

**Department 215 - North Dakota University System Office**  
**House Bill No. 1003**

**Executive Budget Comparison to Base Level**

	<b>General Fund</b>	<b>Other Funds</b>	<b>Total</b>
2023-25 Executive Budget	\$137,543,592	\$85,305,435	\$222,849,027
2023-25 Base Level	116,898,476	25,757,035	142,655,511
Increase (Decrease)	\$20,645,116	\$59,548,400	\$80,193,516

**Selected Budget Changes Recommended in the Executive Budget**

	<b>General Fund</b>	<b>Other Funds</b>	<b>Total</b>
1. Provides funding for employee salary and benefit increases, of which \$2,664,574 is for salary increases and \$738,884 is for health insurance increases	\$2,437,256	\$966,202	\$3,403,458
2. Increases funding for the veterans' assistance program to provide a total of \$454,875	\$177,000	\$0	\$177,000
3. Increases funding for academic and career and technical education (CTE) scholarships, to provide a total of \$17,216,749	\$1,000,000	\$0	\$1,000,000
4. Increases funding for Native American scholarships to provide a total of \$1 million	\$444,677	\$0	\$444,677
5. Removes funding from the Bank of North Dakota for dual-credit tuition scholarships	\$0	(\$1,500,000)	(\$1,500,000)
6. Decreases funding for capital bond payments	(\$2,187,368)	\$0	(\$2,187,368)
7. Adds funding for software costs and an information technology security operations center	\$2,500,000	\$0	\$2,500,000
8. Adds <b>one-time funding</b> from the legacy earnings fund for higher education challenge matching grants	\$0	\$50,000,000	\$50,000,000
9. Adds <b>one-time funding</b> from the legacy earnings fund for energy workforce education scholarships	\$0	\$10,000,000	\$10,000,000
10. Adds <b>one-time funding</b> from the general fund for workforce education innovation grants	\$10,000,000	\$0	\$10,000,000
11. Adds <b>one-time funding</b> from the general fund for the behavioral health initiative	\$3,640,624	\$0	\$3,640,624

A summary of the executive budget changes to the agency's base level appropriations is attached as an appendix.

A copy of the draft appropriations bill containing the executive budget recommendations is attached as an appendix.

**Selected Bill Sections Recommended in the Executive Budget**

**Higher education challenge grants** - Sections 3 and 5 would adjust the higher education challenge grant statutory language and provide for the distribution of up to \$50 million of grant funds to eligible institutions. Section 4 would eliminate the allocation of higher education challenge grant funds for the University of North Dakota (UND) School of Law.

**Higher education funding formula** - Section 6 would adjust the base credit-hour funding rates of the higher education funding formula. Section 7 would restore the 96 percent minimum amount payable provision in the higher education funding formula.

**Carryover authority** - Section 8 would continue the authorization through July 31, 2025, for institutions under the control of the State Board of Higher Education to continue unexpended appropriations at the end of a biennium.

**Additional funds appropriation authority** - Section 9 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 10 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 11 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 12 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 13 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.

**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 building fund program** - Sections 15 and 16 would provide for the continuation of the capital building fund program, including a transfer of \$19 million from the strategic investment and improvements fund (SIIF) to the University System capital building fund and the authorization to use money in the fund for new capital projects.

**Capital projects carryover** - Sections 17 and 21 through 28 would provide exemptions for institutions to continue appropriation authority for various capital projects.

**Legacy earnings fund** - Sections 18 and 19 would identify \$60 million, including \$50 million for higher education challenge grants and \$10 million for energy workforce education scholarships, is from the legacy earnings fund.

**Strategic investment and improvements fund** - Section 20 would identify \$9,624,100 for capital projects, including \$480,000 for the Lake Region State College (LRSC) wind turbine replacement, \$900,000 for the Dickinson State University (DSU) agriculture and technical education building, \$3,779,100 for the Mayville State University (MaSU) Old Main renovation, \$765,000 for the Minot State University (MiSU) Dakota Hall demolition, and \$3.7 million for the Dakota College at Bottineau (DCB) Old Main renovation, is from SIIF.

### Deficiency Appropriations

**Bank fraud** - The executive budget recommends, in Senate Bill No. 2025, a deficiency appropriation of \$430,101 from the general fund to UND for the reimbursement of payments relating to the Nistler College of Business capital project that were made to a fraudulent bank account.

**College ready English and math** - The executive budget recommends, in Senate Bill No. 2025, a deficiency appropriation of \$99,768 from the general fund to DCB for expenses related to the college ready English and math program. The Dakota College at Bottineau was to have been reimbursed for these expenses by the Department of Public Instruction (DPI) during the 2019-21 biennium.

