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2007 HOUSE APPROPRIATIONS

HB 1003

2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. 1003 Overview of higher education system and related budget

House Appropriations Committee

☐ Check here for Conference Committee

Hearing Date: January 8, 2007

Recorder Job Number: 696

Committee Clerk Signature Holly N. Arnd

Minutes: (No audio available)

Chairman Svedjan called the Full House Appropriations Committee to order at 8:30 am. Roll call was taken and majority was present.

John Q. Paulsen, President, State Board of Higher Education (1.8.07A) opened his testimony with an introduction of his colleagues and thanked the Appropriations Committee members who served on the Roundtable on Higher Education. Mr. Paulsen expressed the importance of investing in the North Dakota University System and asked the Committee to fully fund Governor Hoeven's 2007-2009 proposed budget for higher education. He also asked that the Committee move a number of items included as one-time expenditures in the governor's budget plan to permanent base funding.

Mr. Paulsen highlighted the success of the Economic Development Centers of Excellence initiative and asked for continued financial support. He also explained that the SBHE submitted one budget based on 21 percent of the state general fund, a departure from the two or more budget plan options submitted in prior sessions. In addition, Mr. Paulsen briefly discussed the document, "Achieving the Vision of the Roundtable on Higher Education, 2005-2006 as Captured by Media" (1.8.07B).

Mr. Paulsen concluded his testimony by saying "the single most important factor that will determine the future success of our state will be its human capital," and the source of the human capital lies in the University System.

Eddie Dunn, Chancellor, North Dakota University System (1.8.07C) introduced college and university presidents and University System Office staff in attendance. Mr. Dunn briefly described the notebook, "2007 Legislator's Guide to the North Dakota University System" (1.8.07D). The book includes basic information about the University System as well as information relating to the cornerstones of the Roundtable Report. Mr. Dunn also reviewed the legislative agenda brochure titled, "An Investment in a Brighter Future for North Dakota" (1.8.07E) that describes the dual mission of the University System – "Enhancing the Quality of Education" and "Enhancing the Economy of North Dakota." Mr. Dunn went on to review the significant numbers in the budget and the justification for the Board's funding request – human capital.

Chancellor Dunn explained the 21 Percent Concept (21 percent of the state general fund) as a 1 ½ percent increase from the current level of 19.5 percent. This increase would bring the percentage back to the same level that existed when the Roundtable on Higher Education plan went into effect in 2001.

Mr. Dunn reviewed charts of the estimated state budget and the impact on major categories of state spending as they relate to an increase from 19.5 percent to 21 percent. Chancellor Dunn concluded his comments by asking for the Committee's support. There were no questions.

Roger Reierson, President, CEO – Flint Communications, Member – ND Roundtable on Higher Education, Board of Trustees – North Central Higher Learning Commission (1.8.07F), discussed the challenges North Dakota faces in remaining a leader in the nation with regards to educating our youth. He quoted several officials from across the state and around the

country on the role higher education plays in maintaining a strong economy, Mr. Reierson stated that the North Dakota University System is critical to the economic growth of North Dakota, but additional resources are needed. He asked the Committee to support their efforts and move part of the resources to base funding so the system can plan beyond two years.

Representative Carlisle said he hopes they are looking to other areas than 4 year degrees such as truck drivers, as there is also a need for these types of workers.

Roger Reierson indicated that they have heard similar comments and are taking them into consideration.

Written comments were provided by **Tom Shorma** (1.8.07G)

Dennis Hill, Executive Vice President and General Manager, North Dakota Association of Rural Electric Cooperatives (1.8.07H) spoke as a representative on the ND Roundtable on Higher Education in support of the legislative agenda put forth by the Board of Higher Education and the Chancellor's office. He views the ND University System as one of the state's largest vehicles to help grow the economy, but the system needs funding. Mr. Hill said the time for funding is now since the workforce is aging and the need to replace retiring workers is growing.

Robert Haskins, President, North Dakota Student Association (1.8.07I) began his testimony by listing fees he pays every semester in order to take classes at UND – fees that do not include tuition, room and board, books or transportation – fees which outpace inflation. Mr. Haskins said students enrolled in ND institutions provide more than $700 million in economic impact to the state. At the same time, students are faced with ever increasing bills and graduate with more debt to repay.

Mr. Haskins discussed the students' displeasure with the ConnectND fee due to the continued problems with this program. The students are pleased, however, with the UND Student Wellness Center and associated fee since they reap the benefits from the investment.

Mr. Haskins brought attention to the green ribbon pins being worn by many in attendance. The Green Ribbon campaign is meant to draw attention to the need for increased funding to 21 percent of the North Dakota general fund to help institutions finance projects, increase salaries, etc. while keeping the cost of education at a reasonable level. He said one-time funding only allows the University System to temporarily fix the ConnectND problem, whereas money from base funding would allow permanent positions the ability to maintain the system.

Representative Thoreson asked what fee, if any, the faculty pay to use the Wellness Center. Mr. Haskins answered that faculty pay more than $600.

Representative Wald asked how UND's aeronautics program stacked up to others such as Embry Riddle. Mr. Haskins replied that Embry Riddle has much higher tuition and fees because it is considered a private school. UND does a good job of keeping flight costs down.

Representative Nelson asked how many students do not access the ConnectND system. Mr. Haskins said all students must use ConnectND.

Thomas Barnhardt, President, Council of College Facilities, introduced himself and **John Pederson, Faculty Advisor, State Board of Higher Education**. Mr. Barnhardt reiterated the point that human capital is the key to economic development and the University System is the key to human capital. They displayed a chart titled "2003-04 Average Salaries for 9/10-Month Contract Faculty at Public Two-Year Colleges, Four-Year Colleges and Universities" (1.8.07J). North Dakota is ranked last in the nation with an average faculty salary of $46,834.

Representative Bellew asked if the numbers included benefits and the answer was that they do not. The Committee was referred to the salary section of the report titled, "Report of the

State Board of Higher Education's Committee on Employee Compensation" (1.8.07K) which provides much analysis.

Chairman Svedjan called for a break at 9:45 am.

2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. 1003 Overview of higher education system and related budget (cont'd)

House Appropriations Committee

☐ Check here for Conference Committee

Hearing Date: January 8, 2007

Recorder Job Number: 726

Committee Clerk Signature Holly N. Stund

Minutes: (No audio available)

Chairman Svedjan reconvened the meeting at 10:15 am.

Laura Glatt, Vice Chancellor, North Dakota University System gave an overview of the long-term financing plan and resource model (1.8.07L). She summarized eight major changes to the long-term finance plan that were used in developing the 2007-09 budget request. One of the biggest issues is parity/equity. The new plan funds some parity and some equity in priority order as resources permit. The priority is: 1) new and continuing salary and health insurance costs; 2) no less than 15% of the total new funding allocated to equity; 3) operating inflation; 4) any remaining funds allocated to equity.

Ms. Glatt stated that the MGT model looked at approximately 50 variables to determine those institutions that most closely resemble North Dakota universities to establish the peer campuses used for analysis.

Ms. Glatt continued her discussion with a review of the "Analysis of 2007-2009 Executive Budget Recommendation December 2006" (1.8.07M).

Representative Wald asked why there was an increase in the bond payment (1.8.07M, p. 15) and Ms. Glatt responded that it would be best to ask the Industrial Commission. She inferred that the increase was likely due to the increases the Industrial Commission faces each biennium.

Laura Glatt continued with discussions of the various charts detailed in exhibit 1.8.07M. Various questions were asked on different line items of the charts as highlighted in yellow.

Representative Carlson asked how current costs show up in the budget with regard to Lake Region. Ms. Glatt answered that this project assumes that once built, utility costs go down and savings goes to pay third parties. He continued by asking how costs are amortized and Ms. Glatt said that she believes it has been modified to 15 years. Representative Carlson also asked how many projects have third party funding and the reply was that this is the only project with third party funding in this budget.

Representative Wald asked if there had been any deviation from policy when discussing major capital projects (1.8.07M, p. 45). Ms. Glatt said the board puts together priority rankings. Any project that poses a safety hazard has priority which is why the floor replacement is ranked first.

Representative Carlson asked why a project such as the wind energy project (1.8.07M, p. 45, line 4) has priority over classrooms. Ms. Glatt responded that it has to do with debt reduction. She would be happy to share all the criteria.

Laura Glatt returned the topic to the chart on 1.8.07M, p. 12 and explained that they are asking for a shift of $4 million in one-time funding to base funding, a shift of $3.7 million in one-time funding to base funding in support of ConnectND, a shift of $420,000 in one-time funding for common information services (technology pool) and for an additional $2.7 million in base funding in the Career and Technical Education (CTE) budget in support of workforce training.

Chairman Svedjan asked for an explanation as to the shift of $8.1 million (line 11) and Ms. Glatt's response was twofold: 1) if funds are given as one-time funding, they cannot do the things needed and will be back every biennium with the same issues, and 2) a shift to base funding helps them get back to the original $63 million budget request.

Michel Hillman, Vice Chancellor, North Dakota University System briefly reviewed the "2006 Accountability Measures Report, December 2006" (1.8.07N). Overall the colleges and universities that make up the North Dakota University System perform very well when compared to other states and national standards. Mr. Hillman reviewed the key cornerstones identified by the Roundtable on Higher Education pointing out significant findings.

Vice Chairman Kempenich asked if there is information available showing the percent of graduate placement. The response was that this information is available in a separate report. The number of grads is tracked for one year following graduation. Copies of this report will be made available.

Representative Carlson asked how North Dakota's contributions compared to other states' contributions. The response was that North Dakota's ranking is high. Taxpayers pay a lot as a whole, but on a per capita basis the number is low.

Representative Monson asked if tuition and fees can be split out to compare them individually against other states' numbers. Ms. Glatt responded that she knew of no study that breaks tuition and fees out separately.

Michel Hillman pointed the Committee to the "Enrollment Management/Service Plan" (1.8.07O) as another helpful resource.

Gaylon Baker, Executive Vice President of Stark Development Corporation, testified that people are needed in all areas. He gave an example of a woman he met who had 27 certificates in her file and said that without a strong system, such opportunities would not exist. Mr. Baker urged the Committee to give the University System the funding it needs.

Chairman Svedjan pointed out that the Committee has a copy of testimony from **Bob Wetsch** (1.08.07 P) but that there was not ample time for him to speak before the Committee today.

Chairman Svedjan informed Mr. Wetsch that Representative Wald would speak with him separately.

Chairman Svedjan adjourned the meeting.

2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. HB 1003

House Appropriations Committee
Education and Environment Division

☐ Check here for Conference Committee

Hearing Date: January 9, 2007

Recorder Job Number: 763

Committee Clerk Signature Shirley Banning

Minutes:

Chairman Wald: Called the meeting to order on HB 1003, He introduced **Dr. Chapman**, President of North Dakota State University.

Dr. Chapman: (See 17 page handout #1) He introduced the students present who represented the student body president and vice president, agriculture, and NDSA. He summarized briefly the roll of a Land Grant University to include teaching, research and service. The goals for programs are itemized on p 3. He stressed the importance of the doctoral and masters' programs.

Chairman Wald: Sometimes we hear complaints about duplications in the master's degrees with other institutions or within the region. How do you respond?

Chapman We have way too few programs across the state; we are exporting our advanced degree students.

Representative Klein: Dr. Chapman, regarding a law suit with a major technology company, will that in any way affect what is going on at NDSU?

Dr. Chapman: No, it is normal business startup. There seem to be a lot of people working there.

Dante Miller, Student Body president at NDSU (See Handout # 2, HB 1003 Forest Service) provided testimony on behalf of the more than 12,000 students at NDSU in support of the governor's budget.

Representative Aarsvold: Recent studies of debt load show that North Dakota is ranked 3rd highest. Is that true of students at NDSU? How many are forced to leave because of high debt?

Miller: Debt is increasing and I hear more and more students say they have to take out student loans.

John Adams, Vice President of Business and Finance, referred to Page 9 of Handout #1 to explain the executive budget. The request is for $14.1 million in base funding plus renovation projects bring the total to $99 million. On page 10 representing the general fund budget which includes the tuition revenue, making the adjusted 05-07 budget, $173.4 million and add the cost to continue the salary increases of $3 million, health insurance increase at $2.7 million, salary increase of 5% per year, $4.5 million utility, departmental operating increases of $1.7 million, variety of items including $2.8 million totaling an increased base cost of $24.3 million, bringing the cost increases to $31.9 million. The State Facility Energy improvement Program at NDSU is itemized on Handout #3.

Representative Klein: Hasn't the Minard Hall renovation been an ongoing thing over the years? Which phase are we in and how many are left to go?

Adams: Yes, that is a three phased project and has been on our lists for many years, being a $15 million project. Phase one includes facilities, roofing, infrastructure, utilities, and the $10 million request will be in the next biennium.

Representative Aarsvold: There has been some indication that there is a private group interested in the facility to service athletic events on campus.

Adams: Yes, a private group has come forward as well as the city but the preference is to keep it on campus. (See handout #4, HB 1003)

Chapman: The proposal is for a $51 million dollar facility.

Representative Klein: Happy to hear that the one time projects listed on P 17, that you are getting someone to closely evaluate what you are spending this money on. We need specifics.

Chairman Wald: What is your number one needed project?

Chapman: In terms of facilities, Minard is a critically important facility, it is a humanities building with a lot of instructional space.

Chairman Wald: We are running about an hour ahead of schedule, do you want to move on the next item on the agenda, the Forest Service?

Representative Martinson: One of the dilemmas we are going to face is deferred maintenance that we have been putting off, and now the governor has chosen to fund part of it, but higher ed has said put it into operating.

Chapman: There are many needs, and in terms of facilities there are major deferred maintenance issues. We are doing a lot of patching and things that eats up resources and times and only delays it. We would appreciate anything you could do to help us with our deferred maintenance.

Representative Martinson: It would be your preference to keep the budget the way the governor introduced it.

Chapman: As an institution, we are very pleased with the budget.

Chairman Wald: If you are pleased, are we giving you too much? The 5 and 5 salary increase, how close does that get you to being competitive?

Chapman: It won't make us completely competitive but it will help immensely such as health insurance, retirement plans and so on attract staff.

Adams: Looking at the governor's budget recommendation, the difference between that and the system's request is $10 million of one-time deferred maintenance and it had a $4 million capital asset increase as base funding. That really is deferred maintenance. The total deferred maintenance funding is about $10 million.

Representative Klein: Emphasizes the importance of identification of needs so that the funds get used for their intended purpose.

Chairman Wald: Closed the hearing on HB 1003, NDSU.

2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. HB 1003

House Appropriations Committee
Education and Environment Division

[ ] Check here for Conference Committee

Hearing Date: January 9, 2007

Recorder Job Number: 764

Committee Clerk Signature Shirley Banning

Minutes:

Chairman Wald: Called the meeting to order on HB 1003, Forest Service. He introduced **Larry Kotchman**, State Forester, (See Handout # 1, HB 1003, and State Forester). He described the Forester Program at NDSU and stated that it has been a part of NDSU's program since 1906. The six projects found on page 3 and the five accountability goals found on page 4 were reviewed. He pointed out the link to the authority granted under the North Dakota Century Code in sections 4-19, 18-02, and 57-57 to meet the forestry needs in the state. The wild fire management program is an essential part of the program during years of drought as well as the tree planting program.

Chairman Wald: Goal 2 lists wild fire management, is that new?

Kotchman: We have had authority to be involved in fire suppression and protection for a number of years. More federal funding has become available to help increase rural fire protection districts and first responders. We have added new engines that are available on a request basis.

Representative Klein: Fire engines, what is the vehicle – a four wheel drive with specific equipment mounted on it? And, how many of these have you purchased?

Kotchman: We are referring to a strike team of type 6 Wild land fire engines. Three that have been required so far and plans to get two more. These were purchased with federal funds and made available by the national fire plan. Worked with the Department of Transportation, fleet services. We will get two more if federal funding remains available.

Chairman Wald: You have a bill in another committee that gives your vehicles emergency status.

Kotchman: Yes.

Chairman Wald: Where are all these vehicles housed?

Kotchman: We have them staged out of Bismarck, Mandan and Bottineau and are moved based on the severity of the fire season.

Representative Klein: When you take these out to different places are they kept at the local fire stations and maintained?

Kotchman: We've stored them at Fort Lincoln and in such places as National Guard Armories. On page 5, the 2005-2007 appropriation was briefly discussed and he thanked the committee for support.

Vice Chairman Monson When a team is sent out, is it usually on state land and do you recoup insurance if it is on private land?

Kotchman: If a response is made, it is a decision made jointly by the governor's office and the Division of Emergency Services and the State Forester. Bills are generated for those types of services. Federal agencies are billed and they do pay for them. If it is state and private lands, bills are not generated and no costs are recovered and it becomes a deficiency appropriation.

Representative Aarsvold: You receive none of the distribution from the state insurance office from fire premiums, is that correct?

Kotchman: That is correct.

Chairman Wald: I have a bill in that would allow responding fire departments to be reimbursed for pay roll and fuel costs for $100,000 appropriation.

Kotchman: We are aware of your bill, HB 1110, we have been asked numerous times for assistance with those bills, and we could not help them with operating expenses.

Chairman Wald: I have asked to put premium tax dollars in the insurance department. That is where the funding source would be.

Kotchman: Continuing on, on page 7(Handout #1) he talked about the 2007-2009 budget request, focusing on improvements in health, safety, and the economy including $3,358,731 for operations and $188,692 in Capital Assets. He went on to explain the operations budget request and estimated income.

On Page 8 of the handout he summarized the budget adjustments.

Vice Chairman Monson: You are sharing a building with Parks and Recreation in Walhalla, are they sharing in on that cost or will you be covering the cost?

Kotchman: We are in the process of developing an agreement with the North Dakota Parks and Recreation (NDPR) to share office space and this provides space for an FTE and they will share in some of the cost, primarily for utilities

The capital assets request and the capital project needs for 2007-2009 on page 9 were reviewed. Projects such as extraordinary repairs, two storage buildings, and a share of the $10 million NDUS maintenance increase.

Representative Klein: Those storage buildings, are they going to be replacements or new?

Kotchman: This will be new. Not replacement for existing buildings. Equipment has been stored outside.

Representative Gulleson: Has your agency been participating in the planning for the North American Red Trail in the Wallhalla, Turtle Mountain area?

Kotchman: Yes, working with the NPPR, and we are looking for a project coordinator. There is a lot of pressure across the state for recreational activities, especially for ATVs.

On page 10 he discussed the plan to build sustainable communities through forestry in the amount of $150,000. There is a steep decline in federal funding.

The information on page 11 itemizes the critical forestry issues. Diseases, invasive insects and pathogens are the greatest threat to shade trees and other woody horticultural crops in the United States. Emerald Ash Bore is an invasive insect that has made its way to North America from Southeast Asia. It has made its way to Michigan in 1992 and has killed over 15 million ash in the state of Michigan and has moved to Ohio and Indiana.

Vice Chairman Monson: Does it affect green ash?

Kotchman: Yes, it affects all types of ash.

The budget detail on page 13 was reviewed briefly.

Chairman Wald: Asked for an explanation, on page 9, why some requests are for the forest service and some for NDSU.

Kotchman: What you are referring to is the State Board of Higher Education Request and their formula calls for a portion of the $4 million increase on the capital assets base and the forest service share is $10.8 thousand.

Representative Klein: What do those 45 seasonal employees do?

Kotchman: They are involved with tree production activities at Towner State Nursery

Representative Klein: In comparison to your 2005-2007 budget, what is the increase?

Chairman Wald: 23.8%, page 218 of your budget book.

Representative Aarsvold: Carbon sequestering, new energy sources and coal fired plants; are you involved with any of that?

Kotchman: Yes we are involved. The mechanics for the accounting for carbon and to get a program up for credits in carbon sequestering is challenging.

Chairman Wald: Currently you have 12.4 FTEs and you have an increase of seven, for a total of 19.5, what assignments will the new FTEs have?

Kotchman: That is primarily a reporting situation in that this last biennium the amount of FTE that was supported by general funds was the 12 number and then the additional FTE of seven was supported by other sources such as our nursery. These are combined. Not new people. Jim Bortkouski, of MSU Bottineau prepares the budget and stated that actually there is an increase of 1.5 FTE funded by general fund increasing the total to 13.5 FTE. Further, he explained his roll in preparing the budget **ref 38.18**.

Representative Klein: So that 1.5 FTE is replacing one that was federally funded?

Kotchman: That would be correct at this point.

Chairman Wald: Hearing no further questions, this closes the hearing on HB 1003 Forest Service.

2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. HB 1003

House Appropriations Committee
Education and Environment Division

☐ Check here for Conference Committee

Hearing Date: January 9, 2007

Recorder Job Number: 820

Committee Clerk Signature Shirley Banning

Minutes:

Chairman Wald: Opened the hearing for HB 1003, Dickinson State University by introducing **Dr. Lee A Vickers.**

Dr. Lee A. Vickers, President of Dickinson State University: (See handout House Appropriations Committee Education and Environmental Division Hearing pp. 1-39).

He provided testimony that included enrollment/retention/graduation rates, Campus initiatives and challenges. He emphasized that student enrollment changes are due largely to the work force requirements in the area with the oil patch industry. This also brings about changes in the curriculum needs.

Representative Klein: Are some of the stop in and stop out going out to earn money for school?

Dr. Vickers: The oil field wages are attractive at $23 – 28.00 an hour. If they stay away to long, they may not come back.

Representative Aarsvold: You have raw data and adjusted data on enrollment. What is the difference?

Dr. Vickers: Students who transfer to other state institutions are included in the adjusted data because they are gone from us but are still in the system. Dickinson State has 93% placement

rate staying in North Dakota. Further explanation was given of the goal to promote diversity and peace by bringing in international students. There are 24 Russian students and faculty go abroad.

The Center for Entrepreneurship and Rural Revitalization helps people flesh out ideas to see if it is feasible to pursue. Killdeer Mountain Manufacturing is one of those sites.

Raising funds has been successful with $2m net income for four years. Hawks Point is a development for housing for people over 55, hoping to bring people back and funded by private donations. The bonds will be paid off by rentals, no state money whatsoever. Fund raising will continue for Whitney Stadium.

The challenges are to support faculty salaries, new positions, initiatives and to remain competitive nation wide.

Representative Klein: What percent of students require remedial assistance to get up to speed in math and English?

Dr. Vickers: Ball park figure is 20%.

Representative Klein: What is the Spice Network?

Dr. Vickers: It is a network that we formed; it is the same thing as IVN but for specific high schools.

Alvin Binstock, Vice President for Business Affairs. (See handout House Appropriations Committee Education and Environmental Division Hearing, Budget Issues Section)

Addressed the 2005-2007 appropriation. The building and infrastructure inventory amounts to $50,768,416.

Representative Klein: What are auxiliary supported buildings?

Binstock: Those buildings that are supported with non general funds such as residence halls or student center operations.

Chairman Wald: What is the fee per student?

Laura Glatt: Vice Chancellor for Administrative Affairs stated that the fee varies by campus.

Dr. Vickers: Major Accomplishments were highlighted to include the proposed library expansion which will include a Roosevelt Center and to provide viewing for some Historical Society artifacts.

Chairman Wald: Any other questions, if not, we will close the hearing on Dickinson State University.

2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. HB 1003

House Appropriations Committee
Education and Environment Division

☐ Check here for Conference Committee

Hearing Date: January 9, 2007

Recorder Job Number: 823

Committee Clerk Signature Shirley Branning

Minutes:

Chairman Wald: Called the meeting to order on HB 1003, Budget Number 241, Minot State University- MSU). He introduced Dr. Fuller and allotted time for the legislative delegation to provide testimony.

Senator Karen Krebsbach: Stated that Minot State is in her district. She discussed an amendment which requests $7.4m for the Swain Hall project. The Governor reduced it to $2.5m because there is a misunderstanding on the utilization of the Hall.

Representative Kari Conrad, Even though Minot State is not in her district, contributed an overview of what the city of Minot has put into Minot State. amounting to $1.79m. (See handout #2, HB 1003, Minot State University). She further stated that the building of the Dome contributes to the community,

Senator Robert Horne. District 3, spoke in support of the funding for MSU and the advanced request estimate presented by Senator Krebsbach in the amendment that will be considered later.

Senator Tom Seymour, Representatives Lisa Wolf, "Woody" Thorpe, and Louis Pinkerton voiced their support of Minot State.

Dr. David Fuller, President of MSU. (See handout #1, HB 1003, Minot State University).began his testimony with a campus overview and lauded the accomplishment and potential of the Roundtable and growing the University System as a partnership. He discussed comparisons with peer institutions as a way to set goals toward achieving an economic impact. In his discussion of enrollment, he stated that enrollment is down by 2%, it includes online, Canadian, graduate and Native American students. Minot Air Force Base has had a number of deployments which may contribute to the decrease.

Chairman Wald: Historically, what percent of the Air Force Base is part of the enrollment?

Dr. Fuller: In the neighborhood of 20%, as many as 600 students. Moving on to Strategic planning, the Master Plan, Faculty salaries, Native American Partnerships, new building projects and Roundtable and Cornerstone projects. (See pp.2 -6 of Handout #1) a brief overview was provided.

Ron Dorn, Vice President of Administration and finance presented the Status of the 05-07 budget as of December 2006 (See pp 7-10).

Chairman Wald: What is the heating source?

Dorn: We can heat with coal, fuel oil and natural gas.

Chairman Wald: Which is used more frequently?

Dorn: Natural gas is used most frequently, we purchase it ourselves to get the best rate.

Chairman Wald: Where is your coal source?

Dorn: Center. The executive recommendation and projects were reviewed (See photos on pp 11-20). He explained the use for Swain Hall as an academic center.

Representative Martinson: To spend $7m to renovate a building, would it be better to demolish and rebuild?

Dorn: To tear it down and replace would cost 30-40% more. We would rather work with the footprint that we have now.

Chairman Wald: Does the $7m figure include handicap accessibility?

Dorn: Yes it does. (See p. 12)

Dr. Fuller: Clarified the purpose of Swain Hall and stated that it is for academic purposes. It was build for athletic purposes but now it is academic.

Chairman Wald: If we were to invest $7m would the old basketball court floor be gone?

Dorn: The basketball court would be taken out and we would have classrooms on that level. Human performance classes would take up some of the space.

Vice Chairman Monson: Senator Krebsbach talked about how old the building is. When was it built?

Jared Edwards, Director of Plant Services, Stated that it was built in 1952

Vice Chairman Monson: Why would you fool around with renovation when you could have a new building for another 30-40%?

Dorn: We have not talked aggressively about razing the building and starting anew.

Chairman Wald: What would the demolition cost be?

Edwards: stated that the building is in a good location and they have not planned for the extraordinary costs associated with leveling and starting anew.

Chairman Wald: Would you do that in stages, like half in one biennium and half in the next?

Edwards: I found that we are able to do this work and turn around quickly.

Dorn: The Dome floor replacement information starts on p. 21 and goes to p. 25.

Representative Klein: How many incidences are you aware of where people have fallen?

Dorn: We have one official incident and I am sure there are many more that we are not aware of.

Representative Aarsvold: The replacement floor is 11 yrs old, is there no manufacturer's warranty or contractor's warranty. Someone should be responsible for this other than the tax payers.

Edwards: Explaining the age of the floor, the technologies and dollar amounts at the time were not adequate. It had a one-year warranty at the time.

Representative Aarsvold: Do the movable bleachers impact the condition of the floor?

Edwards: Yes, the bleacher system is 25 yrs old. There might be better things available.

Dorn: Like many things on our campus, it is heavily used by the community. We have cancelled seven or more track meets because we can't use the facility.

Representative Klein: Thinks that there was a failure to communicate between the various agencies, there is no question that this could cause serious problems if it is not fixed.

Dorn: pointed to the capital improvement projects on p. 27 and the deferred maintenance projects for FY 2007-2009 on pp. 28-29. Page 30 illustrates the 03-05 Operating Appropriation Carryover Balances.

Chairman Wald: What does signage entail on page 29?

Dorn: Directional and identification signs.

Fuller: Expressed appreciation for the good state that MSU is in right now.

Chairman Wald: Hearing no further comments or questions, closed the hearing.

2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. HB 1003

House Appropriations Committee
Education and Environment Division

☐ Check here for Conference Committee

Hearing Date: January 9, 2007

Recorder Job Number: 828

Committee Clerk Signature Shirley Banning

Minutes:

Chairman Wald: Called the meeting to order on HB1003 Budget # 243, Minot State (MSU) Bottineau. Dean of MSU Bottineau, Ken Grosz was welcomed to the lectern.

Dr. Grosz: provided testimony (See handout # 1, MSU Bottineau) regarding the description and location of the 2 year school and community college. The history and mission of the institution were reviewed on pages 2 and 3. The addition to Thatcher Hall was described.

Representative Klein: Referring to the addition and the cost for construction has increased. Are you going to be able to bring that in under budget?

Dr. Grosz: Furniture, fixtures and equipment may be a concern, may be a little short to make the classrooms state of the art.

Representative Klein: Where are you at in the construction, 70%?

Jim Borkowski, Vice President of Financial Affairs, stated that the project is about 60% complete. It is right on schedule, and costs have increased.

Dr Grosz: called the committee's attention, quickly, to enrollment, collaboration, and distance education and outreach (See pp. 3-5). The history of the name change and the function and focus of the college were reviewed. It is one of the best kept secrets in North Dakota, and

many would like it to be a 4-year institution. The enrollment includes both resident and non resident students. The hockey team is a large draw.

Representative Klein: How many of the non resident students are Canadian?

Dr. Grosz: Twenty-four are Canadian.

Representative Hawken: How many students actually live on campus?

Dr. Grosz: Three hundred live on campus and 52 full time students are in Minot. On page 5 he described Distance Education, with 668 on-line registrations for '06-'07 academic year.

Representative Aarsvold: Is credit transfer ever an issue from your campus to a 4-year campus?

Dr. Grosz: That problem has gone away. Since common course numbering has been instituted by the university system, there haven't been any specific instances.

Borkowski: Began the discussion of the appropriation status report (See pp. 7 and 8 of handout # 1, MSU Bottineau).

Representative Klein: The entrepreneurial Center for Horticulture, is that funded, are you ready to start on that?

Borkowski: $3.5m was originally placed in the budget as a special funds item but has not been funded. Page 10 is a reconciliation of the 2007-09 general fund requests. A request of $458,951 has been added for a total of $5,187,303. There is also increased funding for health insurance. Many of the employees earn $18,000 or less.

Page 12 of Handout #1 provides an overview of extraordinary repairs and capital projects. The steam line replacement project is described on page 13, with an estimated cost of this project at $252,000

Chairman Wald: Are you coal fired or natural gas?

Borkowski: Coal, primarily. It is a Wyoming coal.

Senator David O'Connell: Spoke in support of the building project and the need for funding of about $200,000. He stated that he will visit with Chairman Wald at a later time given the late hour.

Chairman Wald: If there are no further comments or questions, the meeting on HB 1003, MSU Bottineau is adjourned,

2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. HB 1003

House Appropriations Committee
Education and Environment Division

☐ Check here for Conference Committee

Hearing Date: January 10, 2007

Recorder Job Number: 834

Committee Clerk Signature Shirley Bamming

Minutes:

Chairman Wald: opened the hearing on HB 1003 University of North Dakota (UND) by introducing Dr. Charles Kupchella.

Dr. Kupchella, president of UND (See handout #s1, 2 and 3 HB 1003) provided testimony on the state of the university, 2006 with the aid of a Power Point presentation. He made three major points as follows: to tell the tax payers what they are getting, the current funding status, and what would be done with additional funding. In his testimony, he emphasized the research mission of the university, holding a position among the top 100 doctoral research Universities in the nation. On page 3 he stated the economic impact exceeds $1 billion. It is the second largest employer in the state, after the Air Force, with almost 6000 employees. UND is one of 46 institutions in the US that has degrees in both accredited schools of law and medicine.

Enrollment dropped, largely because of the drop in enrollment in High Schools in the state. The university offers continuing education delivered across the state, serving almost 21,000 students. The university actually serves 21,000-25,000 students counting the continuing education enrollees. In the research area we are looking at the $100mlevel that was set as a goal in the strategic plan.

EPSCoR is a research enterprise that receives funding from five different agencies plus $5m in state support. We have beneficiaries in the Centers of Excellence program of $7m.

Chairman Wald: What is your relationship with EERC? Is there a relationship with students?

Dr. Kupchella: All the people who work there are employees of the university and report directly to me. It receives no general support from the state. Roll is to look for energy sources. Post doctoral students are based there.

The requests in terms of facilities is work on Kelly Hall, this has been about a 10 year project. He made a point of stating the savings related to energy improvement at about $600,000 a year.

Chairman Wald: Are you primarily coal fired?

Dr. Kupchella: Yes.

Representative Klein: Are you primarily North Dakota Coal?

Dr. Kupchella: A lignite blend. Addressing the funding issue, we see the importance of supporting the university because it generates broadly and well educated students who have an impact on the economy. He made a case for liberal arts. Since 03-05 there has been about a 7.85% increase when inflation actually increased 21.5% The biggest increases have come in tuition, revenue and in federal grants and contracts. The state currently provides about 23% of its total budget. In comparison to the peer group, there is about 50 cents on the dollar per student to work with from appropriated sources.

Vice Chairman Monson: Compared to other institutions, how does UND rank compare on spending per student?

Dr, Kupchella: We are well within the range of what our peers are spending. Tuition increase accounts for the largest share of the revenue. Tuition has gone up nearly 60% at UND.

Representative Svedjen: What does that difference of 22% translate into in terms of dollars?

Dr. Kupchella: If we had a tuition increase of 5% it would generate about $7m over the biennium. Students have the largest debt of any in the state. More money would impact tuition.

Representative Aarsvold: Do those debt numbers include graduate students and professional students?

Dr. Kupchella: They do.

Vice Chairman Monson: Do they include med school?

Dr. Kupchella: They do, maybe somewhat higher.

The salary situation, salaries have increased, and we have gained in relation to our peer institutions. Professors' salaries have decreased but instructors' salaries have increased.

The deferred maintenance and additional funding for research areas, new staff and facilities were enumerated. UND needs a $500 million endowment.

Vice Chairman Monson: $500m is the target, where are you now?

Dr Kupchella: $1.65m.

Representative Klein: In relation to peer schools, are they getting funding from endowments?

Dr. Kupchella: Yes

Chairman Wald: Do you have an ongoing campaign?

Dr. Kupchella: Yes, We will be announcing a comprehensive capital campaign for the university.

Chairman Wald: Is that in competition with the alumni foundation?

Dr. Kupchella: No, they are leading it. In summary, the university is a terrific value to the state's economy.

Chairman Wald: Your tuition is going to be pegged in the next biennium at 5%. Is this in the ball park?

Dr. Kupchella: I just used this as an illustration of how we would get to the $21m mark that we showed in that slide. We haven't set tuition for next year yet.

Chairman Wald: Five and five, where does it get you compared to your peers in salaries?

Dr. Kupchella: Salaries are at the top pf the priority list.

Chairman Wald: Salaries and benefits are a great draw?

Dr. Kupchella: Absolutely.

Representative Aarsvold: Are there ongoing negotiations with insurance and FEMA regarding the '97 flood, or is it all resolved?

Alice Brekke: Assistant to the President, Director, Budget, The deficiency appropriation request is about $2m, including the ongoing interest in the line of credit, litigation costs and costs that FEMA has declared ineligible. Outstanding is just short of about $4.2m which have been filed with FEMA, have been reviewed and are under first or second appeal with FEMA.

Representative Gulleson: Is this denial based on the fact that repairs you made were above and beyond the original state of the project or that they have not preapproved it?

Brekke: The FEMA interpretation is that it was an improvement but, in order to meet current safety standards, it had to be redesigned.

Chairman Wald: You had some litigation with commercial insurance companies, have those been resolved?

Brekke: All the litigation is done.

Nate Martendale, student at UND and a presidential scholar, testified in favor of HB 1003 and lauded the quality and excellence of UND's academic programs and value to the economy of the state.

Chairman Wald: Where are you from?

Martendale: Fargo, originally.

Chairman Wald: There is a bill that will reduce the student loan interest rate to about 3%.

Dr. Kupchella introduced **Dr. David Wilson**, Vice President for Health Affairs and Dean of the School of Medicine at UND.

Dr Wilson: (See handout #s 4 and 5 and green folder for HB 1003 UND School of Medicine) provided testimony with a Power Point presentation on Handout #4. He highlighted the mission of the UND School of Medicine, the health care professionals, the value of the school to the state, and current enrollments.

Representative Klein: Are you working together with the M.O.T. Occupational Therapy in Casper, Wyo.

Dr. Willson: Yes, working with Casper College as an outreach program.

Chairman Wald: What do you provide?

Dr. Wilson: We provide the staff and they are on our payroll housed at their college.

Chairman Wald: What kind of tuition do they pay?

Dr. Wilson: They pay the same tuition as they would at UND. There is no out of state tuition.

Vice Chairman Monson: What percent of cost of running this program is actually paid by them?

Dr. Wilson: The occupational therapy program is virtually self sufficient, very little cost to the State of North Dakota.

Representative Aarsvold: What are your admissions annually to the medical school?

Dr. Wilson: We admit 62 medical students per year, that is an increase of five over three years ago. North Dakota residents account for 80-85% of those students

Representative Gulleson: Of the percent of applicants, how many do you actually select?

Dr. Wilson: We accept about one out of 4.5 applicants and 37% practice in North Dakota. Many select a specialty, making for a shortage in family practice.

Representative Svedjen: In your retention, does that include the residency program?

Dr. Wilson: The medical school graduates 37%, the residency graduates slightly higher. To keep debt down we need to keep tuition low. The Bismarck facility needs improvement, new faculty, and masters in public health. The ROME program has been very successful. The program in Bismarck writes off about $400,000 in bad debt every year and the program in Minot about $700,000.

Chairman Wald: How do you plan to solve the Bismarck problem?

Dr. Wilson: We need a new place to attract patients, we are struggling to build a practice. What we would like to do is create a new center of family practice much like the one in Minot and in Grand Forks. Neither of those costs the state any money.

Chairman Wald: Why is Minot's write off almost double of Bismarck?

Dr. Wilson: It is a new program. Page 11 of the presentation describes the reaccreditation for 8 years. There were five deficiencies which were minor and have been corrected.

Representative Aarsvold: What portion of the enrollment is Inmed?

Dr. Wilson: We have seven medical students in each class. They are part of the enrollment. Pages 12 and 13 itemize the 2005-2007 appropriation and 2007-2009 executive budget

recommendation. Page 14 shows the cost of tuition which is slightly above the national average. The graph on page 15 displays the sources of revenue.

Representative Svedjen: What is the average percentage that grants generate?

Dr. Wilson: Thirty percent is federal and are shared with the scientists, some can be added to their salary, and it helps subsidize the educational program.

Chairman Wald: Does the university take a percentage of the research?

Dr. Wilson: We have an agreement with the University and use it for education. On page 16, the graph displays losses due to inflation of $2.2-$6.8m. Page 17 itemizes the advisory council recommendations. The following pages, 18-21 summarize the funding needs, economic impact to the state, and progress and achievements for North Dakota making an impact of $175m.

Vice Chairman Monson: On page 19, the Bismarck facility cost for $4.5m. Will you renovate or do we want a new building?

Dr. Wilson: The one we have has been renovated several times. We want a new facility, new from the ground up. The lease is up next year.

Representative Martinson: You can't teach medical students if you don't have clients. It is our responsibility to provide a better facility.

David Molmen, Chief Operating Officer, Altru Health System and Chair, Medical Center Advisory Committee, (See handout #5 for HB 1003, Medical School) presented testimony regarding the Medical Center Advisory Council recommendations for increased funding to the School of Medicine and Health Sciences. He summarized and itemized the highest funding priority listed in part 2 of handout #6. He also reviewed three critical needs for one-time funding, emphasizing the importance of keeping graduates in the state.

Representative Svedjen: Does the University of South Dakota participate in the Inmed program?

Dr. Wilson: They provide partial help in the amount of $100,000 to help support the program but it isn't enough.

Representative Aarsvold: Have the tribes been approached?

Dr. Wilson: Yes.

Chairman Wald: Is space medicine still on your plate?

Dr. Wilson: No.

Dr. Roger Gilbertson, Chief Executive of Merit Care, emphasized the importance of the medical school to North Dakota. He said there is no better investment for North Dakota because health care in North Dakota has a system for providing service to a dense population.

Rena Zimmerman and **Ryan Zimmerman**, students at the medical school, Bismarck, spoke about their reasons for choosing UND Medical School. They stated that they are pursuing residencies in other states and careers in family practice. They stated that recruitment efforts in North Dakota are weak.

Chairman Wald: Asked Phil Boudjouk what happened to the Bureau of Governmental Affairs that they used to have?

Boudjouk: Yes, it does exist and is part of the Department of Political Science.

Chairman Wald: How is the space science and airline program going? Is the enrollment up or down, how is it doing financially?

Dr. Kupchella: It is doing very well but does fluctuate somewhat with the industry. It is the second or third largest college in the university, there are nearly 2000 students enrolled in aviation, airport management or air traffic control

Representative Klein: Is the summer program with West Point still going on?

Dr. Kupchella: It is the most highly sought after summer program at West Point. Two groups of West Point cadet's come every summer.

Chairman Wald: Hearing no further comments or questions, this hearing is closed.

2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. HB 1003

House Appropriations Committee
Education and Environment Division

☐ Check here for Conference Committee

Hearing Date: January 10, 2007

Recorder Job Number: 851

Committee Clerk Signature Shirley Branning

Minutes:

Chairman Wald: Called the meeting to order to hear testimony on HB 1003, Williston State College (WSC). Dr. Joe McCann, President, was introduced.

Dr. McCann: Provided testimony (See Handout #1, WSC) by reviewing the WSC Status Report for fall 2006. Pages 3-7 provide information degrees offered and enrollment status with information on support staff. The key performance indicators are tracked by ten items as stated on pages 8-9.

Chairman Wald: On page 5, you show 4% Indian students.

Dr. McCann: Both of the Community Colleges have enrollments or 200 or more, but they come to us because we have a specific program.

Representative Aarsvold: On page 8 you talk about the CAAP, what is that?

Dr. McCann: This is Collegiate Academic Achievement.....It is an assessment that community colleges give in the basic subjects at the end of the 2-year period in order to determine if the community college has had an impact on the skill level of those students. Moving on to Northwest Workforce Training, on pages 11-13, he pointed out that the progress of the program has brought many trained employees into the field.

Representative Klein: In the oil field, you have a rig set up, is that, what are the various areas that you train people for the oil field?

Dr. McCann: Page 13, there is a fact sheet on the training that we do as well as companies donating to the center. This is considered to be world class employee training. We hope to offer on and beyond safety training.

Chairman Wald: Is there a welding component?

Dr. McCann: No there isn't.

Chairman Wald: How long is this program?

Dr. McCann: Depending on what the company wants, we have a one or two week program. We are also starting fire safety training for fire prevention and fighting out on a well site. There are mock-ups donated to us to aid in the training.

Chairman Wald: Are any of these companies paying tuition for these students?

Dr. McCann: Yes, they do. If it is a new hire, in some cases they pay the training, in some cases they don't. Customized training.

Representative Klein: A company describes the type of training they want and you provide

Dr. McCann: Yes, on page 13 is a list of the companies.

Chairman Wald: Is all of this equipment on your campus? Or an off site location?

Dr. McCann: It is adjacent to Industrial Park east of Williston on highway 1804. A nine acre site and we have two wells. One is for open training and one is for if the company doesn't want to give out their trade secrets.

Vice Chairman Monson: Is that at the old refinery? Is there refinery equipment that can be used?

Dr. McCann: No, only utilities.

Chairman Wald: Did you get grant money from the API Chapter in Dickinson?

Dr. McCann: Yes, Nabors Well Services did the drilling. It can do horizontal drilling but we don't have a rig on the site yet. There is about $1.3m in services and equipment donated to that site.

Chairman Wald: Are some of the instructors volunteer?

Dr. McCann: No, we pull in trainers, who are in the slow down period in their careers.

Vice Chairman Monson: Out there, there is a coalmine, salt mine; are there any links to oil and gas?

Dr. McCann: The coal mine hires diesel mechanics.

Pages 15 and 16 have a summary of the Petroleum Safety and Technology Center that offers hands-on rig service. Senator Conrad was instrumental in this effort.

Vice Chairman Monson: Where is the diesel and automotive project located?

Dr. McCann: That is on campus. It is eligible to receive local donations.

Representative Aarsvold: Are your diesel and automotive programs certified and accredited by the industry?

Dr. McCann: The automotive program is. The diesel program has been honed down to accommodate 28 students in lab at one time. The instructor has brought up his credentials so we can apply for certification. All new diesel graduates have jobs by Christmas before graduation due to an unbelievable demand. The other need that we have is for buildings to house our programs. There are no commercial buildings to be had in Williston. Another piece of this is to make some progress on our rural development center. Pages 17-19 (blue pages) list WSC achievements for 2004-2006. The first nursing graduates finished their program, the

agri-business degree is in place, and started the AAS degree programs in Para-educator, speech language pathology. and mental health.

We tend to educate student to leave the state. WSC has attracted a larger number of older students who are established in North Dakota and committed to stay in the state. We need money to start new programs and to provide student housing.

Pages 21 and 22, buff colored pages, highlight the WSC objectives and the three year plan.

We want to keep tuition down.

Page 25 has a chart that supports HB 1019 that will bring in dollars for Workforce training.

Pages 26-29 enumerate the major capital requests that were in place for the '05-'07 biennium and the major capital requests for '06-'07. It is indicated that the budget requests have increased because of the needs in the oil patch and the rural development costs have increased .The building and maintenance request is stable because of good maintenance.

The executive recommendation and the higher education budget.

In order of importance, the capital requests are first, the diesel program, second the petroleum and tech center and third are the rural development center.

Representative Klein: In the last session you had non-state funded capital asset of $7.9m. What was that?

Dr. McCann: That is for the addition Krein building for the diesel program. It hasn't come in yet. We are in the middle of the diesel addition and are doing fund raising for that.

Vice Chairman Monson: You have no theatre for art or music, no facilities, how can you offer an associate of arts degree that will be accepted at other colleges?

Dr. McCann: We meet the bare requirements.

Chairman Wald: Called a recess and asked Dr. McCann to be available for questions.

2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. HB 1003

House Appropriations Committee
Education and Environment Division

☐ Check here for Conference Committee

Hearing Date: January 10, 2007

Recorder Job Number: 890

Committee Clerk Signature Shirley Banning

Minutes:

Chairman Wald: Called the hearing on HB 1003 Lake Region State College (LRSC) to order and introduced president Dr. Sharon Etemad.

Dr. Etemad. Presented testimony (See Handout #1, HB 1003) describing the college, information on the location, its history and direct impact on the economy of the region and state as a whole (See pages 1-2 and 5-8 of Handout #1).

Exhibits 1 and 2 on pages 2-3 and the fact sheet on p 4 breakout the tuition collections and direct and total economic impacts. She focused further on the collaboration with other institutions such as in-home care provider programs. There are 57 nurses throughout the state to train trainers. There are six degree programs on line with 1,000 students.

The career tech center of excellence summary is found on page 7 and page 8 describes the quality of place and cultural activities.

Moving to the budget outline found on pages 9-11, Dr. Etemad pointed out that 33% of the budget comes from state, falling at 46% of the peer colleges in funding support per student. The enrollment is at 1473 head count. A decline in the state budget equals a raise in tuition. Ideally, it should be kept at no higher than 5%.

Representative Aarsvold: Do you get any community support?

Dr. Etemad: Yes, There are a few that do have a local mil levy. We did a capital campaign and got 60% when we redid the library and when we did the auditorium the community paid 75% of it. The salaries are close to the state average. Part-time salaries need improvement.

Chairman Wald: Are you hiring a lot of local people who have a business?

Dr. Etemad: Yes. Looking at the biennial budget request, we are trying to get our energy costs down

Representative Klein: Do you have a central heating plant? Is it gas fired or natural gas?

Dr. Etemad: Yes, it is natural gas but we are looking to convert to electricity.

Vice Chairman Monson: On the wind turbine, is there a plan to develop a program on wind turbine repair?

Dr. Etemad: Yes, the program will train technicians, in Rolla.

Chairman Wald: How close will this be to the city limits will this be? Is there a noise issue?

Dr. Etemad: Out by the city limits and noise would not be an issue.

Chairman Wald: You would keep standby gas fired…

Dr. Etemad: Yes, it would help us save on energy costs.

Chairman Wald: How long would it take to amortize that $3m?

Dr. Etemad: It is hard to say, 11 some years. I don't want the college to get so far out on its debt load. I feel this is a good investment for the state. I would like them to give us the money and let us keep our savings.

Vice Chairman Monson: This project didn't make the Governor's budget?

Dr. Etemad: They said they needed to see it on a management contract, meaning we would have to pay it off with the savings.

Chairman Wald: Where do you get the initial money to buy it?

Dr. Etemad. There may be some interest loans but the payments have to be made.

Representative Aarsvold: There are states where they do have schools. Have you explored any of those experiments?

Dr. Etemad: Yes and where they are having training programs. Some type of grant is needed to start.

Chairman Wald: You are looking for authorization to go ahead and do this. Be careful of long term liability.

Dr. Etemad. We are looking for something more than what the governor did but with an energy management contract. This means we have to go out and borrow the money. It guarantees savings but not the money.

Vice Chairman Monson: With 11 ½ - 12 years left to pay back. When you did your last energy program, how many years was that payback and how many years do you have left to go on?

Dr. Etemad: Two years left, with a 10 year pay back. That is for revenue bonding.

Chairman Wald: How much help do you need to make it viable?

Dr. Etemad: If we could get somewhere from 50%-60%, we could amortize out the rest of it.

In summary of the budget requests, she again emphasized the importance of the wind turbine project, giving the campus a more entrepreneurial focus.

Chairman Wald: We will do more research on the wind project. If there are no further comments or questions, the hearing on HB 1003 LRSC is adjourned.

2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. HB 1003

House Appropriations Committee
Education and Environment Division

☐ Check here for Conference Committee

Hearing Date: January 10, 2007

Recorder Job Number: 892

Committee Clerk Signature Shirley Brannering

Minutes:

Chairman Wald: Called the meeting to order on HB 1003, North Dakota State College of Science (NDSCS) by introducing the interim president, Dr. John Richman.

Dr. Richman: Began his testimony on HB 1003 NDSCS (See handout #1, HB 1003 NDSCS) by introducing Mr. Harvey Link, Vice President of Institutional Advancement and Government Relations and Mr. Mike Rank, Vice President of Administrative Affairs who will assist in providing information regarding plant and budget.

Dr. Richman brought to the group, the vision, mission and values of the institution on page 1. And pages 2-8, with the aid of graphic displays, he purveyed the enrollment statistics and patterns, student residency, academic program mix, distance education and workforce training. He stated that NDSCS enrolls 80% of the career and technical students in North Dakota, in 17 unique programs. The institution is constantly measuring the employment needs in the state and region and modifies and adds programs continually. Each dollar invested in the Southeast Quadrant Workforce training has generated $3.78 in training activity.

Chairman Wald: How do you measure that ratio?

Dr. Richman: We take the cost of workforce training and calculate that by what we generate from what business and industry has paid us. He stated that NDSCS strongly supports HB

1019 which is requesting a $2.6m increase to the state's Workforce training. This will allow expansion and growth of the human capital base for North Dakota.

On pages 10-14 graduation data is provided. He stated that six out of seven alumni live in North Dakota.

The budget review and narrative is displayed on pages 15 through 20. With the aid of graphs Dr. Richman provided an overview of the recommendation of a base budget of $24.9m. Capital assets $753,000, the increase to capital assets would equate to $339,000, campus parity $2.3m and campus equity $33,000. One time funding in the executive recommendation would be $339,000 for deferred maintenance and a capital fund project $1.6m, bring the total to $30.4m. The expected expenditures during the biennium, base budget costs to be $24.9m With projected costs to continue $2.4m, unfunded utilities expense of $300,000, equity investment $33,000, capital asset $753,000, $1.6m to replace the steam line bring the costs to the $31.9m mark. This creates a shortfall of $405.203.

Representative Gulleson: If these numbers hold true, what areas would you look at to make up for this?

Dr. Richman: We would look at giving a less than 5% increase, we would look at increasing tuition greater than the 5% and a reallocation of operating budgets even though our operating budgets have not increased in over 9 years.

Representative Klein: Unfunded utilities increase. Is there other legislation to ask for additional utility costs? Is this is duplication of that?

Dr. Richman: Page 17 shows the 2.4% operating inflation for utilities.

Representative Klein: You are assuming a utility increase, based on what?

Dr. Richman Mike Renk will give us a clarification.

Mike Renk: It is based on our actual figures now, WAPA Power, is telling us what the increases will be. We also burn coal and have Ottertail Power. One of the biggest increases is WAPA Power, the 20% we get from them costs us more than the 80% we get from Ottertail.

Vice Chairman Monson: What is WAPA?

Renk: Western Area Power Associates, federal power that comes from power stations here.

Dr. Richman: Funds of $2m are needed for the newly created Nanoscience program. We need to replace an ancient sewer line at a cost of $300,000 and $1.6m to replace the steam line whose life expectancy has been exceeded...

Vice Chairman Monson: You have been plagued with the steam line problem for a number of years. Were you not funded?

Dr. Richman: Yes, we have addressed it over time. In the last biennium we were not funded.

Renk: This is the final phase, as of now, 75% has been replaced. This is the last phase and you won't see steam lines from us for the next 20 years.

Dr. Richman: Discussed deferred maintenance. The unfinished part is $195,000. We still have a $5.8m need in deferred maintenance not including capital projects.

On Page 21 we report on the unfunded health insurance needs, the impact to the campus is $193,000. If not fully funded, our employees copay and deductibles would be increased pushing back and negatively impacting our employees.

Vice Chairman Monson: How is it that the governor's executive budget does not include the insurance? Continuing, did you increase your FTEs beyond what the governor approved?

Roxanne Waste, Legislative Council Representative: The governor's budget fully funds the health insurance plan for state employees, it just so happens that it is fully funded at a lower level with higher deductibles in higher education.

Dr. Richman: NDSCS, supports Chancellor Dunn's request be added to the respective budget as permanent base funding. The impact at NDSCS, the one time deferred maintenance of $293,000 be added to the permanent base increase to the NDSCS capital asset budget. We also support item 2, 3, 4, and 5 on page 22, being moved from one time funding to permanent base funding as recommended by the state board of higher education. The cost of Career and Technical Education (CTE) programming is enumerated on pages 23-26. This requires higher faculty to student ratios, at a higher cost. Higher costs are also incurred in facilities required by CTE. All of these programs support the growth in economic development and sustaining the vision. Page 27 has a graphic that shows the various business and industry partnerships contributing $4.5m annually. Over $1.5m in grants and congressional earmarks have been secured in the past two years.

Representative Gulleson: Because a large part of your faculty needs to come from industry, how do you compete with business and industry?

Dr. Richman: We have had to create different procedures and policies to attract these people. In the nanoscience program, we had to come with a different formula to come close to the salary the instructor was making. We have to have the power to attract those people out of business and industry.

Vice Chairman Monson: Instructors cost more, how do tuition rates compare to other institutions?

Dr. Richman: Our study is an internal study; we did not compare ourselves with other institutions. Programs are compared, for example liberal arts to CTE.

Vice Chairman Monson: How do you compare to peers in other areas?

Dr. Richman: Do not have a comparison for you today; the student satisfaction indicated that what they like is the affordable education. Regionally, we are an affordable education.

Representative Klein: I would like to see a list of your peer institutions and comparison costs.

Dr. Richman: We will go back and work on that and get it to you.

Representative Aarsvold: Do you attach a sur charge to some high cost programs?

Dr. Richman: Not a sur charge, but a program fee. In some programs it varies anywhere from $100 to $500.

Chairman Wald: How would you rank your most critical need?

Dr. Richman: We need to remain competitive in hiring, not necessarily as listed on pages 29-30.

Vice Chairman Monson: On page 2 you have credit head count and non credit head count. Could these be added together to get your full head count?

Dr. Richman: This is exactly right, these are unduplicated numbers. These are people being educated and being trained.

Vice Chairman Monson: Are you doing non credit head count all over the state, Fargo and elsewhere?

Dr. Richman: No, they are generated in the south east quadrant only. There are five sites on that quadrant. A vast majority of our training is done in Fargo.

Chairman Wald: What requests do you get from traditional trades, is plumbing, electrician, finishing... are these programs not being phased out?

Dr. Richman: No, not phased out, the programs we are currently offering are strong. We have added two sections in the electrician program, creating 44 potentially new electricians because we listen to business and industry in that area.

Vice Chairman Monson: In the past some programs weren't very full, such as graphic arts. Have you tried to fill them or faze them out?

Dr. Richman: The academic review process, we have phased out some programs.

Chairman Wald: In career day, are you informing high school students of these higher paying careers.

Dr. Richman: We will be in 120 high schools to recruit. We do everything to market our programs. We have hired a recruiter who is on our campus 6-8 days a month. We have some classes that are not full.

Representative Gulleson: The big discussion on workforce technical skills is that they are not being replaced. Are you thinking of sponsoring people into these programs by supporting tuition?

Dr. Richman: We are making those efforts and need new initiatives..

Chairman Wald: You said you are the interim president. Are they currently recruiting?

Dr. Richman: Yes, they hope to name a new president in March.

Page 31 shows the total carry-over funds from FY 2003-2005. That total is $0.

Harvey Link: stated that the college provides a need in economic development in the state.

Chairman Wald: If there is no further testimony on NDSCS, this hearing is closed.

2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. HB 1003

House Appropriations Committee
Education and Environment Division

☐ Check here for Conference Committee

Hearing Date: January 11, 2007

Recorder Job Number: 916

Committee Clerk Signature Shirley Brenning

Minutes:

Chairman Wald: Called the meeting to order on HB 1003, Valley City State University (VCSU) by introducing Dr. Ellen-Earle Chaffee, President. Before taking testimony from Dr. Chaffee he introduced legislators who were present to make statements.

Senator Larry Robinson: Testified in support of HB 1003 and requested that there be significant additions to HB 1003.

Phil Mueller, from the Valley City area stated that VCSU is fiscally conscious of everything and supports HB 1003.

Dr. Chaffee: (See handout # 1, HB 1003 VCSU, pages 1-16) presented testimony illustrated with a power point presentation. The highlights of her presentation included the demographics of the campus and how that relates to the demographics of the state. She emphasized that other states have initiatives to keep their own people, growth options are elsewhere. We need people plus education plus jobs, that being VCSU's role. The vision is to attract and retain, primarily with scholarship funding. Head count is around 1000 with freshman enrollment being up.

Chairman Wald: What type of student was that, that you lost 68 full time students?

Dr. Chaffee: Upward pressure, it is that we had large graduating classes because we lowered the number of credits it takes to graduate from 128-120 credits. With No Child Left Behind, a minor is no longer required. Students are just not there, fewer transfers, students are working, and this is the fifth straight year of having more freshmen, more out-of-state and the master's program have brought enrollment up. Retention is not a problem; more serious is the loss of enrollment.

Representative Klein: Of the students who leave after the second year and go on, what is the percentage and where do they go?

Dr. Chaffee: Figure not available, but freshman to sophomore retention rate is about 65-70%. If they stay the sophomore year, they are there. Exceptions are in engineering.....

Chairman Wald: What percent are education minors?

Dr. Chaffee: About 50%

Chairman Wald: How many of those are placed in North Dakota after graduation.

Dr. Chaffee: Information in an upcoming slide.

Vice Chairman Monson: You have new graduate students, how many are there?

Dr. Chaffee: Truly enrolled and intending to complete the Master's degree, we have 58 and another 18 who are in a non-degree graduate program, a mentoring program.

Representative Aarsvold: Are they on campus or online?

Dr. Chaffee: All are online. All classes are online. Some of the students are local. We increased scholarships and tuition waivers Not that we are adding waivers but those students are still there. Scholarships, $2.6m, in the form of gifts, estates and from living people who continue to support us. But we are behind in helping students. Everyone got laptops in 1996 which leads to satisfied students and gets them ready for the "real world"

Returns on the investment, page 10 shows that we do very well in placing all of our students. School districts are very pleased with the teachers who are trained at VCSC.

We will be $200,000 short as demonstrated on page 12. We won't be able to provide the 5% increase in salaries.

Representative Aarsvold: Will that shortfall in the salary line cause hiring problems?

Dr. Chaffee: Yes, we have already lost faculty, in 2006 we lost three of our best people. We do not have the ability to attract new faculty.

Representative Klein: Why is VCSU short from the 5 and 5 that was funded by the governor?

Dr. Chaffee: See slides, page 12 of handout # 1, HB 1003 VCSU for explanation.

Representative Aarsvold: This is unique to small campuses.

Vice Chairman Monson: If you were to get an increase in enrollment, you wouldn't have as big a problem. The real crunch seems to be your enrollment.

Dr. Chaffee: Small campus is a disadvantage; it is a matter of scale and critical mass. We are pulling out all the stops in every way we know how to increase enrollment. Pressures come to bare that hit us on the administrative side. We do not have the scale to absorb the requirements from the feds, athletic conference, or whoever. We have been aggressive in fund raising and can not see a way to go any farther. If we had had budgets like this every year, we would be in a much better situation than we are now. We have a math staff position that will have to be filled to keep our math department.

Representative Martinson: At a meeting with the education people in about '94 with Larry Isaak, before he was chancellor, and he said we are going to suffer a severe shortage of students in a short period of time. You are not surprised, we aren't surprised. I don't think anyone cares about these things. I have always viewed you as a good thinker and we are

fortunate to have some money this year. At what point will we be thinking about changing the mission of schools, change the way we do business. We'll be back here two years from now saying we need more money to correct some things that are broken. We need to get away from thinking about closing schools, but changing what they do. Get away from thinking we don't more money or give us more money and that will solve the problem. A feeder system to the larger universities may be a way to go.

Dr. Chaffee: The State Board of Higher Education cannot solve the North Dakota problems. The State Board of Higher Education, Legislature and the Governor need to get together to solve North Dakota's problems. The only way to grow the population and add more revenue, people, jobs and education is to look at the campuses in a whole new way. There is a tremendous cost to major mission changes. Scaling back, North Dakota will miss... We have the potential to be an oasis in this country.

Representative Martinson: I agree with you, you have been outspoken and have a vision of what we are going to do. I don't see the board or the governor talking about this. What are we going to do if Minnesota gives its students a 25% tuition...It is going to impact all of our students.

Dr. Chaffee: The enemy of NDSU is not UND, or any other state university. The enemy is the dynamics of what's happening world wide. We can play that game.

Vice Chairman Monson: Did you say that 1973 is when your newest building was built?

Dr. Chaffee: Yes, the newest building on campus was built in 1973.

Trudy Collins, Vice President of Business Affairs: Began her discussion of the budget (See slides, page 13-16 of handout # 1, HB 1003 VCSU), describing building projects, improvements, operating costs, the steam line improvements and staff needs. With the aid of

slides, she showed improvements needed on Vangstad Hall, the Rhodes Science Center, and McCarthy Hall.

Representative Klein: Natural Gas, the central heating plant, is that what you use?

Collins: Coal is our major source; we have backup systems for both gas and oil.

Representative Klein: Do you use North Dakota lignite?

Collins: Yes, it comes from Dickinson, I believe...

Representative Klein: I am seeing a decrease in FTE, is this in your teaching staff? Is this because of enrollment? Why are you losing 12 slots? It is in the governor's budget.

Collins: Not sure.

Roxanne Woeste, Legislative Council Representative: Higher Education went to appropriations for special funds; it is not a calculated FTE. It represents the number of FTE supported by general fund dollars.

Representative Klein: You are telling me that depending on what budget we look at sometimes the FTEs are not FTEs?

Woeste: They are still full time equivalent number but for higher education it is calculated differently. We look at the number of people they have and what the funding source is. The funding sources may switch as each of the presidents go through their budgets and try to find extra dollars.

Vice Chairman Monson: So, Roxanne, they still have the same number of FTEs, It is just a matter of what is from the general fund and what is from tuition, or even federal dollars.

Woeste: That is correct, it could happen, grants, other local funds. They may need to hire additional instructors or support staff but FTE reported to OMB is the number of people supported by general fund dollars.

Vice Chairman Monson: This is really difficult for us to track down. We had a solid number before, this could change, if there is an amendment and we add a little more state money or if the enrollment were to drop it would change that between now and next biennium.

Woeste: Correct, This is a situation that has been developed since the Roundtable was implemented and it has been decided that special fund dollars are no longer part of the reporting system.

Kathy McDonald, North Dakota University System representative: It is a confusing issue in the way the higher ed budget is appropriated; right now you are appropriating general fund dollars only. When we prepare the budget, the salaries that are included are just for general fund employees. What we are reporting are the FTEs associated with those general funds employees. We do report on an annual basis to risk management and they ask for all sources of funding.

Representative Klein: I am confused; I can't grasp the whole picture. We should footnote it or give us the total details.

Representative Martinson: I hear a lot of grumbling about higher education. This is what we voted for a couple of years ago. When the Roundtable first came up, the proposal was to give higher ed one check and the board would give out the money to the schools. There is talk about that we will take back a little bit of what the Roundtable gave away so eventually we will go back to the way we always did it before. Higher Ed is merely doing what we told them to do four to six years ago. Everything they are doing, we told them to do.

Representative Klein: Looking at that number again, I'm seeing a 28.9% increase in total funding and yet you have all these shortfalls.

Representative Hawken: Over the past biennium we looked at placing less in higher ed because they could raise tuition. That is what we are dealing with now. We didn't do the maintenance, we didn't pay the faculty. Now we are looking at how to get out of that hole, we can't do it in one session but at least we are making an effort.

Representative Aarsvold: The $2.2m, I assume is the steam line replacement, what is the source of those special funds?

Woeste: In the budget books it is shown as a requested .....requested from BCSU and under the authority of state board of higher education, a bonding fund. Under the governor's budget that is a general fund....

Vice Chairman Monson: Reiterates Representative Klein's concern. We know that the FTE are still there just not funded with state dollars or tuition dollars. I am worried that two years from now we will see a different change. I would like to see us track this indefinitely down the road.

Representative Aarsvold: Enrollment management, What is that?

Dr. Chaffee: A lot of what I have been talking about, our strategic actions is examples of enrollment management. It refers to all those efforts that are made to try and grow a viable institution.

Chairman Wald: We have had a very frank discussion about your budget and will try to work out some of these details. We will close the hearing on Valley City State University.

2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. HB 1003

House Appropriations Committee
Education and Environment Division

☐ Check here for Conference Committee

Hearing Date: January 11, 2007

Recorder Job Number: 920

Committee Clerk Signature Shirley Brenning

Minutes:

Chairman Wald: Called the meeting to order on HB 1003, Mayville State University (MaSU) by introducing Dr. Gary Hagen.

Dr. Gary Hagen, Interim President of MaSU, provided testimony (See handout #1, MaSU) in support of HB 1003. He began with an overview of the university and moved on to page 4 with a discussion of the actual debt and debt reduction estimates that would retire all accumulated debt over a four-year period. The chart on the bottom of that page displays the debt reduction plan.

Chairman Wald: A discussion across the state on all campuses has been the reduction in tuition waivers; I assume there has been a reduction in that. What is the dollar figure and how many head count are under what is known as tuition waivers?

Dr. Gary Hagen: Referring to page 13, he stated that waivers are under $200,000.

Chairman Wald: Raising energy costs, how have you addressed that? Obviously it has gone up.

Dr. Gary Hagen: We realized that we can burn only #2 fuels, by locking in the price, we can stay ahead of the rising prices. We use exclusively fuel oil.

Referring to the chart on page 5, he stated that the deficit will be managed over the next five years.

Moving on the a discussion of the partnerships, on pages 7-11.emphazing the distance programs, Heart of the Valley consortium, Biomedical Research, Rural Teachers Math/Science Academy and the Child Development Program.

Representative Gulleson: What is your retention rate?

Dr. Gary Hagen: It is close to Valley City's.

Representative Klein: Distance degree, what do you have and what do you want to add?

Dr. Gary Hagen: Business education at Lake Region that is an on-site situation. We have a new one with the State of Washington in Early Childhood. We are setting up articulation studies

Chairman Wald: Are you required to have a lap top for everyone? Does it help or hinder enrollment?

Dr. Gary Hagen: Every student has a computer and it has helped enrollment.

Representative Aarsvold: It is a considerable cost to the students

Vice Chairman Monson: Do they get to keep that computer?

Dr. Gary Hagen: They have the option "to buy". Everyone is purchased because they are state of the art machines.

Pages 10 and 11 describe collaborations for rural teachers that we have developed with grant writing. This has helped with No Child Left Behind.

The graphs on page14 and 15 display our enrollment development and the tuition waiver strategies. Enrollment went up because of waivers and down because we had to move back to students who pay. But, we are $100,000 more profitable this year.

Chairman Wald: Are you saying you are waiving the difference between in-state and out-of-state tuition?

Dr. Gary Hagen: Yes. We try to attract out-of-state students because if they try it out, they stay. Pages 18 and 19 describe satisfaction of students and meeting workforce needs.

Steve Benson, Vice President for Business Affairs: Provided testimony beginning on pages 22-28 (See handout #1, MaSU). He discussed the various adjustments that have had a cost savings affect. We have a balanced budget and we will operate with a balanced budget. On page 26, is the 2007-2009 budget request, the system's total parity is $1.76m with a 5% cap on tuition. It is difficult to recover when we drop programs. We lost 32 students when we dropped soccer. Another 15 FTE would off-set that loss.

Chairman Wald: Are you recruiting for president? Is this your expense of the board expense?

Benson: Because of our financial situation the Board of Higher Education is allowing up to $60,000 to meet that contingency obligation.

Chairman Wald: Will the $60,000 cover it?

Benson: I expect that it will. Our need is in utilities, we've had to hold vacant some positions.

Chairman Wald: In the specials, was there an improvement in sidewalks, water, and sewer?

Benson: Yes, water and sewer improvements. The first time in many years.

Representative Aarsvold: What is the outstanding amount of special assessments?

Benson: $499,000 in principle outstanding and $170,000 worth of interest. At the end of the biennium it will be about $440,000 worth of principle and $140,000 worth of interest.

Representative Aarsvold: That is almost one-half of your maintenance budget.

Benson: It is, yes. Moving on to page 30 and 31 the major capital requests are outlined.

West hall needs about 30-40% of the deferred maintenance budget. We hope to use ground source heat and reduce heating costs by 30-40%. A study is being done to determine the best resources for the campus and hope to have that done before the end of the legislative session.

Northwest Hall is targeted for renovation for an alumni center. It is not used now because the interior of the building was damaged during the '97 flood. Private funds are being raised for this project.

Pages 33 and 34 outline the deferred maintenance needs. The energy services agreements are displayed on page 36.

Vice Chairman Monson: You would be an advocate for these types of improvements. Yesterday Lake Region was concerned about making these types of ventures. You could be a source of information for designating future operating dollars for these types of projects.

Benson: There was no other way that we could have that kind of infusion of cash to make those improvements. Particularly when we are getting only $200,000 for all of our capital improvements. I definitely couldn't make it without that $160,000 a year.

Representative Aarsvold: The guarantee also includes the interest portion factored in.

Benson: Yes. All costs related to the project are in there.

Chairman Wald: Would there be a prepay penalty if it were paid off?

Benson: It is a financial note rather than a bond issue. On pages 37 and 38 are itemized the improvements that have been made. The water line and steam line are as efficient as any of the other ones in the system.

Dr. Gary Hagen: In closing, stated that NCAA accreditation is good for 10 years. Teacher education had one improvement that has been corrected and the scholarship situation is going very well. Named the best Midwestern College by a peer review for the fifth year in a row.

Representative Klein: Your master plan, is there one or will it be completely new?

Dr. Gary Hagen: It is completely new.

Chairman Wald: What is your most critical unfunded item?

Dr. Gary Hagen: West Hall.

Vice Chairman Monson: Geothermal, would you go into energy savings type of contract with that?

Benson: As a part of that project, it would not be a part of an energy project.

Representative Aarsvold: I would be remiss if I didn't comment that Mr. Hagen has demonstrated management of the situation and turning the whole thing around.

Chairman Wald: Hearing no further testimony, the hearing on HB 1003, Mayville State University is adjourned.

2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. HB 1003

House Appropriations Committee
Education and Environment Division

☐ Check here for Conference Committee

Hearing Date: January 11, 2007

Recorder Job Number: 946

Committee Clerk Signature Shirley Banning

Minutes:

Chairman Wald: Called the meeting to order on HB 1003, Bismarck State College (BSC) by introducing Interim president Gordon Binek.

Binek: Opened his testimony on HB 1003 BSC (See handout #1, BSC, pages 1-28) by providing an overview of student population, location, enrollment, demographics of the academic program, and partnership with other institutions in the higher education system in North Dakota. He also described the collaboration with the high schools to provide technical training. He stated that it is the largest community college in the state with an enrollment of 3477 students and a goal of 4000 students by 2010. Career and technical production has tripled in growth. Online classes are growing, some students take on-line classes and on-campus classes. The goal is to be responsive to what industry wants. The National Center for Excellence, which is being constructed as we speak, is the vehicle that will help achieve the growth that we seek. The $3m we received for Centers for Excellence and Economic Development was helpful.

Representative Klein: What is Web Lab?

Binek: It is a computer program that allows the energy to go on line from any part of the world and operate equipment. It gives them a visual as well as an online experience.

Chairman Wald: Does that pose any security problems?

Binek: It has a fire wall built in.

Vice Chairman Monson: Flex Crete, have you developed this,

Binek: The product comes from Headwaters, Inc. working closely with Greatriver energy to develop this product. It is 28% Portland cement, 70% fly ash, and 2% additive.

Vice Chairman Monson: Is it going to be made in North Dakota.

Binek: Yes, now the nearest plant is in Salt Lake City, sending it up by truck.

Chairman Wald: What do you have to pay for fly ash? Do you get it for nothing?

Binek: Greatriver does charge for the fly ash because it is in very high demand. They are donating it to us for demonstration purposes.

Chairman Wald: It can't be used with asphalt as we know parking lots.

Binek: It can't be used with asphalt but the highway dept is using about 30% in the Interstate. It replaces cement and it has an environmental impact in curbing the release of Co2 gases.

Vice Chairman Monson: How big a deal is it to clean up the environmental contaminants?

Binek: Greatriver Electric controls those issues. Some removal is done.

Continuing on, the greatest needs at BSC are to provide expanded distance communication and to keep tuition at a competitive level. He introduced **Mr. Wayne Boekes**, Provost and Vice President for Academic Affairs.

Boekes: Beginning on page 10 of Handout # 1, he stated that BSC's mission is all about serving the needs of people. We need to determine what those needs are and are they being met with our sister institutions. With our sister institutions we hope to meet those needs. One of the new programs is mechanical maintenance for power plants, calling for partnerships with industry. Describing new online programs and other new programs (See pp. 12-14) was the

focus of academic portion of his presentation. The plans for a future new Technical Facility to be located in Mandan was described.

Chairman Wald: Why Mandan?

Boekes: BSC has 1/3 of its students from Mandan and Mandan has offered us $200,000 to purchase the land. We want to be a good partner with our sister, neighbor. The cost of building or leasing, it is actually less costly to build.

Representative Klein: The cost, Is it going to be built out there where you are having your highline work done? And what is the cost?

Boekes: It will be built near the Bonanza in Mandan at a projected cost of $1.4m.

Chairman Wald: Are there logistic problems between the main campus and this location?

Boekes: No, people go back and forth all the time. The Dakota Nursing Program with 4 community colleges, process plant technology and ethanol plants were highlighted. We also started a GIS, GPS program. Every industry is asking for this training.

He continued on with the academic quality improvement program found on page 15 and the accreditation update.

Mr. Dave Clark, Executive Vice President (See handout #2, BSC) presented the Annual Report and pages 24-28 of Handout #1. He reviewed the 7% enrollment decline that occurred in the fall of 2005 and resulted in a $700,000 tuition shortfall that was adjusted with 10 positions being left vacant. In '06 there was a 2% increase in enrollment and a 7.7% tuition hike over a two year period. A 4% salary increase was initiated.

Vice Chairman Monson: Were these building projects in the last budget? With bonding?

Clark: Yes, the student housing project was bonded and savings.

Vice Chairman Monson: What is the plan for the building?

Clark: It is still in the plan but with a reduction in square footage and the bonds is already sold with three years to spend the money.

Chairman Wald: What is the dorm size?

Clark: One hundred and twenty four beds was the original size and now we are down to 80. The need is there, we have 100% occupancy with a waiting list.

Chairman Wald: You could amortize on the original 124 beds.

Clark: We have a set budget and our bids came in at about $6.5m, so a reduction was required to stay within our budget.

Pages 25-28 outline the 2007-09 budget. The Governor's budget recommendation is supported by the BSC administration, requesting that the budget be fully funded. Holding the line on tuition rate increases, parity funding for salaries, utility savings, and cuts in operating costs will be BSC's commitment to keeping the campus solvent.

A new president is coming in March 1 who is excited about coming to Bismarck.

Representative Aarsvold: Do you share tenancy of the Armory and do you own the building?

Clark: Yes, we have ownership.

Chairman Wald: Hearing no further questions or comments, the meeting is adjourned on HB 1003, BSC.

2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. HB 1003

House Appropriations Committee
Education and Environment Division

☐ Check here for Conference Committee

Hearing Date: January 12, 2007

Recorder Job Number: 1002

Committee Clerk Signature Shirley Banning

Minutes:

Chairman Wald: called the meeting to order on HB 1003, the North Dakota University System Office portion of the bill.

Cathy McDonald, Director of Finance, State University System Office, (See handout #1,) provided testimony regarding the budget overview, involving subsection 1 of section 3 which is the University System Office budget. Pages 1-4. She described each of the 14 lines included in the budget. She went on to review Tab 2, line 29, the Capital Assets Appropriation.

Vice Chairman Monson: The previous bond payment was $14.3m, now we are looking at $15,822,000 for 07-09 and that is just for bond payments. Is this going to keep increasing?

McDonald: We can get those projections from the Industrial Commission.

Representative Martinson: The $1m for Mayville State is not a bond payment.

McDonald: No, it is the second part of the component that is included in that. The $15.8 is for bond payments and the $1m is the amount that is included is to be used for a master capital plan and deferred maintenance projects at Mayville.

Line 30 is the EPSCoR appropriation.

Chairman Wald: Are those hard dollars, are they pretty secure?

McDonald: They are pretty secure. The Board initiative appropriation includes an increase of $300,000 plus a section of the bill that indicates that it must be used for expansion of the Space Grant Consortium to match Federal Funds.

Section 7, p 1-6 has explanations of WICHE, MHEC, WUE, WRGP and MSEP.

Representative Martinson: Go back to the Vice Chancellor; is that a new position in the system office?

McDonald: Yes

Representative Martinson: Mike Hillman is the vice chancellor for students and strategic planning.

McDonald: Actually Eddie Dunn held both positions for strategic planning and Ctec.

Chairman Wald: Power plant technology obviously attracts students from other states, Elementary Education? There are 5 or 6 who have a degree in elementary education.

McDonald and others: This is designed to serve students, generally. It is broad.

Title II appropriation, Federal funding, and distributed on a competitive basis to provide service to elementary and secondary teachers to improve the math and science fields.

The technology pool (CIS) includes funding for the Chief Information Officer, has an increase of $6.8M.

Chairman Wald: When you say permanent support, then in the next line you say one-time allocation. That is confusing. Are moving some of these one-time funds that really are going to be ongoing in the next biennium?

McDonald: it had been included in the executive recommendation as one time funding but we are requesting that as permanent funding. The $1.5 will provide permanent support for those solutions that have been put in place. A lot of it is staffing support.

Representative Martinson: That is the $1.5m that we recommended for international recruiting. The board used that for Connect ND, and now the board is saying you still need that $1.5m as ongoing for Connect ND. Let the Board know that some of us are not happy. at all, that they took the money from the international program and gave it to Connect ND. It was made clear last session that we wanted the $1.5m to go to international recruiting. We would like the board to come and take some of the heat.

McDonald: Explained each of the components on pages 4.1-5+.and asked for questions on those items. Going on to the operations pool, stating that no increase was requested in 2007-09. The contingency and capital emergency appropriation is equivalent to the 05-07 adjusted appropriation. This includes funds for the search for a new president at Mayville State. The professional liability....

Representative Klein: Break that out so we know where the money is going, for instance, you said the majority is going to UND's medical practice.

McDonald: Not sure that information is available, but will check with med school.

Chairman Wald: Did you say Worker's Compensation premiums are included in that?

McDonald: Work force safety and insurance. Going on with the State Grant Program at $5.8m providing almost 5,000 annual awards at $600 each or 4,000 awards at $750 each. The Professional Student Exchange Program (PSEP) includes funding for loans for veterinary, optometry, and dentistry students.

Chairman Wald: Do we pay the fee to other states even if the chair is empty?

McDonald: No, only for students who do attend.

Representative Aarsvold: Do we have reciprocal agreements as far as the med school is concerned? Spots reserved for out of state students?

McDonald: The Minnesota resident rate is paid while attending the University of Minnesota. That resulted in savings in the PSEP program. Minnesota guarantees five new freshman slots in vet med, and ten guaranteed in dentistry. In this program either the student or the state pays 75% of the nonresident tuition. About 65% of the students return to the state to practice in their profession.

Scholars program includes an appropriation of about $1.5m including funding for existing recipients and enough to increase the award from 35 to 50 students.

Line 10 pages 9 funding allowable is the NDSU, UND rate if they attend out of state, if they attend a tribal college it is the rate for that institution.

The teacher shortage loan forgiveness program charts list technology occupations.

Vice Chairman Monson: I have a separate bill to increase the amount and the number of years.

McDonald: In the final part of the testimony, we are required to report, under the miscellaneous tab, the 2003-2005 General Fund Carryover. The amount unexpended in the general fund balance is $111,296 as of this date.

Representative Martinson: Complimented Cathy on the design of the budget report

Representative Klein: Where is the tabulation of the funds that were used for the chancellor thing, BSC, what kitty does it come from? The buying out of the contract.

McDonald: Line 4, section 3 pages 9, the operations pool, that $228,000 Chancellor Potts' full contract was honored through the end of the year. We did not have funds in our budget to provide for the additional costs. It is a one-time allocation to the board office.

Representative Klein: And that included BSC ...

McDonald: No, it is just for the Chancellor position. BSC would have to provide that information and we can get that for you.

Representative Klein: And how about the State College of Science?

McDonald: We can get that for you.

Cornelius Grant, Governor's appointee to the North Dakota Indian Scholarship Board (See yellow pages found in Handout #1) testified that, for the 33 years that he has held this position, he has felt pride in the fact that this scholarship program has been a decisive factor in the achievements of completing post secondary degrees. 362 students have received scholarships, 332 applicants were denied. Students held a 3.+ GPA.

Chairman Wald: To be eligible, you say they have to be one-fourth or better Native. Can this money be spent at a private college? Any state college or any of the four tribal colleges?

Grant: Yes. In state institution.

Dr. Peter Alfonso: EPSCoR presented information on Power Point slides titled Connect ND (See Appendix a PP. 1-7 of Handout #1). The slides listed the benefits and returns of the project and specify the 10 funding recommendations. Finally, the total requirement of $3.5m was presented.

Dr. Phil Boudjouk: Discussed technology based programs and emphasized that the clusters of technology based companies are growing and they have some new demands of what they would like to see in their entry level personnel. These companies have expressed a need for training that gets personnel more jobs ready. As this develops, the private sector designs the curriculum. The courses are endorsed by the company, i.e. Microsoft, John Deere, Ingorsall Rand and a number of smaller startups. This program is responsible to the national accrediting agencies. This a local or regional need. The current budget allows for this

curriculum adoption. We will get something going this year and will be talking about it to you in the future about a serious broad based program between EPSCoR and the university.

Chairman Wald: Five minute recess.

2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. HB 1003

House Appropriations Committee
Education and Environment Division

☐ Check here for Conference Committee

Hearing Date: January 12, 2007

Recorder Job Number: 1003

Committee Clerk Signature Shirley Banning

Minutes:

Chairman Wald: Called the hearing on HB 1003 North Dakota University System. He introduced Suzette Bieri.

Suzette Bieri, Deputy Director of the North Dakota Space Grant Consortium. (See Handout #1, HB 1003, North Dakota University System Buff colored pages 1-4) testified regarding the requested appropriation for $300,000 and stated that each state has a space grant program. Every year there is a grant from NASA and matching funds are required for that. The budget from NASA for 2006 is $403,000. We had to come up with a match of $303,000. We were able to do that with UND giving us some cash and in-kind contributions. And used state appropriations from 2005 for $200,000. She further distributed a poster illustrating North Dakota's Space Grant Consortium.

Students at UND, NDSU, NDCS, Turtle Mountain Community College and Dickinson State University carried out the space suit patent. We are on the NASA radar screen with this patent.

Chairman Wald: How do they apply for "Dark Skies"?

Bieri: This is a project that Space Grants funds 12" telescopes. Dickinson State, Williston State, and NDCS and BSC will be applying. They are given to the college campuses to be

used for academic classes in astronomy with the understanding that they will do public star parties. It will promote North Dakota as a dark skies space, part of ecotourism.

Representative Aarsvold: Can you explain the first robotics program.

Bieri: Students are given instructions on how to build a robot then they go to St. Louis or Phoenix. We have four teams and we are giving them $3,000 each.

Chairman Wald: Can you explain that balloon thing?

Bieri: This a project where we fund college and high school clubs to put together a small payload of about 2# which is launched on a helium balloon.

Chairman Wald: Moving on to student exchange programs.

Nancy Kopp, representing the North Dakota Optometric Association and the North Dakota Veterinary Medical Association and serves as executive for both groups testified in behalf of the Optometric Association. She discussed the workforce needs in North Dakota. The proposal calls for 46 veterinarians, 52 dentists, and 30 optometrists, not including the two slots that were approved last session for the Kansas State arrangement. There is difficulty in recruiting in somewhat rural areas, such as Devils Lake.

Chairman Wald: How can you go about interesting students who pursue optometry? Is there a mechanism to help them with costs?

Kopp: We encourage current practitioners to mentor and work with juniors and seniors in high school.

On behalf of the Veterinary Medical Association, I will introduce **Dr. Tom Bettenhausen.**

Dr. Tom Bettenhausen: Testified in behalf of continued funding for the program because there is a shortage in all of the towns and cities in North Dakota. This shortage is detrimental to the livestock industry and the pet population across North Dakota.

Representative Klein: Is it a problem of large animal vets? Are most wanting to treat small animals in a clinic setting rather than going out to the field?

Dr. Bettenhausen: No, it is probably equal. It is just as much of a challenge to find a small animal veterinarian as a big one. Veterinarians are not paid as much as other medical professions and there is a high influx of women, which is both good and bad. It is harder for women to accept a large animal practice. We have defined more roles for the veterinarian to do. Many years ago, farmers did a lot themselves and small animal practice defines more services.

Chairman Wald: Last session we had intent language to focus on large animals.

Dr. Bettenhausen: That was directed to the Kansas State program. Most of the cities have small animal shortages.

Chairman Wald: Would you be opposed to legislative intent language that markets large animals students?

Dr. Bettenhausen: In North Dakota we need veterinarians that are capable of doing a mixed animal practice. And that is what Kansas State signs. Some students are specializing in equine science, for example.

Representative Aarsvold: The beginning requirements for veterinary students are more stringent than most other medical professions. Is that true?

Dr. Bettenhausen: That is true, but we have students who are meeting the challenge. It is not easy to get in. Women are more likely to meet the requirements.

Representative Aarsvold: Is that a function of space, are we having to select fewer folks because of the number of spots open?

Dr. Bettenhausen: The spots open have been very level for the North Dakota students, the problem now is the demand for veterinarians is increasing.

Representative Aarsvold: Is there opportunity for a vet technician to displace some of the responsibilities of the veterinarian?

Dr. Bettenhausen: Yes, we will be making legislation to look to that.

Representative Hawken: Do we do any vet tech training?

Dr. Bettenhausen: Yes, North Dakota State does have.

Dr. Jacob Carlson: A veterinarian practicing in North Dakota (See handout 1c, North Dakota University System, HB 1003), provided testimony in favor of the Professional Student Exchange Program (PSEP).

Dr. Beth W. Carlson, DVM, Deputy State Veterinarian for the State of North Dakota (See handout 1d, North Dakota University System, HB 1003), provided testimony in favor of the Professional Student Exchange Program (PSEP).

Wade Moser: Director of the North Dakota Stockmen's' Association, testified in support of the Kansas State program and stated that Iowa State is coming forward with a program.

Representative Klein: How many veterinarians are there in the state?

Dr. B. Carlson: We know how many there are but not all are in active practice, somewhere in the neighborhood of 240.

Chairman Wald: Moved the hearing on to the next item on the agenda, Northern Tier and introduced **Bonnie Neas**, Interim CND executive Director.

Bonnie Neas, (See handout 1e pp. 1-8, North Dakota University System, HB 1003), provided testimony in favor of the Northern Tier Network. She made reference to the maps on pp. 7 and 8 showing the interstate networks. This is available to the private sector. Three drop off points

are recommended; Dickinson, Bismarck and Fargo. Going south, it is a line going from Winnipeg to Omaha.

Representative Aarsvold: How do we allocate costs when we have interstate networks?

Neas: We swap traffic links. The plan is that there will be memoranda of understanding (MOU) with the other states and we will sign MOU with them.

Representative Aarsvold: The capital cost is by in-state miles.

Neas: Yes, they are estimates and have been told they may be high, but they haven't been bid yet.

Chairman Wald: On line 29 of the bill you say "must be used to the benefit of the institutions and entities.....Then on top of page 13 ....who else can access these facilities?

Naes: State government, and anyone who has an MOU. We are targeting the research institutions for economic development startup, or any college in ND that has a private sector partnership.

Chairman Wald: Are we letting people hitch hike on this system and not pay?

Neas: We have technicians that can filter out commercial traffic. They have to use the router. If we had a partner like Bobcat, they could use the network but for their commercial traffic, they would have to route that on their own.

Representative Klein: Would the Dakota Carrier Network and IVN tie into this too?

Neas: Have had discussions, Higher Ed does not want to operate this network. We do the research and acquire the resources. IVN and Dakota Carrier Network could work with this. Until we know if we are going to get the funding, we haven't finalized any of this.

Representative Hawken: What happens as far as moving North Dakota forward if we don't do this?

Neas: This network will open any opportunity as far as technology based companies. We are having meetings to tie the regions into a network.

Representative Klein: Looking at your map, the black, red and green are already in place?

Neas: That is correct; everything that is on the map is in place except this northern tier piece.

Chairman Wald: Shouldn't part of this appropriation of $27.5m be in the Commerce Department?

Neas: For North Dakota, our piece is only $5m

Roxanne Woeste, Legislative Council Representative, The $27.5m is for the whole IT pool for higher education $5m of which the governor has recommended for the Northern Tier network.

Mike Eggl, Senior Vice President of External Relations and Communications for Basin Electric Power Cooperative in Bismarck: (See handout 1f pp. 1 and 2, North Dakota University System, HB 1003) provided testimony in favor of the funding for Information Technology Council of North Dakota and support of Higher Education in North Dakota.

Neas: Spoke on the status of the Connect ND project with a Power Point presentation (See Appendix A, pp 1-10. North Dakota University System, HB 1003) among those requests, was highlighted 11.5 new positions and a remaining requirement of $3.5m.

Representative Klein: Are the new positions in the budget?

Neas: Not all of the recommendations are in the budget; Items 4 through are not in the budget. We will be happy to come back and report after we've done the oversight review and provide a more definitive answer on the recommendations.

Representative Aarsvold: In recommendation #1, the salary equates to about $80,000 per position.

Neas: It is about a $45,000 salary, that figure also includes benefits and operation support.

Chairman Wald: So we are looking at $1.65m per biennium.

Neas: These recommendations assume a one time cost. Continuing costs are not factored in and that is why we need to go back.

Chairman Wald: The final number of $3.5 is an annual cost times two; we are looking at $7m.

Neas: We have to sort out what are one time costs and what we can cover in our base budget.

Chairman Wald: Put together a flow chart that shows one time, reoccurring.

Neas: We will do that.

Randall Thursby, Interim CIO, North Dakota University System. (See handout 1g pp. 1 and 2, North Dakota University System, HB 1003) Provided information regarding the proposed funding for the Common Information Services Pool.

Chairman Wald: You're headquartered in Fargo, as we work on this bill you ought to appraise council. We want to utilize your time and hours to the best advantage.

Neas: We will be happy to come at any time. Most of our higher ed meetings are in Bismarck.

Chairman Wald: Hearing no further comments or questions, that concludes the hearing this morning on HB 1003.

2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. HB 1003

House Appropriations Committee
Education and Environment Division

☐ Check here for Conference Committee

Hearing Date: January 30, 2007

Recorder Job Number: 2278

Committee Clerk Signature Shirley Brenning

Minutes:

Chairman Wald: Called the meeting to order on HB 1003, North Dakota State University, (NDSU) budget. John Adams, Vice President for Business and Finance at NDSU was introduced.

Adams: (See Handout #1, HB 1003 NDSU) showing two potential deficits for NDSU. The first being the 18th st. special assessments being paid for by leases agreements on our 19th ave property. The second one relates to the flood of 2000.

Chairman Wald: Those who are not familiar with 19th ave property, would you just describe it.

Adams: Property at the north end between University Drive and 10th st. It is leased and is a small strip mall, with a BP station on one end and McDonalds on the other end.

We hope to settle the second deficit through our deficiency appropriation request which is currently a part of SB 2023.

Representative Klein: Was that the overland water, in discussion with the insurance company and on and on?

Adams: That is the rain event of 2000 that can now be called a flood.

Representative Aarsvold: Legislative Council shows an outstanding balance of about $370,000 in special assessments. You plan to pay those off as they occur?

Adams: Yes, there will be more assessments next year after our 17th ave. renovation and then in 2 years, 12th ave. These lease payments will continue to pay for those assessments.

Vice Chairman Monson: What kind of property is this? You own the property and you own the building?

Adams: We own the property and have a ground lease with the companies who built the properties with a 40 year lease.

Chairman Wald: What is the total revenue from the rental?

Adams: It is slightly over 100,000 per year.

Vice Chairman Monson: What happens at the end of 40 years, do the buildings become yours?

Adams: The contract has an extension clause in it, so they can continue.

Representative Klein: On the flood thing, there was a settlement with FEMA and a settlement with insurance and this is what is remaining.

Adams: There is approximately $500,000 outstanding from our settlement with FEMA that we are still trying to collect. This is interest on our Bank of North Dakota credit that we used to pay off our contractors.

Representative Klein: So the $177,000 is interest on this bank loan?

Chairman Wald: None of this 177 appears in '03.

Adams: What is in 2023 is that amount plus legal fees. The total request for this year is $289,000.

Chairman Wald: My question is, we are not doubling up in '03 in SB 2023

Representative Klein: But this amount you are still negotiating with FEMA, that's not finished yet.

Adams: That has been paid off to our contractor, what we are hoping to get back from FEMA is including the $177,000.

The next item includes our unrestricted net assets, including a wide variety of core functions of the University and consists of past balances, notes receivable, accounts receivable, inventories and other non liquid assets. Fund balance reserves are delineated on page 1 of handout #1, items a.-g.

Vice Chairman Monson: Your fees that are charged, they can pick how they want to spend them?

Adams: In the Student Activity fee, they decide where that money goes. About $900,000 of those fees goes to support athletics.

Representative Aarsvold: Non campus funds, does the campus assess any sort of fee for handling those funds. I assume you have some costs involved.

Adams: No fee is charged for that.

Chairman Wald: Where are those funds invested? CDs or government notes.

Adams: Most of our funds are with the Bank of North Dakota. Some of our private gift income can be invested in other financial organizations.

Chairman Wald: What kind of return do you get on this money?

Adams: Probably around 8%.

Chairman Wald: Do the students get the interest?

Adams: We keep it.

Vice Chairman Monson: Are all of these non campus funds and you do keep the interest off all these funds?

Adams: Yes, it goes to help fund other things on campus that benefit students and faculty.

Investment/debt/repair and renovation funds have a balance of $11.6m.

Vice Chairman Monson: Do you decide on how to use these funds or does the State Board of Higher Education approve?

Adams: Yes, anything over $100,000 needs permission from the state board before we can go forward with anything.

Chairman Wald: The basic difference between items c. and d. is that c. is debt and d. is for daily operations.

Vice Chairman Monson: Some of the buildings have been bonded over the years, do you have money in accounts, could it be paid off quicker?

Adams: No, there is no advantage to pay it off quicker because of the 8% interest rate from BND.

Vice Chairman Monson: Do you go through our IT system for a telephone system.

Adams: We don't use ITD. We feel that good management would dictate that we hold at least two months of revenue on hand to cover expenses in the event of emergency that amounts to roughly $43m.

Representative Aarsvold: Item e. indirect costs of $3.5m that would be the amount outstanding at the moment.

Adams: These are all a point in time, they fluctuate daily.

The third item involves fund transfers, found on page 2 of Handout #1, HB 1003 NDSU.

Item 4 includes indirect cost recovery. Three types of reimbursements were highlighted.

Chairman Wald: Item c. would be 42% of $9m.

Adams: No, it would be about $1.6m.

Representative Gulleson: I think I am a little bit confused; you received $100m in federal grants.

Dr. Phil Boudjouk, Vice President for Research: The 42% is the rate for recovery, so it is more like 10-12% of the numbers that you see.

Vice Chairman Monson: When a research professor gets a grant, does he get some of that money

Dr. Boudjouk: Yes, there are two features of our indirect cost. We do a break down where 42% is allowed by the agency. Then it is broken into two parts, 42% goes back to the department and that chairman negotiates with the researcher, usually it is about one-half. The indirect costs are for operations and repairs not directly related to the grant activity.

Vice Chairman Monson: Pools of money have to be kept separate, how do you do that?

Dr. Boudjouk: It is difficult, paid by bonds and rents that cover the bonds.

Representative Aarsvold: You also draw support for athletics from academic funds.

Adams: That gets us to the last category on page 2, athletics revenue from a variety of sources.

Representative Martinson: NDSU refused to provide financial reports to the Chancellor's office.

Adams: The numbers are open.

Representative Martinson: We are trying to follow all the money.

Adams: There is a significant amount of debt; $100m in debt is being paid off, in outstanding bonds and leases that we are paying for through auxiliary revenues, indirect cost recovery, and other sources of funding within these sources. That is the only way we have been able to grow the university over the years.

Prakash Mathew, Vice President for Student Affairs: We need to have permission to spend over $100,000. The board has complete knowledge. Laura Glatt has access to all accounts. The book is open. The State Board of Higher Information gets all the information.

Representative Gulleson: I am wondering if this is in reference to the NDSU foundation. I know that was a situation where information was requested and the attorney general's office got involved. I remember reading that.

Representative Aarsvold: Going into athletic support, how many dollars?

Adams: This year, $2.5m and we must live within that budget.

Chairman Wald: What is the dollar amount for Item c.?

Adams: For this year it is $1.6m.

Chairman Wald: That is where the confusion is, you said you gave the department $2.5m, so to control the revenue to item c. is $1.6m.

Adams: Other sources bring up that account to a higher level, including about $1.5m of investment income, soft drink commission is about $75,000 and research and student affairs both supply about $550,000 each toward student scholarships. From that we supply $2.5m to athletics, some money for aircraft maintenance and staff development.

Chairman Wald: What kind of aircraft do you own?

Adams: We own a 1978 Piper Cheyenne.

Representative Aarsvold: You indicate that $9.5m. Is that including the 2.5?

Adams: Yes, that includes the #2.5m.

Representative Gulleson: It has become common practice where the president's salary is being supplemented by team makers or the foundation. Is that a situation at NDSU?

Adams: I can assure that is not the case at NDSU. I just reviewed the president's W2 and the green statements from last year. He does not get any compensation from team makers.

Representative Martinson: No, I question this. You say he is getting no deferred foundation compensation?

Adams: The foundation does provide some deferred compensation, such as the house. The house is an embarrassment, he can't even put his car in the garage and social events are held at the alumni center.

Closing comments included the search for a budget director and model for developing budgets.

Vice Chairman Monson: Do you have a breakdown of how much the state pays per student from general funds, and what other sources pay the cost.

Adams: The model breaks that out. Ancillary costs for students are usually not broken down because they don't directly pay for the education.

Vice Chairman Monson: The cost for educating a student, does it include the plant?

Adams: Yes, the Nukubo Model takes all the costs to operate the university and backs out the things that really don't pertain to undergraduate education.

Representative Aarsvold: How do you determine salaries for teaching assistants in this model? What about research assistants?

Adams: All costs are coded.

Chairman Wald: How many dollars in operating costs are gifts?

Adams: For 2005-06 gift income was $2.4m from Team makers...

Vice Chairman Monson: We used to look at the vacant FTEs that are not filled. The dollars in that do you roll that up and use that for raises for other staff?

Adams: The moneys saved are used for other staff or faculty increases or to hire two graduate assistants for the price of one.

Vice Chairman Monson: When they talk about a 5 and 5 raise, you are able to give bigger raises? The 5 and 5 increase is changed when a vacancy occurs.

Adams: We have a 5% pool that is given out across campus. A portion of that will be across the board to all staff and faculty and the other portion of that would be based on merit.

Dr. Boudjouk: On the research dollars, a part of the salary can be replaced by research dollars.

Chairman Wald: How long would it take you to give us a breakdown of the vacant positions and how long they have been vacant?

Adams: We have had some problems with People Soft and getting reports out.

Laura Glatt, Vice Chancellor for the North Dakota University System: Vacant positions, in higher education you don't fund on a position bases. It is different from state agencies.

Vice Chairman Monson: We are looking at the number of FTEs and it varies dependent on how they are funded.

Glatt: More and more of our positions are shifted to non general fund sources.

Chairman Wald: If a position is open, we keep funding it.

Glatt: If it is a state position, it is funded on a state basis.

Representative Martinson: We have to justify costs.

Adams: Understand the pressures.

Glatt: I have never not gotten the information I've asked for from our campuses. The foundation is private and separate.

Chairman Wald: Hearing no further questions the meeting on HB 1003 is closed.

2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. HB 1003

House Appropriations Committee
Education and Environment Division

☐ Check here for Conference Committee

Hearing Date: January 31, 2007

Recorder Job Number: 2357

Committee Clerk Signature Shirley Bamming

Minutes:

Chairman Wald: We are going to take up questions as it relates to HB 1003 The University of North Dakota (UND) budget. He welcomed Alice Brekke to an open free forum with no set agenda.

Representative Martinson: We asked about the money in the revolving funds, the cafeterias, athletics, and how those are handled. If you have some indebtedness in them, what kind of interest you are getting. What kind of profit you are making, profit incentives.

Alice Brekke, Assistant to the President, Director, Budget at UND, I believe you are asking about the auxiliary funds. UND does have a number of auxiliary enterprises. Primary would be housing, dining. By definition those areas need to generate enough revenue to fully support their operations. They are reviewed annually and anticipated volume and assurance that we are meeting debt service requirements to set aside various bond indentures. They also need to retain dollars for maintenance and repairs. At the close of 2006, we were in compliance of the debt services that need to be retained.

Chairman Wald: What about the Student Wellness Center?

Brekke: Those funds are held separately, students pay a separate student fee, also the bond portion and held for the bond indenture. The student fee is $45.00 which is a usage fee for the

facility and a $50.00 bond fee that is prorated according to the number of credits a student carries.

Chairman Wald: At the Wellness Center, do you bill 3rd party payers.

Brekke: Student health is funded through a different portion of the student fees. If the student has insurance coverage, the insurance company is billed for anything above the basic office visit.

Representative Martinson: NDSU prepared a document on their balance reserves, could you do the same for us?

Brekke: I am prepared to fill in the blanks.

Representative Klein: Question on grants, what does the university take off the top and how is that distributed?

Brekke: The grant is contract environment, most done with federal agencies. All the research done on campus is under a research rate. It costs $7.4m per year.

Vice Chairman Monson: Are you the fiscal agent?

Brekke: It is split in the actual rate calculation.

Chairman Wald: What percent is federal and what is commercial?

Brekke: 70% is federal and 30% commercial.

Vice Chairman Monson: When a federal grant is given, what percent does the university take?

Brekke: There is a rebate formula that may be used as seed money or as bridge funding to cover costs during grant gaps.

Representative Aarsvold: Is there recognition for successful researchers?

Brekke: There are special funds for teaching, research and service.

Representative Klein: Do you fund summer research?

Brekke: We encourage faculty to continue research during the summer,

Chairman Wald: When research is finalized, how much goes to the researcher?

Brekke: There is no constant revenue stream to this point, but other sources go into the stream. On the amount that goes to the researcher, 35% comes off the top.

Vice Chairman Monson: NDSU's is 42%, yours is less, why is that?

Brekke: The overhead costs are less because of the difference in physical plant.

Representative Aarsvold: Are the dollars branded or earmarked to support a specific project, or is there a pool?

Brekke: It is a pool.

Representative Gulleson: The EPSCoR states are designated based on the per capita and their ability to compete nationally, based on the national science foundation

Vice Chairman Monson: Asking for funding new programs such as microbiology, will that bring more dollars?

Brekke: There are needs such as the Family Practice facility in Bismarck.

Vice Chairman Monson: You have the ability to install revenue producing projects – referencing energy production at UND.

Representative Gulleson: Is the President's salary supplanted by some contributions on campus like the foundation?

Brekke: Such an arrangement exists.

Chairman Wald: Do you see recruitment changes? Are we getting more out of state students?

Brekke: Yes, some states have been targeted as net exporters and international recruitment.

Representative Aarsvold: What is the optimum enrollment?

Brekke: Fourteen to fifteen thousand students are the target.

Chairman Wald: Recruitment for out of state students when waivers are given, this is a sore spot for taxpayers.

Brekke: Recruiting graduate students is very competitive and is usually funded through grants. They are used for teaching assistantships.

Chairman Wald: What is your most critical need?

Brekke: We would like to get some dollars into an endowment to get leveraging ability for the future.

Representative Gulleson: What is the total debt?

Brekke: Not available, but I do know that we are in compliance with all debt service requirements.

Chairman Wald: You will get those documents to us.

Vice Chairman Monson: Do you invest, how much and where?

Brekke: Yes, interest is a revenue stream.

Chairman Wald: Hearing no further questions the informational meeting is closed.

2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. HB 1003

House Appropriations Committee
Education and Environment Division

☐ Check here for Conference Committee

Hearing Date: February 2, 2007

Recorder Job Number: 2672

Committee Clerk Signature Shirley Banning

Minutes:

Chairman Wald: called the meeting to order on HB 1003 University of North Dakota Medical School (UND) by introducing **H. David Wilson**, MD, Vice President for Health Affairs and Dean.

Dr. Wilson, with the aid of posters, referred to information from Handout #4 that was reviewed during the hearing held on January 10, 2007 (See handout #4, HB 1003 UND School of Medicine). He reiterated the importance of four items requested in the budget, as follows: 1) Amendment for a primary care and prevention center, 2) New Bismarck Family Medicine Residency building, 3) Increase clinical research and education in microbiology and immunology, and 4) Establish a branch of the state morgue at the SMHS.

Vice Chairman Monson: Discussed the possibility of moving the Family Medicine Residency program to the North Dakota State Bank building when it is vacated and asked when the lease is up with the Bismarck Parking Authority.

Randy Eken: Associate Dean of the School of Medicine and Health Sciences stated that the lease is up in February 2008. The lease could likely be renewed.

Wilson: We are looking at replacing the Department Chair for microbiology and immunology because he is leaving. More funding is needed for salary and start-up costs at $.5m, this is not built into the budget but salary is.

Chairman Wald: $270,000 for recruiting, is that per biennium?

Dr. Wilson: That is per year. We feel this is a good investment; it will bring in dollars in grants. The federal government is interested in funding those types of grants.

We are trying to work with the health department to establish a branch of the state morgue. One item, a building is a one-time cost. The $1.5m is for the construction of the building. $400.000 for equipment, from the federal government, is available.

Mary Ann Sens, Chair of Pathology and a forensic scientist, UND School of Medicine and Health Sciences, spoke to the need for a branch morgue in the eastern part of the state. There should be about 750 autopsies per year; we are doing about 390 per year. We train all coroners in North Dakota.

Chairman Wald: If you were to prioritize your needs, would the new Family Practice Center in Bismarck be number one?

Dr. Wilson; Primary care and prevention would be number one. Second, would be the State Morgue all as a partnership with the State Health Department.

Vice Chairman Monson: The cost for a biennium would be $480,000 of reoccurring costs, or close to a million. This does not include start up costs.

Dr. Wilson and Eken. That is right.

Dr. Wilson: They will be bringing in grants to reduce those costs. I am asking for enough money to bring in good people but they will generate some of their own salary. This is not a free ride.

Vice Chairman Monson: Opened discussion about building in Bismarck for Family Medicine, would it be cheaper to build or to renovate the bank building.

Representative Martinson: The bank building belongs to us; it should be given to UND if it works well. If it stays where it is now, there is a possibility we won't have a Family Practice Center in Bismarck.

Vice Chairman Monson: Do the Family Practice Centers turn a profit?

Dr. Wilson: They break even. In some cases there are losses. Med Center One in Bismarck owes $1.8m because reimbursements have not been collected from Medicare.

Eken: Sure it will be recovered, but likely after it goes to District Court.

Chairman Wald: Randy, find out if the lease can be extended monthly because the new facility can't be ready by February 2008. Could you check on that and report back?

Eken: Budgeting the cost of renovation compared to new construction, the cost per square foot is about $180-190. Renovating existing spaces is difficult and a careful look is needed to see if it is cost effective to renovate as compared to building a new facility.

Vice Chairman Monson: The four centers are running at a loss, is this built into the operating costs?

Dr. Wilson: Some show a profit because it is a better market. About $.75 million is built into the budget on an annual basis for each center.

Rob Beattie MD: UND School of Medicine and Health Sciences, Insurance is not an issue: when the patient comes in we ask what the problem is and who they need to see. There is federal subsidy for graduate medical education. Medicare pays based on the residents who are there. There is an accreditation process requiring that criteria be met for training.

Nancy Vogeltanz, Associate Professor UND School of Medicine and Health Sciences,

spoke in support of the Masters in Public Health and training program. The public health and prevention program will require three new faculty and start up costs. Some dollars are available from the CDC if a program is in place in the form of grants in the amount of $1.5m. It is an infrastructure investment. The cost would be about $600,000 per biennium to set up the program, in the department of Family and Community Medicine about $1.5m, and another $1.2m to develop this corporate health program.

Representative Gulleson: Could you prioritize the needs for this program to go to the next step?

Dr. Wilson: I have offered a 10% cut with you this morning and we might cut another 5% to get things rolling, may need to come back later and ask for more. This is not a one time funding.

Chairman Wald: On page 13 of the previous handout, you show a $3.2m increase, 10.7% for the biennium, so your new executive budget recommendation is $33.8m and that is a business as usual budget because it assumes a 5% increase in tuition, plus salaries and benefits increases.

Dr. Wilson: With this budget, we have about $70,000 left at the end of each year.

Chairman Wald: Hearing no further questions or comments, closed the meeting.

2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. HB 1003

House Appropriations Committee
Education and Environment Division

☐ Check here for Conference Committee

Hearing Date: February 7, 2007

Recorder Job Number: 3022

Committee Clerk Signature Shirley Banning

Minutes:

Chairman Wald: We are going to hear additional information on HB 1003, Connect ND and Northern Tier. **Bonnie Neas** was introduced.

Bonnie Neas, Interim Director for ConnectND Executive Director. (See Handout #1, ConnectND). Provided testimony, using the Power Point slides to follow up testimony given on January 12, 2007 before this committee. She reviewed the ten recommendations that were shared with this committee, higher ed and their board. Each of the recommendations has a timeframe and an estimated cost. She expressed a need for Oracle People Soft.

Vice Chairman Monson: You are saying that Recommendation #2 will go away if you get Recommendation #1?

Neas: Not exactly, if we could get staff with People Soft Experience and start hiring immediately, this would be reduced significantly. Several issues are connected to the 11.5 positions. In Recommendation #2 we will have to spend some money there because that finance upgrade has already begun, regulatory issues require that it be done by the end of the year. Had those positions been in place, that number would have been zero.

Representative Aarsvold: Are the regulatory requirements, are they grant requirements?

Neas: Those are tax requirements, Oracle is not continuing to upgrade their soft ware or furnish upgrades to meet tax laws.

Number 3 is the data center technical upgrade, hardware needs to be upgraded every four years and it is time to upgrade at $1.7m The student admin upgrade has to be completed by June and July 08 for regulatory requirements because Oracle will not provide those system upgrades after June or 08. Security risk assessment is a great concern and there was none done when it was implemented. The risks are great and this needs to be done to see what our vulnerabilities and risks are.

Vice Chairman Monson: Explain v8 and v9 in #2.

Neas: We are currently running version 8.0 and going to up grade to 9.0.

Representative Skarphol: Did you say that is going to be the last version available, 9.0?

Neas: No, that is the version, about every three years you will be looking at system upgrades.

Representative Skarphol: You said earlier that Oracle will not be providing upgrades after June of 08.

Neas: To version 8. The companies provide periodic upgrades, what we call patches, that are sent out. These upgrades provide tax information. Student admin is going to be provided with a patch this coming weekend.

Representative Skarphol: Are you current on your patches?

Neas: We are on the student side but not on the HR or on the finance side. On HR we just finished an upgrade. We did have a patch coordinator on staff and that person left several months ago, and is in the process of filling that position.

There are three functional applications to ConnectND. They are the HR payroll, finance and student administration. The HR finance is one with the state system here in Bismarck at the data system. The student admin is functioning out of Grand Forks data center at UND
It is large complex system. In recommendation 2 grants and contracts will be combined with finance. Effort reporting is not there and is giving UND and Minot the greatest challenges.
I can't stress risk management enough.
Recommendation #6 has to be addressed because the SA Data Center does not have a disaster recovery plan. The files are backed and stored but if there is a problem at the center itself, there is not a back up system. This is the first full year the university system has been on ConnectND.

Representative Gulleson: Does this speak to the recumbency, where the information is stored in several locations and be recovered?

Neas: Yes, exactly right. Bismarck does have a back up site in Mandan.

Laura Glatt, Vice Chancellor for Administrative Affairs, North Dakota University System, Stated that a separate back up system for HR and finance in higher ed. Shared resources.

Representative Skarphol: There used to be back up center for all of state government in Colorado. This biennium the shift was made so that all backup data is in Mandan for state government and for the HR and finance portion of Higher ed. What you are recommending is that there be a data back up center in Grand Forks. The utilization of ConnectND is about 20% by state government and 80% by higher ed.

Chairman Wald: When you say disaster, is that a virus, a fire, physical disaster type of thing?

Neas: More physical disaster but also soft ware disaster or someone breaching the system. The fear is more from the physical disaster than from a virus or a hacker.

Item #7 is a recommendation for a consistent tool set having to do with operating a system successfully. It includes staff training and consultant support

Chairman Wald: Is there any type of business insurance?

Neas: That is why we need the system recovery plan and would eliminate the interruption. Number 8 is the data warehouse, especially by the decision makers or students. There are no frills and these recommendations should have been done at the time of the original implementation.

Representative Skarphol: Does number 8 include business intelligence?

Randall Thursby, Interim NDUS CIO, stated that it is included.

Neas: Stated that the Customer Relations Management for recruiting in Recommendation #9 Is the most pressing need.

Number 10 is the recommendation for training/documentation for the finance and student admin upgrades.

The projected Project Budget (See Handout #2, ConnectND) was briefly explained.

The New Staff Request (See Handout #3, ConnectND) was presented and explained for 11.5 additional FTE.

Vice Chairman Monson: Is all of this the higher ed portion?

Neas: Yes, we would not see a reduction in the future going from implementation to production.

Representative Gulleson: We need the actual cost and time line from when it was initially set up to where we are now. What the actual costs have been including the fees for the students.

Thursby: Stated that the staff shortages have prevented operation at full capacity. When the staff is on board, the system will be efficient.

Representative Gulleson: This has been the number one frustration with the fee increases.

Representative Skarphol: If this were being started today, it would be a different more efficient process. It is a learning process for everyone.

Neas: ConnectND budget options (See Handout #4, ConnectND) were presented with a statement of preference for Option E.

Representative Skarphol: Peoplesoft is not the issue; it is the Enterprise Research Planning (ERP) that is the problem. No matter whom the vendor is there will be problems. ERP is a place to store statistics until you can find a way to make better use of them.

Legislative Council distributed more information on ERP (See Handout #4a, b. and c, ConnectND).

Neas: moved the discussion to Northern Tier (See Handout #5, NDUS Northern Tier Network). She referred to and showed a slide of the map that was shown in a previous presentation, reviewing the fiber optic network across the nation.

Representative Hawken: Explain exactly what we want to do and how the would happen.

Neas: We can inherit dark fiber from AT&T. That is fiber that is not being utilized.

Representative Skarphol: Are there any restrictions if the donation comes from At&T?

Neas: Yes, We don't let private entities use the system. It does have an economic development piece. It can be used for research purposes only, not for commodity traffic.

Representative Aarsvold: Are there licensure requirements?

Neas: There would be memoranda of understanding. There is nothing along !-29.

Representative Hawken: Why is this important and what would happen if it is not funded?

Neas: We would be a spur out there by ourselves, it would leave a void across the northern tier.

Representative Gulleson: You are leasing, right?

Neas: Yes, we are looking for a provider.

Thursby: We are looking for collaboration with connecting links. You have to have redundancy. Institutions will be left out.

Representative Gulleson: You are asking for $1.7M of one-time funding and $400,000 balance of base funding?

Neas: Yes.

Chairman Wald: You are asking for $2,173,000 to finish out North Dakota.

Neas: That is our belief. That is what is remaining to finish the east/west. North, from Winnipeg and south to Omaha, NE will be funded with a grant.

Representative Skarphol: Invited the committee to visit NDSU and see Internet 2 and its capacity.

Chairman Wald: Giving IT an opportunity to comment, and hearing none, adjourned the meeting to move to full committee next door.

2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. HB 1003

House Appropriations Committee
Education and Environment Division

☐ Check here for Conference Committee

Hearing Date: February 8, 2007

Recorder Job Number: 3088

Committee Clerk Signature Shirley Banning

Minutes:

Chairman Wald: Called the meeting to order on HB 1003, University System. Representative Svedjen will join our discussion to provide policy directions and maybe some philosophical comments about higher education.

Representative Gulleson: Introduced her oldest son Lance, a graduate of NDSU.

Representative Svedjen: Stated that he would like input from this committee to seek a means to amend HB 1003 to move in the direction He shared his experiences at a meeting in Denver where the focus was totally on Higher Ed productivity where the Chancellor for the state of Maryland spoke. North Dakota and Maryland are similar in their gubernatorial appointments. They have moved in the direction of addressing productivity, such as faculty work load with built in incentives. They focused on time-to-degree, on-line and out-of-classroom-learning, enrollment management, better use of the smaller institutions as they relate to the larger institutions. They derived millions in savings and enough to compensate the faculty for their extra time. The intent is to help the board, the roundtable, the legislature make our system more productive. The university system has an alternative source of revenue and that is tuition.

Is there interest here to introduce an amendment of HB 1003? And if we do it, how do we best do it? As part of the Round Table, a legislative interim committee, or laid at the feet of the board of higher education?

Representative Hawken: Maybe it is all three of those components. If we communicate better we will have better results.

Representative Svedjen: There is an interim higher education committee.

Representative Martinson: I think it should be an interim committee that looks at the financing, the missions, realignment. Made up of members of this committee, chaired by the chairman of the budget section, Ken. The Senate should have 5 members, the House 7 members meeting a couple of full days a month. We really need to look at Bismarck, Mayville, Valley City, Bottineau, Williston, and Devils Lake.

Representative Gulleson: Would like more information on this initiative. Need is there to start aligning the campuses better with what workforce needs are. Another area of question is the time-to-degree from the parents' perspective. Would like to keep this centered on a policy and budget focus, keeping in mind the higher ed board and the Round Table.

Representative Svedjen: There is no real standing committee on Higher education. An other area that should be reviewed is remediation. That is costing a lot of money.

Representative Aarsvold: P-16 is working on the issue of remediation.

Representative Svedjen: We don't want to duplicate, We will need some help in the form of consultation and have resources available to help shepherd this thing. What I am hearing here is that you would like an interim committee to give focus on this issue.

Roxanne Woeste, Legislative Council Representative, There is no statutory Higher Education Committee.

Representative Aarsvold: Expressed concerns about remediation for college students whose performance is below standards.

Representative Klein: Stated that the committee needs a narrow focus and not looking at institutions.

Chairman Wald: Stated that the public expects a more aggressive roll and that it is no longer business as usual. This committee should be more independent in the legislative focus and not be tied down by board policy or the Round Table. This should be our committee to study the issues as we see them and recognize the policy and fiscal problems that we have.

Representative Martinson: Recommends a committee made up of 5 members from the Senate, 7 from the House and a Chairman, a 13 member committee. He further recommended that Representative Svedjen chair this committee.

Representative Svedjen: The outcomes from this committee could reduce tuition; provide a better use of assets.

Representative Aarsvold: Stated that the committee needs to know what the status is right now.

Representative Hawken: Stated that a side benefit is that greater communication eliminates problems, controversy, and building relationships.

Chairman Wald: Told Representative Svedjen that there is a consensus of opinion and asked that he draft an amendment specifying the needs for a committee.

Representative Svedjen: Asked Legislative Council, Roxanne Woeste, to assist him in drafting a document along with Representatives Martinson and Aarsvold.

Representative Aarsvold: Stated that North Dakota is unique in higher education because there are fewer private campuses and two year institutions that are totally state supported, meaning that the taxpayers pay a large part of the cost of higher education.

Representative Svedjen: We will keep this as a separate amendment and see it in full committee.

Chairman Wald: We will take up amendment 0123 to HB 1003.

Representative Martinson: Made a motion to adopt the amendment to HB 1003 with the exception of Sections 20 and 21.

Representative Gulleson: Seconded the motion.

Representative Aarsvold: Moved to further amend and remove Section 18.

Representative Hawken: Seconded the motion.

Representative Aarsvold: Spoke to the tuition section and requested his motion be withdrawn.

Chairman Wald: Asked the clerk to call the roll to vote on Representative Martinson's motion to adopt the amendment 0123 of HB 1003 with the exception of Sections 20 and 21.

Vote: 7 yes, 0 no. Motion carried:

Representative Aarsvold: Moved to further amend and remove Section 18.

Representative Hawken: Second

Vice Chairman Monson: Rather than totally eliminate section 18, would like to see language that says no more than 5% at any campus.

Representative Gulleson: It may be better to address it on the percentage on those loans that can be drawn on the bank side. We need to fully fund this but also address it on the bank

side. Made a substitute motion to amend Section 18 to state "not more than 5% per each year".

Vice Chairman Monson: Second

Vote: 7 7es, 0 no, 0 absent.

Representative Martinson: Move to further amend it to decrease the salary raises from 5 and 5 to 4 and 4.

Vice Chairman Monson: Second.

Representative Hawken: Stated that faculty may not available at low salaries. Students know this.

Representative Aarsvold: Added further that some students go into the work field and get higher wages than the instructors.

Representative Martinson: The reduction in the budget with this cut would be $4M from the general fund and $2.3m special funds.

Chairman Wald: Requested the motion be taken off the table and the committee recess until afternoon because of time constraints.

Representative Martinson: Withdraw the motion.

Chairman Wald: Recess until afternoon.

2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. HB1003

House Appropriations Committee
Education and Environment Division

☐ Check here for Conference Committee

Hearing Date: February 12, 2007

Recorder Job Number: 3214

Committee Clerk Signature Shirley Banning

Minutes:

Chairman Wald: Called the meeting to order to continue the discussion on the amendment HB 1003 0123.

Representative Martinson: Moved to pass as amended

Vice Chairman Monson: Seconded the motion.

Vice Chairman Monson: Moved that we amend 1003 to reflect a 4 and 4 raise on faculty salaries in the higher education budget.

Representative Martinson: Second

Chairman Wald: We have a motion **Do Pass** to go from a 5 and 5 to a 4 and 4 on salaries in the higher education budget. If there is not further discussion, Clerk will call the roll.

Vote: 4 Yes, 3 No, 0 absent

Motion carries.

Chairman Wald: Clerk will call the roll **Do Pass** to Amendment 0123 of HB 1003, which is to include all but sections 20 and 21 and to revise section 18 to put a cap on tuition.

Vote: 7 Yes, 0 No, 0 Absent **Carrier: Chairman Wald**

Motion Carries Meeting adjourned

2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. HB 1003

House Appropriations Committee
Education and Environment Division

☐ Check here for Conference Committee

Hearing Date: February 13, 2997

Recorder Job Number: 3460

Committee Clerk Signature Shirley Brannong

Minutes:

Chairman Wald: Called the meeting to order for discussion on HB 1003 Amendment .0125.

Vice Chairman Monson: Made a motion to reduce the amount for the Devils Lake Windmill to $1m from the general fund and $2m from savings...

Representative Martinson: Second to that motion.

Chairman Wald: called a voice vote, motion carried.

Vice Chairman Monson Discussed the possibility of doing something with the hospitals in Bismarck rather than building a new Family Practice Center.

Chairman Wald: Requested that the committee look at the orange Budget book to review the initiatives for each campus.

Representative Martinson: Moved that 2% be taken off each campus budget across the board.

Vice Chairman Monson: Second

Representative Martinson: And also that we add $1.4m for Northern Tier and that we put $250,000 in the Board initiatives for ConnectND. That is my motion.

Representative Aarsvold: When we start cutting 2% it is tough on the smaller campuses. Leave operations and look at capital expenditures.

Vice Chairman Monson: There are projects that weren't on the priority list such as the Dickinson Library, Mayville, Minot, and others that is causing problems with Full Committee Is there a way to take off of special projects. It is hard fro them to come up with matching funds.

Representative Aarsvold: Mayville has been waiting for 30 years for help. Mayville is doing another feasibility study that should be done in April, before the session ends.

Roxanne Woeste, Legislative Council Representative: The operations line, as it stands in Amendment .0125, take 2% off the campus operations funds would save about $7.3m in capital projects.

Chairman Wald: Representative Martinson, please restate your motion.

Representative Martinson: Cut 2% out of each campus budget, add $1.4m into Northern Tier and $250,000 to the Board initiatives for ConnectND.

Vice Chairman Monson: Second

Chairman Wald: Voice vote, 4 aye, 3 no. Motion carries. Call for a motion do pass as amended.

Representative Martinson: Moved to rescind the motion.

Representative Hawken: Second

Chairman Wald: Voice vote, motion carried. Going back to the original motion to **Do Pass** to change the funding for the Devil's Lake windmill project, Clerk will call the roll.

Vote: 7 yes, 0 no, 0 absent Motion carried. **Carrier: Chairman Wald:**

2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. HB 1003

House Appropriations Committee
Education and Environment Division

☐ Check here for Conference Committee

Hearing Date: February 14, 2007

Recorder Job Number: 3493

Committee Clerk Signature Shirley Brenning

Minutes:

Chairman Wald: Called the meeting to order on HB 1003. He asked Representative Klein To talk to Legislative Council on HB 1020 to correct an error in the amendment

Representative Hawken: We have been talking about the $83m in general funds as the increase; there is a difference from last time of $49m, so the increase is really only $33m. I was curious about what the special funds were and they were mostly capital projects with the exception of the $14.4m that was bond payments. That was transferred so that is now part of the $83m.

Representative Martinson: The Fargo Forum has an article about raising the Chancellor's salary from $175,000 to $200,000 so that the position would be more nationally competitive. They already have those two finalists and should be paid more because he has more authority. If that is what they want, we should give the Chancellor the authority to hire and fire.

Vice Chairman Monson: Made a motion, using amendment 0128, on page 7 to add $1.4m to the Northern Tier Network to make that $2.4m. And campus initiatives, add $1m back into that. On page 10 of the amendment, the UND Med Center, they would get $3.6m and require them to have a 10% match that could be taken out of any place, building in flexibility to find

their 10% match. I would also like to do the same with the Dickinson State Library, instead of $8m make that $7.2m so they have a 10% match with flexibility.

Chairman Wald: You would be funding 90% of $4.8m

Vice Chairman Monson: On page 12, footnote #4 on page reinstates $144,559 and footnote #5, $296,482 is reinstated. Page 13, bullet 3; change that amount from unspent general fund to interest on student loan trust fund. A bill for about $1.1m used the interest off the student loans to fund that scholarship program. That will be the source.

Representative Hawken: Second to Vice Chairman Monson's motion.

Chairman Wald: Called a recess for Floor Session.

Chairman Wald: Called the committee back to order to resume discussion of Amendment .0128.

Vice Chairman Monson: After some discussion, we have decided to take the Dickinson State Library project out.

Roxanne Woeste, Legislative Council Representative, reviewed the changes to HB 1003 that were made at the earlier session. With these changes, this puts the recommendations at $6,036,670 above the governor's budget with the Dickinson library out.

Chairman Wald: Requested that Woeste restate the motion.

Woeste: We are adding $1.4m for the Northern Tier Network, footnote #4, $559,000 back in, Footnote #5 $296,482 back in. Footnote #9 for UND $3.6m from the general fund with a 10% match. Dickinson State Library is out. Additional funding for teacher shortage loan forgiveness program.

Vice Chairman Monson: Move that.

Representative Martinson: Second

Chairman Wald: A voice vote was taken on the amendments. 6 aye, 1 no. Motion passed.

Vice Chairman Monson: Move a do pass as amended.

Representative Klein: Second

Chairman Wald: Motion made and seconded to pass as amended. Clerk will call the roll.

Vote: 7 yes, 0 No. 0 absent. Motion carried **Carrier: Chairman Wald**

Meeting adjourned.

2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. 1003

House Appropriations Committee

☐ Check here for Conference Committee

Hearing Date: 2/15/07

Recorder Job Number: 3501

Committee Clerk Signature Tanya Voegele

Minutes:

Chairman Svedjan began by adjourning the meeting from 2/14/07 which had just been called to recess. He then opened the hearing on House Bill 1003.

Amendment 78003.0129 was distributed.

Representative Monson described the Student Loan Trust Fund sections of the bill.

Roxanne Woeste: We are just correcting a little bit of language that was in Section 10 of the bill as introduced. There was some language that needed clean up.

Representative Monson continued with his review with section 19 of the bill.

Representative Monson: This section of the amendment is tying in with another bill that we passed yesterday. This is to extend the student loan program forgiveness program.

Representative Kroeber: Is this coming from the Student Loan Trust Fund?

Representative Monson: No, this is coming from the profits of student loans directly from the Bank of ND.

Representative Wald described the rest of the bill.

Representative Carlson: How does the Service Rig Program fit in with the Centers of Excellence?

Representative Wald: I am not sure I have an answer, maybe Roxanne can shed some light.

Chairman Svedjan: I see Laura Glatt sitting here, Laura would you be prepared to field that question?

Laura Glatt: I apologize I am not able to answer that question because I am not familiar with the service rig program. It did not come through our budget request process.

Chairman Svedjan: I don't remember the detail of that either I do remember though that the Centers of Excellence Program in Williston. Part of the concern about that request was that it did relate to workforce training. Representative Skarphol do you remember any of the detail on that at all?

Representative Skarphol: I happen to miss that particular budget section meeting when they discussed that topic. However, I think we did put up a building on the Bismarck State College campus for a workforce training.

Chairman Svedjan: There was a debate on that one as well.

Representative Carlson: I am not trying to open a mess here. I was just wondering if this is in addition to, because I believe that the Centers of Excellence Program dealt with the workforce and there was in-kind money for rigs and stuff for that program. Was it previously under funded?

Representative Wald: That is precisely why this section amendment is in the bill. Because Centers of Excellence money as I understand was not to be used for a building and $700,000 of the $900,000 is for a building that will be for a shop with about 14 foot doors where they can drive these rigs in for demonstration.

Representative Aarsvold: If I could add just a bit. The drilling program is off site. It is not on the campus property. There is no building to house the shops and classroom activities that go along with the rework efforts that the program is designed for.

Representative Klein: In the short visit I had with the Dean the other day, this complements what we started. This adds to the whole system of training people as was discussed. They have not got a place to keep this equipment and to do any kind of training.

Representative Wald continued on page 7.

Representative Monson then described section 21 of the bill stating that the items in this section would be considered one time funding.

Representative Monson: We did add $559,500 to the deferred maintenance section for Mayville State for some extraordinary repairs. They are paying interest on their special assessments at the rate of about 7% or so. In order to get them out of the hole we did this one time funding to get some of their debt out of the way and some of their major problems taken care of.

Representative Carlson: What are the annual payments on their special assessments right now?

Representative Aarsvold: They are about $50,000 annually which represents about half of their maintenance budget annually.

Chairman Carlson: My point is, sure it is at 7.7% but the comment was made that they are in dire financial straights. It would appear to me that making an annual payment would make more sense on the special assessments and keeping the $450,000 and put it in the campus for operation then it would to take the $500,000 and pay it off. It doesn't solve their financial straights problem, it gets rid of a debt but you are taking cash that could have been put into the

operation of the campus if we wanted to put that half million dollars in there they would have had $450,000 to us on the campus. Special Assessments are bonded over time so they are prepaying a debt that they knew they had on there that they would not have had to prepay. I don't see, you might save some interest but on the other hand you are taking cash out that could have been used if you are telling me that the institution is in financial straights.

Representative Aarsvold: As I said earlier about one half of their maintenance budget now is going for special assessments. If we were to augment that and cover those special assessment obligations on a biennial basis this would resolve part of the problem. We for whatever reason have not as an assembly chosen to provide that additional maintenance fund to offset that special assessment obligation. I would remind the committee that special assessments are not a function of campus decision. It is the community made that decision that they would redo their streets, redo their sewer, and redo their water system. In a small community, a state institution is a significant portion of the total infrastructure obligation. Given my recollection is 16 city blocks are part of the campus obligation to the city. As a result they have by far the highest special assessments of any campus proportional to their size. The total is about $440,000 outstanding. During the life of the special assessment there is about $160,000 in interest paid. We would of course eliminate that if we were to pay that off currently. The committee chose to take a portion of that and dedicate to handicapped accessibility and energy measures in their newest building on campus. But built in the seventy's, it does not have the energy savings features that we would like to see as a state.

Representative Monson: Along that line, when 50% of your budget goes to your specials it does not give you anything to fix your windows or your door or whatever. By using one time money to get that debt out of their budget that frees up their $100,000 in their operating now to make their annual repairs.

Representative Carlson: My point is that you could have paid their annual installment of $50,000 and put $450,000 into fixing those things then continued to add that $50,000 in to pay that off and you could have used your money for what you are telling me is wrong with the campus. Instead of paying off a bond that you know is going to sit there over time. It doesn't make sense to me.

Representative Monson continued with the one time funding projects.

Representative Wald reviewed the decrease in House changes. See Footnotes from the amendment.

Representative Klein described funding for the Swain Hall Project at Minot State.

A motion was moved by Representative Wald, seconded by Representative Monson to adopt amendment 78003.0129. Motion carried by a committee vote of 21 Yeas, 2 Nays, and 1 absent and not voting.

Representative Monson: I know there is controversy on that medical school building here and we really didn't know what to do with that. We talked about many different options but we know something has to be done. Their lease is up in the middle of this biennium. The Governor had some money in his budget for rent payments on this building. They are loosing money every year as we have talked about before. So part of the problem is maybe if we could find them a different location. We had a discussion yesterday some people think we should just cut it out and go to something else. But in the meantime we don't have anything else for them.

Chairman Svedjan: Do you have the funds to lease the facility for the full two years in the budget?

Representative Monson: The rental funds that are in there, I don't remember the figure right now. It's a lot of money for rent. And maybe an option would be to rent that for beyond 2008 for the second year of the biennium. It maybe something they could rent on a monthly basis or whatever. We put this in with $3.6million of General Fund, one time money. I myself think that maybe giving them the bank building for $2million and renovating that building to provide a home for them in the future. There is better parking there and so on. Part of the reason that they are loosing money is maybe because they don't have good parking or facilities there. Something probably needs to be done. Whether you agree with the $3.6million, we did make them come up with a match; they wanted $4.5million for a new building. I myself don't necessarily agree with that. I would rather like I said the $2million of value from the old bank building and maybe a million dollars for renovation and we could get by with less. This is what we put in the budget.

Representative Kerzman: I need a little more information on this capital projects at $23million. It says in section 21 that it is all General Fund and then you see $15million for the reauthorization for the Bison Sports Arena is special funds. Is that included in that $23million?

Representative Wald: No. The $15million is a reauthorization of the Bison Sports Arena. I am not sure where they are at. They have to raise their own funds. It is a local effort.

Representative Klein: Let me shed some light on that. That $15million on page 10 is in the Governor's Budget for Minard Hall renovations at NDSU.

Chairman Svedjan: That is what I am saying. That $15million is not a part of the $23million shown on page 7 because there is no money in for it, they have to raise the money for it.

Representative Klein: Well but there is money in the budget for Minard Hall renovation in General Funds.

Representative Kerzman: Are they talking about two different projects so there is about $30million for NDSU?

Representative Monson: On page 13 at the top it talks about the reauthorization of the $15million for Bison Sports Arena. It was in the Governor's Budget last time and this is just reauthorizing them to keep raising that $15million.

Representative Skarphol: I can't find a list of the $23million worth of projects.

Roxanne Woeste listed the following projects that are included in the $23million of one time funding.

Institution	Project	Dollar Amount
Bismarck State College	Schafer Hall Renovation	$515,195
Lake Region State College	A wind energy project	$1million
University of North Dakota	O'Kelly Hall	$2.2million
University of North Dakota	Family Medical Center in Bismarck	$3.6million
North Dakota State University	Minard Hall renovations	$5million
State College of Science	Steam line Distribution replacement	$1,670,420
Minot State University	Athletic Dome Floor replacement	$380,000
Minot State University	Swain Hall renovations	$6.5million
Valley City State College	Steam line Distribution replacement	2.2million
Minot State University- Bottineau	Steam line Distribution replacement	$239,095
Forest Service	2 new buildings and an outdoor restroom.	$120,000

Representative Kempenich: Is the steam line replacement at Valley City State University a one time funding because it does not state that on the green sheet?

Roxanne Woeste: It is one time funding.

Amendment 78003.0126

Chairman Svedjan explained the amendment.

A motion was made by Representative Martinson, seconded Representative Skarphol to adopt amendment 78003.0126 sets the framework to start an interim committee for Higher Ed. Motion carried by voice vote.

Amendment 48003.0130

Representative Skarphol explained the amendment.

A motion was made by Representative Skarphol, seconded by Representative Thoreson to adopt amendment 78003.0130 dealing with requiring Higher Ed to provide a budget detail. Motion carried by voice vote.

A motion was made by Representative Martinson, seconded by Representative Wald to DO PASS AS AMENDED House Bill 1003. The committee vote was 20 Yeas, 3 Nays, 1 Absent and Not Voting. The bill will be carried by Representative Wald.

Meeting was adjourned.

78003.0123
Title.
Fiscal No. 17

Prepared by the Legislative Council staff for
Representatives Wald, Martinson, and
Aarsvold

February 6, 2007

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1003

Page 1, line 3, after the semicolon insert "to limit student tuition rates; to create and enact a new section to chapter 15-10 of the North Dakota Century Code, relating to the appointment of presidents of institutions of higher education; to amend and reenact sections 15-10-17 and 15-10-43 of the North Dakota Century Code, relating to powers of the state board of higher education and the contract with the Kansas state university veterinary medical education program; to provide a retroactive application;"

Page 5, line 6, replace "2,543,861" with "2,475,971"

Page 5, line 8, replace "206,174" with "(1,585,000)"

Page 5, line 9, replace "872,972" with "514,972"

Page 5, line 11, replace "(44,000)" with "(388,559)"

Page 5, line 13, replace "59,559" with "(436,923)"

Page 5, line 15, replace "489,746" with "389,746"

Page 5, line 19, replace "13,019,146" with "9,861,041"

Page 5, line 21, replace "13,181,112" with "10,023,007"

Page 6, line 4, replace "3,007,600" with "1,507,600"

Page 6, line 5, replace "875,745" with "2,375,745"

Page 6, line 8, replace "686,105" with "886,105"

Page 6, line 9, replace "(6,579,277)" with "(5,879,277)"

Page 6, line 10, replace "($5,893,172)" with "($4,993,172)"

Page 6, line 11, replace "(6,560,000)" with "(5,660,000)"

Page 6, line 16, replace "(13,803,224)" with "(18,303,224)"

Page 6, line 17, replace "$925,204" with "($3,574,796)"

Page 6, line 18, replace "(19,631,554)" with "(28,131,554)"

Page 6, line 19, replace "20,556,758" with "24,556,758"

Page 6, line 23, replace "(9,483,065)" with "(6,483,065)"

Page 6, line 24, replace "4,530,460" with "7,530,460"

Page 6, line 25, replace "(17,000,000)" with "(14,000,000)"

Page 6, line 29, replace "2,373,065" with "2,723,065"

Page 6, line 30, replace "7,912,613" with "1,198,613"

Page 6, line 31, replace "10,285,678" with "3,921,678"

Page 7, line 1, replace "5,609,080" with "(1,104,920)"

Page 7, line 2, replace "4,676,598" with "5,026,598"

Page 7, line 6, replace "(465,484)" with "7,534,516"

Page 7, line 7, replace "1,721,245" with "9,721,245"

Page 7, line 9, replace "2,821,802" with "10,821,802"

Page 7, line 13, replace "(12,064)" with "547,436"

Page 7, line 14, replace "874,095" with "1,433,595"

Page 7, line 16, replace "1,474,095" with "2,033,595"

Page 7, line 20, replace "316,424 with "367,024"

Page 7, line 21, replace "3,271,123" with "3,321,723"

Page 7, line 22, replace "(2,959,450)" with "(7,295,850)"

Page 7, line 23, replace "6,230,573" with "10,617,573"

Page 8, line 8, replace "2,513,936" with "3,213,936"

Page 8, line 9, replace "2,513,936" with "3,213,936"

Page 8, line 17, replace "83,069,547" with "99,407,942"

Page 8, line 18, replace "($49,078,952)" with "($66,229,352)"

Page 8, line 19, replace "33,990,595" with "33,178,590"

Page 8, line 29, replace "16,822,002" with "16,754,112"

Page 8, line 31, replace "2,091,174" with "300,000"

Page 9, line 1, replace "6,441,394" with "6,083,394"

Page 9, remove lines 4 and 5

Page 9, line 8, replace "2,617,026" with "2,517,026"

Page 9, line 12, replace "73,348,533" with "70,190,428"

Page 9, line 14, replace "70,910,723" with "67,752,618"

Page 9, line 27, replace "3,007,600" with "1,507,600"

Page 9, line 28, replace "6,653,271" with "8,153,271"

Page 10, line 1, replace "6,439,102" with "6,639,102"

Page 10, line 2, replace "1,557,198" with "2,257,198"

Page 10, line 3, replace "7,996,300" with "8,896,300"

Page 10, line 4, replace "1,400,000" with "2,300,000"

Page 10, line 9, replace "86,328,875" with "81,828,875"

Page 10, line 10, replace "193,608,905" with "189,108,905"

Page 10, line 11, replace "78,200,000" with "69,700,000"

Page 10, line 12, replace "115,408,905" with "119,408,905"

Page 10, line 16, replace "29,709,161" with "32,709,161"

Page 10, line 17, replace "119,527,336" with "122,527,336"

Page 10, line 18, replace "20,500,000" with "23,500,000"

Page 10, line 22, replace "27,359,893" with "27,709,893"

Page 10, line 23, replace "11,470,865" with "4,756,865"

Page 10, line 24, replace "38,830,758" with "32,466,758"

Page 10, line 25, replace "8,414,000" with "1,700,000"

Page 10, line 26, replace "30,416,758" with "30,766,758"

Page 10, line 30, replace "9,018,763" with "17,018,763"

Page 10, line 31, replace "25,917,119" with "33,917,119"

Page 11, line 2, replace "17,917,119" with "25,917,119"

Page 11, line 6, replace "1,846,930" with "2,406,430"

Page 11, line 7, replace "11,736,719" with "12,296,219"

Page 11, line 9, replace "10,836,719" with "11,396,216"

Page 11, line 13, replace "9,528,294" with "9,578,894"

Page 11, line 14, replace "39,698,842" with "39,749,442"

Page 11, line 15, replace "5,575,550" with "1,239,150"

Page 11, line 16, replace "34,123,292" with "38,510,292"

Page 12, line 1, replace "33,874,938" with "34,574,938"

Page 12, line 2, replace "33,874,938" with "34,574,938"

Page 12, line 10, replace "470,227,440" with "486,565,835"

Page 12, line 11, replace "129,473,156" with "112,322,756"

Page 12, line 12, replace "599,700,596" with "598,888,591"

Page 12, line 13, replace "470,227,440" with "486,565,835"

Page 12, line 14, replace "129,473,156" with "135,036,756"

Page 12, line 15, replace "599,700,596" with "621,602,591"

Page 12, line 19, replace "$15,822,002" with "$15,754,112"

Page 12, remove lines 23 through 26

Page 13, remove lines 5 through 8

Page 13, line 14, replace "**APPROPRIATION.** There is appropriated out of any moneys in the" with "**STUDENT LOAN TRUST FUND.** Section 3 of this Act includes the sum of $317,460, or so much of the sum as may be necessary, from the student loan trust fund for the professional student exchange program, for the biennium beginning July 1, 2007, and ending June 30, 2009.

SECTION 9. PERMANENT OIL TAX TRUST FUND. Section 3 of this Act includes the sum of $900,000, or so much of the sum as may be necessary, from the permanent oil tax trust fund for the service rig program at Williston state college, for the biennium beginning July 1, 2007, and ending June 30, 2009."

Page 13, remove lines 15 through 17

Page 14, line 30, replace "$12,000,000" with "12,000,000"

Page 15, line 1, replace "$6,000,000" with "6,000,000"

Page 15, line 2, replace $714,000" with "714,000"

Page 15, after line 2, insert:

"Total special funds appropriation $22,714,000"

Page 16, after line 13, insert:

"**SECTION 17. USE OF UNSPENT 2005-07 GENERAL FUND APPROPRIATIONS.** The state board of higher education shall use $249,000 of North Dakota university system office unspent 2005-07 general fund appropriation authorized to continue under section 54-44.1-11 for additional funding for the teacher shortage loan forgiveness program relating to House Bill No. 1249 for the biennium beginning July 1, 2007, and ending June 30, 2009.

SECTION 18. TUITION RATE INCREASES - LIMIT. Notwithstanding any other provision of law, the state board of higher education shall limit any annual tuition increase for students attending institutions under its control for the 2007-08 and 2008-09 academic years to not more than the projected annual percentage change in the consumer price index for each year.

SECTION 19. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-FIRST LEGISLATIVE ASSEMBLY. The grand total general fund appropriation line item in section 3 of this Act includes $49,822,010 for one-time funding items identified in this section. This amount is not a part of the institutions' base budgets to be used in preparing the 2009-11 executive budget. The North Dakota university system shall report to the appropriations committees of the sixty-first legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2007, and ending June 30, 2009.

Northern tier network infrastructure	$1,000,000
ConnectND system support	3,700,000
Common information system pool parity funding	420,000
Deferred maintenance	11,559,500
Capital projects	32,331,710
Campus initiatives	810,800
Total	$49,822,010

SECTION 20. A new section to chapter 15-10 of the North Dakota Century Code is created and enacted as follows:

State commissioner of higher education - Presidents of institutions. The commissioner of higher education has the power to appoint and remove the president of any institution under the control of the state board of higher education and prescribe duties for and fix the salaries of the institution presidents within the limits of legislative appropriation.

exempted on motion #1

SECTION 21. AMENDMENT. Section 15-10-17 of the North Dakota Century Code is amended and reenacted as follows:

15-10-17. Specific powers and duties of the state board of higher education. The state board of higher education has all the powers and shall perform all the duties necessary to the control and management of the institutions described in this chapter. In addition to the powers and duties specified in section 6 of article VIII of the Constitution of North Dakota, the board may:

1. a. Appoint and remove the ~~president or other faculty head, and the~~ professors, instructors, teachers, officers, and other employees of the several institutions under its control, and to fix their salaries within the limits of legislative appropriations therefor, and to fix the terms of office and to prescribe the duties thereof, provided that the consideration of the appointment or removal of any such personnel shall be in executive session if the board chooses unless the individual involved requests that the meeting be open to other individuals or to the public.

b. Appoint and remove the commissioner of higher education, fix the commissioner's salary within the limits of legislative appropriations, and prescribe the commissioner's duties.

c. Appoint and remove all university system office personnel, fix their salaries within the limits of legislative appropriations, fix their terms of office, and prescribe their duties.

2. Authorize the employment of law enforcement officers having concurrent jurisdiction with other law enforcement officers to enforce laws and regulations at its institutions.

3. Set tuition and fees.

4. a. Establish a retirement program as an alternative to chapter 15-39.1 for university system employees subject to the following guidelines:

(1) Benefits under the program must be provided through annuity contracts purchased by the board but which become the property of the participants;

(2) The cost of the annuity contracts must be defrayed by contributions made pursuant to rules of the state board of higher education;

(3) Eligible employees appointed before July 1, 1973, shall participate in the alternate retirement program only by their individual election. When the electing eligible employee is a member of the teachers' fund for retirement, the employee's assessments and employer's contributions together with interest credited at the current rate for one-year certificates then being paid by the Bank of North Dakota must be transferred to the employee's account in the alternate program. The election must be made before July 1, 1980, and shall relinquish all rights the eligible employee or the employee's beneficiary may have to benefits provided in chapters 15-39 and 15-39.2; and

(4) Employees of the university system who are members of the public employees retirement system and who become entitled to participate in the alternate retirement program are entitled to a special annuity purchase in the alternate retirement program in accordance with this subdivision. An eligible employee who consents to have that employee's contribution included is entitled to have that employee's contribution and employer's contribution, with interest, in the public employees retirement system fund, used by the retirement board of the public employees retirement system to purchase for that employee an annuity in the alternate retirement program in lieu of any other rights under the public employees retirement fund. However, before the employer's contribution may be used for an annuity purchase, the employee's combined years of service with the public employees retirement system and the alternate retirement program must equal or exceed the years of service necessary to be eligible for retirement benefits under the public employees retirement system. An employee who transferred from the public employees retirement system before March 30, 1987, and who received a refund of that employee's contribution is entitled to have the employer's contribution, with interest, used to purchase an annuity even if that employee did not purchase an annuity in the alternate employee program with

the employee's contribution. If an employee makes the election allowed under this subdivision, that employee relinquishes all rights the employee or any of the employee's beneficiaries may have had to benefits provided under chapter 54-52.

b. Provide for the administration of the alternate retirement program and establish rules for the program consistent with this subsection. This subsection does not derogate any existing retirement programs approved by the board.

5. Determine policy for purchasing by the university system in coordination with the office of management and budget as provided by law.

6. Establish by rule an early retirement program for faculty and officers of the board as defined by the board. The limitations on severance pay pursuant to section 54-14-04.3 and on requiring the employee to pay contributions to continue on the state uniform group insurance program upon retirement or upon termination of employment pursuant to section 54-52.1-03 do not apply to the early retirement program.

7. Adopt rules to protect the confidentiality of student records, medical records, and, consistent with section 44-04-18.4, trade secret, proprietary, commercial, and financial information.

8. Authorize and encourage university system entities to enter into partnerships, limited liability companies, joint ventures, or other contractual arrangements with private business and industry for the purpose of business or industrial development or fostering basic and applied research or technology transfer.

9. Adopt rules promoting research, encouraging development of intellectual property and other inventions and discoveries by university system employees, and protecting and marketing the inventions and discoveries. The rules must govern ownership or transfer of ownership rights and distribution of income that may be derived from an invention or discovery resulting from research or employment in the university system. The rules may provide for transfer of ownership rights or distribution of income to a private, nonprofit entity created for the support of the university system or one of its institutions.

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

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

1. In addition to any contracts under section 15-10-28.2, the state board of higher education may contract with Kansas state university to provide an opportunity for up to five eligible students to enroll in the veterinary medical education program at Kansas state university.

2. Eligible students must be residents of this state and must have been selected for enrollment by an admissions committee consisting of one faculty member from the department of veterinary and microbiological sciences at North Dakota state university, one veterinarian practicing in this state, one member of the legislative assembly, and one livestock producer, all of whom must be appointed by the legislative council, and the chairman of the admissions committee at the Kansas state university school of veterinary medicine. <u>The legislative council and the chairman of the admissions committee at the Kansas state university school of veterinary</u>

medicine may select an alternative for each of the designated positions to serve as necessary.

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

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

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

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

1. In addition to any contracts under section 15-10-28.2, the state board of higher education may contract with Kansas state university to provide an opportunity for up to five eligible students to enroll in the veterinary medical education program at Kansas state university.

2. Eligible students must be residents of this state and must have been selected for enrollment by an admissions committee consisting of one faculty member from the department of veterinary and microbiological sciences at North Dakota state university, one veterinarian practicing in this state, one member of the legislative assembly, and one livestock producer, all of whom must be appointed by the legislative council, and the chairman of the admissions committee at the Kansas state university school of veterinary medicine.

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

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

SECTION 24. RETROACTIVE APPLICATION. Section 23 of this Act applies retroactively to students participating in the Kansas state university veterinary medicine program."

