. Reduces funding for institution operations by 7.5 percent (\$39,736,383)
- 3. Adds funding for compensation and health insurance adjustments \$9,377,707

**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, 2021 and ending June 30, 2023, as follows:

Subdivision 1.

NORTH DAKOTA UNIVERSITY SYSTEM OFFICE

| | <u>Base Level</u> | <u>Adjustments or Enhancements</u> | <u>Appropriation</u> |
|----------------------------|----------------------|--|----------------------|
| Capital Assets | \$ 4,959,448 | \$ 8,425,816 | \$ 13,385,264 |
| Student Financial | 23,917,306 | 2,400,000 | 26,317,306 |
| Veterans Assistance Grants | 277,875 | 0 | 277,875 |
| Nd Scholars Program | 1,807,115 | 0 | 1,807,115 |
| Native American | 555,323 | 0 | 555,323 |
| Core Technology Services | 62,286,128 | (2,136,339) | 60,149,789 |
| Education Challenge Fund | 0 | 10,000,000 | 10,000,000 |
| Education Incentive | 260,000 | 0 | 260,000 |
| Tribally-Controlled | 1,000,000 | 0 | 1,000,000 |
| Academic and Tech Ed | 12,016,749 | 4,200,000 | 16,216,749 |
| Student Exchange Program | 3,699,342 | 0 | 3,699,342 |
| NASA Epscor | 342,000 | 0 | 342,000 |
| Student Mental Health | 284,400 | (21,330) | 263,070 |
| Competitive Research | 5,685,750 | 0 | 5,685,750 |
| System Governance | 8,737,867 | (276,427) | 8,461,440 |
| Shared Campus Services | 500,000 | (37,500) | 462,500 |
| Tier II Capital Building | 0 | 10,000,000 | 10,000,000 |
| Tier III Capital Building | 0 | 9,000,000 | 9,000,000 |
| Total All Funds | <u>\$126,329,303</u> | <u>\$41,554,220</u> | <u>\$167,883,523</u> |
| Less Estimated Income | <u>24,002,206</u> | <u>19,290,315</u> | <u>43,292,521</u> |
| Total General Fund | <u>\$102,327,097</u> | <u>\$22,263,905</u> | <u>\$124,591,002</u> |
| Full-Time Equivalent | 158.83 | 0.00 | 158.83 |

Subdivision 2.

BISMARCK STATE COLLEGE

| | <u>Base Level</u> | <u>Adjustments or Enhancements</u> | <u>Appropriation</u> |
|-----------------------|----------------------|--|----------------------|
| Operations | \$ 98,743,682 | (\$3,910,521) | \$94,833,161 |
| Capital Assets | <u>1,922,561</u> | <u>0</u> | <u>1,922,561</u> |
| Total All Funds | <u>\$100,666,243</u> | <u>(\$3,910,521)</u> | <u>\$96,755,722</u> |
| Less Estimated Income | <u>65,598,016</u> | <u>799,077</u> | <u>70,397,093</u> |
| Total General Fund | <u>\$ 31,068,227</u> | <u>(\$4,709,598)</u> | <u>\$26,358,629</u> |
| Full-Time Equivalent | 332.90 | 0.00 | 332.90 |

Subdivision 3.
LAKE REGION STATE COLLEGE

| | <u>Base Level</u> | <u>Adjustments or Enhancements</u> | <u>Appropriation</u> |
|-----------------------|-------------------|--|----------------------|
| Operations | \$37,559,127 | \$ 50,382 | \$37,609,509 |
| Capital Assets | <u>362,667</u> | <u>0</u> | <u>362,667</u> |
| Total All Funds | \$37,921,794 | \$ 50,382 | \$37,972,176 |
| Less Estimated Income | <u>24,976,514</u> | <u>300,801</u> | <u>25,277,315</u> |
| Total General Fund | \$12,945,280 | (\$250,419) | \$12,694,861 |
| Full-Time Equivalent | 115.76 | 0.00 | 115.76 |