### Significant Audit Findings

The State Auditor's office reported the University System office did not report to the appropriations committees of the 67<sup>th</sup> Legislative Assembly on its use of \$5.5 million in appropriations that were continued from the 2017-19 biennium to the 2019-21 biennium.

### 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 2021-23 biennium and the 2023-25 executive budget recommendation:

Institution	2021-23 Distribution	2023-25 Distribution	Increase (Decrease)
North Dakota State University	\$6,620,000	\$7,648,000	\$1,028,000
University of North Dakota	5,084,000	5,986,000	902,000
North Dakota State College of Science	1,941,000	2,259,700	318,700
Valley City State University	1,178,000	1,354,000	176,000
Mayville State University	742,000	894,000	152,000
Dakota College at Bottineau	285,000	343,700	58,700
Dickinson State University	285,000	343,700	58,700
Minot State University	285,000	343,700	58,700
Total	\$16,420,000	\$19,172,800	\$2,752,800

**House Bill No. 1030** - Provides for student financial aid program technical corrections.

**House Bill No. 1031** - Provides increased appropriations for student financial assistance grants and the academic and CTE scholarship programs.

**House Bill No. 1032** - Appropriates \$1 million from the general fund for a new student financial aid program targeting residents enrolled in certain certificate courses.

**House Bill No. 1033** - Appropriates \$24 million from the general fund to continue the higher education challenge grant program.

**House Bill No. 1034** - Transfers \$29 million from SIIF to the University System capital building fund to continue the higher education capital building fund program.

**Senate Bill No. 2025** - Provides a deficiency appropriation to UND for reimbursement related to bank fraud and to DCB for reimbursement from DPI related to the college ready English and math program.

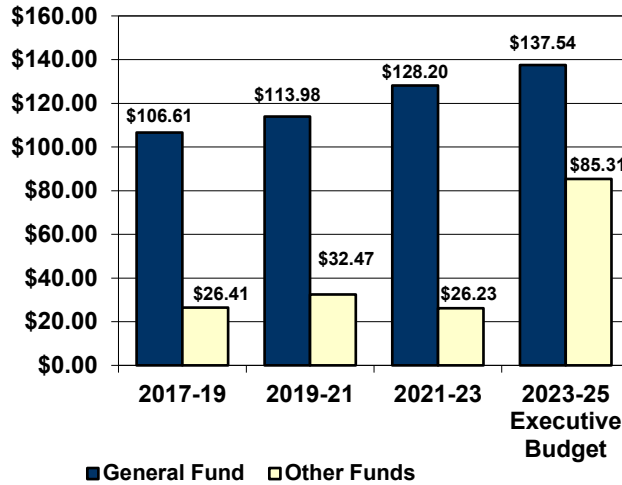
**Senate Bill No. 2032** - Appropriates \$3 million from the general fund to DPI to provide grants to accredited institutions of higher education to assist paraprofessionals to become qualified teachers.

**Senate Bill No. 2033** - Appropriates \$3 million from the general fund to DPI to reinstate the teacher shortage loan repayment program.

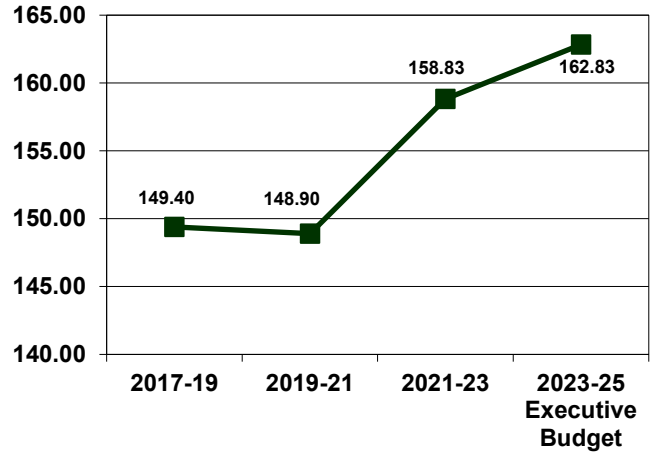
# Historical Appropriations Information

## Agency Appropriations and FTE Positions

Agency Funding (Millions)



FTE Positions



### Ongoing General Fund Appropriations

	2015-17	2017-19	2019-21	2021-23	2023-25 Executive Budget
Ongoing general fund appropriations	\$110,229,818	\$101,639,530	\$102,327,097	\$116,898,476	\$121,898,614
Increase (decrease) from previous biennium	N/A	(\$8,590,288)	\$687,567	\$14,571,379	\$5,000,138
Percentage increase (decrease) from previous biennium	N/A	(7.8%)	0.7%	14.2%	4.3%
Cumulative percentage increase (decrease) from 2015-17 biennium	N/A	(7.8%)	(7.2%)	6.0%	10.6%

