

# Legislative Review

A Look at Higher Education in Weeks 15 and 16: April 18-28, 2011



## Sine Die!

The 2011  
Legislative  
Session ended  
Thursday,  
April 28.

## 2011 Legislative Assembly Passes a Strong University System Budget

“**HB 1003**, the NDUS budget bill, provides a strong foundation for the University System’s continued emphasis on meeting the needs of our students and our state,” said Bill Goetz, NDUS chancellor. “The funding initiatives included in this bill and other bills demonstrate the Legislature’s commitment to higher education and our shared dedication to access and affordability. The board’s budget process and the legislative process provide many opportunities to evaluate needs and expectations. With our state’s positive economic situation, the University System now is positioned to have an even stronger impact on North Dakota.”

In its final form, HB 1003 provides more than \$645 million in state general funds for 2011–13, an increase of more than \$64 million or 12 percent in base funding when compared to the 2009–11 budget.

### Summary of HB 1003 Increases from 2009–11 Adjusted Appropriation

	Funding Increase	Increase over Adj. Approp.
Permanent Base Increase	\$64 million	12%
One-Time Increases	\$2 million	
Capital Projects - One-Time	\$47 million	
<b>Total Increase</b>	<b>\$113 million</b>	

### Major Components of 2011–13 Base Funding Increase

Parity or cost to continue (includes retirement increase)	\$35 million
Facility/infrastructure repair	\$4 million
Equity/two and four-year college affordability*	\$15 million
Technology maintenance	\$4 million

**Parity:** Includes 2011–13 salary increases (average 3 percent per year); health insurance increases of \$730 per employee per year for a total 2011–13 annual premium of \$10,640; estimated increases for utilities; continuation of 2010–11 salary increases; estimated utility costs of new buildings coming online in 2011–13; and 1 percent annual increase in employer contributions to retirement, supplemented by 1 percent annual employee contributions.

**Equity:** Includes funds needed to move each campus closer to the “benchmark” or average funding level of its national peer institutions.

**Two-and four-year college affordability:** Funding equivalent to a two-year college tuition rate freeze and a four-year university 2.5 percent increase per year.

\* Final legislative appropriation was reduced by \$1.4 million, allocation to be determined by the board.

## 2011–13 Major Capital Projects Approved

Several major capital projects included in the SBHE's 2011–13 budget request were funded in **HB 1003**, the NDUS budget bill, or **HB 1020**, the NDSU Agricultural Research Station and Extension Service budget bill. A list of state-funded projects follows:

<b><i>State-Funded Projects Funded in the 2011–13 Budget</i></b>		
<b>Campus/Entity</b>	<b>Project Description</b>	<b>2011-13 Legislative Appropriations</b>
WSC	Workforce Training Center Addition*	\$500,000 GF \$1,725,000 OF
NDUS/UND	Joint NDUS/UND IT and UND Research Facility*	\$12,500,000 GF \$8,000,000 OF
VCSU	Rhoades Science Center Addition & Renovation*	\$10,300,000 GF \$200,000 OF
BSC	Plant Services Building*	\$1,500,000 GF
MiSU	Geothermal Heating and Cooling (includes \$2.5 million appropriated in 2009)*	\$4,850,000 GF \$8,884,555 OF
DCB	Road Repairs/Repaving*	\$700,000 GF
WSC	Science Center Addition and Renovation (total \$2.930 million GF and \$590,000 OF)*	\$1,320,000 GF
NDSCS	Bisek Hall Expansion	\$10,300,000 GF \$200,000 OF
BSC	NECE - 4th Floor Completion	\$3,300,000 GF \$1,035,000 OF
LRSC	Roofing Projects*	\$866,000 GF
WSC	Campus Branding	\$1,000,000 GF \$500,000 OF
NDAES	Research Greenhouse Complex Final Phase*	\$6,991,650 GF \$2,502,931 OF

**GF** = general funds

**OF** = other funds

\* Project originally included in SBHE budget request.

## Centers of Excellence Bill Approved

**SB 2057**, the Centers of Excellence bill that became the Department of Commerce budget bill, was approved by the Senate April 28 on a vote of 40-7. In its final form, major provisions of this bill relating to higher education include:

- \$1.5 million in workforce enhancement grants for workforce training institutions. This includes \$375,000 in state general funds and \$1.125 million from Great Plains Applied Energy Research unspent funds
- \$12 million for centers of research excellence broken down as follows:
  - \$4 million for the UND/NDSU cooperative airspace project
  - \$4 million for NDSU
  - \$4 million for UND, with \$3 million of that total to be used for base realignment grants
- \$150,000 for an e-portfolio pilot project

The Centers of Excellence match provisions enacted in 2009 still apply: Each state dollar requires two dollars of matching funds with at least one dollar in cash and at least 50 cents of that dollar from the private sector.

## DPI Budget Includes Scholarship Funding

**SB 2013**, the Department of Public Instruction's budget bill, was approved by the House April 26 on a vote of 92-1. In its final form, this bill adds a \$10 million general fund appropriation to the SBHE for the North Dakota academic and career and technical education scholarship programs.

Originally, the funding for these scholarships was included in the University System appropriations bill.

## NDSU Ag and UGPTI Budget Increased by \$17.2 Million

As provided in **HB 1020**, the 2011-13 state general fund appropriation for the Upper Great Plains Transportation Institute (UGPTI), Northern Crops Institute (NCI), Extension Service and Research Stations is \$97.1 million, an increase of \$17.2 million compared to the 2009-11 adjusted appropriation, less 2009-11 one-time funding.

