

Introduced by

Appropriations Committee

(At the request of the Governor)

1 A BILL for an Act to provide an appropriation for defraying the expenses of the North Dakota
2 university system; to amend and reenact sections 15-10-47, 15-62.2-02, and 15.1-21-02.6 of
3 the North Dakota Century Code, relating to construction project variance reports, student
4 financial assistance grants, and the North Dakota scholarships; to provide an exemption; to
5 provide for transfer of funds; to authorize the state board of higher education to issue and sell
6 bonds for capital projects; and to declare an emergency.

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

8 **SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds
9 as may be necessary, are appropriated out of any moneys in the general fund in the state
10 treasury, not otherwise appropriated, and from special funds derived from federal funds and
11 other income to the North Dakota university system office and to the various entities and
12 institutions under the supervision of the state board of higher education for the purpose of
13 defraying the expenses of the North Dakota university system office and to the various entities
14 for the biennium beginning July 1, 2013, and ending June 30, 2015, as follows:

15 Subdivision 1.

16 NORTH DAKOTA UNIVERSITY SYSTEM OFFICE

		Adjustments or		
	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>	
17				
18				
19	Capital assets	\$12,204,769	(\$1,768,724)	\$10,436,045
20	Competitive research program	7,050,000	0	7,050,000
21	System governance	7,349,806	3,283,522	10,633,328
22	Title II	1,006,472	0	1,006,472
23	System information technology services	36,006,667	2,786,279	38,792,946
24	Professional liability insurance	800,000	0	800,000

Sixty-third
Legislative Assembly

1	Student financial assistance grants	19,025,594	2,220,085	21,245,679
2	Professional student exchange program	3,321,438	781,609	4,103,047
3	Academic and technical education	10,000,000	3,700,000	13,700,000
4	scholarships			
5	Two-year campus marketing	800,000	0	800,000
6	Scholars program	2,113,584	0	2,113,584
7	Native American scholarships	574,267	75,000	649,267
8	Tribally controlled community college grants	1,000,000	0	1,000,000
9	Education incentive programs	3,176,344	172,656	3,349,000
10	Deferred maintenance pool	0	10,000,000	10,000,000
11	Master plan and space utilization study	0	1,000,000	1,000,000
12	Student mental health	0	282,520	282,520
13	Education challenge fund	0	30,000,000	30,000,000
14	New program startup pool	<u>0</u>	<u>1,500,000</u>	<u>1,500,000</u>
15	Total all funds	\$104,428,941	\$54,032,947	\$158,461,888
16	Less estimated income	<u>3,056,229</u>	<u>(756,317)</u>	<u>2,299,912</u>
17	Total general fund	\$101,372,712	\$54,789,264	\$156,161,976
18	Full-time equivalent positions	100.31	7.00	107.31

19 Subdivision 2.

20 BISMARCK STATE COLLEGE

21			Adjustments or	
22		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
23	Operations	\$27,628,314	\$7,368,548	\$34,996,862
24	Capital assets	<u>417,673</u>	<u>13,300,000</u>	<u>13,717,673</u>
25	Total all funds	\$28,045,987	\$20,668,548	\$48,714,535
26	Less estimated income	<u>0</u>	<u>0</u>	<u>0</u>
27	Total general fund	\$28,045,987	\$20,668,548	\$48,714,535
28	Full-time equivalent positions	126.96	4.00	130.96

29 Subdivision 3.

30 LAKE REGION STATE COLLEGE

Sixty-third
Legislative Assembly

		Adjustments or	
	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
1			
2			
3	Operations	\$4,250,594	\$13,254,208
4	Capital assets	<u>5,947,562</u>	<u>6,102,929</u>
5	Total all funds	\$10,198,156	\$19,357,137
6	Less estimated income	<u>0</u>	<u>0</u>
7	Total general fund	\$10,198,156	\$19,357,137
8	Full-time equivalent positions	3.00	43.22
9	Subdivision 4.		