### Major Increases (Decreases) in Ongoing General Fund Appropriations

#### 2017-19 Biennium

- Underfunded salaries and wages (\$578,097)
- Adjusted funding for Core Technology Services, including the removal of 1 FTE position (\$2,604,292)
- Reduced funding for student financial assistance grants (\$1,968,854)
- Reduced funding for academic and CTE scholarships (\$1,117,347)
- Reduced funding for competitive research grants (\$560,475)
- Eliminated funding for 2-year campus marketing (\$747,600)

#### 2019-21 Biennium

- Increased funding for student financial assistance grants \$2,000,000
- Increased funding for tribal college grants to provide a total of \$1 million from the general fund \$900,000
- Removed funding for the science, technology, engineering, and mathematics (STEM) loan forgiveness program (\$500,000)
- Transferred the teacher shortage loan forgiveness program to DPI (\$2,103,393)
- Reduced funding for capital bond payments (\$1,645,878)

#### 2021-23 Biennium

- Increased funding for academic and CTE scholarships \$4,200,000
- Added funding for the nursing education consortium \$1,356,000
- Increased funding for capital bond payments \$8,425,816

**2023-25 Biennium (Executive Budget Recommendation)**

- 1. Adds funding for software costs and an information technology security operations center \$2,500,000
- 2. Increases funding for academic and CTE scholarships \$1,000,000
- 3. Increases funding for the Native American scholarship program \$444,677
- 4. Reduces funding for capital bond payments (\$2,187,368)

**One-Time General Fund Appropriations**

	<b>2015-17</b>	<b>2017-19</b>	<b>2019-21</b>	<b>2021-23</b>	<b>2023-25 Executive Budget</b>
One-time general fund appropriations	\$31,467,497	\$4,970,000	\$11,650,000	\$11,300,000	\$15,644,978

**Major One-Time General Fund Appropriations**

**2017-19 Biennium**

- 1. Provided funding for the higher education challenge fund \$2,000,000
- 2. Provided funding for campus workforce initiatives \$2,700,000

**2019-21 Biennium**

- 1. Provided funding for the higher education challenge fund \$9,650,000
- 2. Provided funding for the capital building fund program \$2,000,000

**2021-23 Biennium**

- 1. Provided funding for the higher education challenge fund \$11,150,000

**2023-25 Biennium (Executive Budget Recommendation)**

- 1. Provides funding for the behavioral health initiative \$3,640,624
- 2. Provides funding for a new financial aid system \$1,554,354
- 3. Provides funding for the Dakota Digital Academy \$450,000
- 4. Provides funding for workforce education innovation grants \$10,000,000

**North Dakota University System Office - Budget No. 215**  
**House Bill No. 1003**  
**Base Level Funding Changes**

	<b>Executive Budget Recommendation</b>			
	<b>FTE Positions</b>	<b>General Fund</b>	<b>Other Funds</b>	<b>Total</b>
<b>2023-25 Biennium Base Level</b>	158.83	\$116,898,476	\$25,757,035	\$142,655,511
<b>2023-25 Ongoing Funding Changes</b>				
Base payroll changes	4.00	\$211,768	\$82,198	\$293,966
Salary increase		1,940,770	723,804	2,664,574
Health insurance increase		496,486	242,398	738,884
Increases funding for the academic and CTE scholarship programs to provide a total of \$17,216,749		1,000,000		1,000,000
Increases funding for the Native American scholarship program to provide a total of \$1 million		444,677		444,677
Removes funding for the dual-credit tuition scholarship			(1,500,000)	(1,500,000)
Increases funding for the veterans assistance program to provide a total of \$454,875		177,000		177,000
Adds funding for maintenance of a new financial aid system		273,180		273,180
Adds funding for software costs and a security operations center		2,500,000		2,500,000
Adds funding for the general fund Capitol rent model		143,625		143,625
Reduces funding for capital bond payments		(2,187,368)		(2,187,368)
Total ongoing funding changes	4.00	\$5,000,138	(\$451,600)	\$4,548,538
<b>One-time funding items</b>				
Adds funding from the legacy earnings fund for the higher education challenge grant program			\$50,000,000	\$50,000,000
Adds funding for the behavioral health initiative		\$3,640,624		3,640,624
Adds funding for a new financial aid software system		1,554,354		1,554,354
Adds funding to continue the Dakota Digital Academy		450,000		450,000
Adds funding from the legacy earnings fund for energy workforce education scholarships			10,000,000	10,000,000
Adds funding for workforce education innovation grants		10,000,000		10,000,000
Total one-time funding changes	0.00	\$15,644,978	\$60,000,000	\$75,644,978
<b>Total Changes to Base Level Funding</b>	4.00	\$20,645,116	\$59,548,400	\$80,193,516
<b>2023-25 Total Funding</b>	162.83	\$137,543,592	\$85,305,435	\$222,849,027
<i>Federal funds included in other funds</i>			\$0	
<i>Total ongoing changes as a percentage of base level</i>	2.5%	4.3%	(1.8%)	3.2%
<i>Total changes as a percentage of base level</i>	2.5%	17.7%	231.2%	56.2%