Page 16, line 16, replace "9" with "7" and replace "14" with "13"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1003 - Summary of House Action

	EXECUTIVE BUDGET	HOUSE CHANGES	HOUSE VERSION
University System office			
Total all funds	$73,348,533	($3,158,105)	$70,190,428
Less estimated income	2,437,810		2,437,810
General fund	$70,910,723	($3,158,105)	$67,752,618
Bismarck State College			
Total all funds	$20,799,330	$0	$20,799,330
Less estimated income	27,805		27,805
General fund	$20,771,525	$0	$20,771,525
Lake Region State College			
Total all funds	$9,660,871	$0	$9,660,871
Less estimated income	3,007,600	(1,500,000)	1,507,600
General fund	$6,653,271	$1,500,000	$8,153,271
Williston State College			
Total all funds	$7,996,300	$900,000	$8,896,300
Less estimated income	1,400,000	900,000	2,300,000
General fund	$6,596,300	$0	$6,596,300
University of North Dakota			
Total all funds	$193,608,905	($500,000)	$193,108,905
Less estimated income	78,200,000	(4,500,000)	73,700,000
General fund	$115,408,905	$4,000,000	$119,408,905
UND Medical Center			
Total all funds	$33,874,938	$700,000	$34,574,938
Less estimated income			
General fund	$33,874,938	$700,000	$34,574,938
North Dakota State University			
Total all funds	$119,527,336	$15,000,000	$134,527,336
Less estimated income	20,500,000	15,000,000	35,500,000
General fund	$99,027,336	$0	$99,027,336
State College of Science			
Total all funds	$38,830,758	$350,000	$39,180,758
Less estimated income	8,414,000		8,414,000
General fund	$30,416,758	$350,000	$30,766,758
Dickinson State University			
Total all funds	$25,917,119	$8,000,000	$33,917,119
Less estimated income	8,000,000		8,000,000
General fund	$17,917,119	$8,000,000	$25,917,119
Mayville State University			
Total all funds	$11,736,719	$559,500	$12,296,219
Less estimated income	900,000		900,000
General fund	$10,836,719	$559,500	$11,396,219
Minot State University			
Total all funds	$39,698,842	$50,600	$39,749,442
Less estimated income	5,575,550	(4,336,400)	1,239,150
General fund	$34,123,292	$4,387,000	$38,510,292
Valley City State University			
Total all funds	$15,979,831	$0	$15,979,831
Less estimated income			
General fund	$15,979,831	$0	$15,979,831
Minot State University - Bottineau			
Total all funds	$5,182,179	$0	$5,182,179
Less estimated income	12,905		12,905
General fund	$5,169,274	$0	$5,169,274
Forest Service			
Total all funds	$3,538,935	$0	$3,538,935
Less estimated income	997,486		997,486
General fund	$2,541,449	$0	$2,541,449
Bill Total			
Total all funds	$599,700,596	$21,901,995	$621,602,591
Less estimated income	129,473,156	5,563,600	135,036,756
General fund	$470,227,440	$16,338,395	$486,565,835

House Bill No. 1003 - General Fund Summary

	EXECUTIVE BUDGET	HOUSE CHANGES	HOUSE VERSION
University System office	$70,910,723	($3,158,105)	$67,752,618
Bismarck State College	20,771,525		20,771,525
Lake Region State College	6,653,271	1,500,000	8,153,271
Williston State College	6,596,300		6,596,300
University of North Dakota	115,408,905	4,000,000	119,408,905
UND Medical Center	33,874,938	700,000	34,574,938
North Dakota State University	99,027,336		99,027,336

State College of Science	30,416,758	350,000	30,766,758
Dickinson State University	17,917,119	8,000,000	25,917,119
Mayville State University	10,836,719	559,500	11,396,219
Minot State University	34,123,292	4,387,000	38,510,292
Valley City State University	15,979,831		15,979,831
Minot State University - Bottineau	5,169,274		5,169,274
Forest Service	2,541,449		2,541,449
Total general fund	$470,227,440	$16,338,395	$486,565,835

Detail of House Changes to the General Fund

	DECREASES FUNDING FOR BOND PAYMENTS [1]	DECREASES FUNDING FOR BOARD INITIATIVES [2]	DECREASES FUNDING FOR SYSTEM GOVERNANCE [3]	REMOVES FUNDING FOR OPERATIONS POOL [4]	REMOVES FUNDING FOR CONTINGENCY AND CAPITAL EMERGENCY [5]	DECREASES FUNDING FOR THE PROFESSIONAL STUDENT EXCHANGE PROGRAM [6]
University System office	($67,890)	($1,791,174)	($358,000)	($344,559)	($496,482)	($100,000)
Bismarck State College						
Lake Region State College						
Williston State College						
University of North Dakota						
UND Medical Center						
North Dakota State University						
State College of Science						
Dickinson State University						
Mayville State University						
Minot State University						
Valley City State University						
Minot State University - Bottineau						
Forest Service						
Total general fund	($67,890)	($1,791,174)	($358,000)	($344,559)	($496,482)	($100,000)

	ADJUSTS FUNDING FOR OPERATIONS [7]	ADJUSTS FUNDING FOR CAPITAL ASSETS [8]	TOTAL GENERAL FUND CHANGES
University System office			($3,158,105)
Bismarck State College		$1,500,000	1,500,000
Lake Region State College			
Williston State College		4,000,000	4,000,000
University of North Dakota	$700,000		700,000
UND Medical Center			
North Dakota State University	350,000		350,000
State College of Science		8,000,000	8,000,000
Dickinson State University		559,500	559,500
Mayville State University		4,387,000	4,387,000
Minot State University			
Valley City State University			
Minot State University - Bottineau			
Forest Service			
Total general fund	$1,050,000	$18,446,500	$16,338,395

House Bill No. 1003 - Other Funds Summary

	EXECUTIVE BUDGET	HOUSE CHANGES	HOUSE VERSION
University System office	$2,437,810		$2,437,810
Bismarck State College	27,805		27,805
Lake Region State College	3,007,600	($1,500,000)	1,507,600
Williston State College	1,400,000	900,000	2,300,000
University of North Dakota	78,200,000	(4,500,000)	73,700,000
UND Medical Center	20,500,000	15,000,000	35,500,000
North Dakota State University	8,414,000		8,414,000
State College of Science	8,000,000		8,000,000
Dickinson State University	900,000		900,000
Mayville State University	5,575,550	(4,336,400)	1,239,150
Minot State University			
Valley City State University	12,905		12,905
Minot State University - Bottineau			
Forest Service	997,486		997,486
Total other funds	$129,473,156	$5,563,600	$135,036,756

Detail of House Changes to Other Funds

	DECREASES FUNDING FOR BOND PAYMENTS [1]	DECREASES FUNDING FOR BOARD INITIATIVES [2]	DECREASES FUNDING FOR SYSTEM GOVERNANCE [3]	REMOVES FUNDING FOR OPERATIONS POOL [4]	REMOVES FUNDING FOR CONTINGENCY AND CAPITAL EMERGENCY [5]	DECREASES FUNDING FOR THE PROFESSIONAL STUDENT EXCHANGE PROGRAM [6]
University System office						
Bismarck State College						
Lake Region State College						
Williston State College						
University of North Dakota						
UND Medical Center						
North Dakota State University						
State College of Science						
Dickinson State University						
Mayville State University						
Minot State University						
Valley City State University						
Minot State University - Bottineau						
Forest Service						
Total other funds	$0	$0	$0	$0	$0	$0

	ADJUSTS FUNDING FOR OPERATIONS [7]	ADJUSTS FUNDING FOR CAPITAL ASSETS [8]	TOTAL OTHER FUNDS CHANGES
University System office			
Bismarck State College			
Lake Region State College		($1,500,000)	($1,500,000)
Williston State College	$200,000	700,000	900,000
University of North Dakota		(4,500,000)	(4,500,000)
UND Medical Center			
North Dakota State University		15,000,000	15,000,000
State College of Science			
Dickinson State University			
Mayville State University			
Minot State University		(4,336,400)	(4,336,400)
Valley City State University			
Minot State University - Bottineau			
Forest Service			
Total other funds	$200,000	$5,363,600	$5,563,600

House Bill No. 1003 - All Funds Summary

	EXECUTIVE BUDGET	HOUSE CHANGES	HOUSE VERSION
University System office	$73,348,533	($3,158,105)	$70,190,428
Bismarck State College	20,799,330		20,799,330
Lake Region State College	9,660,871		9,660,871
Williston State College	7,996,300	900,000	8,896,300
University of North Dakota	193,608,905	(500,000)	193,108,905
UND Medical Center	33,874,938	700,000	34,574,938
North Dakota State University	119,527,336	15,000,000	134,527,336
State College of Science	38,830,758	350,000	39,180,758
Dickinson State University	25,917,119	8,000,000	33,917,119
Mayville State University	11,736,719	559,500	12,296,219
Minot State University	39,698,842	50,600	39,749,442
Valley City State University	15,979,831		15,979,831
Minot State University - Bottineau	5,182,179		5,182,179
Forest Service	3,538,935		3,538,935
Total all funds	$599,700,596	$21,901,995	$621,602,591
FTE	2134.59	2.00	2136.59

Detail of House Changes to All Funds

	DECREASES FUNDING FOR BOND PAYMENTS [1]	DECREASES FUNDING FOR BOARD INITIATIVES [2]	DECREASES FUNDING FOR SYSTEM GOVERNANCE [3]	REMOVES FUNDING FOR OPERATIONS POOL [4]	REMOVES FUNDING FOR CONTINGENCY AND CAPITAL EMERGENCY [5]	DECREASES FUNDING FOR THE PROFESSIONAL STUDENT EXCHANGE PROGRAM [6]
University System office	($67,890)	($1,791,174)	($358,000)	($344,559)	($496,482)	($100,000)
Bismarck State College						
Lake Region State College						
Williston State College						
University of North Dakota						

UND Medical Center						
North Dakota State University						
State College of Science						
Dickinson State University						
Mayville State University						
Minot State University						
Valley City State University						
Minot State University - Bottineau						
Forest Service						
Total all funds	($67,890)	($1,791,174)	($358,000)	($344,559)	($496,482)	($100,000)
FTE	0.00	0.00	(1.00)	0.00	0.00	0.00

	ADJUSTS FUNDING FOR OPERATIONS [7]	ADJUSTS FUNDING FOR CAPITAL ASSETS [8]	TOTAL ALL FUNDS CHANGES
University System office			($3,158,105)
Bismarck State College			
Lake Region State College		$700,000	900,000
Williston State College	$200,000	(500,000)	(500,000)
University of North Dakota			
UND Medical Center	700,000		700,000
North Dakota State University		15,000,000	15,000,000
State College of Science	350,000		350,000
Dickinson State University		8,000,000	8,000,000
Mayville State University		559,500	559,500
Minot State University		50,600	50,600
Valley City State University			
Minot State University - Bottineau			
Forest Service			
Total all funds	$1,250,000	$23,810,100	$21,901,995
FTE	3.00	0.00	2.00

1 This amendment decreases funding from the general fund for bond payments by $67,890, from $15,822,002, of which $14,792,252 is from the general fund and $1,029,750 is from special funds, to $15,754,112, of which $14,724,362 is from the general fund and $1,029,750 is from special funds.

2 This amendment decreases funding from the general fund for board initiatives by $1,791,174, from $2,091,174 as recommended in the executive budget, to $300,000.

3 This amendment removes funding of $358,000 from the general fund for the system governance line item. Of the $358,000, $308,000 relates to funding included in the executive budget recommendation to separate the vice chancellor for strategic planning and the executive director of the College Technical Education Council as well as provide funding for an anticipated higher salary replacement cost for the vice chancellor position. The remaining $50,000 relates to one-time funding provided in the 2005-07 biennium for a technology commercialization study that is removed for the 2007-09 biennium.

4 This amendment removes funding of $344,559 from the general fund included in the executive budget recommendation for an operations pool.

5 This amendment removes funding of $496,482 from the general fund included in the executive budget recommendation for contingency and capital emergencies.

6 The executive budget recommended including funding of $200,000 from the general fund in the professional student exchange program line item for a loan forgiveness program for veterinary and optometry students. This amendment decreases the funding by $100,000 to reflect the elimination of the proposed loan forgiveness program for optometry students in House Bill No. 1125.

7 Williston State College - This amendment provides funding of $200,000 from the permanent oil tax trust fund for support of the college's service rig program, including $140,000 for 1 new FTE training position and $60,000 for operating expenses.

UND School of Medicine and Health Sciences - This amendment provides funding of $700,000 from the general fund for recruiting two new faculty in bacteriology and immunology. Of the $700,000, $460,200 is considered one-time funding and $239,800 is considered base funding.

State College of Science - This amendment provides funding of $350,000 from the general fund for support of the Center for Nanoscience and Technology Training, including curriculum design and development, purchase and installation of specialized equipment, facilities renovation, technical support, and other related costs associated with the development of the nanoscience technician program and nanotechnology applied science laboratory and related emerging technology programming.

8 Lake Region State College - This amendment changes the funding source for the college's wind energy project as follows:

	EXECUTIVE BUDGET	PROPOSED AMENDMENTS	INCREASE (DECREASE)
General fund		$1,500,000	$1,500,000
Special funds	$3,007,600	1,507,600	(1,500,000)
Total	$3,007,600	$3,007,600	$0

Williston State College - This amendment provides funding of $700,000 from the permanent oil tax trust fund for construction of a new facility for the college's service rig program.

University of North Dakota - This amendment changes the funding source of the UND School of Medicine and Health Sciences' new Bismarck family medicine residency facility from $4.5 million from special funds to $4 million from the general fund.

North Dakota State University - This amendment provides a $15 million special funds appropriation to the university to reauthorize the Bison Sports Arena renovation project.

Dickinson State University - This amendment provides funding of $8 million from the general fund to the university for a new library.

Mayville State University - This amendment provides funding of $559,500 from the general fund to the university for the payoff of special assessment balances and deferred maintenance issues.

Minot State University - This amendment changes the funding source for the university's Swain Hall renovation and addition project as follows:

	EXECUTIVE BUDGET	PROPOSED AMENDMENTS	INCREASE (DECREASE)
General fund	$2,500,000	$6,500,000	$4,000,000
Special funds	4,536,150	536,150	(4,000,000)
Total	$7,036,150	$7,036,150	$0

This amendment also changes the university's dome athletic floor replacement project as follows:

	EXECUTIVE BUDGET	PROPOSED AMENDMENTS	INCREASE (DECREASE)
General fund		$387,000	$387,000
Special funds	$336,400		(336,400)
Total	$336,400	$387,000	$50,600

House Bill No. 1003 - Other Changes - House Action

This amendment also:

- Amends Section 10 of the bill as introduced relating to the student loan trust fund.
- Amends Section 16 of the bill as introduced relating to revenue bond issuance.
- Adds a section providing that the State Board of Higher Education shall use $249,000 of North Dakota University System office unspent 2005-07 general fund appropriation authorized to continue under North Dakota Century Code (NDCC) Section 54-44.1-11 for additional funding for the teacher shortage loan forgiveness program relating to House Bill No. 1249 for the 2007-09 biennium.
- Adds a section to the bill limiting tuition rate increases for the 2007-08 and 2008-09 academic years to not more than the projected annual percentage change in the consumer price index for each year.
- Adds a section to the bill relating to one-time funding.
- Creates a new section to Chapter 15-10 of the North Dakota Century Code and amends Section 15-10-17 to provide that the chancellor has the power to appoint and remove the president of any institution under the control of the State Board of Higher Education.
- Amends NDCC Section 15-10-43 to eliminate the payback provision for all Kansas State University veterinary medicine positions and allows for the appointment of alternates to the selection committee.

Date: Feb 8, 2007
Roll Call Vote #: 1

2007 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. HB 1003 - 0123

House **Appropriations Education and Environment Division** Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken Do pass amendment 0123 to HB 1003

Motion Made By Rep. Martinson Seconded By Rep. Gulleson

Representatives	Yes	No	Representatives	Yes	No
Chairman Wald:	✓		Representative Aarsvold:	✓	
Vice Chairman Monson	✓		Representative Gulleson	✓	
Representative Hawken:	✓				
Representative Klein:	✓				
Representative Martinson:	✓				

Total (Yes) 7 No 0

Absent 0

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent:

Do pass to adopt amendment .0123
with the exception of sections 20 and 21

Date: February 8, 2007
Roll Call Vote #:

2007 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. HB1003

House **Appropriations Education and Environment Division** Committee

(2)

☐ Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken Do pass amendment 0123 of HB 1003

Motion Made By Rep. Aarsvold Seconded By Representative Hawken

Representatives	Yes	No	Representatives	Yes	No
Chairman Wald:			Representative Aarsvold:		
Vice Chairman Monson			Representative Gulleson		
Representative Hawken:					
Representative Klein:					
Representative Martinson:					

Total (Yes) _____ No _____

Absent _____

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent:

Do pass to adopt amendment 0123 and to amend Section 18 of HB1003.

No vote taken - defer to substitute motion #3

Date: Feb 8, 2007
Roll Call Vote #: 3

2007 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. HB 1003 - 0123

House **Appropriations Education and Environment Division** Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken Do pass - amended motion

Motion Made By Rep. Gulleson Seconded By Rep. Monson

Representatives	Yes	No	Representatives	Yes	No
Chairman Wald:	✓		Representative Aarsvold:	✓	
Vice Chairman Monson	✓		Representative Gulleson	✓	
Representative Hawken:	✓				
Representative Klein:	✓				
Representative Martinson:	✓				

Total (Yes) 7 No 0

Absent 0

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent:

To substitute amended motion Section 18 of amendment 0123 of HB 1003 to substitute with language to "not more than 5% per year.

Date: February 8, 2007
Roll Call Vote #: 4

2007 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. HB 1003 - 0123

House **Appropriations Education and Environment Division** Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken Do pass to amend Salaries from 5 and 5 to 4 and 4.

Motion Made By Rep. Martinson Seconded By Rep Monson

Representatives	Yes	No	Representatives	Yes	No
Chairman Wald:			Representative Aarsvold:		
Vice Chairman Monson			Representative Gulleson		
Representative Hawken:					
Representative Klein:					
Representative Martinson:					

Total (Yes) _____ No _____

Absent _____

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent:

Motion withdrawn

Date: February 8, 2007
Roll Call Vote #: 5

2007 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. HB 1003 -0123

House **Appropriations Education and Environment Division** Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken Do pass as amended

Motion Made By Representative Monson Seconded By Rep. Martinson

Representatives	Yes	No	Representatives	Yes	No
Chairman Wald:	✓		Representative Aarsvold:		✓
Vice Chairman Monson	✓		Representative Gulleson		✓
Representative Hawken:		✓			
Representative Klein:	✓				
Representative Martinson:	✓				

Total (Yes) 4 No 3

Absent 0

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent:

Change Section 18 to 4.4 on faculty salaries

Date: February 8, 2007
Roll Call Vote #: 6

2007 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. HB 1003 - 0123

House **Appropriations Education and Environment Division** Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken Do pass as amended

Motion Made By Rep. Martinson Seconded By Rep. Monson

Representatives	Yes	No	Representatives	Yes	No
Chairman Wald:	✓		Representative Aarsvold:	✓	
Vice Chairman Monson	✓		Representative Gulleson	✓	
Representative Hawken:	✓				
Representative Klein:	✓				
Representative Martinson:	✓				

Total (Yes) 7 No 0

Absent 0

Floor Assignment Representative Wald

If the vote is on an amendment, briefly indicate intent:

Do pass all of amendment 0123 except sections 20 and 21, and revise section 18

78003.0125
Title.
Fiscal No. 19

Prepared by the Legislative Council staff for
House Appropriations - Education and
Environment
February 9, 2007

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1003

Page 1, line 3, after the semicolon insert "to limit student tuition rates; to amend and reenact section 15-10-43 of the North Dakota Century Code, relating to the contract with the Kansas state university veterinary medical education program; to provide for retroactive application;"

Page 4, replace lines 30 and 31 with:

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

Subdivision 1.
NORTH DAKOTA UNIVERSITY SYSTEM OFFICE

Capital assets	$2,475,971
Competitive research program	310,000
Board initiatives	(1,585,000)
System governance	466,519
Common information services	6,689,174
Operations pool	(388,559)
Equity pool	(2,000,000)
Contingency and capital emergency	(436,923)
Student financial assistance grants	2,483,095
Professional student exchange program	389,746
Scholars program	616,489
Native American scholarships	128,638
Education incentive programs	512,412
Total all funds - Adjustments/enhancements	$9,661,562
Estimated income - Adjustments/enhancements	(161,966)
Total general fund - Adjustments/enhancements	$9,823,528

Subdivision 2.
BISMARCK STATE COLLEGE

Operations	$2,705,693
Capital assets	(2,972,589)
Total all funds - Adjustments/enhancements	($266,896)
Less estimated income - Adjustments/enhancements	(3,717,495)
Total general fund - Adjustments/enhancements	$3,450,599

Subdivision 3.
LAKE REGION STATE COLLEGE

Operations	$1,084,106
Capital assets	2,745,667
Total all funds - Adjustments/enhancements	$3,829,773
Less estimated income - Adjustments/enhancements	1,507,600
Total general fund - Adjustments/enhancements	$2,322,173

Subdivision 4.

WILLISTON STATE COLLEGE

Operations	$820,171
Capital assets	(5,879,277)
Total all funds - Adjustments/enhancements	($5,059,106)
Less estimated income - Adjustments/enhancements	(5,660,000)
Total general fund - Adjustments/enhancements	$600,894

Subdivision 5.

UNIVERSITY OF NORTH DAKOTA

Operations	$13,481,443
Capital assets	(18,303,224)
Total all funds - Adjustments/enhancements	($4,821,781)
Less estimated income - Adjustments/enhancements	(28,131,554)
Total general fund - Adjustments/enhancements	$23,309,773

Subdivision 6.

NORTH DAKOTA STATE UNIVERSITY

Operations	$12,925,567
Capital assets	(6,483,065)
Total all funds - Adjustments/enhancements	$6,442,502
Less estimated income - Adjustments/enhancements	(14,000,000)
Total general fund - Adjustments/enhancements	$20,442,502

Subdivision 7.

NORTH DAKOTA STATE COLLEGE OF SCIENCE

Operations	$2,459,466
Capital assets	1,198,613
Total all funds - Adjustments/enhancements	$3,658,079
Less estimated income - Adjustments/enhancements	(1,104,920)
Total general fund - Adjustments/enhancements	$4,762,999

Subdivision 8.

DICKINSON STATE UNIVERSITY

Operations	$1,999,571
Capital assets	7,534,516
Total all funds - Adjustments/enhancements	$9,534,087
Less estimated income - Adjustments/enhancements	(1,100,557)
Total general fund - Adjustments/enhancements	$10,634,644

Subdivision 9.

MAYVILLE STATE UNIVERSITY

Operations	$797,961
Capital assets	547,436
Total all funds - Adjustments/enhancements	$1,345,397
Less estimated income - Adjustments/enhancements	(600,000)
Total general fund - Adjustments/enhancements	$1,945,397

Subdivision 10.

MINOT STATE UNIVERSITY

Operations	$2,650,342
Capital assets	367,024
Total all funds - Adjustments/enhancements	$3,017,366
Less estimated income - Adjustments/enhancements	(7,295,850)
Total general fund - Adjustments/enhancements	$10,313,216

Subdivision 11.

VALLEY CITY STATE UNIVERSITY

Operations	$1,048,491
Capital assets	2,487,819
Total general fund - Adjustments/enhancements	$3,536,310

Subdivision 12.

MINOT STATE UNIVERSITY - BOTTINEAU

Operations	$392,884
Capital assets	(5,699,023)
Total all funds - Adjustments/enhancements	($5,306,139)
Less estimated income - Adjustments/enhancements	(5,987,095)
Total general fund - Adjustments/enhancements	$680,956

Subdivision 13.

UNIVERSITY OF NORTH DAKOTA SCHOOL OF MEDICINE AND HEALTH SCIENCES

Operations	$2,877,961
Total general fund - Adjustments/enhancements	$2,877,961

Subdivision 14.

NORTH DAKOTA FOREST SERVICE

Operations	$408,143
Capital assets	78,566
Total all funds - Adjustments/enhancements	$486,709
Less estimated income - Adjustments/enhancements	22,485
Total general fund - Adjustments/enhancements	$464,224
Total general fund - Section 2	$95,165,176
Total estimated income - Section 2	($66,229,352)
Total all funds - Section 2	$28,935,824

SECTION 3. 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 office and the various entities and institutions under the supervision of the state board of higher education for the purpose of defraying the expenses of those entities and institutions, for the biennium beginning July 1, 2007, and ending June 30, 2009, as follows:

Subdivision 1.

NORTH DAKOTA UNIVERSITY SYSTEM OFFICE AND INSTITUTIONS

Capital assets	$16,754,112
Competitive research program	5,500,000
Board initiatives	300,000
System governance	6,034,941
Title II	695,600
Common information services	27,252,267
Professional liability insurance	1,350,000
Student financial assistance grants	5,987,497
Professional student exchange program	2,517,026
Scholars program	1,478,566
Native American scholarships	380,626
Education incentive programs	1,740,314
Total all funds	$69,990,949
Less estimated income	2,437,810
Total general fund appropriation	$67,553,139

Subdivision 2.

BISMARCK STATE COLLEGE

Operations	$19,571,241
Capital assets	1,016,192

Total all funds	$20,587,433
Less estimated income	27,805
Total general fund appropriation	$20,559,628

Subdivision 3.

LAKE REGION STATE COLLEGE

Operations	$6,474,095
Capital assets	3,133,204
Total all funds	$9,607,299
Less estimated income	1,507,600
Total general fund appropriation	$8,099,699

Subdivision 4.

WILLISTON STATE COLLEGE

Operations	$6,573,168
Capital assets	2,257,198
Total all funds	$8,830,366
Less estimated income	2,300,000
Total general fund appropriation	$6,530,366

Subdivision 5.

UNIVERSITY OF NORTH DAKOTA

Operations	$106,033,045
Capital assets	81,828,875
Total all funds	$187,861,920
Less estimated income	69,700,000
Total general fund appropriation	$118,161,920

Subdivision 6.

NORTH DAKOTA STATE UNIVERSITY

Operations	$88,730,217
Capital assets	32,709,161
Total all funds	$121,439,378
Less estimated income	23,500,000
Total general fund appropriation	$97,939,378

Subdivision 7.

NORTH DAKOTA STATE COLLEGE OF SCIENCE

Operations	$27,446,294
Capital assets	4,756,865
Total all funds	$32,203,159
Less estimated income	1,700,000
Total general fund appropriation	$30,503,159

Subdivision 8.

DICKINSON STATE UNIVERSITY

Operations	$16,711,198
Capital assets	17,018,763
Total all funds	$33,729,961
Less estimated income	8,000,000
Total general fund appropriation	$25,729,961

Subdivision 9.

MAYVILLE STATE UNIVERSITY

Operations	$9,801,591
Capital assets	2,406,430
Total all funds	$12,208,021
Less estimated income	900,000
Total general fund appropriation	$11,308,021

Subdivision 10.

MINOT STATE UNIVERSITY

Operations	$29,866,191
Capital assets	9,578,894
Total all funds	$39,445,085
Less estimated income	1,239,150
Total general fund appropriation	$38,205,935

Subdivision 11.

VALLEY CITY STATE UNIVERSITY

Operations	$12,855,017
Capital assets	2,996,235
Total general fund appropriation	$15,851,252

Subdivision 12.

MINOT STATE UNIVERSITY - BOTTINEAU

Operations	$4,727,344
Capital assets	410,702
Total all funds	$5,138,046
Less estimated income	12,905
Total general fund appropriation	$5,125,141

Subdivision 13.

UNIVERSITY OF NORTH DAKOTA SCHOOL OF MEDICINE AND HEALTH SCIENCES

Operations	$34,238,963
Total general fund appropriation	$34,238,963

Subdivision 14.

NORTH DAKOTA FOREST SERVICE

Operations	$3,333,789
Capital assets	180,204
Total all funds	$3,513,993
Less estimated income	997,486
Total general fund appropriation	$2,516,507
Total general fund appropriation - Section 3	$482,323,069
Total estimated income appropriation - Section 3	$112,322,756
Total all funds appropriation - Section 3	$594,645,825
Grand total general fund appropriation - H.B. 1003	$482,323,069
Grand total estimated income appropriation - H.B. 1003	$135,036,756
Grand total all funds appropriation - H.B. 1003	$617,359,825

Page 5, remove lines 1 through 30

Page 6, remove lines 1 through 31

Page 7, remove lines 1 through 30

Page 8, remove lines 1 through 31

Page 9, remove lines 1 through 30

Page 10, remove lines 1 through 31

Page 11, remove lines 1 through 30

Page 12, remove lines 1 through 15

Page 12, line 19, replace "$15,822,002" with "$15,754,112"

Page 12, remove lines 23 through 26

Page 12, line 27, replace "$27,403,293" with "$27,252,267"

Page 13, remove lines 5 through 8

Page 13, line 14, replace "**APPROPRIATION.** There is appropriated out of any moneys in the" with "**STUDENT LOAN TRUST FUND.** Section 3 of this Act includes the sum of $317,460, or so much of the sum as may be necessary, from the student loan trust fund for the professional student exchange program, for the biennium beginning July 1, 2007, and ending June 30, 2009.

SECTION 9. PERMANENT OIL TAX TRUST FUND. Section 3 of this Act includes the sum of $900,000, or so much of the sum as may be necessary, from the permanent oil tax trust fund for the service rig program at Williston state college, for the biennium beginning July 1, 2007, and ending June 30, 2009."

Page 13, remove lines 15 through 17

Page 14, line 30, replace "$12,000,000" with "12,000,000"

Page 15, line 1, replace "$6,000,000" with "6,000,000"

Page 15, line 2, replace $714,000" with "714,000"

Page 15, after line 2, insert:

"Total special funds appropriation $22,714,000"

Page 16, after line 13, insert:

"**SECTION 17. USE OF UNSPENT 2005-07 GENERAL FUND APPROPRIATIONS.** The state board of higher education shall use $249,000 of North Dakota university system office unspent 2005-07 general fund appropriation authorized to continue under section 54-44.1-11 for additional funding for the teacher shortage loan

forgiveness program relating to House Bill No. 1249 for the biennium beginning July 1, 2007, and ending June 30, 2009.

SECTION 18. TUITION RATE INCREASES - LIMIT. Notwithstanding any other provision of law, the state board of higher education shall limit any annual tuition increase for students attending institutions under its control for the 2007-08 and 2008-09 academic years to not more than five percent for each year.

SECTION 19. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-FIRST LEGISLATIVE ASSEMBLY. The grand total general fund appropriation line item in section 3 of this Act includes $49,822,010 for one-time funding items identified in this section. This amount is not a part of the institutions' base budgets to be used in preparing the 2009-11 executive budget. The North Dakota university system shall report to the appropriations committees of the sixty-first legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2007, and ending June 30, 2009.

Northern tier network infrastructure	$1,000,000
ConnectND system support	3,700,000
Common information system pool parity funding	420,000
Deferred maintenance	11,559,500
Capital projects	32,331,710
Campus initiatives	810,800
Total	$49,822,010

SECTION 20. AMENDMENT. Section 15-10-43 of the North Dakota Century Code is amended and reenacted as follows:

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

1. In addition to any contracts under section 15-10-28.2, the state board of higher education may contract with Kansas state university to provide an opportunity for up to five eligible students to enroll in the veterinary medical education program at Kansas state university.

2. Eligible students must be residents of this state and must have been selected for enrollment by an admissions committee consisting of one faculty member from the department of veterinary and microbiological sciences at North Dakota state university, one veterinarian practicing in this state, one member of the legislative assembly, and one livestock producer, all of whom must be appointed by the legislative council, and the chairman of the admissions committee at the Kansas state university school of veterinary medicine. The legislative council and the chairman of the admissions committee at the Kansas state university school of veterinary medicine may select an alternative for each of the designated positions to serve as necessary.

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

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

SECTION 21. AMENDMENT. Section 15-10-43 of the North Dakota Century Code is amended and reenacted as follows:

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

1. In addition to any contracts under section 15-10-28.2, the state board of higher education may contract with Kansas state university to provide an opportunity for up to five eligible students to enroll in the veterinary medical education program at Kansas state university.

2. Eligible students must be residents of this state and must have been selected for enrollment by an admissions committee consisting of one faculty member from the department of veterinary and microbiological sciences at North Dakota state university, one veterinarian practicing in this state, one member of the legislative assembly, and one livestock producer, all of whom must be appointed by the legislative council, and the chairman of the admissions committee at the Kansas state university school of veterinary medicine.

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

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

SECTION 22. RETROACTIVE APPLICATION. Section 21 of this Act applies retroactively to students participating in the Kansas state university veterinary medicine program."

Page 16, line 16, replace "9" with "7" and replace "14" with "13"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1003 - Summary of House Action

	EXECUTIVE BUDGET	HOUSE CHANGES	HOUSE VERSION
University System office			
Total all funds	$73,348,533	($3,357,584)	$69,990,949
Less estimated income	2,437,810		2,437,810
General fund	$70,910,723	($3,357,584)	$67,553,139
Bismarck State College			
Total all funds	$20,799,330	($211,897)	$20,587,433
Less estimated income	27,805		27,805
General fund	$20,771,525	($211,897)	$20,559,628
Lake Region State College			
Total all funds	$9,660,871	($53,572)	$9,607,299
Less estimated income	3,007,600	(1,500,000)	1,507,600
General fund	$6,653,271	$1,446,428	$8,099,699
Williston State College			
Total all funds	$7,996,300	$834,066	$8,830,366
Less estimated income	1,400,000	900,000	2,300,000
General fund	$6,596,300	($65,934)	$6,530,366
University of North Dakota			
Total all funds	$193,608,905	($1,746,985)	$191,861,920
Less estimated income	78,200,000	(4,500,000)	73,700,000

General fund	$115,408,905	$2,753,015	$118,161,920
UND Medical Center			
Total all funds	$33,874,938	$364,025	$34,238,963
Less estimated income			
General fund	$33,874,938	$364,025	$34,238,963
North Dakota State University			
Total all funds	$119,527,336	$13,912,042	$133,439,378
Less estimated income	20,500,000	15,000,000	35,500,000
General fund	$99,027,336	($1,087,958)	$97,939,378
State College of Science			
Total all funds	$38,830,758	$86,401	$38,917,159
Less estimated income	8,414,000		8,414,000
General fund	$30,416,758	$86,401	$30,503,159
Dickinson State University			
Total all funds	$25,917,119	$7,812,842	$33,729,961
Less estimated income	8,000,000		8,000,000
General fund	$17,917,119	$7,812,842	$25,729,961
Mayville State University			
Total all funds	$11,736,719	$471,302	$12,208,021
Less estimated income	900,000		900,000
General fund	$10,836,719	$471,302	$11,308,021
Minot State University			
Total all funds	$39,698,842	($253,757)	$39,445,085
Less estimated income	5,575,550	(4,336,400)	1,239,150
General fund	$34,123,292	$4,082,643	$38,205,935
Valley City State University			
Total all funds	$15,979,831	($128,579)	$15,851,252
Less estimated income			
General fund	$15,979,831	($128,579)	$15,851,252
Minot State University - Bottineau			
Total all funds	$5,182,179	($44,133)	$5,138,046
Less estimated income	12,905		12,905
General fund	$5,169,274	($44,133)	$5,125,141
Forest Service			
Total all funds	$3,538,935	($24,942)	$3,513,993
Less estimated income	997,486		997,486
General fund	$2,541,449	($24,942)	$2,516,507
Bill Total			
Total all funds	$599,700,596	$17,659,229	$617,359,825
Less estimated income	129,473,156	5,563,600	135,036,756
General fund	$470,227,440	$12,095,629	$482,323,069

House Bill No. 1003 - General Fund Summary

	EXECUTIVE BUDGET	HOUSE CHANGES	HOUSE VERSION
University System office	$70,910,723	($3,357,584)	$67,553,139
Bismarck State College	20,771,525	(211,897)	20,559,628
Lake Region State College	6,653,271	1,446,428	8,099,699
Williston State College	6,596,300	(65,934)	6,530,366
University of North Dakota	115,408,905	2,753,015	118,161,920
UND Medical Center	33,874,938	364,025	34,238,963
North Dakota State University	99,027,336	(1,087,958)	97,939,378
State College of Science	30,416,758	86,401	30,503,159
Dickinson State University	17,917,119	7,812,842	25,729,961
Mayville State University	10,836,719	471,302	11,308,021
Minot State University	34,123,292	4,082,643	38,205,935
Valley City State University	15,979,831	(128,579)	15,851,252
Minot State University - Bottineau	5,169,274	(44,133)	5,125,141
Forest Service	2,541,449	(24,942)	2,516,507
Total general fund	$470,227,440	$12,095,629	$482,323,069

Detail of House Changes to the General Fund

	DECREASES FUNDING FOR BOND PAYMENTS [1]	DECREASES FUNDING FOR BOARD INITIATIVES [2]	DECREASES FUNDING FOR SYSTEM GOVERNANCE [3]	REMOVES FUNDING FOR OPERATIONS POOL [4]	REMOVES FUNDING FOR CONTINGENCY AND CAPITAL EMERGENCY [5]	DECREASES FUNDING FOR THE PROFESSIONAL STUDENT EXCHANGE PROGRAM [6]
University System office	($67,890)	($1,791,174)	($358,000)	($344,559)	($496,482)	($100,000)
Bismarck State College						
Lake Region State College						
Williston State College						
University of North Dakota						
UND Medical Center						

North Dakota State University						
State College of Science						
Dickinson State University						
Mayville State University						
Minot State University						
Valley City State University						
Minot State University - Bottineau						
Forest Service						
Total general fund	($67,890)	($1,791,174)	($358,000)	($344,559)	($496,482)	($100,000)

	REDUCES COMPENSATION PACKAGE FROM 5/5 to 4/4 [7]	ADJUSTS FUNDING FOR OPERATIONS [8]	ADJUSTS FUNDING FOR CAPITAL ASSETS [9]	TOTAL GENERAL FUND CHANGES
University System office	($199,479)			($3,357,584)
Bismarck State College	(211,897)			(211,897)
Lake Region State College	(53,572)		$1,500,000	1,446,428
Williston State College	(65,934)			(65,934)
University of North Dakota	(1,246,985)		4,000,000	2,753,015
UND Medical Center	(335,975)	$700,000		364,025
North Dakota State University	(1,087,958)			(1,087,958)
State College of Science	(263,599)	350,000		86,401
Dickinson State University	(187,158)		8,000,000	7,812,842
Mayville State University	(88,198)		559,500	471,302
Minot State University	(304,357)		4,387,000	4,082,643
Valley City State University	(128,579)			(128,579)
Minot State University - Bottineau	(44,133)			(44,133)
Forest Service	(24,942)			(24,942)
Total general fund	($4,242,766)	$1,050,000	$18,446,500	$12,095,629

House Bill No. 1003 - Other Funds Summary

	EXECUTIVE BUDGET	HOUSE CHANGES	HOUSE VERSION
University System office	$2,437,810		$2,437,810
Bismarck State College	27,805		27,805
Lake Region State College	3,007,600	($1,500,000)	1,507,600
Williston State College	1,400,000	900,000	2,300,000
University of North Dakota	78,200,000	(4,500,000)	73,700,000
UND Medical Center			
North Dakota State University	20,500,000	15,000,000	35,500,000
State College of Science	8,414,000		8,414,000
Dickinson State University	8,000,000		8,000,000
Mayville State University	900,000		900,000
Minot State University	5,575,550	(4,336,400)	1,239,150
Valley City State University			
Minot State University - Bottineau	12,905		12,905
Forest Service	997,486		997,486
Total other funds	$129,473,156	$5,563,600	$135,036,756

Detail of House Changes to Other Funds

	DECREASES FUNDING FOR BOND PAYMENTS [1]	DECREASES FUNDING FOR BOARD INITIATIVES [2]	DECREASES FUNDING FOR SYSTEM GOVERNANCE [3]	REMOVES FUNDING FOR OPERATIONS POOL [4]	REMOVES FUNDING FOR CONTINGENCY AND CAPITAL EMERGENCY [5]	DECREASES FUNDING FOR THE PROFESSIONAL STUDENT EXCHANGE PROGRAM [6]
University System office						
Bismarck State College						
Lake Region State College						
Williston State College						
University of North Dakota						
UND Medical Center						
North Dakota State University						
State College of Science						
Dickinson State University						
Mayville State University						
Minot State University						
Valley City State University						
Minot State University - Bottineau						
Forest Service						
Total other funds	$0	$0	$0	$0	$0	$0

	REDUCES COMPENSATION PACKAGE FROM 5/5 TO 4/4 [7]	ADJUSTS FUNDING FOR OPERATIONS [8]	ADJUSTS FUNDING FOR CAPITAL ASSETS [9]	TOTAL OTHER FUNDS CHANGES
University System office				
Bismarck State College				
Lake Region State College			($1,500,000)	($1,500,000)
Williston State College		$200,000	700,000	900,000
University of North Dakota			(4,500,000)	(4,500,000)
UND Medical Center				
North Dakota State University			15,000,000	15,000,000
State College of Science				
Dickinson State University				
Mayville State University				
Minot State University			(4,336,400)	(4,336,400)
Valley City State University				
Minot State University - Bottineau				
Forest Service				
Total other funds	$0	$200,000	$5,363,600	$5,563,600

House Bill No. 1003 - All Funds Summary

	EXECUTIVE BUDGET	HOUSE CHANGES	HOUSE VERSION
University System office	$73,348,533	($3,357,584)	$69,990,949
Bismarck State College	20,799,330	(211,897)	20,587,433
Lake Region State College	9,660,871	(53,572)	9,607,299
Williston State College	7,996,300	834,066	8,830,366
University of North Dakota	193,608,905	(1,746,985)	191,861,920
UND Medical Center	33,874,938	364,025	34,238,963
North Dakota State University	119,527,336	13,912,042	133,439,378
State College of Science	38,830,758	86,401	38,917,159
Dickinson State University	25,917,119	7,812,842	33,729,961
Mayville State University	11,736,719	471,302	12,208,021
Minot State University	39,698,842	(253,757)	39,445,085
Valley City State University	15,979,831	(128,579)	15,851,252
Minot State University - Bottineau	5,182,179	(44,133)	5,138,046
Forest Service	3,538,935	(24,942)	3,513,993
Total all funds	$599,700,596	$17,659,229	$617,359,825
FTE	2134.59	2.00	2136.59

Detail of House Changes to All Funds

	DECREASES FUNDING FOR BOND PAYMENTS [1]	DECREASES FUNDING FOR BOARD INITIATIVES [2]	DECREASES FUNDING FOR SYSTEM GOVERNANCE [3]	REMOVES FUNDING FOR OPERATIONS POOL [4]	REMOVES FUNDING FOR CONTINGENCY AND CAPITAL EMERGENCY [5]	DECREASES FUNDING FOR THE PROFESSIONAL STUDENT EXCHANGE PROGRAM [6]
University System office	($67,890)	($1,791,174)	($358,000)	($344,559)	($496,482)	($100,000)
Bismarck State College						
Lake Region State College						
Williston State College						
University of North Dakota						
UND Medical Center						
North Dakota State University						
State College of Science						
Dickinson State University						
Mayville State University						
Minot State University						
Valley City State University						
Minot State University - Bottineau						
Forest Service						
Total all funds	($67,890)	($1,791,174)	($358,000)	($344,559)	($496,482)	($100,000)
FTE	0.00	0.00	(1.00)	0.00	0.00	0.00

	REDUCES COMPENSATION PACKAGE FROM 5/5 TO 4/4 [7]	ADJUSTS FUNDING FOR OPERATIONS [8]	ADJUSTS FUNDING FOR CAPITAL ASSETS [9]	TOTAL ALL FUNDS CHANGES
University System office	($199,479)			($3,357,584)
Bismarck State College	(211,897)			(211,897)
Lake Region State College	(53,572)			(53,572)
Williston State College	(65,934)	$200,000	$700,000	834,066
University of North Dakota	(1,246,985)		(500,000)	(1,746,985)
UND Medical Center	(335,975)	700,000		364,025

North Dakota State University	(1,087,958)		15,000,000	13,912,042
State College of Science	(263,599)	350,000		86,401
Dickinson State University	(187,158)		8,000,000	7,812,842
Mayville State University	(88,198)		559,500	471,302
Minot State University	(304,357)		50,600	(253,757)
Valley City State University	(128,579)			(128,579)
Minot State University - Bottineau	(44,133)			(44,133)
Forest Service	(24,942)			(24,942)
Total all funds	($4,242,766)	$1,250,000	$23,810,100	$17,659,229
FTE	0.00	3.00	0.00	2.00

1 This amendment decreases funding from the general fund for bond payments by $67,890, from $15,822,002, of which $14,792,252 is from the general fund and $1,029,750 is from special funds, to $15,754,112, of which $14,724,362 is from the general fund and $1,029,750 is from special funds.

2 This amendment decreases funding from the general fund for board initiatives by $1,791,174, from $2,091,174 as recommended in the executive budget, to $300,000.

3 This amendment removes funding of $358,000 from the general fund for the system governance line item. Of the $358,000, $308,000 relates to funding included in the executive budget recommendation to separate the vice chancellor for strategic planning and the executive director of the College Technical Education Council as well as provide funding for an anticipated higher salary replacement cost for the vice chancellor position. The remaining $50,000 relates to one-time funding provided in the 2005-07 biennium for a technology commercialization study that is removed for the 2007-09 biennium.

4 This amendment removes funding of $344,559 from the general fund included in the executive budget recommendation for an operations pool.

5 This amendment removes funding of $496,482 from the general fund included in the executive budget recommendation for contingency and capital emergencies.

6 The executive budget recommended including funding of $200,000 from the general fund in the professional student exchange program line item for a loan forgiveness program for veterinary and optometry students. This amendment decreases the funding by $100,000 to reflect the elimination of the proposed loan forgiveness program for optometry students in House Bill No. 1125.

7 This amendment reduces funding for salary increases from 5 percent for each year of the 2007-09 biennium to 4 percent for each year of the biennium.

8 Williston State College - This amendment provides funding of $200,000 from the permanent oil tax trust fund for support of the college's service rig program, including $140,000 for 1 new FTE training position and $60,000 for operating expenses.

UND School of Medicine and Health Sciences - This amendment provides funding of $700,000 from the general fund for recruiting two new faculty in bacteriology and immunology. Of the $700,000, $460,800 is considered one-time funding and $239,200 is considered base funding.

State College of Science - This amendment provides funding of $350,000 from the general fund for support of the Center for Nanoscience and Technology Training, including curriculum design and development, purchase and installation of specialized equipment, facilities renovation, technical support, and other related costs associated with the development of the nanoscience technician program and nanotechnology applied science laboratory and related emerging technology programming.

9 Lake Region State College - This amendment changes the funding source for the college's wind energy project as follows:

	EXECUTIVE BUDGET	PROPOSED AMENDMENTS	INCREASE (DECREASE)
General fund		$1,500,000	$1,500,000
Special funds	$3,007,600	1,507,600	(1,500,000)
Total	$3,007,600	$3,007,600	$0

Williston State College - This amendment provides funding of $700,000 from the permanent oil tax trust fund for construction of a new facility for the college's service rig program.

University of North Dakota - This amendment changes the funding source of the UND School of Medicine and Health Sciences' new Bismarck family medicine residency facility from $4.5 million from special funds to $4 million from the general fund.

North Dakota State University - This amendment provides a $15 million special funds appropriation to the university to reauthorize the Bison Sports Arena renovation project.

Dickinson State University - This amendment provides funding of $8 million from the general fund to the university for a new library.

Mayville State University - This amendment provides funding of $559,500 from the general fund to the university for the payoff of special assessment balances and deferred maintenance issues.

Minot State University - This amendment changes the funding source for the university's Swain Hall renovation and addition project as follows:

	EXECUTIVE BUDGET	PROPOSED AMENDMENTS	INCREASE (DECREASE)
General fund	$2,500,000	$6,500,000	$4,000,000
Special funds	4,536,150	536,150	(4,000,000)
Total	$7,036,150	$7,036,150	$0

This amendment also changes the university's dome athletic floor replacement project as follows:

	EXECUTIVE BUDGET	PROPOSED AMENDMENTS	INCREASE (DECREASE)
General fund		$387,000	$387,000
Special funds	$336,400		(336,400)
Total	$336,400	$387,000	$50,600

House Bill No. 1003 - Other Changes - House Action

This amendment also:

- Amends Section 10 of the bill as introduced relating to the student loan trust fund.
- Amends Section 16 of the bill as introduced relating to revenue bond issuance.
- Adds a section providing that the State Board of Higher Education shall use $249,000 of the North Dakota University System office unspent 2005-07 general fund appropriation authorized to continue under North Dakota Century Code (NDCC) Section 54-44.1-11 for additional funding for the teacher shortage loan forgiveness program relating to House Bill No. 1249 for the 2007-09 biennium.
- Adds a section to the bill limiting tuition rate increases for the 2007-08 and 2008-09 academic years to 5 percent for each year.
- Adds a section to the bill relating to one-time funding.
- Amends NDCC Section 15-10-43 to eliminate the payback provision for all Kansas State University veterinary medicine positions and allows for the appointment of alternates to the selection committee.

Date: February 13, 2007
Roll Call Vote #:

2007 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. HB1003

House **Appropriations Education and Environment Division** Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number .0125 HB 1003

Action Taken Do pass as amended

Motion Made By Rep. Mc. Seconded By Rep. Martinson

Representatives	Yes	No	Representatives	Yes	No
Chairman Wald:	✓		Representative Aarsvold:	✓	
Vice Chairman Monson	✓		Representative Gulleson	✓	
Representative Hawken:	✓				
Representative Klein:	✓				
Representative Martinson:	✓				

Total (Yes) 7 No 0

Absent 0

Floor Assignment Chairman Wald

If the vote is on an amendment, briefly indicate intent:

Do pass as amended to change funding for the Devils Lake Windmill project.

78003.0128
Title.
Fiscal No. 20

Prepared by the Legislative Council staff for
House Appropriations - Education and
Environment
February 13, 2007

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1003

Page 1, line 3, after the semicolon insert "to limit student tuition rates; to amend and reenact section 15-10-43 of the North Dakota Century Code, relating to the contract with the Kansas state university veterinary medical education program; to provide for retroactive application;"

Page 4, replace lines 30 and 31 with:

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

Subdivision 1.
NORTH DAKOTA UNIVERSITY SYSTEM OFFICE

Capital assets	$2,475,971
Competitive research program	310,000
Board initiatives	(1,585,000)
System governance	466,519
Common information services	6,689,174
Operations pool	(388,559)
Equity pool	(2,000,000)
Contingency and capital emergency	(436,923)
Student financial assistance grants	2,483,095
Professional student exchange program	389,746
Scholars program	616,489
Native American scholarships	128,638
Education incentive programs	512,412
Total all funds - Adjustments/enhancements	$9,661,562
Estimated income - Adjustments/enhancements	(161,966)
Total general fund - Adjustments/enhancements	$9,823,528

Subdivision 2.
BISMARCK STATE COLLEGE

Operations	$2,705,693
Capital assets	(2,972,589)
Total all funds - Adjustments/enhancements	($266,896)
Less estimated income - Adjustments/enhancements	(3,717,495)
Total general fund - Adjustments/enhancements	$3,450,599

Subdivision 3.
LAKE REGION STATE COLLEGE

Operations	$1,084,106
Capital assets	2,745,667
Total all funds - Adjustments/enhancements	$3,829,773
Less estimated income - Adjustments/enhancements	2,007,600
Total general fund - Adjustments/enhancements	$1,822,173

Subdivision 4.

WILLISTON STATE COLLEGE

Operations	$820,171
Capital assets	(5,879,277)
Total all funds - Adjustments/enhancements	($5,059,106)
Less estimated income - Adjustments/enhancements	(5,660,000)
Total general fund - Adjustments/enhancements	$600,894

Subdivision 5.

UNIVERSITY OF NORTH DAKOTA

Operations	$13,481,443
Capital assets	(18,303,224)
Total all funds - Adjustments/enhancements	($4,821,781)
Less estimated income - Adjustments/enhancements	(28,131,554)
Total general fund - Adjustments/enhancements	$23,309,773

Subdivision 6.

NORTH DAKOTA STATE UNIVERSITY

Operations	$12,925,567
Capital assets	(6,483,065)
Total all funds - Adjustments/enhancements	$6,442,502
Less estimated income - Adjustments/enhancements	(14,000,000)
Total general fund - Adjustments/enhancements	$20,442,502

Subdivision 7.

NORTH DAKOTA STATE COLLEGE OF SCIENCE

Operations	$2,459,466
Capital assets	1,198,613
Total all funds - Adjustments/enhancements	$3,658,079
Less estimated income - Adjustments/enhancements	(1,104,920)
Total general fund - Adjustments/enhancements	$4,762,999

Subdivision 8.

DICKINSON STATE UNIVERSITY

Operations	$1,999,571
Capital assets	7,534,516
Total all funds - Adjustments/enhancements	$9,534,087
Less estimated income - Adjustments/enhancements	(1,100,557)
Total general fund - Adjustments/enhancements	$10,634,644

Subdivision 9.

MAYVILLE STATE UNIVERSITY

Operations	$797,961
Capital assets	547,436
Total all funds - Adjustments/enhancements	$1,345,397
Less estimated income - Adjustments/enhancements	(600,000)
Total general fund - Adjustments/enhancements	$1,945,397

Subdivision 10.

MINOT STATE UNIVERSITY

Operations	$2,650,342
Capital assets	367,024
Total all funds - Adjustments/enhancements	$3,017,366
Less estimated income - Adjustments/enhancements	(7,295,850)
Total general fund - Adjustments/enhancements	$10,313,216

Subdivision 11.

VALLEY CITY STATE UNIVERSITY

Operations	$1,048,491
Capital assets	2,487,819
Total general fund - Adjustments/enhancements	$3,536,310

Subdivision 12.
MINOT STATE UNIVERSITY - BOTTINEAU

Operations	$392,884
Capital assets	(5,699,023)
Total all funds - Adjustments/enhancements	($5,306,139)
Less estimated income - Adjustments/enhancements	(5,987,095)
Total general fund - Adjustments/enhancements	$680,956

Subdivision 13.
UNIVERSITY OF NORTH DAKOTA SCHOOL OF MEDICINE AND HEALTH SCIENCES

Operations	$2,877,961
Total general fund - Adjustments/enhancements	$2,877,961

Subdivision 14.
NORTH DAKOTA FOREST SERVICE

Operations	$408,143
Capital assets	78,566
Total all funds - Adjustments/enhancements	$486,709
Less estimated income - Adjustments/enhancements	22,485
Total general fund - Adjustments/enhancements	$464,224
Total general fund - Section 2	$94,665,176
Total estimated income - Section 2	($65,729,352)
Total all funds - Section 2	$28,935,824

SECTION 3. 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 office and the various entities and institutions under the supervision of the state board of higher education for the purpose of defraying the expenses of those entities and institutions, for the biennium beginning July 1, 2007, and ending June 30, 2009, as follows:

Subdivision 1.
NORTH DAKOTA UNIVERSITY SYSTEM OFFICE AND INSTITUTIONS

Capital assets	$16,754,112
Competitive research program	5,500,000
Board initiatives	300,000
System governance	6,034,941
Title II	695,600
Common information services	27,252,267
Professional liability insurance	1,350,000
Student financial assistance grants	5,987,497
Professional student exchange program	2,517,026
Scholars program	1,478,566
Native American scholarships	380,626
Education incentive programs	1,740,314
Total all funds	$69,990,949
Less estimated income	2,437,810
Total general fund appropriation	$67,553,139

Subdivision 2.
BISMARCK STATE COLLEGE

Operations	$19,571,241
Capital assets	1,016,192

Total all funds	$20,587,433
Less estimated income	27,805
Total general fund appropriation	$20,559,628

Subdivision 3.

LAKE REGION STATE COLLEGE

Operations	$6,474,095
Capital assets	3,133,204
Total all funds	$9,607,299
Less estimated income	2,007,600
Total general fund appropriation	$7,599,699

Subdivision 4.

WILLISTON STATE COLLEGE

Operations	$6,573,168
Capital assets	2,257,198
Total all funds	$8,830,366
Less estimated income	2,300,000
Total general fund appropriation	$6,530,366

Subdivision 5.

UNIVERSITY OF NORTH DAKOTA

Operations	$106,033,045
Capital assets	81,828,875
Total all funds	$187,861,920
Less estimated income	69,700,000
Total general fund appropriation	$118,161,920

Subdivision 6.

NORTH DAKOTA STATE UNIVERSITY

Operations	$88,730,217
Capital assets	32,709,161
Total all funds	$121,439,378
Less estimated income	23,500,000
Total general fund appropriation	$97,939,378

Subdivision 7.

NORTH DAKOTA STATE COLLEGE OF SCIENCE

Operations	$27,446,294
Capital assets	4,756,865
Total all funds	$32,203,159
Less estimated income	1,700,000
Total general fund appropriation	$30,503,159

Subdivision 8.

DICKINSON STATE UNIVERSITY

Operations	$16,711,198
Capital assets	17,018,763
Total all funds	$33,729,961
Less estimated income	8,000,000
Total general fund appropriation	$25,729,961

Subdivision 9.

MAYVILLE STATE UNIVERSITY

Operations	$9,801,591
Capital assets	2,406,430
Total all funds	$12,208,021
Less estimated income	900,000
Total general fund appropriation	$11,308,021

Subdivision 10.

MINOT STATE UNIVERSITY

Operations	$29,866,191
Capital assets	9,578,894
Total all funds	$39,445,085
Less estimated income	1,239,150
Total general fund appropriation	$38,205,935

Subdivision 11.

VALLEY CITY STATE UNIVERSITY

Operations	$12,855,017
Capital assets	2,996,235
Total general fund appropriation	$15,851,252

Subdivision 12.

MINOT STATE UNIVERSITY - BOTTINEAU

Operations	$4,727,344
Capital assets	410,702
Total all funds	$5,138,046
Less estimated income	12,905
Total general fund appropriation	$5,125,141

Subdivision 13.

UNIVERSITY OF NORTH DAKOTA SCHOOL OF MEDICINE AND HEALTH SCIENCES

Operations	$34,238,963
Total general fund appropriation	$34,238,963

Subdivision 14.

NORTH DAKOTA FOREST SERVICE

Operations	$3,333,789
Capital assets	180,204
Total all funds	$3,513,993
Less estimated income	997,486
Total general fund appropriation	$2,516,507
Total general fund appropriation - Section 3	$481,823,069
Total estimated income appropriation - Section 3	$112,822,756
Total all funds appropriation - Section 3	$594,645,825
Grand total general fund appropriation - H.B. 1003	$481,823,069
Grand total estimated income appropriation - H.B. 1003	$135,536,756
Grand total all funds appropriation - H.B. 1003	$617,359,825

Page 5, remove lines 1 through 30

Page 6, remove lines 1 through 31

Page 7, remove lines 1 through 30

Page 8, remove lines 1 through 31

Page 9, remove lines 1 through 30

Page 10, remove lines 1 through 31

Page 11, remove lines 1 through 30

Page 12, remove lines 1 through 15

Page 12, line 19, replace "$15,822,002" with "$15,754,112"

Page 12, remove lines 23 through 26

Page 12, line 27, replace "$27,403,293" with "$27,252,267"

Page 13, remove lines 5 through 8

Page 13, line 14, replace "**APPROPRIATION.** There is appropriated out of any moneys in the" with "**STUDENT LOAN TRUST FUND.** Section 3 of this Act includes the sum of $317,460, or so much of the sum as may be necessary, from the student loan trust fund for the professional student exchange program, for the biennium beginning July 1, 2007, and ending June 30, 2009.

SECTION 9. PERMANENT OIL TAX TRUST FUND. Section 3 of this Act includes the sum of $900,000, or so much of the sum as may be necessary, from the permanent oil tax trust fund for the service rig program at Williston state college, for the biennium beginning July 1, 2007, and ending June 30, 2009."

Page 13, remove lines 15 through 17

Page 14, line 30, replace "$12,000,000" with "12,000,000"

Page 15, line 1, replace "$6,000,000" with "6,000,000"

Page 15, line 2, replace $714,000" with "714,000"

Page 15, after line 2, insert:

"Total special funds appropriation $22,714,000"

Page 16, after line 13, insert:

"**SECTION 17. USE OF UNSPENT 2005-07 GENERAL FUND APPROPRIATIONS.** The state board of higher education shall use $249,000 of North Dakota university system office unspent 2005-07 general fund appropriation authorized to continue under section 54-44.1-11 for additional funding for the teacher shortage loan

forgiveness program relating to House Bill No. 1249 for the biennium beginning July 1, 2007, and ending June 30, 2009.

SECTION 18. TUITION RATE INCREASES - LIMIT. Notwithstanding any other provision of law, the state board of higher education shall limit any annual tuition increase for students attending institutions under its control for the 2007-08 and 2008-09 academic years to not more than five percent for each year.

SECTION 19. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-FIRST LEGISLATIVE ASSEMBLY. The grand total general fund appropriation line item in section 3 of this Act includes $49,322,010 for one-time funding items identified in this section. This amount is not a part of the institutions' base budgets to be used in preparing the 2009-11 executive budget. The North Dakota university system shall report to the appropriations committees of the sixty-first legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2007, and ending June 30, 2009.

Northern tier network infrastructure	$1,000,000
ConnectND system support	3,700,000
Common information system pool parity funding	420,000
Deferred maintenance	11,559,500
Capital projects	31,831,710
Campus initiatives	810,800
Total	$49,322,010

SECTION 20. AMENDMENT. Section 15-10-43 of the North Dakota Century Code is amended and reenacted as follows:

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

1. In addition to any contracts under section 15-10-28.2, the state board of higher education may contract with Kansas state university to provide an opportunity for up to five eligible students to enroll in the veterinary medical education program at Kansas state university.

2. Eligible students must be residents of this state and must have been selected for enrollment by an admissions committee consisting of one faculty member from the department of veterinary and microbiological sciences at North Dakota state university, one veterinarian practicing in this state, one member of the legislative assembly, and one livestock producer, all of whom must be appointed by the legislative council, and the chairman of the admissions committee at the Kansas state university school of veterinary medicine. The legislative council and the chairman of the admissions committee at the Kansas state university school of veterinary medicine may select an alternative for each of the designated positions to serve as necessary.

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

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

SECTION 21. AMENDMENT. Section 15-10-43 of the North Dakota Century Code is amended and reenacted as follows:

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

1. In addition to any contracts under section 15-10-28.2, the state board of higher education may contract with Kansas state university to provide an opportunity for up to five eligible students to enroll in the veterinary medical education program at Kansas state university.

2. Eligible students must be residents of this state and must have been selected for enrollment by an admissions committee consisting of one faculty member from the department of veterinary and microbiological sciences at North Dakota state university, one veterinarian practicing in this state, one member of the legislative assembly, and one livestock producer, all of whom must be appointed by the legislative council, and the chairman of the admissions committee at the Kansas state university school of veterinary medicine.

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

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

SECTION 22. RETROACTIVE APPLICATION. Section 21 of this Act applies retroactively to students participating in the Kansas state university veterinary medicine program."

Page 16, line 16, replace "9" with "7" and replace "14" with "13"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1003 - Summary of House Action

	EXECUTIVE BUDGET	HOUSE CHANGES	HOUSE VERSION
University System office			
Total all funds	$73,348,533	($3,357,584)	$69,990,949
Less estimated income	2,437,810		2,437,810
General fund	$70,910,723	($3,357,584)	$67,553,139
Bismarck State College			
Total all funds	$20,799,330	($211,897)	$20,587,433
Less estimated income	27,805		27,805
General fund	$20,771,525	($211,897)	$20,559,628
Lake Region State College			
Total all funds	$9,660,871	($53,572)	$9,607,299
Less estimated income	3,007,600	(1,000,000)	2,007,600
General fund	$6,653,271	$946,428	$7,599,699
Williston State College			
Total all funds	$7,996,300	$834,066	$8,830,366
Less estimated income	1,400,000	900,000	2,300,000
General fund	$6,596,300	($65,934)	$6,530,366
University of North Dakota			
Total all funds	$193,608,905	($1,746,985)	$191,861,920
Less estimated income	78,200,000	(4,500,000)	73,700,000

General fund	$115,408,905	$2,753,015	$118,161,920
UND Medical Center			
Total all funds	$33,874,938	$364,025	$34,238,963
Less estimated income			
General fund	$33,874,938	$364,025	$34,238,963
North Dakota State University			
Total all funds	$119,527,336	$13,912,042	$133,439,378
Less estimated income	20,500,000	15,000,000	35,500,000
General fund	$99,027,336	($1,087,958)	$97,939,378
State College of Science			
Total all funds	$38,830,758	$86,401	$38,917,159
Less estimated income	8,414,000		8,414,000
General fund	$30,416,758	$86,401	$30,503,159
Dickinson State University			
Total all funds	$25,917,119	$7,812,842	$33,729,961
Less estimated income	8,000,000		8,000,000
General fund	$17,917,119	$7,812,842	$25,729,961
Mayville State University			
Total all funds	$11,736,719	$471,302	$12,208,021
Less estimated income	900,000		900,000
General fund	$10,836,719	$471,302	$11,308,021
Minot State University			
Total all funds	$39,698,842	($253,757)	$39,445,085
Less estimated income	5,575,550	(4,336,400)	1,239,150
General fund	$34,123,292	$4,082,643	$38,205,935
Valley City State University			
Total all funds	$15,979,831	($128,579)	$15,851,252
Less estimated income			
General fund	$15,979,831	($128,579)	$15,851,252
Minot State University - Bottineau			
Total all funds	$5,182,179	($44,133)	$5,138,046
Less estimated income	12,905		12,905
General fund	$5,169,274	($44,133)	$5,125,141
Forest Service			
Total all funds	$3,538,935	($24,942)	$3,513,993
Less estimated income	997,486		997,486
General fund	$2,541,449	($24,942)	$2,516,507
Bill Total			
Total all funds	$599,700,596	$17,659,229	$617,359,825
Less estimated income	129,473,156	6,063,600	135,536,756
General fund	$470,227,440	$11,595,629	$481,823,069

House Bill No. 1003 - General Fund Summary

	EXECUTIVE BUDGET	HOUSE CHANGES	HOUSE VERSION
University System office	$70,910,723	($3,357,584)	$67,553,139
Bismarck State College	20,771,525	(211,897)	20,559,628
Lake Region State College	6,653,271	946,428	7,599,699
Williston State College	6,596,300	(65,934)	6,530,366
University of North Dakota	115,408,905	2,753,015	118,161,920
UND Medical Center	33,874,938	364,025	34,238,963
North Dakota State University	99,027,336	(1,087,958)	97,939,378
State College of Science	30,416,758	86,401	30,503,159
Dickinson State University	17,917,119	7,812,842	25,729,961
Mayville State University	10,836,719	471,302	11,308,021
Minot State University	34,123,292	4,082,643	38,205,935
Valley City State University	15,979,831	(128,579)	15,851,252
Minot State University - Bottineau	5,169,274	(44,133)	5,125,141
Forest Service	2,541,449	(24,942)	2,516,507
Total general fund	$470,227,440	$11,595,629	$481,823,069

Detail of House Changes to the General Fund

	DECREASES FUNDING FOR BOND PAYMENTS [1]	DECREASES FUNDING FOR BOARD INITIATIVES [2]	DECREASES FUNDING FOR SYSTEM GOVERNANCE [3]	REMOVES FUNDING FOR OPERATIONS POOL [4]	REMOVES FUNDING FOR CONTINGENCY AND CAPITAL EMERGENCY [5]	DECREASES FUNDING FOR THE PROFESSIONAL STUDENT EXCHANGE PROGRAM [6]
University System office	($67,890)	($1,791,174)	($358,000)	($344,559)	($496,482)	($100,000)
Bismarck State College						
Lake Region State College						
Williston State College						
University of North Dakota						
UND Medical Center						

North Dakota State University						
State College of Science						
Dickinson State University						
Mayville State University						
Minot State University						
Valley City State University						
Minot State University - Bottineau						
Forest Service						
Total general fund	($67,890)	($1,791,174)	($358,000)	($344,559)	($496,482)	($100,000)

	REDUCES COMPENSATION PACKAGE FROM 5/5 to 4/4 [7]	ADJUSTS FUNDING FOR OPERATIONS [8]	ADJUSTS FUNDING FOR CAPITAL ASSETS [9]	TOTAL GENERAL FUND CHANGES
University System office	($199,479)			($3,357,584)
Bismarck State College	(211,897)			(211,897)
Lake Region State College	(53,572)		$1,000,000	946,428
Williston State College	(65,934)			(65,934)
University of North Dakota	(1,246,985)		4,000,000	2,753,015
UND Medical Center	(335,975)	$700,000		364,025
North Dakota State University	(1,087,958)			(1,087,958)
State College of Science	(263,599)	350,000		86,401
Dickinson State University	(187,158)		8,000,000	7,812,842
Mayville State University	(88,198)		559,500	471,302
Minot State University	(304,357)		4,387,000	4,082,643
Valley City State University	(128,579)			(128,579)
Minot State University - Bottineau	(44,133)			(44,133)
Forest Service	(24,942)			(24,942)
Total general fund	($4,242,766)	$1,050,000	$17,946,500	$11,595,629

House Bill No. 1003 - Other Funds Summary

	EXECUTIVE BUDGET	HOUSE CHANGES	HOUSE VERSION
University System office	$2,437,810		$2,437,810
Bismarck State College	27,805		27,805
Lake Region State College	3,007,600	($1,000,000)	2,007,600
Williston State College	1,400,000	900,000	2,300,000
University of North Dakota	78,200,000	(4,500,000)	73,700,000
UND Medical Center			
North Dakota State University	20,500,000	15,000,000	35,500,000
State College of Science	8,414,000		8,414,000
Dickinson State University	8,000,000		8,000,000
Mayville State University	900,000		900,000
Minot State University	5,575,550	(4,336,400)	1,239,150
Valley City State University			
Minot State University - Bottineau	12,905		12,905
Forest Service	997,486		997,486
Total other funds	$129,473,156	$6,063,600	$135,536,756

Detail of House Changes to Other Funds

	DECREASES FUNDING FOR BOND PAYMENTS [1]	DECREASES FUNDING FOR BOARD INITIATIVES [2]	DECREASES FUNDING FOR SYSTEM GOVERNANCE [3]	REMOVES FUNDING FOR OPERATIONS POOL [4]	REMOVES FUNDING FOR CONTINGENCY AND CAPITAL EMERGENCY [5]	DECREASES FUNDING FOR THE PROFESSIONAL STUDENT EXCHANGE PROGRAM [6]
University System office						
Bismarck State College						
Lake Region State College						
Williston State College						
University of North Dakota						
UND Medical Center						
North Dakota State University						
State College of Science						
Dickinson State University						
Mayville State University						
Minot State University						
Valley City State University						
Minot State University - Bottineau						
Forest Service						
Total other funds	$0	$0	$0	$0	$0	$0

	REDUCES COMPENSATION PACKAGE FROM 5/5 TO 4/4 [7]	ADJUSTS FUNDING FOR OPERATIONS [8]	ADJUSTS FUNDING FOR CAPITAL ASSETS [9]	TOTAL OTHER FUNDS CHANGES
University System office				
Bismarck State College				
Lake Region State College			($1,000,000)	($1,000,000)
Williston State College		$200,000	700,000	900,000
University of North Dakota			(4,500,000)	(4,500,000)
UND Medical Center				
North Dakota State University			15,000,000	15,000,000
State College of Science				
Dickinson State University				
Mayville State University				
Minot State University			(4,336,400)	(4,336,400)
Valley City State University				
Minot State University - Bottineau				
Forest Service				
Total other funds	$0	$200,000	$5,863,600	$6,063,600

House Bill No. 1003 - All Funds Summary

	EXECUTIVE BUDGET	HOUSE CHANGES	HOUSE VERSION
University System office	$73,348,533	($3,357,584)	$69,990,949
Bismarck State College	20,799,330	(211,897)	20,587,433
Lake Region State College	9,660,871	(53,572)	9,607,299
Williston State College	7,996,300	834,066	8,830,366
University of North Dakota	193,608,905	(1,746,985)	191,861,920
UND Medical Center	33,874,938	364,025	34,238,963
North Dakota State University	119,527,336	13,912,042	133,439,378
State College of Science	38,830,758	86,401	38,917,159
Dickinson State University	25,917,119	7,812,842	33,729,961
Mayville State University	11,736,719	471,302	12,208,021
Minot State University	39,698,842	(253,757)	39,445,085
Valley City State University	15,979,831	(128,579)	15,851,252
Minot State University - Bottineau	5,182,179	(44,133)	5,138,046
Forest Service	3,538,935	(24,942)	3,513,993
Total all funds	$599,700,596	$17,659,229	$617,359,825
FTE	2134.59	2.00	2136.59

Detail of House Changes to All Funds

	DECREASES FUNDING FOR BOND PAYMENTS [1]	DECREASES FUNDING FOR BOARD INITIATIVES [2]	DECREASES FUNDING FOR SYSTEM GOVERNANCE [3]	REMOVES FUNDING FOR OPERATIONS POOL [4]	REMOVES FUNDING FOR CONTINGENCY AND CAPITAL EMERGENCY [5]	DECREASES FUNDING FOR THE PROFESSIONAL STUDENT EXCHANGE PROGRAM [6]
University System office	($67,890)	($1,791,174)	($358,000)	($344,559)	($496,482)	($100,000)
Bismarck State College						
Lake Region State College						
Williston State College						
University of North Dakota						
UND Medical Center						
North Dakota State University						
State College of Science						
Dickinson State University						
Mayville State University						
Minot State University						
Valley City State University						
Minot State University - Bottineau						
Forest Service						
Total all funds	($67,890)	($1,791,174)	($358,000)	($344,559)	($496,482)	($100,000)
FTE	0.00	0.00	(1.00)	0.00	0.00	0.00

	REDUCES COMPENSATION PACKAGE FROM 5/5 TO 4/4 [7]	ADJUSTS FUNDING FOR OPERATIONS [8]	ADJUSTS FUNDING FOR CAPITAL ASSETS [9]	TOTAL ALL FUNDS CHANGES
University System office	($199,479)			($3,357,584)
Bismarck State College	(211,897)			(211,897)
Lake Region State College	(53,572)			(53,572)
Williston State College	(65,934)	$200,000	$700,000	834,066
University of North Dakota	(1,246,985)		(500,000)	(1,746,985)
UND Medical Center	(335,975)	700,000		364,025

North Dakota State University	(1,087,958)		15,000,000	13,912,042
State College of Science	(263,599)	350,000		86,401
Dickinson State University	(187,158)		8,000,000	7,812,842
Mayville State University	(88,198)		559,500	471,302
Minot State University	(304,357)		50,600	(253,757)
Valley City State University	(128,579)			(128,579)
Minot State University - Bottineau	(44,133)			(44,133)
Forest Service	(24,942)			(24,942)
Total all funds	($4,242,766)	$1,250,000	$23,810,100	$17,659,229
FTE	0.00	3.00	0.00	2.00

1 This amendment decreases funding from the general fund for bond payments by $67,890, from $15,822,002, of which $14,792,252 is from the general fund and $1,029,750 is from special funds, to $15,754,112, of which $14,724,362 is from the general fund and $1,029,750 is from special funds.

2 This amendment decreases funding from the general fund for board initiatives by $1,791,174, from $2,091,174 as recommended in the executive budget, to $300,000.

3 This amendment removes funding of $358,000 from the general fund for the system governance line item. Of the $358,000, $308,000 relates to funding included in the executive budget recommendation to separate the vice chancellor for strategic planning and the executive director of the College Technical Education Council as well as provide funding for an anticipated higher salary replacement cost for the vice chancellor position. The remaining $50,000 relates to one-time funding provided in the 2005-07 biennium for a technology commercialization study that is removed for the 2007-09 biennium.

4 This amendment removes funding of $344,559 from the general fund included in the executive budget recommendation for an operations pool.

5 This amendment removes funding of $496,482 from the general fund included in the executive budget recommendation for contingency and capital emergencies.

6 The executive budget recommended including funding of $200,000 from the general fund in the professional student exchange program line item for a loan forgiveness program for veterinary and optometry students. This amendment decreases the funding by $100,000 to reflect the elimination of the proposed loan forgiveness program for optometry students in House Bill No. 1125.

7 This amendment reduces funding for salary increases from 5 percent for each year of the 2007-09 biennium to 4 percent for each year of the biennium.

8 Williston State College - This amendment provides funding of $200,000 from the permanent oil tax trust fund for support of the college's service rig program, including $140,000 for 1 new FTE training position and $60,000 for operating expenses.

UND School of Medicine and Health Sciences - This amendment provides funding of $700,000 from the general fund for recruiting two new faculty in bacteriology and immunology. Of the $700,000, $460,800 is considered one-time funding and $239,200 is considered base funding.

State College of Science - This amendment provides funding of $350,000 from the general fund for support of the Center for Nanoscience and Technology Training, including curriculum design and development, purchase and installation of specialized equipment, facilities renovation, technical support, and other related costs associated with the development of the nanoscience technician program and nanotechnology applied science laboratory and related emerging technology programming.

9 Lake Region State College - This amendment changes the funding source for the college's wind energy project as follows:

	EXECUTIVE BUDGET	PROPOSED AMENDMENTS	INCREASE (DECREASE)
General fund		$1,000,000	$1,000,000
Special funds	$3,007,600	2,007,600	(1,000,000)
Total	$3,007,600	$3,007,600	$0

Williston State College - This amendment provides funding of $700,000 from the permanent oil tax trust fund for construction of a new facility for the college's service rig program.

University of North Dakota - This amendment changes the funding source of the UND School of Medicine and Health Sciences' new Bismarck family medicine residency facility from $4.5 million from special funds to $4 million from the general fund.

North Dakota State University - This amendment provides a $15 million special funds appropriation to the university to reauthorize the Bison Sports Arena renovation project.

Dickinson State University - This amendment provides funding of $8 million from the general fund to the university for a new library.

Mayville State University - This amendment provides funding of $559,500 from the general fund to the university for the payoff of special assessment balances and deferred maintenance issues.

Minot State University - This amendment changes the funding source for the university's Swain Hall renovation and addition project as follows:

	EXECUTIVE BUDGET	PROPOSED AMENDMENTS	INCREASE (DECREASE)
General fund	$2,500,000	$6,500,000	$4,000,000
Special funds	4,536,150	536,150	(4,000,000)
Total	$7,036,150	$7,036,150	$0

This amendment also changes the university's dome athletic floor replacement project as follows:

	EXECUTIVE BUDGET	PROPOSED AMENDMENTS	INCREASE (DECREASE)
General fund		$387,000	$387,000
Special funds	$336,400		(336,400)
Total	$336,400	$387,000	$50,600

House Bill No. 1003 - Other Changes - House Action

This amendment also:

- Amends Section 10 of the bill as introduced relating to the student loan trust fund.
- Amends Section 16 of the bill as introduced relating to revenue bond issuance.
- Adds a section providing that the State Board of Higher Education shall use $249,000 of the North Dakota University System office unspent 2005-07 general fund appropriation authorized to continue under North Dakota Century Code (NDCC) Section 54-44.1-11 for additional funding for the teacher shortage loan forgiveness program relating to House Bill No. 1249 for the 2007-09 biennium.
- Adds a section to the bill limiting tuition rate increases for the 2007-08 and 2008-09 academic years to 5 percent for each year.
- Adds a section to the bill relating to one-time funding.
- Amends NDCC Section 15-10-43 to eliminate the payback provision for all Kansas State University veterinary medicine positions and allows for the appointment of alternates to the selection committee.

Date: February 14, 2007
Roll Call Vote #: 1

2007 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. HB 1003

House **Appropriations Education and Environment Division** Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number .0128 of HB 1003

Action Taken Do pass as amended

Motion Made By Rep. Monson Seconded By Rep. Klein

Representatives	Yes	No	Representatives	Yes	No
Chairman Wald:	✓		Representative Aarsvold:	✓	
Vice Chairman Monson	✓		Representative Gulleson	✓	
Representative Hawken:	✓				
Representative Klein:	✓				
Representative Martinson:	✓				

Total (Yes) 7 No 0

Absent 0

Floor Assignment Rep. Wald

If the vote is on an amendment, briefly indicate intent:

Do pass .0128 of HB 1003 as amended

78003.0129
Title.
Fiscal No. 24

Prepared by the Legislative Council staff for
House Appropriations - Education and
Environment
February 14, 2007

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1003

Page 1, line 3, after the semicolon insert "to limit student tuition rates; to provide for a transfer; to amend and reenact section 15-10-43 of the North Dakota Century Code, relating to the contract with the Kansas state university veterinary medical education program; to provide for retroactive application;"

Page 4, replace lines 30 and 31 with:

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

Subdivision 1.
NORTH DAKOTA UNIVERSITY SYSTEM OFFICE

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

Subdivision 2.
BISMARCK STATE COLLEGE

Operations	$2,705,693
Capital assets	(2,972,589)
Total all funds - Adjustments/enhancements	($266,896)
Less estimated income - Adjustments/enhancements	(3,717,495)
Total general fund - Adjustments/enhancements	$3,450,599

Subdivision 3.
LAKE REGION STATE COLLEGE

Operations	$1,084,106
Capital assets	2,745,667
Total all funds - Adjustments/enhancements	$3,829,773
Less estimated income - Adjustments/enhancements	2,007,600
Total general fund - Adjustments/enhancements	$1,822,173

Subdivision 4.

WILLISTON STATE COLLEGE

Operations	$820,171
Capital assets	(5,879,277)
Total all funds - Adjustments/enhancements	($5,059,106)
Less estimated income - Adjustments/enhancements	(5,660,000)
Total general fund - Adjustments/enhancements	$600,894

Subdivision 5.

UNIVERSITY OF NORTH DAKOTA

Operations	$13,481,443
Capital assets	(18,303,224)
Total all funds - Adjustments/enhancements	($4,821,781)
Less estimated income - Adjustments/enhancements	(27,731,554)
Total general fund - Adjustments/enhancements	$22,909,773

Subdivision 6.

NORTH DAKOTA STATE UNIVERSITY

Operations	$12,925,567
Capital assets	(6,483,065)
Total all funds - Adjustments/enhancements	$6,442,502
Less estimated income - Adjustments/enhancements	(14,000,000)
Total general fund - Adjustments/enhancements	$20,442,502

Subdivision 7.

NORTH DAKOTA STATE COLLEGE OF SCIENCE

Operations	$2,459,466
Capital assets	1,198,613
Total all funds - Adjustments/enhancements	$3,658,079
Less estimated income - Adjustments/enhancements	(1,104,920)
Total general fund - Adjustments/enhancements	$4,762,999

Subdivision 8.

DICKINSON STATE UNIVERSITY

Operations	$1,999,571
Capital assets	(465,484)
Total all funds - Adjustments/enhancements	$1,534,087
Less estimated income - Adjustments/enhancements	(1,100,557)
Total general fund - Adjustments/enhancements	$2,634,644

Subdivision 9.

MAYVILLE STATE UNIVERSITY

Operations	$797,961
Capital assets	547,436
Total all funds - Adjustments/enhancements	$1,345,397
Less estimated income - Adjustments/enhancements	(600,000)
Total general fund - Adjustments/enhancements	$1,945,397

Subdivision 10.

MINOT STATE UNIVERSITY

Operations	$2,650,342
Capital assets	367,024
Total all funds - Adjustments/enhancements	$3,017,366
Less estimated income - Adjustments/enhancements	(7,295,850)
Total general fund - Adjustments/enhancements	$10,313,216

Subdivision 11.

VALLEY CITY STATE UNIVERSITY

Operations	$1,048,491
Capital assets	2,487,819
Total general fund - Adjustments/enhancements	$3,536,310

Subdivision 12.

MINOT STATE UNIVERSITY - BOTTINEAU

Operations	$392,884
Capital assets	(5,699,023)
Total all funds - Adjustments/enhancements	($5,306,139)
Less estimated income - Adjustments/enhancements	(5,987,095)
Total general fund - Adjustments/enhancements	$680,956

Subdivision 13.

UNIVERSITY OF NORTH DAKOTA SCHOOL OF MEDICINE AND HEALTH SCIENCES

Operations	$2,877,961
Total general fund - Adjustments/enhancements	$2,877,961

Subdivision 14.

NORTH DAKOTA FOREST SERVICE

Operations	$408,143
Capital assets	78,566
Total all funds - Adjustments/enhancements	$486,709
Less estimated income - Adjustments/enhancements	22,485
Total general fund - Adjustments/enhancements	$464,224
Total general fund - Section 2	$88,106,217
Total estimated income - Section 2	($65,080,352)
Total all funds - Section 2	$23,025,865

SECTION 3. 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 office and the various entities and institutions under the supervision of the state board of higher education for the purpose of defraying the expenses of those entities and institutions, for the biennium beginning July 1, 2007, and ending June 30, 2009, as follows:

Subdivision 1.

NORTH DAKOTA UNIVERSITY SYSTEM OFFICE AND INSTITUTIONS

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

Subdivision 2.

BISMARCK STATE COLLEGE

Operations	$19,571,241
Capital assets	1,016,192
Total all funds	$20,587,433
Less estimated income	27,805
Total general fund appropriation	$20,559,628

Subdivision 3.

LAKE REGION STATE COLLEGE

Operations	$6,474,095
Capital assets	3,133,204
Total all funds	$9,607,299
Less estimated income	2,007,600
Total general fund appropriation	$7,599,699

Subdivision 4.

WILLISTON STATE COLLEGE

Operations	$6,573,168
Capital assets	2,257,198
Total all funds	$8,830,366
Less estimated income	2,300,000
Total general fund appropriation	$6,530,366

Subdivision 5.

UNIVERSITY OF NORTH DAKOTA

Operations	$106,033,045
Capital assets	81,828,875
Total all funds	$187,861,920
Less estimated income	70,100,000
Total general fund appropriation	$117,761,920

Subdivision 6.

NORTH DAKOTA STATE UNIVERSITY

Operations	$88,730,217
Capital assets	32,709,161
Total all funds	$121,439,378
Less estimated income	23,500,000
Total general fund appropriation	$97,939,378

Subdivision 7.

NORTH DAKOTA STATE COLLEGE OF SCIENCE

Operations	$27,446,294
Capital assets	4,756,865
Total all funds	$32,203,159
Less estimated income	1,700,000
Total general fund appropriation	$30,503,159

Subdivision 8.

DICKINSON STATE UNIVERSITY

Operations	$16,711,198
Capital assets	9,018,763
Total all funds	$25,729,961
Less estimated income	8,000,000
Total general fund appropriation	$17,729,961

Subdivision 9.

MAYVILLE STATE UNIVERSITY

Operations	$9,801,591
Capital assets	2,406,430
Total all funds	$12,208,021

Less estimated income	900,000
Total general fund appropriation	$11,308,021

Subdivision 10.

MINOT STATE UNIVERSITY

Operations	$29,866,191
Capital assets	9,578,894
Total all funds	$39,445,085
Less estimated income	1,239,150
Total general fund appropriation	$38,205,935

Subdivision 11.

VALLEY CITY STATE UNIVERSITY

Operations	$12,855,017
Capital assets	2,996,235
Total general fund appropriation	$15,851,252

Subdivision 12.

MINOT STATE UNIVERSITY - BOTTINEAU

Operations	$4,727,344
Capital assets	410,702
Total all funds	$5,138,046
Less estimated income	12,905
Total general fund appropriation	$5,125,141

Subdivision 13.

UNIVERSITY OF NORTH DAKOTA SCHOOL OF MEDICINE AND HEALTH SCIENCES

Operations	$34,238,963
Total general fund appropriation	$34,238,963

Subdivision 14.

NORTH DAKOTA FOREST SERVICE

Operations	$3,333,789
Capital assets	180,204
Total all funds	$3,513,993
Less estimated income	997,486
Total general fund appropriation	$2,516,507
Total general fund appropriation - Section 3	$475,264,110
Total estimated income appropriation - Section 3	$113,471,756
Total all funds appropriation - Section 3	$588,735,866
Grand total general fund appropriation - H.B. 1003	$475,264,110
Grand total estimated income appropriation - H.B. 1003	$136,185,756
Grand total all funds appropriation - H.B. 1003	$611,449,866

Page 5, remove lines 1 through 30

Page 6, remove lines 1 through 31

Page 7, remove lines 1 through 30

Page 8, remove lines 1 through 31

Page 9, remove lines 1 through 30

Page 10, remove lines 1 through 31

Page 11, remove lines 1 through 30

Page 12, remove lines 1 through 15

Page 12, line 19, replace "$15,822,002" with "$15,754,112"

Page 12, line 23, replace "$344,559" with "$144,559"

Page 12, line 27, replace "$27,403,293" with "$28,652,267"

Page 13, line 5, replace "496,482" with "296,482"

Page 13, line 14, replace "**APPROPRIATION.** There is appropriated out of any moneys in the" with "**STUDENT LOAN TRUST FUND.** Section 3 of this Act includes the sum of $317,460, or so much of the sum as may be necessary, from the student loan trust fund for the professional student exchange program, for the biennium beginning July 1, 2007, and ending June 30, 2009.

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

Page 13, remove lines 15 through 17

Page 14, line 30, replace "$12,000,000" with "12,000,000"

Page 15, line 1, replace "$6,000,000" with "6,000,000"

Page 15, line 2, replace $714,000" with "714,000"

Page 15, after line 2, insert:

"Total special funds appropriation $22,714,000"

Page 16, after line 13, insert:

"**SECTION 19. TRANSFER - STUDENT LOAN PROFITS.** The industrial commission shall transfer $249,000 from any profits that have accrued as a result of the Bank of North Dakota administering the student loan programs under section

15-62.2-01 to the North Dakota university system office for additional funding for the teacher shortage loan forgiveness program as appropriated in section 3 of this Act.

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

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

Northern tier network infrastructure	$2,400,000
ConnectND system support	3,700,000
Common information system pool parity funding	420,000
Deferred maintenance	11,559,500
Capital projects	23,431,710
Board and campus initiatives	810,800
Total	$42,322,010

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

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

1. In addition to any contracts under section 15-10-28.2, the state board of higher education may contract with Kansas state university to provide an opportunity for up to five eligible students to enroll in the veterinary medical education program at Kansas state university.

2. Eligible students must be residents of this state and must have been selected for enrollment by an admissions committee consisting of one faculty member from the department of veterinary and microbiological sciences at North Dakota state university, one veterinarian practicing in this state, one member of the legislative assembly, and one livestock producer, all of whom must be appointed by the legislative council, and the chairman of the admissions committee at the Kansas state university school of veterinary medicine. The legislative council and the chairman of the admissions committee at the Kansas state university school of veterinary medicine may select an alternative for each of the designated positions to serve as necessary.

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

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

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

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

1. In addition to any contracts under section 15-10-28.2, the state board of higher education may contract with Kansas state university to provide an opportunity for up to five eligible students to enroll in the veterinary medical education program at Kansas state university.

2. Eligible students must be residents of this state and must have been selected for enrollment by an admissions committee consisting of one faculty member from the department of veterinary and microbiological sciences at North Dakota state university, one veterinarian practicing in this state, one member of the legislative assembly, and one livestock producer, all of whom must be appointed by the legislative council, and the chairman of the admissions committee at the Kansas state university school of veterinary medicine.

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

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

SECTION 24. RETROACTIVE APPLICATION. Section 23 of this Act applies retroactively to students participating in the Kansas state university veterinary medicine program."

Page 16, line 16, replace "14" with "15"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1003 - Summary of House Action

	EXECUTIVE BUDGET	HOUSE CHANGES	HOUSE VERSION
University System office			
Total all funds	$73,348,533	($1,267,543)	$72,080,990
Less estimated income	2,437,810	249,000	2,686,810
General fund	$70,910,723	($1,516,543)	$69,394,180
Bismarck State College			
Total all funds	$20,799,330	($211,897)	$20,587,433
Less estimated income	27,805		27,805
General fund	$20,771,525	($211,897)	$20,559,628
Lake Region State College			
Total all funds	$9,660,871	($53,572)	$9,607,299
Less estimated income	3,007,600	(1,000,000)	2,007,600
General fund	$6,653,271	$946,428	$7,599,699
Williston State College			
Total all funds	$7,996,300	$834,066	$8,830,366
Less estimated income	1,400,000	900,000	2,300,000
General fund	$6,596,300	($65,934)	$6,530,366

University of North Dakota			
Total all funds	$193,608,905	($1,746,985)	$191,861,920
Less estimated income	78,200,000	(4,100,000)	74,100,000
General fund	$115,408,905	$2,353,015	$117,761,920
UND Medical Center			
Total all funds	$33,874,938	$364,025	$34,238,963
Less estimated income			
General fund	$33,874,938	$364,025	$34,238,963
North Dakota State University			
Total all funds	$119,527,336	$13,912,042	$133,439,378
Less estimated income	20,500,000	15,000,000	35,500,000
General fund	$99,027,336	($1,087,958)	$97,939,378
State College of Science			
Total all funds	$38,830,758	$86,401	$38,917,159
Less estimated income	8,414,000		8,414,000
General fund	$30,416,758	$86,401	$30,503,159
Dickinson State University			
Total all funds	$25,917,119	($187,158)	$25,729,961
Less estimated income	8,000,000		8,000,000
General fund	$17,917,119	($187,158)	$17,729,961
Mayville State University			
Total all funds	$11,736,719	$471,302	$12,208,021
Less estimated income	900,000		900,000
General fund	$10,836,719	$471,302	$11,308,021
Minot State University			
Total all funds	$39,698,842	($253,757)	$39,445,085
Less estimated income	5,575,550	(4,336,400)	1,239,150
General fund	$34,123,292	$4,082,643	$38,205,935
Valley City State University			
Total all funds	$15,979,831	($128,579)	$15,851,252
Less estimated income			
General fund	$15,979,831	($128,579)	$15,851,252
Minot State University - Bottineau			
Total all funds	$5,182,179	($44,133)	$5,138,046
Less estimated income	12,905		12,905
General fund	$5,169,274	($44,133)	$5,125,141
Forest Service			
Total all funds	$3,538,935	($24,942)	$3,513,993
Less estimated income	997,486		997,486
General fund	$2,541,449	($24,942)	$2,516,507
Bill Total			
Total all funds	$599,700,596	$11,749,270	$611,449,866
Less estimated income	129,473,156	6,712,600	136,185,756
General fund	$470,227,440	$5,036,670	$475,264,110

House Bill No. 1003 - General Fund Summary

	EXECUTIVE BUDGET	HOUSE CHANGES	HOUSE VERSION
University System office	$70,910,723	($1,516,543)	$69,394,180
Bismarck State College	20,771,525	(211,897)	20,559,628
Lake Region State College	6,653,271	946,428	7,599,699
Williston State College	6,596,300	(65,934)	6,530,366
University of North Dakota	115,408,905	2,353,015	117,761,920
UND Medical Center	33,874,938	364,025	34,238,963
North Dakota State University	99,027,336	(1,087,958)	97,939,378
State College of Science	30,416,758	86,401	30,503,159
Dickinson State University	17,917,119	(187,158)	17,729,961
Mayville State University	10,836,719	471,302	11,308,021
Minot State University	34,123,292	4,082,643	38,205,935
Valley City State University	15,979,831	(128,579)	15,851,252
Minot State University - Bottineau	5,169,274	(44,133)	5,125,141
Forest Service	2,541,449	(24,942)	2,516,507
Total general fund	$470,227,440	$5,036,670	$475,264,110

Detail of House Changes to the General Fund

	DECREASES FUNDING FOR BOND PAYMENTS [1]	DECREASES FUNDING FOR BOARD INITIATIVES [2]	DECREASES FUNDING FOR SYSTEM GOVERNANCE [3]	INCREASES FUNDING FOR THE NORTHERN TIER NETWORK [4]	DECREASES FUNDING FOR OPERATIONS POOL [5]	DECREASES FUNDING FOR CONTINGENCY AND CAPITAL EMERGENCY [6]
University System office	($67,890)	($1,791,174)	($358,000)	$1,400,000	($200,000)	($200,000)
Bismarck State College						
Lake Region State College						
Williston State College						
University of North Dakota						

	DECREASES FUNDING FOR THE PROFESSIONAL STUDENT EXCHANGE PROGRAM [7]	INCREASES FUNDING FOR EDUCATION INITIATIVE PROGRAMS [8]	REDUCES COMPENSATION PACKAGE FROM 5/5 to 4/4 [9]	ADJUSTS FUNDING FOR OPERATIONS [10]	ADJUSTS FUNDING FOR CAPITAL ASSETS [11]	TOTAL GENERAL FUND CHANGES
UND Medical Center						
North Dakota State University						
State College of Science						
Dickinson State University						
Mayville State University						
Minot State University						
Valley City State University						
Minot State University - Bottineau						
Forest Service						
Total general fund	($67,890)	($1,791,174)	($358,000)	$1,400,000	($200,000)	($200,000)
University System office	($100,000)		($199,479)			($1,516,543)
Bismarck State College			(211,897)			(211,897)
Lake Region State College			(53,572)		$1,000,000	946,428
Williston State College			(65,934)			(65,934)
University of North Dakota			(1,246,985)		3,600,000	2,353,015
UND Medical Center			(335,975)	$700,000		364,025
North Dakota State University			(1,087,958)			(1,087,958)
State College of Science			(263,599)	350,000		86,401
Dickinson State University			(187,158)			(187,158)
Mayville State University			(88,198)		559,500	471,302
Minot State University			(304,357)		4,387,000	4,082,643
Valley City State University			(128,579)			(128,579)
Minot State University - Bottineau			(44,133)			(44,133)
Forest Service			(24,942)			(24,942)
Total general fund	($100,000)	$0	($4,242,766)	$1,050,000	$9,546,500	$5,036,670

House Bill No. 1003 - Other Funds Summary

	EXECUTIVE BUDGET	HOUSE CHANGES	HOUSE VERSION
University System office	$2,437,810	$249,000	$2,686,810
Bismarck State College	27,805		27,805
Lake Region State College	3,007,600	(1,000,000)	2,007,600
Williston State College	1,400,000	900,000	2,300,000
University of North Dakota	78,200,000	(4,100,000)	74,100,000
UND Medical Center			
North Dakota State University	20,500,000	15,000,000	35,500,000
State College of Science	8,414,000		8,414,000
Dickinson State University	8,000,000		8,000,000
Mayville State University	900,000		900,000
Minot State University	5,575,550	(4,336,400)	1,239,150
Valley City State University			
Minot State University - Bottineau	12,905		12,905
Forest Service	997,486		997,486
Total other funds	$129,473,156	$6,712,600	$136,185,756

Detail of House Changes to Other Funds

	DECREASES FUNDING FOR BOND PAYMENTS [1]	DECREASES FUNDING FOR BOARD INITIATIVES [2]	DECREASES FUNDING FOR SYSTEM GOVERNANCE [3]	INCREASES FUNDING FOR THE NORTHERN TIER NETWORK [4]	DECREASES FUNDING FOR OPERATIONS POOL [5]	DECREASES FUNDING FOR CONTINGENCY AND CAPITAL EMERGENCY [6]
University System office						
Bismarck State College						
Lake Region State College						
Williston State College						
University of North Dakota						
UND Medical Center						
North Dakota State University						
State College of Science						
Dickinson State University						
Mayville State University						
Minot State University						
Valley City State University						
Minot State University - Bottineau						
Forest Service						
Total other funds	$0	$0	$0	$0	$0	$0

	DECREASES FUNDING FOR THE PROFESSIONAL STUDENT EXCHANGE PROGRAM [7]	INCREASES FUNDING FOR EDUCATION INCENTIVE PROGRAMS [8]	REDUCES COMPENSATION PACKAGE FROM 5/5 TO 4/4 [9]	ADJUSTS FUNDING FOR OPERATIONS [10]	ADJUSTS FUNDING FOR CAPITAL ASSETS [11]	TOTAL OTHER FUNDS CHANGES
University System office		$249,000				$249,000
Bismarck State College						
Lake Region State College					($1,000,000)	(1,000,000)
Williston State College				$200,000	700,000	900,000
University of North Dakota					(4,100,000)	(4,100,000)
UND Medical Center						
North Dakota State University					15,000,000	15,000,000
State College of Science						
Dickinson State University						
Mayville State University						
Minot State University					(4,336,400)	(4,336,400)
Valley City State University						
Minot State University - Bottineau						
Forest Service						
Total other funds	$0	$249,000	$0	$200,000	$6,263,600	$6,712,600

House Bill No. 1003 - All Funds Summary

	EXECUTIVE BUDGET	HOUSE CHANGES	HOUSE VERSION
University System office	$73,348,533	($1,267,543)	$72,080,990
Bismarck State College	20,799,330	(211,897)	20,587,433
Lake Region State College	9,660,871	(53,572)	9,607,299
Williston State College	7,996,300	834,066	8,830,366
University of North Dakota	193,608,905	(1,746,985)	191,861,920
UND Medical Center	33,874,938	364,025	34,238,963
North Dakota State University	119,527,336	13,912,042	133,439,378
State College of Science	38,830,758	86,401	38,917,159
Dickinson State University	25,917,119	(187,158)	25,729,961
Mayville State University	11,736,719	471,302	12,208,021
Minot State University	39,698,842	(253,757)	39,445,085
Valley City State University	15,979,831	(128,579)	15,851,252
Minot State University - Bottineau	5,182,179	(44,133)	5,138,046
Forest Service	3,538,935	(24,942)	3,513,993
Total all funds	$599,700,596	$11,749,270	$611,449,866
FTE	2134.59	2.00	2136.59

Detail of House Changes to All Funds

	DECREASES FUNDING FOR BOND PAYMENTS [1]	DECREASES FUNDING FOR BOARD INITIATIVES [2]	DECREASES FUNDING FOR SYSTEM GOVERNANCE [3]	INCREASES FUNDING FOR THE NORTHERN TIER NETWORK [4]	DECREASES FUNDING FOR OPERATIONS POOL [5]	DECREASES FUNDING FOR CONTINGENCY AND CAPITAL EMERGENCY [6]
University System office	($67,890)	($1,791,174)	($358,000)	$1,400,000	($200,000)	($200,000)
Bismarck State College						
Lake Region State College						
Williston State College						
University of North Dakota						
UND Medical Center						
North Dakota State University						
State College of Science						
Dickinson State University						
Mayville State University						
Minot State University						
Valley City State University						
Minot State University - Bottineau						
Forest Service						
Total all funds	($67,890)	($1,791,174)	($358,000)	$1,400,000	($200,000)	($200,000)
FTE	0.00	0.00	(1.00)	0.00	0.00	0.00

	DECREASES FUNDING FOR THE PROFESSIONAL STUDENT EXCHANGE PROGRAM [7]	INCREASES FUNDING FOR EDUCATION INCENTIVE PROGRAMS [8]	REDUCES COMPENSATION PACKAGE FROM 5/5 to 4/4 [9]	ADJUSTS FUNDING FOR OPERATIONS [10]	ADJUSTS FUNDING FOR CAPITAL ASSETS [11]	TOTAL ALL FUNDS CHANGES
University System office	($100,000)	$249,000	($199,479)			($1,267,543)
Bismarck State College			(211,897)			(211,897)
Lake Region State College			(53,572)			(53,572)
Williston State College			(65,934)	$200,000	$700,000	834,066
University of North Dakota			(1,246,985)		(500,000)	(1,746,985)
UND Medical Center			(335,975)	700,000		364,025
North Dakota State University			(1,087,985)		15,000,000	13,912,042
State College of Science			(263,599)	350,000		86,401
Dickinson State University			(187,158)			(187,158)
Mayville State University			(88,198)		559,500	471,302
Minot State University			(304,357)		50,600	(253,757)
Valley City State University			(128,579)			(128,579)
Minot State University - Bottineau			(44,133)			(44,133)
Forest Service			(24,942)			(24,942)
Total all funds	($100,000)	$249,000	($4,242,766)	$1,250,000	$15,810,100	$11,749,270
FTE	0.00	0.00	0.00	3.00	0.00	2.00

[1] This amendment decreases funding from the general fund for bond payments by $67,890, from $15,822,002, of which $14,792,252 is from the general fund and $1,029,750 is from special funds, to $15,754,112, of which $14,724,362 is from the general fund and $1,029,750 is from special funds.

[2] This amendment decreases funding from the general fund for board initiatives by $1,791,174, from $2,091,174 as recommended in the executive budget, to $300,000.

[3] This amendment removes funding of $358,000 from the general fund for the system governance line item. Of the $358,000, $308,000 relates to funding included in the executive budget recommendation to separate the vice chancellor for strategic planning and the executive director of the College Technical Education Council as well as provide funding for an anticipated higher salary replacement cost for the vice chancellor position. The remaining $50,000 relates to one-time funding provided in the 2005-07 biennium for a technology commercialization study that is removed for the 2007-09 biennium.

[4] This amendment increases funding for the Northern Tier Network project by $1.4 million, from $1 million to $2.4 million from the general fund.

[5] This amendment decreases funding for the operations pool by $200,000, from $344,559 to $144,559 from the general fund.

[6] This amendment decreases funding for contingency and capital emergencies by $200,000, from $496,482 to $296,482 from the general fund.

[7] The executive budget recommended including funding of $200,000 from the general fund in the professional student exchange program line item for a loan forgiveness program for veterinary and optometry students. This amendment decreases the funding by $100,000 to reflect the elimination of the proposed loan forgiveness program for optometry students in House Bill No. 1125.

[8] This amendment increases funding for the education incentive programs by $249,000, from $1,227,902 to $1,989,314, for additional funding for the teacher shortage loan forgiveness program. The additional funding is from profits that have accrued at the Bank of North Dakota as a result of the Bank administering student loan programs.

[9] This amendment reduces funding for salary increases from 5 percent for each year of the 2007-09 biennium to 4 percent for each year of the biennium.

[10] Williston State College - This amendment provides funding of $200,000 from the permanent oil tax trust fund for support of the college's service rig program, including $140,000 for 1 new FTE training position and $60,000 for operating expenses.

UND School of Medicine and Health Sciences - This amendment provides funding of $700,000 from the general fund for recruiting two new faculty in bacteriology and immunology. Of the $700,000, $460,800 is considered one-time funding and $239,200 is considered base funding.

State College of Science - This amendment provides funding of $350,000 from the general fund for support of the Center for Nanoscience and Technology Training, including curriculum design and development, purchase and installation of specialized equipment, facilities renovation, technical support, and other related costs associated with the development of the nanoscience technician program and nanotechnology applied science laboratory and related emerging technology programming.

[11] Lake Region State College - This amendment changes the funding source for the college's wind energy project as follows:

	EXECUTIVE BUDGET	PROPOSED AMENDMENTS	INCREASE (DECREASE)
General fund		$1,000,000	$1,000,000
Special funds	$3,007,600	2,007,600	(1,000,000)
Total	$3,007,600	$3,007,600	$0

Williston State College - This amendment provides funding of $700,000 from the permanent oil tax trust fund for construction of a new facility for the college's service rig program.

University of North Dakota - This amendment changes the funding source of the UND School of Medicine and Health Sciences' new Bismarck family medicine residency facility as summarized below. The university may use any special funds available for the project.

	EXECUTIVE BUDGET	PROPOSED AMENDMENTS	INCREASE (DECREASE)
General fund		$3,600,000	$3,600,000
Special funds	$4,500,000	400,000	(4,100,000)
Total	$4,500,000	$4,000,000	($500,000)

North Dakota State University - This amendment provides a $15 million special funds appropriation to the university to reauthorize the Bison Sports Arena renovation project.

Mayville State University - This amendment provides funding of $559,500 from the general fund to the university for the payoff of special assessment balances and deferred maintenance issues.

Minot State University - This amendment changes the funding source for the university's Swain Hall renovation and addition project as follows:

	EXECUTIVE BUDGET	PROPOSED AMENDMENTS	INCREASE (DECREASE)
General fund	$2,500,000	$6,500,000	$4,000,000
Special funds	4,536,150	536,150	(4,000,000)
Total	$7,036,150	$7,036,150	$0

This amendment also changes the university's dome athletic floor replacement project as follows:

	EXECUTIVE BUDGET	PROPOSED AMENDMENTS	INCREASE (DECREASE)
General fund		$387,000	$387,000
Special funds	$336,400		(336,400)
Total	$336,400	$387,000	$50,600

House Bill No. 1003 - Other Changes - House Action

This amendment also:

- Amends Section 10 of the bill as introduced relating to the student loan trust fund.
- Amends Section 16 of the bill as introduced relating to revenue bond issuance.
- Adds a section to the bill limiting tuition rate increases for the 2007-08 and 2008-09 academic years to 5 percent for each year.
- Adds a section to the bill relating to one-time funding.
- Amends North Dakota Century Code Section 15-10-43 to eliminate the payback provision for all Kansas State University veterinary medicine positions and allows for the appointment of alternates to the selection committee.

Date: 2/15/07
Roll Call Vote #: 1

2007 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1003

House Appropriations Full Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number 78003.0129

Action Taken Adopt Amendment

Motion Made By Wald Seconded By Monson

Representatives	Yes	No	Representatives	Yes	No
Chairman Svedjan	✓				
Vice Chairman Kempenich	✓				
Representative Wald	✓		Representative Aarsvold	✓	
Representative Monson	✓		Representative Gulleson	✓	
Representative Hawken	✓				
Representative Klein	✓				
Representative Martinson	✓				
Representative Carlson	✓		Representative Glassheim		✓
Representative Carlisle	✓		Representative Kroeber	✓	
Representative Skarphol	✓		Representative Williams	✓	
Representative Thoreson	✓				
Representative Pollert	✓		Representative Ekstrom	✓	
Representative Bellew	✓		Representative Kerzman		✓
Representative Kreidt	✓		Representative Metcalf	✓	
Representative Nelson	—				
Representative Wieland	✓				

Total (Yes) 21 No 2

Absent 1

Floor Assignment

If the vote is on an amendment, briefly indicate intent:

78003.0126
Title.

Prepared by the Legislative Council staff for
Representatives Svedjan, Martinson, and
Aarsvold

February 9, 2007

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1003

Page 1, line 3, after the semicolon insert "to provide for a legislative council study;"

Page 16, after line 13, insert:

"**SECTION 18. LEGISLATIVE COUNCIL STUDY - HIGHER EDUCATION.**

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

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

3. The committee shall:

   a. Receive and review information regarding measures that build a more cost-effective system, including a more appropriate mix of institutions, new types of providers, effective collaboration among institutions, and a more efficient use of existing resources.

   b. Receive and review information regarding changes to the academic production function, including programs of cost-effective size, and a reengineering of curricula and course delivery.

   c. Receive and review information regarding reducing the demand students place on the system, including accelerated learning, time-to-degree completion, and remediation.

   d. Receive input from representatives of the state board of higher education, higher education institutions, and business and industry.

4. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-first legislative assembly.

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

Renumber accordingly

Date: 2/15/07
Roll Call Vote #: 2

2007 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1003

House Appropriations Full Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number 78003.0126

Action Taken Adopt Amendment

Motion Made By Martinson Seconded By Skarphol

Representatives	Yes	No	Representatives	Yes	No
Chairman Svedjan					
Vice Chairman Kempenich					
Representative Wald			Representative Aarsvold		
Representative Monson			Representative Gulleson		
Representative Hawken					
Representative Klein					
Representative Martinson					
Representative Carlson			Representative Glassheim		
Representative Carlisle			Representative Kroeber		
Representative Skarphol			Representative Williams		
Representative Thoreson					
Representative Pollert			Representative Ekstrom		
Representative Bellew			Representative Kerzman		
Representative Kreidt			Representative Metcalf		
Representative Nelson					
Representative Wieland					

Total (Yes) Voice Vote No

Absent

Floor Assignment

If the vote is on an amendment, briefly indicate intent:

78003.0130
Title.

Prepared by the Legislative Council staff for
Representative Skarphol
February 14, 2007

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1003

Page 1, line 3, after "projects" insert "; to repeal sections 1 and 2 of House Bill No. 1031, as approved by the sixtieth legislative assembly, relating to the budgeting process"

Page 16, after line 13, insert:

"**SECTION 18. REPEAL.** Sections 1 and 2 of House Bill No. 1031, as approved by the sixtieth legislative assembly, are repealed."

Renumber accordingly

Date: 2/15/07
Roll Call Vote #: 3

2007 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1003

House Appropriations Full Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number 78003.0130

Action Taken Adopt Amendment

Motion Made By SKA Seconded By THo

Representatives	Yes	No	Representatives	Yes	No
Chairman Svedjan					
Vice Chairman Kempenich					
Representative Wald			Representative Aarsvold		
Representative Monson			Representative Gulleson		
Representative Hawken					
Representative Klein					
Representative Martinson					
Representative Carlson			Representative Glassheim		
Representative Carlisle			Representative Kroeber		
Representative Skarphol			Representative Williams		
Representative Thoreson					
Representative Pollert			Representative Ekstrom		
Representative Bellew			Representative Kerzman		
Representative Kreidt			Representative Metcalf		
Representative Nelson					
Representative Wieland					

Total (Yes) Voice Vote No

Absent

Floor Assignment

If the vote is on an amendment, briefly indicate intent:

budget detail for higher Ed

Date: 2/15/07
Roll Call Vote #: 4

2007 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1003

House Appropriations Full Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number

Action Taken Do PASS As Amended

Motion Made By Martinson Seconded By Wald

Representatives	Yes	No	Representatives	Yes	No
Chairman Svedjan	✓				
Vice Chairman Kempenich	✓				
Representative Wald	✓		Representative Aarsvold	✓	
Representative Monson	✓		Representative Gulleson	✓	
Representative Hawken	✓				
Representative Klein	✓				
Representative Martinson	✓				
Representative Carlson	✓		Representative Glassheim		✓
Representative Carlisle	✓		Representative Kroeber	✓	
Representative Skarphol	✓		Representative Williams	✓	
Representative Thoreson	✓				
Representative Pollert	✓		Representative Ekstrom		✓
Representative Bellew	✓		Representative Kerzman		✓
Representative Kreidt	✓		Representative Metcalf	✓	
Representative Nelson					
Representative Wieland	✓				

Total (Yes) 20 No 3

Absent 1

Floor Assignment Rep Wald

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE

HB 1003: Appropriations Committee (Rep. Svedjan, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (23 YEAS, 1 NAY, 0 ABSENT AND NOT VOTING). HB 1003 was placed on the Sixth order on the calendar.

Page 1, line 3, after the semicolon insert "to limit student tuition rates; to provide for a transfer; to provide for a legislative council study; to amend and reenact section 15-10-43 of the North Dakota Century Code, relating to the contract with the Kansas state university veterinary medical education program; to repeal sections 1 and 2 of House Bill No. 1031, as approved by the sixtieth legislative assembly, relating to the budgeting process; to provide for retroactive application;"

Page 4, replace lines 30 and 31 with:

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

Subdivision 1.

NORTH DAKOTA UNIVERSITY SYSTEM OFFICE

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

Subdivision 2.

BISMARCK STATE COLLEGE

Operations	$2,705,693
Capital assets	(2,972,589)
Total all funds - Adjustments/enhancements	($266,896)
Less estimated income - Adjustments/enhancements	(3,717,495)
Total general fund - Adjustments/enhancements	$3,450,599

Subdivision 3.

LAKE REGION STATE COLLEGE

Operations	$1,084,106
Capital assets	2,745,667
Total all funds - Adjustments/enhancements	$3,829,773
Less estimated income - Adjustments/enhancements	2,007,600
Total general fund - Adjustments/enhancements	$1,822,173

Subdivision 4.

WILLISTON STATE COLLEGE

Operations	$820,171
Capital assets	(5,879,277)
Total all funds - Adjustments/enhancements	($5,059,106)
Less estimated income - Adjustments/enhancements	(5,660,000)
Total general fund - Adjustments/enhancements	$600,894

Subdivision 5.

UNIVERSITY OF NORTH DAKOTA

Operations	$13,481,443
Capital assets	(18,303,224)
Total all funds - Adjustments/enhancements	($4,821,781)
Less estimated income - Adjustments/enhancements	(27,731,554)
Total general fund - Adjustments/enhancements	$22,909,773

Subdivision 6.

NORTH DAKOTA STATE UNIVERSITY

Operations	$12,925,567
Capital assets	(6,483,065)
Total all funds - Adjustments/enhancements	$6,442,502
Less estimated income - Adjustments/enhancements	(14,000,000)
Total general fund - Adjustments/enhancements	$20,442,502

Subdivision 7.

NORTH DAKOTA STATE COLLEGE OF SCIENCE

Operations	$2,459,466
Capital assets	1,198,613
Total all funds - Adjustments/enhancements	$3,658,079
Less estimated income - Adjustments/enhancements	(1,104,920)
Total general fund - Adjustments/enhancements	$4,762,999

Subdivision 8.

DICKINSON STATE UNIVERSITY

Operations	$1,999,571
Capital assets	(465,484)
Total all funds - Adjustments/enhancements	$1,534,087
Less estimated income - Adjustments/enhancements	(1,100,557)
Total general fund - Adjustments/enhancements	$2,634,644

Subdivision 9.

MAYVILLE STATE UNIVERSITY

Operations	$797,961
Capital assets	547,436
Total all funds - Adjustments/enhancements	$1,345,397
Less estimated income - Adjustments/enhancements	(600,000)
Total general fund - Adjustments/enhancements	$1,945,397

Subdivision 10.

MINOT STATE UNIVERSITY

Operations	$2,650,342
Capital assets	367,024
Total all funds - Adjustments/enhancements	$3,017,366
Less estimated income - Adjustments/enhancements	(7,295,850)
Total general fund - Adjustments/enhancements	$10,313,216

Subdivision 11.

VALLEY CITY STATE UNIVERSITY

Operations	$1,048,491
Capital assets	2,487,819
Total general fund - Adjustments/enhancements	$3,536,310

Subdivision 12.

MINOT STATE UNIVERSITY - BOTTINEAU

Operations	$392,884
Capital assets	(5,699,023)
Total all funds - Adjustments/enhancements	($5,306,139)
Less estimated income - Adjustments/enhancements	(5,987,095)
Total general fund - Adjustments/enhancements	$680,956

Subdivision 13.

UNIVERSITY OF NORTH DAKOTA SCHOOL OF MEDICINE AND HEALTH SCIENCES

Operations	$2,877,961
Total general fund - Adjustments/enhancements	$2,877,961

Subdivision 14.

NORTH DAKOTA FOREST SERVICE

Operations	$408,143
Capital assets	78,566
Total all funds - Adjustments/enhancements	$486,709
Less estimated income - Adjustments/enhancements	22,485
Total general fund - Adjustments/enhancements	$464,224
Total general fund - Section 2	$88,106,217
Total estimated income - Section 2	($65,080,352)
Total all funds - Section 2	$23,025,865

SECTION 3. 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 office and the various entities and institutions under the supervision of the state board of higher education for the purpose of defraying the expenses of those entities and institutions, for the biennium beginning July 1, 2007, and ending June 30, 2009, as follows:

Subdivision 1.

NORTH DAKOTA UNIVERSITY SYSTEM OFFICE AND INSTITUTIONS

Capital assets	$16,754,112
Competitive research program	5,500,000
Board initiatives	300,000
System governance	6,034,941
Title II	695,600
Common information services	28,652,267
Operations pool	144,559
Contingency and capital emergency	296,482
Professional liability insurance	1,350,000
Student financial assistance grants	5,987,497
Professional student exchange program	2,517,026
Scholars program	1,478,566
Native American scholarships	380,626
Education incentive programs	1,989,314
Total all funds	$72,080,990

Less estimated income	2,686,810
Total general fund appropriation	$69,394,180

Subdivision 2.

BISMARCK STATE COLLEGE

Operations	$19,571,241
Capital assets	1,016,192
Total all funds	$20,587,433
Less estimated income	27,805
Total general fund appropriation	$20,559,628

Subdivision 3.

LAKE REGION STATE COLLEGE

Operations	$6,474,095
Capital assets	3,133,204
Total all funds	$9,607,299
Less estimated income	2,007,600
Total general fund appropriation	$7,599,699

Subdivision 4.

WILLISTON STATE COLLEGE

Operations	$6,573,168
Capital assets	2,257,198
Total all funds	$8,830,366
Less estimated income	2,300,000
Total general fund appropriation	$6,530,366

Subdivision 5.

UNIVERSITY OF NORTH DAKOTA

Operations	$106,033,045
Capital assets	81,828,875
Total all funds	$187,861,920
Less estimated income	70,100,000
Total general fund appropriation	$117,761,920

Subdivision 6.

NORTH DAKOTA STATE UNIVERSITY

Operations	$88,730,217
Capital assets	32,709,161
Total all funds	$121,439,378
Less estimated income	23,500,000
Total general fund appropriation	$97,939,378

Subdivision 7.

NORTH DAKOTA STATE COLLEGE OF SCIENCE

Operations	$27,446,294
Capital assets	4,756,865
Total all funds	$32,203,159
Less estimated income	1,700,000
Total general fund appropriation	$30,503,159

Subdivision 8.

DICKINSON STATE UNIVERSITY

Operations	$16,711,198
Capital assets	9,018,763
Total all funds	$25,729,961

Less estimated income	8,000,000
Total general fund appropriation	$17,729,961

Subdivision 9.

MAYVILLE STATE UNIVERSITY

Operations	$9,801,591
Capital assets	2,406,430
Total all funds	$12,208,021
Less estimated income	900,000
Total general fund appropriation	$11,308,021

Subdivision 10.

MINOT STATE UNIVERSITY

Operations	$29,866,191
Capital assets	9,578,894
Total all funds	$39,445,085
Less estimated income	1,239,150
Total general fund appropriation	$38,205,935

Subdivision 11.

VALLEY CITY STATE UNIVERSITY

Operations	$12,855,017
Capital assets	2,996,235
Total general fund appropriation	$15,851,252

Subdivision 12.

MINOT STATE UNIVERSITY - BOTTINEAU

Operations	$4,727,344
Capital assets	410,702
Total all funds	$5,138,046
Less estimated income	12,905
Total general fund appropriation	$5,125,141

Subdivision 13.

UNIVERSITY OF NORTH DAKOTA SCHOOL OF MEDICINE AND HEALTH SCIENCES

Operations	$34,238,963
Total general fund appropriation	$34,238,963

Subdivision 14.

NORTH DAKOTA FOREST SERVICE

Operations	$3,333,789
Capital assets	180,204
Total all funds	$3,513,993
Less estimated income	997,486
Total general fund appropriation	$2,516,507
Total general fund appropriation - Section 3	$475,264,110
Total estimated income appropriation - Section 3	$113,471,756
Total all funds appropriation - Section 3	$588,735,866
Grand total general fund appropriation - H.B. 1003	$475,264,110
Grand total estimated income appropriation - H.B. 1003	$136,185,756
Grand total all funds appropriation - H.B. 1003	$611,449,866

Page 5, remove lines 1 through 30

Page 6, remove lines 1 through 31

Page 7, remove lines 1 through 30

Page 8, remove lines 1 through 31

Page 9, remove lines 1 through 30

Page 10, remove lines 1 through 31

Page 11, remove lines 1 through 30

Page 12, remove lines 1 through 15

Page 12, line 19, replace "$15,822,002" with "$15,754,112"

Page 12, line 23, replace "$344,559" with "$144,559"

Page 12, line 27, replace "$27,403,293" with "$28,652,267"

Page 13, line 5, replace "$496,482" with "$296,482"

Page 13, line 14, replace "**APPROPRIATION.** There is appropriated out of any moneys in the" with "**STUDENT LOAN TRUST FUND.** Section 3 of this Act includes the sum of $317,460, or so much of the sum as may be necessary, from the student loan trust fund for the professional student exchange program, for the biennium beginning July 1, 2007, and ending June 30, 2009.

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

Page 13, remove lines 15 through 17

Page 14, line 30, replace "$12,000,000" with "12,000,000"

Page 15, line 1, replace "$6,000,000" with "6,000,000"

Page 15, line 2, replace $714,000" with "714,000"

Page 15, after line 2, insert:
"Total special funds appropriation $22,714,000"

Page 16, after line 13, insert:

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

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

SECTION 21. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-FIRST LEGISLATIVE ASSEMBLY. The grand total general fund

appropriation line item in section 3 of this Act includes $42,322,010 for one-time funding items identified in this section. This amount is not a part of the institutions' base budgets to be used in preparing the 2009-11 executive budget. The North Dakota university system shall report to the appropriations committees of the sixty-first legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2007, and ending June 30, 2009.

Northern tier network infrastructure	$2,400,000
ConnectND system support	3,700,000
Common information system pool parity funding	420,000
Deferred maintenance	11,559,500
Capital projects	23,431,710
Campus initiatives	810,800
Total	$42,322,010

SECTION 22. LEGISLATIVE COUNCIL STUDY - HIGHER EDUCATION.

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

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

3. The committee shall:

   a. Receive and review information regarding measures that build a more cost-effective system, including a more appropriate mix of institutions, new types of providers, effective collaboration among institutions, and a more efficient use of existing resources.

   b. Receive and review information regarding changes to the academic production function, including programs of cost-effective size, and a reengineering of curricula and course delivery.

   c. Receive and review information regarding reducing the demand students place on the system, including accelerated learning, time-to-degree completion, and remediation.

   d. Receive input from representatives of the state board of higher education, higher education institutions, and business and industry.

4. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-first legislative assembly.

SECTION 23. USE OF UNSPENT 2005-07 GENERAL FUND APPROPRIATIONS. The state board of higher education shall make available $200,000 of the North Dakota university system office unspent 2005-07 general fund appropriation authorized to continue under section 54-44.1-11 for the payment of any

consulting services relating to the legislative council study of higher education for the biennium beginning July 1, 2007, and ending June 30, 2009.

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

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

1. In addition to any contracts under section 15-10-28.2, the state board of higher education may contract with Kansas state university to provide an opportunity for up to five eligible students to enroll in the veterinary medical education program at Kansas state university.

2. Eligible students must be residents of this state and must have been selected for enrollment by an admissions committee consisting of one faculty member from the department of veterinary and microbiological sciences at North Dakota state university, one veterinarian practicing in this state, one member of the legislative assembly, and one livestock producer, all of whom must be appointed by the legislative council, and the chairman of the admissions committee at the Kansas state university school of veterinary medicine. The legislative council and the chairman of the admissions committee at the Kansas state university school of veterinary medicine may select an alternative for each of the designated positions to serve as necessary.

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

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

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

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

1. In addition to any contracts under section 15-10-28.2, the state board of higher education may contract with Kansas state university to provide an opportunity for up to five eligible students to enroll in the veterinary medical education program at Kansas state university.

2. Eligible students must be residents of this state and must have been selected for enrollment by an admissions committee consisting of one faculty member from the department of veterinary and microbiological sciences at North Dakota state university, one veterinarian practicing in this state, one member of the legislative assembly, and one livestock producer, all of whom must be appointed by the legislative council, and the chairman of the admissions committee at the Kansas state university school of veterinary medicine.

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

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

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

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

Page 16, line 16, replace "14" with "15"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1003 - Summary of House Action

	EXECUTIVE BUDGET	HOUSE CHANGES	HOUSE VERSION
University System office			
Total all funds	$73,348,533	($1,267,543)	$72,080,990
Less estimated income	2,437,810	249,000	2,686,810
General fund	$70,910,723	($1,516,543)	$69,394,180
Bismarck State College			
Total all funds	$20,799,330	($211,897)	$20,587,433
Less estimated income	27,805		27,805
General fund	$20,771,525	($211,897)	$20,559,628
Lake Region State College			
Total all funds	$9,660,871	($53,572)	$9,607,299
Less estimated income	3,007,600	(1,000,000)	2,007,600
General fund	$6,653,271	$946,428	$7,599,699
Williston State College			
Total all funds	$7,996,300	$834,066	$8,830,366
Less estimated income	1,400,000	900,000	2,300,000
General fund	$6,596,300	($65,934)	$6,530,366
University of North Dakota			
Total all funds	$193,608,905	($1,746,985)	$191,861,920
Less estimated income	78,200,000	(4,100,000)	74,100,000
General fund	$115,408,905	$2,353,015	$117,761,920
UND Medical Center			
Total all funds	$33,874,938	$364,025	$34,238,963
Less estimated income			
General fund	$33,874,938	$364,025	$34,238,963
North Dakota State University			
Total all funds	$119,527,336	$13,912,042	$133,439,378
Less estimated income	20,500,000	15,000,000	35,500,000
General fund	$99,027,336	($1,087,958)	$97,939,378
State College of Science			
Total all funds	$38,830,758	$86,401	$38,917,159
Less estimated income	8,414,000		8,414,000
General fund	$30,416,758	$86,401	$30,503,159
Dickinson State University			
Total all funds	$25,917,119	($187,158)	$25,729,961
Less estimated income	8,000,000		8,000,000

General fund	$17,917,119	($187,158)	$17,729,961
Mayville State University			
Total all funds	$11,736,719	$471,302	$12,208,021
Less estimated income	900,000		900,000
General fund	$10,836,719	$471,302	$11,308,021
Minot State University			
Total all funds	$39,698,842	($253,757)	$39,445,085
Less estimated income	5,575,550	(4,336,400)	1,239,150
General fund	$34,123,292	$4,082,643	$38,205,935
Valley City State University			
Total all funds	$15,979,831	($128,579)	$15,851,252
Less estimated income			
General fund	$15,979,831	($128,579)	$15,851,252
Minot State University - Bottineau			
Total all funds	$5,182,179	($44,133)	$5,138,046
Less estimated income	12,905		12,905
General fund	$5,169,274	($44,133)	$5,125,141
Forest Service			
Total all funds	$3,538,935	($24,942)	$3,513,993
Less estimated income	997,486		997,486
General fund	$2,541,449	($24,942)	$2,516,507
Bill Total			
Total all funds	$599,700,596	$11,749,270	$611,449,866
Less estimated income	129,473,156	6,712,600	136,185,756
General fund	$470,227,440	$5,036,670	$475,264,110

House Bill No. 1003 - General Fund Summary

	EXECUTIVE BUDGET	HOUSE CHANGES	HOUSE VERSION
University System office	$70,910,723	($1,516,543)	$69,394,180
Bismarck State College	20,771,525	(211,897)	20,559,628
Lake Region State College	6,653,271	946,428	7,599,699
Williston State College	6,596,300	(65,934)	6,530,366
University of North Dakota	115,408,905	2,353,015	117,761,920
UND Medical Center	33,874,938	364,025	34,238,963
North Dakota State University	99,027,336	(1,087,958)	97,939,378
State College of Science	30,416,758	86,401	30,503,159
Dickinson State University	17,917,119	(187,158)	17,729,961
Mayville State University	10,836,719	471,302	11,308,021
Minot State University	34,123,292	4,082,643	38,205,935
Valley City State University	15,979,831	(128,579)	15,851,252
Minot State University - Bottineau	5,169,274	(44,133)	5,125,141
Forest Service	2,541,449	(24,942)	2,516,507
Total general fund	$470,227,440	$5,036,670	$475,264,110

Detail of House Changes to the General Fund

	DECREASES FUNDING FOR BOND PAYMENTS [1]	DECREASES FUNDING FOR BOARD INITIATIVES [2]	DECREASES FUNDING FOR SYSTEM GOVERNANCE [3]	INCREASES FUNDING FOR THE NORTHERN TIER NETWORK [4]	DECREASES FUNDING FOR OPERATIONS POOL [5]	DECREASES FUNDING FOR CONTINGENCY AND CAPITAL EMERGENCY [6]
University System office	($67,890)	($1,791,174)	($358,000)	$1,400,000	($200,000)	($200,000)
Bismarck State College						
Lake Region State College						
Williston State College						
University of North Dakota						
UND Medical Center						
North Dakota State University						
State College of Science						
Dickinson State University						
Mayville State University						
Minot State University						
Valley City State University						
Minot State University - Bottineau						
Forest Service						
Total general fund	($67,890)	($1,791,174)	($358,000)	$1,400,000	($200,000)	($200,000)
	DECREASES FUNDING					

	FOR THE PROFESSIONAL STUDENT EXCHANGE PROGRAM [7]	INCREASES FUNDING FOR EDUCATION INITIATIVE PROGRAMS [8]	REDUCES COMPENSATION PACKAGE FROM 5/5 to 4/4 [9]	ADJUSTS FUNDING FOR OPERATIONS [10]	ADJUSTS FUNDING FOR CAPITAL ASSETS [11]	TOTAL GENERAL FUND CHANGES
University System office	($100,000)		($199,479)			($1,516,543)
Bismarck State College			(211,897)			(211,897)
Lake Region State College			(53,572)		$1,000,000	946,428
Williston State College			(65,934)			(65,934)
University of North Dakota			(1,246,985)		3,600,000	2,353,015
UND Medical Center			(335,975)	$700,000		364,025
North Dakota State University			(1,087,958)			(1,087,958)
State College of Science			(263,599)	350,000		86,401
Dickinson State University			(187,158)			(187,158)
Mayville State University			(88,198)		559,500	471,302
Minot State University			(304,357)		4,387,000	4,082,643
Valley City State University			(128,579)			(128,579)
Minot State University - Bottineau			(44,133)			(44,133)
Forest Service			(24,942)			(24,942)
Total general fund	($100,000)	$0	($4,242,766)	$1,050,000	$9,546,500	$5,036,670

House Bill No. 1003 - Other Funds Summary

	EXECUTIVE BUDGET	HOUSE CHANGES	HOUSE VERSION
University System office	$2,437,810	$249,000	$2,686,810
Bismarck State College	27,805		27,805
Lake Region State College	3,007,600	(1,000,000)	2,007,600
Williston State College	1,400,000	900,000	2,300,000
University of North Dakota	78,200,000	(4,100,000)	74,100,000
UND Medical Center			
North Dakota State University	20,500,000	15,000,000	35,500,000
State College of Science	8,414,000		8,414,000
Dickinson State University	8,000,000		8,000,000
Mayville State University	900,000		900,000
Minot State University	5,575,550	(4,336,400)	1,239,150
Valley City State University			
Minot State University - Bottineau	12,905		12,905
Forest Service	997,486		997,486
Total other funds	$129,473,156	$6,712,600	$136,185,756

Detail of House Changes to Other Funds

	DECREASES FUNDING FOR BOND PAYMENTS [1]	DECREASES FUNDING FOR BOARD INITIATIVES [2]	DECREASES FUNDING FOR SYSTEM GOVERNANCE [3]	INCREASES FUNDING FOR THE NORTHERN TIER NETWORK [4]	DECREASES FUNDING FOR OPERATIONS POOL [5]	DECREASES FUNDING FOR CONTINGENCY AND CAPITAL EMERGENCY [6]
University System office						
Bismarck State College						
Lake Region State College						
Williston State College						
University of North Dakota						
UND Medical Center						
North Dakota State University						
State College of Science						
Dickinson State University						
Mayville State University						
Minot State University						
Valley City State University						
Minot State University - Bottineau						
Forest Service						
Total other funds	$0	$0	$0	$0	$0	$0

	DECREASES FUNDING FOR THE PROFESSIONAL STUDENT EXCHANGE PROGRAM [7]	INCREASES FUNDING FOR EDUCATION INCENTIVE PROGRAMS [8]	REDUCES COMPENSATION PACKAGE FROM 5/5 TO 4/4 [9]	ADJUSTS FUNDING FOR OPERATIONS [10]	ADJUSTS FUNDING FOR CAPITAL ASSETS [11]	TOTAL OTHER FUNDS CHANGES
University System office		$249,000				$249,000
Bismarck State College						
Lake Region State College					($1,000,000)	(1,000,000)

Williston State College				$200,000	700,000	900,000
University of North Dakota					(4,100,000)	(4,100,000)
UND Medical Center						
North Dakota State University					15,000,000	15,000,000
State College of Science						
Dickinson State University						
Mayville State University						
Minot State University					(4,336,400)	(4,336,400)
Valley City State University						
Minot State University - Bottineau						
Forest Service						
Total other funds	$0	$249,000	$0	$200,000	$6,263,600	$6,712,600

House Bill No. 1003 - All Funds Summary

	EXECUTIVE BUDGET	HOUSE CHANGES	HOUSE VERSION
University System office	$73,348,533	($1,267,543)	$72,080,990
Bismarck State College	20,799,330	(211,897)	20,587,433
Lake Region State College	9,660,871	(53,572)	9,607,299
Williston State College	7,996,300	834,066	8,830,366
University of North Dakota	193,608,905	(1,746,985)	191,861,920
UND Medical Center	33,874,938	364,025	34,238,963
North Dakota State University	119,527,336	13,912,042	133,439,378
State College of Science	38,830,758	86,401	38,917,159
Dickinson State University	25,917,119	(187,158)	25,729,961
Mayville State University	11,736,719	471,302	12,208,021
Minot State University	39,698,842	(253,757)	39,445,085
Valley City State University	15,979,831	(128,579)	15,851,252
Minot State University - Bottineau	5,182,179	(44,133)	5,138,046
Forest Service	3,538,935	(24,942)	3,513,993
Total all funds	$599,700,596	$11,749,270	$611,449,866
FTE	2134.59	2.00	2136.59

Detail of House Changes to All Funds

	DECREASES FUNDING FOR BOND PAYMENTS [1]	DECREASES FUNDING FOR BOARD INITIATIVES [2]	DECREASES FUNDING FOR SYSTEM GOVERNANCE [3]	INCREASES FUNDING FOR THE NORTHERN TIER NETWORK [4]	DECREASES FUNDING FOR OPERATIONS POOL [5]	DECREASES FUNDING FOR CONTINGENCY AND CAPITAL EMERGENCY [6]
University System office	($67,890)	($1,791,174)	($358,000)	$1,400,000	($200,000)	($200,000)
Bismarck State College						
Lake Region State College						
Williston State College						
University of North Dakota						
UND Medical Center						
North Dakota State University						
State College of Science						
Dickinson State University						
Mayville State University						
Minot State University						
Valley City State University						
Minot State University - Bottineau						
Forest Service						
Total all funds	($67,890)	($1,791,174)	($358,000)	$1,400,000	($200,000)	($200,000)
FTE	0.00	0.00	(1.00)	0.00	0.00	0.00

	DECREASES FUNDING FOR THE PROFESSIONAL STUDENT EXCHANGE PROGRAM [7]	INCREASES FUNDING FOR EDUCATION INCENTIVE PROGRAMS [8]	REDUCES COMPENSATION PACKAGE FROM 5/5 to 4/4 [9]	ADJUSTS FUNDING FOR OPERATIONS [10]	ADJUSTS FUNDING FOR CAPITAL ASSETS [11]	TOTAL ALL FUNDS CHANGES
University System office	($100,000)	$249,000	($199,479)			($1,267,543)
Bismarck State College			(211,897)			(211,897)
Lake Region State College			(53,572)			(53,572)
Williston State College			(65,934)	$200,000	$700,000	834,066
University of North Dakota			(1,246,985)		(500,000)	(1,746,985)
UND Medical Center			(335,975)	700,000		364,025

North Dakota State University			(1,087,985)		15,000,000	13,912,042
State College of Science			(263,599)	350,000		86,401
Dickinson State University			(187,158)			(187,158)
Mayville State University			(88,198)		559,500	471,302
Minot State University			(304,357)		50,600	(253,757)
Valley City State University			(128,579)			(128,579)
Minot State University - Bottineau			(44,133)			(44,133)
Forest Service			(24,942)			(24,942)
Total all funds	($100,000)	$249,000	($4,242,766)	$1,250,000	$15,810,100	$11,749,270
FTE	0.00	0.00	0.00	3.00	0.00	2.00

1 This amendment decreases funding from the general fund for bond payments by $67,890, from $15,822,002, of which $14,792,252 is from the general fund and $1,029,750 is from special funds, to $15,754,112, of which $14,724,362 is from the general fund and $1,029,750 is from special funds.

2 This amendment decreases funding from the general fund for board initiatives by $1,791,174, from $2,091,174 as recommended in the executive budget, to $300,000.

3 This amendment removes funding of $358,000 from the general fund for the system governance line item. Of the $358,000, $308,000 relates to funding included in the executive budget recommendation to separate the vice chancellor for strategic planning and the executive director of the College Technical Education Council as well as provide funding for an anticipated higher salary replacement cost for the vice chancellor position. The remaining $50,000 relates to one-time funding provided in the 2005-07 biennium for a technology commercialization study that is removed for the 2007-09 biennium.

4 This amendment increases funding for the Northern Tier Network project by $1.4 million, from $1 million to $2.4 million from the general fund.

5 This amendment decreases funding for the operations pool by $200,000, from $344,559 to $144,559 from the general fund.

6 This amendment decreases funding for contingency and capital emergencies by $200,000, from $496,482 to $296,482 from the general fund.

7 The executive budget recommended including funding of $200,000 from the general fund in the professional student exchange program line item for a loan forgiveness program for veterinary and optometry students. This amendment decreases the funding by $100,000 to reflect the elimination of the proposed loan forgiveness program for optometry students in House Bill No. 1125.

8 This amendment increases funding for the education incentive programs by $249,000, from $1,227,902 to $1,989,314, for additional funding for the teacher shortage loan forgiveness program. The additional funding is from profits that have accrued at the Bank of North Dakota as a result of the Bank administering student loan programs.

9 This amendment reduces funding for salary increases from 5 percent for each year of the 2007-09 biennium to 4 percent for each year of the biennium.

10 Williston State College - This amendment provides funding of $200,000 from the permanent oil tax trust fund for support of the college's service rig program, including $140,000 for 1 new FTE training position and $60,000 for operating expenses.

UND School of Medicine and Health Sciences - This amendment provides funding of $700,000 from the general fund for recruiting two new faculty in bacteriology and immunology. Of the $700,000, $460,800 is considered one-time funding and $239,200 is considered base funding.

State College of Science - This amendment provides funding of $350,000 from the general fund for support of the Center for Nanoscience and Technology Training, including curriculum design and development, purchase and installation of specialized equipment, facilities renovation, technical support, and other related costs associated with the development of the nanoscience technician program and nanotechnology applied science laboratory and related emerging technology programming.

11 Lake Region State College - This amendment changes the funding source for the college's wind energy project as follows:

	EXECUTIVE BUDGET	PROPOSED AMENDMENTS	INCREASE (DECREASE)
General fund		$1,000,000	$1,000,000
Special funds	$3,007,600	2,007,600	(1,000,000)
Total	$3,007,600	$3,007,600	$0

Williston State College - This amendment provides funding of $700,000 from the permanent oil tax trust fund for construction of a new facility for the college's service rig program.

University of North Dakota - This amendment changes the funding source of the UND School of Medicine and Health Sciences' new Bismarck family medicine residency facility as summarized below. The university may use any special funds available for the project.

	EXECUTIVE	PROPOSED	INCREASE

	BUDGET	AMENDMENTS	(DECREASE)
General fund		$3,600,000	$3,600,000
Special funds	$4,500,000	400,000	(4,100,000)
Total	$4,500,000	$4,000,000	($500,000)

North Dakota State University - This amendment provides a $15 million special funds appropriation to the university to reauthorize the Bison Sports Arena renovation project.

Mayville State University - This amendment provides funding of $559,500 from the general fund to the university for the payoff of special assessment balances and deferred maintenance issues.

Minot State University - This amendment changes the funding source for the university's Swain Hall renovation and addition project as follows:

	EXECUTIVE BUDGET	PROPOSED AMENDMENTS	INCREASE (DECREASE)
General fund	$2,500,000	$6,500,000	$4,000,000
Special funds	4,536,150	536,150	(4,000,000)
Total	$7,036,150	$7,036,150	$0

This amendment also changes the university's dome athletic floor replacement project as follows:

	EXECUTIVE BUDGET	PROPOSED AMENDMENTS	INCREASE (DECREASE)
General fund		$387,000	$387,000
Special funds	$336,400		(336,400)
Total	$336,400	$387,000	$50,600

House Bill No. 1003 - Other Changes - House Action

This amendment also:

- Amends Section 10 of the bill as introduced relating to the student loan trust fund.
- Amends Section 16 of the bill as introduced relating to revenue bond issuance.
- Adds a section to the bill limiting tuition rate increases for the 2007-08 and 2008-09 academic years to 5 percent for each year.
- Adds a section to the bill relating to one-time funding.
- Adds a section to the bill providing for a Legislative Council study of higher education.
- Adds a section to the bill relating to the use of unspent 2005-07 general fund appropriations.
- Amends North Dakota Century Code Section 15-10-43 to eliminate the payback provision for all Kansas State University veterinary medicine positions and allows for the appointment of alternates to the selection committee.
- Repeals Sections 1 and 2 of House Bill No. 1031, as approved by the 60th Legislative Assembly relating to the budgeting process.

2007 SENATE APPROPRIATIONS

HB 1003

2007 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. 1003

Senate Appropriations Committee

☐ Check here for Conference Committee

Hearing Date: 02-27-07

Recorder Job Number: 3947

Committee Clerk Signature Janet Pinks

Minutes:

Chairman Holmberg opened the hearing on HB 1003 with roll call.

John Q. Paulsen, President, State Board of Higher Education, presented written testimony (1) and testified in support of HB 1003. He thanks all of the appropriations committee members who are on the board indicating the best the Legislature can do is to continue investing in the university systems and continue their support and commitment. He discussed the accomplishments in higher education and how intricately the round table is woven into higher education. He indicated the single most important factor is for the state to continue funding higher education. He asked that the Legislature reinstate the 5 percent increase on the board's budget.

Chairman Holmberg asked about Laura Glatt's presentation on budget detail as to what the base budget and the changes made in the House. Secondly, you made reference to the insurance and we know that the Blue Cross Blue Shield contract went down 20 cents from the original bid, but we still don't know if the EPO's are going to continue to be involved and if they decide not to be involved then that is $300 additional payment by a contract person. Additionally, my question has to do with innovation. What do you see as the role of the Legislature in innovation and higher education.

John Paulson responded that we believe we can be an engine for innovation. We hope you will give us the opportunity to do so, we want to do so. I believe all of us on the board, the Chancellor, and the Chancellor's staff are committed to being a 21st century university system in connection with the innovation required to survive in this century.

Chairman Holmberg stated if the Legislature comes up with ideas they feel are innovative and they are not part of the program, what is your reaction to those kind of initiatives.

John Paulson indicated they would do everything possible to implement the suggestions you make to us.

Chairman Holmberg asked how about if the Legislature felt there was some innovations that the board had that the Legislature didn't think it was something the taxpayer's money should be spent on. We are getting into earmarking because that is something you mentioned in your testimony.

John Paulson indicated we need to be flexible, we need to stay in touch with Legislative intent and your wishes and I would certainly pledge to you that would be our intention. This makes one other point relative to your questions and that would be to emphasize the Centers of Excellence in terms of innovation that is bringing to all of our campuses and private sector partners as well.

Chancellor Eddie Dunn, ND University System, presented written testimony (2), distributed slides to be presented, and testified in support of HB 1003. He introduced the college and university presidents and staff present today. He discussed the notebook distributed, discussing some of the sections, the legislative agenda brochure, presented an overview of NDUS, presented justification for the funding request, discussed the importance of human capital and the university role in that, discussed the state budget, the impact on major categories, and the importance of base funding.

Chairman Holmberg thanked Mr. Dunn for his work over the years and serving as the interim chancelor. He indicated slides were shown about the budget and the growth of the budget; what you are essentially saying is that higher education is there at the planting of the crops and you want to be there at the harvest. The response was, I think that is fair.

Chairman Holmberg indicated the other question relates to a book he just looked at "The Maverick Way". In that the question was asked, "what is the most important job of the leader?" They had no idea but the most important job of the leader was to protect the maverick because only the maverick makes progress. Reflecting on what he wrote in the book, does the university system have a process to assure that the mavericks are not being smothered by the process at campus a, b, c, d, e.

Eddy Dunn responded, great question Mr. Chairman. What is neat about that is that over the last two years, the state board of higher education has created a task force to really look at the final phase of taking the round table and implementing it. There was a task force on clarifying roles and responsibilities and there is a very important paragraph in that document that says, "it is important to have strong presidents, entrepreneurial aggressive president but also a strong board and a strong chancellor and all are important if we are going to maximize the potential of the university system. I believe that very deeply. I have used my own analogy when I am thinking about that. Whenever I have been with an organization whether in a support position or leading it, I would much rather have people that are stretching the barbed wire and trying to challenge it then those you have to put to do lists in front of them every morning. At the same time, it provides its special challenges and that is to make sure to continue to operate within our role. Personally, I like aggressiveness and I like entrepreneurial and certainly not want to have the situation where you did not have the mavericks or those who stretch the barbed wire.

Senator Bowman indicated one of the statements was to grow our work force, but why is it in western North Dakota we struggle so hard to find anybody to work in the oil fields, electricians, welders, all big paying jobs because have to go to Mexico to find people to work. I think this should be addressed in the university system. Are we addressing this at the round table. The response was not as well as need to. The area continues to be a challenge.

Senator Christmann asked if the university systems incorporate research, if there is research funds in the green sheets, and why are experimental stations in a different category. The response was the chart includes all funds going to all departments, research funds are in the state funds, the experimental stations are a separate enterprise.

Senator Krauter questioned the limit of tuition fees at a 5 percent increase, and what the base fund is. The response was the board identified if the base fund is awarded the tuition could remain at no more then 5 percent per year and the base is at $63 million.

Senator Grindberg read three paragraphs in report reference by Mr. Dunn and asked for comments, where we are going from here and how are we going to further advance, many could argue that with decreasing enrollments in the elementary grades and we are throwing more money into higher education. The response was that as of last week there is an effort underway to select six states to discuss factors discussed and ND is being considered because of the round table format.

Senator Robinson asked if the indicators are approaching the level of higher education becoming unaffordable for state residents. The response was higher education is still less costly per student in ND then it is across the nation, however, it is a concern.

Senator Christmann asked for the definition of a research institution. The response there are different levels of research and there are others testifying that will elaborate on this.

Don Hedger, President, CEO, Killdeer Manufacturing, presented written testimony (4), distributed a statement of the private sector members of the roundtable on higher education (3) and testified in support of HB 1003. He is representing the private sector on the round table. He introduced the other members of the private sector of the roundtable who were present. He discussed the partnership between the state, businesses and colleges and the fact that the roundtable is identified as a catalyst in growing our economy.

Robert Haskins, NDSA President, student representative, presented written testimony (5) and testified in support of HB 1003. He introduced other student present and discussed the tuition, how it is becoming harder to get an education and harder to get a job without an education. He talked about his concerns about funding the universities, the centers of education, connect ND and the way the colleges are reaching out more to the students.

Dr. Christopher Keller, Associate Professor of Biology, Minot State University, testified in support of HB 1003 discussing NDUS, employee turnover, statistics as listed in the pink document in the notebook. He showed a slide presentation, discussed low salaries, the reasons for turnover, the aging faculty.

Senator Grindberg asked if we had a comparison of turnover rates in other states and how we compare. The response was they are not aware of any national data collected.

Senator Bowman indicated that in the salary dispute, ND has 640,000 people and colleges and universities are drawing their living from the general fund dollars. Perhaps we have too many colleges to support increasing the pay. Are we paying our share compared to the population.

Dr. Mike Hillman, Vice Chairman Academic and Student Affairs testified in support of HB 1003 discussing accountability, review, the sixth annual accountability measures report. He

indicated the accountability is defined in the NDUS appropriation bill. He further discussed areas of the large NDUS book and referenced the rural education.

Senator Wardner asked if one of the goals is to bring education to rural areas of the state. The response was that is through work force safety.

Laura Glatt, University System, testified in support of HB 1003 referencing the green book and presented a snapshot summary of the appropriation request. She discussed some line items on the budget and the green and yellow book in the large NDUS book.

Senator Krauter clarified the amount requested and the amount the Governor approved.

Chairman Holmberg indicated what causes confusion among Legislators is that after the House completed its action, there was concern expressed by Higher Education about problems with how the House had passed the budget and they were looking to the Senate to make some changes. One of the public relations difficulties that occurred is that the Legislators were sitting with their books from the Council saying the House added $5 million dollars of general fund money into education and at the same time heard how the budget had been dessimated by the House. That disconnect has been something we will all struggle with as this budget is looked at.

Laura Glatt indicated that was right. The Governor's budget had over an $80 million increase in higher ed. However, campus presidents are already starting to hold meetings on their campuses and talking about how they are going to cut programs and positions next biennium because they will not be able to live within the budget recommended by the Governor. Part of that has to do with whether it is base funding or one-time funding. One-time funding will not pay utilities, inflationary costs, salaries increases it may buy a new floor or new building but will not continue funding the programs.

Senator Christmann asked for clarification of columns 1 and 2 and compare them to columns 5 and 9, you would rather have $4 million left in the Governor's budget or $9 million left in the House budget, just to have it categorized correctly and have that much less. The response was one time projects are nice, but not if they come at the expense of base funding.

Senator Bowman indicated some of the one-time spending bills are one-time funding which means in the next biennium that will free up that much more dollars to add to the budget. The response was it could but next biennium it could get allocated for other one-time funding.

Senator Grindberg asked how important is declining campus enrollment and how does it fit in the campus planning effort. The response was on page 22 is the money has been taken base money in this budget and allocate that to cover salaries, utilities, operating inflation, in looking at column two there are at least two institutions that have a negative amount in the column and that suggests there is not enough money in this budget to pay on-going costs. In order to give salary increases they have to cut elsewhere. You are right declining enrollment is lending to this but the 5 percent limit in tuition will be a challenge because not enough is generated because of declining enrollment. She then pointed out other areas affected and the various priorities and justifications.

Senator Krauter asked about the Capital project priorities of the board.

Senator Grindberg asked if the capital project monies should be taken out of that line item.

Senator Robinson asked to have a list of projects not on this priority list. It was indicated that will be provided.

Senator Grindberg indicated with the Northern Tier and the ongoing maintenance costs that clearly with the strength in NDSU and UND and their research budgets, that maybe a cost share on the ongoing operations be shared with state and the institutions that will be the primary beneficiaries of this.

Senator Krauter asked what the current debt is on Connect ND. The response was this will be provided.

Senator Robinson asked if someone would be sharing with the committee the discussions that have been ongoing on issues of enrollment management, a different funding model. Will we have an opportunity to be hearing from the board or board offices regarding the status of those two initiatives and others that might be on the table. The response was they would be happy to come back at any time to visit about any of those issues.

Senator Bowman indicated in looking at all needs or requests, do you look at ways to reduce expenses. He would like to see a list of where you could spend money to actually save money in the long run rather then request more. The response was the campuses could be asked to comment on those.

Senator Christmann asked what percentage of tuition revenues come from people taking classes on line and is it growing and asked if it was a more costly type of education. The response was there is an annual report that shows enrollment by delivery type and we will get that to you.

Chancellor Dunn gave a brief wrap up reflecting on what had been covered and emphasizing that they would come at anytime to respond to the committee. The central idea of what it will take to create a brighter future, the institutions will do everything they can to create the brighter future.

Chairman Holmberg closed the initial opening of HB 1003.

2007 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. 1003

Senate Appropriations Committee

☐ Check here for Conference Committee

Hearing Date: 02-27-07

Recorder Job Number: 3948

Committee Clerk Signature	Janet Pinks

Minutes:

Chairman Holmberg opened the hearing on HB 1003, UND.

Charles E. Kupchella, President, UND, Grand Forks, presented written testimony (placed in Legislative Guide for NDUS) (6), copy of address by C Kupchella, Dimensions publication, and testified in support of HB 1003 with the requested changes. Dr. Kupchella indicated he would be retiring in a year, and introduced some of his staff that were present. He indicated they strongly supported the board's priority of salaries and fringe benefits as was in the board's original request. He indicated the University makes certain their students have a broad based education, being creative and innovative, because half the jobs they will hold, don't exist today. He described to the committee what they have been able to do with the money that has been given over the years and what the results are. He discussed his slides in covering the points he wanted to get across. He discussed deferred maintenance, the priority list of maintenance and the goals of the endowment.

Senator Grindberg asked if the funding for Bismarck Family Practice Center should be in base funding or could it be removed and are you asking the Legislature to maintain the funding in this bill or will you get other funding. The response was we need the building but this would be discussed later in the presentation.

Chairman Holmberg asked if the cost of student debt is factored in the aviation program and if the aviation program is taken out of the picture what are the results. The response was the information will be provided.

Senator Christmann asked to have a listing over the past ten years of programs that are eliminated and those that are new programs on all campuses.

Senator Krebsbach asked where the greatest loss of professorship, in the private sector or to other universities. The response is it tends to be the young people who get their training and then move to other universities.

Dave Martindale, President, Student Body, UND, Grand Forks, testified in support of HB 1003 and introduced other students who were visiting. He stressed that students do care about their education in ND. Higher education in North Dakota is interdependent. The state invests in our institution which brings in student investors from in and out of ND. These students become sought after graduates regionally and nationally and become successful alumni who give back to their alma mater and the communities that support their education. In turn, they are contributing to the general fund pool which completes the circle. He stressed that as students each of their pieces are strategically placed along side the Legislators.

Chairman Holmberg closed the hearing on UND.

2007 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. 1003

Senate Appropriations Committee

☐ Check here for Conference Committee

Hearing Date: 02-27-07

Recorder Job Number: 3948

Committee Clerk Signature

Minutes:

Chairman Holmberg opened the hearing on HB 1003, UND School of Medicine.

H. David Wilson, M.D., Vice President for Health Affairs and Dean, UND School of Medicine, presented written documentation of his slide presentation (7) and testified in support of HB 1003, discussing the accomplishments, a review of the budget, institutional needs and priorities, enrollment from past, present and future, areas of focus and specialization, future innovation, its value to North Dakota. He discussed the rural education, the specialty choices and retention of the medical students. The talked about the priorities of the school, the request of funds for the Family Practice center in Bismarck. The discussion of developing programs in prevention of diseases and addiction, selected areas of research in neurodegenerative diseases, cancer, diabetes, heart disease, bacterial and immunologic diseases, microbiologic terrorism as well as a masters degree in public health, preventive medicine and if these are in place the UND School of Medicine could become a research center for the Center for Disease Control. He discussed other areas he is seeking private funds for other programs.

Senator Grindberg asked whether the priority for funding is in the building or the programming. The response was the programs have to take priority but in relating to the building, we have to invest money here or see the program close in this part of the state.

Senator Grindberg asked if this recommendation came from the Advisory Group. The response was it has been on the list, however, this was probably not brought forward by the Advisory Group.

Senator Christmann asked about the current autopsies and what the university policy is.

Chairman Holmberg asked if the UND School of Medicine could provide the committee with a chart as to where the Family Medicine doctors are practicing.

Chairman Holmberg closed the hearing on HB 1003.

2007 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. 1003

Senate Appropriations Committee

☐ Check here for Conference Committee

Hearing Date: 02-27-03

Recorder Job Number: 4039

Committee Clerk Signature Alice Delzer

Minutes:

Chairman Holmberg opened the hearing on HB 1003 at 2:25 pm on February 27, 2007 regarding Mayville State University. He congratulated Gary Hagen on his promotion as the new President of Mayville State University.

Gary Hagen, President of Mayville State University (MSU) stated he is the President for 4 days now. I also have Steve Bensen, our Vice President for Business Affairs with me and he will work through some of the financial statements for you. I want to thank all of you for the opportunity to discuss MSU's challenges and aspirations. He presented written testimony (1) which is entitled "MAKING AN IMPACT" and gave oral testimony in support of HB 1003. He discussed in his presentation an Overview of MSU, listing the Vital Statistics, the student impact, the Mission of MSU and that is to educate and guide students so that they may realize their full career potential and enhance their lives, the Vision and purposes of MSU. He touched on Actual Debt/Debt Reduction Estimates, Strategic Planning, Energy and Facility Assessment, Athletic Committee, Futures Committee, and Title III Grant Proposal. Also his presentation included MSU's Partnerships, Collaborative Programs with Lake Region state College, Distance Programs, Heart of the Valley Consortium, INBRE-Biomedical Research, USDA Common Bean Grant, Rural Teacher's Math/Science Academy. Traill County

Technology Center, and Child Development Program. He talked about enrollment and tuition waiver strategies.

Senator Bowman made comments that he is glad to see the college has made some adjustments as he serves on the Audit Review Committee.

Senator Robinson had questions concerning the Title III project and enrollment competition with other colleges both in state and other states.

Senator Christmann asked about the number of graduates per year from MSU.

Steve Bensen, Vice President for Business Affairs at MSU gave an overview of the budget. Page 28 in handout gives the Comparison of SBHE General fund Request to Executive Recommendation and Engrossed HB 1003. Also included in his report was the 2007 – 09 Biennial Budget Requests regarding Campus Equity, Carryover Reporting, Estimates of Revenue and Expenditures of Other Funds, Campus Parity, Average Faculty and Staff Salaries of Baccalaureate Institutions, Summary of Outstanding Deferred Maintenance, and the Deferred Maintenance Inventory 2007, Capital Asset Funding and Schedule of Maturities of Special Assessments. He stated that under Capital Asset the West Hall Renovation is a major project that needs one-time funding and in regards to the Northwest Hall Rehabilitation, which funding would come from private gifts, they are asking for authorization for this rehabilitation. He also discussed faculty and staff salaries and the needs in that category.

Senator Grindberg had questions regarding the average ACT scores, referred to the SB 2309 bill and it's passing and if ACT scores will be at a higher level in four years.

The hearing on HB 1003 concerning MSU closed.

2007 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. 1003

Senate Appropriations Committee

☐ Check here for Conference Committee

Hearing Date: 02-27-07

Recorder Job Number: 4040 and 4041

Committee Clerk Signature Alice Delzer

Minutes:

Vice Chairman Grindberg opened the hearing on HB 1003 on 02-27-07 regarding Williston State College.

