

2005 Legislative Review

A Look At Higher Education In Week 16: April 18 – 22, 2005

Conference Committee Approves SB 2003

The SB 2003 conference committee approved the University System budget bill April 21 on a vote of 6 – 0. Amendments added by the conference committee will:

- Remove a requirement for \$150,000 of education incentive funding to be allocated for doctoral incentives at private baccalaureate degree-granting institutions and replace this requirement with language permitting the SBHE to allocate funding to doctoral students at private institutions
- Reduce the percentage of state grant funding allocated to private campuses from 25 percent (as originally proposed by the House) to 23.5 percent, up from 22 percent in the 2003-05 biennium
- Maintain a Legislative Council interim study and a \$175,000 appropriation to conduct the study; permit the use of a roundtable format
- Prohibit an audit of the UND School of Medicine and Health Sciences until completion of the med school's accreditation process; permit an audit only if the med school fails the accreditation
- Require \$250,000 in unspent general fund appropriation authority in the NDUS Office to be allocated as follows: \$150,000 to VCSU (\$108,000 for tuckpointing; \$32,000 for a bleacher project and \$10,000 for a sound system) and \$100,000 for internships in the North Dakota Trade Office
- Require \$200,000 of SBHE initiative funds to be allocated to UND for a "space grant consortium to match federal funds"

- Add language that the SBHE "consider using a substantial amount of funding for an international student initiative"
- Retain \$151,000 (added in the House) in additional funding for three additional veterinary medicine slots
- Retain \$2 million (added in the House) for an equity pool to be allocated by the SBHE "to address equity at higher education institutions and other campus needs"
- Retain \$119,826 (added in the House) for a custodian position and additional utility costs for Murphy Hall at DSU
- Retain \$150,000 (added in the House) for repair of Old Main at MaSU
- Retain \$80,000 (added in the House) for repair of the student union at MiSU
- Retain \$90,000 (added in the House) for repair of Stevens Hall at WSC
- Retain a \$400,000 reduction (made by the House) to Common Information Services (technology pool)
- Retain a \$189,858 reduction (made by the House) in the operations pool
- Retain a \$1,271,886 reduction (made by the House) in student needs-based financial aid

In its current form, SB 2003 reflects no overall change in the level of funding provided in the adjusted House version of the bill and includes an increase of \$27.6 million or 7.7 percent increase compared to the 2003 – 05 budget.



The Closing Days:

Tuesday, April 26, the 77th day of the 2005 Legislative Session, is believed to be the target end date.

SB 2020 Awaits the Governor's Signature

SB 2020, the NDSU Ag budget bill, was amended by a conference committee and passed by the Senate April 21 and the House April 22. The engrossed bill represents a total general fund increase of \$4,995,661 (or 9.84 percent) when compared to the 2003 – 05 adjusted appropriation and an increase of \$1,270,457 more than the executive recommendation. Conference committee amendments include the following actions:

- Add \$300,532 in state general funds for the Upper Great Plains Transportation Institute to meet the required budget guidelines to qualify as a regional university transportation center; this is \$532 more than the House version
- Remove \$59,799 in state general funds from Dickinson Research Center for malting barley research
- Add \$59,799 in general funds to Williston Research Center for ethanol malting barley research
- Remove \$100,000 general fund from the Main Research Center for ethanol malting barley research
- Add back \$50,000 of the \$100,000 in general funds removed by the House for soil conservation districts
- Remove \$251,897 in general funds and two FTE positions for the Beef Systems Center of Excellence; the Main Research Center is provided a total of \$450,000 for the salaries of two remaining authorized FTE positions and other operating costs of the center
- Add a section of legislative intent that the two FTE positions for the Beef Systems Center of Excellence may not be filled until SBARE enters into a business partnership agreement for the Beef Systems Center of Excellence

- Retain \$200,000 for funding the dry bean geneticist position added by the House, but changed \$50,000 of the funding to other funds.
- Reduce the \$425,165 House addition for extraordinary repairs to \$325,165; add a section of intent stating that up to \$100,000 of this funding is to be used to construct a machine storage shed at the Williston Research Center
- Reduce the \$350,000 House addition for operating and equipment needs for NDSU Research and Extension to \$200,000
- Reduce other funding from the environmental and rangeland protection fund (ERP) from \$200,000 to \$150,000
- The conference committee changes represent an overall general fund reduction of \$401,365 from the House funding level

Conference Committee Dedicates \$20 Million to Centers of Excellence

The conference committee on SB 2018 and SB 2032 agreed April 21 to make \$20 million available in the 2005 – 07 biennium for the centers of excellence initiative developed by Gov. Hoeven.

The plan provides \$15 million, but another \$5 million could be added if large projects absorb most of the fund's balance. A proposal to establish a \$4 million project funding limit was omitted after addition of the \$5 million provision. The money would be borrowed from the Bank of North Dakota and repaid from the state oil tax fund.

In its current version, the bill states that the Legislature intends to set aside more money “in future bienniums using similar funding mechanisms” to boost support for the centers of excellence to \$50 million as proposed by the governor. SB 2018 is the Commerce Department's budget bill; authorization to create the centers of excellence is included in SB 2032.