Subdivision 4.
WILLISTON STATE COLLEGE

| | <u>Base Level</u> | <u>Adjustments or Enhancements</u> | <u>Appropriation</u> |
|-----------------------|-------------------|--|----------------------|
| Operations | \$32,596,060 | (\$587,176) | \$32,008,884 |
| Capital Assets | <u>1,261,968</u> | <u>0</u> | <u>1,261,968</u> |
| Total All Funds | \$33,858,028 | (\$587,176) | \$33,270,852 |
| Less Estimated Income | <u>23,790,285</u> | <u>241,967</u> | <u>24,032,252</u> |
| Total General Fund | \$10,067,743 | (\$829,143) | \$ 9,238,600 |
| Full-Time Equivalent | 101.29 | 0.00 | 101.29 |

Subdivision 5.
UNIVERSITY OF NORTH DAKOTA

| | <u>Base Level</u> | <u>Adjustments or Enhancements</u> | <u>Appropriation</u> |
|-----------------------|--------------------|--|----------------------|
| Operations | \$888,106,266 | (\$ 6,328,013) | \$881,778,253 |
| Capital Assets | <u>4,411,566</u> | <u>7,942,844</u> | <u>12,354,410</u> |
| Total All Funds | \$892,517,832 | \$ 1,614,831 | \$894,132,663 |
| Less Estimated Income | <u>744,185,677</u> | <u>12,115,811</u> | <u>756,301,488</u> |
| Total General Fund | \$148,332,155 | (\$10,500,980) | \$137,831,175 |
| Full-Time Equivalent | 2,132.17 | (72.19) | 2,059.98 |

Subdivision 6.
NORTH DAKOTA STATE UNIVERSITY

| | <u>Base Level</u> | <u>Adjustments or Enhancements</u> | <u>Appropriation</u> |
|-----------------------|--------------------|--|----------------------|
| Operations | \$743,775,571 | (\$1,171,511) | \$742,604,060 |
| Capital Assets | <u>7,799,104</u> | <u>14,397,628</u> | <u>22,196,732</u> |
| Total All Funds | \$751,574,675 | \$13,226,117 | \$764,800,792 |
| Less Estimated Income | <u>618,859,692</u> | <u>20,799,767</u> | <u>639,659,459</u> |
| Total General Fund | \$132,714,983 | (\$7,573,650) | \$125,141,333 |
| Full-Time Equivalent | 1,870.16 | (40.73) | 1,829.43 |

Subdivision 7.
NORTH DAKOTA STATE COLLEGE OF SCIENCE

| | <u>Base Level</u> | <u>Adjustments or Enhancements</u> | <u>Appropriation</u> |
|-----------------------|-------------------|--|----------------------|
| Operations | \$95,725,411 | (\$3,166,632) | \$92,558,779 |
| Capital Assets | <u>1,012,379</u> | <u>0</u> | <u>1,012,379</u> |
| Total All Funds | \$96,737,790 | (\$3,166,632) | \$93,571,158 |
| Less Estimated Income | <u>60,195,768</u> | <u>624,834</u> | <u>60,820,602</u> |
| Total General Fund | \$36,542,022 | (\$3,791,466) | \$32,750,556 |
| Full-Time Equivalent | 311.61 | 0.00 | 311.61 |

Subdivision 8.
DICKINSON STATE UNIVERSITY

| | <u>Base Level</u> | <u>Adjustments or Enhancements</u> | <u>Appropriation</u> |
|-----------------------|-------------------|--|----------------------|
| Operations | \$48,560,994 | \$ 138,948 | \$48,699,942 |
| Capital Assets | <u>409,078</u> | <u>0</u> | <u>409,078</u> |
| Total All Funds | \$48,970,072 | \$ 138,948 | \$49,109,020 |
| Less Estimated Income | <u>30,577,009</u> | <u>405,744</u> | <u>30,982,753</u> |
| Total General Fund | \$18,393,063 | (\$266,796) | \$18,126,267 |
| Full-Time Equivalent | 213.26 | (37.76) | 175.50 |

