

Sixtieth
Legislative Assembly
of North Dakota

ENGROSSED HOUSE BILL NO. 1003

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 provide for transfer of funds; to authorize the state board of higher
3 education to issue and sell bonds for capital projects; to limit student tuition rates; to provide for
4 a transfer; to provide for a legislative council study; to amend and reenact section 15-10-43 of
5 the North Dakota Century Code, relating to the contract with the Kansas state university
6 veterinary medical education program; to repeal sections 1 and 2 of House Bill No. 1031, as
7 approved by the sixtieth legislative assembly, relating to the budgeting process; to provide for
8 retroactive application; and to declare an emergency.

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

10 **SECTION 1. BASE LEVEL FUNDING INFORMATION.** The amounts identified in this
11 section represent the base level funding component appropriated to the North Dakota university
12 system office and to the various entities and institutions under the supervision of the state
13 board of higher education listed in section 3 of this Act as follows:

14 Subdivision 1.

15 NORTH DAKOTA UNIVERSITY SYSTEM OFFICE

16 Capital assets	\$14,278,141
17 Competitive research	5,190,000
18 Board initiatives	1,885,000
19 System governance	5,568,422
20 Title II	695,600
21 Common information services	20,563,093
22 Operations pool	388,559
23 Equity pool	2,000,000
24 Contingency and capital emergency	436,923

Sixtieth
Legislative Assembly

1	Professional liability insurance	1,350,000
2	Student financial assistance grants	3,504,402
3	Professional student exchange program	2,127,280
4	Scholars program	862,077
5	Native American scholarships	251,988
6	Education incentive programs	<u>1,227,902</u>
7	Total all funds - Base level	\$60,329,387
8	Less estimated income - Base level	<u>2,599,776</u>
9	Total general fund - Base level	\$57,729,611
10	Subdivision 2.	
11	BISMARCK STATE COLLEGE	
12	Operations	\$16,865,548
13	Capital assets	<u>3,988,781</u>
14	Total all funds - Base level	\$20,854,329
15	Less estimated income - Base level	<u>3,745,300</u>
16	Total general fund appropriation - Base level	\$17,109,029
17	Subdivision 3.	
18	LAKE REGION STATE COLLEGE	
19	Operations	\$5,389,989
20	Capital assets	<u>387,537</u>
21	Total general fund appropriation - Base level	\$5,777,526
22	Subdivision 4.	
23	WILLISTON STATE COLLEGE	
24	Operations	\$5,752,997
25	Capital assets	<u>8,136,475</u>
26	Total all funds - Base level	\$13,889,472
27	Less estimated income - Base level	<u>7,960,000</u>
28	Total general fund appropriation - Base level	\$5,929,472
29	Subdivision 5.	
30	UNIVERSITY OF NORTH DAKOTA	

Sixtieth
Legislative Assembly

1	Operations	\$92,551,602
2	Capital assets	<u>100,132,099</u>
3	Total all funds - Base level	\$192,683,701
4	Less estimated income - Base level	<u>97,831,554</u>
5	Total general fund appropriation - Base level	\$94,852,147
6	Subdivision 6.	
7	NORTH DAKOTA STATE UNIVERSITY	
8	Operations	\$75,804,650
9	Capital assets	<u>39,192,226</u>
10	Total all funds - Base level	\$114,996,876
11	Less estimated income - Base level	<u>37,500,000</u>
12	Total general fund appropriation - Base level	\$77,496,876
13	Subdivision 7.	
14	NORTH DAKOTA STATE COLLEGE OF SCIENCE	
15	Operations	\$24,986,828
16	Capital assets	<u>3,558,252</u>
17	Total all funds - Base level	\$28,545,080
18	Less estimated income - Base level	<u>2,804,920</u>
19	Total general fund appropriation - Base level	\$25,740,160
20	Subdivision 8.	
21	DICKINSON STATE UNIVERSITY	
22	Operations	\$14,711,627
23	Capital assets	<u>9,484,247</u>
24	Total all funds - Base level	\$24,195,874
25	Less estimated income - Base level	<u>9,100,557</u>
26	Total general fund appropriation - Base level	\$15,095,317
27	Subdivision 9.	
28	MAYVILLE STATE UNIVERSITY	
29	Operations	\$9,003,630
30	Capital assets	<u>1,858,994</u>
31	Total all funds - Base level	\$10,862,624

