

**Sixty-second Legislative Assembly of North Dakota
In Regular Session Commencing Tuesday, January 4, 2011**

HOUSE BILL NO. 1003
(Appropriations Committee)
(At the request of the Governor)

AN ACT to provide an appropriation for defraying the expenses of the North Dakota university system; to provide borrowing authority; to provide an exemption; to provide for transfer of funds; to authorize the state board of higher education to issue and sell bonds for capital projects; to amend and reenact sections 15-10-08 and 15-70-04, subsection 3 of section 43-12.2-03, and subsection 3 of section 43-17.2-03 of the North Dakota Century Code, relating to state board of higher education member compensation, eligibility for the medical personnel loan repayment program, eligibility for the physician loan repayment program, and grants for nonbeneficiary students enrolled in tribally controlled community colleges; to provide legislative intent; to provide for reports; to provide for legislative management studies; 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 North Dakota university system 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, 2011, and ending June 30, 2013, as follows:

Subdivision 1.

NORTH DAKOTA UNIVERSITY SYSTEM OFFICE

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Capital assets	\$12,014,048	\$190,721	\$12,204,769
Competitive research program	7,050,000	0	7,050,000
System governance	7,185,612	(308,340)	6,877,272
Title II	695,600	0	695,600
System information technology services	30,230,038	5,776,629	36,006,667
Professional liability insurance	1,100,000	(300,000)	800,000
Student financial assistance grants	19,374,022	0	19,374,022
Professional student exchange program	3,337,100	(15,662)	3,321,438
Academic and technical education scholarships	3,000,000	(3,000,000)	0
Two-year campus marketing	800,000	0	800,000
Scholars program	2,113,584	0	2,113,584
Native American scholarships	381,292	192,975	574,267
Tribally controlled community college grants	700,000	300,000	1,000,000
Security and emergency preparedness	750,000	(750,000)	0
Education incentive programs	3,176,344	0	3,176,344
Science, technology, engineering, and mathematics teacher education enhancement	1,500,000	(1,500,000)	0
Equity and student affordability	0	15,240,565	15,240,565
Grants	100,000	(100,000)	0
Total all funds	\$93,507,640	\$15,726,888	\$109,234,528

Less estimated income	4,748,958	(1,994,240)	2,754,718
Total general fund	\$88,758,682	\$17,721,128	\$106,479,810
Full-time equivalent positions	23.30	0.00	23.30

Subdivision 2.

BISMARCK STATE COLLEGE

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Operations	\$24,204,005	\$2,256,082	\$26,460,087
Capital assets	243,481	13,767,125	14,010,606
Total all funds	\$24,447,486	\$16,023,207	\$40,470,693
Less estimated income	0	8,535,000	8,535,000
Total general fund	\$24,447,486	\$7,488,207	\$31,935,693
Full-time equivalent positions	111.51	0.00	111.51

Subdivision 3.

LAKE REGION STATE COLLEGE

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Operations	\$7,956,210	\$663,033	\$8,619,243
Capital assets	43,662	977,705	1,021,367
Total all funds	\$7,999,872	\$1,640,738	\$9,640,610
Less estimated income	0	0	0
Total general fund	\$7,999,872	\$1,640,738	\$9,640,610
Full-time equivalent positions	37.50	0.00	37.50

Subdivision 4.

WILLISTON STATE COLLEGE

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Operations	\$7,696,999	\$803,898	\$8,500,897
Capital assets	86,475	5,156,326	5,242,801
Total all funds	\$7,783,474	\$5,960,224	\$13,743,698
Less estimated income	0	2,225,000	2,225,000
Total general fund	\$7,783,474	\$3,735,224	\$11,518,698
Full-time equivalent positions	43.42	0.00	43.42

Subdivision 5.

UNIVERSITY OF NORTH DAKOTA

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Operations	\$125,036,783	\$11,557,009	\$136,593,792
Capital assets	2,300,545	45,158,167	47,458,712
Total all funds	\$127,337,328	\$56,715,176	\$184,052,504
Less estimated income	0	30,450,000	30,450,000
Total general fund	\$127,337,328	\$26,265,176	\$153,602,504
Full-time equivalent positions	651.91	0.00	651.91

Subdivision 6.

