

**Sixty-seventh Legislative Assembly of North Dakota  
In Regular Session Commencing Tuesday, January 5, 2021**

SENATE BILL NO. 2003  
(Appropriations Committee)

AN ACT to provide an appropriation for defraying the expenses of the North Dakota university system; to create and enact a new chapter to title 15 of the North Dakota Century Code, relating to a university system capital building fund; to amend and reenact subdivision c of subsection 1 of section 15-10-48, subdivision k of subsection 1 of section 15-18.2-02, sections 15-18.2-03, 15-18.2-05, and 54-44.1-11 of the North Dakota Century Code and section 2 of chapter 53 of the 2019 Session Laws, relating to matching grants for the advancement of academics, the higher education funding formula, the cancellation of unexpended appropriations, and appropriations for higher education capital projects; to repeal subdivision d of subsection 1 of section 15-10-48 and section 15-18.2-04 of the North Dakota Century Code, relating to the eligibility of the university of North Dakota school of medicine and health sciences to receive a matching grant for the advancement of academics and the institutional size factor of the higher education funding formula; to provide for a transfer; to provide for a report; to provide an exemption; to provide for a study; to provide a statement of legislative intent; to provide a continuing appropriation; and to declare an emergency.

**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 state board of higher education and to the entities and institutions under the supervision of the board, for the purpose of defraying the expenses of the state board of higher education and the entities and institutions under the control of the board, for the biennium beginning July 1, 2021, and ending June 30, 2023, as follows:

Subdivision 1.

NORTH DAKOTA UNIVERSITY SYSTEM

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Capital assets - bond payments	\$4,959,448	\$8,425,816	\$13,385,264
Competitive research programs	5,685,750	0	5,685,750
System governance	8,737,867	(132,297)	8,605,570
Core technology services	62,286,128	676,689	62,962,817
Student financial assistance grants	23,917,306	0	23,917,306
Professional student exchange program	3,699,342	0	3,699,342
Academic and CTE scholarships	12,016,749	4,200,000	16,216,749
Scholars program	1,807,115	0	1,807,115
Native American scholarship	555,323	0	555,323
Tribally controlled community college grants	1,000,000	0	1,000,000
Education incentive programs	260,000	0	260,000
Student mental health	284,400	0	284,400
Veterans' assistance grants	277,875	0	277,875
Shared campus services	500,000	300,000	800,000
Nursing education consortium	0	1,356,000	1,356,000
Math pathways	0	150,000	150,000
NASA EPSCoR	342,000	0	342,000
Total all funds	\$126,329,303	\$14,976,208	\$141,305,511

Less estimated income	<u>24,002,206</u>	<u>254,829</u>	<u>24,257,035</u>
Total general fund	\$102,327,097	\$14,721,379	\$117,048,476
Full-time equivalent positions	148.90	9.93	158.83

Subdivision 2.

## BISMARCK STATE COLLEGE

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Operations	\$98,743,682	\$1,827,705	\$100,571,387
Capital assets	<u>1,922,561</u>	0	<u>1,922,561</u>
Total all funds	\$100,666,243	\$1,827,705	\$102,493,948
Less estimated income	<u>69,598,016</u>	<u>811,877</u>	<u>70,409,893</u>
Total general fund	\$31,068,227	\$1,015,828	\$32,084,055
Full-time equivalent positions	323.93	8.97	332.90

Subdivision 3.

## LAKE REGION STATE COLLEGE

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Operations	\$37,559,127	\$1,591,786	\$39,150,913
Capital assets	<u>362,667</u>	<u>363,000</u>	<u>725,667</u>
Total all funds	\$37,921,794	\$1,954,786	\$39,876,580
Less estimated income	<u>24,976,514</u>	<u>657,914</u>	<u>25,634,428</u>
Total general fund	\$12,945,280	\$1,296,872	\$14,242,152
Full-time equivalent positions	118.10	(2.34)	115.76

Subdivision 4.