Joe McCann, President of Williston State College (WSC) presented written testimony (1) and gave oral testimony in support of HB 1003. He gave an overview of his handout which includes Selected WSC '04-06' achievements by Roundtable Cornerstones, WSC Key Performance Indicators, WSC Status Report, Additional Enrollment Information, Northwest North Dakota Workforce Training Status Report, Status of the Petroleum Safety and Technology Center (WSC's Center of Excellence for Economic Development) '06-09' WSC Strategic Plan, Challenges facing WSC, Current '05-07' Budget Status, SBHE's Long Range Funding Plan and WSC, and HB 1003 and WSC '07-09' General Fund Budget. The budget requests are summarized on page 2 of written testimony. He also explained information regarding the Workforce Training Program and Training Centers. He stated two instructional wells have been drilled by Nabors Well Service and a permanent surface rig has been donated by Key Energy. The rig is being renovated in Casper, Wy and has been there for quite some time because every time they have other work that needs to be done that will make them money they tend to do that. At this point, we anticipate we will have that rig on site in March. He also talked about the Petroleum Safety and Technology Center and he listed the main areas of technical

education are Industrial Safety, Service Rig, Drilling, Roustabout, Commercial Drivers License, and Specialty Technicians. Two area service companies are adding innovative service rigs to the Williston Basin that are equipped with the latest technology. WSC Foundation purchased nine acres of land to develop this hands-on program. He mentioned other companies that have donated either funds or equipment for this program. This information is found on pages 17 and 18 of his testimony. He also listed critical needs concerning this program that need funding.

Senator Bowman questioned what they do to reach potential students working in the oil fields. He also expressed that he hopes safety is one thing that is taught because that is one of the critical parts of that industry is the chance of having a very severe accident and hopefully through this on the job training will teach these young people about the safety aspects of that type of work.

Deannette Piesek, Director of Workforce Training of WSC stated they are working on a marketing network made up of staff advisory committee members and we are developing brochures and will send them out. I've been keeping a list of parents who call me so we've been working on a 9 month certificate program, to date, I've probably had about 12 parents that have called me on that, so it is something we are working on and hope to start marketing it this spring. She also said because it is so this type of occupation is so dangerous our classes are very small, between 6 to 10. But before they can even go they will have 40 hours of safety training and some of that will be specific to the service rig.

Joe McCann continued his testimony regarding the Hands on center preparing students with skill in trouble shooting problems, solving computer skills, safety procedures and general industry experience. These rigs will allow companies to monitor activities. Some of the companies are going to new more highly automated rigs. The governor came out and presented a check for us. The industry is becoming more technical as time goes on.

We need dollars for operation but also need a building out there. It used to be training was done at the site of the employer, now we are doing training on campus and now we are looking at training out on this rig site. They are already using it for the CD training and also fire training and fire prevention training as well.

Senator Christmann asked about the training program, is it 8 hour or 40 hour program, if they are taught by university employees or do the employers come and provide some instructional staff.

Deanette Piesek stated that it usually 8, 16, or 40 hours. We do a lot of 4 hour training regarding driving, so they do vary.

Joe McCann stated that when they started this program they did not have anyone on staff with this expertise. They now have hired two FTE's who just train in that area thus far and Deannette also hires individuals from industry. Many of these are set up to the specifications of that company and in some cases they have a trainer in mind that they have used somewhere else and we bring that trainer in, so it truly is customized.

Senator Christmann asked if the students pay tuition, is it a profitable thing for the university and also do they end up with a certificate that shows competing oil company that they've been through this or is this just something we are doing for individual company has they have some new hires.

Deannette Piesek stated we are doing the training for individual companies. We could possibly have more than one company in the training program. We do bring trainers in from different areas. There is a correction on page 17 in the testimony, we were suppose to get $200,000.00 from Senator Conrad, that bill did not happen, so the federal funding did not come. That's why we are looking for additional funding for the building on our facility.

Joe McCann in answer to Senator Christmann's question, we have not made any money on this yet. Thus far, any money we have made has gone back into the program. He then went through the Strategic Plan on page 19, 20 and 21 in your testimony. We have put together a 3 year rolling plan, it is arranged according to the objectives, the Alignment Plan for the next year and then on page 21 the 3 year plan that we are working on over a 3 year period. On page 26 is a synopsis of requests for funding. He stated they would like the 5% increase in salaries for staff and the health insurance benefits, and listed other needs they have.

Senator Seymour commented about coming to his school in 1980.

Senator Krauter had questions regarding the major capital projects, the building addition known as the service rig facility and if WSU is trying to get funding for this project.

Joe McCann stated the Crighton Building addition is an expansion of our Diesel Technology Lab and we are attempting to expand that so that we can bring enough large equipment in and expand the capacity needed to be qualified for industry certification so that we would be eligible for industry foundations. We had asked for funding for that 3 or 4 times, and have not been successful so we are going to industry to ask for assistance with that. We've come up with an industry sponsor program and we can get sponsors to do that. The other project is a project that was inserted on the House side that would provide some money for building and some operation for the Petroleum Safety and Technology Center and I was going to urge you to support that if you can.

Vice Chairman Grindberg closed the hearing on HB 1003 regarding WSC.

2007 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. 1003

Senate Appropriations Committee

☐ Check here for Conference Committee

Hearing Date: 02-27-07

Recorder Job Number: 4041

Committee Clerk Signature Alice Delzer

Minutes:

Vice Chairman opened the hearing on HB 1003 at 3:45 pm on February 27, 2007 regarding Dickinson State University.

Dr. Lee A. Vickers, President of Dickinson State University (DSU) provided written testimony (1) and oral testimony in support of HB 1003. He stated DSU's primary mission is to address the educational needs of the citizens of southwestern North Dakota.

He gave a Campus Overview, which included Enrollment, Retention and Graduation Rates and Campus Initiatives and Challenges, the Budget Issues, Major Capital Projects and Major Accomplishments. He shared about the enrollment factors and enrollment is up at DSU. He talked about the quality of performance of students at DSU {page 13) of testimony. He listed facilities, such ads Murphy Hall Science Building, Stroup Scientific Auditorium, and the SPICE Network, working with Dickinson Public, Bowman, Scranton, Hettinger, and Mott-Regent Schools. Their Programs include Theodore Roosevelt Honors Leadership Program, which is nationally recognized. He shared about the Academic Success Center, which offers Advising, tutoring, Writing Center/Writing Across the Curriculum, Computer Lab, First Year Experience, Quality Enhancement Workshops, Supplemental Instruction in Math, English, and History; Private Sector/Soft Skills, and P-16.

Senator Robinson had questions regarding Distance Education and the importance of soft skills and if that void will be problematic in the future.

Dr Vicker stated that better technology is on the horizon and on line learning will be better organized. He commented about Marketing and the enrollment projections, including the In-China Program; The Roosevelt Initiative, a Theodore Roosevelt Virtual Library with the help of Senator Dorgan that will be able to share information with the Library of Congress in Washington DC. There would be a grant written, and it sounded like Senator Dorgan would assist us in that and that addition would be for students and tourists.

Senator Wardner asked where this would be located.

Dr. Vicker stated it would be a major expansion to the library. Discussion followed regarding the Global Awareness Initiative, the trip to Russia with the North Trade Mission and to Siberia regarding the Medical Academy, the Agrosecurity Initiative, Center for Entrepreneurship and Rural Revitalization, The North Center of Excellence with the Keystone Project with Killdeer Mountain Manufacturing, Grant Programs. He also shared about DSU Foundation Highlights, which include Alumni and Foundation House, Scholarship Information, Hawks Point, which will have it's grand opening March 3, 2007, Whitney Stadium, He listed the challenges facing DSU and they are listed as follows:

1. Sustain enrollment growth and build and project quality of place: Base funding, Maximize partnerships, and Invest in ConnectND.
2. Recruit and retain highly motivated, creative faculty and staff: Faculty and staff salary increases, Fully funded health benefits, and New positions.
3. Utilize assessment data to continuously improve the quality of programs and services: Initiatives designed to foster student success, Focus on goal to be competitive

nationally and internationally, and Expand and enhance the Theodore Roosevelt Honors Leadership Program.

4. Implement and promote the Center for Entrepreneurship and Rural revitalization and the Center of Excellence designation: Ensure goals and objectives are met, Ensure the Center is self-sustaining, and funding for Center of Excellence initiative.
5. Provide the physical facilities and infrastructure necessary to project a genuine concern and commitment to a quality learning environment: Deferred maintenance request, Whitney Stadium, TR Virtual Library component.
6. Identify and aggressively pursue opportunities to solidify and promote the University's position as a critical element in the future prosperity of southwestern ND and the greater region: Flexibility, Quality of Pace is a critical factor, P-16 – Invest in the future, Human Capital – higher education's mission.

Alvin Binstock, Vice President for Business Affairs at DSU gave the budget overview to the committee. He listed the system priorities as such: Restore $4.2 million in state general funds to provide 5% annual salary increases for faculty and staff, Fund the state health insurance plan, Add money for the one-time funding for ConnectND (he felt an absolute must), Add funds in base funding and funds in one-time funding to complete the build out of the Northern Tier Network and cover the ongoing maintenance costs for one year of the biennium, Add funding to SBHE Contingency and Capital Improvement Emergency fund, Add funding to the SBHE Initiative Fund to restore funding to the 05-07 level; Add funding for a FT CTEC Director, and Add funds to the Operations Pool to restore funding to the 05-07 level. The major capital project involves the major renovation/addition to Whitney Stadium.

There were no further questions or testimony. Hearing on HB 1003 closed.

2007 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. 1003

Senate Appropriations Committee

☐ Check here for Conference Committee

Hearing Date: 02-27-07

Recorder Job Number: unknown

Committee Clerk Signature Alice Dilger

Minutes:

The hearing was opened on HB 1003 at 4:40 pm on February 27, 2007 regarding North Dakota State College of Science (NDSCS).

Dr. John Richman, President of NDSCS presented written testimony (1) and oral testimony in support of HB 1003. The Vision of the college is to enrich people's lives through responsive lifelong learning in a dynamic educational and technological environment. The Mission of NDSCS is a comprehensive, associate degree granting college founded on a tradition of quality and integrity. We deliver learner-focused education through a unique and evolving collegiate experience. Using innovative delivery strategies, NDSCS anticipates and responds to statewide and regional needs by providing access to occupational/technical programs, transfer programs, and workforce training. Some of the highlights of his testimony include the enrollment (page 2) Student Residency, Statewide Enrollment, Academic program Mix, Distance Education Enrollment, Workforce Training in the Southeast Region, Career Services data, Information regarding 2006 Graduates and their placement in North Dakota, National Examination First time Pass Rate 2005-2006, Student Input, and a budget overview (page 16) which includes Capital Asset Base (extra ordinary repairs) Deferred Maintenance (one time) Capital Projects (one-time) which include Electrical Distribution 05-07 and Steamline 07-09.

and Special Project (one time) Nanoscience. Unrestricted Obligations are Salary and Wages, Operating Costs, Unfunded Utilities Increase.

Senator Robinson had questions regarding the gradual reduction and the figure that was done last spring. He was told it has been reduced each year.

Senator Christmann enquired about Robertson Hall Renovation. He was told that they will be requesting bond approval for SBHE and from the 2007-2009 Legislature for the proposed remodeling of Robertson Hall. He stated there was no structural damage to the 10 story Norgard Hall. Dr. Richman continued his budget requests (pages 14-22) He commented about the support of HB 1019 and thanked the Committee for passing SB 2249. In summary he stated that where investment needs to be in is Human Capital. We need to meet industry needs, and stated that many industries and businesses (page 28) have donated both equipment and money to NDSCS which they are very grateful for. Grants and Congressional Earmarks provide alternative funding sources (page 29). On page 30 and 31 is the list of Priority needs:

1. Resources that allow NDSCS to respond quickly and effectively to the needs of emerging and changing industries.
2. Resources that allow NDSCS to effectively meet the ever-increasing costs of an academic mix focused predominantly on career and technical education.
3. Resources that allow NDSCS to more effectively respond to the needs of an ever-changing, more diverse student body.
4. Resources that allow NDSCS to develop an college-wide comprehensive technology plan and a process for implementation.
5. Resources that allow NDSCS to attract, develop and retain highly skilled and technically proficient faculty and employees.

Discussion followed regarding Strategic Planning and a learning center in Fargo.

Senator Robinson had questions regarding the North Dakota Electrical Contracting Association and the budget concerning this matter. He was informed that they have made 27 different adjustments such as new programming, merging programs, eliminating faculty. There is a huge demand and waiting list for the electrical program. A welding section was taught in Fargo. Our Diesel Technology Division needs more space for large equipment. Senator Robinson made further comment about the tight budget.

The hearing on HB 1003 regarding NDSCS was closed.

2007 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. 1003

Senate Appropriations Committee

☐ Check here for Conference Committee

Hearing Date: 02-28-07

Recorder Job Number: 4045

Committee Clerk Signature Alice Delzer

Minutes:

Chairman Holmberg opened the hearing on HB 1003 at 8:00 am on February 28, 2007 in reference to Bismarck State College (BSC).

Gordon Binek, Interim President at BSC presented written testimony (1) and gave oral testimony in support of HB 1003. He introduced Dr. Larry Skogen, President of BSC, who will take office on March 1, 2007. He gave an overview of BSC, stating that the Mission of BSC is to provide a high quality learning-entered education that maximizes student learning and makes students partners in their education. He stated that as of the spring enrollment report, BSC was the 3rd largest college in the university system. He also stated that over their 66 year history BSC has records that 75% of our graduates staying in North Dakota and about 7,000 of those graduates live right here in the Bismarck, Mandan and Lincoln.

The programs include: Transfer, Courses of study for 1st and 2nd year leading to bachelor's degree: Technical, Career training in more than 35 programs; Corporate and Continuing Education, Workforce training, professional development, personal enrichment, conferences.

An overview of total enrollment from 1992 to 2006 was given. Long-term Enrollment Plans include military and International markets. The goal is 4,000 total enrollment by 2010.

The National Energy Center of Excellence to be completed by the summer of 2008. Recent partnerships providing economic benefit include a $120,000 contract to provide online training

in Nuclear Power technology for Duke Power in North Carolina and Turtle Mountain Community College energy program partnership.

Senator Bowman asked if they work with UND and the research they do regarding the energy field.

Mr. Binek stated they are working with fly ash in the National Energy Center.

Dr. Wayne Boekes, Provost and Vice President for Academic and Student Affairs shared the New Program Development including the Mechanical Maintenance Technology, Geographic Information Systems; New Online Programs, Web Page Development and Design; New Programs, Bachelor of Applied Science in energy Management; Recently Developed Programs, Dakota Nursing Program with collaboration with Lake Region, Williston State, MSU-Bottineau; Program Revision, Process Plant Technology. He stated there is 1,078 students that are on our campus nearly every day and the impact that has on our institution, on our buildings, our student affairs, on all the services we provide.

Senator Grindberg stated we had a request yesterday to support the House actions for a new residency center for a UND graduate site. Under that proposal would then UND move from BSC to their own graduate school location. He also asked if this committee and the ultimate legislative process approves that, would it, in your opinion be the best if it would be on campus at BSC and we would also tie the linkages between Minot State and Dickinson State to BSC rather than having one campus offline having their own, kind of a collaborative environment.

Dr. Boekes stated they would like to put that building on their campus. We want to keep the Higher Ed family all in one site. At least I would be able to come to the table and discuss the options to do that.

Chairman Holmberg asked if they have the land up there that would accommodate the construction. He was told yes, they have several sites that's a possibility.

Senator Seymour asked if some of the students are internet students, so they are not really on your campus.

Dr. Boekes shared about the new Tech Center and the leasing that will be done by Bismarck Public Schools to use that facility. He also shared about the Academic Quality Improvement Program (AQIP).

Dave Clark, Executive Vice President, BSC gave the budget overview. (Green copy). He went over the current status of the appropriation and action that had been taken by the last legislative session. He commented about the capital assets-extraordinary repair budget. The expenses included special assessments, renovation of our registrar/admissions area in Schafer Hall and some remodel work in Werner Hall. He stated the major capital improvement projects include a new residence housing unit and that project will be re-bid in March 2007 after a re-design effort that has reduced the square footage of the project.

Senator Robinson asked with that 80 – 90 bed facility, what will your occupancy on campus be and are your current facilities typical dorm style facilities.

Mr. Clark stated they now have 210 beds and they are dorm style facilities. He went on to state that BSC is supportive of the budget recommendations. But asked for the funding to be restored regarding salaries and health care benefits, funding to stabilize and enhance our Connect ND system, funding for SBHE contingency and initiative funds, commented about the emergency with the Armory infrastructure, funding for the College Technical education Council (CTEC) position within the NDUS. He also had comments regarding tuition costs, hoping to hold them at 5%.

Senator Robinson had questions regarding the utility issue and costs relating to utilities.

Senator Lindaas had questions regarding the budget.

Senator Robinson commended the work that the interim president has done for BSC.

Senator Krauter shared same comments and asked what is going to take place during the transition. He also endorsed the appointment of Dr. Larry Skogen as new President at BSC. The committee was informed it will be a seamless transition for them.

Senator Wardner commented that Mr. Binek was from Dickinson.

Chairman Holmberg asked if there was any further testimony or questions. Hearing none the hearing on HB 1003 concerning BSC was closed.

2007 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. 1003

Senate Appropriations Committee

☐ Check here for Conference Committee

Hearing Date: 02-28-07

Recorder Job Number: 4047

Committee Clerk Signature Alice Delzer

Minutes:

Chairman Holmberg opened the hearing at 8:45 am on February 28, 2007 regarding the Minot State University (MSU).

Dr. David Fuller, President MSU and President MSU-Bottineau presented written testimony (1) and oral testimony in support of HB 1003. He introduced Jerry Edwards, Director of Fiscal Planning and Janell Watson is our Comptroller. He stated the Mission of MSU is first and foremost dedicated to the success of all students: their growth and development as educated citizens, their confidence, and their life-long devotion to the common good and welfare of others. He continued his testimony by going over the Overview identifying briefly some selected accomplishments, talked about past, present and future enrollment, areas of focus on specialization, our priority needs and corrections for our university. Selected Accomplishments included the New Strategic Plan, Vision 2013; and Institutional Vision, as listed on page 3 of testimony the strategies to achieve the Vision. He shared about Roundtable and Cornerstone Projects, Economic Impact in the Community, Accountability Measures including an increase of Nursing license Pass Rates; Security and Campus Safety Issues, shared information concerning the undergraduate and graduate students and the on-line student growth, the impact of the Minot Air Force Base (MAFB), A Native American Partnership, new building

projects, and new incentives to support 1st year students. He then discussed the budget needs pages 18 and 19 of testimony, stating concerns about salaries and health insurance coverage.

Senator Robinson asked if we were able to get back to the governor's proposal and in effect remove the House amendments, look at 5 and 5, just so we are clear here, given your projected or anticipated 2% reduction in enrollment, you would have to meet the 5 and 5, you'd have how much of a shortfall. He was told $400,000.00. If we did not have a decrease we'd be in the black. We prefer to get our enrollment back up there.

Chairman Holmberg asked if the governor's recommendations are followed in order to provide your base then we look at the fact the House added 5 million general fund money to the budget but most of that went into buildings, including buildings in Bismarck and Minot. Then if we were to say we'll wave the magic wand and we'll pass the governor's budget then what is your sense about Swain Hall and the other activities that were added in the House.

Dr. Fuller stated that Swain Hall and Dome floor are critical for us. But I also say that for me right now, the most critical thing is our salaries and how they support parity. If we don't address the salary problem we are losing people right and left. We're not being able to hire people to compete on a national level. We are in a danger mode right now in this issue. He stated he would like the committee to consider both issues, salaries and facilities. He also talked about the utility costs, stating they use 3 sources of fuel, coal, oil, and gas. He listed needs and priorities regarding capital projects, mainly Swain Hall renovations.

Senator Bowman shared how he is hearing from all the testimony regarding the maintenance problems and don't they have a maintenance budget and is it not adequate to meet the needs. It concerns me that new buildings are being built and not keeping up with the old buildings, and when problems come up they are not taken care of when first seen.

Dr. Fuller stated that Swain Hall has unusual circumstances. He stated that on an older campus like this there are so many needs and we just have to balance and be wise in the decisions that are made concerning maintenance issues. He talked about the Dome floor replacement, stating the floor is buckling, people are falling down, even young people are having a hard time walking across it. It needs replacing. He continued on the budget needs for MSU. And listed the critical priorities for the future listed on page 39. He stated the first priority is the funding for the salaries. He also listed issues regarding keeping the tuition held at 5%, and ConnectND,

Chairman Holmberg asked if MSU was urging the committee to move the funding back, but also to tell us to move it back from where.

Senator Krebsbach stated that Dr. Fuller mentioned there was a misunderstanding on both the major projects that we are looking at and I think that had the full knowledge been expressed in the very beginning both of those projects would have been funded to the full extent by the governor's budget.

Sandy from OMB stated it is true the miscommunication is the reason the money wasn't in the governor's budget.

Senator Mathern asked whether the buildings or other things factor in the student enrollment and if they have that number for 2016.

Representative Kari L. Conrad, District 3, Minot gave oral testimony in support of HB 1003. She also commented about the Dome floor and asked the committee to take Dr. Fuller's advice concerning this matter.

Representative Lisa Wolf, District 3, Minot gave oral testimony in support of HB 1003.

The hearing on HB 1003 regarding MSU closed.

2007 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. 1003

Senate Appropriations Committee

☐ Check here for Conference Committee

Hearing Date: 02-28-07

Recorder Job Number: 4048

Committee Clerk Signature Alice Delzer

Minutes:

Chairman Holmberg opened the hearing on HB 1003 on February 28, 2007 regarding Minot State University – Bottineau.

Dr. Ken Grosz, Campus Dean of MSU-Bottineau presented written testimony (1) and gave oral testimony in support of HB 1003. He introduced Jim Borkowski, Director of Business Affairs. He presented the history and mission of the college stating it is a two-year institution and MSU is the parent campus. He stated they attract a lot of Canadian students to their institution because of their location near the Canadian border. The 35 acre campus consists of five classroom building, three residence halls, a student center, a greenhouse, and an interactive video network (IVN) studio building. The college has four IVN equipped classrooms. We have an excellent location to do outdoor labs, and our students do spend a lot of time outside on hands-on type of activities. I am sure you are aware that we were able to build an addition to Thatcher Hall, our center for Arts and Humanities. Next year we will take Old Main off line and move all the functions from old Main into our new building.

Chairman Holmberg asked if the hall was completed and if not how much do they need yet.

Dr. Grosz stated they are short for the fixtures, files and some equipment and they figure they need about $200,00.00 to complete the project. To create a Focus, Theme, and Niche which is:

1. Nature, Technology and Beyond.
2. A Natural Place to Start.
3. Growing with Nature and Technology.

He stated they need to market to grow. They need to become a Natural Resource College. There has been discussion regarding a name change for the college. They include Four Seasons State College, State College of the North, North Country State College, and Northern Lights State College. He then talked about enrollment and the fact that on-line enrollment is increasing. He also talked about the collaboration effort, Workforce Training, Distance Education and Outreach, and Network (IVN) Instruction.

Senator David P. O'Connell, District 6, Bottineau gave oral testimony in support finishing the building.

Jim Borkowski, Director of Business Affairs presented the budget. He talked about the Thatcher Hall Addition. The Priorities for the budget are:

1. Restore salary increase to 5%
2. Keep heath Insurance at current level.
3. ConnectND
4. Keep tuition at the level it is now.

He also talked about the Capital Project on page 15 which is the cost of replacing steam lines on campus.

Chairman Holmberg asked if there was any further testimony or questions. Hearing none the hearing on HB 1003 regarding MSU-Bottineau closed.

2007 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. HB 1003

Senate Appropriations Committee

☐ Check here for Conference Committee

Hearing Date: February 28, 2007

Recorder Job Number: 4064

Committee Clerk Signature Alice Delzer

Minutes:

Chairman Holmberg opened the hearing on HB 1003 relating to Lake Region State College.

Dr. Sharon Etemad, President of Lake Region State College testified in support of HB 1003. She said that Lake Region State College is one of eleven public higher education institutions within the North Dakota University system (NDUS). She said that the college has continued to experience enrollment growth (page 16) and they are also concerned about the future. She said that their part-time students continue to grow which is also a national trend. She stated that they have economic development as one of their missions. They also offer cultural events and community education and they believe that these are really important and in a community college they believe in education from birth to death. She said that they also focus on two year technical education and have a special mission for workforce training. She talked about (CTEC) College Technical Education Council and this council has been committed to reach across the state and meet those labor needs across the state. She said we can not keep going to students and increasing tuition to sustain and grow programs. She said that they are a good investment see page 3 and 4 of her written testimony. Also enclosed are five pages that show the Economic Impact to the state for the two year community colleges. She stated that 82% of students that attend community colleges stay in ND. Her entire testimony is enclosed

Senator Grindberg asked her to go back to page 2 and help him with the terminology on the spread sheet. What are local fund (net) tuition revenues and general fund (net) tuition collection and general fund appropriation?

Dr. Etemad said when we brought together all of our continuing education and credit bearing class and all the Grand Forks Airbases classes, those we were calling local funds. We have kept them separate for our own benefit to see what those programs are generating in revenue. So the general fund tuition collection would be tuition. The third is what we get in general funds from the state.

Dr. Sharon Etemad continued to go through her information for the Senators. She touched on many of the programs offered at Lake Region. She touched on Transfer, Career and Education, work force development, workforce training, nursing program, and peace officer program. Talked about the different colleges that they are working with. She said that they are exploring new programs like wind energy tech. and forensic science with the peace officer program. There is the Center of Excellence which is a partnership with small businesses in the area (see page 7). With an equity position of 46 percent of its peer colleges, Lake Region State College must be very creative in utilizing the funds that they have.

They have done studies and the college has identified a means of addressing the energy costs. By replacing their gas-powered boilers with electric boilers, both heating and lighting at the college could be powered by a wind turbine. She believes that the state investment in this project makes good sense. It would accomplish several purposes (page 13 of her handout). She said if they could get 1.8 million out of 3 million and then they could go out and get grants and other funding. The House put 1.5 and then took that down to 1 million. She said they could not do it for 1 million and it would not be good business. She stressed why this was a good investment.

They support the governor's recommendation for higher education, the additional workforce training appropriation in SB 2249, shifting one-time funding for Connect ND and other priorities to permanent funding, restoring the salary increases to 5 percent per year, restoring Board initiative funding, the executive director position for the community colleges, and fundamental labor skill shortages in ND. She said, it would also be beneficial to support funding that would provide incentives for ND high school graduates to stay in ND to attend college and to work in ND upon graduation.

Senator Christman requested to see the consultant report on how the wind generator paid off.

Dr. Etemad said that she would get the report to all of them.

Senator Holmberg closed the hearing and will return at 1 pm.

2007 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. 1003 (VSCU)

Senate Appropriations Committee

☐ Check here for Conference Committee

Hearing Date: February 28, 2007

Recorder Job Number: 4066

Committee Clerk Signature Alice Delzer

Minutes:

Chairman Holmberg opened the hearing on the Valley City State University section of HB 1003.

Ellen-Earle Chaffee (President of VCSU) presented testimony in support of HB 1003 (Attachment 1). The future of the University is interdependent on the future of North Dakota. North Dakota is at a point where we need to decide if we are going to create our future or if we are going to let it happen to us. It all depends on what we do now. We have been losing people because they cannot find jobs. Now jobs are being created, but there are not people to fill the jobs (see chart). Explanation followed. The North Dakota University System is an immigration tool for North Dakota. Other states are taking initiatives to keep young people in their states. Maintaining economic growth in the United States requires at least 60% of the population with a college education. Illustration from "America's Perfect Storm" report followed. Our role at VCSU is to retain and recruit people, provide high-level, career-focused education, and help create and fill local and state jobs. Explanation of various charts and slides followed (see Attachment 1). One question to think about is "Whose university is this? Who owns VSCU?" We need to keep a strong university and salaries are a big deal. Examples followed of faculty that left due to salary.

Senator Seymour asked why the undergraduate online was not up?

Dr. Chaffee said that they have deliberately postponed building the online program. There is a task force looking at the newest software and programs. We think that it will be possible to have online and on-the-ground instruction taking place at the same time with very little impact on faculty work load. We want to adopt a new model of online that is highly efficient and effective at the same time.

Trudy Collins (VSCU, Vice President for Business Affairs) spoke about progress of Capital Improvements and budget issues (see slides in Attachment 1, p.14-17). An earlier question addressed why we are not taking care of preventative maintenance; however, the current base does not go very far for taking care of on-going maintenance needs (see chart on p.16 of Attachment 1). Future capital projects include Life Safety/ADA, Vangstad Renovation, Science and Technology Building, and addition to W.E. Osmon Fieldhouse (see p. 16 of Attachment 1).

Chairman Holmberg asked if the renovation included air conditioning?

Trudy Collins answered that she was not sure. The building does not have AC now and has the original air-handling system. Her assumption is that air conditioning was part of the project renovation. Explanation of slides continued (see p. 17 of Attachment 1).

Senator Mathern asked if the budget for ongoing maintenance issues included time or if the figure was all materials?

Trudy Collins said that the costs of outside contract work are included in the million dollar number.

Chairman Holmberg closed the hearing on the Valley City State University section of HB 1003.

2007 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. HB 1003 (NDSU) and HB 1020

Senate Appropriations Committee

☐ Check here for Conference Committee

Hearing Date: February 28, 2007

Recorder Job Number: 4134

Committee Clerk Signature Alice Dekker ND.

Minutes:

Chairman Holmberg opened the hearing on the NDSU section of HB 1003.

Keith Bjerke, Vice President for University Relations at NDSU, spoke in support of HB 1003 and presented written testimony: Final Report of a Comprehensive Evaluation Visit (Attachment 1) and NDSU folder of various handouts (Attachment 2). Spoke of NDSU's desire for the authority to increase self-raised monies to use for a sports arena.

Senator Robinson asked if the increased authorization of monies for the Bison Sports Arena might end up in an investment in the Fargodome?

Keith Bjerke said no, this bill is specifically for the Bison Sports Arena.

Senator Robinson asked if there was a plan to include Bison basketball when the decision was made to redo the Bison Sports Arena?

Keith Bjerke replied that there was on a much lesser level. The transition of Division 1 has gone way beyond what anyone dreamt it would and the need for a greater basketball facility is upon us.

Senator Tallackson asked if the new development in south Fargo has anything to do with NDSU?

Keith Bjerke answered that they requested that NDSU hold some of their sports events down there, but due to distance from the campus it was not seen as a viable option. Continued to explain handouts and the request to repeal old statues (p. 13, Attachment 2A).

Senator Robinson asked about the amount of annual basis revenue?

Keith Bjerke did not have an answer.

Chairman Holmberg requested that the information be provided at a later date.

Senator Mathern asked how the salary money would be used if it was increased? What is your plan for how to give the raises?

Keith Bjerke stated that the average across the system was 5% with a guaranteed minimum. The lower ranking salary officers get a bump. On top of that bump is a pay per performance and merit performance. When a new employee is hired, they are often brought in at a higher rate than someone who has been there for 20 years. This money allows more of equalization.

Senator Mathern asked what the original "bump" would be?

Keith Bjerke answered that it is a dollar bump instead of a percentage bump. The dollar amount has not yet been determined. A five-percent bump on the lower end of the pay scale does not equal very many dollars. By starting out with a five-dollar bump, you make progress.

Chairman Holmberg closed the hearing on HB 1003 and switched over to HB 1020.

Gene Griffin, Director of the Upper Great Plains Transportation Institute (UGPTI at NDSU), spoke and provided written information (Attachment 1) in support of HB 1020. Spoke of new and growing programs. One program, the North Dakota Local Technical Assistance Program, was recently relocated from NDSU to Bismarck.

Senator Krauter asked about what kind of communication NDSU has had with Bismarck State College regarding the relocation of the ND Local Technical Assistance Program?

Gene Griffin stated that UGPTI did inquire with BSC about relocating there, but there was no space available. A request is in with them if the space does become available.

Senator Krauter asked about a possible expansion that was taking place at BSC?

Gene Griffin stated that BSC is aware of the desire to be relocated to their campus and UGPTI does have a request in with BSC. Continued to speak of future goals (p. 7-8, Attachment 1).

Chairman Holmberg noted that the operating line had been reduced and asked about UGPTI's feelings about that?

Gene Griffin responded that they would like to have it, but it was not worth fighting over.

Neal Fischer, chairman of the statutory advisory council for the UGPTI, spoke and provided written testimony in support of HB 1020 (Attachment 2).

Francis Ziegler, Director of the Department of Transportation, gave oral testimony in support of HB 1020. DOT has had a long, positive, cooperative relationship with UGPTI and that enables the DOT to meet its mission of safely moving people and goods. Through the relationship, DOT and UGPTI have advanced numerous economic studies that have resulted in valuable insight into the logical system and program investments. DOT has a support center at the campus of NDSU where students are introduced into computer graphic techniques and real-world highway projects. UGPTI hires between 10-20 students during the year and they are trained and help design projects. Spoke further of various programs [41:42].

Chairman Holmberg opened the hearing again on HB 1003 [43:18].

Larry Kotchman, State Forester, spoke in support and provided written testimony (Attachment 3) on HB 1003. Spoke of accountability measures (p.3), state forestry goals (p.4), budget requests (p. 7), and budget adjustments (p.8).

Senator Bowman asked how and who would decide whether or not the program would be dropped if there were not more funds available? Many of these programs started with federal funds and then passed it along to the state.

Larry Kotchman responded that this is a dilemma that all agencies will eventually face. There is a contingency plan in place to try to diversify revenue sources. The programs have relied on federal funds and at some point a hard decision may have to be made.

Senator Bowman asked who makes that decision? Legislators or your department?

Larry Kotchman answered that it would need to be a joint decision.

Senator Fischer commented that the soil conservation has been putting in many new trees and asked if there is a plan to increase requests for trees?

Larry Kotchman said that tree sales have been strong and on the increase. They appear to be leveling off now. There is a good demand for trees. Continued explanation of capital asset requests (p. 9, Attachment 3).

Senator Fischer asked if there was a program to help rural fire districts buy used equipment?

Larry Kotchman answered yes, the program is still available. It is the Federal Excess Personal Property program. There are about 1800 pieces of equipment on loan to rural fire protection districts throughout North Dakota. There is a new department of defense fire fighting equipment transfer program that would be beneficial [56:20]. Continued to speak of various programs (p.10, Attachment 3) and critical forestry need, highlighting emerald ash borer and other invasive insects and pathogens (p.11, Attachment 3).

Senator Bowman asked what are the symptoms of a tree that is affected by them? And what does it take to kill the borer?

Larry Kotchman answered that the symptom is a general decline of the tree: thinning of the crown, less foliage, branches dying back, etc. It was first confused with other treatable

conditions, but after investigation it was discovered that it was caused by emerald ash borer. The tree shows its decline and eventually dies. There is no cure for this disease, only to remove the trees and destroy them to eradicate the habitat. We appreciate the executive recommendations and support (p.12, Attachment 3).

Chairman Holmberg opened the hearing on HB 1020 [63:54].

Dr. Patricia Berglund, Director of the Northern Crops Institute, spoke and presented written testimony (Attachment 3) in support of HB 1020. Highlighted funding impacts (p.4), major accomplishments (p.5-8), NCI initiative (p.9), and budget request and recommendation (p.12).

Senator Bowman asked if the extra ordinary repair request was in the governor's budget?

Dr. Berglund answered that it was not.

Senator Bowman asked if it was part of the one-time funding projects? This is over and above that?

Dr. Berglund replied that the $75,000 was added by the House and is included in HB 1020.

Senator Bowman asked if it was included in the request from the governor?

Dr. Berglund clarified that it was not in the request from the governor. NCI is the only regional organization charged with admission. Main competition is the Canadian International Grains Institute who receives generous annual funding from both the Canadian government and the Canadian Wheat Growers.

Senator Krauter asked for more information about the addition of oilseeds, pulse, and the potential for benefit.

Dr. Berglund stated that she made arrangements for Eric Bartsch (Northern Pulse Growers Association) to talk about that, but was not present. He would tell you that this addition is helping to make huge impacts in what can be done with these products. Examples followed [81:17].

Senator Krauter asked for more information on the oilseed part.

Dr. Berglund referred to written testimony from Dan Wiltse (Attachment 4) who represents the North Dakota Oilseeed Council on the NCI. Portions of the written testimony were read aloud.

Senator Krebsbach asked if the estimated income figure is the contribution from the other states?

Dr. Berglund said that yes, the figure is a contribution from others states as well as commodity funds that are provided from commodity groups in those four states, plus grants and contracts. Fees are also charged for courses and processing. Further written testimony from Jennifer Tesch, Chair of the Northern Crops Council, was handed out (Attachment 5).

Neil Fischer from the ND Wheat Commission and statutory advisory council for the UGPTI spoke in support of HB 1020. A portion of ND Wheat Commission's budget goes into US Wheat Associates and through that effort international customers that come through the NCI are developed. This is further reason to support this bill.

Chairman Holmberg closed the hearing on HB 1020 and HB 1003.

2007 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. 1003

Senate Appropriations Committee

☐ Check here for Conference Committee

Hearing Date: 02-28-07

Recorder Job Number: 4135

Committee Clerk Signature Alice Delzer

Minutes:

Chairman Holmberg opened the hearing on HB 1003 on February 28, 2007 in reference to the North Dakota University System (NDUS) He announced that Laura is going to go through some of the amendments concerning the 2007-09 budget.

Laura Glatt, Vice Chancellor NDUS stated that on page16 and 17 in the Budget Section is a summary of House amendments. What you see are the numbers on page 16 are Adjustments to Base Funding in Executive Recommendation and One-time Funding. There are footnotes on page 17 that kind of explain the amendments. She explained the amount that was removed from the board initiatives fund. That leaves $300,000 that has to be allocated to UND Space Grant Consortium. This is the fund with which the board makes allocations to encourage collaboration to support system wide initiatives. She referred to the two year nursing program at BSC.

Senator Tallackson asked if it was all general funds. He was told yes.

Chairman Holmberg said the reconciliation we are working on is the fact that the House added roughly $5 million of general fund money to this budget and they took money out of some areas and then you will see it coming in other areas as we go through this budget.

Laura Glatt explained the next line and the dollar amounts the House adjusted. That is the pool the Board has used primarily for capital emergency. For example a steam line break at

Wahpeton a couple of years ago. This fund kicked in for that because they did not have enough money in their budget to fix it. She also gave the example of BSC and the Armory. (meter 06.07) She stated this is an important line item in the budget. The third item is reduction in the operations pool. She explained the dollar amount involved in that. The 4th item reduces the capital bond payments. We had to build into our budget funding for bond payments. These are bonds that the Legislature has issued in previous sessions for state capital projects.

Chairman Holmberg asked so of the amendments so far that you have described you find this item is ok. That was confirmed.

Laura stated the 5th item is the reduction in the PSEP program.(meter 08.28) She mentioned a separate bill (1125) that put into place a loan forgiveness program for vets and optometrists that would help encourage them to return to the state to practice after they graduate. The way the board introduced this program it was suppose to be a community matching loan forgiveness program. It's since then been amended to take out the community match and it was also amended to take out the optometrists. She further explained what the House did.

Chairman Holmberg asked what does this do to a vet program that we initiated last session with Kansas. Are we under or over funded or right on for the next two years.

Laura stated that will be gone over more tomorrow. She stated this is a separate program from Kansas and separate from the professional student exchange program. As you know those two programs, the money you give us there, we go out and buy slots at colleges and that is still in our budget. What this program does though is, with the exception of the Kansas program, there is no requirement for those kids once they graduate from that optometry and dentistry to return to North Dakota to practice and we heard repeatedly that we have a shortage of dentists and optometrists in the state, especially in the rural areas.What we have suggested by way of legislation is to put in a companion piece would essentially be an enticement for those students

to come back to North Dakota to practice. This companion piece would allow the buy-down of their student loans.

Chairman Holmberg stated the reason he was confused was because it is listed in your piece here about the loan forgiveness for optometry but when the Council did their reconciliation they called it decreased funding for professional students. He was told the funding is all in the same line item. Chairman Holmberg stated we are reconciling two documents.

Senator Fischer asked if that has a name. He was told WITCHE.

Senator Bowman asked who's idea it was to take the funding out for those other 3 slots to go to Kansas State out of the budget and then I found out they sent 3 kids to Colorado State to school. I don't know by what authority anyone can change what's in law without the legislative process doing that. I need an explanation from somebody that did that and I notice now the amendment to 1043 it eliminates the payback for the provision of Kansas State. The reason that bill was written the way it was is to get the vets back to North Dakota to practice for three years in large animal practice. That's where the shortage was. He expressed concerns why these decisions were made and by whom. (meter 13.55)

Laura said she would try to answer his questions from the board's prespective.1st of all in terms of the Colorado slots, last session if you recall the legislature ended up funding 3 new WITCHE slots and that was separate from the Kansas program WITCHE slots are our most expensive slots. The reason you ended up adding 3 WITCHE slots in Vet medicine because there was a parent in Fargo who wanted his son or daughter to go to Colorado for Vet medicine. We knew that son or daughter were one of their top three. We don't know whether they were the top 1,2 or 3 so the only way we could guarantee that child got into that program was to fund 3 slots. So the legislature added money for those 3 slots and that's why we sent 3

more kids to Colorado. So we got them in the pipeline, we are not asking for 3 new slots next biennium but we have to continue funding the 3 we put in.

Senator Bowman stated he wanted to know by what authority did the Board of Higher Education have the right to take away those 3 positions. Is there a law that says they can supersede the North Dakota statute?

Laura said because you added funding specifically for those 3 WITCHE slots. We followed through with what you did. The other side is that you funded a new program with Kansas State and the legislature when you left town had put money into that program for 5 slots. If you also recall in that bill you added a section on legislative intent because those 5 slots were funded from the Student Loan Trust Fund,(SLTF) they were not general fund dollars. You also added a section of legislative intent that says the State Board of Higher Education (SBHE) should figure out how to continue funding those slots from some source other than SLTF next biennium. (meter 16.50) Because traditionally what we've done is once we put kids into these programs, it's a four year commitment. The legislature realized at the time you appropriated money for those 5 slots you were funding them from a one time funding source. When the session got over and we dealt with this issue we recommended to the Board and the Board adopted the recommendation that since there was not a permanent funding source in the bill for the continuation of those kids for 4 years the only way we could guarantee that we were going to sustain those kids for 4 yeas was to stay within the appropriation you have provided. So what we did we said if we only put 2 into the pipeline, instead of 5, there would be enough money there to carry over to the next biennium so we could guarantee that we would fund all these kids for 4 years. There are two risks: 1. If we put 5 kids into the pipeline and came back and the next legislative assembly didn't appropriate the money we would have had to tell the kids that their two years were up and we are going to cut you off. We don't like to do that.

2. Without a permanent funding source to sustain those kids for 4 years that the money to sustain them was going to come out of some other Higher Ed program and we said at that point that was not our highest budget priority.

Senator Bowman stated we had given the SBHE the message that we wanted those 5 slots funded and we want those 5 slots, when they graduate, and it is up to 5 by the way, because if they're not qualified we wouldn't send them, and I believe the first year we only sent 2 and then 1 got in on their own. They would be accepted but had to pay their own way which is good that they got accepted. This last year now I got kind of a nasty Email from one of the vary top students was basically third and we can't fund that student to come back and practice in North Dakota and I think that is a disgrace because the intent was as clear as a picture. Someone should have come to the legislature and tell us we're going to have to find the money so that we can continue this because I thought when we left that's what we had to do anyway.

Laura said I think you were very clear in your intent. I think when we looked at the whole picture, especially the part that said the Board should figure it out, to us it was a confusing message. She went on to explain appropriation in this cell. (meter20.39)There was further discussion regarding amendments and the language that needs to be used to address this issue.

Senator Bowman asked were will we find that so we can amend that.

Chairman Holmberg stated the actual language that was in HB 1397 which is the one set up last session concerning veterinarian medical education program Chapter 145 says "The State Board of Higher Education shall develop a plan for the continuation of funding for the program established by this Act to be included in it's 2007-09 biennium budget request from a funding source other than the Student Loan Trust Fund". He asked if the Board did put a funding

mechanism someplace for this Act in it's budget request. He was told they had requested and working through OMB and they recommended the Student Loan Trust Fund.

Chairman Holmberg asked if you are saying that OMB requested, even though we said in the last session that you request from a funding source other than the Student Loan, you did that and then OMB said we are going to go back to Student Loan? She stated she remembered there being discussion between OMB and themselves as we prepared the budget but we didn't identify the specific source. Laura stated that someplace other than the state general fund and then in the end when the appropriation bill was written it was in the Student Loan Trust Fund. Chairman Holmberg stated before we are done with this we want to make sure that the committee members feel that we have provided for the program and we have provided for the proper funding and that means changing language and we will change language.

Laura stated the other issue that Senator Bowman raised regarding the payback provision our position from day one has been, because a student going to Kansas State in vet medicine are the only students, either in vet medicine or dentistry or optometry that have pay back the state support fee if they don't come back to North Dakota to practice. The only thing we have said from day one is that they should all be treated the same. Either everybody should have a payback provision or nobody should and the reason we say that is we think it disadvantages Kansas because if I'm a student and I get an offer from Kansas and I get an offer from Iowa and one from Colorado, where would you chose to go, a campus that has a payback provision or a campus that doesn't.

Senator Bowman stated when they interview the students the very 1st question we ask is if they are interested in coming back to North Dakota. And that is one of the most important questions because in order to get the vets back here we have to know if they're willing to practice large animal practice, if they are not they go down at the the bottom of the list. They

can go to Iowa or wherever they can be accepted but our goal had one goal in mind and that was to bring students back with a doctorate degree in veterinary medicine to practice large animal practice for 3 years. I have not talked to one person involved in this who thinks that's out of the ordinary.

Laura again reinstated the Board's position is it should all be the same way. She gave an example (meter 25.47) I do think that some of the professional associations have a strong opinion about removing the payback provision but we're just saying it should be one way or another across the board.

Senator Bowman said he disagrees with that statement.

Chairman Holmberg said why don't we, on that particular issue, have a subcommittee of one to meet with Roxanne and Laura and see that the language is comfortable because the bottom line was a lot of the members of this committee felt as you felt and bring it back to us.

Senator Robinson asked is our policy going to be that nobody pays back, just Kansas.

Chairman Holmberg said that is half the issue because only Kansas has to payback. What Laura is saying is no one is going to go there. That is the problem.

Senator Bowman stated that when you interviewed the students, and I have done this for 3 times because I chair that committee, the kids that want to go to Kansas State want to come back and practice. That's not an issue with the kids. It's an issue with those that are above the kids saying we shouldn't take that and one of them is at NDSU. He told me that before we even had the meeting. He was asked if they ended up with anyone in Kansas. Senator Bowman said 2 and 3 that have to pay their own way now that want to come back and practice but they don't get any money because the 5 slots that were funded now they took away that 5 slots and funded 2 slots.

Laura and it's not that I don't' think that you'll get kids in Kansas. Kansas will not likely get the cream of the crop.

Senator Fischer stated they have to qualify to get into Kansas State. He was told it is not easy to get in. There are stringent requirements to get in.

Senator Robinson asked if we have any obligation out there. For those students right now do we have kind of a retroactive obligation to come back and make this right. Sounds like there was enough confusion here and we had some people unintentionally get the treatment that we had intended.

Senator Bowman said you are exactly right, That's why the kids are upset. We funded 5 slots even though the first year we only sent 2 that were funded because of their scholastic abilities and the other requirements that are required and one was marginal and that person did it upon himself because he wanted to get into school. You can't always get into school. The last two years we've had enough kids to fund but the funding was changed. If you promised that you're going to get funding and you're one of the top students that don't that is wrong.

Laura said the only thing I would caution you to think about in terms of retroactive application that there are a number of other students for other programs that we didn't fund because there wasn't enough money so then had they known they may have also applied for Kansas. Once you start retroactive the question is where do you stop (meter 29.53) and do you go to Colorado State and Iowa and start doing this all over again and allow them to reapply to campus. What I am saying is you could either retroactively fund Colorado or Iowa or those kids get accepted there and now they say can I apply at Kansas.

Senator Grindberg stated they're the ones who didn't want that hook. Laura commented they may be willing to take the hook now because they didn't get funding.

Senator Wardner asked where did the money go? Who took it? If the Legislature appropriated money for 5 slots shouldn't it just lay there if it is not used?

Laura gave an example type of answer (meter 31.04)

Senator Grindberg said I assumed we funded 5 slots and the 250 carried 5 for 4 years not just 5 per year. Would you have had the flexibility to say ok we're going to pay for the 5 and we're done. $250,000 for 5 students for 4 years, whatever the numbers are for tuition. Laura asked for the 1st year only.

There was further discussion regarding this matter. (meter 33.50) Laura stated the intent was 5 per year.

Senator Bowman said you have to remember this is for a need. Once that need is filled then the program won't be needed.

Senator Robinson asked if the rest of the money is setting in the Student Loan Fund. He was told yes. Laura informed him the money is carried over to 07-09 so we can continue funding those kids. But what you need to know is that in the 07-09 budget that section 10 appropriates $317,000 that only for two slots a year. If you want this to be 5 slots a year continuing them on plus continuing these that's going to have to be

Chairman Holmberg stated we'll just have the regular subcommittee look at this and try to bring back some information He was asked who is on the subcommittee and was told it has not been announced yet. He stated the subcommittee on HB 1003 and HB 1020 are different. 1003 it is myself, Senator Krebsbach and Senator Robinson. And on 1020 it is Senator Bowman, Senator Holmberg and Senator Lindaas. It was on the sheet but not typed yet. This committee needs more answers.

Laura continued on page 16 the line Reduces funding for 05-07 technology commercialization study. That was money you added this biennium for studying corporations the Department of Commerce was doing. It is one time money that comes out.

Chairman Holmberg said that was taken out by the House. He was told yes. And it was general funds.

Senator Grindberg said just to clarify the project was completed. Was that funding for that project from somewhere else than this? Who paid for it?

Laura said no. It was for commercialization study this biennium in cooperation with the Department of Commerce. The study has been completed. It's $50,000 because it was in our 05-07 Base. You appropriated the money this biennium of $50,000 for corporate study. We spent the money for this study. We won't need it again next biennium. (meter 40.39)

There was further discussion regarding this matter. (meter 46.22)

Chairman Holmberg had comments concerning other budget concerns, the setting up of the interim committee and the dollar amount involved.

Laura stated there will be several carry over items we will have at the end of this biennium. He was told that they will have carry over in their financial aid program, their scholars program. So we assume that those dollars will carry over to the next biennium so when we say to you next biennium for appropriations in the budget for financial aid we'll be able to fund 5000 students. We are assuming that the carry over will continue and be used for that program. I think that the $2,000 that the House was targeting is there is a line item in your bill called System Government. It funds the salary and operating budget for our office and the Board. And there is going to be carry over in that line. So I believe that is the carry over the House was targeting when they suggested that $200,000 be used for that study. Now the $200,000 is not a

concrete number today. Obviously we got a few months to go before the end of the biennium and there are some expenses that will be billed against that carry over.

Chairman Holmberg asked if we had decided what we wanted to fund that completion of Thatcher Hall to the tune of $200,000 could we say we are going to take that money.

Laura stated they certainly could. Thatcher Hall is legitimate. It has to be a one time expense.

Senator Robinson asked if there will be time for a wrap-up by Laura and Eddy for the benefit of the whole committee. Will there be time for some bigger picture issues?

Chairman Holmberg stated there will be an overview of the budget tomorrow. We'll start after we get done on the floor. And we will stop at 3:30 because we have public testimony on the schedule.

Laura asked for guidance for the hearing set for the next day.

Chairman Holmberg stated next week they will wrap up the hearings on HB 1003. He shared the more the whole committee understands it is a lot easier for the subcommittee to come forth with their ideas.

Senator Robinson stated he might talk to Laura in advance regarding the budget. When it gets to the long term plan it kind of came apparent that that plan is not working for a lot of the schools and I'm really struggling how we send these schools back, we have jobs open all over the state. We put money in workforce development, workforce training, backlog of kids that want to get into the programs and they're going to go back and cut the budget, something is out of whack. I am not blaming anyone but somehow we have to get our handle on that.

Senator Mathern stated in light of that comment I would appreciate some schedule of everything in higher ed that we are building and what that will cost. He also addressed if it would be bonded.

Chairman Holmberg closed the hearing on HB 1003.

2007 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. HB 1003

Senate Appropriations Committee

☐ Check here for Conference Committee

Hearing Date: March 1, 2007

Recorder Job Number: 4235

Committee Clerk Signature Alice Delzer

Minutes:

Chairman Holmberg opened the hearing and discussion on ConnectND.

Bonnie Neas, Interim Executive Director of ConnectND testified before the committee. She was hired last May to identify solutions leading to improved CND performance to better serve our users and our students. Her written testimony is enclosed. In January, the recommendations were presented to the CND Advisory Committees and State Board of Higher Education. All groups unanimously supported the recommendations contingent upon adequate funding support. The budget request was for 3.7 million which is in the executive budget for one time funding. Their recommendations go beyond that. The budget request was submitted before Randal & Bonnie were on board.

The ten recommendations are:

1. Increase investment in human resources (CND staff) by 11.5 fte. This is the highest priority.
2. Upgrade the CND Finance system.
3. Upgrade the Student Administration Data Center technical platforms.
4. Upgrade the SA applications.
5. Perform a security risk assessment to reduce liability.
6. Develop a comprehensive SA Data Center Disaster Recovery Plan.

7. Utilize a consistent tool set for optimal manageability and stabilizing the CND SA applications.
8. Implement a Data Warehouse solution.
9. Implement a Customer Relationship Management (CRM) solution to support recruiting and communication efforts with potential students.
10. Implement Oracle's User Productivity Kit (UPK) solution.

These recommendations total about 10.5 Million. Enclosed in materials presented are:

1. Brief descriptions of the 11.5 new positions
2. The ten recommendations in a spreadsheet format over five fiscal years
3. A matrix showing what the Executive Budget and five additional funding models do to our budget and cash flow over the next two biennia.

Senator Wardner asked if the pass carrier didn't get paid enough nor did they just not do a good job.

Bonnie said she didn't know. She said they didn't spend a lot of time on why the past company didn't work, she said they were asked to identify the problems and come up with recommended solutions. She said they tried to identify the short come of the system and come up with solutions.

Senator Seymour said earlier in her slides she talked about not having the backup, it sounds like you are going to have a consultant come in and do that. He said ITD just did a backup in Mandan. Could they have some direction on how to do your backup?

Bonnie said that she was sure they could learn from their experiences but there are 2 pieces: There is a technical solution which ITD could help with but the part that we may need more help with is developing the plan itself, and how to carry out that plan if you have a quick disaster.

Senator Mathern asked if we didn't put this backup plan in when we put the system in.

Bonnie said the staff was talking about the need but there just wasn't the resources or time to do it.

Senator Mathern said you didn't fund a backup plan when we started this.

Bonnie answered no.

Senator Robinson said that the IT Committee has been told that a significant percentage of the problems with CND can be traced back to the implementation schedule that was perhaps unrealistic in terms of time and under funding from the beginning. He asked if she agreed.

Bonnie said she didn't disagree. She said she thought the implementation schedule was very ambitious for the complexity of this system. You have 11 separate entities that are trying to use a software package that doesn't like to be adjusted very well so therefore we have done a lot of customizing to make it work. The way it was purchased, installed and maybe sold, she thinks there may have not been enough time put into the upfront analyzes of the complexity that we have in the system that we purchased.

Senator Robinson said that your contract is due to expire in three months, is that also true of Randal's contract.

Bonnie said she would have to refer to Randal.

Senator Robinson asked if we approve this package with you leaving in three months, he asked if we were positioned to continue are progress in resolving the issues before us with CND.

Bonnie said that their recommendations came out of analysis that were done over several months, if we get the funding to support these recommendations this is going to take as long as four years and at that time their will be changes that the company will come forward with that you will have to deal with. Then you will have to decide if you want to continue with this

solution. It is a good solution but it is complex. She said if you accepted the 10 recommendations and fund them you would stabilize the system and elevate the satisfaction of the users and students. She then explained budget options and this is included in her written testimony and additional attachments. She addressed option E.

Senator Grindberg said with option F, why couldn't we refinance with the bonds currently out there with CND that are supported through student fees and extend that term out another 4 or 6 years. And use a cost share with the state and user fees from the campuses. Look at the overall costs and spread it out over more bienniums. This is a big commitment.

Bonnie said we understand that and we are just laying out options. What you are recommending could possibly be another option.

Senator Seymour said there are a lot of positive things about CND.

Bonnie said yes there are positive things but the system is not stable. There needs to be some significant architectural changes.

Senator Robinson asked if much of the problems are because we had to accommodate eleven institutions.

Bonnie said that is a good question. There are over 1000 customized areas. We have done a lot of customizing. There is going to have to be a reconciliation of the system and the policies that we have in place to use this system. There will have to be a review and the Student Administration is looking at that.

Senator Robinson said the old system was also programmatic that continuing that system was not an option. Now we are at the point where the only way out is thru.

Bonnie said that is definitely true.

Senator Bowman said when we get all done with this there has to be something put in that we learned something. We have to do a better job doing our homework. The bottom line is that

we are taking away all the money to do other programs and giving it all to technology. He believes some of the other programs are more important. This is a great program if we have a great amount of money. When will we be satisfied with what we have done with the first objective that we tried to reach?

Bonnie said she didn't have a good answer for that but she wanted to comment that many Universities in this country use Oracle People Soft. Many have had difficulties adjusting and installing the system. In Georgia they installed it in 1996 and it took 3 years to work out the system.

Senator Bowman said that he is computer illiterate but we are getting bled to death by these companies that tell us how great they are but when you get into them they say if you spend a few more million dollars they can fix it.

Bonnie said that Senator Bowman brings up a valid point but she didn't think any other vendor would be different. It is going to be a continued challenge.

Senator Grindberg asked if we ever invite Oracle here so we could quiz them.

Bonnie said you did mention that and I think if you want them in front of this committee they would come. She said you also have to remember that you bought People Soft and after we were in the process Oracle purchased People Soft. There have been transitional problems there also.

We will have public comment at 3:30 pm.

Jodee Buhr, Director of the NDPEA handed out testimony from professors of higher education who had hoped to be there but because of weather were unable to be there. She appeared to ask for your support of reinstating the 5 & 5 salary increase for higher education for faculty and staff.

Bob Wetsch, tax payer from Mandan suggested they freeze the Higher Ed budget for the coming biennium until they get a handle on what is going on in Higher Ed. His written testimony is enclosed.

Joe Cichy ND Dental Association spoke in support of HB 1003 as it relates to the Professional Student Exchange program.

Nancy Kopp representing the ND Optometric Association and the ND Veterinary Medical Association testified in support for the portion of HB 1003 that provides the funding for the Professional Student Exchange Program. Her written testimony is enclosed. (3).

Dr. Tom Bettenhussen, ND Veterinary Medical Association spoke in support of HB 1003. He said that there is a shortage of veterinarians in ND and we do need more veterinarian and we need to continue the Professional Student Exchange Program.

Beth Carlson, Deputy State Veterinarian spoke on behalf of the ND Dept. of Ag and the State Board of Animal Health in support of the portion of HB 1003 pertaining to the base funding and enhanced funding for the Professional Student Exchange Program. Her written testimony is enclosed (4).

Brenda Weise, Executive Director of IT of ND spoke in support of HB 1003 in the funding for the Northern Tier Network. She handed out testimony from Mike Eggl, Senior VP of External Relations and Communications for Basin Electric Power Cooperative in Bismarck. His testimony is enclosed (5).

Wade Moser, Executive Director of the ND Stockman Association testified in support of the Professional Student Exchange Program. He said there was a huge shortage of large animal vets. He said they would like the committee to consider funding 5 positions for Kansas State. Last time the board funded only two and turned money back. He said they disagreed with that.

Senator Bowman asked how many vets do we need to fund to fill the needs in ND. How many will it take to saturate the market?

Wade said he didn't have that figure but there are a lot of vets in ND at retirement age and we are losing vets to regulatory positions.

Senator Christmann asked Sandy from OMB, about what Mr. Moser said that last time we funded these five positions and the board chose not to make use of them and turned the money back, does that money go back to the general fund or to the University System budget.

Sandy said that she believed those funds are still within their budget.

Senator Grindberg said they had extensive discussion on this yesterday and he believes those funds are in the Student Loan Trust and available to be drawn down as those two students move through.

Mike Grosz appeared as a concerned citizen of ND representing himself. He said he lived in Hazen and is a member of West River Telephone Coop. He is concerned about the appropriation of 2.4 Million to create two of the Northern tier network. He has reservations in creating a new state owned network. Private industry can do this for the State Universities. State government should not compete with industry in providing services or products. This policy has served the state very well. He respectfully requested that they not fund a separate network for the University Research. If the committee approves the separate network he asked that they amend the appropriation to prohibit the use of this new network for anything other than university research.

Henry Wrikler a citizen representing himself testified in support of a reinstatement in HB 1003 and 1005 to reinstate the 5% increase in Higher Education. (73.04)

Kent ... representing Quest Communications said that they would like to see some limiting language with the funding that would be similar to what we see in the century code concerning

IT (59.54.02 or 49.21.01.1) That limiting language says that IT Dept. may not exercise it's powers and duties to interfere with or compete with private telecommunication industry.

Senator Robinson asked if the private sector was ready to move on the Northern Tier.

Kent said he didn't understand the question. He said in ND in regard to Quest, he did not know of an instance where anyone placed an order with his company and they said they couldn't fill it for them. So I don't understand when you ask are we ready to move on it.

Senator Robinson said the concern is from public education. Higher Ed is saying that they need the technology at their fingertips. Are there plans from the private sector to ensure that the technology is available for a price to our University System?

Kent said that he didn't believe the Northern Tier could exist without the private sector. What he understands is the Northern Tier Network is going to be purchased or donated from the private sector...if they want to use it for research, fine, but they would like to see some limited language so no excess capacity is used by business partners or loosely defined university partners.

Actual situation number is 54.59.02. Copy handed out Chapter 54-59. (6)

The discussing went back to ConnectND:

Senator Robinson commented on the history, that several years ago the university system had a proposal before the legislature to do their own system, for thirty some million. At that time we said it was too much money. He said that we decided to put the two together, ratchet down the time, and pay millions less.

Senator Mathern asked Bonnie about her comment that this might be the only system in the country that brings together these separate institutions. Is there a market for this or anything positive about this?

Bonnie said that there is not another installation like ours. Missouri is looking at it. As far as a future opportunity there might be but it would have to be modified considerably. She said that they had talked about doing separate data bases.

Senator Christmann said that we have to be very careful here to distinguish between CND which has been troublesome but hopefully we will work our way through it. There is need to be differentiated from the network service because that has been delivered better than expected. He said CND has been a problem, not DCN.

Senator Holmberg asked if Touchnet has anything to do with students at UND not being able to use Visa but they can use Mastercard.

Bonnie said Touchnet does not provide Visa services. That is another complexity.

Randal Theusbeye said that it can add other providers for a cost.

Bonnie Neas provided information about the Northern Tier Network Project. Her written testimony and information is enclosed in a pink color. The Northern Tier Network Consortium (NTNC) was founded in 2003 and was comprised of 21 members from nine states between Chicago and Seattle, until there most recent semi-annual meeting in January when Alaska joined NTNC. North Dakota's members are NDSU, UND, ND's ITD and Turtle Mountain CC. Bonnie also explained the Nation wide R&E backbone Maps. (This information is enclosed.) (94.34)

Bonnie said, to answer the private sector questions, I believe this body passed restriction on what higher ed could do. We are not a telecommunication company and we do not compete with the private sector. What we are proposing through legislation as a research Universities we can support start up companies and incubators. Also for purposes of research she said they would like to propose that we be supported for those partnerships. We do not intend to offer any private services that are not part of the research partnership.

Senator Robinson asked if she was suggesting public/private relationships.

Bonnie said yes, Qwest to whatever. ATT donated fiber all over to be used.

Senator Grindberg said in 2001 or 2003 we did pass a law that said services could not be provided from the University IET com. Internet for more than four years in incubator sites.

Senator Bowman asked if this was all about Research and Research Grants.

Bonnie said primarily yes; it is also about economic development. It is the research and partner collaborations.

Senator Bowman asked about the donated fiber and the maintenance contract that is about 1 million dollars a year, what happens when someone cuts the line. Whose cost?

Bonnie said that this will be part of our services and will be in that million dollar continued cost. There might be another opportunity to work with our instate carriers.

Senator Bowman is concerned about cost and what it will cost ten years down the road.

Bonnie said she hopes that all will benefit and it will be good for ND. It is a national infrastructure that we are looking at.

Senator Seymour asked if they have received a sheet of costs.

Bonnie said she will provide that to them. The costs are in the consultants report.

Senator Christmann asked if the network would only serve NDSU and UND.

Bonnie said it is set up to serve only NDSU and UND but the network goes across the state because that is part of the national infrastructure.

Senator Chrismann said this could be shipping more than research it could be regular correspondence and e-mails.

Bonnie said that is possible but it will be confined to research universities.

Senator Christman asked her definition of research.

Bonnie said research, we can divide out our traffic, and we have no intention now of sending our commodity traffic over this network.

Senator Christmann asked if you had this why would we pay for both.

Randal Thursby said that the way we have this structured is that we have network inside the state and we use that network for all our traffic in between our institutions. He told how they managed this network in Georgia. (117)

Senator Holmberg said one phrase that bothers him is, "Federal Agents are beginning to require". Where are we in that...what %?

Bonnie said that she served on Cyber infrastructure committee for an organization of 1600 universities throughout the United States. They are working with the National Science Foundation in trying to set criteria in requiring fiber infrastructure standards or guidelines for grant proposals.

Senator Holmberg said, in your professional opinion as you sit on this board, is there a broad representation from states that are not on the line right now or is it heavily weighted on those that already have this.

Bonnie said it is heavily weighted to those that have it because they are the ones who understand the advantages they have. She said that she is the only member on that committee from the Northern Tier region.

Senator Holmberg said committee member will work on this and it may be coordinated with HB 1001 the IT Budget.

Senator Krebsbach asked if ATT is contributing the cable or the fiber as well as laying it or whose responsibility would that be.

Bonnie said that the fiber is there and I don't know how ATT donated the fiber and how it was decided that they would. What they have donated is restricted to research universities. She

said the ATT fiber we do not purchase we lease it. Also they will be debating whether they sign a 10 year lease or 20 year lease.

Senator Christman asked for a written definition of research and research institutions.

Bonnie said that she would be glad to do that but she doesn't have it with today. Research is about creating new services and products and getting funded for it.

Senator Wardner gave an example of how it could work.

Bonnie said that is correct. The light waves that Randal talked about can happen in 30 minutes.

Senator Holmberg said we need budget review and we need to hear about ESCORE.

Senator Robinson handed out Indian College material.

Roxanne handed out information from Legislative Council on fund analysis.

Closed meeting.

2007 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. 1003

Senate Appropriations Committee

☐ Check here for Conference Committee

Hearing Date: 03-06-07

Recorder Job Number: 4448

Committee Clerk Signature

Minutes:

Chairman Holmberg opened the hearing on HB 1003 beginning EPSCOR.

Mike Hillman, Vice Chancellor Academic and Student Affairs, ND University System, referred to the handout, the budget overview and specifically discussed the EPSCOR program. He distributed a summary of the materials already in the packet (1). EPSCOR is the experimental Program to Stimulate Competitive Research which strengthens North Dakota's Science and Technology Infrastructure. In going through the budget what was in the Governor's Budget, the return on investment, the federal program grants and the successes.

Chairman Holmberg asked if the committee could be provided with a summary of the funding from the last five biennium. The response was yes.

Senator Bowman asked of the budget how much stays at the two universities and how much goes to the other systems that do research. The response was that will be provided.

Cathy McDonald, Director of Finance, ND University Systems, distributed budgets and information on different programs, and information on PSEP (Professional Student Exchange Program). She indicated she would concentrate on what was not previously covered; student finances and grant programs as well as budget adjustments. She briefly discussed HB 1395 indicating the board is supportive of the bill but not the funding source. She also indicated that bill would be to pay the school, not the student.

Senator Krauter questioned page 9 one time allocations. The response was the funds allocated this time are a one-time allocation. The middle portion indicates how the funds are allocated this time.

Senator Fischer questioned page 34 section 25, regarding payback for veterinarian medicine. Chairman Holmberg indicated one concern is the multitude of programs regarding vet medicine that are requesting funds and how different the costs are. Are we doing the right thing and could we use our money more wisely is this something we need to get our arms around. Peggy Wipf, Director, Financial Aid, ND University Systems, responded, indicating they try to put as many students as can in pipeline.

Senator Bowman questioned why the thinking on the vet medicine program changed. He indicated the purpose was to have five students enter the program each year at KC State and have students fill a commitment to come back to ND. Why did that thinking change from two years ago to today. Who was behind the push to not require that student to come back to ND to practice. In response to that Peggy did not know. She did indicate that at one time all of the students receiving funding were required to come back. That language was repealed during the 1980's partly because we don't require other areas to practice.

Chairman Holmberg indicated this is something that will be taken up by the sub-committee.

Chairman Holmberg questioned of the 32 freshmen in 06-07 under the program, who gets tuition waived and what percentage of those get other grants or scholarships. The response was that is not tracked.

Senator Wardner questioned if this is includes students that have taken the ACT in the summer. The response was it is optional for the students to take the ACT in year before the senior year.

Senator Grindberg questioned what is happening with the decline in the ACT. The response was because of the dates of taking the tests, some students are not recorded.

Kathy continued with her testimony on ND individual scholarships program, education and senate grant programs.

Chairman Holmberg questioned a prior bill and this bill having a stipulation with teachers going back to communities with areas of shortage. She then identified 18 areas of education and further discussed those program areas.

Chairman Holmberg indicated the current carry over fund, of $106.

Karlene Fine, discussed Section 19, regarding the Bank of North Dakota profits for the administration of the student loan program and the preference to not use that program. This is a pass through program.

Lynn Bergman, represented the Citizens for Responsible Government which meets on Wednesdays in Bismarck. He described his group and presented a position paper (4) and testified in opposition of funding higher education. He expressed his concerns and solutions for funding higher education.

Duane Sand, State Director, Americans for Prosperity in North Dakota, distributed written testimony (5) and testified in opposition to HB 1003 and funding education, expressing concern with the overall spending. He indicated SD has less colleges and universities then ND. He indicated that ND has had a steady decline in K-12 education since 1993, yet university enrollment has increased and spending has increased. He believes growth is coming from outside the state of ND. His suggestion is to reduce the level of spending. The suggestions are accountability measures added, economic development reports by the board of higher education, education transfer data and legitimate one time expenditures.

Chairman Holmberg indicated that one reason there are eleven colleges is that voters added the junior colleges to the university system.

Senator Robinson indicated the per capita issue comes up and that can be said for any office in the state. One individual testified against the education budget but then indicated the only place people live in ND is where there are colleges. I see this as an investment and part of the solution to our problem not the problem itself.

Senator Lindaas invited Mr. Sand to look up the difference in definition in the word spend and invest. The investment we make in education returns itself many fold to our economy.

Senator Grindberg indicated nine years ago, this body led a measure to put the names, omissions out of the constitution and the voters said no. The people have spoken. The issue you pointed out has been addressed.

Lynn Bergman indicating we are proposing a little different approach, we are providing funds and secondly there will be 4-5 measures on the next ballot that if this legislature continues to spend like I think it is going to.

Chairman Holmberg closed the hearing on HB 1003.

2007 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. 1003

Senate Appropriations Committee

☐ Check here for Conference Committee

Hearing Date: 03-06-07

Recorder Job Number: 4481

Committee Clerk Signature Alice Delzer

Minutes:

Chairman Holmberg opened the hearing on HB 1003 on March 6, 2007 regarding the Kansas State University Veterinarian Medicine Program. He explained the handouts that were handed out and one was called Kansas State University Veterinarian Program Funding Options and one called Legislative Intent. They should have been passed out this morning. He stated Roxanne Woelte did this and asked her tell the committee about this option piece.

Roxanne Woelte, Legislative Council shared the information about what happened last session in creation of how to handle the students attending Kansas State within this program. She mentioned the HB 1397 from last session and the funding provided in that bill. She stated in the next section of the handout there are 4 options for the committee to look at regards to funding. She explained all these to the committee. They basically addressed the amount of students that could go, how many years they could go and the funding available for this project.(05.46)

Chairman Holmberg said the way the statute reads now if we were to pass any of these options it is up to, if there are only 4 that qualify, if we went in that direction we don't want to force us to be funding someone who doesn't meet the qualifications.

Senator Bowman commented that he chairs the subcommittee that selects the students and the right way to do it would be to leave that up to the discretion of that committee because

there is certain criteria that they have to meet. It is not strictly scholastic, but that is a big part of it, but also people skills, all that is done by a screening process before they select them to come to us and then our responsibility is to pick up to 5 students if they meet the criteria. The reason I feel it should be left up to the committee, even though there are 5 slots open, lets say we only have 4 that meet the criteria, but we have one student that wants to get into graduate school so bad that they'll pay their own way to get in. Kansas State will accept that student but we will not fund it. The job is not easy to pick these students. Something we need to think about the limit as to how many years we want to do it. This bill was introduced for a specific purpose, and that was to bring large animal veterinarians back to North Dakota. If we saturate that market then we'll be defeat the purpose and we should end it. I think it's around 30 to 35 students. If they all would come back and practice we'd have that requirement filled and at that time try to negotiate with Kansas State as far as just opening the slots up so the kids can go there. Or maybe consider the WITCHE program. I fee if we pay for their education they need to be obligated to come back and practice in North Dakota for 3 years, and then their obligation is taken care of.

Senator Robinson had concerns that we maintain our credibility and sticking to our word, based on that comment made this morning in other testimony concerning Veterinarian Medicine Program. He asked which scenario would honor that commitment from two years, based on who's in the pipeline and if that this point and time we were to go back and say ok, we had problems but we are going to honor our commitment beginning here and now. Which one of those examples or options would we have to look at?

Chairman Holmberg stated he wanted to add that we always upheld our commitments because we told them up to 5. More discussion followed regarding this matter. (12.10). He addressed option 4, but if we went with option 4 that's what you want the subcommittee to do

we've got to make sure the language is proper, like what do you do with the excess money if there are only 4 qualified people. Does the board spend it then on other programs or is it a line item for Kansas State. And the other thing, there are three things going on here, one is the payback, which is a separate issue. The House kicked it out, Senate can put it back in if that's what they want.

Senator Christmann had questions regarding the payback. He also stated he thought we should do what we set out to do two years ago and use option #4. I do think there is money in the Student Loan Trust Fund that was meant to have been used to get this rolling and that ought to be the first money that we use.

Chairman Holmberg stated that if the student does not come back to North Dakota he has to pay back a portion of that tuition, and that particular item was taken out of the bill in the House. It's an argument between what was in the law and the House.

Senator Grindberg stated he thought that money was in reserve to be drawn from.

Roxanne stated what the board had used. The balance is in the Student Loan Program.

Senator Fischer had questions regarding the money left in the Student Loan Fund. He asked if that would fund 2 students through their senior year.

Roxanne said at the time the board made their decision they put 4 students in the pipeline. She stated she did not want to speak for the board.

Senator Bowman stated that when they met with the students they thought they would receive the waiver. Who made the decision to take the money out, and we found out the Board of Higher Education did. We passed the law, and they turned around and did not pay for the other 3 we selected. I believe we are obligated to pay for those kids that we picked this year. They were counting on that. These kids are remarkable and they did extremely well in school and put themselves in a position to be picked. They all said they wanted to come back

and practice large animal practice in North Dakota. I don't know how we can do it to repair the damage to these kids. I know someday we'll saturate that market and this program will have used it's usefulness. Do we review it at that time? I agree with Senator Christmann when we made that commitment to do that we did because of the need.

Senator Fischer asked as of right now, the Legislative intent of last session where does that put the students that Senator Bowman is talking about as far as funding is concerned. We knew what the intent was, did Higher Ed? He also asked if the students that Senator Bowman is talking about could be funded under the law that exists today that we passed two years ago.

Senator Bowman said Higher Ed took it upon themselves to only fund two this year. They didn't come to the Legislative body and said "could you change the law?" they did that themselves.

Senator Robinson had questions about using the existing money that is there so these kids from a year ago would not be forgotten. He also asked how many students there were that didn't get funded and where did those who didn't get funding go?

Senator Bowman stated he felt so sorry for those kids after he found out that we could only fund 2 of them. He stated that 5 were accepted at Kansas State but he hasn't got a letter from Kansas State yet confirming that all 5 accepted because of the funding part.

Chairman Holmberg quoted the law from the North Dakota Century Code to the committee.

Senator Robinson stated there were 5 applicants, 2 were funded, and asked what criteria did the board use to select the two of the five. He was informed the committee did the selection. He then stated that his point is you had committed 5, did you not. Of the original 5, 2 went and were accepted and paid for.

Senator Bowman said 5 could be accepted right now at Kansas State. Two were told that they were going to get their tuition paid because when we met we did not know that the Higher

Board of Education at that time had taken out the funding for 3 slots. That all came after the fact.

Senator Robinson asked if the committee had recommended 5. He was informed yes.

Senator Grindberg said it would seem to me that you had 3 students that are enrolled there on their own, and if I am hearing you correctly, 5 went.

Senator Bowman stated it has not been verified that 5 went. The very first year we picked two and they were funded. One more student went but got no funding because that student didn't meet the qualifications but he wanted to get in so bad that we asked Kansas State if they would accept him if he paid his own way. That is another issue. But 2 were funded the first year. They are two sophomores now.

Chairman Holmberg stated then the second year of the biennium how many applied, how many went. Senator Bowman could not confirm that number at this time.

Senator Krauter asked how many the advisory committee recommended the 2nd year of the program.

Senator Robinson stated we need that information before we decide.

Senator Bowman stated the selection committee picks them, there was maybe 7 total to pick from.

Chairman Holmberg asked who keeps the records of that.

Senator Bowman stated that Peggy Rift would have that information. He said this year we picked 5 and did not have any problem picking 5.

Senator Seymour stated one thing he remembered in the testimony WITCHE came in and they used 3 of the slots for WITCHE.

Senator Fischer stated the WITCHE situation was an entirely different issue. Further discussion followed regarding this issue.

Senator Bowman stated the Kansas board opened the door to educate up to 5 North Dakota students to learn the large animal practice. He talked about the testimony that was presented two years ago by Kansas State.

Senator Robinson stated we need to get the right figures from Peggy before we do anything so we get it right this time and know exactly where we are.

Chairman Holmberg stated we will not bring this back up to the full committee until the subcommittee is done. The subcommittee will look at option 4, we will get the data about the numbers for each of the years that we are dealing with to make sure we are on solid ground. We will bring that as part of the amendments to HB 1003.

Senator Fischer stated he would hate to see this opportunity missed.

Senator Seymour commented one other highlight is the President of Kansas State is a graduate of Minot High School.

Chairman Holmberg commented about language needed in the bill regarding a study on PSAP Programs, the payback issue Which the House took it out. The committee confirmed they wanted it back in. The hearing on HB 1003 closed.

2007 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. 1003

Senate Appropriations Committee

☐ Check here for Conference Committee

Hearing Date: 03-14-07

Recorder Job Number: 5079

Committee Clerk Signature Alice Delzer

Minutes:

Chairman Holmberg opened the subcommittee hearing on HB 1003 at 3:10 pm on March 14, 2007. Present were Senators Robinson and Krebsbach.

Senator Krebsbach stated the amendments she is proposing is 78003.0203 and what it does is add to the budget and it's going into the Higher Ed. Budget for the sum of $197,000 and this would be for a full time recruiter position. Basically it came as an idea for Bottineau and she stated that Minot is in the same situation, why can we not share this particular person. Senator O'Connell thought it was a great idea and we presented it to Dr. Fuller and he felt it was a good idea also.

Chairman Holmberg stated that will be put on the list of things we have to make a decision on. As a whole committee we looked at the items that had been identified and we said that we would start from the premise that the committee was going to reinstate the 5 and 5. The 5 and 5 is no more than the 4 and 4 plus equity. Then our task is to make sure that we can fund that item. In this meeting we will try to get all the items on the table for this round. He passed out the Grindberg amendments, and they have to do with the 18th Street Development Fund. I really think the Board or the appropriate person should ask us in this budget to amend Section 15 of SB 2003 from SB 2005. He asked if that amendment was prepared.

Laura Glatt, NDUS stated the Board meets tomorrow and it is on the agenda for approval so we will have the amendments prepared after that.

Chairman Holmberg we will need that.

Laura Glatt asked if they have the amendment concerning the Bison Sports Arena.

Chairman Holmberg said we have that. Also, there was an amendment that you might have gotten an email from Laura about that reference in the bill that needs to be adjusted, so we have that reference. He asked if they have the amendment for the Northern Tier. You have it in the notes to fund the Northern Tier and there will also be some language regarding that it is the intent of the legislature that the two campuses, NDSU and UND, they are the beneficiaries.

Laura Glatt asked about the funding of the Northern Tier. It is the balance of the one-time cost and then they would absorb the maintenance of that because they are the ones that are going to benefit. That was confirmed.

Senator Krebsbach stated that Senator O'Connell mentioned something about additional funds for Bottineau regarding Thatcher Hall.

Chairman Holmberg stated that was in there. He passed out an amendment about a Legislative Interim study and the study language has gotten longer. He talked to Bill Goetz, who kind of liked it. It should focus on answering questions. It has in it a Round table can be used. If we mandate it we really give us trouble in the House because that in part depends on who leads the Legislative Council next time. He also addressed the 4th draft. It started from language that Laura had put together but he also worked on it. If you have suggestions get back to us in the near future. I did put in the language about productivity. Discussions had to look at Option 4, for the Kansas State situation. And then we have some language because there is really a lot of angst over the professional programs from the standpoint that maybe it's time for the Legislature to take a look at that issue in study. We don't know the impact with

contracts we already have with the WITCHE states. The last thing we want to do is jeopardize any of that. We took the other studies that were in the bill.

Laura Glatt had questions regarding Kansas, if it is 5 slots per year and if the money is coming from the trust fund.

Chairman Holmberg confirmed the 5 slots is correct. The funding is unclear yet. He referred to the Orange Book on page 10, the adjustment for capital assets and the general fund changes. Discussion followed regarding the wind energy project, performance contracts, and and it was noted that every campus has done performance contracts, and the Williston Premier Oil Trust Fund. He asked if there was a lot of testimony concerning that. UND Medical School was not on the list. He was informed by Laura that it was not requested in the general budget. We have to make sure the Bison Arena project is correct. Mayville state had the special assessments and it was a huge percentage of their budget. Is this the final payoff? And he was informed yes. Then Swain Hall at MSU that was in the executive budget but there was a miscommunication, the bottom line was their increase and now there is in the budget both Swain Hall and the athletic floor. There were 2 adjustments for operations' one at UND Medical School for microbiology; and NDSCS for the Nano-science program. Nancy put together some stark language and when we get together again you may have some questions regarding her presentation.

Senator Robinson said he passed out a sheet the other day and he has a meeting tomorrow that is involving 4 institutions (one is Wahpeton and Senator Anderson has talked to me about that) that are not positioned to fund the 5 and 5 and with the enrollment variations, they're going to be in a very difficult financial situation. He thought he could have the figure by tomorrow morning.

Senator Holmberg stated that opening that up will give people the opportunity to criticize the 5 and 5.You may bring that forth then but it has got to be very money sensitive. He asked if Senator Robinson had any idea of what they are talking about. Senator Robinson stated he had an idea. The 5 and 5 thing has less an impact overall than at one particular institution because of enrollment projections their looking at a hit of $900,000 in the next two years which is major for that budget. It was noted that the Board will have to have some input. There would be those that would say it is a problem of enrollment.

Senator Robinson stated that some of us are wondering if you lose enrollment you go up on the pier index. We are questioning the long range finance plan when you've got this many institutions struggling. The cut is significant. He will visit with Laura concerning this.

Chairman Holmberg stated we will look at that. The House put the cap of 5% increase on tuition and there are those who want to freeze tuition and there are those who do not want any change in the current structure. I have suggested to those who do the language to leave the House 5% cap but allow the Board to come to the budget section in case of an emergency or unforeseen situations that might develop.

Senator Robinson stated there is $1 million for capital improvements at Mayville that came from the House. He was informed it is in the governor's budget.

Further discussion followed regarding ConnectND which has to be interfaced with IT committee, the Med School building, and the professional student exchange program. Laura informed the committee that a study had been done concerning the exchange program and was asked to provide that information to the committee.

Senator Holmberg closed the subcommittee hearing on HB 1003.

2007 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. **HB 1003**

Senate Appropriations Committee

☐ Check here for Conference Committee

Hearing Date: **March 21, 2007**

Recorder Job Number: **5421**

Committee Clerk Signature

Sub committee 1003

S Holmberg we have had some initiatives prepared in the amendments for the school of medicine and we knew the folks would be here in town, so we ask it they would come over and walk through those four proposals so that the sub committee can get a better handle before we vote on them.

Dr. Wilson gave overview to answer to questions on 4 parts of the amendments, specifically called the Medical Center Advisory Council initiative; they are requesting the primary care and prevention initiatives. There are 4 parts of this, one is having to do with the promotion on school and community based prevention programs, Dr. Nancy Vogelhans Home is here for questions. This is an initiative by med school to address problems we all have behaviors that we have in eating, smoking, alcohol, meth and Dr. Vogelhans has worked in areas all over state regarding obesity in children. The question is, do we pay now or later?

Nancy has wonderful program in the schools that addresses habits that begin early in life, and if we can change those habits and get those kids to avoid smoking and other bad habits, we can save money in the long run. These are programs that would be supplemented by Federal government from the Center of Disease Control and other places.

Nancy and 2 people in her unit are trying to do all of this, it's impossible. We need more expertise and would like to see it in every school in ND. It is a health problem. It is an investment in the future of North Dakota

Second part Center for Rural Health, they are involved in every county in stat eof ND. They need to track the workforce, how many nurses will we need in 10 years, how many Occupational Therapists, Physical Therapists, dentists, primary care physicians and medical physicians. How can we help small communities in small counties attract and retain the personnel that is going to be needed? We need someone focused each and every day instead of an "add-on." The Center for Rural Health is plus for state of ND, 6% from state funds, rest is from Federal funding.

Third, it is much need Dr. Vogelhans has just reviewed all the county health officers in ND. We have one person with a Masters in Public Health. We need more expertise in the state. Many people can't leave jobs etc to do that. Residents in train could get masters in public health at the same time they are doing internal or family medicine. The ideal county health officer would be family medical doctor with MPH. That needs to be done for health in entire public If they would offer an MPH and a program in preventive medicine, we would qualify for a prevention research center for the CDC. Dr. Vogelhans tried to get this in place about 3 years ago, and looked at the Federal register for how the various programs had been established in other states in the country. We don't have a program in the upper Midwest states in the country.

If we would have these things, it would help with the issues to face ND.

Fourth - need additional full- time family doctor to teach in Minot and Bismarck to train doctors, these are the programs turning out doctors for rural counties We aren't attracting enough young medical student graduates to go into family medicine. Role models make a big

difference. Minot has a beautiful facility. With another full-time person there, I think it would be more attractive to American grades to our programs.

S Robinson give us a little background on this package. Was it presented to the government budget before session, were these proposals presented to the House? I'm trying to follow the amendment and it's a little blurry.

Dr. Wilson: There are 4 different amendments to the House appropriations committee, they elected to take on 2 of them and the word is that they wanted the Senate to take on the other two. We did speak with the Governor and Lt. Governor and mentioned these things to them. I was hoping that in the Governor's budget that he would make some comment about public health about preventive medicine and the like, and was disappointed not to hear that. I thought we had a good reception and thought they were supportive, but that's all I can say.

S Krebsbach the four priorities, are they ranked in the priority?

Dr. Wilson: They are listed in the authority in the best interest of the state. I hate to prioritize them because they are all important and all fit together. When you look at 2.8 million dollars per biennium, 1.4 million dollars a year, to do some really good things in terms of an investment and the future of ND and it's citizens. These are more service related than big things for the medical school, per say. We would like to participate in more things around the state, these are the programs that are allowed to do that.

Dr. Wilson requests Dr. Vogelhans to address needs:

From University of ND medical school

In visiting with the Governor, they seemed they would put something in the budget. We met with Mr. Goetz, the Gov. Chief Of Staff I am health psychologist at UND for four years and address issues of health to work with educators to get at the children for prevention. *She distributed a form listing areas that they are reaching and programs they are providing and*

have seen some improvements .We are looking for support to keep us stable and keep us getting federal grants to allow us to reach out to more schools. I handed out a list of all the places we are working in. We have concentrated in the Western part of the state to a large extent with the rural school districts where we have had exceptional results. Teachers are involved, parents are involved, we think kids like the kinds of things that we're going and seen a decrease of obesity in schools that we're working in. We've been in Minot, working in Valley City and we've never done anything in Grand Forks, they have a lot of great resources, but we certainly have been talking to them about why we cannot help in certain areas. We want to do more. We are working with the Dept. of Health and Dept. of Public Education, all of these come together to give you more comprehension and more effectiveness for your dollar.

S Krebsbach What kind of grants have you been receiving, dollar amounts and where from?

S Vogelhans We submit for grants all the time. Gotten 2 grants CDC, one for $250,000, $230,000 and a state contract for worksite wellness pilot program, and other smaller state agency contracts to develop programs, They are becoming more and more competitive all the time.

S Holmberg: Do you get homeland security money?

S Vogelhans: No, it's not something we've ever tried to apply for, but are looking at this.

Mary Wakefield, Director of Center for Rural Health

60 % of funding comes from state and thank you for that. The rest of our funds are competitive. Every dollar we get in is not earmarked, we compete Nationally for the funds. They are all *soft* funds, and is hard to keep a team focused on their work when they're looking over their shoulder day in and day out, worried about whether or not their job is stable. The state-wide focus, we had a national advisory committee visit ND 3 months ago. We received external

validation. We'll always compete because we've always done more than we could and should be doing. To run the operation on soft funding is extremely hard to do.

Specific focus on workforce in ND, it is for tracking purposes, but is more than that. We know we have to target secondary schools and through college, focusing into graduate school and residency training programs through recruitment and retention. It's about the supply of health care providers and it's about retaining them.

When we have data to tailor responses to issues, aging population, have stable challenges and intermittent challenges Need to focus on the workforce we have and upcoming workforce. ¾ of ND is designated by the Federal government as health profession shortage area. I'm concerned about what is happening right now.

Dr Wilson explained more about the masters degree in public health, and preventive medicine program. Those are envisioned to occur here in Bismarck to occur with the Public Health Department.

Rod Beatty, family doctor, practiced last 14 yrs in Hettinger. When talk about residency programs, one of obvious positions is to educate physicians, with that need to have percepting supervising physician, that takes faculty members to do that. When they are doing that, they can't see patients. In Minot, in process of recruiting faculty to help with training.

Dr. Wilson, speaking of the new facility in Bismarck. The youth facility of Grand Forks was swapped, did not cost state anything, built new facility in Minot using local money. We see these as joint programs and is all money comes to same pool to pay off the building in Minot and to run the program. There is a need for more physicians in Minot. 32 Family doctors in Bismarck are graduates of our program. We are committed to help situation in Minot, long term looks good, do great service to a lot of people in ND. We don't do a billfold biopsy, if they need help, we take care of them. They do a great service to a lot of needy people in ND.

Kelly Longe *Requested to come forward.* From Tioga, ND. Started as undergrad in GF in the Medical School in the first 2years, finished last two years in Bismarck now in residence 2nd year, one year to go, and looking for a place to go, am looking at Hazen, Cando, Tioga, Cooperstown, there is a big need, 25 positions open in state. The program is training 75 doctors in the state

Comment, I was hoping you would say you're looking at Valley City.

Dr. Wilson stated, these are investments in the future of ND and its citizens.

S Holmberg asked question of Roxanne 31.25, on "T" (talks about tuition increases), under "Q" Mayville State University, option is 143033, House provided $559,000 to pay off all special assessments on street projects in Mayville, we thought that was a little much, so we are going with the proposal that would spend $143,000, that would pay the current year, and then the next 2 years of the biennium, so they would have a 3 year period to help them get themselves back up on their feet. That would save us $400,000 in change. The year proposals are on the sheet. #6 on the third page, they're waiting for information from Senator Krebsbach. We have taken care of all issues with NDSU regarding the building, the street, and the new.... all taken care of. *Requested Kathy to come forward*

Kathy from NDSU This was a situation that came up yesterday before Laura had to leave town. She received a call was informed that bids were opened for student apartment complex. Have current authority for $5 million, 27 thousand, 500 dollars for. Due to the significant increase in construction costs, this is the second bid opening for this project, they scaled it down once already. Even at this, the bids came in at $652,250 higher then current authorization. What they are asking for increased budget authority, and would be fund from

auxiliary reserve fund to make up the balance and give them a total appropriation authority of $579, 750.

S Holmberg this would not dissimilar to what we did in the item #1.

Sen. Robert Eberle, District 28 Test results. 1125, page 2, brought amend regarding removal of lines to allow communities in under-served areas to bring in vets with loan forgiveness, many vets indicate would not have experience to move into a practice and if they work somewhere else for a period of 3-5 yrs and met other criteria before taking on rural practice and would open up apprenticeship in more populated areas.

S Holmberg This bill was initially heard in Ag Committee? Have you alerted them that you came to us with this wisely drafted piece of legislation The discussion had to do with the value of a vet coming to a rural area that had 4-5 years of experience, than someone that just graduated from school. This bill has NOTHING TO DO with the Kansas agreements?

Sen. Robert E: No, this is loan forgiveness program.

S Holmberg This bill came to our sub-committee. There was more than one reason we were holding this bill.

S Robinson: Senator Erbele talked with him about this a couple days ago, he was on his way to contact you in this committee and Senator Krebsbach, in reviewing it, this is practical application issue, it makes sense, and was innocent oversight as to how this would play out in a rural location in rural ND.

S Holmberg Kathy is here, do you think the board would have any heartburn if we put this change in the bill? This changes the requirements for the criteria to allow someone who has a little more experience to still take advantage of this program. A person could have 2-3 years of experience. The reason was, that when go into small community, you will very likely end up as the veterinarian of that community, and when you are just out of that vet school, you

probably don't have business skills to run a one-person operation. This would allow them to qualify for the program if they had some work-related experience.

S Robinson: I'm sure they're very talented, but a lot is to be said about on-the-job work training.

S Holmberg: It will be on the "to do" list. Are there any other folks to drag in here to discuss this budget?

S Robinson: Issue 11, they are my concerns of institutions within the university system characterized by dealing with parity and cost to continue, in most instances are issues that come about by greater issues. In reviewing the impact on the institutions, there are 5 institutions that are experiencing these challenges. 4 or 5 experiencing to greater degree and two that have dire challenges for next few years. I realize the pressure on this budget, after review this over several times, there are two institutions, Valley City State and Wahpeton have have serious challenges to do the 5/5 to maintain stability in budget tuition collections. In Valley City, the problem could approach in excess of $800,000.

S Holmberg: Is that with or without the 5/5?

S Robinson: With the 5/5.

S Holmberg: Without it?

S Robinson: $560,000 some.

S Holmberg: I would like us to consider if we could find the dollars in a couple areas that I think we could identify is a package of $800,000 between the two institutions. Initially, the figures quoted were over $800,000, I said that's not going to happen. I would like to suggest we look at a $600,000 package. In visiting with Wahpeton, $200,000 or as close to that amount as possible, the two together being $800,000.

S Holmberg: Has there been any discussion about fact that they do have $350,000 additional money that they have added by the House for Nano-Technology program, were they willing to prioritize?

S Robinson: I did mention that. It was like choosing between two children. They really feel in a box and they feel that the institutions need both programs, and they are high priorities, and that's where we left it. It is a difficult situation. Minot state looking at serious situation, as well, and have prioritized. I wish I had better news, at best it is a dire situation. Some institutions through cuts had to address this issue and their projections are much more positive for the next two years. Minot, BSC, and other institutions are dealing with similar situations.

S Holmberg: You could go biblical and cut both children in ½, that would save $400,000. We will discuss this tomorrow, isn't your problem *mostly* driven by declining enrollments?

R Robinson: Yes, it is, it's also the round table's long range finance plan. Image on outside appears it is doing well. Ironically if you look at the peer index, those institutions that are at the top of the peak are struggling the most. One questions the validity of the whole peer issue when it comes to the accuracy of the index.

S Holmberg: But if you would call during the interim, when we spent $175,000 to be told the peer system is AWEFUL, but we don't have a better mix for you, because we tell you we can't get the data, so there we sat. When we get on the floor, the first mention of the round table will cause some hackling to go up....

S Robinson: Some institutions, as Wahpeton, they have a number of programs that are kept. They would WELCOME the opportunity to add some additional staff to grow their moment and ease the burden. It took us 12 years at our institution to land the Masters Program. We knew this was coming and tried to supplement enrollment, but given the location in Valley City with a next of schools in that part of the state, it's highly competitive. We have declining students and

lost about 100 Barnes County seniors in the last 2 years. Our actual share of the market has gone UP, the numbers of students, WAY down.

S Krebsbach: You mentioned Minot State, it doesn't affect them until second year of the biennium. They aren't in quite the dire straits as Valley City.

CLOSE

2007 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. 1003

Senate Appropriations Committee

☐ Check here for Conference Committee

Hearing Date: 03-23-07

Recorder Job Number: 5535

Committee Clerk Signature

Minutes:

Chairman Holmberg opened the hearing on HB 1003 indicating the bottom line and easiest way to do this is to turn to page nine. We are going to go across on the general fund footnotes first and then go back and clean up a few other things. Keep in mind that on this budget, we were operating under the option that this budget would take care of connect ND to get this off the table so that in two years they can come back with a request for a different system.

The detail of the Senate change; the regular state employees had a salary adjustment package of slightly over 5.1%, the Governor's budget had compensation for the university system at 5%, that was reduced in the house to 4% and the first thing we did as a committee is say let's restore the 5/5 from the Governor's budget. That is what footnote one does, with the compensation package. This bill comes in slightly under what the House version was of the bill with the exception of at the end we had to take care of Connect ND.

Footnote #2 added $150,000 to competitive research for EPSCOR.

Footnote #3 increases funding for board initiative. This is has to do with $98,000 from the general fund and $98,500 from special funds to be used in a pilot project for a shared recruiting initiative from Bottineau and Minot State. They are to report to the 61st legislative assembly on the effectiveness and we hope they demonstrate if there is the opportunity for modeling on other campuses.

Footnote #4, the figure we were given on our meeting of CONNECT ND was that it would take $2.4 million to move that along for over and above the Governor's budget. We felt that number was too high, so we trimmed $100,000 off that. That number in the end might be $1.9 million but we didn't know how far down to go.

Footnote #5 is the high-speed research internet line coming into the state. The IT committee is working on HB 1461 and there is additional language that will be worked out to further refine the parameters of the Northern Tier Network.

Footnote #6 is to remove funding from an operations pool.

Footnote #7 removes some additional contingency money and one of these funds has funding removed.

Footnote #8 had to do with the Kansas State Medicine program. There were charges and counter charges and a lot of discussion. The bottom line was when we put the money in we listed option 4, which funds up to five. There is also language in here to study that whole process for the next two years.

Footnote #9, we reduced education incentive programs by $249,000. That was money put in the budget for HB 1249 which was defeated. This adjusts funding for operations an additional operation at the State College of Science and an additional $400,000 at Valley City State.

Footnote #10, adjusting funding for capital assets, includes a number of things. Reauthorizing the college student housing project (from special funds), Lake Region had $1 million from general funds from the House for their wind energy project. The governor's budget had $3.7 million of special funds where you go out build it and pay it back from the savings. We returned that to the Governor's executive budget and there was $1 million of the money we spent on campuses for salaries. The UND – The governor's executive budget had $4.5 million

in special funds for a new FPC in Bismarck. The House took $3.6 million of general funds and we went to the Governor's recommendation.

Senator Bowman asked who actually owns the FPC in Bismarck. The response was the state owns it.

Chairman Holmberg indicated the House initially had a bill to freeze tuition that failed. The House sent this bill over with an annual tuition cap of not more then 5%. We didn't know which way to go so what we did was put in language that said tuition should not go up more then 55. We added sections of the Higher Education system that use the Northern Tier are the ones who will maintain it. Last session NDSU asked for authority to construct a college of business building on the campus of NDSU. They were able to purchase through generous folks, a used building off campus and we had to change the law so they were not illegal when they cut the ribbon.

We used input from various groups and added input of study in this particular bill.

Section 23 of the bill relates to the unspent general fund appropriation in the board office and $200,000 of that is going to be used for completing and furnishing Thatcher Hall renovation.

There was a section added dealing with NDSU eighteenth street development fund. There needed to be some changes and technical adjustments there.

The House passed HB 1021, 1022, 1033 and they had buyer's remorse later on in the session and added a section to repeal part of HB 1031 dealing with budget preparation. This passed and we removed that language to repeal a bill we had lost.

On page 5, there is language to remove certain lines and that is because in putting the bill together it was easier to hog house that language. We didn't through anything away. Not all general fund money was taken out. The House had passed in their version of this bill a requirement that there should be a higher education study which will be chaired by the

Chairman of the House Appropriations Committee which will be consisting of seven house members and five senate members. We felt the Legislative Council would be a better place to have this discussion. That also included $200,000 for a study and we took that funding and finished Thatcher Hall. The language we have here discusses what the House was very interested in. They wanted to look at productivity. There were some people on our subcommittee-committee that really wanted the study to look at the impact of the states changing demographics on the long term finance plan. The study may also include the use of a higher education round table format and we said that instead of this interim study being a budget tour where you spend most of your meetings traveling around the state having a nice lunch or dinner, this committee will spend most of its time working on the issues facing higher education and the budget section will have to come up with its own way of doing it.

On page 8, we have the language working with Nancy and folks with the veterinary community, we put together this language. One discussion point was the study done by the board and there was a sense we needed that as an optional study.

We have many different things going on. There is not always consistency and looking at that all together would be a wise investment.

Senator Robinson moved approval of the amendments, Senator Krebsbach seconded. Discussion followed.

Senator Robinson indicated on page 10 references to move the University system back to 5/5. That amounted to a $4.2 million cost and as a result, given our budget and the restraints we were trying to operate in. it puts us in a tough situation to make everything else come together. On page 12, re: the buildings, I want to understand the student housing project at

BSC. In terms of the Med School, the executive budget was $4.5; the House added general funds and we are back to the Governor's level of special funds. Have they raised dollars toward this project? Where are they at?

Chairman Holmberg indicated they have not been successful up to this point of raising funds.

Senator Krauter asked if the intent is to leave it at $4.2 million or $4.5 million.

Chairman Holmberg in the House they said they only needed $4, so what they did was give them $3.6 general and $400,000 of special.

Senator Mathern on that item I had talked about bringing more clarity to the Bismarck Center. I have some amendments if you care to consider them.

Chairman Holmberg we will consider them, but let's pass this because if yours pass they will supersede this.

Senator Christmann; re: the building project and special funds, where are they. The response was it is not appropriated money.

Senator Christmann then indicated on page d12, footnote 4, the bailout on the connect ND; what period of time is being bailed out. The response was that we are potentially looking at what will be done in 09-11.

Senator Christmann discussed #5 on the Northern Tier Network was raised to $2.7 million and as I recall, ITD is handling this for under $1 million. What is the rest for? The response was there is funding in here for infrastructure.

Senator Grindberg went through the figures and what they were for indicating will go toward getting in place the North South Route and the East West Route.

Senator Christmann requested a breakdown of that for both routes.

Additional discussion followed on different areas of the budget being discussed.

Senator Christmann indicated there are funds out there that the University system could choose to use for the dire needs. This makes me wonder about accountability to the taxpayers and legislators.

An oral vote was taken on the amendments. The motion carried.

Senator Mathern introduced amendment 0211 indicating that one of the things he has learned that the rates of people graduating from residency programs and practicing in rural ND depends a great part on where they receive their training. The Bismarck residency program is in trouble. Right now they are in a situation of not having enough patients to provide for the persons they are training. We require these programs to pay their own bills so they need a place from which to do their work. Suggestions have been for the Center to use the Bank of North Dakota building. This amendment would transfer the property to the medical center and have the med center come up with plan to bring it to the budget section to fully develop the future of this center. The other thing is taking $1 million out of the permanent oil trust fund. He suggested one of the issues is this is a one time cost and He felt if we don't give direction we are in danger of losing the center in Bismarck and consequence is losing practitioners in ND.

Chairman Holmberg indicated it is as costly to retrofit the old red owl store as it is to construct new.

Senator Mathern indicated but it is a close location and this bill is just directing them to come up with a plan and bring it to the budget system.

Senator Christmann does this proposal have the back of the University System or the Med School. The response was the dean is supportive and asked us to adopt the amendments.

Senator Christmann indicated he is very tempted to support this.

Senator Mathern indicated that he wants to have it on record that this $1 million would in no way pay for a facility.

Senator Kilzer indicated he had several comments and a few questions. It is his feeling that the FPC is not seeing a lot of patients is not because of location or their staff, the reason is they have created their own competition throughout the years. The program has been there for twenty-five years and has graduated a lot of physicians who have set up local practice. Is the transfer including the medical school or just the residency program? The response was nothing has been determined.

Senator Mathern indicated that is one of the issues that is not resolved. If they find the tower is an acceptable building and could house other activities like the education portion. It depends on the condition of the building. Zoning would not be a problem. Other locations have also been mentioned.

Senator Kilzer suggested another location which would be near the Bank of North Dakota.

Senator Mathern indicated he just offered the amendment as discussion and he does not have a problem with not adopting. He thought there was enough here to go to conference committee. This is being offered if we want to give some direction.

Senator Bowman indicated that after touring the facility is sthat half of that could be used, but the cost of tearing down the old building and remodel the other building would probably have more cost involved then tearing down and building new. The bare land near the Bank of ND building may be more practical. However, we don't know the exact costs.

Senate Robinson indicated that at some point we have to move forward and make a decision. It is incumbent to us one way or the other so we can dispose of the property if need be if we decide as a body that is not the option to use those facilities.

Chairman Holmberg indicated this may be something to take to the conference committee to see what they want. Again, it comes back here for final resolution.

Senator Grindberg indicated he is comfortable with what was passed. I will not support this. This gets back to the original presentation and the conflict between the medical school and the board office over interpretation of what priorities were evaluated before for general fund versus special funds. I understand the amendments we passed and where the Bismarck building funds and special funds and not the permanent oil trust fund and not the general funds.

Chairman Holmberg indicated we had a lot of discussion and we can gather more information. Thank you for bringing that to us.

Senator Krebsbach moved passage of HB 1003 with amendments, seconded by Senator Seymour. Discussion was held. A roll call vote was taken resulting in 13 yes 1 no. the motion carried and the bill will be carried by Senator Holmberg.

Senator Christmann indicated when we approved the grand stand I thought we can only do so much in one area but that building project that the House added that was not in the Governor's Budget and should be taken out.

Chairman Holmberg indicated that was not changed we just approved what the House did. Swain Hall is in here. It wasn't in the Governor's budget, but since that time they had a revelation.

Sandy indicated we have received updated information on the status of that building and the Governor is in favor of funding and the proposal.

Chairman Holmberg not to put too fine a point on it, as I understand about $24 million of general fund has been identified as expenditures not in the executive budget that the Governor's Office does support.

Chairman Holmberg closed the hearing on HB 1003.

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Prepared by the Legislative Council staff for
Senator Holmberg
March 5, 2007

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1003

Page 8, line 14, replace "2,877,961" with "5,709,561"

Page 8, line 15, replace "2,877,961" with "5,709,561"

Page 8, line 23, replace "88,106,217" with "90,937,817"

Page 8, line 25, replace "23,025,865" with "25,857,465"

Page 12, line 9, replace "34,238,963" with "37,070,563"

Page 12, line 10, replace "34,238,963" with "37,070,563"

Page 12, line 18, replace "475,264,110" with "478,095,710"

Page 12, line 20, replace "588,735,866" with "591,567,466"

Page 12, line 21, replace "475,264,110" with "478,095,710"

Page 12, line 23, replace "611,449,866" with "614,281,466"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1003 - Summary of Senate Action

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE CHANGES	SENATE VERSION
University System office				
Total all funds	$73,348,533	$72,080,990	$0	$72,080,990
Less estimated income	2,437,810	2,686,810		2,686,810
General fund	$70,910,723	$69,394,180	$0	$69,394,180
Bismarck State College				
Total all funds	$20,799,330	$20,587,433	$0	$20,587,433
Less estimated income	27,805	27,805		27,805
General fund	$20,771,525	$20,559,628	$0	$20,559,628
Lake Region State College				
Total all funds	$9,660,871	$9,607,299	$0	$9,607,299
Less estimated income	3,007,600	2,007,600		2,007,600
General fund	$6,653,271	$7,599,699	$0	$7,599,699
Williston State College				
Total all funds	$7,996,300	$8,830,366	$0	$8,830,366
Less estimated income	1,400,000	2,300,000		2,300,000
General fund	$6,596,300	$6,530,366	$0	$6,530,366
University of North Dakota				
Total all funds	$193,608,905	$191,861,920	$0	$191,861,920
Less estimated income	78,200,000	74,100,000		74,100,000
General fund	$115,408,905	$117,761,920	$0	$117,761,920
UND Medical Center				
Total all funds	$33,874,938	$34,238,963	$2,831,600	$37,070,563
Less estimated income				
General fund	$33,874,938	$34,238,963	$2,831,600	$37,070,563
North Dakota State University				
Total all funds	$119,527,336	$133,439,378	$0	$133,439,378
Less estimated income	20,500,000	35,500,000		35,500,000
General fund	$99,027,336	$97,939,378	$0	$97,939,378

State College of Science				
Total all funds	$38,830,758	$38,917,159	$0	$38,917,159
Less estimated income	8,414,000	8,414,000		8,414,000
General fund	$30,416,758	$30,503,159	$0	$30,503,159
Dickinson State University				
Total all funds	$25,917,119	$25,729,961	$0	$25,729,961
Less estimated income	8,000,000	8,000,000		8,000,000
General fund	$17,917,119	$17,729,961	$0	$17,729,961
Mayville State University				
Total all funds	$11,736,719	$12,208,021	$0	$12,208,021
Less estimated income	900,000	900,000		900,000
General fund	$10,836,719	$11,308,021	$0	$11,308,021
Minot State University				
Total all funds	$39,698,842	$39,445,085	$0	$39,445,085
Less estimated income	5,575,550	1,239,150		1,239,150
General fund	$34,123,292	$38,205,935	$0	$38,205,935
Valley City State University				
Total all funds	$15,979,831	$15,851,252	$0	$15,851,252
Less estimated income				
General fund	$15,979,831	$15,851,252	$0	$15,851,252
Minot State University - Bottineau				
Total all funds	$5,182,179	$5,138,046	$0	$5,138,046
Less estimated income	12,905	12,905		12,905
General fund	$5,169,274	$5,125,141	$0	$5,125,141
Forest Service				
Total all funds	$3,538,935	$3,513,993	$0	$3,513,993
Less estimated income	997,486	997,486		997,486
General fund	$2,541,449	$2,516,507	$0	$2,516,507
Bill Total				
Total all funds	$599,700,596	$611,449,866	$2,831,600	$614,281,466
Less estimated income	129,473,156	136,185,756		136,185,756
General fund	$470,227,440	$475,264,110	$2,831,600	$478,095,710

House Bill No. 1003 - UND Medical Center - Senate Action

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE CHANGES	SENATE VERSION
Operations	$33,874,938	$34,238,963	$2,831,600	$37,070,563
Total all funds	$33,874,938	$34,238,963	$2,831,600	$37,070,563
Less estimated income				
General fund	$33,874,938	$34,238,963	$2,831,600	$37,070,563
FTE	155.74	157.74	7.50	165.24

Dept. 232 - UND Medical Center - Detail of Senate Changes

	PROVIDES FUNDING FOR CENTER FOR RURAL HEALTH HEALTHCARE WORKFORCE INITIATIVE [1]	PROVIDES FUNDING FOR SCHOOL AND COMMUNITY-BASED PREVENTION PROGRAMS [2]	PROVIDES FUNDING FOR ESTABLISHING A MASTER'S DEGREE PROGRAM IN PUBLIC HEALTH [3]	PROVIDES FUNDING FOR THE DEPARTMENT OF FAMILY AND COMMUNITY MEDICINE [4]	TOTAL SENATE CHANGES
Operations	$600,000	$580,600	$819,000	$832,000	$2,831,600
Total all funds	$600,000	$580,600	$819,000	$832,000	$2,831,600
Less estimated income					
General fund	$600,000	$580,600	$819,000	$832,000	$2,831,600
FTE	0.00	2.50	3.00	2.00	7.50

1 This amendment provides funding of $600,000 from the general fund to the UND School of Medicine and Health Sciences for support of the Center for Rural Health Healthcare Workforce Initiative.

2 This amendment provides funding of $580,600 from the general fund to the UND School of Medicine and Health Sciences for the Center for Health Promotion school and community-based prevention programs. The funding would support 2 behavioral health science faculty ($442,000), a .5 FTE administrative assistant ($58,600), and operating expenses ($80,000).

3 This amendment provides funding of $819,000 from the general fund to the UND School of Medicine and Health Sciences for establishing, in collaboration with the State Department of Health, a master's degree in public health and a preventive medicine training program. The funding would support 1 epidemiologist, 1 physician board-certified in preventive medicine to direct the training program, and 1 staff person.

4 This amendment provides funding of $832,000 from the general fund to the UND School of Medicine and Health Sciences for support of the Department of Family and Community Medicine, including 1 new faculty position at the Center for Family Medicine in Bismarck and 1 new faculty position for the Center for Family Medicine in Minot.

mod amend 0210 pass

Date: 3/22
Roll Call Vote #:

2007 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1003

Senate Appropriations Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number

Action Taken DP as amend 0210

Motion Made By Krebsbach Seconded By Seymour

Senators	Yes	No	Senators	Yes	No
Senator Ray Holmberg, Chrm	✓		Senator Aaron Krauter	✓	
Senator Bill Bowman, V Chrm	✓		Senator Elroy N. Lindaas	✓	
Senator Tony Grindberg, V Chrm	✓		Senator Tim Mathern	✓	
Senator Randel Christmann		✓	Senator Larry J. Robinson	✓	
Senator Tom Fischer	✓		Senator Tom Seymour	✓	
Senator Ralph L. Kilzer	✓		Senator Harvey Tallackson	✓	
Senator Karen K. Krebsbach	✓				
Senator Rich Wardner	✓				

Total (Yes) 13 No 1

Absent

Floor Assignment Holmberg

If the vote is on an amendment, briefly indicate intent:

78003.0211
Title.

Prepared by the Legislative Council staff for
Senator Mathern
March 23, 2007

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1003

Page 1, line 4, after "study" insert "; to provide a contingent appropriation"

Page 18, after line 21, insert:

"**SECTION 24. REAL ESTATE TRANSFER - CONTINGENT APPROPRIATION - BUDGET SECTION APPROVAL.** The industrial commission shall transfer the real property comprising the existing location of the Bank of North Dakota to the university of North Dakota for the purpose of relocating the university of North Dakota school of medicine and health sciences Bismarck family practice center. The university of North Dakota shall develop a plan for remodeling the facility to fit the needs of the family practice center. The plan must include financial agreements for financing the remodeling costs with special funds, including federal funds and private donations, and up to $1,000,000 from the permanent oil tax trust fund. The funding from the permanent oil tax trust fund is appropriated to the university of North Dakota subject to the approval of the plan by the budget section for the biennium beginning July 1, 2007, and ending June 30, 2009."

Page 20, line 11, replace "25" with "26"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

This amendment provides that the Industrial Commission is to transfer the existing Bank of North Dakota property and building to the University of North Dakota for the relocation of the UND School of Medicine and Health Sciences Bismarck Family Practice Center. The University of North Dakota is to develop a plan for remodeling the facility and upon approval of the plan by the Budget Section, the university is appropriated $1 million from the permanent oil tax trust fund for remodeling costs associated with the relocation.

78003.0212
Title.0300

Prepared by the Legislative Council staff for
Senator Holmberg
March 23, 2007

3-23-07
1 of 13

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1003

Page 1, line 6, replace "sections 1 and 2 of House Bill No. 1031, as" with "section 15-12-27 of the North Dakota Century Code, relating to North Dakota state university's eighteenth street development fund"

Page 1, line 7, remove "approved by the sixtieth legislative assembly, relating to the budgeting process"

Page 5, replace lines 5 through 31 with:

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

Subdivision 1.
NORTH DAKOTA UNIVERSITY SYSTEM OFFICE AND INSTITUTIONS

Capital assets	$2,475,971
Competitive research program	460,000
Board initiatives	(1,486,500)
System governance	514,972
Common information services	10,914,000
Operations pool	(388,559)
Equity pool	(2,000,000)
Contingency and capital emergency	(436,923)
Student financial assistance grants	2,483,095
Professional student exchange program	595,666
Scholars program	616,489
Native American scholarships	128,638
Education incentive programs	512,412
Total all funds - Adjustments/enhancements	$14,389,261
Less estimated income - Adjustments/enhancements	43,954
Total general fund - Adjustments/enhancements	$14,345,307

Subdivision 2.
BISMARCK STATE COLLEGE

Operations	$2,917,590
Capital assets	2,707,161
Total all funds - Adjustments/enhancements	$5,624,751
Less estimated income - Adjustments/enhancements	1,962,255
Total general fund - Adjustments/enhancements	$3,662,496

Subdivision 3.
LAKE REGION STATE COLLEGE

Operations	$1,137,678
Capital assets	2,745,667
Total all funds - Adjustments/enhancements	$3,883,345
Less estimated income - Adjustments/enhancements	3,007,600
Total general fund - Adjustments/enhancements	$875,745

Subdivision 4.

WILLISTON STATE COLLEGE

Operations	$886,105
Capital assets	(5,879,277)
Total all funds - Adjustments/enhancements	($4,993,172)
Less estimated income - Adjustments/enhancements	(5,660,000)
Total general fund - Adjustments/enhancements	$666,828

Subdivision 5.

UNIVERSITY OF NORTH DAKOTA

Operations	$14,728,428
Capital assets	(18,303,224)
Total all funds - Adjustments/enhancements	($3,574,796)
Less estimated income - Adjustments/enhancements	(24,131,554)
Total general fund - Adjustments/enhancements	$20,556,758

Subdivision 6.

NORTH DAKOTA STATE UNIVERSITY

Operations	$14,013,525
Capital assets	4,016,935
Total all funds - Adjustments/enhancements	$18,030,460
Less estimated income - Adjustments/enhancements	(3,500,000)
Total general fund - Adjustments/enhancements	$21,530,460

Subdivision 7.

NORTH DAKOTA STATE COLLEGE OF SCIENCE

Operations	$2,823,065
Capital assets	1,198,613
Total all funds - Adjustments/enhancements	$4,021,678
Less estimated income - Adjustments/enhancements	(1,104,920)
Total general fund - Adjustments/enhancements	$5,126,598

Subdivision 8.

DICKINSON STATE UNIVERSITY

Operations	$2,186,729
Capital assets	(465,484)
Total all funds - Adjustments/enhancements	$1,721,245
Less estimated income - Adjustments/enhancements	(1,100,557)
Total general fund - Adjustments/enhancements	$2,821,802

Subdivision 9.

MAYVILLE STATE UNIVERSITY

Operations	$886,159
Capital assets	130,969
Total all funds - Adjustments/enhancements	$1,017,128
Less estimated income - Adjustments/enhancements	(600,000)
Total general fund - Adjustments/enhancements	$1,617,128

Subdivision 10.

MINOT STATE UNIVERSITY

Operations	$2,954,699
Capital assets	367,024
Total all funds - Adjustments/enhancements	$3,321,723
Less estimated income - Adjustments/enhancements	(7,295,850)
Total general fund - Adjustments/enhancements	$10,617,573

Subdivision 11.

VALLEY CITY STATE UNIVERSITY

Operations	$1,577,070
Capital assets	2,487,819
Total general fund - Adjustments/enhancements	$4,064,889

Subdivision 12.

MINOT STATE UNIVERSITY - BOTTINEAU

Operations	$437,017
Capital assets	(5,699,023)
Total all funds - Adjustments/enhancements	($5,262,006)
Less estimated income - Adjustments/enhancements	(5,987,095)
Total general fund - Adjustments/enhancements	$725,089

Subdivision 13.

UNIVERSITY OF NORTH DAKOTA SCHOOL OF MEDICINE AND HEALTH SCIENCES

Operations	$3,213,936
Total general fund - Adjustments/enhancements	$3,213,936

Subdivision 14.

NORTH DAKOTA FOREST SERVICE

Operations	$433,085
Capital assets	78,566
Total all funds - Adjustments/enhancements	$511,651
Less estimated income - Adjustments/enhancements	22,485
Total general fund - Adjustments/enhancements	$489,166
Total general fund - Section 2	$90,313,775
Total estimated income - Section 2	($44,343,682)
Total all funds - Section 2	$45,970,093

SECTION 3. 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 office and the various entities and institutions under the supervision of the state board of higher education for the purpose of defraying the expenses of those entities and institutions, for the biennium beginning July 1, 2007, and ending June 30, 2009, as follows:

Subdivision 1.

NORTH DAKOTA UNIVERSITY SYSTEM OFFICE AND INSTITUTIONS

Capital assets	$16,754,112
Competitive research program	5,650,000
Board initiatives	398,500
System governance	6,083,394
Title II	695,600
Common information services	31,477,093
Professional liability insurance	1,350,000
Student financial assistance grants	5,987,497
Professional student exchange program	2,722,946
Scholars program	1,478,566
Native American scholarships	380,626
Education incentive programs	1,740,314
Total all funds	$74,718,648
Less estimated income	2,643,730
Total general fund appropriation	$72,074,918

Subdivision 2.

BISMARCK STATE COLLEGE

Operations	$19,783,138
Capital assets	6,695,942

Total all funds	$26,479,080
Less estimated income	5,707,555
Total general fund appropriation	$20,771,525

Subdivision 3.

LAKE REGION STATE COLLEGE

Operations	$6,527,667
Capital assets	3,133,204
Total all funds	$9,660,871
Less estimated income	3,007,600
Total general fund appropriation	$6,653,271

Subdivision 4.

WILLISTON STATE COLLEGE

Operations	$6,639,102
Capital assets	2,257,198
Total all funds	$8,896,300
Less estimated income	2,300,000
Total general fund appropriation	$6,596,300

Subdivision 5.

UNIVERSITY OF NORTH DAKOTA

Operations	$107,280,030
Capital assets	81,828,875
Total all funds	$189,108,905
Less estimated income	73,700,000
Total general fund appropriation	$115,408,905

Subdivision 6.

NORTH DAKOTA STATE UNIVERSITY

Operations	$89,818,175
Capital assets	43,209,161
Total all funds	$133,027,336
Less estimated income	34,000,000
Total general fund appropriation	$99,027,336

Subdivision 7.

NORTH DAKOTA STATE COLLEGE OF SCIENCE

Operations	$27,809,893
Capital assets	4,765,865
Total all funds	$32,566,758
Less estimated income	1,700,000
Total general fund appropriation	$30,866,758

Subdivision 8.

DICKINSON STATE UNIVERSITY

Operations	$16,898,356
Capital assets	9,018,763
Total all funds	$25,917,119
Less estimated income	8,000,000
Total general fund appropriation	$17,917,119

Subdivision 9.

MAYVILLE STATE UNIVERSITY

Operations	$9,889,789
Capital assets	1,989,963
Total all funds	$11,879,752
Less estimated income	900,000
Total general fund appropriation	$10,979,752

Subdivision 10.

MINOT STATE UNIVERSITY

Operations	$30,170,548
Capital assets	9,578,894
Total all funds	$39,749,442
Less estimated income	1,239,150
Total general fund appropriation	$38,510,292

Subdivision 11.

VALLEY CITY STATE UNIVERSITY

Operations	$13,383,596
Capital assets	2,996,235
Total general fund appropriation	$16,379,831

Subdivision 12.

MINOT STATE UNIVERSITY - BOTTINEAU

Operations	$4,771,477
Capital assets	410,702
Total all funds	$5,182,179
Less estimated income	12,905
Total general fund appropriation	$5,169,274

Subdivision 13.

UNIVERSITY OF NORTH DAKOTA SCHOOL OF MEDICINE AND HEALTH SCIENCES

Operations	$34,574,938
Total general fund appropriation	$34,574,938

Subdivision 14.

NORTH DAKOTA FOREST SERVICE

Operations	$3,358,731
Capital assets	180,204
Total all funds	$3,538,935
Less estimated income	997,486
Total general fund appropriation	$2,541,449
Total general fund appropriation - Section 3	$477,471,668
Total estimated income appropriation - Section 3	$134,208,426
Total all funds appropriation - Section 3	$611,680,094
Grand total general fund appropriation - H.B. 1003	$477,471,668
Grand total estimated income appropriation - H.B. 1003	$156,922,426
Grand total all funds appropriation - H.B. 1003	$634,394,094"

Page 6, remove lines 1 through 31

Page 7, remove lines 1 through 30

Page 8, remove lines 1 through 30

Page 9, remove lines 1 through 30

Page 10, remove lines 1 through 31

Page 11, remove lines 1 through 30

Page 12, remove lines 1 through 23

Page 12, line 24, after "**INITIATIVES**" insert "**- REPORT TO THE SIXTY-FIRST LEGISLATIVE ASSEMBLY**", after "The" insert "board initiatives line item in subdivision 1 of section 3 of this Act includes the", and remove "of the funding included in"

Page 12, line 25, remove "the board initiatives line item in subdivision 1 of section 3 of this Act must be used"

Page 12, line 26, after "funds" insert "and the sum of $98,500 for a recruiting initiative for Minot state university and Minot state university - Bottineau. Minot state university shall provide additional funding of $98,500 from special funds for the initiative. The funding for the initiative is provided for a two-year pilot basis. Both Minot state university and Minot state university - Bottineau shall report on the effectiveness of the initiative to the appropriations committees of the sixty-first legislative assembly"

Page 13, remove lines 1 through 4

Page 13, line 5, replace "$28,652,267" with "$31,477,093"

Page 13, remove lines 14 through 18

Page 13, line 25, replace "$317,460" with "$523,380"

Page 16, remove lines 27 through 31

Page 17, line 1, after "**LIMIT**" insert "**- BUDGET SECTION APPROVAL**"

Page 17, line 4, after "year" insert "unless the board receives prior budget section approval"

Page 17, line 7, replace "$42,322,010" with "$39,979,343"

Page 17, line 12, replace "2,400,000" with "2,773,800"

Page 17, line 13, replace "3,700,000" with "6,000,000"

Page 17, line 15, replace "11,559,500" with "11,143,033"

Page 17, line 16, replace "23,431,710" with "18,831,710"

Page 17, line 18, replace "42,322,010" with "39,979,343"

Page 17, remove lines 19 through 31

Page 18, remove lines 1 through 15

Page 18, line 17, replace "make available" with "use"

Page 18, line 19, replace "the payment of any consulting services relating to the legislative" with "completing and furnishing the thatcher hall renovation and addition at Minot state university - Bottineau"

Page 18, line 20, remove "council study of higher education"

Page 18, after line 21, insert:

"**SECTION 20. LEGISLATIVE INTENT - NORTHERN TIER NETWORK.** It is the intent of the sixtieth legislative assembly that higher education institutions utilizing the northern tier network be responsible for funding the related ongoing maintenance costs for the network.

SECTION 21. NORTH DAKOTA STATE UNIVERSITY - COLLEGE OF BUSINESS BUILDING. The state board of higher education may enter an agreement or agreements with the North Dakota state university foundation or other private entity and do all things necessary and proper to authorize construction by the foundation or other private entity of a college of business building off the North Dakota state university campus, using donations, gifts, or other private funds.

SECTION 22. LEGISLATIVE COUNCIL STUDY - HIGHER EDUCATION.

1. The legislative council shall consider appointing a higher education committee for the 2007-08 interim. If appointed, the committee shall spend a majority of time studying the means by which the North Dakota university system can further contribute to developing and attracting the human capital to meet North Dakota's economic and workforce needs, and if time allows, the committee may visit select higher education institutions.

2. The study must focus on ways to increase postsecondary access, improve the quality of education, contain costs and other means, including productivity, to maximize the usage of the North Dakota university system in meeting the human capital needs of the state.

3. The study must include a review of policy recommendations, as appropriate, which address the postsecondary delivery system, including the mix of institutions, educational attainment gaps, degree production gaps, recruitment and retention of students, and workforce training needs.

4. The study must include a review of the impact of the state's changing demographics on the university system long-term financing plan.

5. The study must recommend goals for each of the higher education cornerstones.

6. The study may include the use of a higher education roundtable format.

7. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-first legislative assembly.

8. The state board of higher education also shall take the recommendations into account and make appropriate changes to practices, board policy, and budget needs and allocation.

SECTION 23. LEGISLATIVE COUNCIL STUDY - PROFESSIONAL STUDENT EXCHANGE PROGRAMS. The legislative council shall consider studying, during the 2007-08 interim, higher education professional student exchange programs. The study should include review of:

1. The amount of annual tuition and fees paid by students for health care-related professional education programs.

2. The amount of annual support fees paid by the state for health care-related professional education programs.

3. The number of state-supported slots funded and demand for state-supported slots, including the consideration of basing the number of slots on the estimated workforce needs to fill positions due to retirements, geographic, and professional specific service needs.

4. The present repayment provisions and loan forgiveness programs to determine cost-effectiveness, equality issues, and development of program enhancements that would aid in the recruitment of professional students to return to the state to practice their chosen profession.

5. Discontinuation of the contracts with the western interstate commission on higher education for access to veterinary medicine programs and consideration of negotiating contracts for veterinary medicine with Kansas, Iowa, and Minnesota.

The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-first legislative assembly."

Page 20, line 9, replace "Sections 1 and 2 of House Bill No. 1031, as approved by the" with "Section 15-12-27 of the North Dakota Century Code is"

Page 20, line 10, remove "sixtieth legislative assembly, are"

Page 20, line 16, replace "9" with "7, 13,"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1003 - Summary of Senate Action

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE CHANGES	SENATE VERSION
University System office				
Total all funds	$73,348,533	$72,080,990	$2,637,658	$74,718,648
Less estimated income	2,437,810	2,686,810	(43,080)	2,643,730
General fund	$70,910,723	$69,394,180	$2,680,738	$72,074,918
Bismarck State College				
Total all funds	$20,799,330	$20,587,433	$5,891,647	$26,479,080
Less estimated income	27,805	27,805	5,679,750	5,707,555
General fund	$20,771,525	$20,559,628	$211,897	$20,771,525
Lake Region State College				
Total all funds	$9,660,871	$9,607,299	$53,572	$9,660,871
Less estimated income	3,007,600	2,007,600	1,000,000	3,007,600
General fund	$6,653,271	$7,599,699	($946,428)	$6,653,271
Williston State College				
Total all funds	$7,996,300	$8,830,366	$65,934	$8,896,300
Less estimated income	1,400,000	2,300,000		2,300,000
General fund	$6,596,300	$6,530,366	$65,934	$6,596,300

University of North Dakota				
Total all funds	$193,608,905	$191,861,920	$1,246,985	$193,108,905
Less estimated income	78,200,000	74,100,000	3,600,000	77,700,000
General fund	$115,408,905	$117,761,920	($2,353,015)	$115,408,905
UND Medical Center				
Total all funds	$33,874,938	$34,238,963	$335,975	$34,574,938
Less estimated income				
General fund	$33,874,938	$34,238,963	$335,975	$34,574,938
North Dakota State University				
Total all funds	$119,527,336	$133,439,378	$11,587,958	$145,027,336
Less estimated income	20,500,000	35,500,000	10,500,000	46,000,000
General fund	$99,027,336	$97,939,378	$1,087,958	$99,027,336
State College of Science				
Total all funds	$38,830,758	$38,917,159	$363,599	$39,280,758
Less estimated income	8,414,000	8,414,000		8,414,000
General fund	$30,416,758	$30,503,159	$363,599	$30,866,758
Dickinson State University				
Total all funds	$25,917,119	$25,729,961	$187,158	$25,917,119
Less estimated income	8,000,000	8,000,000		8,000,000
General fund	$17,917,119	$17,729,961	$187,158	$17,917,119
Mayville State University				
Total all funds	$11,736,719	$12,208,021	($328,269)	$11,879,752
Less estimated income	900,000	900,000		900,000
General fund	$10,836,719	$11,308,021	($328,269)	$10,979,752
Minot State University				
Total all funds	$39,698,842	$39,445,085	$304,357	$39,749,442
Less estimated income	5,575,550	1,239,150		1,239,150
General fund	$34,123,292	$38,205,935	$304,357	$38,510,292
Valley City State University				
Total all funds	$15,979,831	$15,851,252	$528,579	$16,379,831
Less estimated income				
General fund	$15,979,831	$15,851,252	$528,579	$16,379,831
Minot State University - Bottineau				
Total all funds	$5,182,179	$5,138,046	$44,133	$5,182,179
Less estimated income	12,905	12,905		12,905
General fund	$5,169,274	$5,125,141	$44,133	$5,169,274
Forest Service				
Total all funds	$3,538,935	$3,513,993	$24,942	$3,538,935
Less estimated income	997,486	997,486		997,486
General fund	$2,541,449	$2,516,507	$24,942	$2,541,449
Bill Total				
Total all funds	$599,700,596	$611,449,866	$22,944,228	$634,394,094
Less estimated income	129,473,156	136,185,756	20,736,670	156,922,426
General fund	$470,227,440	$475,264,110	$2,207,558	$477,471,668

House Bill No. 1003 - General Fund Summary

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE CHANGES	SENATE VERSION
University System office	$70,910,723	$69,394,180	$2,680,738	$72,074,918
Bismarck State College	20,771,525	20,559,628	211,897	20,771,525
Lake Region State College	6,653,271	7,599,699	(946,428)	6,653,271
Williston State College	6,596,300	6,530,366	65,934	6,596,300
University of North Dakota	115,408,905	117,761,920	(2,353,015)	115,408,905
UND Medical Center	33,874,938	34,238,963	335,975	34,574,938
North Dakota State University	99,027,336	97,939,378	1,087,958	99,027,336
State College of Science	30,416,758	30,503,159	363,599	30,866,758
Dickinson State University	17,917,119	17,729,961	187,158	17,917,119
Mayville State University	10,836,719	11,308,021	(328,269)	10,979,752
Minot State University	34,123,292	38,205,935	304,357	38,510,292
Valley City State University	15,979,831	15,851,252	528,579	16,379,831
Minot State University - Bottineau	5,169,274	5,125,141	44,133	5,169,274
Forest Service	2,541,449	2,516,507	24,942	2,541,449
Total general fund	$470,227,440	$475,264,110	$2,207,558	$477,471,668

Detail of Senate Changes to the General Fund

	RESTORES COMPENSATION PACKAGE TO 5/5 [1]	INCREASES FUNDING FOR THE COMPETITIVE RESEARCH PROGRAM [2]	INCREASES FUNDING FOR BOARD INITIATIVES [3]	INCREASES FUNDING FOR SUPPORT OF THE CONNECTND SYSTEM [4]	INCREASES FUNDING FOR THE NORTHERN TIER NETWORK [5]	REMOVES FUNDING FOR THE OPERATIONS POOL [6]
University System office	$199,479	$150,000	$98,500	$2,300,000	$373,800	($144,559)
Bismarck State College	211,897					
Lake Region State College	53,572					

Williston State College	65,934					
University of North Dakota	1,246,985					
UND Medical Center	335,975					
North Dakota State University	1,087,958					
State College of Science	263,599					
Dickinson State University	187,158					
Mayville State University	88,198					
Minot State University	304,357					
Valley City State University	128,579					
Minot State University - Bottineau	44,133					
Forest Service	24,942					
Total general fund	$4,242,766	$150,000	$98,500	$2,300,000	$373,800	($144,559)

	REMOVES FUNDING FOR CONTINGENCY AND CAPITAL EMERGENCY [7]	INCREASES FUNDING FOR THE KANSAS STATE UNIVERSITY VETERINARY MEDICINE PROGRAM [8]	REMOVES FUNDING FOR EDUCATION INCENTIVE PROGRAMS [9]	ADJUSTS FUNDING FOR OPERATIONS	ADJUSTS FUNDING FOR CAPITAL ASSETS [10]	TOTAL GENERAL FUND CHANGES
University System office	($296,482)					$2,680,738
Bismarck State College						211,897
Lake Region State College					($1,000,000)	(946,428)
Williston State College						65,934
University of North Dakota					(3,600,000)	(2,353,015)
UND Medical Center						335,975
North Dakota State University						1,087,958
State College of Science				$100,000		363,599
Dickinson State University						187,158
Mayville State University					(416,467)	(328,269)
Minot State University						304,357
Valley City State University				400,000		528,579
Minot State University - Bottineau						44,133
Forest Service						24,924
Total general fund	($296,482)	$0	$0	$500,000	($5,016,467)	$2,207,558

House Bill No. 1003 - Other Funds Summary

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE CHANGES	SENATE VERSION
University System office	$2,437,810	$2,686,810	($43,080)	$2,643,730
Bismarck State College	27,805	27,805	5,679,750	5,707,555
Lake Region State College	3,007,600	2,007,600	1,000,000	3,007,600
Williston State College	1,400,000	2,300,000		2,300,000
University of North Dakota	78,200,000	74,100,000	3,600,000	77,700,000
UND Medical Center				
North Dakota State University	20,500,000	35,500,000	10,500,000	46,000,000
State College of Science	8,414,000	8,414,000		8,414,000
Dickinson State University	8,000,000	8,000,000		8,000,000
Mayville State University	900,000	900,000		900,000
Minot State University	5,575,550	1,239,150		1,239,150
Valley City State University				
Minot State University - Bottineau	12,905	12,905		12,905
Forest Service	997,486	997,486		997,486
Total other funds	$129,473,156	$136,185,756	$20,736,670	$156,922,426

Detail of Senate Changes to Other Funds

	RESTORES COMPENSATION PACKAGE TO 5/5 [1]	INCREASES FUNDING FOR THE COMPETITIVE RESEARCH PROGRAM [2]	INCREASES FUNDING FOR BOARD INITIATIVES [3]	INCREASES FUNDING FOR SUPPORT OF THE CONNECTND SYSTEM [4]	INCREASES FUNDING FOR THE NORTHERN TIER NETWORK [5]	REMOVES FUNDING FOR THE OPERATIONS POOL [6]
University System office						
Bismarck State College						
Lake Region State College						
Williston State College						
University of North Dakota						
UND Medical Center						
North Dakota State University						
State College of Science						
Dickinson State University						
Mayville State University						
Minot State University						
Valley City State University						
Minot State University - Bottineau						
Forest Service						
Total other funds	$0	$0	$0	$0	$0	$0

	REMOVES FUNDING FOR CONTINGENCY AND CAPITAL EMERGENCY [7]	INCREASES FUNDING FOR THE KANSAS STATE UNIVERSITY VETERINARY MEDICINE PROGRAM [8]	REMOVES FUNDING FOR EDUCATION INCENTIVE PROGRAMS [9]	ADJUSTS FUNDING FOR OPERATIONS	ADJUSTS FUNDING FOR CAPITAL ASSETS [10]	TOTAL OTHER FUNDS CHANGES
University System office		$205,920	($249,000)			($43,080)
Bismarck State College					$5,679,750	5,679,750
Lake Region State College					1,000,000	1,000,000
Williston State College						
University of North Dakota					3,600,000	3,600,000
UND Medical Center						
North Dakota State University					10,500,000	10,500,000
State College of Science						
Dickinson State University						
Mayville State University						
Minot State University						
Valley City State University						
Minot State University - Bottineau						
Forest Service						
Total other funds	$0	$205,920	($249,000)	$0	$20,779,750	$20,736,670

House Bill No. 1003 - All Funds Summary

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE CHANGES	SENATE VERSION
University System office	$73,348,533	$72,080,990	$2,637,658	$74,718,648
Bismarck State College	20,799,330	20,587,433	5,891,647	26,479,080
Lake Region State College	9,660,871	9,607,299	53,572	9,660,871
Williston State College	7,996,300	8,830,366	65,934	8,896,300
University of North Dakota	193,608,905	191,861,920	1,246,985	193,108,905
UND Medical Center	33,874,938	34,238,963	335,975	34,574,938
North Dakota State University	119,527,336	133,439,378	11,587,958	145,027,336
State College of Science	38,830,758	38,917,159	363,599	39,280,758
Dickinson State University	25,917,119	25,729,961	187,158	25,917,119
Mayville State University	11,736,719	12,208,021	(328,269)	11,879,752
Minot State University	39,698,842	39,445,085	304,357	39,749,442
Valley City State University	15,979,831	15,851,252	528,579	16,379,831
Minot State University - Bottineau	5,182,179	5,138,046	44,133	5,182,179
Forest Service	3,538,935	3,513,993	24,942	3,538,935
Total all funds	$599,700,596	$611,449,866	$22,944,228	$634,394,094
FTE	2134.59	2136.59	0.00	2136.59

Detail of Senate Changes to All Funds

	RESTORES COMPENSATION PACKAGE TO 5/5 [1]	INCREASES FUNDING FOR THE COMPETITIVE RESEARCH PROGRAM [2]	INCREASES FUNDING FOR BOARD INITIATIVES [3]	INCREASES FUNDING FOR SUPPORT OF THE CONNECTND SYSTEM [4]	INCREASES FUNDING FOR THE NORTHERN TIER NETWORK [5]	REMOVES FUNDING FOR THE OPERATIONS POOL [6]
University System office	$199,479	$150,000	$98,500	$2,300,000	$373,800	($144,559)
Bismarck State College	211,897					
Lake Region State College	53,572					
Williston State College	65,934					
University of North Dakota	1,246,985					
UND Medical Center	335,975					
North Dakota State University	1,087,958					
State College of Science	263,599					
Dickinson State University	187,158					
Mayville State University	88,198					
Minot State University	304,357					
Valley City State University	128,579					
Minot State University - Bottineau	44,133					
Forest Service	24,942					
Total all funds	$4,242,766	$150,000	$98,500	$2,300,000	$373,800	($144,559)
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	REMOVES FUNDING FOR CONTINGENCY AND CAPITAL EMERGENCY [7]	INCREASES FUNDING FOR THE KANSAS STATE UNIVERSITY VETERINARY MEDICINE PROGRAM [8]	REMOVES FUNDING FOR EDUCATION INCENTIVE PROGRAMS [9]	ADJUSTS FUNDING FOR OPERATIONS	ADJUSTS FUNDING FOR CAPITAL ASSETS [10]	TOTAL ALL FUNDS CHANGES
University System office	($296,482)	$205,920	($249,000)			$2,637,658
Bismarck State College					$5,679,750	5,891,647
Lake Region State College						53,572
Williston State College						65,934
University of North Dakota						1,246,985
UND Medical Center						335,975
North Dakota State University					10,500,000	11,587,958
State College of Science				$100,000		363,599
Dickinson State University						187,158
Mayville State University					(416,467)	(328,269)
Minot State University						304,357
Valley City State University				400,000		528,579
Minot State University - Bottineau						44,133
Forest Service						24,942
Total all funds	($296,482)	$205,920	($249,000)	$500,000	$15,763,283	$22,944,228
FTE	0.00	0.00	0.00	0.00	0.00	0.00

1 This amendment restores funding for salary increases of 5 percent for each year of the 2007-09 biennium.

2 This amendment increases funding for competitive research by $150,000 from the general fund, from $5,550,000 as provided for in the executive budget recommendation to $5,650,000.

3 This amendment increases funding for board initiatives by $98,500 from the general fund, from $300,000 to $398,500. The funding of $98,500 is to be used in conjunction with $98,500 of special funds from Minot State University for a shared recruiting initiative for Minot State University and Minot State University - Bottineau. The initiative is a pilot project and both Minot State University and Minot State University - Bottineau are to report to the 61st Legislative Assembly on the effectiveness of the initiative.

4 This amendment increases one-time funding provided for support of the ConnectND system by $2,300,000 from the general fund, from $3,700,000 as provided for in the executive budget to $6,000,000.

5 This amendment increases one-time funding for the Northern Tier Network project by $373,800, from $2,400,000 to $2,773,800 from the general fund.

6 This amendment removes funding of $144,559 from the general fund for the operations pool.

7 This amendment removes funding of $296,482 from the general fund for contingency and capital emergency.

8 This amendment increases funding for the Kansas State University veterinary medicine program by $205,920, from $317,460 to $523,380 from the student loan trust fund, to fund five new students per year in the 2007-09 biennium.

9 This amendment decreases funding for the education incentive programs by $249,000, from $1,989,314, as provided for by the House, to $1,227,902. The additional funding of $249,000 was related to increases in the teacher shortage loan forgiveness program as provided in House Bill No. 1249. House Bill No. 1249 was defeated by the Senate; therefore, the additional funding provided for in House Bill No. 1003 is removed.

10 Bismarck State College - This amendment appropriates funding of $5,679,750 from special funds for reauthorization of the college's student housing project.

Lake Region State College - This amendment changes the funding source for the college's wind energy project as follows:

	EXECUTIVE BUDGET	HOUSE VERSION	PROPOSED SENATE VERSION
General fund		$1,000,000	
Special funds	$3,007,600	2,007,600	$3,007,600
Total	$3,007,600	$3,007,600	$3,007,600

University of North Dakota - This amendment changes the funding source of the UND School of Medicine and Health Sciences new Bismarck family medicine residency facility as follows:

	EXECUTIVE BUDGET	HOUSE VERSION	PROPOSED SENATE VERSION
General fund		$3,600,000	
Special funds	$4,500,000	400,000	$4,000,000
Total	$4,500,000	$4,000,000	$4,000,000

North Dakota State University - This amendment increases the special funds appropriation to the university to reauthorize the Bison Sports Arena renovation project by $10,500,000, from $15,000,000 to $25,500,000.

Mayville State University - This amendment decreases funding added by the House for the payoff of special assessments and other deferred maintenance issues by $416,467 from the general fund, from $559,500 to $143,033.

House Bill No. 1003 - Other Changes - Senate Action

This amendment also:

- Amends Section 17 of the engrossed bill to provide that the State Board of Higher Education shall limit any annual tuition increase for the 2007-08 and 2008-09 academic years to not more than 5 percent for each year unless the board receives prior Budget Section approval.
- Adds a section to provide that participating higher education institutions are responsible for funding maintenance costs associated with the Northern Tier Network.
- Adds a section to allow the State Board of Higher Education to authorize construction of a College of Business building off the North Dakota State University campus.
- Adds sections to provide for a study of higher education and professional student exchange programs and removes study language added by the House.
- Amends Section 23 of the engrossed bill relating to the use of unspent 2005-07 general fund appropriations to provide that the State Board of Higher Education shall use $200,000 of the unspent 2005-07 general fund appropriation for completing and furnishing the Thatcher Hall renovation and addition at Minot State University - Bottineau.
- Amends Section 26 of the engrossed bill to remove the repeal of Sections 1 and 2 of House Bill No. 1031 and to repeal Section 15-12-27 of the North Dakota Century Code relating to North Dakota State University's 18th Street Development Fund.

REPORT OF STANDING COMMITTEE

HB 1003, as engrossed: Appropriations Committee (Sen. Holmberg, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (13 YEAS, 1 NAY, 0 ABSENT AND NOT VOTING). Engrossed HB 1003 was placed on the Sixth order on the calendar.

Page 1, line 6, replace "sections 1 and 2 of House Bill No. 1031, as" with "section 15-12-27 of the North Dakota Century Code, relating to North Dakota state university's eighteenth street development fund"

Page 1, line 7, remove "approved by the sixtieth legislative assembly, relating to the budgeting process"

Page 5, replace lines 5 through 31 with:

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

Subdivision 1.
NORTH DAKOTA UNIVERSITY SYSTEM OFFICE AND INSTITUTIONS

Capital assets	$2,475,971
Competitive research program	460,000
Board initiatives	(1,486,500)
System governance	514,972
Common information services	10,914,000
Operations pool	(388,559)
Equity pool	(2,000,000)
Contingency and capital emergency	(436,923)
Student financial assistance grants	2,483,095
Professional student exchange program	595,666
Scholars program	616,489
Native American scholarships	128,638
Education incentive programs	512,412
Total all funds - Adjustments/enhancements	$14,389,261
Less estimated income - Adjustments/enhancements	43,954
Total general fund - Adjustments/enhancements	$14,345,307

Subdivision 2.
BISMARCK STATE COLLEGE

Operations	$2,917,590
Capital assets	2,707,161
Total all funds - Adjustments/enhancements	$5,624,751
Less estimated income - Adjustments/enhancements	1,962,255
Total general fund - Adjustments/enhancements	$3,662,496

Subdivision 3.
LAKE REGION STATE COLLEGE

Operations	$1,137,678
Capital assets	2,745,667
Total all funds - Adjustments/enhancements	$3,883,345
Less estimated income - Adjustments/enhancements	3,007,600
Total general fund - Adjustments/enhancements	$875,745

Subdivision 4.

WILLISTON STATE COLLEGE

Operations	$886,105
Capital assets	(5,879,277)
Total all funds - Adjustments/enhancements	($4,993,172)
Less estimated income - Adjustments/enhancements	(5,660,000)
Total general fund - Adjustments/enhancements	$666,828

Subdivision 5.

UNIVERSITY OF NORTH DAKOTA

Operations	$14,728,428
Capital assets	(18,303,224)
Total all funds - Adjustments/enhancements	($3,574,796)
Less estimated income - Adjustments/enhancements	(24,131,554)
Total general fund - Adjustments/enhancements	$20,556,758

Subdivision 6.

NORTH DAKOTA STATE UNIVERSITY

Operations	$14,013,525
Capital assets	4,016,935
Total all funds - Adjustments/enhancements	$18,030,460
Less estimated income - Adjustments/enhancements	(3,500,000)
Total general fund - Adjustments/enhancements	$21,530,460

Subdivision 7.

NORTH DAKOTA STATE COLLEGE OF SCIENCE

Operations	$2,823,065
Capital assets	1,198,613
Total all funds - Adjustments/enhancements	$4,021,678
Less estimated income - Adjustments/enhancements	(1,104,920)
Total general fund - Adjustments/enhancements	$5,126,598

Subdivision 8.

DICKINSON STATE UNIVERSITY

Operations	$2,186,729
Capital assets	(465,484)
Total all funds - Adjustments/enhancements	$1,721,245
Less estimated income - Adjustments/enhancements	(1,100,557)
Total general fund - Adjustments/enhancements	$2,821,802

Subdivision 9.

MAYVILLE STATE UNIVERSITY

Operations	$886,159
Capital assets	130,969
Total all funds - Adjustments/enhancements	$1,017,128
Less estimated income - Adjustments/enhancements	(600,000)
Total general fund - Adjustments/enhancements	$1,617,128

Subdivision 10.

MINOT STATE UNIVERSITY

Operations	$2,954,699
Capital assets	367,024
Total all funds - Adjustments/enhancements	$3,321,723
Less estimated income - Adjustments/enhancements	(7,295,850)
Total general fund - Adjustments/enhancements	$10,617,573

Subdivision 11.

VALLEY CITY STATE UNIVERSITY

Operations	$1,577,070
Capital assets	2,487,819
Total general fund - Adjustments/enhancements	$4,064,889

Subdivision 12.

MINOT STATE UNIVERSITY - BOTTINEAU

Operations	$437,017
Capital assets	(5,699,023)
Total all funds - Adjustments/enhancements	($5,262,006)
Less estimated income - Adjustments/enhancements	(5,987,095)
Total general fund - Adjustments/enhancements	$725,089

Subdivision 13.

UNIVERSITY OF NORTH DAKOTA SCHOOL OF MEDICINE AND HEALTH SCIENCES

Operations	$3,213,936
Total general fund - Adjustments/enhancements	$3,213,936

Subdivision 14.

NORTH DAKOTA FOREST SERVICE

Operations	$433,085
Capital assets	78,566
Total all funds - Adjustments/enhancements	$511,651
Less estimated income - Adjustments/enhancements	22,485
Total general fund - Adjustments/enhancements	$489,166
Total general fund - Section 2	$90,313,775
Total estimated income - Section 2	($44,343,682)
Total all funds - Section 2	$45,970,093

SECTION 3. 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 office and the various entities and institutions under the supervision of the state board of higher education for the purpose of defraying the expenses of those entities and institutions, for the biennium beginning July 1, 2007, and ending June 30, 2009, as follows:

Subdivision 1.

NORTH DAKOTA UNIVERSITY SYSTEM OFFICE AND INSTITUTIONS

Capital assets	$16,754,112
Competitive research program	5,650,000
Board initiatives	398,500
System governance	6,083,394
Title II	695,600
Common information services	31,477,093
Professional liability insurance	1,350,000
Student financial assistance grants	5,987,497
Professional student exchange program	2,722,946
Scholars program	1,478,566
Native American scholarships	380,626
Education incentive programs	1,740,314
Total all funds	$74,718,648
Less estimated income	2,643,730
Total general fund appropriation	$72,074,918

Subdivision 2.

BISMARCK STATE COLLEGE

Operations	$19,783,138
Capital assets	6,695,942
Total all funds	$26,479,080
Less estimated income	5,707,555
Total general fund appropriation	$20,771,525

Subdivision 3.

LAKE REGION STATE COLLEGE

Operations	$6,527,667
Capital assets	3,133,204
Total all funds	$9,660,871
Less estimated income	3,007,600
Total general fund appropriation	$6,653,271

Subdivision 4.

WILLISTON STATE COLLEGE

Operations	$6,639,102
Capital assets	2,257,198
Total all funds	$8,896,300
Less estimated income	2,300,000
Total general fund appropriation	$6,596,300

Subdivision 5.

UNIVERSITY OF NORTH DAKOTA

Operations	$107,280,030
Capital assets	81,828,875
Total all funds	$189,108,905
Less estimated income	73,700,000
Total general fund appropriation	$115,408,905

Subdivision 6.

NORTH DAKOTA STATE UNIVERSITY

Operations	$89,818,175
Capital assets	43,209,161
Total all funds	$133,027,336
Less estimated income	34,000,000
Total general fund appropriation	$99,027,336

Subdivision 7.

NORTH DAKOTA STATE COLLEGE OF SCIENCE

Operations	$27,809,893
Capital assets	4,756,865
Total all funds	$32,566,758
Less estimated income	1,700,000
Total general fund appropriation	$30,866,758

Subdivision 8.

DICKINSON STATE UNIVERSITY

Operations	$16,898,356
Capital assets	9,018,763
Total all funds	$25,917,119
Less estimated income	8,000,000
Total general fund appropriation	$17,917,119

Subdivision 9.

MAYVILLE STATE UNIVERSITY

Operations	$9,889,789
Capital assets	1,989,963
Total all funds	$11,879,752
Less estimated income	900,000
Total general fund appropriation	$10,979,752

Subdivision 10.

MINOT STATE UNIVERSITY

Operations	$30,170,548
Capital assets	9,578,894
Total all funds	$39,749,442
Less estimated income	1,239,150
Total general fund appropriation	$38,510,292

Subdivision 11.

VALLEY CITY STATE UNIVERSITY

Operations	$13,383,596
Capital assets	2,996,235
Total general fund appropriation	$16,379,831

Subdivision 12.

MINOT STATE UNIVERSITY - BOTTINEAU

Operations	$4,771,477
Capital assets	410,702
Total all funds	$5,182,179
Less estimated income	12,905
Total general fund appropriation	$5,169,274

Subdivision 13.

UNIVERSITY OF NORTH DAKOTA SCHOOL OF MEDICINE AND HEALTH SCIENCES

Operations	$34,574,938
Total general fund appropriation	$34,574,938

Subdivision 14.

NORTH DAKOTA FOREST SERVICE

Operations	$3,358,731
Capital assets	180,204
Total all funds	$3,538,935
Less estimated income	997,486
Total general fund appropriation	$2,541,449
Total general fund appropriation - Section 3	$477,471,668
Total estimated income appropriation - Section 3	$134,208,426
Total all funds appropriation - Section 3	$611,680,094
Grand total general fund appropriation - H.B. 1003	$477,471,668
Grand total estimated income appropriation - H.B. 1003	$156,922,426
Grand total all funds appropriation - H.B. 1003	$634,394,094"

Page 6, remove lines 1 through 31

Page 7, remove lines 1 through 30

Page 8, remove lines 1 through 30

Page 9, remove lines 1 through 30

Page 10, remove lines 1 through 31

Page 11, remove lines 1 through 30

Page 12, remove lines 1 through 23

Page 12, line 24, after "**INITIATIVES**" insert "**- REPORT TO THE SIXTY-FIRST LEGISLATIVE ASSEMBLY**", after "The" insert "board initiatives line item in subdivision 1 of section 3 of this Act includes the", and remove "of the funding included in"

Page 12, line 25, remove "the board initiatives line item in subdivision 1 of section 3 of this Act must be used"

Page 12, line 26, after "funds" insert "and the sum of $98,500 for a recruiting initiative for Minot state university and Minot state university - Bottineau. Minot state university shall provide additional funding of $98,500 from special funds for the initiative. The funding for the initiative is provided for a two-year pilot basis. Both Minot state university and Minot state university - Bottineau shall report on the effectiveness of the initiative to the appropriations committees of the sixty-first legislative assembly"

Page 13, remove lines 1 through 4

Page 13, line 5, replace "$28,652,267" with "$31,477,093"

Page 13, remove lines 14 through 18

Page 13, line 25, replace "$317,460" with "$523,380"

Page 16, remove lines 27 through 31

Page 17, line 1, after "**LIMIT**" insert "**- BUDGET SECTION APPROVAL**"

Page 17, line 4, after "year" insert "unless the board receives prior budget section approval"

Page 17, line 7, replace "$42,322,010" with "$39,979,343"

Page 17, line 12, replace "2,400,000" with "2,773,800"

Page 17, line 13, replace "3,700,000" with "6,000,000"

Page 17, line 15, replace "11,559,500" with "11,143,033"

Page 17, line 16, replace "23,431,710" with "18,831,710"

Page 17, line 18, replace "42,322,010" with "39,979,343"

Page 17, remove lines 19 through 31

Page 18, remove lines 1 through 15

Page 18, line 17, replace "make available" with "use"

Page 18, line 19, replace "the payment of any consulting services relating to the legislative" with "completing and furnishing the thatcher hall renovation and addition at Minot state university - Bottineau"

Page 18, line 20, remove "council study of higher education"

Page 18, after line 21, insert:

"**SECTION 20. LEGISLATIVE INTENT - NORTHERN TIER NETWORK.** It is the intent of the sixtieth legislative assembly that higher education institutions utilizing the northern tier network be responsible for funding the related ongoing maintenance costs for the network.