WILLISTON STATE COLLEGE

		Adjustments or	
	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
11			
12			
13	Operations	\$1,097,278	\$9,946,963
14	Capital assets	<u>14,042,478</u>	<u>14,240,279</u>
15	Total all funds	\$15,139,756	\$24,187,242
16	Less estimated income	<u>0</u>	<u>0</u>
17	Total general fund	\$15,139,756	\$24,187,242
18	Full-time equivalent positions	6.00	50.15
19	Subdivision 5.		

UNIVERSITY OF NORTH DAKOTA

		Adjustments or	
	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
21			
22			
23	Operations	\$18,447,364	\$158,904,848
24	Capital assets	<u>147,787,262</u>	<u>152,198,828</u>
25	Total all funds	\$166,234,626	\$311,103,676
26	Less estimated income	<u>67,487,262</u>	<u>67,487,262</u>
27	Total general fund	\$98,747,364	\$243,616,414
28	Full-time equivalent positions	0.00	642.20
29	Subdivision 6.		

NORTH DAKOTA STATE UNIVERSITY

Sixty-third
Legislative Assembly

		Adjustments or	
	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
1			
2			
3	Operations	\$19,272,934	\$144,288,239
4	Capital assets	<u>68,759,356</u>	<u>71,491,600</u>
5	Total all funds	\$88,032,290	\$215,779,839
6	Less estimated income	<u>0</u>	<u>39,159,356</u>
7	Total general fund	\$48,872,934	\$176,620,483
8	Full-time equivalent positions	495.21	0.00
9	Subdivision 7.		495.21

NORTH DAKOTA STATE COLLEGE OF SCIENCE

		Adjustments or	
	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
11			
12			
13	Operations	\$6,791,805	\$40,978,347
14	Capital assets	<u>9,861,452</u>	<u>10,873,831</u>
15	Total all funds	\$16,653,257	\$51,852,178
16	Less estimated income	<u>0</u>	<u>1,350,000</u>
17	Total general fund	\$15,303,257	\$50,502,178
18	Full-time equivalent positions	171.87	1.75
19	Subdivision 8.		173.62

DICKINSON STATE UNIVERSITY

		Adjustments or	
	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
21			
22			
23	Operations	\$5,290,197	\$27,673,736
24	Capital assets	<u>0</u>	<u>409,078</u>
25	Total all funds	\$5,290,197	\$28,082,814
26	Less estimated income	<u>0</u>	<u>0</u>
27	Total general fund	\$5,290,197	\$28,082,814
28	Full-time equivalent positions	100.32	5.00
29	Subdivision 9.		105.32

MAYVILLE STATE UNIVERSITY

Sixty-third
Legislative Assembly

		Adjustments or		
	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>	
1				
2				
3	Operations	\$12,775,788	\$2,617,878	\$15,393,666
4	Capital assets	<u>358,992</u>	<u>8,067,000</u>	<u>8,425,992</u>
5	Total all funds	\$13,134,780	\$10,684,878	\$23,819,658
6	Less estimated income	<u>0</u>	<u>0</u>	<u>0</u>
7	Total general fund	\$13,134,780	\$10,684,878	\$23,819,658
8	Full-time equivalent positions	62.78	3.00	65.78
9	Subdivision 10.			

MINOT STATE UNIVERSITY

		Adjustments or		
	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>	
11				
12				
13	Operations	\$37,838,974	\$4,725,919	\$42,564,893
14	Capital assets	<u>899,620</u>	<u>13,623,690</u>	<u>14,523,310</u>
15	Total all funds	\$38,738,594	\$18,349,609	\$57,088,203
16	Less estimated income	<u>0</u>	<u>11,801,785</u>	<u>11,801,785</u>
17	Total general fund	\$38,738,594	\$6,547,824	\$45,286,418
18	Full-time equivalent positions	201.76	3.00	204.76
19	Subdivision 11.			