## Other Sections in North Dakota University System Office - Budget No. 215

### Executive Budget Recommendation

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Higher education funding formula	Section 6 would adjust the base credit-hour funding rates of the higher education funding formula. Section 7 would restore the 96 percent minimum amount payable provision in the higher education funding formula.
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**HOUSE BILL NO. 1003  
(Governor's Recommendation)**

Introduced by

Appropriations Committee

(At the request of the Governor)

A bill for an act to provide an appropriation for defraying the expenses of the North Dakota university system; to amend and reenact sections 15-10-48, 15-10-49, 15-18.2-05, and 54-44.1-11 of the North Dakota Century Code, relating to matching grants for institutions under the control of the state board of higher education, state aid to institutions, and the cancellation of unexpended appropriations; to repeal section 15-10-48.1 of North Dakota Century Code relating to matching grants; to provide for transfer of funds; and to provide exemptions.

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

**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, 2023 and ending June 30, 2025, as follows:

Subdivision 1.

**NORTH DAKOTA UNIVERSITY SYSTEM OFFICE**

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Capital Assets	\$13,385,264	(\$2,187,368)	\$ 11,197,896
Student Financial Assistance	23,917,306	0	23,917,306
Veterans Assistance Grants	277,875	177,000	454,875
Scholars Program	1,807,115	0	1,807,115
Nursing Education	1,356,000	0	1,356,000
Native American	555,323	444,677	1,000,000
Core Technology Services	62,962,817	5,442,344	68,405,161
Education Challenge Fund	0	50,000,000	50,000,000
Education Incentive	260,000	0	260,000
Tribal Community College	1,000,000	0	1,000,000
Academic and Tech Ed	16,216,749	1,000,000	17,216,749
Student Exchange Program	3,699,342	0	3,699,342
NASA Epscor	342,000	0	342,000
Student Mental Health	284,400	0	284,400
Competitive Research	5,685,750	0	5,685,750
System Governance	8,605,570	3,176,239	11,781,809
Shared Campus Services	800,000	0	800,000
Workforce Education	0	10,000,000	10,000,000
Education for Energy	0	10,000,000	10,000,000
Behavioral Health Initiative	<u>0</u>	<u>3,640,624</u>	<u>3,640,624</u>
Total All Funds	\$141,155,511	\$81,693,516	\$222,849,027
Less Estimated Income	<u>24,257,035</u>	<u>61,048,400</u>	<u>85,305,435</u>
Total General Fund	\$116,898,476	\$20,645,116	\$137,543,592
Full-Time Equivalent	158.83	4.00	162.83

Subdivision 2.  
BISMARCK STATE COLLEGE

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Operations	\$100,571,387	\$4,880,320	\$105,451,707
Capital Assets	<u>1,922,561</u>	<u>76,757</u>	<u>1,999,318</u>
Total All Funds	\$102,493,948	\$4,957,077	\$107,451,025
Less Estimated Income	<u>70,409,893</u>	<u>3,429,847</u>	<u>73,839,740</u>
Total General Fund	\$32,084,055	\$1,527,230	\$33,611,285
Full-Time Equivalent	332.90	2.43	335.33

Subdivision 3.  
LAKE REGION STATE COLLEGE

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Operations	\$39,150,913	\$1,837,455	\$40,988,368
Capital Assets	<u>362,667</u>	<u>392,700</u>	<u>755,367</u>
Total All Funds	\$39,513,580	\$2,230,155	\$41,743,735
Less Estimated Income	<u>25,271,428</u>	<u>1,857,238</u>	<u>27,128,666</u>
Total General Fund	\$14,242,152	\$372,917	\$14,615,069
Full-Time Equivalent	115.76	4.83	120.59

Subdivision 4.  
WILLISTON STATE COLLEGE

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Operations	\$34,044,304	\$998,637	\$35,042,941
Capital Assets	<u>1,261,968</u>	<u>1,059,369</u>	<u>2,321,337</u>
Total All Funds	\$35,306,272	\$2,058,006	\$37,364,278
Less Estimated Income	<u>24,019,535</u>	<u>1,097,518</u>	<u>25,117,053</u>
Total General Fund	\$11,286,737	\$960,488	\$12,247,225
Full-Time Equivalent	101.29	1.54	102.83