SECTION 21. NORTH DAKOTA STATE UNIVERSITY - COLLEGE OF BUSINESS BUILDING. The state board of higher education may enter an agreement or agreements with the North Dakota state university foundation or other private entity and do all things necessary and proper to authorize construction by the foundation or other private entity of a college of business building off the North Dakota state university campus, using donations, gifts, or other private funds.

SECTION 22. LEGISLATIVE COUNCIL STUDY - HIGHER EDUCATION.

1. The legislative council shall consider appointing a higher education committee for the 2007-08 interim. If appointed, the committee shall spend a majority of time studying the means by which the North Dakota university system can further contribute to developing and attracting the human capital to meet North Dakota's economic and workforce needs, and if time allows, the committee may visit select higher education institutions.

2. The study must focus on ways to increase postsecondary access, improve the quality of education, contain costs and other means, including productivity, to maximize the usage of the North Dakota university system in meeting the human capital needs of the state.

3. The study must include a review of policy recommendations, as appropriate, which address the postsecondary delivery system, including the mix of institutions, educational attainment gaps, degree production gaps, recruitment and retention of students, and workforce training needs.

4. The study must include a review of the impact of the state's changing demographics on the university system long-term financing plan.

5. The study must recommend goals for each of the higher education cornerstones.

6. The study may include the use of a higher education roundtable format.

7. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-first legislative assembly.

8. The state board of higher education also shall take the recommendations into account and make appropriate changes to practices, board policy, and budget needs and allocation.

SECTION 23. LEGISLATIVE COUNCIL STUDY - PROFESSIONAL STUDENT EXCHANGE PROGRAMS. The legislative council shall consider studying, during the 2007-08 interim, higher education professional student exchange programs. The study should include review of:

1. The amount of annual tuition and fees paid by students for health care-related professional education programs.

2. The amount of annual support fees paid by the state for health care-related professional education programs.

3. The number of state-supported slots funded and demand for state-supported slots, including the consideration of basing the number of slots on the estimated workforce needs to fill positions due to retirements, geographic, and professional specific service needs.

4. The present repayment provisions and loan forgiveness programs to determine cost-effectiveness, equality issues, and development of program enhancements that would aid in the recruitment of professional students to return to the state to practice their chosen profession.

5. Discontinuation of the contracts with the western interstate commission on higher education for access to veterinary medicine programs and consideration of negotiating contracts for veterinary medicine with Kansas, Iowa, and Minnesota.

The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-first legislative assembly."

Page 20, line 9, replace "Sections 1 and 2 of House Bill No. 1031, as approved by the" with "Section 15-12-27 of the North Dakota Century Code is"

Page 20, line 10, remove "sixtieth legislative assembly, are"

Page 20, line 16, replace "9" with "7, 13,"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1003 - Summary of Senate Action

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE CHANGES	SENATE VERSION
University System office				
Total all funds	$73,348,533	$72,080,990	$2,637,658	$74,718,648
Less estimated income	2,437,810	2,686,810	(43,080)	2,643,730
General fund	$70,910,723	$69,394,180	$2,680,738	$72,074,918
Bismarck State College				
Total all funds	$20,799,330	$20,587,433	$5,891,647	$26,479,080
Less estimated income	27,805	27,805	5,679,750	5,707,555
General fund	$20,771,525	$20,559,628	$211,897	$20,771,525
Lake Region State College				
Total all funds	$9,660,871	$9,607,299	$53,572	$9,660,871
Less estimated income	3,007,600	2,007,600	1,000,000	3,007,600
General fund	$6,653,271	$7,599,699	($946,428)	$6,653,271
Williston State College				
Total all funds	$7,996,300	$8,830,366	$65,934	$8,896,300
Less estimated income	1,400,000	2,300,000		2,300,000
General fund	$6,596,300	$6,530,366	$65,934	$6,596,300
University of North Dakota				
Total all funds	$193,608,905	$191,861,920	$1,246,985	$193,108,905
Less estimated income	78,200,000	74,100,000	3,600,000	77,700,000
General fund	$115,408,905	$117,761,920	($2,353,015)	$115,408,905
UND Medical Center				
Total all funds	$33,874,938	$34,238,963	$335,975	$34,574,938
Less estimated income				

General fund	$33,874,938	$34,238,963	$335,975	$34,574,938
North Dakota State University				
Total all funds	$119,527,336	$133,439,378	$11,587,958	$145,027,336
Less estimated income	20,500,000	35,500,000	10,500,000	46,000,000
General fund	$99,027,336	$97,939,378	$1,087,958	$99,027,336
State College of Science				
Total all funds	$38,830,758	$38,917,159	$363,599	$39,280,758
Less estimated income	8,414,000	8,414,000		8,414,000
General fund	$30,416,758	$30,503,159	$363,599	$30,866,758
Dickinson State University				
Total all funds	$25,917,119	$25,729,961	$187,158	$25,917,119
Less estimated income	8,000,000	8,000,000		8,000,000
General fund	$17,917,119	$17,729,961	$187,158	$17,917,119
Mayville State University				
Total all funds	$11,736,719	$12,208,021	($328,269)	$11,879,752
Less estimated income	900,000	900,000		900,000
General fund	$10,836,719	$11,308,021	($328,269)	$10,979,752
Minot State University				
Total all funds	$39,698,842	$39,445,085	$304,357	$39,749,442
Less estimated income	5,575,550	1,239,150		1,239,150
General fund	$34,123,292	$38,205,935	$304,357	$38,510,292
Valley City State University				
Total all funds	$15,979,831	$15,851,252	$528,579	$16,379,831
Less estimated income				
General fund	$15,979,831	$15,851,252	$528,579	$16,379,831
Minot State University - Bottineau				
Total all funds	$5,182,179	$5,138,046	$44,133	$5,182,179
Less estimated income	12,905	12,905		12,905
General fund	$5,169,274	$5,125,141	$44,133	$5,169,274
Forest Service				
Total all funds	$3,538,935	$3,513,993	$24,942	$3,538,935
Less estimated income	997,486	997,486		997,486
General fund	$2,541,449	$2,516,507	$24,942	$2,541,449
Bill Total				
Total all funds	$599,700,596	$611,449,866	$22,944,228	$634,394,094
Less estimated income	129,473,156	136,185,756	20,736,670	156,922,426
General fund	$470,227,440	$475,264,110	$2,207,558	$477,471,668

House Bill No. 1003 - General Fund Summary

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE CHANGES	SENATE VERSION
University System office	$70,910,723	$69,394,180	$2,680,738	$72,074,918
Bismarck State College	20,771,525	20,559,628	211,897	20,771,525
Lake Region State College	6,653,271	7,599,699	(946,428)	6,653,271
Williston State College	6,596,300	6,530,366	65,934	6,596,300
University of North Dakota	115,408,905	117,761,920	(2,353,015)	115,408,905
UND Medical Center	33,874,938	34,238,963	335,975	34,574,938
North Dakota State University	99,027,336	97,939,378	1,087,958	99,027,336
State College of Science	30,416,758	30,503,159	363,599	30,866,758
Dickinson State University	17,917,119	17,729,961	187,158	17,917,119
Mayville State University	10,836,719	11,308,021	(328,269)	10,979,752
Minot State University	34,123,292	38,205,935	304,357	38,510,292
Valley City State University	15,979,831	15,851,252	528,579	16,379,831
Minot State University - Bottineau	5,169,274	5,125,141	44,133	5,169,274
Forest Service	2,541,449	2,516,507	24,942	2,541,449
Total general fund	$470,227,440	$475,264,110	$2,207,558	$477,471,668

Detail of Senate Changes to the General Fund

	RESTORES COMPENSATION PACKAGE TO 5/5 [1]	INCREASES FUNDING FOR THE COMPETITIVE RESEARCH PROGRAM [2]	INCREASES FUNDING FOR BOARD INITIATIVES [3]	INCREASES FUNDING FOR SUPPORT OF THE CONNECTND SYSTEM [4]	INCREASES FUNDING FOR THE NORTHERN TIER NETWORK [5]	REMOVES FUNDING FOR THE OPERATIONS POOL [6]
University System office	$199,479	$150,000	$98,500	$2,300,000	$373,800	($144,559)
Bismarck State College	211,897					
Lake Region State College	53,572					
Williston State College	65,934					

University of North Dakota	1,246,985					
UND Medical Center	335,975					
North Dakota State University	1,087,958					
State College of Science	263,599					
Dickinson State University	187,158					
Mayville State University	88,198					
Minot State University	304,357					
Valley City State University	128,579					
Minot State University - Bottineau	44,133					
Forest Service	24,942					
Total general fund	$4,242,766	$150,000	$98,500	$2,300,000	$373,800	($144,559)

	REMOVES FUNDING FOR CONTINGENCY AND CAPITAL EMERGENCY [7]	INCREASES FUNDING FOR THE KANSAS STATE UNIVERSITY VETERINARY MEDICINE PROGRAM [8]	REMOVES FUNDING FOR EDUCATION INCENTIVE PROGRAMS [9]	ADJUSTS FUNDING FOR OPERATIONS	ADJUSTS FUNDING FOR CAPITAL ASSETS [10]	TOTAL GENERAL FUND CHANGES
University System office	($296,482)					$2,680,738
Bismarck State College						211,897
Lake Region State College					($1,000,000)	(946,428)
Williston State College						65,934
University of North Dakota					(3,600,000)	(2,353,015)
UND Medical Center						335,975
North Dakota State University						1,087,958
State College of Science				$100,000		363,599
Dickinson State University						187,158
Mayville State University					(416,467)	(328,269)
Minot State University						304,357
Valley City State University				400,000		528,579
Minot State University - Bottineau						44,133
Forest Service						24,924
Total general fund	($296,482)	$0	$0	$500,000	($5,016,467)	$2,207,558

House Bill No. 1003 - Other Funds Summary

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE CHANGES	SENATE VERSION
University System office	$2,437,810	$2,686,810	($43,080)	$2,643,730
Bismarck State College	27,805	27,805	5,679,750	5,707,555
Lake Region State College	3,007,600	2,007,600	1,000,000	3,007,600
Williston State College	1,400,000	2,300,000		2,300,000
University of North Dakota	78,200,000	74,100,000	3,600,000	77,700,000
UND Medical Center				
North Dakota State University	20,500,000	35,500,000	10,500,000	46,000,000
State College of Science	8,414,000	8,414,000		8,414,000
Dickinson State University	8,000,000	8,000,000		8,000,000
Mayville State University	900,000	900,000		900,000
Minot State University	5,575,550	1,239,150		1,239,150
Valley City State University				
Minot State University - Bottineau	12,905	12,905		12,905
Forest Service	997,486	997,486		997,486
Total other funds	$129,473,156	$136,185,756	$20,736,670	$156,922,426

Detail of Senate Changes to Other Funds

	RESTORES COMPENSATION PACKAGE TO 5/5 [1]	INCREASES FUNDING FOR THE COMPETITIVE RESEARCH PROGRAM [2]	INCREASES FUNDING FOR BOARD INITIATIVES [3]	INCREASES FUNDING FOR SUPPORT OF THE CONNECTND SYSTEM [4]	INCREASES FUNDING FOR THE NORTHERN TIER NETWORK [5]	REMOVES FUNDING FOR THE OPERATIONS POOL [6]
University System office						
Bismarck State College						
Lake Region State College						
Williston State College						
University of North Dakota						
UND Medical Center						
North Dakota State University						
State College of Science						
Dickinson State University						
Mayville State University						

Minot State University						
Valley City State University						
Minot State University - Bottineau						
Forest Service						
Total other funds	$0	$0	$0	$0	$0	$0

	REMOVES FUNDING FOR CONTINGENCY AND CAPITAL EMERGENCY [7]	INCREASES FUNDING FOR THE KANSAS STATE UNIVERSITY VETERINARY MEDICINE PROGRAM [8]	REMOVES FUNDING FOR EDUCATION INCENTIVE PROGRAMS [9]	ADJUSTS FUNDING FOR OPERATIONS	ADJUSTS FUNDING FOR CAPITAL ASSETS [10]	TOTAL OTHER FUNDS CHANGES
University System office		$205,920	($249,000)			($43,080)
Bismarck State College					$5,679,750	5,679,750
Lake Region State College					1,000,000	1,000,000
Williston State College						
University of North Dakota					3,600,000	3,600,000
UND Medical Center						
North Dakota State University					10,500,000	10,500,000
State College of Science						
Dickinson State University						
Mayville State University						
Minot State University						
Valley City State University						
Minot State University - Bottineau						
Forest Service						
Total other funds	$0	$205,920	($249,000)	$0	$20,779,750	$20,736,670

House Bill No. 1003 - All Funds Summary

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE CHANGES	SENATE VERSION
University System office	$73,348,533	$72,080,990	$2,637,658	$74,718,648
Bismarck State College	20,799,330	20,587,433	5,891,647	26,479,080
Lake Region State College	9,660,871	9,607,299	53,572	9,660,871
Williston State College	7,996,300	8,830,366	65,934	8,896,300
University of North Dakota	193,608,905	191,861,920	1,246,985	193,108,905
UND Medical Center	33,874,938	34,238,963	335,975	34,574,938
North Dakota State University	119,527,336	133,439,378	11,587,958	145,027,336
State College of Science	38,830,758	38,917,159	363,599	39,280,758
Dickinson State University	25,917,119	25,729,961	187,158	25,917,119
Mayville State University	11,736,719	12,208,021	(328,269)	11,879,752
Minot State University	39,698,842	39,445,085	304,357	39,749,442
Valley City State University	15,979,831	15,851,252	528,579	16,379,831
Minot State University - Bottineau	5,182,179	5,138,046	44,133	5,182,179
Forest Service	3,538,935	3,513,993	24,942	3,538,935
Total all funds	$599,700,596	$611,449,866	$22,944,228	$634,394,094
FTE	2134.59	2136.59	0.00	2136.59

Detail of Senate Changes to All Funds

	RESTORES COMPENSATION PACKAGE TO 5/5 [1]	INCREASES FUNDING FOR THE COMPETITIVE RESEARCH PROGRAM [2]	INCREASES FUNDING FOR BOARD INITIATIVES [3]	INCREASES FUNDING FOR SUPPORT OF THE CONNECTND SYSTEM [4]	INCREASES FUNDING FOR THE NORTHERN TIER NETWORK [5]	REMOVES FUNDING FOR THE OPERATIONS POOL [6]
University System office	$199,479	$150,000	$98,500	$2,300,000	$373,800	($144,559)
Bismarck State College	211,897					
Lake Region State College	53,572					
Williston State College	65,934					
University of North Dakota	1,246,985					
UND Medical Center	335,975					
North Dakota State University	1,087,958					
State College of Science	263,599					
Dickinson State University	187,158					
Mayville State University	88,198					
Minot State University	304,357					
Valley City State University	128,579					
Minot State University -	44,133					

Bottineau Forest Service	24,942					
Total all funds	$4,242,766	$150,000	$98,500	$2,300,000	$373,800	($144,559)
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	REMOVES FUNDING FOR CONTINGENCY AND CAPITAL EMERGENCY [7]	INCREASES FUNDING FOR THE KANSAS STATE UNIVERSITY VETERINARY MEDICINE PROGRAM [8]	REMOVES FUNDING FOR EDUCATION INCENTIVE PROGRAMS [9]	ADJUSTS FUNDING FOR OPERATIONS	ADJUSTS FUNDING FOR CAPITAL ASSETS [10]	TOTAL ALL FUNDS CHANGES
University System office	($296,482)	$205,920	($249,000)			$2,637,658
Bismarck State College					$5,679,750	5,891,647
Lake Region State College						53,572
Williston State College						65,934
University of North Dakota						1,246,985
UND Medical Center						335,975
North Dakota State University					10,500,000	11,587,958
State College of Science				$100,000		363,599
Dickinson State University						187,158
Mayville State University					(416,467)	(328,269)
Minot State University						304,357
Valley City State University				400,000		528,579
Minot State University - Bottineau						44,133
Forest Service						24,942
Total all funds	($296,482)	$205,920	($249,000)	$500,000	$15,763,283	$22,944,228
FTE	0.00	0.00	0.00	0.00	0.00	0.00

1 This amendment restores funding for salary increases of 5 percent for each year of the 2007-09 biennium.

2 This amendment increases funding for competitive research by $150,000 from the general fund, from $5,550,000 as provided for in the executive budget recommendation to $5,650,000.

3 This amendment increases funding for board initiatives by $98,500 from the general fund, from $300,000 to $398,500. The funding of $98,500 is to be used in conjunction with $98,500 of special funds from Minot State University for a shared recruiting initiative for Minot State University and Minot State University - Bottineau. The initiative is a pilot project and both Minot State University and Minot State University - Bottineau are to report to the 61st Legislative Assembly on the effectiveness of the initiative.

4 This amendment increases one-time funding provided for support of the ConnectND system by $2,300,000 from the general fund, from $3,700,000 as provided for in the executive budget to $6,000,000.

5 This amendment increases one-time funding for the Northern Tier Network project by $373,800, from $2,400,000 to $2,773,800 from the general fund.

6 This amendment removes funding of $144,559 from the general fund for the operations pool.

7 This amendment removes funding of $296,482 from the general fund for contingency and capital emergency.

8 This amendment increases funding for the Kansas State University veterinary medicine program by $205,920, from $317,460 to $523,380 from the student loan trust fund, to fund five new students per year in the 2007-09 biennium.

9 This amendment decreases funding for the education incentive programs by $249,000, from $1,989,314, as provided for by the House, to $1,227,902. The additional funding of $249,000 was related to increases in the teacher shortage loan forgiveness program as provided in House Bill No. 1249. House Bill No. 1249 was defeated by the Senate; therefore, the additional funding provided for in House Bill No. 1003 is removed.

10 Bismarck State College - This amendment appropriates funding of $5,679,750 from special funds for reauthorization of the college's student housing project.

Lake Region State College - This amendment changes the funding source for the college's wind energy project as follows:

	EXECUTIVE BUDGET	HOUSE VERSION	PROPOSED SENATE VERSION
General fund		$1,000,000	
Special funds	$3,007,600	2,007,600	$3,007,600
Total	$3,007,600	$3,007,600	$3,007,600

University of North Dakota - This amendment changes the funding source of the UND School of Medicine and Health Sciences new Bismarck family medicine residency facility as follows:

	EXECUTIVE BUDGET	HOUSE VERSION	PROPOSED SENATE VERSION
General fund		$3,600,000	
Special funds	$4,500,000	400,000	$4,000,000
Total	$4,500,000	$4,000,000	$4,000,000

North Dakota State University - This amendment increases the special funds appropriation to the university to reauthorize the Bison Sports Arena renovation project by $10,500,000, from $15,000,000 to $25,500,000.

Mayville State University - This amendment decreases funding added by the House for the payoff of special assessments and other deferred maintenance issues by $416,467 from the general fund, from $559,500 to $143,033.

House Bill No. 1003 - Other Changes - Senate Action

This amendment also:

- Amends Section 17 of the engrossed bill to provide that the State Board of Higher Education shall limit any annual tuition increase for the 2007-08 and 2008-09 academic years to not more than 5 percent for each year unless the board receives prior Budget Section approval.
- Adds a section to provide that participating higher education institutions are responsible for funding maintenance costs associated with the Northern Tier Network.
- Adds a section to allow the State Board of Higher Education to authorize construction of a College of Business building off the North Dakota State University campus.
- Adds sections to provide for a study of higher education and professional student exchange programs and removes study language added by the House.
- Amends Section 23 of the engrossed bill relating to the use of unspent 2005-07 general fund appropriations to provide that the State Board of Higher Education shall use $200,000 of the unspent 2005-07 general fund appropriation for completing and furnishing the Thatcher Hall renovation and addition at Minot State University - Bottineau.
- Amends Section 26 of the engrossed bill to remove the repeal of Sections 1 and 2 of House Bill No. 1031 and to repeal Section 15-12-27 of the North Dakota Century Code relating to North Dakota State University's 18th Street Development Fund.

2007 HOUSE APPROPRIATIONS

CONFERENCE COMMITTEE

HB 1003

2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. HB 1003

House Appropriations Committee
Education and Environment Division

☒ Check here for Conference Committee

Hearing Date: April 12, 2007

Recorder Job Number: 5948

Committee Clerk Signature Shirley Banning

Minutes:

Rep Wald called the conference committee meeting to order on amendment .0212 of engrossed HB 1003, the University System by calling on the Senators to walk the committee through the Governor's analysis found on p. 24.

Sen. Holmberg: Calling the committee's attention to page 9 of the amendment, he discussed each of the changes made by the Senate to the general fund. He stated that the reason for amendment #1 is that in 2003 the university system budget was the only one cut in real dollars. On the increases for board initiatives of $98,500, he asked Sen. Krebsbach to explain the sources for the matching fund.

Sen. Krebsbach: Because Bottineau is losing students, they are focusing on recruiting efforts. This is a pilot project shared with Minot State, moving from a recruiter to a recruiting effort to gain enrollment for both campuses.

Rep. Wald: Valley City and Mayville State also have problems.

Sen. Krebsbach: When we look at the 5 for 5 in salary increases we find that there are at least 5 campuses in trouble in this area. Bottineau is in dire need and other campuses are Wahpeton, Valley City, Mayville and Minot.

Rep. Monson: The $98,500 matching, Can that come out of their operating?

Sen. Krebsbach: No.

Sen. Holmberg: It would not be general fund money, it is matching because from special funds. Discussion about Northern Tier, the campuses that benefit, primarily the 2 research institutions, should pay the cost and since Minot State is not a participant they shouldn't have to pay. The $400,000 is for maintenance and ongoing costs of operating the system.

Rep. Monson: I thought when we sent this out of the House, that we had funded Northern Tier quite well. You added $373,800, what is that for?

Sen. Holmberg: That is for bringing it to Grand Forks to connect both campuses and complete the project rather than have them wait. The Kansas State project was restored for $205,000 to get more large animal vets trained for North Dakota. #9 has to do with HB 1249 that was defeated in the Senate.

Rep. Monson: Did that appear in another budget somewhere?

Sen. Holmberg: Continued discussion of the Senate changes found on pages 10 and 11. Funding for operations on 2 campuses was adjusted.

Rep. Wald: (Voice inaudible) Asked a question related to funds for campuses.

Sen. Robinson: We reviewed all the budgets carefully, just as you did, and in the analysis we found that there are at least 5 institutions that find themselves in a tight financial situation for the next biennium, namely Valley City and Wahpeton. We are looking at a 2.4% in utilities when in reality it will be a 10% increase.

Rep. Aarsvold: What was the threshold or standard that you used to make that judgement?

Sen. Robinson: I will bring a spreadsheet to our next meeting. The one that has a challenge in the second year is for $374,000.

Sen. Holmberg: The Senate wanted to come to (this meeting) under what you had passed. He continued explaining the other changes – Senate Action on Page 13. Reduced down the money for Mayville State.

Rep. Aarsvold: Mayville is taking a double hit in the reductions that are made in the capital assessment line and adjustment for operation.

Rep. Wald: (Question inaudible)

Meeting adjourned.

2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. HB 1003

House Appropriations Committee
Education and Environment Division

☒ Check here for Conference Committee

Hearing Date: April 13, 2007

Recorder Job Number: 6014

Committee Clerk Signature Shirley Brannong

Minutes:

Chairman Wald called the conference committee meeting to order on amendment .0212 of engrossed HB 1003, the University System by calling on **Rep. Monson** to discuss the proposed amendment that is to be drafted.

Rep. Monson: I am having some amendments drafted to reduce this budget down $50m below the level of the Governor's recommendation between now and the end of the session. The amendment will strip all that the House added in dollars. Strip all that the Senate added in dollars. The result will be approximately $7m below the Governor's budget. I am taking 2% out of the operating of each of the entities and putting it into a pool of the higher ed board. The amount of that is about $5m at the discretion of the board to fund critical need areas. An example the hit to BSC is less than $300,000.

Sen. Holmberg: Would this remove the general fund increases for such things as Swain Hall, but what with salaries?

Rep. Monson: It does not address the 5 and 5. As long as they had the money they could make their salary increases. Now it is only 4 and 4. These amendments should be ready by Monday.

Sen. Robinson: My initial reaction is our ability to justify these cuts. Tuition over the last number of years has skyrocketed. Utility costs are funded at 2.5%, one institution that is on a financial watch and this will impact tuition increases.

Sen. Holmberg: Continuing with a review of the amendment on page 7 discussed the building that is off the NDSU campus that was not authorized.

Rep. Monson: Are there any other campuses that built off campus? Do we have specific language in other bills regarding purchasing buildings off campus?

Laura Glatt, Vice Chancellor of the University System: Not that I am aware of. The Foundation bought the buildings and NDSU pays rent to the foundation.

Sen. Holmberg: There were concerned about the productivity issues. Studies were done and we felt that there were a lot of unanswered questions. Sections 22 and 23 might be too big for one committee to dig into. On page 13 it provides the things that have not already been discussed.

Meeting adjourned.

2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. HB 1003

House Appropriations Committee
Education and Environment Division

☒ Check here for Conference Committee

Hearing Date: April 16, 2007

Recorder Job Number: 6051

Committee Clerk Signature Sally N. Hamel

Minutes:

Chm. Wald opened the conference committee on HB 1003.

Rep. Monson distributed amendment 78003.0216 (Attachment A). He reviewed the amendment and referred the Committee to the footnote on p. 11.

Rep. Monson: The proposed conference committee changes to the general fund would be as follows; you decrease the funding for Northern Tier Network by $1.4 million, removes the funding for the operation tool, which was also included in the Senate amendment, $124,559. Then next it would remove funding for the contingency in Capitol emergency, that was also included in the Senate amendment, and that's $296,482. It would remove funding added by the House for the UND Medical School for recruiting new faculty in bacteriology and immunology, and that would be $700,000. It also removes the funding added by the House for support for the State College of Science Center, the Nanoscience and Technology Training, that would be $350,000. It removes the finding added by the House for the Lake Region College wind project, which was taken out by the Senate, and that would be $1 million. It removes the funding added by the House for the UND Medical School in Bismarck family practice center which was $3.6 million. It removes the funding added by the House for the Minot State University Swain Hall project which was $4 million. It removes the funding added

by the House that Minot State University dome athletic floor replacement project which is $387,000. It removes the funding added by the House for Mayville State University for the payoff of special assessments, and for maintenance, $559,500. So, the proposed changes to the general fund are $12,437,541 in reduction. The proposed conference committee changes respect the funds, would increase the funding for the Kansas State University veterinarian medicine program, which was also included in the Senate amendments of $205,920. It does remove the funding for education incentive programs, which also was included in the Senate amendment, and that was associated with the main bill that was killed over in the Senate, so $249,000. Provide funding for reauthorization of the Bismarck State College student housing project that is in there. Any special funds we pretty much left alone, that's $5,679,750. Increases the funding for reauthorization of ND State University Bison Sports Arena project, being all these are a special fund that's $10,500,000. It adjusts the funding for Lake Region State College wind project, which was mentioned up above. The $1 million of general funds is taken out, but it'll restore it back to $3 million in savings if they can find that savings through projects. Adjusts the funding for the UND Medical School Bismarck Practice Center and that's $3.6 million, and Swain Hall was $4 million, that puts it back in the special fund, and dome floors, so, special funds appropriation seen changes that would be $25,073,070, additions actually in the special fund. In addition this amendment reduces funding for campus operations across the board by 2%, and establishes an operations pool in the ND University System office to be distributed by the State Board of Higher Ed campus operations, and critical needs. So, of all the things that were removed, the board would have the flexibility then to fund those in there priority list as they see fit. The cost to each of the colleges, by taking 2% out of their operating line item, and putting it into this operation pool, Bismarck State College

would have $292,569, Lake Region State College would be $97,111, Williston State College would be $98,598, UND $1,590,496, Meds school $513,584, and DSU $1,330,953, State School of Science $411,694, Dickinson State $250,668, Mayville $147,024, Minot State University $447,993, Valley City State $192,825, Minot State Bottineau $70,910, and of course there was $35, 045. So, this would give the board approximately $5,500,000 in this pool to redistribute for some of the needed and necessary activities. It would be roughly $7 million below the Governor's budget. It is still increased of about $76 million over the 2005/2007 biennium.

Sen. Holmberg: We wouldn't want a motion today, we'd like to take a look at it, and mull it over a little bit. There are a couple of areas that I don't recall, and I know one was not talked about in the House, but there was the repeal of that 18th Street development fund as provided for in the Senate version at NDSU, and then there was the authorization for the college of business to go off campus. I know specifically they were removed, and my question would be in both cases, what would be the resulting impact on that 18th Street development project, and also on the campus? I'm not advocating for, or against the NDSU projects, just wondering how that's going to pay out.

Rep. Monson: I think that would not be my intent to remove that language. All this addressed was actually the money for moving off campus, and that's who this would affect.

Sen. Holmberg: These amendments, it appears removes the Senate amendments to allow them to go off campus.

Rep. Monson: That is my intention.

Sen. Holmberg: You do not want them to go off campus?

Rep. Monson: That's correct.

Rep. Aarsvold: I ran across this information in one of the publications that the board office put out. It has to do with deferred maintenance and its relationship to the square footage, and also the replacement value. I guess rather then burdening you with all of those columns there, if you look at the 2nd and 3rd column, they represent in column #2 the percentage of deferred maintenance that each of the campuses have. You'll notice that in the case of UND, it's the highest of course, but on the other hand they also have the highest number of square footage. As you go down, you'll notice that they vary considerably, but generally if you go to the 4th, and 5th column, that is a ratio of the deferred maintenance to the square footage, and if you are under one you have something less then your share of the differed maintenance in the system. If you are over one, you have something more than your share of the differed maintenance. There are three or four campuses that stand out in this matter that obviously have more then their share of deferred maintenance, and they would be Dickinson State at 1.6 as a ratio, Mayville State at 3.0, Minot State at 2.1, and Valley City State at 1.6. The others are under one, so they are experiencing no more then there share of the deferred maintenance in the system, but those four should certainly grab our attention in that they are significantly caring more then their share of the deferred maintenance, and obviously we have not provided appropriate funding to maintain their infrastructure.

Sen. Holmberg: I was trying to figure out if that's a good thing or a bad thing, I'm still not sure.

Rep. Aarsvold: That depends how you look at it. It would seem that those campuses who are over one, they spend more then their share of deferred maintenance, and they have not been addressed in previous sessions. The newer cap is Williston State, a relatively new campus when we compare them to UND, NDSU, Mayville, and Valley City, for instance, and they have a very minimal 1/10 of 1% in relation to their square footage.

Sen. Holmberg: Why would Bottineau be so low? Is that because of Thatcher Hall?

Rep. Aarsvold: I suspect the Thatcher Hall renovation, or addition has made a big impact there. It's a fairly small campus, and one major construction project would have a significant impact on their ratio.

Chm. Wald: I believe it was Sen. Holmberg's request that we not move these amendments today.

Rep. Monson: There's a lot of stuff in here. I think it's only fair that people have a chance to look them over. I honestly haven't had a chance to really look them over myself.

Conference Committee adjourned.

2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. HB 1003

House Appropriations Committee
Education and Environment Division

☒ Check here for Conference Committee

Hearing Date: April 17, 2007

Recorder Job Number: 6091

Committee Clerk Signature Shelley N. Smith

Minutes:

Chm. Wald opened the conference committee on HB 1003. Procedurally, we've heard Sen. Holmberg's amendments .0212, and Rep. Monson's amendments .0216. So, I think what we should do in order to accommodate the amendments in the proper sequence would be to take up Sen. Holmberg's amendments.

Sen. Holmberg moved that the House Accede to the Senate Amendments. Sen. Krebsbach seconded the motion.

Sen. Holmberg: As you know the basic amendment that the Senate passed, with the exception of the addition, and later the gain of ConnectND was $100,000 less then the House position. So, I'm guessing that as we move forward, we'll be siding between the House and the Senate position, and we could split the $50,000, and still go home. I know there's more discussion, and more work that's going to get done.

Rep. Aarsvold: This is not the last meeting?

Sen. Holmberg: I would be just as happy if it was, but no, there will be other meetings. There are some other issues. The Senate I think did a good job with the information that we've had.

I think there are a few adjustments that could be easy to make, so if the motion fails, it's not the end of the world.

Sen. Robinson: I would just remind the committee that even with the Senate amendments, and the level of spending that could be incorporated in that package; the fact is several of the institutions are going to be hard pressed to make things work financially. We built into this package an increase in utilities at a 2.4% level. I think everyone in this room knows that is far from where we're going to be at. We had institutions that struggled this last year with a mild winter making the budget work in the area of utilities. Demography has hit several, if not all of the institutions, and I think it has hit all of them to some extent. Many are struggling with the tuition question issues. We have serious deferred maintenance with the 5% and 5%, and I think we all want to see; hopefully it'll be 5% and 5% salary package maintained. We will have several institutions that would be hard pressed with tuition limitations at 5% and 5% if we support that limit. On the 5% and 5% salary package we've had unusually high tuition heights over the last number of years. In one study I reviewed, it indicated that about 96% in 9 years. I don't think there's any institution that's been able to offset that type of increase with a scholarship support. The Feds have reduced scholarship support; the tuition is a portion, and important part for the portion of their total cost, as you all know. Room and board, books and supplies, and other fees have also been often in double digits. So, I look at our university system, I look at the landscape, we know the conger that the state has with job openings all over the state. I think we'd be ill-advised to curtail in any way the ability of our university system to respond to that demand that challenge. If we don't respond, our state will be hard pressed to respond economically. So, I think our package was fairly well thought out, and obviously we'd always like to do more, but granted there are the limitations we have to work

with, but for the most part was I think a package that was fairly sound. So, I certainly support this package, and if we could meet again, and do some things that would be fine in my opinion, but I really urge the committee not to look at retreating and going backwards. Not at a time when we're on the verge of even bigger and better things for our state, and the university system.

Rep. Monson: This is $90 million over what we were last biennium. Percentage wise, this is huge increases. Where would we be if we didn't have $500 and some million? What if we only had $200 million? Where would we be? We wouldn't even be close to this number, and if we were looking at only being able to put in $40 million, would they be able to get by? I'm sure they would. This is $90 million dollars.

Sen. Holmberg: Part of it is philosophical, and you hate to bring philosophy into arguments like this. So, part of it is because of what we looked at for Higher Ed to do a couple of years ago, starting in 1999, and then 2001 was that we wanted them to be a big player in the economic growth of our state, and I think one can argue back and forth a little bit about some of the embarrassing self inflicted wound the board put on itself last year, but the bottom line is that they have grown out of state. They have continuatively economic vitality of this state, and one of the reasons one could argue that we have a healthy economy that they do have, if in part because of a rival and very important Higher Ed system. Do we look at every state agency and say well the Governor's got extra, so you're not going to give us anymore, which is really the philosophy of Carl Marks, everyone is gong to get the same no matter what, or do we look at Adam Smith and say do we award good behavior, and hope they continue to help us grow. So, part of this is the philosophical session. Rep. Monson's absolutely right, this is a staggering in the amount of money then Higher Ed has had. A lot of it is one-time money,

which it is a large increase, as our increase is in a number of other countries. In the end, we do have to balance this big budget to.

Sen. Robinson: In response to Rep. Monson, keep in mind in previous bienniums, because a significant piece of this budget has been bonded. There's no bonding here at all. We can elect to go down that road, and we wouldn't have the general fund expenditures at this level. We have seen based on what we've done, and I think unusually high growing increases in tuition. I don't think any of us want to see us back in the double digits. I think we're to the point where we have students that can't afford access to the system. I think that's a fact. When I look at the job openings across the state, there's no question in my mind that without this system, we're going to be hard pressed to move forward. I think back a couple of biennium's when the University System was the only major budget that experienced a reduction. That was followed by 2, 3, or 4 unbelievable hikes in tuition, and I think we can't go there anymore. Finally, I say you know you always do what you've always done, and you'll always get what you always got. We've got $117 million in differed maintenance. I for one was hoping we could come out of this session with a bigger bite into that issue. Keep in mind if we put $10 million forward in this, there's more coming on, and that is part of the state infrastructure, and part of our asset base. There are projects here that I think we ought not neglect, and we can move forward. So, I think it's recognized to be a significant increase. For a number of years we told not only this agency, but others we need to back off, we need to tighten the reigns, come back and see us when we have the dollars. We do this time, and I think the package represents not wants, but needs. So, I certainly support it.

Sen. Krebsbach: I really can't say to much more then what's been offered. I really think what we do need to take a serious look at is what are the one time funding levels in this budget,

then what percent over and above that are we giving Higher Ed. I know our concern, we questioned many of them in the Senate committee, which was how do we maintain this budget in the next biennium, and the response came right from Higher Ed itself that if the dollars aren't there, we realize we have to make the cut.

Rep. Monson: In response to Sen. Holmberg's statement that we've asked the University System to grow this economy and they have, and certainly they've done a pretty good job of it, because not all of our revenue of course is revenue, surplus is from oil, and it is all of it we have. We have grown our economy, and it's been in conjunction with the University System, and the Centers of Excellence, and there are many different things. We had to bump the tourism with the Lewis and Clark, and you can't put your finger on one thing. We've got this money because this one thing happened. I've always been a supporter in the University System, education, I still am, and at the beginning of the session I to was like Sen. Robinson, and felt this time we've got some money. When we put our budget together in the House, we actually reduced the increases in the Governor's budget in ongoing expenses, and we increased the one time spending, because of the need for taking care of some of those deferred maintenance things with buildings, but here we are at crunch time, we are at the end of the session, and we have to come out of here with a balanced budget, and every budget is being asked to pony up whatever they can to help us get out of here with a balanced budget. I guess Higher Ed is substantially higher then what the Governor proposed in his budget, right or wrong, and I'd love to support all those projects. I did, the first half I voted to send this budget out of here with those one time projects, and I believed in them, and I still believe in them, but the fact is we have to get out of here with this balanced budget, and I don't know

exactly how we're going to do that. This is one budget that has the increases, that maybe we can wiggle back a little.

Rep. Aarsvold: I need to remind the committee that we are here representing a lot of constituents back home. A private sector business man, manufacturers, farmers, and students are the families of a lot of hard working employees. Without exception, when we hear from those folks they're not saying what's wrong with that, they're saying we have opportunities here, we should take advantage of that. Because we can, we should. I would certainly hope that we make some adjustments to what is important here.

The motion that the House Accede to the Senate amendments (.0212) failed by a roll call vote of 4 yeas, 2 nays and 0 absent and not voting.

Sen. Holmberg: Rep. Monson had said some very good words about the whole situation in Higher Education, and talked about the strong economy we have, and the various components of that. Keep in mind till he said it, so often legislatures and North Dakotans apologize for having a good economy. We are so self deprecating that you'd think that we're all living under the bridge in cardboard boxes.

Rep. Monson: I know that amendment .0216 is not particularly popular, and I'm saying that even if we were to adopt these today, I don't think this would be the end of it. I'm sure that every one of you here would want to still further amend, and add things back in again, but I would move amendment .0216.

Rep. Monson motioned to adopt amendment .0216. Chm. Wald seconded the motion.

Sen. Robinson: I would feel better if I knew that we could add in about $12 and some million dollars, but I know that's not the case, at least at this meeting.

The motion to adopt amendment .0216 failed by a roll call vote of 1 yea, 5 nays and 0 absent and not voting.

Chm. Wald adjourned the meeting.

2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. HB 1003

House Appropriations Committee
Education and Environment Division

☒ Check here for Conference Committee

Hearing Date: April 18, 2007

Recorder Job Number: 6132

Committee Clerk Signature Sally M. Sauer

Minutes:

Chm. Wald called the Conference Committee on HB 1003 to order. All conferees were present including: Reps. Wald, Monson, Aarsvold and Sens. Holmberg, Krebsbach and Robinson.

Sen. Holmberg distributed and reviewed amendment .0219 (Attachment A).

Sen. Holmberg: Do you want us to go through the changes that are in this and then what the Senate version was? Our purpose was to recognize the changes that were going on in the past few months and at the same time try to get the Higher Education budget coming under what the governor's original budget was. We did it in the following manner. We were looking for a mechanism to get this budget under the governor's budget that will satisfy some people but it will not satisfy others. This is what we did. Footnote number 4 is the first change. What it did was remove $300,000 from the system.

Rep. Wald: Are we on page 10?

Sen. Robinson: Footnote 5 is about the higher education budget and how it is getting a bad rep from the standpoint that because we followed the advice of those who came forth and said we should be taking care of connect ND we had put in the Senate $2.3 million that the executive branch supports to try to get that connect ND done and behind us. That money should not be a load for the Higher Education so we took the money out of the permanent oil

trust fund. That was $2.3 million. That is why that was reduced. We did the same thing if you recall if you look at capitol assets on footnote 12 we had testimony in support from the governor's office that there was a difference of opinion. The bottom line was that it should have been supported in the governor's budget at the high amount of $6 million. What the Senate had done is added $4 million of general funds to pay for that. We felt that this was put into this budget but we were going to take it out of a one time area and that was the permanent oil trust fund. We saved $4 million there from the general fund. The projects in Minot had a $500,000 local match in order to complete the building. We felt that we should also reward the other agencies who are having large capitol construction by a like amount. We said that NDSU should share in a $500,000 local match on a $5 million building. UND should also participate. The other items that were in the Senate version remain. The bottom line on this was this budget, if we adopted this, would come in at $50 some thousand dollars less then the governor's initial budget for higher education. That is what the amendments do.

Roxanne Woeste, Legislative Council: On page 14, look at the second item under the heading University of ND. It says this amendment also requires a local match for the universities.

Sen. Holmberg: It is the same thing under there. We are trying to put together a package that does not cut operations on campuses. It does not at all impact the grant programs. They did not look at some of the other areas in here. I do think the House did a pretty good job of putting together the package that they sent over to us. We didn't go into that and make a lot of changes. It is something for discussion.

Rep. Wald: On the top of page 14 you make reference to family practice center.

Sen. Holmberg: What that is, is the same as passed in the Senate version? The governor's budget came in and said that it was all special funds. They had to find it themselves. The house will go in out of general funds and put it into the budget or into this plan. The money came from the 5 and 5. Along with the money for the project. What we did was we took that $1 million back out. All the bill is now is exactly what the governor introduced.

Rep. Wald: So it is an authorization but no funding, is that what you are saying?

Sen. Holmberg: The house had $3.6 million in general funds and $400,000 in special funds for a total of $4 million. The Senate put it all back into special funds of $4 million. Your version is back with the same funding source but its $500,000 less. You didn't make any changes? Wasn't there a reduction in that request?

Ms. Woeste: When the house was looking at that project the medical school said they needed $4 million for the project. That is why it is like it is.

Sen. Robinson: I just want to talk about our discussion on the Senate amendments. I know Sen. Holmberg's amendments make some changes to these figures. We were talking about the healthy increase in this budget. I just want to point out for the committee's sake that of the dollars in this budget of $90 million there is nearly $40 million of one time dollars. That is comprised in the northern Tier network. We have heard maintenance capitol projects and initiatives of nearly $40 million. Above and beyond that in the budget there is over $20 million of salary infringe costs to continue. The point I'm making is that of the $90 million we have a little over $60 million that is tied up. We have a lot of money to do new things. I know this is still a lot of money. Both sides tried to do, to the extent possible, projects that were one time.

Sen. Holmberg: I have two other smaller amendments. One that should be non controversial and one that might be controversial. If you want them all handed out today we can do that.

These amendments are an addition so you don't' have to redo anything. One of them is something that the house wants. Sen. Holmberg distributed amendment .0220 (Attachment B).

Rep. Wald: Is there a Dickinson project in any of these?

Sen. Holmberg: Not yet. Would you like me to explain these amendments?

Rep. Wald: Yes.

Sen. Holmberg: This amendment actually comes from the IT folks, Rep. Skarphol, and folks that have been working on IT. In 2015 the house put on an amendment because they came to the conclusion about these employees under the Connect ND that there had to be some of that money had to go into base funding so they could hire the people. What they did was changed it and made an additional amount of money that is in Connect ND as part of it. This mirrors that. The reason I am presenting it is because we have the higher education budget. It should be there rather than loading down OMB's budget.

Rep. Wald: Is there any discussion on the .0220 amendments?

Rep. Monson: I think that is fine. Do you want us to move it?

Sen. Holmberg: These were introduced by a member of the Senate who asked what they could do regarding the additional information on what happens at schools and individual campuses. It's an issue I think philosophically that Rep. Monson would be very familiar with. If you are in a large school district they don't want all of their scores being compared to another school. This information as I understand does exist. I would recommend that if we are going down the road of this, if we had the time at some point we should ask someone from the board office to comment about why they might not like this.

Laura Glatt, NDUS: I'm not in the position to respond.

Rep. Wald: I guess my question is that you have the data in your system to give us those numbers? Resident and non resident or stay in the state. Is that information readily available or are we asking for something that is not possible?

Ms. Glatt: The Find It system that we currently have where we track what happens with our graduates. We get that data from a number of sources like job service information, human services because there is a number of agencies that share data so that we can tell where our graduates end up. That all goes into a data base and my understanding is that under federal law once we have done the analysis to come up with aggregate data on where our graduates go we have to get rid of the individual data. There may be some legal issues about the release of information on individuals as apposed to aggregate data.

Sen. Holmberg: This talks about the number of resident graduates and the number of non resident graduates.

Rep. Wald: You don't want names.

Ms. Glatt: You are right because we do it in the aggregate for all our graduates. We don't do it by campus right now. The campuses track that individually.

Rep. Wald: So if the campuses put forward the information then you could come up with an aggregate?

Ms. Glatt: I don't think every campus necessarily tracks it. Then you also run into consistency problems between campuses. If you are looking for consistent information it is best to do it on a system line approach.

Rep. Wald: Are there any questions on the three amendments? As I look on page 13 you are moving $2.3 million to a not so permanent oil tax trust fund. What is the net reduction in

general fund money?

Sen. Holmberg: In this particular amendment?

Rep. Wald: On starting on page 8 and ending on towards the bottom of page 9 if my understanding is correct your conference committee changes are a minus $5,092,442. About ¾ of the way down in the middle column.

Sen. Holmberg: If you look at the top of page 10 the first column gives you the governor's budget of higher education at $470,227,440. This conference committee version is three columns over and it is $470,171,668. In total we removed $7,300,000 from the general fund. It would be $4 million, $2.3 million, then $300,000 from the board office and the rest comes from NDSU and UND and further projects. TO me it is a local match. We did not do local match on the smaller campuses because they are tough to raise money for. We couldn't do that.

Rep. Aarsvold: The first engrossment of the Senate amendment includes the section 7. I don't understand that that is doing?

Sen. Holmberg: All this is is an amendment to the bill. Section 7 is what?

Rep. Aarsvold: An appropriation that the executive director recommends.

Sen. Holmberg: That wouldn't be cut because it still exists.

Rep. Wald: What are you making reference to?

Rep. Aarsvold: This calls for a $1 million appropriation to Mayville State Campus for maintenance projects.

Sen. Holmberg: We didn't remove that.

Rep. Wald: Can you explain that?

Sen. Holmberg: Valley City, the Nanoscience thing down in Wahpeton.

Rep. Wald: And the $700,000 at UND for the new positions?

Sen. Holmberg: Right.

Rep. Wald: But that is funded out of not so permanent oil trust funds.

Sen. Holmberg: That is one of the things that we made very few changes in.

Rep. Wald: If there are no other questions we will adjourn because leadership asked to not take final action on this.

2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. HB 1003

House Appropriations Committee
Education and Environment Division

☒ Check here for Conference Committee

Hearing Date: April 19, 2007

Recorder Job Number: 6177

Committee Clerk Signature Holly N. Hurd

Minutes:

Chm. Wald called the Conference Committee meeting to order. All conferees were present including Reps. Wald, Monson, Aarsvold and Sens. Holmberg, Krebsbach and Robinson.

Chm. Wald distributed copies of an email he received from Lee Vickers, President, Dickinson State University (Attachment A).

Chm. Wald: The house has a proposal that we would like to share with the conference. It would take 2.25% of the operating line item in the bill which is $370 million. The 2.25% reduction of that number would reduce that by $7,800,000. It would hold harmless for Valley City and Mayville. They would not share in the 2.25% reduction. All the other campuses including the system office wouldn't share. Then we would have a local match on 4 capitol projects. One in Fargo, Minot, BSC, and Grand Forks. That would total $771,250. For our total general fund deduction of $8,571,250. That would leave a total general fund appropriation of $468,900,418. That would bring us below the executive budget by $1,327,022 which would be an increase to the present biennium of $81,742,525.

Rep. Monson: Everything that the Senate wanted is in. This is a change to the Senate's version of the bill.

Sen. Robinson: I know you guys spent a lot of time in the House side on this bill. I would like to believe that we spent as much time on this budget. I think we are all well aware of the operating situation on all campuses. When I read in the paper that we have an institution that is under financial watch that concerns me. To reduce the operation budget at any institution is a step in the wrong direction. These budgets are based on utility increases at 2.4%. Mayville's utility prices went up 261%. I think we set our institutions up for some very difficult situations. When they struggle with shortfalls we are critical of them. I think we need to be the ones looking in the mirror here. I could look at this and say well Valley City is not affected. That doesn't cut the mustard. All the other institutions are other than Valley City and Mayville. I know that every institution is in need of a strong operating budget. I know that several of the institutions are in a critical situation in this area right now. For us to leave home with $400 million in the bank so we can say that we came in under the governor's budget. I think we have a responsibility. All we are doing here is driving up a tax on our students that is already too high. I think we would all agree to that. We have had proposals to that which we haven't accepted because there are costs in that area as well. I happen to work at an institution and I visit with these students every day and I know the pressures that they are under. The proposal is one that I couldn't support. We have the unified system and I think we have to stick with it.

Sen. Holmberg: I would like to sleep on this. I think the amendments are understandable except we would want to see them in writing. Perhaps a print out and not a total rehash of the amendments, just kind of a working document. Is that easy to do? I have to smile inwardly because I am sitting at the stated goal which is to get under the governor's magic number but I'm sitting on another budget which is currently at the governor's budget. The conferees are talking about this is the budget that is the economic engine that drives ND. Their latest

proposal from the house is to increase that budget over the governor's recommendation. It is a budget that is supervised by the board of higher education. It is an extension. The last talk we had was to add $140 some thousand above the governor's budget. I would maintain that we aren't being particularly handed in that regard. I would argue that this budget is also one that has helped drive the economy in ND across the state. I just find it ironic but I certainly will sleep on this. I'm hoping you aren't asking us to vote on this today. I have done some rough calculations but I had used 1.75 reductions and saw that we restored BSC of $212,000 and 1.75% would be doubled that. I'd like to see the printout.

Sen. Robinson: A couple of years ago we initiated Centers of Excellence. To me that was a statement, an addition to the state. To me we are going to under fund and reduce the budgets. I know we talk about that they are above where they were. Much of that is one time and we are paying their salary. To me it is conflicting to expect our University System to have Centers of Excellence when we are going to be losing the best of our people, the very core of our staff. Those are the people that leave, the ones that are highly marketable. That is problematic. Getting back to the level of spending I want to leave here with a lot of money in the bank. I don't think there is anything magical that we have to have over 400. I think our people want us to do a respectable job with these budgets. For years we have put a lot of these issues off and touched on the one time spending. The other thing to me that I struggle with is we've got $35-40 million in reduced revenues this time around. Reduced revenues because we want to get a break here or there. Then we are going to come back and say to our students that they are going to have to pick up more of the burden. I don't see equity in that. When we didn't have the money and there were many years that we told our people you have got to come back another time. They did. Someone characterized this session as a bit of catch up. I think some of that is

true. Clearly if there is an opportune time for the state to take a step forward and invest in those programs that are building on the quality of life, that are returning dollars to the state of ND. I think we can argue and make a very strong case that the university system is doing that. Now is the time. If not now, when? I have said that over and over again. If we don't do it now is there a will to do it?

Sen. Krebsbach: I would agree with the chairman of my appropriations but we need some time to analyze it. There are a lot of factors that are here that are unclear to me. First of all the fact that there were additions made to this budget. If we reduce it to the executive budget that would was passed and we knew there were parts that were approved, I need to see those. I need to see and clearly understand what is one time funding that we invest in? I think that has a great impact on this budget. If we can reduce that we can reduce the 5 and 5%, what does that leave for offering for the campuses? I find it rather ironic that we are excluding two of them when there are others that are in need of additional help as well.

Chm. Wald: Roxanne could you show us the budget of the 5 and 5 in health insurance? The dollar amount. And the one time funding for deferred maintenance.

Roxanne Woeste, Legislative Council: The one time funding is summarized in the Senate amendments. There are sections in this bill that list the one time funding.

Sen. Robinson: In total numbers the one time funding is $39,979. The 5 and 5 total package is $20,191,000. I had Roxanne put this together a couple of days ago. She has got it. We are looking at 39 in one time funding.

Ms. Woeste: In the Senate version of the bill there was a $17.8 million deferred maintenance.

Rep. Aarsvold: Just a few minutes ago I was forced to vote against a very worthwhile project, an amendment for the state fair. I did that primarily as a result of my assessment of other

needs that this budget should be taking care of. I certainly hope that before we leave we can do justice to the higher education budget. The bottom line is that we need this. I think we have time to do that. We have resources to do that and I think we can persist so we can do the right thing.

Chm. Wald: The meeting is adjourned.

2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. HB 1003

House Appropriations Committee
Education and Environment Division

☒ Check here for Conference Committee

Hearing Date: 4-20-07

Recorder Job Number: 6184

Committee Clerk Signature Sheila N. Sandvik

Minutes:

Chm. Wald: All conferees present.

Chm. Wald distributed and reviewed "Analysis of Proposed Conference Committee Amendments to HB 1003" spreadsheet (Attachment A).

Sen. Holmberg: Perhaps we should adopt this and have it run up on the Floor of the House and see what the read of the land is. That's not a motion, I'm just saying for strategy purposes, should we not put something out that does reduce Higher Ed by 8.5 and then later go up and explain why we are in the process of adding money to *expansion* about the Governors budget. This would put this where in relation to the Governor's budget? The Governor's budget $477?

Roxanne Woeste, Legislative Council: If you look under the total columns...the far right column and the last 4 rows, the Governor's budget.....$1.3 under.

Sen. Holmberg: It does take some bite out of some of the campuses and it allows the Legislators who vote for it to go home and explain why we reduced this budget because we want $400 and Million in the bank...that's a good discussion back home. What causes me some concern, if we were to adopt this is the operations...I'm not a big buildings person...when we look at the operations, where we built in about $2.4M or $2.5M for utility cost increases in this budget to fund this money in and they're running well above that. I think

that alone would cause all kinds of problems so I won't make the motion, but it would be an interesting discussion on the Floor of the House and the Senate. At this stage of the session we do have to make resolution on these budgets, we can't just philosophize between now and next whenever. When you come from the second House, you always worry that the second House at the end of the session doesn't get a lot of input because the bill is just held to the end and then it's sent over as the other body adjourns.

Rep. Monson: Roxanne, can you tell us...in the case of Minot State Fair and *(inaudible)* ...they're exempted from this 10% requirement because they've raised local money already for that project?

Roxanne: We have not included a 10% match because it wasn't included in your discussions last night. Right now the Senate's version...$6.5M in the general fund...$536,150 in special funds...about 7-8%.

Rep. Monson: That special funds...maybe Sen. Krebsbach can explain...those special funds were from local matches?

Sen. Krebsbach: I'm not sure where...it just doesn't come from the general fund...I don't know if it would be from the student fees or from other income like tuition or whatever or if there's community money involved...I don't know.

Rep. Monson: I would echo the comments that Sen. Holmberg made...when I look at the proposal and the reductions at the various institutions...there is no doubt in my mind that we're going to cause very serious challenges for these institutions...I happen to know that at Minot...$678,000...the 2nd year into the biennium already has a significant challenge from $300 and some Thousand. Wahpeton is in a similar situation...$400T and some out of Bismarck State...$146T at Lake Region and a comparable amount at Williston. When you

plug in the reality, we're going to be in the 8-10-12% increase in utilities...we funded 2.4%...you can add that right on top of here. System wide, I don't know what the difference is...but to go 5% on utilities versus 2.4%...I think we need another Million 4 or 6. We're not being realistic here at all and I know this is a significant increase, but keep in mind we're comparing apples and oranges...if you look at the one time expenditures...we talked about last night...in years past the capitol projects almost always were bonded...when you pay them up front from general fund money you inflate the budget...I hope that we'd look at this as an investment and that we turned to the permanent oil fund over and over again and I would be very supportive of whether *(inaudible)* or the deferred maintenance part picking all of it or a significant portion out of the permanent oil fund...not reducing these operation lines...coming to consensus and hopefully going home. There's no question in my mind...it's the right thing to do.

Rep. Aarsvold: We know from information that the board has shared with us that 4 of these campuses have pretty significant operational shortfalls...Wahpeton, Mayville, Valley City and Minot and the drafter of the amendment has proposed 2 of those to be exempt from the reductions. In light of the concerns we have for the other campuses I would find it difficult to support this...I think we do have to provide some level of additional operating to provide these campuses with what they need to accomplish their task.

Chm. Wald: If you look at the bottom line...it's a substantial increase in every campus in the board office so I don't know that we're starving the whole system. There's no point in having a formal amendment drafted and take it to the Floor if it's not going to pass...it sounds to me like it would have a better chance in the Senate so I guess we have to back to the drawing board

and consider some of the suggestions made by Sen. Robinson and other funding and to connect ND and Northern Tier.

Sen. Robinson: I'd like to remind the committee that I appreciate the concern over the growth in this budget...keep in mind...according to the information I have available...about $40M...1 time Northern Tier had 2.7, Connect ND Systems Support had 6, the Common Information System Pool 420T, deferred maintenance over 11M, Capitol Projects over 18M....etc. When you add the 5 and 5, and to me we have to do that, that's another 20. So of the $81M new money, you have $61M tied up in that area...there's 1 campus that we didn't mention here in terms of having challenges and I would suggest most of the system has a challenge of some sort, but at Bottineau...to me it was not something I was very happy about to learn that their institution was under financial watch...a state institution...how do we go home and tell people we have $400M and some in the bank and we 1 of our institutions that we're responsible for under financial watch...that's not a message we want to send to the people of North Dakota. I would strongly encourage us to look at this list...whatever the numbers might be...we could go to permanent oil and put together a package...I think it would be the right thing to do.

Sen. Krebsbach: I'd like to add that I received figures on the Health Insurance increase...we didn't know that yesterday...and that figure is $5.9M and as Sen. Robinson said, $20M for the 5 and 5...actually it's $20.9M...those 2 figures alone come to $26.8M that really shouldn't be looked at in consideration (granted, it's over and above) but it's a fixed cost...it isn't something we have room to play with.

Chm. Wald: It looks like the House will have to come up with some new amendments and we'll call another meeting. Meeting adjourned.

2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. **1003**

House Appropriations Committee
Education and Environment Division

☒ Check here for Conference Committee

Hearing Date: **20 April 2007**

Recorder Job Number: **6225**

Committee Clerk Signature Joan Pruddle

Minutes:

Attending: Representatives Wald, Monson, Aarsvold and Senators Holmberg, Krebsbach, Robinson

Chairman Wald reconvened the conference committee on HB 1003. I have some sheets here. There's an option A and option B. **(Attached)** What Representative Monson and I have worked on this afternoon, with appreciated help from Roxanne, is two proposals.

Option B is the same as option A except there would be a 1% reduction on all campuses which totals $3,699,079. The other major change would be the Northern Tier Network that this has a commercial application to it so we I can justify $2,773,800 out of the permanent oil trust fund. That's a flip flop, Senator Holmberg, from what you had. You had the ND program out of the oil trust fund and this just flip flops that. The only mistake I can see is that there should be a 10% match on Bismarck State's project and that's 10% of whatever it was--$50.0 or something. That should be on there.

The deferred maintenance and the long-range master plan at Mayville was $1.0 million in the budget. At the request of Representative Aarsvold, we're going to leave $750.0 in that and put $250.0 in operating.

Another big change is the steamline projects at Valley City, Science, and Minot, from the permanent oil trust fund. That's a sizeable hunk of change.

If you look across the bottom, you can see the impact on the campuses and on the board office.

Senator Robinson: Are you going to go through option B?

Representative Wald: It's the same as option A except you take 1% out of operating on each campus. So, A plus a 1% reduction becomes B.

Senator Robinson: So you are saying option A is not an option at this time?

Representative Monson: The latest word I got is that they aren't going to give up any more money out of the permanent oil trust fund and by transferring things to the fund, we get them done but they don't count toward reducing the budget down below the governor's spending limit. Our House appropriations people would love to take money from the permanent oil trust fund to fund programs too, but they have been told the same thing. There are worthy programs out there but if every one would fund all the projects they wanted to have happen out of the trust fund they would get them but it would reduce that way below where they think it should be. They feel that money is generated from oil and gas and should stay out in the western part of the state and there are people from Fargo that say that all the sales tax money that is generated in the eastern part of the state should stay there. We could go on and on. It's just philosophical place where we just don't know if we can sell it anywhere else other than option B.

Representative Wald: And that will have tough sailing.

Senator Krebsbach: When you are doing the 10% match for Minot State University--$167,465, is that the difference from what it initially was? I also understood you to say Mayville State was giving up $250.0 and transferring it to the office?

Representative Wald: Yes on MSU. No on office--that's operating. In the original budget Mayville had a million dollar for an energy study and long-range planning.

Senator Krebsbach: It appears to me if they are giving it up the parenthesis is reversed from what they should be.

Roxanne: The governor's budget included $1.0 million for Mayville for deferred maintenance issues and to develop a long-range master plan for the campus, that funding was included in the system office capital assets line item. In order to transfer $250.0 of that to Mayville for operations that why you see the negative under the system office and the positive under Mayville.

Representative Aarsvold: A brief explanation—the west hall project in Mayville was the second priority on the board's list and went to the governor for his approval. He rejected the renovation and in lieu of that decided that there would be a $1.0 million appropriation made for the study of the facilities and energy and a number of other needs at the campus. That is the reason for that appropriation.

Senator Holmberg: This is certainly a starting point. I would like option A better some because it does not touch operation budgets of the various campuses. Option B of course does that. There are a couple of things on here that. . . Both options are much more palatable options. I would be amenable to getting something together to put out for the House and the Senate to pass on in the near future. I would certainly want assurances that this bill

would come to the Senate in plenty of time in case the Senate decides that we didn't like it. We don't want it the last day.

Representative Wald: I don't think any of us have that in mind.

Senator Holmberg: I know that, but it is ironic that the other budget that is under the Bd of Higher Ed ends up with an increase above the governor's budget.

Senator Robinson: Is it your intention to allow us space this evening to mull this over a little bit and meet early in the morning?

Representative Wald: If we don't have a motion to have a bill draft reflecting either option A or B or a combination of them or some other twist, we can't do business. So sure. If you are uncomfortable come back with some refinements or suggestions and we would have to listen.

Senator Robinson: If it were option A, I would think we are very close to resolving our issues. To me option A is much closer and much more appealing. I remain very concerned that we are reducing operation lines that are going to have to be further reduced when we take in to consideration our utility costs and so the reductions you see here are only part of the reductions that the campuses are going to have to address. That is concerning. Given the challenges we have in regard to demography and enrollment variations, and we realize most of our institutions are challenged and some of them are really challenged, we are putting another burden on top of them. I would suggest that the reduction in option A is significant. It is quite a movement from where we were and I can appreciate the concerns about permanent oil. As much as we say it's permanent and we don't want to go there, we go there often in both houses. So those are some comments. The fuel thing is a serious issue. We found that to be the case at Mayville State where they are restrained to one heating source only. Fortunately. I say that from the standpoint that our prices are high and we've had mild

winters. If we find ourselves in a difficult cold ND winter with a month or two of sub-zero weather, we're in for a rude awakening. That would really create some havoc here. We're fortunate in Valley City in that we heat with coal; but, when it is sub-zero there, we have semi load coming in every day and that's a small campus. We're picking up additional costs in labor because there is a lot of labor in handling coal.

Representative Monson: My thought was by doing those steam projects at those campuses however we pay for them, it really should help a lot on fuel savings. We know there is a lot of lost heat through the pipes. Not just the lost heat but there is the chance that they might blow out and then you have a major repair on top of what you have been losing. The quicker we can get those done, the more those campuses can conserve heat costs in their operating costs. I feel that's a pretty high priority to get those things done and maybe the pinch isn't going to be quite as bad then on those campuses where we can make those repairs. Hopefully it would save enough money to recoup what you are giving up with the 1% reduction.

Senator Robinson: I think that's a good point. The problem is that we are not going to realize much of those savings this biennium. We're going to be doing the repair work and by the time we get out of here and advertise and get started, we're probably looking at 2008. So we will have that pinch. We have to do this work. It is an investment in savings down the road.

Representative Monson: Would it behoove us to put on an emergency clause on those projects so they can get going earlier?

Senator Robinson: There is one already.

Senator Holmberg: I'm going to work off option B. I need to look at a couple of the items and search around for a few dollars not from other campuses but that would not be of a hurting

variety to add that little bit of the system governance. The one item had been a $300.0 reduction in there. The thing that got me the most on that is we are heavily involved in WICHE and their dues went up substantially. One of the things that I would look at to work on is finding money within the budget that would restore $100.0 of that. So give them a $200.0 cut. I also look for money within the budget regarding ABSCOR, but I need to do a little further checking. We had added $150.0 and I would like to add that back with money I think we can find but I need to do a little more checking.

Representative Wald: Frankly, we had discussions on the House side about not funding any of the steam line projects and then we were told that in Valley City even in the winter time there is green grass growing on top of the steam lines because of the warmth and moisture.

Senator Robinson: I appreciate this information being laid out. There has been some movement here. I keep coming back to at least four campuses left our appropriations committee with reduced budgets. Depending on what happens here, our campus had a $400.0 shortfall this past year, had some roll up and some other reductions we made and if this package would go through we would be looking at about a $500.0 reduction in the next two years. On this budget and I'm not just looking at Valley City but as an example, that's significant. It's very significant in light of the 2.4% projected utility increase. If we were at 10% on utilities I would feel better about our package. We're not realistic at the front end in terms of the projected costs. I don't mean to belabor that point. That's just a comment but it is reality. I shudder when I think of Mayville's overage this past year is about $400.0 and we had a mild winter.

Representative Aarsvold: The request I made to move dollars to operating is a consequence of energy.

Representative Wald: Before we call it an evening and since I haven't begged for anything all session, what you have before you is a proposal that if the GF balance on September 30, 2008 exceeds $75.0 million it would trigger $8.0 million for an expansion and addition to the DSU library. **(Attachment C)** You can consider that in your deliberations this evening if you would please.

Senator Holmberg: I would look at the strategy and timing. The earliest this could be on the floor in the House is Monday. If it fails, then there is always the question like we had in the Health Department depending on what side you were on was it the board that killed it or was it -----?---. Would it be the amendment from operations or this amendment that caused the pain?

Representative Wald: This would not have an impact on the budget.

Senator Holmberg: I realize that and maybe no one will comment on it. I have an amendment too. **(.0220 (distributed earlier))** This amendment is the language that the ITT committee folks put in to 2015 that would provide that portions of that Connect ND would become part of the base budget because they had to hire people.

Roxanne: The amendment would make $3.7 million for Connect ND part of the base funding instead of one-time.

Senator Holmberg: It follows what the House put on 2015 except it says it in a different way.

Representative Monson: (Distributed Amendment .0223 **(Attachment D)**)

Senator Holmberg: Does this amendment leave on the language that we put in that allowed NDSU to go off campus?

Representative Monson: Yes, it wouldn't change that. I guess we are going to have to bite the bullet because it's gone too far and we're not going reverse it. This language would stop

any other ones from happening without full disclosure and blessing of the full legislative body or at least the budget section so we don't end up with this dispute again. This would make it very clear that they tell us about anything that is going to be renovated, rented or whatever off campus by any institution.

Senator Krebsbach: There is a language for the UND School of Medicine to build, renovate or lease. Would that exclude that?

Representative Monson: That is on the bottom for the purpose that if we approve this it has the Family Practice Center still being built. Obviously it is already off campus. It's in Bismarck. This would say that whatever we do here would not impact the project. It is there authorization to do that. If we pass the amendment it states that there is $4.0 million for the Family Practice Center here in Bismarck just to make that clear.

Representative Wald: Did I mention that we asked to make to make a change regarding the recruiting at Bottineau? That number was changed and it impacts only Bottineau not MSU. The intention is that it is exclusively at Bottineau and the reason we made that change is that I don't think it's fair to Valley City, Mayville and Dickinson in terms of GF money for recruiting. I understand that they are under "watch" and if they don't get their enrollment up they are going to deteriorate further so that's a change we made.

Representative Aarsvold: Some time ago NDSU was gifted a major building downtown—the old Northern School Supply Building. Does this language affect the receipt of that building?

Representative Monson: I thought about that and I don't know that it would. They could receive it as a gift but they couldn't start spending money to remodel it or turn it into a building until they came to us with a plan. We can't stop someone from giving something to somebody or them receiving it.

Representative Aarsvold: If they received it as a gift, there would be potential liabilities in the future.

Representative Monson: I thought about that and I didn't know if I should put it in there and maybe that's something we need to address. If they are gifted something and they can't make use of it and the legislative body says this is something that we don't want to go down this path, they might just have to turn around and sell it or not be able to take it. They would know because it is in statute that once they take that building that they run the risk of having to come to us.

Representative Wald: it may be a gift you don't want.

Roxanne: If you look subsection 3, it says "the board of higher education may authorize the sale of any real property or a building that an institution has received by gift or bequest. . ."

Representative Monson: They could sell it but they couldn't use it or fix it up without the budget sanction or Legislature....

Representative Aarsvold: I do remember a bit of the background on that Northern School Building. My recollection is that the pipes burst, flooded the street, and I don't know how that was handled.

Laura Glatt: It was a gift to the foundation.

Representative Wald: We will reconvene. I will ask to be scheduled at about 9 a.m. in the morning weighing conflicts with other committees that you on. From what I'm hearing from our side of the aisle, the $1.0 million option may not fly on our floor. (Option A.) If that's rejected we have to have time to have a formal amendment drafted.

Adjourned.

2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. **1003**

House Appropriations Committee
Education and Environment Division

☒ Check here for Conference Committee

Hearing Date: **21 April 2007**

Recorder Job Number: **6242**

Committee Clerk Signature Jan L Swindler

Minutes:

Attending: Representatives Wald, Monson, Aarsvold and Senators Holmberg, Krebsbach, Robinson

(New spreadsheets of options A and B dated April 21 were distributed.)

Senator Holmberg: If you recall there were a lot of troubled souls over some of the options yesterday but I think we are certainly moving in the right direction. There were two areas I had concern about. I thought that the decreased funding for system governance at $300.0 was a little too much and they would like it to move it another $200.0. I like the $150.0 we added to ABSCOR. I visited with the Board office and Roxanne and we found that the line item for professional liability insurance at the med school could stand a reduction and they would still have plenty of money to pay their professional medical insurance or liability insurance. The problem with that is the amount that they have to pay fluctuates but they have an extremely healthy reserve and it is my opinion that they can afford this reduction of $250.0. $100.0 went to board governance and the other $150.0 went back to ABSCOR and that's why they disappeared from this sheet because it is now funded at the level it was in the bill. I'm not suggesting that I talked to the administrators at the medical school but we looked at the numbers that were in the budget for that professional insurance and the history of it and clearly

the people who have more expertise than I do say that should not present a problem. If it does, we will hear about it at the beginning of the next legislative session.

Roxanne: We do have a line item in the budget for $1.360 million. The reason that has built up is that there have not been any claims in recent years. The amount in the appropriation bill is to pay the premium and any reserve they accumulate is to pay the deductible and co-payment. Since they have not had any of those they have built up a reserve.

Representative Monson: What is their reserve level? Deductible? Co-pay?

Laura Glatt: I'm going from memory but I want to say there is $1.0 million in there now. I believe the PERS deductible is about $100.0 and I don't know about the other charges. They pay some administrative fees to risk management so there are other expenses that come out of that. Risk management is the one that negotiates the policy on behalf of the med school and there are other state agencies that participate in that policy.

Senator Holmberg: The rest is similar to yesterday's discussion. There's the reduction of the initiative at Minot state and moving the Northern Tier to the permanent oil trust fund providing 10% match on all of the construction projects, but not steam lines and things like that. We did change a tax law because we wanted to be legal. Some wanted them to start at 16 and we said 18. We did the same deferred maintenance change and the steamline goes to the oil trust fund. The bottom line was the GF and this proposal puts the GF $1.0 million under the governor's original project. I think we have done a very good job here of going as far as I think this legislature will go in meeting the needs of the campuses by giving them the operations money that is critical. It will never be enough but I think going this way we will satisfy people. I think this amendment would pass the Senate.

Senator Robinson: We are working from option A. One little tweak I would like to suggest is the $73.5 initiative for Bottineau. I'd like to see us reinstate that. We had some discussions on this before. We have a small campus of dedicated people and they wanted this as a pilot project to see if they could over the next two years have an impact on their enrollment and I would support reinstating that. The rest of the package is a package that would be fairly well received by the Senate.

Senator Krebsbach: I too would like to see that reinstated for Bottineau. After all that is the one campus that is under watch and there is good justification to do that.

Senator Holmberg: I move we adopt option A dated April 21, 2007.

Senator Robinson: I second

Representative Monson: I'm not sure we are ready to make motions to adopt stuff but if you want to "run 'er up the flagpole" it's your call.

Senator Holmberg: We didn't have a lot of time to run a tally in Senate but the 3 of us had contact with a significant number of the members of the Senate and I didn't come across one individual that was in support of option B. I think there would be support for option A with these changes.

Representative Monson: How much money, Roxanne, is coming out the permanent oil trust fund in this proposal B?

Roxanne: $6,883,315 additional will come out of the permanent oil trust fund. That does not include the Williston project. Including that would be $10,783,315.

Senator Robinson: In the original Senate proposal those amendments limited the percent increases to 5% per year subject to authorization to go to the budget section for increases above and beyond that level if in fact there was a case to be made by an individual campus. I

think what we have in option A is a package that will position our campuses to get through the next two years. They still will be challenged but I think it's something we could come away with and live with.

Representative Monson: There are some other things I would like to find out before is what other language is in here as far as things that we put in that are still in and things that the Senate put in and that kind of thing. I know that we have it here someplace but this is just line item money. This isn't the whole amendment.

Senator Holmberg: The bill you got you from Senate and you remember we made a few changes. We changed the make up and the design of that interim committee and we added language that had to do with the Fargo building. None of those things are changed by this amendment. We didn't touch the money that the House appropriated. The only changes are those things that are here discussed. Everything else is in the bill including the 5% salaries. This amendment contemplates that the amendment we talked about the other day regarding building projects is in the bill. This amendment presupposes that is going to be passed.

Representative Monson: The 5% limit on tuition is still in?

Senator Holmberg: Yes, but it allows them to go to the budget.

Representative Wald: What is the amount of the bond payment that we bonded in previous sessions?

Roxanne: The payment is $15,754,112 of that $14,724,326 is from the GF. That's a $1,463,971 increase from the previous biennium.

Representative Wald: Senator Robinson, you gave us the increase in the amount of health insurance. Do you have that broken out?

Senator Robinson. The total package is just over $26.0 million. The health was $5.9 million and the salary, the 5 and 5, is $20.1 million.

Senator Krebsbach: The salary figures I have is $20,937,349. That brings it to $27.0 million.

Representative Wald: What was the percentage increase in Blue Cross this year?

Glatt: As I recall it was a 12% increase in the health insurance premium for the biennium.

A roll call vote was taken: Yes: 5, No: 1. The amendment was adopted.

Senator Krebsbach: I would further amend that we reinstate the $73.5 for Bottineau.

Senator Robinson: I second.

Senator Holmberg: Since we all like those kinds of numbers that would make the reductions in the total practically exactly $1.0 million. We are at $1,076,000. We all like round numbers.

A voice vote was taken: The amendment was adopted.

Representative Monson: I have amendment .0223 (distributed previously). The intent of the amendment is to make sure that we don't have a misunderstanding in the future like we had with the last couple of buildings that were built and renovated off campus. Any future construction, renovation, remodeling, purchase, leasing of any building or facility regardless of the source or manner in which the activity is funded or financed without the specific consent of the Legislative Assembly would be . . . That isn't to say that there is a project that couldn't come to the budget section and inform us and the budget section approves that—fine. If they receive a gift or bequest they could sell that and turn it in to cash.

Representative Wald: You would actually have two entities that would focus on that and that being the board and the budget section.

Representative Monson: The budget section or the legislature if we are in session. That's correct.

Senator Holmberg: And that would be the example of the BSC building that we are giving them the authority to go ahead and do that. If that had been a gift six months from now, the budget section would have been asked.

Representative Monson: That has been discussed throughout this whole session and we put it in their budget in the manner that it is right now, they are given the authority up to $4.0 million to get a building and fix it up.

Representative Aarsvold: I suspect the rest of you have received emails from staff and students at the Fargo campus expressing their concern about the school went off campus. I think what we are doing here certainly will serve to address this.

Representative Monson: It doesn't solve the problem that the students have. They are protesting of the moving off campus now but the horse got out of the barn but we can shut the gate and stop any more horses getting out.

Representative Aarsvold: The expectation was that we could do things to do change that now and as you indicated the horse is out of the barn and I suggest they talk to the administration and the board to express their concern.

A voice vote was taken on amendment .0223. The amendment was adopted.

Senator Holmberg: I have the amendment regarding the one-time funding that came to IT and making part of that part of their base budget. **I would move that amendment.**

Senator Robinson: I second.

A voice vote was taken: The amendment was adopted.

Representative Wald: I would like to take up amendment .0225. That is if the ending fund balance of the GF as determined by OMB on September 30, 2008, exceeds $75.0 million it will trigger $8.0 million for a library addition and remodeling project at DSU.

Senator Krebsbach: I move we adopt .0225.

Senator Holmberg: I second.

Representative Monson: I think this opens a can of worms that could really come back and bite us here. I have feelings that if this one goes on there are going to be a lot of other buildings and entities that would like to do the same things. I know it's a worthy project and I wish there was a different way to do it.

Representative Wald: Let me respond. When this library was built in the early '60s the enrollment at DSU was about 800. Today that has tripled and is between 2300-2400. If you go in to that building and look at the computer lab and how they stack periodicals and books—they have simply outgrown it. It's something that's badly needed.

Senator Robinson: We talked about this yesterday from a procedural perspective and I don't know that we can answer this fully at this point. If this amendment goes on and goes to the House floor and the conference committee report is reject and we're sent back to committee. One, are we going to have new conferees? Two, would be wrong to assume that the point of contention here is the library and that would be the first to come and then we would take the bill back to the floor with everything else other than this amendment. It's a question in terms of how this would unfold Monday morning.

Representative Wald: My observation would be that I think the package in front of us would pass the House.

Senator Holmberg: If the conference committee report is rejected it would go back to the Senate version of the bill.

Representative Wald: That's right.

Roxanne: That's correct. The House would either concur or not concur.

A roll call vote was taken: Yes: 5, No: 1. Amendment .0225 was adopted.

Senator Holmberg: There is the amendment I passed out . . . 0215, which added a few more requirements for the annual report of what's going on in higher education. I was asked to present this by a member of the Senate Education Committee. This is the information about the number of resident graduates by campus who stayed in the state. Right now it's done in the aggregate. It would also require the number of non residents who stayed in the state. Those who would argue against this would say: 1) the information is there at the campus level and 2) to put this in right now one of the items that came out of the MGT report which few applauded but the one areas that seem to make sense was that if that you are going to have these performance measures we should keep the same ones for a number of years so we can actually be measuring rather than what we have done and that's change them so you really can't look back four years because half of the items have been changed. Those who would be against this would argue that this might be one of those things that an interim committee should look at and actually get input because there was no real testimony on this.

Representative Aarsvold: Does any one know if we have a system wide definition of non resident as opposed to resident? That can be kind of fluid as you can register as an out-of-state student and achieve residency in state. How would they deal with that particular situation?

Laura Glatt: There is a statutory definition of non resident and resident.

A voice vote taken: Uncertain results. A roll call vote was taken: Yes: 4, No: 2

(Two senators voted no so the amendment failed.)

Representative Monson: Roxanne, one more time—new money, new dollars, construction that is GF and out of the permanent oil trust fund.

Roxanne: Capital construction projects from GF with the amendment just adopted is $13,808,235. There is $4,109,515 of construction projects funded from the permanent oil trust fund.

Senator Holmberg: Could we ask Roxanne to put this in an email and send it out to us so that she has a few minutes to make sure that it all fits together.

Roxanne: For the conference committee amendment, I'll do a hog house for the on-time funding section of the bill. In that you will see the GF capital construction project total and also deferred maintenance will be in there.

Senator Robinson: If it would ease Representative Monson's concerns at all, I think it should be noted that there was significant discussion about the possibility of future construction projects be considered for the community of Osnabrock now that's an accomplishment in and of itself.

Senator Krebsbach: Something new was just brought to my mind that I look at as a fixed cost for this budget and that's the bond repayment. Those are funds that can't be used for operation. That's a cost like the insurance and 5 and 5 and the one-time projects. I think this budget can be justified.

Representative Monson: That's exactly why I'm asking for all this to get the one-time funding things totally beyond anybody's control and then to look what is left—what the actual increase

is that's going to pay the every day bills, lights and all those kinds of things. I'm starting to see that this number is going to be significantly less than what a lot of people think it is.

Senator Holmberg: In that calculation although it is number like we sometimes see on fiscal notes, the fact that budgeted their utility cost increases at 2.4% when we know it is clearly double that and more puts additional pressure the parity funding that went out in this budget.

Adjourned.

2007 HOUSE STANDING COMMITTEE MINUTES

Bill No. HB 1003

House Appropriations Committee

☒ Check here for Conference Committee

Hearing Date: April 21, 2007

Recorder Job Number: 6263

Committee Clerk Signature

Minutes:

Rep. Wald opened the conference committee hearing on HB 1003.

Rep. Monson made a motion to reconsider the conference committee action. Seconded by Rep. Monson. Voice vote carried.

Discussion:

Rep. Monson: I would move that we accept Option B reflecting any changes that we had done in our last meeting. We did change Option A a little bit. It goes to $73,000 so we restored that for the recruiting initiative. **I would move Option B with the other changes we made to Option A. Seconded By Senator Christmann.**

Rep. Monson: I would move to further amend with 0228; which is an amendment to appropriate $150,000 or whatever sum necessary to Dickinson State University for the purpose of providing a one time start up funding for establishing a Teddy Roosevelt Center. I would also add the emergency clause in my motion. Seconded by Sen. Christmann. Let me explain what we are doing here. We are going to take off the table the ending fund balance trigger on the library at Dickinson State so that will come off the table. That will have to be a separate motion.

Discussion:

Senator Holmberg: Earlier today we did that other motion which I voted for and I am wondering if this has been thoroughly discussed around the capitol?

Rep. Wald: I understand my leader and your leader have a meeting of minds on this issue. What is happening, it is my understanding in numerous conversations with Doctor Victors at Dickinson State and the contact we have had with the Roosevelt Family through Medora and the Theodore Roosevelt National Park that President Roosevelt is the only president who does not have an official presidential library and we have been contacted by Senator Dorgan's office and the Bone and Crooked Club and as you read the letter here there is possibly some money coming forward from the Library of Commerce and some other federal funds and from the Roosevelt Family and the Roosevelt Trust. Perhaps some money from the National Dollars for the Humanities to do something and have some emboli and dairies and that sort of thing that are held by family members and some by the Library of Commerce and they are spread all over the country and they would want one collection point. Dickinson State did not solicit this; they came to us. Doctor Victor contacted me the early part of the week and wanted to know if we could get some seed money so to speak to pursue this and that is the reason for the amendment before you. I think it has great potential and it would certainly be a real tourist attraction in Western North Dakota in conjunction with the Theodore Roosevelt National Park with the Medora Foundation, the Cowboy Hall of Fame etc.

Senator Holmberg: I have a question about a couple other amendments that have been put in.

Rep. Wald: I think Rep. Monson, if you would withdraw your motion I think what you should do take the $8 million off the table; then move this one

Rep. Monson withdraw my motion since it was not in order and the second.

Roxanne: To help every body along so we can follow along. The motion on the table would be to adopt the amendment that was adopted this morning including the 1% reduction because

that is Option B. It might be easier for everyone to follow. Maybe Senator Holmberg might be worried about some of those miscellaneous amendments we added this morning. If we adopted the committee report this morning, average of 1% reduction and then you can further amend to remove from there. Perhaps that would give every body a better framework, except for Senator Christmann, who we are trying to catch up real quick on exactly what is before us.

Rep. Aarsvold: I would prefer to have these dealt with individually.

Rep. Wald: I think that is what Roxanne was telling us.

Motion Made By Rep. Monson that everything we did this morning except the 1% from Option B (reduction of $3.7 million).

Vote 4 Yes 2 No 0 Absent Carried

Rep. Monson: Further amended to remove 0223 Seconded By Rep. Wald Voice vote carried.

Rep. Monson made a motion that we further amend to adding amendment 0228 which is the $150,000 seed money to pursue a Theodore Roosevelt Center at Dickinson State University.

With the emergency clause on it. Seconded By Rep. Aarsvold.

Senator Holmberg: We will then be adding $150,000 to the operating line of Dickinson State University to help in this project.

Vote: 6 Yes 0 No Carried

Rep. Monson: Moved to further amend that we take off amendment 0225 which we adopted this morning which is the trigger mechanism to put $8 million into the Dickinson State Library remodeling project. Seconded By Robinson. Voice vote carried.

Adjourned.

2007 HOUSE STANDING COMMITTEE MINUTES

Bill No. HB 1003

House Appropriations Committee

☒ Check here for Conference Committee

Hearing Date: April 21, 2007

Recorder Job Number: 6263

Committee Clerk Signature Shelly N. Schmidt

Minutes:

Chm. Wald opened the conference committee hearing on HB 1003.

Sen. Holmberg motioned to reconsider the conference committee action. Rep. Monson seconded the motion. The motion carried by voice vote.

Rep. Monson motioned to adopt Option B with the other changes made to Option A. Sen. Christmann seconded the motion. The motion carried by voice vote.

Rep. Monson motioned to further amend with amendment .0228 which is an amendment to appropriate $150,000 or whatever sum necessary to Dickinson State University for the purpose of providing a one time start up funding for establishing a Teddy Roosevelt Center. I would also add the emergency clause in my motion. Chm. Wald seconded the motion.

Rep. Monson: We are going to take off the table the ending fund balance trigger on the library at Dickinson State so that will come off the table. That will have to be a separate motion.

Sen. Holmberg: Earlier today we did that other motion which I voted for and I am wondering if this has been thoroughly discussed around the capitol?

Chm. Wald: I understand my leader and your leader have a meeting of minds on this issue. What is happening, it is my understanding in numerous conversations with Dr. Vickers (referring to Lee A. Vickers, President, Dickinson State University) at Dickinson State and the contact we have had with the Roosevelt Family through Medora and the Theodore Roosevelt National Park that President Roosevelt is the only president who does not have an official presidential library and we have been contacted by Sen. Dorgan's office and the Boone and Crockett Club and as you read the letter here there is possibly some money coming forward from the Library of Commerce and some other federal funds and from the Roosevelt Family and the Roosevelt Trust. Perhaps some money from the National Dollars for the Humanities to do something and have some emboli and dairies and that sort of thing that are held by family members and some by the Library of Commerce and they are spread all over the country and they would want one collection point. Dickinson State did not solicit this; they came to us. Dr. Vickers contacted me the early part of the week and wanted to know if we could get some seed money so to speak to pursue this and that is the reason for the amendment before you. I think it has great potential and it would certainly be a real tourist attraction in Western North Dakota in conjunction with the Theodore Roosevelt National Park with the Medora Foundation, the Cowboy Hall of Fame etc.

Sen. Holmberg: I have a question about a couple other amendments that have been put in.

Chm. Wald: I think Rep. Monson, if you would withdraw your motion I think what you should do take the $8 million off the table; then move this one.

Rep. Monson withdrew his motion to further amend. Chm. Wald withdrew his second.

Roxanne Woeste, Legislative Council: The motion on the table would be to adopt the amendment that was adopted this morning including the 1% reduction because that is Option B. It might be easier for everyone to follow. Maybe Sen. Holmberg might be worried about some of those miscellaneous amendments we added this morning. If we adopted the committee report this morning, average of 1% reduction and then you can further amend to remove from there. Perhaps that would give everybody a better framework.

Rep. Aarsvold: I would prefer to have these dealt with individually.

Chm. Wald: I think that is what Roxanne was telling us.

The motion to adopt Option B with the other changes made to Option A carried by a roll call vote of 4 yeas, 2 nays and 0 absent and not voting.

Rep. Monson motioned to further amend to remove amendment .0223. Sen. Holmberg seconded the motion. The motion carried by voice vote.

Rep. Monson motioned to further amend to add amendment .0228 and add an emergency clause. Rep. Aarsvold seconded the motion.

Sen. Holmberg: We will then be adding $150,000 to the operating line of Dickinson State University to help in this project.

The motion to adopt amendment .0228 and an emergency clause carried by a roll call vote of 6 yeas, 0 nays and 0 absent and not voting.

Rep. Monson motioned to remove amendment .0225 which we adopted this morning which is the trigger mechanism to put $8 million into the Dickinson State Library remodeling project. Sen. Robinson seconded the motion. The motion carried by voice vote.

Chm. Wald adjourned the meeting.

2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. 1003

House Appropriations Committee

Education & Environment Division

☒ Check here for Conference Committee

Hearing Date: April 24, 2007

Recorder Job Number: 6321

Committee Clerk Signature	Holly N. Stowe

Minutes:

Chm. Wald called the Conference Committee meeting to order. All conferees were present including Reps. Wald, Monson, Aarsvold and Sens. Holmberg, Krebsbach and Robinson.

Chm. Wald: I would be open to a motion to reconsider our action on HB1003.

Sen. Holmberg motioned to reconsider the Committee's actions on HB 1003. Rep. Aarsvold seconded the motion.

Chm. Wald: Ok, the Bill is before us.

Sen. Robinson: We've been around and around and I think all of us appreciate the work we've done so far. We have a proposal here that we would like to pass out. The intent would be to attach this to Senator Holmberg's option A with what is reflective here is a .25% reduction in operating. Earlier today we ran a proposal that was roughly 1 million dollars with .27% and that was just a draft and then later when we visited this issue we talked about a .25%. We asked Roxanne to refine the spreadsheet to represent a .25% in operation reductions. If you look at this sheet, those reductions total 924,769,000. The amounts of the

various institutions are represented there in the parentheses. That is the impact of the .25% in operations.

Sen. Holmberg: That means that this budget is under the executive budget in the general fund by 1.7 million under the Governor's recommendation?

Sen. Robinson: Correct. I might add that we've heard from a number of the institutions and there were some folks that sent out a questionnaire and e-mail. I've got that material if you want to look at it but the impact that it will have, that was on the original proposal, ½%, and it's all in the ballpark from not selling positions to reducing positions to effecting the 5 and 5 salary, to look at reducing or curtailing back programs. I think I can say safely that that ½% would have been thousands. Not to day that this quarter % is nothing to sneeze at but this is certainly a big move in the right direction.

Sen. Holmberg: And when a person looks at this, if they haven't followed carefully, it looks like a State College of Science that under this proposal they would lose 1.7 million. But to recall the steam lines are now going to be funded under the Federal Trust Fund, so they're actual reduction is somewhat less than that.

Sen. Robinson: That's a good point.

Sen. Holmberg: Because otherwise they will look like a small school like that is really taking a hit.

Chm. Wald: Any further comments? I am trying to reconcile these numbers; option A at a 100,076,547 reduction. Dated April 21, right?

Sen. Robinson: I think 70,000 of that was the adjustment we made. 73,000.

Chm. Wald: So the net reduction is 1,777,816.

Rep. Monson: But this doesn't add up because it was 924,769 a reduction from .25% on their upgrade.

Sen. Robinson: Correct.

Rep. Monson: And if this is option A, .25%, it should be option A was 100,003,000.

Roxanne Woeste, Legislative Council: It might depend on which option "A" you are using. You have to realize that we took out the 73,500. We also added 150,000 that might be reflected on your option "A". If you look from the current version, 0229 was a reduction of 11 million.

Chm. Wald: Thank you, I think we all understand this now. Is there any other discussion? We have a motion on the table to reduce the operating line item at all of the campuses by a quarter of a percent to reduce the increase.

Sen. Robinson motioned to approve the .25% reduction in the increase line item operating. Sen. Holmberg seconded the motion.

Chm. Wald: Are there any questions?

Rep. Monson: There were some people that had some concerns that the campuses may increase the technology fees to cover Connect ND, and other things like that. They thought we should at least bring that up and discuss whether we want to put in money which that would try to keep those Connect ND costs down because we are funding, I believe, Connect ND pretty thoroughly now with this budget. In the discussions that we were talking about up in the House side, about putting language in this so that the Connect ND and Technology fees will not be raised.

Laura Glatt, NDUS: The Connect ND fee is set in board policy.

Chm. Wald: Is that a flat fee or so much for credit; how's the fee levied?

Ms. Glatt: It is typically a flat fee per semester.

Chm. Wald: I think the proper motion would be to have a roll call vote on the Robinson motion and then further amend it.

The motion to reduce increases in operating by .25% carried by a roll call vote of 6 yeas, 0 nays and 0 absent and not voting.

Sen. Holmberg: I would certainly like the record to reflect that when additional deductions were made and liability insurance particularly persistent government, that it had nothing to do with the personalities of the individuals working in the board office, it had nothing to do with that. We're just looking for money trying to spread it around a little bit. It has nothing to do with the hard working folks up there.

Chm. Wald: I too would like to acknowledge the cooperation from the Board office particularly Laura and Roxanne from Council, Sandy from OMB. They've always been here whenever we summoned them.

Chm. Wald adjourned the meeting.

Job # 6091 17min

REPORT OF CONFERENCE COMMITTEE
(ACCEDE/RECEDE)

Bill Number HB1003 (, as (re)engrossed): Date: 4/17/07

Your Conference Committee House Approp. Educ & Enviro.

	For the Senate:	YES /	NO	For the House:	YES /	NO	
P	Sen. Holmberg	✓		Rep. Wald	✓		P
P	Sen. Krebsbach	✓		Rep. Monson	✓		P
P	Sen. Robinson	✓		Rep. Aarsvold	✓		P

recommends that the (SENATE/~~HOUSE~~) (~~ACCEDE to~~) (RECEDE from)

the (~~Senate~~/House) amendments on (SJ/HJ) page(s) _____ -- _____

____, and place _____ on the Seventh order.

____, adopt (further) amendments as follows, and place _____ on the Seventh order:

____, having been unable to agree, recommends that the committee be discharged and a new committee be appointed.

((Re)Engrossed) _____ was placed on the Seventh order of business on the calendar.

DATE: 4/17/07
CARRIER: _____

LC NO.	of amendment .0212
LC NO.	of engrossment
Emergency clause added or deleted	
Statement of purpose of amendment	

MOTION MADE BY: Holmberg

SECONDED BY: Krebsbach

VOTE COUNT 4 **YES** 2 **NO** 0 **ABSENT** Failed

Revised 4/1/05

Attachment A

78003.0216
Title.
Fiscal No. 2

Prepared by the Legislative Council staff for
Representative Monson
April 13, 2007

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1003

The the Senate recede from its amendments as printed on pages 1346-1357 of the House Journal and pages 1025-1035 of the Senate Journal and that Engrossed House Bill No. 1003 be amended as follows:

Page 1, line 3, remove "to provide for"

Page 1, line 4, remove "a transfer;"

Page 5, replace lines 5 through 31 with:

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

Subdivision 1.
NORTH DAKOTA UNIVERSITY SYSTEM OFFICE

Capital assets	$2,475,971
Competitive research program	310,000
Board initiatives	(1,585,000)
System governance	466,519
Common information services	6,689,174
Operations pool	5,091,911
Equity pool	(2,000,000)
Contingency and capital emergency	(436,923)
Student financial assistance grants	2,483,095
Professional student exchange program	595,666
Scholars program	616,489
Native American scholarships	128,638
Education incentive programs	512,412
Total all funds - Adjustments/enhancements	$15,347,952
Estimated income - Adjustments/enhancements	43,954
Total general fund - Adjustments/enhancements	$15,303,998

Subdivision 2.
BISMARCK STATE COLLEGE

Operations	$2,412,124
Capital assets	2,707,161
Total all funds - Adjustments/enhancements	$5,119,285
Less estimated income - Adjustments/enhancements	1,962,255
Total general fund - Adjustments/enhancements	$3,157,030

Subdivision 3.
LAKE REGION STATE COLLEGE

Operations	$986,995
Capital assets	2,745,667
Total all funds - Adjustments/enhancements	$3,732,662

Less estimated income - Adjustments/enhancements	3,007,600
Total general fund - Adjustments/enhancements	$725,062

Subdivision 4.

WILLISTON STATE COLLEGE

Operations	$721,573
Capital assets	(5,879,277)
Total all funds - Adjustments/enhancements	($5,157,704)
Less estimated income - Adjustments/enhancements	(5,660,000)
Total general fund - Adjustments/enhancements	$502,296

Subdivision 5.

UNIVERSITY OF NORTH DAKOTA

Operations	$11,890,947
Capital assets	(18,303,224)
Total all funds - Adjustments/enhancements	($6,412,277)
Less estimated income - Adjustments/enhancements	(24,131,554)
Total general fund - Adjustments/enhancements	$17,719,277

Subdivision 6.

NORTH DAKOTA STATE UNIVERSITY

Operations	$11,594,614
Capital assets	4,016,935
Total all funds - Adjustments/enhancements	$15,611,549
Less estimated income - Adjustments/enhancements	(3,500,000)
Total general fund - Adjustments/enhancements	$19,111,549

Subdivision 7.

NORTH DAKOTA STATE COLLEGE OF SCIENCE

Operations	$1,697,772
Capital assets	1,198,613
Total all funds - Adjustments/enhancements	$2,896,385
Less estimated income - Adjustments/enhancements	(1,104,920)
Total general fund - Adjustments/enhancements	$4,001,305

Subdivision 8.

DICKINSON STATE UNIVERSITY

Operations	$1,748,903
Capital assets	(465,484)
Total all funds - Adjustments/enhancements	$1,283,419
Less estimated income - Adjustments/enhancements	(1,100,557)
Total general fund - Adjustments/enhancements	$2,383,976

Subdivision 9.

MAYVILLE STATE UNIVERSITY

Operations	$650,937
Capital assets	(12,064)
Total all funds - Adjustments/enhancements	$638,873
Less estimated income - Adjustments/enhancements	(600,000)
Total general fund - Adjustments/enhancements	$1,238,873

Subdivision 10.

MINOT STATE UNIVERSITY

Operations	$2,202,349
Capital assets	316,424
Total all funds - Adjustments/enhancements	$2,518,773
Less estimated income - Adjustments/enhancements	(2,959,450)
Total general fund - Adjustments/enhancements	$5,478,223

Subdivision 11.

VALLEY CITY STATE UNIVERSITY

Operations	$855,666
Capital assets	2,487,819
Total general fund - Adjustments/enhancements	$3,343,485

Subdivision 12.

MINOT STATE UNIVERSITY - BOTTINEAU

Operations	$321,974
Capital assets	(5,699,023)
Total all funds - Adjustments/enhancements	($5,377,049)
Less estimated income - Adjustments/enhancements	(5,987,095)
Total general fund - Adjustments/enhancements	$610,046

Subdivision 13.

UNIVERSITY OF NORTH DAKOTA SCHOOL OF MEDICINE AND HEALTH SCIENCES

Operations	$1,664,377
Total general fund - Adjustments/enhancements	$1,664,377

Subdivision 14.

NORTH DAKOTA FOREST SERVICE

Operations	$373,098
Capital assets	78,566
Total all funds - Adjustments/enhancements	$451,664
Less estimated income - Adjustments/enhancements	22,485
Total general fund - Adjustments/enhancements	$429,179
Total general fund - Section 2	$75,668,676
Total estimated income - Section 2	($40,007,282)
Total all funds - Section 2	$35,661,394

SECTION 3. 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 office and the various entities and institutions under the supervision of the state board of higher education for the purpose of defraying the expenses of those entities and institutions, for the biennium beginning July 1, 2007, and ending June 30, 2009, as follows:

Subdivision 1.

NORTH DAKOTA UNIVERSITY SYSTEM OFFICE AND INSTITUTIONS

Capital assets	$16,754,112
Competitive research program	5,500,000
Board initiatives	300,000
System governance	6,034,941
Title II	695,600
Common information services	27,252,267
Operations pool	5,480,470
Professional liability insurance	1,350,000
Student financial assistance grants	5,987,497
Professional student exchange program	2,722,946
Scholars program	1,478,566
Native American scholarships	380,626
Education incentive programs	1,740,314
Total all funds	$75,677,339
Less estimated income	2,643,730
Total general fund appropriation	$73,033,609

Subdivision 2.

BISMARCK STATE COLLEGE

Operations	$19,277,672
Capital assets	6,695,942
Total all funds	$25,973,614
Less estimated income	5,707,555
Total general fund appropriation	$20,266,059

Subdivision 3.

LAKE REGION STATE COLLEGE

Operations	$6,376,984
Capital assets	3,133,204
Total all funds	$9,510,188
Less estimated income	3,007,600
Total general fund appropriation	$6,502,588

Subdivision 4.

WILLISTON STATE COLLEGE

Operations	$6,474,570
Capital assets	2,257,198
Total all funds	$8,731,768
Less estimated income	2,300,000
Total general fund appropriation	$6,431,768

Subdivision 5.

UNIVERSITY OF NORTH DAKOTA

Operations	$104,442,549
Capital assets	81,828,875
Total all funds	$186,271,424
Less estimated income	73,700,000
Total general fund appropriation	$112,571,424

Subdivision 6.

NORTH DAKOTA STATE UNIVERSITY

Operations	$87,399,264
Capital assets	43,209,161
Total all funds	$130,608,425
Less estimated income	34,000,000
Total general fund appropriation	$96,608,425

Subdivision 7.

NORTH DAKOTA STATE COLLEGE OF SCIENCE

Operations	$26,684,600
Capital assets	4,756,865
Total all funds	$31,441,465
Less estimated income	1,700,000
Total general fund appropriation	$29,741,465

Subdivision 8.

DICKINSON STATE UNIVERSITY

Operations	$16,460,530
Capital assets	9,018,763
Total all funds	$25,479,293
Less estimated income	8,000,000
Total general fund appropriation	$17,479,293

Subdivision 9.

MAYVILLE STATE UNIVERSITY

Operations	$9,654,567
Capital assets	1,846,930
Total all funds	$11,501,497

Less estimated income	900,000
Total general fund appropriation	$10,601,497

Subdivision 10.

MINOT STATE UNIVERSITY

Operations	$29,418,198
Capital assets	9,528,294
Total all funds	$38,946,492
Less estimated income	5,575,550
Total general fund appropriation	$33,370,942

Subdivision 11.

VALLEY CITY STATE UNIVERSITY

Operations	$12,662,192
Capital assets	2,996,235
Total general fund appropriation	$15,658,427

Subdivision 12.

MINOT STATE UNIVERSITY - BOTTINEAU

Operations	$4,656,434
Capital assets	410,702
Total all funds	$5,067,136
Less estimated income	12,905
Total general fund appropriation	$5,054,231

Subdivision 13.

UNIVERSITY OF NORTH DAKOTA SCHOOL OF MEDICINE AND HEALTH SCIENCES

Operations	$33,025,379
Total general fund appropriation	$33,025,379

Subdivision 14.

NORTH DAKOTA FOREST SERVICE

Operations	$3,298,744
Capital assets	180,204
Total all funds	$3,478,948
Less estimated income	997,486
Total general fund appropriation	$2,481,462
Total general fund appropriation - Section 3	$462,826,569
Total estimated income appropriation - Section 3	$138,544,826
Total all funds appropriation - Section 3	$601,371,395
Grand total general fund appropriation - H.B. 1003	$462,826,569
Grand total estimated income appropriation - H.B. 1003	$161,258,826
Grand total all funds appropriation - H.B. 1003	$624,085,395"

Page 6, removes lines 1 through 31

Page 7, removes lines 1 through 30

Page 8, removes lines 1 through 30

Page 9, removes lines 1 through 30

Page 10, removes lines 1 through 31

Page 11, removes lines 1 through 30

Page 12, removes lines 1 through 23

Page 13, line 1, replace "$144,559" with "$5,480,470"

Page 13, line 3, replace "system priorities" with "campus operations and critical needs"

Page 13, line 5, replace "$28,652,267" with "$27,252,267"

Page 13, remove lines 14 through 18

Page 13, line 25, replace "$317,460" with "$523,380"

Page 16, remove lines 27 through 31

Page 17, line 1, after "**LIMIT**" insert " - **BUDGET SECTION APPROVAL**"

Page 17, line 4, after "year" insert "unless the board receives prior budget section approval"

Page 17, line 7, replace "$42,322,010" with "$30,564,710"

Page 17, line 12, replace "2,400,000" with "1,000,000"

Page 17, line 15, replace "11,559,500" with "11,000,000"

Page 17, line 16, replace "23,431,710" with "14,444,710"

Page 17, remove line 17

Page 17, line 18, replace "42,322,010" with "30,564,710"

Page 18, after line 21, insert:

"**SECTION 22. LEGISLATIVE INTENT - NORTHERN TIER NETWORK.** It is the intent of the sixtieth legislative assembly that higher education institutions utilizing the northern tier network be responsible for funding the related ongoing maintenance costs for the network.

SECTION 23. LEGISLATIVE COUNCIL STUDY - PROFESSIONAL STUDENT EXCHANGE PROGRAMS. The legislative council shall consider studying, during the 2007-08 interim, higher education professional student exchange programs. The study should include review of:

1. The amount of annual tuition and fees paid by students for health care-related professional education programs.

2. The amount of annual support fees paid by the state for health care-related professional education programs.

3. The number of state-supported slots funded and demand for state-supported slots, including the consideration of basing the number of slots on the estimated workforce needs to fill positions due to retirements, geographic, and professional specific service needs.

4. The present repayment provisions and loan forgiveness programs to determine cost-effectiveness, equality issues, and development of program enhancements that would aid in the recruitment of professional students to return to the state to practice their chosen profession.

5. Discontinuation of the contracts with the western interstate commission on higher education for access to veterinary medicine programs and consideration of negotiating contracts for veterinary medicine with Kansas, Iowa, and Minnesota.

The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-first legislative assembly."

Page 20, line 14, replace the comma with "and"

Page 20, line 15, remove ", and contingency and capital emergency"

Page 20, line 16, replace "9" with "8"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1003 - Summary of Conference Committee Action

	EXECUTIVE BUDGET	HOUSE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	SENATE VERSION	COMPARISON TO SENATE
University System office						
Total all funds	$73,348,533	$72,080,990	$3,596,349	$75,677,339	$74,718,648	$958,691
Less estimated income	2,437,810	2,686,810	(43,080)	2,643,730	2,643,730	
General fund	$70,910,723	$69,394,180	$3,639,429	$73,033,609	$72,074,918	$958,691
Bismarck State College						
Total all funds	$20,799,330	$20,587,433	$5,386,181	$25,973,614	$26,479,080	($505,466)
Less estimated income	27,805	27,805	5,679,750	5,707,555	5,707,555	
General fund	$20,771,525	$20,559,628	($293,569)	$20,266,059	$20,771,525	($505,466)
Lake Region State College						
Total all funds	$9,660,871	$9,607,299	($97,111)	$9,510,188	$9,660,871	($150,683)
Less estimated income	3,007,600	2,007,600	1,000,000	3,007,600	3,007,600	
General fund	$6,653,271	$7,599,699	($1,097,111)	$6,502,588	$6,653,271	($150,683)
Williston State College						
Total all funds	$7,996,300	$8,830,366	($98,598)	$8,731,768	$8,896,300	($164,532)
Less estimated income	1,400,000	2,300,000		2,300,000	2,300,000	
General fund	$6,596,300	$6,530,366	($98,598)	$6,431,768	$6,596,300	($164,532)
University of North Dakota						
Total all funds	$193,608,905	$191,861,920	($1,590,496)	$190,271,424	$193,108,905	($2,837,481)
Less estimated income	78,200,000	74,100,000	3,600,000	77,700,000	77,700,000	
General fund	$115,408,905	$117,761,920	($5,190,496)	$112,571,424	$115,408,905	($2,837,481)
UND Medical Center						
Total all funds	$33,874,938	$34,238,963	($1,213,584)	$33,025,379	$34,574,938	($1,549,559)
Less estimated income						

General fund	$33,874,938	$34,238,963	($1,213,584)	$33,025,379	$34,574,938	($1,549,559)
North Dakota State University						
Total all funds	$119,527,336	$133,439,378	$9,169,047	$142,608,425	$145,027,336	($2,418,911)
Less estimated income	20,500,000	35,500,000	10,500,000	46,000,000	46,000,000	
General fund	$99,027,336	$97,939,378	($1,330,953)	$96,608,425	$99,027,336	($2,418,911)
State College of Science						
Total all funds	$38,830,758	$38,917,159	($761,694)	$38,155,465	$39,280,758	($1,125,293)
Less estimated income	8,414,000	8,414,000		8,414,000	8,414,000	
General fund	$30,416,758	$30,503,159	($761,694)	$29,741,465	$30,866,758	($1,125,293)
Dickinson State University						
Total all funds	$25,917,119	$25,729,961	($250,668)	$25,479,293	$25,917,119	($437,826)
Less estimated income	8,000,000	8,000,000		8,000,000	8,000,000	
General fund	$17,917,119	$17,729,961	($250,668)	$17,479,293	$17,917,119	($437,826)
Mayville State University						
Total all funds	$11,736,719	$12,208,021	($706,524)	$11,501,497	$11,879,752	($378,255)
Less estimated income	900,000	900,000		900,000	900,000	
General fund	$10,836,719	$11,308,021	($706,524)	$10,601,497	$10,979,752	($378,255)
Minot State University						
Total all funds	$39,698,842	$39,445,085	($498,593)	$38,946,492	$39,749,442	($802,950)
Less estimated income	5,575,550	1,239,150	4,336,400	5,575,550	1,239,150	4,336,400
General fund	$34,123,292	$38,205,935	($4,834,993)	$33,370,942	$38,510,292	($5,139,350)
Valley City State University						
Total all funds	$15,979,831	$15,851,252	($192,825)	$15,658,427	$16,379,831	($721,404)
Less estimated income						
General fund	$15,979,831	$15,851,252	($192,825)	$15,658,427	$16,379,831	($721,404)
Minot State University - Bottineau						
Total all funds	$5,182,179	$5,138,046	($70,910)	$5,067,136	$5,182,179	($115,043)
Less estimated income	12,905	12,905		12,905	12,905	
General fund	$5,169,274	$5,125,141	($70,910)	$5,054,231	$5,169,274	($115,043)
Forest Service						
Total all funds	$3,538,935	$3,513,993	($35,045)	$3,478,948	$3,538,935	($59,987)
Less estimated income	997,486	997,486		997,486	997,486	
General fund	$2,541,449	$2,516,507	($35,045)	$2,481,462	$2,541,449	($59,987)
Bill Total						
Total all funds	$599,700,596	$611,449,866	$12,635,529	$624,085,395	$634,394,094	($10,308,699)
Less estimated income	129,473,156	136,185,756	25,073,070	161,258,826	156,922,426	4,336,400
General fund	$470,227,440	$475,264,110	($12,437,541)	$462,826,569	$477,471,668	($14,645,099)

House Bill No. 1003 - General Fund Summary

	EXECUTIVE BUDGET	HOUSE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	SENATE VERSION	COMPARISON TO SENATE
University System office	$70,910,723	$69,394,180	$3,639,429	$73,033,609	$72,074,918	$958,691
Bismarck State College	20,771,525	20,559,628	(293,569)	20,266,059	20,771,525	(505,466)
Lake Region State College	6,653,271	7,599,699	(1,097,111)	6,502,588	6,653,271	(150,683)
Williston State College	6,596,300	6,530,366	(98,598)	6,431,768	6,596,300	(164,532)
University of North Dakota	115,408,905	117,761,920	(5,190,496)	112,571,424	115,408,905	(2,837,481)
UND Medical Center	33,874,938	34,238,963	(1,213,584)	33,025,379	34,574,938	(1,549,559)
North Dakota State University	99,027,336	97,939,378	(1,330,953)	96,608,425	99,027,336	(2,418,911)
State College of Science	30,416,758	30,503,159	(761,694)	29,741,465	30,866,758	(1,125,293)
Dickinson State University	17,917,119	17,729,961	(250,668)	17,479,293	17,917,119	(437,826)
Mayville State University	10,836,719	11,308,021	(706,524)	10,601,497	10,979,752	(378,255)
Minot State University	34,123,292	38,205,935	(4,834,993)	33,370,942	38,510,292	(5,139,350)
Valley City State University	15,979,831	15,851,252	(192,825)	15,658,427	16,379,831	(721,404)
Minot State University - Bottineau	5,169,274	5,125,141	(70,910)	5,054,231	5,169,274	(115,043)
Forest Service	2,541,449	2,516,507	(35,045)	2,481,462	2,541,449	(59,987)
Total general fund	$470,227,440	$475,264,110	($12,437,541)	$462,826,569	$477,471,668	($14,645,099)

Detail of Conference Committee Changes to the General Fund

	DECREASES FUNDING FOR NORTHERN TIER NETWORK [1]	REMOVES FUNDING FOR OPERATIONS POOL [2]	REMOVES FUNDING FOR CONTINGENCY AND CAPITAL EMERGENCY [3]	INCREASES FUNDING FOR THE KANSAS STATE UNIVERSITY VETERINARY MEDICINE PROGRAM [4]	DECREASES FUNDING FOR EDUCATION INCENTIVE PROGRAMS [5]	PROVIDES FUNDING FOR AN OPERATIONS POOL [6]
University System office	($1,400,000)	($144,559)	($296,482)			$5,480,470
Bismarck State College						
Lake Region State College						
Williston State College						
University of North Dakota						
UND Medical Center						
North Dakota State University						
State College of Science						
Dickinson State University						

Mayville State University						
Minot State University						
Valley City State University						
Minot State University - Bottineau						
Forest Service						
Total general fund	($1,400,000)	($144,559)	($296,482)	$0	$0	$5,480,470

	ADJUSTS FUNDING FOR OPERATIONS [7]	REDUCES FUNDING FOR OPERATIONS [8]	ADJUSTS FUNDING FOR CAPITAL ASSETS [9]	TOTAL GENERAL FUND CHANGES
University System office				$3,639,429
Bismarck State College		($293,569)		(293,569)
Lake Region State College		(97,111)	($1,000,000)	(1,097,111)
Williston State College		(98,598)		(98,598)
University of North Dakota		(1,590,496)	(3,600,000)	(5,190,496)
UND Medical Center	($700,000)	(513,584)		(1,213,584)
North Dakota State University		(1,330,953)		(1,330,953)
State College of Science	(350,000)	(411,694)		(761,694)
Dickinson State University		(250,668)		(250,668)
Mayville State University		(147,024)	(559,500)	(706,524)
Minot State University		(447,993)	(4,387,000)	(4,834,993)
Valley City State University		(192,825)		(192,825)
Minot State University - Bottineau		(70,910)		(70,910)
Forest Service		(35,045)		(35,045)
Total general fund	($1,050,000)	($5,480,470)	($9,546,500)	($12,437,541)

House Bill No. 1003 - Other Funds Summary

	EXECUTIVE BUDGET	HOUSE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	SENATE VERSION	COMPARISON TO SENATE
University System office	$2,437,810	$2,686,810	($43,080)	$2,643,730	$2,643,730	
Bismarck State College	27,805	27,805	5,679,750	5,707,555	5,707,555	
Lake Region State College	3,007,600	2,007,600	1,000,000	3,007,600	3,007,600	
Williston State College	1,400,000	2,300,000		2,300,000	2,300,000	
University of North Dakota	78,200,000	74,100,000	3,600,000	77,700,000	77,700,000	
UND Medical Center						
North Dakota State University	20,500,000	35,500,000	10,500,000	46,000,000	46,000,000	
State College of Science	8,414,000	8,414,000		8,414,000	8,414,000	
Dickinson State University	8,000,000	8,000,000		8,000,000	8,000,000	
Mayville State University	900,000	900,000		900,000	900,000	
Minot State University	5,575,550	1,239,150	4,336,400	5,575,550	1,239,150	$4,336,400
Valley City State University						
Minot State University - Bottineau	12,905	12,905		12,905	12,905	
Forest Service	997,486	997,486		997,486	997,486	
Total other fund	$129,473,156	$136,185,756	$25,073,070	$161,258,826	$156,922,426	$4,336,400

Detail of Conference Committee Changes to Other Funds

	DECREASES FUNDING FOR NORTHERN TIER NETWORK [1]	REMOVES FUNDING FOR OPERATIONS POOL [2]	REMOVES FUNDING FOR CONTINGENCY AND CAPITAL EMERGENCY [3]	INCREASES FUNDING FOR THE KANSAS STATE UNIVERSITY VETERINARY MEDICINE PROGRAM [4]	DECREASES FUNDING FOR EDUCATION INCENTIVE PROGRAMS [5]	PROVIDES FUNDING FOR AN OPERATIONS POOL [6]
University System office				$205,920	($249,000)	
Bismarck State College						
Lake Region State College						
Williston State College						
University of North Dakota						
UND Medical Center						
North Dakota State University						
State College of Science						
Dickinson State University						
Mayville State University						
Minot State University						
Valley City State University						
Minot State University - Bottineau						
Forest Service						
Total other funds	$0	$0	$0	$205,920	($249,000)	$0

	ADJUSTS FUNDING FOR OPERATIONS [7]	REDUCES FUNDING FOR OPERATIONS [8]	ADJUSTS FUNDING FOR CAPITAL ASSETS [9]	TOTAL OTHER FUNDS CHANGES
University System office				($43,080)
Bismarck State College			$5,679,750	5,679,750
Lake Region State College			1,000,000	1,000,000
Williston State College				
University of North Dakota			3,600,000	3,600,000
UND Medical Center				
North Dakota State University			10,500,000	10,500,000
State College of Science				
Dickinson State University				
Mayville State University				
Minot State University			4,336,400	4,336,400
Valley City State University				
Minot State University - Bottineau				
Forest Service				
Total other funds	$0	$0	$25,116,150	$25,073,070

House Bill No. 1003 - All Funds Summary

	EXECUTIVE BUDGET	HOUSE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	SENATE VERSION	COMPARISON TO SENATE
University System office	$73,348,533	$72,080,990	$3,596,349	$75,677,339	$74,718,648	$958,691
Bismarck State College	20,799,330	20,587,433	5,386,181	25,973,614	26,479,080	(505,466)
Lake Region State College	9,660,871	9,607,299	(97,111)	9,510,188	9,660,871	(150,683)
Williston State College	7,996,300	8,830,366	(98,598)	8,731,768	8,896,300	(164,532)
University of North Dakota	193,608,905	191,861,920	(1,590,496)	190,271,424	193,108,905	(2,837,481)
UND Medical Center	33,874,938	34,238,963	(1,213,584)	33,025,379	34,574,938	(1,549,559)
North Dakota State University	119,527,336	133,439,378	9,169,047	142,608,425	145,027,336	(2,418,911)
State College of Science	38,830,758	38,917,159	(761,694)	38,155,465	39,280,758	(1,125,293)
Dickinson State University	25,917,119	25,729,961	(250,668)	25,479,293	25,917,119	(437,826)
Mayville State University	11,736,719	12,208,021	(706,524)	11,501,497	11,879,752	(378,255)
Minot State University	39,698,842	39,445,085	(498,593)	38,946,492	39,749,442	(802,950)
Valley City State University	15,979,831	15,851,252	(192,825)	15,658,427	16,379,831	(721,404)
Minot State University - Bottineau	5,182,179	5,138,046	(70,910)	5,067,136	5,182,179	(115,043)
Forest Service	3,538,935	3,513,993	(35,045)	3,478,948	3,538,935	(59,987)
Total all funds	$599,700,596	$611,449,866	$12,635,529	$624,085,395	$634,394,094	($10,308,699)
FTE	2134.59	2136.59	(2.00)	2134.59	2136.59	(2.00)

Detail of Conference Committee Changes to All Funds

	DECREASES FUNDING FOR NORTHERN TIER NETWORK [1]	REMOVES FUNDING FOR OPERATIONS POOL [2]	REMOVES FUNDING FOR CONTINGENCY AND CAPITAL EMERGENCY [3]	INCREASES FUNDING FOR THE KANSAS STATE UNIVERSITY VETERINARY MEDICINE PROGRAM [4]	DECREASES FUNDING FOR EDUCATION INCENTIVE PROGRAMS [5]	PROVIDES FUNDING FOR AN OPERATIONS POOL [6]
University System office	($1,400,000)	($144,559)	($296,482)	$205,920	($249,000)	$5,480,470
Bismarck State College						
Lake Region State College						
Williston State College						
University of North Dakota						
UND Medical Center						
North Dakota State University						
State College of Science						
Dickinson State University						
Mayville State University						
Minot State University						
Valley City State University						
Minot State University - Bottineau						
Forest Service						
Total all funds	($1,400,000)	($144,559)	($296,482)	$205,920	($249,000)	$5,480,470
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	ADJUSTS FUNDING FOR OPERATIONS [7]	REDUCES FUNDING FOR OPERATIONS [8]	ADJUSTS FUNDING FOR CAPITAL ASSETS [9]	TOTAL ALL FUNDS CHANGES
University System office				$3,596,349
Bismarck State College		($293,569)	$5,679,750	5,386,181
Lake Region State College		(97,111)		(97,111)
Williston State College		(98,598)		(98,598)
University of North Dakota		(1,590,496)		(1,590,496)
UND Medical Center	($700,000)	(513,584)		(1,213,584)

North Dakota State University		(1,330,953)	10,500,000	9,169,047
State College of Science	(350,000)	(411,694)		(761,694)
Dickinson State University		(250,668)		(250,668)
Mayville State University		(147,024)	(559,500)	(706,524)
Minot State University		(447,993)	(50,600)	(498,593)
Valley City State University		(192,825)		(192,825)
Minot State University - Bottineau		(70,910)		(70,910)
Forest Service		(35,045)		(35,045)
Total all funds	($1,050,000)	($5,480,470)	$15,569,650	$12,635,529
FTE	(2.00)	0.00	0.00	(2.00)

1 This amendment decreases funding for the Northern Tier Network by $1,400,000, from $2,400,000 from the general fund, as provided for in the House version, to $1 million from the general fund, as provided for in the executive budget recommendation. The Senate increased funding for the Northern Tier Network by $373,800 from $2,400,000 to $2,773,800.

2 This amendment removes funding of $144,559 from the general fund for the operations pool, same as the Senate version.

3 This amendment removes funding of $296,482 from the general fund for contingency and capital emergency, the same as the Senate version.

4 This amendment increases funding for the Kansas State University veterinary medicine program by $205,920, from $317,460 to $523,380 from the student loan trust fund, to fund five new students per year in the 2007-09 biennium, the same as the Senate version.

5 This amendment decreases funding for education incentive programs by $249,000, from $1,989,314, as provided for by the House, to $1,227,902. The additional funding of $249,000 was related to increases in the teacher shortage loan forgiveness program as provided in House Bill No. 1249. House Bill No. 1249 was defeated by the Senate; therefore, the additional funding provided in House Bill No. 1003 is removed. This decrease was also included in the Senate version.

6 This amendment provides funding of $5,480,470 from the general fund for an operations pool. The funding is to be allocated by the State Board of Higher Education for campus operations and critical needs.

7 UND School of Medicine and Health Sciences - This amendment removes funding of $700,000 from the general fund, provided by the House, for recruiting new faculty in bacteriology and immunology. Of the $700,000, $460,800 was considered one-time funding and $239,200 was considered base funding. This funding was included in the Senate version of the bill.

State College of Science - This amendment removes funding of $350,000 from the general fund added by the House for support of the Center for Nanoscience and Technology Training, including curriculum design and development, purchase and installation of specialized equipment, facilities renovation, technical support, and other related costs associated with the development of the nanoscience technician program and nanotechnology applied science laboratory and related emerging technology programming. This funding was included in the Senate version of the bill.

8 This amendment reduces funding for campus operations by 2 percent.

9 Bismarck State College - This amendment appropriates funding of $5,679,750 from special funds for reauthorization of the college's student housing project, same as the Senate version.

Lake Region State College - This amendment changes the funding source for the college's wind energy project as follows:

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE VERSION	CONFERENCE COMMITTEE VERSION
General fund		$1,000,000		
Special funds	$3,007,600	2,007,600	$3,007,600	$3,007,600
Total	$3,007,600	$3,007,600	$3,007,600	$3,007,600

University of North Dakota - This amendment changes the funding source of the UND School of Medicine and Health Sciences new Bismarck family medicine residency facility as follows:

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE VERSION	CONFERENCE COMMITTEE VERSION
General fund		$3,600,000		
Special funds	$4,500,000	400,000	$4,000,000	$4,000,000
Total	$4,500,000	$4,000,000	$4,000,000	$4,000,000

North Dakota State University - This amendment increases the special funds appropriation to the university to reauthorize the Bison Sports Arena renovation project by $10,500,000, from $15,000,000 to $25,500,000. This increase was also included in the Senate version.

Mayville State University - This amendment removes funding of $559,500 from the general fund added by the House for the payoff of special assessment balances and deferred maintenance issues. The Senate had decreased the funding by $416,467 from $559,500 to $143,033.

Minot State University - This amendment changes the funding source for the university's Swain Hall renovation and addition project as follows:

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE VERSION	CONFERENCE COMMITTEE VERSION
General fund	$2,500,000	$6,500,000	$6,500,000	$2,500,000
Special funds	4,536,150	536,150	536,150	4,536,150
Total	$7,036,150	$7,036,150	$7,036,150	$7,036,150

This amendment also changes the university's dome athletic floor replacement project as follows:

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE VERSION	CONFERENCE COMMITTEE VERSION
General fund		$387,000	$387,000	

Special funds	$336,400			$336,400
Total	$336,400	$387,000	$387,000	$336,400

House Bill No. 1003 - Other Changes - Conference Committee Action

This amendment also:

- Amends Section 17 of the engrossed bill to provide that the State Board of Higher Education shall limit any annual tuition increase for the 2007-08 and 2008-09 academic years to not more than 5 percent for each year unless the board receives prior Budget Section approval, same as the Senate version.
- Adds a section to provide that participating higher education institutions are responsible for funding maintenance costs associated with the Northern Tier Network, same as the Senate version.
- Adds a section for a study of professional student exchange program, same as the Senate version.
- Retains the study of higher education as included by the House.
- Retains the use of $200,000 of unspent 2005-07 general fund appropriations for consulting services for the study of higher education. The Senate had amended the section to provide that the State Board of Higher Education use the $200,000 for completing and furnishing the Thatcher Hall renovation and addition at Minot State University - Bottineau.
- Retains the repeal of Sections 1 and 2 of House Bill No. 1031 as provided for in the House version. This repeal was removed in the Senate version of the bill.
- Does not include the repeal of North Dakota Century Code Section 15-12-27 relating to North Dakota State University's 18th Street Development Fund as provided for in the Senate version.
- Does not include a new section to allow the State Board of Higher Education to Authorize construction of a College of Business building off the North Dakota State University campus as provided for in the Senate version.
- Amends the emergency clause for the bill as appropriate.

(2)

REPORT OF CONFERENCE COMMITTEE
(ACCEDE/RECEDE)

Bill Number HB1003 (, as (re)engrossed): Date: 4/17/07

Your Conference Committee House Approp. Educ & Enviro.

For the Senate:	YES / NO	For the House:	YES / NO
Sen. Holmberg	✓	Rep. Wald	✓
Sen. Krebsbach	✓	Rep. Monson	✓
Sen. Robinson	✓	Rep. Aarsvold	✓

recommends that the (SENATE/HOUSE) (ACCEDE to) (RECEDE from)

the (Senate/House) amendments on (SJ/HJ) page(s) _____ -- _____

____, and place _____ on the Seventh order.

____, adopt (further) amendments as follows, and place _____ on the Seventh order:

____, having been unable to agree, recommends that the committee be discharged and a new committee be appointed.

((Re)Engrossed) _____ was placed on the Seventh order of business on the calendar.

DATE: 4/17/07
CARRIER: _____

Adopt amendment 78003.0216

LC NO.	of amendment .0216
LC NO.	of engrossment
Emergency clause added or deleted	
Statement of purpose of amendment	

MOTION MADE BY: _____

SECONDED BY: _____

VOTE COUNT 1 **YES** 5 **NO** 0 **ABSENT** Failed

Revised 4/1/05

Attachment A

78003.0219
Title.
Fiscal No. 5

Prepared by the Legislative Council staff for
Senator Holmberg
April 18, 2007

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1003

That the Senate recede from its amendments as printed on pages 1346-1357 of the House Journal and pages 1025-1035 of the Senate Journal and that Engrossed House Bill No. 1003 be amended as follows:

Page 1, line 3, remove "to provide for"

Page 1, line 4, remove "a transfer;"

Page 1, line 6, replace "sections 1 and 2 of House Bill No. 1031, as" with "section 15-12-27 of the North Dakota Century Code, relating to North Dakota state university's eighteenth street development fund"

Page 1, line 7, remove "approved by the sixtieth legislative assembly, relating to the budgeting process"

Page 5, replace lines 5 through 31 with:

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

Subdivision 1.
NORTH DAKOTA UNIVERSITY SYSTEM OFFICE AND INSTITUTIONS

Capital assets	$2,475,971
Competitive research program	460,000
Board initiatives	(1,486,500)
System governance	214,972
Common information services	10,914,000
Operations pool	(388,559)
Equity pool	(2,000,000)
Contingency and capital emergency	(436,923)
Student financial assistance grants	2,483,095
Professional student exchange program	595,666
Scholars program	616,489
Native American scholarships	128,638
Education incentive programs	512,412
Total all funds - Adjustments/enhancements	$14,089,261
Less estimated income - Adjustments/enhancements	2,343,954
Total general fund - Adjustments/enhancements	$11,745,307

Subdivision 2.
BISMARCK STATE COLLEGE

Operations	$2,917,590
Capital assets	2,707,161
Total all funds - Adjustments/enhancements	$5,624,751
Less estimated income - Adjustments/enhancements	1,962,255
Total general fund - Adjustments/enhancements	$3,662,496

Subdivision 3.

LAKE REGION STATE COLLEGE

Operations	$1,137,678
Capital assets	2,745,667
Total all funds - Adjustments/enhancements	$3,883,345
Less estimated income - Adjustments/enhancements	3,007,600
Total general fund - Adjustments/enhancements	$875,745

Subdivision 4.

WILLISTON STATE COLLEGE

Operations	$886,105
Capital assets	(5,879,277)
Total all funds - Adjustments/enhancements	($4,993,172)
Less estimated income - Adjustments/enhancements	(5,660,000)
Total general fund - Adjustments/enhancements	$666,828

Subdivision 5.

UNIVERSITY OF NORTH DAKOTA

Operations	$14,728,428
Capital assets	(18,303,224)
Total all funds - Adjustments/enhancements	($3,574,796)
Less estimated income - Adjustments/enhancements	(23,931,554)
Total general fund - Adjustments/enhancements	$20,356,758

Subdivision 6.

NORTH DAKOTA STATE UNIVERSITY

Operations	$14,013,525
Capital assets	4,016,935
Total all funds - Adjustments/enhancements	$18,030,460
Less estimated income - Adjustments/enhancements	(3,000,000)
Total general fund - Adjustments/enhancements	$21,030,460

Subdivision 7.

NORTH DAKOTA STATE COLLEGE OF SCIENCE

Operations	$2,823,065
Capital assets	1,198,613
Total all funds - Adjustments/enhancements	$4,021,678
Less estimated income - Adjustments/enhancements	(1,104,920)
Total general fund - Adjustments/enhancements	$5,126,598

Subdivision 8.

DICKINSON STATE UNIVERSITY

Operations	$2,186,729
Capital assets	(465,484)
Total all funds - Adjustments/enhancements	$1,721,245
Less estimated income - Adjustments/enhancements	(1,100,557)
Total general fund - Adjustments/enhancements	$2,821,802

Subdivision 9.

MAYVILLE STATE UNIVERSITY

Operations	$886,159
Capital assets	130,969
Total all funds - Adjustments/enhancements	$1,017,128
Less estimated income - Adjustments/enhancements	(600,000)
Total general fund - Adjustments/enhancements	$1,617,128

Subdivision 10.

MINOT STATE UNIVERSITY

Operations	$2,954,699
Capital assets	367,024

Total all funds - Adjustments/enhancements	$3,321,723
Less estimated income - Adjustments/enhancements	(3,295,850)
Total general fund - Adjustments/enhancements	$6,617,573

Subdivision 11.

VALLEY CITY STATE UNIVERSITY

Operations	$1,577,070
Capital assets	2,487,819
Total general fund - Adjustments/enhancements	$4,064,889

Subdivision 12.

MINOT STATE UNIVERSITY - BOTTINEAU

Operations	$437,017
Capital assets	(5,699,023)
Total all funds - Adjustments/enhancements	($5,262,006)
Less estimated income - Adjustments/enhancements	(5,987,095)
Total general fund - Adjustments/enhancements	$725,089

Subdivision 13.

UNIVERSITY OF NORTH DAKOTA SCHOOL OF MEDICINE AND HEALTH SCIENCES

Operations	$3,213,936
Total general fund - Adjustments/enhancements	$3,213,936

Subdivision 14.

NORTH DAKOTA FOREST SERVICE

Operations	$433,085
Capital assets	78,566
Total all funds - Adjustments/enhancements	$511,651
Less estimated income - Adjustments/enhancements	22,485
Total general fund - Adjustments/enhancements	$489,166
Total general fund - Section 2	$83,013,775
Total estimated income - Section 2	($37,343,682)
Total all funds - Section 2	$45,670,093

SECTION 3. 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 office and the various entities and institutions under the supervision of the state board of higher education for the purpose of defraying the expenses of those entities and institutions, for the biennium beginning July 1, 2007, and ending June 30, 2009, as follows:

Subdivision 1.

NORTH DAKOTA UNIVERSITY SYSTEM OFFICE AND INSTITUTIONS

Capital assets	$16,754,112
Competitive research program	5,650,000
Board initiatives	398,500
System governance	5,783,394
Title II	695,600
Common information services	31,477,093
Professional liability insurance	1,350,000
Student financial assistance grants	5,987,497
Professional student exchange program	2,722,946
Scholars program	1,478,566
Native American scholarships	380,626
Education incentive programs	1,740,314
Total all funds	$74,418,648

Less estimated income	4,943,730
Total general fund appropriation	$69,474,918

Subdivision 2.

BISMARCK STATE COLLEGE

Operations	$19,783,138
Capital assets	6,695,942
Total all funds	$26,479,080
Less estimated income	5,707,555
Total general fund appropriation	$20,771,525

Subdivision 3.

LAKE REGION STATE COLLEGE

Operations	$6,527,667
Capital assets	3,133,204
Total all funds	$9,660,871
Less estimated income	3,007,600
Total general fund appropriation	$6,653,271

Subdivision 4.

WILLISTON STATE COLLEGE

Operations	$6,639,102
Capital assets	2,257,198
Total all funds	$8,896,300
Less estimated income	2,300,000
Total general fund appropriation	$6,596,300

Subdivision 5.

UNIVERSITY OF NORTH DAKOTA

Operations	$107,280,030
Capital assets	81,828,875
Total all funds	$189,108,905
Less estimated income	73,900,000
Total general fund appropriation	$115,208,905

Subdivision 6.

NORTH DAKOTA STATE UNIVERSITY

Operations	$89,818,175
Capital assets	43,209,161
Total all funds	$133,027,336
Less estimated income	34,500,000
Total general fund appropriation	$98,527,336

Subdivision 7.

NORTH DAKOTA STATE COLLEGE OF SCIENCE

Operations	$27,809,893
Capital assets	4,756,865
Total all funds	$32,566,758
Less estimated income	1,700,000
Total general fund appropriation	$30,866,758

Subdivision 8.

DICKINSON STATE UNIVERSITY

Operations	$16,898,356
Capital assets	9,018,763
Total all funds	$25,917,119
Less estimated income	8,000,000
Total general fund appropriation	$17,917,119

Subdivision 9.

MAYVILLE STATE UNIVERSITY

Operations	$9,889,789
Capital assets	1,989,963
Total all funds	$11,879,752
Less estimated income	900,000
Total general fund appropriation	$10,979,752

Subdivision 10.

MINOT STATE UNIVERSITY

Operations	$30,170,548
Capital assets	9,578,894
Total all funds	$39,749,442
Less estimated income	5,239,150
Total general fund appropriation	$34,510,292

Subdivision 11.

VALLEY CITY STATE UNIVERSITY

Operations	$13,383,596
Capital assets	2,996,235
Total general fund appropriation	$16,379,831

Subdivision 12.

MINOT STATE UNIVERSITY - BOTTINEAU

Operations	$4,771,477
Capital assets	410,702
Total all funds	$5,182,179
Less estimated income	12,905
Total general fund appropriation	$5,169,274

Subdivision 13.

UNIVERSITY OF NORTH DAKOTA SCHOOL OF MEDICINE AND HEALTH SCIENCES

Operations	$34,574,938
Total general fund appropriation	$34,574,938

Subdivision 14.

NORTH DAKOTA FOREST SERVICE

Operations	$3,358,731
Capital assets	180,204
Total all funds	$3,538,935
Less estimated income	997,486
Total general fund appropriation	$2,541,449
Total general fund appropriation - Section 3	$470,171,668
Total estimated income appropriation - Section 3	$141,208,426
Total all funds appropriation - Section 3	$611,380,094
Grand total general fund appropriation - H.B. 1003	$470,171,668
Grand total estimated income appropriation - H.B. 1003	$163,922,426
Grand total all funds appropriation - H.B. 1003	$634,094,094"

Page 6, remove lines 1 through 31

Page 7, remove lines 1 through 30

Page 8, remove lines 1 through 30

Page 9, remove lines 1 through 30

Page 10, remove lines 1 through 31

Page 11, remove lines 1 through 30

Page 12, remove lines 1 through 23

Page 12, line 24, after "**INITIATIVES**" insert "**- REPORT TO THE SIXTY-FIRST LEGISLATIVE ASSEMBLY**", after "The" insert "board initiatives line item in subdivision 1 of section 3 of this Act includes the", and remove "of the funding included in"

Page 12, line 25, remove "the board initiatives line item in subdivision 1 of section 3 of this Act must be used"

Page 12, line 26, after "funds" insert "and the sum of $98,500 for a recruiting initiative for Minot state university and Minot state university - Bottineau. Minot state university shall provide additional funding of $98,500 from special funds for the initiative. The funding for the initiative is provided for a two-year pilot basis. Both Minot state university and Minot state university - Bottineau shall report on the effectiveness of the initiative to the appropriations committees of the sixty-first legislative assembly"

Page 13, remove lines 1 through 4

Page 13, line 5, replace "$28,652,267" with "$31,477,093"

Page 13, remove lines 14 through 18

Page 13, line 25, replace "$317,460" with "$523,380"

Page 13, line 29, replace "$900,000" with "$7,200,000"

Page 13, line 30, after "fund" insert "of which $2,300,000 is for support of the ConnectND system, $4,000,000 is for the Swain hall project at Minot state university, and $900,000 is"

Page 16, remove lines 27 through 31

Page 17, line 1, after "**LIMIT**" insert "**- BUDGET SECTION APPROVAL**"

Page 17, line 4, after "year" insert "unless the board receives prior budget section approval"

Page 17, line 7, replace "$42,322,010" with "$33,679,343"

Page 17, line 12, replace "2,400,000" with "2,773,800"

Page 17, line 15, replace "11,559,500" with "11,143,033"

Page 17, line 16, replace "23,431,710" with "14,831,710"

Page 17, line 18, replace "42,322,010" with "33,679,343"

Page 17, remove lines 19 through 31

Page 18, remove lines 1 through 15

Page 18, line 17, replace "make available" with "use"

Page 18, line 19, replace "the payment of any consulting services relating to the legislative" with "completing and furnishing the thatcher hall renovation and addition at Minot state university - Bottineau"

Page 18, line 20, remove "council study of higher education"

Page 18, after line 21, insert:

"**SECTION 20. LEGISLATIVE INTENT - NORTHERN TIER NETWORK.** It is the intent of the sixtieth legislative assembly that higher education institutions utilizing the northern tier network be responsible for funding the related ongoing maintenance costs for the network.

SECTION 21. NORTH DAKOTA STATE UNIVERSITY - COLLEGE OF BUSINESS BUILDING. The state board of higher education may enter an agreement or agreements with the North Dakota state university foundation or other private entity and do all things necessary and proper to authorize construction by the foundation or other private entity of a college of business building off the North Dakota state university campus, using donations, gifts, or other private funds.

SECTION 22. LEGISLATIVE COUNCIL STUDY - HIGHER EDUCATION.

1. The legislative council shall consider appointing a higher education committee for the 2007-08 interim. If appointed, the committee shall spend a majority of time studying the means by which the North Dakota university system can further contribute to developing and attracting the human capital to meet North Dakota's economic and workforce needs, and if time allows, the committee may visit select higher education institutions.

2. The study must focus on ways to increase postsecondary access, improve the quality of education, contain costs and other means, including productivity, to maximize the usage of the North Dakota university system in meeting the human capital needs of the state.

3. The study must include a review of policy recommendations, as appropriate, which address the postsecondary delivery system, including the mix of institutions, educational attainment gaps, degree production gaps, recruitment and retention of students, and workforce training needs.

4. The study must include a review of the impact of the state's changing demographics on the university system long-term financing plan.

5. The study must recommend goals for each of the higher education cornerstones.

6. The study may include the use of a higher education roundtable format.

7. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-first legislative assembly.

8. The state board of higher education also shall take the recommendations into account and make appropriate changes to practices, board policy, and budget needs and allocation.

SECTION 23. LEGISLATIVE COUNCIL STUDY - PROFESSIONAL STUDENT EXCHANGE PROGRAMS. The legislative council shall consider studying, during the 2007-08 interim, higher education professional student exchange programs. The study should include review of:

1. The amount of annual tuition and fees paid by students for health care-related professional education programs.

2. The amount of annual support fees paid by the state for health care-related professional education programs.

3. The number of state-supported slots funded and demand for state-supported slots, including the consideration of basing the number of slots on the estimated workforce needs to fill positions due to retirements, geographic, and professional specific service needs.

4. The present repayment provisions and loan forgiveness programs to determine cost-effectiveness, equality issues, and development of program enhancements that would aid in the recruitment of professional students to return to the state to practice their chosen profession.

5. Discontinuation of the contracts with the western interstate commission on higher education for access to veterinary medicine programs and consideration of negotiating contracts for veterinary medicine with Kansas, Iowa, and Minnesota.

The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-first legislative assembly."

Page 20, line 9, replace "Sections 1 and 2 of House Bill No. 1031, as approved by the" with "Section 15-12-27 of the North Dakota Century Code is"

Page 20, line 10, remove "sixtieth legislative assembly, are"

Page 20, line 16, replace "9" with "7, 14, 15," and replace "15" with "21"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1003 - Summary of Conference Committee Action

	EXECUTIVE BUDGET	HOUSE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	SENATE VERSION	COMPARISON TO SENATE
University System office						
Total all funds	$73,348,533	$72,080,990	$2,337,658	$74,418,648	$74,718,648	($300,000)
Less estimated income	2,437,810	2,686,810	2,256,920	4,943,730	2,643,730	2,300,000
General fund	$70,910,723	$69,394,180	$80,738	$69,474,918	$72,074,918	($2,600,000)

Bismarck State College						
Total all funds	$20,799,330	$20,587,433	$5,891,647	$26,479,080	$26,479,080	$0
Less estimated income	27,805	27,805	5,679,750	5,707,555	5,707,555	
General fund	$20,771,525	$20,559,628	$211,897	$20,771,525	$20,771,525	$0
Lake Region State College						
Total all funds	$9,660,871	$9,607,299	$53,572	$9,660,871	$9,660,871	$0
Less estimated income	3,007,600	2,007,600	1,000,000	3,007,600	3,007,600	
General fund	$6,653,271	$7,599,699	($946,428)	$6,653,271	$6,653,271	$0
Williston State College						
Total all funds	$7,996,300	$8,830,366	$65,934	$8,896,300	$8,896,300	$0
Less estimated income	1,400,000	2,300,000		2,300,000	2,300,000	
General fund	$6,596,300	$6,530,366	$65,934	$6,596,300	$6,596,300	$0
University of North Dakota						
Total all funds	$193,608,905	$191,861,920	$1,246,985	$193,108,905	$193,108,905	$0
Less estimated income	78,200,000	74,100,000	3,800,000	77,900,000	77,700,000	200,000
General fund	$115,408,905	$117,761,920	($2,553,015)	$115,208,905	$115,408,905	($200,000)
UND Medical Center						
Total all funds	$33,874,938	$34,238,963	$335,975	$34,574,938	$34,574,938	$0
Less estimated income						
General fund	$33,874,938	$34,238,963	$335,975	$34,574,938	$34,574,938	$0
North Dakota State University						
Total all funds	$119,527,336	$133,439,378	$11,587,958	$145,027,336	$145,027,336	$0
Less estimated income	20,500,000	35,500,000	11,000,000	46,500,000	46,000,000	500,000
General fund	$99,027,336	$97,939,378	$587,958	$98,527,336	$99,027,336	($500,000)
State College of Science						
Total all funds	$38,830,758	$38,917,159	$363,599	$39,280,758	$39,280,758	$0
Less estimated income	8,414,000	8,414,000		8,414,000	8,414,000	
General fund	$30,416,758	$30,503,159	$363,599	$30,866,758	$30,866,758	$0
Dickinson State University						
Total all funds	$25,917,119	$25,729,961	$187,158	$25,917,119	$25,917,119	$0
Less estimated income	8,000,000	8,000,000		8,000,000	8,000,000	
General fund	$17,917,119	$17,729,961	$187,158	$17,917,119	$17,917,119	$0
Mayville State University						
Total all funds	$11,736,719	$12,208,021	($328,269)	$11,879,752	$11,879,752	$0
Less estimated income	900,000	900,000		900,000	900,000	
General fund	$10,836,719	$11,308,021	($328,269)	$10,979,752	$10,979,752	$0
Minot State University						
Total all funds	$39,698,842	$39,445,085	$304,357	$39,749,442	$39,749,442	$0
Less estimated income	5,575,550	1,239,150	4,000,000	5,239,150	1,239,150	4,000,000
General fund	$34,123,292	$38,205,935	($3,695,643)	$34,510,292	$38,510,292	($4,000,000)
Valley City State University						
Total all funds	$15,979,831	$15,851,252	$528,579	$16,379,831	$16,379,831	$0
Less estimated income						
General fund	$15,979,831	$15,851,252	$528,579	$16,379,831	$16,379,831	$0
Minot State University - Bottineau						
Total all funds	$5,182,179	$5,138,046	$44,133	$5,182,179	$5,182,179	$0
Less estimated income	12,905	12,905		12,905	12,905	
General fund	$5,169,274	$5,125,141	$44,133	$5,169,274	$5,169,274	$0
Forest Service						
Total all funds	$3,538,935	$3,513,993	$24,942	$3,538,935	$3,538,935	$0
Less estimated income	997,486	997,486		997,486	997,486	
General fund	$2,541,449	$2,516,507	$24,942	$2,541,449	$2,541,449	$0
Bill Total						
Total all funds	$599,700,596	$611,449,866	$22,644,228	$634,094,094	$634,394,094	($300,000)
Less estimated income	129,473,156	136,185,756	27,736,670	163,922,426	156,922,426	7,000,000
General fund	$470,227,440	$475,264,110	($5,092,442)	$470,171,668	$477,471,668	($7,300,000)

House Bill No. 1003 - General Fund Summary

	EXECUTIVE BUDGET	HOUSE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	SENATE VERSION	COMPARISON TO SENATE
University System office	$70,910,723	$69,394,180	$80,738	$69,474,918	$72,074,918	($2,600,000)
Bismarck State College	20,771,525	20,559,628	211,897	20,771,525	20,771,525	
Lake Region State College	6,653,271	7,599,699	(946,428)	6,653,271	6,653,271	
Williston State College	6,596,300	6,530,366	65,934	6,596,300	6,596,300	
University of North Dakota	115,408,905	117,761,920	(2,553,015)	115,208,905	115,408,905	(200,000)
UND Medical Center	33,874,938	34,238,963	335,975	34,574,938	34,574,938	
North Dakota State University	99,027,336	97,939,378	587,958	98,527,336	99,027,336	(500,000)
State College of Science	30,416,758	30,503,159	363,599	30,866,758	30,866,758	
Dickinson State University	17,917,119	17,729,961	187,158	17,917,119	17,917,119	
Mayville State University	10,836,719	11,308,021	(328,269)	10,979,752	10,979,752	
Minot State University	34,123,292	38,205,935	(3,695,643)	34,510,292	38,510,292	(4,000,000)
Valley City State University	15,979,831	15,851,252	528,579	16,379,831	16,379,831	
Minot State University - Bottineau	5,169,274	5,125,141	44,133	5,169,274	5,169,274	

Forest Service	2,541,449	2,516,507	24,942	2,541,449	2,541,449	
Total general fund	$470,227,440	$475,264,110	($5,092,442)	$470,171,668	$477,471,668	($7,300,000)

Detail of Conference Committee Changes to the General Fund

	RESTORES COMPENSATION PACKAGE TO 5/5 [1]	INCREASES FUNDING FOR THE COMPETITIVE RESEARCH PROGRAM [2]	INCREASES FUNDING FOR BOARD INITIATIVES [3]	DECREASES FUNDING FOR SYSTEM GOVERNANCE [4]	INCREASES FUNDING FOR SUPPORT OF THE CONNECTND SYSTEM [5]	INCREASES FUNDING FOR THE NORTHERN TIER NETWORK [6]
University System office	$199,479	$150,000	$98,500	($300,000)		$373,800
Bismarck State College	211,897					
Lake Region State College	53,572					
Williston State College	65,934					
University of North Dakota	1,246,985					
UND Medical Center	335,975					
North Dakota State University	1,087,958					
State College of Science	263,599					
Dickinson State University	187,158					
Mayville State University	88,198					
Minot State University	304,357					
Valley City State University	128,579					
Minot State University - Bottineau	44,133					
Forest Service	24,942					
Total general fund	$4,242,766	$150,000	$98,500	($300,000)	$0	$373,800

	REMOVES FUNDING FOR THE OPERATIONS POOL [7]	REMOVES FUNDING FOR CONTINGENCY AND CAPITAL EMERGENCY [8]	INCREASES FUNDING FOR THE KANSAS STATE UNIVERSITY VETERINARY MEDICINE PROGRAM [9]	REMOVES FUNDING FOR EDUCATION INCENTIVE PROGRAMS [10]	ADJUSTS FUNDING FOR OPERATIONS [11]	ADJUSTS FUNDING FOR CAPITAL ASSETS [12]
University System office	($144,559)	($296,482)				($1,000,000)
Bismarck State College						(3,800,000)
Lake Region State College						(500,000)
Williston State College						
University of North Dakota					$100,000	
UND Medical Center						(416,467)
North Dakota State University						(4,000,000)
State College of Science						
Dickinson State University						
Mayville State University					400,000	
Minot State University						
Valley City State University						
Minot State University - Bottineau						
Forest Service						
Total general fund	($144,559)	($296,482)	$0	$0	$500,000	($9,716,467)

	TOTAL GENERAL FUND CHANGES
University System office	$80,738
Bismarck State College	211,897
Lake Region State College	(946,428)
Williston State College	65,934
University of North Dakota	(2,553,015)
UND Medical Center	335,975
North Dakota State University	587,958
State College of Science	363,599
Dickinson State University	187,158
Mayville State University	(328,269)
Minot State University	(3,695,643)
Valley City State University	528,579
Minot State University - Bottineau	44,133
Forest Service	24,942
Total general fund	($5,092,442)

House Bill No. 1003 - Other Funds Summary

	EXECUTIVE BUDGET	HOUSE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	SENATE VERSION	COMPARISON TO SENATE
University System office	$2,437,810	$2,686,810	$2,256,920	$4,943,730	$2,643,730	$2,300,000
Bismarck State College	27,805	27,805	5,679,750	5,707,555	5,707,555	
Lake Region State College	3,007,600	2,007,600	1,000,000	3,007,600	3,007,600	
Williston State College	1,400,000	2,300,000		2,300,000	2,300,000	

University of North Dakota	78,200,000	74,100,000	3,800,000	77,900,000	77,700,000	200,000
UND Medical Center						
North Dakota State University	20,500,000	35,500,000	11,000,000	46,500,000	46,000,000	500,000
State College of Science	8,414,000	8,414,000		8,414,000	8,414,000	
Dickinson State University	8,000,000	8,000,000		8,000,000	8,000,000	
Mayville State University	900,000	900,000		900,000	900,000	
Minot State University	5,575,550	1,239,150	4,000,000	5,239,150	1,239,150	4,000,000
Valley City State University						
Minot State University - Bottineau	12,905	12,905		12,905	12,905	
Forest Service	997,486	997,486		997,486	997,486	
Total other funds	$129,473,156	$136,185,756	$27,736,670	$163,922,426	$156,922,426	$7,000,000

Detail of Conference Committee Changes to Other Funds

	RESTORES COMPENSATION PACKAGE TO 5/5 [1]	INCREASES FUNDING FOR THE COMPETITIVE RESEARCH PROGRAM [2]	INCREASES FUNDING FOR BOARD INITIATIVES [3]	DECREASES FUNDING FOR SYSTEM GOVERNANCE [4]	INCREASES FUNDING FOR SUPPORT OF THE CONNECTND SYSTEM [5]	INCREASES FUNDING FOR THE NORTHERN TIER NETWORK [6]
University System office					$2,300,000	
Bismarck State College						
Lake Region State College						
Williston State College						
University of North Dakota						
UND Medical Center						
North Dakota State University						
State College of Science						
Dickinson State University						
Mayville State University						
Minot State University						
Valley City State University						
Minot State University - Bottineau						
Forest Service						
Total other funds	$0	$0	$0	$0	$2,300,000	$0

	REMOVES FUNDING FOR THE OPERATIONS POOL [7]	REMOVES FUNDING FOR CONTINGENCY AND CAPITAL EMERGENCY [8]	INCREASES FUNDING FOR THE KANSAS STATE UNIVERSITY VETERINARY MEDICINE PROGRAM [9]	REMOVES FUNDING FOR EDUCATION INCENTIVE PROGRAMS [10]	ADJUSTS FUNDING FOR OPERATIONS [11]	ADJUSTS FUNDING FOR CAPITAL ASSETS [12]
University System office			$205,920	($249,000)		$5,679,750
Bismarck State College						1,000,000
Lake Region State College						
Williston State College						3,800,000
University of North Dakota						
UND Medical Center						11,000,000
North Dakota State University						
State College of Science						
Dickinson State University						
Mayville State University						4,000,000
Minot State University						
Valley City State University						
Minot State University - Bottineau						
Forest Service						
Total other funds	$0	$0	$205,920	($249,000)	$0	$25,479,750

	TOTAL OTHER FUNDS CHANGES
University System office	$2,256,920
Bismarck State College	5,679,750
Lake Region State College	1,000,000
Williston State College	
University of North Dakota	3,800,000
UND Medical Center	
North Dakota State University	11,000,000
State College of Science	
Dickinson State University	
Mayville State University	
Minot State University	4,000,000
Valley City State University	
Minot State University - Bottineau	
Forest Service	
Total other funds	$27,736,670

House Bill No. 1003 - All Funds Summary

	EXECUTIVE BUDGET	HOUSE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	SENATE VERSION	COMPARISON TO SENATE
University System office	$73,348,533	$72,080,990	$2,337,658	$74,418,648	$74,718,648	($300,000)
Bismarck State College	20,799,330	20,587,433	5,891,647	26,479,080	26,479,080	
Lake Region State College	9,660,871	9,607,299	53,572	9,660,871	9,660,871	
Williston State College	7,996,300	8,830,366	65,934	8,896,300	8,896,300	
University of North Dakota	193,608,905	191,861,920	1,246,985	193,108,905	193,108,905	
UND Medical Center	33,874,938	34,238,963	335,975	34,574,938	34,574,938	
North Dakota State University	119,527,336	133,439,378	11,587,958	145,027,336	145,027,336	
State College of Science	38,830,758	38,917,159	363,599	39,280,758	39,280,758	
Dickinson State University	25,917,119	25,729,961	187,158	25,917,119	25,917,119	
Mayville State University	11,736,719	12,208,021	(328,269)	11,879,752	11,879,752	
Minot State University	39,698,842	39,445,085	304,357	39,749,442	39,749,442	
Valley City State University	15,979,831	15,851,252	528,579	16,379,831	16,379,831	
Minot State University - Bottineau	5,182,179	5,138,046	44,133	5,182,179	5,182,179	
Forest Service	3,538,935	3,513,993	24,942	3,538,935	3,538,935	
Total all funds	$599,700,596	$611,449,866	$22,644,228	$634,094,094	$634,394,094	($300,000)
FTE	2134.59	2136.59	0.00	2136.59	2136.59	0.00

Detail of Conference Committee Changes to All Funds

	RESTORES COMPENSATION PACKAGE TO 5/5 [1]	INCREASES FUNDING FOR THE COMPETITIVE RESEARCH PROGRAM [2]	INCREASES FUNDING FOR BOARD INITIATIVES [3]	DECREASES FUNDING FOR SYSTEM GOVERNANCE [4]	INCREASES FUNDING FOR SUPPORT OF THE CONNECTND SYSTEM [5]	INCREASES FUNDING FOR THE NORTHERN TIER NETWORK [6]
		$150,000	$98,500	($300,000)	$2,300,000	$373,800
University System office	$199,479					
Bismarck State College	211,897					
Lake Region State College	53,572					
Williston State College	65,934					
University of North Dakota	1,246,985					
UND Medical Center	335,975					
North Dakota State University	1,087,958					
State College of Science	263,599					
Dickinson State University	187,158					
Mayville State University	88,198					
Minot State University	304,357					
Valley City State University	128,579					
Minot State University - Bottineau	44,133					
Forest Service	24,942					
Total all funds	$4,242,766	$150,000	$98,500	($300,000)	$2,300,000	$373,800
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	REMOVES FUNDING FOR THE OPERATIONS POOL [7]	REMOVES FUNDING FOR CONTINGENCY AND CAPITAL EMERGENCY [8]	INCREASES FUNDING FOR THE KANSAS STATE UNIVERSITY VETERINARY MEDICINE PROGRAM [9]	REMOVES FUNDING FOR EDUCATION INCENTIVE PROGRAMS [10]	ADJUSTS FUNDING FOR OPERATIONS [11]	ADJUSTS FUNDING FOR CAPITAL ASSETS [12]
	($144,559)	($296,482)	$205,920	($249,000)		$5,679,750
University System office						
Bismarck State College						
Lake Region State College						
Williston State College						
University of North Dakota						10,500,000
UND Medical Center					$100,000	
North Dakota State University						(416,467)
State College of Science						
Dickinson State University						
Mayville State University					400,000	
Minot State University						
Valley City State University						
Minot State University - Bottineau						
Forest Service						
Total all funds	($144,559)	($296,482)	$205,920	($249,000)	$500,000	$15,763,283
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	TOTAL ALL FUNDS CHANGES
University System office	$2,337,658
Bismarck State College	5,891,647
Lake Region State College	53,572
Williston State College	65,934
University of North Dakota	1,246,985
UND Medical Center	335,975
North Dakota State University	11,587,958
State College of Science	363,599
Dickinson State University	187,158
Mayville State University	(328,269)
Minot State University	304,357
Valley City State University	528,579
Minot State University - Bottineau	44,133
Forest Service	24,942
Total all funds	$22,644,228
FTE	0.00

1 This amendment restores funding for salary increases of 5 percent for each year of the 2007-09 biennium, same as the Senate version.