NORTH DAKOTA STATE UNIVERSITY

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Operations	\$108,367,622	\$10,567,076	\$118,934,698

Capital assets	1,692,225	37,412,702	39,104,927
Total all funds	\$110,059,847	\$47,979,778	\$158,039,625
Less estimated income	0	36,100,000	36,100,000
Total general fund	\$110,059,847	\$11,879,778	\$121,939,625
Full-time equivalent positions	584.88	0.00	584.88

Subdivision 7.

NORTH DAKOTA STATE COLLEGE OF SCIENCE

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Operations	\$31,607,155	\$2,006,991	\$33,614,146
Capital assets	753,332	21,317,713	22,071,045
Total all funds	\$32,360,487	\$23,324,704	\$55,685,191
Less estimated income	0	10,700,000	10,700,000
Total general fund	\$32,360,487	\$12,624,704	\$44,985,191
Full-time equivalent positions	164.87	0.00	164.87

Subdivision 8.

DICKINSON STATE UNIVERSITY

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Operations	\$20,123,737	\$2,682,639	\$22,806,376
Capital assets	383,690	25,388	409,078
Total all funds	\$20,507,427	\$2,708,027	\$23,215,454
Less estimated income	0	0	0
Total general fund	\$20,507,427	\$2,708,027	\$23,215,454
Full-time equivalent positions	92.96	0.00	92.96

Subdivision 9.

MAYVILLE STATE UNIVERSITY

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Operations	\$11,629,616	\$1,010,207	\$12,639,823
Capital assets	208,991	234,514	443,505
Total all funds	\$11,838,607	\$1,244,721	\$13,083,328
Less estimated income	0	0	0
Total general fund	\$11,838,607	\$1,244,721	\$13,083,328
Full-time equivalent positions	58.72	0.00	58.72

Subdivision 10.

MINOT STATE UNIVERSITY

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Operations	\$34,623,707	\$2,647,646	\$37,271,353
Capital assets	596,870	21,187,305	21,784,175
Total all funds	\$35,220,577	\$23,834,951	\$59,055,528
Less estimated income	0	16,034,555	16,034,555
Total general fund	\$35,220,577	\$7,800,396	\$43,020,973
Full-time equivalent positions	187.83	0.00	187.83

Subdivision 11.

VALLEY CITY STATE UNIVERSITY

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Operations	\$16,368,001	\$1,037,737	\$17,405,738
Capital assets	258,416	11,513,319	11,771,735
Total all funds	\$16,626,417	\$12,551,056	\$29,177,473
Less estimated income	0	1,015,000	1,015,000
Total general fund	\$16,626,417	\$11,536,056	\$28,162,473
Full-time equivalent positions	90.37	0.00	90.37

Subdivision 12.

DAKOTA COLLEGE AT BOTTINEAU

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Operations	\$5,862,372	\$378,063	\$6,240,435
Capital assets	109,725	705,782	815,507
Total all funds	\$5,972,097	\$1,083,845	\$7,055,942
Less estimated income	0	0	0
Total general fund	\$5,972,097	\$1,083,845	\$7,055,942
Full-time equivalent positions	34.81	0.00	34.81

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	\$40,890,401	\$5,892,620	\$46,783,021
Total all funds	\$40,890,401	\$5,892,620	\$46,783,021
Less estimated income	0	0	0
Total general fund	\$40,890,401	\$5,892,620	\$46,783,021
Full-time equivalent positions	137.43	0.00	137.43

Subdivision 14.

NORTH DAKOTA FOREST SERVICE

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Operations	\$4,471,040	\$641,127	\$5,112,167
Capital assets	36,638	67,153	103,791
Total all funds	\$4,507,678	\$708,280	\$5,215,958
Less estimated income	997,486	6,000	1,003,486
Total general fund	\$3,510,192	\$702,280	\$4,212,472
Full-time equivalent positions	26.00	0.00	26.00

Subdivision 15.

BILL TOTAL

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Grand total all funds	\$539,059,338	\$215,394,215	\$754,453,553
Grand total special funds	5,746,444	103,071,315	108,817,759
Grand total general fund	\$533,312,894	\$112,322,900	\$645,635,794

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-THIRD LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-first legislative assembly for the 2009-11 biennium and the 2011-13 one-time funding items included in the appropriation in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2009-11</u>	<u>2011-13</u>
Federal fiscal stimulus	\$19,309,920	\$0
Dickinson state university operating funds	350,000	900,000
Mayville state university drainage study	0	55,000
UND school of medicine space utilization study	0	100,000
Dickinson state university Theodore Roosevelt center	750,000	0
Electronic medical records system UND medical school	225,000	0
Deferred maintenance - General fund	20,000,000	0
Capital projects - General fund	39,008,248	47,136,000
Capital projects - Other funds	166,958,000	105,065,555
Capital projects - Permanent oil tax trust fund	10,400,000	0
Special assessments payments	0	819,357
Emerald ash borer program	0	250,000
Total all funds	\$257,001,168	\$154,325,912
Total other funds	197,017,920	105,065,555
Total general fund	\$59,983,248	\$49,260,357

The 2011-13 one-time funding amounts are not a part of the entity's base budget for the 2013-15 biennium. The North Dakota university system shall report to the appropriations committees of the sixty-third legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2013, and ending June 30, 2015.