Sixtieth
Legislative Assembly

1	Less estimated income - Base level	<u>1,500,000</u>
2	Total general fund appropriation - Base level	\$9,362,624
3	Subdivision 10.	
4	MINOT STATE UNIVERSITY	
5	Operations	\$27,215,849
6	Capital assets	<u>9,211,870</u>
7	Total all funds - Base level	\$36,427,719
8	Less estimated income - Base level	<u>8,535,000</u>
9	Total general fund appropriation - Base level	\$27,892,719
10	Subdivision 11.	
11	VALLEY CITY STATE UNIVERSITY	
12	Operations	\$11,806,526
13	Capital assets	<u>508,416</u>
14	Total general fund appropriation - Base level	\$12,314,942
15	Subdivision 12.	
16	MINOT STATE UNIVERSITY - BOTTINEAU	
17	Operations	\$4,334,460
18	Capital assets	<u>6,109,725</u>
19	Total all funds - Base level	\$10,444,185
20	Less estimated income - Base level	<u>6,000,000</u>
21	Total general fund appropriation - Base level	\$4,444,185
22	Subdivision 13.	
23	UNIVERSITY OF NORTH DAKOTA SCHOOL OF MEDICINE AND HEALTH SCIENCES	
24	Operations	<u>\$31,361,002</u>
25	Total general fund appropriation - Base level	\$31,361,002
26	Subdivision 14.	
27	NORTH DAKOTA FOREST SERVICE	
28	Operations	\$2,925,646
29	Capital assets	<u>101,638</u>
30	Total all funds - Base level	\$3,027,284
31	Less estimated income - Base level	<u>975,001</u>

Sixtieth
Legislative Assembly

1	Total general fund appropriation - Base level	\$2,052,283
2	Total general fund appropriation - Section 1	\$387,157,893
3	Total estimated income appropriation - Section 1	\$178,552,108
4	Total all funds appropriation - Section 1	\$565,710,001

5 **SECTION 2. FUNDING ADJUSTMENTS OR ENHANCEMENTS INFORMATION.** The
6 amounts identified in this section represent the funding adjustments or enhancements to the
7 base funding level for the North Dakota university system office and to the various entities and
8 institutions under the supervision of the state board of higher education which are included in
9 the appropriation in section 3 of this Act as follows:

10 Subdivision 1.

11 NORTH DAKOTA UNIVERSITY SYSTEM OFFICE

12	Capital assets	\$2,475,971
13	Competitive research program	310,000
14	Board initiatives	(1,585,000)
15	System governance	466,519
16	Common information services	8,089,174
17	Operations pool	(244,000)
18	Equity pool	(2,000,000)
19	Contingency and capital emergency	(140,441)
20	Student financial assistance grants	2,483,095
21	Professional student exchange program	389,746
22	Scholars program	616,489
23	Native American scholarships	128,638
24	Education incentive programs	<u>761,412</u>
25	Total all funds - Adjustments/enhancements	\$11,751,603
26	Estimated income - Adjustments/enhancements	<u>87,034</u>
27	Total general fund - Adjustments/enhancements	\$11,664,569

