

Legislative Review

A Look at Higher Education in Week 7: Feb. 16-20, 2009



Feb. 25

System Overview to House Appropriations

Senate Approves Amended NDUS Budget Bill

SB 2003, the NDUS budget bill, received a unanimous “Do Pass” as amended vote from the Senate Thursday, Feb. 19.

In its present form, SB 2003 adjusts base funding in the executive recommendation as follows:

- Reduces needs-based financial aid by \$33,112,203 (However, SB 2062 now includes \$20 million for needs-based financial aid, \$4 million for new opportunity grants and \$1 million for a new STEM student loan forgiveness program.)
- Reduces student financial assistance grants by \$1,997,000
- Removes funding for salary increases for NDUS Office employees earning more than \$100,000 per year and limits to 5 percent per year salary adjustments for all other NDUS Office employees
- Removes \$1,334,865 in campus funding for emergency preparedness/security and adds a \$750,000 pool in the NDUS Office budget
- Increases EPSCoR funding by \$600,000
- Provides \$1.5 million to establish a pool for enhancing existing STEM teacher education programs
- Provides \$8,215,467 to freeze tuition at the two-year colleges and limit tuition increases to 4 percent per year at the four-year universities
- Provides \$500,000 to implement a rural health initiative at the UND SMHS
- Removes \$4 million for emergency preparedness/security infrastructure

Other Senate amendments reduce funding from the Student Loan Trust Fund by \$20,600, provide \$129,000 in federal funding authority for a forensic pathology facility at

the UND SMHS and increase revenue bond funding authority for an MiSU wellness center from \$5 million to \$10 million.

Other Senate additions to SB 2003 include:

- A section of legislative intent that all NDUS employees whose documented performance meets all standards are to receive minimum monthly salary increases of \$100 for the 2009-11 biennium
- A section requiring Legislative Council to consider studying the facility needs of the UND SMHS Bismarck Family Practice Center (BFPC), which, if studied, must include a review of the feasibility of locating the BFPC on the BSC campus
- A section requiring Legislative Council to consider studying options for funding higher education institutions, which, if studied, must include a review of the feasibility of a higher education funding mechanism based on student completion rates

Concealed Weapons Bill Passed by House

HB 1348, the concealed weapons bill, was narrowly approved by the House Wednesday, Feb. 18, on a vote of 48-46. There are a number of concerns regarding this bill and the potential risk to students, faculty and staff. However, the attorney general has tentatively concluded that institutions have the authority to enforce campus policies.

See the Week 6 *Legislative Review* for a summary of HB 1348.

Unanimous “Do Pass” on Research and Extension Budget

SB 2020, the NDSU Research and Extension appropriation bill, received a unanimous “Do Pass” as amended vote Tuesday, Feb. 17.

In its current form, there is no net change to the general fund amount recommended in the executive budget. However, \$100,000 has been added to the Extension Services budget for the Soil Conservation Committee, and one-time funding for IVN replacement has been reduced by \$50,000. The Main Research Center’s one-time funding for deferred maintenance also has been reduced by \$50,000.

\$200,000 in other fund authority has been added to the Main Research Center budget for an industrial hemp study. \$3 million in federal funding authority was added to the Upper Great Plains Transportation Center budget for the Center for Transportation Study’s 2007-09 capital project authorized at \$5.5 million, bringing the total authorization to \$8.5 million.

Department of Commerce Budget Bill Passed by Senate, Includes Higher Ed Initiatives

SB 2018, the Department of Commerce budget bill, was passed by the Senate Thursday, Feb. 19 on a vote of 41-5.

In its current form, the bill includes amendments that would fund a number of higher education-related initiatives. \$20 million proposed for the 2009-11 continuation of the Economic Development Centers of Excellence program was amended into SB 2018 from HB 1015.

SB 2018 also includes the following new grant programs:

- \$200,000 for student-based technology grants of up to \$25,000 to the extent matching “angel funds” are available
- \$1 million for regional technical assistance grants to be distributed equally among the four workforce training quadrants with a required dollar-for-dollar match
- \$400,000 for youth entrepreneurship grants to be distributed equally among the four workforce training quadrants with a required dollar-for-dollar match
- \$200,000 for support of research university patent offices with a required dollar-for-dollar match and
- \$5 million for a Great Plains Applied Energy Research Center at Bismarck State College with a required \$3 for \$1 match
- \$2 million to assist two-year colleges in responding to business and industry workforce training

Senate Approves Opportunity Grant Program

SB 2062, a bill to create the North Dakota Opportunity Grant Program, was approved by the Senate on a unanimous vote Thursday, Feb. 19.

The \$4 million Opportunity Grant Program would provide \$1,200 annual scholarships to students who have been North Dakota residents for the past 12 months, attend NDUS colleges or universities and meet the merit scholarship requirements outlined in HB 1400. These scholarships would continue if the student maintains a 3.0 GPA.

The bill now provides an additional \$20 million for the needs-based State Grant Program currently funded at \$6.5 million, with a biennial funding total of \$26.5 million. This amendment includes a restriction that not more than \$26 million can be spent in the 2009-11 biennium. SB 2062 also increases the maximum grant award to \$2,000 as recommended by the SBHE.

\$1 million has been added to the bill to create a separate, new program for STEM loan forgiveness, providing a maximum annual loan forgiveness of \$2,000 for five years. The bill designates responsibilities related to ensuring student success to the Joint Boards of Education.

Bills Failed This Week

- HB 1172** Provided a \$250,000 general fund Department of Public Instruction appropriation; provided grants for new adult basic, secondary education programs
- HB 1193** Provided a \$2 million Permanent Oil Trust Fund appropriation to the Dunn County Fair Association for a cultural resource center (including space to deliver higher ed programs)
- HB 1349** Provided an employee carpooling incentive; authorized additional reimbursement for passengers
- HB 1357** As amended, required Bank of North Dakota to provide 4 percent loans to teachers to pay off student loans
- HB 1415** Made state auditor and board of university and school lands administrative agencies under the administrative agencies Practice Act
- HB 1447** Gave the legislature the authority to set tuition and fee rates
- HB 1465** Appropriated \$225,000 to the ag commissioner for expanding organic food production, processing
- HB 1483** Permitted Office of Management and Budget to borrow an additional \$5 million for Centers of Excellence, if other funding is depleted

- HB 1486** Removed the 2.5 percent limit on budget stabilization fund transfers in the event of a budget shortfall
- HB 1547** Provided a \$22.5 million general fund appropriation to the Bank of North Dakota to reduce, on a percentage basis, student loans for higher ed graduates
- HB 1550** Permitted the Emergency Commission to authorize a state agency line of credit for emergencies exceeding 2.5 percent of the agency's general fund appropriation
- HB 1568** Created an interim committee on health care delivery with UND SMHS representation; provided a \$500,000 general fund appropriation to the State Health Department
- SB 2226** Increased STEM/technology occupations program to \$2,000; increased state grant maximum to \$2,000 (replace § 17 of SB 2003)
- SB 2258** Provided whistleblower protection for public employees
- SB 2302** As amended, required continuing support for foster children attending college (The language requiring tuition waiver was removed.)
- SB 2331** Provided for state employee collective bargaining
- SB 2346** Required the Department of Public Instruction and the NDUS to complete a study of implementation of Indian treaty rights relating to education
- SB 2408** Provided a \$5 million general fund appropriation to the Department of Commerce for Grand Forks base realignment
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