2 This amendment increases funding for competitive research by $150,000 from the general fund, from $5,550,000 as provided for in the executive budget recommendation to $5,650,000, same as the Senate version.

3 This amendment increases funding for board initiatives by $98,500 from the general fund, from $300,000 to $398,500. The funding of $98,500 is to be used in conjunction with $98,500 of special funds from Minot State University for a shared recruiting initiative for Minot State University and Minot State University - Bottineau. The initiative is a pilot project and both Minot State University and Minot State University - Bottineau are to report to the 61st Legislative Assembly on the effectiveness of the initiative. This funding was included in the Senate version of the bill.

4 This amendment reduces funding for the system governance line item by $300,000 from the general fund. This reduction was not included in either the House or Senate versions of the bill.

5 This amendment increases funding provided for support of the ConnectND system by $2,300,000 from the permanent oil tax trust fund. The following is a summary for support of the ConnectND system:

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE VERSION	CONFERENCE COMMITTEE VERSION
General fund	$3,700,000	$3,700,000	$6,000,000	$3,700,000
Permanent oil tax trust fund				2,300,000
Total	$3,700,000	$3,700,000	$6,000,000	$6,000,000

6 This amendment increases one-time funding for the Northern Tier Network project by $373,800, from $2,400,000 to $2,773,800 from the general fund, same as the Senate version.

7 This amendment removes funding of $144,559 from the general fund for the operations pool, same as the Senate version.

8 This amendment removes funding of $296,482 from the general fund for contingency and capital emergency, same as the Senate version.

9 This amendment increases funding for the Kansas State University veterinary medicine program by $205,920, from $317,460 to $523,380 from the student loan trust fund, to fund five new students per year in the 2007-09 biennium, same as the Senate version.

10 This amendment decreases funding for the education incentive programs by $249,000, from $1,989,314, as provided for by the House, to $1,227,902. The additional funding of $249,000 was related to increases in the teacher shortage loan forgiveness program as provided in House Bill No. 1249. House Bill No. 1249 was defeated by the Senate; therefore, the additional funding provided for in House Bill No. 1003 is removed. This decrease was also included in the Senate version.

11 State College of Science - This amendment provides funding of $100,000 from the general fund for campus operations, same as the Senate version.

Valley City State University - This amendment provides funding of $400,000 from the general fund for campus operations, same as the Senate version.

12 Bismarck State College - This amendment appropriates funding of $5,679,750 from special funds for reauthorization of the college's student housing project, same as the Senate version.

Lake Region State College - This amendment changes the funding source for the college's wind energy project as follows:

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE VERSION	CONFERENCE COMMITTEE VERSION
General fund		$1,000,000		
Special funds	$3,007,600	2,007,600	$3,007,600	$3,007,600
Total	$3,007,600	$3,007,600	$3,007,600	$3,007,600

University of North Dakota - This amendment changes the funding source of the UND School of Medicine and Health Sciences new Bismarck family medicine residency facility as follows:

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE VERSION	CONFERENCE COMMITTEE VERSION
General fund		$3,600,000		
Special funds	$4,500,000	400,000	$4,000,000	$4,000,000
Total	$4,500,000	$4,000,000	$4,000,000	$4,000,000

This amendment also requires a local match for the university's O'Kelly Hall and Ireland laboratory renovation of $200,000. The following is a summary of funding for the project:

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE VERSION	CONFERENCE COMMITTEE VERSION
General fund	$2,200,000	$2,200,000	$2,200,000	$2,000,000
Special funds				200,000
Total	$2,200,000	$2,200,000	$2,200,000	$2,200,000

North Dakota State University - This amendment increases the special funds appropriation to the university to reauthorize the Bison Sports Arena renovation project by $10,500,000, from $15,000,000 to $25,500,000, same as the Senate version.

This amendment also requires a local match for the university's Minard Hall renovation of $500,000. The following is a summary of funding for the project:

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE VERSION	CONFERENCE COMMITTEE VERSION
General fund	$5,000,000	$5,000,000	$5,000,000	$4,500,000
Special funds				500,000
Total	$5,000,000	$5,000,000	$5,000,000	$5,000,000

Mayville State University - This amendment decreases funding added by the House for the payoff of special assessments and other deferred maintenance issues by $416,467 from the general fund, from $559,500 to $143,033. This decrease was also included in the Senate version.

Minot State University - This amendment changes the funding source for the university's Swain Hall renovation and addition project as follows:

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE VERSION	CONFERENCE COMMITTEE VERSION
General fund	$2,500,000	$6,500,000	$6,500,000	$2,500,000
Permanent oil tax trust fund				4,000,000
Other special funds	4,536,150	536,150	536,150	536,150
Total	$7,036,150	$7,036,150	$7,036,150	$7,036,150

House Bill No. 1003 - Other Changes - Conference Committee Action

This amendment also:

- Amends Section 17 of the engrossed bill to provide that the State Board of Higher Education shall limit any annual tuition increase for the 2007-08 and 2008-09 academic years to not more than 5 percent for each year unless the board receives prior Budget Section approval, same as the Senate version.
- Adds a section to provide that participating higher education institutions are responsible for funding maintenance costs associated with the Northern Tier Network, same as the Senate version.
- Adds a section to allow the State Board of Higher Education to authorize construction of a College of Business building off the North Dakota State University campus, same as the Senate version.
- Adds sections to provide for a study of higher education and professional student exchange programs and removes study language added by the House, same as the Senate version.
- Amends Section 23 of the engrossed bill relating to the use of unspent 2005-07 general fund appropriations to provide that the State Board of Higher Education shall use $200,000 of the unspent 2005-07 general fund appropriation for completing and furnishing the Thatcher Hall renovation and addition at Minot State University - Bottineau, same as the Senate version.
- Amends Section 26 of the engrossed bill to remove the repeal of Sections 1 and 2 of House Bill No. 1031 and to repeal Section 15-12-27 of the North Dakota Century Code relating to North Dakota State University's 18th Street Development Fund, same as the Senate version.
- Amends the emergency clause for the bill as appropriate.

(1)

REPORT OF CONFERENCE COMMITTEE
(ACCEDE/RECEDE)

Bill Number HB1003 (, as (re)engrossed): Date: 4/21/07

Your Conference Committee House Approp. Educ & Enviro.

For the Senate:	YES / NO	For the House:	YES / NO
Sen. Holmberg	Y	Rep. Wald	Y
Sen. Krebsbach	Y	Rep. Monson	N
Sen. Robinson	Y	Rep. Aarsvold	Y

recommends that the (SENATE/HOUSE) (ACCEDE to) (RECEDE from)

the (Senate/House) amendments on (SJ/HJ) page(s) _____ -- _____

____, and place _____ on the Seventh order.

____, adopt (further) amendments as follows, and place _____ on the Seventh order:

____, having been unable to agree, recommends that the committee be discharged and a new committee be appointed.

((Re)Engrossed) _____ was placed on the Seventh order of business on the calendar.

DATE: _____

CARRIER: _____ adopt Option A dated 4/21/07

LC NO. of amendment
LC NO. of engrossment
Emergency clause added or deleted
Statement of purpose of amendment

MOTION MADE BY: Holmberg

SECONDED BY: Robinson

VOTE COUNT 5 **YES** 1 **NO** 0 **ABSENT**

Revised 4/1/05

6

REPORT OF CONFERENCE COMMITTEE
(ACCEDE/RECEDE)

Bill Number HB1003 (, as (re)engrossed): Date: 4/21/07

Your Conference Committee House Approp. Educ & Enviro.

	For the Senate:	YES / NO	For the House:	YES / NO	
P	Sen. Holmberg		Rep. Wald		P
P	Sen. Krebsbach		Rep. Monson		P
P	Sen. Robinson		Rep. Aarsvold		P

recommends that the (SENATE/HOUSE) (ACCEDE to) (RECEDE from)

the (Senate/House) amendments on (SJ/HJ) page(s) _____ -- _____

____, and place _____ on the Seventh order.

____, adopt (further) amendments as follows, and place _____ on the Seventh order:

____, having been unable to agree, recommends that the committee be discharged and a new committee be appointed.

((Re)Engrossed) _____ was placed on the Seventh order of business on the calendar.

DATE: 4/21/07
CARRIER: _____

remove state $73,500 to Bottineau.

LC NO. of amendment
LC NO. of engrossment
Emergency clause added or deleted
Statement of purpose of amendment

MOTION MADE BY: Krebsbach

SECONDED BY: Robinson

Voice Vote - carries

VOTE COUNT ___ **YES** ___ **NO** ___ **ABSENT**

Revised 4/1/05

Att. D

78003.0223
Title.

Prepared by the Legislative Council staff for
Representative Monson
April 19, 2007

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1003

That the Senate recede from its amendments as printed on pages 1346-1357 of the House Journal and pages 1025-1035 of the Senate Journal and that Engrossed House Bill No. 1003 be amended as follows:

Page 1, line 4, replace "section" with "sections 15-10-12.1 and"

Page 1, line 5, after "to" insert "required approval for facility improvements by the state board of higher education and"

Page 18, after line 21, insert:

"**SECTION 24. AMENDMENT.** Section 15-10-12.1 of the North Dakota Century Code is amended and reenacted as follows:

15-10-12.1. Acceptance of buildings and campus improvements - Legislative approval.

1. The state board of higher education may ~~authorize campus improvements and~~ not construct, renovate, remodel, purchase, or lease any building ~~maintenance on land under the control of the board which are financed by donations, gifts, grants, and bequests if the cost of the improvement or building maintenance is not more than three hundred eighty-five thousand dollars. The~~ or facility, regardless of the source by which or the manner in which the activity is funded or financed, without the specific consent of the legislative assembly ~~is required for construction of any building financed by donations, gifts, grants, and bequests and for campus improvements or building maintenance financed by donations, gifts, grants, and bequests if the cost of the improvements or maintenance is more than three hundred eighty-five thousand dollars~~.

2. During the time the legislative assembly is not in session, except for the six months preceding the convening of a regular session, and unless otherwise restricted by previous legislative action or other law, the ~~state board of higher education, with the approval of~~ approval required by subsection 1 may be granted by the budget section of the legislative council~~, may authorize the use of land under the control of the board and construct buildings financed by donations, gifts, grants, and bequests and campus improvements and building maintenance financed by donations, gifts, grants, and bequests and if the cost of the improvement or maintenance is more than three hundred eighty-five thousand dollars~~. The budget section approval must include a specific dollar limit for each ~~building, campus improvement project, or maintenance project~~ activity.

3. The state board of higher education may authorize the sale of any real property or buildings which an institution of higher learning has received by gift or bequest. The board shall prescribe such conditions for the sale of the property as it determines necessary. The conditions must include requiring an appraisal and public auction or advertisement for bids, unless the gift instrument requires a different process.

4. If the state board of higher education submits a request ~~for campus improvements, building maintenance, or to construct buildings~~ under this section to the budget section for approval, the legislative council shall notify each member of the legislative assembly of the date of the budget section meeting at which the request will be considered and provide a copy of the meeting agenda to each member of the legislative assembly. The chairman of the budget section shall allow any member of the legislative assembly an opportunity to present testimony to the budget section regarding any such request."

Page 20, line 11, replace "25" with "26"

Renumber accordingly

(3)

REPORT OF CONFERENCE COMMITTEE
(ACCEDE/RECEDE)

Bill Number HB1003 (, as (re)engrossed): Date: 4/21/07

Your Conference Committee House Approp. Educ & Enviro.

For the Senate:	YES / NO	For the House:	YES / NO
Sen. Holmberg		Rep. Wald	
Sen. Krebsbach		Rep. Monson	
Sen. Robinson		Rep. Aarsvold	

recommends that the (SENATE/HOUSE) (ACCEDE to) (RECEDE from)

the (Senate/House) amendments on (SJ/HJ) page(s) _____ -- _____

____, and place _____ on the Seventh order.

____, adopt (further) amendments as follows, and place _____ on the Seventh order:

____, having been unable to agree, recommends that the committee be discharged and a new committee be appointed.

((Re)Engrossed) _____ was placed on the Seventh order of business on the calendar.

DATE: 4/21/07 adopt amend .0223
CARRIER: _____

LC NO. of amendment
LC NO. of engrossment
Emergency clause added or deleted
Statement of purpose of amendment

MOTION MADE BY: _____

SECONDED BY: _____ Voice Vote - carries

VOTE COUNT ___ **YES** ___ **NO** ___ **ABSENT**

Revised 4/1/05

Attachment B

78003.0220
Title.

Prepared by the Legislative Council staff for
Senator Holmberg
April 18, 2007

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1003

This amendment is for consideration for inclusion in a set of amendments under consideration regarding Engrossed House Bill No. 1003.

Page 17, replace lines 5 through 18 with:

"**SECTION 21. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-FIRST LEGISLATIVE ASSEMBLY.** The grand total general fund appropriation line item in section 3 of this Act includes $36,279,343 for one-time funding items identified in this section. This amount is not part of the institutions' base budgets to be used in preparing the 2009-11 executive budget. The North Dakota university system shall report to the appropriations committees of the sixty-first legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2007, and ending June 30, 2009.

Northern tier network infrastructure	$2,773,800
ConnectND system support	2,300,000
Common information system pool parity funding	420,000
Deferred maintenance	11,143,033
Capital projects	18,831,710
Campus initiatives	810,800
Total	$36,279,343"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

CONFERENCE COMMITTEE - This amendment amends the section of the bill identifying one-time funding for the 2007-09 biennium to provide that only $2.3 million of the $6 million included in the Senate version of the bill for support of the ConnectND system is considered one-time funding.

(4)

REPORT OF CONFERENCE COMMITTEE
(ACCEDE/RECEDE)

Bill Number HB 1003 (, as (re)engrossed): Date: 4/21/07

Your Conference Committee House Approp. Educ & Envir.

For the Senate:	YES / NO	For the House:	YES / NO
Sen. Holmberg		Rep. Wald	
Sen. Krebsbach		Rep. Monson	
Sen. Robinson		Rep. Aarsvold	

recommends that the (SENATE/HOUSE) (ACCEDE to) (RECEDE from)

the (Senate/House) amendments on (SJ/HJ) page(s) _____ -- _____

____, and place _____ on the Seventh order.

____, adopt (further) amendments as follows, and place _____ on the Seventh order:

____, having been unable to agree, recommends that the committee be discharged and a new committee be appointed.

((Re)Engrossed) _____ was placed on the Seventh order of business on the calendar.

DATE: _____

CARRIER: _____

.0220 - continuing 1 time funding

LC NO. of amendment
LC NO. of engrossment
Emergency clause added or deleted
Statement of purpose of amendment

MOTION MADE BY: Holmberg

SECONDED BY: Robinson

VOTE COUNT ___ YES ___ NO ___ ABSENT

Revised 4/1/05

78003.0225
Title.
Fiscal No. 4

Prepared by the Legislative Council staff for
Representative Wald
April 20, 2007

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1003

That the Senate recede from its amendments as printed on pages 1346-1357 of the House Journal and pages 1025-1035 of the Senate Journal and that Engrossed House Bill No. 1003 be amended as follows:

Page 1, line 2, after "system" insert "; to provide a contingent appropriation"

Page 12, after line 23, insert:

"**SECTION 4. CONTINGENT APPROPRIATION - DICKINSON STATE UNIVERSITY LIBRARY ADDITION AND REMODELING PROJECT.** Upon the determination by the director of the office of management and budget by September 30, 2008, that the June 30, 2009, general fund balance is projected to be more than $75,000,000, there is appropriated out of any moneys in the general fund in the state treasury, the sum of $8,000,000, or so much of the sum as may be necessary and available, limited to the amount that the June 30, 2009, general fund balance is projected to exceed $75,000,000, to Dickinson state university for a library addition and remodeling project for the biennium beginning July 1, 2007, and ending June 30, 2009."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

This amendment provides the following:

Dickinson State University - Provides $8 million as a contingent appropriation from the general fund subject to the June 30, 2009, balance exceeding $75,000,000 for a library addition and remodeling project at the university.

REPORT OF CONFERENCE COMMITTEE
(ACCEDE/RECEDE)

Bill Number HB1003 (, as (re)engrossed): Date: 4/21/07

Your Conference Committee House Approp. Educ & Enviro.

For the Senate:	YES / NO	For the House:	YES / NO
Sen. Holmberg	Y	Rep. Wald	Y
Sen. Krebsbach	Y	Rep. Monson	N
Sen. Robinson	Y	Rep. Aarsvold	Y

recommends that the (SENATE/HOUSE) (ACCEDE to) (RECEDE from)

the (Senate/House) amendments on (SJ/HJ) page(s) _____ -- _____

____, and place _____ on the Seventh order.

____, adopt (further) amendments as follows, and place _____ on the Seventh order:

____, having been unable to agree, recommends that the committee be discharged and a new committee be appointed.

((Re)Engrossed) _____ was placed on the Seventh order of business on the calendar.

DATE: 4/21/07 .0225
CARRIER: _____

LC NO. of amendment
LC NO. of engrossment
Emergency clause added or deleted
Statement of purpose of amendment

MOTION MADE BY: Krebsbach

SECONDED BY: Holmberg V

VOTE COUNT 5 **YES** 1 **NO** 0 **ABSENT**

Revised 4/1/05

Attachment C

78003.0215
Title.

Prepared by the Legislative Council staff

April 13, 2007

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1003

That the Senate recede from its amendments as printed on pages 1346-1357 of the House Journal and pages 1025-1035 of the Senate Journal and that Engrossed House Bill No. 1003 be amended as follows:

Page 16, after line 4, insert:

"c. Number of resident university system graduates, by campus, who stayed in the state for one year and three years following graduation.

d. Number of nonresident university system graduates, by campus, who stayed in the state for one year and three years following graduation."

Page 16, line 5, replace "c." with "e."

Renumber accordingly

(6)

REPORT OF CONFERENCE COMMITTEE
(ACCEDE/RECEDE)

Bill Number HB 1003 (, as (re)engrossed): Date: 4/21/07

Your Conference Committee House Appropriations

For the Senate:	YES / NO	For the House:	YES / NO
Sen. Holmberg	Y	Rep. Wald	Y
Sen. Krebsbach	N	Rep. Monson	Y
Sen. Robinson	N	Rep. Aarsvold	Y

recommends that the (SENATE/HOUSE) (ACCEDE to) (RECEDE from)

the (Senate/House) amendments on (SJ/HJ) page(s) _____ -- _____

____, and place _____ on the Seventh order.

____, adopt (further) amendments as follows, and place _____ on the Seventh order:

____, having been unable to agree, recommends that the committee be discharged and a new committee be appointed.

((Re)Engrossed) _____ was placed on the Seventh order of business on the calendar.

DATE: 4/21/07 .0215
CARRIER: Rep. Wald

LC NO.	of amendment
LC NO.	of engrossment
Emergency clause added or deleted	
Statement of purpose of amendment	

MOTION MADE BY: Holmberg

SECONDED BY: Wald

Voice Vote - motion failed

VOTE COUNT 4 **YES** N **NO** 0 **ABSENT**

Revised 4/1/05

(1)

REPORT OF CONFERENCE COMMITTEE
(ACCEDE/RECEDE)

Bill Number HB 1003 (, as (re)engrossed): Date: 4/21/07

Your Conference Committee House Appropriations

For the Senate:	YES / NO	For the House:	YES / NO
P Sen. Holmberg		Rep. Wald	P
P Sen. Christmann		Rep Monson	P
P Sen. Robinson		Rep. Carlisle	P

recommends that the (SENATE/HOUSE) (ACCEDE to)(RECEDE from)

the (Senate/House) amendments on (SJ/HJ) page(s) 1346 - 1357

____, and place _____ on the Seventh order.

__✓__, adopt (further) amendments as follows, and place HB 1003 on the Seventh order:

____, having been unable to agree, recommends that the committee be discharged and a new committee be appointed.

((Re)Engrossed) HB 1003 was placed on the Seventh order of business on the calendar.

DATE: 4/21/07 reconsider action
CARRIER: Rep. Wald

LC NO. of amendment
LC NO. of engrossment
Emergency clause added or deleted
Statement of purpose of amendment

MOTION MADE BY: Sen. Holmberg

SECONDED BY: Rep. Monson

carried by voice vote

VOTE COUNT ___ **YES** ___ **NO** ___ **ABSENT**

Revised 4/1/05

(2)

REPORT OF CONFERENCE COMMITTEE
(ACCEDE/RECEDE)

Bill Number HB 1003 (, as (re)engrossed): Date: 4/21/07

Your Conference Committee House Appropriations

For the Senate:	YES / NO	For the House:	YES / NO
Sen Holmberg	Y	Rep. Wald	Y
Sen. Christmann	Y	Rep Monson	Y
Sen. Robinson	N	Rep Aarsvold	N

recommends that the (SENATE/HOUSE) (ACCEDE to) (RECEDE from)

the (Senate/House) amendments on (SJ/HJ) page(s) _____ -- _____

____, and place _____ on the Seventh order.

____, adopt (further) amendments as follows, and place _____ on the Seventh order:

____, having been unable to agree, recommends that the committee be discharged and a new committee be appointed.

((Re)Engrossed) _____ was placed on the Seventh order of business on the calendar.

DATE: 4/21/07
CARRIER: _____

Option B w/changes made to Option A

LC NO. of amendment
LC NO. of engrossment
Emergency clause added or deleted
Statement of purpose of amendment

MOTION MADE BY: Rep. Monson

SECONDED BY: Sen. Christmann Voice vote carried

VOTE COUNT 4 **YES** 2 **NO** 0 **ABSENT**

Revised 4/1/05

Att. A

78003.0228
Title.

Prepared by the Legislative Council staff for
Representative Wald
April 21, 2007

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1003

This amendment is for consideration for inclusion in a set of amendments under consideration regarding Engrossed House Bill No. 1003.

Page 12, line 21, replace "475,264,110" with "475,414,100"

Page 12, line 23, replace "611,449,866" with "611,599,866"

Page 18, after line 21, insert:

"**SECTION 24. APPROPRIATION.** There is appropriated out of any moneys in the general fund, not otherwise appropriated, the sum of $150,000, or so much of the sum as may be necessary, to Dickinson state university for the purpose of providing one-time startup funding for establishing a Theodore Roosevelt center, for the biennium beginning July 1, 2007, and ending June 30, 2009."

Page 20, line 11, replace "25" with "26"

STATEMENT OF PURPOSE OF AMENDMENT:

CONFERENCE COMMITTEE - This amendment provides an appropriation from the general fund of $150,000 to Dickinson State University for one-time startup funding for establishing a Theodore Roosevelt Center.

(3)

REPORT OF CONFERENCE COMMITTEE
(ACCEDE/RECEDE)

Bill Number HB 1003 (, as (re)engrossed): Date: 4/21/07

Your Conference Committee House Appropriations

For the Senate:	YES / NO	For the House:	YES / NO
Sen Holmberg		Rep. Wald	
Sen. Christmann		Rep. Monson	
Sen. Robinson		Rep Aarsvold	

recommends that the (SENATE/HOUSE) (ACCEDE to) (RECEDE from)

the (Senate/House) amendments on (SJ/HJ) page(s) _____ -- _____

____, and place _____ on the Seventh order.

____, adopt (further) amendments as follows, and place _____ on the Seventh order:

____, having been unable to agree, recommends that the committee be discharged and a new committee be appointed.

((Re)Engrossed) _____ was placed on the Seventh order of business on the calendar.

DATE: 4/21/07
CARRIER: _____

further amend .0228 and emerg. clause

LC NO. of amendment
LC NO. of engrossment
Emergency clause added or deleted
Statement of purpose of amendment

MOTION MADE BY: Rep. Monson

SECONDED BY: Rep. Wald

motion withdrawn

VOTE COUNT ___ **YES** ___ **NO** ___ **ABSENT**

Revised 4/1/05

(4)

REPORT OF CONFERENCE COMMITTEE
(ACCEDE/RECEDE)

Bill Number HB 1003 (, as (re)engrossed): Date: 4/21/07

Your Conference Committee House Appropriations

For the Senate:	YES / NO	For the House:	YES / NO
Sen Holmberg		Rep. Wald	
Sen. Christmann		Rep Monson	
Sen. Robinson		Rep Aarsvold	

recommends that the (SENATE/HOUSE) (ACCEDE to) (RECEDE from)

the (Senate/House) amendments on (SJ/HJ) page(s) _____ -- _____

____, and place _____ on the Seventh order.

____, adopt (further) amendments as follows, and place _____ on the Seventh order:

____, having been unable to agree, recommends that the committee be discharged and a new committee be appointed.

((Re)Engrossed) _____ was placed on the Seventh order of business on the calendar.

DATE: 4/21/07 remove amend. 0223
CARRIER: _____

LC NO. of amendment
LC NO. of engrossment
Emergency clause added or deleted
Statement of purpose of amendment

MOTION MADE BY: Rep. Monson

SECONDED BY: Sen. Holmberg

Carried by voice vote

VOTE COUNT ___ **YES** ___ **NO** ___ **ABSENT**

Revised 4/1/05

(5)

REPORT OF CONFERENCE COMMITTEE
(ACCEDE/RECEDE)

Bill Number HB 1003 (, as (re)engrossed): Date: 4/21/07

Your Conference Committee House Appropriations

For the Senate:	YES / NO	For the House:	YES / NO
Sen Holmberg		Rep. Wild	
Sen. Christmann		Rep. Monson	
Sen. Robinson		Rep Aarsvold	

recommends that the (SENATE/HOUSE) (ACCEDE to) (RECEDE from)

the (Senate/House) amendments on (SJ/HJ) page(s) _____ – _____

____, and place _____ on the Seventh order.

____, adopt (further) amendments as follows, and place _____ on the Seventh order:

____, having been unable to agree, recommends that the committee be discharged and a new committee be appointed.

((Re)Engrossed) _____ was placed on the Seventh order of business on the calendar.

DATE: 4/21/07
CARRIER: _____

add .0228 and emerg. clause

LC NO. of amendment
LC NO. of engrossment
Emergency clause added or deleted
Statement of purpose of amendment

MOTION MADE BY: Rep. Monson

SECONDED BY: Rep. Aarsvold

VOTE COUNT 6 **YES** 0 **NO** 0 **ABSENT** carries

Revised 4/1/05

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1003

That the Senate recede from its amendments as printed on pages 1346-1357 of the House Journal and pages 1025-1035 of the Senate Journal and that Engrossed House Bill No. 1003 be amended as follows:

Page 1, line 3, remove "to provide for"

Page 1, line 4, remove "a transfer;"

Page 1, line 6, replace "sections 1 and 2 of House Bill No. 1031, as" with "section 15-12-27 of the North Dakota Century Code, relating to North Dakota state university's eighteenth street development fund"

Page 1, line 7, remove "approved by the sixtieth legislative assembly, relating to the budgeting process"

Page 5, replace lines 5 through 31 with:

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

Subdivision 1.
NORTH DAKOTA UNIVERSITY SYSTEM OFFICE AND INSTITUTIONS

Capital assets	$2,225,971
Competitive research program	460,000
Board initiatives	(1,486,500)
System governance	314,972
Common information services	10,914,000
Operations pool	(388,559)
Equity pool	(2,000,000)
Contingency and capital emergency	(436,923)
Professional liability insurance	(250,000)
Student financial assistance grants	2,483,095
Professional student exchange program	595,666
Scholars program	616,489
Native American scholarships	128,638
Education incentive programs	512,412
Total all funds - Adjustments/enhancements	$13,689,261
Less estimated income - Adjustments/enhancements	2,817,754
Total general fund - Adjustments/enhancements	$10,871,507

Subdivision 2.
BISMARCK STATE COLLEGE

Operations	$2,719,759
Capital assets	2,707,161
Total all funds - Adjustments/enhancements	$5,426,920

Less estimated income - Adjustments/enhancements	1,988,750
Total general fund - Adjustments/enhancements	$3,438,170

Subdivision 3.

LAKE REGION STATE COLLEGE

Operations	$1,072,401
Capital assets	2,745,667
Total all funds - Adjustments/enhancements	$3,818,068
Less estimated income - Adjustments/enhancements	3,007,600
Total general fund - Adjustments/enhancements	$810,468

Subdivision 4.

WILLISTON STATE COLLEGE

Operations	$819,714
Capital assets	(5,879,277)
Total all funds - Adjustments/enhancements	($5,059,563)
Less estimated income - Adjustments/enhancements	(5,660,000)
Total general fund - Adjustments/enhancements	$600,437

Subdivision 5.

UNIVERSITY OF NORTH DAKOTA

Operations	$13,655,628
Capital assets	(18,303,224)
Total all funds - Adjustments/enhancements	($4,647,596)
Less estimated income - Adjustments/enhancements	(23,911,554)
Total general fund - Adjustments/enhancements	$19,263,958

Subdivision 6.

NORTH DAKOTA STATE UNIVERSITY

Operations	$13,115,343
Capital assets	4,016,935
Total all funds - Adjustments/enhancements	$17,132,278
Less estimated income - Adjustments/enhancements	(3,000,000)
Total general fund - Adjustments/enhancements	$20,132,278

Subdivision 7.

NORTH DAKOTA STATE COLLEGE OF SCIENCE

Operations	$2,544,966
Capital assets	1,198,613
Total all funds - Adjustments/enhancements	$3,743,579
Less estimated income - Adjustments/enhancements	565,500
Total general fund - Adjustments/enhancements	$3,178,079

Subdivision 8.

DICKINSON STATE UNIVERSITY

Operations	$2,017,745
Capital assets	(465,484)
Total all funds - Adjustments/enhancements	$1,552,261
Less estimated income - Adjustments/enhancements	(1,100,557)
Total general fund - Adjustments/enhancements	$2,652,818

Subdivision 9.

MAYVILLE STATE UNIVERSITY

Operations	$1,037,261
Capital assets	130,969
Total all funds - Adjustments/enhancements	$1,168,230
Less estimated income - Adjustments/enhancements	(600,000)
Total general fund - Adjustments/enhancements	$1,768,230

Subdivision 10.

MINOT STATE UNIVERSITY

Operations	$2,652,994
Capital assets	367,024
Total all funds - Adjustments/enhancements	$3,020,018
Less estimated income - Adjustments/enhancements	(7,128,385)
Total general fund - Adjustments/enhancements	$10,148,403

Subdivision 11.

VALLEY CITY STATE UNIVERSITY

Operations	$1,443,234
Capital assets	2,487,819
Total all funds - Adjustments/enhancements	$3,931,053
Less estimated income - Adjustments/enhancements	2,200,000
Total general fund - Adjustments/enhancements	$1,731,053

Subdivision 12.

MINOT STATE UNIVERSITY - BOTTINEAU

Operations	$389,302
Capital assets	(5,699,023)
Total all funds - Adjustments/enhancements	($5,309,721)
Less estimated income - Adjustments/enhancements	(5,748,000)
Total general fund - Adjustments/enhancements	$438,279

Subdivision 13.

UNIVERSITY OF NORTH DAKOTA SCHOOL OF MEDICINE AND HEALTH SCIENCES

Operations	$2,868,187
Total general fund - Adjustments/enhancements	$2,868,187

Subdivision 14.

NORTH DAKOTA FOREST SERVICE

Operations	$409,473
Capital assets	78,566
Total all funds - Adjustments/enhancements	$488,039
Less estimated income - Adjustments/enhancements	22,485
Total general fund - Adjustments/enhancements	$465,554
Total general fund - Section 2	$78,367,421
Total estimated income - Section 2	($36,546,407)
Total all funds - Section 2	$41,821,014

SECTION 3. 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 office and the various entities and institutions under the supervision of the state board of higher education for the purpose of defraying the expenses of those entities and institutions, for the biennium beginning July 1, 2007, and ending June 30, 2009, as follows:

Subdivision 1.

NORTH DAKOTA UNIVERSITY SYSTEM OFFICE AND INSTITUTIONS

Capital assets	$16,504,112
Competitive research program	5,650,000
Board initiatives	398,500
System governance	5,883,394
Title II	695,600
Common information services	31,477,093
Professional liability insurance	1,100,000
Student financial assistance grants	5,987,497
Professional student exchange program	2,722,946

Scholars program	1,478,566
Native American scholarships	380,626
Education incentive programs	1,740,314
Total all funds	$74,018,648
Less estimated income	5,417,530
Total general fund appropriation	$68,601,118

Subdivision 2.

BISMARCK STATE COLLEGE

Operations	$19,585,307
Capital assets	6,695,942
Total all funds	$26,281,249
Less estimated income	5,734,050
Total general fund appropriation	$20,547,199

Subdivision 3.

LAKE REGION STATE COLLEGE

Operations	$6,462,390
Capital assets	3,133,204
Total all funds	$9,595,594
Less estimated income	3,007,600
Total general fund appropriation	$6,587,994

Subdivision 4.

WILLISTON STATE COLLEGE

Operations	$6,572,711
Capital assets	2,257,198
Total all funds	$8,829,909
Less estimated income	2,300,000
Total general fund appropriation	$6,529,909

Subdivision 5.

UNIVERSITY OF NORTH DAKOTA

Operations	$106,207,230
Capital assets	81,828,875
Total all funds	$188,036,105
Less estimated income	73,920,000
Total general fund appropriation	$114,116,105

Subdivision 6.

NORTH DAKOTA STATE UNIVERSITY

Operations	$88,919,993
Capital assets	43,209,161
Total all funds	$132,129,154
Less estimated income	34,500,000
Total general fund appropriation	$97,629,154

Subdivision 7.

NORTH DAKOTA STATE COLLEGE OF SCIENCE

Operations	$27,531,794
Capital assets	4,756,865
Total all funds	$32,288,659
Less estimated income	3,370,420
Total general fund appropriation	$28,918,239

Subdivision 8.

DICKINSON STATE UNIVERSITY

Operations	$16,729,372
Capital assets	9,018,763
Total all funds	$25,748,135

Less estimated income	8,000,000
Total general fund appropriation	$17,748,135

Subdivision 9.

MAYVILLE STATE UNIVERSITY

Operations	$10,040,891
Capital assets	1,989,963
Total all funds	$12,030,854
Less estimated income	900,000
Total general fund appropriation	$11,130,854

Subdivision 10.

MINOT STATE UNIVERSITY

Operations	$29,868,843
Capital assets	9,578,894
Total all funds	$39,447,737
Less estimated income	1,406,615
Total general fund appropriation	$38,041,122

Subdivision 11.

VALLEY CITY STATE UNIVERSITY

Operations	$13,249,760
Capital assets	2,996,235
Total all funds	$16,245,995
Less estimated income	2,200,000
Total general fund appropriation	$14,045,995

Subdivision 12.

MINOT STATE UNIVERSITY - BOTTINEAU

Operations	$4,723,762
Capital assets	410,702
Total all funds	$5,134,464
Less estimated income	252,000
Total general fund appropriation	$4,882,464

Subdivision 13.

UNIVERSITY OF NORTH DAKOTA SCHOOL OF MEDICINE AND HEALTH SCIENCES

Operations	$34,229,189
Total general fund appropriation	$34,229,189

Subdivision 14.

NORTH DAKOTA FOREST SERVICE

Operations	$3,335,119
Capital assets	180,204
Total all funds	$3,515,323
Less estimated income	997,486
Total general fund appropriation	$2,517,837
Total general fund appropriation - Section 3	$465,525,314
Total estimated income appropriation - Section 3	$142,005,701
Total all funds appropriation - Section 3	$607,531,015
Grand total general fund appropriation - H.B. 1003	$465,675,314
Grand total estimated income appropriation - H.B. 1003	$164,719,701
Grand total all funds appropriation - H.B. 1003	$630,395,015

SECTION 4. APPROPRIATION. There is appropriated out of any moneys in the general fund, not otherwise appropriated, the sum of $150,000, or so much of the sum as may be necessary, to Dickinson state university for the purpose of providing one-time startup funding for establishing a Theodore Roosevelt center, for the biennium beginning July 1, 2007, and ending June 30, 2009."

Page 6, remove lines 1 through 31

Page 7, remove lines 1 through 30

Page 8, remove lines 1 through 30

Page 9, remove lines 1 through 30

Page 10, remove lines 1 through 31

Page 11, remove lines 1 through 30

Page 12, remove lines 1 through 23

Page 12, line 24, after "**INITIATIVES**" insert "**- REPORT TO THE SIXTY-FIRST LEGISLATIVE ASSEMBLY**", after "The" insert "board initiatives line item in subdivision 1 of section 3 of this Act includes the", and remove "of the funding included in"

Page 12, line 25, remove "the board initiatives line item in subdivision 1 of section 3 of this Act must be used"

Page 12, line 26, after "funds" insert "and the sum of $98,500 for a recruiting initiative for Minot state university - Bottineau. The funding for the initiative is provided for a two-year pilot basis. Minot state university - Bottineau shall report on the effectiveness of the initiative to the appropriations committees of the sixty-first legislative assembly"

Page 13, remove lines 1 through 4

Page 13, line 5, replace "$28,652,267" with "$31,477,093"

Page 13, remove lines 14 through 18

Page 13, line 20, replace "$1,000,000" with "$750,000"

Page 13, line 25, replace "$317,460" with "$523,380"

Page 13, line 29, replace "$900,000" with "$7,783,315"

Page 13, line 30, after "fund" insert "of which $2,773,800 is for northern tier network infrastructure, $4,109,515 is for steamline projects at the state college of science, Valley City state university, and Minot state university - Bottineau, and $900,000 is"

Page 16, remove lines 27 through 31

Page 17, line 1, after "**LIMIT**" insert "**- BUDGET SECTION APPROVAL**"

Page 17, line 4, after "year" insert "unless the board receives prior budget section approval"

Page 17, replace lines 5 through 31 with:

"**SECTION 19. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-FIRST LEGISLATIVE ASSEMBLY.** The grand total appropriation in section 3 of this Act includes $28,382,068 from the general fund and $7,583,315 from the permanent oil tax trust fund for one-time funding items identified in this section. This amount is not part of the institutions' base budgets to be used in preparing the 2009-11 executive budget. The North Dakota university shall report to the appropriations committees of the sixty-first legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2007, and ending June 30, 2009.

Northern tier network infrastructure from permanent oil tax trust fund	$2,773,800
ConnectND system support	2,300,000
Common information system pool parity funding	420,000
Deferred maintenance	10,893,033
Capital projects	13,808,235
Capital projects from permanent oil tax trust fund	4,809,515
Campus initiatives	960,800
Total	$35,965,383"

Page 18, remove lines 1 through 15

Page 18, line 17, replace "make available" with "use"

Page 18, line 19, replace "the payment of any consulting services relating to the legislative" with "completing and furnishing the thatcher hall renovation and addition at Minot state university - Bottineau"

Page 18, line 20, remove "council study of higher education"

Page 18, after line 21, insert:

"**SECTION 21. LEGISLATIVE INTENT - NORTHERN TIER NETWORK.** It is the intent of the sixtieth legislative assembly that higher education institutions utilizing the northern tier network be responsible for funding the related ongoing maintenance costs for the network.

SECTION 22. NORTH DAKOTA STATE UNIVERSITY - COLLEGE OF BUSINESS BUILDING. The state board of higher education may enter an agreement or agreements with the North Dakota state university foundation or other private entity and do all things necessary and proper to authorize construction by the foundation or other private entity of a college of business building off the North Dakota state university campus, using donations, gifts, or other private funds.

SECTION 23. LEGISLATIVE COUNCIL STUDY - HIGHER EDUCATION.

1. The legislative council shall consider appointing a higher education committee for the 2007-08 interim. If appointed, the committee shall spend a majority of time studying the means by which the North Dakota university system can further contribute to developing and attracting the human capital to meet North Dakota's economic and workforce needs, and if time allows, the committee may visit select higher education institutions.

2. The study must focus on ways to increase postsecondary access, improve the quality of education, contain costs and other means, including productivity, to maximize the usage of the North Dakota university system in meeting the human capital needs of the state.

3. The study must include a review of policy recommendations, as appropriate, which address the postsecondary delivery system, including the mix of institutions, educational attainment gaps, degree production gaps, recruitment and retention of students, and workforce training needs.

4. The study must include a review of the impact of the state's changing demographics on the university system long-term financing plan.

5. The study must recommend goals for each of the higher education cornerstones.

6. The study may include the use of a higher education roundtable format.

7. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-first legislative assembly.

8. The state board of higher education also shall take the recommendations into account and make appropriate changes to practices, board policy, and budget needs and allocation.

SECTION 24. LEGISLATIVE COUNCIL STUDY - PROFESSIONAL STUDENT EXCHANGE PROGRAMS. The legislative council shall consider studying, during the 2007-08 interim, higher education professional student exchange programs. The study should include review of:

1. The amount of annual tuition and fees paid by students for health care-related professional education programs.

2. The amount of annual support fees paid by the state for health care-related professional education programs.

3. The number of state-supported slots funded and demand for state-supported slots, including the consideration of basing the number of slots on the estimated workforce needs to fill positions due to retirements, geographic, and professional specific service needs.

4. The present repayment provisions and loan forgiveness programs to determine cost-effectiveness, equality issues, and development of program enhancements that would aid in the recruitment of professional students to return to the state to practice their chosen profession.

5. Discontinuation of the contracts with the western interstate commission on higher education for access to veterinary medicine programs and consideration of negotiating contracts for veterinary medicine with Kansas, Iowa, and Minnesota.

The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-first legislative assembly.

SECTION 25. LEGISLATIVE INTENT - BISMARCK FAMILY PRACTICE CENTER. It is the intent of the sixtieth legislative assembly that the university of North Dakota school of medicine and health sciences may construct, renovate, remodel, purchase, or lease a building for the Bismarck family practice center."

Page 20, line 9, replace "Sections 1 and 2 of House Bill No. 1031, as approved by the" with "Section 15-12-27 of the North Dakota Century Code is"

Page 20, line 10, remove "sixtieth legislative assembly, are"

Page 20, line 14, replace the comma with "and"

Page 20, line 15, remove ", and contingency and capital emergency"

Page 20, line 16, replace "9" with "4, 8, 15, 16," and replace "15" with "22"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1003 - Summary of Conference Committee Action

	EXECUTIVE BUDGET	HOUSE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	SENATE VERSION	COMPARISON TO SENATE
University System office						
Total all funds	$73,348,533	$72,080,990	$1,937,658	$74,018,648	$74,718,648	($700,000)
Less estimated income	2,437,810	2,686,810	2,730,720	5,417,530	2,643,730	2,773,800
General fund	$70,910,723	$69,394,180	($793,062)	$68,601,118	$72,074,918	($3,473,800)
Bismarck State College						
Total all funds	$20,799,330	$20,587,433	$5,693,816	$26,281,249	$26,479,080	($197,831)
Less estimated income	27,805	27,805	5,706,245	5,734,050	5,707,555	26,495
General fund	$20,771,525	$20,559,628	($12,429)	$20,547,199	$20,771,525	($224,326)
Lake Region State College						
Total all funds	$9,660,871	$9,607,299	($11,705)	$9,595,594	$9,660,871	($65,277)
Less estimated income	3,007,600	2,007,600	1,000,000	3,007,600	3,007,600	
General fund	$6,653,271	$7,599,699	($1,011,705)	$6,587,994	$6,653,271	($65,277)
Williston State College						
Total all funds	$7,996,300	$8,830,366	($457)	$8,829,909	$8,896,300	($66,391)
Less estimated income	1,400,000	2,300,000		2,300,000	2,300,000	
General fund	$6,596,300	$6,530,366	($457)	$6,529,909	$6,596,300	($66,391)
University of North Dakota						
Total all funds	$193,608,905	$191,861,920	$174,185	$192,036,105	$193,108,905	($1,072,800)
Less estimated income	78,200,000	74,100,000	3,820,000	77,920,000	77,700,000	220,000
General fund	$115,408,905	$117,761,920	($3,645,815)	$114,116,105	$115,408,905	($1,292,800)
UND Medical Center						
Total all funds	$33,874,938	$34,238,963	($9,774)	$34,229,189	$34,574,938	($345,749)
Less estimated income						
General fund	$33,874,938	$34,238,963	($9,774)	$34,229,189	$34,574,938	($345,749)
North Dakota State University						
Total all funds	$119,527,336	$133,439,378	$10,689,776	$144,129,154	$145,027,336	($898,182)
Less estimated income	20,500,000	35,500,000	11,000,000	46,500,000	46,000,000	500,000
General fund	$99,027,336	$97,939,378	($310,224)	$97,629,154	$99,027,336	($1,398,182)
State College of Science						
Total all funds	$38,830,758	$38,917,159	$85,500	$39,002,659	$39,280,758	($278,099)
Less estimated income	8,414,000	8,414,000	1,670,420	10,084,420	8,414,000	1,670,420
General fund	$30,416,758	$30,503,159	($1,584,920)	$28,918,239	$30,866,758	($1,948,519)
Dickinson State University						
Total all funds	$25,917,119	$25,729,961	$168,174	$25,898,135	$25,917,119	($18,984)
Less estimated income	8,000,000	8,000,000		8,000,000	8,000,000	
General fund	$17,917,119	$17,729,961	$168,174	$17,898,135	$17,917,119	($18,984)
Mayville State University						
Total all funds	$11,736,719	$12,208,021	($177,167)	$12,030,854	$11,879,752	$151,102
Less estimated income	900,000	900,000		900,000	900,000	
General fund	$10,836,719	$11,308,021	($177,167)	$11,130,854	$10,979,752	$151,102
Minot State University						
Total all funds	$39,698,842	$39,445,085	$2,652	$39,447,737	$39,749,442	($301,705)
Less estimated income	5,575,550	1,239,150	167,465	1,406,615	1,239,150	167,465
General fund	$34,123,292	$38,205,935	($164,813)	$38,041,122	$38,510,292	($469,170)
Valley City State University						
Total all funds	$15,979,831	$15,851,252	$394,743	$16,245,995	$16,379,831	($133,836)
Less estimated income			2,200,000	2,200,000		2,200,000
General fund	$15,979,831	$15,851,252	($1,805,257)	$14,045,995	$16,379,831	($2,333,836)

Minot State University - Bottineau						
Total all funds	$5,182,179	$5,138,046	($3,582)	$5,134,464	$5,182,179	($47,715)
Less estimated income	12,905	12,905	239,095	252,000	12,905	239,095
General fund	$5,169,274	$5,125,141	($242,677)	$4,882,464	$5,169,274	($286,810)
Forest Service						
Total all funds	$3,538,935	$3,513,993	$1,330	$3,515,323	$3,538,935	($23,612)
Less estimated income	997,486	997,486		997,486	997,486	
General fund	$2,541,449	$2,516,507	$1,330	$2,517,837	$2,541,449	($23,612)
Bill Total						
Total all funds	$599,700,596	$611,449,866	$18,945,149	$630,395,015	$634,394,094	($3,999,079)
Less estimated income	129,473,156	136,185,756	28,533,945	164,719,701	156,922,426	7,797,275
General fund	$470,227,440	$475,264,110	($9,588,796)	$465,675,314	$477,471,668	($11,796,354)

House Bill No. 1003 - General Fund Summary

	EXECUTIVE BUDGET	HOUSE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	SENATE VERSION	COMPARISON TO SENATE
University System office	$70,910,723	$69,394,180	($793,062)	$68,601,118	$72,074,918	($3,473,800)
Bismarck State College	20,771,525	20,559,628	(12,429)	20,547,199	20,771,525	(224,326)
Lake Region State College	6,653,271	7,599,699	(1,011,705)	6,587,994	6,653,271	(65,277)
Williston State College	6,596,300	6,530,366	(457)	6,529,909	6,596,300	(66,391)
University of North Dakota	115,408,905	117,761,920	(3,645,815)	114,116,105	115,408,905	(1,292,800)
UND Medical Center	33,874,938	34,238,963	(9,774)	34,229,189	34,574,938	(345,749)
North Dakota State University	99,027,336	97,939,378	(310,224)	97,629,154	99,027,336	(1,398,182)
State College of Science	30,416,758	30,503,159	(1,584,920)	28,918,239	30,866,758	(1,948,519)
Dickinson State University	17,917,119	17,729,961	168,174	17,898,135	17,917,119	(18,984)
Mayville State University	10,836,719	11,308,021	(177,167)	11,130,854	10,979,752	151,102
Minot State University	34,123,292	38,205,935	(164,813)	38,041,122	38,510,292	(469,170)
Valley City State University	15,979,831	15,851,252	(1,805,257)	14,045,995	16,379,831	(2,333,836)
Minot State University - Bottineau	5,169,274	5,125,141	(242,677)	4,882,464	5,169,274	(286,810)
Forest Service	2,541,449	2,516,507	1,330	2,517,837	2,541,449	(23,612)
Total general fund	$470,227,440	$475,264,110	($9,588,796)	$465,675,314	$477,471,668	($11,796,354)

Detail of Conference Committee Changes to the General Fund

	RESTORES COMPENSATION PACKAGE TO 5/5 [1]	ALLOCATES FUNDING FOR MAYVILLE STATE UNIVERSITY MASTER PLAN TO OPERATIONS [2]	INCREASES FUNDING FOR THE COMPETITIVE RESEARCH PROGRAM [3]	INCREASES FUNDING FOR BOARD INITIATIVES [4]	DECREASES FUNDING FOR SYSTEM GOVERNANCE [5]	INCREASES FUNDING FOR SUPPORT OF THE CONNECTND SYSTEM [6]
University System office	$199,479	($250,000)	$150,000	$98,500	($200,000)	$2,300,000
Bismarck State College	211,897					
Lake Region State College	53,572					
Williston State College	65,934					
University of North Dakota	1,246,985					
UND Medical Center	335,975					
North Dakota State University	1,087,958					
State College of Science	263,599					
Dickinson State University	187,158					
Mayville State University	88,198	250,000				
Minot State University	304,357					
Valley City State University	128,579					
Minot State University - Bottineau	44,133					
Forest Service	24,942					
Total general fund	$4,242,766	$0	$150,000	$98,500	($200,000)	$2,300,000

	INCREASES FUNDING FOR THE NORTHERN TIER NETWORK AND CHANGES FUNDING SOURCE [7]	REMOVES FUNDING FOR THE OPERATIONS POOL [8]	REMOVES FUNDING FOR CONTINGENCY AND CAPITAL EMERGENCY [9]	DECREASES FUNDING FOR PROFESSIONAL LIABILITY INSURANCE [10]	INCREASES FUNDING FOR THE KANSAS STATE UNIVERSITY VETERINARY MEDICINE PROGRAM [11]	REMOVES FUNDING FOR EDUCATION INCENTIVE PROGRAMS [12]
University System office	($2,400,000)	($144,559)	($296,482)	($250,000)		
Bismarck State College						
Lake Region State College						
Williston State College						
University of North Dakota						
UND Medical Center						
North Dakota State University						
State College of Science						
Dickinson State University						
Mayville State University						
Minot State University						
Valley City State University						
Minot State University -						

Bottineau						
Forest Service						
Total general fund	($2,400,000)	($144,559)	($296,482)	($250,000)	$0	$0

	PROVIDES 1 PERCENT OPERATING REDUCTION	ADJUSTS FUNDING FOR OPERATIONS [13]	ADJUSTS FUNDING FOR CAPITAL ASSETS [14]	TOTAL GENERAL FUND CHANGES
University System office				($793,062)
Bismarck State College	($197,831)		($26,495)	(12,429)
Lake Region State College	(65,277)		(1,000,000)	(1,011,705)
Williston State College	(66,391)			(457)
University of North Dakota	(1,072,800)		(3,820,000)	(3,645,815)
UND Medical Center	(345,749)			(9,774)
North Dakota State University	(898,182)		(500,000)	(310,224)
State College of Science	(278,099)	$100,000	(1,670,420)	(1,584,920)
Dickinson State University	(168,984)	150,000		168,174
Mayville State University	(98,898)		(416,467)	(177,167)
Minot State University	(301,705)		(167,465)	(164,813)
Valley City State University	(133,836)	400,000	(2,200,000)	(1,805,257)
Minot State University - Bottineau	(47,715)		(239,095)	(242,677)
Forest Service	(23,612)			1,330
Total general fund	($3,699,079)	$650,000	($10,039,942)	($9,588,796)

House Bill No. 1003 - Other Funds Summary

	EXECUTIVE BUDGET	HOUSE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	SENATE VERSION	COMPARISON TO SENATE
University System office	$2,437,810	$2,686,810	$2,730,720	$5,417,530	$2,643,730	$2,773,800
Bismarck State College	27,805	27,805	5,706,245	5,734,050	5,707,555	26,495
Lake Region State College	3,007,600	2,007,600	1,000,000	3,007,600	3,007,600	
Williston State College	1,400,000	2,300,000		2,300,000	2,300,000	
University of North Dakota	78,200,000	74,100,000	3,820,000	77,920,000	77,700,000	220,000
UND Medical Center						
North Dakota State University	20,500,000	35,500,000	11,000,000	46,500,000	46,000,000	500,000
State College of Science	8,414,000	8,414,000	1,670,420	10,084,420	8,414,000	1,670,420
Dickinson State University	8,000,000	8,000,000		8,000,000	8,000,000	
Mayville State University	900,000	900,000		900,000	9,000,000	
Minot State University	5,575,550	1,239,150	167,465	1,406,615	1,239,150	167,465
Valley City State University			2,200,000	2,200,000		2,200,000
Minot State University - Bottineau	12,905	12,905	239,095	252,000	12,905	239,095
Forest Service	997,486	997,486		997,486	997,486	
Total other funds	$129,473,156	$136,185,756	$28,533,945	$164,719,701	$156,922,426	$7,797,275

Detail of Conference Committee Changes to Other Funds

	RESTORES COMPENSATION PACKAGE TO 5/5 [1]	ALLOCATES FUNDING FOR MAYVILLE STATE UNIVERSITY MASTER PLAN TO OPERATIONS [2]	INCREASES FUNDING FOR THE COMPETITIVE RESEARCH PROGRAM [3]	INCREASES FUNDING FOR BOARD INITIATIVES [4]	DECREASES FUNDING FOR SYSTEM GOVERNANCE [5]	INCREASES FUNDING FOR SUPPORT OF THE CONNECTND SYSTEM [6]
University System office						
Bismarck State College						
Lake Region State College						
Williston State College						
University of North Dakota						
UND Medical Center						
North Dakota State University						
State College of Science						
Dickinson State University						
Mayville State University						
Minot State University						
Valley City State University						
Minot State University - Bottineau						
Forest Service						
Total other funds	$0	$0	$0	$0	$0	$0

	INCREASES FUNDING FOR THE NORTHERN TIER NETWORK AND CHANGES FUNDING SOURCE [7]	REMOVES FUNDING FOR THE OPERATIONS POOL [8]	REMOVES FUNDING FOR CONTINGENCY AND CAPITAL EMERGENCY [9]	DECREASES FUNDING FOR PROFESSIONAL LIABILITY INSURANCE [10]	INCREASES FUNDING FOR THE KANSAS STATE UNIVERSITY VETERINARY MEDICINE PROGRAM [11]	REMOVES FUNDING FOR EDUCATION INCENTIVE PROGRAMS [12]
University System office	$2,773,800				$205,920	($249,000)
Bismarck State College						
Lake Region State College						

Williston State College						
University of North Dakota						
UND Medical Center						
North Dakota State University						
State College of Science						
Dickinson State University						
Mayville State University						
Minot State University						
Valley City State University						
Minot State University - Bottineau						
Forest Service						
Total other funds	$2,773,800	$0	$0	$0	$205,920	($249,000)

	PROVIDES 1 PERCENT OPERATING REDUCTION	ADJUSTS FUNDING FOR OPERATIONS [13]	ADJUSTS FUNDING FOR CAPITAL ASSETS [14]	TOTAL OTHER FUNDS CHANGES
University System office				$2,730,720
Bismarck State College			$5,706,245	5,706,245
Lake Region State College			1,000,000	1,000,000
Williston State College				
University of North Dakota			3,820,000	3,820,000
UND Medical Center				
North Dakota State University			11,000,000	11,000,000
State College of Science			1,670,420	1,670,420
Dickinson State University				
Mayville State University				
Minot State University			167,465	167,465
Valley City State University			2,200,000	2,200,000
Minot State University - Bottineau			239,095	239,095
Forest Service				
Total other funds	$0	$0	$25,803,225	$28,533,945

House Bill No. 1003 - All Funds Summary

	EXECUTIVE BUDGET	HOUSE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	SENATE VERSION	COMPARISON TO SENATE
University System office	$73,348,533	$72,080,990	$1,937,658	$74,018,648	$74,718,648	($700,000)
Bismarck State College	20,799,330	20,587,433	5,693,816	26,281,249	26,479,080	(197,831)
Lake Region State College	9,660,871	9,607,299	(11,705)	9,595,594	9,660,871	(65,277)
Williston State College	7,996,300	8,830,366	(457)	8,829,909	8,896,300	(66,391)
University of North Dakota	193,608,905	191,861,920	174,185	192,036,105	193,108,905	(1,072,800)
UND Medical Center	33,874,938	34,238,963	(9,774)	34,229,189	34,574,938	(345,749)
North Dakota State University	119,527,336	133,439,378	10,689,776	144,129,154	145,027,336	(898,182)
State College of Science	38,830,758	38,917,159	85,500	39,002,659	39,280,758	(278,099)
Dickinson State University	25,917,119	25,729,961	168,174	25,898,135	25,917,119	(18,984)
Mayville State University	11,736,719	12,208,021	(177,167)	12,030,854	11,879,752	151,102
Minot State University	39,698,842	39,445,085	2,652	39,447,737	39,749,442	(301,705)
Valley City State University	15,979,831	15,851,252	394,743	16,245,995	16,379,831	(133,836)
Minot State University - Bottineau	5,182,179	5,138,046	(3,582)	5,134,464	5,182,179	(47,715)
Forest Service	3,538,935	3,513,993	1,330	3,515,323	3,538,935	(23,612)
Total all funds	$599,700,596	$611,449,866	$18,945,149	$630,395,015	$634,394,094	($3,999,079)
FTE	2134.59	2136.59	0.00	2136.59	2136.59	0.00

Detail of Conference Committee Changes to All Funds

	RESTORES COMPENSATION PACKAGE TO 5/5 [1]	ALLOCATES FUNDING FOR MAYVILLE STATE UNIVERSITY MASTER PLAN TO OPERATIONS [2]	INCREASES FUNDING FOR THE COMPETITIVE RESEARCH PROGRAM [3]	INCREASES FUNDING FOR BOARD INITIATIVES [4]	DECREASES FUNDING FOR SYSTEM GOVERNANCE [5]	INCREASES FUNDING FOR SUPPORT OF THE CONNECTND SYSTEM [6]
University System office	$199,479	($250,000)	$150,000	$98,500	($200,000)	$2,300,000
Bismarck State College	211,897					
Lake Region State College	53,572					
Williston State College	65,934					
University of North Dakota	1,246,985					
UND Medical Center	335,975					
North Dakota State University	1,087,958					
State College of Science	263,599					
Dickinson State University	187,158					
Mayville State University	88,198	250,000				
Minot State University	304,357					
Valley City State University	128,579					
Minot State University - Bottineau	44,133					
Forest Service	24,942					
Total all funds	$4,242,766	$0	$150,000	$98,500	($200,000)	$2,300,000
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	INCREASES FUNDING FOR THE NORTHERN TIER NETWORK AND CHANGES FUNDING SOURCE [7]	REMOVES FUNDING FOR THE OPERATIONS POOL [8]	REMOVES FUNDING FOR CONTINGENCY AND CAPITAL EMERGENCY [9]	DECREASES FUNDING FOR PROFESSIONAL LIABILITY INSURANCE [10]	INCREASES FUNDING FOR THE KANSAS STATE UNIVERSITY VETERINARY MEDICINE PROGRAM [11]	REMOVES FUNDING FOR EDUCATION INCENTIVE PROGRAMS [12]
University System office	$373,800	($144,559)	($296,482)	($250,000)	$205,920	($249,000)
Bismarck State College						
Lake Region State College						
Williston State College						
University of North Dakota						
UND Medical Center						
North Dakota State University						
State College of Science						
Dickinson State University						
Mayville State University						
Minot State University						
Valley City State University						
Minot State University - Bottineau						
Forest Service						
Total all funds	$373,800	($144,559)	($296,482)	($250,000)	$205,920	($249,000)
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	PROVIDES 1 PERCENT OPERATING REDUCTION	ADJUSTS FUNDING FOR OPERATIONS [13]	ADJUSTS FUNDING FOR CAPITAL ASSETS [14]	TOTAL ALL FUNDS CHANGES
University System office				$1,937,658
Bismarck State College	($197,831)		$5,679,750	5,693,816
Lake Region State College	(65,277)			(11,705)
Williston State College	(66,391)			(457)
University of North Dakota	(1,072,800)			174,185
UND Medical Center	(345,749)			(9,774)
North Dakota State University	(898,182)		10,500,000	10,689,776
State College of Science	(278,099)	$100,000		85,500
Dickinson State University	(168,984)	150,000		168,174
Mayville State University	(98,898)		(416,467)	(177,167)
Minot State University	(301,705)			2,652
Valley City State University	(133,836)	400,000		394,743
Minot State University - Bottineau	(47,715)			(3,582)
Forest Service	(23,612)			1,330
Total all funds	($3,699,079)	$650,000	$15,763,283	$18,945,149
FTE	0.00	0.00	0.00	0.00

1 This amendment restores funding for salary increases of 5 percent for each year of the 2007-09 biennium, same as the Senate version.

2 This amendment allocates $250,000 of the $1 million from the general fund included in the executive budget recommendation for Mayville State University for deferred maintenance and developing a long-range master plan to the university for support of campus operations. This allocation was not included in either the House or Senate version.

3 This amendment increases funding for competitive research by $150,000 from the general fund, from $5,550,000 as provided for in the executive budget recommendation to $5,650,000, same as the Senate version.

4 This amendment increases funding for board initiatives by $98,500 from the general fund, from $300,000 to $398,500. The funding of $98,500 is to be used for a recruiting initiative for Minot State University - Bottineau. The initiative is a pilot project and Minot State University - Bottineau is to report to the 61st Legislative Assembly on the effectiveness of the initiative. This increase was also included in the Senate version although in the Senate version it was a shared initiative between Minot State University - Bottineau and Minot State University.

5 This amendment decreases funding for system governance by $200,000 from the general fund. This decrease was not included in either the House or Senate version.

6 This amendment increases one-time funding provided for support of the ConnectND system by $2,300,000 from the general fund, from $3,700,000 as provided for in the executive budget to $6,000,000, same as the Senate version.

7 This amendment increases funding for the Northern Tier Network project by $373,800, from $2,400,000 to $2,773,800, and changes the funding source from the general fund to the permanent oil tax trust fund. The following is a summary of funding for the Northern Tier Network project:

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE VERSION	CONFERENCE COMMITTEE VERSION
General fund	$1,000,000	$2,400,000	$2,773,800	
Permanent oil tax trust fund				$2,773,800
Total	$1,000,000	$2,400,000	$2,773,800	$2,773,800

8 This amendment removes funding of $144,559 from the general fund for the operations pool, same as the Senate version.

9 This amendment removes funding of $296,482 from the general fund for contingency and capital emergency, same as the Senate version.

10 This amendment decreases funding for professional liability insurance by $250,000 from the general fund. This decrease was not included in either the House or Senate version.

11 This amendment increases funding for the Kansas State University veterinary medicine program by $205,920, from $317,460 to $523,380 from the student loan trust fund, to fund five new students per year in the 2007-09 biennium, same as the Senate version.

12 This amendment decreases funding for the education incentive programs by $249,000, from $1,989,314, as provided for by the House, to $1,227,902. The additional funding of $249,000 was related to increases in the teacher shortage loan forgiveness program as provided in House Bill No. 1249. House Bill No. 1249 was defeated by the Senate; therefore, the additional funding provided for in House Bill No. 1003 is removed. This decrease was also included in the Senate version.

13 Dickinson State University - This amendment provides funding of $150,000 from the general fund for one-time startup funding for establishing a Theodore Roosevelt Center. This funding was not included in the House or Senate version.

State College of Science and Valley City State University - This amendment provides funding of $500,000 from the general fund to support campus operations at the State College of Science ($100,000) and Valley City State University ($400,000), same as the Senate version.

14 Bismarck State College - This amendment appropriates funding of $5,679,750 from special funds for reauthorization of the college's student housing project.

This amendment also requires an additional local match for the college's Schafer Hall renovation of $26,495. The following is a summary of funding for the project:

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE VERSION	CONFERENCE COMMITTEE VERSION
General fund	$515,195	$515,195	$515,195	$488,700
Special funds	27,805	27,805	27,805	54,300
Total	$543,000	$543,000	$543,000	$543,000

Lake Region State College - This amendment changes the funding source for the college's wind energy project as follows:

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE VERSION	CONFERENCE COMMITTEE VERSION
General fund		$1,000,000		
Special funds	$3,007,600	2,007,600	$3,007,600	$3,007,600
Total	$3,007,600	$3,007,600	$3,007,600	$3,007,600

University of North Dakota - This amendment changes the funding source of the UND School of Medicine and Health Sciences new Bismarck family medicine residency facility as follows:

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE VERSION	CONFERENCE COMMITTEE VERSION
General fund		$3,600,000		
Special funds	$4,500,000	400,000	$4,000,000	$4,000,000
Total	$4,500,000	$4,000,000	$4,000,000	$4,000,000

This amendment also requires a local match for the university's O'Kelly Hall and Ireland laboratory renovation of $220,000. The following is a summary of funding for the project:

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE VERSION	CONFERENCE COMMITTEE VERSION
General fund	$2,200,000	$2,200,000	$2,200,000	$1,980,000
Special funds				220,000
Total	$2,200,000	$2,200,000	$2,200,000	$2,200,000

North Dakota State University - This amendment increases the special funds appropriation to the university to reauthorize the Bison Sports Arena renovation project by $10,500,000, from $15,000,000 to $25,500,000, same as the Senate version.

This amendment also requires a local match for the university's Minard Hall renovation of $500,000. The following is a summary of funding for the project:

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE VERSION	CONFERENCE COMMITTEE VERSION
General fund	$500,000	$500,000	$500,000	$4,500,000
Special funds				500,000
Total	$5,000,000	$5,000,000	$5,000,000	$5,000,000

State College of Science - This amendment changes the funding source for the college's steamline project from the general fund to the permanent oil tax trust fund. The following is a summary of funding for the project:

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE VERSION	CONFERENCE COMMITTEE VERSION
General fund	$1,670,420	$1,670,420	$1,670,420	
Permanent oil tax trust fund				$1,670,420
Total	$1,670,420	$1,670,420	$1,670,420	$1,670,420

Mayville State University - This amendment decreases funding added by the House for the payoff of special assessments and other deferred maintenance issues by $416,467 from the general fund, from $559,500 to $143,033, same as the Senate version.

Minot State University - This amendment requires an additional local match for the university's Swain Hall renovation and addition of $167,465. The following is a summary of funding for the project:

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE VERSION	CONFERENCE COMMITTEE VERSION
General fund	$2,500,000	$6,500,000	$6,500,000	$6,332,535
Special funds	4,536,150	536,150	536,150	703,615
Total	$7,036,150	$7,036,150	$7,036,150	$7,036,150

Valley City State University - This amendment changes the funding source for the university's steamline project from the general fund to the permanent oil tax trust fund. The following is a summary of funding for the project:

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE VERSION	CONFERENCE COMMITTEE VERSION
General fund	$2,200,000	$2,200,000	$2,200,000	
Permanent oil tax trust fund				$2,200,000
Total	$2,200,000	$2,200,000	$2,200,000	$2,200,000

Minot State University - Bottineau - This amendment changes the funding source for the university's steamline project from the general fund to the permanent oil tax trust fund. The following is a summary of funding for the project:

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE VERSION	CONFERENCE COMMITTEE VERSION
General fund	$239,095	$239,095	$239,095	
Permanent oil tax trust fund				$230,095
Special funds	12,905	12,905	12,905	12,905
Total	$252,000	$252,000	$252,000	$252,000

House Bill No. 1003 - Other Changes - Conference Committee Action

This amendment also:

- Amends Section 17 of the engrossed bill to provide that the State Board of Higher Education shall limit any annual tuition increase for the 2007-08 and 2008-09 academic years to not more than 5 percent for each year unless the board receives prior Budget Section approval, same as the Senate version.
- Adds a section to provide that participating higher education institutions are responsible for funding maintenance costs associated with the Northern Tier Network, same as the Senate version.
- Adds a section to allow the State Board of Higher Education to authorize construction of a College of Business building off the North Dakota State University campus, same as the Senate version.
- Adds sections to provide for a study of higher education and professional student exchange programs and removes study language added by the House, same as the Senate version.
- Amends Section 23 of the engrossed bill relating to the use of unspent 2005-07 general fund appropriations to provide that the State Board of Higher Education shall use $200,000 of the unspent 2005-07 general fund appropriation for completing and furnishing the Thatcher Hall renovation and addition at Minot State University - Bottineau, same as the Senate version.
- Amends Section 26 of the engrossed bill to remove the repeal of Sections 1 and 2 of House Bill No. 1031 and to repeal Section 15-12-27 of the North Dakota Century Code relating to North Dakota State University's 18th Street Development Fund, same as the Senate version.
- Adds a section of legislative intent regarding the UND School of Medicine Bismarck family practice center.
- Amends the one-time funding section and emergency clause for the bill as appropriate.

REPORT OF CONFERENCE COMMITTEE
(ACCEDE/RECEDE)

Bill Number HB 1003 (, as (re)engrossed): Date: 4/21/07

Your Conference Committee House Appropriations

For the Senate:	YES / NO	For the House:	YES / NO
Sen Holmberg		Rep. Wald	
Sen. Christmann		Rep Monson	
Sen. Robinson		Rep Aarsvold	

recommends that the (SENATE/HOUSE) (ACCEDE to) (RECEDE from)

the (Senate/House) amendments on (SJ/HJ) page(s) _____ -- _____

____, and place _____ on the Seventh order.

____, adopt (further) amendments as follows, and place _____ on the Seventh order:

____, having been unable to agree, recommends that the committee be discharged and a new committee be appointed.

((Re)Engrossed) _____ was placed on the Seventh order of business on the calendar.

DATE: _____ Memore • 0225
CARRIER: _____

LC NO. of amendment
LC NO. of engrossment
Emergency clause added or deleted
Statement of purpose of amendment

MOTION MADE BY: Rep Monson

SECONDED BY: Sen. Robinson Carried by voice vote

VOTE COUNT ___ YES ___ NO ___ ABSENT

Revised 4/1/05

REPORT OF CONFERENCE COMMITTEE

HB 1003, as engrossed: Your conference committee (Sens. Holmberg, Christmann, Robinson and Reps. Wald, Monson, Aarsvold) recommends that the **SENATE RECEDE** from the Senate amendments on HJ pages 1346-1357, adopt amendments as follows, and place HB 1003 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1346-1357 of the House Journal and pages 1025-1035 of the Senate Journal and that Engrossed House Bill No. 1003 be amended as follows:

Page 1, line 3, remove "to provide for"

Page 1, line 4, remove "a transfer;"

Page 1, line 6, replace "sections 1 and 2 of House Bill No. 1031, as" with "section 15-12-27 of the North Dakota Century Code, relating to North Dakota state university's eighteenth street development fund"

Page 1, line 7, remove "approved by the sixtieth legislative assembly, relating to the budgeting process"

Page 5, replace lines 5 through 31 with:

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

Subdivision 1.
NORTH DAKOTA UNIVERSITY SYSTEM OFFICE AND INSTITUTIONS

Capital assets	$2,225,971
Competitive research program	460,000
Board initiatives	(1,486,500)
System governance	314,972
Common information services	10,914,000
Operations pool	(388,559)
Equity pool	(2,000,000)
Contingency and capital emergency	(436,923)
Professional liability insurance	(250,000)
Student financial assistance grants	2,483,095
Professional student exchange program	595,666
Scholars program	616,489
Native American scholarships	128,638
Education incentive programs	512,412
Total all funds - Adjustments/enhancements	$13,689,261
Less estimated income - Adjustments/enhancements	2,817,754
Total general fund - Adjustments/enhancements	$10,871,507

Subdivision 2.
BISMARCK STATE COLLEGE

Operations	$2,719,759
Capital assets	2,707,161
Total all funds - Adjustments/enhancements	$5,426,920
Less estimated income - Adjustments/enhancements	1,988,750
Total general fund - Adjustments/enhancements	$3,438,170

Subdivision 3.

LAKE REGION STATE COLLEGE

Operations	$1,072,401
Capital assets	2,745,667
Total all funds - Adjustments/enhancements	$3,818,068
Less estimated income - Adjustments/enhancements	3,007,600
Total general fund - Adjustments/enhancements	$810,468

Subdivision 4.

WILLISTON STATE COLLEGE

Operations	$819,714
Capital assets	(5,879,277)
Total all funds - Adjustments/enhancements	($5,059,563)
Less estimated income - Adjustments/enhancements	(5,660,000)
Total general fund - Adjustments/enhancements	$600,437

Subdivision 5.

UNIVERSITY OF NORTH DAKOTA

Operations	$13,655,628
Capital assets	(18,303,224)
Total all funds - Adjustments/enhancements	($4,647,596)
Less estimated income - Adjustments/enhancements	(23,911,554)
Total general fund - Adjustments/enhancements	$19,263,958

Subdivision 6.

NORTH DAKOTA STATE UNIVERSITY

Operations	$13,115,343
Capital assets	4,016,935
Total all funds - Adjustments/enhancements	$17,132,278
Less estimated income - Adjustments/enhancements	(3,000,000)
Total general fund - Adjustments/enhancements	$20,132,278

Subdivision 7.

NORTH DAKOTA STATE COLLEGE OF SCIENCE

Operations	$2,544,966
Capital assets	1,198,613
Total all funds - Adjustments/enhancements	$3,743,579
Less estimated income - Adjustments/enhancements	565,500
Total general fund - Adjustments/enhancements	$3,178,079

Subdivision 8.

DICKINSON STATE UNIVERSITY

Operations	$2,017,745
Capital assets	(465,484)
Total all funds - Adjustments/enhancements	$1,552,261
Less estimated income - Adjustments/enhancements	(1,100,557)
Total general fund - Adjustments/enhancements	$2,652,818

Subdivision 9.

MAYVILLE STATE UNIVERSITY

Operations	$1,037,261
Capital assets	130,969
Total all funds - Adjustments/enhancements	$1,168,230
Less estimated income - Adjustments/enhancements	(600,000)
Total general fund - Adjustments/enhancements	$1,768,230

Subdivision 10.

MINOT STATE UNIVERSITY

Operations	$2,652,994
Capital assets	367,024
Total all funds - Adjustments/enhancements	$3,020,018
Less estimated income - Adjustments/enhancements	(7,128,385)
Total general fund - Adjustments/enhancements	$10,148,403

Subdivision 11.

VALLEY CITY STATE UNIVERSITY

Operations	$1,443,234
Capital assets	2,487,819
Total all funds - Adjustments/enhancements	$3,931,053
Less estimated income - Adjustments/enhancements	2,200,000
Total general fund - Adjustments/enhancements	$1,731,053

Subdivision 12.

MINOT STATE UNIVERSITY - BOTTINEAU

Operations	$389,302
Capital assets	(5,699,023)
Total all funds - Adjustments/enhancements	($5,309,721)
Less estimated income - Adjustments/enhancements	(5,748,000)
Total general fund - Adjustments/enhancements	$438,279

Subdivision 13.

UNIVERSITY OF NORTH DAKOTA SCHOOL OF MEDICINE AND HEALTH SCIENCES

Operations	$2,868,187
Total general fund - Adjustments/enhancements	$2,868,187

Subdivision 14.

NORTH DAKOTA FOREST SERVICE

Operations	$409,473
Capital assets	78,566
Total all funds - Adjustments/enhancements	$488,039
Less estimated income - Adjustments/enhancements	22,485
Total general fund - Adjustments/enhancements	$465,554
Total general fund - Section 2	$78,367,421
Total estimated income - Section 2	($36,546,407)
Total all funds - Section 2	$41,821,014

SECTION 3. 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 office and the various entities and institutions under the supervision of the state board of higher education for the purpose of defraying the expenses of those entities and institutions, for the biennium beginning July 1, 2007, and ending June 30, 2009, as follows:

Subdivision 1.

NORTH DAKOTA UNIVERSITY SYSTEM OFFICE AND INSTITUTIONS

Capital assets	$16,504,112
Competitive research program	5,650,000
Board initiatives	398,500
System governance	5,883,394
Title II	695,600

Common information services	31,477,093
Professional liability insurance	1,100,000
Student financial assistance grants	5,987,497
Professional student exchange program	2,722,946
Scholars program	1,478,566
Native American scholarships	380,626
Education incentive programs	1,740,314
Total all funds	$74,018,648
Less estimated income	5,417,530
Total general fund appropriation	$68,601,118

Subdivision 2.

BISMARCK STATE COLLEGE

Operations	$19,585,307
Capital assets	6,695,942
Total all funds	$26,281,249
Less estimated income	5,734,050
Total general fund appropriation	$20,547,199

Subdivision 3.

LAKE REGION STATE COLLEGE

Operations	$6,462,390
Capital assets	3,133,204
Total all funds	$9,595,594
Less estimated income	3,007,600
Total general fund appropriation	$6,587,994

Subdivision 4.

WILLISTON STATE COLLEGE

Operations	$6,572,711
Capital assets	2,257,198
Total all funds	$8,829,909
Less estimated income	2,300,000
Total general fund appropriation	$6,529,909

Subdivision 5.

UNIVERSITY OF NORTH DAKOTA

Operations	$106,207,230
Capital assets	81,828,875
Total all funds	$188,036,105
Less estimated income	73,920,000
Total general fund appropriation	$114,116,105

Subdivision 6.

NORTH DAKOTA STATE UNIVERSITY

Operations	$88,919,993
Capital assets	43,209,161
Total all funds	$132,129,154
Less estimated income	34,500,000
Total general fund appropriation	$97,629,154

Subdivision 7.

NORTH DAKOTA STATE COLLEGE OF SCIENCE

Operations	$27,531,794
Capital assets	4,756,865
Total all funds	$32,288,659

Less estimated income	3,370,420
Total general fund appropriation	$28,918,239

Subdivision 8.

DICKINSON STATE UNIVERSITY

Operations	$16,729,372
Capital assets	9,018,763
Total all funds	$25,748,135
Less estimated income	8,000,000
Total general fund appropriation	$17,748,135

Subdivision 9.

MAYVILLE STATE UNIVERSITY

Operations	$10,040,891
Capital assets	1,989,963
Total all funds	$12,030,854
Less estimated income	900,000
Total general fund appropriation	$11,130,854

Subdivision 10.

MINOT STATE UNIVERSITY

Operations	$29,868,843
Capital assets	9,578,894
Total all funds	$39,447,737
Less estimated income	1,406,615
Total general fund appropriation	$38,041,122

Subdivision 11.

VALLEY CITY STATE UNIVERSITY

Operations	$13,249,760
Capital assets	2,996,235
Total all funds	$16,245,995
Less estimated income	2,200,000
Total general fund appropriation	$14,045,995

Subdivision 12.

MINOT STATE UNIVERSITY - BOTTINEAU

Operations	$4,723,762
Capital assets	410,702
Total all funds	$5,134,464
Less estimated income	252,000
Total general fund appropriation	$4,882,464

Subdivision 13.

UNIVERSITY OF NORTH DAKOTA SCHOOL OF MEDICINE AND HEALTH SCIENCES

Operations	$34,229,189
Total general fund appropriation	$34,229,189

Subdivision 14.

NORTH DAKOTA FOREST SERVICE

Operations	$3,335,119
Capital assets	180,204
Total all funds	$3,515,323
Less estimated income	997,486
Total general fund appropriation	$2,517,837
Total general fund appropriation - Section 3	$465,525,314

Total estimated income appropriation - Section 3	$142,005,701
Total all funds appropriation - Section 3	$607,531,015
Grand total general fund appropriation - H.B. 1003	$465,675,314
Grand total estimated income appropriation - H.B. 1003	$164,719,701
Grand total all funds appropriation - H.B. 1003	$630,395,015

SECTION 4. APPROPRIATION. There is appropriated out of any moneys in the general fund, not otherwise appropriated, the sum of $150,000, or so much of the sum as may be necessary, to Dickinson state university for the purpose of providing one-time startup funding for establishing a Theodore Roosevelt center, for the biennium beginning July 1, 2007, and ending June 30, 2009."

Page 6, remove lines 1 through 31

Page 7, remove lines 1 through 30

Page 8, remove lines 1 through 30

Page 9, remove lines 1 through 30

Page 10, remove lines 1 through 31

Page 11, remove lines 1 through 30

Page 12, remove lines 1 through 23

Page 12, line 24, after "**INITIATIVES**" insert "**- REPORT TO THE SIXTY-FIRST LEGISLATIVE ASSEMBLY**", after "The" insert "board initiatives line item in subdivision 1 of section 3 of this Act includes the", and remove "of the funding included in"

Page 12, line 25, remove "the board initiatives line item in subdivision 1 of section 3 of this Act must be used"

Page 12, line 26, after "funds" insert "and the sum of $98,500 for a recruiting initiative for Minot state university - Bottineau. The funding for the initiative is provided for a two-year pilot basis. Minot state university - Bottineau shall report on the effectiveness of the initiative to the appropriations committees of the sixty-first legislative assembly"

Page 13, remove lines 1 through 4

Page 13, line 5, replace "$28,652,267" with "$31,477,093"

Page 13, remove lines 14 through 18

Page 13, line 20, replace "$1,000,000" with "$750,000"

Page 13, line 25, replace "$317,460" with "$523,380"

Page 13, line 29, replace "$900,000" with "$7,783,315"

Page 13, line 30, after "fund" insert "of which $2,773,800 is for northern tier network infrastructure, $4,109,515 is for steamline projects at the state college of science, Valley City state university, and Minot state university - Bottineau, and $900,000 is"

Page 16, remove lines 27 through 31

Page 17, line 1, after "**LIMIT**" insert "**- BUDGET SECTION APPROVAL**"

Page 17, line 4, after "year" insert "unless the board receives prior budget section approval"

Page 17, replace lines 5 through 31 with:

"**SECTION 19. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-FIRST LEGISLATIVE ASSEMBLY.** The grand total appropriation in section 3 of this Act includes $28,382,068 from the general fund and $7,583,315 from the permanent oil tax trust fund for one-time funding items identified in this section. This amount is not part of the institutions' base budgets to be used in preparing the 2009-11 executive budget. The North Dakota university system shall report to the appropriations committees of the sixty-first legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2007, and ending June 30, 2009.

Northern tier network infrastructure from permanent oil tax trust fund	$2,773,800
ConnectND system support	2,300,000
Common information system pool parity funding	420,000
Deferred maintenance	10,893,033
Capital projects	13,808,235
Capital projects from permanent oil tax trust fund	4,809,515
Campus initiatives	960,800
Total	$35,965,383"

Page 18, remove lines 1 through 15

Page 18, line 17, replace "make available" with "use"

Page 18, line 19, replace "the payment of any consulting services relating to the legislative" with "completing and furnishing the thatcher hall renovation and addition at Minot state university - Bottineau"

Page 18, line 20, remove "council study of higher education"

Page 18, after line 21, insert:

"**SECTION 21. LEGISLATIVE INTENT - NORTHERN TIER NETWORK.** It is the intent of the sixtieth legislative assembly that higher education institutions utilizing the northern tier network be responsible for funding the related ongoing maintenance costs for the network.

SECTION 22. NORTH DAKOTA STATE UNIVERSITY - COLLEGE OF BUSINESS BUILDING. The state board of higher education may enter an agreement or agreements with the North Dakota state university foundation or other private entity and do all things necessary and proper to authorize construction by the foundation or other private entity of a college of business building off the North Dakota state university campus, using donations, gifts, or other private funds.

SECTION 23. LEGISLATIVE COUNCIL STUDY - HIGHER EDUCATION.

1. The legislative council shall consider appointing a higher education committee for the 2007-08 interim. If appointed, the committee shall spend a majority of time studying the means by which the North Dakota university system can further contribute to developing and attracting the human capital to meet North Dakota's economic and workforce needs, and if time allows, the committee may visit select higher education institutions.

2. The study must focus on ways to increase postsecondary access, improve the quality of education, contain costs and other means, including productivity, to maximize the usage of the North Dakota university system in meeting the human capital needs of the state.

3. The study must include a review of policy recommendations, as appropriate, which address the postsecondary delivery system, including the mix of institutions, educational attainment gaps, degree production gaps, recruitment and retention of students, and workforce training needs.

4. The study must include a review of the impact of the state's changing demographics on the university system long-term financing plan.

5. The study must recommend goals for each of the higher education cornerstones.

6. The study may include the use of a higher education roundtable format.

7. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-first legislative assembly.

8. The state board of higher education also shall take the recommendations into account and make appropriate changes to practices, board policy, and budget needs and allocation.

SECTION 24. LEGISLATIVE COUNCIL STUDY - PROFESSIONAL STUDENT EXCHANGE PROGRAMS. The legislative council shall consider studying, during the 2007-08 interim, higher education professional student exchange programs. The study should include review of:

1. The amount of annual tuition and fees paid by students for health care-related professional education programs.

2. The amount of annual support fees paid by the state for health care-related professional education programs.

3. The number of state-supported slots funded and demand for state-supported slots, including the consideration of basing the number of slots on the estimated workforce needs to fill positions due to retirements, geographic, and professional specific service needs.

4. The present repayment provisions and loan forgiveness programs to determine cost-effectiveness, equality issues, and development of program enhancements that would aid in the recruitment of professional students to return to the state to practice their chosen profession.

5. Discontinuation of the contracts with the western interstate commission on higher education for access to veterinary medicine programs and consideration of negotiating contracts for veterinary medicine with Kansas, Iowa, and Minnesota.

The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-first legislative assembly.

SECTION 25. LEGISLATIVE INTENT - BISMARCK FAMILY PRACTICE CENTER. It is the intent of the sixtieth legislative assembly that the university of North Dakota school of medicine and health sciences may construct, renovate, remodel, purchase, or lease a building for the Bismarck family practice center."

Page 20, line 9, replace "Sections 1 and 2 of House Bill No. 1031, as approved by the" with "Section 15-12-27 of the North Dakota Century Code is"

Page 20, line 10, remove "sixtieth legislative assembly, are"

Page 20, line 11, replace "25" with "27"

Page 20, line 14, replace the comma with "and"

Page 20, line 15, remove ", and contingency and capital emergency"

Page 20, line 16, replace "9" with "4, 8, 15, 16," and replace "15" with "22"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1003 - Summary of Conference Committee Action

	EXECUTIVE BUDGET	HOUSE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	SENATE VERSION	COMPARISON TO SENATE
University System office						
Total all funds	$73,348,533	$72,080,990	$1,937,658	$74,018,648	$74,718,648	($700,000)
Less estimated income	2,437,810	2,686,810	2,730,720	5,417,530	2,643,730	2,773,800
General fund	$70,910,723	$69,394,180	($793,062)	$68,601,118	$72,074,918	($3,473,800)
Bismarck State College						
Total all funds	$20,799,330	$20,587,433	$5,693,816	$26,281,249	$26,479,080	($197,831)
Less estimated income	27,805	27,805	5,706,245	5,734,050	5,707,555	26,495
General fund	$20,771,525	$20,559,628	($12,429)	$20,547,199	$20,771,525	($224,326)
Lake Region State College						
Total all funds	$9,660,871	$9,607,299	($11,705)	$9,595,594	$9,660,871	($65,277)
Less estimated income	3,007,600	2,007,600	1,000,000	3,007,600	3,007,600	
General fund	$6,653,271	$7,599,699	($1,011,705)	$6,587,994	$6,653,271	($65,277)
Williston State College						
Total all funds	$7,996,300	$8,830,366	($457)	$8,829,909	$8,896,300	($66,391)
Less estimated income	1,400,000	2,300,000		2,300,000	2,300,000	
General fund	$6,596,300	$6,530,366	($457)	$6,529,909	$6,596,300	($66,391)
University of North Dakota						
Total all funds	$193,608,905	$191,861,920	$174,185	$192,036,105	$193,108,905	($1,072,800)
Less estimated income	78,200,000	74,100,000	3,820,000	77,920,000	77,700,000	220,000
General fund	$115,408,905	$117,761,920	($3,645,815)	$114,116,105	$115,408,905	($1,292,800)
UND Medical Center						
Total all funds	$33,874,938	$34,238,963	($9,774)	$34,229,189	$34,574,938	($345,749)
Less estimated income						
General fund	$33,874,938	$34,238,963	($9,774)	$34,229,189	$34,574,938	($345,749)
North Dakota State University						
Total all funds	$119,527,336	$133,439,378	$10,689,776	$144,129,154	$145,027,336	($898,182)
Less estimated income	20,500,000	35,500,000	11,000,000	46,500,000	46,000,000	500,000
General fund	$99,027,336	$97,939,378	($310,224)	$97,629,154	$99,027,336	($1,398,182)
State College of Science						
Total all funds	$38,830,758	$38,917,159	$85,500	$39,002,659	$39,280,758	($278,099)
Less estimated income	8,414,000	8,414,000	1,670,420	10,084,420	8,414,000	1,670,420
General fund	$30,416,758	$30,503,159	($1,584,920)	$28,918,239	$30,866,758	($1,948,519)
Dickinson State University						
Total all funds	$25,917,119	$25,729,961	$168,174	$25,898,135	$25,917,119	($18,984)
Less estimated income	8,000,000	8,000,000		8,000,000	8,000,000	

General fund	$17,917,119	$17,729,961	$168,174	$17,898,135	$17,917,119	($18,984)
Mayville State University						
Total all funds	$11,736,719	$12,208,021	($177,167)	$12,030,854	$11,879,752	$151,102
Less estimated income	900,000	900,000		900,000	900,000	
General fund	$10,836,719	$11,308,021	($177,167)	$11,130,854	$10,979,752	$151,102
Minot State University						
Total all funds	$39,698,842	$39,445,085	$2,652	$39,447,737	$39,749,442	($301,705)
Less estimated income	5,575,550	1,239,150	167,465	1,406,615	1,239,150	167,465
General fund	$34,123,292	$38,205,935	($164,813)	$38,041,122	$38,510,292	($469,170)
Valley City State University						
Total all funds	$15,979,831	$15,851,252	$394,743	$16,245,995	$16,379,831	($133,836)
Less estimated income			2,200,000	2,200,000		2,200,000
General fund	$15,979,831	$15,851,252	($1,805,257)	$14,045,995	$16,379,831	($2,333,836)
Minot State University - Bottineau						
Total all funds	$5,182,179	$5,138,046	($3,582)	$5,134,464	$5,182,179	($47,715)
Less estimated income	12,905	12,905	239,095	252,000	12,905	239,095
General fund	$5,169,274	$5,125,141	($242,677)	$4,882,464	$5,169,274	($286,810)
Forest Service						
Total all funds	$3,538,935	$3,513,993	$1,330	$3,515,323	$3,538,935	($23,612)
Less estimated income	997,486	997,486		997,486	997,486	
General fund	$2,541,449	$2,516,507	$1,330	$2,517,837	$2,541,449	($23,612)
Bill Total						
Total all funds	$599,700,596	$611,449,866	$18,945,149	$630,395,015	$634,394,094	($3,999,079)
Less estimated income	129,473,156	136,185,756	28,533,945	164,719,701	156,922,426	7,797,275
General fund	$470,227,440	$475,264,110	($9,588,796)	$465,675,314	$477,471,668	($11,796,354)

House Bill No. 1003 - General Fund Summary

	EXECUTIVE BUDGET	HOUSE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	SENATE VERSION	COMPARISON TO SENATE
University System office	$70,910,723	$69,394,180	($793,062)	$68,601,118	$72,074,918	($3,473,800)
Bismarck State College	20,771,525	20,559,628	(12,429)	20,547,199	20,771,525	(224,326)
Lake Region State College	6,653,271	7,599,699	(1,011,705)	6,587,994	6,653,271	(65,277)
Williston State College	6,596,300	6,530,366	(457)	6,529,909	6,596,300	(66,391)
University of North Dakota	115,408,905	117,761,920	(3,645,815)	114,116,105	115,408,905	(1,292,800)
UND Medical Center	33,874,938	34,238,963	(9,774)	34,229,189	34,574,938	(345,749)
North Dakota State University	99,027,336	97,939,378	(310,224)	97,629,154	99,027,336	(1,398,182)
State College of Science	30,416,758	30,503,159	(1,584,920)	28,918,239	30,866,758	(1,948,519)
Dickinson State University	17,917,119	17,729,961	168,174	17,898,135	17,917,119	(18,984)
Mayville State University	10,836,719	11,308,021	(177,167)	11,130,854	10,979,752	151,102
Minot State University	34,123,292	38,205,935	(164,813)	38,041,122	38,510,292	(469,170)
Valley City State University	15,979,831	15,851,252	(1,805,257)	14,045,995	16,379,831	(2,333,836)
Minot State University - Bottineau	5,169,274	5,125,141	(242,677)	4,882,464	5,169,274	(286,810)
Forest Service	2,541,449	2,516,507	1,330	2,517,837	2,541,449	(23,612)
Total general fund	$470,227,440	$475,264,110	($9,588,796)	$465,675,314	$477,471,668	($11,796,354)

Detail of Conference Committee Changes to the General Fund

	RESTORES COMPENSATION PACKAGE TO 5/5 [1]	ALLOCATES FUNDING FOR MAYVILLE STATE UNIVERSITY MASTER PLAN TO OPERATIONS [2]	INCREASES FUNDING FOR THE COMPETITIVE RESEARCH PROGRAM [3]	INCREASES FUNDING FOR BOARD INITIATIVES [4]	DECREASES FUNDING FOR SYSTEM GOVERNANCE [5]	INCREASES FUNDING FOR SUPPORT OF THE CONNECTND SYSTEM [6]
University System office	$199,479	($250,000)	$150,000	$98,500	($200,000)	$2,300,000
Bismarck State College	211,897					
Lake Region State College	53,572					
Williston State College	65,934					
University of North Dakota	1,246,985					
UND Medical Center	335,975					
North Dakota State University	1,087,958					
State College of Science	263,599					
Dickinson State University	187,158					
Mayville State University	88,198	250,000				
Minot State University	304,357					
Valley City State University	128,579					
Minot State University -	44,133					

Bottineau Forest Service	24,942					
Total general fund	$4,242,766	$0	$150,000	$98,500	($200,000)	$2,300,000
	INCREASES FUNDING FOR THE NORTHERN TIER NETWORK AND CHANGES FUNDING SOURCE [7]	REMOVES FUNDING FOR THE OPERATIONS POOL [8]	REMOVES FUNDING FOR CONTINGENCY AND CAPITAL EMERGENCY [9]	DECREASES FUNDING FOR PROFESSIONAL LIABILITY INSURANCE [10]	INCREASES FUNDING FOR THE KANSAS STATE UNIVERSITY VETERINARY MEDICINE PROGRAM [11]	REMOVES FUNDING FOR EDUCATION INCENTIVE PROGRAMS [12]
University System office	($2,400,000)	($144,559)	($296,482)	($250,000)		
Bismarck State College						
Lake Region State College						
Williston State College						
University of North Dakota						
UND Medical Center						
North Dakota State University						
State College of Science						
Dickinson State University						
Mayville State University						
Minot State University						
Valley City State University						
Minot State University - Bottineau						
Forest Service						
Total general fund	($2,400,000)	($144,559)	($296,482)	($250,000)	$0	$0
	PROVIDES 1 PERCENT OPERATING REDUCTION	ADJUSTS FUNDING FOR OPERATIONS [13]	ADJUSTS FUNDING FOR CAPITAL ASSETS [14]	TOTAL GENERAL FUND CHANGES		
University System office				($793,062)		
Bismarck State College	($197,631)		($26,495)	(12,429)		
Lake Region State College	(65,277)		(1,000,000)	(1,011,705)		
Williston State College	(66,391)			(457)		
University of North Dakota	(1,072,800)		(3,820,000)	(3,645,815)		
UND Medical Center	(345,749)			(9,774)		
North Dakota State University	(898,182)		(500,000)	(310,224)		
State College of Science	(278,099)	$100,000	(1,670,420)	(1,584,920)		
Dickinson State University	(168,984)	150,000		168,174		
Mayville State University	(98,898)		(416,467)	(177,167)		
Minot State University	(301,705)		(167,465)	(164,813)		
Valley City State University	(133,836)	400,000	(2,200,000)	(1,805,257)		
Minot State University - Bottineau	(47,715)		(239,095)	(242,677)		
Forest Service	(23,612)			1,330		
Total general fund	($3,699,079)	$650,000	($10,039,942)	($9,588,796)		

House Bill No. 1003 - Other Funds Summary

	EXECUTIVE BUDGET	HOUSE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	SENATE VERSION	COMPARISON TO SENATE
University System office	$2,437,810	$2,686,810	$2,730,720	$5,417,530	$2,643,730	$2,773,800
Bismarck State College	27,805	27,805	5,706,245	5,734,050	5,707,555	26,495
Lake Region State College	3,007,600	2,007,600	1,000,000	3,007,600	3,007,600	
Williston State College	1,400,000	2,300,000		2,300,000	2,300,000	
University of North Dakota	78,200,000	74,100,000	3,820,000	77,920,000	77,700,000	220,000
UND Medical Center						
North Dakota State University	20,500,000	35,500,000	11,000,000	46,500,000	46,000,000	500,000
State College of Science	8,414,000	8,414,000	1,670,420	10,084,420	8,414,000	1,670,420
Dickinson State University	8,000,000	8,000,000		8,000,000	8,000,000	
Mayville State University	900,000	900,000		900,000	9,000,000	
Minot State University	5,575,550	1,239,150	167,465	1,406,615	1,239,150	167,465
Valley City State University			2,200,000	2,200,000		2,200,000
Minot State University - Bottineau	12,905	12,905	239,095	252,000	12,905	239,095
Forest Service	997,486	997,486		997,486	997,486	
Total other funds	$129,473,156	$136,185,756	$28,533,945	$164,719,701	$156,922,426	$7,797,275

Detail of Conference Committee Changes to Other Funds

	RESTORES COMPENSATION PACKAGE TO 5/5 [1]	ALLOCATES FUNDING FOR MAYVILLE STATE UNIVERSITY MASTER PLAN TO OPERATIONS [2]	INCREASES FUNDING FOR THE COMPETITIVE RESEARCH PROGRAM [3]	INCREASES FUNDING FOR BOARD INITIATIVES [4]	DECREASES FUNDING FOR SYSTEM GOVERNANCE [5]	INCREASES FUNDING FOR SUPPORT OF THE CONNECTND SYSTEM [6]
University System office						
Bismarck State College						
Lake Region State College						
Williston State College						
University of North Dakota						
UND Medical Center						
North Dakota State University						
State College of Science						
Dickinson State University						
Mayville State University						
Minot State University						
Valley City State University						
Minot State University - Bottineau						
Forest Service						
Total other funds	$0	$0	$0	$0	$0	$0

	INCREASES FUNDING FOR THE NORTHERN TIER NETWORK AND CHANGES FUNDING SOURCE [7]	REMOVES FUNDING FOR THE OPERATIONS POOL [8]	REMOVES FUNDING FOR CONTINGENCY AND CAPITAL EMERGENCY [9]	DECREASES FUNDING FOR PROFESSIONAL LIABILITY INSURANCE [10]	INCREASES FUNDING FOR THE KANSAS STATE UNIVERSITY VETERINARY MEDICINE PROGRAM [11]	REMOVES FUNDING FOR EDUCATION INCENTIVE PROGRAMS [12]
University System office	$2,773,800				$205,920	($249,000)
Bismarck State College						
Lake Region State College						
Williston State College						
University of North Dakota						
UND Medical Center						
North Dakota State University						
State College of Science						
Dickinson State University						
Mayville State University						
Minot State University						
Valley City State University						
Minot State University - Bottineau						
Forest Service						
Total other funds	$2,773,800	$0	$0	$0	$205,920	($249,000)

	PROVIDES 1 PERCENT OPERATING REDUCTION	ADJUSTS FUNDING FOR OPERATIONS [13]	ADJUSTS FUNDING FOR CAPITAL ASSETS [14]	TOTAL OTHER FUNDS CHANGES
University System office				$2,730,720
Bismarck State College			$5,706,245	5,706,245
Lake Region State College			1,000,000	1,000,000
Williston State College				
University of North Dakota			3,820,000	3,820,000
UND Medical Center				
North Dakota State University			11,000,000	11,000,000
State College of Science			1,670,420	1,670,420
Dickinson State University				
Mayville State University				
Minot State University			167,465	167,465
Valley City State University			2,200,000	2,200,000
Minot State University - Bottineau			239,095	239,095
Forest Service				
Total other funds	$0	$0	$25,803,225	$28,533,945

House Bill No. 1003 - All Funds Summary

	EXECUTIVE BUDGET	HOUSE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	SENATE VERSION	COMPARISON TO SENATE
University System office	$73,348,533	$72,080,990	$1,937,658	$74,018,648	$74,718,648	($700,000)
Bismarck State College	20,799,330	20,587,433	5,693,816	26,281,249	26,479,080	(197,831)

Lake Region State College	9,660,871	9,607,299	(11,705)	9,595,594	9,660,871	(65,277)
Williston State College	7,996,300	8,830,366	(457)	8,829,909	8,896,300	(66,391)
University of North Dakota	193,608,905	191,861,920	174,185	192,036,105	193,108,905	(1,072,800)
UND Medical Center	33,874,938	34,238,963	(9,774)	34,229,189	34,574,938	(345,749)
North Dakota State University	119,527,336	133,439,378	10,689,776	144,129,154	145,027,336	(898,182)
State College of Science	38,830,758	38,917,159	85,500	39,002,659	39,280,758	(278,099)
Dickinson State University	25,917,119	25,729,961	168,174	25,898,135	25,917,119	(18,984)
Mayville State University	11,736,719	12,208,021	(177,167)	12,030,854	11,879,752	151,102
Minot State University	39,698,842	39,445,085	2,652	39,447,737	39,749,442	(301,705)
Valley City State University	15,979,831	15,851,252	394,743	16,245,995	16,379,831	(133,836)
Minot State University - Bottineau	5,182,179	5,138,046	(3,582)	5,134,464	5,182,179	(47,715)
Forest Service	3,538,935	3,513,993	1,330	3,515,323	3,538,935	(23,612)
Total all funds	$599,700,596	$611,449,866	$18,945,149	$630,395,015	$634,394,094	($3,999,079)
FTE	2134.59	2136.59	0.00	2136.59	2136.59	0.00

Detail of Conference Committee Changes to All Funds

	RESTORES COMPENSATION PACKAGE TO 5/5 [1]	ALLOCATES FUNDING FOR MAYVILLE STATE UNIVERSITY MASTER PLAN TO OPERATIONS [2]	INCREASES FUNDING FOR THE COMPETITIVE RESEARCH PROGRAM [3]	INCREASES FUNDING FOR BOARD INITIATIVES [4]	DECREASES FUNDING FOR SYSTEM GOVERNANCE [5]	INCREASES FUNDING FOR SUPPORT OF THE CONNECTND SYSTEM [6]
University System office	$199,479	($250,000)	$150,000	$98,500	($200,000)	$2,300,000
Bismarck State College	211,897					
Lake Region State College	53,572					
Williston State College	65,934					
University of North Dakota	1,246,985					
UND Medical Center	335,975					
North Dakota State University	1,087,958					
State College of Science	263,599					
Dickinson State University	187,158					
Mayville State University	88,198	250,000				
Minot State University	304,357					
Valley City State University	128,579					
Minot State University - Bottineau	44,133					
Forest Service	24,942					
Total all funds	$4,242,766	$0	$150,000	$98,500	($200,000)	$2,300,000
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	INCREASES FUNDING FOR THE NORTHERN TIER NETWORK AND CHANGES FUNDING SOURCE [7]	REMOVES FUNDING FOR THE OPERATIONS POOL [8]	REMOVES FUNDING FOR CONTINGENCY AND CAPITAL EMERGENCY [9]	DECREASES FUNDING FOR PROFESSIONAL LIABILITY INSURANCE [10]	INCREASES FUNDING FOR THE KANSAS STATE UNIVERSITY VETERINARY MEDICINE PROGRAM [11]	REMOVES FUNDING FOR EDUCATION INCENTIVE PROGRAMS [12]
University System office	$373,800	($144,559)	($296,482)	($250,000)	$205,920	($249,000)
Bismarck State College						
Lake Region State College						
Williston State College						
University of North Dakota						
UND Medical Center						
North Dakota State University						
State College of Science						
Dickinson State University						
Mayville State University						
Minot State University						
Valley City State University						
Minot State University - Bottineau						
Forest Service						
Total all funds	$373,800	($144,559)	($296,482)	($250,000)	$205,920	($249,000)
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	PROVIDES 1 PERCENT OPERATING REDUCTION	ADJUSTS FUNDING FOR OPERATIONS [13]	ADJUSTS FUNDING FOR CAPITAL ASSETS [14]	TOTAL ALL FUNDS CHANGES
University System office				$1,937,658
Bismarck State College	($197,831)		$5,679,750	5,693,816
Lake Region State College	(65,277)			(11,705)
Williston State College	(66,391)			(457)
University of North Dakota	(1,072,800)			174,185

UND Medical Center	(345,749)			(9,774)
North Dakota State University	(898,182)		10,500,000	10,689,776
State College of Science	(278,099)	$100,000		85,500
Dickinson State University	(168,984)	150,000		168,174
Mayville State University	(98,898)		(416,467)	(177,167)
Minot State University	(301,705)			2,652
Valley City State University	(133,836)	400,000		394,743
Minot State University - Bottineau	(47,715)			(3,582)
Forest Service	(23,612)			1,330
Total all funds	($3,699,079)	$650,000	$15,763,283	$18,945,149
FTE	0.00	0.00	0.00	0.00

1 This amendment restores funding for salary increases of 5 percent for each year of the 2007-09 biennium, same as the Senate version.

2 This amendment allocates $250,000 of the $1 million from the general fund included in the executive budget recommendation for Mayville State University for deferred maintenance and developing a long-range master plan to the university for support of campus operations. This allocation was not included in either the House or Senate version.

3 This amendment increases funding for competitive research by $150,000 from the general fund, from $5,550,000 as provided for in the executive budget recommendation to $5,650,000, same as the Senate version.

4 This amendment increases funding for board initiatives by $98,500 from the general fund, from $300,000 to $398,500. The funding of $98,500 is to be used for a recruiting initiative for Minot State University - Bottineau. The initiative is a pilot project and Minot State University - Bottineau is to report to the 61st Legislative Assembly on the effectiveness of the initiative. This increase was also included in the Senate version although in the Senate version it was a shared initiative between Minot State University - Bottineau and Minot State University.

5 This amendment decreases funding for system governance by $200,000 from the general fund. This decrease was not included in either the House or Senate version.

6 This amendment increases one-time funding provided for support of the ConnectND system by $2,300,000 from the general fund, from $3,700,000 as provided for in the executive budget to $6,000,000, same as the Senate version.

7 This amendment increases funding for the Northern Tier Network project by $373,800, from $2,400,000 to $2,773,800, and changes the funding source from the general fund to the permanent oil tax trust fund. The following is a summary of funding for the Northern Tier Network project:

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE VERSION	CONFERENCE COMMITTEE VERSION
General fund	$1,000,000	$2,400,000	$2,773,800	
Permanent oil tax trust fund				$2,773,800
Total	$1,000,000	$2,400,000	$2,773,800	$2,773,800

8 This amendment removes funding of $144,559 from the general fund for the operations pool, same as the Senate version.

9 This amendment removes funding of $296,482 from the general fund for contingency and capital emergency, same as the Senate version.

10 This amendment decreases funding for professional liability insurance by $250,000 from the general fund. This decrease was not included in either the House or Senate version.

11 This amendment increases funding for the Kansas State University veterinary medicine program by $205,920, from $317,460 to $523,380 from the student loan trust fund, to fund five new students per year in the 2007-09 biennium, same as the Senate version.

12 This amendment decreases funding for the education incentive programs by $249,000, from $1,989,314, as provided for by the House, to $1,227,902. The additional funding of $249,000 was related to increases in the teacher shortage loan forgiveness program as provided in House Bill No. 1249. House Bill No. 1249 was defeated by the Senate; therefore, the additional funding provided for in House Bill No. 1003 is removed. This decrease was also included in the Senate version.

13 Dickinson State University - This amendment provides funding of $150,000 from the general fund for one-time startup funding for establishing a Theodore Roosevelt Center. This funding was not included in the House or Senate version.

State College of Science and Valley City State University - This amendment provides funding of $500,000 from the general fund to support campus operations at the State College of Science ($100,000) and Valley City State University ($400,000), same as the Senate version.

14 Bismarck State College - This amendment appropriates funding of $5,679,750 from special funds for reauthorization of the college's student housing project.

This amendment also requires an additional local match for the college's Schafer Hall renovation of $26,495. The following is a summary of funding for the project:

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE VERSION	CONFERENCE COMMITTEE VERSION
General fund	$515,195	$515,195	$515,195	$488,700
Special funds	27,805	27,805	27,805	54,300
Total	$543,000	$543,000	$543,000	$543,000

Lake Region State College - This amendment changes the funding source for the college's wind energy project as follows:

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE VERSION	CONFERENCE COMMITTEE VERSION
General fund		$1,000,000		
Special funds	$3,007,600	2,007,600	$3,007,600	$3,007,600
Total	$3,007,600	$3,007,600	$3,007,600	$3,007,600

University of North Dakota - This amendment changes the funding source of the UND School of Medicine and Health Sciences new Bismarck family medicine residency facility as follows:

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE VERSION	CONFERENCE COMMITTEE VERSION
General fund		$3,600,000		
Special funds	$4,500,000	400,000	$4,000,000	$4,000,000
Total	$4,500,000	$4,000,000	$4,000,000	$4,000,000

This amendment also requires a local match for the university's O'Kelly Hall and Ireland laboratory renovation of $220,000. The following is a summary of funding for the project:

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE VERSION	CONFERENCE COMMITTEE VERSION
General fund	$2,200,000	$2,200,000	$2,200,000	$1,980,000
Special funds				220,000
Total	$2,200,000	$2,200,000	$2,200,000	$2,200,000

North Dakota State University - This amendment increases the special funds appropriation to the university to reauthorize the Bison Sports Arena renovation project by $10,500,000, from $15,000,000 to $25,500,000, same as the Senate version.

This amendment also requires a local match for the university's Minard Hall renovation of $500,000. The following is a summary of funding for the project:

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE VERSION	CONFERENCE COMMITTEE VERSION
General fund	$500,000	$500,000	$500,000	$4,500,000
Special funds				500,000
Total	$5,000,000	$5,000,000	$5,000,000	$5,000,000

State College of Science - This amendment changes the funding source for the college's steamline project from the general fund to the permanent oil tax trust fund. The following is a summary of funding for the project:

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE VERSION	CONFERENCE COMMITTEE VERSION
General fund	$1,670,420	$1,670,420	$1,670,420	
Permanent oil tax trust fund				$1,670,420
Total	$1,670,420	$1,670,420	$1,670,420	$1,670,420

Mayville State University - This amendment decreases funding added by the House for the payoff of special assessments and other deferred maintenance issues by $416,467 from the general fund, from $559,500 to $143,033, same as the Senate version.

Minot State University - This amendment requires an additional local match for the university's Swain Hall renovation and addition of $167,465. The following is a summary of funding for the project:

CONFERENCE

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE VERSION	COMMITTEE VERSION
General fund	$2,500,000	$6,500,000	$6,500,000	$6,332,535
Special funds	4,536,150	536,150	536,150	703,615
Total	$7,036,150	$7,036,150	$7,036,150	$7,036,150

Valley City State University - This amendment changes the funding source for the university's steamline project from the general fund to the permanent oil tax trust fund. The following is a summary of funding for the project:

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE VERSION	CONFERENCE COMMITTEE VERSION
General fund	$2,200,000	$2,200,000	$2,200,000	
Permanent oil tax trust fund				$2,200,000
Total	$2,200,000	$2,200,000	$2,200,000	$2,200,000

Minot State University - Bottineau - This amendment changes the funding source for the university's steamline project from the general fund to the permanent oil tax trust fund. The following is a summary of funding for the project:

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE VERSION	CONFERENCE COMMITTEE VERSION
General fund	$239,095	$239,095	$239,095	
Permanent oil tax trust fund				$230,095
Special funds	12,905	12,905	12,905	12,905
Total	$252,000	$252,000	$252,000	$252,000

House Bill No. 1003 - Other Changes - Conference Committee Action

This amendment also:

- Amends Section 17 of the engrossed bill to provide that the State Board of Higher Education shall limit any annual tuition increase for the 2007-08 and 2008-09 academic years to not more than 5 percent for each year unless the board receives prior Budget Section approval, same as the Senate version.
- Adds a section to provide that participating higher education institutions are responsible for funding maintenance costs associated with the Northern Tier Network, same as the Senate version.
- Adds a section to allow the State Board of Higher Education to authorize construction of a College of Business building off the North Dakota State University campus, same as the Senate version.
- Adds sections to provide for a study of higher education and professional student exchange programs and removes study language added by the House, same as the Senate version.
- Amends Section 23 of the engrossed bill relating to the use of unspent 2005-07 general fund appropriations to provide that the State Board of Higher Education shall use $200,000 of the unspent 2005-07 general fund appropriation for completing and furnishing the Thatcher Hall renovation and addition at Minot State University - Bottineau, same as the Senate version.
- Amends Section 26 of the engrossed bill to remove the repeal of Sections 1 and 2 of House Bill No. 1031 and to repeal Section 15-12-27 of the North Dakota Century Code relating to North Dakota State University's 18th Street Development Fund, same as the Senate version.
- Adds a section of legislative intent regarding the UND School of Medicine Bismarck family practice center.

- Amends the one-time funding section and emergency clause for the bill as appropriate.

Engrossed HB 1003 was placed on the Seventh order of business on the calendar.

Reduce Increases in operating by .25

REPORT OF CONFERENCE COMMITTEE
(ACCEDE/RECEDE)

Bill Number 1003 (, as (re)engrossed): Date: 4/24/07

Your Conference Committee House App. E+E

For the Senate:	YES / NO	For the House:	YES / NO
Holmberg	Y	Weld	Y
Krebsbach	Y	Monson	Y
Robinson	Y	Aarsvold	Y

recommends that the (SENATE/HOUSE) (ACCEDE to) (RECEDE from)

the (Senate/House) amendments on (SJ/HJ) page(s) _____ -- _____

____, and place _____ on the Seventh order.

X, adopt (further) amendments as follows, and place 1003 on the Seventh order:

____, having been unable to agree, recommends that the committee be discharged and a new committee be appointed.

((Re)Engrossed) 1003 was placed on the Seventh order of business on the calendar.

DATE: 4/24/07

CARRIER: _____

LC NO.	of amendment
LC NO.	of engrossment
Emergency clause added or deleted	
Statement of purpose of amendment	

MOTION MADE BY: Robinson

SECONDED BY: Holmberg

VOTE COUNT 6 **YES** ___ **NO** ___ **ABSENT**

Revised 4/1/05

REPORT OF CONFERENCE COMMITTEE

HB 1003, as engrossed: Your conference committee (Sens. Holmberg, Krebsbach, Robinson and Reps. Wald, Monson, Aarsvold) recommends that the **SENATE RECEDE** from the Senate amendments on HJ pages 1346-1357, adopt amendments as follows, and place HB 1003 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1346-1357 of the House Journal and pages 1025-1035 of the Senate Journal and that Engrossed House Bill No. 1003 be amended as follows:

Page 1, line 3, remove "to provide for"

Page 1, line 4, remove "a transfer;"

Page 1, line 6, replace "sections 1 and 2 of House Bill No. 1031, as" with "section 15-12-27 of the North Dakota Century Code, relating to North Dakota state university's eighteenth street development fund"

Page 1, line 7, remove "approved by the sixtieth legislative assembly, relating to the budgeting process"

Page 5, replace lines 5 through 31 with:

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

Subdivision 1.
NORTH DAKOTA UNIVERSITY SYSTEM OFFICE AND INSTITUTIONS

Capital assets	$2,225,971
Competitive research program	460,000
Board initiatives	(1,486,500)
System governance	314,972
Common information services	10,914,000
Operations pool	(388,559)
Equity pool	(2,000,000)
Contingency and capital emergency	(436,923)
Professional liability insurance	(250,000)
Student financial assistance grants	2,483,095
Professional student exchange program	595,666
Scholars program	616,489
Native American scholarships	128,638
Education incentive programs	512,412
Total all funds - Adjustments/enhancements	$13,689,261
Less estimated income - Adjustments/enhancements	2,817,754
Total general fund - Adjustments/enhancements	$10,871,507

Subdivision 2.
BISMARCK STATE COLLEGE

Operations	$2,868,132
Capital assets	2,707,161
Total all funds - Adjustments/enhancements	$5,575,293
Less estimated income - Adjustments/enhancements	1,988,750
Total general fund - Adjustments/enhancements	$3,586,543

Subdivision 3.

LAKE REGION STATE COLLEGE

Operations	$1,121,359
Capital assets	2,745,667
Total all funds - Adjustments/enhancements	$3,867,026
Less estimated income - Adjustments/enhancements	3,007,600
Total general fund - Adjustments/enhancements	$859,426

Subdivision 4.

WILLISTON STATE COLLEGE

Operations	$869,507
Capital assets	(5,879,277)
Total all funds - Adjustments/enhancements	($5,009,770)
Less estimated income - Adjustments/enhancements	(5,660,000)
Total general fund - Adjustments/enhancements	$650,230

Subdivision 5.

UNIVERSITY OF NORTH DAKOTA

Operations	$14,460,228
Capital assets	(18,303,224)
Total all funds - Adjustments/enhancements	($3,842,996)
Less estimated income - Adjustments/enhancements	(23,911,554)
Total general fund - Adjustments/enhancements	$20,068,558

Subdivision 6.

NORTH DAKOTA STATE UNIVERSITY

Operations	$13,788,980
Capital assets	4,016,935
Total all funds - Adjustments/enhancements	$17,805,915
Less estimated income - Adjustments/enhancements	(3,000,000)
Total general fund - Adjustments/enhancements	$20,805,915

Subdivision 7.

NORTH DAKOTA STATE COLLEGE OF SCIENCE

Operations	$2,753,540
Capital assets	1,198,613
Total all funds - Adjustments/enhancements	$3,952,153
Less estimated income - Adjustments/enhancements	565,500
Total general fund - Adjustments/enhancements	$3,386,653

Subdivision 8.

DICKINSON STATE UNIVERSITY

Operations	$2,144,483
Capital assets	(465,484)
Total all funds - Adjustments/enhancements	$1,678,999
Less estimated income - Adjustments/enhancements	(1,100,557)
Total general fund - Adjustments/enhancements	$2,779,556

Subdivision 9.

MAYVILLE STATE UNIVERSITY

Operations	$1,111,435
Capital assets	130,969
Total all funds - Adjustments/enhancements	$1,242,404
Less estimated income - Adjustments/enhancements	(600,000)
Total general fund - Adjustments/enhancements	$1,842,404

Subdivision 10.
MINOT STATE UNIVERSITY

Operations	$2,879,273
Capital assets	367,024
Total all funds - Adjustments/enhancements	$3,246,297
Less estimated income - Adjustments/enhancements	(7,128,385)
Total general fund - Adjustments/enhancements	$10,374,682

Subdivision 11.
VALLEY CITY STATE UNIVERSITY

Operations	$1,543,611
Capital assets	2,487,819
Total all funds - Adjustments/enhancements	$4,031,430
Less estimated income - Adjustments/enhancements	2,200,000
Total general fund - Adjustments/enhancements	$1,831,430

Subdivision 12.
MINOT STATE UNIVERSITY - BOTTINEAU

Operations	$425,088
Capital assets	(5,699,023)
Total all funds - Adjustments/enhancements	($5,273,935)
Less estimated income - Adjustments/enhancements	(5,748,000)
Total general fund - Adjustments/enhancements	$474,065

Subdivision 13.
UNIVERSITY OF NORTH DAKOTA SCHOOL OF MEDICINE AND HEALTH SCIENCES

Operations	$3,127,499
Total general fund - Adjustments/enhancements	$3,127,499

Subdivision 14.
NORTH DAKOTA FOREST SERVICE

Operations	$427,182
Capital assets	78,566
Total all funds - Adjustments/enhancements	$505,748
Less estimated income - Adjustments/enhancements	22,485
Total general fund - Adjustments/enhancements	$483,263
Total general fund - Section 2	$81,141,731
Total estimated income - Section 2	($36,546,407)
Total all funds - Section 2	$44,595,324

SECTION 3. 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 office and the various entities and institutions under the supervision of the state board of higher education for the purpose of defraying the expenses of those entities and institutions, for the biennium beginning July 1, 2007, and ending June 30, 2009, as follows:

Subdivision 1.
NORTH DAKOTA UNIVERSITY SYSTEM OFFICE AND INSTITUTIONS

Capital assets	$16,504,112
Competitive research program	5,650,000
Board initiatives	398,500
System governance	5,883,394
Title II	695,600

Common information services	31,477,093
Professional liability insurance	1,100,000
Student financial assistance grants	5,987,497
Professional student exchange program	2,722,946
Scholars program	1,478,566
Native American scholarships	380,626
Education incentive programs	1,740,314
Total all funds	$74,018,648
Less estimated income	5,417,530
Total general fund appropriation	$68,601,118

Subdivision 2.

BISMARCK STATE COLLEGE

Operations	$19,733,680
Capital assets	6,695,942
Total all funds	$26,429,622
Less estimated income	5,734,050
Total general fund appropriation	$20,695,572

Subdivision 3.

LAKE REGION STATE COLLEGE

Operations	$6,511,348
Capital assets	3,133,204
Total all funds	$9,644,552
Less estimated income	3,007,600
Total general fund appropriation	$6,636,952

Subdivision 4.

WILLISTON STATE COLLEGE

Operations	$6,622,504
Capital assets	2,257,198
Total all funds	$8,879,702
Less estimated income	2,300,000
Total general fund appropriation	$6,579,702

Subdivision 5.

UNIVERSITY OF NORTH DAKOTA

Operations	$107,011,830
Capital assets	81,828,875
Total all funds	$188,840,705
Less estimated income	73,920,000
Total general fund appropriation	$114,920,705

Subdivision 6.

NORTH DAKOTA STATE UNIVERSITY

Operations	$89,593,630
Capital assets	43,209,161
Total all funds	$132,802,791
Less estimated income	34,500,000
Total general fund appropriation	$98,302,791

Subdivision 7.

NORTH DAKOTA STATE COLLEGE OF SCIENCE

Operations	$27,740,368
Capital assets	4,756,865
Total all funds	$32,497,233

Less estimated income	3,370,420
Total general fund appropriation	$29,126,813

Subdivision 8.

DICKINSON STATE UNIVERSITY

Operations	$16,856,110
Capital assets	9,018,763
Total all funds	$25,874,873
Less estimated income	8,000,000
Total general fund appropriation	$17,874,873

Subdivision 9.

MAYVILLE STATE UNIVERSITY

Operations	$10,115,065
Capital assets	1,989,963
Total all funds	$12,105,028
Less estimated income	900,000
Total general fund appropriation	$11,205,028

Subdivision 10.

MINOT STATE UNIVERSITY

Operations	$30,095,122
Capital assets	9,578,894
Total all funds	$39,674,016
Less estimated income	1,406,615
Total general fund appropriation	$38,267,401

Subdivision 11.

VALLEY CITY STATE UNIVERSITY

Operations	$13,350,137
Capital assets	2,996,235
Total all funds	$16,346,372
Less estimated income	2,200,000
Total general fund appropriation	$14,146,372

Subdivision 12.

MINOT STATE UNIVERSITY - BOTTINEAU

Operations	$4,759,548
Capital assets	410,702
Total all funds	$5,170,250
Less estimated income	252,000
Total general fund appropriation	$4,918,250

Subdivision 13.

UNIVERSITY OF NORTH DAKOTA SCHOOL OF MEDICINE AND HEALTH SCIENCES

Operations	$34,488,501
Total general fund appropriation	$34,488,501

Subdivision 14.

NORTH DAKOTA FOREST SERVICE

Operations	$3,352,828
Capital assets	180,204
Total all funds	$3,533,032
Less estimated income	997,486
Total general fund appropriation	$2,535,546
Total general fund appropriation - Section 3	$468,299,624

Total estimated income appropriation - Section 3	$142,005,701
Total all funds appropriation - Section 3	$610,305,325
Grand total general fund appropriation - H.B. 1003	$468,449,624
Grand total estimated income appropriation - H.B. 1003	$164,719,701
Grand total all funds appropriation - H.B. 1003	$633,169,325

SECTION 4. APPROPRIATION. There is appropriated out of any moneys in the general fund, not otherwise appropriated, the sum of $150,000, or so much of the sum as may be necessary, to Dickinson state university for the purpose of providing one-time startup funding for establishing a Theodore Roosevelt center, for the biennium beginning July 1, 2007, and ending June 30, 2009."

Page 6, remove lines 1 through 31

Page 7, remove lines 1 through 30

Page 8, remove lines 1 through 30

Page 9, remove lines 1 through 30

Page 10, remove lines 1 through 31

Page 11, remove lines 1 through 30

Page 12, remove lines 1 through 23

Page 12, line 24, after "**INITIATIVES**" insert "**- REPORT TO THE SIXTY-FIRST LEGISLATIVE ASSEMBLY**", after "The" insert "board initiatives line item in subdivision 1 of section 3 of this Act includes the", and remove "of the funding included in"

Page 12, line 25, remove "the board initiatives line item in subdivision 1 of section 3 of this Act must be used"

Page 12, line 26, after "funds" insert "and the sum of $98,500 for a recruiting initiative for Minot state university - Bottineau. The funding for the initiative is provided for a two-year pilot basis. Minot state university - Bottineau shall report on the effectiveness of the initiative to the appropriations committees of the sixty-first legislative assembly"

Page 13, remove lines 1 through 4

Page 13, line 5, replace "$28,652,267" with "$31,477,093"

Page 13, remove lines 14 through 18

Page 13, line 20, replace "$1,000,000" with "$750,000"

Page 13, line 25, replace "$317,460" with "$523,380"

Page 13, line 29, replace "$900,000" with "$7,783,315"

Page 13, line 30, after "fund" insert "of which $2,773,800 is for northern tier network infrastructure, $4,109,515 is for steamline projects at the state college of science, Valley City state university, and Minot state university - Bottineau, and $900,000 is"

Page 16, remove lines 27 through 31

Page 17, line 1, after "**LIMIT**" insert "**- BUDGET SECTION APPROVAL**"

Page 17, line 4, after "year" insert "unless the board receives prior budget section approval"

Page 17, replace lines 5 through 31 with:

"**SECTION 19. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-FIRST LEGISLATIVE ASSEMBLY.** The grand total appropriation in section 3 of this Act includes $28,382,068 from the general fund and $7,583,315 from the permanent oil tax trust fund for one-time funding items identified in this section. This amount is not part of the institutions' base budgets to be used in preparing the 2009-11 executive budget. The North Dakota university system shall report to the appropriations committees of the sixty-first legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2007, and ending June 30, 2009.

Northern tier network infrastructure from permanent oil tax trust fund	$2,773,800
ConnectND system support	2,300,000
Common information system pool parity funding	420,000
Deferred maintenance	10,893,033
Capital projects	13,808,235
Capital projects from permanent oil tax trust fund	4,809,515
Campus initiatives	960,800
Total	$35,965,383"

Page 18, remove lines 1 through 15

Page 18, line 17, replace "make available" with "use"

Page 18, line 19, replace "the payment of any consulting services relating to the legislative" with "completing and furnishing the thatcher hall renovation and addition at Minot state university - Bottineau"

Page 18, line 20, remove "council study of higher education"

Page 18, after line 21, insert:

"**SECTION 21. LEGISLATIVE INTENT - NORTHERN TIER NETWORK.** It is the intent of the sixtieth legislative assembly that higher education institutions utilizing the northern tier network be responsible for funding the related ongoing maintenance costs for the network.

SECTION 22. NORTH DAKOTA STATE UNIVERSITY - COLLEGE OF BUSINESS BUILDING. The state board of higher education may enter an agreement or agreements with the North Dakota state university foundation or other private entity and do all things necessary and proper to authorize construction by the foundation or other private entity of a college of business building off the North Dakota state university campus, using donations, gifts, or other private funds.

SECTION 23. LEGISLATIVE COUNCIL STUDY - HIGHER EDUCATION.

1. The legislative council shall consider appointing a higher education committee for the 2007-08 interim. If appointed, the committee shall spend a majority of time studying the means by which the North Dakota university system can further contribute to developing and attracting the human capital to meet North Dakota's economic and workforce needs, and if time allows, the committee may visit select higher education institutions.

2. The study must focus on ways to increase postsecondary access, improve the quality of education, contain costs and other means, including productivity, to maximize the usage of the North Dakota university system in meeting the human capital needs of the state.

3. The study must include a review of policy recommendations, as appropriate, which address the postsecondary delivery system, including the mix of institutions, educational attainment gaps, degree production gaps, recruitment and retention of students, and workforce training needs.

4. The study must include a review of the impact of the state's changing demographics on the university system long-term financing plan.

5. The study must recommend goals for each of the higher education cornerstones.

6. The study may include the use of a higher education roundtable format.

7. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-first legislative assembly.

8. The state board of higher education also shall take the recommendations into account and make appropriate changes to practices, board policy, and budget needs and allocation.

SECTION 24. LEGISLATIVE COUNCIL STUDY - PROFESSIONAL STUDENT EXCHANGE PROGRAMS. The legislative council shall consider studying, during the 2007-08 interim, higher education professional student exchange programs. The study should include review of:

1. The amount of annual tuition and fees paid by students for health care-related professional education programs.

2. The amount of annual support fees paid by the state for health care-related professional education programs.

3. The number of state-supported slots funded and demand for state-supported slots, including the consideration of basing the number of slots on the estimated workforce needs to fill positions due to retirements, geographic, and professional specific service needs.

4. The present repayment provisions and loan forgiveness programs to determine cost-effectiveness, equality issues, and development of program enhancements that would aid in the recruitment of professional students to return to the state to practice their chosen profession.

5. Discontinuation of the contracts with the western interstate commission on higher education for access to veterinary medicine programs and consideration of negotiating contracts for veterinary medicine with Kansas, Iowa, and Minnesota.

The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-first legislative assembly.

SECTION 25. LEGISLATIVE INTENT - BISMARCK FAMILY PRACTICE CENTER. It is the intent of the sixtieth legislative assembly that the university of North Dakota school of medicine and health sciences may construct, renovate, remodel, purchase, or lease a building for the Bismarck family practice center."

Page 20, line 9, replace "Sections 1 and 2 of House Bill No. 1031, as approved by the" with "Section 15-12-27 of the North Dakota Century Code is"

Page 20, line 10, remove "sixtieth legislative assembly, are"

Page 20, line 11, replace "25" with "27"

Page 20, line 14, replace the comma with "and"

Page 20, line 15, remove ", and contingency and capital emergency"

Page 20, line 16, replace "9" with "4, 8, 15, 16," and replace "15" with "22"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1003 - Summary of Conference Committee Action

	EXECUTIVE BUDGET	HOUSE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	SENATE VERSION	COMPARISON TO SENATE
University System office						
Total all funds	$73,348,533	$72,080,990	$1,937,658	$74,018,648	$74,718,648	($700,000)
Less estimated income	2,437,810	2,686,810	2,730,720	5,417,530	2,643,730	2,773,800
General fund	$70,910,723	$69,394,180	($793,062)	$68,601,118	$72,074,918	($3,473,800)
Bismarck State College						
Total all funds	$20,799,330	$20,587,433	$5,842,189	$26,429,622	$26,479,080	($49,458)
Less estimated income	27,805	27,805	5,706,245	5,734,050	5,707,555	26,495
General fund	$20,771,525	$20,559,628	$135,944	$20,695,572	$20,771,525	($75,953)
Lake Region State College						
Total all funds	$9,660,871	$9,607,299	$37,253	$9,644,552	$9,660,871	($16,319)
Less estimated income	3,007,600	2,007,600	1,000,000	3,007,600	3,007,600	
General fund	$6,653,271	$7,599,699	($962,747)	$6,636,952	$6,653,271	($16,319)
Williston State College						
Total all funds	$7,996,300	$8,830,366	$49,336	$8,879,702	$8,896,300	($16,598)
Less estimated income	1,400,000	2,300,000		2,300,000	2,300,000	
General fund	$6,596,300	$6,530,366	$49,336	$6,579,702	$6,596,300	($16,598)
University of North Dakota						
Total all funds	$193,608,905	$191,861,920	$978,785	$192,840,705	$193,108,905	($268,200)
Less estimated income	78,200,000	74,100,000	3,820,000	77,920,000	77,700,000	220,000
General fund	$115,408,905	$117,761,920	($2,841,215)	$114,920,705	$115,408,905	($488,200)
UND Medical Center						
Total all funds	$33,874,938	$34,238,963	$249,538	$34,488,501	$34,574,938	($86,437)
Less estimated income						
General fund	$33,874,938	$34,238,963	$249,538	$34,488,501	$34,574,938	($86,437)
North Dakota State University						
Total all funds	$119,527,336	$133,439,378	$11,363,413	$144,802,791	$145,027,336	($224,545)
Less estimated income	20,500,000	35,500,000	11,000,000	46,500,000	46,000,000	500,000
General fund	$99,027,336	$97,939,378	$363,413	$98,302,791	$99,027,336	($724,545)
State College of Science						
Total all funds	$38,830,758	$38,917,159	$294,074	$39,211,233	$39,280,758	($69,525)
Less estimated income	8,414,000	8,414,000	1,670,420	10,084,420	8,414,000	1,670,420
General fund	$30,416,758	$30,503,159	($1,376,346)	$29,126,813	$30,866,758	($1,739,945)
Dickinson State University						
Total all funds	$25,917,119	$25,729,961	$294,912	$26,024,873	$25,917,119	$107,754
Less estimated income	8,000,000	8,000,000		8,000,000	8,000,000	

General fund	$17,917,119	$17,729,961	$294,912	$18,024,873	$17,917,119	$107,754
Mayville State University						
Total all funds	$11,736,719	$12,208,021	($102,993)	$12,105,028	$11,879,752	$225,276
Less estimated income	900,000	900,000		900,000	900,000	
General fund	$10,836,719	$11,308,021	($102,993)	$11,205,028	$10,979,752	$225,276
Minot State University						
Total all funds	$39,698,842	$39,445,085	$228,931	$39,674,016	$39,749,442	($75,426)
Less estimated income	5,575,550	1,239,150	167,465	1,406,615	1,239,150	167,465
General fund	$34,123,292	$38,205,935	$61,466	$38,267,401	$38,510,292	($242,891)
Valley City State University						
Total all funds	$15,979,831	$15,851,252	$495,120	$16,346,372	$16,379,831	($33,459)
Less estimated income			2,200,000	2,200,000		2,200,000
General fund	$15,979,831	$15,851,252	($1,704,880)	$14,146,372	$16,379,831	($2,233,459)
Minot State University - Bottineau						
Total all funds	$5,182,179	$5,138,046	$32,204	$5,170,250	$5,182,179	($11,929)
Less estimated income	12,905	12,905	239,095	252,000	12,905	239,095
General fund	$5,169,274	$5,125,141	($206,891)	$4,918,250	$5,169,274	($251,024)
Forest Service						
Total all funds	$3,538,935	$3,513,993	$19,039	$3,533,032	$3,538,935	($5,903)
Less estimated income	997,486	997,486		997,486	997,486	
General fund	$2,541,449	$2,516,507	$19,039	$2,535,546	$2,541,449	($5,903)
Bill Total						
Total all funds	$599,700,596	$611,449,866	$21,719,459	$633,169,325	$634,394,094	($1,224,769)
Less estimated income	129,473,156	136,185,756	28,533,945	164,719,701	156,922,426	7,797,275
General fund	$470,227,440	$475,264,110	($6,814,486)	$468,449,624	$477,471,668	($9,022,044)

House Bill No. 1003 - General Fund Summary

	EXECUTIVE BUDGET	HOUSE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	SENATE VERSION	COMPARISON TO SENATE
University System office	$70,910,723	$69,394,180	($793,062)	$68,601,118	$72,074,918	($3,473,800)
Bismarck State College	20,771,525	20,559,628	135,944	20,695,572	20,771,525	(75,953)
Lake Region State College	6,653,271	7,599,699	(962,747)	6,636,952	6,653,271	(16,319)
Williston State College	6,596,300	6,530,366	49,336	6,579,702	6,596,300	(16,598)
University of North Dakota	115,408,905	117,761,920	(2,841,215)	114,920,705	115,408,905	(488,200)
UND Medical Center	33,874,938	34,238,963	249,538	34,488,501	34,574,938	(86,437)
North Dakota State University	99,027,336	97,939,378	363,413	98,302,791	99,027,336	(724,545)
State College of Science	30,416,758	30,503,159	(1,376,346)	29,126,813	30,866,758	(1,739,945)
Dickinson State University	17,917,119	17,729,961	294,912	18,024,873	17,917,119	107,754
Mayville State University	10,836,719	11,308,021	(102,993)	11,205,028	10,979,752	225,276
Minot State University	34,123,292	38,205,935	61,466	38,267,401	38,510,292	(242,891)
Valley City State University	15,979,831	15,851,252	(1,704,880)	14,146,372	16,379,831	(2,233,459)
Minot State University - Bottineau	5,169,274	5,125,141	(206,891)	4,918,250	5,169,274	(251,024)
Forest Service	2,541,449	2,516,507	19,039	2,535,546	2,541,449	(5,903)
Total general fund	$470,227,440	$475,264,110	($6,814,486)	$468,449,624	$477,471,668	($9,022,044)

Detail of Conference Committee Changes to the General Fund

	RESTORES COMPENSATION PACKAGE TO 5/5 [1]	ALLOCATES FUNDING FOR MAYVILLE STATE UNIVERSITY MASTER PLAN TO OPERATIONS [2]	INCREASES FUNDING FOR THE COMPETITIVE RESEARCH PROGRAM [3]	INCREASES FUNDING FOR BOARD INITIATIVES [4]	DECREASES FUNDING FOR SYSTEM GOVERNANCE [5]	INCREASES FUNDING FOR SUPPORT OF THE CONNECTND SYSTEM [6]
University System office	$199,479	($250,000)	$150,000	$98,500	($200,000)	$2,300,000
Bismarck State College	211,897					
Lake Region State College	53,572					
Williston State College	65,934					
University of North Dakota	1,246,985					
UND Medical Center	335,975					
North Dakota State University	1,087,958					
State College of Science	263,599					
Dickinson State University	187,158					
Mayville State University	88,198	250,000				
Minot State University	304,357					
Valley City State University	128,579					
Minot State University - Bottineau	44,133					
Forest Service	24,942					
Total general fund	$4,242,766	$0	$150,000	$98,500	($200,000)	$2,300,000

	INCREASES FUNDING FOR THE NORTHERN TIER NETWORK AND CHANGES FUNDING SOURCE [7]	REMOVES FUNDING FOR THE OPERATIONS POOL [8]	REMOVES FUNDING FOR CONTINGENCY AND CAPITAL EMERGENCY [9]	DECREASES FUNDING FOR PROFESSIONAL LIABILITY INSURANCE [10]	INCREASES FUNDING FOR THE KANSAS STATE UNIVERSITY VETERINARY MEDICINE PROGRAM [11]	REMOVES FUNDING FOR EDUCATION INCENTIVE PROGRAMS [12]
University System office	($2,400,000)	($144,559)	($296,482)	($250,000)		
Bismarck State College						
Lake Region State College						
Williston State College						
University of North Dakota						
UND Medical Center						
North Dakota State University						
State College of Science						
Dickinson State University						
Mayville State University						
Minot State University						
Valley City State University						
Minot State University - Bottineau						
Forest Service						
Total general fund	($2,400,000)	($144,559)	($296,482)	($250,000)	$0	$0

	PROVIDES .25 PERCENT OPERATING REDUCTION	ADJUSTS FUNDING FOR OPERATIONS [13]	ADJUSTS FUNDING FOR CAPITAL ASSETS [14]	TOTAL GENERAL FUND CHANGES
University System office				($793,062)
Bismarck State College	($49,458)		($26,495)	135,944
Lake Region State College	(16,319)		(1,000,000)	(962,747)
Williston State College	(16,598)			49,336
University of North Dakota	(268,200)		(3,820,000)	(2,841,215)
UND Medical Center	(86,437)			249,538
North Dakota State University	(224,545)		(500,000)	363,413
State College of Science	(69,525)	$100,000	(1,670,420)	(1,376,346)
Dickinson State University	(42,246)	150,000		294,912
Mayville State University	(24,724)		(416,467)	(102,993)
Minot State University	(75,426)		(167,465)	61,466
Valley City State University	(33,459)	400,000	(2,200,000)	(1,704,880)
Minot State University - Bottineau	(11,929)		(239,095)	(206,891)
Forest Service	(5,903)			19,039
Total general fund	($924,769)	$650,000	($10,039,942)	($6,814,486)

House Bill No. 1003 - Other Funds Summary

	EXECUTIVE BUDGET	HOUSE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	SENATE VERSION	COMPARISON TO SENATE
University System office	$2,437,810	$2,686,810	$2,730,720	$5,417,530	$2,643,730	$2,773,800
Bismarck State College	27,805	27,805	5,706,245	5,734,050	5,707,555	26,495
Lake Region State College	3,007,600	2,007,600	1,000,000	3,007,600	3,007,600	
Williston State College	1,400,000	2,300,000		2,300,000	2,300,000	
University of North Dakota	78,200,000	74,100,000	3,820,000	77,920,000	77,700,000	220,000
UND Medical Center						
North Dakota State University	20,500,000	35,500,000	11,000,000	46,500,000	46,000,000	500,000
State College of Science	8,414,000	8,414,000	1,670,420	10,084,420	8,414,000	1,670,420
Dickinson State University	8,000,000	8,000,000		8,000,000	8,000,000	
Mayville State University	900,000	900,000		900,000	900,000	
Minot State University	5,575,550	1,239,150	167,465	1,406,615	1,239,150	167,465
Valley City State University			2,200,000	2,200,000		2,200,000
Minot State University - Bottineau	12,905	12,905	239,095	252,000	12,905	239,095
Forest Service	997,486	997,486		997,486	997,486	
Total other funds	$129,473,156	$136,185,756	$28,533,945	$164,719,701	$156,922,426	$7,797,275

Detail of Conference Committee Changes to Other Funds

	RESTORES COMPENSATION	ALLOCATES FUNDING FOR MAYVILLE STATE UNIVERSITY MASTER	INCREASES FUNDING FOR THE COMPETITIVE	INCREASES FUNDING FOR	DECREASES FUNDING FOR	INCREASES FUNDING FOR SUPPORT OF THE

	PACKAGE TO 5/5 [1]	PLAN TO OPERATIONS [2]	RESEARCH PROGRAM [3]	BOARD INITIATIVES [4]	SYSTEM GOVERNANCE [5]	CONNECTND SYSTEM [6]
University System office						
Bismarck State College						
Lake Region State College						
Williston State College						
University of North Dakota						
UND Medical Center						
North Dakota State University						
State College of Science						
Dickinson State University						
Mayville State University						
Minot State University						
Valley City State University						
Minot State University - Bottineau						
Forest Service						
Total other funds	$0	$0	$0	$0	$0	$0

	INCREASES FUNDING FOR THE NORTHERN TIER NETWORK AND CHANGES FUNDING SOURCE [7]	REMOVES FUNDING FOR THE OPERATIONS POOL [8]	REMOVES FUNDING FOR CONTINGENCY AND CAPITAL EMERGENCY [9]	DECREASES FUNDING FOR PROFESSIONAL LIABILITY INSURANCE [10]	INCREASES FUNDING FOR THE KANSAS STATE UNIVERSITY VETERINARY MEDICINE PROGRAM [11]	REMOVES FUNDING FOR EDUCATION INCENTIVE PROGRAMS [12]
University System office	$2,773,800				$205,920	($249,000)
Bismarck State College						
Lake Region State College						
Williston State College						
University of North Dakota						
UND Medical Center						
North Dakota State University						
State College of Science						
Dickinson State University						
Mayville State University						
Minot State University						
Valley City State University						
Minot State University - Bottineau						
Forest Service						
Total other funds	$2,773,800	$0	$0	$0	$205,920	($249,000)

	PROVIDES .25 PERCENT OPERATING REDUCTION	ADJUSTS FUNDING FOR OPERATIONS [13]	ADJUSTS FUNDING FOR CAPITAL ASSETS [14]	TOTAL OTHER FUNDS CHANGES
University System office				$2,730,720
Bismarck State College			$5,706,245	5,706,245
Lake Region State College			1,000,000	1,000,000
Williston State College				
University of North Dakota			3,820,000	3,820,000
UND Medical Center				
North Dakota State University			11,000,000	11,000,000
State College of Science			1,670,420	1,670,420
Dickinson State University				
Mayville State University				
Minot State University			167,465	167,465
Valley City State University			2,200,000	2,200,000
Minot State University - Bottineau			239,095	239,095
Forest Service				
Total other funds	$0	$0	$25,803,225	$28,533,945

House Bill No. 1003 - All Funds Summary

	EXECUTIVE BUDGET	HOUSE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	SENATE VERSION	COMPARISON TO SENATE
University System office	$73,348,533	$72,080,990	$1,937,658	$74,018,648	$74,718,648	($700,000)
Bismarck State College	20,799,330	20,587,433	5,842,189	26,429,622	26,479,080	(49,458)
Lake Region State College	9,660,871	9,607,299	37,253	9,644,552	9,660,871	(16,319)
Williston State College	7,996,300	8,830,366	49,336	8,879,702	8,896,300	(16,598)
University of North Dakota	193,608,905	191,861,920	978,785	192,840,705	193,108,905	(268,200)
UND Medical Center	33,874,938	34,238,963	249,538	34,488,501	34,574,938	(86,437)
North Dakota State University	119,527,336	133,439,378	11,363,413	144,802,791	145,027,336	(224,545)
State College of Science	38,830,758	38,917,159	294,074	39,211,233	39,280,758	(69,525)
Dickinson State University	25,917,119	25,729,961	294,912	26,024,873	25,917,119	107,754
Mayville State University	11,736,719	12,208,021	(102,993)	12,105,028	11,879,752	225,276
Minot State University	39,698,842	39,445,085	228,931	39,674,016	39,749,442	(75,426)

Valley City State University	15,979,831	15,851,252	495,120	16,346,372	16,379,831	(33,459)
Minot State University - Bottineau	5,182,179	5,138,046	32,204	5,170,250	5,182,179	(11,929)
Forest Service	3,538,935	3,513,993	19,039	3,533,032	3,538,935	(5,903)
Total all funds	$599,700,596	$611,449,866	$21,719,459	$633,169,325	$634,394,094	($1,224,769)
FTE	2134.59	2136.59	0.00	2136.59	2136.59	0.00

Detail of Conference Committee Changes to All Funds

	RESTORES COMPENSATION PACKAGE TO 5/5 [1]	ALLOCATES FUNDING FOR MAYVILLE STATE UNIVERSITY MASTER PLAN TO OPERATIONS [2]	INCREASES FUNDING FOR THE COMPETITIVE RESEARCH PROGRAM [3]	INCREASES FUNDING FOR BOARD INITIATIVES [4]	DECREASES FUNDING FOR SYSTEM GOVERNANCE [5]	INCREASES FUNDING FOR SUPPORT OF THE CONNECTND SYSTEM [6]
University System office	$199,479	($250,000)	$150,000	$98,500	($200,000)	$2,300,000
Bismarck State College	211,897					
Lake Region State College	53,572					
Williston State College	65,934					
University of North Dakota	1,246,985					
UND Medical Center	335,975					
North Dakota State University	1,087,958					
State College of Science	263,599					
Dickinson State University	187,158					
Mayville State University	88,198	250,000				
Minot State University	304,357					
Valley City State University	128,579					
Minot State University - Bottineau	44,133					
Forest Service	24,942					
Total all funds	$4,242,766	$0	$150,000	$98,500	($200,000)	$2,300,000
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	INCREASES FUNDING FOR THE NORTHERN TIER NETWORK AND CHANGES FUNDING SOURCE [7]	REMOVES FUNDING FOR THE OPERATIONS POOL [8]	REMOVES FUNDING FOR CONTINGENCY AND CAPITAL EMERGENCY [9]	DECREASES FUNDING FOR PROFESSIONAL LIABILITY INSURANCE [10]	INCREASES FUNDING FOR THE KANSAS STATE UNIVERSITY VETERINARY MEDICINE PROGRAM [11]	REMOVES FUNDING FOR EDUCATION INCENTIVE PROGRAMS [12]
University System office	$373,800	($144,559)	($296,482)	($250,000)	$205,920	($249,000)
Bismarck State College						
Lake Region State College						
Williston State College						
University of North Dakota						
UND Medical Center						
North Dakota State University						
State College of Science						
Dickinson State University						
Mayville State University						
Minot State University						
Valley City State University						
Minot State University - Bottineau						
Forest Service						
Total all funds	$373,800	($144,559)	($296,482)	($250,000)	$205,920	($249,000)
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	PROVIDES .25 PERCENT OPERATING REDUCTION	ADJUSTS FUNDING FOR OPERATIONS [13]	ADJUSTS FUNDING FOR CAPITAL ASSETS [14]	TOTAL ALL FUNDS CHANGES
University System office				$1,937,658
Bismarck State College	($49,458)		$5,679,750	5,842,189
Lake Region State College	(16,319)			37,253
Williston State College	(16,598)			49,336
University of North Dakota	(268,200)			978,785
UND Medical Center	(86,437)			249,538
North Dakota State University	(224,545)		10,500,000	11,363,413
State College of Science	(69,525)	$100,000		294,074
Dickinson State University	(42,246)	150,000		294,912
Mayville State University	(24,724)		(416,467)	(102,993)
Minot State University	(75,426)			228,931
Valley City State University	(33,459)	400,000		495,120
Minot State University - Bottineau	(11,929)			32,204
Forest Service	(5,903)			19,039

Total all funds	($924,769)	$650,000	$15,763,283	$21,719,459
FTE	0.00	0.00	0.00	0.00

1 This amendment restores funding for salary increases of 5 percent for each year of the 2007-09 biennium, same as the Senate version.

2 This amendment allocates $250,000 of the $1 million from the general fund included in the executive budget recommendation for Mayville State University for deferred maintenance and developing a long-range master plan to the university for support of campus operations. This allocation was not included in either the House or Senate version.

3 This amendment increases funding for competitive research by $150,000 from the general fund, from $5,550,000 as provided for in the executive budget recommendation to $5,650,000, same as the Senate version.

4 This amendment increases funding for board initiatives by $98,500 from the general fund, from $300,000 to $398,500. The funding of $98,500 is to be used for a recruiting initiative for Minot State University - Bottineau. The initiative is a pilot project and Minot State University - Bottineau is to report to the 61st Legislative Assembly on the effectiveness of the initiative. This increase was also included in the Senate version although in the Senate version it was a shared initiative between Minot State University - Bottineau and Minot State University.

5 This amendment decreases funding for system governance by $200,000 from the general fund. This decrease was not included in either the House or Senate version.

6 This amendment increases one-time funding provided for support of the ConnectND system by $2,300,000 from the general fund, from $3,700,000 as provided for in the executive budget to $6,000,000, same as the Senate version.

7 This amendment increases funding for the Northern Tier Network project by $373,800, from $2,400,000 to $2,773,800, and changes the funding source from the general fund to the permanent oil tax trust fund. The following is a summary of funding for the Northern Tier Network project:

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE VERSION	CONFERENCE COMMITTEE VERSION
General fund	$1,000,000	$2,400,000	$2,773,800	
Permanent oil tax trust fund				$2,773,800
Total	$1,000,000	$2,400,000	$2,773,800	$2,773,800

8 This amendment removes funding of $144,559 from the general fund for the operations pool, same as the Senate version.

9 This amendment removes funding of $296,482 from the general fund for contingency and capital emergency, same as the Senate version.

10 This amendment decreases funding for professional liability insurance by $250,000 from the general fund. This decrease was not included in either the House or Senate version.

11 This amendment increases funding for the Kansas State University veterinary medicine program by $205,920, from $317,460 to $523,380 from the student loan trust fund, to fund five new students per year in the 2007-09 biennium, same as the Senate version.

12 This amendment decreases funding for the education incentive programs by $249,000, from $1,989,314, as provided for by the House, to $1,227,902. The additional funding of $249,000 was related to increases in the teacher shortage loan forgiveness program as provided in House Bill No. 1249. House Bill No. 1249 was defeated by the Senate; therefore, the additional funding provided for in House Bill No. 1003 is removed. This decrease was also included in the Senate version.

13 Dickinson State University - This amendment provides funding of $150,000 from the general fund for one-time startup funding for establishing a Theodore Roosevelt Center. This funding was not included in the House or Senate version.

State College of Science and Valley City State University - This amendment provides funding of $500,000 from the general fund to support campus operations at the State College of Science ($100,000) and Valley City State University ($400,000), same as the Senate version.

14 Bismarck State College - This amendment appropriates funding of $5,679,750 from special funds for reauthorization of the college's student housing project.

This amendment also requires an additional local match for the college's Schafer Hall renovation of $26,495. The following is a summary of funding for the project:

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE VERSION	CONFERENCE COMMITTEE VERSION
General fund	$515,195	$515,195	$515,195	$488,700
Special funds	27,805	27,805	27,805	54,300
Total	$543,000	$543,000	$543,000	$543,000

Lake Region State College - This amendment changes the funding source for the college's wind energy project as follows:

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE VERSION	CONFERENCE COMMITTEE VERSION
General fund		$1,000,000		
Special funds	$3,007,600	2,007,600	$3,007,600	$3,007,600
Total	$3,007,600	$3,007,600	$3,007,600	$3,007,600

University of North Dakota - This amendment changes the funding source of the UND School of Medicine and Health Sciences new Bismarck family medicine residency facility as follows:

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE VERSION	CONFERENCE COMMITTEE VERSION
General fund		$3,600,000		
Special funds	$4,500,000	400,000	$4,000,000	$4,000,000
Total	$4,500,000	$4,000,000	$4,000,000	$4,000,000

This amendment also requires a local match for the university's O'Kelly Hall and Ireland laboratory renovation of $220,000. The following is a summary of funding for the project:

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE VERSION	CONFERENCE COMMITTEE VERSION
General fund	$2,200,000	$2,200,000	$2,200,000	$1,980,000
Special funds				220,000
Total	$2,200,000	$2,200,000	$2,200,000	$2,200,000

North Dakota State University - This amendment increases the special funds appropriation to the university to reauthorize the Bison Sports Arena renovation project by $10,500,000, from $15,000,000 to $25,500,000, same as the Senate version.