Subdivision 5.  
UNIVERSITY OF NORTH DAKOTA

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Operations	\$902,173,331	\$38,940,459	\$941,113,790
Capital Assets	4,411,566	3,823,875	8,235,441
Capital Assets – Off System	<u>0</u>	<u>\$33,000,000</u>	<u>\$33,000,000</u>
Total All Funds	\$906,584,897	\$75,764,334	\$982,349,231
Less Estimated Income	<u>755,657,771</u>	<u>67,305,044</u>	<u>822,962,814</u>
Total General Fund	\$150,927,126	\$8,459,291	\$159,386,417
Full-Time Equivalent	2,059.98	0.58	2,060.56

Subdivision 6.  
NORTH DAKOTA STATE UNIVERSITY

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Operations	\$756,049,321	\$23,149,118	\$779,198,439
Capital Assets	7,799,104	8,639,564	16,438,668
Capital Assets – Off System	<u>0</u>	<u>23,000,000</u>	<u>23,000,000</u>
Total All Funds	\$763,848,425	\$54,788,682	\$818,637,107
Less Estimated Income	<u>625,417,100</u>	<u>51,108,632</u>	<u>676,525,732</u>
Total General Fund	\$138,431,325	\$3,680,050	\$142,111,375
Full-Time Equivalent	1,829.43	38.07	1,867.50



Subdivision 7.  
NORTH DAKOTA STATE COLLEGE OF SCIENCE

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Operations	\$95,547,465	\$3,495,568	\$99,043,033
Capital Assets	<u>1,012,379</u>	<u>0</u>	<u>1,012,379</u>
Total All Funds	\$96,559,844	\$3,495,568	\$100,055,412
Less Estimated Income	<u>60,845,052</u>	<u>2,639,555</u>	<u>63,484,607</u>
Total General Fund	\$35,714,792	\$856,013	\$36,570,805
Full-Time Equivalent	311.61	2.34	313.95

Subdivision 8.  
DICKINSON STATE UNIVERSITY

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Operations	\$50,826,060	\$4,139,569	\$54,965,629
Capital Assets	<u>409,078</u>	<u>900,000</u>	<u>1,309,078</u>
Total All Funds	\$51,235,138	\$5,039,569	\$56,274,707
Less Estimated Income	<u>30,992,408</u>	<u>2,585,626</u>	<u>33,578,034</u>
Total General Fund	\$20,242,730	\$2,453,943	\$22,696,673
Full-Time Equivalent	175.50	2.50	178.00

Subdivision 9.  
MAYVILLE STATE UNIVERSITY

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Operations	\$50,603,276	\$4,061,362	\$54,664,638
Capital Assets	<u>358,992</u>	<u>3,779,100</u>	<u>4,138,092</u>
Total All Funds	\$50,962,268	\$7,840,462	\$58,802,730
Less Estimated Income	<u>32,282,440</u>	<u>5,828,800</u>	<u>38,111,240</u>
Total General Fund	\$18,679,828	\$2,011,662	\$20,691,490
Full-Time Equivalent	230.35	(3.43)	226.92

Subdivision 10.  
MINOT STATE UNIVERSITY

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Operations	\$104,154,777	\$7,624,616	\$111,779,393
Capital Assets	<u>1,099,620</u>	<u>\$1,721,140</u>	<u>2,820,760</u>
Total All Funds	\$105,254,397	\$9,345,756	\$114,600,153
Less Estimated Income	<u>64,047,767</u>	<u>5,088,594</u>	<u>69,136,361</u>
Total General Fund	\$41,206,630	\$4,257,162	\$45,463,792
Full-Time Equivalent	403.04	20.59	423.63

Subdivision 11.  
VALLEY CITY STATE UNIVERSITY

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Operations	\$50,083,400	3,795,849	\$53,879,249
Capital Assets	455,823	57,540	513,363
Capital Assets – Off System	<u>0</u>	<u>22,000,000</u>	<u>22,000,000</u>
Total All Funds	\$50,539,223	\$25,853,389	\$76,392,612
Less Estimated Income	<u>26,377,846</u>	<u>23,684,505</u>	<u>50,062,351</u>
Total General Fund	\$24,161,377	\$2,168,884	\$26,330,261
Full-Time Equivalent	202.77	9.17	211.94