VALLEY CITY STATE UNIVERSITY

		Adjustments or		
	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>	
21				
22				
23	Operations	\$17,694,741	\$4,410,281	\$22,105,022
24	Capital assets	<u>408,319</u>	<u>8,949,103</u>	<u>9,357,422</u>
25	Total all funds	\$18,103,060	\$13,359,384	\$31,462,444
26	Less estimated income	<u>0</u>	<u>4,806,837</u>	<u>4,806,837</u>
27	Total general fund	\$18,103,060	\$8,552,547	\$26,655,607
28	Full-time equivalent positions	97.29	3.00	100.29
29	Subdivision 12.			

DAKOTA COLLEGE AT BOTTINEAU

Sixty-third
Legislative Assembly

		Adjustments or	
	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
1			
2			
3	Operations	\$1,886,639	\$8,376,389
4	Capital assets	<u>115,507</u>	<u>7,996,389</u>
5	Total all funds	\$6,605,257	\$9,883,028
6	Less estimated income	<u>0</u>	<u>7,600,789</u>
7	Total general fund	\$6,605,257	\$2,282,239
8	Full-time equivalent positions	36.12	4.00
9	Subdivision 13.		40.12

UNIVERSITY OF NORTH DAKOTA SCHOOL OF MEDICINE AND HEALTH SCIENCES

		Adjustments or	
	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
11			
12			
13	Operations	\$7,414,806	\$55,162,777
14	Total all funds	\$47,747,971	\$7,414,806
15	Less estimated income	<u>0</u>	<u>0</u>
16	Total general fund	\$47,747,971	\$55,162,777
17	Full-time equivalent positions	156.55	0.00
18	Subdivision 14.		156.55

NORTH DAKOTA FOREST SERVICE

		Adjustments or	
	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
20			
21			
22	Operations	\$758,131	\$6,272,812
23	Capital assets	<u>97,791</u>	<u>788,419</u>
24	Total all funds	\$5,514,681	\$1,546,550
25	Less estimated income	<u>1,650,000</u>	<u>0</u>
26	Total general fund	\$3,962,472	\$5,509,022
27	Full-time equivalent positions	28.00	1.00
28	Subdivision 15.		29.00

BILL TOTAL

		Adjustments or	
	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
30			
31			

1	Grand total all funds	\$611,231,666	\$437,488,032	\$1,048,719,698
2	Grand total special funds	<u>4,706,229</u>	<u>131,449,712</u>	<u>136,155,941</u>
3	Grand total general fund	\$606,525,437	\$306,038,320	\$912,563,757

4 **SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO**

5 **SIXTY-FOURTH LEGISLATIVE ASSEMBLY.** The following amounts reflect the one-time
6 funding items approved by the sixty-second legislative assembly for the 2011-13 biennium and
7 the 2013-15 one-time funding items included in the appropriation in section 1 of this Act:

8	<u>One-Time Funding Description</u>	<u>2011-13</u>	<u>2013-15</u>
9	Capital projects - general fund	\$47,136,000	\$166,913,263
10	Capital projects - other funds	105,065,555	132,206,029
11	Dickinson state university operating funds	900,000	0
12	Special assessments payments	819,357	0
13	Mayville state university drainage study	55,000	0
14	UND school of medicine space utilization study	100,000	0
15	Williston state college operating funds	2,000,000	0
16	Emerald ash borer program	250,000	0
17	Deferred maintenance pool	0	10,000,000
18	Systemwide master plan and space study	0	1,000,000
19	New program startup fund	0	1,500,000
20	Education challenge fund	0	30,000,000
21	Health care workforce initiative	<u>0</u>	<u>7,414,806</u>
22	Total all funds	\$156,325,912	\$349,034,098
23	Total other funds	<u>105,065,555</u>	<u>132,206,029</u>
24	Total general fund	\$51,260,357	\$216,828,069

25 The 2013-15 one-time funding amounts are not a part of the entity's base budget for the
26 2015-17 biennium. The North Dakota university system shall report to the appropriations
27 committees of the sixty-fourth legislative assembly on the use of this one-time funding for the
28 biennium beginning July 1, 2015, and ending June 30, 2017.