Subdivision 9.
MAYVILLE STATE UNIVERSITY

| | <u>Base Level</u> | <u>Adjustments or Enhancements</u> | <u>Appropriation</u> |
|-----------------------|-------------------|--|----------------------|
| Operations | \$47,719,555 | \$1,266,987 | \$48,986,542 |
| Capital Assets | <u>358,992</u> | <u>50,129</u> | <u>409,121</u> |
| Total All Funds | \$48,078,547 | \$1,317,116 | \$49,395,663 |
| Less Estimated Income | <u>31,657,931</u> | <u>538,538</u> | <u>32,196,469</u> |
| Total General Fund | \$16,420,616 | \$ 778,578 | \$17,199,194 |
| Full-Time Equivalent | 230.35 | 0.00 | 230.35 |

Subdivision 10.
MINOT STATE UNIVERSITY

| | <u>Base Level</u> | <u>Adjustments or Enhancements</u> | <u>Appropriation</u> |
|-----------------------|-------------------|--|----------------------|
| Operations | \$102,325,073 | (\$1,736,888) | \$100,588,185 |
| Capital Assets | <u>1,099,620</u> | <u>0</u> | <u>1,099,620</u> |
| Total All Funds | \$103,424,693 | (\$1,736,888) | \$101,687,805 |
| Less Estimated Income | <u>63,528,000</u> | <u>482,842</u> | <u>64,010,842</u> |
| Total General Fund | \$ 39,896,693 | (\$2,219,730) | \$ 37,676,963 |
| Full-Time Equivalent | 403.04 | 0.00 | 403.04 |

Subdivision 11.
VALLEY CITY STATE UNIVERSITY

| | <u>Base Level</u> | <u>Adjustments or Enhancements</u> | <u>Appropriation</u> |
|-----------------------|-------------------|--|----------------------|
| Operations | \$48,176,928 | (\$1,785,631) | \$46,391,297 |
| Capital Assets | <u>455,823</u> | <u>54,622</u> | <u>510,445</u> |
| Total All Funds | \$48,632,751 | (\$1,731,009) | \$46,901,742 |
| Less Estimated Income | <u>25,973,818</u> | <u>376,364</u> | <u>26,350,182</u> |
| Total General Fund | \$22,658,933 | (\$2,107,373) | \$20,551,560 |
| Full-Time Equivalent | 202.77 | 0.00 | 202.77 |

Subdivision 12.
DAKOTA COLLEGE AT BOTTINEAU

| | <u>Base Level</u> | <u>Adjustments or Enhancements</u> | <u>Appropriation</u> |
|-----------------------|-------------------|--|----------------------|
| Operations | \$21,440,606 | \$1,256,597 | \$22,697,203 |
| Capital Assets | <u>114,007</u> | <u>4,000,000</u> | <u>4,114,007</u> |
| Total All Funds | \$21,554,613 | \$5,256,597 | \$26,811,210 |
| Less Estimated Income | <u>13,813,787</u> | <u>4,370,934</u> | <u>18,184,721</u> |
| Total General Fund | \$ 7,740,826 | \$ 885,663 | \$ 8,626,489 |
| Full-Time Equivalent | 82.29 | 9.57 | 91.86 |

Subdivision 13.

UNIVERSITY OF NORTH DAKOTA SCHOOL OF MEDICINE AND HEALTH SCIENCES

| | <u>Base Level</u> | <u>Adjustments or Enhancements</u> | <u>Appropriation</u> |
|-----------------------|--------------------|--|----------------------|
| Operations | \$213,244,364 | \$1,049,505 | \$214,293,869 |
| Healthcare Workforce | <u>10,676,150</u> | <u>0</u> | <u>10,676,150</u> |
| Total All Funds | \$223,920,514 | \$1,049,505 | \$224,970,019 |
| Less Estimated Income | <u>159,037,011</u> | <u>1,867,679</u> | <u>160,904,690</u> |
| Total General Fund | \$ 64,883,503 | (\$818,174) | \$ 64,065,329 |
| Full-Time Equivalent | 492.67 | 0.00 | 492.67 |

Subdivision 14.