## WILLISTON STATE COLLEGE

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Operations	\$32,596,060	\$1,448,244	\$34,044,304
Capital assets	<u>1,261,968</u>	0	<u>1,261,968</u>
Total all funds	\$33,858,028	\$1,448,244	\$35,306,272
Less estimated income	<u>23,790,285</u>	<u>229,250</u>	<u>24,019,535</u>
Total general fund	\$10,067,743	\$1,218,994	\$11,286,737
Full-time equivalent positions	100.48	0.81	101.29

Subdivision 5.

## UNIVERSITY OF NORTH DAKOTA

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Operations	\$888,106,266	\$15,164,018	\$903,270,284
Capital assets	<u>4,411,566</u>	0	<u>4,411,566</u>
Total all funds	\$892,517,832	\$15,164,018	\$907,681,850
Less estimated income	<u>744,185,677</u>	<u>11,472,094</u>	<u>755,657,771</u>
Total general fund	\$148,332,155	\$3,691,924	\$152,024,079
Full-time equivalent positions	2,132.17	(72.19)	2,059.98

Subdivision 6.

## NORTH DAKOTA STATE UNIVERSITY

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Operations	\$743,775,571	\$12,398,750	\$756,174,321
Capital assets	<u>7,799,104</u>	<u>0</u>	<u>7,799,104</u>
Total all funds	\$751,574,675	\$12,398,750	\$763,973,425
Less estimated income	<u>618,859,692</u>	<u>6,557,408</u>	<u>625,417,100</u>
Total general fund	\$132,714,983	\$5,841,342	\$138,556,325
Full-time equivalent positions	1,870.16	(40.73)	1,829.43

Subdivision 7.

## NORTH DAKOTA STATE COLLEGE OF SCIENCE

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Operations	\$95,725,411	(\$177,946)	\$95,547,465
Capital assets	<u>1,012,379</u>	<u>0</u>	<u>1,012,379</u>
Total all funds	\$96,737,790	(\$177,946)	\$96,559,844
Less estimated income	<u>60,195,768</u>	<u>649,284</u>	<u>60,845,052</u>
Total general fund	\$36,542,022	(\$827,230)	\$35,714,792
Full-time equivalent positions	310.73	0.88	311.61

Subdivision 8.

## DICKINSON STATE UNIVERSITY

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Operations	\$48,560,994	\$2,265,066	\$50,826,060
Capital assets	<u>409,078</u>	<u>0</u>	<u>409,078</u>
Total all funds	\$48,970,072	\$2,265,066	\$51,235,138
Less estimated income	<u>30,577,009</u>	<u>415,399</u>	<u>30,992,408</u>
Total general fund	\$18,393,063	\$1,849,667	\$20,242,730
Full-time equivalent positions	213.26	(37.76)	175.50

Subdivision 9.

## MAYVILLE STATE UNIVERSITY

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Operations	\$47,719,555	\$2,883,721	\$50,603,276
Capital assets	<u>358,992</u>	<u>0</u>	<u>358,992</u>
Total all funds	\$48,078,547	\$2,883,721	\$50,962,268
Less estimated income	<u>31,657,931</u>	<u>624,509</u>	<u>32,282,440</u>
Total general fund	\$16,420,616	\$2,259,212	\$18,679,828
Full-time equivalent positions	209.27	21.08	230.35

Subdivision 10.

## MINOT STATE UNIVERSITY

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Operations	\$102,325,073	\$1,829,704	\$104,154,777
Capital assets	<u>1,099,620</u>	<u>0</u>	<u>1,099,620</u>
Total all funds	\$103,424,693	\$1,829,704	\$105,254,397
Less estimated income	<u>63,528,000</u>	<u>519,767</u>	<u>64,047,767</u>

Total general fund	\$39,896,693	\$1,309,937	\$41,206,630
Full-time equivalent positions	407.58	(4.54)	403.04

Subdivision 11.