29 **SECTION 3. AMENDMENT.** Section 15-10-47 of the North Dakota Century Code is
30 amended and reenacted as follows:

1 **15-10-47. Construction projects at institutions of higher education - Variance reports.**

2 1. Whenever any new construction, renovation, or repair, valued at more than two
3 hundred fifty thousand dollars is underway on the campus of an institution of higher
4 education under the control of the state board of higher education, the board shall
5 provide ~~monthly~~semiannual project variance reports to the director of the office of
6 management and budget. Each report must include:

- 7 a. The name or a description of the project;
8 b. The expenditure authorized by the legislative assembly;
9 c. The amount of the original contract;
10 d. The amount of any change orders;
11 e. The amount of any potential or anticipated change orders;
12 f. The sum of subdivisions c through e and the amount by which that sum varies
13 from the expenditure authorized by the legislative assembly;
14 g. The total expended for the project to date; and
15 h. The scheduled date of completion as noted in the original contract and the latest
16 available scheduled date of completion.

17 2. The state board of higher education also shall provide to the director of the office of
18 management and budget, at the same time as the project variance report required by
19 subsection 1:

- 20 a. A brief description of each change order included in subdivision d of
21 subsection 1; and
22 b. A list of each public and nonpublic entity that has a contractually reflected
23 financial obligation with respect to the project.

24 3. The office of management and budget shall review the information received under this
25 section and provide reports to the budget section of the legislative management upon
26 request.

27 **SECTION 4. AMENDMENT.** Section 15-62.2-02 of the North Dakota Century Code is
28 amended and reenacted as follows:

29 **15-62.2-02. State board of higher education - Powers and duties.**

30 The state board of higher education shall:

- 1 1. Administer the North Dakota student financial assistance program and the North
2 Dakota scholars program and adopt functional rules regarding the eligibility and
3 selection of grant and scholarship recipients.
- 4 2. Determine the amount of individual grants, which may not exceed one thousand
5 ~~five~~six hundred ~~fifty~~ dollars per recipient per academic year, under the North Dakota
6 student financial assistance program.
- 7 3. For the North Dakota student financial assistance program, adopt criteria for
8 substantial need, based upon the ability of the parents or guardian to contribute
9 toward the applicant's educational expenses.
- 10 4. Establish the appropriate procedures for fiscal control, fund accounting, and necessary
11 reports.
- 12 5. Apply for, receive, expend, and administer granted moneys from federal or private
13 sources.

14 **SECTION 5. AMENDMENT.** Section 15.1-21-02.6 of the North Dakota Century Code is
15 amended and reenacted as follows:

16 **15.1-21-02.6. North Dakota scholarship - Amount - Applicability.**

- 17 1. a. The state board of higher education shall provide to any student certified as
18 being eligible by the superintendent of public instruction either a North Dakota
19 academic scholarship or a North Dakota career and technical education
20 scholarship in the amount of ~~seven hundred~~one thousand two hundred fifty
21 dollars for each semester during which the student is enrolled full time at an
22 accredited institution of higher education in this state and maintains a cumulative
23 grade point average of 2.75.
- 24 b. The state board of higher education shall provide to any student certified as
25 being eligible by the superintendent of public instruction either a North Dakota
26 academic scholarship or a North Dakota career and technical education
27 scholarship in the amount of five hundred dollars for each quarter during which
28 the student is enrolled full time at an accredited institution of higher education in
29 this state and maintains a cumulative grade point average of 2.75.
- 30 2. The state board shall monitor each scholarship recipient to ensure that the student
31 meets the academic and other requirements of this section. Upon determining that a