SECTION 3. TRANSFER - PERMANENT OIL TAX TRUST FUND - 2009-11 BIENNIUM. The office of management and budget shall transfer any unexpended funds appropriated from the permanent oil tax trust fund in chapter 31 of the 2009 Session Laws to the appropriate higher education institution's special fund at the end of the biennium beginning July 1, 2009, and ending June 30, 2011. For the purposes of this section, "end of the biennium" means thirty days after the close of the biennial period but prior to the cancellation of unexpended appropriations under section 54-44.1-11.

SECTION 4. BORROWING AUTHORITY - WILLISTON STATE COLLEGE - WORKFORCE TRAINING BUILDING PROJECT. Williston state college may borrow the sum of \$1,725,000, or so much of the sum as may be necessary, from the Bank of North Dakota for the workforce training building project for the period beginning with the effective date of this Act and ending June 30, 2013.

SECTION 5. CAPITAL ASSETS. The sum of \$12,204,769, or so much of the sum as may be necessary, included in the capital assets line item in subdivision 1 of section 1 of this Act, must be used by the state board of higher education to satisfy outstanding bond obligations.

SECTION 6. EQUITY AND STUDENT AFFORDABILITY FUNDING POOL TRANSFERS. The equity and student affordability line item in subdivision 1 of section 1 of this Act includes the sum of \$15,240,565 which must be transferred by the state board of higher education to institutions under its control based on existing formulas for equity and student affordability distributions.

SECTION 7. NORTH DAKOTA UNIVERSITY SYSTEM AND UNIVERSITY OF NORTH DAKOTA JOINT INFORMATION TECHNOLOGY BUILDING PROJECT - BUDGET SECTION REPORT. The capital assets line item in subdivision 5 of section 1 of this Act includes the sum of \$20,500,000 for the North Dakota university system and university of North Dakota joint information technology building project. The state board of higher education may spend additional funds on the project of up to \$5,000,000 that are made available from the university of North Dakota, North Dakota state university, and North Dakota university system 2011-13 biennium information technology services funding resulting from one-time savings or efficiencies. The North Dakota university system shall provide a report to the budget section of the legislative management regarding any funds expended pursuant to this section.

SECTION 8. NORTH DAKOTA STATE UNIVERSITY - MINARD HALL - BUDGET SECTION REPORT. North Dakota state university may use unspent funding from the \$5,000,000 appropriation received during the biennium beginning July 1, 2007, and ending June 30, 2009, and unspent funding

from the \$13,000,000 appropriation received during the biennium beginning July 1, 2009, and ending June 30, 2011, for the Minard hall project, for the biennium beginning July 1, 2011, and ending June 30, 2013. North Dakota state university shall report to the budget section regarding the status of the Minard hall project and may request increased spending authorization from the budget section for the project.

SECTION 9. SYSTEM INFORMATION TECHNOLOGY SERVICES. The sum of \$36,006,667, or so much of the sum as may be necessary, included in the system information technology services line item in subdivision 1 of section 1 of this Act, must be used for the benefit of the institutions and entities under the control of the state board of higher education, as determined by the board. Funding allocations are to be made based on the North Dakota university system information technology plan and technology priorities. Funds allocated pursuant to this section must be used to support the system information technology services, including the higher education computer network, the interactive video network, the on-line Dakota information network, connectND, and other related technology initiatives as determined by the board.

SECTION 10. STUDENT LOAN TRUST FUND. Subdivision 1 of section 1 of this Act includes the sum of \$1,004,744, or so much of the sum as may be necessary, from the student loan trust fund of which \$465,307 is for the professional student exchange program and \$539,437 connectND campus solution positions, for the biennium beginning July 1, 2011, and ending June 30, 2013.