This amendment also requires a local match for the university's Minard Hall renovation of $500,000. The following is a summary of funding for the project:

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE VERSION	CONFERENCE COMMITTEE VERSION
General fund	$500,000	$500,000	$500,000	$4,500,000
Special funds				500,000
Total	$5,000,000	$5,000,000	$5,000,000	$5,000,000

State College of Science - This amendment changes the funding source for the college's steamline project from the general fund to the permanent oil tax trust fund. The following is a summary of funding for the project:

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE VERSION	CONFERENCE COMMITTEE VERSION
General fund	$1,670,420	$1,670,420	$1,670,420	
Permanent oil tax trust fund				$1,670,420
Total	$1,670,420	$1,670,420	$1,670,420	$1,670,420

Mayville State University - This amendment decreases funding added by the House for the payoff of special assessments and other deferred maintenance issues by $416,467 from the general fund, from $559,500 to $143,033, same as the Senate version.

Minot State University - This amendment requires an additional local match for the university's Swain Hall renovation and addition of $167,465. The following is a summary of funding for the project:

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE VERSION	CONFERENCE COMMITTEE VERSION
General fund	$2,500,000	$6,500,000	$6,500,000	$6,332,535
Special funds	4,536,150	536,150	536,150	703,615
Total	$7,036,150	$7,036,150	$7,036,150	$7,036,150

Valley City State University - This amendment changes the funding source for the university's steamline project from the general fund to the permanent oil tax trust fund. The following is a summary of funding for the project:

CONFERENCE

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE VERSION	COMMITTEE VERSION
General fund	$2,200,000	$2,200,000	$2,200,000	
Permanent oil tax trust fund				$2,200,000
Total	$2,200,000	$2,200,000	$2,200,000	$2,200,000

Minot State University - Bottineau - This amendment changes the funding source for the university's steamline project from the general fund to the permanent oil tax trust fund. The following is a summary of funding for the project:

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE VERSION	CONFERENCE COMMITTEE VERSION
General fund	$239,095	$239,095	$239,095	
Permanent oil tax trust fund				$230,095
Special funds	12,905	12,905	12,905	12,905
Total	$252,000	$252,000	$252,000	$252,000

House Bill No. 1003 - Other Changes - Conference Committee Action

This amendment also:

- Amends Section 17 of the engrossed bill to provide that the State Board of Higher Education shall limit any annual tuition increase for the 2007-08 and 2008-09 academic years to not more than 5 percent for each year unless the board receives prior Budget Section approval, same as the Senate version.
- Adds a section to provide that participating higher education institutions are responsible for funding maintenance costs associated with the Northern Tier Network, same as the Senate version.
- Adds a section to allow the State Board of Higher Education to authorize construction of a College of Business building off the North Dakota State University campus, same as the Senate version.
- Adds sections to provide for a study of higher education and professional student exchange programs and removes study language added by the House, same as the Senate version.
- Amends Section 23 of the engrossed bill relating to the use of unspent 2005-07 general fund appropriations to provide that the State Board of Higher Education shall use $200,000 of the unspent 2005-07 general fund appropriation for completing and furnishing the Thatcher Hall renovation and addition at Minot State University - Bottineau, same as the Senate version.
- Amends Section 26 of the engrossed bill to remove the repeal of Sections 1 and 2 of House Bill No. 1031 and to repeal Section 15-12-27 of the North Dakota Century Code relating to North Dakota State University's 18th Street Development Fund, same as the Senate version.
- Adds a section of legislative intent regarding the UND School of Medicine Bismarck family practice center.
- Amends the one-time funding section and emergency clause for the bill as appropriate.
- Provides a total of $7,783,315 from the permanent oil tax trust fund, $4,109,515 for steamline projects, $2,773,800 for the Northern Tier Network infrastructure, and $900,000 for the Williston State College service rig program.

Engrossed HB 1003 was placed on the Seventh order of business on the calendar.

att. A

Prepared by the North Dakota Legislative Council staff

April 2007

ANALYSIS OF PROPOSED CONFERENCE COMMITTEE AMENDMENTS TO HOUSE BILL NO. 1003 - OPTION A

	NDUS Office	Bismarck State College	Lake Region State College	Williston State College	University of North Dakota	North Dakota State University	State College of Science	Dickinson State University	Mayville State University	Minot State University	Valley City State University	Minot State University - Bottineau	UND Medical School	Forest Service	Total
2007-09 general fund appropriation - Senate version	$72,074,918	$20,771,525	$6,653,271	$6,596,300	$115,408,905	$99,027,336	$30,866,758	$17,917,119	$10,979,752	$38,510,292	$16,379,831	$5,169,274	$34,574,938	$2,541,449	$477,471,668
Proposed conference committee changes															
Remove increase for competitive research	($150,000)														($150,000)
Reduce funding for recruiting initiative at Minot State University-Bottineau and remove language relating to Minot State University	(73,500)														(73,500)
Change the funding source for the Northern Tier network infrastructure from the general fund to the permanent oil tax trust fund	(2,773,800)														(2,773,800)
Decrease funding for system governance	(300,000)														(300,000)
Provide a 10 percent match for O'Kelly Hall, Minard Hall, and Swain Hall					($500,000)	($220,000)				($167,465)					(887,465)
Reduce funding for deferred maintenance and long-range master plan for Mayville State University and increase funding for the university's campus operations	(250,000)								$250,000						0
Change the funding source for steamline projects at Valley City State University, State College of Science, and Minot State University - Bottineau from the general fund to the permanent oil tax trust fund							($1,670,420)				($2,200,000)	($239,095)			(4,109,515)
Total proposed conference committee changes	($3,547,300)	$0	$0	$0	($500,000)	($220,000)	($1,670,420)	$0	$250,000	($167,465)	($2,200,000)	($239,095)	$0	$0	($8,294,280)
2007-09 general fund appropriation - Proposed conference committee version	$68,527,618	$20,771,525	$6,653,271	$6,596,300	$114,908,905	$98,807,336	$29,196,338	$17,917,119	$11,229,752	$38,342,827	$14,179,831	$4,930,179	$34,574,938	$2,541,449	$469,177,388
2007-09 executive budget	$70,910,723	$20,771,525	$6,653,271	$6,596,300	$115,408,905	$99,027,336	$30,416,758	$17,917,119	$10,836,719	$34,123,292	$15,979,831	$5,169,274	$33,874,938	$2,541,449	$470,227,440
Increase (decrease) from 2007-09 executive budget	($2,383,105)	$0	$0	$0	($500,000)	($220,000)	($1,220,420)	$0	$393,033	$4,219,535	($1,800,000)	($239,095)	$700,000	$0	($1,050,052)
2005-07 legislative appropriation	$55,569,611	$17,509,029	$6,177,526	$5,929,472	$95,312,147	$78,396,876	$25,740,160	$15,095,317	$9,362,624	$27,892,719	$12,314,942	$4,444,185	$31,361,002	$2,052,283	$387,157,893
Increase (decrease) from 2005-07 legislative appropriation	$12,958,007	$3,262,496	$475,745	$666,828	$19,596,758	$20,410,460	$3,456,178	$2,821,802	$1,867,128	$10,450,108	$1,864,889	$485,994	$3,213,936	$489,166	$82,019,495

Note: The proposed conference committee amendment also include adding a new section to the bill providing legislative intent that the UND School of Medicine Health may build, renovate, or lease space for a new Bismarck family practice center.

Att B

Prepared by the North Dakota Legislative Council staff

April 2007

ANALYSIS OF PROPOSED CONFERENCE COMMITTEE AMENDMENTS TO HOUSE BILL NO. 1003 - OPTION B

	NDUS Office	Bismarck State College	Lake Region State College	Williston State College	University of North Dakota	North Dakota State University	State College of Science	Dickinson State University	Mayville State University	Minot State University	Valley City State University	Minot State University - Bottineau	UND Medical School	Forest Service	Total
2007-09 general fund appropriation - Senate version	$72,074,918	$20,771,525	$6,653,271	$6,596,300	$115,408,905	$99,027,336	$30,866,758	$17,917,119	$10,979,752	$38,510,292	$16,379,831	$5,169,274	$34,574,938	$2,541,449	$477,471,668
Proposed conference committee changes															
Remove increase for competitive research	($150,000)														($150,000)
Reduce funding for recruiting initiative at Minot State University-Bottineau and remove language relating to Minot State University	(73,500)														(73,500)
Change the funding source for the Northern Tier network infrastructure from the general fund to the permanent oil tax trust fund	(2,773,800)														(2,773,800)
Decrease funding for system governance	(300,000)														(300,000)
Provide a 10 percent match for O'Kelly Hall, Minard Hall, and Swain Hall					($500,000)	($220,000)				($167,465)					(887,465)
Reduce funding for deferred maintenance and long-range master plan for Mayville State University and increase funding for the university's campus operations	(250,000)								$250,000						0
Change the funding source for steamline projects at Valley City State University, State College of Science, and Minot State University - Bottineau from the general fund to the permanent oil tax trust fund							($1,670,420)				($2,200,000)	($239,095)			(4,109,515)
Provide a 1 percent operations reduction		($197,831)	($65,277)	($66,391)	(1,072,800)	(898,182)	(278,099)	($168,984)	(98,898)	(301,705)	(133,836)	(47,715)	($345,749)	($23,612)	(3,699,079)
Total proposed conference committee changes	($3,547,300)	($197,831)	($65,277)	($66,391)	($1,572,800)	($1,118,182)	($1,948,519)	($168,984)	$151,102	($469,170)	($2,333,836)	($286,810)	($345,749)	($23,612)	($11,993,359)
2007-09 general fund appropriation - Proposed conference committee version	$68,527,618	$20,573,694	$6,587,994	$6,529,909	$113,836,105	$97,909,154	$28,918,239	$17,748,135	$11,130,854	$38,041,122	$14,045,995	$4,882,464	$34,229,189	$2,517,837	$465,478,309
2007-09 executive budget	$70,910,723	$20,771,525	$6,653,271	$6,596,300	$115,408,905	$99,027,336	$30,416,758	$17,917,119	$10,836,719	$34,123,292	$15,979,831	$5,169,274	$33,874,938	$2,541,449	$470,227,440
Increase (decrease) from 2007-09 executive budget	($2,383,105)	($197,831)	($65,277)	($66,391)	($1,572,800)	($1,118,182)	($1,498,519)	($168,984)	$294,135	$3,917,830	($1,933,836)	($286,810)	$354,251	($23,612)	($4,749,131)
2005-07 legislative appropriation	$55,569,611	$17,509,029	$6,177,526	$5,929,472	$95,312,147	$78,396,876	$25,740,160	$15,095,317	$9,362,624	$27,892,719	$12,314,942	$4,444,185	$31,361,002	$2,052,283	$387,157,893
Increase (decrease) from 2005-07 legislative appropriation	$12,958,007	$3,064,665	$410,468	$600,437	$18,523,958	$19,512,278	$3,178,079	$2,652,818	$1,768,230	$10,148,403	$1,731,053	$438,279	$2,868,187	$465,554	$78,320,416

Note: The proposed conference committee amendment also include adding a new section to the bill providing legislative intent that the UND School of Medicine Health may build, renovate, or lease space for a new Bismarck family practice center.

Attachment A

Prepared by the North Dakota Legislative Council staff

April 2007

ANALYSIS OF PROPOSED CONFERENCE COMMITTEE AMENDMENTS TO HOUSE BILL NO. 1003

	NDUS Office	Bismarck State College	Lake Region State College	Williston State College	University of North Dakota	North Dakota State University	State College of Science	Dickinson State University	Mayville State University	Minot State University	Valley City State University	Minot State University - Bottineau	UND Medical School	Forest Service	Total
2007-09 general fund appropriation - Senate version	$72,074,918	$20,771,525	$6,653,271	$6,596,300	$115,408,905	$99,027,336	$30,866,758	$17,917,119	$10,979,752	$38,510,292	$16,379,831	$5,169,274	$34,574,938	$2,541,449	$477,471,668
Proposed conference committee changes															
2 1/4 percent operations reduction - Exempt Valley City State University and Mayville State University		($445,121)	($146,873)	($149,380)	($2,413,801)	($2,020,909)	($625,723)	($380,213)		($678,837)		($107,358)	($777,936)	($53,128)	($7,799,279)
10 percent match on O'Kelly Hall, Minard Hall, and Schafer Hall		(51,520)			(220,000)	(500,000)									(771,520)
Total proposed conference committee changes	$0	($496,641)	($146,873)	($149,380)	($2,633,801)	($2,520,909)	($625,723)	($380,213)	$0	($678,837)	$0	($107,358)	($777,936)	($53,128)	($8,570,799)
2007-09 general fund appropriation - Proposed conference committee version	$72,074,918	$20,274,884	$6,506,398	$6,446,920	$112,775,104	$96,506,427	$30,241,035	$17,536,906	$10,979,752	$37,831,455	$16,379,831	$5,061,916	$33,797,002	$2,488,321	$468,900,869
2007-09 executive budget	$70,910,723	$20,771,525	$6,653,271	$6,596,300	$115,408,905	$99,027,336	$30,416,758	$17,917,119	$10,836,719	$34,123,292	$15,979,831	$5,169,274	$33,874,938	$2,541,449	$470,227,440
Increase (decrease) from 2007-09 executive budget	$1,164,195	($496,641)	($146,873)	($149,380)	($2,633,801)	($2,520,909)	($175,723)	($380,213)	$143,033	$3,708,163	$400,000	($107,358)	($77,936)	($53,128)	($1,326,571)
2005-07 legislative appropriation	$55,569,811	$17,509,029	$6,177,526	$5,929,472	$95,312,147	$78,396,876	$25,740,160	$15,095,317	$9,362,624	$27,892,719	$12,314,942	$4,444,185	$31,361,002	$2,052,283	$387,157,893
Increase (decrease) from 2005-07 legislative appropriation	$16,505,307	$2,765,855	$328,872	$517,448	$17,462,957	$18,109,551	$4,500,875	$2,441,589	$1,617,128	$9,938,736	$4,064,889	$617,731	$2,436,000	$436,038	$81,742,976

Prepared by the North Dakota Legislative Council staff

April 21, 2007

ANALYSIS OF PROPOSED CONFERENCE COMMITTEE AMENDMENTS TO HOUSE BILL NO. 1003 - OPTION A

	NDUS Office	Bismarck State College	Lake Region State College	Williston State College	University of North Dakota	North Dakota State University	State College of Science	Dickinson State University	Mayville State University	Minot State University	Valley City State University	Minot State University - Bottineau	UND Medical School	Forest Service	Total
2007-09 general fund appropriation - Senate version	$72,074,918	$20,771,525	$6,653,271	$6,596,300	$115,408,905	$99,027,336	$30,866,758	$17,917,119	$10,979,752	$38,510,292	$16,379,831	$5,169,274	$34,574,938	$2,541,449	$477,471,668
Proposed conference committee changes															
Reduce funding for recruiting initiative at Minot State University-Bottineau and remove language relating to Minot State University	($73,500)														($73,500)
Change the funding source for the Northern Tier network infrastructure from the general fund to the permanent oil tax trust fund	(2,773,800)														(2,773,800)
Decrease funding for system governance	(200,000)														(200,000)
Reduce funding for professional liability insurance	(250,000)									($167,465)					(913,960)
Provide a 10 percent match for Schafer Hall, O'Kelly Hall, Minard Hall, and Swain Hall		($26,495)			($220,000)	($500,000)			$250,000						0
Reduce funding for deferred maintenance and long-range master plan for Mayville State University and increase funding for the university's campus operations	(250,000)														
Change the funding source for steamline projects at Valley City State University, State College of Science, and Minot State University - Bottineau from the general fund to the permanent oil tax trust fund							($1,670,420)				($2,200,000)	($239,095)			(4,109,515)
Total proposed conference committee changes	($3,547,300)	($26,495)	$0	$0	($220,000)	($500,000)	($1,670,420)	$0	$250,000	($167,465)	($2,200,000)	($239,095)	$0	$0	($8,320,775)
2007-09 general fund appropriation - Proposed conference committee version	$68,527,618	$20,745,030	$6,653,271	$6,596,300	$115,188,905	$98,527,336	$29,196,338	$17,917,119	$11,229,752	$38,342,827	$14,179,831	$4,930,179	$34,574,938	$2,541,449	$469,150,893
2007-09 executive budget	$70,910,723	$20,771,525	$6,653,271	$6,596,300	$115,408,905	$99,027,336	$30,416,758	$17,917,119	$10,836,719	$34,123,292	$15,979,831	$5,169,274	$33,874,938	$2,541,449	$470,227,440
Increase (decrease) from 2007-09 executive budget	($2,383,105)	($26,495)	$0	$0	($220,000)	($500,000)	($1,220,420)	$0	$393,033	$4,219,535	($1,800,000)	($239,095)	$700,000	$0	($1,076,547)
2005-07 legislative appropriation	$55,569,611	$17,509,029	$6,177,526	$5,929,472	$95,312,147	$78,396,876	$25,740,160	$15,095,317	$9,362,624	$27,892,719	$12,314,942	$4,444,185	$31,361,002	$2,052,283	$387,157,893
Increase (decrease) from 2005-07 legislative appropriation	$12,958,007	$3,236,001	$475,745	$666,828	$19,876,758	$20,130,460	$3,456,178	$2,821,802	$1,867,128	$10,450,108	$1,864,889	$485,994	$3,213,936	$489,166	$81,993,000

Note: The proposed conference committee amendment also include adding a new section to the bill providing legislative intent that the UND School of Medicine Health may build, renovate, or lease space for a new Bismarck family practice center.

2007 TESTIMONY

HB 1003

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1003 - Funding Summary

	Executive Budget	House Changes	House Version
University System office			
Capital assets	$16,822,002	($67,890)	$16,754,112
Competitive research program	5,500,000		5,500,000
Board initiatives	2,091,174	(1,791,174)	300,000
System governance	6,441,394	(406,453)	6,034,941
Title II	695,600		695,600
Common information services	27,403,293	1,248,974	28,652,267
Operations pool	344,559	(200,000)	144,559
Contingency and capital emergency	496,482	(200,000)	296,482
Professional liability insurance	1,350,000		1,350,000
Student financial assistance grants	5,987,497		5,987,497
Professional student exchange program	2,617,026	(100,000)	2,517,026
Scholars program	1,478,566		1,478,566
Native American scholarships	380,626		380,626
Education incentive programs	1,740,314	249,000	1,989,314
Total all funds	$73,348,533	($1,267,543)	$72,080,990
Less estimated income	2,437,810	249,000	2,686,810
General fund	$70,910,723	($1,516,543)	$69,394,180
FTE	21.00	(1.00)	20.00
Bismarck State College			
Operations	$19,783,138	($211,897)	$19,571,241
Capital assets	1,016,192		1,016,192
Total all funds	$20,799,330	($211,897)	$20,587,433
Less estimated income	27,805	0	27,805
General fund	$20,771,525	($211,897)	$20,559,628
FTE	105.38	0.00	105.38
Lake Region State College			
Operations	$6,527,667	($53,572)	$6,474,095
Capital assets	3,133,204		3,133,204
Total all funds	$9,660,871	($53,572)	$9,607,299
Less estimated income	3,007,600	(1,000,000)	2,007,600
General fund	$6,653,271	$946,428	$7,599,699
FTE	30.49	0.00	30.49
Williston State College			
Operations	$6,439,102	$134,066	$6,573,168
Capital assets	1,557,198	700,000	2,257,198
Total all funds	$7,996,300	$834,066	$8,830,366
Less estimated income	1,400,000	900,000	2,300,000
General fund	$6,596,300	($65,934)	$6,530,366
FTE	38.80	1.00	39.80
University of North Dakota			
Operations	$107,280,030	($1,246,985)	$106,033,045
Capital assets	86,328,875	(500,000)	85,828,875

Total all funds	$193,608,905	($1,746,985)	$191,861,920
Less estimated income	78,200,000	(4,100,000)	74,100,000
General fund	$115,408,905	$2,353,015	$117,761,920
FTE	637.24	0.00	637.24
UND Medical Center			
Operations	$33,874,938	$364,025	$34,238,963
Total all funds	$33,874,938	$364,025	$34,238,963
Less estimated income	0	0	0
General fund	$33,874,938	$364,025	$34,238,963
FTE	155.74	2.00	157.74
North Dakota State University			
Operations	$89,818,175	($1,087,958)	$88,730,217
Capital assets	29,709,161	15,000,000	44,709,161
Total all funds	$119,527,336	$13,912,042	$133,439,378
Less estimated income	20,500,000	15,000,000	35,500,000
General fund	$99,027,336	($1,087,958)	$97,939,378
FTE	498.12	0.00	498.12
State College of Science			
Operations	$27,359,893	$86,401	$27,446,294
Capital assets	11,470,865		11,470,865
Total all funds	$38,830,758	$86,401	$38,917,159
Less estimated income	8,414,000	0	8,414,000
General fund	$30,416,758	$86,401	$30,503,159
FTE	156.77	0.00	156.77
Dickinson State University			
Operations	$16,898,356	($187,158)	$16,711,198
Capital assets	9,018,763		9,018,763
Total all funds	$25,917,119	($187,158)	$25,729,961
Less estimated income	8,000,000	0	8,000,000
General fund	$17,917,119	($187,158)	$17,729,961
FTE	121.60	0.00	121.60
Mayville State University			
Operations	$9,889,789	($88,198)	$9,801,591
Capital assets	1,846,930	559,500	2,406,430
Total all funds	$11,736,719	$471,302	$12,208,021
Less estimated income	900,000	0	900,000
General fund	$10,836,719	$471,302	$11,308,021
FTE	55.89	0.00	55.89
Minot State University			
Operations	$30,170,548	($304,357)	$29,866,191
Capital assets	9,528,294		9,528,294
Total all funds	$39,698,842	($253,757)	$39,445,085
Less estimated income	5,575,550	(4,336,400)	1,239,150
General fund	$34,123,292	$4,082,643	$38,205,935
FTE	184.83	0.00	184.83
Valley City State University			
Operations	$12,983,596	($128,579)	$12,855,017
Capital assets	2,996,235		2,996,235

Total all funds	$15,979,831	($128,579)	$15,851,252
Less estimated income	0	0	0
General fund	$15,979,831	($128,579)	$15,851,252
FTE	78.15	0.00	78.15
Minot State University - Bottineau			
Operations	$4,771,477	($44,133)	$4,727,344
Capital assets	410,702		410,702
Total all funds	$5,182,179	($44,133)	$5,138,046
Less estimated income	12,905	0	12,905
General fund	$5,169,274	($44,133)	$5,125,141
FTE	31.11	0.00	31.11
Forest Service			
Operations	$3,358,731	($24,942)	$3,333,789
Capital assets	180,204		180,204
Total all funds	$3,538,935	($24,942)	$3,513,993
Less estimated income	997,486	0	997,486
General fund	$2,541,449	($24,942)	$2,516,507
FTE	19.47	0.00	19.47
Bill Total			
Total all funds	$599,700,596	$11,749,270	$611,449,866
Less estimated income	129,473,156	6,712,600	136,185,756
General fund	$470,227,440	$5,036,670	$475,264,110
FTE	2134.59	2.00	2136.59

House Bill No. 1003 - General Fund Summary of House Action

	Executive Budget	House Changes	House Version
University System office	$70,910,723	($1,516,543)	$69,394,180
Bismarck State College	20,771,525	(211,897)	20,559,628
Lake Region State College	6,653,271	946,428	7,599,699
Williston State College	6,596,300	(65,934)	6,530,366
University of North Dakota	115,408,905	2,353,015	117,761,920
UND Medical Center	33,874,938	364,025	34,238,963
North Dakota State University	99,027,336	(1,087,958)	97,939,378
State College of Science	30,416,758	86,401	30,503,159
Dickinson State University	17,917,119	(187,158)	17,729,961
Mayville State University	10,836,719	471,302	11,308,021
Minot State University	34,123,292	4,082,643	38,205,935
Valley City State University	15,979,831	(128,579)	15,851,252
Minot State University - Bottineau	5,169,274	(44,133)	5,125,141
Forest Service	2,541,449	(24,942)	2,516,507
Total general fund	$470,227,440	$5,036,670	$475,264,110

Detail of House Changes to the General Fund

	Decreases Funding for Bond Payments[1]	Decreases Funding for Board Initiatives[2]	Decreases Funding for System Governance[3]	Increases Funding for the Northern Tier Network[4]	Decreases Funding for Operations Pool[5]	Decreases Funding for Contingency and Capital Emergency[6]
University System office	($67,890)	($1,791,174)	($358,000)	$1,400,000	($200,000)	($200,000)
Bismarck State College						
Lake Region State College						
Williston State College						
University of North Dakota						
UND Medical Center						
North Dakota State University						
State College of Science						
Dickinson State University						
Mayville State University						
Minot State University						
Valley City State University						
Minot State University - Bottineau						
Forest Service						
Total general fund	($67,890)	($1,791,174)	($358,000)	$1,400,000	($200,000)	($200,000)

	Decreases Funding for the Professional Student Exchange Program[7]	Increases Funding for Education Incentive Programs[8]	Reduces Compensation Package From 5/5 to 4/4[9]	Adjusts Funding for Operations[10]	Adjusts Funding for Capital Assets[11]	Total General Fund Changes
University System office	($100,000)		($199,479)			($1,516,543)
Bismarck State College			(211,897)			(211,897)
Lake Region State College			(53,572)		1,000,000	946,428
Williston State College			(65,934)			(65,934)
University of North Dakota			(1,246,985)		3,600,000	2,353,015
UND Medical Center			(335,975)	700,000		364,025
North Dakota State University			(1,087,958)			(1,087,958)
State College of Science			(263,599)	350,000		86,401
Dickinson State University			(187,158)			(187,158)
Mayville State University			(88,198)		559,500	471,302
Minot State University			(304,357)		4,387,000	4,082,643
Valley City State University			(128,579)			(128,579)
Minot State University - Bottineau			(44,133)			(44,133)
Forest Service			(24,942)			(24,942)
Total general fund	($100,000)	$0	($4,242,766)	$1,050,000	$9,546,500	$5,036,670

House Bill No. 1003 - Other Funds Summary of House Action

	Executive Budget	House Changes	House Version
University System office	$2,437,810	$249,000	$2,686,810
Bismarck State College	27,805		27,805
Lake Region State College	3,007,600	(1,000,000)	2,007,600
Williston State College	1,400,000	900,000	2,300,000
University of North Dakota	78,200,000	(4,100,000)	74,100,000
UND Medical Center			
North Dakota State University	20,500,000	15,000,000	35,500,000
State College of Science	8,414,000		8,414,000
Dickinson State University	8,000,000		8,000,000
Mayville State University	900,000		900,000
Minot State University	5,575,550	(4,336,400)	1,239,150
Valley City State University			
Minot State University - Bottineau	12,905		12,905
Forest Service	997,486		997,486
Total other funds	$129,473,156	$6,712,600	$136,185,756

Detail of House Changes to Other Funds

	Decreases Funding for Bond Payments[1]	Decreases Funding for Board Initiatives[2]	Decreases Funding for System Governance[3]	Increases Funding for the Northern Tier Network[4]	Decreases Funding for Operations Pool[5]	Decreases Funding for Contingency and Capital Emergency[6]
University System office						
Bismarck State College						
Lake Region State College						
Williston State College						
University of North Dakota						
UND Medical Center						
North Dakota State University						
State College of Science						
Dickinson State University						
Mayville State University						
Minot State University						
Valley City State University						
Minot State University - Bottineau						
Forest Service						
Total other funds	$0	$0	$0	$0	$0	$0

	Decreases Funding for the Professional Student Exchange Program[7]	Increases Funding for Education Incentive Programs[8]	Reduces Compensation Package from 5/5 to 4/4[9]	Adjusts Funding for Operations[10]	Adjusts Funding for Capital Assets[11]	Total Other Funds Changes
University System office		$249,000				$249,000
Bismarck State College					(1,000,000)	(1,000,000)
Lake Region State College				200,000	700,000	900,000
Williston State College					(4,100,000)	(4,100,000)
University of North Dakota						
UND Medical Center					15,000,000	15,000,000
North Dakota State University						
State College of Science						
Dickinson State University						
Mayville State University						
Minot State University					(4,336,400)	(4,336,400)
Valley City State University						
Minot State University - Bottineau						
Forest Service						
Total other funds	$0	$249,000	$0	$200,000	$6,263,600	$6,712,600

House Bill No. 1003 - All Funds Summary of House Action

	Executive Budget	House Changes	House Version
University System office	$73,348,533	($1,267,543)	$72,080,990
Bismarck State College	20,799,330	(211,897)	20,587,433
Lake Region State College	9,660,871	(53,572)	9,607,299
Williston State College	7,996,300	834,066	8,830,366
University of North Dakota	193,608,905	(1,746,985)	191,861,920
UND Medical Center	33,874,938	364,025	34,238,963
North Dakota State University	119,527,336	13,912,042	133,439,378
State College of Science	38,830,758	86,401	38,917,159
Dickinson State University	25,917,119	(187,158)	25,729,961
Mayville State University	11,736,719	471,302	12,208,021
Minot State University	39,698,842	(253,757)	39,445,085
Valley City State University	15,979,831	(128,579)	15,851,252
Minot State University - Bottineau	5,182,179	(44,133)	5,138,046
Forest Service	3,538,935	(24,942)	3,513,993
Total all funds	$599,700,596	$11,749,270	$611,449,866
FTE	2134.59	2.00	2136.59

Detail of House Changes to All Funds

	Decreases Funding for Bond Payments[1]	Decreases Funding for Board Initiatives[2]	Decreases Funding for System Governance[3]	Increases Funding for the Northern Tier Network[4]	Decreases Funding for Operations Pool[5]	Decreases Funding for Contingency and Capital Emergency[6]
University System office	($67,890)	($1,791,174)	($358,000)	$1,400,000	($200,000)	($200,000)
Bismarck State College						
Lake Region State College						
Williston State College						
University of North Dakota						
UND Medical Center						
North Dakota State University						
State College of Science						
Dickinson State University						
Mayville State University						
Minot State University						
Valley City State University						
Minot State University - Bottineau						
Forest Service						
Total all funds	($67,890)	($1,791,174)	($358,000)	$1,400,000	($200,000)	($200,000)
FTE	0.00	0.00	(1.00)	0.00	0.00	0.00

	Decreases Funding for the Professional Student Exchange Program[7]	Increases Funding for Education Incentive Programs[8]	Reduces Compensation Package from 5/5 to 4/4[9]	Adjusts Funding for Operations[10]	Adjusts Funding for Capital Assets[11]	Total All Funds Changes
University System office	($100,000)	$249,000	($199,479)			($1,267,543)
Bismarck State College			(211,897)			(211,897)
Lake Region State College			(53,572)			(53,572)
Williston State College			(65,934)	200,000	700,000	834,066
University of North Dakota			(1,246,985)		(500,000)	(1,746,985)
UND Medical Center			(335,975)	700,000		364,025
North Dakota State University			(1,087,958)		15,000,000	13,912,042
State College of Science			(263,599)	350,000		86,401
Dickinson State University			(187,158)			(187,158)
Mayville State University			(88,198)		559,500	471,302
Minot State University			(304,357)		50,600	(253,757)
Valley City State University			(128,579)			(128,579)
Minot State University - Bottineau			(44,133)			(44,133)
Forest Service			(24,942)			(24,942)
Total all funds	($100,000)	$249,000	($4,242,766)	$1,250,000	$15,810,100	$11,749,270
FTE	0.00	0.00	0.00	3.00	0.00	2.00

[1] This amendment decreases funding from the general fund for bond payments by $67,890, from $15,822,002, of which $14,792,252 is from the general fund and $1,029,750 is from special funds, to $15,754,112, of which $14,724,362 is from the general fund and $1,029,750 is from special funds.

[2] This amendment decreases funding from the general fund for board initiatives by $1,791,174, from $2,091,174 as recommended in the executive budget, to $300,000.

[3] This amendment removes funding of $358,000 from the general fund for the system governance line item. Of the $358,000, $308,000 relates to funding included in the executive budget recommendation to separate the vice chancellor for strategic planning and the executive director of the College Technical Education Council as well as provide funding for an anticipated higher salary

placement cost for the vice chancellor position. The remaining $50,000 relates to one-time funding provided in the 2005 ennium for a technology commercialization study that is removed for the 2007-09 biennium.

[4] This amendment increases funding for the Northern Tier network project by $1.4 million, from $1 million to $2.4 million from the general fund.

[5] This amendment decreases funding for the operations pool by $200,000, from $344,559 to $144,559 from the general fund.

[6] This amendment decreases funding for contingency and capital emergencies by $200,000, from $496,482 to $296,482 from the general fund.

[7] The executive budget recommended including funding of $200,000 from the general fund in the professional student exchange program line item for a loan forgiveness program for veterinary and optometry students. This amendment decreases the funding by $100,000 to reflect the elimination of the proposed loan forgiveness program for optometry students in House Bill No. 1125.

[8] This amendment increases funding for the education incentive programs by $249,000, from $1,227,902 to $1,989,314, for additional funding for the teacher shortage loan forgiveness program. The additional funding is from profits that have accrued at the Bank of North Dakota as a result of the Bank administering student loan programs.

[9] This amendment reduces funding for salary increases from 5 percent for each year of the 2007-09 biennium to 4 percent for each year of the biennium.

[10] Williston State College - This amendment provides funding of $200,000 from the permanent oil tax trust fund for support of the college's service rig program, including $140,000 for 1 new FTE training position and $60,000 for operating expenses.

UND School of Medicine and Health Sciences - This amendment provides funding of $700,000 from the general fund for recruiting new two faculty in bacteriology and immunology. Of the $700,000, $460,800 is considered one-time funding and $239,200 onsidered base funding.

State College of Science - This amendment provides funding of $350,000 from the general fund for support of the Center for Nanoscience and Technology Training, including curriculum design and development, purchase and installation of specialized equipment, facilities renovation, technical support, and other related costs associated with the development of the nanoscience technician program and nanotechnology applied science laboratory and related emerging technology programming.

[11] Lake Region State College - This amendment changes the funding source for the college's wind energy project as follows:

	EXECUTIVE BUDGET	PROPOSED AMENDMENTS	INCREASE (DECREASE)
General fund		$1,000,000	$1,000,000
Special funds	$3,007,600	2,007,600	(1,000,000)
Total	$3,007,600	$3,007,600	$0

Williston State College - This amendment provides funding of $700,000 from the permanent oil tax trust fund for construction of a new facility for the college's service rig program.

University of North Dakota - This amendment changes the funding source of the UND School of Medicine and Health Sciences' new Bismarck family medicine residency facility as summarized below. The university may use any special funds available for the project.

	EXECUTIVE BUDGET	PROPOSED AMENDMENTS	INCREASE (DECREASE)
General fund		$3,600,000	$3,600,000
Special funds	$4,500,000	400,000	(4,100,000)
Total	$4,500,000	$4,000,000	($500,000)

orth Dakota State University - This amendment provides a $15 million special funds appropriation to the university to reauthorize e Bison Sports Arena renovation project.

Mayville State University - This amendment provides funding of $559,500 from the general fund to the university for the payoff of special assessment balances and deferred maintenance issues.

Minot State University - This amendment changes the funding source for the university's Swain Hall renovation and addition project as follows:

	EXECUTIVE BUDGET	PROPOSED AMENDMENTS	INCREASE (DECREASE)
General fund	$2,500,000	$6,500,000	$4,000,000
Special funds	4,536,150	536,150	(4,000,000)
Total	$7,036,150	$7,036,150	$0

This amendment also changes the university's dome athletic floor replacement project as follows:

	EXECUTIVE BUDGET	PROPOSED AMENDMENTS	INCREASE (DECREASE)
General fund		$387,000	$387,000
Special funds	$336,400		(336,400)
Total	$336,400	$387,000	$50,600

House Bill No. 1003 - Other Changes - House Action

This amendment also:

Amends Section 10 of the bill as introduced relating to the student loan trust fund.

Amends Section 16 of the bill as introduced relating to revenue bond issuance.

Adds a section to the bill limiting tuition rate increases for the 2007-08 and 2008-09 academic years to 5 percent for each year.

- Adds a section to the bill relating to one-time funding.
- Adds a section to the bill providing for a Legislative Council study of higher education.
- Adds a section to the bill relating to the use of unspent 2005-07 general fund appropriations.
- Amends North Dakota Century Code Section 15-10-43 to eliminate the payback provision for all Kansas State University veterinary medicine positions and allows for the appointment of alternates to the selection committee.
- Repeals Sections 1 and 2 of House Bill No. 1031, as approved by the 60th Legislative Assembly relating to the budgeting process.

Statement of Dennis Hill
Executive vice president and general manager
North Dakota Association of Rural Electric Cooperatives

Before the House Appropriations Committee,
8:30 a.m. Monday, January 8, 2007

Chairman Svedjan and members of the committee,

I appear today as a private sector representative on the N.D. Roundtable on Higher Education, in full support of the legislative agenda that the Board of Higher Education and the Chancellor's Office brings to the 2007 legislative session.

I have been a member of the Roundtable on Higher Education from the start. While always supportive of higher education throughout my career, the Roundtable experience of the past six years has crystallized my view that the N.D. University System is indeed one of the state's largest economic engines. As such, it will run most powerfully and efficiently when provided with the right resources to do its job.

At the top of that list of resources is funding. The North Dakota University System was receiving 21 percent of the state's general fund spending in 2001 when the Roundtable initiative went into effect. It's vitally important that we move back to at least that level of support from the state's general fund budget.

This money is being put to good use, at a time when needs have never been higher. I trust we'd all agree with the views of futurist Ed Barlow who says that "knowledge capital will separate winners from losers in the race for wealth creation in the 21st century."

We wholeheartedly agree with that statement in the industry I represent. The electric cooperatives that operate in North Dakota employ nearly 2,700 people in professional jobs ranging from accountants, to line workers, to power plant operators, to coal miners, to CEOs, to engineers, to IT specialists and communicators. It's these skilled, professional workers who keep our lights on 24/7.

Yet, in our industry, we face a daunting challenge. The day is fast approaching when nearly a third of these workers will be retiring. When they walk out that door, years of knowledge, expertise and wisdom will go with them.

Across the nation, our National Rural Electric Cooperative Association reports that some 30% of the 60,000 folks who work for electric co-ops are 50 or older. That means some 18,000 folks working for co-ops will be eligible to retire within a decade.

In our state, our worker demographics mirror the national trends, with nearly 30 percent of our employees 50 or older--and another 45 percent are 40 or older. Put another way, that means only a fourth of our workforce is under the age of 40.

The bottom line is this: the rural electric program here and across the country is on the look out for skilled, knowledgeable workers who'll be able to operate the increasingly sophisticated electrical system in the decades ahead. It is our hope and desire that North Dakota's colleges and universities can be a major supplier of the talent pool we'll need to hire.

We have not left all of this to chance. You might be aware that electric cooperatives are major partners with Bismarck State College to provide graduates who'll be able to step into the electric industry. Our own association partners with BSC to provide land and buildings to operate the line worker's training program. And last year, Basin Electric Power Cooperative, based here in Bismarck, led the fundraising for the new National Energy Center of Excellence with a $2 million gift. This $15.4 million center is expected to be completed in May of next year. This partnership is an example of how the private sector can join with the ND University System to create win/wins for industry and higher education. It's also the kind of partnerships envisioned by the work of the Roundtable on Higher Education.

In closing, I would ask this committee to accept and endorse the recommendations of the Board of Higher Education and the Chancellor's office for its 2007 legislative goals—especially in this critical area of funding. I would also ask for support of the Roundtable on Higher Education. The success the Roundtable has created is being emulated by states across the country. We should keep our own Roundtable alive and well, as it has created positive outcomes for industry, for higher education, for students and the citizens of North Dakota.

I'd be happy to answer any questions you might have.

JOHN Q. PAULSEN PRESIDENT, STATE BOARD OF HIGHER EDUCATION 02.27.07

SENATE APPROPRIATIONS COMMITTEE

TESTIMONY ON HB 1003

Mr. Chairman, members of the committee, I am John Q. Paulsen, president of the State Board of Higher Education.

Before I begin my testimony, I will introduce my colleagues on the State Board of Higher Education. Board members, please stand as I do so.

I'd also like to recognize and thank the Senate Appropriations Committee members who served on the Roundtable on Higher Education. They are Senators Ray Holmberg (chair), Tony Grindberg, Elroy Lindaas, Larry Robinson and Rich Wardner. House Appropriations Committee members who served on the roundtable with them are Representatives Ole Aarsvold, Larry Bellew, Mary Ekstrom, Kathy Hawken and Bob Martinson.

As one who has lived in North Dakota my entire life, I have long had a deep appreciation for the commitment the North Dakota Legislature has had and continues to have on behalf of higher education. As appropriators of our state budget, you and your predecessors understood the importance of continuously investing in the North Dakota University System. Over and over, you have proven that by your actions.

My colleagues and our key stakeholders are here today to tell you why we believe your continued investment in the University System is one of the most important things you can do for the people and state of North Dakota. For my part, I know that you and all of your colleagues share our passion with regard to the importance of our colleges and universities to the future of our state.

I also want to express public thanks to the more than 10,000 men and women who have dedicated their careers to the North Dakota University System. More than 42,000 young men and women entrust their education every year to these fine people.

When the Roundtable on Higher Education was formed, we assured those deeply committed men and women that, as they worked so hard to transform the University System into an engine of economic development, we would take steps to move faculty and staff salaries up from the absolute bottom of the nation's pay scale. We have not yet delivered on that commitment.

Members of the committee, I strongly encourage you to reinstate the 5 percent pay increases included in the board budget and to maintain health insurance benefits at their current level. These are the University System's top funding priorities. A pay raise of 5 percent is not unreasonable, and it is needed to attract and retain talented faculty and provide high-quality education to our students. I must tell you that, if we are unable to restore the 5 percent salary increases, I strongly fear an exodus of committed college and university faculty from the state of North Dakota, and, in that process, we will all lose.

The second point I want to emphasize today is the importance of providing the base funding included in the board's budget request. This level of base funding is closely linked to our ability to keep tuition rate increases at no more than 5 percent during the upcoming biennium. Even with 5 percent increases per year, increasing cost demands will be a challenge for some of our institutions. While our board feels strongly about holding tuition rate increases to a minimum, it is vitally important to understand the relationship between adequate base funding and tuition rates. Our foremost obligation is to keep them strong and viable and able to respond to the needs of students and the state.

As you are aware, the House added a number of special projects to the University System's budget. While those projects are attractive and appreciated, they must not come at the cost of the base funding that makes everything else possible. Without adequate base funding, without question, program offerings will have to be reduced, facilities will deteriorate, and more and more students will leave the state to seek education elsewhere. Many will never return.

The base funding cutbacks in the House version of our budget bill – during this time of unprecedented prosperity in our state – are difficult to understand. Without intending to be alarming, I must tell you that, if we cannot restore base funding, I fear for the viability of some of our smaller institutions, even within the next biennium.

Another key component of the University System's commitment to educational excellence is continuing education and workforce training for those already employed in the state. Today's workers are expected to evolve in a rapidly changing workplace. Workforce training assures that North Dakotans are ready to respond to these demands. So that our state may continue to keep pace with this global economy, the State Board of Higher Education supports the workforce training funding increase included in the Career and Technical Education budget. By all measures, the state's workforce training system that merges the strengths of both CTE and the University System is a model of success, but we can – and we will – do more if the additional funding is provided.

Another model of success I would like to highlight is the Economic Development Centers of Excellence. Your funding of these centers is proving to be a marvelously wise investment. The legislature gave the colleges and universities an opportunity to work with the Department of Commerce in showing what an investment in the University System can yield, and our institutions have clearly stepped up to the plate. The centers of excellence legislation called for a two-to-one funding match, but the institutions and their valued private sector partners have gone above and beyond that expectation. To date, $20

million has been awarded by you and your colleagues, and it has been matched by more than $81 million from our public and private sector partners. I know you share our excitement about the promise these centers hold for the future of our state, and we earnestly ask for your continued financial support of this important initiative.

In past biennia, we have submitted at least two budget plan options for consideration by the governor and the legislature. However, prior to this legislative session, several private sector members of the Roundtable on Higher Education met with us on behalf of all 17 private sector members and asked the board to submit one budget that calls for a general fund increase of $63 million. Roundtable members stated with great passion their support for this concept and funding level so that the University System may continue to fulfill the dual mission envisioned by the roundtable: providing high-quality education while enhancing our state's economy.

Later on today's agenda you will hear more about the Roundtable on Higher Education from private sector roundtable members, but I want you to know how intricately the roundtable is woven into the day-to-day operation of the University System. We would not be where we are today without the work of this landmark initiative. Here again, I express an earnest and heartfelt *"thank you"* to you and your predecessor colleagues in the North Dakota Legislature for your visionary leadership in enacting the legislation that created the Roundtable on Higher Education.

The NDSU Department of Agribusiness and Applied Economics recently studied the economic impact of the North Dakota University System on our state's economy. By applying an economic multiplier to direct expenditures, NDSU researchers estimate that University System and student spending in 2006 provided a total economic impact to the state of North Dakota of $3.1 billion. By a separate measure, the study also estimates that a 50 percent increase in North Dakota's level of business activity as a result of the University System's contributions during the seven years since the roundtable was created has occurred.

Retail trade sales attributed to the NDUS for FY 2006 were estimated at $598 million, and personal income generated from this level of business activity was estimated at $969 million. In addition to the 10,260 people employed by the NDUS in 2006, the level of business activity resulting from the NDUS supports more than 24,000 jobs – more than 30,000 jobs when student spending is included! Nothing better illustrates the effectiveness and the power and potential of the North Dakota University System!

Others who will speak today will describe a university system that has undergone an incredible reinvigoration in just a few short years. I believe our 11 institutions are doing a phenomenal job. As always, your continued support of the University System will be a critically important investment for our people.

At the board's retreat this past September, and after looking at the challenges facing North Dakota, we concluded that the single most important factor that will determine the future success of our state will be its human capital. Members of the committee, the

primary developer and source of that capital is the University System. You will hear more about this "human capital" theme from Chancellor Dunn, the 11 institutions and private sector roundtable members throughout the legislative session.

Thank you. I'd now like to turn the podium over to Chancellor Dunn.

Verbal Comments of Don Hedger
President, CEO
Killdeer Manufacturing

Member, North Dakota Roundtable on higher Education

Before the Senate Appropriations Committee,
8:30 a.m. Tuesday February 27, 2007

Chairman Holmberg and members of the committee,

I am Don Hedger, President of Killdeer Manufacturing and I appear today as a private sector representative on the N.D. Roundtable on Higher Education, in support of the legislative agenda that the Board of Higher Education and the Chancellor's Office brings to the 2007 legislative session. But before I begin my personal testimony I would like to submit a statement in support of the North Dakota University System budget signed by private sector members of the Roundtable.

Mr. Chairman, members of the committee, North Dakota has made significant progress over the past few years in terms of growing our economy. That growth is a result of a stronger partnership between the state, business and our universities and colleges. It was the Roundtable that identified our university system as a catalyst in growing our economy and since the acceptance of the Roundtable report by the legislature, our universities and colleges have had a major impact on our economy. They have taken the mission of being a catalyst very seriously and have allocated resources to leverage significant economic growth.

Let me give you some personal examples of the impact their efforts have had for Killdeer Mountain Manufacturing. We are working with NDSU and DSU on their Center of Excellence programs. This is leading to higher efficiency for our company, and

additional economic development for North Dakota. Additionally, improved communications with these institutions has provided specific needed technical training for our team. Recently, as a result of a Boeing/DSU/KMM meeting, Boeing offered to work with DSU to define curriculum requirements consistent with the demands of working in a world-wide aerospace manufacturing supply chain.

In addition to these examples there are hundreds more across the state. Yes, our colleges and universities have played a major role in our state's growth, just as they were asked. They did so by utilizing their resources to invest in research and new programs that have helped existing businesses grow and new one's begin. Their efforts have helped attract new knowledge based industry to our state, raising our salary base and in turn taxable income. Now it's our state's turn to respond. The Roundtable suggested that if higher education significantly contributed to growing the state's economy, they would share in the benefits. They have stepped up to the plate and should be rewarded accordingly. That reward is reflected in the budget submitted by the State Board of Higher Education and in Governor Hoeven's budget.

Both of them allow for much needed faculty and staff salary increases. Competitive salaries and benefits are necessary to attract and retain dedicated, effective faculty and staff. I ask you consider sufficient state general funds to provide 5% annual salary increases for faculty and staff, as originally included in the Executive Budget.

I also ask you recognize the needed funds for ND Connect, the Northern Tier Network, Capital Improvements and the other items included in the submitted budget. This is a fair budget based on need and not on "wouldn't it be nice" funding.

The Executive Budget overall funding level is appreciated and the total amount is significant when the one-time funding is taken into consideration. But we, the private sector members of the Roundtable, continue to support the <u>base</u> funding approach as presented in the State Board budget request. In fact, the only adjustment to the executive

budget we see as necessary is to shift some of the one-time funding already in the budget to base-funding to support the core functions of the colleges and universities.

One more item I ask you to consider, as business leaders we can tell you that the number one priority in our state is the need to attract and retain a talented work force, not just quantity, but quality. In order to continue our growth pattern we must grow our human capital or businesses will locate in regions where the workforce is available. We believe the best source for developing and supplying human capital is our universities and colleges. One of the best investments you can make in us is by adequately funding our colleges and universities so they can attract the best and the brightest.

Mr. Chairman and members of the committee the message could not be any clearer. We are at a critical junction in our state's economic growth, we can proceed by building on our proven success since the Roundtable legislation or we can send a message to our universities and colleges that their role in that growth is no longer needed. I believe the North Dakota University System is critical to the economic growth of North Dakota and our recent growth bears that out, but they cannot continue their impressive role to date without additional resources. The Governor has identified those resources, the Board has asked to move part of these new resources to base funding- so that our colleges and universities can plan beyond two years. Along with the other private sector members of the Roundtable, I support that recommendation and I would ask this committee to accept and endorse the recommendations of the Board of Higher Education and the Chancellor's office for its 2007 legislative goals—especially in this critical area of funding.

Thank you Chairman, committee members, for listening and I will answer any questions.

Senate Appropriates Committee Meeting • State Capitol Building
Statement of Private Sector Members of the Roundtable on Higher Education
February 27, 2007

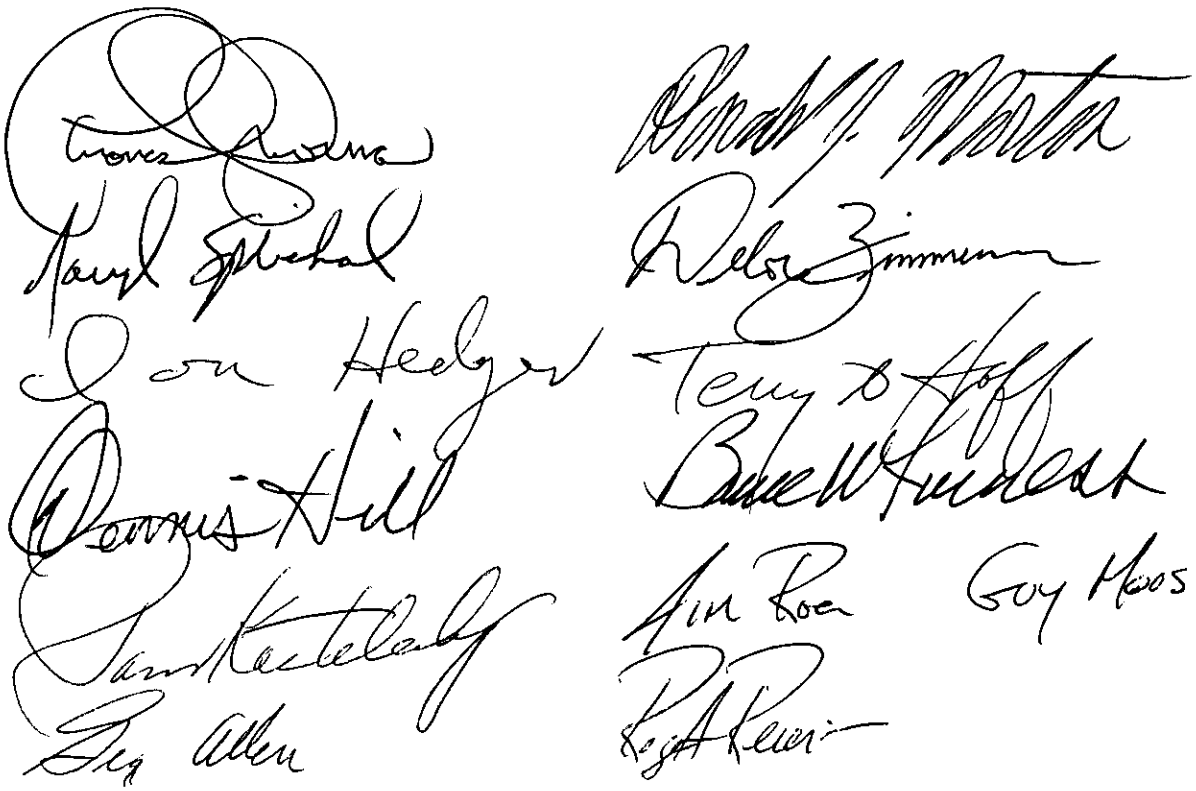
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Chairman Holmberg, Members of the Committee,

Thank you for this opportunity to submit the attached, written statement to you as testimony on behalf of the private sector members of the Roundtable and business colleagues.

Respectfully Submitted

Private Sector Members of the Roundtable on Higher Education



Senate Appropriates Committee Meeting • State Capitol Building
Statement of Private Sector Members of the Roundtable on Higher Education
February 27, 2007

Investment in higher education key to state's economic growth

Since the passage of the Roundtable legislation in 1999, our colleges and universities have been asked to deliver on a dual mission: to deliver a high quality education and to be a catalyst in the economic growth of North Dakota. The second part of that mission was added by the Roundtable on Higher Education. The Roundtable suggested that if the universities and colleges were able to help in our state's economic growth, they would be rewarded.

The evidence of growth since 1999 is overwhelming: new business activity is up, entrepreneurship is up, average wage per household has increased, research activity has soared and our state's overall economy continues to grow. Studies have indicated that the universities and colleges have had a positive impact on that growth.

But, today our state is faced with a major challenge. If we want our economy and businesses to continue on this growth pattern, we must find a way to grow our workforce, not just in quantity, but also quality. This need for human capital in our state is critical. We believe the best solution is the North Dakota University System and its eleven institutions, our best resource for developing human capital and meeting the state's needs for knowledge-based economy.

Senate Appropriates Committee Meeting • State Capitol Building
Statement of Private Sector Members of the Roundtable on Higher Education
February 27, 2007

As business leaders from across the state, we recognize that our colleges and universities need appropriate funds in order to continue their impressive record of helping businesses and our state's economy grow. The budget submitted by the State Board of Higher Education and the Chancellor's office was reviewed by private sector members of the Roundtable. We believe it is fair and is a needs-based budget. It does not contain "fluff". The governor submitted a budget with funding deemed to be in line with the budget requested by the State Board of Higher Education. In fact, we believe the only necessary adjustment to the executive budget is to shift some of the one-time funding—already in the budget—to base-funding to support the core functions of the colleges and universities, which would have restored the base budget to the requested level.

North Dakota has enjoyed economic growth over the past few years and we believe the North Dakota University System has played a major role in that growth. During the legislative session, legislators will be making decisions about higher education in our state that will send a strong message to prospective students, businesses, faculty and staff. We ask legislators "Do you believe in our students, faculty, staff, and in their value and role in the future business growth of our state?" If you do, then we ask you to invest in them at a level that will continue the positive impact we have seen since 1999.

Senate Appropriates Committee Meeting • State Capitol Building
Statement of Private Sector Members of the Roundtable on Higher Education
February 27, 2007

We support the budget submitted by the State Board of Higher Education and we urge our legislators to fund higher education with an increase of $63 million in base funding over the last biennium and with the one time funding investments as stated in the board's budget request. Anything short of these levels jeopardizes our competitiveness in this knowledge-based economy.

(2)

Testimony before Senate Appropriations Committee
On First Engrossment HB1003

By Chancellor Eddie Dunn
North Dakota University System
February 27, 2007

Eddie Dunn, Chancellor (Slide-3)

Thank you, President Paulsen. Chairman Holmberg, members of the Senate Appropriations Committee.

For the record, I am Eddie Dunn, Chancellor of the North Dakota University System.

The first thing I would like to do this morning is introduce the college and university presidents who are here today. I would ask that they stand as I say their names (See separate sheet).

Second, I would like to introduce the University System Office staff. I would also ask that they stand as I call their names (See separate sheet).

A copy of my testimony will be handed out at the end of my presentation. A copy of the slides we will be using today also will be attached to that testimony.

Vice Chancellor Glatt will be going through the University System budget in more detail in a few minutes. I will devote the time I have to providing the logic the University System used in developing the budget submitted to the Governor.

(Notebook):
Before I do that, I want to draw your attention to the notebook that the staff has prepared for you.

The first section provides basic information about the University System.

The second section (with the yellow tabs) includes information specifically related to the six cornerstones in the Roundtable Report.

There are also tabs toward the back of the notebook which corresponds to each of the colleges and universities.

I would encourage you to look through the notebook when you have time, and, if you have questions or need additional information, be sure to let us know.

Cover of Legislative Agenda Brochure (slide-4)

There is a brochure in the first section titled, "An Investment in a Brighter Future for North Dakota." This publication is an overview and summary of the University System budget. You will note that it is laid out to correspond with the dual mission recommended by the Roundtable.

Overview of NDUS – By the Numbers (slides 5 & 6)

Let me give a very brief overview of some of the more significant numbers that are pertinent to the NDUS budget.

- 11 institutions
- 42,237 FTE – students enrolled
- $859.2 million – budget
- $158.6 million – in tuition income
- $1.1 billion – of direct economic impact to the state
- $3.1 billion – in total economic impact, including student spending
- 60% of ALL graduates are currently remaining in the state following graduation
- 72% of North Dakota high school graduates are remaining in the state
- Over 30% of out-of-state students who graduate from our colleges are remaining in the state.
- In addition, all of the percentages regarding students remaining in the state have been increasing.

Justification for Funding Request (slide-7)

I would like to spend the remainder of my time today covering the main question I expect each of you have. That is – what is the justification for the funding being requested by the University System?

The Major Theme that has Emerged -- Human Capital (slides 8 & 9)

As President Paulsen mentioned, and I am certain you have heard from business people in your community and throughout the state: "The single most important factor that will determine the success of North Dakota will be the availability of human capital." You will be hearing more about this from the private sector.

The second part of that theme is – "The primary developer and source of that capital is the University System."

The first part of that statement is not just true in North Dakota, but it is true across the nation. In fact, it is the central conclusion – and the theme – of the recent report issued by the Blue Ribbon Commission of the National Council of State Legislators (NCSL).

Primary Sector Diagram (Slide-10):

Let me use a chart to illustrate the point I want to make regarding the importance of human capital.

In the mid-80s, when I was with the Extension Service, several of us from different state agencies cooperated in conducting community economic development programs in various communities throughout the state.

This is the chart we used at that time to make the point that – if a community or region wanted to expand its local economy and create more jobs, then the community needed to expand its economic base. The economic base in North Dakota, at that time, was comprised of energy, agriculture, tourism, and manufacturing, along with federal government outlays.

The primary sector businesses generate the "first round" of income to a community by exporting a majority of their product or service from the region and bringing dollars in.

The secondary sector platform generates the secondary expenditures – reflected in the multiplier effect.

The third platform is the overall population in the community (or, in our case, the state) which is supported by the primary sector and the secondary sector businesses.

Entirely New Platform (Slide-11)

What has changed dramatically in recent years is that an entirely new platform now is required to support a local economy or the economy of a state. The new platform is "human capital." More and more states are beginning to recognize that EDUCATION – both K-12 and higher education – is essential for supporting and expanding the economic base.

With this new reality – the reality of a new base – communities and states have three options:

1. They can choose to ignore this new foundation resulting in businesses not being able to be competitive with other states,
2. They can attempt to import this new workforce from other states,
3. Or, they can do what the private sector members of the Roundtable have been advocating – "grow our own."

This is where the University System comes in. The "grow our own" vehicle is already in place. It is interesting that it is also the primary source for attracting young people from other states to attend college – AND over 30 percent of them remain in the state after they graduate.

Each of the out-of-state students spend about $8,000 each year, not including tuition and fees. Slightly more that 26% of the students in the North Dakota University System are from out of state. This is like having over 16,000 tourists in the state 300 days a year for four to five years spending $8,000 a year.

In addition, research and development, the centers of excellence and the workforce training component have grown to the point where the University System is now recognized as a primary engine for economic development and is also becoming viewed as one of the primary sector industries.

There are 3 key points that need to be emphasized based on the realities at hand: (1) North Dakota's future rests on its ability to attract and develop human capital, (2) The University System is the primary vehicle for making that happen, and (3) the University System is positioned to do so in all regions of the state.

Base Funding and Sustainability (Slide-12)

As Mr. Paulsen stated in his testimony, the University System is pleased with the overall level of funding Governor Hoeven included in his budget. The only significant change the University System requested be made to that budget was to shift some of the one-time funding to base-funding.

In making that request, the University System is well aware that shifting some funding to base funding causes concern among legislators regarding the sustainability of a higher level of investment. WE UNDERSTAND AND RESPECT THAT CONCERN.

Fortunately, that is where the wisdom and thoughtfulness of those who developed the Roundtable principles and partnerships come into play.

The fundamental principle of the Roundtable, as everyone is now well aware, is to call upon the University System to help expand North Dakota's economy so everyone, including higher education, can benefit from that expansion.

Conversely, if the economy weakens, the college and university system presidents understand that their budgets will need to be reduced accordingly. Recognizing that reality, hopefully, will take the concern of sustainability, at least as it relates to investments in the University System, off the minds of legislators.

2005-07 State Budget (Slide-13)

This is a chart of the current state budget and the percentage allocated to the major state agencies.

If base funding for any of the state agencies were to be increased and if we did not have a plan for expanding the economy, the only way that increase could happen would be to reduce the funding of one or more of the other agencies.

Fortunately, there is a better way – it is the way proposed by the Roundtable.

Impact on Major Categories – Expanded Pie Diagram (Slide-14)

By increasing the investment in any of the primary sector industries, such as the University System, there is more revenue generated – and, as a result, ALL of the agencies are able to experience an increase in their budgets.

Note: These numbers are based on the average growth in the state's economy over the last several biennia. That average is 8%. The numbers are NOT based on the larger revenues the state is enjoying today.

Impact on Major Categories – Bar Chart (Slide-15)

The point I want to make is easier to see on a bar chart. If we continue to grow the economy, all agencies experience an increase in the DOLLARS they receive, even if their percentage of the general fund decreases. The central point being – it is important to invest in the income generating entities which, in turn, generate additional revenue for the other state and local services. The University System is one of those income generators.

Importance of Base Funding (Slide-16)

The final point I want to make, and as mentioned by President Paulsen, is: It is not just the overall level of funding provided to the University System that is important. It is also that portion of the funding that is invested in "base funding" to support the core functions of the colleges and universities.

If there is not sufficient funding of the base, the symptoms begin to show up in a number of places: Let me list the most obvious – some will be familiar:

- An increasing portion of the cost of education falls on the shoulders of students in the form of rapidly rising tuition and fees.
- The colleges and universities will not be competitive with similar colleges and universities in other states.
- Faculty salaries decrease to levels that make it difficult for the institutions to retain and attract high-quality faculty, and, in turn, provide the high-quality education that students need. The faculty is the core of any college or university.
- It becomes difficult to have departments and colleges strong enough to attract and forge partnerships with business and industry, including the partnerships essential for the creation of centers of excellence.
- It is difficult to maintain equipment and facilities at a level where students want to attend, and faculty want to teach and do research.
- It becomes difficult to provide the up-to-date technology and equipment essential to attracting students and preparing them to perform in more demanding positions in business and industry.

It is for these reasons the board is proposing shifting some of the one-time funding to base funding in the executive budget.

The final, and perhaps the most significant point I need to make regarding base funding, is this: One-time funding and special projects are always attractive and appreciated. However, at the February 15, 2007, Chancellor's Cabinet meeting, there was consensus among the presidents that if the special projects come at the expense of base funding, the results will not be in the long-term best interest of students or higher education in North Dakota. Base funding is the priority. It is the foundation that makes everything else possible.

The consensus of the Chancellor's Cabinet on this position was adopted by the State Board of Higher Education at its meeting this past Friday, February 23.

Summary (Slide-17)

In summary, I would simply say:

- If you believe – human capital is the key to North Dakota's future – as we believe it is,
- If you believe – we can grow our own human capital and not rely on trying to import it from other states and countries,
- If you believe – the University System is the primary vehicle for attracting and developing the human capital needed,
- If you believe – the University System has been responsive to what you've been asking,
- If you believe – the investment in the University System has and will continue to generate additional revenue to support other agencies and services,

- Then we would encourage you to provide the funding requested, ... and, in turn, the University System will commit to continuing to work with you in expanding the state's economy and creating a brighter future for students and the state.

That concludes my prepared comments. I would be happy, as would President Paulsen, to respond to any questions you have.

***www.ndus.edu* and logo (Slide-18)**

North Dakota University System
2007 – 09 Budget Overview

Senate Appropriations Committee
February 27, 2007

1

John Q. Paulsen, President
State Board of Higher Education

NDUS Budget Presentation
February 27, 2007

2

Eddie Dunn, Chancellor
North Dakota University System

NDUS Budget Presentation
February 27, 2007

3



4

NDUS: 2006 – By the Numbers

- **11** – The number of institutions
- **42,237** – Headcount enrollment
- **1,740** – Number of full-time faculty
- **$859.2 million** – Budget
- **$158.6 million** – Tuition revenue
- **$1.1 billion** – Direct economic impact
- **$3.1 billion** – Estimated total economic impact, including student spending

5

NDUS: By the Numbers

- **FINDET (2004 data)**

60 percent – Percentage of all graduates who stay in state

72 percent – Percentage of North Dakota graduates who stay in state

More than 30 percent – Percentage of out-of-state students who stay in state

6

Justification for Funding Request

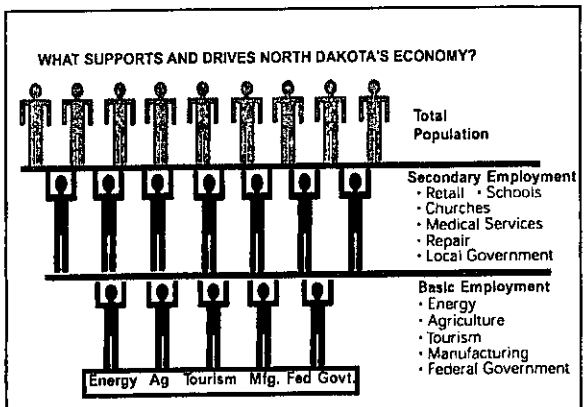
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The single most important factor that will determine the success of North Dakota will be its **Human Capital.**

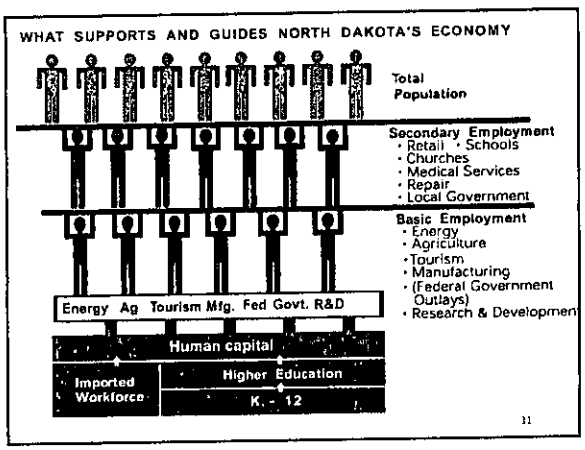
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The primary developer and source of that capital is the **University System.**

9



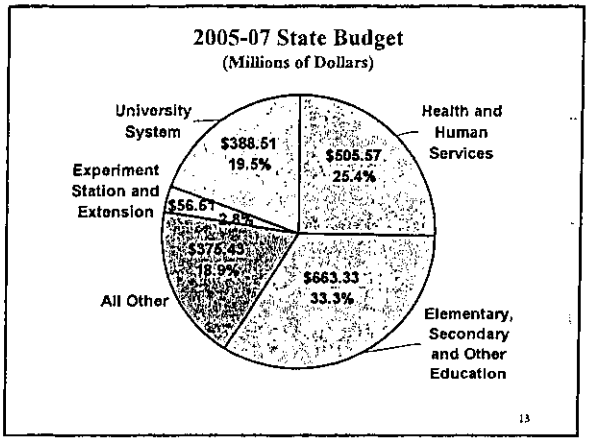
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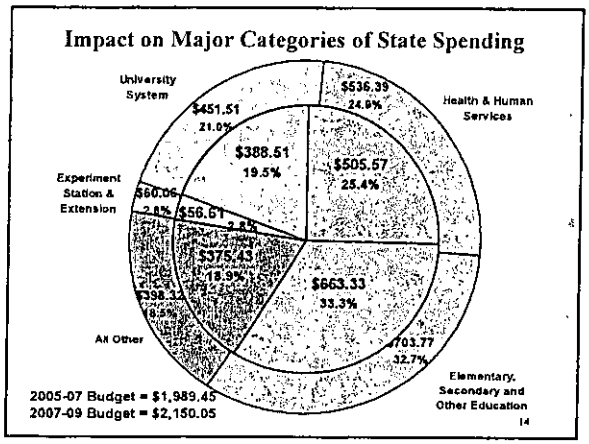


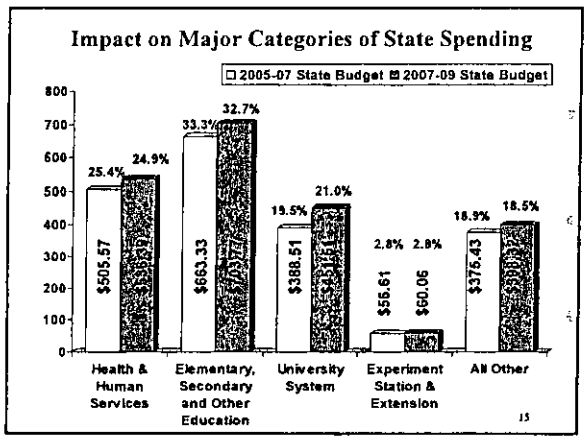
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Base Funding and Sustainability

12







Importance of Base Funding:

Supporting Core Functions

16

Summary

- Human capital is the key
- Grow our own human capital
- University System is the primary vehicle
- University System has been responsive
- Investment in the University System has and will continue to generate additional revenue

17

UNIVERSITY SYSTEM

www.ndus.edu

18

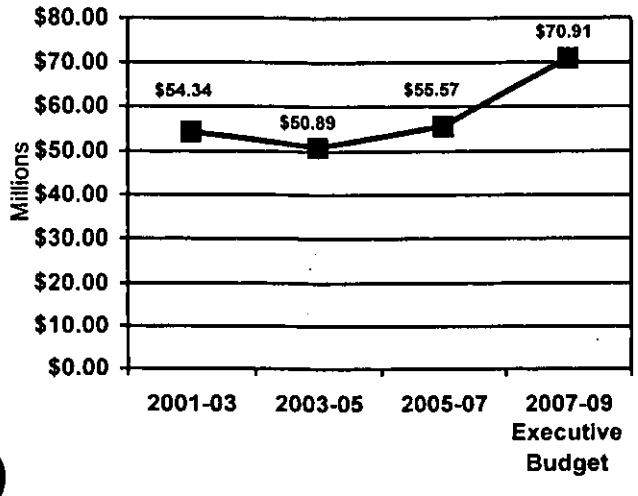
Prepared by the North Dakota Legislative Council staff for House Appropriations
January 9, 2007

Department 215 - North Dakota University System Office
House Bill No. 1003

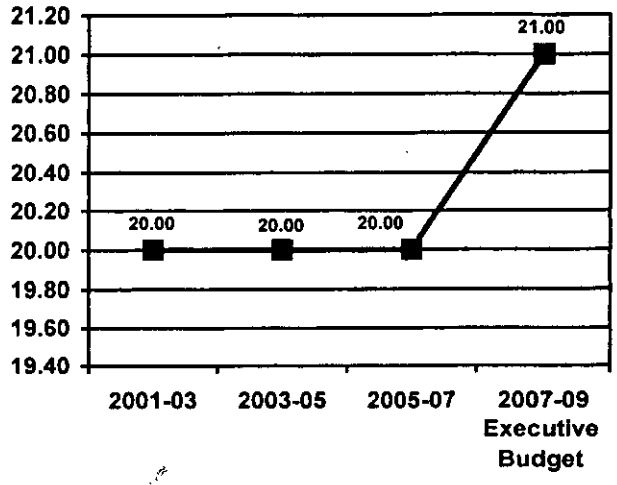
	FTE Positions	General Fund	Other Funds	Total
2007-09 Executive Budget	21.00	$70,910,723	$2,437,810	$73,348,533
2005-07 Legislative Appropriations	20.00	55,569,611	2,599,776	58,169,387 [1]
Increase (Decrease)	1.00	$15,341,112	($161,966)	$15,179,146

[1]The 2005-07 appropriation amounts reflect general fund allocations of $2 million from the equity pool and $160,000 from the board initiative funding to other higher education institutions. The 2005-07 appropriation amounts do not reflect $1,275,851 of general fund carryover and $112,306 of special funds carryover from the 2003-05 biennium.

Agency Funding - General Fund



FTE Positions



Executive Budget Highlights

	General Fund	Other Funds	Total
1. Increases funding for **system governance** by $872,972, from the 2005-07 legislative appropriation of $5,568,422, of which $5,378,496 was from the general fund, to $6,441,394, of which $6,210,394 is from the general fund, to:			
a. Provide funding for costs to continue fiscal year 2007 legislatively funded salary increases	$46,301	$3,475	$49,776
b. Provide funding for salary increases of 5 percent per year	239,132	11,586	250,718
c. Provide funding for estimated health insurance premium increases	64,294	5,781	70,075
d. Provide funding for operating expenses increases, including increases in Western Interstate Commission on Higher Education and Midwestern Higher Education Compact dues	174,171	20,232	194,403
e. Provide funding to separate the vice chancellor for strategic planning and the executive director of the College Technical Education Council as well as provide funding for an anticipated higher salary replacement cost for the vice chancellor position	308,000		308,000
Total	$831,898	$41,074	$872,972
2. Increases funding for the **student financial assistance grant program** from the 2005-07 appropriation of $3,504,402, of which $3,332,402 was from the general fund, to $5,987,497, of which $5,823,497 is from the general fund, to:			
a. Increase funding to replace carryover funding used during the 2005-07 biennium	$319,100		$319,100
b. Increase funding from the general fund	2,171,995		2,171,995

c. Decrease federal funding		($8,000)	(8,000)
Total	$2,491,095	($8,000)	$2,483,095
3. Increases funding for the **professional student exchange program** from the 2005-07 appropriation of $2,127,280, of which $1,864,780 was from the general fund and $262,500 was from the student loan trust fund, to $2,617,026, of which $2,299,566 is from the general fund and $317,460 is from the student loan trust fund, to:			
a. Increase funding to replace carryover funding used during the 2005-07 biennium	$109,891		$109,891
b. Increase funding to fund the same number of new slots for the 2007-09 biennium as the 2005-07 biennium	124,895		124,895
c. Provide funding for a new community matching loan forgiveness program for veterinary medicine and optometry students	200,000		200,000
d. Increase funding for the Kansas State University veterinary medicine program		$54,960	54,960
Total	$434,786	$54,960	$489,746
4. Increases funding for the **scholars program** from the 2005-07 appropriation of $862,077 to $1,478,566 to:			
a. Increase funding to replace carryover funding used during the 2005-07 biennium	$53,379		$53,379
b. Increase funding to sustain the current number of students in the program	112,325		112,325
c. Provide funding to increase the number of new freshmen awards from 35 to 50 per year	250,785		250,785
d. Provide funding for one-time $2,000 stipends to all new freshmen in fiscal years 2008 and 2009	200,000		200,000
Total	$616,489		$616,489
5. Increases funding for the **Native American scholarship program** from $251,988 to $380,626 to increase funding to replace carryover funding used during the 2005-07 biennium ($1,638) and to provide an increase in funding from the general fund ($127,000)	$128,638		$128,638
6. Increases funding for the **education incentive programs** from $1,227,902 to $1,740,314 to increase funding to replace carryover funding used during the 2005-07 biennium ($349,412) and to increase funding for doctoral graduate program incentives ($163,000)	$512,412		$512,412
7. Increases funding for **board initiatives** by $366,174, from the 2005-07 adjusted appropriation of $1,725,000 to $2,091,174, to:			
a. Increase funding to replace carryover funding used during the 2005-07 biennium	$1,174		$1,174
b. Provide funding for a grant to the Space Grant Consortium	300,000		300,000
c. Increase funding from the general fund	65,000		65,000
Total	$366,174		$366,174
8. Increases funding for **competitive research** by $310,000, from $5,190,000 to $5,500,000	$310,000		$310,000
9. Increases funding for **the common information services** pool by $6,796,200 from the 2005-07 adjusted appropriation of $20,607,093 to $27,403,293, to provide funding for the following information technology priorities:			
a. Expenses associated with ongoing base operations, including costs to continue the fiscal year 2007 salary increases ($138,910), salary increases of 5 percent per year ($745,310), health insurance premium increases ($287,310), operating inflation of 2.4 percent per year ($533,670), and increased costs for replacement of the current chief information officer and base funding for the ConnectND project manager position ($391,000) **(Of the $2,096,200, $420,000 is identified as one-time funding in the executive budget.)**	$2,096,200		$2,096,200

b. Funding to replace funding allocated to the ConnectND system from board initiatives appropriation **(executive budget identified as one-time funding)**	1,500,000		1,500,000
c. Funding to replace the revenue associated with the technology fee bond payoff which had been planned for inclusion in fiscal year 2007 **(executive budget identified as one-time funding)**	920,000		920,000
d. Funding to fix and stabilize additional critical business functions associated with the ConnectND system **(executive budget identified as one-time funding)**	1,280,000		1,280,000
e. Funding for Northern Tier Network infrastructure **(executive budget identified as one-time funding)**	1,000,000		1,000,000
Total	$6,796,200		$6,796,200
10. Increases funding for **capital assets** by $2,543,861, from $14,278,141 to $16,822,002, to increase funding for bond payments for the 2007-09 biennium ($15,822,002) and to provide **one-time** funding for deferred maintenance and the development of a long-range master plan for Mayville State University ($1,000,000)	$2,793,861	($250,000)	$2,543,861
11. Increases funding for **contingency and capital emergency** from $436,923 to $496,482 to increase funding to replace carryover funding used in the 2005-07 biennium. The funding is used to meet unforeseen operations or capital asset needs and opportunities as determined by the State Board of Higher Education.	$59,559		$59,559
12. Provides funding of $344,559 from the general fund for an **operations pool** to be allocated for system priorities as determined by the State Board of Higher Education, the same amount as the 2005-07 adjusted legislative appropriation			
13. Provides funding of $1,350,000 from the general fund for **professional liability insurance**, the same amount as the 2005-07 legislative appropriation			

Other Sections in Bill

Student loan trust fund - Section 10 appropriates $317,460 from the student loan trust fund for the professional student exchange program. This section should be amended as the funding is also appropriated in Section 3 of the bill.

Transfer authority - Section 12 provides that the State Board of Higher Education may transfer funds from an institution's operations line item to the institution's capital assets line item if the board determines that additional funds are needed for capital projects or extraordinary repairs.

FTE positions - Section 13 authorizes the State Board of Higher Education to adjust FTE positions as needed for institutions and entities under its control.

Bond issuance authorization - Section 16 authorizes the State Board of Higher Education to arrange for revenue bonds for capital projects at the University of North Dakota, North Dakota State University, and State College of Science. The section also provides an appropriation for the bond proceeds for the purpose of financing the capital projects. The bill should be amended as the funding for the capital projects is also appropriated in Section 3 of the bill.

Accountability measures - Section 17 requires the University System performance and accountability report to include an executive summary and specific information regarding education excellence, economic development, student access, student affordability, and financial operations.

Continuing Appropriations

Special revenue funds - NDCC Section 15-10-12 - Provides the continuing appropriation authority for higher education institutions' special revenue funds, including tuition, through June 30, 2007.

Major Related Legislation

House Bill Nos. 1030, 1031, and 1032 - These bills provide for the continuation of the following statutory provisions through June 30, 2009:

- The continuing appropriation authority for higher education institutions' special revenue funds, including tuition.
- The requirement that the budget request for the North Dakota University System include budget estimates for block grants for a base funding component and for an initiative funding component and a budget estimate for an asset funding component and the requirement that the appropriation for the University System include block grants for a base funding appropriation and for an initiative funding appropriation and an appropriation for asset funding.
- The North Dakota University System's authority to carry over at the end of the biennium unspent general fund appropriations.

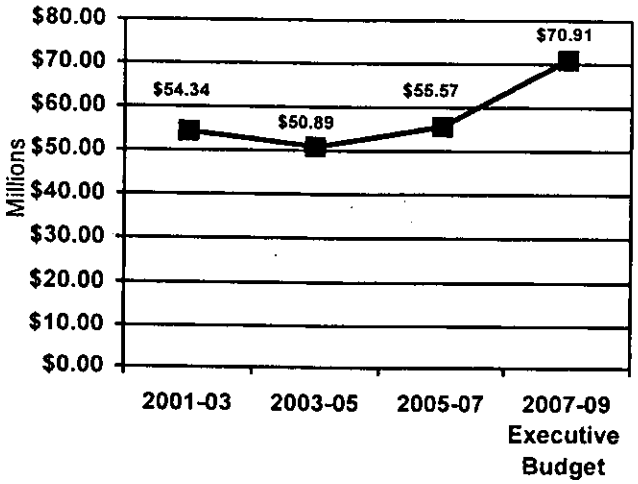
House Bill No. 1125 - This bill provides a $200,000 general fund appropriation to the Health Council for providing loan repayment programs for optometrists and veterinarians.

Department 215 - North Dakota University System Office
House Bill No. 1003

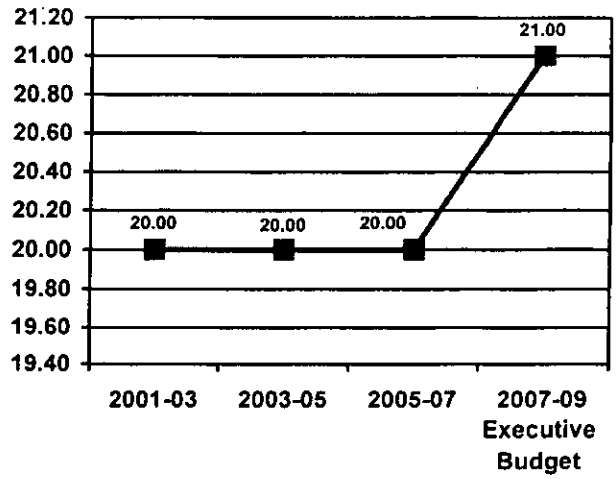
	FTE Positions	General Fund	Other Funds	Total
2007-09 Executive Budget	21.00	$70,910,723	$2,437,810	$73,348,533
2005-07 Legislative Appropriations	20.00	55,569,611	2,599,776	58,169,387 [1]
Increase (Decrease)	1.00	$15,341,112	($161,966)	$15,179,146

[1]The 2005-07 appropriation amounts reflect general fund allocations of $2 million from the equity pool and $160,000 from the board initiative funding to other higher education institutions. The 2005-07 appropriation amounts do not reflect $1,275,851 of general fund carryover and $112,306 of special funds carryover from the 2003-05 biennium.

Agency Funding - General Fund



FTE Positions



First House Action

Attached is a summary of first house changes.

Executive Budget Highlights
(With First House Changes in Bold)

	General Fund	Other Funds	Total
1. Increases funding for **system governance** by $872,972, from the 2005-07 legislative appropriation of $5,568,422, of which $5,378,496 was from the general fund, to $6,441,394, of which $6,210,394 is from the general fund, to:			
a. Provide funding for costs to continue fiscal year 2007 legislatively funded salary increases	$46,301	$3,475	$49,776
b. Provide funding for salary increases of 5 percent per year - **The House reduced funding by $48,453 from the general fund to reflect 4 percent per year salary increases.**	239,132	11,586	250,718
c. Provide funding for estimated health insurance premium increases	64,294	5,781	70,075
d. Provide funding for operating expenses increases, including increases in Western Interstate Commission on Higher Education and Midwestern Higher Education Compact dues	174,171	20,232	194,403

e. Provide funding to separate the vice chancellor for strategic planning and the executive director of the College Technical Education Council as well as provide funding for an anticipated higher salary replacement cost for the vice chancellor position. **The House removed this funding.**	308,000		308,000
Total - **The House also reduced system governance funding by $50,000 to reflect one-time funding provided in 2005-07.**	$831,898	$41,074	$872,
2. Increases funding for the **student financial assistance grant program** from the 2005-07 appropriation of $3,504,402, of which $3,332,402 was from the general fund, to $5,987,497, of which $5,823,497 is from the general fund, to:			
a. Increase funding to replace carryover funding used during the 2005-07 biennium	$319,100		$319,100
b. Increase funding from the general fund	2,171,995		2,171,995
c. Decrease federal funding		($8,000)	(8,000)
Total	$2,491,095	($8,000)	$2,483,095
3. Increases funding for the **professional student exchange program** from the 2005-07 appropriation of $2,127,280, of which $1,864,780 was from the general fund and $262,500 was from the student loan trust fund, to $2,617,026, of which $2,299,566 is from the general fund and $317,460 is from the student loan trust fund, to:			
a. Increase funding to replace carryover funding used during the 2005-07 biennium	$109,891		$109,891
b. Increase funding to fund the same number of new slots for the 2007-09 biennium as the 2005-07 biennium	124,895		124,895
c. Provide funding for a new community matching loan forgiveness program for veterinary medicine and optometry students. **The House reduced this funding by $100,000, from $200,000 to $100,000.**	200,000		200,000
d. Increase funding for the Kansas State University veterinary medicine program		$54,960	54,9[illegible]
Total	$434,786	$54,960	$489,7[illegible]
4. Increases funding for the **scholars program** from the 2005-07 appropriation of $862,077 to $1,478,566 to:			
a. Increase funding to replace carryover funding used during the 2005-07 biennium	$53,379		$53,379
b. Increase funding to sustain the current number of students in the program	112,325		112,325
c. Provide funding to increase the number of new freshmen awards from 35 to 50 per year	250,785		250,785
d. Provide funding for one-time $2,000 stipends to all new freshmen in fiscal years 2008 and 2009	200,000		200,000
Total	$616,489		$616,489
5. Increases funding for the **Native American scholarship program** from $251,988 to $380,626 to increase funding to replace carryover funding used during the 2005-07 biennium ($1,638) and to provide an increase in funding from the general fund ($127,000)	$128,638		$128,638
6. Increases funding for the **education incentive programs** from $1,227,902 to $1,740,314 to increase funding to replace carryover funding used during the 2005-07 biennium ($349,412) and to increase funding for doctoral graduate program incentives ($163,000). **The House increased funding by $249,000 from Bank of North Dakota profits relating to House Bill No. 1249.**	$512,412		$512,412
7. Increases funding for **board initiatives** by $366,174, from the 2005-07 adjusted appropriation of $1,725,000 to $2,091,174, to:			
a. Increase funding to replace carryover funding used during the 2005-07 biennium	$1,174		$1,174
b. Provide funding for a grant to the Space Grant Consortium	300,000		300,000

c. Increase funding from the general fund	65,000		65,000
Total - **The House decreased funding from the general fund by $1,791,174.**	$366,174		$366,174
8. Increases funding for **competitive research** by $310,000, from $5,190,000 to $5,500,000	$310,000		$310,000
9. Increases funding for **the common information services** pool by $6,796,200 from the 2005-07 adjusted appropriation of $20,607,093 to $27,403,293, to provide funding for the following information technology priorities:			
a. Expenses associated with ongoing base operations, including costs to continue the fiscal year 2007 salary increases ($138,910), salary increases of 5 percent per year ($745,310), health insurance premium increases ($287,310), operating inflation of 2.4 percent per year ($533,670), and increased costs for replacement of the current chief information officer and base funding for the ConnectND project manager position ($391,000) **(Of the $2,096,200, $420,000 is identified as one-time funding in the executive budget.) The House reduced funding by $151,026 from the general fund to reflect 4 percent per year salary increases.**	$2,096,200		$2,096,200
b. Funding to replace funding allocated to the ConnectND system from board initiatives appropriation **(executive budget identified as one-time funding)**	1,500,000		1,500,000
c. Funding to replace the revenue associated with the technology fee bond payoff which had been planned for inclusion in fiscal year 2007 **(executive budget identified as one-time funding)**	920,000		920,000
d. Funding to fix and stabilize additional critical business functions associated with the ConnectND system. **(executive budget identified as one-time funding)**	1,280,000		1,280,000
e. Funding for Northern Tier Network infrastructure **(executive budget identified as one-time funding). The House increased funding by $1.4 million, from $1 million to $2.4 million.**	1,000,000		1,000,000
Total	$6,796,200		$6,796,200
10. Increases funding for **capital assets** by $2,543,861, from $14,278,141 to $16,822,002, to increase funding for bond payments for the 2007-09 biennium ($15,822,002) and to provide **one-time** funding for deferred maintenance and the development of a long-range master plan for Mayville State University ($1,000,000). **The House decreased funding from the general fund for bond payments by $67,890.**	$2,793,861	($250,000)	$2,543,861
11. Increases funding for **contingency and capital emergency** from $436,923 to $496,482 to increase funding to replace carryover funding used in the 2005-07 biennium. The funding is used to meet unforeseen operations or capital asset needs and opportunities as determined by the State Board of Higher Education. **The House decreased funding from the general fund by $200,000.**	$59,559		$59,559
12. Provides funding of $344,559 from the general fund for an **operations pool** to be allocated for system priorities as determined by the State Board of Higher Education, the same amount as the 2005-07 adjusted legislative appropriation. **The House decreased funding from the general fund by $200,000.**			
13. Provides funding of $1,350,000 from the general fund for **professional liability insurance**, the same amount as the 2005-07 legislative appropriation			

Other Sections in Bill

udent loan trust fund - Section 10 appropriates $317,460 from the student loan trust fund for the professional student exchange ogram. This section should be amended as the funding is also appropriated in Section 3 of the bill.

Transfer authority - Section 13 provides that the State Board of Higher Education may transfer funds from an institution's operations line item to the institution's capital assets line item if the board determines that additional funds are needed for capital projects or extraordinary repairs.

FTE positions - Section 14 authorizes the State Board of Higher Education to adjust FTE positions as needed for institutions and entities under its control.

Bond issuance authorization - Section 17 authorizes the State Board of Higher Education to arrange for revenue bonds for capital projects at the University of North Dakota, North Dakota State University, and State College of Science. The section also provides an appropriation for the bond proceeds for the purpose of financing the capital projects. The bill should be amended as the funding for the capital projects is also appropriated in Section 3 of the bill.

Accountability measures - Section 18 requires the University System performance and accountability report to include an executive summary and specific information regarding education excellence, economic development, student access, student affordability, and financial operations.

Tuition rate increases - Section 20 provides that the State Board of Higher Education shall limit annual tuition increase for students attending institutions under its control for the 2007-08 and 2008-09 academic years to not more than 5 percent per year.

One-time funding - Section 21 identifies one-time funding for the 2007-09 biennium.

Higher education study - Section 22 provides for a Legislative Council study on approaches to achieving increased higher education productivity.

Unspent 2005-07 general fund appropriations - Section 23 provides that the State Board of Higher Education make available $200,000 of the North Dakota University System office unspent general fund appropriation for payment of consulting services for the higher education study.

Veterinary medicine education program - Sections 24 and 25 amend North Dakota Century Code Section 15-10-43 relating to the state's contract with the Kansas State University veterinary medicine education program.

Repeal - Section 26 repeals Sections 1 and 2 of House Bill No. 1031, as approved by the 60th Legislative Assembly.

Continuing Appropriations

Special revenue funds - NDCC Section 15-10-12 - Provides the continuing appropriation authority for higher education institutions' special revenue funds, including tuition, through June 30, 2007.

Major Related Legislation

House Bill Nos. 1030, 1031, and 1032 - These bills provide for the continuation of the following statutory provisions through June 2009:

- The continuing appropriation authority for higher education institutions' special revenue funds, including tuition.
- The requirement that the budget request for the North Dakota University System include budget estimates for block grants for a base funding component and for an initiative funding component and a budget estimate for an asset funding component and the requirement that the appropriation for the University System include block grants for a base funding appropriation and for an initiative funding appropriation and an appropriation for asset funding.
- The North Dakota University System's authority to carry over at the end of the biennium unspent general fund appropriations.

House Bill No. 1125 - This bill provides a loan repayment program for veterinarians.

House Bill No. 1249 - This bill increases the award for the teacher shortage loan forgiveness program.

House Bill No. 1395 - This bill provides for grants to tribally controlled community colleges.

House Bill No. 1459 - This bill provides an appropriation to the North Dakota University System office and higher education institutions for extraordinary repairs.

House Bill No. 1461 - This bill relates to higher education information technology planning, services, and major projects.

Senate Bill No. 2347 - This bill authorizes the transfer of $25 million, of which $15 million is from the general fund and $10 million is from the fire and tornado fund, to the North Dakota merit award trust fund. The money in the fund is appropriated to the State Board of Higher Education on a continuing basis for providing North Dakota promise grants to residents of the state.

State Bill No. 2404 - This bill provides a $700,000 general fund appropriation to the State Board of Higher Education for providing grant assistance payments to tribally controlled community colleges.

ATTACH:1

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

Subdivision 1.

NORTH DAKOTA UNIVERSITY SYSTEM OFFICE AND INSTITUTIONS

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

Subdivision 2.

BISMARCK STATE COLLEGE

Operations	$19,571,241
Capital assets	1,016,192
Total all funds	$20,587,433
Less estimated income	27,805
Total general fund appropriation	$20,559,628

Subdivision 3.

LAKE REGION STATE COLLEGE

NORTH DAKOTA UNIVERSITY SYSTEM
ANALYSIS OF 2007-09 ENGROSSED HB1003 BY LINE ITEM
(NDUS Office, Campuses, Forest Service and UND School of Medicine & Health Sciences)

	2007-09 Engrossed HB1003	2005-07 Adj Appropriation	Incr (Decr) over 2005-07 $$ change	Incr (Decr) over 2005-07 %% change
NDUS Office				
System Governance:				
Operations	$6,034,941	$6,062,426		
Subtotal all funds	6,034,941	6,062,426	(27,485)	-0.5%
Less estimated income	231,000	302,232	(71,232)	-23.6%
Subtotal general fund appropriation	5,803,941	5,760,194	43,747	0.8%
Student Grant Programs:				
Student Financial Assistance Grants	5,987,497	3,823,502		
Scholars Program	1,478,566	915,456		
ND Indian Scholarship Program	380,626	253,626		
Professional Student Exchange Program	2,517,026	2,237,171		
Education Incentive Programs	1,989,314	1,577,314		
Subtotal all funds	12,353,029	8,807,069	3,545,960	40.3%
Less estimated income	730,460	434,500	295,960	68.1%
Subtotal general fund appropriation	11,622,569	8,372,569	3,250,000	38.8%
System Grant Programs:				
EPSCoR	5,500,000	5,190,000	310,000	
Title II Grant	695,600	695,600	-	
Professional Liability Insurance	1,350,000	1,350,000	-	
Operations Pool	144,559	344,559	(200,000)	
Contingency & Cap Impr Emergency	296,482	496,482	(200,000)	
Common Information Services	28,652,267	20,607,093	8,045,174	
Subtotal all funds	36,638,908	28,683,734	7,955,174	27.7%
Less estimated income	695,600	695,600	-	0.0%
Subtotal general fund appropriation	35,943,308	27,988,134	7,955,174	28.4%
System Projects:				
Capital Assets-Bond Payments & MaSU Def Mnt	16,754,112	14,278,141	2,475,971	
Board Initiatives	300,000	1,791,174	(1,491,174)	
Subtotal all funds	17,054,112	16,069,315	984,797	6.1%
Less estimated income	1,029,750	1,279,750	(250,000)	-19.5%
Subtotal general fund appropriation	16,024,362	14,789,565	1,234,797	8.3%
TOTAL				
Total all funds	72,080,990	59,622,544	12,458,446	20.9%
Less estimated income	2,686,810	2,712,082	(25,272)	-0.9%
Total general fund appropriation	69,394,180	56,910,462	12,483,718	21.9%

NDUS Office
Comparison of SBHE General Fund Request to
Executive Recommendation & Engrossed HB1003

NDUS Office

	(1) SBHE 2007-09 Prioritized GF Request	(2) Executive Recommendation	(3) House Adjustments	(4) Engrossed HB1003
1 2005-07 Original General Fund Appropriation	$ 57,729,611	$ 57,729,611		$ 57,729,611
2 Base Adjustments	94,726	94,726		94,726
3 2005-07 Adjusted General Fund Appropriation, Net of Base Adjustments	57,824,337	57,824,337	-	57,824,337
Prioritized SBHE Requested Increase in Base Funding:				
4 Increase in Capital Bond Payments	2,100,000	1,793,861	(67,890)	1,725,971
Parity (and Other) Costs:				
5 CIS Pool	2,096,200	1,676,200 *Plus $420,000 as one-time (Line 29)*	(151,026) 1/	1,525,174
6 NDUS Office, Including MHEC/WICHE Dues Increases	450,200	450,200	(356,453) 2/	93,747
7 Student Financial Aid Increase	2,850,000	3,350,000	(100,000) 3/	3,250,000
8 CND Perm Funding-Replace Funding from Board Init.	1,500,000	*Funded $1.5 M as one-time (Line 30)*		-
9 CND Perm Funding-Replace Tech Bond Revenue	920,000	*Funded $920,000 as one-time (Line 31)*		-
10 CND Critical Business Function Solutions -Contingency	1,700,000	*Funded $1.28 M as one-time (Line 32)*		-
11 Board Initiative Funding Enhancement	500,000		(1,791,174)	(1,791,174)
12 Wide Area Network Growth	250,000			-
13 Standards Based Interface to CND	161,000			-
14 EPSCOR -state matching requirement	310,000	310,000		310,000
15 External Student Recruiting Initiative	700,000			-
16 Northern Tier Network Annual Maintenance	900,000			-
17 ODIN Web Programmer Position	150,000			-
New Academic Start-up - Programs for Economic Growth	150,000			-
ND Space Grant Consortium		300,000		300,000
Reduction to Contingency/Capital Emergency Pool			(200,000)	(200,000)
Reduction to Operations Pool			(200,000)	(200,000)
22 2005-07 One-time Funding for Technology Commercialization Study			(50,000)	(50,000)
23 Total Requested Increase in GF Base Funding & Adjustments	14,737,400	7,880,261	(2,916,543)	4,963,718
24 Subtotal Base GF Request, Compared to Executive Recommendation & Engr HB1003	72,561,737	65,704,598	(2,916,543)	62,788,055
One-time Budget Increases, Excluding Major Capital Projects:				
25 Implement Collaboration Project-Phase 1	1,000,000			-
26 Campuses-Network refurbishment to replace convergence	2,000,000			-
27 Northern Tier Network	2,000,000	1,000,000	1,400,000	2,400,000
28 Deferred Maintenance-MaSU		1,000,000		1,000,000
29 Parity Costs - CIS Pool		420,000		420,000
30 CND Perm Funding-Replace Funding from Board Init.	*Requested as base funding (Lines 5, 8-10)*	1,500,000		1,500,000
31 CND Perm Funding-Replace Tech Bond Revenue		920,000		920,000
32 CND Critical Business Function Solutions -Contingency		1,280,000		1,280,000
33 Subtotal One-time GF Request, Excluding Major Capital Projects, Compared to Exec Recommendation & Engr HB1003	5,000,000	6,120,000	1,400,000	7,520,000
34 2007-09 State General Funded Projects	(913,875)	(913,875)		(913,875)
35 Total 2007-09 General Fund Request, Compared to Executive Recommendation & Engrossed HB1003	$ 76,647,862	$ 70,910,723	$ (1,516,543)	$ 69,394,180

Notes to House Amendments:

1/ Reduces salaries from 5/5 to 4/4 - CIS	$ (151,026)
2/ Reduces salaries from 5/5 to 4/4 - NDUS Office	(48,453)
Removes funds to split CTEC & VC for Strategic Planning position	(308,000)
	(356,453)
3/ Removes funding for proposed loan forgiveness program-Optometry students	(100,000)

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NORTH DAKOTA UNIVERSITY SYSTEM
Proposed SBHE Adjustments to Engrossed HB1003

		(1) Base Funding Increases	(2) One-Time Funding Increases	(3) Total Increases
1	2007-09 Executive Budget Recommendation	$52,142,861	$16,120,000	$68,262,861
2	2007-09 Executive Budget Recommendation- Net major capital projects		13,530,835	13,530,835
3	Total Executive Budget Recommendation	52,142,861	29,650,835	81,793,696
4	Total House Adjustments	(6,720,630)	11,757,300	95,324,531
5	Total Engrossed HB1003	45,422,231	41,408,135	177,118,227
	Proposed Adjustments to the Engrossed HB1003 in priority order:			
6	Priority 1-Restore salary increases to 5/5, as requested & funded in executive recommendation	4,242,766		$4,242,766
7	Priority 2-Fund health insurance at level to maintain current level of benefits for all state employees			$0
8	Priority 3-Connect ND base and one-time funding	920,000	9,700,000	$10,620,000
9	Priority 4-Northern Tier base and one-time funding	400,000	373,800	$773,800
10	Priority 5-Restore SBHE contingency/capital emergency fund to 2005-07 funding level	200,000		$200,000
11	Priority 6-Restore SBHE board initiative fund to 2005-07 funding level	1,791,174		$1,791,174
12	Priority 7-Addition of full-time CTEC Director	308,000		$308,000
13	Priority 8-Restore SBHE operations pool to 2005-07 funding level	200,000		$200,000
14	Subtotal-Proposed Adjustments to NDUS Budget (Change From Engrossed HB1003)	8,061,940	10,073,800	$18,135,740
15	Total Proposed NDUS budget with adjustments	$60,204,801	$39,724,635	$99,929,436

Additional Notes:

Line 6 - The requested restoration of salary increases from 4/4 to 5/5 is as follows:

Campuses and UND School of Medicine and Health Sciences	$4,018,345
NDUS Office - System Governance	48,453
NDUS Office - CIS Pool	151,026
Forest Service	24,942
Total	$4,242,766

Line 7 - The additional health insurance premiums would be funded within the parity allocation, with less funding available for operating inflation.

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North Dakota University System

Creating a University System for the 21st Century

Analysis of 2007-2009 Executive Budget Recommendation

December 2006

NORTH DAKOTA UNIVERSITY SYSTEM

The Vital Link to a Brighter Future

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North Dakota University System (NDUS)
Analysis of the 2007-09 Executive Budget Recommendation
HB's 1003 and 1020

The 2007-09 state general fund executive recommendation (including general fund major capital projects) is $470.2 million for the eleven campuses, UND School of Medicine and Health Sciences, Forest Service and North Dakota University System Office, which is an increase of $81.8 million or 21.1% over the 2005-07 adjusted appropriation. Of this amount, $52.1 million is base funding, $16.1 million is from one-time sources and the remaining $13.5 million increase is for major capital projects at the seven campuses and the State Forest Service. An additional $913,875 in 2005-07 base funding will be used to bring total state-funded major capital projects to $14.4 million.

The $470.2 million proposed NDUS budget, along with the $1.35 million for workforce training in the Career and Technical Education budget is equivalent to 19.1% of the total proposed state spending of $2.47 billion for 2007-09, including base and one-time funding. That is a decrease from the current 19.5% the NDUS received in 2005-07. In terms of dollars, the NDUS's proposed base budget ($441.9 million), excluding one-time funding, is $36.9 million below the amount needed to return base funding to 21% of proposed state base spending of $2.280 billion, excluding one-time expenditures. The proposed Executive Budget recommendation for the NDUS is equivalent to 19.4% of the proposed state base funding budget, or a reduction from the current 19.5% level.

The general fund executive recommendation (including major capital projects) for the Upper Great Plains Transportation Institute (UGPTI), Northern Crops Institute (NCI), Extension Service and Research Stations, for the 2007-09 biennium, is $75.9 million, an increase of $19.2 million or 33.9% over the 2005-07 adjusted appropriation. Of this amount, $8.6 million is base funding, $100,000 is for one-time deferred maintenance and the remaining $10.5 million one-time funding is for major capital projects.

Thus, the total recommended state general fund appropriation for all entities of the North Dakota University System (including major capital projects) for the 2007-09 biennium, is $546.1 million, an increase of $101 million or 22.7% more than the 2005-07 adjusted appropriation. In total, $60.8 million is base funding; $16.2 million comes from one-time sources and the remaining $24 million one-time funding is for major capital projects

This report includes summary and detail schedules of the executive recommendation, as well as the State Board of Higher Education's (SBHE) proposed changes on pages 11-12.

Highlights of the 2007-09 Executive Recommendation

Campuses, Med School, Forest Service and NDUS Office:

- The $52.1 million increase in base funding is designated for the following in the executive recommendation *(differences between the executive recommendation and budget request are noted)*:
  - Parity costs at the eleven institutions and School of Medicine and Health Sciences (see page 17) - $33.85 million;
  - Equity funding at the eleven institutions and School of Medicine and Health Sciences (see pages 18-20) - $10 million;
  - Student financial aid programs (see pages 8-9 & 47) - $3.35 million ***($500,000 more than requested by the SBHE);***
  - EPSCoR (see page 9) - $310,000;
  - Base funding for the ND Space Grant Consortium - $300,000. In 2005-07, the legislature mandated that the SBHE allocate $200,000 from the SBHE Initiative fund in support of the consortium. ***(This was not included in the SBHE budget request);***
  - Full funding of parity request for the NDUS Office, and CTEC Director position (see pages 7-8) -$450,200;
  - Full funding of base parity request plus 5% increase for the Forest Service - $410,600;
  - Increase of $1.79 million for projected increase in capital bond payments, based on estimates from the Industrial Commission;
  - Partial funding of parity cost increases for NDUS technology operations (CIS), including CND, totaling $1.68 million, were included as base funding. The full base-funding request ($2.1 million) is needed to cover parity costs, the addition of a permanent, full-time CND project manager and the replacement costs for the NDUS CIO (see page 9). (***The remaining costs ($420,000) were shifted from base funds to one-time funds in the executive recommendation);***

- The $16.1 million increase in one-time funding is designated for the following in the executive recommendation *(differences between the executive recommendation and budget request are noted)*:
  - A one-time funding investment of $3.7 million for CND (see page 9). ***The SBHE budget request included $4.12 million as a base funding increase within the $63 million base budget request.***
  - $420,000 of the parity cost increases for the CIS operations, including CND, were included as one-time funding. ***The SBHE budget request included this as a base funding increase within the $63 million base budget request.***
  - One-time capital assets funding increase of $11 million to help address facility needs and the $117 million backlog of deferred maintenance. Of the $11 million, $1 million is specifically allocated to MaSU, with the remaining $10 million distributed to all eleven campuses. ***The SBHE budget request included a $4.0 million base funding increase in capital assets for ongoing repairs (see page 21), $10 million in one-time funding for deferred maintenance (see page 22) and $4.0 million for a major capital project at MaSU.***

- Support of $1.0 million in one-time funds for the Northern Tier Network, with no funding for ongoing maintenance costs. ***The SBHE budget request included $2.0 million in one-time funds and $900,000 in base funding for maintenance costs.***

- The following SBHE base budget priorities ($2.8 million) were not funded as either base or one-time items in the Executive Budget Recommendation:
  - Board Initiative enhancement ($500,000)
  - Wide area network growth ($250,000)
  - Standards based interface to CND ($161,000)
  - External student recruitment ($700,000)
  - Northern tier network annual maintenance ($900,000)
  - ODIN web programmer ($150,000)
  - New academic start-up funding for programs for economic growth ($150,000)

- The following SBHE one-time funding requests ($8 million) were not funded in the Executive Budget:
  - Implement collaboration suite project ($1.0 million)
  - Campus networking ($2.0 million)
  - $1.0 of the $2.0 million requested for the Northern Tier Network
  - $4.0 of the $10.0 million requested for deferred maintenance

- A total of $14.4 million in one-time state general fund appropriations is provided for major capital project priorities, all of which were on the SBHE's major capital project priority list. Traditionally, these projects were funded through state bonding. The funded projects are:

UND O'Kelly Hall-Ireland Lab	$2,200,000
NDSU Minard Hall-Phase I and II	$5,000,000
MiSU Swain Hall	$2,500,000
($7.0 million requested in SBHE budget request)	
NDSCS steam line	$1,670,420
VCSU steam line	$2,200,000
MiSU-BC steam line	$ 239,095
BSC Schafer Hall-1st floor	$ 515,195
Forest Service storage and restroom	$ 120,000

- Major capital projects requested as state funded projects, but not included in the Executive Budget are:

  MiSU Dome floor $ 159,585
  (Included as special fund authority in the executive recommendation)
  MaSU West Hall or alternative $3,957,000
  (The executive recommendation includes $1.0 million in one-time funding for deferred maintenance at MaSU)
  LRSC wind energy project $3,007,600
  (The executive recommendation includes special fund authority for a performance contracting project)

- Includes $126 million in non-state appropriation authority for other major capital projects for the eleven campuses.

NDSU Research Stations, Extension Service, Upper Great Plains Transportation Institute and Northern Crops Institute:

- The executive recommendation includes an $8.6 million or 15.2% state general fund base increase over the 2005-07 adjusted appropriation for the NDSU Research Stations, Extension Service, Upper Great Plains Transportation Institute (UGPTI) and Northern Crops Institute (NCI). In addition, the budget proposal includes $10.5 million in one-time state general fund appropriations for major capital projects and $100,000 for deferred maintenance. Historically, some or all of these projects would have been funded through state bond appropriations instead of direct state general fund appropriations. The total general fund increase ($19.2 million) brings the total general fund budget to $75.9 million for the NDSU Research Stations, Extension Service, UGPTI and NCI. See pages 38-40 for details, by agency.

- Base funding increases ($8.6 million) were received in the following areas:
  - Provides $783,000 for the cost to continue FY2007 salary increases and $4.4 million for 4% annual salary increases, with a minimum of $75 per month and full funding of health insurance increases ($1,250 per employee per year).
  - Includes full funding of the first three (of 13) SBARE prioritized initiatives ($3.35 million) as follows:

    Research Stations equipment and operating $940,000
    Extension Service operating & equip. $100,000
    Branch Research Stations support staff $462,800
    Bioproducts/Bioenergy development $700,000
    Scab research &NDAWN weather network $675,000
    Pulse improvement (develop improved varieties of pea, lentil and chickpea) $470,000

  - NCI - A technical staff position to assist the two crop quality specialists ($100,000) and additional funds ($38,346) for staff development/training.

- A total of $10.5 million in one-time state general fund appropriations are provided for the following major capital project priorities, all of which were on the SBHE's major capital project priority list, with the exception of the North Central Agronomy Lab/Greenhouse:

Research greenhouse-Phase II	$9,000,000
Carrington REC Office Bldg addition	$ 465,000
Hettinger REC Office Bldg addition	$ 222,750
N Central REC Office Bldg addition	$ 420,000
N Central Agronomy Lab/Greenhouse	$ 400,000

(Not included in SBHE budget request)

The requested $950,000 Beef Research facility was not funded.

- Includes $6.2 million in non-state appropriation authority for the following major capital projects:

UGPTI Center for Transportation Study	$5,500,000
(Federal funds)	
Dickinson REC Parking Lot	$ 350,000
Dickinson REC Waste Mgmt Facility	$ 351,000

North Dakota University System
2007-09 Executive Budget Recommendation By Funding Source, Including Major Capital Projects
(In Millions of Dollars)

	2007-09 Executive Recommendation			2005-07 Adjusted Appropriation, Net of One-Time Base Adjustments			Recommended Change to 2005-07		
	General Fund	*Other Funds*	*Total*	*General Fund*	*Other Funds*	*Total*	*General Fund*	*Other Funds*	*Total*
11 Campuses, Medical School and NDUS Office/Grants	$467.7	$128.5	$596.2	$386.4	$224.4	$610.8	$81.3 (+21.0%)	$-95.9 (-42.7%)	$-14.6 (-2.4%)
Forest Service	2.5	1.0	3.5	2.0	1.0	3.0	.5 (+27.9%)	.0 (0%)	.5 (+19.5%)
Subtotal	**$470.2**	**$129.5**	**$599.7**	**$388.4**	**$225.4**	**$613.8**	**$81.8 (+21.1%)**	**$-95.9 (-42.5%)**	**$-14.1 (-2.3%)**
UGPTI, NCI, Extension & Research	75.9	107.8	183.7	56.7	98.3	155.0	19.2 (+33.9%)	9.5 (+9.7%)	28.7 (+18.5%)
TOTAL	**$546.1**	**$237.3**	**$783.4**	**$445.1**	**$323.7**	**$768.8**	**$101.0 (+22.7%)**	**$-86.4 (-26.7%)**	**$14.6 (+1.9%)**

DESCRIPTION OF SIGNIFICANT ITEMS INCLUDED IN THE EXECUTIVE RECOMMENDATION

Campus Operations/Capital Assets:

The executive recommendation includes an increase of $43.85 million for campus operations, which includes $33.85 million for parity and $10 million for equity. *Parity* includes 07-09 salary increases (average 5% per year), 07-09 health insurance increases ($1,250 per employee per year), 2.4% annual operating and utilities inflation, continuation of 06-07 salary increases and estimated utility costs of new buildings coming online in 2007-09. This is 96% of the state share of parity costs since $1.4 million in operating inflation parity cost increases were not requested (or funded). The $10 million *equity* funding will allow the campuses to begin to address the over $300 million funding gap which exists between the NDUS institutions and their peer campuses. This funding is needed to enhance programs and services to students and the state and to increase national competitiveness in attracting students, faculty and research investments. Detailed schedules, outlining the parity and equity requests, can be found on pages 17-20.

The executive recommendation includes $17.65 million for extraordinary repairs and deferred maintenance for the eleven campuses, or $11 million more than what was provided in 2005-07. The entire increase is designated as **"one-time"** funding for 2007-09, and $1 million of this is included in the NDUS Office budget, specifically for deferred maintenance at Mayville State University. The 2007-09 base funding level ($6.7 million), excluding the one-time increase, provides an average funding level of .28% of plant and infrastructure value per year for the campuses. It provides a 302-year replacement cycle for all state facilities located on the campuses, excluding infrastructure. The goals of the NDUS capital assets plan is to reach 100% of OMB building and infrastructure formulas phased in over 10 years (in 2013-15) and 100% of outstanding deferred maintenance phased in over 14 years (in 2017-19). In order to meet these goals, an increase of $17.7 million in **base** funding would be needed in 2007-09, compared to the $11 million increase in one-time funding.

Detailed schedules, outlining the $4 million base request for extraordinary repairs and the $10 million one-time funding request for deferred maintenance, are included on pages 21 and 22. In addition, detailed schedules of the funded extraordinary repairs/deferred maintenance and major capital projects, by entity, are provided on pages 41-46.

Income:
All revenue, including tuition and local funds, has been excluded from the budgets of the campuses and Medical School in the 2007-09 executive recommendation. This is consistent with the recommendations of the Higher Ed Roundtable and continues the practice started in 2001-03. The only revenue that has been included in the campus budgets relates to major capital projects.

The budgets for the Forest Service, Upper Great Plains Transportation Institute, Northern Crops Institute, Extension/Research continue to include appropriated revenue amounts for grants, contracts and miscellaneous other revenue.

North Dakota University System Office:
The 2007-09 executive recommendation includes total funding of $73,348,533 ($70,910,723 general funds and $2,437,810 other funds).

System Governance - The executive budget recommendation includes $6,441,394 ($6,210,394 general funds and $231,000 federal funds) for system governance. This will fund the salaries, operating and equipment needs of the Board, NDUS office staff, Articulation and Transfer, the College Technical Education Council (CTEC) and the State Approving Agency (federal funds). The $450,200 (7.8%) general fund increase, plus the allowance of $381,700 carryover from 2003-05 in the base operations, will fund the following: parity (2.4% per year operating inflation, continuation of fiscal year 2007 salary increases, 5% annual average salary

increases in 2007-09 and health insurance increases); WICHE/MHEC dues increases; and a new CTEC director position. The current Vice Chancellor for Strategic Planning also holds both positions of Executive Director of CTEC and Vice Chancellor, and plans to retire June 30, 2007.

Student Grant Programs - The executive recommendation includes funding for the following student grant programs (a detailed schedule is also included on page 47):

- *Student Financial Assistance Grants ($5,987,497, consisting of $5,823,497 general funds and $164,000 federal funds)* – This includes a general fund increase of $2.17 million (59.5%), and would fund approximately 4,990 annual awards at $600 each, or 3,990 annual awards at $750 each for the most financially needy students The average annual awards were 3,117 for 2005-07. Minimal carryover is estimated for 2005-07.
- *Scholars Program ($1,478,566 general funds)* – Funds from the Scholar's Program are targeted at encouraging the best and brightest high school graduates to remain in the state to pursue their postsecondary degree. The executive recommendation includes a general fund increase of $563,110 (61.5%), which provides an additional $250,785 to increase the number of new freshmen awards from 35 to 50, $200,000 to provide a one-time stipend of $2,000 to incoming freshmen each year of the 07-09 biennium and $112,325 to continue funding all upper-classmen. This assumes the availability of an additional $169,700 in estimated carryover from 2005-07 to 2007-09.
- *ND Indian Scholarship Program ($380,626 general funds)* – This program funds scholarships based on merit and need, and the executive recommendation includes an increase of $127,000 (50.1%) over the 2005-07 general fund appropriation. This would fund approximately 270 grants per year, @ $700, or 90 more than were funded in 2005-06. It will also allow funding to qualified applicants with a 3.0 GPA. At the 2005-07 funding level, there isn't sufficient funding to award qualified applicants with a GPA of less than 3.5. The 2005-07 carryover is estimated at $1,900.
- *Professional Student Exchange Program [PSEP] ($2,617,026 general funds and $317,460 special funds)* – The $324,895 (16.5%) general fund increase continues state funding for existing students and funds the same number of new student slots in 2007-08 and 2008-09 as in 2006-07 (6-Veterinary medicine; 8-Dentistry; 4-Optometry). The increase includes $200,000 to implement a new community matching loan forgiveness program in veterinary medicine and optometry, similar to existing programs for physicians or mid-level practitioners in the Health Department budget. A similar dentistry program does not require local community matching support. In addition, $317,460 is provided from the student loan trust fund, to continue funding for the 4 students currently enrolled in the veterinary medicine program at Kansas State University, and to add 2 additional freshmen each year of the 2007-09 biennium. This also assumes the availability of an additional $43,700 in estimated general fund carryover from 2005-07 to 2007-09.

- *Education Incentive Programs ($1,740,314 general funds)* - The $163,000 (10.3%) general fund increase continues loan forgiveness ($1,000 per year, up to 3 years) for currently funded individuals, as well as funding new $1,000 awards per year for 158 individuals in the Teacher Shortage Loan Forgiveness Program and 99 in the Technology Occupations Loan Forgiveness Program, the same number of new awards that were funded in 2005-06 and 2006-07. The additional $163,000 will increase the Doctoral Graduate Program from $60,000 to $260,000, which is allocated equally to UND and NDSU. This assumes carryover of approximately $56,000 from 2005-07 to 2007-09.

System Grant Programs – Separate line items are provided for the following system-wide programs, totaling $35,789,934 ($35,094,334 general funds and $695,600 federal funds):

- *EPSCoR ($5,500,000 general funds)* – This includes an increase of $310,000 (6%) over the 2005-07 adjusted appropriation. The National Science Foundation requires a dollar for dollar state match on all federal funds. The state funds are passed through to UND and NDSU to provide the match. UND and NDSU now receive the federal funds directly and therefore, the federal funds are not included in the NDUS Office budget request. This $5.5 million state investment will generate an estimated $15.45 million in federal and private funds to maximize anticipated matching potential, providing a 3 to 1 match on the state investment.
- *Title II Grant ($695,600 federal funds)* – Federal funding is projected to be stable for the Title II Program, and federal fund authority was included at the same level as 2005-07 in the executive recommendation. This funding is distributed on a competitive basis to institutions of higher education and organizations to provide services to elementary and secondary teachers to improve the teaching-learning process in mathematics and science.
- *Professional Liability Insurance ($1,350,000 general funds)* - This is the same level of funding that was provided in 2005-07 for medical malpractice coverage premiums and continued coverage for student internship programs.
- *Operations Pool ($344,559 general funds)* – This is equivalent to the 2005-07 adjusted appropriation.
- *Contingency, Extraordinary Repairs and Capital Emergency Fund ($496,482 general funds)* – This is equivalent to the 2005-07 adjusted appropriation.
- *Common Information Services [CIS] ($27,403,293 general funds)* – The executive recommendation included an increase of $6.8 million (33%) in base and one-time funding. This pool includes funding for the Chief Information Officer, IVN, ODIN, HECN, NDUS Online and partial funding for ConnectND (CND). Base funding increase of $1,676,200 is included for parity costs, the addition of a permanent, full-time CND project manager and the replacement costs for the NDUS CIO increases. The balance of the $2.1 million parity and other costs ($420,000) was included as one-time funding in the Executive Budget. In addition, $3.7 million one-time (requested as base) funding was provided for CND for following: $1.5 million to provide permanent support for the solutions that were implemented with a one-time allocation of $1.5 million from the Board initiative

fund in 2005-07; $920,000 to replace the revenue associated with the technology fee bond payoff; and $1.28 million to fix and stabilize additional critical business functions associated with CND. Finally $1 million of the $2.0 million requested for the Northern Tier Network is included as one-time funding.

Board Initiatives – This general fund block grant, totaling $2,091,174, includes an increase of $300,000 over the 2005-07 adjusted appropriation. The Board had requested an increase of $500,000, however the Governor included an increase of $300,000 and designated it specifically for the ND Space Grant Consortium. The remaining $1,791,174 will be used to address SBHE and statewide priorities, consistent with the recommendations of the Roundtable.

Capital Bond Payments - The NDUS budget includes $15,822,002 ($14,792,252 general funds and $1,029,750 other funds) for capital construction bond payments. This level of funding is based upon estimates provided by the Industrial Commission.

Upper Great Plains Transportation Institute, Northern Crops Institute, Extension Service and Research Stations:
The executive recommendation for UGPTI, NCI, Extension/Research totals $154,976,913 ($56,690,346 general funds and $98,286,567 other funds), and includes a general fund increase of $19.2 million (33.9%). Details of the increase can be found on pages 4-5 and 38-40.

Deficiency Appropriation:
The executive recommendation includes deficiency appropriations in (SB2023), totaling $905,068 as originally requested, for the following: $560,476 at UND, $289,092 at NDSU and $55,500 at the Forest Service for disaster costs. Funding of $4.6 million to address the projected 2005-07 utilities shortfall was not funded. Later information now suggests an additional $1.7 million is required at UND for ineligible FEMA costs related to the flood.

Workforce Training and Development:
The executive recommendation includes $1,350,000 in general funds (HB1019) in the Career and Technical Education budget for the workforce training quadrants operated by BSC, LRSC, WSC and NDSCS. The SBHE had supported a request for a total of $4.0 million in 2007-09, but the $2.7 million increase was not included in the executive recommendation.

Centers of Excellence – The Office of Management Budget includes $20.0 million in general fund for Centers of Excellence, the second installment on the $50.0 million commitment. With this, a total of $40 million will have been provided for Centers of Excellence through the 2007-09 biennium.

SBHE Recommended Adjustments to Governor Hoeven's NDUS Budget Proposal

The recommended adjustments to the budget are intended to assure that the North Dakota University System continues to provide high-quality, affordable education while making it possible for the system to become an even more powerful force in enhancing the economic and social vitality of the state. These refinements also are intended to bring the base funding closer to 21 percent of the state general fund, based on the NDUS budget request, and, thereby, satisfy the fundamental principle of the Roundtable on Higher Education, which is: *In addition to providing educational excellence, the colleges and universities are charged with being a primary engine for expanding the economy of North Dakota, and in turn, are to share accordingly in the benefits of that expansion.*

The requested adjustments, detailed on page 12, are as follows:

- Shift $4.0 million in one-time funding to base funding for capital assets at the 11 institutions for repairs and deferred maintenance,
- Shift $3.7 million in one-time funding to base funding in support of ConnectND.
  - $1,500,000 to replace SBHE initiative funds
  - $920,000 to replace student technology bond fee revenues
  - $1,280,000 for addressing the critical business functions
- Shift $420,000 in one-time funding to base funding for common information services (technology pool),
- Provide an additional $2.7 million in base funding in the Career and Technical Education (CTE) budget in support of workforce training,

These shifts, along with the additional $2.7 million for workforce training in the CTE budget, would result in base funding totaling $62,962,861 or slightly less than the $63 million included in the SBHE budget request as recommended by the private sector members of the roundtable and the North Dakota Student Association. Funding at this level would allow the NDUS to keep tuition increases to no more than 5 percent per year during the 2007-09 biennium.

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NORTH DAKOTA UNIVERSITY SYSTEM
Proposed SBHE Adjustments to the 2007-09 Executive Budget Recommendation (12/21/06)

		(1) Base Funding	(2) One-Time Funding	(3) Total
1	2007-09 Executive Budget Recommendation	$52,142,861	$16,120,000	$68,262,861
2	2007-09 Executive Budget Recommendation- Net major capital projects		13,530,835	13,530,835
3	TOTAL Executive Budget Recommendation	52,142,861	29,650,835	81,793,696
	Proposed Adjustments to the Executive Recommendation:			
4	Capital Assets-repair/deferred maintenance	4,000,000	(4,000,000)	$0
5	Connect ND: replace SBHE init. funds	1,500,000	(1,500,000)	$0
6	Connect ND: student technology fee bonds	920,000	(920,000)	$0
7	Connect ND: stabilize critical business functions/contingency	1,280,000	(1,280,000)	$0
10	Common Information Services (tech pool)	420,000	(420,000)	$0
11	Subtotal-Adjustments to NDUS Budget (Change From Executive Budget)	8,120,000	(8,120,000)	$0
12	Total Proposed NDUS budget with adjustments	$60,262,861	$21,530,835	$81,793,696
13	Career and Tech Ed (CTE) Budget - Workforce training	2,700,000		
14	TOTAL Provided with NDUS and CTE adjustments	$62,962,861		

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NORTH DAKOTA UNIVERSITY SYSTEM
HISTORY OF LEGISLATIVE APPROPRIATIONS
Excludes Major Capital Projects & Capital Bond Payments
(In millions of dollars)

		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
		NDUS Office/Grants, Eleven Campuses & Medical School			Extension and Experiment			Other Entities 1/			Total All Entities		
	Years	General Fund	Income 3/	Total	General Fund	Income	Total	General Fund	Income	Total	General Fund	Income	Total
A.	2007-09 Executive Recommendation 2/	$438.58	$1.41	$439.99	$65.38	$101.61	$166.99	$2.42	$1.00	$3.42	$506.38	$104.02	$610.40
B.	2007-09 Budget Request 2/	$448.59	$1.41	$450.00	$57.40	$98.19	$155.59	$2.43	$1.00	$3.43	$508.42	$100.60	$609.02
C.	2005-07 Adjusted Appropriation 2/	$372.53	$1.43	$373.96	$56.69	$89.25	$145.94	$1.99	$0.98	$2.97	$431.21	$91.66	$522.87
D.	2003-05 Adjusted Appropriation 2/	$350.48	$3.21	$353.69	$50.81	$71.55	$122.36	$1.80	$0.97	$2.77	$403.09	$75.73	$478.82
E.	2001-03 Adjusted Appropriation 2/	$354.08	$17.76	$371.84	$51.62	$61.28	$112.90	$1.85	$1.18	$3.03	$407.55	$80.22	$487.77
F.	1999-01 Adjusted Appropriation 2/	$321.35	$170.39	$491.74	$47.27	$49.34	$96.61	$1.70	$0.90	$2.60	$370.32	$220.63	$590.95
G.	1997-99 Adjusted Appropriation 2/	$301.25	$203.23	$504.48	$44.08	$44.62	$88.70	$1.64	$0.81	$2.45	$346.97	$248.66	$595.63

NOTES:

1/ Other Entities includes Forest Service and, prior to 1995-97, the UND-Rehab. Hospital. Does not include the State Toxicologist.

2/ The amounts do not include major capital projects and capital bond payments. Major capital projects included in the 2007-09 budget request total $161.7 million ($.9 million general fund and $160.8 million other funds). The 2007-09 executive recommendation includes $157.2 million for major capital projects ($25 million general fund and $13.2 million other funds). In addition, the executive recommendation includes $15,822,002 general fund and $1,029,750 other funds for capital bond payments. The general fund portion of the capital bond payments were $306,139 higher in the budget request, or $16,121,141.

3/ All income from the campuses and Medical School are excluded, beginning with the 2001-03 biennium and thereafter.

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North Dakota University System
Summary of General Fund Increases
Per 2007-09 Executive Recommendation
(HB 1003 and 1020)

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	Campuses, Med School, Forest Service & NDUS Office (HB1003)			UGPTI, NCI, Extension & Research (HB 1020)				Total	
2005-07 Adjusted General Fund Appropriation	$389,677,877			$ 56,690,346				$ 446,368,223	
Less OMB Adjustments:									
2003-05 Capital Asset Carryover		(1,244,133)							
Total Base Adjustments		(1,244,133)			-			(1,244,133)	
2005-07 Adjusted Appropriation, Less Base Adjustments		388,433,744			56,690,346			445,124,090	
2007-09 Executive Recommendation		470,227,441			75,894,813			546,122,254	
Total Increase (Decrease)		$ 81,793,697			$ 19,204,467			$ 100,998,164	

Increase Summary:	Requested Increase	Increase Funded	Incr over Adj Approp	Requested Increase	Increase Funded	Incr over Adj Approp	Requested Increase	Increase Funded	Incr over Adj Approp
Permanent Base Increase	63,000,000	$52,142,861	13.4%	9,392,229	$ 8,596,717	15.2%	72,392,229	$ 60,739,578	13.6%
One-time Increases	15,000,000	16,120,000	4.1%	-	100,000	0.2%	15,000,000	16,220,000	3.6%
Capital Projects - One-time	25,191,170	14,444,710	3.7%	11,057,750	10,507,750	18.5%	36,248,920	24,952,460	5.6%
Less Capital Projects Base Funding	(913,875)	(913,875)	-0.2%	-			(913,875)	(913,875)	-0.2%
Total Increase (Decrease)	104,105,045	81,793,696	21.1%	20,449,979	$19,204,467	33.9%	124,555,024	$100,998,163	22.7%

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NDUS Campuses, Medical School, NDUS Office and Forest Service
Comparison of SBHE General Fund Request to Executive Recommendation (HB 1003)

	(1) SBHE 2007-09 Prioritized GF Request	(2) Executive Recommendation	(3) Executive Recommendation Over (Under) Budget Request	(4) Comments
2005-07 Original General Fund Appropriation	$ 387,157,893	$ 387,157,893	0	
Base Adjustments	1,275,851	1,275,851	0	
2005-07 Adjusted General Fund Appropriation, Net of Base Adjustments	388,433,744	388,433,744	0	
Prioritized SBHE Needs Based Request:				
Increase in Capital Bond Payments	2,100,000	1,793,861	(306,139)	Adjusted to latest estimates from Industrial Commission
Parity (and Other) Costs:				
CIS Pool	2,096,200	2,096,200	0	$420,000 of the increase is one-time funding
NDUS Office, Including MHEC/WICHE Dues Increases	450,200	450,200	0	
Forest Service + 5% Increase Over Parity	410,600	410,600	0	
Student Financial Aid Increase	2,850,000	3,350,000	500,000	$500,000 increase to state grant program request to address affordability
Capital Assets Increase-Ongoing Repairs/Def Maintenance	4,000,000	4,000,000	0	
CND Perm Funding-Replace Funding from Board Init.	1,500,000	1,500,000	0	One-time funding
CND Perm Funding-Replace Tech Bond Revenue	920,000	920,000	0	
CND Critical Business Function Solutions -Contingency	1,700,000	1,280,000	(420,000)	One-time funding (funded $420,000 less than request)
Campus Parity	33,852,000	33,852,000	0	
Campus Equity	10,000,000	10,000,000	0	
Board Initiative Funding Enhancement	500,000	-	(500,000)	
Wide Area Network Growth	250,000	-	(250,000)	Not funded in Executive Recommendation
Standards Based Interface to CND	161,000	-	(161,000)	
EPSCOR -state matching requirement	310,000	310,000	0	
External Student Recruiting Initiative	700,000	-	(700,000)	
Northern Tier Network Annual Maintenance	900,000	-	(900,000)	Not funded in Executive Recommendation
ODIN Web Programmer Position	150,000	-	(150,000)	
New Academic Start-up - Programs for Economic Growth	150,000	-	(150,000)	
ND Space Grant Consortium	-	300,000	300,000	Added by the Governor, but not included in SBHE request
Total Requested Increase in GF Base Funding	63,000,000	60,262,861	(2,737,138)	
Total Base General Fund Request	**451,433,744**	**448,696,605**	**(2,737,138)**	
2007-09 State-funded Projects, Net of $913,875 Base Funding	-	13,530,835	13,530,835	Total state funded projects = $14,444,710
One-time Budget Requests:				
Infusion for Deferred Maintenance, Including $1 Million-MaSU	10,000,000	7,000,000	(3,000,000)	Includes $1 Million for MaSU in NDUS Office Budget (All One-time)
Implement Collaboration Project-Phase 1	1,000,000	-	(1,000,000)	Not funded in Executive Recommendation
Campuses-Network refurbishment to replace convergence	2,000,000	-	(2,000,000)	Not funded in Executive Recommendation
Northern Tier Network (Revised from $2.7M to $2.0M)	2,000,000	1,000,000	(1,000,000)	One-time funding (funded $1.0 million less than revised request)
Total One-time Budget Requests	**15,000,000**	**8,000,000**	**(7,000,000)**	
Total 2007-09 Gen Fund Request & Exec Recommendation	**$ 466,433,744**	**$ 470,227,440**	**$ 3,793,697**	

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North Dakota University System
Comparison of SBHE Prioritized Budget Request to Executive Recommendation, Excluding Major Capital Projects

	Description	(1) Total Budget Request	(2) Executive Recommendation Base Funding	(3) Executive Recommendation Change in Base Funding	(4) Executive Recommendation One-Time Funding	(5) Total Executive Recommendation	(6) Net Change in Executive Recommendation
	Required General Fund Increases-No Other Funding Sources Available:						
1	Increase in Capital Bond Payments	2,100,000	1,793,861	(306,139)		1,793,861	(306,139)
	Parity (and Other) Costs:						
2	CIS Pool	2,096,200	1,676,200	(420,000)	420,000	2,096,200	
3	NDUS Office, Including MHEC/WICHE Dues Increases	450,200	450,200	-		450,200	
4	Forest Service + 5% Increase Over Parity	410,600	410,600	-		410,600	
	Subtotal	2,957,000	2,537,000	(420,000)	420,000	2,957,000	-
5	Student Financial Aid Increase	2,850,000	3,350,000	500,000		3,350,000	500,000
6	Capital Assets Increase - Ongoing Repairs/Deferred Maintenance	4,000,000	-	(4,000,000)	4,000,000	4,000,000	
	Subtotal -Requiring General Fund Increases Only	11,907,000	7,680,861	(4,226,139)	4,420,000	12,100,861	193,861
	Other CND Needs:						
7	CND Perm Funding-Replace Funding from Board Init.	1,500,000		(1,500,000)	1,500,000	1,500,000	
8	CND Perm Funding-Replace Tech Bond Revenue	920,000		(920,000)	920,000	920,000	
9	CND Critical Business Function Solutions -Contingency	1,700,000		(1,700,000)	1,280,000	1,280,000	(420,000)
	Subtotal - Other CND Needs	4,120,000	-	(4,120,000)	3,700,000	3,700,000	(420,000)
	Campus Parity and Equity:						
10a	Campus Parity	33,852,000	33,852,000	-		33,852,000	
10b	Campus Equity	10,000,000	10,000,000	-		10,000,000	
	Subtotal - Parity and Equity	43,852,000	43,852,000	-	-	43,852,000	-
	Additional Needs (In priority order):						
11	Board Initiative Funding Enhancement	500,000		(500,000)	-	-	(500,000)
12	Wide Area Network Growth	250,000		(250,000)		-	(250,000)
13	Standards Based Interface to CND	161,000		(161,000)		-	(161,000)
14	EPSCOR -state matching requirement	310,000	310,000	-		310,000	-
15	External Student Recruiting Initiative	700,000	-	(700,000)		-	(700,000)
16	Northern Tier Network Annual Maintenance	900,000	-	(900,000)		-	(900,000)
17	ODIN Web Programmer Position	150,000		(150,000)		-	(150,000)
18	New Academic Start-up for Programs for Economic Growth	150,000		(150,000)		-	(150,000)
19	North Dakota Space Grant Consortium	-	300,000	300,000		300,000	300,000
	Subtotal - Additional Needs	3,121,000	610,000	(2,511,000)	-	610,000	(2,511,000)
20	*Total Request and Recommendation - Base Budget*	63,000,000	52,142,861	(10,857,139)	8,120,000	60,262,861	(2,737,139)
	One-time Budget Requests:						
21	Infusion for Deferred Maintenance	10,000,000					
22	Deferred Maintenance-Mayville				6,000,000	6,000,000	(4,000,000)
23	Implement Collaboration Project-Phase 1-Update & Integrate Voice, Data & Video systems (e-mail, calendar, discussion	1,000,000			1,000,000	1,000,000	1,000,000
24	Campuses-Network changes necessary for all campuses to support new technologies (single-mode fiber, upgrading cables, upgrading firewalls,etc.)- Refurbishment to replace convergence	2,000,000			-	-	(1,000,000)
25	Northern Tier Network	2,000,000			-	-	(2,000,000)
26	*Total One-Time Request and Recommendation*	15,000,000			1,000,000	1,000,000	(1,000,000)
27	*Grand Total Request and Recommendation*	78,000,000	52,142,861	(10,857,139)	8,000,000	8,000,000	(7,000,000)
					16,120,000	68,262,861	(9,737,139)

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North Dakota University System Campuses and Med School
Summary of 2007-09 Estimated Increases for Parity Calculation - Revised September (Health Incr)

	(1) Estimated Cost of 2.4%/year Operating Inflation, Excl Utilities	(2) Estimated Cost of 2.4%/year Operating Inflation On Utilities	(3) Total Operating Inflation at 2.4% per Year (Col 1+2)	(4) Cost to Continue FY 07 Legislatively Funded Salary Increases	(5) Total Estimated Health Insurance, Based on Increase of $127.05 per Month	(6) Estimated Cost of Compensation Pkg at 5% Per Year	(7) Estimated Utility Costs of New Bldgs Coming Online 2007-09	(8) Total Estimated Increases in Computation of Parity (Col 3+4+5+6+7)	(9) Targeted State Portion Per Funding Model	(10) GF Portion of Parity, using Targeted Funding Percent (Col 8x9)
BSC	370,984	47,588	418,572	296,358	582,397	1,394,363	136,125	2,827,815	75%	2,120,862
LRSC	102,485	21,724	124,208	76,828	152,460	352,524		706,021	75%	529,515
WSC	69,715	18,546	88,261	90,452	198,198	433,869		810,780	75%	608,085
UND	2,030,971	397,626	2,428,597	2,008,791	3,415,104	10,308,414		18,160,906		10,896,544
UND-Med School	438,044	-	438,044	611,317	622,037	2,712,150		4,383,547		2,630,128
Total-UND/Med	2,469,015	397,626	2,866,641	2,620,108	4,037,141	13,020,564	-	22,544,454	60%	13,526,672
NDSU	1,318,554	574,144	1,892,698	1,604,389	2,689,394	8,948,957	332,596	15,468,035	60%	9,280,821
NDSCS	353,649	114,383	468,032	354,955	704,365	1,732,080		3,259,432	75%	2,444,574
DSU	313,364	67,051	380,415	263,754	521,413	1,319,534		2,485,116	70%	1,739,581
MaSU	91,994	74,406	166,400	138,469	250,034	621,825		1,176,728	70%	823,709
MiSU	257,423	90,320	347,743	497,799	911,711	2,310,901		4,068,154	65%	2,644,300
VCSU	156,527	33,231	189,759	185,279	393,347	906,539		1,674,923	70%	1,172,446
MiSU-BC	50,268	15,570	65,838	62,486	128,066	290,414		546,805	75%	410,104
Subtotal	5,553,979	1,454,589	7,008,568	6,190,875	10,568,527	31,331,570	468,721	55,568,261		35,300,669
									SBHE Approved	
	TARGETED STATE SHARE OF EACH OF ABOVE PARITY COMPONENTS, BASED % IN COLUMN 9								Funded Oper Infla (Col10:2+4+5+6+7)	Total Parity Funded
BSC	278,238	35,691	313,929	222,268	436,798	1,045,772	102,094	2,120,862	150,381	1,993,005
LRSC	76,863	16,293	93,156	57,621	114,345	264,393	-	529,515	40,601	493,253
WSC	52,286	13,909	66,196	67,839	148,649	325,402	-	608,085	38,183	593,981
UND	1,218,583	238,576	1,457,158	1,205,274	2,049,062	6,185,049	-	10,896,544	679,005	10,356,966
UND-Med School	262,826	-	262,826	366,790	373,222	1,627,290	-	2,630,128	136,072	2,503,374
Total-UND/Med	1,481,409	238,576	1,719,985	1,572,065	2,422,284	7,812,338	-	13,526,672	815,077	12,860,340
NDSU	791,132	344,487	1,135,619	962,633	1,613,637	5,369,374	199,558	9,280,821	482,994	8,972,682
NDSCS	265,237	85,787	351,024	266,216	528,274	1,299,060	-	2,444,574	160,034	2,339,371
DSU	219,355	46,936	266,290	184,628	364,989	923,674	-	1,739,581	121,632	1,641,858
MaSU	64,396	52,084	116,480	96,928	175,024	435,278	-	823,709	45,826	805,139
MiSU	167,325	58,708	226,033	323,569	592,612	1,502,086	-	2,644,300	139,620	2,616,595
VCSU	109,569	23,262	132,831	129,695	275,343	634,577	-	1,172,446	74,624	1,137,501
MiSU-BC	37,701	11,678	49,379	46,865	96,050	217,811	-	410,104	25,872	398,275
Subtotal	3,543,512	927,410	4,470,922	3,930,327	6,768,004	19,829,764	301,651	35,300,669	2,094,843	33,852,000

Unfunded Parity (Col10:Col8) 1,448,669

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NORTH DAKOTA UNIVERSITY SYSTEM
Equity Allocation
Appvd by SBHE, May 17, 2006
(Excluding Agricultural Research and Extension Service at NDSU and including medicine at UND)

	(1) Weighting -- Variable Based on %% Distance from Peers (% distance)	(2) Simple Weighting -- (Current Model) Based on $$ Distance from Peers ($ distance)	(3) Avg. of Weighting -- Variable (1) and Simple Weighting -- Current (2) ($ and % distance)
BSC	$504,952	$544,218	$524,585
LRSC	253,312	235,538	244,425
WSC	74,236	110,012	92,124
UND	3,068,449	3,233,563	3,163,572
UND-Med School	750,818	791,220	758,452
Total-UND/Med School	3,819,267	4,024,782	3,922,024
NDSU	4,447,239	3,834,446	4,140,843
NDSCS	7,569	59,819	33,694
DSU	548,174	541,567	544,871
MaSU	52,923	109,117	81,020
MiSU	251,040	425,167	338,104
VCSU	15,982	63,156	39,569
MISU-BC	25,307	52,177	38,742
TOTAL	$10,000,000	$10,000,000	$10,000,000

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NORTH DAKOTA UNIVERSITY SYSTEM
RESOURCE ALLOCATION MODEL
Equity Allocation (Line 11f)-Variable Weighting Based on Percentage Variance to Peer Benchmark

		BSC	LRSC	WSC	UND w/Medical	NDSU Excl Ag	NDSCS	DSU	MaSU	MiSU	VCSU	MiSU-BC	TOTAL
1	**2005-07 GF "Operating" base (excludes "Capital Assets" funding) 1/**	$17,265,548	$5,789,989	$5,752,997	$124,187,604	$76,704,850	$24,956,828	$14,711,627	$9,003,630	$27,215,849	$11,806,526	$4,334,460	$321,729,708
2	Peer Benchmark (Fall 03 75% FTE, 25% Hdcnt, FY04 Rev)	$7,786	$8,968	$8,334	$16,957	$14,588	$8,687	$10,329	$11,913	$9,701	$11,428	$8,307	
3	Student Count (75% FTE, 25% Hdcnt – Avg of Fall 2003 & 2004)	2,899	841	745	12,088	10,815	2,207	2,143	762	3,275	913	492	37,280
4	Calculated Benchmark Funding at 100% per year (line 2 x 3)	$22,571,614	$8,438,888	$6,208,830	$204,976,216	$157,769,220	$19,172,209	$22,135,047	$9,077,706	$31,770,775	$10,433,764	$4,087,044	496,641,313
5	% of total revenues to be paid by State of ND	75%	75%	75%	60%	60%	75%	70%	70%	65%	70%	75%	
6	Annual Peer Benchmark State Support (line 4 x line 5)	$16,928,711	$6,329,166	$4,656,623	$122,985,730	$94,661,532	$14,379,157	$15,494,533	$6,354,394	$20,651,004	$7,303,635	$3,065,283	$312,809,766
7	**Biennial Peer Benchmark State Support (line 6 x 2 years)**	$33,857,421	$12,658,332	$9,313,245	$245,971,459	$189,323,064	$28,758,314	$30,989,066	$12,708,788	$41,302,008	$14,607,270	$6,130,566	$625,619,532
8	Percent 05-07 GF Base of biennial peer benchmark state support (line 1 / Line 7)	51%	46%	62%	50%	41%	87%	47%	71%	66%	81%	71%	51%
9	Biennial State GF Appropriation Increase Needed to Reach 100% (Line 7 less line 1)	$16,591,873	$6,868,343	$3,560,248	$121,783,855	$112,618,414	$3,801,486	$16,277,439	$3,705,158	$14,086,159	$2,800,744	$1,796,106	$303,889,824

10 a	2007-09 Parity funded (1st Alloc)*	1,769,954	453,405	564,049	12,167,790	8,186,197	2,172,303	1,527,702	733,321	2,506,611	1,080,662	375,044	31,537,037
b	Funding After Parity Allocation (Line 1+10a)	19,035,502	6,243,394	6,317,046	136,355,394	84,890,847	27,129,131	16,239,329	9,736,951	29,722,460	12,887,188	4,709,504	353,266,745
c	% of Peer Benchmark (Line 10b/line 7)	56%	49%	68%	55%	45%	94%	52%	77%	72%	88%	77%	56%

* Parity components funded = CTC FY07 Sal Incr + 2007-09 (5%) Sal Incr + Health Insur Incr

Part A - Equity = $10Million. Allocate to campuses <100%, with variable weighting based on percentage variance to peer benchmark

11 a	Total if funded at 100% of peer benchmark (line 7)	33,857,421	12,658,332	9,313,245	245,971,459	189,323,064	28,758,314	30,989,066	12,708,788	41,302,008	14,607,270	6,130,566	625,619,532
b	Distance from peer benchmark (line 11a- 10b)	14,821,919	6,414,938	2,996,199	109,616,065	104,432,217	1,629,183	14,749,737	2,971,837	11,579,548	1,720,082	1,421,062	272,352,787
c	Weighted distance (See below)*	4.4	5.1	3.2	4.5	5.5	0.6	4.8	2.3	2.8	1.2	2.3	
d	Line 11b x 11c	65,216,442	32,716,184	9,587,837	493,272,294	574,377,191	977,510	70,798,739	6,835,225	32,422,734	2,064,098	3,268,443	1,291,536,698
e	Percent of weighted distance on Line 11d	5.0%	2.5%	0.7%	38.2%	44.5%	0.1%	5.5%	0.5%	2.5%	0.2%	0.3%	100.0%
f	1/ Allocation of $10 Million ($10Mil x line 11e)	504,952	253,312	74,236	3,819,267	4,447,239	7,569	548,474	52,923	251,040	15,982	25,307	10,000,000
g	Funding After Equity Allocation (Line10b+11f)	19,540,455	6,496,706	6,391,282	140,174,660	89,338,086	27,136,699	16,787,803	9,789,875	29,973,499	12,903,170	4,734,810	363,266,745
h	% of Peer Benchmark (Line 11g/line 7)	58%	51%	69%	57%	47%	94%	54%	77%	73%	88%	77%	58%

12 a	2007-09 Parity funded after equity	223,050	39,848	29,932	692,550	786,485	167,068	114,157	71,818	109,984	56,839	23,231	2,314,963
b	Funding After Parity and Equity(Line 11g+12a)	19,763,505	6,536,554	6,421,214	140,867,211	90,124,571	27,303,768	16,901,960	9,861,693	30,083,484	12,960,009	4,758,041	365,581,708
c	% of Peer Benchmark (Line 12b/line 7)	58%	52%	69%	57%	48%	95%	55%	78%	73%	89%	78%	58%

* Parity components funded = Utilities inflation and new buildings coming on line, plus 30% other operating expenses.

*Weighted Distance:

If line 10c =45%, then 5.5
If line 10c =46%, then 5.4
If line 10c = 47%, then 5.3
If line 10c = 48%, then 5.2
If line 10c = 49%, then 5.1
If line 10c = 50%, then 5.0
If line 10c = 51%, then 4.9
If line 10c = 52%, then 4.8
If line 10c = 53%, then 4.7
If line 10c = 54%, then 4.6
If line 10c = 55%, then 4.5
If line 10c = 56%, then 4.4
If line 10c =57%, then 4.3
If line 10c =58%, then 4.2
If line 10c = 59%, then 4.1
If line 10c = 60%, then 4.0
If line 10c = 61%, then 3.9
If line 10c = 62%, then 3.8
If line 10c = 63%, then 3.7
If line 10c = 64%, then 3.6
If line 10c = 65%, then 3.5
If line 10c = 66%, then 3.4
If line 10c = 67%, then 3.3
If line 10c = 68%, then 3.2
If line 10c =69%, then 3.1
If line 10c =70%, then 3.0
If line 10c =71%, then 2.9
If line 10c =72%, then 2.8
If line 10c =73%, then 2.7
If line 10c =74%, then 2.6
If line 10c =75%, then 2.5
If line 10c =76%, then 2.4
If line 10c =77%, then 2.3
If line 10c =78%, then 2.2
If line 10c =79%, then 2.1
If line 10c =80%, then 2.0
If line 10c =81%, then 1.9
If line 10c =82%, then 1.8
If line 10c =83%, then 1.7
If line 10c =84%, then 1.6
If line 10c =85%, then 1.5
If line 10c =86%, then 1.4
If line 10c =87%, then 1.3
If line 10c =88%, then 1.2
If line 10c =89%, then 1.1
If line 10c =90%, then 1.0
If line 10c =91%, then 0.9
If line 10c =92%, then 0.8
If line 10c =93%, then 0.7
If line 10c =94%, then 0.6
If line 10c = 95%, then 0.5
If line 10c = 96%, then 0.4
If line 10c = 97%, then 0.3
If line 10c = 98%, then 0.2
If line 10c = 99%, then 0.1
If line 10c = 100%, then 0

NORTH DAKOTA UNIVERSITY SYSTEM
RESOURCE ALLOCATION MODEL
Equity Allocation (Line 11d)-Simple Weighting Based on Dollar Difference from Peer Benchmark

		BSC	LRSC	WSC	UND w/Medical	NDSU Excl Ag	NDSCS	DSU	MaSU	MiSU	VCSU	MISU-BC	TOTAL
1	2005-07 GF "Operating" base (excludes "Capital Assets" funding) 1/	$17,265,548	$5,789,989	$5,752,997	$124,187,604	$76,704,650	$24,956,828	$14,711,627	$9,003,630	$27,215,849	$11,806,526	$4,334,460	$321,729,708
2	Peer Benchmark (Fall 03 75% FTE, 25% Hdcnt, FY04 Rev)	$7,786	$8,968	$8,334	$16,957	$14,588	$8,687	$10,329	$11,913	$9,701	$11,428	$8,307	
3	Student Count (75% FTE, 25% Hdcnt – Avg of Fall 2003 & 2004)	2,899	941	745	12,088	10,815	2,207	2,143	762	3,275	913	492	37,280
4	Calculated Benchmark Funding at 100% per year (line 2 x 3)	$22,571,614	$8,438,888	$6,208,830	$204,976,216	$157,769,220	$19,172,209	$22,135,047	$9,077,706	$31,770,775	$10,433,764	$4,087,044	496,641,313
5	% of total revenues to be paid by State of ND	75%	75%	75%	60%	60%	75%	70%	70%	65%	70%	75%	
6	Annual Peer Benchmark State Support (line 4 x line 5)	$16,928,711	$6,329,166	$4,656,623	$122,985,730	$94,661,532	$14,379,157	$15,494,533	$6,354,394	$20,651,004	$7,303,635	$3,065,283	$312,809,766
7	Biennial Peer Benchmark State Support (line 6 x 2 years)	$33,857,421	$12,658,332	$9,313,245	$245,971,459	$189,323,064	$28,758,314	$30,989,066	$12,708,788	$41,302,008	$14,607,270	$6,130,566	$625,619,532
8	Percent 05-07 GF Base of biennial peer benchmark state support (line 1 / Line 7)	51%	46%	62%	50%	41%	87%	47%	71%	66%	81%	71%	51%
9	Biennial State GF Appropriation Increase Needed to Reach 100% (Line 7 less line 1)	$16,591,873	$6,868,343	$3,560,248	$121,783,855	$112,618,414	$3,801,486	$16,277,439	$3,705,158	$14,086,159	$2,800,744	$1,796,106	$303,889,824
10 a	2007-09 Parity funded (1st Alloc)*	1,769,954	453,405	564,049	12,167,790	8,186,197	2,172,303	1,527,702	733,321	2,506,611	1,080,662	375,044	31,537,037
b	Funding After Parity Allocation (Line 1+10a)	19,035,502	6,243,394	6,317,046	136,355,394	84,890,847	27,129,131	16,239,329	9,736,951	29,722,460	12,887,188	4,709,504	353,266,745
c	% of Peer Benchmark (Line 10b/line 7)	56%	49%	68%	55%	45%	94%	52%	77%	72%	88%	77%	56%
*	Parity components funded = CTC FY07 Sal Incr + 2007-09 (5%) Sal Incr + Health Insur Incr												

Part B - Equity = $10Million. Allocate to campuses based on dollar difference from 100% peer benchmark

11 a	Total If funded at 100% of peer benchmark (line 7)	33,857,421	12,658,332	9,313,245	245,971,459	189,323,064	28,758,314	30,989,066	12,708,788	41,302,008	14,607,270	6,130,566	625,619,532
b	Distance from peer benchmark (line 11a- 10b)	14,821,919	6,414,938	2,996,199	109,616,065	104,432,217	1,629,183	14,749,737	2,971,837	11,579,548	1,720,082	1,421,062	272,352,787
c	Weighted distribution (See below)*	5.4%	2.4%	1.1%	40.2%	38.3%	0.6%	5.4%	1.1%	4.3%	0.6%	0.5%	100.0%
d	Allocation of $10 Million ($10M x line 11c)	544,218	235,636	110,012	4,024,782	3,834,446	59,819	541,567	109,117	425,167	63,156	52,177	10,000,000
e	Funding After Equity Allocation (Line10b+11d)	19,579,720	6,478,932	6,427,058	140,380,176	88,725,294	27,188,949	16,780,896	9,846,069	30,147,627	12,950,344	4,761,681	363,266,745
f	% of Peer Benchmark (Line 11e/line 7)	58%	51%	69%	57%	47%	95%	54%	77%	73%	89%	78%	58%
12 a	2007-09 Parity funded after equity	223,050	39,848	29,932	692,550	786,485	167,068	114,157	71,818	109,984	56,839	23,231	2,314,963
b	Funding After Parity and Equity(Line 11g+12a)	19,802,770	6,518,779	6,456,990	141,072,726	89,511,779	27,356,018	16,895,053	9,917,887	30,257,611	13,007,183	4,784,912	366,581,708
c	% of Peer Benchmark (Line 12b/line 7)	58%	51%	69%	57%	47%	95%	55%	78%	73%	89%	78%	58%
*	Parity components funded = Utilities inflation and new buildings coming on line, plus 30% other operating expenses.												