VALLEY CITY STATE UNIVERSITY

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Operations	\$48,176,928	\$1,906,472	\$50,083,400
Capital assets	455,823	0	455,823
Total all funds	\$48,632,751	\$1,906,472	\$50,539,223
Less estimated income	25,973,818	404,028	26,377,846
Total general fund	\$22,658,933	\$1,502,444	\$24,161,377
Full-time equivalent positions	180.68	22.09	202.77

Subdivision 12.

DAKOTA COLLEGE AT BOTTINEAU

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Operations	\$21,440,606	\$2,199,449	\$23,640,055
Capital assets	114,007	4,000,000	4,114,007
Total all funds	\$21,554,613	\$6,199,449	\$27,754,062
Less estimated income	13,813,787	4,402,413	18,216,200
Total general fund	\$7,740,826	\$1,797,036	\$9,537,862
Full-time equivalent positions	82.29	9.57	91.86

Subdivision 13.

UNIVERSITY OF NORTH DAKOTA SCHOOL OF MEDICINE AND HEALTH SCIENCES

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Operations	\$213,244,364	\$3,911,740	\$217,156,104
Health care workforce initiative	10,676,150	0	10,676,150
Total all funds	\$223,920,514	\$3,911,740	\$227,832,254
Less estimated income	159,037,011	1,769,238	160,806,249
Total general fund	\$64,883,503	\$2,142,502	\$67,026,005
Full-time equivalent positions	485.32	7.35	492.67

Subdivision 14.

NORTH DAKOTA FOREST SERVICE

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Operations	\$15,223,336	\$119,729	\$15,343,065
Capital assets	118,728	0	118,728
Total all funds	\$15,342,064	\$119,729	\$15,461,793
Less estimated income	10,665,400	3,915	10,669,315
Total general fund	\$4,676,664	\$115,814	\$4,792,478
Full-time equivalent positions	27.00	1.00	28.00

Subdivision 15.

TOTAL - SECTION 1

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Grand total general fund	\$648,667,805	\$37,935,721	\$686,603,526
Grand total special funds	1,900,861,114	28,771,925	1,929,633,039
Grand total all funds	\$2,549,528,919	\$66,707,646	\$2,616,236,565

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

<u>One-Time Funding Description</u>	<u>2019-21</u>	<u>2021-23</u>
Capital projects - other funds	\$408,500,000	\$4,363,000
North Dakota state university settlement agreement	0	125,000
Math pathways	0	150,000
Education challenge grants	9,400,000	0
School of law matching grants	250,000	0
Tier II and tier III capital building funds	29,000,000	0
Theodore Roosevelt digitization	200,000	0
University of North Dakota campus network upgrades	1,500,000	0
North Dakota state university campus network upgrades	1,500,000	0
Total all funds	\$450,350,000	\$4,638,000
Total other funds	438,500,000	4,363,000
Total general fund	\$11,850,000	\$275,000

The 2021-23 biennium one-time funding amounts are not a part of the entity's base budget for the 2023-25 biennium. The institutions and entities under the control of the state board of higher education shall report to the appropriations committees of the sixty-eighth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2021, and ending June 30, 2023.

**SECTION 3. APPROPRIATION - VALLEY CITY STATE UNIVERSITY - PURCHASE OF LAND AUTHORIZED.** The state board of higher education, acting for and through Valley City state university, is authorized to purchase two parcels of land in Barnes County, described as the south half of the east one-third of lot one, block four, of Andrus and Sifton's addition to the city of Valley City, and the south one hundred feet of the west one-third of the east half and the east one-third of the west half of lot one, block four, in Andrus and Sifton's addition to the city of Valley City, from the Valley City state university foundation for the use and betterment of Valley City state university. There is appropriated from other funds the sum of \$309,000, or so much of the sum as may be necessary, to Valley City state university for the purposes of this section for the period beginning with the effective date of this Act and ending June 30, 2023. The funding provided in this section is considered a one-time funding item.