28 Subdivision 2.

29 BISMARCK STATE COLLEGE

30	Operations	\$2,705,693
31	Capital assets	<u>(2,972,589)</u>

Sixtieth
Legislative Assembly

1	Total all funds - Adjustments/enhancements	(\$266,896)
2	Less estimated income - Adjustments/enhancements	<u>(3,717,495)</u>
3	Total general fund - Adjustments/enhancements	\$3,450,599
4	Subdivision 3.	
5	LAKE REGION STATE COLLEGE	
6	Operations	\$1,084,106
7	Capital assets	<u>2,745,667</u>
8	Total all funds - Adjustments/enhancements	\$3,829,773
9	Less estimated income - Adjustments/enhancements	<u>2,007,600</u>
10	Total general fund - Adjustments/enhancements	\$1,822,173
11	Subdivision 4.	
12	WILLISTON STATE COLLEGE	
13	Operations	\$820,171
14	Capital assets	<u>(5,879,277)</u>
15	Total all funds - Adjustments/enhancements	(\$5,059,106)
16	Less estimated income - Adjustments/enhancements	<u>(5,660,000)</u>
17	Total general fund - Adjustments/enhancements	\$600,894
18	Subdivision 5.	
19	UNIVERSITY OF NORTH DAKOTA	
20	Operations	\$13,481,443
21	Capital assets	<u>(18,303,224)</u>
22	Total all funds - Adjustments/enhancements	(\$4,821,781)
23	Less estimated income - Adjustments/enhancements	<u>(27,731,554)</u>
24	Total general fund - Adjustments/enhancements	\$22,909,773
25	Subdivision 6.	
26	NORTH DAKOTA STATE UNIVERSITY	
27	Operations	\$12,925,567
28	Capital assets	<u>(6,483,065)</u>
29	Total all funds - Adjustments/enhancements	\$6,442,502
30	Less estimated income - Adjustments/enhancements	<u>(14,000,000)</u>
31	Total general fund - Adjustments/enhancements	\$20,442,502

Sixtieth
Legislative Assembly

1 Subdivision 7.

2 NORTH DAKOTA STATE COLLEGE OF SCIENCE

3 Operations \$2,459,466

4 Capital assets 1,198,613

5 Total all funds - Adjustments/enhancements \$3,658,079

6 Less estimated income - Adjustments/enhancements (1,104,920)

7 Total general fund - Adjustments/enhancements \$4,762,999

8 Subdivision 8.

9 DICKINSON STATE UNIVERSITY

10 Operations \$1,999,571

11 Capital assets (465,484)

12 Total all funds - Adjustments/enhancements \$1,534,087

13 Less estimated income - Adjustments/enhancements (1,100,557)

14 Total general fund - Adjustments/enhancements \$2,634,644

15 Subdivision 9.

16 MAYVILLE STATE UNIVERSITY

17 Operations \$797,961

18 Capital assets 547,436

19 Total all funds - Adjustments/enhancements \$1,345,397

20 Less estimated income - Adjustments/enhancements (600,000)

21 Total general fund - Adjustments/enhancements \$1,945,397

22 Subdivision 10.

23 MINOT STATE UNIVERSITY

24 Operations \$2,650,342

25 Capital assets 367,024

26 Total all funds - Adjustments/enhancements \$3,017,366

27 Less estimated income - Adjustments/enhancements (7,295,850)

28 Total general fund - Adjustments/enhancements \$10,313,216

29 Subdivision 11.

30 VALLEY CITY STATE UNIVERSITY

Sixtieth
Legislative Assembly

1	Operations	\$1,048,491
2	Capital assets	<u>2,487,819</u>
3	Total general fund - Adjustments/enhancements	\$3,536,310
4	Subdivision 12.	
5	MINOT STATE UNIVERSITY - BOTTINEAU	
6	Operations	\$392,884
7	Capital assets	<u>(5,699,023)</u>
8	Total all funds - Adjustments/enhancements	(\$5,306,139)
9	Less estimated income - Adjustments/enhancements	<u>(5,987,095)</u>
10	Total general fund - Adjustments/enhancements	\$680,956
11	Subdivision 13.	
12	UNIVERSITY OF NORTH DAKOTA SCHOOL OF MEDICINE	
13	AND HEALTH SCIENCES	
14	Operations	<u>\$2,877,961</u>
15	Total general fund - Adjustments/enhancements	\$2,877,961
16	Subdivision 14.	
17	NORTH DAKOTA FOREST SERVICE	
18	Operations	\$408,143
19	Capital assets	<u>78,566</u>
20	Total all funds - Adjustments/enhancements	\$486,709
21	Less estimated income - Adjustments/enhancements	<u>22,485</u>
22	Total general fund - Adjustments/enhancements	\$464,224
23	Total general fund - Section 2	\$88,106,217
24	Total estimated income - Section 2	(\$65,080,352)
25	Total all funds - Section 2	\$23,025,865