SECTION 11. 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, received by the institutions and entities under the control of the state board of higher education are appropriated to those institutions and entities, for the biennium beginning July 1, 2011, and ending June 30, 2013. All additional funds received under the North Dakota-Minnesota reciprocity agreement during the biennium beginning July 1, 2011, and ending June 30, 2013, are appropriated to the state board of higher education for reimbursement to institutions under the control of the board.

SECTION 12. TRANSFER AUTHORITY. If, during the biennium beginning July 1, 2011, and ending June 30, 2013, the state board of higher education determines that funds allocated to operations in section 1 of this Act are needed for capital assets or extraordinary repairs, 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. The university system shall report any adjustments to the office of management and budget before the submission of the 2013-15 biennium budget request.

SECTION 14. EDUCATION INCENTIVE PROGRAMS. The funding appropriated for education incentive programs in subdivision 1 of section 1 of this Act may be allocated to education incentive programs as determined by the state board of higher education, including the reduction or elimination of specific programs, and the state board of higher education may determine the appropriate number of years of program eligibility for each education incentive program.

SECTION 15. BOND ISSUANCE AUTHORIZATION - PURPOSES - APPROPRIATION. The state board of higher education, in accordance with chapter 15-55, may arrange for the funding of projects authorized in this section, declared to be in the public interest, through the issuance of self-liquidating, tax-exempt evidences of indebtedness under chapter 15-55, beginning with the effective date of this Act and ending June 30, 2013. Evidences of indebtedness issued pursuant to this section are not a general obligation of the state of North Dakota. Any unexpended balance resulting from the proceeds of the evidences of indebtedness must be placed in a sinking fund to be used for the retirement of indebtedness. The evidences of indebtedness may be issued and the proceeds are appropriated, for the biennium beginning July 1, 2011, and ending June 30, 2013, for the purpose of financing the following capital projects:

Bismarck state college student union renovation and addition	\$7,000,000
Williston state college workforce training center	1,725,000
University of North Dakota - Wilkerson hall renovation and addition	14,000,000
University of North Dakota - University town home apartments	5,000,000
North Dakota state college of science - Forkner hall renovation	5,000,000
North Dakota state college of science - Schulz hall renovation	4,000,000
Minot state university - Resident apartments	3,500,000
Total special funds	\$40,225,000

SECTION 16. AMENDMENT. Section 15-10-08 of the North Dakota Century Code is amended and reenacted as follows:

15-10-08. Compensation of board members - Expenses - Legislative appropriations.

Each member of the state board of higher education, except the student member, is entitled to receive as compensation one hundred ~~forty-eight~~ dollars per day for each calendar day actually spent devoted to the duties of office, and necessary expenses in the same manner and amounts as other state officials for attending meetings and performing other functions of office. The legislative assembly shall provide adequate funds to carry out the functions and duties of the board.

SECTION 17. AMENDMENT. Section 15-70-04 of the North Dakota Century Code is amended and reenacted as follows:

15-70-04. Submission of grant application - Distribution of grants.

1. In order to qualify for a grant under this chapter, ~~an institution~~ a tribally controlled community college shall submit an application at the time and in the manner required by the state board of higher education. The application must document:
 - a. Include the name and address of each student who qualifies for financial assistance under this chapter; and
 - b. Document the enrollment status of each student ~~on whose account~~ who qualifies for financial assistance under this chapter is sought.
2. If an application is approved, the state board of higher education shall distribute to each ~~the~~ tribally controlled community college, during each year of the biennium, ~~five thousand three hundred four dollars per full-time equivalent nonbeneficiary student~~ an amount equivalent to the most recent per student payment provided in accordance with the Tribally Controlled Colleges and Universities Assistance Act of 1978 [25 U.S.C. 20] for each nonbeneficiary student who is a resident of the state. If the amount appropriated is insufficient to meet the requirements of this section, the board shall distribute a prorated amount per full-time equivalent nonbeneficiary student ~~prorate the amount to be distributed.~~
3. If after meeting the requirements of this section any amount remains available for distribution at the conclusion of each year of the biennium, the state board of higher education shall provide prorated distribution based on criteria set forth in this section.
4. At the time and in the manner determined by the state board of higher education, each tribally controlled community college receiving assistance under this section shall file a report indicating:
 - a. The graduation rate of nonbeneficiary students; and
 - b. The ratio between the amount of funding received by the tribally controlled community college under this section and the college's annual budget.