**SECTION 4. ADDITIONAL FEDERAL, PRIVATE, AND OTHER FUNDS - APPROPRIATION.** All funds, in addition to those appropriated in section 1 of this Act, from federal, private, and other sources for competitive grants or other funds that the legislative assembly has not indicated the intent to reject, including tuition revenue, received by the state board of higher education and the institutions and entities under the control of the state board of higher education, are appropriated to the board and those institutions and entities, for the biennium beginning July 1, 2021, and ending June 30, 2023. All additional funds received under the North Dakota-Minnesota reciprocity agreement during the biennium beginning July 1, 2021, and ending June 30, 2023, are appropriated to the state board of higher education for reimbursement to institutions under the control of the board.

**SECTION 5. TRANSFER - UNIVERSITY OF NORTH DAKOTA SCHOOL OF MEDICINE AND HEALTH SCIENCES OPERATIONS.** The operations line item in subdivision 5 of section 1 of this Act includes a funding allocation from the higher education per student credit-hour funding formula attributable to inflation during the biennium beginning July 1, 2021, and ending June 30, 2023. Based on the recommendation of the commissioner of higher education, a portion of the allocation may be

transferred by the state board of higher education between the university of North Dakota school of medicine and health sciences and the university of North Dakota.

**SECTION 6. 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 fund during the period beginning with the effective date of this Act, and ending June 30, 2023, 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 7. 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-sixth and sixty-seventh legislative assemblies:

North Dakota state university - Dunbar Hall	\$51,200,000
North Dakota state university - agriculture products development center	85,000,000
Lake Region state college - parking lot and infrastructure repair	250,000
Mayville state university - natural gas boiler	1,600,000
Williston state college - parking lot and infrastructure repair	850,000
Minot state university - Hartnett hall renovation	25,231,000
North Dakota state college of science - Hektner student center improvements	7,210,455
Dickinson state university - Dickinson sports center	7,000,000
Bismarck state college - cybersecurity technology center addition	3,200,000
Dakota college at Bottineau - Old main renovation	4,000,000
University of North Dakota - Merrifield hall and Twamley hall renovation	79,000,000
University of North Dakota - Business school	<u>70,000,000</u>
Total	\$334,541,455

**SECTION 8. STRATEGIC INVESTMENT AND IMPROVEMENTS FUND - LAKE REGION STATE COLLEGE - DAKOTA COLLEGE AT BOTTINEAU - CAPITAL PROJECTS.** The appropriation in subdivision 3 of section 1 of this Act includes the sum of \$363,000 from the strategic investment and improvements fund for the Lake Region state college Curtis and Annette Hofstad agricultural center project. The appropriation in subdivision 12 of section 1 of this Act includes the sum of \$2,500,000 from

the strategic investment and improvements fund for the Dakota college at Bottineau old main renovation project.

**SECTION 9. 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 10. AMENDMENT.** Subdivision c of subsection 1 of section 15-10-48 of the North Dakota Century Code is amended and reenacted as follows:

- c. The board may award up to one million seven hundred thousand dollars in matching grants to each institution 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.

**SECTION 11. AMENDMENT.** Subdivision k of subsection 1 of section 15-18.2-02 of the North Dakota Century Code is amended and reenacted as follows:

- k. The factor ~~factors~~ for credits completed in career and technical education is ~~2.0~~ are:
  - (1) 3.0 for lower division credits; and
  - (2) 5.0 for upper division credits.