NORTH DAKOTA FOREST SERVICE

| | <u>Base Level</u> | <u>Adjustments or Enhancements</u> | <u>Appropriation</u> |
|-----------------------|-------------------|--|----------------------|
| Operations | \$15,223,336 | (\$116,603) | \$15,106,733 |
| Capital Assets | <u>118,728</u> | <u>0</u> | <u>118,728</u> |
| Total All Funds | \$15,342,064 | (\$116,603) | \$15,225,461 |
| Less Estimated Income | <u>10,665,400</u> | <u>3,590</u> | <u>10,668,990</u> |
| Total General Fund | \$ 4,676,664 | (\$120,193) | \$ 4,556,471 |
| Full-Time Equivalent | 28.00 | 0.00 | 28.00 |

Subdivision 15.

BILL TOTAL

| | <u>Base Level</u> | <u>Adjustments or Enhancements</u> | <u>Appropriation</u> |
|---------------------------|----------------------|--|----------------------|
| Grand Total General Fund | \$ 648,667,805 | (\$ 9,259,376) | \$ 639,408,429 |
| Grand Total Special Funds | <u>1,900,861,114</u> | <u>62,218,263</u> | <u>1,963,079,377</u> |
| Grand Total All Funds | \$2,549,528,919 | \$52,958,887 | \$2,602,487,806 |

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-EIGHTH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty- sixth legislative assembly for the 2019-21 biennium and the 2021-23 one-time funding items included in the appropriation in section 1 of this Act:

| <u>One-Time Funding Description</u> | <u>2019-21</u> | <u>2021-23</u> |
|---|--------------------|-------------------|
| Capital Projects – Other Funds | \$230,300,000 | \$18,000,000 |
| Education Challenge Grants | 9,400,000 | 10,000,000 |
| School of Law Matching Grants | 250,000 | 0 |
| Tier II and Tier III Capital Building Funds | 29,000,000 | 19,000,000 |
| Theodore Roosevelt Digitization | 200,000 | 0 |
| University of North Dakota Campus Network Upgrades | 1,500,000 | 0 |
| North Dakota State University Campus Network Upgrades | 1,500,000 | 0 |
| North Dakota State University Construction Litigation | <u>0</u> | <u>125,000</u> |
| Total All Funds | \$272,150,000 | \$47,125,000 |
| Total Other Funds | <u>260,300,000</u> | <u>37,000,000</u> |
| Total General Fund | \$ 11,850,000 | \$10,125,000 |

The 2021-23 one-time funding amounts are not a part of the entity's base budget for the 2023-25 biennium. The North Dakota university system shall report to the appropriations committees of the sixty- eighth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2021 and ending June 30, 2023.

SECTION 3. 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 one million seven 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 funding is allocated as follows:
 - (1) Thirty percent of available funds for the institutions with less than 100,000 completed credit hours;
 - (2) Thirty percent of available funds for institutions with 100,000 to 599,999 completed credit hours; and
 - (3) Forty percent of available funds 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 4. 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 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) ~~Nine hundred fifty thousand dollars each to Bismarck state college, Minot state university and the North Dakota state college of science~~ Thirty percent of available funds for the institutions with less than 100,000 completed credit hours;
 - (2) ~~Seven hundred thousand dollars each to Dickinson state university, Mayville state university, and Valley City state university~~ Thirty percent of available funds for institutions with 100,000 to 599,999 completed credit hours; and
 - (3) ~~Three hundred fifty thousand dollars each to Dakota college at Bottineau, Lake Region state college, and Williston state college~~ Forty percent of available funds 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 5. 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. ~~\$60.87~~\$57.35 in the case of North Dakota state university and the university of North Dakota;
- 2. ~~\$90.98~~\$85.78 in the case of Dickinson state university, Mayville state university, Minot state university, and Valley City state university;
- 3. ~~\$97.06~~\$91.66 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 6. 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, ~~2021~~2023)

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, 2021-2023) 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 7. 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, 2021 and ending June 30, 2023. All additional funds received under the North Dakota- Minnesota reciprocity agreement during the biennium beginning July 1, 2021 and ending June 30, 2023, are appropriated to the state board of higher education for reimbursement to institutions under the control of the board.

