Department 241 - Minot State University
House Bill No. 1003

Executive Budget Comparison to Base Level

	General Fund	Other Funds	Total
2023-25 Executive Budget	$45,463,792	$69,136,361	$114,600,153
2023-25 Base Level	41,206,630	64,047,767	105,254,397
Increase (Decrease)	$4,257,162	$5,088,594	$9,345,756

Selected Budget Changes Recommended in the Executive Budget

	General Fund	Other Funds	Total
1. Provides funding adjustments through the higher education funding formula as follows:			
• Adds funding for the cost to continue 2021-23 biennium compensation increases	$196,850	$332,240	$529,090
• Adjusts funding to reflect changes in completed student credit-hours	1,342,514	0	1,342,514
• Adds funding for inflationary increases, including employee compensation and benefit adjustments	2,717,798	3,991,354	6,709,152
Total	$4,257,162	$4,323,594	$8,580,756
2. Adds **one-time funding** from SIIF for the demolition of Dakota Hall	$0	$765,000	$765,000

A summary of the executive budget changes to the University System institutions' 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.

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.

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 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.

Strategic investment and improvements fund - Section 20 would identify $9,624,100 for capital projects, including $765,000 for the MiSU Dakota Hall demolition, is from SIIF.

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

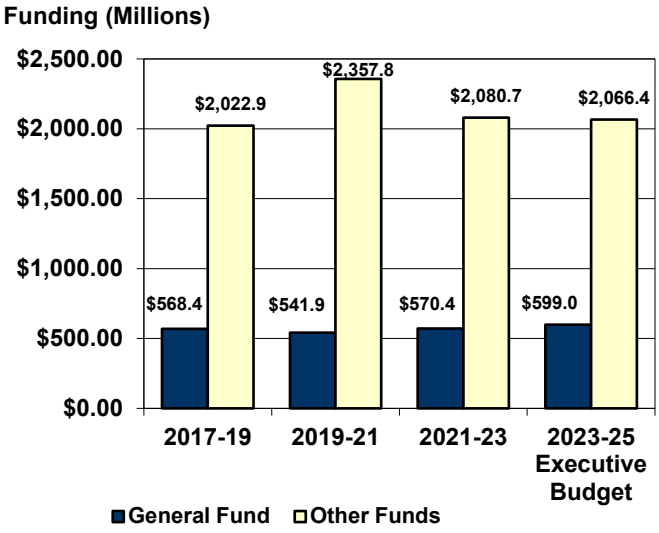
House Bill No. 1033 - Appropriates $24 million to continue the higher education challenge grant program.

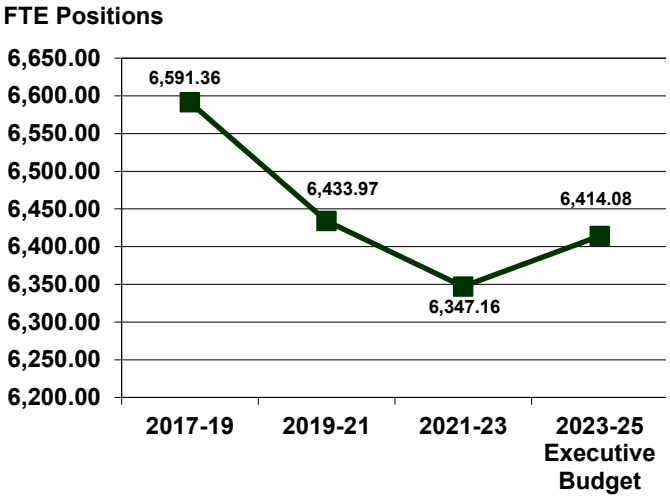
House Bill No. 1034 - Transfers $29 million from SIIF to the University System capital building fund to continue the higher education capital building fund program.

Senate Bill No. 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.