Of the \$17.2 million increase, \$10.2 million is base funding (a 12.8 percent increase compared to the 2009-11 adjusted appropriation) and the remaining \$7 million is one-time funding for major capital projects.

## Passed Bills

- HB 1003:** Provides an appropriation for the North Dakota University System
- HB 1019:** Provides \$3 million in workforce training funding
- HB 1020:** Provides an appropriation for NDSU Extension and Research
- HB 1021:** Provides funding for a statewide longitudinal data system
- HB 1031:** State compensation philosophy for state agency employees
- HB 1033:** Continues "flexibility with accountability" on block grant appropriations
- HB 1034:** Continues "flexibility with accountability" on carryover authority
- HB 1035:** Continues "flexibility with accountability" on the continuing appropriation of non-state funds
- HB 1036:** Studies higher education developmental education
- HB 1041:** Provides nursing regulations and exemptions
- HB 1049:** DPI study Indian education
- HB 1092:** Exempts from CTE regulation institutions whose only physical presence in the state is for students in practicums, internships, clinical, or student teaching
- HB 1154:** Expands eligibility for Academic/CTE scholarships to graduates of nonpublic high schools in a bordering state residing with custodial parent in North Dakota
- HB 1174:** Relating to copies of medical records and medical bills
- HB 1214:** Defines state ITD responsibilities related to the SLDS and removes FINDET references
- HB 1217:** Revises definition of disabled veteran in state statutes, including section relating to tuition waivers for dependents
- HB 1252:** Establishes a legislative management health care reform review committee
- HB 1270:** Relates to licensure of teachers from other states
- HB 1426:** Sets the meal reimbursement rate at 65 percent of the federal GSA rate
- HB 1438:** Makes it unlawful for a public or private employer to prohibit employees or others to possess firearms that are in a locked vehicle on the property; exempts schools
- HB 1465:** Requires school district bullying policies
- HB 1469:** Regulation of architects
- SB 2013:** Provides \$200,000 in general funds for NDUS interpreters, real-time captioning
- SB 2015:** Provides a 4 percent salary increase in 2011 and 1 percent increase in 2012

- SB 2023:** Provides a deficiency appropriation including \$58,904 for VCSU
- SB 2026:** Consolidates public improvement and A/E requirements into a new section of NDCC
- SB 2027:** Permits specification of products in bids for building expansion or remodeling if the building contains the specified products
- SB 2037:** Confidentiality of health information under the health information exchange program
- SB 2053:** Modifies duties of committee on tribal, state relations
- SB 2056:** Establishes an electronic portfolio pilot program
- SB 2057:** Provides funding for the Centers of Research Excellence Program and Centers of Entrepreneurship Excellence Grants
- SB 2060:** Paid honor guard leave for veteran funerals of up to two working hours per day, up to 24 days per year
- SB 2065:** Permits consolidated payment and exemption from per diem limits for athletic team and other organized group meals
- SB 2080:** Practice of pharmacy and dispensing veterinary prescription drugs
- SB 2108:** Provides a 2 percent increase in employee retirement contributions on 1/1/12 and 1/1/13 (50 percent employer, 50 percent employee)
- SB 2109:** Allows NDUS employees who are PERS participants, including those in defined contribution plan, to participate in alternate retirement programs and make special annuity purchases in those programs
- SB 2133:** Authorizes retailers to seize false IDs used to purchase alcoholic beverages
- SB 2146:** Creates a grant program for new dental practice in city under 7,500; \$50,000 grant; required 50 percent match
- SB 2150:** Amends eligibility requirements, annual awards, etc. for Academic/CTE scholarships; continuing appropriation from the Land and Minerals Trust Fund
- SB 2211:** Exempts athletic team coaches from veteran's preference
- SB 2213:** Increases family medical leave for state employees from 40 to 80 hours
- SB 2243:** Regulation exemptions for professional engineers
- SB 2265:** Permits state agency purchase of goods, services at fair market value from a work activity center
- SB 2268:** Adds autism spectrum disorders to PERS health insurance coverage
- SB 2278:** Requires high schools to annually provide names, addresses and phone numbers of 10th, 11th grade students to NDUS and NDUS must provide information to in-state colleges
- SB 2279:** Mandates that if applicant pool has nonveterans and veterans, a veteran is entitled to the position (current law is that applicant with highest score is to be hired, whether a veteran or nonveteran)
- SB 2289:** Expands grants for innovations program to higher education institutions
- SB 2292:** Increases sales tax exemption for educational, religious and charitable activities from \$5,000 to \$10,000 of gross receipts, unless the seller competes with retailers by maintaining inventory, etc.
- SB 2323:** Requires monthly project variance reports to OMB for NDUS improvement projects over \$250,000
- SB 2327:** In law prohibiting use of public services, property for political purpose, expands definition to add initiated or referred measures, constitutional amendments
- SB 2341:** Removes current annual limitation on number of Health Dept. veterinarian loan repayment awards, subject to availability of funds
- SB 2351:** Requires posting of student fees; during 2011-13, limits total mandatory fee increases to not more than 1 percent of average undergraduate tuition, with guidelines for limited exceptions
- SCR 4003:** Supports the Northern Tier Network
- SCR 4017:** Requires study allowing school officials access to juvenile court records
- SCR 4026:** Studies state higher education institution contracts with companies offering student aid refund financial services