SECTION 8. CAMPUS CAPITAL PROJECTS - PROJECT MANAGEMENT. During the biennium beginning July 1, 2021 and ending June 30, 2023, 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 9. 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, 2021 and ending June 30, 2023. 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 10. TRANSFER AUTHORITY. If, during the biennium beginning July 1, 2021 and ending June 30, 2023, 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 11. 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, 2021 and ending June 30, 2023. The North Dakota university system shall report any adjustments to the office of management and budget before the submission of the 2023-25 biennium budget request.

SECTION 12. EXEMPTION – TIER III CAPITAL BUILDING FUND POOL. The unexpended amount remaining for the Tier III capital building fund pool line in subdivision 1 of section 1 of chapter 3 of the 2019 Session Laws is not subject to section 54-44.1-11 and any unexpended funds from these lines are available during the biennium beginning July 1, 2021 and ending June 30, 2023.

SECTION 13. EXEMPTION – CAPITAL BUILDING FUND. The unexpended amount remaining for the capital building fund line in subdivisions 2 through 12 of section 1 of chapter 3 of the 2019 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, 2021 and ending June 30, 2023.

SECTION 14. 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. An institution may not use tier II or tier III capital building fund moneys as matching funds under this section.

SECTION 15. TIER II CAPITAL BUILDING FUND POOL - MATCHING FUNDS. The tier II capital building fund pool in subdivision 1 of section 1 of this Act includes \$10,000,000 from bonding authority. Funding from the tier II capital building fund pool is to be allocated to each institution as follows:

| | <u>Tier II Capital Building Fund</u> |
|---------------------------------------|--------------------------------------|
| Bismarck State College | \$ 379,229 |
| Lake Region State College | 182,643 |
| Williston State College | 132,917 |
| University of North Dakota | 4,396,913 |
| North Dakota State University | 2,874,620 |
| North Dakota State College of Science | 471,187 |
| Dickinson State University | 278,686 |
| Mayville State University | 264,426 |
| Minot State University | 579,302 |
| Valley City State University | 315,966 |
| Dakota College at Bottineau | <u>124,111</u> |
| Total | \$10,000,000 |

An institution shall provide one dollar of matching funds from operations or other sources for each one dollar from the tier II capital building fund pool. An institution may not use extraordinary repairs funding or tier III capital building fund moneys as matching funds under this section.

SECTION 16. TIER III CAPITAL BUILDING FUND POOL - MATCHING FUNDS. The tier III capital building fund pool in subdivision 1 of section 1 of this Act includes \$9,000,000 from bonding authority. Funding from the tier III capital building fund pool is to be allocated to each institution as follows:

Tier III Capital Building Fund

| | |
|---------------------------------------|----------------|
| Bismarck State College | \$ 500,000 |
| Lake Region State College | 500,000 |
| Williston State College | 500,000 |
| University of North Dakota | 2,250,000 |
| North Dakota State University | 2,250,000 |
| North Dakota State College of Science | 500,000 |
| Dickinson State University | 500,000 |
| Mayville State University | 500,000 |
| Minot State University | 500,000 |
| Valley City State University | 500,000 |
| Dakota College at Bottineau | <u>500,000</u> |
| Total | \$9,000,000 |

An institution shall provide two dollars of matching funds from operations or other sources for each one dollar from the tier III capital building fund pool. An institution may not use extraordinary repairs funding or tier II capital building fund moneys as matching funds under this section. Any funds transferred to an institution pursuant to this section from the tier III capital building fund pool must be placed in that institution's capital building fund line item.

SECTION 17. PROJECT AUTHORIZATIONS. The public finance authority shall arrange for the funding of the projects authorized in this section, declared to be in the public interest, through the issuance of evidences of indebtedness under section 32 of 2021 House Bill No. 1015, beginning with the effective date of this Act, and ending June 30, 2023. The proceeds of the evidences of indebtedness are included in the appropriation in subdivision 6 of section 1 and subdivision 12 of section 1, beginning with the effective date of this Act, and ending June 30, 2023, for the following projects:

| | |
|---|------------------|
| North Dakota State University Agriculture Products Development Center | \$14,000,000 |
| Dakota College at Bottineau – Old Main Renovation | <u>2,000,000</u> |
| Total Special Funds | \$16,000,000 |

Dakota college at Bottineau may obtain and utilize local funds obtained from fundraising or other sources for the old main renovation project. The appropriation in subsection 12 of section 1 of this Act includes the sum of \$2,000,000, or so much of the sum as may be necessary, from any local or other funds that may become available for this project for the period beginning with the effective date of this Act, and ending June 30, 2023.