26 **SECTION 3. APPROPRIATION.** The funds provided in this section, or so much of the
27 funds as may be necessary, are appropriated out of any moneys in the general fund in the state
28 treasury, not otherwise appropriated, and from special funds derived from federal funds and
29 other income, to the North Dakota university system office and the various entities and
30 institutions under the supervision of the state board of higher education for the purpose of

Sixtieth
Legislative Assembly

1 defraying the expenses of those entities and institutions, for the biennium beginning July 1,
2 2007, and ending June 30, 2009, as follows:

3 Subdivision 1.

4 NORTH DAKOTA UNIVERSITY SYSTEM OFFICE AND INSTITUTIONS

5 Capital assets	\$16,754,112
6 Competitive research program	5,500,000
7 Board initiatives	300,000
8 System governance	6,034,941
9 Title II	695,600
10 Common information services	28,652,267
11 Operations pool	144,559
12 Contingency and capital emergency	296,482
13 Professional liability insurance	1,350,000
14 Student financial assistance grants	5,987,497
15 Professional student exchange program	2,517,026
16 Scholars program	1,478,566
17 Native American scholarships	380,626
18 Education incentive programs	<u>1,989,314</u>
19 Total all funds	\$72,080,990
20 Less estimated income	<u>2,686,810</u>
21 Total general fund appropriation	\$69,394,180

22 Subdivision 2.

23 BISMARCK STATE COLLEGE

24 Operations	\$19,571,241
25 Capital assets	<u>1,016,192</u>
26 Total all funds	\$20,587,433
27 Less estimated income	<u>27,805</u>
28 Total general fund appropriation	\$20,559,628

29 Subdivision 3.

30 LAKE REGION STATE COLLEGE

Sixtieth
Legislative Assembly

1	Operations	\$6,474,095
2	Capital assets	<u>3,133,204</u>
3	Total all funds	\$9,607,299
4	Less estimated income	<u>2,007,600</u>
5	Total general fund appropriation	\$7,599,699
6	Subdivision 4.	

7 WILLISTON STATE COLLEGE

8	Operations	\$6,573,168
9	Capital assets	<u>2,257,198</u>
10	Total all funds	\$8,830,366
11	Less estimated income	<u>2,300,000</u>
12	Total general fund appropriation	\$6,530,366
13	Subdivision 5.	

14 UNIVERSITY OF NORTH DAKOTA

15	Operations	\$106,033,045
16	Capital assets	<u>81,828,875</u>
17	Total all funds	\$187,861,920
18	Less estimated income	<u>70,100,000</u>
19	Total general fund appropriation	\$117,761,920
20	Subdivision 6.	

21 NORTH DAKOTA STATE UNIVERSITY

22	Operations	\$88,730,217
23	Capital assets	<u>32,709,161</u>
24	Total all funds	\$121,439,378
25	Less estimated income	<u>23,500,000</u>
26	Total general fund appropriation	\$97,939,378
27	Subdivision 7.	

28 NORTH DAKOTA STATE COLLEGE OF SCIENCE

29	Operations	\$27,446,294
30	Capital assets	<u>4,756,865</u>
31	Total all funds	\$32,203,159

Sixtieth
Legislative Assembly

1	Less estimated income	<u>1,700,000</u>
2	Total general fund appropriation	\$30,503,159
3	Subdivision 8.	
4		DICKINSON STATE UNIVERSITY
5	Operations	\$16,711,198
6	Capital assets	<u>9,018,763</u>
7	Total all funds	\$25,729,961
8	Less estimated income	<u>8,000,000</u>
9	Total general fund appropriation	\$17,729,961
10	Subdivision 9.	
11		MAYVILLE STATE UNIVERSITY
12	Operations	\$9,801,591
13	Capital assets	<u>2,406,430</u>
14	Total all funds	\$12,208,021
15	Less estimated income	<u>900,000</u>
16	Total general fund appropriation	\$11,308,021
17	Subdivision 10.	
18		MINOT STATE UNIVERSITY
19	Operations	\$29,866,191
20	Capital assets	<u>9,578,894</u>
21	Total all funds	\$39,445,085
22	Less estimated income	<u>1,239,150</u>
23	Total general fund appropriation	\$38,205,935
24	Subdivision 11.	
25		VALLEY CITY STATE UNIVERSITY
26	Operations	\$12,855,017
27	Capital assets	<u>2,996,235</u>
28	Total general fund appropriation	\$15,851,252
29	Subdivision 12.	
30		MINOT STATE UNIVERSITY - BOTTINEAU