**SECTION 12. AMENDMENT.** Section 15-18.2-03 of the North Dakota Century Code is amended and reenacted as follows:

**15-18.2-03. Credit completion factor - Determination.**

1. Except as provided in subsections 2 and 3 of this section, for each institution under its control, the state board of higher education shall multiply the product determined under section 15-18.2-02 by a factor of:
  - a. 1.00 if the number of credit-hours is at least 240,000;
  - b. 1.05 if the number of credit-hours is at least 180,000 but less than 240,000;
  - c. 1.10 if the number of credit-hours is at least ~~120,000~~ 135,000 but less than 180,000;
  - d. 1.15 if the number of credit-hours is at least ~~90,000~~ 130,000 but less than ~~120,000~~ 135,000;
  - e. 1.20 if the number of credit-hours is at least ~~80,000~~ 120,000 but less than ~~90,000~~ 130,000;
  - f. 1.30 if the number of credit-hours is at least 70,000 but less than ~~80,000~~ 120,000;
  - g. 1.40 if the number of credit-hours is at least 60,000 but less than 70,000;
  - h. 1.50 if the number of credit-hours is at least 50,000 but less than 60,000;
  - i. 1.60 if the number of credit-hours is at least 40,000 but less than 50,000;
  - j. 1.70 if the number of credit-hours is at least 30,000 but less than 40,000; and
  - k. 1.80 if the number of credit-hours is less than 30,000.
2. ~~If the square footage of an institution, when divided by the institution's weighted credit-hours results in a quotient greater than 5.00, the state board of higher education shall multiply the product determined under section 15-18.2-02 by a factor of 1.00. For purposes of this~~

subsection, the square footage of an institution includes real property as determined by the state board of higher education in accordance with section 15-18.2-04.

3. If the number of credit-hours completed by an institution ~~causes~~ would cause a decrease in the credit completion factor for that institution, ~~the new credit completion factor shall not be in effect for calculation purposes for the first two fiscal years following the change compared to the credit completion factor the institution was entitled to receive during the 2017-19 biennium, the state board of higher education shall multiply the product determined under section 15-18.2-02 by a credit growth factor of 1.0 for credits in excess of the factor the institution was entitled to receive during the 2017-19 biennium. Any weighted credit-hours multiplied by a credit growth factor under this section must have a weight of 1.0 under section 15-18.2-02. The state board of higher education shall multiply the remaining weighted credits by the credit completion factor the institution was entitled to receive during the 2017-19 biennium.~~

- 4.3. For purposes of this section, the number of credit-hours must be those determined by the state board of higher education in accordance with section 15-18.2-01.

**SECTION 13. 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.**

1. Except as provided under ~~subsection 2, in orders~~ subsections 2 and 3, 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 ~~15-18.2-04~~ 15-18.2-03 by a base amount of:
  - a. ~~\$60.87~~ \$61.81 in the case of North Dakota state university and the university of North Dakota;
  - b. ~~\$90.98~~ \$92.60 in the case of Dickinson state university, Mayville state university, Minot state university, and Valley City state university; and
  - c. ~~\$97.06~~ \$98.84 in the case of Bismarck state college, Dakota college at Bottineau, Lake Region state college, North Dakota state college of science, and Williston state college.
2. ~~An institution is entitled to an amount equal to seventy-five percent of the product determined under subsection 1 for credits completed by students receiving a tuition waiver pursuant to section 54-12-35. For institutions under subdivision b of subsection 1, the state board of higher education shall multiply the product determined under section 15-18.2-03 for credits completed in instructional programs under subdivision k of subsection 1 of section 15-18.2-02 by the base amount under subdivision c of subsection 1.~~
3. ~~For institutions under subdivision c of subsection 1, the state board of higher education shall multiply the product determined under section 15-18.2-03 for upper division credits completed in instructional programs under subdivisions a through j of subsection 1 of section 15-18.2-02 by the base amount under subdivision b of subsection 1.~~

**SECTION 14.** A new chapter to title 15 of the North Dakota Century Code is created and enacted as follows:

**University system capital building fund - Creation - Continuing appropriation.**

There is created in the state treasury the university system capital building fund. The university system capital building fund consists of moneys transferred to the fund and any interest and earnings of the fund. The state board of higher education may provide for the fund to be invested under the supervision of the state investment board. Moneys in the fund are appropriated to the state board of higher education on a continuing basis for allocations to the institutions under the control of the state



board of higher education for capital projects as directed by the legislative assembly and in accordance with this chapter. Any interest or earnings of the fund must be allocated to the capital building fund pool within the university system capital building fund.