SECTION 18. AMENDMENT. Subsection 3 of section 43-12.2-03 of the North Dakota Century Code is amended and reenacted as follows:

3. A nurse practitioner, physician assistant, or certified nurse midwife who receives loan repayment under this chapter:
 - a. Must be a graduate of an accredited program, located in the United States or Canada, for the preparation of nurse practitioners, physician assistants, or certified nurse midwives;
 - b. ~~Must be enrolled in or have graduated from an accredited training program for nurse practitioners, physician assistants, or certified nurse midwives prior to or within one year after submitting an application to participate in the loan repayment program and may not have practiced full-time as a nurse practitioner, physician assistant, or certified nurse-midwife in this state for more than one year before the date of the application;~~
 - e. Must be licensed or registered to practice as a nurse practitioner, physician assistant, or certified nurse midwife in this state;
 - ~~d.c.~~ Shall submit an application to participate in the loan repayment program; and
 - ~~e.d.~~ Must have entered into an agreement with a selected community to provide full-time services for a minimum of two years at the selected community if the applicant receives a loan repayment program contract.

SECTION 19. AMENDMENT. Subsection 3 of section 43-17.2-03 of the North Dakota Century Code is amended and reenacted as follows:

3. A physician who receives loan repayment under this chapter:
 - a. Must be a graduate of an accredited four-year allopathic or osteopathic medical school located in the United States, its possessions, territories, or Canada and approved by the state board of medical examiners or by an accrediting body approved by the board;
 - b. ~~Must not have practiced full-time medicine in this state for more than one year before the date of the application;~~
 - e. Must have a full and unrestricted license to practice medicine in this state;
 - ~~d.c.~~ Shall submit an application to participate in the loan repayment program; and
 - ~~e.d.~~ Must have entered into an agreement with a selected community to provide full-time medical services for a minimum of two years at the selected community if the applicant receives a loan repayment program contract.

SECTION 20. LEGISLATIVE INTENT - NORTH DAKOTA UNIVERSITY SYSTEM BUDGET REQUEST. It is the intent of the sixty-second legislative assembly that the state board of higher education develop a budget request for the North Dakota university system for the 2013-15 biennium that does not include a funding component for student affordability to limit student tuition increases or a funding component for equity distributions to institutions based on a peer institution comparison. The budget request may be based on a funding method that incorporates a tiered system of funding distributions based on institution type or other funding method that addresses the needs of the North Dakota university system.

SECTION 21. LEGISLATIVE INTENT - ENROLLMENT REPORTING. It is the intent of the sixty-second legislative assembly that North Dakota university system enrollment reports detailing fall semester enrollment information only include data for full-time students that are physically present on campus.

SECTION 22. LEGISLATIVE MANAGEMENT STUDY - PROGRAM TUITION RATES - WORKFORCE NEEDS. During the 2011-12 interim, the legislative management shall consider studying programs offered by North Dakota university system institutions that address the workforce needs of the state, including a review of the use of graduated tuition rates to increase

enrollment in programs that address workforce needs. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-third legislative assembly.

SECTION 23. LEGISLATIVE MANAGEMENT STUDY - UNIVERSITY OF NORTH DAKOTA SCHOOL OF MEDICINE AND HEALTH SCIENCES. During the 2011-12 interim, the legislative management chairman shall consider appointing a separate committee to study the ability of the university of North Dakota school of medicine and health sciences to meet the health care needs of the state. The study, if conducted, must include a review of the health care needs of the state, options to address the health care needs of the state, and the feasibility and desirability of expanding the school of medicine and health sciences to meet the health care needs of the state. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-third legislative assembly.

SECTION 24. EMERGENCY. The capital assets and education incentive line items contained in section 1 of this Act and sections 4 and 15 of this Act are declared to be an emergency measure.

Speaker of the House

President of the Senate

Chief Clerk of the House

Secretary of the Senate

This certifies that the within bill originated in the House of Representatives of the Sixty-second Legislative Assembly of North Dakota and is known on the records of that body as House Bill No. 1003 and that two-thirds of the members-elect of the House of Representatives voted in favor of said law.

Vote: Yeas 69 Nays 23 Absent 2

Speaker of the House

Chief Clerk of the House

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

Vote: Yeas 43 Nays 4 Absent 0

President of the Senate

Secretary of the Senate

Received by the Governor at _____ M. on _____, 2011.

Approved at _____ M. on _____, 2011.

Governor

Filed in this office this _____ day of _____, 2011,

at _____ o'clock _____ M.

Secretary of State