Sixtieth
Legislative Assembly

1	Operations	\$4,727,344
2	Capital assets	<u>410,702</u>
3	Total all funds	\$5,138,046
4	Less estimated income	<u>12,905</u>
5	Total general fund appropriation	\$5,125,141

6 Subdivision 13.

7 UNIVERSITY OF NORTH DAKOTA SCHOOL OF MEDICINE
8 AND HEALTH SCIENCES

9	Operations	<u>\$34,238,963</u>
10	Total general fund appropriation	\$34,238,963

11 Subdivision 14.

12 NORTH DAKOTA FOREST SERVICE

13	Operations	\$3,333,789
14	Capital assets	<u>180,204</u>
15	Total all funds	\$3,513,993
16	Less estimated income	<u>997,486</u>
17	Total general fund appropriation	\$2,516,507
18	Total general fund appropriation - Section 3	\$475,264,110
19	Total estimated income appropriation - Section 3	\$113,471,756
20	Total all funds appropriation - Section 3	\$588,735,866
21	Grand total general fund appropriation - H.B. 1003	\$475,264,110
22	Grand total estimated income appropriation - H.B. 1003	\$136,185,756
23	Grand total all funds appropriation - H.B. 1003	\$611,449,866

24 **SECTION 4. BOARD INITIATIVES.** The sum of \$300,000 of the funding included in
25 the board initiatives line item in subdivision 1 of section 3 of this Act must be used for a grant to
26 the space grant consortium to match federal funds.

27 **SECTION 5. CAPITAL ASSETS.** The sum of \$15,754,112, or so much of the sum as
28 may be necessary, included in the capital assets line item in subdivision 1 of section 3 of this
29 Act, must be used by the state board of higher education to satisfy outstanding bond
30 obligations.

1 **SECTION 6. OPERATIONS POOL.** The sum of \$144,559, or so much of the sum as
2 may be necessary, included in the operations pool line item in subdivision 1 of section 3 of this
3 Act, is to be allocated for system priorities as determined by the state board of higher
4 education.

5 **SECTION 7. COMMON INFORMATION SERVICES.** The sum of \$28,652,267, or so
6 much of the sum as may be necessary, included in the common information services line item
7 in subdivision 1 of section 3 of this Act, must be used for the benefit of the institutions and
8 entities under the control of the state board of higher education, as determined by the board.
9 Funding allocations are to be made based on the North Dakota university system information
10 technology plan and technology priorities. Funds allocated pursuant to this section must be
11 used to support the higher education computer network, the interactive video network, the
12 on-line Dakota information network, ConnectND, northern tier network, and other related
13 technology initiatives as determined by the board.

14 **SECTION 8. CONTINGENCY AND CAPITAL EMERGENCY.** The sum of \$296,482,
15 or so much of the sum as may be necessary, included in the contingency and capital
16 emergency line item in subdivision 1 of section 3 of this Act, must be used to meet unforeseen
17 operations or capital asset needs and opportunities, as determined by the state board of higher
18 education.

19 **SECTION 9. CAPITAL ASSETS - MAYVILLE STATE UNIVERSITY.** The sum of
20 \$1,000,000, or so much of the sum as may be necessary, included in the capital assets line
21 item in subdivision 1 of section 3 of this Act, may be used for the development of a master
22 capital plan and for deferred maintenance projects at Mayville state university as approved by
23 the board.

24 **SECTION 10. STUDENT LOAN TRUST FUND.** Section 3 of this Act includes the sum
25 of \$317,460, or so much of the sum as may be necessary, from the student loan trust fund for
26 the professional student exchange program, for the biennium beginning July 1, 2007, and
27 ending June 30, 2009.

28 **SECTION 11. PERMANENT OIL TAX TRUST FUND.** Section 3 of this Act includes
29 the sum of \$900,000, or so much of the sum as may be necessary, from the permanent oil tax
30 trust fund for the service rig program at Williston state college, for the biennium beginning
31 July 1, 2007, and ending June 30, 2009.