- 1 recipient student has failed to meet the requirements of this section, the board shall
2 provide notification to the student within ten days.
- 3 3. A student is not entitled to receive more than sixten thousand dollars under this
4 section.
- 5 4. The state board of higher education shall forward the scholarship directly to the
6 institution in which the student is enrolled.
- 7 5. a. (1) This section does not require a student to be enrolled in consecutive
8 semesters.
9 (2) This section does not require a student to be enrolled in consecutive
10 quarters.
- 11 b. However, a scholarship under this section is valid only for six academic years
12 after the student's graduation from high school and may not be applied to
13 graduate programs.
- 14 6. A scholarship under this section is available to any eligible resident student who fulfills
15 the requirements of section 15.1-21-02.4 or 15.1-21-02.5 and who graduates from:
16 a. A high school in this state;
17 b. A high school in a bordering state under chapter 15.1-29; or
18 c. A nonpublic high school in a bordering state while residing with a custodial parent
19 in this state.
- 20 7. For purposes of North Dakota scholarship eligibility under this section, "full-time"
21 means enrollment in at least twelve credits during a student's first two semesters and
22 enrollment in at least fifteen credits during each semester thereafter or enrollment in
23 the equivalent number of credits, as determined by the state board of higher
24 education, with respect to students in a quarter system.

25 **SECTION 6. CAPITAL ASSETS.** The sum of \$10,436,045, or so much of the sum as may
26 be necessary, included in the capital assets line item in subdivision 1 of section 1 of this Act,
27 must be used by the state board of higher education to satisfy outstanding bond obligations.

28 **SECTION 7. NORTH DAKOTA STATE UNIVERSITY - MINARD HALL - BUDGET**

29 **SECTION REPORT.** North Dakota state university may use unspent funding from the
30 \$5,000,000 appropriation received during the biennium beginning July 1, 2007, and ending
31 June 30, 2009, and unspent funding from the \$13,000,000 appropriation received during the

1 biennium beginning July 1, 2009, and ending June 30, 2011, for the Minard hall project, for the
2 biennium beginning July 1, 2013, and ending June 30, 2015. North Dakota state university shall
3 report to the budget section regarding the status of the Minard hall project and may request
4 increased spending authorization from the budget section for the project.

5 **SECTION 8. SYSTEM INFORMATION TECHNOLOGY SERVICES.** The sum of
6 \$38,792,946, or so much of the sum as may be necessary, included in the system information
7 technology services line item in subdivision 1 of section 1 of this Act, must be used for the
8 benefit of the institutions and entities under the control of the state board of higher education, as
9 determined by the board. Funding allocations are to be made based on the North Dakota
10 university system information technology plan and data and technology priorities. Funds
11 allocated pursuant to this section must be used to support the system information technology
12 services, including the data network, video and collaborative academic services, the on-line
13 Dakota information network, connectND, and other related data technology initiatives and
14 services as determined by the board.

15 **SECTION 9. STUDENT LOAN TRUST FUND.** Subdivision 1 of section 1 of this Act
16 includes the sum of \$1,004,744, or so much of the sum as may be necessary, from the student
17 loan trust fund of which \$465,307 is for the professional student exchange program and
18 \$539,437 is for connectND campus solution positions, for the biennium beginning July 1, 2013,
19 and ending June 30, 2015.

20 **SECTION 10. DEFERRED MAINTENANCE POOL.** The deferred maintenance pool line
21 item in subdivision 1 of section 1 of this Act includes the sum of \$10,000,000 which must be
22 transferred by the state board of higher education to institutions under its control, based on the
23 recommendation of the chancellor, to address deferred maintenance and other critical
24 renovation needs as identified in the systemwide facility master plan.

25 **SECTION 11. NEW PROGRAM STARTUP POOL.** The new program startup pool line item
26 in subdivision 1 of section 1 of this Act includes the sum of \$1,500,000 which must be
27 transferred by the state board of higher education to institutions under its control, based on the
28 recommendation of the chancellor, to assist with initiating new or expanding existing academic
29 or technical programs that support state needs.

1 **SECTION 12. STUDENT FINANCIAL ASSISTANCE GRANTS.** The student financial
2 assistance grants line item in subdivision 1 of section 1 of this Act includes the sum of
3 \$21,245,679, which may be used, in part, to provide financial assistance to part-time students.