Subdivision 12.  
DAKOTA COLLEGE AT BOTTINEAU

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Operations	\$23,640,055	\$1,281,894	\$24,921,949
Capital Assets	<u>114,007</u>	<u>4,199,700</u>	<u>4,313,707</u>
Total All Funds	\$23,754,062	\$5,481,594	\$29,235,656
Less Estimated Income	<u>14,216,200</u>	<u>4,334,830</u>	<u>18,551,030</u>
Total General Fund	\$9,537,862	\$1,146,764	\$10,684,626
Full-Time Equivalent	91.86	(7.86)	84.00

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	\$218,253,057	\$13,591,275	\$231,844,332
Healthcare Workforce	<u>10,676,150</u>	<u>0</u>	<u>10,676,150</u>
Total All Funds	\$228,929,207	\$13,591,275	\$242,520,482
Less Estimated Income	<u>160,806,249</u>	<u>7,108,370</u>	<u>167,914,619</u>
Total General Fund	\$68,122,958	\$6,482,905	\$74,605,863
Full-Time Equivalent	492.67	(3.84)	488.83

Subdivision 14.  
NORTH DAKOTA FOREST SERVICE

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Operations	\$15,343,065	\$9,318,100	\$24,661,165
Capital Assets	<u>118,728</u>	<u>0</u>	<u>118,728</u>
Total All Funds	\$15,461,793	\$9,318,100	\$24,779,893
Less Estimated Income	<u>10,669,315</u>	<u>8,471,957</u>	<u>19,141,272</u>
Total General Fund	\$4,792,478	\$846,143	\$5,638,621
Full-Time Equivalent	28.00	1.00	29.00

Subdivision 15.  
BILL TOTAL

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Grand Total General Fund	\$686,328,526	\$55,868,568	\$742,197,094
Grand Total Special Funds	<u>1,925,270,039</u>	<u>245,588,916</u>	<u>2,170,858,955</u>
Grand Total All Funds	\$2,611,598,565	\$301,457,484	\$2,913,056,049

**SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-NINTH LEGISLATIVE ASSEMBLY.** The following amounts reflect the one-time funding items approved by the sixty-seventh legislative assembly for the 2021-23 biennium and the 2023-25 one-time funding items included in the appropriation in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2021-23</u>	<u>2023-25</u>
Capital Projects – Other Funds	\$64,963,000	\$87,744,100
North Dakota State University Settlement Agreement	125,000	0
Math Pathways	150,000	0
Education Challenge Grants	11,150,000	50,000,000
UND Space Command Initiative	4,000,000	0
Tuition Scholarship Program	1,500,000	0
Behavioral Health Initiative	0	3,640,624
Financial Aid System	0	1,554,354
Dakota Digital Academy	0	450,000
Workforce Education Innovation Grant	0	10,000,000
Education Scholarships for Energy Workforce	<u>0</u>	<u>10,000,000</u>
Total All Funds	\$81,888,000	\$163,389,078

Total Other Funds	<u>64,863,000</u>	<u>147,744,100</u>
Total General Fund	\$17,025,000	\$15,644,978

The 2023-25 one-time funding amounts are not a part of the entity's base budget for the 2025-27 biennium. The North Dakota university system shall report to the appropriations committees of the sixty-ninth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2023 and ending June 30, 2025.

**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.
  - (3) The institution is not sponsoring, partnering with, applying for grants with, or providing a grant subaward to any person or organization that performs, or promotes the performance of, an abortion unless the abortion is necessary to prevent the death of the woman, and not participating in or sponsoring any program producing, distributing, publishing, disseminating, endorsing, or approving materials of any type or from any organization, that between normal childbirth and abortion, do not give preference, encouragement, and support to normal childbirth. This paragraph does not apply to agreements entered into with medical hospitals and clinics by the university of North Dakota school of medicine and health sciences or by any nursing education program at an institution under the control of the state board of higher education.
- c. ~~The board may award up to one million seven hundred thousand dollars in matching grants each to the university of North Dakota and North Dakota state university; and up to one million five hundred thousand dollars in matching grants for projects at the university of North Dakota school of medicine and health sciences 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.
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. REPEAL.** Section 15-10-48.1 of the North Dakota Century Code is repealed.

**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.
  - (3) The institution is not sponsoring, partnering with, applying for grants with, or providing a grant subaward to any person or organization that performs, or promotes the performance of, an abortion unless the abortion is necessary to prevent the death of the woman, and not participating in or sponsoring any program producing, distributing, publishing, disseminating, endorsing, or approving materials of any type or from any organization, that between normal childbirth and abortion, do not give preference, encouragement, and support to normal childbirth. This paragraph does not apply to agreements entered into with medical hospitals and clinics by the university of North Dakota school of medicine and health sciences or by any nursing education program at an institution under the control of the state board of higher education.
- c. The board may award up to:
  - (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 6. 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. ~~\$64.84~~\$66.16 in the case of North Dakota state university and the university of North Dakota;
2. ~~\$92.60~~\$98.94 in the case of Dickinson state university, Mayville state university, Minot state university, and Valley City state university;

3. ~~\$98.84~~\$105.96 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 7. 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, 2025) 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 8. 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, ~~2023~~2025)**

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, ~~2023~~2025)** 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 9. 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, 2023 and ending June 30, 2025. All additional funds received under the North Dakota-Minnesota reciprocity agreement during the biennium beginning July 1, 2023 and ending June 30, 2025, are appropriated to the state board of higher education for reimbursement to institutions under the control of the board.