Historical Appropriations Information

University System Institutions Appropriations and FTE Positions





Ongoing General Fund Appropriations

	2015-17	2017-19	2019-21	2021-23	2023-25 Executive Budget
Ongoing general fund appropriations	$566,966,411	$507,176,197	$541,664,044	$564,637,572	$599,014,881
Increase (decrease) from previous biennium	N/A	($59,790,214)	$34,487,847	$22,973,528	$34,377,309
Percentage increase (decrease) from previous biennium	N/A	(10.5%)	6.8%	4.2%	6.1%
Cumulative percentage increase (decrease) from 2015-17 biennium	N/A	(10.5%)	(4.5%)	(0.4%)	5.7%

Major Increases (Decreases) in Ongoing General Fund Appropriations

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 increases	$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

1. Adjusted funding for changes in completed student credits	($1,165,637)
2. Adjusted funding for higher education funding formula adjustments	$15,320,830
3. Increased funding for compensation and health insurance increases	$8,943,335

2023-25 Biennium (Executive Budget Recommendation)

1. Adjusts funding for changes in completed student credits	($9,265,083)
2. Adds funding for 96 percent minimum amount payable allocations to certain institutions	$5,215,694
3. Increases funding for compensation and health insurance increases	$35,635,615

One-Time General Fund Appropriations

	2015-17	2017-19	2019-21	2021-23	2023-25 Executive Budget
One-time general fund appropriations	$124,505,656	$61,226,476	$200,000	$5,725,000	$0

Major One-Time General Fund Appropriations

2017-19 Biennium

1. Allocations for institution operations $4,875,000
2. Bismarck State College Nursing Building project $8,900,000
3. NDSU agriculture products development center project $20,000,000
4. NDSU Dunbar Hall project $8,000,000
5. UND Gamble Hall replacement project $9,000,000

2019-21 Biennium

1. DSU digitization of Theodore Roosevelt documents $200,000

2021-23 Biennium

1. UND space command initiative $4,000,000
2. MaSU natural gas boiler project $1,600,000

2023-25 Biennium (Executive Budget Recommendation)

1. No major one-time general fund appropriations $0

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

	Executive Budget Recommendation			
	FTE Positions	General Fund	Other Funds	Total
2023-25 Biennium Base Level	6,347.16	$564,637,572	$1,890,343,689	$2,454,981,261
2023-25 Ongoing Funding Changes				
Base payroll adjustments, including cost to continue 2021-23 biennium salary increases	66.92	$2,791,083	$6,792,579	$9,583,662
Salary increase		26,387,561	58,773,575	85,161,136
Health insurance increase		9,248,054	22,753,804	32,001,858
Student credit-hour completion adjustment		(9,265,083)		(9,265,083)
Minimum amount payable allocation		5,215,694		5,215,694
Special funds adjustment			4,500	4,500
Total ongoing funding changes	66.92	$34,377,309	$88,324,458	$122,701,767
One-time funding items				
LRSC wind turbine replacement (SIIF $480,000)			$600,000	$600,000
UND EERC facility			33,000,000	33,000,000
NDSU music building			20,000,000	20,000,000
NDSU Sudro Hall expansion			3,000,000	3,000,000
DSU agriculture and technical education building design (SIIF)			900,000	900,000
MaSU Old Main renovation (SIIF)			3,779,100	3,779,100
MiSU Dakota Hall demolition (SIIF)			765,000	765,000
VCSU Osmon Field House addition			20,000,000	20,000,000
VCSU Student Center renovation			2,000,000	2,000,000
DCB Old Main renovation (SIIF)			3,700,000	3,700,000
Total one-time funding changes	0.00	$0	$87,744,100	$87,744,100
Total Changes to Base Level Funding	66.92	$34,377,309	$176,068,558	$210,445,867
2023-25 Total Funding	6,414.08	$599,014,881	$2,066,412,247	$2,665,427,128
Federal funds included in other funds			*$0*	
Total ongoing changes as a percentage of base level	*1.1%*	*6.1%*	*4.7%*	*5.0%*
Total changes as a percentage of base level	*1.1%*	*6.1%*	*9.3%*	*8.6%*

Sixty-eighth
Legislative Assembly
of North Dakota

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

	Base Level	Adjustments or Enhancements	Appropriation
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	0	3,640,624	3,640,624
Total All Funds	$141,155,511	$81,693,516	$222,849,027
Less Estimated Income	24,257,035	61,048,400	85,305,435
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

	Base Level	Adjustments or Enhancements	Appropriation
Operations	$100,571,387	$4,880,320	$105,451,707
Capital Assets	1,922,561	76,757	1,999,318
Total All Funds	$102,493,948	$4,957,077	$107,451,025
Less Estimated Income	70,409,893	3,429,847	73,839,740
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