**Capital building funds - Uses - Reports.**

Subject to tier II and tier III capital building fund matching requirements under this chapter, each institution may use its allocation of funds from the university system capital building fund for projects specifically authorized by the legislative assembly to use university system capital building fund moneys. In addition, after an institution has matched and committed seventy-five percent of the funding appropriated for the institution's tier I extraordinary repairs and subject to state board of higher education approval and matching requirements under this chapter, each institution may use its allocation of funds from the university system capital building fund for extraordinary repairs and deferred maintenance projects that do not increase the overall square footage of a building. The state board of higher education shall report biennially to the legislative management and to the appropriations committees of the legislative assembly on the use of funding in the university system capital building fund, the source of matching funds, and each institution's five-year plan for capital construction spending.

**Tier II capital building funds - Matching requirements.**

The state board of higher education may allocate tier II capital building fund moneys to an institution for a project only after the institution provides one dollar of matching funds from operations or other sources for each one dollar from the university system capital building fund for the project. An institution may not use tier I extraordinary repairs funding, tier III capital building fund moneys, or state funding appropriated for a specific capital project as matching funds under this section.

**Tier III capital building funds - Matching requirements.**

The state board of higher education may allocate tier III capital building fund moneys to an institution only after the institution provides two dollars of matching funds from operations or other sources for each one dollar from the university system capital building fund for the project. An institution may not use tier I extraordinary repairs funding, tier II capital building fund moneys, or state funding appropriated for a specific capital project as matching funds under this section.

**Capital building fund pool.**

If the state board of higher education has not allocated capital building fund moneys to an institution by January first of the third biennium after the funding was appropriated or transferred to the fund, the board shall reallocate the funds to a pool within the university system capital building fund. Any institution under the control of the state board of higher education that has fully matched and committed its university system capital building fund allocation may apply for and be allocated funding from the capital building fund pool, subject to state board of higher education approval and tier III capital building fund matching requirements under this chapter.

**SECTION 15. 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, ~~2024~~2023)**

Except as otherwise provided by law, the office of management and budget, thirty days after the close of each biennial period, shall cancel all unexpended appropriations or balances of appropriations after the expiration of the biennial period during which they became available under the law. Unexpended appropriations for the state historical society are not subject to this section and the state historical society shall report on the amounts and uses of funds carried over from one biennium to the appropriations committees of the next subsequent legislative assembly. Unexpended appropriations for the North Dakota university system are not subject to this section and the North Dakota university

system shall report on the amounts and uses of funds carried over from one biennium to the next to subsequent appropriations committees of the legislative assembly. The chairmen of the appropriations committees of the senate and house of representatives of the legislative assembly with the office of the budget may continue appropriations or balances in force for not more than two years after the expiration of the biennial period during which they became available upon recommendation of the director of the budget for:

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

**Office of management and budget to cancel unexpended appropriations - When they may continue. (Effective after July 31, 2021-2023)** The office of management and budget, thirty days after the close of each biennial period, shall cancel all unexpended appropriations or balances of appropriations after the expiration of the biennial period during which they became available under the law. Unexpended appropriations for the state historical society are not subject to this section and the state historical society shall report on the amounts and uses of funds carried over from one biennium to the appropriations committees of the next subsequent legislative assembly. The chairmen of the appropriations committees of the senate and house of representatives of the legislative assembly with the office of the budget may continue appropriations or balances in force for not more than two years after the expiration of the biennial period during which they became available upon recommendation of the director of the budget for:

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

**SECTION 16. AMENDMENT.** Section 2 of chapter 53 of the 2019 Session Laws is amended and reenacted as follows:

**SECTION 2. APPROPRIATION - CAPITAL PROJECTS - EXEMPTION.**

1. Subject to the provisions of this section, 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, to the following institutions for the

identified capital projects, for the period beginning with the effective date of this Act, and ending June 30, 2019, as follows:

Bismarck state college Nursing Building	\$8,900,000
Dakota college at Bottineau dining hall and other projects	1,000,000
Lake Region state college precision agriculture project	1,000,000
North Dakota state university agriculture products development center project	20,000,000
North Dakota state university Dunbar Hall project	8,000,000
University of North Dakota Gamble Hall project	9,000,000
Valley City state university Communications and Fine Arts Building project	<u>2,000,000</u>
Total general fund	\$49,900,000

In accordance with section 54-44.1-11, any unaccepted funds from these appropriations may be continued into the biennium beginning July 1, 2019, and ending June 30, 2021.

2. The appropriation for the agriculture products development center project must be continued into the biennium beginning July 1, 2019, and ending June 30, 2021, ~~and is available only if North Dakota state university certifies to the industrial commission and the director of the office of management and budget that \$20,000,000 of local and other funds has been obtained for the project or if North Dakota state university receives approval for a change in project scope from the legislative assembly or budget section pursuant to section 48-01.2-25.~~
3. The appropriation for the Gamble Hall project must be continued into the biennium beginning July 1, 2019, and ending June 30, 2021, and is available only if the university of North Dakota certifies to the industrial commission and the director of the office of management and budget that \$55,000,000 of local and other funds has been obtained for the project or if the university of North Dakota receives approval for a change in project scope from the legislative assembly or budget section pursuant to section 48-01.2-25.

**SECTION 17. REPEAL.** Subdivision d of subsection 1 of section 15-10-48 of the North Dakota Century Code is repealed.

**SECTION 18. REPEAL.** Section 15-18.2-04 of the North Dakota Century Code is repealed.

**SECTION 19. CAMPUS CAPITAL PROJECTS - PROJECT MANAGEMENT.** During the period beginning with the effective date of this Act, and ending June 30, 2023, each capital project authorized by the state board of higher education must have adequate project management oversight by either an institution official or a representative of an external entity. An institution may seek assistance from the North Dakota university system office for project management oversight of a capital project.

**SECTION 20. UNIVERSITY OF NORTH DAKOTA - TECHNOLOGY ACCELERATOR BUILDING REFINANCING.** The state board of higher education, acting for and through the university of North Dakota, may enter into a refinancing agreement with a private entity for the technology accelerator building during the period beginning with the effective date of this Act and ending June 30, 2023.

**SECTION 21. TRANSFER OF DAKOTA INSTITUTE INVENTORY.** Bismarck state college may transfer any rights, titles, interests, copyrights, and inventory of any of the Dakota institute's publications, books, or other documents or productions, regardless of format, to the author or producer of the document or production for the period beginning with the effective date of this Act, and ending June 30, 2023.

**SECTION 22. EXEMPTION - TRANSFER AUTHORITY - LEGISLATIVE MANAGEMENT REPORT.** Notwithstanding section 54-16-04, the office of management and budget shall transfer appropriation authority from the operations to the capital assets line items within subdivisions 2 through

14 of section 1 of this Act as requested by the state board of higher education for the biennium beginning July 1, 2021, and ending June 30, 2023. The board shall report any transfer of funds under this section to the legislative management.

**SECTION 23. EXEMPTION - FULL-TIME EQUIVALENT POSITION ADJUSTMENTS.**

Notwithstanding any other provisions of law, the state board of higher education may adjust full-time equivalent positions as needed, subject to the availability of funds, for institutions and entities under its control during the biennium beginning July 1, 2021, and ending June 30, 2023. The North Dakota university system shall report any adjustments to the office of management and budget as part of the submission of the 2023-25 biennium budget request.

