



North Dakota Legislative Council

Prepared for the Higher Education
Funding Review Committee
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DUTIES OF THE HIGHER EDUCATION FUNDING REVIEW COMMITTEE - BACKGROUND MEMORANDUM

The Higher Education Funding Review Committee has been assigned the following other responsibilities for the 2025-26 interim:

- Receive a report from the State Board of Higher Education (SBHE), pursuant to North Dakota Century Code Section 15-54.1-02, regarding the use of funding in the university system capital building fund, the source of matching funds, and each institutions' 5-year plan for capital construction spending.
- Receive a report from SBHE, pursuant to Section 38 of Senate Bill No. 2003 (2025), regarding the transfer of appropriation authority from the operations line items to the capital assets line items within subdivisions 2 through 14 of the bill.
- Receive a report from the Department of Commerce regarding workforce development grants awarded to a tribally controlled community college, pursuant to Section 15 of Senate Bill No. 2018 (2025).

CAPITAL BUILDING FUND PROGRAM

The Legislative Assembly established a capital building fund program for the 2019-21 biennium in Sections 29 and 30 of House Bill No. 1003 (2019), including one-time appropriations of \$17 million from Bank of North Dakota profits and \$2 million from the general fund which were to be matched by other institutional funds. The Legislative Assembly continued the capital building fund program for the 2021-23 biennium in Sections 6, 7, and 14 of Senate Bill No. 2003 (2021), including a transfer of \$19 million from the strategic investment and improvements fund (SIIF) to the university system capital building fund. The allocations by school remained the same as for the 2019-21 biennium and continuing appropriation authority was established to spend from the fund in Section 15-54.1-01. Section 15-54.1-02 provides for SBHE to report to the Legislative Management regarding the use of funding in the university system capital building fund, the source of matching funds, and each institutions' 5-year plan for capital construction spending. The 2023 Legislative Assembly increased funding for the program by \$5 million to provide a total of \$24 million from SIIF.

The 2025 Legislative Assembly increased funding for the program by \$2.5 million to provide a total of \$26.5 million from SIIF as follows:

	Tier II		Tier III	
	SIIF	Institution Match (\$1 to \$1)	SIIF	Institution Match (Varied)
Bismarck State College	\$770,505	\$770,505	\$700,000	\$700,000
Dakota College at Bottineau	201,537	201,537	700,000	700,000
Lake Region State College	233,263	233,263	700,000	700,000
North Dakota State College of Science	1,214,738	1,214,738	700,000	700,000
Williston State College	322,154	322,154	700,000	700,000
Dickinson State University	516,884	516,884	700,000	700,000
Mayville State University	332,070	332,070	700,000	700,000
Minot State University	906,412	906,412	700,000	700,000
Valley City State University	452,403	452,403	700,000	700,000
North Dakota State University	4,695,895	4,695,895	2,600,000	5,200,000
University of North Dakota	5,354,139	5,354,139	2,600,000	5,200,000
Total	\$15,000,000	\$15,000,000	\$11,500,000	\$16,700,000

TRANSFER OF APPROPRIATION AUTHORITY

The Legislative Assembly approved Section 38 of Senate Bill No. 2003 (2025) to allow for the transfer of appropriation authority from the operations line item to the capital assets line item within subdivisions 2 through 14 of Section 1 of the bill. The State Board of Higher Education is required to report to the Legislative Management regarding any line item transfers made pursuant to the section.

WORKFORCE DEVELOPMENT GRANTS

Section 15 of Senate Bill No. 2018 (2025) directs the Department of Commerce to provide a report regarding workforce development grants awarded to a tribally controlled community college by October 1, 2026. The 2025 Legislative Assembly appropriated \$750,000 of one-time funding from the general fund for the purpose of providing workforce development grants to a tribally controlled community college. To be eligible for the grant, a tribally controlled community college must partner with at least one high school in the state for workforce development programs under Section 54-60.2-02.

The 2023 Legislative Assembly appropriated \$500,000 for this grant program, the sum of which was awarded by the Department of Commerce to Turtle Mountain Community College. The college reported it would use the funding to support dual-credit course offerings in cybersecurity, emergency medical technician education, medical terminology, and construction education and to develop certificate programs for prospective emergency medical technicians and medical laboratory assistants.