**SECTION 10. CAMPUS CAPITAL PROJECTS - PROJECT MANAGEMENT.** During the biennium beginning July 1, 2023 and ending June 30, 2025, 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 11. 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, 2023 and ending June 30, 2025. 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 12. TRANSFER AUTHORITY.** If, during the biennium beginning July 1, 2023 and ending June 30, 2025, 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 13. 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, 2023 and ending June 30, 2025. The North Dakota university system shall report any adjustments to the office of management and budget before the submission of the 2025-27 biennium budget request.

**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.

**SECTION 15. TRANSFER – STRATEGIC INVESTMENT AND IMPROVEMENTS FUND – UNIVERSITY SYSTEM CAPITAL BUILDING FUND.** The office of management and budget shall transfer \$19,000,000 from the strategic investment and improvements fund to the university system capital building during the period beginning July 1, 2023 and ending June 30, 2025, as requested by the commissioner of higher education. Funding transferred pursuant to this section is to be allocated to each institution as follows:

	<u>Tier II</u>	<u>Tier III</u>	<u>Total</u>
Bismarck State College	\$425,693	\$500,000	\$925,693
Lake Region State College	177,375	500,000	677,375
Williston State College	137,947	500,000	637,947
University of North Dakota	4,361,801	2,250,000	6,611,801
North Dakota State University	2,899,596	2,250,000	5,149,596
North Dakota State College of Science	500,695	500,000	1,000,695
Dickinson State University	268,862	500,000	768,862

Mayville State University	240,029	500,000	740,029
Minot State University	572,801	500,000	1,072,801
Valley City State University	309,137	500,000	809,137
Dakota College at Bottineau	<u>106,064</u>	<u>500,000</u>	<u>606,064</u>
Total	\$10,000,000	\$9,000,000	\$19,000,000

**SECTION 16. CAPITAL BUILDING FUNDS - USES.** The institutions listed may use funding from the respective institution's university system capital building fund allocation for the following projects authorized by the sixty-eighth legislative assembly:

Lake Region State College – Wind Turbine Replacement	\$600,000
University of North Dakota – EERC Advanced Materials Processing Facility	33,000,000
North Dakota State University – Music Building Addition/Renovation	20,000,000
North Dakota State University – Sudro Hall Expansion and Renovation	3,000,000
Dickinson State UOniversity – Ag and Tech Building	900,000
Mayville State University – Old Main Renovation Planning and Design	3,997,100
Minot State University – Dakota Hall Demolition	765,000
Valley City State University – Osmon Field House Athletic Addition	20,000,000
Valley City State University – Student Center Renovation	2,000,000
Dakota College at Bottineau – Old Main Renovation	<u>3,700,000</u>
Total	\$87,962,100

**SECTION 17. EXEMPTION - PROJECT AUTHORIZATIONS.** The unexpended amount remaining from the \$49,900,000 appropriated from the general fund for capital projects at institutions under the control of the state board of higher education in section 2 of chapter 53 of the 2019 Session Laws are not subject to section 54-44.1-11 and any unexpended funds from the appropriations are available to the respective institutions to complete the projects during the biennium beginning July 1, 2023 and ending June 30, 2025.

**SECTION 18. ESTIMATED INCOME – LEGACY EARNINGS FUND - ONE-TIME FUNDING.** The estimated income line item in the education challenge fund line of section 1 of this Act includes the sum of \$50,000,000 from the legacy earnings fund, of which is for the education challenge fund program. This funding is considered a one-time funding item.

**SECTION 19. ESTIMATED INCOME – LEGACY EARNINGS FUND - ONE-TIME FUNDING.** The estimated income line item in the education for energy workforce line of section 1 of this Act includes the sum of \$10,000,000 from the legacy earnings fund, of which is for education scholarships for the energy workforce. his funding is considered a one-time funding item.