4 **SECTION 13. UNIVERSITY OF NORTH DAKOTA SCHOOL OF MEDICINE AND HEALTH**
5 **SCIENCES OPERATIONS.** The operations line item in subdivision 5 of section 1 of this Act
6 includes the sum of \$158,904,848, which must be transferred, in part, by the state board of
7 higher education, based on the recommendation of the chancellor, to the University of North
8 Dakota school of medicine and health sciences for operations consistent with the higher
9 education per student credit-hour funding formula.

10 **SECTION 14. FEDERAL, PRIVATE, AND OTHER FUNDS - APPROPRIATION.** All funds,
11 in addition to those appropriated in section 1 of this Act, from federal, private, and other sources
12 for competitive grants or other funds that the legislative assembly has not indicated the intent to
13 reject, received by the institutions and entities under the control of the state board of higher
14 education are appropriated to those institutions and entities, for the biennium beginning
15 July 1, 2013, and ending June 30, 2015. All additional funds received under the North Dakota-
16 Minnesota reciprocity agreement during the biennium beginning July 1, 2013, and ending
17 June 30, 2015, are appropriated to the state board of higher education for reimbursement to
18 institutions under the control of the board.

19 **SECTION 15. TRANSFER AUTHORITY.** If, during the biennium beginning July 1, 2013,
20 and ending June 30, 2015, the state board of higher education determines that funds allocated
21 to operations in section 1 of this Act are needed for capital assets, the board may transfer funds
22 from operations to capital assets. The board shall report any transfer of funds under this section
23 to the office of management and budget.

24 **SECTION 16. FULL-TIME EQUIVALENT POSITION ADJUSTMENTS.** Notwithstanding
25 any other provisions of law, the state board of higher education may adjust full-time equivalent
26 positions as needed, subject to the availability of funds, for institutions and entities under its
27 control. The North Dakota university system shall report any adjustments to the office of
28 management and budget before the submission of the 2015-17 biennium budget request.

29 **SECTION 17. EDUCATION INCENTIVE PROGRAMS.** The funding appropriated for
30 education incentive programs in subdivision 1 of section 1 of this Act may be allocated to
31 education incentive programs as determined by the state board of higher education, including

1 the reduction or elimination of specific programs, and the state board of higher education may
2 determine the appropriate number of years of program eligibility for each education incentive
3 program.

4 **SECTION 18. TRIBALLY CONTROLLED COMMUNITY COLLEGE GRANTS.** The tribally
5 controlled community college grants line in subdivision 1 of section 1 of this Act, includes the
6 sum of \$1,000,000 from the general fund, or so much of the sum as may be necessary, for the
7 purpose of providing grant assistance payments to tribally controlled community colleges, for
8 the biennium beginning July 1, 2013, and ending June 30, 2015. No more than \$500,000 may
9 be expended for this purpose during the first year of the biennium.

10 **SECTION 19. BOND ISSUANCE AUTHORIZATION - PURPOSES - APPROPRIATION.**

11 The state board of higher education, in accordance with chapter 15-55, may arrange for the
12 funding of projects authorized in this section, declared to be in the public interest, through the
13 issuance of self-liquidating, tax-exempt evidences of indebtedness under chapter 15-55,
14 beginning with the effective date of this Act and ending June 30, 2015. Evidences of
15 indebtedness issued pursuant to this section are not a general obligation of the state of North
16 Dakota. Any unexpended balance resulting from the proceeds of the evidences of indebtedness
17 must be placed in a sinking fund to be used for the retirement of indebtedness. The evidences
18 of indebtedness may be issued and the proceeds are appropriated, for the biennium beginning
19 July 1, 2013, and ending June 30, 2015, for the purpose of financing the following capital
20 projects:

21 University of North Dakota - student housing facility	\$19,187,262
22 University of North Dakota - resident apartment building	<u>8,300,000</u>
23 Total special funds	\$27,487,262

24 **SECTION 20. EMERGENCY.** The capital assets and education incentive line items
25 contained in section 1 and sections 6 and 19 of this Act are declared to be an emergency
26 measure.