1 **SECTION 12. FEDERAL, PRIVATE, AND OTHER FUNDS - APPROPRIATION.** All
2 funds, in addition to those appropriated in section 3 of this Act, from federal, private, and other
3 sources, received by the institutions and entities under the control of the state board of higher
4 education are appropriated to those institutions and entities, for the biennium beginning July 1,
5 2007, and ending June 30, 2009. All additional funds received under the North
6 Dakota-Minnesota reciprocity agreement during the biennium beginning July 1, 2007, and
7 ending June 30, 2009, are appropriated to the state board of higher education for
8 reimbursement to institutions under the control of the board.

9 **SECTION 13. TRANSFER AUTHORITY.** If, during the biennium beginning July 1,
10 2007, and ending June 30, 2009, the state board of higher education determines that funds
11 allocated to campus operations in section 3 of this Act are needed for capital projects or
12 extraordinary repairs, the board may transfer funds from operations to capital assets. The
13 board shall report any transfer of funds under this section to the office of management and
14 budget.

15 **SECTION 14. FULL-TIME EQUIVALENT POSITION ADJUSTMENTS.** The state
16 board of higher education is authorized to adjust full-time equivalent positions as needed,
17 subject to the availability of funds, for institutions and entities under its control. The university
18 system shall report any adjustments to the office of management and budget before the
19 submission of the 2009-11 biennium budget request.

20 **SECTION 15. EDUCATION INCENTIVE PROGRAMS.** The funding appropriated for
21 education incentive programs in subdivision 1 of section 3 of this Act may be allocated to
22 education incentive programs as determined by the state board of higher education, including
23 the reduction or elimination of specific programs, and the state board of higher education may
24 determine the appropriate number of years of program eligibility for each education incentive
25 program.

26 **SECTION 16. BISMARCK STATE COLLEGE NATIONAL ENERGY CENTER OF**
27 **EXCELLENCE BUILDING.** The state board of higher education may enter into an agreement
28 or agreements with the Bismarck state college foundation or other private entity and do all
29 things necessary and proper to authorize construction by the foundation or other private entity
30 of a national energy center of excellence building on the Bismarck state college campus using
31 state funds, federal funds, donations, gifts, or other private funds.

1 **SECTION 17. BOND ISSUANCE AUTHORIZATION - PURPOSES -**

2 **APPROPRIATION.** The state board of higher education, in accordance with chapter 15-55,
3 may arrange for the funding of projects authorized in this section, declared to be in the public
4 interest, through the issuance of self-liquidating, tax-exempt evidences of indebtedness under
5 chapter 15-55, beginning with the effective date of this Act and ending June 30, 2009.
6 Evidences of indebtedness issued pursuant to this section are not a general obligation of the
7 state of North Dakota. Any unexpended balance resulting from the proceeds of the evidences
8 of indebtedness must be placed in a sinking fund to be used for the retirement of indebtedness.
9 The evidences of indebtedness may be issued and the proceeds are appropriated, for the
10 biennium beginning July 1, 2007, and ending June 30, 2009, for the purpose of financing the
11 following capital projects:

12 University of North Dakota - Wilkerson dining center	\$4,000,000
13 North Dakota state university - Living learning center west and Ceres hall	12,000,000
14 North Dakota state college of science - Robertson hall	6,000,000
15 North Dakota state college of science - Parking lot	<u>714,000</u>
16 Total special funds appropriation	\$22,714,000

17 **SECTION 18. LEGISLATIVE INTENT - HIGHER EDUCATION ACCOUNTABILITY**

18 **MEASURES.** It is the intent of the legislative assembly that the state board of higher
19 education's performance and accountability report as required by section 15-10-14.2 include an
20 executive summary and information regarding:

- 21 1. Education excellence, including:
- 22 a. Student performance on nationally recognized examinations in their major
23 fields compared to the national averages.
- 24 b. First-time licensure pass rates compared to other states.
- 25 c. Alumni-reported and student-reported satisfaction with preparation in selected
26 major, acquisition of specific skills, and technology knowledge and abilities.
- 27 d. Employer-reported satisfaction with preparation of recently hired graduates.
- 28 e. Biennial report on employee satisfaction relating to the university system and
29 local institutions.
- 30 f. Student graduation and retention rates.
- 31 2. Economic development, including:

- 1 a. Enrollment in entrepreneurship courses and the number of graduates of
- 2 entrepreneurship programs.
- 3 b. Percentage of university system graduates obtaining employment appropriate
- 4 to their education in the state.
- 5 c. Number of businesses and employees in the region receiving training.
- 6 3. Student access, including number and proportion of enrollments in courses offered
- 7 by nontraditional methods.
- 8 4. Student affordability, including:
- 9 a. Tuition and fees on a per student basis compared to the regional average.
- 10 b. Tuition and fees as a percentage of median North Dakota household income.
- 11 c. Cost per student in terms of general fund appropriations and total university
- 12 system funding.
- 13 d. Per capita general fund appropriations for higher education.
- 14 e. State general fund appropriation levels for university system institutions
- 15 compared to peer institutions general fund appropriation levels.
- 16 5. Financial operations, including:
- 17 a. Cost per student and percentage distribution by major function.
- 18 b. Ratio measuring the funding derived from operating and contributed income
- 19 compared to total university system funding.
- 20 c. Ratio measuring the amount of expendable net assets as compared to the
- 21 amount of long-term debt.
- 22 d. Research expenditures in proportion to the amount of revenue generated by
- 23 research activity and funding received for research activity.
- 24 e. Ratio measuring the amount of expendable fund balances divided by total
- 25 expenditures and mandatory transfers.
- 26 f. Ratio measuring net total revenues divided by total current revenues.

27 **SECTION 19. TRANSFER - STUDENT LOAN PROFITS.** The industrial commission
28 shall transfer \$249,000 from any profits that have accrued as a result of the Bank of North
29 Dakota administering the student loan programs under section 15-62.2-01 to the North Dakota
30 university system office for additional funding for the teacher shortage loan forgiveness
31 program as appropriated in section 3 of this Act.

1 **SECTION 20. TUITION RATE INCREASES - LIMIT.** Notwithstanding any other
2 provision of law, the state board of higher education shall limit any annual tuition increase for
3 students attending institutions under its control for the 2007-08 and 2008-09 academic years to
4 not more than five percent for each year.

5 **SECTION 21. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO**
6 **SIXTY-FIRST LEGISLATIVE ASSEMBLY.** The grand total general fund appropriation line
7 item in section 3 of this Act includes \$42,322,010 for one-time funding items identified in this
8 section. This amount is not a part of the institutions' base budgets to be used in preparing the
9 2009-11 executive budget. The North Dakota university system shall report to the
10 appropriations committees of the sixty-first legislative assembly on the use of this one-time
11 funding for the biennium beginning July 1, 2007, and ending June 30, 2009.

12 Northern tier network infrastructure	\$2,400,000
13 ConnectND system support	3,700,000
14 Common information system pool parity funding	420,000
15 Deferred maintenance	11,559,500
16 Capital projects	23,431,710
17 Campus initiatives	<u>810,800</u>
18 Total	\$42,322,010

19 **SECTION 22. LEGISLATIVE COUNCIL STUDY - HIGHER EDUCATION.**

20 1. The legislative council shall appoint an interim higher education committee, during
21 the 2007-08 interim, to study approaches to achieving increased higher education
22 productivity, through measures that build a more cost-effective system, changes to
23 the academic production function, and steps that reduce the demand students
24 place on the system.

25 2. The committee shall consist of thirteen members, the seven members of the
26 education and environment division of the house appropriations committee, five
27 members of the senate, including three members from the majority and two
28 members from the minority appointed by the chairman of the legislative council,
29 and the chairman of the house appropriations committee, who is to serve as the
30 chairman of the committee.

31 3. The committee shall:

- 1 a. Receive and review information regarding measures that build a more
2 cost-effective system, including a more appropriate mix of institutions, new
3 types of providers, effective collaboration among institutions, and a more
4 efficient use of existing resources.
- 5 b. Receive and review information regarding changes to the academic
6 production function, including programs of cost-effective size, and a
7 reengineering of curricula and course delivery.
- 8 c. Receive and review information regarding reducing the demand students
9 place on the system, including accelerated learning, time-to-degree
10 completion, and remediation.
- 11 d. Receive input from representatives of the state board of higher education,
12 higher education institutions, and business and industry.
- 13 4. The legislative council shall report its findings and recommendations, together with
14 any legislation required to implement the recommendations, to the sixty-first
15 legislative assembly.