	Base Level	Adjustments or Enhancements	Appropriation
Operations	$39,150,913	$1,837,455	$40,988,368
Capital Assets	362,667	392,700	755,367
Total All Funds	$39,513,580	$2,230,155	$41,743,735
Less Estimated Income	25,271,428	1,857,238	27,128,666
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

	Base Level	Adjustments or Enhancements	Appropriation
Operations	$34,044,304	$998,637	$35,042,941
Capital Assets	1,261,968	1,059,369	2,321,337
Total All Funds	$35,306,272	$2,058,006	$37,364,278
Less Estimated Income	24,019,535	1,097,518	25,117,053
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

	Base Level	Adjustments or Enhancements	Appropriation
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	0	$33,000,000	$33,000,000
Total All Funds	$906,584,897	$75,764,334	$982,349,231
Less Estimated Income	755,657,771	67,305,044	822,962,814
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

	Base Level	Adjustments or Enhancements	Appropriation
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	0	23,000,000	23,000,000
Total All Funds	$763,848,425	$54,788,682	$818,637,107
Less Estimated Income	625,417,100	51,108,632	676,525,732
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

	Base Level	Adjustments or Enhancements	Appropriation
Operations	$95,547,465	$3,495,568	$99,043,033
Capital Assets	1,012,379	0	1,012,379
Total All Funds	$96,559,844	$3,495,568	$100,055,412
Less Estimated Income	60,845,052	2,639,555	63,484,607
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

	Base Level	Adjustments or Enhancements	Appropriation
Operations	$50,826,060	$4,139,569	$54,965,629
Capital Assets	409,078	900,000	1,309,078
Total All Funds	$51,235,138	$5,039,569	$56,274,707
Less Estimated Income	30,992,408	2,585,626	33,578,034
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

	Base Level	Adjustments or Enhancements	Appropriation
Operations	$50,603,276	$4,061,362	$54,664,638
Capital Assets	358,992	3,779,100	4,138,092
Total All Funds	$50,962,268	$7,840,462	$58,802,730
Less Estimated Income	32,282,440	5,828,800	38,111,240
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

	Base Level	Adjustments or Enhancements	Appropriation
Operations	$104,154,777	$7,624,616	$111,779,393
Capital Assets	1,099,620	$1,721,140	2,820,760
Total All Funds	$105,254,397	$9,345,756	$114,600,153
Less Estimated Income	64,047,767	5,088,594	69,136,361
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

	Base Level	Adjustments or Enhancements	Appropriation
Operations	$50,083,400	3,795,849	$53,879,249
Capital Assets	455,823	57,540	513,363
Capital Assets – Off System	0	22,000,000	22,000,000
Total All Funds	$50,539,223	$25,853,389	$76,392,612
Less Estimated Income	26,377,846	23,684,505	50,062,351
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

	Base Level	Adjustments or Enhancements	Appropriation
Operations	$23,640,055	$1,281,894	$24,921,949
Capital Assets	114,007	4,199,700	4,313,707
Total All Funds	$23,754,062	$5,481,594	$29,235,656
Less Estimated Income	14,216,200	4,334,830	18,551,030
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

	Base Level	Adjustments or Enhancements	Appropriation
Operations	$218,253,057	$13,591,275	$231,844,332
Healthcare Workforce	10,676,150	0	10,676,150
Total All Funds	$228,929,207	$13,591,275	$242,520,482
Less Estimated Income	160,806,249	7,108,370	167,914,619
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

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

Subdivision 15.
BILL TOTAL

	Base Level	Adjustments or Enhancements	Appropriation
Grand Total General Fund	$686,328,526	$55,868,568	$742,197,094
Grand Total Special Funds	1,925,270,039	245,588,916	2,170,858,955
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:

One-Time Funding Description	2021-23	2023-25
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	0	10,000,000
Total All Funds	$81,888,000	$163,389,078

Total Other Funds	64,863,000	147,744,100
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. ~~$61.81~~$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:

	Tier II	Tier III	Total
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	106,064	500,000	606,064
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 U0niversity – 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	3,700,000
Total	$87,962,100

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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.