*Weighted Distribution:
Allocated based on the simple weighting dollar distance from 100% of peer benchmark

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NORTH DAKOTA UNIVERSITY SYSTEM
Based on Original Capital Asset Funding Model Methodology
(100% OMB Formula by 2013-15 and Deferred Maintenance by 2017-19)

	(1) 2007-09 Formula Funding to Reach OMB Formula by 2013-15	(2) 2007-09 Def Mnt Funding to Reach 100% Deferred Mnt by 2015-17	(3) Total - 2007-09	(4) Current 2005-07 Appropriation	(5) 2007-09 Increase Needed	(6) $4 Million Request, Based on Proportionate Share of Total (Col 5)	(7) Total Capital Asset Base Request, Excl Major Capital Assets (Col 4+6)
BSC	$702,004	$96,970	$798,974	$243,481	$555,493	$125,816	$369,297
LRSC	256,172	26,051	$282,223	43,662	$238,561	$54,033	$97,695
WSC	352,691	8,036	$360,727	86,475	$274,252	$62,116	$148,591
UND	7,300,747	1,922,928	$9,223,675	2,300,545	$6,923,130	$1,568,048	$3,868,593
NDSU	4,625,978	1,427,250	$6,053,228	1,692,226	$4,361,002	$987,741	$2,679,967
NDSCS	1,976,635	274,316	$2,250,951	753,332	$1,497,619	$339,202	$1,092,534
DSU	765,193	422,727	$1,187,920	383,690	$804,230	$182,153	$565,843
MaSU	491,771	519,204	$1,010,975	208,994	$801,981	$181,644	$390,638
MiSU	1,328,960	531,664	$1,860,624	596,870	$1,263,754	$286,238	$883,103
VCSU	720,491	333,732	$1,054,223	258,416	$795,807	$180,246	$438,662
MiSU-BC	181,327	25,239	$206,566	109,725	$96,841	$21,934	$131,659
FOREST SERVICE	72,591	11,883	$84,474	36,638	$47,836	$10,834	$47,472
Total	**$18,774,560**	**$5,600,000**	**$24,374,560**	**$6,714,054**	**$17,660,506**	**$4,000,000**	$10,714,053

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NORTH DAKOTA UNIVERSITY SYSTEM
SBHE APPROVED ALLOCATION OF $10 MILLION DEFERRED MAINTENANCE REQUEST
SUMMARY OF OUTSTANDING DEFERRED MAINTENANCE NEEDS
2007-09 Biennium (As of May 2006)
State Funds

Name	(1) Category I Health & Safety	(2) Category 2 ADA	(3) Category 3 Networking	(4) Category 3 Major Repairs	(5) Total Outstanding Needs-Categories 1-3	(6) % of Outstanding Def Maintenance	(7) $10 Million Based on Col 6%
BSC	$473,000	$114,000	$189,000	$1,264,000	$2,040,000	1.732%	$173,159
LRSC	0	0	36,000	512,000	548,000	0.465%	46,515
WSC	50,000	29,000	90,000	0	169,000	0.143%	14,345
UND	1,177,000	3,367,000	6,010,000	29,900,000	40,454,000	34.338%	3,433,803
NDSU	894,000	1,511,000	381,000	27,240,000	30,026,000	25.487%	2,548,657
NDSCS	373,000	8,000	0	5,390,000	5,771,000	4.899%	489,852
DSU	635,576	511,041	580,000	7,166,549	8,893,166	7.549%	754,867
MaSU	642,700	856,400	28,200	9,395,600	10,922,900	9.272%	927,154
MiSU	581,000	633,000	157,000	9,814,000	11,185,000	9.494%	949,401
VCSU	59,800	166,000	31,200	6,764,000	7,021,000	5.960%	595,954
MiSU-BC	10,000	30,000	0	491,000	531,000	0.451%	45,072
FOREST SERVICE	17,000	0	3,000	230,000	250,000	0.212%	21,220
TOTAL	**$4,913,076**	**$7,225,441**	**$7,505,400**	**$98,167,149**	**$117,811,066**		**$10,000,000**

NOTES:
Category 3 (major repairs) consists of roofs, streets, sidewalks, parking lots, curb, gutter, mechanical systems, HVAC, heating plant and electrical projects.

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NDUS Campuses and Medical School
Comparison of SBHE General Fund Request to
Executive Recommendation

Bismarck State College

	(1) SBHE 2007-09 Prioritized GF Request	(2) Executive Recommendation Base Funding	(3) Executive Recommendation Change in Base Funding	(4) Executive Recommendation One-Time Funding	(5) Total Executive Recommendation	(6) Executive Recommendation Over (Under) Budget Request
2005-07 Original General Fund Appropriation	$ 17,109,029	$ 17,109,029			$ 17,109,029	0
Base Adjustments	400,000	400,000			400,000	0
2005-07 Adjusted General Fund Appropriation, Net of Base Adjustments	17,509,029	17,509,029			17,509,029	0
Prioritized SBHE Needs Based Request:						
Capital Assets Increase-Ongoing Repairs/Def Maintenance	125,816	-	(125,816)	125,816	125,816	0
Campus Parity	1,993,005	1,993,005			1,993,005	0
Campus Equity	524,585	524,585			524,585	0
Total Requested Increase in GF Base Funding	2,643,405	2,517,590	(125,816)	125,816	2,643,406	0
Total Base General Fund Request & Recommendation	20,152,434	20,026,619	(125,816)	125,816	20,152,435	0
2007-09 State-funded Projects	515,195			515,195	515,195	0
One-time Budget Requests:						
Infusion for Deferred Maintenance	173,159			103,895	103,895	(69,264)
Total One-time Budget Request & Recommendation	173,159	-	-	103,895	103,895	(69,264)
Total 2007-09 General Fund Request & Recommendation	$ 20,840,788	$ 20,026,619	$ (125,816)	$ 744,906	$ 20,771,525	$ (69,264)

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GF Compar-Campuses&Med

NDUS Campuses and Medical School
Comparison of SBHE General Fund Request to
Executive Recommendation

Lake Region State College

	(1) SBHE 2007-09 Prioritized GF Request	(2) Executive Recommendation Base Funding	(3) Executive Recommendation Change In Base Funding	(4) Executive Recommendation One-Time Funding	(5) Total Executive Recommendation	(6) Executive Recommendation Over (Under) Budget Request
2005-07 Original General Fund Appropriation	$ 5,777,526	$ 5,777,526			$ 5,777,526	0
Base Adjustments	56,125	56,125			56,125	0
2005-07 Adjusted General Fund Appropriation, Net of Base Adjustments	5,833,651	5,833,651			5,833,651	0
Prioritized SBHE Needs Based Request:						
Capital Assets Increase-Ongoing Repairs/Def Maintenance	54,033	-	(54,033)	54,033	54,033	0
Campus Parity	493,253	493,253			493,253	0
Campus Equity	244,425	244,425			244,425	0
Total Requested Increase In GF Base Funding	791,710	737,678	(54,033)	54,033	791,711	0
Total Base General Fund Request & Recommendation	6,625,361	6,571,329	(54,033)	54,033	6,625,362	0
2007-09 State-funded Projects	-				-	0
One-time Budget Requests:						
Infusion for Deferred Maintenance	46,515			27,909	27,909	(18,606)
Total One-time Budget Request & Recommendation	46,515	-	-	27,909	27,909	(18,606)
Total 2007-09 General Fund Request & Recommendation	$ 6,671,876	$ 6,571,329	$ (54,033)	$ 81,942	$ 6,653,271	$ (18,606)

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GF Compar-Campuses&Med

NDUS Campuses and Medical School
Comparison of SBHE General Fund Request to
Executive Recommendation

Williston State College

	(1) SBHE 2007-09 Prioritized GF Request	(2) Executive Recommendation Base Funding	(3) Executive Recommendation Change in Base Funding	(4) Executive Recommendation One-Time Funding	(5) Total Executive Recommendation	(6) Executive Recommendation Over (Under) Budget Request
2005-07 Original General Fund Appropriation	$ 5,929,472	$ 5,929,472			$ 5,929,472	0
Base Adjustments	(90,000)	(90,000)			(90,000)	0
2005-07 Adjusted General Fund Appropriation, Net of Base Adjustments	5,839,472	5,839,472			5,839,472	0
Prioritized SBHE Needs Based Request:						
Capital Assets Increase-Ongoing Repairs/Def Maintenance	62,116	-	(62,116)	62,116	62,116	0
Campus Parity	593,981	593,981			593,981	0
Campus Equity	92,124	92,124			92,124	0
Total Requested Increase in GF Base Funding	748,221	686,105	(62,116)	62,116	748,221	0
Total Base General Fund Request & Recommendation	6,587,693	6,525,577	(62,116)	62,116	6,587,693	0
2007-09 State-funded Projects	-				-	0
One-time Budget Requests:						
Infusion for Deferred Maintenance	14,345			8,607	8,607	(5,738)
Total One-time Budget Request & Recommendation	14,345	-	-	8,607	8,607	(5,738)
Total 2007-09 General Fund Request & Recommendation	$ 6,602,038	$ 6,525,577	$ (62,116)	$ 70,723	$ 6,596,300	$ (5,738)

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GF Compar-Campuses&Med

NDUS Campuses and Medical School
Comparison of SBHE General Fund Request to
Executive Recommendation

University of North Dakota

	(1) SBHE 2007-09 Prioritized GF Request	(2) Executive Recommendation Base Funding	(3) Executive Recommendation Change in Base Funding	(4) Executive Recommendation One-Time Funding	(5) Total Executive Recommendation	(6) Executive Recommendation Over (Under) Budget Request
2005-07 Original General Fund Appropriation	$ 94,852,147	$ 94,852,147			$ 94,852,147	0
Base Adjustments	1,207,890	1,207,890			1,207,890	0
2005-07 Adjusted General Fund Appropriation, Net of Base Adjustments	96,060,037	96,060,037		-	96,060,037	0
Prioritized SBHE Needs Based Request:						
Capital Assets Increase-Ongoing Repairs/Def Maintenance	1,568,048	-	(1,568,048)	1,568,048	1,568,048	0
Campus Parity	10,356,966	10,356,966			10,356,966	0
Campus Equity	3,163,572	3,163,572			3,163,572	0
Total Requested Increase in GF Base Funding	15,088,586	13,520,538	(1,568,048)	1,568,048	15,088,586	(0)
Total Base General Fund Request & Recommendation	111,148,623	109,580,575	(1,568,048)	1,568,048	111,148,623	(0)
2007-09 State-funded Projects	-			2,200,000	2,200,000	2,200,000
One-time Budget Requests:						
Infusion for Deferred Maintenance	3,433,803			2,060,282	2,060,282	(1,373,521)
Total One-time Budget Request & Recommendation	3,433,803	-	-	2,060,282	2,060,282	(1,373,521)
Total 2007-09 General Fund Request & Recommendation	$ 114,582,426	$ 109,580,575	$ (1,568,048)	$ 5,828,330	$ 115,408,905	$ 826,478

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NDUS Campuses and Medical School
Comparison of SBHE General Fund Request to
Executive Recommendation

North Dakota State University

	(1) SBHE 2007-09 Prioritized GF Request	(2) Executive Recommendation Base Funding	(3) Executive Recommendation Change in Base Funding	(4) Executive Recommendation One-Time Funding	(5) Total Executive Recommendation	(6) Executive Recommendation Over (Under) Budget Request
2005-07 Original General Fund Appropriation	$ 77,496,876	$ 77,496,876			$ 77,496,876	0
Base Adjustments	900,000	900,000			900,000	0
2005-07 Adjusted General Fund Appropriation, Net of Base Adjustments	78,396,876	78,396,876		-	78,396,876	0
Prioritized SBHE Needs Based Request:						
Capital Assets Increase-Ongoing Repairs/Def Maintenance	987,741	-	(987,741)	987,741	987,741	0
Campus Parity	8,972,682	8,972,682			8,972,682	0
Campus Equity	4,140,843	4,140,843			4,140,843	0
Total Requested Increase in GF Base Funding	14,101,266	13,113,525	(987,741)	987,741	14,101,266	0
Total Base General Fund Request & Recommendation	92,498,142	91,510,401	(987,741)	987,741	92,498,142	0
2007-09 State-funded Projects	-			5,000,000	5,000,000	5,000,000
One-time Budget Requests:						
Infusion for Deferred Maintenance	2,548,657			1,529,194	1,529,194	(1,019,463)
Total One-time Budget Request & Recommendation	2,548,657	-	-	1,529,194	1,529,194	(1,019,463)
Total 2007-09 General Fund Request & Recommendation	$ 95,046,799	$ 91,510,401	$ (987,741)	$ 7,516,935	$ 99,027,336	$ 3,980,537

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GF Compar-Campuses&Med

NDUS Campuses and Medical School
Comparison of SBHE General Fund Request to
Executive Recommendation

North Dakota State College of Science

	(1) SBHE 2007-09 Prioritized GF Request	(2) Executive Recommendation Base Funding	(3) Executive Recommendation Change in Base Funding	(4) Executive Recommendation One-Time Funding	(5) Total Executive Recommendation	(6) Executive Recommendation Over (Under) Budget Request
2005-07 Original General Fund Appropriation	$ 25,740,160	$ 25,740,160			$ 25,740,160	0
Base Adjustments	-	-			-	0
2005-07 Adjusted General Fund Appropriation, Net of Base Adjustments	25,740,160	25,740,160		-	25,740,160	0
Prioritized SBHE Needs Based Request:						
Capital Assets Increase-Ongoing Repairs/Def Maintenance	339,202	-	(339,202)	339,202	339,202	0
Campus Parity	2,339,371	2,339,371			2,339,371	0
Campus Equity	33,694	33,694			33,694	0
Total Requested Increase in GF Base Funding	2,712,267	2,373,065	(339,202)	339,202	2,712,267	0
Total Base General Fund Request & Recommendation	28,452,427	28,113,225	(339,202)	339,202	28,452,427	0
2007-09 State-funded Projects	-			1,670,420	1,670,420	1,670,420
One-time Budget Requests:						
Infusion for Deferred Maintenance	489,852			293,911	293,911	(195,941)
Total One-time Budget Request & Recommendation	489,852	-	-	293,911	293,911	(195,941)
Total 2007-09 General Fund Request & Recommendation	$ 28,942,279	$ 28,113,225	$ (339,202)	$ 2,303,533	$ 30,416,758	$ 1,474,479

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NDUS Campuses and Medical School
Comparison of SBHE General Fund Request to
Executive Recommendation

Dickinson State University

	(1) SBHE 2007-09 Prioritized GF Request	(2) Executive Recommendation Base Funding	(3) Executive Recommendation Change in Base Funding	(4) Executive Recommendation One-Time Funding	(5) Total Executive Recommendation	(6) Executive Recommendation Over (Under) Budget Request
2005-07 Original General Fund Appropriation	$ 15,095,317	$ 15,095,317			$ 15,095,317	0
Base Adjustments	-	-			-	0
2005-07 Adjusted General Fund Appropriation, Net of Base Adjustments	15,095,317	15,095,317		-	15,095,317	0
Prioritized SBHE Needs Based Request:						
Capital Assets Increase-Ongoing Repairs/Def Maintenance	182,153	-	(182,153)	182,153	182,153	0
Campus Parity	1,641,858	1,641,858			1,641,858	0
Campus Equity	544,871	544,871			544,871	0
Total Requested Increase in GF Base Funding	2,368,882	2,186,729	(182,153)	182,153	2,368,882	0
Total Base General Fund Request & Recommendation	17,464,199	17,282,046	(182,153)	182,153	17,464,199	0
2007-09 State-funded Projects	-				-	0
One-time Budget Requests:						
Infusion for Deferred Maintenance	754,867			452,920	452,920	(301,947)
Total One-time Budget Request & Recommendation	754,867	-	-	452,920	452,920	(301,947)
Total 2007-09 General Fund Request & Recommendation	$ 18,219,066	$ 17,282,046	$ (182,153)	$ 635,073	$ 17,917,119	$ (301,947)

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NDUS Campuses and Medical School
Comparison of SBHE General Fund Request to
Executive Recommendation

	(1)	(2)	(3)	(4)	(5)	(6)
	Mayville State University					
	SBHE 2007-09 Prioritized GF Request	Executive Recommendation Base Funding	Executive Recommendation Change in Base Funding	Executive Recommendation One-Time Funding	Total Executive Recommendation	Executive Recommendation Over (Under) Budget Request
2005-07 Original General Fund Appropriation	$ 9,362,624	$ 9,362,624			$ 9,362,624	0
Base Adjustments	(150,000)	(150,000)			(150,000)	0
2005-07 Adjusted General Fund Appropriation, Net of Base Adjustments	9,212,624	9,212,624		-	9,212,624	0
Prioritized SBHE Needs Based Request:						
Capital Assets Increase-Ongoing Repairs/Def Maintenance	181,644	-	(181,644)	181,644	181,644	0
Campus Parity	805,139	805,139			805,139	0
Campus Equity	81,020	81,020			81,020	0
Total Requested Increase in GF Base Funding	1,067,803	886,159	(181,644)	181,644	1,067,803	0
Total Base General Fund Request & Recommendation	10,280,427	10,098,783	(181,644)	181,644	10,280,427	0
2007-09 State-funded Projects	-				-	0
One-time Budget Requests:						
Infusion for Deferred Maintenance	927,154			556,292	556,292	(370,862)
Total One-time Budget Request & Recommendation	927,154	-	-	556,292	556,292	(370,862)
Total 2007-09 General Fund Request & Recommendation	$ 11,207,581	$ 10,098,783	$ (181,644)	$ 737,936	$ 10,836,719	$ (370,862)

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NDUS Campuses and Medical School
Comparison of SBHE General Fund Request to
Executive Recommendation

Minot State University

	(1) SBHE 2007-09 Prioritized GF Request	(2) Executive Recommendation Base Funding	(3) Executive Recommendation Change in Base Funding	(4) Executive Recommendation One-Time Funding	(5) Total Executive Recommendation	(6) Executive Recommendation Over (Under) Budget Request
2005-07 Original General Fund Appropriation	$ 27,892,719	$ 27,892,719			$ 27,892,719	0
Base Adjustments	(80,000)	(80,000)			(80,000)	0
2005-07 Adjusted General Fund Appropriation, Net of Base Adjustments	27,812,719	27,812,719		-	27,812,719	0
Prioritized SBHE Needs Based Request:						
Capital Assets Increase-Ongoing Repairs/Def Maintenance	286,233	-	(286,233)	286,233	286,233	0
Campus Parity	2,616,595	2,616,595			2,616,595	0
Campus Equity	338,104	338,104			338,104	0
Total Requested Increase in GF Base Funding	3,240,931	2,954,699	(286,233)	286,233	3,240,932	0
Total Base General Fund Request & Recommendation	31,053,650	30,767,418	(286,233)	286,233	31,053,651	0
2007-09 State-funded Projects	159,585			2,500,000	2,500,000	2,340,415
One-time Budget Requests:						
Infusion for Deferred Maintenance	949,401			569,641	569,641	(379,760)
Total One-time Budget Request & Recommendation	949,401	-	-	569,641	569,641	(379,760)
Total 2007-09 General Fund Request & Recommendation	$ 32,162,637	$ 30,767,418	$ (286,233)	$ 3,355,874	$ 34,123,292	$ 1,960,655

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NDUS Campuses and Medical School
Comparison of SBHE General Fund Request to
Executive Recommendation

Valley City State University

	(1) SBHE 2007-09 Prioritized GF Request	(2) Executive Recommendation Base Funding	(3) Executive Recommendation Change in Base Funding	(4) Executive Recommendation One-Time Funding	(5) Total Executive Recommendation	(6) Executive Recommendation Over (Under) Budget Request
2005-07 Original General Fund Appropriation	$ 12,314,942	$ 12,314,942			$ 12,314,942	0
Base Adjustments	(250,000)	(250,000)			(250,000)	0
2005-07 Adjusted General Fund Appropriation, Net of Base Adjustments	12,064,942	12,064,942		-	12,064,942	0
Prioritized SBHE Needs Based Request:						
Capital Assets Increase-Ongoing Repairs/Def Maintenance	180,246	-	(180,246)	180,246	180,246	0
Campus Parity	1,137,501	1,137,501			1,137,501	0
Campus Equity	39,569	39,569			39,569	0
Total Requested Increase in GF Base Funding	1,357,316	1,177,070	(180,246)	180,246	1,357,316	0
Total Base General Fund Request & Recommendation	13,422,258	13,242,012	(180,246)	180,246	13,422,258	0
2007-09 State-funded Projects	-			2,200,000	2,200,000	2,200,000
One-time Budget Requests:						
Infusion for Deferred Maintenance	595,954			357,573	357,573	(238,381)
Total One-time Budget Request & Recommendation	595,954	-	-	357,573	357,573	(238,381)
Total 2007-09 General Fund Request & Recommendation	$ 14,018,212	$ 13,242,012	$ (180,246)	$ 2,737,819	$ 15,979,831	$ 1,961,619

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NDUS Campuses and Medical School
Comparison of SBHE General Fund Request to
Executive Recommendation

Minot State University-Bottineau Campus

	(1) SBHE 2007-09 Prioritized GF Request	(2) Executive Recommendation Base Funding	(3) Executive Recommendation Change in Base Funding	(4) Executive Recommendation One-Time Funding	(5) Total Executive Recommendation	(6) Executive Recommendation Over (Under) Budget Request
2005-07 Original General Fund Appropriation	$ 4,444,185	$ 4,444,185			$ 4,444,185	0
Base Adjustments	-	-			-	0
2005-07 Adjusted General Fund Appropriation, Net of Base Adjustments	**4,444,185**	**4,444,185**		**-**	**4,444,185**	**0**
Prioritized SBHE Needs Based Request:						
Capital Assets Increase-Ongoing Repairs/Def Maintenance	21,934	-	(21,934)	21,934	21,934	0
Campus Parity	398,275	398,275			398,275	0
Campus Equity	38,742	38,742			38,742	0
Total Requested Increase in GF Base Funding	458,951	437,017	(21,934)	21,934	458,951	0
Total Base General Fund Request & Recommendation	**4,903,136**	**4,881,202**	**(21,934)**	**21,934**	**4,903,136**	**0**
2007-09 State-funded Projects	239,095			239,095	239,095	0
One-time Budget Requests:						
Infusion for Deferred Maintenance	45,072			27,043	27,043	(18,029)
Total One-time Budget Request & Recommendation	**45,072**	**-**	**-**	**27,043**	**27,043**	**(18,029)**
Total 2007-09 General Fund Request & Recommendation	**$ 5,187,303**	**$ 4,881,202**	**$ (21,934)**	**$ 288,072**	**$ 5,169,274**	**$ (18,029)**

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NDUS Campuses and Medical School
Comparison of SBHE General Fund Request to
Executive Recommendation

UND School of Medicine and Health Sciences

	(1) SBHE 2007-09 Prioritized GF Request	(2) Executive Recommendation Base Funding	(3) Executive Recommendation Change in Base Funding	(4) Executive Recommendation One-Time Funding	(5) Total Executive Recommendation	(6) Executive Recommendation Over (Under) Budget Request
2005-07 Original General Fund Appropriation	$ 31,361,002	$ 31,361,002			$ 31,361,002	0
Base Adjustments	(747,890)	(747,890)			(747,890)	0
2005-07 Adjusted General Fund Appropriation, Net of Base Adjustments	30,613,112	30,613,112		-	30,613,112	0
Prioritized SBHE Needs Based Request:						
Capital Assets Increase-Ongoing Repairs/Def Maintenance		-	-		-	0
Campus Parity	2,503,374	2,503,374			2,503,374	0
Campus Equity	758,452	758,452			758,452	0
Total Requested Increase in GF Base Funding	3,261,826	3,261,826	-	-	3,261,826	0
Total Base General Fund Request & Recommendation	33,874,938	33,874,938	-	-	33,874,938	0
2007-09 State-funded Projects	-				-	0
One-time Budget Requests:						
Infusion for Deferred Maintenance						
Total One-time Budget Request & Recommendation	-	-	-	-	-	0
Total 2007-09 General Fund Request & Recommendation	$ 33,874,938	$ 33,874,938	$ -	$ -	$ 33,874,938	$ 0

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NDUS Campuses and Medical School
Comparison of SBHE General Fund Request to
Executive Recommendation

	(1)	(2)	(3)	(4)	(5)	(6)
	Total Campuses and Medical School					
	SBHE 2007-09 Prioritized GF Request	Executive Recommendation Base Funding	Executive Recommendation Change in Base Funding	Executive Recommendation One-Time Funding	Total Executive Recommendation	Executive Recommendation Over (Under) Budget Request
2005-07 Original General Fund Appropriation	$ 327,375,999	$ 327,375,999			$ 327,375,999	0
Base Adjustments	1,246,125	1,246,125			1,246,125	0
2005-07 Adjusted General Fund Appropriation, Net of Base Adjustments	328,622,124	328,622,124			328,622,124	0
Prioritized SBHE Needs Based Request:						
Capital Assets Increase-Ongoing Repairs/Def Maintenance	3,989,166	-	(3,989,166)	3,989,166	3,989,166	0
Campus Parity	33,852,000	33,852,000		-	33,852,000	0
Campus Equity	9,999,999	10,000,000		-	10,000,000	0
Total Requested Increase in GF Base Funding	47,841,165	43,852,000	(3,989,166)	3,989,166	47,841,166	(0)
Total Base General Fund Request & Recommendation	376,463,289	372,474,124	(3,989,166)	3,989,166	376,463,290	(0)
2007-09 State-funded Projects	913,875	-		14,324,710	14,324,710	13,410,835
One-time Budget Requests:						
Infusion for Deferred Maintenance	9,978,780	-		5,987,267	5,987,267	(3,991,513)
Total One-time Budget Request & Recommendation	9,978,780	-	-	5,987,267	5,987,267	(3,991,513)
Total 2007-09 General Fund Request & Recommendation	$ 387,355,944	$ 372,474,124	$ (3,989,166)	$ 24,301,143	$ 396,775,267	$ 9,419,322

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NDUS Office
Comparison of SBHE General Fund Request to
Executive Recommendation

	(1)	(2)	(3)	(4)	(5)	(6)
	NDUS Office					
	SBHE 2007-09 Prioritized GF Request	Executive Recommendation Base Funding	Executive Recommendation Change In Base Funding	Executive Recommendation One-Time Funding	Total Executive Recommendation	Executive Recommendation Over (Under) Budget Request
2005-07 Original General Fund Appropriation	$ 57,729,611	$ 57,729,611			$ 57,729,611	$ -
Base Adjustments	94,726	94,726			94,726	-
2005-07 Adjusted General Fund Appropriation, Net of Base Adjustments	**57,824,337**	**57,824,337**	-	-	**57,824,337**	-
Prioritized SBHE Needs Based Request:						
Increase in Capital Bond Payments	2,100,000	1,793,861	(306,139)		1,793,861	(306,139)
Parity (and Other) Costs:						
CIS Pool	2,096,200	1,676,200	(420,000)	420,000	2,096,200	-
NDUS Office, Including MHEC/WICHE Dues Increases	450,200	450,200			450,200	-
Student Financial Aid Increase	2,850,000	3,350,000	500,000		3,350,000	500,000
CND Perm Funding-Replace Funding from Board Init.	1,500,000	-	(1,500,000)	1,500,000	1,500,000	-
CND Perm Funding-Replace Tech Bond Revenue	920,000	-	(920,000)	920,000	920,000	-
CND Critical Business Function Solutions -Contingency	1,700,000	-	(1,700,000)	1,280,000	1,280,000	(420,000)
Board Initiative Funding Enhancement	500,000	-	(500,000)		-	(500,000)
Wide Area Network Growth	250,000	-	(250,000)		-	(250,000)
Standards Based Interface to CND	161,000	-	(161,000)		-	(161,000)
EPSCOR -state matching requirement	310,000	310,000			310,000	-
External Student Recruiting Initiative	700,000	-	(700,000)		-	(700,000)
Northern Tier Network Annual Maintenance	900,000	-	(900,000)		-	(900,000)
ODIN Web Programmer Position	150,000	-	(150,000)		-	(150,000)
New Academic Start-up - Programs for Economic Growth	150,000		(150,000)		-	(150,000)
ND Space Grant Consortium	-	300,000	300,000		300,000	300,000
Total Requested Increase in GF Base Funding	14,737,400	7,880,261	(6,857,139)	4,120,000	12,000,261	(2,737,139)
Total Base General Fund Request & Recommendation	**72,561,737**	**65,704,598**	**(6,857,139)**	**4,120,000**	**69,824,598**	**(2,737,139)**
2005-07 State-funded Projects In Base	(913,875)	(913,875)			(913,875)	-
One-time Budget Requests:						
Deferred Maintenance-MaSU	-			1,000,000	1,000,000	1,000,000
Implement Collaboration Project-Phase 1	1,000,000				-	(1,000,000)
Campuses-Network refurbishment to replace convergence	2,000,000				-	(2,000,000)
Northern Tier Network	2,000,000			1,000,000	1,000,000	(1,000,000)
Total One-time Budget Request & Recommendation	5,000,000	-	-	2,000,000	2,000,000	(3,000,000)
Total 2007-09 General Fund Request & Recommendation	$ 76,647,862	$ 64,790,723	$ (6,857,139)	$ 6,120,000	$ 70,910,723	$ (5,737,139)

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Forest Service
Comparison of SBHE General Fund Request to
Executive Recommendation

	(1)	(2)	(3)	(4)	(5)	(6)
	Forest Service					
	SBHE 2007-09 Prioritized GF Request	Executive Recommendation Base Funding	Executive Recommendation Change in Base Funding	Executive Recommendation One-Time Funding	Total Executive Recommendation	Executive Recommendation Over (Under) Budget Request
2005-07 Original General Fund Appropriation	$ 2,052,283	$ 2,052,283			$ 2,052,283	$ -
Base Adjustments	(65,000)	(65,000)			(65,000)	-
2005-07 Adjusted General Fund Appropriation, Net of Base Adjustments	1,987,283	1,987,283	-	-	1,987,283	-
Prioritized SBHE Needs Based Request:						
Parity + 5% Increase Over Parity	410,600	410,600			410,600	-
Capital Assets Increase-Ongoing Repairs/Def Maintenance	10,834		(10,834)	10,834	10,834	0
Total Requested Increase in GF Base Funding	421,434	410,600	(10,834)	10,834	421,434	0
Total Base General Fund Request & Recommendation	2,408,717	2,397,883	(10,834)	10,834	2,408,717	0
2007-09 State-funded Projects	-			120,000	120,000	120,000
One-time Budget Requests:						
Infusion for Deferred Maintenance	21,220			12,732	12,732	(8,488)
Total One-time Budget Request & Recommendation	21,220	-	-	12,732	12,732	(8,488)
Total 2007-09 General Fund Request & Recommendation	$ 2,429,937	$ 2,397,883	$ (10,834)	$ 143,566	$ 2,541,449	$ 111,512

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North Dakota University System
UGPTI, Extension Service, Main & Branch Research Centers and NCI
Reconciliation of 2005-07 Original General Fund Appropriation to 2007-09 Executive Recommendation

	(1) UGPTI	(2) Extension Service	(3) Main Research Center	(4) Branch Research Centers	(5) NCI	(6) Total
2005-07 Original General Fund Appropriation	$ 1,162,904	$ 15,358,146	$ 30,794,067	$ 8,386,309	$ 910,761	$ 56,612,187
Base Adjustments:						
2003-05 Carryover	49,700	28,459				78,159
Transfer from Main Research Center to Extension Service and Branch Research Centers		66,000	(150,000)	84,000		-
2005-07 Adjusted General Fund Appropriation	1,212,604	15,452,605	30,644,067	8,470,309	910,761	56,690,346
2003-05 Carryover Adjustment	(49,700)	(28,459)				(78,159)
OMB Base funding correction		3,058		6		3,064
Cost to continue FY2007 salary increases	5,922	190,390	458,313	116,789	11,545	782,959
2007-09 Base General Fund Request-BARS	1,168,826	15,617,594	31,102,380	8,587,104	922,306	57,398,210
Executive Recommendation Increases (Decreases):						
Compensation package (4% per year) and health insurance increases	55,058	1,389,237	2,342,392	558,280	57,740	4,402,707
SBARE Initiatives 1/		450,000	1,785,100	1,112,700	138,346	3,486,146
Deferred Maintenance - One time			100,000			100,000
State-funded Capital Projects			10,107,750	400,000		10,507,750
Total Increases (Decreases)	55,058	1,839,237	14,335,242	2,070,980	196,086	18,496,603
2007-09 Executive Recommendation - General Fund	**1,223,884**	**17,456,831**	**45,437,622**	**10,658,084**	**1,118,392**	**75,894,813**
Increase (Decrease) From 2005-07 Adjusted Appropriation	**$ 11,280**	**$ 2,004,226**	**$ 14,793,555**	**$ 2,187,775**	**$ 207,631**	**$ 19,204,467**

1/ The following SBARE initiatives (ranked 1-3) and NCI increases were funded:

Extension Service - $300,000 Bioproducts; $100,000 Operating funds increase; $50,000 Scab

Main Research Center - $355,000 Revolving equipment pool for research departments at NDSU; $200,100 Increase operating funds from $6,100 per scientist year (SY) to $10,000 per SY; $400,000 Bioproducts/bioenergy development; $550,000 Scab operating & NDAWN; $280,000 Pulse improvement program

Branch Research Centers - $135,000 Revolving equipment pool increase; $249,900 Increase operating funds; $462,800 Increase 1 FTE support staff at each branch station; $75,000 Scab operating; $190,000 Pulse improvement program

NCI - Funded optional package request of $100,000 for technical processing staff position and $38,346 for staff development.

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North Dakota University System
UGPTI, Extension Service, Main & Branch Research Centers, NCI and Agronomy Seed Farm
Reconciliation of 2005-07 Original Other Fund Appropriation to 2007-09 Executive Recommendation

	(1) UGPTI	(2) Extension Service	(3) Main Research Center	(4) Branch Research Centers	(5) NCI	(6) Agronomy Seed Farm	(16) Total
2005-07 Original Other Fund Appropriation	$ 15,290,033	$ 23,021,591	$ 44,662,646	$ 13,119,367	$ 991,922	$ 1,201,008	$ 98,286,567
Increases (decreases) included in budget request:							
2005-07 Capital projects			(7,000,000)	(2,040,000)			(9,040,000)
2007-09 Capital projects	5,500,000		11,057,750	701,000			17,258,750
OMB Base funding correction		4,236					4,236
Other changes in estimated income	4,456,628	(209,241)	2,512,294	1,736,660	442,655	1,740	8,940,736
2007-09 Budget Request	25,246,661	22,816,586	51,232,690	13,517,027	1,434,577	1,202,748	115,450,289
Executive Recommendation Increases (Decreases):							
Compensation package (4% per year) and health insurance increases	457,227	1,049,038	1,086,217	199,404	45,142	27,598	2,864,626
Rural Business Logistics Center	551,775						551,775
Increase (decrease) capital projects-Other Funds			(11,057,750)				(11,057,750)
Total Increases (Decreases)	1,009,002	1,049,038	(9,971,533)	199,404	45,142	27,598	(7,641,349)
2007-09 Executive Recommendation - Other Funds	**$ 26,255,663**	**$ 23,865,624**	**$ 41,261,157**	**$ 13,716,431**	**$ 1,479,719**	**$ 1,230,346**	**$107,808,940**

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North Dakota University System
Branch Research Centers
Reconciliation of 2005-07 Original Appropriation to 2007-09 Executive Recommendation

General Fund:	(1) Dickinson	(2) Central Grasslands	(3) Hettinger	(4) Langdon	(5) North Central	(6) Williston	(7) Carrington	(8) Total
2005-07 Original General Fund Appropriation	$ 1,799,589	$ 897,618	$ 942,453	$ 895,151	$ 853,252	$ 1,241,813	$ 1,756,433	$ 8,386,309
Base Adjustments:								
Reallocation of revolving equipment pool	(88,333)	88,333	88,334	88,333	-	(88,334)	(88,333)	-
Transfer from Main Research Center to Extension Service and Branch Research Centers	12,000	12,000	12,000	12,000	12,000	12,000	12,000	84,000
2005-07 Adjusted General Fund Appropriation	1,723,256	997,951	1,042,787	995,484	865,252	1,165,479	1,680,100	8,470,309
OMB Base funding correction							6	6
Cost to continue FY2007 salary increases	26,623	13,148	12,098	13,275	13,195	14,134	24,316	116,789
2007-09 Base General Fund Request	1,749,879	1,011,099	1,054,885	1,008,759	878,447	1,179,613	1,704,422	8,587,104
Executive Recommendation Increases (Decreases):								
Compensation package (4% per year) and health insurance increases	134,335	63,020	61,091	56,822	67,794	62,675	112,543	558,280
Initiatives	101,816	113,478	113,479	138,479	416,816	101,816	126,816	1,112,700
One-time funding to finish North Central lab project					400,000			400,000
Total Increases (Decreases)	236,151	176,498	174,570	195,301	884,610	164,491	239,359	2,070,980
2007-09 Executive Recommendation-General Fund	**$ 1,986,030**	**$ 1,187,597**	**$ 1,229,455**	**$ 1,204,060**	**$ 1,763,057**	**$ 1,344,104**	**$ 1,943,781**	**$ 10,658,084**
Other Funds:								
2005-07 Original Other Fund Appropriation	$ 3,764,281	$ 1,437,679	$ 867,204	$ 440,943	$ 3,077,288	$ 1,030,065	$ 2,501,907	$ 13,119,367
Increases (decreases) included in budget request:								
2005-07 Capital projects		(350,000)			(1,690,000)			(2,040,000)
2007-09 Capital projects	701,000							701,000
Other changes in estimated income	(421,676)	(21,448)	316,961	34,608	339,882	503,364	984,969	1,736,660
2007-09 Budget Request-Other Funds	4,043,605	1,066,231	1,184,165	475,551	1,727,170	1,533,429	3,486,876	13,517,027
Executive Recommendation Increases (Decreases):								
Compensation package (4% per year) and health insurance increases	47,594	13,678	27,592	17,682	34,589	6,836	51,433	199,404
Total Increases (Decreases)	47,594	13,678	27,592	17,682	34,589	6,836	51,433	199,404
2007-09 Executive Recommendation-Other Funds	**$ 4,091,199**	**$ 1,079,909**	**$ 1,211,757**	**$ 493,233**	**$ 1,761,759**	**$ 1,540,265**	**$ 3,538,309**	**$ 13,716,431**
2007-09 Executive Recommendation-Total Funds	**$ 6,077,229**	**$ 2,267,506**	**$ 2,441,212**	**$ 1,697,293**	**$ 3,524,816**	**$ 2,884,369**	**$ 5,482,090**	**$ 24,374,515**

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NORTH DAKOTA UNIVERSITY SYSTEM
SUMMARY OF OUTSTANDING DEFERRED MAINTENANCE NEEDS
2007-09 Biennium (As of May 2006)
State Funds

	(1)	(2)	(3)	(4)	(5)	(6)		(7)
	Category I	Category 2	Category 3 (1)		Total Outstanding	2007-09		Unfunded Needs
Name	Health & Safety	ADA	Networking	Major Repairs	Needs-Categories 1-3	Exec Recommend.		Categories 1-3
BSC	$473,000	$114,000	$189,000	$1,264,000	$2,040,000	$473,192		$1,566,808
LRSC	0	0	36,000	512,000	548,000	125,604		422,396
WSC	50,000	29,000	90,000	0	169,000	157,198		11,802
UND	1,177,000	3,367,000	6,010,000	29,900,000	40,454,000	5,928,876		34,525,124
NDSU	894,000	1,511,000	381,000	27,240,000	30,026,000	4,209,162		25,816,838
NDSCS	373,000	8,000	0	5,390,000	5,771,000	1,386,445		4,384,555
DSU	635,576	511,041	580,000	7,166,549	8,893,166	1,018,763		7,874,403
MaSU	642,700	856,400	28,200	9,395,600	10,922,900	1,946,930	(2)	8,975,970
MiSU	581,000	633,000	157,000	9,814,000	11,185,000	1,452,744		9,732,256
VCSU	59,800	166,000	31,200	6,764,000	7,021,000	796,235		6,224,765
MiSU-BC	10,000	30,000	0	491,000	531,000	158,702		372,298
ND Forest Service	17,000	0	3,000	230,000	250,000	60,204		189,796
Experiment Stations	312,000	19,000	0	1,857,000	2,188,000	840,465		1,347,535
TOTAL	**$5,225,076**	**$7,244,441**	**$7,505,400**	**$100,024,149**	**$119,999,066**	**$18,554,519**		**$101,444,547**

NOTES:
(1) Category 3 (major repairs) consists of roofs, streets, sidewalks, parking lots, curb, gutter, mechanical systems, HVAC, heating plant and electrical projects.
(2) Includes $1 million for MaSU in the NDUS Office budget

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NORTH DAKOTA UNIVERSITY SYSTEM
CAPITAL ASSETS (Extraordinary Repairs/Deferred Maintenance and Major Capital Projects)

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
	2007-09 Executive Recommendation			2007-09 Budget Request Plus SBHE Revisions			2005-07 Adjusted Appropriation			2007-09 Executive Recommendation to 2005-07 Adjusted Appropriation		
Institution	Extr Rprs/ Def Mnt	Major Capital Projects	TOTAL	Extr Rprs/ Def Mnt	Major Capital Projects	TOTAL	Extr Rprs/ Def Mnt	Major Capital Projects	TOTAL	Extr Rprs/ Def Mnt 1/	Major Capital Projects	TOTAL
BSC	$473,192	$543,000	$1,016,192	$369,297	$543,000	$912,297	$243,481	$3,745,300	$3,988,781	$229,711	($3,202,300)	($2,972,589)
LRSC	125,604	3,007,600	3,133,204	97,695	3,007,600	3,105,295	43,662	343,875	387,537	81,942	2,663,725	2,745,667
WSC	157,198	1,400,000	1,557,198	148,591	1,400,000	1,548,591	86,475	8,050,000	8,136,475	70,723	(6,650,000)	(6,579,277)
UND	5,928,876	80,400,000	86,328,876	3,868,593	80,400,000	84,268,593	2,300,545	97,831,554	100,132,099	3,628,331	(17,431,554)	(13,803,223)
NDSU	4,209,162	25,500,000	29,709,162	2,679,967	25,500,000	28,179,967	1,692,226	37,500,000	39,192,226	2,516,936	(12,000,000)	(9,483,064)
NDSCS	1,386,445	10,084,420	11,470,865	1,092,534	10,084,420	11,176,954	753,332	2,804,920	3,558,252	633,113	7,279,500	7,912,613
DSU	1,018,763	8,000,000	9,018,763	565,843	8,000,000	8,565,843	383,690	9,100,557	9,484,247	635,073	(1,100,557)	(465,484)
MASU 2/	1,946,930	900,000	2,846,930	390,638	4,857,000	5,247,638	208,994	1,650,000	1,858,994	1,737,936	(750,000)	987,936
MISU	1,452,744	8,075,550	9,528,294	883,103	8,075,550	8,958,653	596,870	8,615,000	9,211,870	855,874	(539,450)	316,424
VCSU	796,235	2,200,000	2,996,235	438,662	2,200,000	2,638,662	258,416	250,000	508,416	537,819	1,950,000	2,487,819
MiSU-BC	158,702	252,000	410,702	131,659	252,000	383,659	109,725	6,000,000	6,109,725	48,977	(5,748,000)	(5,699,023)
Subtotal	17,653,850	140,362,570	158,016,420	10,666,582	144,319,570	154,986,152	6,677,416	175,891,206	182,568,622	10,976,434	(35,528,636)	(24,552,202)
Forest Service	60,204	120,000	180,204	47,472	120,000	167,472	36,638	65,000	101,638	23,566	55,000	78,566
UGP Transp Institute	0	5,500,000	5,500,000	0	5,500,000	5,500,000	0	0	0	0	5,500,000	5,500,000
NDSU-Main Research	840,465	9,000,000	9,840,465	740,465	9,950,000	10,690,465	740,465	7,000,000	7,740,465	100,000	2,000,000	2,100,000
Dickinson Research	0	701,000	701,000	0	701,000	701,000	0	0	0	0	701,000	701,000
Central Grasslands	0	0	0	0	0	0	0	350,000	350,000	0	(350,000)	(350,000)
Hettinger Research	0	222,750	222,750	0	222,750	222,750	0	0	0	0	222,750	222,750
North Central Research	0	820,000	820,000	0	420,000	420,000	0	1,690,000	1,690,000	0	(870,000)	(870,000)
Carrington Research	0	465,000	465,000	0	465,000	465,000	0	0	0	0	465,000	465,000
Subtotal	900,669	16,828,750	17,729,419	787,937	17,378,750	18,166,687	777,103	9,105,000	9,882,103	123,566	7,723,750	7,847,316
Total	$18,554,519	$157,191,320	$175,745,839	$11,454,519	$161,698,320	$173,152,839	$7,454,519	$184,996,206	$192,450,725	$11,100,000	($27,804,886)	($16,704,886)
General Fund	$ 18,554,519	$ 24,952,460	$43,506,979	$ 11,454,519	$ 913,875	$12,368,394	$ 7,454,519	$ 978,875	$ 8,433,394	$11,100,000	$23,973,585	$35,073,585
State Bonding	0	0	$0	0	36,248,920	$36,248,920	0	15,878,111	$ 15,878,111	-	(15,878,111)	($15,878,111)
Other/Federal Funds	0	132,238,860	$132,238,860	0	124,535,525	$124,535,525	0	168,139,220	$ 168,139,220	-	(35,900,360)	($35,900,360)
Total	$18,554,519	$157,191,320	$175,745,839	$11,454,519	$161,698,320	$173,152,839	$7,454,519	$184,996,206	$192,450,725	$11,100,000	($27,804,886)	($16,704,886)

1/ One hundred percent (100%) of the $11.1 million increase for extraordinary repairs/deferred maintenance (column 10) is recommended as "one-time" funding in the Executive Recommendation.
2/ MaSU's total in column 1 includes $1 million that was included in the NDUS Office budget in the Executive Recommendation.

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NORTH DAKOTA UNIVERSITY SYSTEM
2007-09 MAJOR CAPITAL PROJECTS

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
	2007-09 Executive Recommendation						2007-09 Budget Request Plus SBHE Revisions					
	General Fund	State Bonding	Revenue Bonding	Other Funds	Federal Funds	Total Funds	General Fund	State Bonding	Revenue Bonding	Other Funds	Federal Funds	Total Funds
BSC:												
Major Remodeling												
Schafer Hall Renovation - 1st Floor	515,195			27,805		543,000	515,195			27,805		543,000
Subtotal (HB1003)	515,195	-	-	27,805	-	543,000	515,195	-	-	27,805	-	543,000
LRSC:												
New Construction/Addition												
Wind Energy Project				3,007,600		3,007,600		3,007,600				3,007,600
Subtotal (HB1003)	-	-	-	3,007,600	-	3,007,600	-	3,007,600	-	-	-	3,007,600
WSC:												
New Construction/Addition												
Crighton Building Addition				1,400,000		1,400,000				1,400,000		1,400,000
Subtotal (HB1003)	-	-	-	1,400,000	-	1,400,000	-	-	-	1,400,000	-	1,400,000
UND:												
Major Remodeling												
O'Kelly Hall-Ireland Lab	2,200,000					2,200,000		2,200,000				2,200,000
Wilkerson Dining Center			4,000,000			4,000,000			4,000,000			4,000,000
SMHS Lab & Administration Renovations				9,800,000		9,800,000				9,800,000		9,800,000
Memorial Union North Entrance				4,500,000		4,500,000				4,500,000		4,500,000
New Construction/Additions												
Indoor Track Facility				15,000,000		15,000,000				15,000,000		15,000,000
American Indian Center				10,000,000		10,000,000				10,000,000		10,000,000
Earth Systems Science Building				5,000,000		5,000,000				5,000,000		5,000,000
SMHS-Bismarck FPC/Graduate Center				4,500,000		4,500,000				4,500,000		4,500,000
EERC Commercialization Center				5,000,000		5,000,000				5,000,000		5,000,000
Allied Health Facility				20,400,000		20,400,000				20,400,000		20,400,000
Subtotal (HB1003)	2,200,000	-	4,000,000	74,200,000	-	80,400,000	-	2,200,000	4,000,000	74,200,000	-	80,400,000
NDSU:												
Major Remodeling												
Minard Hall Renovation-Phase I and II	5,000,000					5,000,000		5,000,000				5,000,000
Ellig Softball Complex				4,500,000		4,500,000				4,500,000		4,500,000
New Construction/Additions												
Living Learning Center West/Ceres Hall Renovation-Phase I			12,000,000			12,000,000			12,000,000			12,000,000
Dakota Coteau Field School					4,000,000	4,000,000					4,000,000	4,000,000
Subtotal (HB1003)	5,000,000	-	12,000,000	4,500,000	4,000,000	25,500,000	-	5,000,000	12,000,000	4,500,000	4,000,000	25,500,000
NDSCS:												
Infrastructure												
Steamline Distribution Replacement	1,670,420					1,670,420		1,670,420				1,670,420
Major Remodeling												
Robertson Hall Renovation			6,000,000			6,000,000			6,000,000			6,000,000
Football Stadium and Track Renovation (Reauthorization of 2005-07 Approp Authority)				1,700,000		1,700,000				1,700,000		1,700,000
New Construction/Additions												
Parking Lot			714,000			714,000			714,000			714,000
Subtotal (HB1003)	1,670,420	-	6,714,000	1,700,000	-	10,084,420	-	1,670,420	6,714,000	1,700,000	-	10,084,420
DSU:												
New Construction/Additions												
Whitney Stadium Addition/Renovation				8,000,000		8,000,000				8,000,000		8,000,000
Subtotal (HB1003)	-	-	-	8,000,000	-	8,000,000	-	-	-	8,000,000	-	8,000,000

NORTH DAKOTA UNIVERSITY SYSTEM
2007-09 MAJOR CAPITAL PROJECTS

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
	2007-09 Executive Recommendation						2007-09 Budget Request Plus SBHE Revisions					
	General Fund	State Bonding	Revenue Bonding	Other Funds	Federal Funds	Total Funds	General Fund	State Bonding	Revenue Bonding	Other Funds	Federal Funds	Total Funds
MaSU:												
Major Remodeling												
West Hall Renovation or Alternative						-		3,957,000				3,957,000
Northwest Hall Rehabilitation				900,000		900,000				900,000		900,000
Subtotal (HB1003)	-	-	-	900,000	-	900,000	-	3,957,000	-	900,000	-	4,857,000
MiSU:												
Major Remodeling												
Dome-Athletic Floor Replacement				336,400		336,400	159,585			176,815		336,400
Dakota Hall Elevator				340,000		340,000				340,000		340,000
Pioneer Hall Elevator				363,000		363,000				363,000		363,000
New Construction/Additions												
Swain Hall Addition/Renovation	2,500,000			4,536,150		7,036,150		7,036,150				7,036,150
Subtotal (HB1003)	2,500,000	-	-	5,575,550	-	8,075,550	159,585	7,036,150	-	879,815	-	8,075,550
VCSU:												
Infrastructure												
Steamline Replacement	2,200,000					2,200,000		2,200,000				2,200,000
Subtotal (HB1003)	2,200,000	-	-	-	-	2,200,000	-	2,200,000	-	-	-	2,200,000
MiSU-Bottineau Campus:												
Infrastructure												
Steamline Replacement	239,095			12,905		252,000	239,095			12,905		252,000
Subtotal (HB1003)	239,095	-	-	12,905	-	252,000	239,095	-	-	12,905	-	252,000
Campus Subtotal	14,324,710	-	22,714,000	99,323,860	4,000,000	140,362,570	913,875	25,071,170	22,714,000	91,620,525	4,000,000	144,319,570
Forest Service:												
New Construction/Additions												
Storage Buildings & Outdoor Restroom Facilities	120,000					120,000		120,000				120,000
Subtotal (HB1003)	120,000	-	-	-	-	120,000	-	120,000	-	-	-	120,000
Upper Great Plains Transportation Institute:												
New Construction/Additions												
Center for Transportation Study					5,500,000	5,500,000					5,500,000	5,500,000
Subtotal (HB1020)	-	-	-	-	5,500,000	5,500,000	-	-	-	-	5,500,000	5,500,000
Main Station:												
New Construction/Additions												
Research Greenhouse Complex-Phase II	9,000,000					9,000,000		9,000,000				9,000,000
Beef Research Facility						-		950,000				950,000
Subtotal (HB1020)	9,000,000	-	-	-	-	9,000,000	-	9,950,000	-	-	-	9,950,000
Research Centers:												
Major Remodeling												
Dickinson Parking Lot and Landscaping				350,000		350,000				350,000		350,000
North Central Lab	400,000					400,000						
New Construction/Additions												
Carrington Headquarters Office Building Addition	465,000					465,000		465,000				465,000
Hettinger Headquarters Office Building Addition	222,750					222,750		222,750				222,750
North Central Headquarters Office Building Addition	420,000					420,000		420,000				420,000
Dickinson Waste Management Facility				351,000		351,000				351,000		351,000
Subtotal (HB1020)	1,507,750	-	-	701,000	-	2,208,750	-	1,107,750	-	701,000	-	1,808,750
Related Entities Subtotal	10,627,750	-	-	701,000	5,500,000	16,828,750	-	11,177,750	-	701,000	5,500,000	17,378,750
TOTAL-ALL	24,952,460	-	22,714,000	100,024,860	9,500,000	157,191,320	913,875	36,248,920	22,714,000	92,321,525	9,500,000	161,698,320

NDUS 2007-09 Major Capital Projects
Approved by SBHE (Including Revisions As of November 2006)

12/18/2006

(1)	(2) Project Description	(3) Campus	(4) Project Type	(5) Cost State	(6) Cost Other	(7) Cost Total	(8) Other Source
			A=addition; R=renovation; NC=new construction				
Section 1: CAMPUSES - STATE FUNDED PROJECTS RECOMMENDED FOR INCLUSION IN 2007-09 BUDGET REQUEST							
	Ranked State Funded Projects Requested (Campuses)						
1	Dome-athletic floor replacement	MiSU	R	$159,585	$176,815	$336,400	local/private
2	West Hall renovation or alternative	MaSU	R	$3,957,000		$3,957,000	
3	O'Kelly Hall-Ireland Lab [Note - If state funding is not provided, UND seeks authority to proceed with other funding sources]	UND	R	$2,200,000		$2,200,000	
4	Wind energy project	LRSC	NC	$3,007,600		$3,007,600	
5	Minard Hall renovation-Phase I and II	NDSU	R	$5,000,000		$5,000,000	
6	Swain Hall renovation/addition	MiSU	A/R	$7,036,150		$7,036,150	
7	Steam line distribution replacement	NDSCS	R	$1,670,420		$1,670,420	
8	Steamline replacement	VCSU	R	$2,200,000		$2,200,000	
9	Steam line replacement	MiSUB	R	$239,095	$12,905	$252,000	local/private
10	Schafer Hall renovation - 1st floor	BSC	R	$515,195	$27,805	$543,000	local/private
	Total Ranked State Funded Projects - Campuses			**$25,985,045**	**$217,525**	**$26,202,570**	
	Section 2: Non-State Funded (Unranked) Projects Recommended for Inclusion in 2007-09 Budget Request						
	Whitney Stadium renovation/addition	DSU	R/A		$8,000,000	$8,000,000	gifts/local
	Northwest Hall Rehabilitation	MaSU	R		$900,000	$900,000	grants/gifts
	Dakota Hall elevator	MiSU	R		$340,000	$340,000	aux./local
	Pioneer Hall elevator	MiSU	R		$363,000	$363,000	aux./local
	Parking lot	NDSCS	NC		$714,000	$714,000	revenue bond
	Robertson Hall renovation	NDSCS	R		$6,000,000	$6,000,000	revenue bond
	Football Stadium and Track Renovation a/	NDSCS	R		$1,700,000	$1,700,000	private
	Living Learning Center West/ Ceres Hall Renovation-Phase I	NDSU	NC/R		$12,000,000	$12,000,000	revenue bond
	Center for Transportation Study	NDSU/ UGPTI	NC		$5,500,000	$5,500,000	federal
	Ellig softball complex	NDSU	R		$4,500,000	$4,500,000	private
	Dakota Coteau Field School	NDSU	NC		$4,000,000	$4,000,000	federal
	Indoor track facility	UND	NC		$15,000,000	$15,000,000	grants/gifts
	Wilkerson Dining Center	UND	R		$4,000,000	$4,000,000	revenue bond
	SMHS Lab & admin renovations	UND	R		$9,800,000	$9,800,000	grants/gifts
	American Indian Center	UND	NC		$10,000,000	$10,000,000	grants/gifts
	Earth Systems Science Building	UND	NC		$5,000,000	$5,000,000	grants/gifts
	Memorial Union-north entrance	UND	R/A		$4,500,000	$4,500,000	grants/gifts
	SMHS-Bismarck FPC/Graduate Center	UND	NC		$4,500,000	$4,500,000	rev bnds/grants/gifts
	EERC Commercialization Center	UND	NC		$5,000,000	$5,000,000	grants/gifts
	Allied Health Facility	UND	NC		$20,400,000	$20,400,000	grants/gifts/other
	Crighton Building addition	WSC	A		$1,400,000	$1,400,000	local,private
						$0	
	Total Non-State Funded Projects - Campuses			**$0**	**$123,617,000**	**$123,617,000**	

NDUS 2007-09 Major Capital Projects
Approved by SBHE (Including Revisions As of November 2006)

(1)	(2) Project Description	(3) Campus	(4) Project Type	(5) Cost State	(6) Cost Other	(7) Cost Total	(8) Other Source
			A=addition; R=renovation; NC=new construction				
	Section 3: EXPERIMENT STATIONS AND FOREST SERVICE - STATE FUNDED PROJECTS RECOMMENDED FOR INCLUSION IN 2007-09 BUDGET REQUEST						
	Ranked State Funded Projects Requested (Experiment Stations and Forest Service)						
1	Research greenhouse complex-Phase II	Exp Sta.	NC/R	$9,000,000		$9,000,000	
	Carrington Hdqtr office bldg addition			$465,000		$465,000	
	Hettinger Hdqtr office bldg addition			$222,750		$222,750	
2	North Central Hdqtr office bldg addition	Exp Sta.	R/A	$420,000		$420,000	
3	Beef Research Facility	Exp Sta.	NC/R	$950,000		$950,000	
1	Storage Buildings and Outdoor Restroom Facilities	For. Svc.	NC	$120,000		$120,000	
	Total Ranked State Funded Projects			**$11,177,750**	**$0**	**$11,177,750**	
	Section 4. Non-State Funded (Unranked) Projects Recommended for Inclusion in 07-09 Budget Request (Experiment Stations and Forest Service)						
	Waste management facility	Exp. Sta.	NC		$351,000	$351,000	oil revenue
	Parking lot and landscape	Exp. Sta.	R		$350,000	$350,000	oil revenue
	Total Non-State Funded Project			**$0**	**$701,000**	**$701,000**	
	TOTAL - NDUS Major Capital Projects Approved for Inclusion in 2007-09 Budget Request			**$37,162,795**	**$124,535,525**	**$161,698,320**	

Footnotes:

a/ The NDSCS football stadium and track renovation project is a request for reauthorization of the appropriation authority received in 2005-07.

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North Dakota University System
Student Grant Programs By Funding Source
Per 2007-09 Executive Recommendation

	(1) State Grant Program	(2) Scholars Program	(3) PSEP	(4) ND Indian Scholarship Program	(5) Education Incentive Programs	(6) Total
General Fund:						
2005-07 Adjusted Appropriation	$ 3,651,502	$ 915,456	$ 1,974,671	$ 253,626	$ 1,577,314	$ 8,372,569
Increase (Decrease)	2,171,995	563,110	324,895	127,000	163,000	3,350,000
2007-09 Executive Recommendation	5,823,497	1,478,566	2,299,566	380,626	1,740,314	$ 11,722,569
% Increase (Decrease)	59.5%	61.5%	16.5%	50.1%	10.3%	40.0%
Other Funds:						
2005-07 Adjusted Appropriation			$ 262,500			$ 262,500
Increase (Decrease)			54,960			54,960
2007-09 Executive Recommendation			317,460			$ 317,460
% Increase (Decrease)			20.9%			20.9%
Federal Funds:						
2005-07 Adjusted Appropriation	$ 172,000					$ 172,000
Increase (Decrease)	(8,000)					(8,000)
2007-09 Executive Recommendation	164,000					$ 164,000
% Increase (Decrease)	-4.7%					-4.7%
Total Funds:						
2005-07 Adjusted Appropriation	$ 3,823,502	$ 915,456	$ 2,237,171	$ 253,626	$ 1,577,314	$ 8,807,069
Increase (Decrease)	2,163,995	563,110	379,855	127,000	163,000	3,396,960
2007-09 Executive Recommendation	$ 5,987,497	$ 1,478,566	$ 2,617,026	$ 380,626	$ 1,740,314	$ 12,204,029
% Increase (Decrease)	56.6%	61.5%	17.0%	50.1%	10.3%	38.6%

The executive recommendation provides sufficient funding for the following, by program:

State Grant Program - Funds 4,990 annual awards at $600 each, or 3,990 annual awards at $750 each. The average annual awards were 3,117 for 2005-07.

Scholars Program - Continues funding for existing scholar recipients and provides an additional $250,785 to increase the number of new freshmen awards from 35 to 50, and an additional $200,000 to provide a one-time stipend of $2,000 to incoming freshmen.

Professional Student Exchange Program (PSEP) - Continues state funding for existing students and funds the same number of new student slots in 2007-08 and 2008-09 as in 2006-07 (6-Veterinary medicine; 8-Dentistry; 4-Optometry). An additional $200,000 (general fund) is also provided to implement a new community matching loan forgiveness program in veterinary medicine and optometry, similar to existing programs for physicians or mid-level practitioners in the Health Department budget. A similar dentistry program does not require local community matching support. In addition, $317,460 is provided from the student loan trust fund, to continue funding for the 4 students in the veterinary medicine program at Kansas State University, and to add 2 additional freshmen in each year of the 2007-09 biennium.

ND Indian Scholarship Program - Funds 270 grants per year, at $700, an increase of 90 over 2005-06, and allows funding to qualified applicants with a 3.0 GPA. At the 2005-07 funding level, there isn't sufficient funding to award qualified applicants with a GPA of less than 3.5

Education Incentive Program - Continues loan forgiveness ($1,000 per year, up to 3 years) for currently funded individuals, as well as funding new $1,000 awards per year for 158 individuals in the Teacher Shortage Loan Forgiveness Program and 99 in the Technology Occupations Loan Forgiveness Program, the same number of new awards that were funded in 2005-06 and 2006-07. The additional $163,000 will increase the Doctoral Graduate Program from $60,000 to $260,000, which is allocated equally to UND and NDSU.

NORTH DAKOTA UNIVERSITY SYSTEM
ANALYSIS OF 2007-09 EXECUTIVE RECOMMENDATION BY LINE ITEM (HB 1003)
(NDUS Office, Campuses, Forest Service and UND School of Medicine & Health Sciences)

NDUS Office	2007-09 Exec Recommendation	2005-07 Adj Appropriation	Incr (Decr) over 2003-05 $$ change	Incr (Decr) over 2003-05 %% change
System Governance:				
Operations	$6,441,394	$6,062,426		
Subtotal all funds	6,441,394	6,062,426	378,968	6.3%
Less estimated income	231,000	302,232	(71,232)	-23.6%
Subtotal general fund appropriation	6,210,394	5,760,194	450,200	7.8%
Student Grant Programs:				
Student Financial Assistance Grants	5,987,497	3,823,502		
Scholars Program	1,478,566	915,456		
ND Indian Scholarship Program	380,626	253,626		
Professional Student Exchange Program	2,617,026	2,237,171		
Education Incentive Programs	1,740,314	1,577,314		
Subtotal all funds	12,204,029	8,807,069	3,396,960	38.6%
Less estimated income	481,460	434,500	46,960	10.8%
Subtotal general fund appropriation	11,722,569	8,372,569	3,350,000	40.0%
System Grant Programs:				
EPSCoR	5,500,000	5,190,000	310,000	
Title II Grant	695,600	695,600	0	
Professional Liability Insurance	1,350,000	1,350,000	0	
Operations Pool	344,559	344,559	0	
Contingency & Cap Impr Emergency	496,482	496,482	0	
Common Information Services	27,403,293	20,607,093	6,796,200	
Subtotal all funds	35,789,934	28,683,734	7,106,200	24.8%
Less estimated income	695,600	695,600	0	0.0%
Subtotal general fund appropriation	35,094,334	27,988,134	7,106,200	25.4%
System Projects:				
Capital Assets-Bond Payments & MaSU Def Mnt	16,822,002	14,278,141	2,543,861	
Board Initiatives	2,091,174	1,791,174	300,000	
Subtotal all funds	18,913,176	16,069,315	2,843,861	17.7%
Less estimated income	1,029,750	1,279,750	(250,000)	-19.5%
Subtotal general fund appropriation	17,883,426	14,789,565	3,093,861	20.9%
TOTAL				
Total all funds	73,348,533	59,622,544	13,725,989	23.0%
Less estimated income	2,437,810	2,712,082	(274,272)	-10.1%
Total general fund appropriation	70,910,723	56,910,462	14,000,261	24.6%

NORTH DAKOTA UNIVERSITY SYSTEM
ANALYSIS OF 2007-09 EXECUTIVE RECOMMENDATION BY LINE ITEM (HB 1003)
(NDUS Office, Campuses, Forest Service and UND School of Medicine & Health Sciences)

	2007-09 Exec Recommendation	2005-07 Adj Appropriation	Incr (Decr) over 2003-05 $$ change	Incr (Decr) over 2003-05 %% change
BSC:				
Operations	19,783,138	17,265,548		
Capital Assets (Excluding Major Capital Projects)	473,192	243,481		
2003-05 Capital Assets Carryover	0	43,183		
Subtotal all funds	20,256,330	17,552,212		
Less estimated income	0	0		
Subtotal general fund appropriation	20,256,330	17,552,212		
Capital Assets - Major Capital Projects	543,000	5,530,300		
Subtotal all funds	543,000	5,530,300		
Less estimated income	27,805	5,530,300		
Subtotal general fund appropriation	515,195	0		
TOTAL				
Total all funds	20,799,330	23,082,512	(2,283,182)	-9.9%
Less estimated income	27,805	5,530,300	(5,502,495)	-99.5%
Total general fund appropriation	20,771,525	17,552,212	3,219,313	18.3%
LRSC:				
Operations	6,527,667	5,789,989		
Capital Assets (Excluding Major Capital Projects)	125,604	43,662		
2003-05 Capital Assets Carryover	0	0		
Subtotal all funds	6,653,271	5,833,651		
Less estimated income	0	0		
Subtotal general fund appropriation	6,653,271	5,833,651		
Capital Assets - Major Capital Projects	3,007,600	343,875		
Subtotal all funds	3,007,600	343,875		
Less estimated income	3,007,600	0		
Subtotal general fund appropriation	0	343,875		
TOTAL				
Total all funds	9,660,871	6,177,526	3,483,345	56.4%
Less estimated income	3,007,600	0	3,007,600	100.0%
Total general fund appropriation	6,653,271	6,177,526	475,745	7.7%

NORTH DAKOTA UNIVERSITY SYSTEM
ANALYSIS OF 2007-09 EXECUTIVE RECOMMENDATION BY LINE ITEM (HB 1003)
(NDUS Office, Campuses, Forest Service and UND School of Medicine & Health Sciences)

	2007-09 Exec Recommendation	2005-07 Adj Appropriation	Incr (Decr) over 2003-05 $$ change	Incr (Decr) over 2003-05 %% change
WSC:				
Operations	6,439,102	5,752,997		
Capital Assets (Excluding Major Capital Projects)	157,198	86,475		
2003-05 Capital Assets Carryover	0	10,000		
Subtotal all funds	6,596,300	5,849,472		
Less estimated income	0	0		
Subtotal general fund appropriation	6,596,300	5,849,472		
Capital Assets - Major Capital Projects	1,400,000	8,050,000		
Subtotal all funds	1,400,000	8,050,000		
Less estimated income	1,400,000	7,960,000		
Subtotal general fund appropriation	0	90,000		
TOTAL				
Total all funds	7,996,300	13,899,472	(5,903,172)	-42.5%
Less estimated income	1,400,000	7,960,000	(6,560,000)	-82.4%
Total general fund appropriation	6,596,300	5,939,472	656,828	11.1%
UND:				
Operations	107,280,030	93,011,602		
Capital Assets (Excluding Major Capital Projects)	5,928,875	2,300,545		
2003-05 Capital Assets Carryover	0	664,596		
Subtotal all funds	113,208,905	95,976,743		
Less estimated income	0	0		
Subtotal general fund appropriation	113,208,905	95,976,743		
Capital Assets - Major Capital Projects	80,400,000	142,736,393		
Subtotal all funds	80,400,000	142,736,393		
Less estimated income	78,200,000	142,736,393		
Subtotal general fund appropriation	2,200,000	0		
TOTAL				
Total all funds	193,608,905	238,713,136	(45,104,231)	-18.9%
Less estimated income	78,200,000	142,736,393	(64,536,393)	-45.2%
Total general fund appropriation	115,408,905	95,976,743	19,432,162	20.2%

NORTH DAKOTA UNIVERSITY SYSTEM
ANALYSIS OF 2007-09 EXECUTIVE RECOMMENDATION BY LINE ITEM (HB 1003)
(NDUS Office, Campuses, Forest Service and UND School of Medicine & Health Sciences)

	2007-09 Exec Recommendation	2005-07 Adj Appropriation	Incr (Decr) over 2003-05 $$ change	Incr (Decr) over 2003-05 %% change
NDSU:				
Operations	89,818,175	76,704,650		
Capital Assets (Excluding Major Capital Projects)	4,209,161	1,692,226		
2003-05 Capital Assets Carryover	0	40,662		
Subtotal all funds	94,027,336	78,437,538		
Less estimated income	0	0		
Subtotal general fund appropriation	94,027,336	78,437,538		
Capital Assets - Major Capital Projects	25,500,000	37,500,000		
Subtotal all funds	25,500,000	37,500,000		
Less estimated income	20,500,000	37,500,000		
Subtotal general fund appropriation	5,000,000	0		
TOTAL				
Total all funds	119,527,336	115,937,538	3,589,798	3.1%
Less estimated income	20,500,000	37,500,000	(17,000,000)	-45.3%
Total general fund appropriation	99,027,336	78,437,538	20,589,798	26.2%
NDSCS:				
Operations	27,359,893	24,986,828		
Capital Assets (Excluding Major Capital Projects)	1,386,445	753,332		
2003-05 Capital Assets Carryover	0	0		
Subtotal all funds	28,746,338	25,740,160		
Less estimated income	0	0		
Subtotal general fund appropriation	28,746,338	25,740,160		
Capital Assets - Major Capital Projects	10,084,420	2,804,920		
Subtotal all funds	10,084,420	2,804,920		
Less estimated income	8,414,000	2,804,920		
Subtotal general fund appropriation	1,670,420	0		
TOTAL				
Total all funds	38,830,758	28,545,080	10,285,678	36.0%
Less estimated income	8,414,000	2,804,920	5,609,080	200.0%
Total general fund appropriation	30,416,758	25,740,160	4,676,598	18.2%

NORTH DAKOTA UNIVERSITY SYSTEM
ANALYSIS OF 2007-09 EXECUTIVE RECOMMENDATION BY LINE ITEM (HB 1003)
(NDUS Office, Campuses, Forest Service and UND School of Medicine & Health Sciences)

	2007-09 Exec Recommendation	2005-07 Adj Appropriation	Incr (Decr) over 2003-05 $$ change	Incr (Decr) over 2003-05 %% change
DSU:				
Operations	16,898,356	14,711,627		
Capital Assets (Excluding Major Capital Projects)	1,018,763	383,690		
2003-05 Capital Assets Carryover	0	357,763		
Subtotal all funds	17,917,119	15,453,080		
Less estimated income	0	0		
Subtotal general fund appropriation	17,917,119	15,453,080		
Capital Assets - Major Capital Projects	8,000,000	9,100,557		
Subtotal all funds	8,000,000	9,100,557		
Less estimated income	8,000,000	9,100,557		
Subtotal general fund appropriation	0	0		
TOTAL				
Total all funds	25,917,119	24,553,637	1,363,482	5.6%
Less estimated income	8,000,000	9,100,557	(1,100,557)	-12.1%
Total general fund appropriation	17,917,119	15,453,080	2,464,039	15.9%
MaSU:				
Operations	9,889,789	9,003,630		
Capital Assets (Excluding Major Capital Projects)	946,930	208,994		
2003-05 Capital Assets Carryover	0	44,000		
Subtotal all funds	10,836,719	9,256,624		
Less estimated income	0	0		
Subtotal general fund appropriation	10,836,719	9,256,624		
Capital Assets - Major Capital Projects	900,000	1,650,000		
Subtotal all funds	900,000	1,650,000		
Less estimated income	900,000	1,500,000		
Subtotal general fund appropriation	0	150,000		
TOTAL				
Total all funds	11,736,719	10,906,624	830,095	7.6%
Less estimated income	900,000	1,500,000	(600,000)	-40.0%
Total general fund appropriation	10,836,719	9,406,624	1,430,095	15.2%

NORTH DAKOTA UNIVERSITY SYSTEM
ANALYSIS OF 2007-09 EXECUTIVE RECOMMENDATION BY LINE ITEM (HB 1003)
(NDUS Office, Campuses, Forest Service and UND School of Medicine & Health Sciences)

	2007-09 Exec Recommendation	2005-07 Adj Appropriation	Incr (Decr) over 2003-05 $$ change	Incr (Decr) over 2003-05 %% change
MiSU:				
Operations	30,170,548	27,215,849		
Capital Assets (Excluding Major Capital Projects)	1,452,744	596,870		
2003-05 Capital Assets Carryover	0	0		
Subtotal all funds	31,623,292	27,812,719		
Less estimated income	0	0		
Subtotal general fund appropriation	31,623,292	27,812,719		
Capital Assets - Major Capital Projects	8,075,550	8,615,000		
Subtotal all funds	8,075,550	8,615,000		
Less estimated income	5,575,550	8,535,000		
Subtotal general fund appropriation	2,500,000	80,000		
TOTAL				
Total all funds	39,698,842	36,427,719	3,271,123	9.0%
Less estimated income	5,575,550	8,535,000	(2,959,450)	-34.7%
Total general fund appropriation	34,123,292	27,892,719	6,230,573	22.3%
VCSU:				
Operations	12,983,596	11,806,526		
Capital Assets (Excluding Major Capital Projects)	796,235	258,416		
2003-05 Capital Assets Carryover	0	83,929		
Subtotal all funds	13,779,831	12,148,871		
Less estimated income	0	0		
Subtotal general fund appropriation	13,779,831	12,148,871		
Capital Assets - Major Capital Projects	2,200,000	250,000		
Subtotal all funds	2,200,000	250,000		
Less estimated income	0	0		
Subtotal general fund appropriation	2,200,000	250,000		
TOTAL				
Total all funds	15,979,831	12,398,871	3,580,960	28.9%
Less estimated income	0	0	0	0.0%
Total general fund appropriation	15,979,831	12,398,871	3,580,960	28.9%

NORTH DAKOTA UNIVERSITY SYSTEM
ANALYSIS OF 2007-09 EXECUTIVE RECOMMENDATION BY LINE ITEM (HB 1003)
(NDUS Office, Campuses, Forest Service and UND School of Medicine & Health Sciences)

	2007-09 Exec Recommendation	2005-07 Adj Appropriation	Incr (Decr) over 2003-05 $$ change	Incr (Decr) over 2003-05 %% change
MiSU-BC:				
Operations	4,771,477	4,334,460		
Capital Assets (Excluding Major Capital Projects)	158,702	109,725		
2003-05 Capital Assets Carryover	0	0		
Subtotal all funds	4,930,179	4,444,185		
Less estimated income	0	0		
Subtotal general fund appropriation	4,930,179	4,444,185		
Capital Assets - Major Capital Projects	252,000	6,000,000		
Subtotal all funds	252,000	6,000,000		
Less estimated income	12,905	6,000,000		
Subtotal general fund appropriation	239,095	0		
TOTAL				
Total all funds	5,182,179	10,444,185	(5,262,006)	-50.4%
Less estimated income	12,905	6,000,000	(5,987,095)	-99.8%
Total general fund appropriation	5,169,274	4,444,185	725,089	16.3%
Forest Service:				
Operations	3,358,731	2,925,646		
Capital Assets (Excluding Major Capital Projects)	60,204	36,638		
2003-05 Capital Assets Carryover	0	0		
Subtotal all funds	3,418,935	2,962,284		
Less estimated income	997,486	975,001		
Subtotal general fund appropriation	2,421,449	1,987,283		
Capital Assets - Major Capital Projects	120,000	0		
Subtotal all funds	120,000	0		
Less estimated income	0	0		
Subtotal general fund appropriation	120,000	0		
TOTAL				
Total all funds	3,538,935	2,962,284	576,651	19.5%
Less estimated income	997,486	975,001	22,485	2.3%
Total general fund appropriation	2,541,449	1,987,283	554,166	27.9%

NORTH DAKOTA UNIVERSITY SYSTEM
ANALYSIS OF 2007-09 EXECUTIVE RECOMMENDATION BY LINE ITEM (HB 1003)
(NDUS Office, Campuses, Forest Service and UND School of Medicine & Health Sciences)

	2007-09 Exec Recommendation	2005-07 Adj Appropriation	Incr (Decr) over 2003-05 $$ change	Incr (Decr) over 2003-05 %% change
UND School of Medicine & Health Sciences				
Operations	33,874,938	31,361,002	2,513,936	
Total all funds	33,874,938	31,361,002	2,513,936	8.0%
Less estimated income	0	0	0	0.0%
Total general fund appropriation	33,874,938	31,361,002	2,513,936	8.0%
TOTAL-ALL:				
NDUS Operations:				
Total General Fund	$ 423,276,425	$ 367,807,424	$ 55,469,001	15.1%
Total Estimated Income	2,405,546	2,407,333	(1,787)	-0.1%
Total All Funds-Operations	425,681,971	370,214,757	55,467,214	15.0%
NDUS Capital Assets, 2003-05 Capital Asset Carryover and Bond Payments:				
General Fund:				
Extraordinary Repairs	16,714,054	6,714,054	10,000,000	
Major Capital Projects	14,444,710	913,875	13,530,835	
2003-05 Capital Assets Carryover	-	1,244,133	(1,244,133)	
Capital Bond Payments & MaSU Deferred Mnt	15,792,252	12,998,391	2,793,861	
Total General Fund	46,951,016	21,870,453	25,080,563	114.7%
Estimated Income:				
Major Capital Projects	126,037,860	221,667,170	(95,629,310)	
2003-05 Capital Assets Carryover	-	-	0	
Capital Bond Payments	1,029,750	1,279,750	(250,000)	
Total Estimated Income	127,067,610	222,946,920	(95,879,310)	-43.0%
Total All Funds-Capital Assets & Bond Payments	174,018,626	244,817,373	(70,798,747)	-28.9%
GRAND TOTAL:				
Total General Fund	**470,227,441**	**389,677,877**	**80,549,564**	**20.7%**
Total Estimated Income	**129,473,156**	**225,354,253**	**(95,881,097)**	**-42.5%**
Total All Funds	**$ 599,700,597**	**$ 615,032,130**	**$ (15,331,533)**	**-2.5%**

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NORTH DAKOTA UNIVERSITY SYSTEM
ANALYSIS OF 2007-09 EXECUTIVE RECOMMENDATION BY LINE ITEM (HB 1020)
(UPPER GREAT PLAINS TRANSPORTATION INSTITUTE, NORTHERN CROPS INSTITUTE EXTENSION SERVICE, RESEARCH STATIONS & AGRONOMY SEED FARM)

	2007-09 Exec Recommendation	2005-07 Adj Appropriation	Incr (Decr) over 2005-07 $$ change	Incr (Decr) over 2005-07 %% change
Upper Great Plains Transportation Institute				
Operations	$ 21,979,547	$ 16,452,937	$ 5,526,610	33.6%
2003-05 Carryover	0	49,700	(49,700)	-100.0%
Total all funds	21,979,547	16,502,637	5,476,910	33.2%
Less estimated income	20,755,663	15,290,033	5,465,630	35.7%
Total general fund appropriation	1,223,884	1,212,604	11,280	0.9%
Major Capital Projects:	5,500,000	0	5,500,000	100.0%
Subtotal all funds	5,500,000	0	5,500,000	100.0%
Less estimated income	5,500,000	0	5,500,000	100.0%
Subtotal general fund appropriation	0	0	0	0.0%
Total:				
Total all funds	27,479,547	16,502,637	10,976,910	66.5%
Less estimated income	26,255,663	15,290,033	10,965,630	71.7%
Total general fund appropriation	1,223,884	1,212,604	11,280	0.9%
Northern Crops Institute				
Operations	2,598,111	1,902,683	695,428	36.5%
2003-05 Carryover	0	0	0	0.0%
Total all funds	2,598,111	1,902,683	695,428	36.5%
Less estimated income	1,479,719	991,922	487,797	49.2%
Total general fund appropriation	1,118,392	910,761	207,631	22.8%
Extension Service				
Operations	40,692,455	37,636,958	3,055,497	8.1%
Soil Conservation Committee	630,000	837,238	(207,238)	-24.8%
2003-05 Carryover	0	0	0	0.0%
Total all funds	41,322,455	38,474,196	2,848,259	7.4%
Less estimated income	23,865,624	23,021,591	844,033	3.7%
Total general fund appropriation	17,456,831	15,452,605	2,004,226	13.0%

NORTH DAKOTA UNIVERSITY SYSTEM
ANALYSIS OF 2007-09 EXECUTIVE RECOMMENDATION BY LINE ITEM (HB 1020)
(UPPER GREAT PLAINS TRANSPORTATION INSTITUTE, NORTHERN CROPS INSTITUTE EXTENSION SERVICE, RESEARCH STATIONS & AGRONOMY SEED FARM)

	2007-09 Exec Recommendation	2005-07 Adj Appropriation	Incr (Decr) over 2005-07 $$change	Incr (Decr) over 2005-07 %%change
Main Research Station				
Operations	76,591,029	68,306,713	8,284,316	12.1%
2003-05 Carryover	0	0	0	0.0%
Subtotal all funds	76,591,029	68,306,713	8,284,316	12.1%
Less estimated income	41,261,157	37,662,646	3,598,511	9.6%
Subtotal general fund appropriation	35,329,872	30,644,067	4,685,805	15.3%
Major Capital Projects:	10,107,750	7,000,000	3,107,750	44.4%
Subtotal all funds	10,107,750	7,000,000	3,107,750	44.4%
Less estimated income	0	7,000,000	(7,000,000)	-100.0%
Subtotal general fund appropriation	10,107,750	0	10,107,750	100.0%
Total:				
Total all funds	86,698,779	75,306,713	11,392,066	15.1%
Less estimated income	41,261,157	44,662,646	(3,401,489)	-7.6%
Total general fund appropriation	45,437,622	30,644,067	14,793,555	48.3%
Branch Research Centers				
Dickinson Research Center	5,376,229	5,575,870	(199,641)	-3.6%
Central Grasslands Research Center	2,267,506	1,997,297	270,209	13.5%
Hettinger Research Center	2,441,212	1,821,657	619,555	34.0%
Langdon Research Center	1,697,293	1,348,094	349,199	25.9%
North Central Research Center	3,124,816	2,252,540	872,276	38.7%
Williston Research Center	2,884,369	2,283,878	600,491	26.3%
Carrington Research Center	5,482,090	4,270,340	1,211,750	28.4%
2003-05 Carryover	0	0	0	0.0%
Subtotal all funds	23,273,515	19,549,676	3,723,839	19.0%
Less estimated income	13,015,431	11,079,367	1,936,064	17.5%
Subtotal general fund appropriation	10,258,084	8,470,309	1,787,775	21.1%
Major Capital Projects:	1,101,000	2,040,000	(939,000)	-46.0%
Subtotal all funds	1,101,000	2,040,000	(939,000)	-46.0%
Less estimated income	701,000	2,040,000	(1,339,000)	-65.6%
Subtotal general fund appropriation	400,000	0	400,000	100.0%
Total:				
Total all funds	24,374,515	21,589,676	2,784,839	12.9%
Less estimated income	13,716,431	13,119,367	597,064	4.6%
Total general fund appropriation	10,658,084	8,470,309	2,187,775	25.8%

NORTH DAKOTA UNIVERSITY SYSTEM
ANALYSIS OF 2007-09 EXECUTIVE RECOMMENDATION BY LINE ITEM (HB 1020)
(UPPER GREAT PLAINS TRANSPORTATION INSTITUTE, NORTHERN CROPS INSTITUTE EXTENSION SERVICE, RESEARCH STATIONS & AGRONOMY SEED FARM)

	2007-09 Exec Recommendation	2005-07 Adj Appropriation	Incr (Decr) over 2005-07 $$ change	Incr (Decr) over 2005-07 % change
Agronomy Seed Farm:				
Operations	1,230,346	1,201,008	29,338	2.4%
Total estimated income	1,230,346	1,201,008	29,338	2.4%
Major Capital Projects:	0	0	0	0.0%
Subtotal all funds	0	0	0	0.0%
Less estimated income	0	0	0	0.0%
Subtotal general fund appropriation	0	0	0	0.0%
Total:				
Total all funds	1,230,346	1,201,008	29,338	2.4%
Less estimated income	1,230,346	1,201,008	29,338	2.4%
Total general fund appropriation	0	0	0	0.0%
TOTAL-ALL:				
Operating Budget and Capital Improvements (Including $100,000 one-time Deferred Maintenance):				
Total General Fund	$ 65,387,063	$ 56,690,346	$ 8,696,717	15.3%
Total Special Funds	101,607,940	89,246,567	12,361,373	13.9%
Total All Funds	166,995,003	145,936,913	21,058,090	14.4%
Major Capital Projects:				
Total General Fund	10,507,750	0	10,507,750	100.0%
Total Special Funds	6,201,000	9,040,000	(2,839,000)	-31.4%
Total All Funds	16,708,750	9,040,000	7,668,750	84.8%
TOTAL-ALL:				
Total General Fund	**75,894,813**	**56,690,346**	**19,204,467**	**33.9%**
Total Special Funds	**107,808,940**	**98,286,567**	**9,522,373**	**9.7%**
Total All Funds	**$ 183,703,753**	**$ 154,976,913**	**$ 28,726,840**	**18.5%**

1/ HB 1020 includes single line-item budgets for the NDSU Main & Branch Research Stations and Agronomy Seed Farm, although major capital projects are listed separately for this analysis.

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Attachment B
4/[redacted]07

Equity in Plant Improvements and Deferred Maintenance

Institution	% Repl. V.	% Def. Mt.	% Sq. Ft.	DM/Repl.	DM/Sq.ft.	
BSC	3.8	1.7	3.1	0.4	0.5	
LRSC	1.4	0.4	1.6	0.3	0.3	
WSC	1.8	0.1	1.6	0.1	0.1	
UND	37.2	33.7	38.7	0.9	0.9	
NDSU	24.4	25	25.4	1.0	1.0	
NDSCS	10.5	4.8	9.3	0.5	0.5	
DSU	4.3	7.4	4.5	1.7	1.6	
MASU	3.2	9.1	3.0	2.8	3.0	Capital Improvement Equity
MISU	8.6	9.3	7.5	1.1	1.2	
VCSU	3.9	5.9	3.8	1.5	1.6	
MiSU-BC	0.9	0.4	1.6	0.4	0.3	
				1.0	1.0	Average
ND Forest Service		0.2				
Experiment Stations		1.8				

North Dakota University System Office
2003-05 General Fund Carryover

	Total General Fund Carryover	Required Allocation per SB2003-Sec 25 1/	GF Carryover Expended in FY06	GF Carryover Expended to date in FY07	Current Unexpended GF Carryover
System Governance Carryover:					
Operating carryover 2/	$ 237,784	$ (38,981)	$ (25,344)	$ (90,898)	$ 82,561
Carryover for specific projects funded from Board pools	143,914		(87,650)	(27,529)	28,735
Total System Governance Carryover	381,698	(38,981)	(112,994)	(118,427)	111,296
Other Carryover:					
Student Financial Assist Grants	319,100	(37,905)	(281,195)		-
Contingency & Capital Emergency	59,559	(17,625)	(41,934)		-
Scholars Program	53,379	(6,383)	(46,996)		-
Native American Scholarships	1,638		(1,638)		-
Education Incentive	349,412	(122,826)	(226,586)		-
Professional Student Exchange	109,891	(26,280)	(83,611)		-
Board Initiatives	1,174		(1,174)		-
Other Carryover	894,153	(211,019)	(683,134)	-	-
Total 2003-05 General Fund Carryover	**$ 1,275,851**	**$ (250,000)**	**$ (796,128)**	**$ (118,427)**	**$ 111,296**

1/ Section 25 (SB2003) required the SBHE to use $250,000 of NDUS unspent 03-05 general fund appropriation for the following purposes in 05-07: $150,000 to VCSU for brick tuck-pointing ($108,000), a sound system ($10,000) and the W.E. Osmon bleacher replacement project ($32,000); and $100,000 to the ND Trade Office for internships.

2/ Operating carryover has been used for equipment purchases, consulting, NDUS Viewbook and other operating fees.

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NORTH DAKOTA UNIVERSITY SYSTEM
Prepared at the Request of the House Appropriations Education Committee
Projected Carryover from 05-07 to 07-09 Biennium
January 23, 2007

State general fund appropriations are drawn down on a periodic basis from the State Treasurer and are used, along with tuition income, to support the primary instructional mission of the campus. All state appropriations will be drawn down before the end of the 05-07 biennium. State general fund appropriations are generally spent first, due to the unstable and unknown nature of tuition income due to possible unexpected changes in enrollments.

BSC	$0
LRSC	$0
WSC	$0
UND	$200,000
NDSU	$0
NDSCS	$0
DSU	$150,000
MASU	$0
MISU	$0
VCSU	$50,000
MISU-BC	$0
Subtotal	$400,000
UND-SOMHS	$0
Forest Service	$0
NDUS Office 1/	$520,000
Subtotal	$520,000
TOTAL ESTIMATE	$920,000

1/ Includes student financial assistance, scholar's program, system governance, PSEP and education incentive

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North Dakota University System Office
2003-05 General Fund Carryover

	Total General Fund Carryover	Required Allocation per SB2003-Sec 25 1/	GF Carryover Expended in FY06	GF Carryover Expended to date in FY07	Current Unexpended GF Carryover
System Governance Carryover:					
Operating carryover 2/	$ 237,784	$ (38,981)	$ (25,344)	$ (95,742)	$ 77,717
Carryover for specific projects funded from Board pools	143,914		(87,650)	(27,529)	28,735
Total System Governance Carryover	381,698	(38,981)	(112,994)	(123,271)	106,452
Other Carryover:					
Student Financial Assist Grants	319,100	(37,905)	(281,195)		-
Contingency & Capital Emergency	59,559	(17,625)	(41,934)		-
Scholars Program	53,379	(6,383)	(46,996)		-
Native American Scholarships	1,638		(1,638)		-
Education Incentive	349,412	(122,826)	(226,586)		-
Professional Student Exchange	109,891	(26,280)	(83,611)		-
Board Initiatives	1,174		(1,174)		-
Other Carryover	894,153	(211,019)	(683,134)	-	-
Total 2003-05 General Fund Carryover	**$ 1,275,851**	**$ (250,000)**	**$ (796,128)**	**$ (123,271)**	**$ 106,452**

1/ Section 25 (SB2003) required the SBHE to use $250,000 of NDUS unspent 03-05 general fund appropriation for the following purposes in 05-07: $150,000 to VCSU for brick tuck-pointing ($108,000), a sound system ($10,000) and the W.E. Osmon bleacher replacement project ($32,000); and $100,000 to the ND Trade Office for internships.

2/ Operating carryover has been used for equipment purchases, consulting, NDUS Viewbook and other operating fees.

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NORTH DAKOTA UNIVERSITY SYSTEM
Prepared at the Request of the House Appropriations Education Committee
January 23, 2007

	(1) Annual Student Fee Amount-'96 Campus Networking Debt Retirement	(2) Estimated 06-07 Annual Revenue-'96 Campus Networking Debt Retirement Fee	(3) Required Annual Revenue Transfer to CND beginning in FY07
BSC	$10.00	$21,062	$28,343
LRSC	$0.00	$0	$11,238
WSC	$10.00	$6,410	$7,663
UND	$15.00	$179,250	$163,088
NDSU	$10.60	$110,818	$141,586
NDCS	$32.00	$64,000	$25,437
DSU	$23.08	$51,121	$22,910
MASU	$28.50	$18,782	$9,497
MISU	$16.00	$45,008	$34,232
VCSU	$38.00	$33,325	$10,840
MISU-BC	$2.00	$600	$5,166
		$530,376	$460,000

In 1996, the legislature authorized revenue bonds for campus networking. The amount of bonding varied by campus and, in fact, one campus LRSC, did not participate in the bonding. A special technology fee was put in place to retire these 10 year bonds. When the CND project began, the NDUS identified other sources of revenue which could be committed to the project. At that time, it was decided that the technology fee revenues associated with the '96 bond debt retirement would be transferred to the CND project when the bonds were retired after 2006.

The 2007-09 NDUS budget request includes a state general fund **base** appropriation of $920,000 to eliminate the need for the technolgy fee transfer to CND. If **base** state funding is provided, campuses would have the ability to either reduce the technology fee by the amount noted in column (1) above or retain the annual revenues noted in column (3) to address other technology needs on campus.

SBHE policy related to the technology fee states: " fee revenue shall be used for technology purposes, including acquisition of technology and software, infrastucture, technology support staff, training and related expenses. Instituitions shall establish procedures providing for student input concerning the amount of the fee and use of fee revenue."

The 2007-09 Executive Budget recommendation includes **one-time** funding of $920,000 for this item. One-time funding will not allow the reduction or reallocation of the technology fee to campus use, since the $920,000 in revenues are needed on an on-going basis to support CND expenditures in the 2007-09 biennium and beyond. The SBHE has requested that the one-time funding for this item, along with others, be shifted from one-time to permanent base funding.

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Examples of potential campus uses of '96 campus networking technology fee, with final use to be determined based on input from students:

- Expanded wireless service on campus
- Upgrade student computer labs
- Increased security devices
- Additional printers for student use
- Additional on-line learning software enhancements to provide access to expanded learning materials

North Dakota University System
2007-09 HB1003
Capital Assets Appropriation

2005-07 Adjusted Appropriation - Capital Bond Payments	$ 14,278,141
Net Increase ($1,793,861 GF Increase, less $250,000 OF Decrease)	1,543,861
2007-09 Executive Recommendation - Capital Bond Payments 1/	15,822,002
2007-09 Executive Recommendation - One-time funding at MaSU 2/	1,000,000
Total 2007-09 Executive Recommendation - Capital Assets Line	**$ 16,822,002**
Funding Sources:	
General Fund	15,792,252
Other Funds	1,029,750
HB1003 - Line 29 (Section 3, Page 8)	**$16,822,002**

1/ The funding for the capital construction bond payments was based on estimates provided by the Industrial Commission.

2/ Per Section 9 of HB1003, the $1 million may be used for the development of a master capital plan and for deferred maintenance projects at MaSU, as approved by the SBHE.

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North Dakota University System
Engrossed HB1003
Capital Assets Appropriation

2005-07 Adjusted Appropriation - Capital Bond Payments	$ 14,278,141
Net Increase ($1,793,861 GF Increase, less $250,000 OF Decrease)	1,543,861
2007-09 Executive Recommendation - Capital Bond Payments 1/	15,822,002
2007-09 Executive Recommendation - One-time funding at MaSU 2/	1,000,000
Total 2007-09 Executive Recommendation	**16,822,002**
House Adjustment - Adjust to more current estimate of the Industrial Commission	(67,890)
Total Engrossed HB1003 - Capital Assets Line	**$ 16,754,112**
Funding Sources:	
General Fund	15,724,362
Other Funds	1,029,750
Engrossed HB1003 - Line 5 (Section 3, Page 9)	**$ 16,754,112**

1/ The funding for the capital construction bond payments was based on estimates provided by the Industrial Commission.

2/ Per Section 9 of Engrossed HB1003, the $1 million may be used for the development of a master capital plan and for deferred maintenance projects at MaSU, as approved by the SBHE.

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North Dakota University System
2007-09 HB1003
Contingency and Capital Emergency Appropriation

HB1003 - Line 5 (Section 3, Page 9) **$ 496,482**

This level of funding is equivalent to the 2005-07 adjusted appropriation. To date, $84,325 has been allocated to five campuses to assist with disabled student services, and the SBHE approved an allocation of up to $60,000 to MaSU for presidential search costs.

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North Dakota University System
Engrossed HB1003
Contingency and Capital Emergency Appropriation

Total 2007-09 Executive Recommendation	**$**	**496,482**
House Adjustment		(200,000)
Engrossed HB1003 - Line 12 (Section 3, Page 9)	**$**	**296,482**

The Governor included the same level of funding as 2005-07 in the executive recommendation, and the House reduced the amount by $200,000. To date, the following allocations have been approved by the SBHE for the 2007-09 biennium:

Allocations to various campuses to assist with disabled student services	$	110,425
Allocation for facilities plan at MaSU		41,653
Furniture associated with relocation of Connect ND staff		115,000
Allocation for MaSU Presidential search (Committed up to an additional $30,000)		30,000
Allocation of carryover per SB2003-Sec25		17,625
Total allocated through 2-26-07	$	314,703

Priority 5 of the SBHE's proposed adjustments to Engrossed HB1003, is to restore the contingency/capital emergency fund to the current 2005-07 funding level, an increase of $200,000. With a total state-funded plant and infrastructure value in excess of $1.2 billion and given the deferred maintenance condition of campus facilities ($117 million) and the levels of "extra-ordinary repairs" funding provided to the campuses (300+ year replacement cycle), a more substantial contingency fund is needed to address unexpected needs. Contingency funding of $250,000 per year is equivalent to .02% of plant value.

In addition to addressing unexpected plant needs, a portion of this fund has historically been allocated to campuses to assist them in addressing unforeseen needs of disabled students.

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North Dakota University System
2007-09 HB1003
Board Initiatives Appropriation

2005-07 Adjusted Appropriation	$ 1,791,174
Increase	300,000
HB1003 - Line 31 (Section 3, Page 8)	**$ 2,091,174**

Per Section 4 of HB1003, the $300,000 increase must be used for a grant to the ND Space Grant Consortium to match federal funds. The remaining $1,791,174 will be used to address SBHE and statewide priorities, consistent with the recommendations of the Roundtable.

The following allocations, totaling $1,860,000, have been approved by the SBHE for 2005-07:

Permanent Base Allocations:	
UND - Alcohol Consortium	$ 150,000
UND - Arts and Humanities Summit	10,000
	160,000
One-time Allocations:	
Connect ND Solutions	1,500,000
UND - Matching funds for ND Space Grant Consortium (SB2003-Sec 4)	200,000
	1,700,000
Total	$ 1,860,000

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North Dakota University System
Engrossed HB1003
Board Initiatives Appropriation

2005-07 Adjusted Appropriation	$ 1,791,174
Increase	300,000
Total 2007-09 Executive Recommendation	2,091,174
House Adjustment	(1,791,174)
Engrossed HB1003 - Line 7 (Section 3, Page 9)	**$ 300,000**

Per Section 4 of Engrossed HB1003, the $300,000 must be used for a grant to the ND Space Grant Consortium to match federal funds. The remaining $1,791,174 will be used to address SBHE and statewide priorities, consistent with the recommendations of the Roundtable.

The following allocations, totaling $1,860,000, have been approved by the SBHE for 2005-07:

Permanent Base Allocations:	
UND - Alcohol Consortium	$ 150,000
UND - Arts and Humanities Summit	10,000
	160,000
One-time Allocations:	
Connect ND Solutions	1,500,000
UND - Matching funds for ND Space Grant Consortium (SB2003-Sec 4)	200,000
	1,700,000
Total	$ 1,860,000

Priority 6 of the SBHE's proposed adjustments to Engrossed HB1003, is to restore the board initiative fund to the current 2005-07 funding level, an increase of $1,791,174. The Roundtable strongly recommended, as part of the long-term finance plan, that the SBHE be provided flexible funding. Consistent with past practice, the NDUS would anticipate having a competitive application process whereby campuses could submit proposals for SBHE Initiative funding which: 1.) promote collaboration and cooperation between campuses; 2.) promote the agenda of the state; and, 3.) is consistent with the principles of the Roundtable. Examples of such programs could include: Nursing education consortium for a simulated clinical laboratory for nursing students across the state; 2.) collaborative efforts between select campuses for out-of-state and out-of-country recruiting; 3.) delivery of two-year programs in underserved areas such as Fargo and Grand Forks; 4.) joint administrative efforts, especially at smaller campuses, to help reduce cost.

North Dakota University System
2007-09 HB1003
System Governance Appropriation

2005-07 Adjusted Appropriation	$ 5,950,120
Net Increase ($450,200 GF Increase, plus $41,074 FF Decrease)	491,274
2007-09 Executive Recommendation	$ 6,441,394
Funding Sources:	
General Fund	$ 6,210,394
Federal Funds	231,000
HB1003 - Line 1 (Section 3, Page 9)	**$ 6,441,394**

The appropriation will fund the salaries, operating and equipment needs of the Board, NDUS office staff, Articulation and Transfer, the College Technical Education Council (CTEC) and the State Approving Agency (federally funded).

The Articulation and Transfer initiative implements the Board's general education requirements transfer agreement and the comprehensive common course numbering system, as well as system-wide/statewide (including private and tribal colleges) articulation agreements, to make transfer within the state as seamless as possible from a student perspective. This initiative has also been recently supporting institutional entrepreneurial efforts to increase enrollments from out of state students.

The objectives of CTEC are to improve the coordination, collaboration and effectiveness of vocational-technical education and training among the boards and agencies that deliver vocational education and workforce training in North Dakota.

The federally funded State Approving Agency (SAA) provides ongoing approval and monitoring of educational training programs in institutions of higher education, non-college degree programs, apprenticeship training, on-the-job training and flight schools. The programs must be approved before they can accept veteran enrollees or trainees into any educational, vocational or professional program.

The $450,200 (7.8%) general fund increase, plus carryover, will fund the following: parity (2.4% per year operating inflation, continuation of fiscal year 2007 salary increases, 5% annual average salary increases in 2007-09 and health insurance increases); WICHE/MHEC dues increases; and a new CTEC director position. The current Vice Chancellor for Strategic Planning also holds both positions of Executive Director of CTEC and Vice Chancellor, and plans to retire June 30, 2007.

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NORTH DAKOTA UNIVERSITY SYSTEM

Prepared at the Request of the House Appropriations Education Committee

Analysis of NDUS Office System Governance Appropriation

January 26, 2007

Salaries and Wages	2005-07 Adj Approp	Incr (Decr)	07-09 Exec Recom
05-07 Salaries and Fringe Benefits	$3,545,080		
07-09 Increases:			
Parity-cost to continue FY07 salary increases, 07-09 salary and health insurance increases		$389,874	
CTEC position		250,000	
Additional cost for filling V. Chancellor position		58,000	
Total increase for salaries and wages		697,874	
TOTAL 07-09 Salaries and Wages			$4,242,954
Operating Expenses			
05-07 Operating Expenses	2,372,800		
07-09 Increases:			
Portion of Parity Cost Funded with Carryover		(300,000)	
MHEC/WICHE dues increase		21,000	
Parity-operating inflation of 2.4% per year		72,400	
Total increase for operating expenses		(206,600)	
TOTAL 07-09 Operating Expenses			2,166,200
Equipment			
05-07 Equipment	32,240		
07-09 Increase		-	
TOTAL 07-09 Equipment Expenses			32,240
Totals	$5,950,120	$491,274	$6,441,394
General Fund-Operating	$5,760,194	$450,200	$6,210,394
Other Funds	$189,926	$41,074	$231,000
	$5,950,120	$491,274	$6,441,394

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North Dakota University System
Engrossed HB1003
System Governance Appropriation

2005-07 Adjusted Appropriation	$ 5,950,120
Net Increase ($450,200 GF Increase, plus $41,074 FF Decrease)	491,274
2007-09 Executive Recommendation	6,441,394
House Adjustments:	
Reduced 2007-09 salary increases from 5/5 to 4/4	(48,453)
Removed of funds to split CTEC director and VC for Strategic Planning Positions	(308,000)
Removed funding for 05-07 technology commercialization study	(50,000)
Total House Adjustments	(406,453)
Total Engrossed HB1003 - System Governance Line	$ 6,034,941
Funding Sources:	
General Fund	$ 5,803,941
Federal Funds	231,000
Engrossed HB1003 - Line 8 (Section 3, Page 9)	$ 6,034,941

The appropriation will fund the salaries, operating and equipment needs of the Board, NDUS office staff, Articulation and Transfer, the College Technical Education Council (CTEC) and the State Approving Agency (federally funded).

The adjusted general fund increase of $43,747 (.8%) , plus carryover, will fund the following: parity (2.4% per year operating inflation, continuation of fiscal year 2007 salary increases, 4% annual average salary increases in 2007-09 and health insurance increases); and WICHE/MHEC dues increases.

The first priority of the SBHE's proposed adjustments to Engrossed HB1003, is to restore the funding that was included in the executive recommendation for average salary increases of 5% per year, an increase of $48,453 in the system governance line item.

Priority 7 is to restore funding for a full-time CTEC Director, an increase of $308,000. The current Vice Chancellor for Strategic Planning also holds both positions of Executive Director of CTEC and Vice Chancellor, and plans to retire June 30, 2007. It is not practical for one person to adequately fulfill both job responsibilities, without several key items going undone. This includes such things as: helping address the issue of an under-developed community college system in North Dakota; further developing mechanisms for identifying emerging workforce development and workforce training needs and opportunities in a collaborative manner; becoming more accessible to potential students in urban areas of the state, especially to adult, part-time and dual credit students, and; continuing to develop and support mechanisms that assure a smooth transition for students as they pursue their college education in the state.

NORTH DAKOTA
UNIVERSITY SYSTEM

Flexible and Responsive

December 2006

Western Interstate Commission on Higher Education (WICHE)

The Western Interstate Commission on Higher Education (WICHE) is a non-profit, regional organization established by interstate compact. It helps 15 western states work together to provide high quality, cost-effective programs to meet the educational and workforce needs of the western region.

- The 15 western states that are part of the compact include: Alaska, Arizona, California, Colorado, Hawaii, Idaho, Montana, Nevada, New Mexico, North Dakota, South Dakota, Oregon, Utah, Washington and Wyoming.

- Each participating state pays dues to support WICHE. North Dakota's yearly dues for fiscal year 2008 and fiscal year 2009 will be $116,000 and $120,000 respectively. TOTAL 07-09 $236.000
  05-07 220.000
  INCR. $16.000

- North Dakota's involvement in various WICHE Interstate Cooperative Programs has eliminated the start-up of costly professional programs and has allowed North Dakota residents to participate at reduced tuition rates in programs not offered in-state at reduced tuition rates.

- North Dakota's involvement in WICHE includes participation in the Professional Student Exchange Program, the Western Undergraduate Exchange Program, the Western Regional Graduate Program, and the Western Cooperative Telecommunications Cooperative. *(See Students and Employees section for details about specific programs.)*

- A central mission of WICHE is to help policymakers develop innovative, effective responses to a range of issues affecting higher education.

- WICHE's policy analysis and information focuses on higher education in the western states, including:
  - student cost issues, such as annual tuition and fee data and state financial aid policies;
  - state support for higher education; and
  - the number of high school students graduating in every state and projections to alert education planners to changing state needs.

FOR MORE INFORMATION CONTACT:
Peggy Wipf, *Director of Financial Aid and Federal Relations Coordinator*
701.328.4114 Peggy.Wipf@ndus.nodak.edu

NORTH DAKOTA
UNIVERSITY SYSTEM

Flexible and Responsive

December 2006

Western Undergraduate Exchange (WUE)

The Western Undergraduate Exchange (WUE) offered through WICHE is a program through which students in 15 participating states (Alaska, Arizona, California, Colorado, Hawaii, Idaho, Montana, Nevada, New Mexico, North Dakota, Oregon, South Dakota, Utah, Washington and Wyoming) may enroll in designated two-year and four-year institutions and programs in other participating states at reduced tuition levels.

- Tuition for WUE students in all WUE states is 150 percent of regular in-state tuition at designated two-year and four-year public institutions and programs.

- All North Dakota University System institutions participate in the WUE Program on a space available basis, except for the A.A.S. in practical nursing, the B.S. in nursing completion at DSU and the B.S. in occupational therapy and B.S. in physical therapy at UND. Some states limit access to certain programs as well.

- In Fall 2005, 1,735 students from other states were enrolled at North Dakota institutions while 440 North Dakota students enrolled elsewhere in the region under this exchange program at 150 percent of the North Dakota resident rate (see details by state on the following page). The majority of WUE students from other states major in such North Dakota University System programs as: (1) electric power technology, (2) liberal studies, (3) general architecture, (4) pre-pharmacy, (5) commercial aviation, (6) pre-aviation, and (7) pre-business administration. North Dakota students enrolled elsewhere in the region under the WUE agreement major in programs such as: (1) nursing, (2) engineering (civil, computers, electrical), (3) elementary education, (4) composite business education, and (5) cell biology & neuroscience.

FOR MORE INFORMATION CONTACT:
***Peggy Wipf**, Director of Financial Aid and Federal Relations Coordinator*
701.328.4114 Peggy.Wipf@ndus.nodak.edu

WUE (cont.)

Western Undergraduate Exchange
Fall 2005 Enrollment Summary, New and Continuing Students

State of Attendance (# of inst. enrolling WUE students)	State of Residence															
	AK	AZ	CA	CO	HI	ID	MT	NV	NM	ND	OR	SD	UT	WA	WY	Attend. Totals
AK (4)	X	16	83	46	14	18	24	10	15	4	42	11	32	100	114	432
AZ (20)	169	X	250	308	73	57	41	252	175	9	125	19	179	167	49	1,873
CA (4)	19	3	X	0	35	1	1	0	1	0	12	1	0	36	0	109
CO (24)	123	188	8	X	149	62	78	53	251	47	83	121	97	103	244	1,607
HI (2)	83	67	987	206	X	59	26	41	24	9	142	124	17	274	24	1,983
ID (6)	188	13	3	40	9	X	175	83	12	6	298	9	46	572	70	1,524
MT (12)	156	22	2	155	19	291	X	20	17	70	173	82	42	399	288	1,676
NV (7)	363	190	21	297	703	137	64	X	105	26	235	35	135	392	73	2,776
NM (9)	7	22	25	7	2	2	1	4	X	0	15	2	0	12	7	96
ND (11)	85	55	258	148	20	47	174	38	7	X	53	463	34	215	138	1,735
OR (6)	181	29	1	52	224	83	58	44	20	4	X	4	24	579	23	1,326
[illegible]	28	38	135	139	7	15	118	15	6	229	20	X	11	45	524	1,330
UT (6)	56	53	30	87	26	225	26	143	20	0	60	13	X	64	99	872
WA (4)	119	10	63	29	53	176	111	24	13	3	142	2	14	X	15	774
WY (8)	37	37	97	772	13	89	462	23	18	33	37	297	121	58	X	2,084
2-Yr.	159	97	330	461	61	226	512	292	177	47	123	202	357	223	121	3,388
4-Yr.	1,455	646	1,603	1,827	1,276	1,036	847	458	507	393	1,304	881	395	2,734	1,447	16,809
Grand Total (127)	1,614	743	1,933	2,288	1,337	1,262	1,359	750	684	440	1,427	1,083	752	2,957	1,568	20,197

FOR MORE INFORMATION CONTACT:
***Peggy Wipf**, Director of Financial Aid and Federal Relations Coordinator*
701.328.4114 Peggy.Wipf@ndus.nodak.edu
www.ndus.nodak.edu

NORTH DAKOTA
UNIVERSITY SYSTEM

Flexible and Responsive

December 2006

Western Regional Graduate Programs (WRGP)

The Western Regional Graduate Program (WRGP) offered through WICHE began in 1981. The primary purpose of WRGP is to permit students from the various WICHE states (Alaska, Arizona, Colorado, Hawaii, Idaho, Montana, Nevada, New Mexico, North Dakota, Oregon, South Dakota, Utah, Washington, Wyoming) to enroll in more than 145 distinctive graduate programs within the compact.

- Students who participate in the WRGP Program pay the resident tuition rates at the public institution attended rather than the much higher non-resident rates. No additional state payment is required to support this program.

- During academic year 2005-06, three North Dakota students took advantage of this program. During this same time period, North Dakota received 11 students under this program.

FOR MORE INFORMATION CONTACT:
***Peggy Wipf**, Director of Financial Aid and Federal Relations Coordinator*
701.328.4114 Peggy.Wipf@ndus.nodak.edu

NORTH DAKOTA
UNIVERSITY SYSTEM

Flexible and Responsive

December 2006

Midwest Higher Education Commission (MHEC)

The Midwestern Higher Education Commission (MHEC) is an interstate compact established in 1991. The purpose of MHEC is to advance higher education through interstate cooperation and resource sharing.

MHEC member states are Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio and Wisconsin.

- MHEC follows six major goals in carrying out its compact mission. They are to enhance productivity through reductions in administrative costs; to encourage student access, completion and affordability; to facilitate public policy analysis and information exchange; to foster regional academic cooperation and services; to promote quality educational programs; and to encourage innovation in the delivery of educational services.

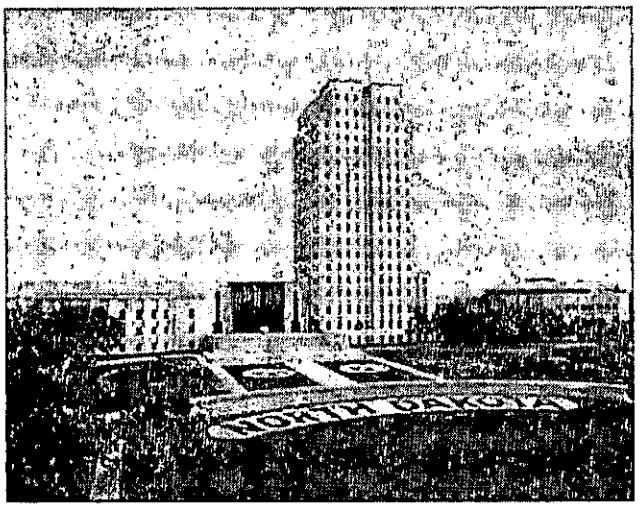
  Currently, North Dakota has representation on the following MHEC committees:
  (1) Technologies Committee
  (2) Midwest Student Exchange Program Council
  (3) Student Access Advisory Committee
  (4) Policy Research Advisory Committee
  (5) Risk Management Committee
  (6) Property and Casualty Program
  (7) Master Property Program Committee
  (8) Education to Workforce Advisory Committee
  (9) Education to Workforce Policy Summit Planning Committee

- The North Dakota University System Office has included $185,000 (+$5,000 Incr From 05-07) in its budget request to support its membership in MHEC for the 2007-09 biennium. This membership would provide expanded educational opportunities for North Dakota students and administrative alignments with other midwestern higher education institutions.

- Cost savings realized by North Dakota in 2005-07 through participation in MHEC programs is estimated to be about $577,500. When the amount paid by North Dakota for dues in fiscal year 2005-07 is offset, the net savings is estimated to be $397,500.

FOR MORE INFORMATION CONTACT:
Peggy Wipf, *Director of Financial Aid and Federal Relations Coordinator*
701.328.4114 Peggy.Wipf@ndus.nodak.edu
www.ndus.nodak.edu

Member States : North Dakota



Member state since April 22, 1999

State MHEC Commissioners

Bruce I. Christianson
Board Member
Phone: 701-857-7360
E-mail: bruce.christianson@ndus.nodak.edu
Bio

Eddie Dunn
Chancellor
Phone: 701-328-2963
E-mail: eddie.dunn@ndus.nodak.edu
Bio

Tim Flakoll
State Senator
Phone: 701-231-9733
E-mail: tflakoll@nd.gov
Bio

William Goetz
Chief of Staff
Phone: 701-328-2200
E-mail: wgoetz@nd.gov
Bio

Dennis Johnson

North Dakota State Report 2004-05

prepared November 2005

Report

2005-06 North Dakota Cumulative Cost Savin

prepared November 2006

Hardware	$70,250
Novell	$109,779
Property Insurance	N/A
Office Products	$499
Telecom	$971,326
Other Initiatives	$28,800
Midwest Student Exchange Program (MSEP)	$406,216
Total Savings	**$1,586,870**
Dues Paid 1999-11/2006	**$577,500**
Net Savings	**$1,009,370**

North Dakota State Specific Data

Search for North Dakota data on a variety of indicato online fact book, the Midwest PERL.

State Links:

December 2006

Midwest Student Exchange Program (MSEP)

Offered by the Midwest Higher Education Commission, the Midwest Student Exchange Program (MSEP) enables students to enroll in out-of-state colleges and universities at no more than 150 percent of the institution's resident tuition rate. Each participating institution determines which degree programs it will make available to students, the number of students it will admit and its admission requirements. The program now includes seven participating states: Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota and Wisconsin.

- All North Dakota University System institutions participate in the MSEP program and open all academic programs on a space-available basis, except the upper division architecture, nursing and pharmacy at NDSU; and the B.S. in occupational and physical therapy at UND.

- The 2005-06 academic year was the fifth year North Dakota participated in the MSEP program. Under this exchange program, 167 students from other states were enrolled at North Dakota institutions while 26 North Dakota students were enrolled elsewhere in the region at no more than 150 percent of the institution's resident tuition rate. The majority of MSEP students from other states major in North Dakota University System programs such as: (1) power plant technology, (2) elementary education, (3) psychology, (4) engineering, (5) business administration, (6) mathematics, (7) aviation and (8) technology education.

FOR MORE INFORMATION CONTACT:
***Peggy Wipf**, Director of Financial Aid and Federal Relations Coordinator*
701.328.4114 Peggy.Wipf@ndus.nodak.edu

North Dakota University System
2007-09 HB1003
Title II Appropriation

HB1003 - Line 2 (Section 3, Page 9) Federal Funds **$ 695,600**

This **federal funding** is distributed on a competitive basis to institutions of higher education and organizations to provide services to elementary and secondary teachers to improve the teaching-learning process in mathematics and science. The ultimate goal is to improve both pedagogy and student performance. Federal funding is projected to be stable for the Title II Program, and federal fund authority was included at the same level as 2005-07 in the budget request and executive recommendation.

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North Dakota University System
Engrossed HB1003
Title II Appropriation

Engrossed HB1003 - Line 9 (Section 3, Page 9)	$ 695,600

This **federal funding** is distributed on a competitive basis to institutions of higher education and organizations to provide services to elementary and secondary teachers to improve the teaching-learning process in mathematics and science. The ultimate goal is to improve both pedagogy and student performance. Federal funding is projected to be stable for the Title II Program, and federal fund authority is included at the same level as 2005-07 in Engrossed HB1003.

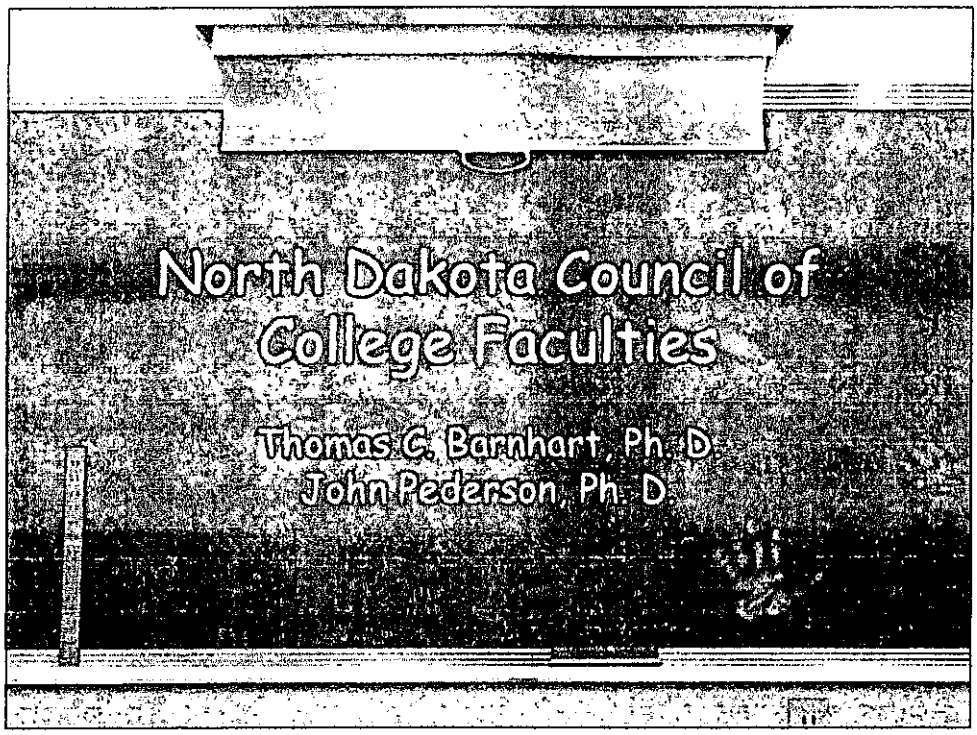
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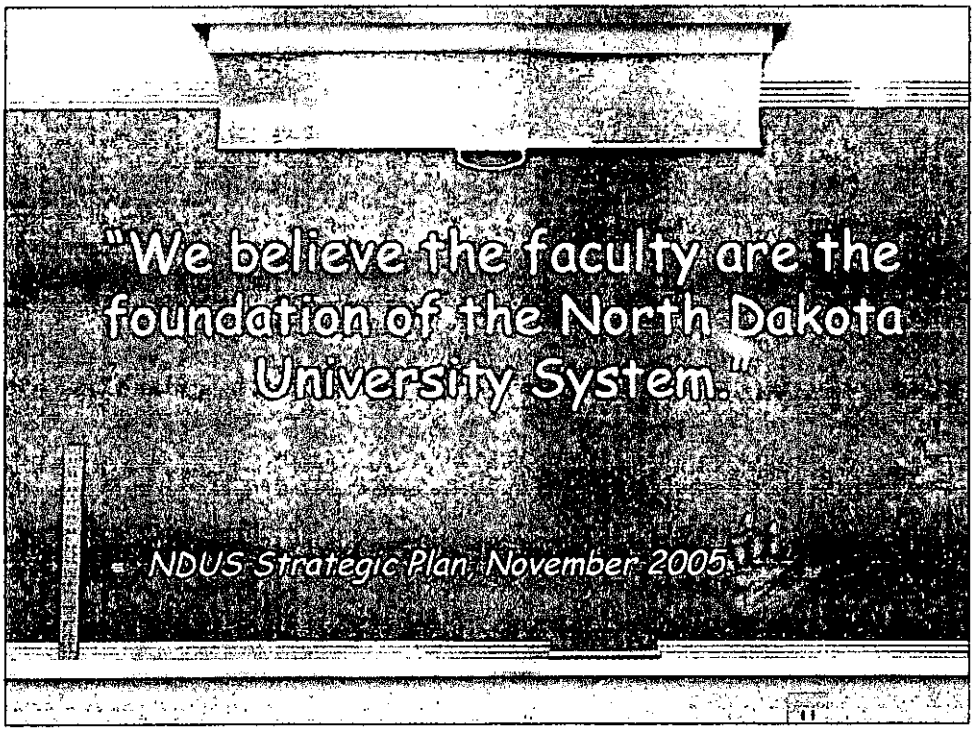
North Dakota University System
Engrossed HB1003
Professional Liability Insurance Appropriation

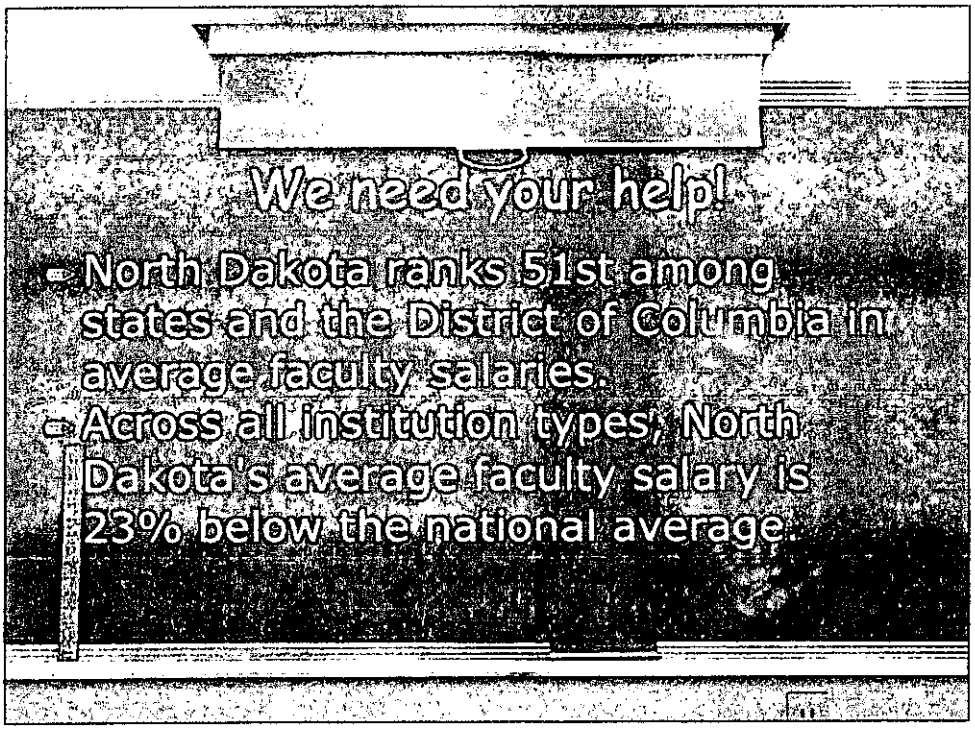
Engrossed HB1003 - Line 13 (Section 3, Page 9)	$ 1,350,000

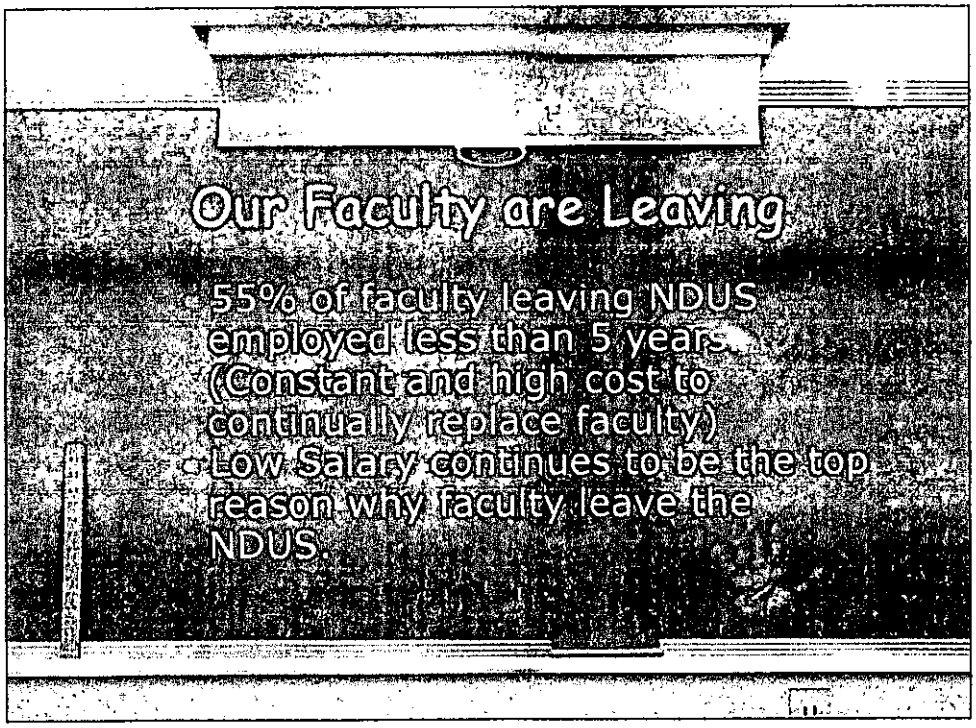
This is the same level of funding that was provided in 2005-07 for continued coverage for student intern programs as well as UND's medical malpractice coverage (the student intern programs account for a very small part of the total cost), in addition to required coverage for a couple of other state agencies (state hospital and workforce safety and insurance).

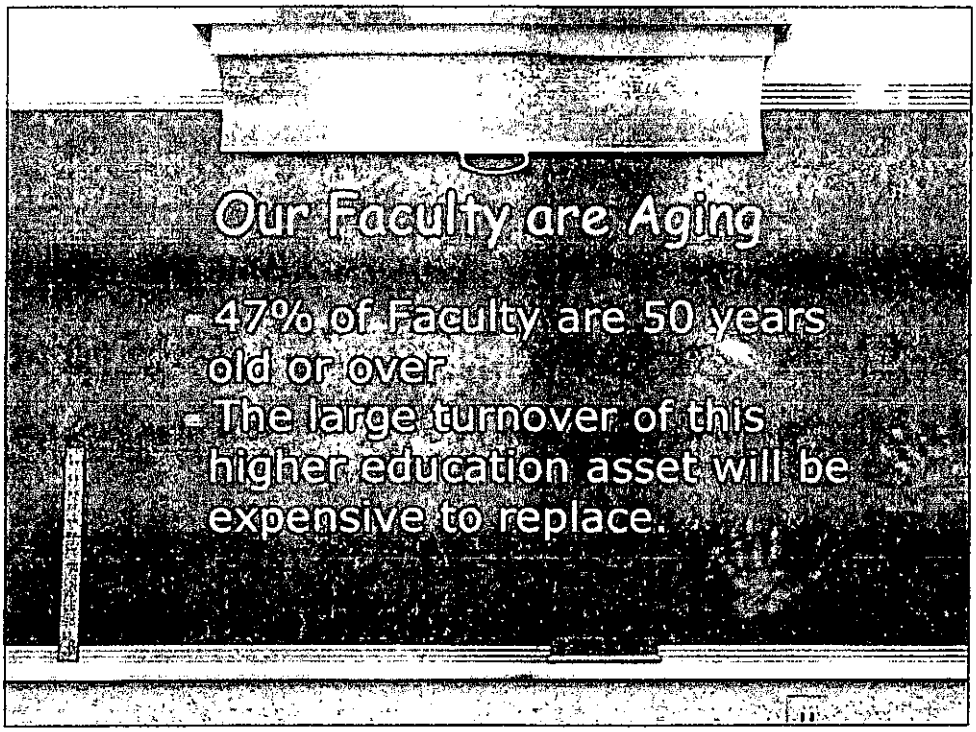
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North Dakota Council of College Faculties
Thomas C. Barnhart, Ph. D.
John Pederson, Ph. D.

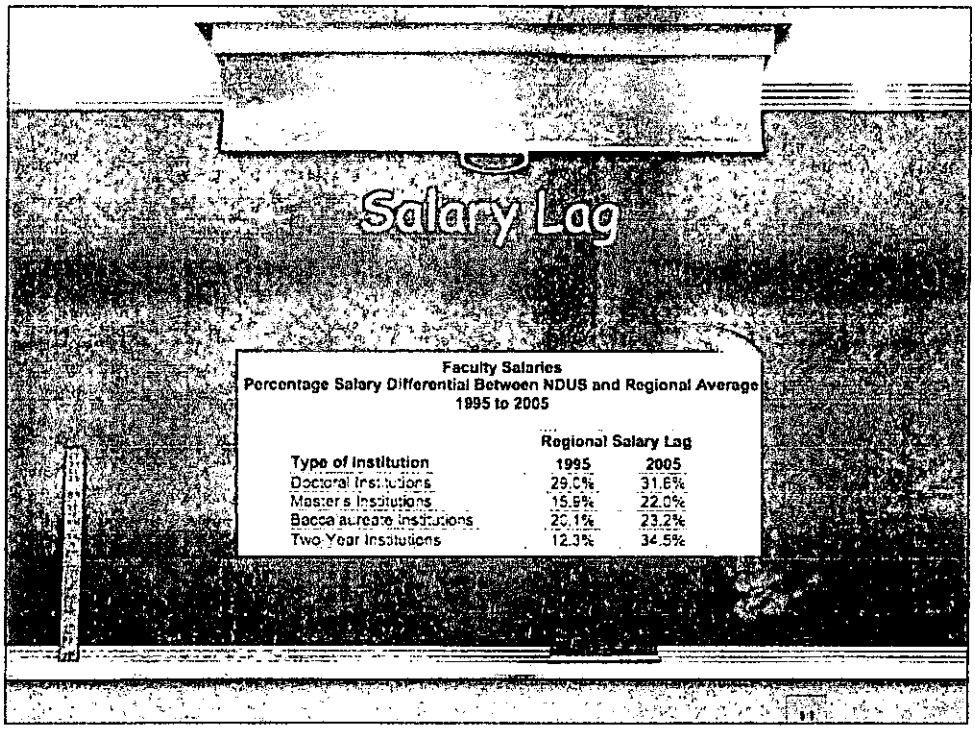

"We believe the faculty are the foundation of the North Dakota University System."
NDUS Strategic Plan, November 2005


We need your help!
North Dakota ranks 51st among states and the District of Columbia in average faculty salaries.
Across all institution types, North Dakota's average faculty salary is 23% below the national average.


Our Faculty are Leaving
55% of faculty leaving NDUS employed less than 5 years. (Constant and high cost to continually replace faculty)
Low Salary continues to be the top reason why faculty leave the NDUS.

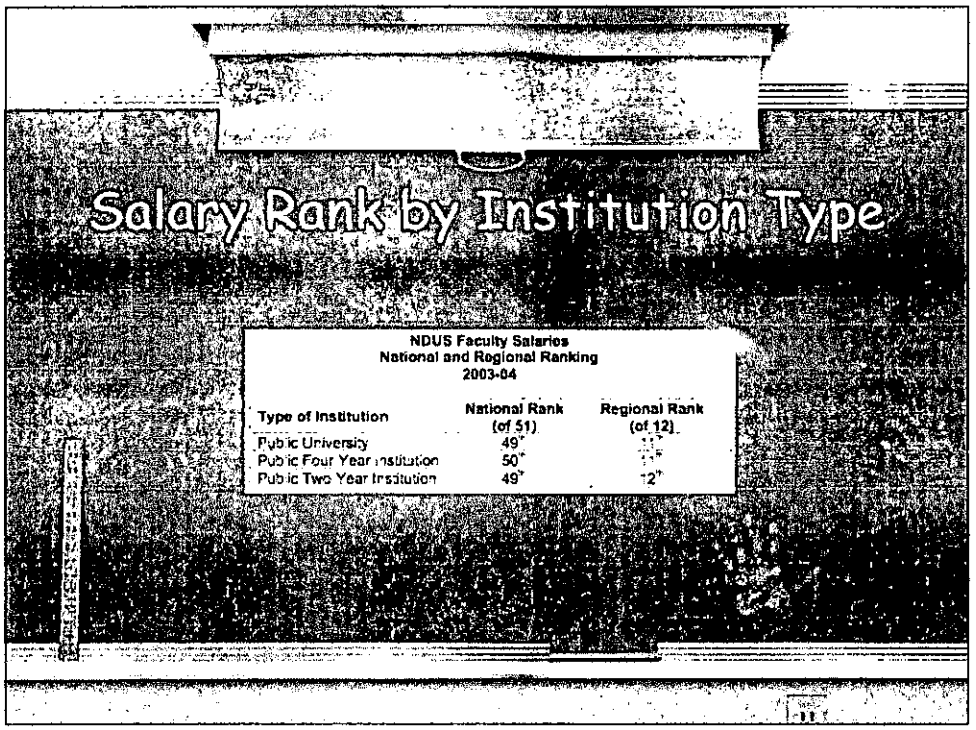

Our Faculty are Aging
- 47% of Faculty are 50 years old or over
- The large turnover of this higher education asset will be expensive to replace.


The Salary Lag continues to grow at all University types and Faculty Ranks



Faculty Salaries
Percentage Salary Differential Between NDUS and Regional Average
1995 to 2005

Type of Institution	Regional Salary Lag 1995	2005
Doctoral Institutions	29.0%	31.6%
Masters Institutions	15.9%	22.0%
Baccalaureate Institutions	20.1%	23.2%
Two Year Institutions	12.3%	34.5%



NDUS Faculty Salaries
National and Regional Ranking
2003-04

Type of Institution	National Rank (of 51)	Regional Rank (of 12)
Public University	49th	11th
Public Four Year Institution	50th	11th
Public Two Year Institution	49th	12th

Salary Lag by Rank

NDUS Faculty Salaries
Comparison to National and Regional Salaries by Rank
2003-04

Faculty Rank	National Salary Lag	Regional Salary Lag
Professor	-21%	-16%
Associate Professor	-17%	-13%
Assistant Professor	-6%	-5%
Instructor	2%	0%

Compression and Inversion of Salaries

- Promotion salary increases are not significant.
- In some departments Assistant Professors receive more than Professors.


NDUS Faculty
We Make a Difference!

University System of Georgia
Average Faculty Salaries at Public Higher Education Institutions in FY2004

The institutions of the University System of Georgia compete on a national level to attract and retain talented faculty. While Georgia ranks fifth among SREB states in faculty salaries of public four-year colleges and universities and sixth in public two-year colleges, national standings are an equally important consideration. The following rankings are based upon the Integrated Postsecondary Education Data System (IPEDS) Salary Survey for 2003-04 conducted by the National Center for Education Statistics (NCES).[1] Salaries for 11/12 month faculty were converted to 9/10 month salaries. Because salaries reflect other economic factors, such as cost of living expenditures, caution must be used in interpreting state-to-state comparisons.

- Across all institution types, Georgia's average faculty salary is $58,853, somewhat below the national average of $60,912. Georgia ranks 22nd among states in average faculty salaries. In FY2003, Georgia's average salary was $58,534, compared to a national average of $60,071, placing Georgia 21st in the nation.

- Georgia ranks 19th ($72,376) in average salaries for faculty at public universities. California leads the nation with an average faculty salary of $100,727. The national average of faculty salaries at public universities is $66,484.

- Georgia ranks 14th in average salaries for faculty at public four-year colleges. The average salary for faculty in Georgia four-year colleges is $58,862. New Jersey ranks highest with an average salary of $74,152. The national average of faculty salaries at public four-year colleges is $59,788.

---

[1] NCES is the primary federal entity for collecting and analyzing data from approximately 10,000 public and private postsecondary institutions nationwide.
http://nces.ed.gov/das/library/tables_listings/show_ncdrc.asp?rt=p&tableID=1757

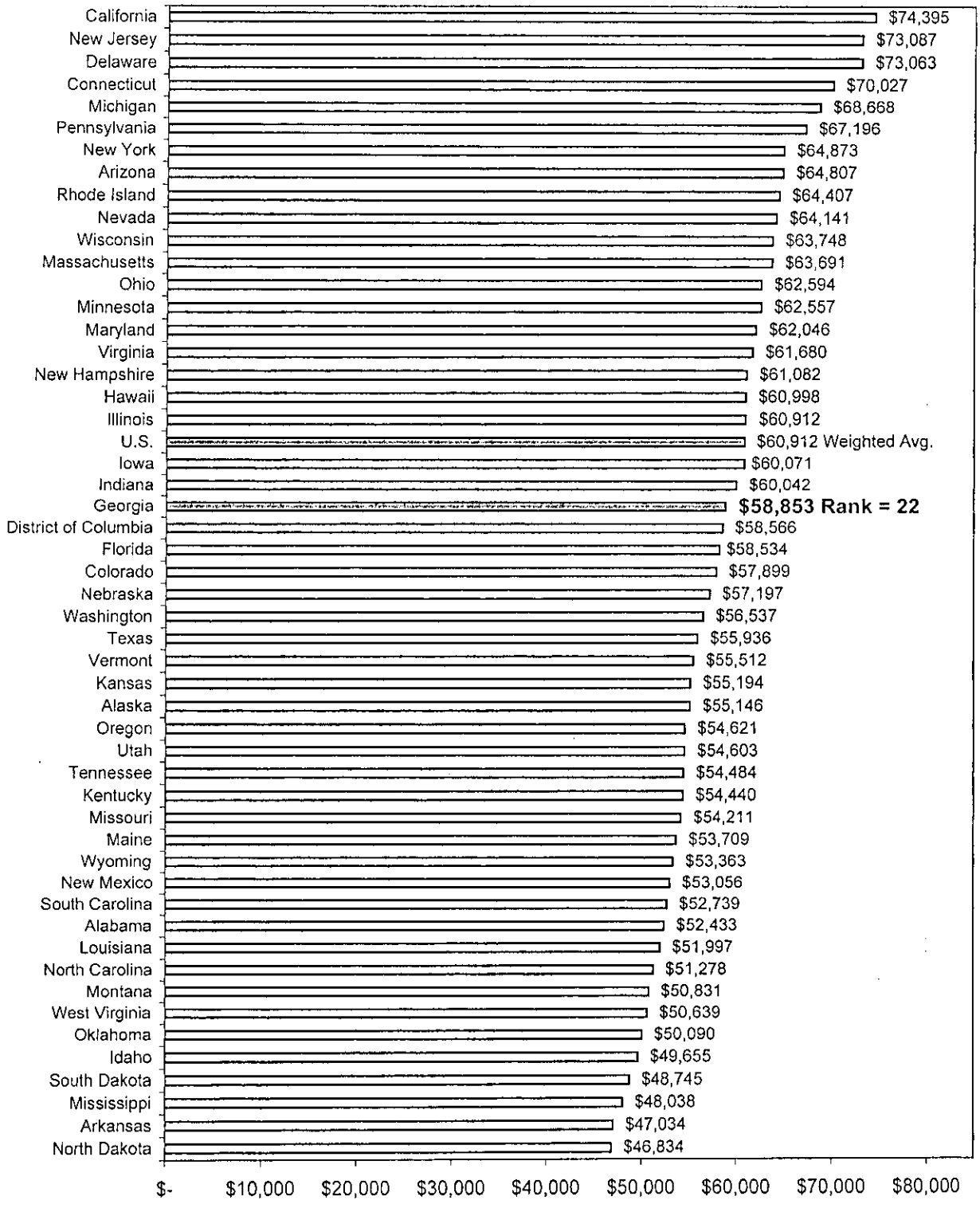
A *four-year institution* is legally authorized to offer at least a four-year program of college-level studies wholly or principally creditable toward a baccalaureate degree. A further division between universities and other four-year institutions is made. A *university* is an institution of higher education consisting of a liberal arts college, a diverse graduate program, and usually two or more professional schools or faculties and empowered to confer degrees in various fields of higher education in the Higher Education General Information Survey. For purposes of trend comparisons, the selection of universities has been held constant for all tabulations after 1982. *Other four-year institutions* would include the rest of the non-university four-year institutions. A *two-year institution* is legally authorized to offer at least a two-year program of college-level studies which terminates in an associate degree or is principally creditable toward a baccalaureate degree.

- Georgia ranks 29th ($43,293) in average salaries for faculty at public two-year colleges. Once again, California leads the nation with an average faculty salary of $70,305. The national average of faculty salaries at public two-year colleges is $53,080.

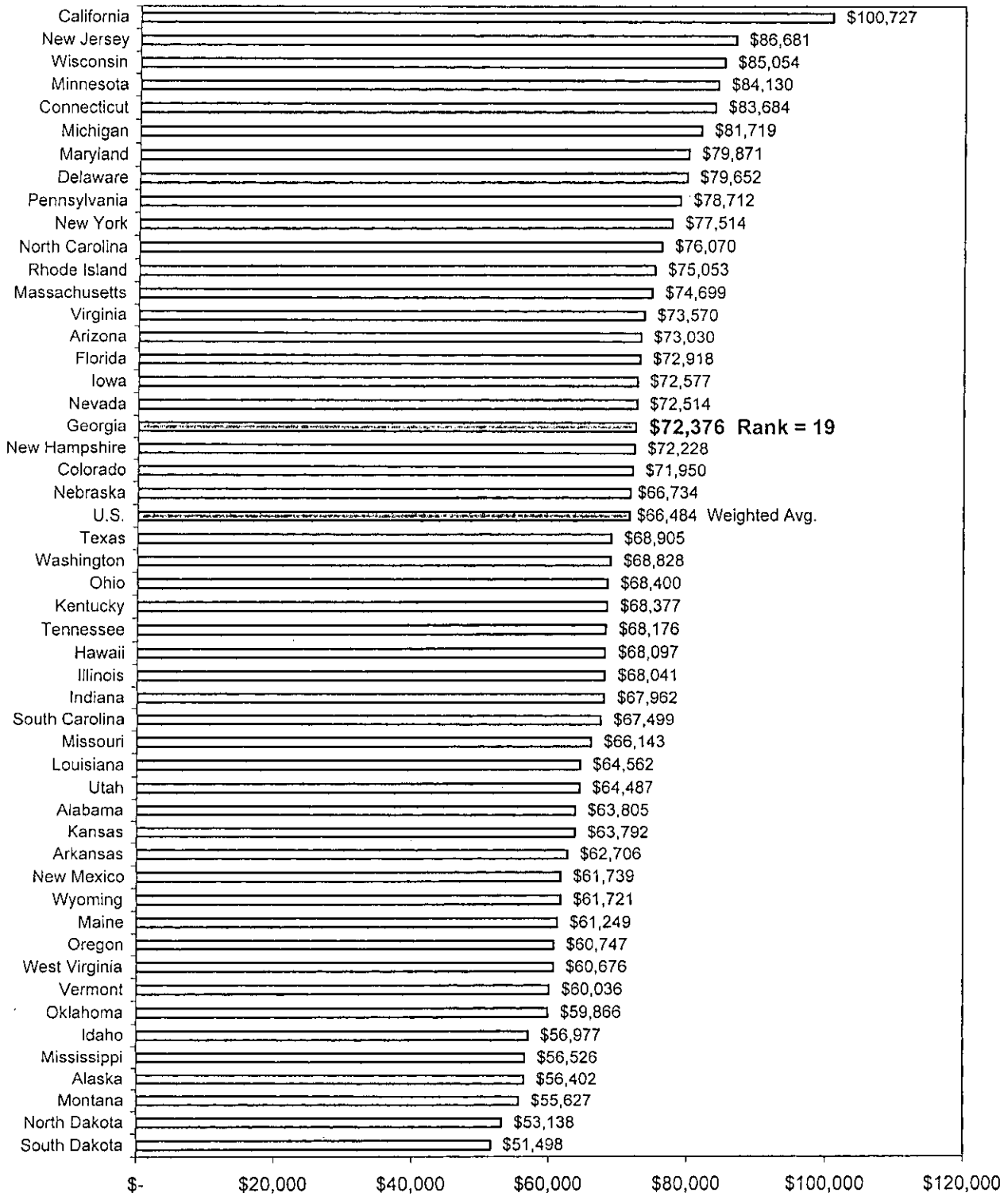
Dr. Anoush Pisani
Senior Research Associate
Office of Strategic Research and Analysis
Board of Regents of the University System of Georgia
270 Washington St., SW
Atlanta, Georgia 30334

Anoush.Pisani@usg.edu

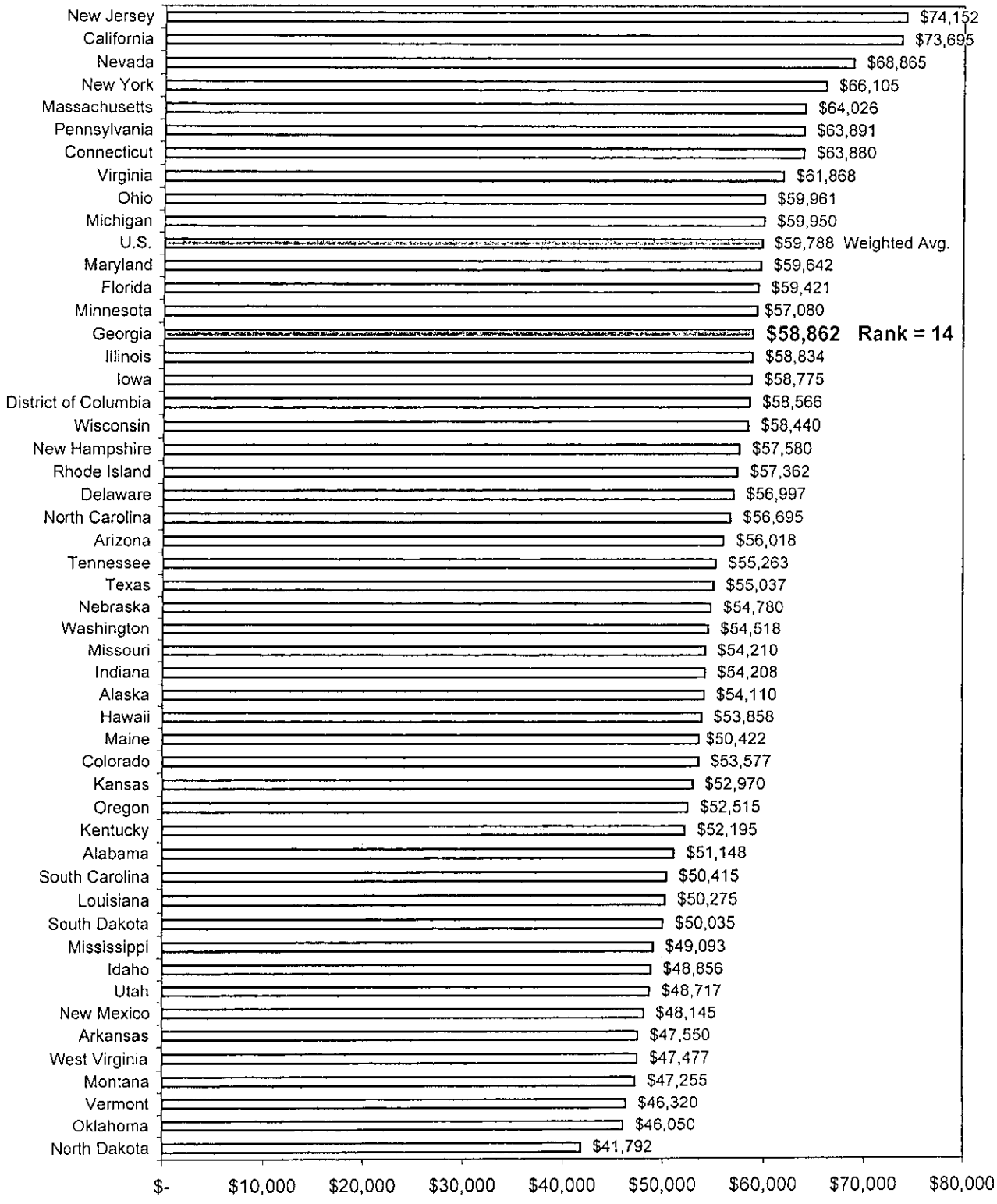
2003-04 Average Salaries for 9/10 Month Contract Faculty
Public Two-Year Colleges, Four-Year Colleges, and Universities



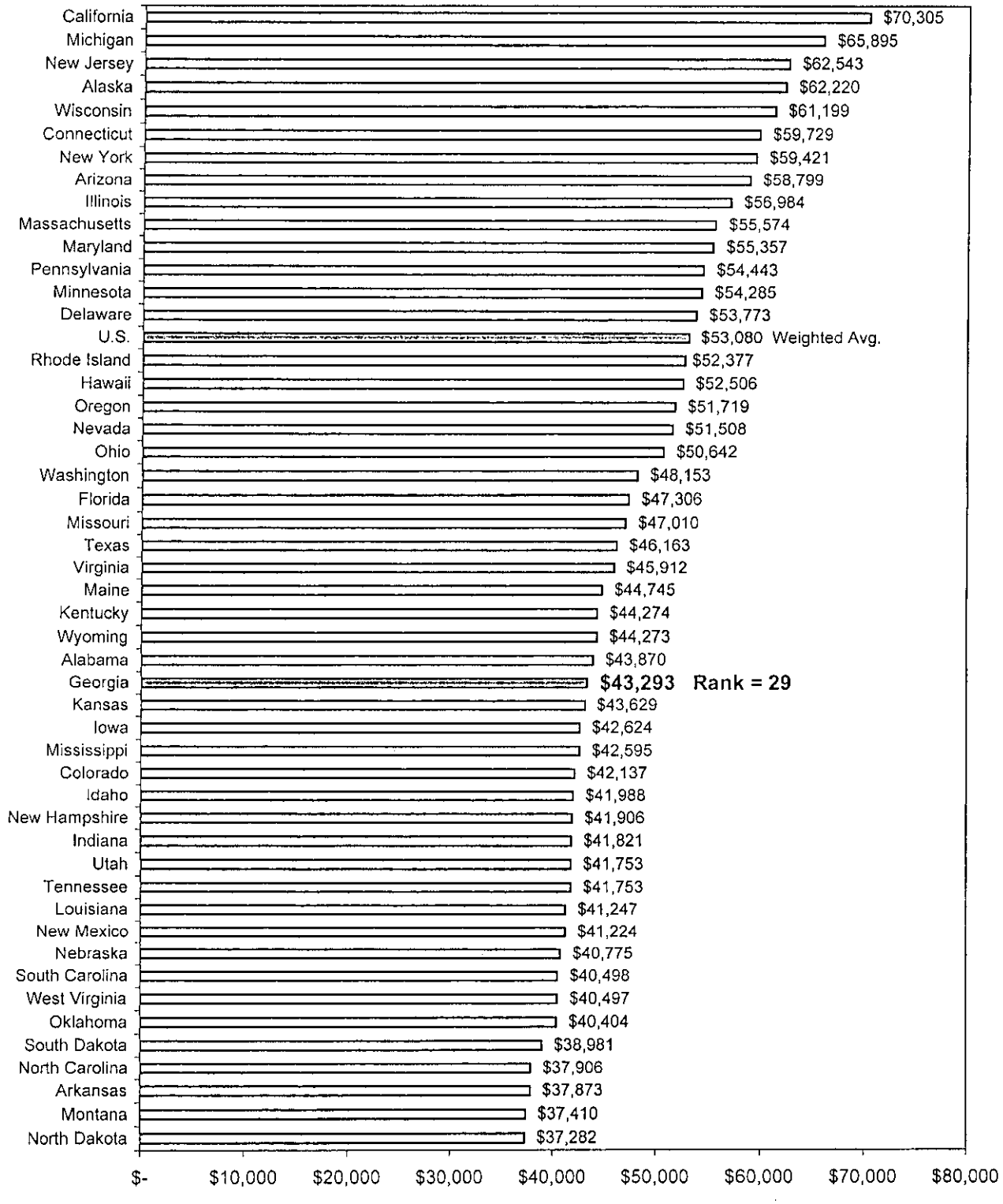
2003-04 Average Salaries for 9/10 Month Contract Faculty
Public Universities



2003-04 Average Salaries for 9/10 Month Contract Faculty
Public Four-Year Colleges



2003-04 Average Salaries for 9/10 Month Contract Faculty
Public Two-Year Colleges



North Dakota University System
2007-09 HB1003
Operations Pool Appropriation

HB1003 - Line 4 (Section 3, Page 9) **$ 344,559**

Funding proposals/needs will be evaluated during the 2007-09 biennium, and the funds will be allocated based upon Board priorities. The original 2005-07 appropriation was $388,559, and $44,000 was permanently allocated to ConnectND for ongoing software maintenance costs, bringing the adjusted appropriation to $344,559. No increase was requested for 2007-09. The Board also approved a one-time allocation of $227,580 to NDUS Office operations for additional costs that resulted from the Vice Chancellor for Strategic Planning and Director of CTEC accepting the Chancellor position from August 4, 2006 - June 30, 2007. The additional funds were needed to fund the incremental salary costs (difference between Chancellor and VC salary and benefits), sick and annual leave payout as of his expected retirement date of June 30, 2007, vehicle and housing allowance and partial backfill (30%) for the CTEC duties.

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North Dakota University System
Engrossed HB1003
Operations Pool Appropriation

Total 2007-09 Executive Recommendation	**$**	**344,559**
House Adjustment		(200,000)
Engrossed HB1003 - Line 11 (Section 3, Page 9)	**$**	**144,559**

Funding proposals/needs will be evaluated during the 2007-09 biennium, and the funds will be allocated based upon Board priorities. The original 2005-07 appropriation was $388,559, and $44,000 was permanently allocated to ConnectND for ongoing software maintenance costs, bringing the adjusted appropriation to $344,559. No increase was requested for 2007-09. The Board also approved a one-time allocation of $227,580 to NDUS Office operations for additional costs that resulted from the Vice Chancellor for Strategic Planning and Director of CTEC accepting the Chancellor position from August 4, 2006 - June 30, 2007. The additional funds were needed to fund the incremental salary costs (difference between Chancellor and VC salary and benefits), sick and annual leave payout as of his expected retirement date of June 30, 2007, vehicle and housing allowance and partial backfill (30%) for the CTEC duties.

Priority 8 of the SBHE's proposed adjustments to Engrossed HB1003, is to restore the operations pool to the current 2005-07 funding level, an increase of $200,000.

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North Dakota University System
State Grant Program By Funding Source
Per 2007-09 Executive Recommendation

General Fund:		
2005-07 Adjusted Appropriation	$	3,651,502
Increase (Decrease)		2,171,995
2007-09 Executive Recommendation		5,823,497
% Increase (Decrease)		59.5%
Federal Funds:		
2005-07 Adjusted Appropriation	$	172,000
Increase (Decrease)		(8,000)
2007-09 Executive Recommendation		164,000
% Increase (Decrease)		-4.7%
Total Funds:		
2005-07 Adjusted Appropriation	$	3,823,502
Increase (Decrease)		2,163,995
HB1003 - Line 7 (Section 3, Page 9)	**$**	**5,987,497**

The executive recommendation provides sufficient funding for 4,990 annual awards at $600 each, or 3,990 annual awards at $750 each. The average annual awards were 3,117 for 2005-07.

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North Dakota University System
State Grant Program By Funding Source
Engrossed HB1003

General Fund:		
2005-07 Adjusted Appropriation	$	3,651,502
Increase (Decrease)		2,171,995
2007-09 Executive Recommendation		5,823,497
House Adjustments		-
2007-09 Engrossed HB1003		5,823,497
% Increase (Decrease) - General Fund		59.5%
Federal Funds:		
2005-07 Adjusted Appropriation	$	172,000
Increase (Decrease)		(8,000)
2007-09 Executive Recommendation		164,000
% Increase (Decrease) - Federal Funds		-4.7%
Total Funds:		
2005-07 Adjusted Appropriation	$	3,823,502
Increase (Decrease)		2,163,995
2007-09 Executive Recommendation		5,987,497
House Adjustments		-
Engrossed HB1003 - Line 14 (Section 3, Page 9)	**$**	**5,987,497**
% Increase (Decrease) - Total Funds		56.6%

Engrossed HB1395 requires the state board of higher education to use $700,000 from the student financial assistance grants line item, for the purpose of providing grant assistance payments to tribally controlled community colleges. The remaining balance would provide funds for 4,630 annual awards at $600 each, or 3,710 annual awards at $750 each, assuming unexpended 05-07 carryover of approximately $272,000. This is a reduction from 4,990 awards of $600 each, or 3,990 awards of $750 each, based on the Executive Recommendation without the reallocation to the tribal colleges as directed in Engrossed HB1395. The average annual awards were 3,117 for 2005-07.