SECTION 18. EXEMPTION – PROJECT AUTHORIZATION – AGRICULTURE PRODUCTS DEVELOPMENT CENTER. The unexpended amount remaining from general funds for the agriculture products development center in section 2 of chapter 53 of the 2019 Session Laws is not subject to section 54-44.1-11 and any unexpended funds from that section is available during the biennium beginning July 1, 2021 and ending June 30, 2023.

SECTION 19. AMENDMENT. Section 1 of chapter 53 of the 2019 Session Laws is amended and reenacted as follows:

SECTION 1. PROJECT AUTHORIZATIONS - APPROPRIATION. Subject to the provisions of this section, the industrial commission, acting as the North Dakota building authority, shall arrange for the funding of the ~~projects~~ project authorized in this section, declared to be in the public interest, through the issuance of evidences of indebtedness under chapter 54-17.2, beginning with the effective date of this Act and ending June 30, ~~2024~~2023. The industrial commission shall issue evidences of indebtedness under this section with the condition that lease rental payments need not begin until July 1, ~~2024~~2023. The authority of the industrial commission to issue evidences of indebtedness under this section ends June 30, ~~2024~~2023, but the industrial commission may continue to exercise all other powers granted to it under chapter 54-17.2 and this Act and comply with any covenants entered before that date. The proceeds of the evidences of indebtedness and other available funds are appropriated to the ~~agency~~ agency listed in this section, beginning with the effective date of this Act and ending June 30,

20242023, for the following projectsproject:

| | |
|---|--------------------------------------|
| North Dakota state university Dunbar Hall | \$40,000,000 |
| Valley City state university Communications and Fine Arts Building project | 30,000,000 |
| North Dakota state university agriculture products development center | 20,000,000 |
| University of North Dakota Gamble Hall project | 6,000,000 |
| Dickinson state university Pulver Hall | 4,000,000 |
| Total | \$100,000,000\$20,000,000 |

~~1. North Dakota state university may obtain and utilize local funds obtained from fundraising or other sources for the Dunbar Hall project. There is appropriated to North Dakota state university the sum of \$3,200,000, or so much of the sum as may be necessary, from any local or other funds that may become available for this project for the period beginning with the effective date of this Act, and ending June 30, 2021.~~

~~2. a. North Dakota state university may obtain and utilize local funds obtained from fundraising or other sources for the agriculture products development center project. There is appropriated to North Dakota state university the sum of \$20,000,000, or so much of the sum as may be necessary, from any local or other funds that may become available for this project for the period beginning with the effective date of this Act, and ending June 30, 2021.~~

~~b. The industrial commission may issue evidences of indebtedness for the agriculture products development center project only if North Dakota state university certifies to the industrial commission and the director of the office of management and budget that \$20,000,000 of local and other funds has been obtained for the project or if North Dakota state university receives approval for a change in project scope from the legislative assembly or budget section pursuant to section 48-01.2-25.~~

~~3. a. The university of North Dakota may obtain and utilize local funds obtained from fundraising or other sources for the Gamble Hall project. There is appropriated to the university of North Dakota the sum of \$55,000,000, or so much of the sum as may be necessary, from any local or other funds that may become available for this project for the period beginning with the effective date of this Act, and ending June 30, 2021.~~

~~b. The industrial commission may issue evidences of indebtedness for the Gamble Hall project only if the university of North Dakota certifies to the industrial commission and the director of the office of management and budget that \$55,000,000 of local and other funds has been obtained for the project or if the university of North Dakota receives approval for a change in project scope from the legislative assembly or budget section pursuant to section 48-01.2-25.~~