**SECTION 20. STRATEGIC INVESTMENT AND IMPROVEMENTS FUND – LAKE REGION STATE COLLEGE – DICKINSON STATE UNIVERSITY - MAYVILLE STATE UNIVERSITY – MINOT STATE UNIVERSITY –DAKOTA COLLEGE AT BOTTINEAU - CAPITAL PROJECTS.** The appropriation in subdivision 3 of section 1 of this Act includes the sum of \$480,000 from the strategic investment and improvements fund for the Lake Region state college wind turbine replacement. The appropriation in subdivision 8 of section 1 of this Act includes the sum of \$900,000 from the strategic investment and improvements fund for planning and design for the Dickinson state university ag and tech education building. The appropriation in subdivision 9 of section 1 of this Act includes the sum of \$3,997,100 from the strategic investment and improvements fund for the planning and design of the Mayville old main renovation. The appropriation in subdivision 10 of section 1 of this Act includes the sum of \$765,000 from the strategic investment and improvements fund for the demolition of Minot state university Dakota hall. The appropriation in subdivision 12 of section 1 of this Act includes the sum of \$3,700,000 from the strategic investment and improvements fund for the Dakota college at Bottineau old main renovation.

**SECTION 21. EXEMPTION – STATE FISCAL RECOVERY – UNIVERSITY OF NORTH DAKOTA.** The amount of \$5,000,000 appropriated to the university of North Dakota for the purpose of reconstruction of the university's apron at the Grand Forks airport in section 1 of chapter 548 of the 2021 Special Session Session Laws is not subject to section 54-44.1-11 and any unexpended funds from this program are available for the program during the biennium beginning July 1, 2023 and ending June 30, 2025.

**SECTION 22. EXEMPTION – STATE FISCAL RECOVERY – DICKINSON STATE UNIVERSITY.** The amount of \$4,000,000 appropriated to the Dickinson state university for the purpose of a Pulver hall project, a meat processing laboratory remodel, and other projects in section 1 of chapter 548 of the 2021 Special Session Session Laws is not subject to section 54-44.1-11 and any unexpended funds from this program are available for the program during the biennium beginning July 1, 2023 and ending June 30, 2025.

**SECTION 23. EXEMPTION – STATE FISCAL RECOVERY – UNIVERSITY OF NORTH DAKOTA.** The amount of \$50,000,000 appropriated to the university of North Dakota for the purpose of a Merrifield hall renovation in section 1 of chapter 550 of the 2021 Special Session Session Laws is not subject to section 54-44.1-11 and any unexpended funds from this program are available for the program during the biennium beginning July 1, 2023 and ending June 30, 2025.

**SECTION 24. EXEMPTION – STATE FISCAL RECOVERY – BISMARCK STATE UNIVERSITY.** The amount of \$38,000,000 appropriated to Bismarck state university for the purpose of constructing a polytechnic building and related startup costs in section 1 of chapter 550 of the 2021 Special Session Session Laws is not subject to section 54-44.1-11 and any unexpended funds from this program are available for the program during the biennium beginning July 1, 2023 and ending June 30, 2025.

**SECTION 25. EXEMPTION – STATE FISCAL RECOVERY – MINOT STATE UNIVERSITY.** The amount of \$25,000,000 appropriated to Minot state university for the purpose of Hartnett hall renovation in section 1 of chapter 550 of the 2021 Special Session Session Laws is not subject to section 54-44.1-11 and any unexpended funds from this program are available for the program during the biennium beginning July 1, 2023 and ending June 30, 2025.

**SECTION 26. EXEMPTION – STATE FISCAL RECOVERY – UNIVERSITY OF NORTH DAKOTA SCHOOL OF MEDICINE AND HEALTH SCIENCES.** The amount of \$2,104,121 appropriated to university of North Dakota school of medicine and sciences for the purpose of purchasing equipment and hiring personnel to provide hyperbaric oxygen therapy in section 1 of chapter 550 of the 2021 Special Session Session Laws is not subject to section 54-44.1-11 and any unexpended funds from this program are available for the program during the biennium beginning July 1, 2023 and ending June 30, 2025.

**SECTION 27. EXEMPTION – STATE FISCAL RECOVERY – DAKOTA DIGITAL ACADEMY.** The amount of \$475,000 appropriated to the state board of higher education for the purpose of providing for the Dakota digital academy in section 1 of chapter 550 of the 2021 Special Session Session Laws is not subject to section 54-44.1-11 and any unexpended funds from this program are available for the program during the biennium beginning July 1, 2023 and ending June 30, 2025.

**SECTION 28. EXEMPTION – STATE FISCAL RECOVERY – UNIVERSITY OF NORTH DAKOTA.** The amount of \$10,000,000 appropriated to the university of North Dakota for the purpose of a space education and research initiative in section 1 of chapter 550 of the 2021 Special Session Session Laws is not subject to section 54-44.1-11 and any unexpended funds from this program are available for the program during the biennium beginning July 1, 2023 and ending June 30, 2025.