16 **SECTION 23. USE OF UNSPENT 2005-07 GENERAL FUND APPROPRIATIONS.**

17 The state board of higher education shall make available \$200,000 of the North Dakota
18 university system office unspent 2005-07 general fund appropriation authorized to continue
19 under section 54-44.1-11 for the payment of any consulting services relating to the legislative
20 council study of higher education for the biennium beginning July 1, 2007, and ending June 30,
21 2009.

22 **SECTION 24. AMENDMENT.** Section 15-10-43 of the North Dakota Century Code is
23 amended and reenacted as follows:

24 **15-10-43. Veterinary medical education program - Kansas state university -**
25 **Contract.**

- 26 1. In addition to any contracts under section 15-10-28.2, the state board of higher
27 education may contract with Kansas state university to provide an opportunity for
28 up to five eligible students to enroll in the veterinary medical education program at
29 Kansas state university.
- 30 2. Eligible students must be residents of this state and must have been selected for
31 enrollment by an admissions committee consisting of one faculty member from the

1 department of veterinary and microbiological sciences at North Dakota state
2 university, one veterinarian practicing in this state, one member of the legislative
3 assembly, and one livestock producer, all of whom must be appointed by the
4 legislative council, and the chairman of the admissions committee at the Kansas
5 state university school of veterinary medicine. The legislative council and the
6 chairman of the admissions committee at the Kansas state university school of
7 veterinary medicine may select an alternative for each of the designated positions
8 to serve as necessary.

- 9 3. The admissions committee shall determine the criteria to be used in the selection
10 of eligible students, with eligible students interested in large animal veterinary
11 medicine receiving a priority.
- 12 4. As a condition of selection under this program, an eligible student shall agree to
13 practice veterinary medicine in this state for a period of three years upon
14 graduation. If a student fails to fulfill the commitment for practice in this state, the
15 student shall repay to the state board of higher education all moneys forwarded to
16 or for the student under this Act, on a proportionate basis.

17 **SECTION 25. AMENDMENT.** Section 15-10-43 of the North Dakota Century Code is
18 amended and reenacted as follows:

19 **15-10-43. Veterinary medical education program - Kansas state university -**
20 **Contract.**

- 21 1. In addition to any contracts under section 15-10-28.2, the state board of higher
22 education may contract with Kansas state university to provide an opportunity for
23 up to five eligible students to enroll in the veterinary medical education program at
24 Kansas state university.
- 25 2. Eligible students must be residents of this state and must have been selected for
26 enrollment by an admissions committee consisting of one faculty member from the
27 department of veterinary and microbiological sciences at North Dakota state
28 university, one veterinarian practicing in this state, one member of the legislative
29 assembly, and one livestock producer, all of whom must be appointed by the
30 legislative council, and the chairman of the admissions committee at the Kansas
31 state university school of veterinary medicine.

1 3. The admissions committee shall determine the criteria to be used in the selection
2 of eligible students, with eligible students interested in large animal veterinary
3 medicine receiving a priority.

4 4. ~~As a condition of selection under this program, an eligible student shall agree to~~
5 ~~practice veterinary medicine in this state for a period of three years upon~~
6 ~~graduation. If a student fails to fulfill the commitment for practice in this state, the~~
7 ~~student shall repay to the state board of higher education all moneys forwarded to~~
8 ~~or for the student under this Act, on a proportionate basis.~~

9 **SECTION 26. REPEAL.** Sections 1 and 2 of House Bill No. 1031, as approved by the
10 sixtieth legislative assembly, are repealed.

11 **SECTION 27. RETROACTIVE APPLICATION.** Section 25 of this Act applies
12 retroactively to students participating in the Kansas state university veterinary medicine
13 program.

14 **SECTION 28. EMERGENCY.** The capital assets, professional student exchange
15 program, and contingency and capital emergency line items contained in section 3 of this Act
16 and sections 9 and 15 of this Act are declared to be an emergency measure.