**SECTION 24. EXEMPTION - PROJECT AUTHORIZATIONS.** Any unexpended amounts 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, 2021, and ending June 30, 2023.

**SECTION 25. LEGISLATIVE MANAGEMENT STUDY - STUDENT AFFORDABILITY.** During the 2021-22 interim, the legislative management shall study higher education student affordability, including all forms of financial assistance available for students enrolled at institutions of higher education in the state. The study must include a review of available scholarships, student loan programs, waivers, grants, and any other forms of student financial assistance available for students enrolled at institutions of higher education in the state. The study must also include a review of the eligibility requirements and other criteria relating to each program, and their impact on the financial cost and utilization of each program. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-eighth legislative assembly.

**SECTION 26. LEGISLATIVE MANAGEMENT STUDY - HIGHER EDUCATION FUNDING STABILIZATION.** During the 2021-22 interim, the legislative management shall consider studying higher education funding mechanisms, including private-public partnerships and distributions from permanent funds. The study must include potential mechanisms to stabilize funding for higher education, including funding mechanisms used in other states. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-eighth legislative assembly.

**SECTION 27. LEGISLATIVE MANAGEMENT STUDY - HIGHER EDUCATION FUNDING FORMULA.** During the 2021-22 interim, the legislative management shall consider studying the higher education funding formula, including instructional program classification factors. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-eighth legislative assembly.

**SECTION 28. LEGISLATIVE INTENT - UNIVERSITY OF NORTH DAKOTA - NURSING EDUCATION CONSORTIUM.** It is the intent of the sixty-seventh legislative assembly that the university of North Dakota discontinue making payments to other institutions of higher education for costs relating to nursing education simulation laboratories.

**SECTION 29. LEGISLATIVE INTENT - WEIGHTED CREDIT-HOURS - INSTRUCTIONAL PROGRAM CLASSIFICATION FACTORS.** It is the intent of the sixty-seventh legislative assembly that:

1. Veterinary medicine courses remain under the health sciences instructional program classification within the higher education funding formula;
2. Computer and information sciences and support services courses be transferred to the engineering instructional program classification within the higher education funding formula; and

3. Lineworker; plumbing; powersports technology; heating, ventilating, air conditioning, and refrigeration technology; diesel technology; mechanical systems; and machine tooling courses be placed in an upper division under the career and technical education instructional program classification within the higher education funding formula.

**SECTION 30. EMERGENCY.** Sections 3, 6, 7, 8, 14, 16, 19, 20, and 21 of this Act and the capital assets line items in section 1 of this Act are declared to be an emergency measure.

\_\_\_\_\_  
President of the Senate

\_\_\_\_\_  
Speaker of the House

\_\_\_\_\_  
Secretary of the Senate

\_\_\_\_\_  
Chief Clerk of the House

This certifies that the within bill originated in the Senate of the Sixty-seventh Legislative Assembly of North Dakota and is known on the records of that body as Senate Bill No. 2003 and that two-thirds of the members-elect of the Senate voted in favor of said law.

Vote:        Yeas 46                      Nays 0                      Absent 1

\_\_\_\_\_  
President of the Senate

\_\_\_\_\_  
Secretary of the Senate

This certifies that two-thirds of the members-elect of the House of Representatives voted in favor of said law.

Vote:        Yeas 72                      Nays 22                      Absent 0

\_\_\_\_\_  
Speaker of the House

\_\_\_\_\_  
Chief Clerk of the House

Received by the Governor at \_\_\_\_\_ M. on \_\_\_\_\_, 2021.

Approved at \_\_\_\_\_ M. on \_\_\_\_\_, 2021.

\_\_\_\_\_  
Governor

Filed in this office this \_\_\_\_\_ day of \_\_\_\_\_, 2021,

at \_\_\_\_\_ o'clock \_\_\_\_\_ M.

\_\_\_\_\_  
Secretary of State