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December 2006

State Grant Program

The North Dakota Student Financial Assistance Program (State Grant) provides $600 non-repayable grants each year to North Dakota residents pursuing undergraduate degrees at North Dakota's public, private (not-for-profit) and tribal colleges. The purpose of this need-based grant is to assist students with the cost of attending a North Dakota postsecondary institution. A State Grant also reduces the amount of money a student needs to borrow for his or her education.

- More than 33,000 North Dakota students applied for a state grant in 2005-06. The State Grant Program was able to fund 2,492 needy students or roughly 8 percent of the eligible students. For 2005-06, the greatest unmet need of a State Grant Program recipient was $14,146 while the average unmet need was $5,185. Unmet need for this program is calculated as follows: cost of education minus parent/student expected contribution, minus the Federal Pell Grant, minus other resources (such as veterans' benefits) equals unmet need. For academic year 2005-06, State Grant dollars were exhausted at an unmet need figure of $5,926. In other words, those students demonstrating an unmet need of $5,603 or less did not receive State Grant support.
- State funding to support the State Grant Program is equivalent to 1.2 percent of annual tuition collections.

Students Receiving State Grants Awarded by Institution Type

	Public Institution	Private Non-Profit 4-Year Colleges & Hospital School of Nursing	Native American Community Colleges	Total
2006-2007 School Year (est.)				
# Applying 31,733				
# of Students Receiving Awards	3,089	560	110	3,759
$ Awarded	$1,848,300	$335,700	$66,000	$2,250,000
% of Total $ Awarded	82%	15%	3%	100%
% of all ND Students Attending College	87%	9%	4%	100%
2005-2006 School Year				
# Applying 33,864				
# of Students Receiving Awards	1,900	507	87	2,492
$ Awarded	$1,056,341	$388,500	$47,400	$1,492,241
% of Total $ Awarded	71%	26%	3%	100%
% of all ND Students Attending College	86%	9%	5%	100%

FOR MORE INFORMATION CONTACT:
***Peggy Wipf**, Director of Financial Aid and Federal Relations Coordinator*
701.328.4114 Peggy.Wipf@ndus.nodak.edu

State Grant Program (cont.)

The State Grant Program has a maintenance of effort (MOE) requirement. Under federal law, states are required to meet or exceed the maintenance of effort requirement to ensure continued federal funding. The MOE requirement is the average expenditure of non-federal dollars for the past three years. To maintain the MOE requirement for the 2007-09 biennium, an estimated $3.45 million in non-federal dollars is needed for the biennium.

FOR MORE INFORMATION CONTACT:
***Peggy Wipf**, Director of Financial Aid and Federal Relations Coordinator*
701.328.4114 Pegg.Wipf@ndus.nodak.edu

North Dakota University System
2007-09 HB1003
Competitive Research Program (EPSCoR) Appropriation

2005-07 Adjusted Appropriation	$ 5,190,000
Increase	310,000
HB1003 - Line 30 (Section 3, Page 8)	**$ 5,500,000**

The National Science Foundation requires a dollar for dollar state match on all federal funds. The state funds are passed through to UND and NDSU to provide the match. UND and NDSU now receive the federal funds directly and therefore, the federal funds are not included in the NDUS Office budget request. This $5.5 million will generate an estimated $15.45 million in federal and private funds, and will maximize anticipated matching potential, providing a 3 to 1 match on the state investment.

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North Dakota University System
Engrossed HB1003
Competitive Research Program (EPSCoR) Appropriation

2005-07 Adjusted Appropriation	$ 5,190,000
Increase	310,000
Engrossed HB1003 - Line 6 (Section 3, Page 9)	**$ 5,500,000**

The National Science Foundation requires a dollar for dollar state match on all federal funds. The state funds are passed through to UND and NDSU to provide the match. UND and NDSU now receive the federal funds directly and therefore, the federal funds are not included in the NDUS Office budget request. This $5.5 million will generate an estimated $15.45 million in federal and private funds, and will maximize anticipated matching potential, providing a 3 to 1 match on the state investment.

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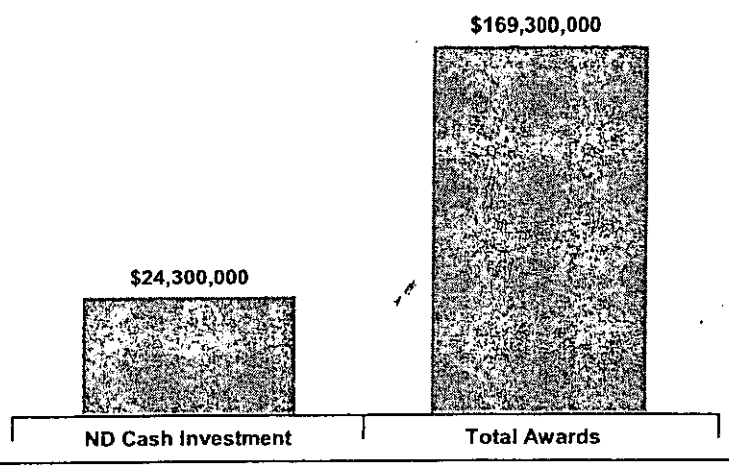
Education Excellence- Faculty & Staff

December 2006

North Dakota Experimental Program to Stimulate Competitive Research (ND EPSCoR)

With state support, the North Dakota Experimental Program to Stimulate Competitive Research (ND EPSCoR) has allowed NDUS researchers to obtain more merit-based grants in science, engineering and mathematics. The state's $24.3 million investment between 1986 and 2005 has resulted in more than $169 million in external cash awards from federal, state and private sources.

The state's $24.3 million investment has resulted in more than $169.3 million in external awards to EPSCoR-supported researchers, representing a return on investment of 6.9.



ND EPSCoR programs have increased the state's capacity for science, engineering and mathematics research, contributing to the education and training of students as well as transfer of technology from the NDUS to the private sector. Highlights of these activities include the following:

- From 2000 to 2004, total academic research expenditures increased by 125 percent ranking North Dakota first in the nation in percentage change.
- From 1986 to 2005, North Dakota NSF research funds increased by 160 percent, ranking North Dakota second in the nation.
- ND EPSCoR has facilitated the recruitment of more than 140 new faculty researchers to the state.
- More than 860 graduate students and more than 1,100 undergraduate students have received research education through ND EPSCoR programs.
- Faculty and students at the state's baccalaureate institutions and tribal colleges have broadened their capabilities in science, engineering and mathematics.

FOR MORE INFORMATION, PLEASE CONTACT THE ND EPSCoR CO-PROJECT DIRECTORS:
David R. Givers, *North Dakota State University*
701.231.8400 David.Givers@ndsu.edu
Dr. Gary E. Johnson, *University of North Dakota*
701.777.2492 GaryEJohnson@mail.und.nodak.edu

ND-EPSCoR (cont.)

- More than 230 students and 13 faculty members have worked on solving technology problems for 81 companies across the state through the Students in Technology Transfer and Research (STTAR) and Faculty In Technology Transfer (FITT) programs.
- 20 patents have been issued for EPSCoR-supported research discoveries and inventions.

FOR MORE INFORMATION CONTACT:
***Dr. Mark Sheridan**, ND EPSCoR Project Director*
701.231.8400 Mark.Sheridan@ndsu.nodak.edu
www.ndsu.nodak.edu/epscor

ND EPSCoR

Advancing Science Excellence in North Dakota

Experimental Program to Stimulate Competitive Research

www.ndepscor.nodak.edu

North Dakota EPSCoR, a North Dakota University System program, was established in 1986 to strengthen the state's science and technology infrastructure and enhance its participation in the nation's competitive research and development enterprise.

Through ambitious state-federal-private sector partnerships, ND EPSCoR has stimulated:

- Research infrastructure improvements
- Human resources development in science, engineering, and mathematics
- Technology transfer from the universities to the private sector

Partnerships include:

- State general fund appropriations
- Federal program grants (NSF, NASA, NIH, DoE and DoD)
- Matching funds from regional businesses

Overview of Activities

NSF EPSCoR – A three-year, $11.6M project supports new faculty recruitment and science outreach and recruitment programs, as well as major research thrusts in Spintronics Printing Integrated Networks (SPIN) and SUstainable eNergy Research Infrastructure and Supporting Education (SUNRISE).

NASA EPSCoR – A one-year, $125,000 grant provides seed funds to faculty and students for research and travel to NASA centers.

DoE EPSCoR – A three-year, $1.5 M project to study the fundamental chemistry of coal combustion, including the resulting gaseous and particulate emissions.

DoD EPSCoR – From 1993-2006, 31 grants totaling over $7.6M were awarded to North Dakota scientists studying defense-related applications in the biological and physical sciences and engineering.

NIH INBRE – A five-year, $16M grant with a goal of building biomedical research capacity by serving research universities, baccalaureate institutions, and tribal colleges within the state.

Major Achievements

North Dakota is increasing its competitiveness for merit-based grants and contracts from federal, regional, and private sources. Major accomplishments include the following:

- From 1986-present, North Dakota invested $24.3M in EPSCoR; the cash return has been over $169.3M in merit-based research awards.
- From 2000-2004, total academic research expenditures have increased 125%, ranking ND first in the nation in percentage change.
- From 1986 to 2005, ND's share of NSF research funds has increased by 160%, ranking ND second in the nation in percentage change.
- North Dakota ranks 7th in the nation for University R&D/$1,000 of Gross State Product.
- ND EPSCoR has facilitated the recruitment of over 140 new faculty researchers to the state.
- A total of 18 EPSCoR-supported researchers have received prestigious NSF CAREER awards.

ND EPSCoR has demonstrated a strong and steadfast commitment to science outreach and recruitment and to technology transfer since its inception in 1986:

- Over 865 graduate students and over 1,105 undergraduate students have received research education through ND EPSCoR programs.
- Faculty and students in the state's baccalaureate institutions and tribal colleges have broadened their capabilities.
- Over 232 students and 13 faculty members have worked on solving technology problems for 81 companies across the state.
- Twenty patents have been issued for EPSCoR-supported research discoveries and inventions.

Future of North Dakota EPSCoR

ND EPSCoR will expand its efforts in promoting the development of a sustainable, locally responsive, and nationally-competitive research enterprise for the state. Such an enterprise will help ensure a high quality education for regional and international students, meet the nation's need for scientists and engineers, and contribute to the economic vitality of the state.

Contact Co-Project Directors

North Dakota State University

David R. Givers
Interim Co-Project Director
1735 NDSU Research Park Drive
Fargo, ND 58105-5760
Tel: 701.231.8400
Fax: 701.231.7947
david.givers@ndsu.edu

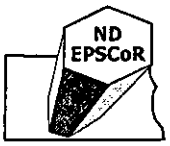
University of North Dakota

Gary E. Johnson, Ph.D.
Co-Project Director
Stop 7093
Grand Forks, ND 58202-7093
Tel: 701.777.2492
Fax: 701.777.4960
garyejohnson@mail.und.nodak.edu

2007 ND EPSCoR Legislative Briefing

Experimental Program to Stimulate Competitive Research

Strengthening North Dakota's Science & Technology Infrastructure



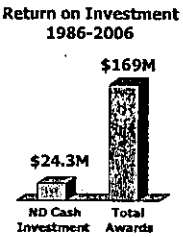
Advancing
Science
Excellence in
North
Dakota

Dr. Philip Boudjouk
Vice President for Research, Creative Activities & Technology Transfer
North Dakota State University

Dr. Peter Alfonso
Vice President for Research
University of North Dakota

Return on Investment

- The state's $24.3 million investment has resulted in more than $169 million in external awards to EPSCoR-supported researchers from federal, state, and private sources, representing a **Return on Investment of 6.95.**



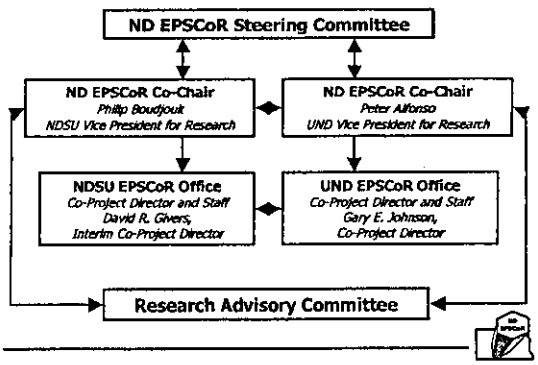
Successes

- ND ranks 2nd among EPSCoR states in improvement in NSF funding (*Chronicle of Higher Education* 2006)
- ND ranked 7th in USA for University R&D/$1000 of Gross State Product in 2003 (US Dept of Commerce)
- Eighteen EPSCoR supported researchers have received prestigious NSF Career Awards since 1994
- ND EPSCoR has supported 865 grad students and 1,105 undergrads since 1986
- Twenty patents (plus 8 pending) for EPSCoR supported inventions
- ND EPSCoR facilitated hiring more than 140 researchers through the New Faculty Start-Up Program (18 won NSF Career Awards)
- ND EPSCoR programs supported faculty and students in ALL of the NDUS institutions and tribal colleges
- Over 230 students and 13 faculty members have worked on solving technology problems for 81 ND companies

ND EPSCoR Partners

- State of North Dakota
- Federal Research Agencies
  - NSF, NIH, NASA, DoD, DOE, USDA
- Federal Program Grants:
  - NSF EPSCoR ($6M, 3 yrs)
  - NIH IDeA/INBRE ($26.2M, 5 yrs)
    - Institutional Development Award/ IDeA Networks of Biomedical Research Excellence
  - NASA EPSCoR ($250K, 2 yrs)
  - DoD EPSCoR ($458K, 3 yrs)
  - DOE EPSCoR ($1.5M, 3 yrs)
- Regional Businesses (STTAR)

ND EPSCoR Organization Chart



ND EPSCoR RII Programs

Research Infrastructure Improvement

University Development	Research Centers Development	High Performance Computing
New Faculty Startups *Faculty Seed Grants* *Grad Student Assistantships*	*Spintronics* *Sustainable Energy*	

Human Resources Development

AURA	FLARE	NATURE
Advanced Undergraduate Research Awards *Pathway to Graduate School*	Faculty Laboratory And Research Experience *2/4-year ND Institutions*	Nurturing American Tribal Undergrad Research & Ed. *ND Tribal Colleges*

Technology Transfer

STTAR	FITT	RCMP
Students in Technology Transfer And Research *Industry/University R&D*	Faculty in Technology Transfer *Industry/University R&D*	Research Commercialization Market Partnerships *Technical & Market Assessment*

ND EPSCoR Research Centers Development

- **SPIN – Spintronics Printing Integrated Networks**
  - Next generation electronics:
    - Utilizes spin of electrons, rather than their flow, to implement computer logic
    - New way to manufacture computer circuits, using ink-jet printing technology
  - Potentially a $100B industry
  - ND DOC Industry Clusters:
    - Advanced Manufacturing & Technology

SPIN Progress, 18 Months

ND EPSCoR Spintronics SRI
$486,019 allocated to date

+

DARPA Spintronics Project at NDSU
Infrastructure $350,000 to date

NDSU/UND Spintronics Program

1. Eight (8) publications in peer-reviewed journals
   (*Appl. Phys. Lett, J. Appl. Phys., Organic Letters, Polyhedron*)
2. Three (3) patents filed with USPTO
3. Six (6) proposals requesting $7.7M (1 funded at $3.5M)

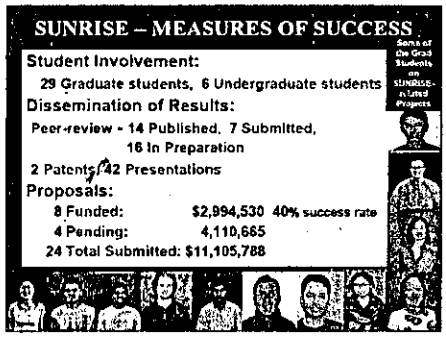
Year 1 External Review Panel (May 2006)
J.S. Miller (Utah), Art Epstein (OH State), Stuart Parkin (IBM) J. Moodera (MIT), Paul Lahti (UMass), Mark Pederson (NRL), J. Deak (NVE Corp)

"This committee commends them for putting together a group of people with such diverse skills and enthusiasm. It is unusual for this number of people to coalesce together this quickly and so effectively. It is very rare in academic environments – there are relatively few integrated teams like this."

ND EPSCoR Research Centers Development

- **SUNRISE – SUstainable eNergy Research Infrastructure and Supporting Education**
  - Research to reduce the U.S. dependence on foreign oil:
    - Clean coal technologies
    - Ag-based biofuels
    - Hydrogen storage and transport to support a hydrogen-based fuel economy
  - ND DOC Industry Clusters:
    - Energy, Technology & Value-Added Agriculture

SUNRISE Progress, 18 Months



Human Resource Development

- **Nurturing American Tribal Undergraduate Research and Education (NATURE)**
  - Attracting North Dakota Native American high school students to science, technology, engineering and mathematics (STEM) disciplines
  - Increasing retention rate of ND Native American students in mathematics, science and engineering programs at high school and college levels
  - Building a pathway for American Indian students in the pursuit of careers related to STEM

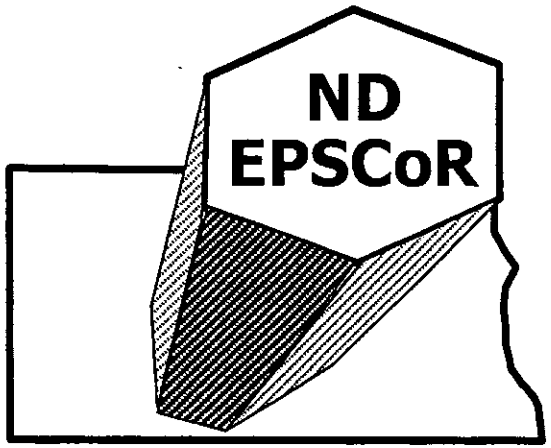
Student Research & Tech Transfer Successes

- *"The AURA program was a wonderful experience that contributed greatly to my career."* – Dr. Vicki Gelling, from Forest River. Research Assistant Professor, NDSU.
- *"The AURA program provided me with my first research experience and helped motivate me to a career in science."* – Dr. Sarah Cousineau, from Grand Forks. High Energy Research Physicist, Oak Ridge National Laboratory.
- *"STTAR: A Great Program."* – Corey Isaak, from West Fargo, student researcher with Crary Corporation. Hired by Case New Holland, Fargo, upon graduation.

2007 ND EPSCoR Legislative Briefing

Experimental Program to Stimulate Competitive Research

Strengthening North Dakota's Science & Technology Infrastructure



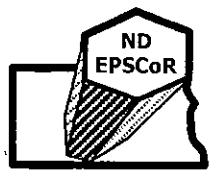
Advancing
Science
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Dakota

Dr. Gary Johnson

Interim Vice President for Research and Co-Project Director
University of North Dakota

Mr. David Givers

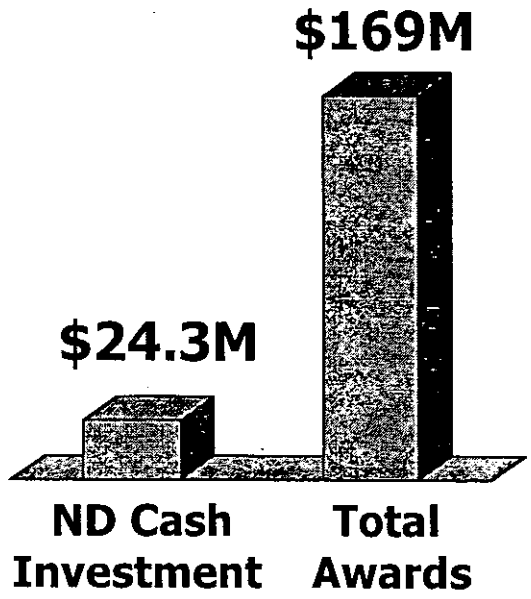
Co-Project Director
North Dakota State University



Return on Investment

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Return on Investment 1986-2006



ND EPSCoR

ND EPSCoR Partners

- State of North Dakota
- Federal Research Agencies
  - NSF, NIH, NASA, DoD, DOE, USDA
- Federal Program Grants:
  - NSF EPSCoR ($6M, 3 yrs)
  - NIH IDeA/ INBRE ($26.2M, 5 yrs)
    - Institutional Development Award/ IDeA Networks of Biomedical Research Excellence
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  - DoD EPSCoR ($458K, 3 yrs)
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- ND EPSCoR programs supported faculty and students in **ALL** of the NDUS institutions and tribal colleges
- Over 230 students and 13 faculty members have worked on solving technology problems for 81 ND companies

NSF EPSCoR Recognition of North Dakota Program

"We often point to the methods and achievement of North Dakota EPSCoR as a model for infrastructure enhancement vision, implementation and administrative excellence."

Karen Sandberg

NSF EPSCoR Program Director

January 11, 2007

ND EPSCoR

Testimony before Senate Appropriations Committee
On First Engrossment HB1003

By Philip Boudjouk
ND EPSCoR
March 1, 2007

Mr. Chairman, Members of the Committee:

Thank you for this opportunity to present a request for additional funds for ND EPSCoR to support a new program designed to meet expressed needs of industrial sectors in our State.

For the record, my name is Philip Boudjouk, Co-Chair of ND EPSCoR and Vice President for Research, Creative Activities and Technology Transfer at North Dakota State University.

In the last 12 months we have learned from many members of the private sector in North Dakota that, while employers are generally pleased with the quality of our college graduates, they see a need for additional training in certain technical areas that would make our graduates more able to "hit the pavement running" i.e., perform more complex and skilled tasks with greater efficiency and cost-effectiveness. Such employees would be more valuable and much more employable while justifying higher salaries.

Lacking in "most" of our graduates, I am told, is "job readiness", i.e., more up to date training in areas that are important to some of our regional, high-technology companies. What these employers feel is needed is industry, or sector, specific training, NOT company specific preparation. As an example, several of our engineering-based companies in North Dakota would like more students better trained in very sophisticated, industrial software systems or micro-miniaturized hardware design and manufacturing capabilities not typically presented in academic coursework, largely due to the high cost of such commercial-scale, software or hardware systems. Similarly, the private sector values more experience in using very sophisticated instrumentation and equipment that is not typically found in regular laboratory courses, again due to high cost of acquiring, operating, or maintaining such equipment. In our growing biotech industry sector in North Dakota, basic training in industry-relevant software and hardware is also in demand and becoming an issue.

New needs are constantly emerging: Great opportunities exist in the arena of embedded software (e.g., machines talking to and interacting with other machines) that also present big challenges to our growing high technology companies in terms of having access to a highly trained, well qualified, and knowledgeable workforce.

Our traditional, four-year curricula are excellent and are, as they should be, targeted to NATIONAL accreditation groups. That necessary benchmark, however, makes agile adjustment to local and regional needs for advanced training of potential employees all but impossible because replacing an accredited course with one that targets regional needs, excellent though that new course may be, could well jeopardize national accreditation. As an accredited university, replacing accredited curricula is not a realistic option.

ND EPSCoR proposes to pilot a series of 'Plus Experience' educational initiatives over the next two years that target regional industries. A key distinguishing feature of this program will be that the curricula will be DESIGNED BY THE PRIVATE SECTOR, FOR THE PRIVATE SECTOR. This pilot program will address industry-specific needs because industry will have THE LEAD role in curriculum development and an active role in evaluation of results. Teaching and demonstration will be done by a combination of university and industry personnel at sites relevant to the course material specified by the private sector.

We envision this pilot of 'Plus Experiences' to be done initially as a series of six to twelve week courses, available to students with at least three years of college, that will provide the necessary background to allow them to be much more productive in the early stages of their professional career. By way of example, the 'necessary background' and advanced training needed for engineering companies in North Dakota, will be determined by those companies. The same approach, with appropriate modifications for the specific industry sector, will be used for our biotech and software industries. These three sectors are the ones that have approached us, expressed a strong interest in taking leadership in curriculum development, and are the ones we are most likely to impact in the next two years.

These 'Plus Experience' courses will greatly aid our companies and our students. Our information indicates that startups, those companies with the least assets available for advanced training of new employees but needing employees that can "hit the ground running" in terms of cost-effective and efficient productivity, will benefit the most. In fact, our most enthusiastic supporters of this concept come from that growth-driven, entrepreneurial sector.

The goal of this ND EPSCoR-sponsored pilot program is to establish proof of concept and to put in place one or more working models of the 'Plus Experience'. We and our private sector partners believe this new program will be a tremendous win-win for our students and our companies.

If it is true that qualified, entry-level personnel is one of the greatest needs of 21st Century, knowledge-based industries, then we can reasonably hope that a successful 'Plus Experience' program will be a magnet for companies looking for that 'job ready' graduate.

Request: $400,000 addition to the ND EPSCoR budget.

North Dakota University System
Professional Student Exchange Program (PSEP) By Funding Source
Per 2007-09 Executive Recommendation

General Fund:		
2005-07 Adjusted Appropriation	$	1,974,671
Increase (Decrease)		324,895
2007-09 Executive Recommendation		2,299,566
% Increase (Decrease)		16.5%
Other Funds:		
2005-07 Adjusted Appropriation	$	262,500
Increase (Decrease)		54,960
2007-09 Executive Recommendation		317,460
% Increase (Decrease)		20.9%
Total Funds:		
2005-07 Adjusted Appropriation	$	2,237,171
Increase (Decrease)		379,855
HB1003 - Line 8 (Section 3, Page 9)	**$**	**2,617,026**

The executive recommendation continues state funding for existing students and funds the same number of new student slots in 2007-08 and 2008-09 as in 2006-07 (6-Veterinary medicine; 8-Dentistry; 4-Optometry). An additional $200,000 (general fund) is also provided to implement a new community matching loan forgiveness program in veterinary medicine and optometry, similar to an existing program for physicians or mid-level practitioners in the Health Department budget. A similar dentistry program does not require local community matching support. In addition, $317,460 is provided from the student loan trust fund, to continue funding for the 4 students in the veterinary medicine program at Kansas State University, and to add 2 additional freshmen in each year of the 2007-09 biennium.

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North Dakota University System
Professional Student Exchange Program (PSEP) By Funding Source
Engrossed HB1003

General Fund:		
2005-07 Adjusted Appropriation	$	1,974,671
Increase (Decrease)		324,895
2007-09 Executive Recommendation		2,299,566
House Adjustments		(100,000)
2007-09 Engrossed HB1003		2,199,566
% Increase (Decrease) - General Fund		16.5%
Other Funds:		
2005-07 Adjusted Appropriation	$	262,500
Increase (Decrease)		54,960
2007-09 Executive Recommendation		317,460
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Total Funds:		
2005-07 Adjusted Appropriation	$	2,237,171
Increase (Decrease)		379,855
2007-09 Executive Recommendation		2,617,026
House Adjustments		(100,000)
Engrossed HB1003 - Line 15 (Section 3, Page 9)	**$**	**2,517,026**
% Increase (Decrease) - Total Funds		12.5%

Engrossed HB1003 continues state funding for existing students and funds the same number of new student slots in 2007-08 and 2008-09 as in 2006-07 (6-Veterinary medicine; 8-Dentistry; 4-Optometry). An additional $100,000 (general fund) is also provided to implement a new loan forgiveness program in veterinary medicine (Reengrossed HB1125), similar to an existing dentistry program. The original budget request and executive recommendation included another $100,000, cut by the House, for a similar program for optometrists.

In addition, $317,460 is provided from the student loan trust fund, to continue funding for the 4 students in the veterinary medicine program at Kansas State University, and to add 2 additional freshmen in each year of the 2007-09 biennium.

Section 25 of Engrossed HB1003, added by the House, changes NDCC Section 15-10-43 to eliminate the payback provision for all Kansas State University (KSU) veterinary medicine positions and allows for the appointment of alternates to the selection committee. The elimination of the payback provision applies retroactively to students participating in the KSU veterinary medicine program.

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NORTH DAKOTA
UNIVERSITY SYSTEM

Flexible and Responsive

December 2006

Professional Student Exchange Program (PSEP)

The Professional Student Exchange Program (PSEP) offered through WICHE provides North Dakota students access to veterinary medicine, optometry and dentistry programs not offered in the state.

- In exchange for admitting qualified North Dakota students into their programs, out-of-state institutions receive a pre-determined support fee from the state. As a participant in a program, the student pays resident tuition rates to a public out-of-state institution or reduced tuition to a private institution. The support fee paid by North Dakota provides guaranteed access to these programs assuming that students are academically prepared.

History of WICHE PSEP Support Fee Per Student Paid by North Dakota 2003-04 – 2008-09

Field	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09
Veterinary Medicine	$23,500	$24,400	$24,900	$25,400	$26,300	$27,200
Optometry	$10,700	$11,100	$13,300	$13,600	$14,100	$14,600
Dentistry	$16,500	$17,200	$19,500	$19,900	$20,600	$21,300

- The North Dakota University System has three additional contractual agreements that provide programmatic access for North Dakota students interested in veterinary medicine and dentistry. Since 1991-92, Iowa State has agreed to accept up to 10 North Dakota students per year into their veterinary medicine program at about $4,000 to $5,000 less per student per year than required through the WICHE program. Under the current agreement with Iowa State's College of Veterinary Medicine, North Dakota students who matriculate at Iowa State will be guaranteed enrollment for the duration of their program.

- The second agreement, enacted by the 2005 Legislative Assembly, authorized the State Board of Higher Education and Kansas State University to enter into an agreement whereby KSU allows up to five North Dakota residents to enroll in the veterinary medicine program. The legislation (HB 1397) included a separate appropriation from that of the PSEP line item, i.e., the Student Loan Trust Fund. HB 1397 included a provision that gives North Dakota faculty and practitioners input into the selection process at KSU; however, final admission decisions rest with KSU. Additionally, the legislation included a repayment provision for students attending KSU, wherein the student will have to repay the support fee paid by the state if they do not return to North Dakota to practice. There is no repayment provision for students who attend either Iowa State, University of Minnesota or WICHE campuses.

The repayment provision was eliminated in Sec 25 of Engrossed HB1003

FOR MORE INFORMATION CONTACT:
Peggy Wipf, *Director of Financial Aid and Federal Relations Coordinator*
701.328.4114 Peggy.Wipf@ndus.nodak.edu
www.ndus.nodak.edu

PSEP (cont.)

The third agreement is with the University of Minnesota-Twin Cities, which extends reciprocity rates to North Dakota students enrolled in their professional programs of veterinary medicine and dentistry under the Minnesota/North Dakota reciprocity agreement. Under the past agreement, North Dakota students paid the Minnesota professional program resident rate while attending the University of Minnesota-Twin Cities. The past reciprocity agreement resulted in significant savings to the PSEP program. From 1996-97 through 2005-06, the state incurred no cost for students who attend a Minnesota campus veterinary medicine or dentistry program. For academic year 2005-06, 50 North Dakota students were enrolled in dentistry at the University of Minnesota and 15 were enrolled in the University of Minnesota veterinary medicine program. Students who were already attending the two programs prior to Fall 2006 were grandfathered in and continue to pay the Minnesota resident rate.

However, effective Fall 2006 under the new North Dakota/Minnesota reciprocity agreement, Minnesota provides up to five guaranteed new freshman slots in veterinary medicine each year and 10 guaranteed new freshman slots in dentistry with continuation of these students for the full four years of the program, subject to appropriate academic performance. In exchange, the state of North Dakota and/or the North Dakota student pay 75 percent of the non-resident tuition. If North Dakota is able to pay a support fee equal to the difference between 75 percent of the non-resident rate and the resident tuition rate, then the North Dakota student could attend at resident tuition rates. If the state is not able to provide state support, the student is required to pay the entire 75 percent of the non-resident rate. Minnesota may continue to accept North Dakota students above and beyond the five and 10 guaranteed slots; however, for admission and tuition purposes, they would be considered outside of the agreement and would be treated as non-residents.

- During the 2005-07 biennium, a total of 109 students, freshmen through seniors, will receive support through this program with a state general fund appropriation of $1,901,477.

Number of Freshmen PSEP Slots Funded by Year			
	Veterinary Medicine	Dentistry	Optometry
1995-1996	9	3	5
1996-1997	7(1)	1(1)	5
1997-1998	9(0)	1(9)	8
1998-1999	5(3)	2(7)	8
1999-2000	7(2)	1(8)	7
2000-2001	7(1)	1(7)	7
2001-2002	6(0)	4(5)	6
2002-2003	4(4)	4(8)	6
2003-2004	4(5)	4(17)	5
2004-2005	4(1)	4(15)	4
2005-2006	7(5) + 2 at KSU	4(11)	4
2006-2007	6* + 2 at KSU	8*	4
2007-2008 Est	6 + 2 at KSU	8	4
2008-2009 Est	6 + 2 at KSU	8	4

() Number of freshmen North Dakota students enrolled at U. of Minnesota – veterinary medicine & dentistry at no cost to the state.
Beginning in 1996-97, students attending vet med or dentistry at the University of Minnesota pay the resident rate. For example, in 2005-06, a total of 50 ND students attended the University of Minnesota-School of Dentistry and 15 ND students will attend the University of Minnesota-School of Veterinary Medicine, at no cost to the state of ND. Theses students are reflected in "()" in the figures in the table.
* Includes WICHE and MN supported slots. NOTE: 2005-07 request assumes the carryover of unspent 2005-07 general fund appropriation of approximately $53,564.

FOR MORE INFORMATION CONTACT:
Peggy Wipf, *Director of Financial Aid and Federal Relations Coordinator*
701.328.4114 Peggy.Wipf@ndus.nodak.edu

PSEP (cont.)

- Applicant numbers for the Professional Student Exchange Program totaled 68 for academic year 2006-07, including 17 in veterinary medicine, 42 in dentistry and nine in optometry.

- 2002 data suggests that about 65 percent of the total number of PSEP students (69 percent in dentistry, 45 percent in optometry and 70 percent in veterinary medicine) who receive state support through this program return to the state to practice in their given profession after graduation.

- North Dakota also participates in WICHE as a receiving state for physical and occupational therapy, medicine and pharmacy programs.

Number of Students North Dakota Receives through PSEP
Fall 2005

Sending State	Physical Therapy	Occup. Therapy	Medicine	Pharmacy	TOTAL
Alaska					0
Arizona					0
Hawaii					0
Idaho					0
Montana			2		2
Nevada					0
New Mexico					0
Oregon					0
Wyoming	9		1		10
TOTAL	**9**	**0**	**3**	**0**	**12**

FOR MORE INFORMATION CONTACT:
***Peggy Wipf**, Director of Financial Aid and Federal Relations Coordinator*
701.328.4114 Peggy.Wipf@ndus.nodak.edu

Professional Student Exchange Program (PSEP)
2005-07 Actual and 2007-09 Estimated Support Fees
[NOTE - WICHE Support Fees for 2007-08 and 2008-09 are Actual, and Iowa, Minnesota and Kansas Slots are Estimated @ 10% Annual Increases]

	Vet Medicine Support Fees			
	2005-06	2006-07	2007-08	2008-09
WICHE Support Fee	$24,900	$25,400	$26,300	$27,200
Iowa Support Fee	$18,585	$20,337	$22,371	$24,608
Minnesota Support Fee*	$0	$8,591	$9,450	$10,395
Kansas Support Fee	$17,500	$19,337	$21,450	$23,595

	Dentistry Support Fees			
	2005-06	2006-07	2007-08	2008-09
WICHE Support Fee	$19,500	$19,900	$20,600	$21,300
Minnesota Support Fee*	$0	$6,287	$6,916	$7,607

	Optometry Support Fees			
	2005-06	2006-07	2007-08	2008-09
WICHE Support Fee	$13,300	$13,600	$14,100	$14,600

*Under the past Mn/ND reciprocity agreement (in effect through 2005-06), ND students paid the Minnesota professional program resident rate, and ND incurred no cost for these students. Under the new reciprocity agreement (effective Fall 2006) Minnesota provides up to 5 guaranteed new freshmen slots in vet medicine and 10 guaranteed new freshmen slots in dentistry. In exchange, ND and/or the student pays 75% of the non-resident tuition rate for the guaranteed slots.

If ND is able to pay a support fee equal to the difference between 75% of the non-resident rate and the resident tuition rate, then the student attends at the Mn resident rate, and ND pays the difference. If there aren't sufficient funds in the PSEP program, the student is required to pay the entire 75% of the non-resident rate.

ND students who were already attending the U of Mn, in the vet med and dentistry programs prior to Fall 2006, were grandfathered in and continue to pay the Mn resident rate.

Total Students Supported Throught The PSEP Program Under All Agreements in 2006-07			
	Supported by ND Fees	U of Mn Students Grandfathered Prior to Fall 06	Total 2006-07 ND Students With Access Through PSEP
Vet Medicine	24	11	35
Dentistry	20	43	63
Optometry	16	-	16
All Programs	60	54	114

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Handout 1d

Roger Johnson
AGRICULTURE COMMISSIONER

Dr. Susan Keller
STATE VETERINARIAN

Dr. Beth Carlson
DEPUTY STATE VETERINARIAN

Nathan Boehm, Mandan
PRESIDENT
DAIRY CATTLE

Paula Swenson, Walcott
SECRETARY
SHEEP

Dr. Charlie Stoltenow, Fargo
CONSULTING VETERINARIAN

STATE BOARD OF ANIMAL HEALTH
ND Department of Agriculture
600 E. Boulevard Ave. Dept. 602
Bismarck, ND 58505-0020
(701) 328-2655
1-800-242-7535
FAX (701) 328-4567

Same testimony given to Senate

Dr. Dick Roth, Fargo
VETERINARIAN

Jeff Dahl, Gackle
REGISTERED PUREBRED CATTLE

Francis Maher, Menoken
COMMERCIAL BEEF CATTLE

Ron Fraase, Buffalo
SWINE

Dr. W.P. Tidball, Beach
VETERINARIAN

Dr. Kenneth Throlson, New Rockford
BISON

Shawn Schafer, Turtle Lake
NONTRADITIONAL LIVESTOCK

Testimony of Beth W. Carlson, DVM
Deputy State Veterinarian
House Bill 1003
House Appropriations Committee – Education & Environmental Division
Sakakawea Room
January 12, 2007

Chairman Wald and members of the Education and Environmental Division of Appropriations Committee, I am Deputy State Veterinarian Beth Carlson. I am here today on behalf of the North Dakota Department of Agriculture and the State Board of Animal Health in support of the portion of HB 1003 pertaining to the base funding and enhanced funding for the Professional Student Exchange Program. As you are aware, this program assists North Dakota students enrolled in professional programs not offered in the state of North Dakota, including optometry, dentistry, and of greatest importance to agriculture, veterinary medicine.

The State Board of Animal Health is responsible for protecting the health of the domestic animals and non-traditional livestock of the state. We cannot do this without the assistance of a strong group of practicing veterinarians and regulatory veterinarians. Accredited veterinarians issue health certificates, perform regulatory testing, provide services to auction markets, and occasionally assist the Board with other matters.

Rising tuition costs (and, as a result, student loan debt) make it difficult for students who wish to return to North Dakota to do so. Some students who are accepted to veterinary school may choose to not attend and instead pursue another career, rather than incur huge debt loads. This has contributed to the shortage of veterinarians in the state. Over the past two years, two of the largest auction markets in the state have had great difficulty contracting a veterinarian to provide services. When the Board needs to contract with a practicing veterinarian, it is sometimes difficult to find one who is available. I personally was a recipient of Professional Student Exchange funds, and it kept my student loans to a manageable level, which allowed me to choose to return to serve North Dakota, first in private practice and now in the public sector.

Chairman Wald and committee members, for these reasons, we urge a do pass on these portions of HB 1003. I would be happy to answer any questions you may have.

Handout 1c

Veteranary Medicine testimony

My name is Jacob Carlson and I am here to testify in favor of the appropriations to the Professional Student Exchange Program within House Bill 1003. I am a practicing mixed animal veterinarian in Bismarck, North Dakota and a past recipient of state funds from the Professional Student Exchange Program.

Following graduation from Iowa State University's College of Veterinary Medicine in May of 2001, I decided to return to North Dakota to start my career as a veterinarian. The state funding was instrumental in my decision in returning to my home state to practice. My personal situation was that my wife (also a veterinarian and recipient of this funding) and I were both looking for jobs in mixed animal practices in our home state. Although we had substantial student loan debt, it was far less than we would have had if we would have paid full out-of-state tuition. The state support allowed us to select jobs working with both large and small animal patients in North Dakota instead of looking for higher paying jobs in another state in order to service our student loan debt. Our starting salaries were acceptable given our level of student loan indebtedness.

Veterinary school is becoming increasingly expensive. At various institutions, tuition now ranges from a low of over $13,000 per year for in-state tuition to upwards of $38,000 per year for out-of-state tuition. This does not include living expenses and the cost of books and other required materials. This increased cost of college is reflected in rising student loan debt for aspiring veterinarians. The national average for student loan indebtedness for graduates of US veterinary schools is approaching $100,000. Average salaries have not kept up with this rise in educational indebtedness. State funding is crucial to ensure a supply of veterinarians to provide service to the residents and taxpayers of North Dakota.

I am now an established practitioner and am active in my community and veterinary leadership. I have chosen to stay in North Dakota to raise my family and I thank the taxpayers of this great state for the support that I received to allow me these opportunities. Please continue to provide similar opportunities for North Dakota's Veterinary Students by supporting the base funding and enhanced funding for the Professional Student Exchange Program.

Jacob R. Carlson, DVM
Missouri Valley Veterinary Clinic
1801 Commerce Drive
Bismarck, ND 58501
701-471-7442

(3)

HB 1003

SENATE APPROPRIATIONS COMMITTEE

Good Afternoon Mr. Chairman and Members of the Committee,

For the record, my name is Nancy Kopp.

I represent the North Dakota Optometric Association and the North Dakota Veterinary Medical Association and currently serve as Executive Director for both groups.
We strongly support the portion of HB 1003 that provides the funding for the Professional Student Exchange Program.

North Dakota students pursuing a career in Optometry or Veterinary Medicine are finding it increasingly more difficult to make the choice to obtain professional training in these fields for a number of reasons:

1. North Dakota does not provide access to these programs in state. I was told that the approximate annual cost to operate a vet school runs about $40 million.
2. The high cost of out of state tuition. Optometry runs approximately $26,000 at Pacific per year (not including living expenses) and vet med about $35,000 at Iowa State.
3. The potential annual income upon graduation and licensure in North Dakota, is much less than other states. The average starting salary is $50,000 - $60,000, all

while trying to retire a professional education debt of up to $150,000 plus and perhaps starting a family at the same time.

4. Is there a shortage of optometrists or veterinarians in North Dakota? Yes, predominately in the rural areas, but some urban areas seek practioners for up to one year.
5. Optometrists provide optometric services in 25 satellite clinics to serve, primarily the aging population of those rural communities. They travel and practice there 2-3 days per week. This is in addition to their urban practice. Some NDVMA members provide veterinary services up to a 150 mile radius of their main clinic.
6. Are our North Dakota students coming back to North Dakota to practice? For the most part, we think so. From 2000 to the present, NDOA reports that 25 graduates have found employment and NDVMA reports 30 new veterinarians.

For these main reasons, I would ask for your favorable consideration to continue North Dakota's obligation and provide funding for the Professional Student Exchange Program at the proposed levels.

North Dakota University System
Scholars Program
Per 2007-09 Executive Recommendation

General Fund:		
2005-07 Adjusted Appropriation	$	915,456
Increase (Decrease)		563,110
HB1003 - Line 9 (Section 3, Page 9)	**$**	**1,478,566**
% Increase (Decrease)		61.5%

The executive recommendation continues funding for existing scholar recipients and provides an additional $250,785 to increase the number of new freshmen awards from 35 to 50, and an additional $200,000 to provide a one-time stipend of $2,000 to incoming freshmen.

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North Dakota University System
Scholars Program
Engrossed HB1003

General Fund:		
2005-07 Adjusted Appropriation	$	915,456
Increase (Decrease)		563,110
Engrossed HB1003 - Line 16 (Section 3, Page 9)	**$**	**1,478,566**
% Increase (Decrease)		61.5%

Funds from the Scholar's Program are targeted at encouraging the best and brightest high school graduates to remain in the state to pursue their postsecondary degree. The engrossed bill includes a general fund increase of $563,110 (61.5%), which provides an additional $250,785 to increase the number of new freshmen awards from 35 to 50, $200,000 to provide a one-time stipend of $2,000 to incoming freshmen each year of the 07-09 biennium and $112,325 to continue funding all upper-classmen.

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December 2006

North Dakota Scholars Program

The North Dakota Scholars Program, a merit-based scholarship, was first funded by the Legislature in 1987 to provide scholarships to North Dakota's best and brightest high school graduates to encourage them to remain in North Dakota for postsecondary education.

A high school junior must take the ACT Assessment between October and June of his or her junior year and score in the upper 5 percent of all North Dakota ACT test takers. The numeric sum of the English, Math, reading and science reasoning scores will be used as a second selection criteria. The numeric sum of a student's English and mathematics scores will be used as additional selection criteria if a tie-beaker is needed.

- The scholarship is renewable for up to three years if the recipient maintains a cumulative 3.5 grade-point average.

- The scholarship is a full-tuition scholarship for students who attend North Dakota's public and tribal colleges and a tuition scholarship equal to North Dakota State University and the University of North Dakota's tuition for students who attend North Dakota's private institutions.

	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07
# of candidates meeting 5% ACT requirement	505	548	484	394	377	326
# of candidates also meeting high school rank requirement*	403	427	398	339	328	*
Offers made	107	113	46	36	44	68
Offers accepted	49	46	17	12	20	32
% of those offered and accepted	46%	41%	37%	33%	45%	47%

*Number of candidates also meeting high school rank requirement, as a second selection criteria, was changed beginning with Fall 2006 scholars to the numeric sum of the four ACT scores.

- North Dakota students who qualify for this program are high academic achievers. These students are heavily recruited by out-of-state colleges and universities that also offer financial incentives to attract them to their campus. This is demonstrated by the fact that in 2006-07 in order to fund 32 new freshmen students, 68 offers were made, an acceptance rate of 47 percent. The other 34 students more than likely attended other out-of-state institutions.

FOR MORE INFORMATION CONTACT:
***Peggy Wipf**, Director of Financial Aid and Federal Relations Coordinator*
701.328.4114 Peggy.Wipf@ndus.nodak.edu

North Dakota Scholars Program (cont.)

The North Dakota University System had sufficient funding to support the following number of North Dakota scholars by class and year:

North Dakota Scholars by class, by year

	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07
Freshmen	48	46	17	12	20	32
Sophomores	21.5	42	44	17	11	17
Juniors	28	22	40	43	17	10
Seniors	39.5	29	22	37	40	17
Total	**137**	**139**	**123**	**109**	**88**	**76**

FOR MORE INFORMATION CONTACT:
Peggy Wipf, *Director of Financial Aid and Federal Relations Coordinator*
701.328.4114 Peggy.Wipf@ndus.nodak.edu
www.ndus.nodak.edu

North Dakota University System
ND Indian Scholarship Program
Per 2007-09 Executive Recommendation

General Fund:

2005-07 Adjusted Appropriation	$	253,626
Increase (Decrease)		127,000
HB1003 - Line 10 (Section 3, Page 9)	**$**	**380,626**
% Increase (Decrease)		50.1%

The executive recommendation funds 270 grants per year, at $700, an increase of 90 over 2005-06, and allows funding to qualified applicants with a 3.0 GPA. At the 2005-07 funding level, there isn't sufficient funding to award qualified applicants with a GPA of less than 3.5.

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North Dakota University System
ND Indian Scholarship Program
Engrossed HB1003

General Fund:		
2005-07 Adjusted Appropriation	$	253,626
Increase (Decrease)		127,000
Engrossed HB1003 - Line 17 (Section 3, Page 9)	**$**	**380,626**
% Increase (Decrease)		50.1%

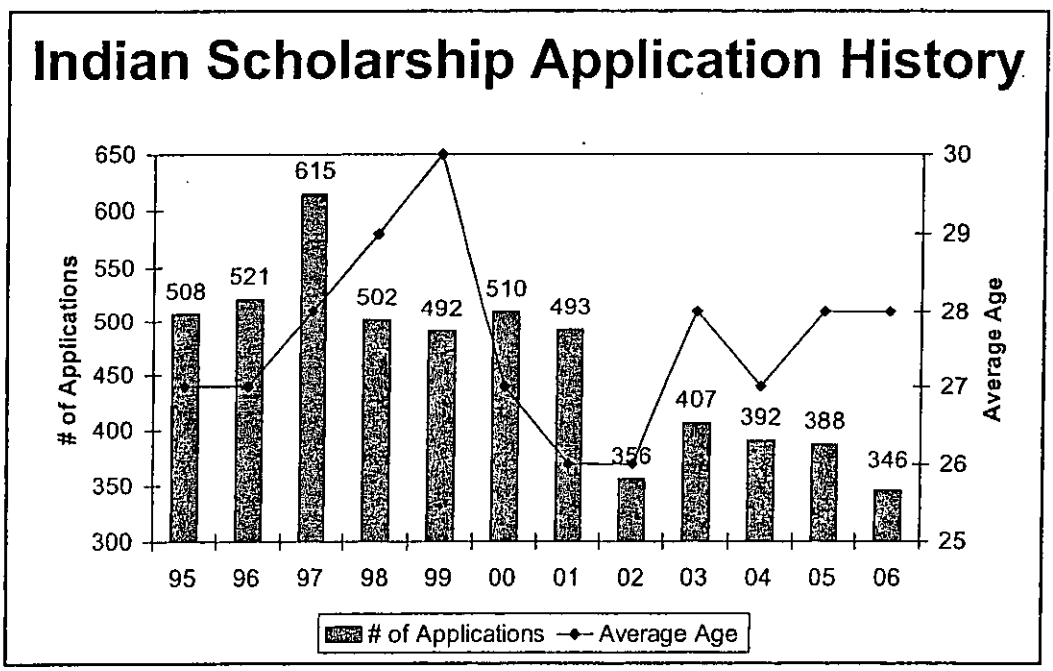
This program funds scholarships based on merit and need, and an increase of $127,000 (50.1%) over the 2005-07 general fund appropriation is included the bill. This would fund approximately 270 grants per year, @ $700, or 90 more than were funded in 2005-06. It will also allow funding to qualified applicants with a 3.0 GPA. At the 2005-07 funding level, there isn't sufficient funding to award qualified applicants with a GPA of less than 3.5.

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September 2006

Indian Scholarship Program

- The Indian Scholarship Program assists American Indian students in obtaining college education by providing grants based upon scholastic ability and financial need. By limiting scholarship awards to $700, the Indian Scholarship Board has been able to make scholarship awards to about 182 eligible applicants each year, 98 percent of whom show financial need. About 30 program participants graduate each year.
- The qualifications for eligibility for the North Dakota Indian Scholarship Program are as follows:
  - An applicant must either be a resident of North Dakota who is one-quarter Native American or an enrolled member of any tribe who now resides in North Dakota. Residency for each student will be determined by the institution the student plans to attend.
  - All applicants must have been accepted for admission at an institution of higher learning or a state vocational education program within North Dakota.
  - Scholarship recipients must be enrolled full-time and may not have a grade-point average below 2.0.
  - A student who participates in an internship, student teaching, teaching assistance or cooperative education program may be eligible for scholarship awards only if participation in that program is required for the degree and only if tuition must be paid for the credits earned.



FOR MORE INFORMATION CONTACT:
Rhonda Schauer, *State Approving Agency Director/Coordinator of Multicultural Education*
701.328.9661 Rhonda.Schauer@ndus.nodak.edu

Indian Scholarship Program (cont.)

History of Native American Scholarship Program

Biennium	Full-time Native American Students Attending College*	Native American Scholarships Awarded	State General Funds Appropriated	% of Full-time Students Receiving Funding
1973-75	1,366	50	$45,000	3.7%
1975-77	1,935	82	$75,000	4.2%
1977-79	2,258	89	$85,000	3.9%
1979-81	2,278	101	$85,000	4.4%
1981-83	1,964	173	$147,742	8.8%
1983-85	2,051	272	$175,000	13.3%
1985-87	2,729	276	$175,000	10.1%
1987-89	2,812	293	$175,000	10.4%
1989-91	2,699	246	$170,700	9.1%
1991-93	3,260	237	$200,000	7.3%
1993-95	2,669	300	$200,000	11.2%
1995-97	3,207	289	$204,000	9.0%
1997-99	4,367	292	$204,000	6.7%
1999-01	4,733	295	$204,082	6.2%
2001-03	4,899	294	$204,082	6.0%
2003-05	6,260	375	$204,086	5.0%
2005-07	6,327	362	$251,988	5.7%

*Includes the following schools: Bismarck State College, Dickinson State University, Fort Berthold Community College, Jamestown College, Lake Region State College, Little Hoop Community College, University of Mary, Mayville State University, Minot State University, Minot State University-Bottineau Campus, North Dakota State University, Standing Rock College, North Dakota State College of Science, Turtle Mountain Community College, University of North Dakota, Valley City State University, and Williston State College.

FOR MORE INFORMATION CONTACT:
***Rhonda Schauer**, State Approving Agency Director/Coordinator of Multicultural Education*
701.328.9661 Rhonda.Schauer@ndus.nodak.edu

Testimony on the North Dakota Indian Scholarship Program

By Dr. Michel Hillman
Vice Chancellor for Academic and Student Affairs
North Dakota University System

House Appropriation Committee Hearing
Education and Environment Division

January 12, 2007

The North Dakota Indian Scholarship Program is authorized under NDCC 15-63-01 which places the budget for the program under the State Board of Higher Education. The program provides scholarships for resident members of federally recognized Indian tribes attending any post-secondary education programs in North Dakota. I currently have the opportunity to serve as the chancellor's designee on the board.

The program was funded at $251,988 for the 2005-07 biennium. This supported 362 scholarships with most scholarships at an annual maximum level of $700. Although students would benefit from larger scholarship awards, and state law and Scholarship Board policy permit larger awards, the Scholarship Board has worked hard just to maintain the $700 level of scholarships for the last 13 years. The $700 scholarship level has been viewed as the lowest meaningful award level that could positively impact a significant number of students. With approximately 400 scholarship applications each year, the Board receives more applications that it can fund.

Even though state law permits the consideration of both financial need and academic merit in the award of scholarships, limited funding has required the Scholarship Board to focus on academic merit students as those most likely to succeed. In the past, this permitted the Board to continue funding pervious merit scholarship recipients and to fund new students who earned a 3.5 GPA or above. In 2003, the Board had to lower the award level from $700 to $600 in order to award all merit and continuing students (95 new merit and 70 continuing), and again in 2004, the Board lowered the scholarships from $600 to $500 in order to award all new merit and continuing students (115 merit and 84 continuing). It should be noted that almost all merit students also have demonstrated financial need. For the 2005-07 biennium, the program received a $47,500 increase in funding which allowed the Board to restore awards to the $700 level.

The 2007-09 budget request for this program is $380,626 which includes a 127,000 general fund increase from the 2005-07 adjusted appropriation (including carry forward) of $253,626. This increase would fund approximately 270 grants (about 90 more) per year at $700, which includes sufficient funding to award qualified applicants with a GPA of 3.0 and above. Currently, there isn't sufficient funding to award new applicants with a GPA of less than 3.5.

I hope that my brief comments in support of the Program will help to assure Committee members that these funds have been very well spent. I would also like to take this opportunity to solicit your continued personal support for the North Dakota Indian Scholarship Program. Access to higher education is often the most important factor related to economic success in the lives of families, including those in the Native American community. The Indian Scholarship program is often the key factor that makes higher education access possible for Native American high school graduates.

The North Dakota State Board for Indian Scholarships strongly supports the Indian Scholarship Program and we urge your favorable consideration of this request. Thank you for the opportunity to comment. Please let me know if I can answer any questions you may have.

Written Testimony on North Dakota Indian Scholarship Program
Submitted by Cheryl Kulas
Executive Director
North Dakota Indian Affairs Commission
January 12, 2007 – House Appropriation Committee

Chairman Wald and members of the Senate Appropriations Committee, I am here testifying before you as the Secretary of the State Board for Indian Scholarships. I appreciate the opportunity to speak to you today in support of the North Dakota Indian Scholarship Program.

The Indian Scholarship Program ahs proven to be one of the best investments that the State has ever entered into, and it is an investment of far reaching and almost unlimited social economic impact. Since 1973, 3,651 Indian Scholarships have been awarded and each academic year an average of 20 students complete their degree requirements. Among these graduates are school teachers, administrators, lawyers, doctors, law enforcement officers, Tribal College Presidents, top administrative officers with the Bureau of Indian Affairs, Indian Health Service, Indian Education, Tribal government officials, just to name a few categories.

You will find information on the scholarship recipients in Section 8, pages 5 and 6 of the North Dakota University System Resource Guide. The Indian Scholarship Program receives over 400 applications each year and due to limited funds, can only make awards to approximately 30% of the applicants. Fifty-five percent of the recipients are merit students with cumulative grade point averages of 3.50 and above. I would like to ask your support toward the funding increase because with the current fixed amount of funding, we will be forced to either decrease the number of awards or decrease the amount of the awards.

Thank you for the opportunity to give my comments and please let me know if I can answer any questions.

Written Testimony on North Dakota Indian Scholarship Program
By Cornelius Grant
North Dakota Indian Scholarship Board Member
January 12, 2007 – House Appropriation Committee

Mr. Chairman and members of the House Appropriation Committee, my name is Cornelius Grant, enrolled Turtle Mountain Chippewa. I am the Governor's appointee to the North Dakota Indian Scholarship Board, going into my 33rd year of Board service.

Over the past 33 years I've had opportunity to give testimony on behalf of the Indian Scholarship Program a number of times, it is always a distinct pleasure because I believe that the Indian Scholarship Program has proven to be one of the best investments that the State has ever engaged in...an investment of very tangible social and economic impact.

In retrospect, this healthy impact has been most noteworthy the last 10 years in terms of increased numbers of Indian college graduates and corresponding growth in Tribal leadership both on and off the Reservation. As a vivid "case-in-point" I'd like to have you reflect on the setting and message presented at the very recent "State of the Indian Nation's Address" to the Joint Session of the North Dakota Legislative Assembly given by David Brien, the newly elected Chairman of the Turtle Mountain Band of Chippewa.

Mr. Brien and three of the other Tribal Chairs and the leadership seated on the floor have attained basic college degrees, (and beyond), while Doctor Ron His Horse is Thunder is Chairman of the Standing Rock Sioux. It is becoming more apparent to everyone that higher education is an important ingredient underscoring effective leadership. I can further attest to this fact as a retired Federal and State civil servant with over 40 years in community and economic development experience. I have the time to do outreach work for the State's AmeriCorps Program, and, also as team member for Tribal Homeland Security, Marketplace for Entrepreneurs, MFK, as an Advisory Board for the United Tribe's University Center, and, as a charter member of the design team for the NDSU Rural Leadership North Dakota Program. I'm fortunate in being able to visit each Reservation two or three times a year. During the course of such visits, I very often run into recipients or graduates of the Indian Scholarship Program. Most will quickly acknowledge that the financial assistance they received through the auspices of the Indian Scholarship Program was one of the decisive factors in their entering and completing post-secondary education. I would like to highlight that during the 2005-07 biennium the Program provided 362, seven hundred dollar scholarships. Unfortunately over 332 students were denied needed financial assistance during this same time frame due to lack of available Scholarship Program funds. I would like to ask your consideration for continued support toward the requested funding increase.

During my introductory remarks, I underscored the term investment and corresponding derived leadership trends. I hope that my comments in support of the Program will help to assure Committee members that these funds have been very well spent as investments into the future of our State. On behalf of grateful Program recipients and myself as the Governor's Tribal lay appointment to the Indian Scholarship Board, I would also take this opportunity to thank you for the past and ongoing personal support for such a unique and important Program. Higher Education has become an important factor in the lives of many families, particularly among the Native American community. As earlier indicated, we can provide tangible evidence that the need for supplemental assistance continues to exist, and at the same time prove that the investment is paying off in impressive terms.

North Dakota Indian Affairs Commission Testimony
Senate Appropriations Committee Hearing
Harvest Room – State Capitol
March 1, 2007

Chairman Holmberg and members of the Senate Appropriations Committee, I am Cheryl Kulas, and am the Governor's Appointee as Director of the North Dakota Indian Affairs Commission. I am here today to testify in support of House Bill 1003 – the American Indian Scholarship Program.

Since joining the Commission in 2001, I've had the opportunity to work with the North Dakota University Systems Office and the Indian Scholarship Program as secretary of the Indian Scholarship Board. I have been involved in the education of American Indian youth for over 34 years, in various capacities, driven by commitment and by fate.
Prior to joining the staff of the ND Indian Affairs Commission, I served as the Director of Indian Education in the North Dakota Department of Public Instruction for 12 years and had the opportunity of working directly with American Indian Youth in an Indian Youth Leadership Program.

Over the succeeding years, I've encountered these former students, who are now young American Indian professionals, physicians, architects, program managers, computer specialists. I have heard testimonial of how pivotal and enriching their educational experiences were with the leadership program. Many are operating their own businesses. It is apparent that these students were able to take advantage of programs helping to attain their various college degrees, and the Indian Scholarship Program is one of those programs that helped them pursue higher education and to stay in school.

Prior to November of 2006, the majority of the members of my board (the Indian Affairs Commission) held advanced degrees, four of eight attaining advanced degrees in Education, Tex Hall, former Chairman of the Mandan, Hidatsa and Arikara, Ed. D. in Education, and Superintendent of Mandaree Public School, Dr. Ron His Horse is Thunder, Chairman of the Standing Rock Sioux Tribe, Mr. Phil Baird, Ms. Ed. D. Academic Dean of Students, and co-founder of the North Dakota Cowboy Hall of Fame, United Tribe Technical College, Dr. Ken Davis, Former Chairman of the Turtle Mt. Band of Chippewa. The leadership paradigm is changing for tribal governance as is that of tribal colleges, where four out of five tribal college presidents hold either an Ed. D., or a Ph. D., and most of whom were educated in North Dakotas University Systems institutions.

Since working with the Indian Scholarship Program, which is a merit and needs based program, I am amazed at the large and increasing numbers of American Indian students who have achieved merit status (a grade point averages of 3.0 plus). I am even more astonished at the large numbers of American Indian students attending North Dakotas Institutions of Higher Education who are merit students with a 4.0 and who are on the waiting list to participate in the Indian Scholarship Program. Each year, that number grows. During the 2005-07 biennium the Program provided 362 seven hundred dollar scholarships. However, over 332 students were denied assistance during this same time frame due to lack of Program funds. The modest increases the program has

received over the years were judicious and wise investments in the future of North Dakota and our population. To quote Mr. Cornelius Grant who has served as the Governor's appointee to the Indian Scholarship Program, "these funds have been very [well managed and] well spent".

I thank you for this opportunity to speak before you and for your on-going support of the North Dakota Indian Scholarship Program.

North Dakota University System
Education Incentive Programs
Per 2007-09 Executive Recommendation

General Fund:		
2005-07 Adjusted Appropriation	$	1,577,314
Increase (Decrease)		163,000
HB1003 - Line 11 (Section 3, Page 9)	**$**	**1,740,314**
% Increase (Decrease)		10.3%

The executive recommendation continues loan forgiveness ($1,000 per year, up to 3 years) for currently funded individuals, as well as funding new $1,000 awards per year for 158 individuals in the Teacher Shortage Loan Forgiveness Program and 99 in the Technology Occupations Loan Forgiveness Program, the same number of new awards that were funded in 2005-06 and 2006-07. The additional $163,000 will increase the Doctoral Graduate Program from $60,000 to $260,000, which is allocated equally to UND and NDSU.

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North Dakota University System
Education Incentive Programs
Engrossed HB1003

General Fund:		
2005-07 Adjusted Appropriation	$	1,577,314
Increase (Decrease)		163,000
2007-09 Executive Recommendation		1,740,314
House Adjustments		-
2007-09 Engrossed HB1003		1,740,314
% Increase (Decrease) - General Fund		10.3%
Other Funds:		
2005-07 Adjusted Appropriation	$	-
Increase (Decrease)		-
2007-09 Executive Recommendation		-
House Adjustments		249,000
2007-09 Engrossed HB1003		249,000
% Increase (Decrease) - Other Funds		100.0%
Total Funds:		
2005-07 Adjusted Appropriation	$	1,577,314
Increase (Decrease)		163,000
2007-09 Executive Recommendation		1,740,314
House Adjustments		249,000
Engrossed HB1003 - Line 18 (Section 3, Page 9)	**$**	**1,989,314**
% Increase (Decrease) - Total Funds		26.1%

The $163,000 general fund addition will provide an increase for the Doctoral Graduate Program from $60,000 to $260,000, which is allocated equally to UND and NDSU. Engrossed HB1003 continues loan forgiveness ($1,000 per year, up to 3 years) for 99 currently funded individuals in the Technology Occupations Loan Forgiveness Program, as well as funding 99 new awards per year in 2007-09.

Section 19 (Engrossed HB1003) provides that $249,000 shall be transferred from profits of the student loan funds at the Bank of North Dakota, for additional funding for the Teacher Shortage Loan Forgiveness Program, bringing total funding for this program to $1,197,000.

Under the provisions of Engrossed HB1249, individuals who teach in grade levels or content areas identified by DPI as having a teacher shortage, will be eligible for loan forgiveness of the lesser of their outstanding loan principal or $2,000. In addition, if they teach in a school district of less than 5,000 students, they will be eligible for an additional $1,000. Under the new provisions of Engrossed HB1249, funding would be available for about 158 students per year in 2007-09 at the increased dollar award of $2,000 or $3,000. This would fund the continuation of the students currently enrolled in the program, assuming they would re-apply and qualify under the provisions of the bill.

July 2006

Technology Occupations Student Loan Program

The 2001 North Dakota Legislature appropriated $400,000 to the North Dakota University System (NDUS) for the purpose of administering a technology occupation student loan forgiveness program. The intent of this program is to reduce student loan indebtedness for individuals who have: (1) graduated in technology-related fields, (2) completed internships for businesses located in North Dakota and (3) been employed in technology occupations in the state for one year.

Funding recipients are eligible to receive $1,000 per year in continued loan forgiveness for each year they are employed in an approved technology occupation in North Dakota, up to a maximum of three years or $3,000. The Bank of North Dakota is responsible for applying loan forgiveness payments for funded recipients. An eligible recipient must have a student loan from the Bank of North Dakota or other participating lender. Individuals must apply or re-apply annually for new or continued funding.

- For academic year 2005-06, a total of 194 applications were received. Of the 194 applicants, 172 new and continuing applicants were funded.
- The average student loan indebtedness of funded applicants, as reported on their applications, was $10,790.
- A breakdown of funded 2005-06 applicants by program area follows:

Program Areas of Funded Applications for 2005-06	# of Applicants Funded
Agricultural Engineering	8
Architectural Engineering Technology/Technician	4
Biology, General	1
Chemical Engineering	1
Civil Engineering, General	1
Civil Engineering/Technician	7
Computer and Information Sciences, General	36
Computer and Information Sciences, Other	3
Computer Installer and Repairer	1
Computer Programming	1
Computer Science	5
Computer Systems and Telecommunications	9
Construction Engineering	1
Data Processing Technology/ Technician	1
Electrical and Electronic Engineering Technologies/Technicians	2
Electrical, Electronic and Communications Engineering Technology/Technician	6

FOR MORE INFORMATION CONTACT:
Peggy Wipf, *Director of Financial Aid and Federal Relations Coordinator*
701.328.4114 Peggy.Wipf@ndus.nodak.edu

Technology Occupations (cont.)

Program Areas of Funded Applications for 2005-06	# of Applicants Funded
Electrical, Electronics and Communications Engineering	10
Emergency Medical Technology/ Technician	4
Industrial Engineering	6
Industrial Technology/Technician	4
Information Systems	4
Management Information Systems and Business Data Processing Services, General	18
Management Information Systems and Services	1
Mathematics, General	1
Mechanical Engineering	10
Medical Radiologic Technology/Technician	12
Medical Technology	6
Radiologic Technology/Science-Radiographer	2
Respiratory Therapy Technician	4
Surgical/Operating Room Technician	2
Technology Teacher Education/ Industrial Arts Teacher Education	1
TOTAL	**172**

- A breakdown of funded 2005-06 applicants by technology job occupations follows:

Technology Job Occupations of Funded Applicants for 2005-06	# of Applicants Funded
Agricultural Engineers	6
Biological Scientists	1
Civil Engineering Technicians	7
Clinical Laboratory Technologists and Technicians	5
Computer and Mathematical Occupations	3
Computer Hardware Engineers	1
Computer Programmers	16
Computer Software Engineers	11
Computer Specialists	1
Computer Support Specialists	20
Computer Systems Analysts	6
Diagnostic Related Technologists and Technicians	14
Electrical and Electronic Engineering Technicians	2
Electrical and Electronic Repairers, Commercial and Industrial Equipment	2
Electrical and Electronics Engineers	9
Emergency Medical Technicians and Paramedics	4
Engineering Teachers, Postsecondary	1
Engineering Technicians, Except Drafters	3
Engineering Technicians, Except Drafters, All Other	1
Engineers	12

FOR MORE INFORMATION CONTACT:
***Peggy Wipf**, Director of Financial Aid and Federal Relations Coordinator*
701.328.4114 Peggy.Wipf@ndus.nodak.edu

Technology Occupations (cont.)

Technology Job Occupations of Funded Applicants for 2005-06	# of Applicants Funded
Forest and Conservation Technicians	1
Industrial Engineers, Including Health and Safety	4
Math and Computer Teachers, Postsecondary	1
Mechanical Engineering Technicians	1
Medical Scientists, Except Epidemiologists	1
Miscellaneous Computer Specialists	7
Miscellaneous Engineers	6
Network and Computer Systems Administrators	12
Network Systems and Data Communications Analysts	1
Operations Research Analysts	1
Power Plant Operators, Distributors, and Dispatchers	1
Respiratory Therapy Technicians	4
Surgical Technologists	2
Telecommunications Equipment Installers and Repairers, Except Line Installers	3
Vocational Education Teachers Postsecondary	2
TOTAL	**172**

FOR MORE INFORMATION CONTACT:
***Peggy Wipf**, Director of Financial Aid and Federal Relations Coordinator*
701.328.4114 Peggy.Wipf@ndus.nodak.edu

July 2006

Teacher Shortage Loan Forgiveness Program

The 2001 North Dakota Legislature appropriated $250,000 to the North Dakota University System (NDUS) for the purpose of administering a student loan forgiveness program. The intent of this program is to reduce student loan indebtedness for teaching in North Dakota at grade levels and/or in content areas identified by the Department of Public Instruction as having a teacher shortage.

Funding recipients are eligible to receive $1,000 in loan forgiveness for each year they teach in a teacher-shortage area, up to a maximum of three years or $3,000. The Bank of North Dakota is responsible for applying and/or forwarding loan forgiveness payments for funded recipients.

- For academic year 2005-06, a total of 316 applications were received. Of the 316 applicants, 312 new and continuing applicants were funded.
- The average student loan indebtedness of funded applicants, as reported on their applications, was $13,462.
- A breakdown of funded 2005-06 applicants by defined shortage areas follows:

Defined Shortage Areas of Funded Applicants for 2005-06	# of Applicants Funded
Art	10
Computer Education	11
English Language Arts/English as a Second Language	47
Family and Consumer Sciences	6
Health	11
Languages/Native American Languages	11
Mathematics	41
Music	17
Science	38
Social Studies	46
Special Education Programming	66
Technology Education - Industrial Arts	8
TOTAL	**312**

FOR MORE INFORMATION CONTACT:
Peggy Wipf, *Director of Financial Aid and Federal Relations Coordinator*
701.328.4114 Peggy.Wipf@ndus.nodak.edu

NORTH DAKOTA
UNIVERSITY SYSTEM

Access - General

December 2006

Doctoral Programs

In the 2001-03, 2003-05 and 2005-07 biennium, the North Dakota Legislature appropriated $60,000 each to the North Dakota University System to provide incentives for more students to obtain doctoral degrees in North Dakota. In both biennium, the State Board of Higher Education (SBHE) authorized allocation of $30,000 each to the University of North Dakota (UND) and North Dakota State University (NDSU) to enhance existing doctoral stipends. Also, during the 2003-05 and the 2005-07 biennia, the SBHE authorized from the Education Incentive Program line item an additional $100,000 each to UND and NDSU to expand doctoral programs and graduates. *

At UND, the funds have/will be used as follows:

- To enhance doctoral dissertation grants. These awards will be available on a competitive basis to students who are in the final stages of writing their dissertation. Students must have completed all coursework and research and be within one semester of graduating from the program.
- To provide more professional development for doctoral students. One of the biggest challenges facing doctoral students as they complete degree programs is the ability to function in a highly competitive environment.
- To market doctoral program and recruit new students. Continued success of UND doctoral programs is highly dependent on the ability to attract students from outside of North Dakota.

At NDSU, the funds have/will be used as follows:

- To form stronger relationships with baccalaureate degree-granting institutions in North Dakota.
- To provide funding for doctoral student dissertation awards. The Graduate School has funded doctoral dissertation fellowships the past two years. These fellowships provide one year of support for doctoral students nearing the completion of their programs. The fellowships allow students to focus exclusively on dissertation work, thus enhancing completion rates.
- To develop graduate courses for distance delivery.
- To form stronger relationships with other baccalaureate degree-granting institutions in the region.

* Note - The additional $200,000 was considered one-time funding but the increase in Engrossed HB1003 makes it possible to continue this level of funding on a permanent basis.

FOR MORE INFORMATION CONTACT:
Peggy Wipf, *Director of Financial Aid and Federal Relations Coordinator*
701.328.4114 Peggy.Wipf@ndus.nodak.edu

North Dakota University System
2007-09 HB1003
Common Information Services (CIS) Appropriation

2005-07 Adjusted Appropriation		**$ 20,607,093**
Increases included in the executive recommendation:		
Base increase for parity costs, the addition of a permanent, full-time CND project manager and the replacement costs for the NDUS CIO (total cost = $2,096,200)		1,676,200
One-time increases:		
Balance of $2.1 million parity and other costs shifted to one-time funding	420,000	
Permanent support for the solutions that were implemented with a one-time allocation of $1.5 million from the Board initiative fund in 2005-07.	1,500,000	
Replace the revenue associated with the technology fee bond payoff, which had been planned for inclusion in the CND budget, beginning in FY07 when the bonds retire. Campuses have significant CND/ technology needs and have asked that this revenue remain with the campuses to address these needs.	920,000	
Funds to fix and stabilize additional critical business functions associated with CND.	1,280,000	
Northern Tier Network	1,000,000	5,120,000
HB1003 - Line 3 (Section 3, Page 9)		**$ 27,403,293**

The CIS pool includes funding for the Chief Information Officer, IVN, ODIN, HECN, NDUS Online and partial funding for ConnectND (CND). All of the "one-time" funding increases, with the exception of the Northern Tier Network, were requested as permanent base funding increases. The SBHE requests that the $4.12 million be appropriated as permanent, rather than one-time funding. Additional staffing is the most critical need for CND, and one-time funding will not allow the permanent hiring of additional staff. Instead, it is likely that the funds would be used for more expensive, one-time consultants, who then wouldn't be able to provide ongoing support for solutions.

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NDUS CIS Pool Allocations
2005-07 Biennium

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
	2005-07 CIS Pool, per Engrossed SB2003						
	2003-05 Base	Transfers	2005-07 Salary/Health Insurance Increase	Other Legislative Changes 1/	2005-07 Appropriation (1+2+3+4)	Approved Allocation for FY06	Approved Allocation for FY07
UND:							
SIS 2/						-	-
HECN North	7,701,765	(10,000)	400,439		8,092,204	4,546,836	3,545,368
IVN	2,577,520		129,282		2,706,802	1,299,265	1,407,537
ODIN	1,023,860		57,469		1,081,329	519,038	562,291
Total UND	11,303,145	(10,000)	587,190	-	11,880,335	6,365,139	5,515,196
NDSU:							
HECN South	6,940,288	(738,379)	348,581	175,000	6,725,490	3,228,235	3,065,081
Finance		245,667	13,522		259,189	124,411	134,778
HRMS 2/					-	-	-
CIO		502,712	43,987	825,000	1,371,699	658,416	1,145,457
Total NDSU	6,940,288	10,000	406,090	1,000,000	8,356,378	4,011,062	4,345,316
MiSU:							
NDUS-O	312,350		14,030		326,380	156,662	169,718
Grand Total	$ 18,555,783	$ -	$ 1,007,310	$ 1,000,000	$ 20,563,093	$ 10,532,863	$ 10,030,230

Notes

1. Engrossed SB2003 includes $825,000 for network growth and $175,000 for virus software licenses.
2. Funding for SIS and HRMS is provided through the CND budget, SLND and campus assessments.

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North Dakota University System
Engrossed HB1003
Common Information Services (CIS) Appropriation

2005-07 Adjusted Appropriation		**$ 20,607,093**
Increases included in the executive recommendation:		
Base increase for parity costs, the addition of a permanent, full-time CND project manager and the replacement costs for the NDUS CIO (total cost = $2,096,200)		1,676,200
One-time increases:		
Balance of $2.1 million parity and other costs shifted to one-time funding	420,000	
Permanent support for the solutions that were implemented with a one-time allocation of $1.5 million from the Board initiative fund in 2005-07.	1,500,000	
Replace the revenue associated with the technology fee bond payoff, which had been planned for inclusion in the CND budget, beginning in FY07 when the bonds retire. Campuses have significant CND/ technology needs and have asked that this revenue remain with the campuses to address these needs.	920,000	
Funds to fix and stabilize additional critical business functions associated with CND.	1,280,000	
Northern Tier Network	1,000,000	5,120,000
Total 2007-09 Executive Recommendation		**27,403,293**
House Adjustments:		
Reduced 2007-09 salary increases from 5/5 to 4/4	(151,026)	
Added additional one-time funding for Northern Tier Network	1,400,000	
Total House Adjustments		1,248,974
Engrossed HB1003 - Line 10 (Section 3, Page 9)		**$ 28,652,267**

The CIS pool includes funding for the Chief Information Officer, IVN, ODIN, HECN, NDUS Online and partial funding for ConnectND (CND). All of the "one-time" funding increases, with the exception of the Northern Tier Network, were requested as permanent base funding increases. The SBHE requests that the $4.12 million be appropriated as permanent, rather than one-time funding. Additional staffing is the most critical need for CND, and one-time funding will not allow the permanent hiring of additional staff. Instead, it is likely that the funds would be used for more expensive, one-time consultants, who then wouldn't be able to provide ongoing support for solutions.

The first priority of the SBHE's proposed adjustments to Engrossed HB1003, is to restore the funding that was included in the executive recommendation for average salary increases of 5% per year, an increase of $151,026 in the "CIS" line item.
Priority 3 is for additional Connect ND base (+$920,000) and one-time (+$9.7 million) funding.
Priority 4 is for additional base (+$400,000) and one-time (+$373,800) funding for the Northern Tier Network.

December 2006

Higher Education Computer Network (HECN)

The Higher Education Computer Network (HECN) is a collaborative service consortium that provides core information technology services to the 11 North Dakota University System (NDUS) institutions. North Dakota is one of very few states where all public higher education institutions share an IT service infrastructure. It has proven to be a very successful model because it provides a significant level of computing and networking capabilities and support for NDUS students, faculty and staff while holding down costs. HECN also coordinates with the Information Technology Department (ITD) of North Dakota state government in use of the state network. Among other joint initiatives, HECN continues working collaboratively with NDUS and state government on ConnectND *(an administrative system).*

HECN services are provided at host sites located at North Dakota State University (NDSU) and the University of North Dakota (UND). A number of committees involving NDUS staff and users meet regularly to guide HECN services and support. Services and support areas include:

- *ConnectND* applications, based on Oracle/PeopleSoft software, are provided through Web services. All campuses are using the student, finance and human resource management systems. These components include:
  - Student Systems: Admissions, recruitment, student finance, student records, financial aid, campus community, portal and graduation audit
  - Finance: Grants management, contract administration, general ledger, accounts payable, accounts receivable, billing, purchasing, asset management, project costing and commitment control
  - Human Resource Management Systems: Core human resources, benefits, payroll, commitment accounting and recruiting solutions
  - Ancillary Systems: Facilities management, parking management , housing management, room scheduling and credit card payment systems
- Directory and e-mail service for more than 25,000 user accounts
- Domain name service for nodak.edu and other NDUS domains
- Help desk services for *ConnectND* support and general questions, problem tracking and resolutions; this is a cooperative effort between NDSU and UND to provide services to all NDUS campuses.
- High-performance computing for research and instructional use
- Hosting and maintenance of servers for research and instructional use

FOR MORE INFORMATION CONTACT:
Randall Thursby, *NDUS Chief Information Officer*
701.231.7922 Randall.Thursby@ndus.nodak.edu

Higher Education Computer Network (cont.)

- Internet2 high-bandwidth network access for research and education network use on NDUS campuses, K-12 schools and the Flatlands Disability Network. Collaboration with EduTech to identify K-20 projects, North Dakota content providers and potential grant opportunities
- K-12's EduTech program administration
- Legislative Bill Tracking System (LBTS) development and support
- LISTSERV ™ e-mail list management services
- NDUS IT security officer coordination of security development and response with campus
- IT security officers and handling of DMCA (copyright) violation complaints
- Site license software program coordination for all campuses
- Staff resources for special academic and/or administrative projects
- Training for faculty and staff in existing and new software applications
- Hosting on-line training and documentation for *ConnectND* applications
- Virus protection software for all NDUS faculty, staff and students
- Wide-area network service coordination and planning in cooperation with ITD
- Web server for *www.nodak.edu*.

FOR MORE INFORMATION CONTACT:
Randall Thursby, *NDUS Chief Information Officer*
701.231.7922 Randall.thursby@ndus.nodak.edu

December 2006

Interactive Video Network (IVN)

The North Dakota Interactive Video Network (IVN) provides videoconferencing, audio conferencing, video streaming and related technology services to the North Dakota University System, the state's K-12 schools, state agencies and political subdivisions.

IVN supported more than 31,000 hours and 24,200 videoconferencing events from July 2005 through June 2006. Nearly 450 videoconference classrooms and conference rooms across the state are able to call upon IVN for scheduling, bridging and troubleshooting support services.

IVN also provides the state with audio conferencing (telephone) and video streaming services. With audio conferencing, IVN supported more than 850 audio conferences from July 2005 through June 2006. With video streaming, IVN can digitally stream any audio or videoconference over the Internet, greatly increasing the potential reach of traditional conferencing technologies.

IVN's robust system is being utilized for a variety of purposes:

- **Higher Education** – The North Dakota University System delivered just more than 13,000 hours of academic instruction from 119 IVN rooms located at the 11 colleges and universities, the NDUS Office, NDSU research extension centers, UND medical education centers and various outreach sites. During the 2005 – 06 academic year, almost 4,000 student enrollments were counted in more than 20 degree programs and 287 academic classes.

- **Secondary Education** – 187 secondary schools spread across 12 video consortia in North Dakota can call upon IVN for scheduling, bridging and troubleshooting support services. During the 2005 – 06 academic year, the K – 12 community relied on IVN services for more than 12,300 hours of activity, most of it for academic instruction.

- **Meetings and Training Programs** – IVN continues to support an increasing number of video-based meetings. The use of conferencing technologies significantly reduces travel costs and wasted travel time. On a monthly basis, IVN supports more than 200 meetings and 500 hours of activity. State agencies and political subdivisions accounted for 46 percent of the meetings conducted on IVN during the 2005 – 06 academic year.

- **Interstate Conferences and Non-Profit Organizations** – IVN provides North Dakotans a gateway to the world. Because of its ability to interconnect with any number of video technologies, IVN routinely connects the state's videoconference users to places as close as Crookston, Minn., and as far away as Shanghai, China. Typical uses run the gamut, ranging from academic instruction to enrichment programs to meetings.

Success Stories

The value IVN provides to North Dakota cannot be measured in numbers alone. The return on investment with this technology is far reaching for both students and public sector employees. The following examples highlight the benefits of conferencing technologies:

FOR MORE INFORMATION SEE *http://ndivn.nodak.edu* OR CONTACT:
***Jerry Rostad**, IVN Director*
701.231.7468 Jerry_Rostad@mail.und.nodak.edu

Interactive Video Network (cont.)

UND economics professor Patrick O'Neill and NDSU history professor Dr. Thomas Isern extended the reach of videoconferencing to global dimensions. O'Neill reached half way around the globe to teach an economics course to 85 students in Shanghai, China, while Isern, studying in New Zealand, used videoconferencing to reach back to his on-campus students at NDSU.

- Videoconference equipment has become as important as beakers and test tubes in science labs at the state's five tribal colleges. In a collaborative effort with the North Dakota University System, IVN technologies are being used to provide tribal college students an expanded range of science expertise, practices and knowledge. The goal of this broadened learning community is to increase student hunger for science and biomedical research fields.

- Seventy-nine miles separate the campuses of Minot State University and Minot State University-Bottineau, but IVN is a focal point that allows the two colleges to build on each other's strengths. MiSU-B is delivering six associate degree programs over IVN to students at the Minot State University campus. Minot State's payback for hosting Bottineau's students occurs at graduation time; many of the associate degree earners remain at Minot State to pursue bachelor's degrees.

- IVN, in cooperation with EduTech, coordinated a number of K-12 videoconference enrichment programs for the state's K-12 community. Program offerings included Read Across America, Read Across North Dakota, Foreign Language Across North Dakota and the Megaconference Jr. program. In addition, IVN and EduTech worked to expand enrichment program offerings from within the state, at locations like the North Dakota Forest Service, Fort Mandan Foundation, North Dakota Council on the Arts and the State Historical Society of North Dakota.

ork Operations

core responsibilities encompass video and audio scheduling, bridging and endpoint support for the North Dakota University System, the state's tribal colleges, K – 12 schools, and state and local government agencies.

- **Technical Support** – IVN coordinates use of a system of classrooms and conference rooms at the 11 NDUS colleges and universities and the University System Office, in addition to providing equipment for 30 video sites at these locations. IVN's help desk is staffed to respond immediately to troubleshooting calls from any University System site, K – 12 school or state agency/political subdivision. In addition, IVN will make site visits to diagnose local problems when they occur.
- **Scheduling and Bridging** – IVN uses a videoconferencing scheduling software package and five multipoint control units (bridges) to schedule multipoint video and audio events. In early 2007, IVN will upgrade its bridging technology, which will, in turn, provide users with expanded options for videoconferencing services.
- **Training and Communication** – IVN offers a broad range of training programs and communication materials for video and audio conferencing users. Services include faculty consultations and training on technical operation or event scheduling. Periodic brown bag sessions allow for the sharing of videoconferencing ideas.

December 2006

On-Line Dakota Information Network (ODIN)

The On-Line Dakota Information Network (ODIN) provides a computer-based library catalog system for North Dakota University System libraries and other libraries in the state. Operated by the NDUS and headquartered on the University of North Dakota campus, ODIN has been online since 1989. Currently, ODIN supports 106 libraries and branch libraries. ODIN is part of a regional network linking North Dakota libraries with libraries in Minnesota and South Dakota.

Expanded Services: Access to five million items provides an important service to students and others throughout the state. Increased usage of ODIN demonstrates its success and importance to students.

Collection Sharing: The single database can be accessed in one efficient search, which greatly enhances loaning of books between NDUS libraries and other participating libraries. Books can be ordered electronically without re-typing any information.

Enhanced Library Hours: Library collections can be searched even when libraries are closed. Online databases, often containing the complete text of magazine and journal articles, also can be used even when libraries are closed. This greatly extends library services and hours.

Ease of Searches: The ease of accessing the entire database in a single search provides an effective way for libraries to purchase material without duplication. Each library can see what other libraries own, and, in many cases, what other libraries have ordered. The addition of a Web browser interface also has made searching much easier for the novice library user.

Electronic Library Reserves: ODIN provides a single point of management for an electronic reserve system that serves multiple NDUS libraries.

EBooks: Since the summer of 2000, North Dakota, South Dakota and Minnesota have cooperatively purchased and made available electronic books (eBooks) to the three-state region.

Single Site: ODIN provides for the administration and operation of a single resource site to serve each NDUS campus, which is more cost effective than each campus purchasing and operating its own software and hardware. However, the system also allows each library to make its own rules regarding the loaning of books and other library functions.

Joint Database Purchases: Since 1992, ODIN libraries have jointly purchased databases of magazine and journal articles. These databases include articles about the arts, business,

FOR MORE INFORMATION CONTACT:
***Tony Stukel**, ODIN Director*
(701) 777-4777 Tony.Stukel@ndus.nodak.edu

ODIN (cont.)

ucation, general interest, humanities, psychology, social sciences and health. ODIN libraries e continuously updated and expanded these subscriptions.

Electric Library: ODIN has negotiated a license to provide all North Dakota libraries, including all K-12 school libraries, access to a collection called Electric Library. This collection has a large number of magazines, newspapers, maps, television and radio transcripts, photograph collections and other similar materials. Funding for a subscription to this service was provided by the North Dakota Legislature.

ODIN Software Replacement Project: The project to migrate all ODIN library operations from the PALS library management software to Aleph 500 library management software was completed in the summer of 2005. ODIN's migration to a new library system provided the opportunity for North Dakota State University libraries to move from the Minnesota State Colleges and Universities library system to the ODIN library system. This places all North Dakota University System libraries in ODIN. The system change also has made it possible for ODIN libraries to make interlibrary loan requests to and receive requests from any library in the ODIN, University of Minnesota and Minnesota State Colleges and Universities systems. As expected, support for the PALS system ceased after all Minnesota libraries using that software moved to a new library system in the spring of 2006.

FOR MORE INFORMATION CONTACT:
***Tony Stukel**, ODIN Director*
(701) 777-4777 Tony.Stukel@ndus.nodak.edu

December 2006

Statewide Oracle/ PeopleSoft ERP Systems

A joint project between the North Dakota University System and state government, ConnectND *is Oracle's PeopleSoft enterprise resource planning (ERP) software solution that supports the administrative computer functions of student administration on the campuses, as well as finance and human resources management throughout the NDUS and state government.*

Project Status: 2006 is the first complete year in which all 11 NDUS colleges and universities are using the full functional capabilities of Oracle's PeopleSoft ERP system. As with many new IT system installations, several challenges still exist, including performance. Solutions require joint processes of discovery by hardware and software vendor partners and campus and *ConnectND* staff. This process has begun, and recommendations for sound solutions are expected to be made and implemented in 2007.

The NDUS *ConnectND* oversight committee is responsible for advising *ConnectND* leadership on strategic issues. A campus advisory committee meets every two weeks; it includes a member from each campus and is chaired by the *ConnectND* executive director. Functional user groups also meet often to communicate with one another and *ConnectND* staff.

An interim executive director currently oversees the NDUS *ConnectND* project. The search for a permanent executive director is underway; it is anticipated that the position will be filled in the spring of 2007.

Project Background: *ConnectND* is a joint effort of the NDUS and state government and was approved by the Legislative Assembly in 2001. Financing for the NDUS share of *ConnectND* is provided primarily through student fees and the redirecting of funds previously used to support a "legacy" administrative software system. A phased-in implementation began with Mayville State University, Valley City State University and the NDUS Office in October 2002 and April 2003. The main modules of *ConnectND* were implemented in the summer of 2004 at Bismarck State College, Dickinson State University, Lake Region State College, North Dakota State College of Science and Williston State College. Implementation at Minot State University, Minot State University – Bottineau, North Dakota State University and the University of North Dakota was completed in 2005.

Next Steps: New functional solutions, such as data warehousing, will be reviewed, and upgrades to the existing applications will be pursued. The first upgrades to the human resources module were completed successfully in November 2006; upgrades to the finance and student administration modules now are being planned.

FOR MORE INFORMATION CONTACT:
***Bonnie Neas**, Interim Deputy CIO – ConnectND Executive Director*
701.231.8640 *Bonnie.Neas@ndus.nodak.edu*

December 2006

Technology-Based Access

Technology-based distance education is a formal learning activity with the student and instructor separated by space or time. The delivery of instruction is supported by software and hardware, such as learning management systems, computers and interactive videoconferencing networks.

Access provided by technology (IVN, satellite, Internet, etc.) provides learning opportunities for students unable to take residential classes because of jobs, family or other duties making on-campus education difficult, if not impossible.

Traditional correspondence is a form of distance education, but since it is not delivered electronically, it is not classified as technology-based distance education. Off-campus delivery of a course or program by a faculty member who travels to a classroom away from a specific campus is also not classified as technology-based distance education. Programs and courses delivered electronically off-site may use the following technologies:

- Internet
- Two-way video
- Satellite
- Video and audiotape
- Telephone
- Radio
- Television
- Desktop conferencing

The choice of a delivery mode is based on instructional effectiveness, cost of transmission and reception and the resources to support its development, maintenance and growth. Currently, the principal electronic delivery technologies used in the NDUS are IVN and the Internet. Often, technologies are blended to provide multidelivery learning environments. One example of this blending is the Space Studies Program delivered by videotape and the Internet. Other programs and courses offered mainly by IVN or satellite also use the Internet for increased interactivity. A brief description of the NDUS application of the principal technologies named above follows.

Interactive Video Network (IVN): The North Dakota University System manages more than 110 video classrooms and conference rooms at the 11 colleges and universities, the NDUS Office, North Dakota State University research extension centers, University of North Dakota medical education centers and various outreach sites throughout the state. IVN also provides support to another 300+ video classrooms and conference rooms found in K-12 schools, state

FOR MORE INFORMATION CONTACT:
Robert Larson, Director, North Dakota University System Online
701.858.3186 Robert.L.Larson@ndus.nodak.edu

Technology-Based Access (cont.)

agencies and political subdivisions across the state. As part of its academic mission, during the 2006 academic year, IVN was used to deliver more than 28,000 hours of higher education and K-12 academic instruction. Nearly 4,000 NDUS student enrollments were counted in more than 20 degree programs and 281 classes delivered by IVN.

NDUSO: The North Dakota University System Online (NDUSO) is an Internet-based system-wide collaboration for the delivery of courses, certificates and programs. From the first associate degree in 2001, there are now 35 certificates, four certificates of completion, 41 two-year degrees, 22 four-year programs and 15 graduate certificates and programs. In addition, there are more than 800 online courses. Enrollment has grown at the rate of more than 20 percent each year, up from 350 in 1997 to a duplicated enrollment of more than 25,000 in 2005-2006.

Through a collaboration of the 11 NDUS campuses, a student can take courses from multiple campuses during the same semester, receive financial aid for all courses, have a single academic record and receive a single bill. NDUSO provides access to educational opportunities for the citizens of North Dakota, as well as others around the world that has access to the Internet. The NDUSO Web site provides complete information for prospective students at *http://www.nduso.org*.

ACCESS: An Internet search engine, ACCESS finds distance education opportunities throughout the University System and links to campus-specific sites for more information. In a one-year period, there were hits on ACCESS from 19 countries. ACCESS is available at *http://www.access.ndus.edu*.

FOR MORE INFORMATION CONTACT:
***Robert Larson**, Director, North Dakota University System Online*
701.858.3186 Robert.L.Larson@ndus.nodak.edu

HB 1003 Handout 19

January 12, 2007

North Dakota Legislative Council
Appropriations Committee

Presentation Regarding the Common Information Services
January 12. 2007

Reported By: Randall Thursby, Interim CIO
North Dakota University System

Mr. Chairman: I have been asked to provide information regarding the proposed funding for the Common Information Services Pool. We are very appreciative of the Governor's recommendation for the base operation increase for the Common Information Services (CIS) Pool funds in the amount of $2,096,200. Our concern though is that $420,000 is being provided from one-time funds.

The Common Information Services Pool provides general fund support for the operations of the North Dakota University System Common Information Services, including the Higher Education Computer Network (HECN), ConnectND,Online Dakota Information Network (ODIN), Interactive Video Services (IVN), and links to online courses through the NDUS-Online. These funds are used for the ongoing base operations by the Common Information Services, including parity cost increases for inflation, the cost to continue FY07 salary increases, annual health insurance increases, annual salary increases and increased costs for replacement of the CIO and the addition of a permanent ConnectND executive director. These services provide programs and support to all campuses of the University System, fortifying students, faculty and staff through access to evolving technologies and information. Through cooperation, collaboration, integration, and partnerships, strong links have been developed between higher education and state government that make the work possible at the lowest cost to the state. The services that are provided benefit NDUS campuses, students, K-12 education, communities, and the citizens of the state.

With only one-time funding it will be necessary to plan for reduced service levels in some programs by the end of the 2007-09 budget years. Regardless of the service area chosen for reduction the impact will be felt at the institution level, service levels to K-12, or other agencies served by the Common Information Services.

There were also a number of requested increases for new technology initiatives that were not proposed by the Governor but I want to highlight two for your attention.

In 2006 the Information Technology Department signed an agreement to upgrade the North Dakota Statewide Technology Access for Government and Education Network's (STAGENet) core network to provide increased bandwidth for NDUS, K-12, and state agencies. We requested $250,000 to cover the NDUS share of that upgrade but it was not recommended for funding. Since we are going to be charged for the increased bandwidth provided by the upgrade we will have no choice but to cut other services or assess the institutions to provide for the increased costs.

The second request was in the amount of $150,000 for a Web Programmer Position in the Online Dakota Information Network Library Project. There currently are a total of six FTE positions that support the service that is used by106 libraries across the NDUS, the State Library, K-12 and the public libraries. The work to be performed by this position would significantly enhance the ease of use and value of the library system. For example, the presentation of information from the underlying library database could be significantly improved and reduce the number of clicks required by a library user to find key information. Faculty, teachers, students and librarians could focus more on the material they are seeking and less on how to find it.

Mr. Chairman, that concludes my testimony.

Appendix A

CONNECT ND

A step into the Future

Recommendations Addressing ConnectND Systems

By Bonnie Neas
Interim Executive Director ConnectND
North Dakota University System
January 12, 2006

CONNECT ND

- Recommendation #1:
  - Increase investment in human resources
    - 11.5 fte
    - Timeframe: 2008
    - Estimated Cost: $825,000 (salaries & operating)

- Recommendation #2:
  - Finance upgrade from v8.4 to v8.9
    - Grants & Contracts upgrade included
    - Timeframe: 4th Quarter 2007
    - Estimated Cost: $600,000 -- $800,000

- Recommendation #3:
  - Student Administration (SA) Data Center technical upgrade
    - Process Scheduler – AppWorx
      - Timeframe: Purchased for installation by June 2007
      - Cost: Application = $298,000
    - Hardware – including all SA application platforms & Storage Area Networks (SANs)
      - Timeframe: To be completed by August 2007
      - Estimated Cost: $1.7M

CONNECT ND

- Recommendation #4:
  - SA Upgrade from 8.0 to 9.0
    - Estimated Cost: $1.1M
    - Timeframe: completed by August 2008

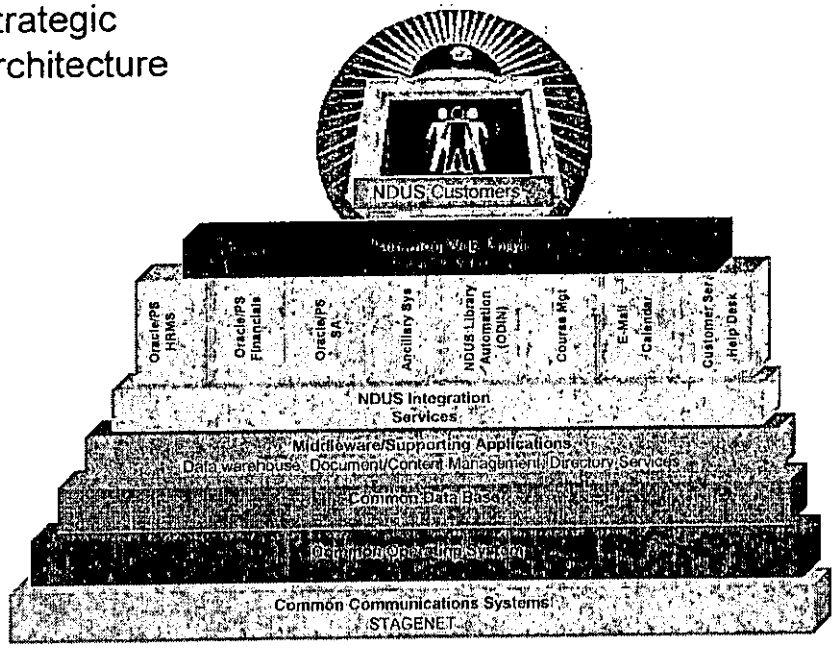
CONNECT ND

- Recommendation #5:
  - SA Security Risk Assessment
    - Timeframe: To be completed by July 2007
    - Estimated Cost: $100,000 - 250,000

CONNECT ND

- Recommendation #6:
  - SA Data Center Disaster Recovery
    - Timeframe: Completed by June 2008
    - Cost: TBD

Strategic Architecture



- Recommendation #7
  - Consider utilizing a single tool set for optimal manageability and stabilizing the ConnectND SA Applications
    - Timeframe: 2007-2008
    - Estimated Cost: $2.0M - $2.6M

- Recommendation #8
  - NDUS Data Warehouse
    - Project planning and initial implementation
      - Timeframe: 2007-2009
        - » Planning – 2007-2008
        - » Implementation – 2008-2009
      - Estimated Cost: $500,000 – $1,000,000

- Recommendation #9:
  - SA Application -- Admissions
    - Customer Relationship Management (CRM) for recruiting
    - Timeframe: TBD
    - Estimated cost: $500,000

- Recommendation #10:
  - Training/Documentation: User Productivity Kit (UPK)
    - For Finance and SA upgrades
    - Timeframe: 2007
    - Estimated Cost: $225,000

CONNECT ND

Total of Recommendations:	$9,275,000
In Base Budget:	($3,023,000)
In Executive Budget:	($2,800,000)
	==========

Remaining requirement = $3,500,000

CONNECT ND

Q & A

Handout #2

2/6/2007

ConnectND Projected Project Budget

	FY07 Projection	FY08 Projection	FY09 Projection	FY10 Projection	FY11 Projection
Projects					
[X] ***Recommendation 1 (11.5 FTE)***					
One-Time		$ 57,500			
Continuting Costs		$ 797,700	$ 827,794	$ 859,055	$ 891,530
[X] ***Recommendation 2 (Finance Upgrade)***					
One-Time	$ 200,000	$ 400,000			
Continuting Costs					
[X] ***Recommendation 3 (Student Admin (SA) Data Center Tech Upgrade)***					
One-Time	$ 1,700,000	$ -			
Continuting Costs					$ 425,000
[X] ***Recommendation 4 (SA Upgrade from 8.0 to 9.0)***					
One-Time	$ 150,000	$ 1,180,000			
Continuting Costs					
[X] ***Recommendation 5 (SA Security Risk Assessment)***					
One-Time	$ 150,000	$ 100,000			
Continuting Costs					
[X] ***Recommendation 6 (SA Data Center Disaster Recovery Planning)***					
[redacted]ime	$ 100,000	$ 250,000			
[redacted]uting Costs					$ 65,000
[X] ***Recommendation 7 (Consistent Tool Set for manageability)***					
One-Time	$ 913,300	$ 1,526,600			
Continuting Costs	$ 198,000	$ 604,158	$ 622,283	$ 640,951	$ 660,180
[X] ***Recommendation 8 (NDUS Data Warehouse)***					
One-Time	$ 89,115	$ 364,115	$ 194,115		
Continuting Costs	$ 9,620	$ 60,580	$ 132,397	$ 64,269	$ 66,198
[X] ***Recommendation 9 (SA Application - Admissions CRM)***					
One-Time	$ 149,523	$ 339,996			
Continuting Costs	$ 24,468	$ 101,714	$ 104,765	$ 107,908	$ 111,145
[X] ***Recommendation 10 (Training/Documentation - UPK)***					
One-Time	$ 74,975	$ 149,950			
Continuting Costs	$ 12,371	$ 50,968	$ 52,497	$ 54,072	$ 55,694
One-Time	$ 3,526,913	$ 4,368,161	$ 194,115	$ -	$ -
Continuing Costs	$ 244,459	$ 1,615,120	$ 1,739,736	$ 1,726,255	$ 2,274,747
Total Project Expense	$ 3,771,372	$ 5,983,281	$ 1,933,851	$ 1,726,255	$ 2,274,747

HB 1003
Handout #3

NDUS ConnectND
NEW STAFF REQUEST
February 7, 2007

EXECUTIVE SUMMARY

The North Dakota University System (NDUS) has identified 11.5 additional ConnectND staff needed within functional applications, program development and maintenance, and data center areas in order to help resolve the problems being experienced by campuses and users of the ConnectND system. Costs for salary, fringe benefits, operating, and one-time startup for these additional staff are estimated to be $825,000.

POSITIONS AND BRIEF DESCRIPTION:

The NDUS has identified a need for additional 11.5 FTE positions to support the functional support needs of HR/Payroll, Finance, Student Administration and Application Development Services. They include:

- **Application Functional Business Analysts (4 FTEs)**
  - HR/Payroll Application Business Analyst – 1 FTE. Duties include day-by-day production support for core HR/Payroll, faculty events, recruiting solutions, and training administration.
  - Finance Application Business Analyst – 1 FTE. Duties include full-time support for grants and contracts.
  - Student Administration Application Business Analyst – 2 FTEs. Duties include: (1) assisting institutions with resolving issues of institutional set-ups (each requires its own set-up depending upon the policies of the institution) related to such processes as fees, 3rd party contracts, tuition/course fees, tuition waivers; (2) supporting implementation and supporting the Ad Astra room scheduling software. Troubleshooting in all these areas is very complex.
- **Student Administration Data Center (3.5 FTEs)**
  - Performance and Capacity Planning Specialists – 3 FTEs. Duties include assisting system performance issues required because of the extremely heavy and complex workload in the data center environment – a key infrastructure system. Needed is the 24 hours a day, 7 seven days a week (24/7) development, monitoring (system as well as security), tuning and reporting key performance statistics and in order to proactively respond to capacity issues. This need is supported by the Oracle system review reports.
  - Network Engineer – 5 FTE: Duties include the support of ancillary systems (housing, parking, events) to ConnectND that were not part of the initial implementation.
- **Application Development Services (4.0 FTEs):**
  - Programmer/Analysts – 4 FTEs. Positions to support HR/Payroll, Finance and Student Administration functional development. Duties include providing the expertise and resource needed to share production support and the analysis, design, development, testing and implementation of development requests in a timelier manner. The current full-time permanent staff members are overloaded with on-going production support to the degree that little or no development work can be accomplished.

<u>Additional information about each position is available upon request.</u>

HB1003
February 7, 2006
Handout #4

CONNECTND BUDGET OPTIONS
2007-09

2/7/2007

Note: Not included in these options is the migration to Oracle Fusion which is estimated at $3M-$5M for the upgrade, consulting, training and additional tools. This project will need to start no later than FY 11 and be completed by FY12.	IMPACT			
	Base Budget	**Cash Flow**	**Equipment Replacement & Contingency Reserve**	**Tech Fee Transfer**
Executive Recommendation: $3.7 million one-time funding	Deficit of $192,000 in FY08, growing to $1.5M deficit in FY11. Cannot commit to projects w/ongoing costs.	Cashflow shortage in FY08 of $328,000 (base and projects). Cumulative cashflow short of $3.2M thru FY11.	Minimal reserve of $500,000 at the end of each FY.	Re-assessed to the campuses beginning in FY10
Option A: Shift $3.7M Exec Recom to base funding	Fully funded through FY 11	Cashflow shortage of $1.7M in FY 08. Cumulative cashflow shortage of $200,000 thru FY11.	Minimal reserve of $500,000 at the end of each FY.	Eliminated
Option B: Shift $2.4M of Exec Recom to base funding (total $2.4M base, $1.28M one-time)	Deficit in FY 11 of $661,000. Cannot commit to projects w/ ongoing costs.	Cashflow shortage of $1.1M in FY08. Cumulative cashflow shortage of $1.6M thru FY11.	Minimal reserve of $500,000 at the end of each FY.	Eliminated
Option C: Add $3.3M one-time funding to Exec Recom (total $7M one-time)	Deficit of $192,000 in FY08, growing to deficit of $1.5M by FY11.	Base and project fully cashflowed, thru FY11	Minimal reserve of $500,000 at the end of each FY.	Re-assessed to the campuses beginning in FY10
Option D: Shift $2.2M of Exec Recom to base funding, add $1.8M to one-time (total $2.2M base, $3.3M one-time)	Deficit in FY 11 of $719,000. Cannot commit to projects w/ ongoing costs	Base and project fully cashflowed, thru FY 11	Minimal reserve of $500,000 at the end of each FY.	Eliminated
Option E: Shift $920,000 of Exec Recom to base funding, add $8.7M one-time funding to Exec Recom to pay off entire CND debt of $11.5M (total $920,000 base, $11.5M one-time).	Fully funded through FY 11	Base and project fully cashflowed, thru FY 11	Minimal reserve of $500,000 at the end of each FY and an additional $1.6M in reserve at the end of FY 11, which could be used toward migration to Oracle Fusion.	Eliminated

Assumptions

Stabilize Student Fee at current rate	$81/semester
Annual Salary Increase	4%
Annual Services Increase	10%
Annual Inflationary Increase	2%

79266.01

HB1003
February 7, 2007
Handout 4A

Prepared by the North Dakota Legislative Council staff

July 2006

HISTORY OF THE ENTERPRISE RESOURCE PLANNING SYSTEM INITIATIVE (CONNECTND)

The state of North Dakota's enterprise resource planning (ERP) system initiative, commonly known as the ConnectND system, is a joint project between state government and the North Dakota University System to implement a multimodule software system that includes a relational data base and applications for managing financial activities, purchasing, budgeting, human resources, payroll, asset management, and student information functions. The following is a timeline of activities associated with the ConnectND system initiative, including the North Dakota University System efforts prior to the start of the ConnectND request for proposal in September 2000.

January 1995	The North Dakota University System began the process of redesigning and reengineering its financial and student records systems in a development partnership with The Robinson Group (TRG), a subsidiary of USA Group.
September 1996	The North Dakota University System was notified by TRG that the entity did not have the capability to build the systems necessary to meet the University System's requirements and the entity would not continue supporting the development of an enterprisewide administrative system software solution.
January 1999	The North Dakota University System budget request for the 1999-2001 biennium included a request for $8 million of funding, of which $6.5 million was from the general fund and $1.5 million was from Minnesota reciprocity and TRG settlement funds, for financing a portion of the replacement of the University System's student records and administrative systems. The funding would have been used to make the first biennial installment payment of principal and interest on a financing agreement that included software, hardware, consulting, and internal personnel costs. Additional general fund appropriations of $8 million per biennium would have also been required for the 2001-03 and 2003-05 bienniums. This budget request was not included in the 1999-2001 executive budget recommendation nor was the request funded by the 1999 Legislative Assembly.
April 2000	The North Dakota University System reported to the interim Information Technology Committee that the estimated cost of replacing the system's administrative systems was approximately $10 million to $15 million for student records, $7 million to $12 million for the financial portion, and $7 million to $12 million for the human resources portion.
July 2000	The Chief Information Officer reported to the interim Information Technology Committee that representatives from the Information Technology Department and the North Dakota University System are working closely on addressing proposals for student information systems, financial systems, and human resource systems.
September 2000	The Information Technology Department issued an ERP system request for proposal (RFP). The department reviewed the RFP responses and selected three finalists--SCT, Oracle, and PeopleSoft.
December 2000	The 2001-03 Schafer executive budget recommendation included funding of $20,499,873, of which $20 million was from the general fund, for the first phase of implementation of an ERP system.
	The 2001-03 Hoeven executive budget recommendation reduced funding for the implementation of an ERP system by $8,517,500 from $20,488,873 to $11,971,373, of which $11,482,500 was from the general fund, by reducing funding for operating expenses by $9,000,000 and increasing funding due to the transfer of funding relating to the Quality Schools Commission of $70,000 and student data base of $412,500 from the Department of Public Instruction to the Information Technology Department.
April 2001	The 2001 Legislative Assembly provided funding of $7,500,000 from the general fund for the first phase of the implementation of an ERP system.
May 2001	The three finalists submitted final proposals. Shortly thereafter the RFP evaluation process was halted to explore the possibility of entering into a joint venture partnership with Microsoft-Great Plains for development of an ERP system.
October 2001	Consideration of the joint venture partnership was discontinued after it was determined that it would take Microsoft-Great Plains up to 24 months to develop the human resources and financial components of the ERP system and approximately four to six years to complete the ERP system integration.
	The Information Technology Department returned to the original RFP evaluation process and reduced the finalists to two--Oracle and PeopleSoft.

	The Chief Information Officer reported to the interim Information Technology Committee that due to changes in federal regulations, the North Dakota University System financial aid system must be replaced by the summer of 2003. If the state had not begun the implementation of an ERP system by that time, the state would be forced to use a portion of the $7.5 million general fund appropriation for an ERP system to rewrite the existing higher education financial aid system.
January 2002	Based on review of the final proposals, the Information Technology Department decided to award contracts to PeopleSoft for the purchase of an ERP software system and to Maximus for implementation consultant services.
February 2002	The Information Technology Department developed an implementation plan which included the implementation of all three of the system components--financial, human resources, and student administration--at two pilot higher education institutions--Valley City State University and Mayville State University--and the implementation of the financial and human resources components at the Office of Management and Budget, including payroll for all of state government.
April 2002	The Information Technology Department determined the estimated vendor fees and maintenance costs associated with the ConnectND system for the 2001-03 biennium were approximately $12.3 million, $4.8 million more than the 2001-03 legislative appropriation of $7.5 million. In order to fund the costs associated with the system, the department received approval from the Budget Section to enter into a financial agreement for approximately $4.8 million. Under the agreement, the department paid PeopleSoft $150,000 on August 1, 2002, and the remainder of $4,746,053 plus related interest of $117,967 on August 1, 2003. The agreement allowed the department to use the remaining ERP system initiative 2001-03 legislative appropriation for implementation services performed by Maximus. The Information Technology Department estimated the total costs associated with the ConnectND system initiative for the 2003-05 biennium would be approximately $22 million. The State Board of Higher Education in response to the costs associated with the ConnectND system initiative approved a student fee of $42 per semester for the 2002-03 academic year.
December 2002	The 2003-05 Hoeven executive budget recommendation included funding of $20 million from bonding proceeds for the continuation of the ConnectND system initiative. The executive budget recommendation provided that the debt service on the bonds issued for the initiative would be available from charges made and collected by the Information Technology Department from users of the system with 60 percent of the debt service being the responsibility of higher education and 40 percent being the responsibility of state agencies.
April 2003	The 2003 Legislative Assembly did not change the executive recommendation to provide $20 million of bond proceeds for the ConnectND system initiative. However, the Legislative Assembly provided that debt service on the bonds issued for the initiative must be available from charges made and collected by the Information Technology Department from users of the system with 29 percent of the debt service being the responsibility of state agencies and 71 percent of the debt service being the responsibility of higher education. The payroll, core human resources, and benefits modules of the ConnectND system "went live" for all employees of Mayville State University, Valley City State University, and state government, except for the Bank of North Dakota. Mayville State University, Valley City State University, and the Office of Management and Budget also "went live" with a portion of the financial component of the system.
May 2003	The State Board of Higher Education approved a student fee of $36 per semester for the 2003-04 academic year for support of the ConnectND system, a decrease of $6 from the $42 per semester fee for the 2002-03 academic year.
September 2003	The Office of Management and Budget issued bonds totaling $20 million for the ConnectND system initiative. The bonds were issued at an interest rate of 3.9 percent for a period of 10 years with annual debt service of approximately $2.7 million. The following is a summary of the estimated debt service amounts:

Biennium	State Portion	Higher Education Portion	Total
2005-07	$1,563,727	$3,828,436	$5,392,163
2007-09	$1,565,152	$3,831,923	$5,397,075
2009-11	$1,564,822	$3,831,116	$5,395,938
2011-13	$1,565,033	$3,831,633	$5,396,666
2013-15	$778,257	$1,905,387	$2,683,644

The state portion of the debt service is recovered through monthly charges to state agencies based on full-time equivalent positions and per $1 million appropriated.

The higher education portion of the debt service is recovered through various funding sources, including student fees, internal reallocation, and reallocation of technology fees.

February 2004	The State Board of Higher Education approved a student fee of $63 per semester for the 2004-05 academic year for support of the ConnectND system, an increase of $27 from the $36 per semester fee for the 2003-04 academic year. The board also allocated the operations pool funding of $578,417 appropriated by the 2003 Legislative Assembly to support costs associated with the implementation of the ConnectND system.
July 2004	The financial, human resources, and student administration components of the ConnectND system are implemented at Dickinson State University, Lake Region State College, Bismarck State College, Williston State College, and the State College of Science. At that time 8 of the 12 North Dakota University System sites were "live" with the system considering that pilot sites had been "live" since April 2003. The remaining sites--North Dakota State University, University of North Dakota, Minot State University, and Minot State University - Bottineau--did not implement the system as originally scheduled due to the institutions' concerns with the features offered by the system's grants and contract module. The State Board of Higher Education allocated $250,000 of funding from the contingency and capital emergency funding appropriated by the 2003 Legislative Assembly for additional costs incurred due to the delay in implementing the system at four institutions.
September 2004	The State Board of Higher Education received Emergency Commission approval for funding of $150,000 from the state contingency fund for anticipated additional costs associated with the North Dakota University System's implementation of the ConnectND system. The funding was to be used to cover a portion of the additional costs resulting from the delay in the rollout of the system to the final four higher education institutions.
October 2004	The financial and human resource components of the ConnectND system were rolled out to all state agencies.
January 2005	North Dakota State University, University of North Dakota, Minot State University, and Minot State University - Bottineau went "live" with the financial and human resources components of the ConnectND system and continued to phase in the student administration component between the fall of 2004 and the summer of 2005.
April 2005	The North Dakota University System requested and received a $617,520 general fund deficiency appropriation for the 2003-05 biennium for additional costs associated with the implementation of the ConnectND system.
May 2005	The State Board of Higher Education approved a student fee of $81 per semester for the 2005-06 academic year for support of the ConnectND system, an increase of $18 from the $63 per semester fee for the 2004-05 academic year.
June 2005	The North Dakota University System returned the funding of $150,000 from the state contingency fund and the $617,520 general fund deficiency appropriation for the 2003-05 biennium due to an unanticipated carryover balance at the end of fiscal year 2005. The State Board of Higher Education allocated $44,000 of funding from the operations pool appropriated by the 2005 Legislative Assembly for support of the ConnectND system.
February 2006	The State Board of Higher Education allocated $1.5 million of the 2005-07 legislative appropriation for board initiatives of $1,885,000 for additional costs associated with the ConnectND system.
April 2006	The State Board of Higher Education approved a student fee of $81 per semester for the 2006-07 academic year for support of the ConnectND system, the same level as the 2005-06 academic year. The board also authorized the chancellor to hire a ConnectND project manager.
May 2006	The North Dakota University System announced the hiring of Mr. Randall A. Thursby as the interim chief information officer and Ms. Bonnie Neas as the interim deputy chief information officer and executive director for ConnectND.
June 2006	The State Board of Higher Education allocated up to $115,000 of funding from the contingency and capital emergency funding appropriated by the 2005 Legislative Assembly for renovating office space for ConnectND staff in the Skills and Technology Training Center in Fargo.

OTHER INFORMATION

The 1995 Legislative Assembly authorized the issuance of up to $4 million of self-liquidating, tax-exempt bonds for campus networking at the higher education institutions and the implementation of a student technology fee. As a result, the State Board of Higher Education issued bonds totaling $4 million and approved student technology fees at each of the higher education institutions. The bond proceeds were allocated to higher education institutions as follows:

Bismarck State College	$165,480
Williston State College	72,535
University of North Dakota	1,407,205
North Dakota State University	976,385
State College of Science	250,000
Dickinson State University	343,250
Mayville State University	163,900
Minot State University	300,000
Valley City State University	292,290
Minot State University - Bottineau	28,955
Total	$4,000,000

The use of income generated through the student technology fee is not limited to campus networking; however, the student technology fee income is the only source of funds to be used for the retirement of the bonds issued for campus networking. For the 2005-06 academic year, the student technology fee varies from $50 per semester at the University of North Dakota to $499 per semester at Valley City State University. The fee at Valley City State University includes a laptop computer. The final payment for the bonds issued for campus networking will be made in 2006. Beginning in fiscal year 2007, the State Board of Higher Education plans to reallocate $460,000 per year from the revenues previously used to cover the debt service to cover ongoing ConnectND system costs.

NORTH DAKOTA UNIVERSITY SYSTEM
FINAL 2006-07 TECHNOLOGY FEES , EXCLUDING CND FEE OF $81 PER SEMESTER

	Final 2006-07 ANNUAL FEE
Bismarck State College 1/	$120.12
Lake Region State College	$200.00
Williston State College 1/ (Approved 3-17-06)	$156.00
University of North Dakota	$100.00
North Dakota State University	$165.00
ND State College of Science 1/	$100.00
Dickinson State University	$144.00
Mayville State University (Notebook computer fee $854/Technology fee $96)	$950.00
Minot State University	$120.00
Valley City State University (Notebook computer fee $901.75/Technology fee $96)	$997.75
MiSU-Bottineau Campus	$144.00

1/ BSC, WSC & NDSCS charge per credit hour. However, BSC caps their technology fees at 13 credits/semester, and NDSCS caps theirs at 12 credits/semester. At WSC, 14, 15 & 16 cr hrs free (Same as tuition)

g:\laura\excel\tuition\technology fees 200607

HB1003
February 7, 2007
Handout 4B

Connect[redacted]oject
Budget vs Actuals Summary
Presented to the Legislative IT Committee on 10/11/2006
(Revenue added 1/19/2007) Covers Period thru June 2005

	Budget	HE	State	Cost	HE	State	Difference	HE	State
DIRECT COST (See Note 1)							(See Note 3)		
Peoplesoft Software	6,603,754.00	4,324,015.18	2,279,738.82	6,607,417.00	4,325,314.00	2,282,103.00	3,663.00	1,298.82	2,364.18
Implementation	16,611,760.00	6,805,745.35	9,806,014.65	16,611,760.00	6,805,745.35	9,806,014.65	-	-	-
Amendments	-	-	-	3,837,633.00	2,888,927.59	948,705.41	3,837,633.00	2,888,927.59	948,705.41
Equipment/Hosting	3,015,000.00	2,258,150.00	756,850.00	3,040,493.00	2,424,154.00	616,339.00	25,493.00	166,004.00	(140,511.00)
Bond Costs	1,177,032.00	1,177,032.00	-	1,175,549.00	1,175,549.00	-	(1,483.00)	(1,483.00)	-
Staffing/Training	7,699,112.00	5,966,705.00	1,732,407.00	7,830,175.83	6,621,390.82	1,208,785.01	131,063.83	654,685.82	(523,621.99)
Total Direct Cost	35,106,658.00	20,531,647.53	14,575,010.47	39,563,961.83	24,702,014.76	14,861,947.07	4,457,303.83	4,170,367.23	286,936.60
REALLOCATED COST (See Note 2)									
Staffing - Higher Ed	-	-	-	6,908,378.00	6,908,378.00		6,908,378.00	6,908,378.00	
Staffing - State	-	-	-	2,748,116.17		2,748,116.17	2,748,116.17		2,748,116.17
Total Reallocated Cost	-	-	-	9,656,494.17	6,908,378.00	2,748,116.17	9,656,494.17	6,908,378.00	2,748,116.17
TOTAL DIRECT + REALLOCATED COST	35,106,658.00	20,531,647.53	14,575,010.47	49,220,456.00	31,610,392.76	17,610,063.24	14,113,798.00	11,078,745.23	3,035,052.77

Revenue-Higher Ed Funds	
Reallocated HECN funds	1,183,000.00
Higher Ed Portion of Bond	11,595,850.00
Bond Costs	1,175,549.00
SBHE Initiative	578,417.00
SBHE Contingency Fund	250,000.00
Campus Allocation	767,718.00
NDSU Backfill Returned	35,000.00
Campus Reimb-Query Training	11,900.00
Student Fees	9,104,580.76
Total Direct Revenue	24,702,014.76
Reallocated NDUS/HECN Staffing	6,908,378.00
TOTAL DIRECT + REALLOCATED REVENUE	**31,610,392.76**

HB 1003
February 7, 2007
Handout 4C

NORTH DAKOTA UNIVERSITY SYSTEM
CONNECTND REVENUE, EXPENSES AND RESERVES
FISCAL YEAR 2006

REVENUE	
Campus assessment	326,200
Bank of ND	482,400
Board office (one-time allocation)	125,900
State Appropriation reallocation	3,315,200
Operating carryover (from 03-05)	701,200
Equipment reserve carryover (from 03-05)	536,500
Student Fee collections	6,254,700
	11,742,100
EXPENSES	
Salaries & wages	3,471,300
Operating expenses	2,604,300
Debt Service	1,827,100
	7,902,700
Carryover to FY07	3,839,400
Operating carryover	3,073,700
Equipment reserve carryover	765,700

(1)

North Dakota State Legislature
Senate Appropriations Committee

North Dakota University System
ConnectND Update
March 1, 2007

Mr. Chairman, members of the Senate Appropriations Committee. My name is Bonnie Neas. I'm on a one year's leave of absence from North Dakota State University (NDUS) serving as the Interim Executive Director of ConnectND for the North Dakota University System. As you recall, I was hired last May to identify solutions leading to improved CND performance to better serve our users and our students.

NDUS CND's vendor partners are Oracle/PeopleSoft, Microsoft and MSI (third party reseller of the IBM equipment used to support CND). These vendors spent about four months (mid-August to mid-December) in an extensive review of our Student Administration (SA) system – including reviews of our technical platforms, user applications, security, and policies and procedures impacting CND use. In addition, Randall Thursby and I have visited each NDUS campus listening to CND users about their issues in using the system, we have contacted colleagues around the country who use Oracle/PeopleSoft systems and we have listened to our students.

The last time I stood before you, I reported that recommendations would be forthcoming on suggested improvements to the NDUS's CND system. Based on the activities listed above, 10 recommendations were developed. They address improvements we believe are fundamental to stabilizing operations – both from the services delivery side and the user side. There are no frills or excesses. We believe these fundamental enhancements include solutions that should have been originally included as part of a successful implementation.

In January, the recommendations were presented to our CND Advisory Committees and our State Board of Higher Education. All groups unanimously supported our recommendations contingent upon adequate funding support. The ten recommendations are:

1. Increase investment in human resources (CND staff) by 11.5 fte. Timeframe: 2007-2008. This is CND's top priority, for without additional staff, the work will be accomplished by consultants. Some initiatives will be delayed until adequate funding levels are achieved to acquire support of consultants. Estimated cost: $825,000 – including salaries and operating.

2) Upgrade the CND Finance system. This upgrade includes Grants and Contracts. The Finance upgrade is to be completed by the end of this calendar year as Oracle

has announced it will be dropping its support of the currently installed version the end of March 2007. Estimated cost: $800,000 for consultants.

Upgrade Effort Reporting, a complementary program of Grants and Contracts. Its need is driven by federal requirements and was recently added to this recommendation based on questions and comments from this legislative body as well as our own community. This program was not a PeopleSoft deliverable. It was developed by the CND implementation company, Maximus, with significant problems resulting. Some improvements have been made with the part-time work of a new programmer/analyst. However, shadow systems have been added to deal with the shortcomings of the current system, which is not a viable or effective long-term solution. Also, the NDUS runs a risk of providing inadequate reports to granting agencies and the resulting possible loss of grant funds. Estimated cost: $1M for software and consultants.

3. Upgrade the Student Administration (SA) Data Center technical platforms. Replace and add hardware and software solutions to increase system stability and service functionality. Replace and enhance the Storage Area Network (SANs (disc storage)). Continue to utilize Microsoft Windows Server operating system on all servers (~70). Timeframe: to be completed by August 2007. Estimated cost: $2M for hardware, software and training.

4. Upgrade the SA applications. This needs to be done to meet federal regulations (i.e., Financial Aid) and since Oracle announced it will be dropping its support of the current version in June 2008. Timeframe: to be completed by Fall 2008. Estimated cost: $1.1M for consultants.

5. Perform a security risk assessment to reduce liability. The SA system includes sensitive data, such as that regulated by FERPA (i.e. student privacy). It is imperative that our students, parents and all users trust the system and are confident that it is secure. This assessment will review CND security practices to insure proper procedures are in place. Timeframe: to be completed this calendar year. Estimated cost: up to $250,000 for consultants.

6. Develop a comprehensive SA Data Center Disaster Recovery Plan. Even though the SA Data Center backs up CND data daily, this process will assure that the Center is prepared to fail over to a system located at another site – planned to be the State CND Data Center in Bismarck – in case of a natural or man-made disaster. Timeframe: completed by June 2008. Estimated cost: up to $400,000 for hardware, software and consultants.

7. Utilize a consistent tool set for optimal manageability and stabilizing the CND SA applications. This includes providing CND staff with a consistent set of tools to

support the system, the consultants to assist with implementation and the training needed to utilize the new tools. Timeframe: 2007-2008. Estimated cost: up to $2.6M for hardware, software, staff training and consultants.

8. Implement a Data Warehouse solution. This is an application that will provide CND reports for users at all levels: students, staff, administration, state leaders, legislators and federal agencies. As an example, it will become even more important as federal reporting requirements of student success seem to persist and grow. Timeframe: to be completed by 2009. Estimated cost: up to $1M for software, training and consultants.

9. Implement a Customer Relationship Management (CRM) solution to support recruiting and communication efforts with potential students. Once they have matriculated, it supports continued communication with them – through to their alumni status and beyond. Timeframe: 2007-2008. Estimated cost: $500,000 for software, training and consultants.

10. Implement Oracle's User Productivity Kit (UPK) solution. This application is most useful to support the development of documentation during upgrades – which takes place about every 3 years. The current system lacks proper documentation for many procedures, with the exception of the HRMS system which was recently upgraded. An indirect benefit is that it also lessens the need for training. Timeframe: 2007-2008. Estimated cost: $225,000 for training and consultants.

These recommendations total about $10.5M. The costs above are what I call "retail" costs. Until we bid these services and receive official responses, this is our best estimates based on what we have received from vendors at this time.

Following are 3 other documents. (1) brief descriptions of the 11.5 new positions, (2) the ten recommendations in a spreadsheet format over five (5) fiscal years, and (3) a matrix showing what the Executive Budget and five additional funding models do to our budget and cash flow over the next two biennia.

Thank you for your attention.

CONNECT ND

Recommendations to Improve ConnectND

North Dakota University System
March 1, 2007

Bonnie Neas
Interim Deputy CIO & CND Executive Director

Randall Thursby
Interim CIO

CONNECT ND

- Recommendation #1:
  - Increase investment in human resources
    - 11.5 fte
    - Timeframe: 2007-2008
    - Estimated Cost: $825,000 (salaries & operating)

CONNECT ND

- Recommendation #2:
  - Upgrade the Finance system including Grants and Contracts (G&C)
    - Timeframe: FY08
    - Estimated Cost: $800,000
  - Upgrade Effort Reporting (G&C complement)
    - Timeframe: FY08
    - Estimated Cost: $1M

CONNECT ND

- Recommendation #3:
  - Upgrade the Student Administration (SA) Data Center technical platforms
    - Hardware & software: replace all existing SA platforms and add to them to increase service functionality. Replace and enhance the Storage Area Networks (SANs (disc storage)). Utilize Microsoft Windows Server operating system on all servers (~70).
    - Timeframe: To be completed by August 2007
    - Estimated Cost: $2M

CONNECT ND

- Recommendation #4:
  - Upgrade the SA applications
    - Timeframe: completed by August 2008
    - Estimated Cost: $1.1M

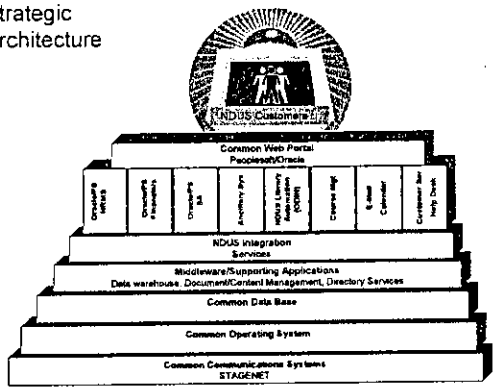
CONNECT ND

- Recommendation #5:
  - Perform SA Security Risk Assessment to reduce liability.
    - Timeframe: To be completed by July 2007
    - Estimated Cost: $250,000

CONNECT ND

- Recommendation #6:
  - Develop a comprehensive SA Data Center Disaster Recovery Plan
    - Plan development
    - Technical installation
    - Timeframe: Completed by June 2008
    - Estimated Cost: $400,000

Strategic Architecture



CONNECT ND

- Recommendation #7:
  - Utilize a consistent tool set for optimal manageability and stability to the system
    - Timeframe: 2007-2008
    - Estimated Cost: $2.6M

CONNECT ND

- Recommendation #8:
  - Implement a NDUS Data Warehouse solution
    - Project planning and initial implementation
    - Timeframe: 2007-2009
      - Planning – 2007-2008
      - Implementation – 2008-2009
    - Estimated Cost: $1,000,000

CONNECT ND

- Recommendation #9:
  - Implement Customer Relationship Management (CRM) solution for recruiting
    - Timeframe: 2007-2009
    - Estimated cost: $500,000

CONNECT ND

- Recommendation #10:
  - Implement Oracle's User Productivity Kit (UPK) solution. Addresses the needs of application documentation and some training
    - For Finance and SA upgrades
    - Timeframe: 2007-2008
    - Estimated Cost: $225,000

CONNECTND BUDGET OPTIONS
2007-09

2/28/2007

Note: Not included in these options is the migration to Oracle Fusion which is estimated at $3M-$5M for the upgrade, consulting, training and additional tools. This project will need to start no later than FY 11 and be completed by FY12.

	IMPACT			
	Base Budget	**Cash Flow**	**Equipment Replacement & Contingency Reserve**	**Tech Fee Transfer**
Executive Recommendation: $3.7 million one-time funding	Deficit of $192,000 in FY08, growing to $1.5M deficit in FY11. Cannot commit to projects w/ongoing costs.	Cashflow shortage in FY08 of $1.3M (base and projects). Cumulative cashflow short of $4.2M thru FY11.	Minimal reserve of $500,000 at the end of each FY.	Re-assessed to the campuses beginning in FY10
Option A: Shift $3.7M Exec Recom to base funding	Fully funded through FY 11	Cashflow shortage of $2.7M in FY 08. Cumulative cashflow shortage of $1.2M thru FY11.	Minimal reserve of $500,000 at the end of each FY.	Eliminated
Option B: Shift $2.4M of Exec Recom to base funding (total $2.4M base, $1.28M one-time)	Deficit in FY 11 of $661,000. Cannot commit to projects w/ ongoing costs.	Cashflow shortage of $2.1M in FY08. Cumulative cashflow shortage of $2.6M thru FY11.	Minimal reserve of $500,000 at the end of each FY.	Eliminated
Option C: Add $3.3M one-time funding to Exec Recom (total $7M one-time)	Deficit of $192,000 in FY08, growing to deficit of $1.5M by FY11	Cashflow shortage of $1M in FY 11.	Minimal reserve of $500,000 at the end of each FY.	Re-assessed to the campuses beginning in FY10
Option D: Shift $2.2M of Exec Recom to base funding, add $1.8M to one-time (total $2.2M base, $3.3M one-time)	Deficit in FY 11 of $719,000. Cannot commit to projects w/ ongoing costs	Cashflow shortage of $148,000 in FY08. Cumulative cashflow shortage of $876,000 thru FY11.	Minimal reserve of $500,000 at the end of each FY.	Eliminated
Option E: Shift $920,000 of Exec Recom to base funding, add $9.7M one-time funding to Exec Recom to provide $1M for G&C solution and pay off entire CND debt of $11.5M (total $920,000 base, $12.48M one-time).	Fully funded through FY 11	Base and project fully cashflowed, thru FY 11.	Minimal reserve of $500,000 at the end of each FY and an additional $1.6M in reserve at the end of FY 11 which could be used toward migration to Oracle Fusion.	Eliminated

Assumptions

Stabilize Student Fee at current rate	$81/semester
Annual Salary Increase	4%
Annual Services Increase	10%
Annual Inflationary Increase	2%

ConnectND Projected Project Budget

	FY07 Projection	FY08 Projection	FY09 Projection	FY10 Projection	FY11 Projection
Projects					
☒ ***Recommendation 1 (11.5 FTE)***					
One-Time		$ 57,500			
Continuting Costs		$ 797,700	$ 827,794	$ 859,055	$ 891,530
☒ ***Recommendation 2 (Finance Upgrade)***					
One-Time	$ 200,000	$ 1,400,000			
Continuting Costs					
☒ ***Recommendation 3 (Student Admin (SA) Data Center Tech Upgrade)***					
One-Time	$ 1,700,000	$ -			
Continuting Costs					$ 425,000
☒ ***Recommendation 4 (SA Upgrade from 8.0 to 9.0)***					
One-Time	$ 150,000	$ 1,180,000			
Continuting Costs					
☒ ***Recommendation 5 (SA Security Risk Assessment)***					
One-Time	$ 150,000	$ 100,000			
Continuting Costs					
☒ ***Recommendation 6 (SA Data Center Disaster Recovery Planning)***					
One-Time	$ 100,000	$ 250,000			
Continuting Costs					$ 65,000
☒ ***Recommendation 7 (Consistent Tool Set for manageability)***					
One-Time	$ 913,300	$ 1,526,600			
Continuting Costs	$ 198,000	$ 604,158	$ 622,283	$ 640,951	$ 660,180
☒ ***Recommendation 8 (NDUS Data Warehouse)***					
One-Time	$ 89,115	$ 364,115	$ 194,115		
Continuting Costs	$ 9,620	$ 60,580	$ 132,397	$ 64,269	$ 66,198
☒ ***Recommendation 9 (SA Application - Admissions CRM)***					
One-Time	$ 149,523	$ 339,996			
Continuting Costs	$ 24,468	$ 101,714	$ 104,765	$ 107,908	$ 111,145
☒ ***Recommendation 10 (Training/Documentation - UPK)***					
One-Time	$ 74,975	$ 149,950			
Continuting Costs	$ 12,371	$ 50,968	$ 52,497	$ 54,072	$ 55,694
One-Time	$ 3,526,913	$ 5,368,161	$ 194,115	$ -	$ -
Continuing Costs	$ 244,459	$ 1,615,120	$ 1,739,736	$ 1,726,255	$ 2,274,747
Total Project Expense	$ 3,771,372	$ 6,983,281	$ 1,933,851	$ 1,726,255	$ 2,274,747

Handout 5

NORTH DAKOTA UNIVERSITY SYSTEM
Northern Tier Network
Prepared at the Request of the House Appropriations Committee
January 23, 2007

ONE-TME FUNDING		
Est. One-time Equipment/Fiber/Installation cost		$5,585,800
Funding Sources:		
Department of Defense Grant 1/	$2,812,000	
One-time funding in 07-09 Exec, Budget	$1,000,000	$3,812,000
Balance of **one-time** funding needed from state in 07-09 to complete east/west and north/south links		**$1,773,800**
BASE FUNDING		
2007-09 maintenance costs, fully operational during a portion of the second year of the biennium 2/		$400,000
Funding Sources:		
Base funding included in 07-09 Exec. Budget		$0
Balance of **base** funding needed from state in 07-09		**$400,000**

1/ Department of Defense grant was $3.25 million, with an expected net amount available for the project of $2.8 million.

2/ In the 09-11 biennium, maintenance fees are expected to be $2.0 million per biennuim, which will require an additional $1.6 million in increased base funding in 09-11 to continue support of the project.

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HB 1003 January 12, 2007 Handout 1e

North Dakota State Legislature
House Appropriations Committees

North Dakota University System
Northern Tier Network
January 12, 2007

Mr. Chairman, members of the House Appropriation Committees. My name is Bonnie Neas. I'm on a one year's leave of absence from North Dakota State University serving as the Interim Executive Director of ConnectND for the North Dakota University System. Thank you for giving me this opportunity to present a brief update of the current status of the Northern Tier Network project.

The Northern Tier Network Consortium ("NTNC") was founded in 2003 and is comprised of 21 members from nine states between Chicago and Seattle. Members include fourteen colleges and universities and seven non-academic, research-oriented (example – US Department of Energy's Pacific Northwest National Lab, Richmond, WA, and the USGS's EROS Data Center, Sioux Falls, SD) and state-operated IT organizations; such as ND's ITD. The purpose of this Consortium is to expand the broadband networking opportunities (via optical fiber) available to the region to support advanced Research, Education and technology-based Economic Development (R&D).

NTNC States:

Wisconsin	North Dakota**	Montana*
Minnesota	South Dakota*	Idaho*
Iowa	Nebraska	Washington

* States awarded a National Science Foundation (NSF) planning grant of $200,000 in 2005 to develop a Northern Tier Network engineering plan for their respective states. That plan was completed this past November.

** Lead on the NSF grant (Bonnie Neas, Principal Investigator).

North Dakota's member participants are from NDSU, UND, ND's ITD and Turtle Mountain CC.

The 2003 map attached.

"It's never been good to be off the map!"" (Brian Walters, Greater FM Economic Development Corporation.

The 2007 map attached.

Who can use?

All research and education institutions and their private sector or government sector partners. It the case of NDSU and UND, it could include a start-up company located in their research and technology parks or it could include any private sector company that is a partner of the university for the purposes of researching and/or developing new products and/or services.

Status of surrounding States:

South Dakota. See attached Press Release of January 10, 2007.

Montana. Will receive nearly $4M in one-time funding to install Montana's piece of the Northern Tier Network from the Idaho border to the North Dakota border along I94.

Budget.

Consultant estimated for North Dakota, the project would cost about $5M to implement and about $900,000 in annual recurring costs. $3.25M award from Department of Defense.

Department of Defense Award (~$3M):

North/South Link (Grand Forks to Fargo):		$ 699,500
West/East Link (Fargo to Minneapolis):		$2,112,500
	Total:	$2,812,000

North Dakota costs:

One-time cost:	
West/East Link (Beach (Montana border to Fargo):	$1,347,500
North/South Link (Canadian Border to Grand Forks):	$ 676,600
Sub-Total:	$2,024,100
Fargo – South Dakota Border	$ 749,700
Total ND One-time costs:	$2,749,700

Annual recurring cost for all of the above:	$ 931,860
Annual recurring cost for the Fargo-SD Border link:	$ 171,740
Total Recurring costs:	$1,103,600

The ND Executive budget includes $1M one-time costs – for which we are thankful. However, based on the consultant's findings, as the figures portray above, we will be short funding and will be unable to install the Montana border to Fargo link, the Canadian border

to Grand Forks link and the Fargo to South Dakota link. This leaves North Dakota as the "void" across the Northern Tier region.

One of the emerging objectives of finishing the network across the state (N/S, W/E) is to provide network redundancy to other entities across our State and region. This suits our mission well of providing alternate routes for new business partners and start-ups.

Thank you.

HB1003
January 12, 2007
Handout # 1F

INFORMATION TECHNOLOGY COUNCIL OF NORTH DAKOTA

PO Box 2599 • Bismarck, ND 58502
U.S. Toll Free 1-877-311-1648 • (701) 355-4458 • (701) 223-4645 (Fax)
office@itcnd.org • www.itcnd.org

Testimony of Mike Eggl
Sr. V.P. External Relations and Communications
Basin Electric Power Cooperative
HB 1003
January 12, 2007

Mr. Chairman and members of the Education and Environment Division of the House Appropriations Committee:

My name is Mike Eggl, and I am Senior Vice President of External Relations and Communications for Basin Electric Power Cooperative in Bismarck. I am here to testify in support of HB 1003 on behalf of the Information Technology Council of North Dakota (ITCND), of which I am the vice president.

ITCND was formed in 2000 by North Dakota business, government and education leaders who recognized the need to strengthen the state's information technology infrastructure and position the state as a national leader in information technology. ITCND has grown to nearly 100 members that believe in growing a stronger North Dakota through information technology excellence and development. We thank you for your leadership and support in the past. This support has made North Dakota a leader in creating the infrastructure necessary for the creation of technology-based businesses throughout the state.

ITCND strongly encourages you to support HB 1003. One of ITCND's goals is talent development; and the support of higher education is a major factor in achieving that goal. By supporting education and the expansion of the university system, we hope to also see the expansion of educational opportunities that create a pool of talented IT professionals for our state.

The Northern Tier Network, which would support research universities that are a driving force in workforce development, is one particular program in which we see great value.

We support the Northern Tier Network based on the expertise and training opportunities it will make available to North Dakota students. From an industry perspective, the Northern Tier Network will bolster the state's educational and research posture. It will make our students more knowledgeable, which equates to more knowledgeable workers. Advanced networking capabilities allow for a level of collaboration beyond what is possible now.

We support the Northern Tier Network because it will allow North Dakota's higher education institutions to become more competitive and raise the bar on what is possible from a research and development perspective. The Northern Tier Network will provide valuable returns for North Dakota by enabling the region to be competitive for research funding and business collaborations which will, in turn, fuel technology development and deployment, resulting in economic development. We appreciate your support in the past and encourage your continued support of higher education by supporting HB 1003. Thank you.

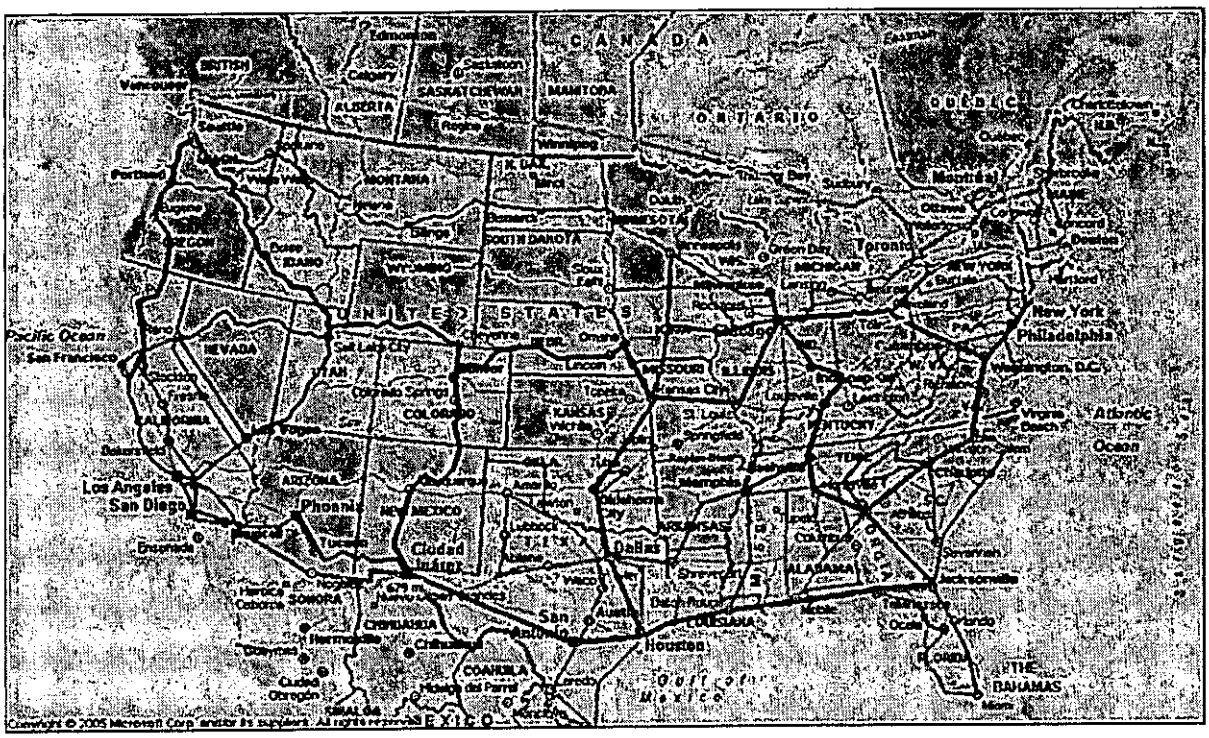
YOUR FUTURE IS HERE. South Dakota Board of Regents
Public Universities & Special Schools

Issue Briefs

Issue No. 1 January 10, 2007

Synopsis: High-speed broadband access is critical to link South Dakota researchers to the national grid of research networks. The Great Plains Education Foundation has pledged $8 million to cover one-time costs of connecting South Dakota into a national high-speed communications network (sometimes referred to as Internet-3). The state would agree to pay an estimated $1.7 million annually for continuing operation and maintenance of the system. South Dakota needs access to this high-speed network to connect university researchers, research laboratories such as the Homestake Deep Underground Lab project, and federal research centers.

A national high-speed broadband communications network crisscrosses the nation, but currently bypasses South Dakota and several states in the Upper Midwest region. The closest hubs to access the network are located at Chicago, Kansas City, and Denver. Tapping into this network is critical in order to connect South Dakota researchers to the national grid of research networks. In today's world, our researchers must be able to quickly download enormous amounts of data, so they can access and share these data sets with other researchers and government agencies.



This map shows the national 10-gps dedicated research network. On this map, the black lines indicate the national network. The other colored lines are regional networks that connect to the national backbone.

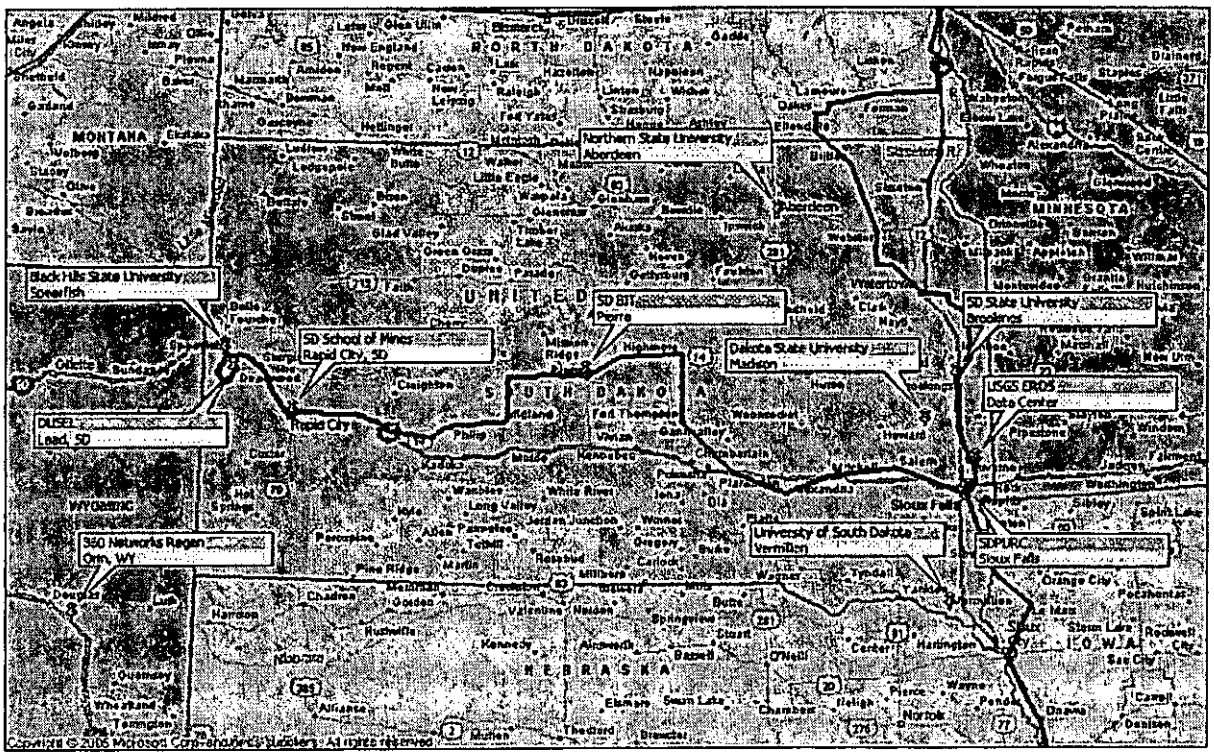
For more information, contact Janelle Toman at (605) 773-3455 or send e-mail to janellet@sdbor.edu.

As the Homestake Deep Underground Science and Engineering Laboratory project comes on line, researchers will expect South Dakota to have the high-speed communications infrastructure in place to support their efforts. This is a project of the highest priority to ensure the success of Homestake and other research efforts under way at our public universities.

The next step is to prepare a "request for information (RFI)" to better define the exact costs for acquiring the dedicated research network, to develop plans from the public university campuses for interfacing with the broadband network, and to expand competitive grant activity that will use the network.

Why is it so important that South Dakota be a part of this high-speed communications network?

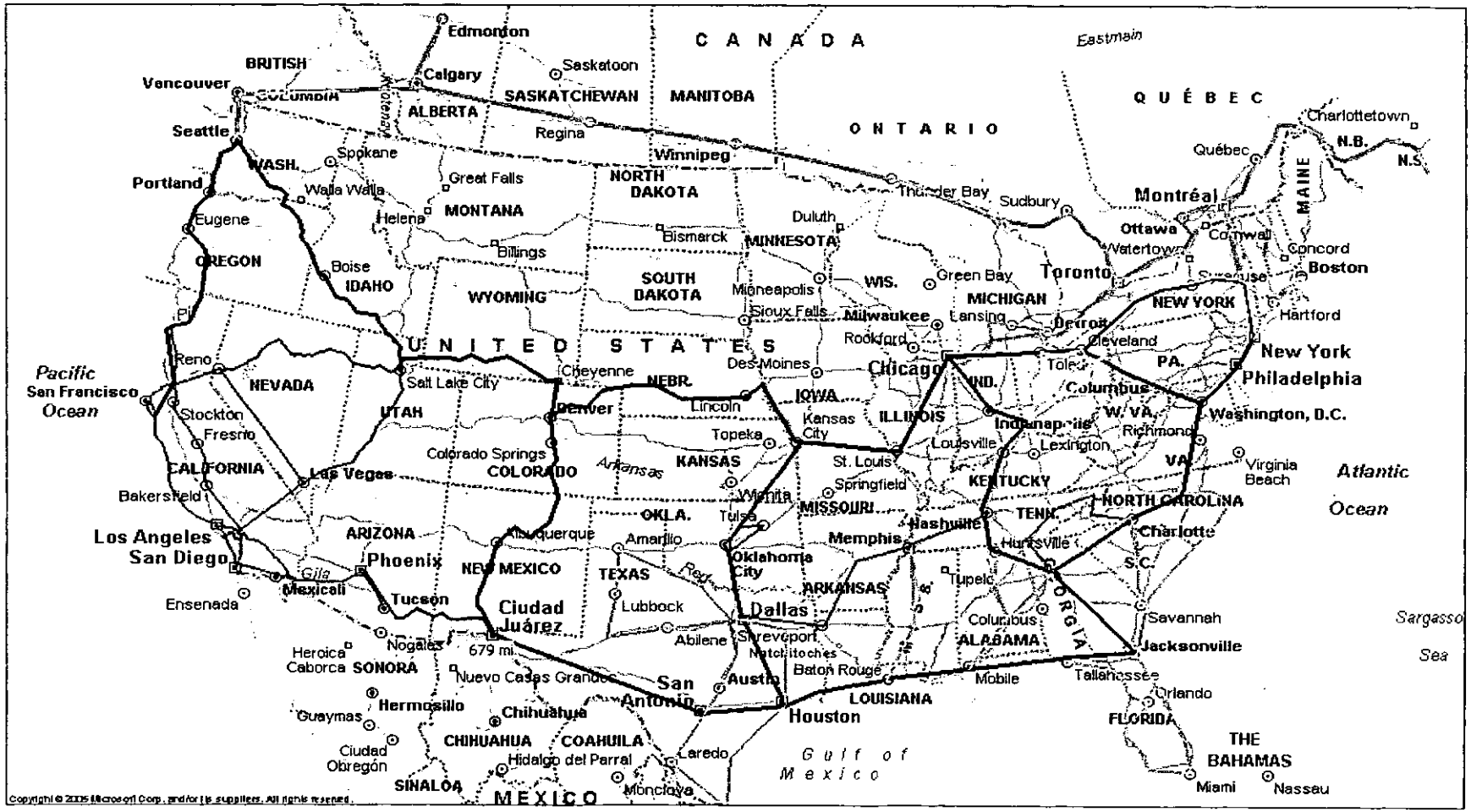
1. In recent years, South Dakota has concentrated on building its research infrastructure to offer new educational and economic development opportunities. **A strong research infrastructure demands access to a high-speed broadband communications network** (10 gigabytes per second transmission capacity) so that South Dakota researchers are directly connected to researchers throughout the nation and the world.
2. Access to the high-speed network will **support research activity at the Homestake Deep Underground Science and Engineering Laboratory**. It will permit researchers at Homestake to transmit data to and from the site at the speeds they have come to expect within the current research environment.
3. As more federal agencies, such as the National Science Foundation, demand collaboration in their grant activities among researchers at multiple sites, South Dakota must have access to a national high-speed broadband research network. This makes our **researchers competitive in a national and international market**, and it's the only way South Dakota can **attract more top-notch research faculty and graduate students**. This is the kind of infrastructure that contributes to economic development by enhancing the research sector within South Dakota's economy.
4. The rest of the country and much of the world are already connected to the high-speed research grid now missing in South Dakota. In fact, South Dakota might be viewed today as a **digital desert in the High Plains**.



On this map, the red line indicates the proposed dedicated research network that will connect South Dakota to the national network.

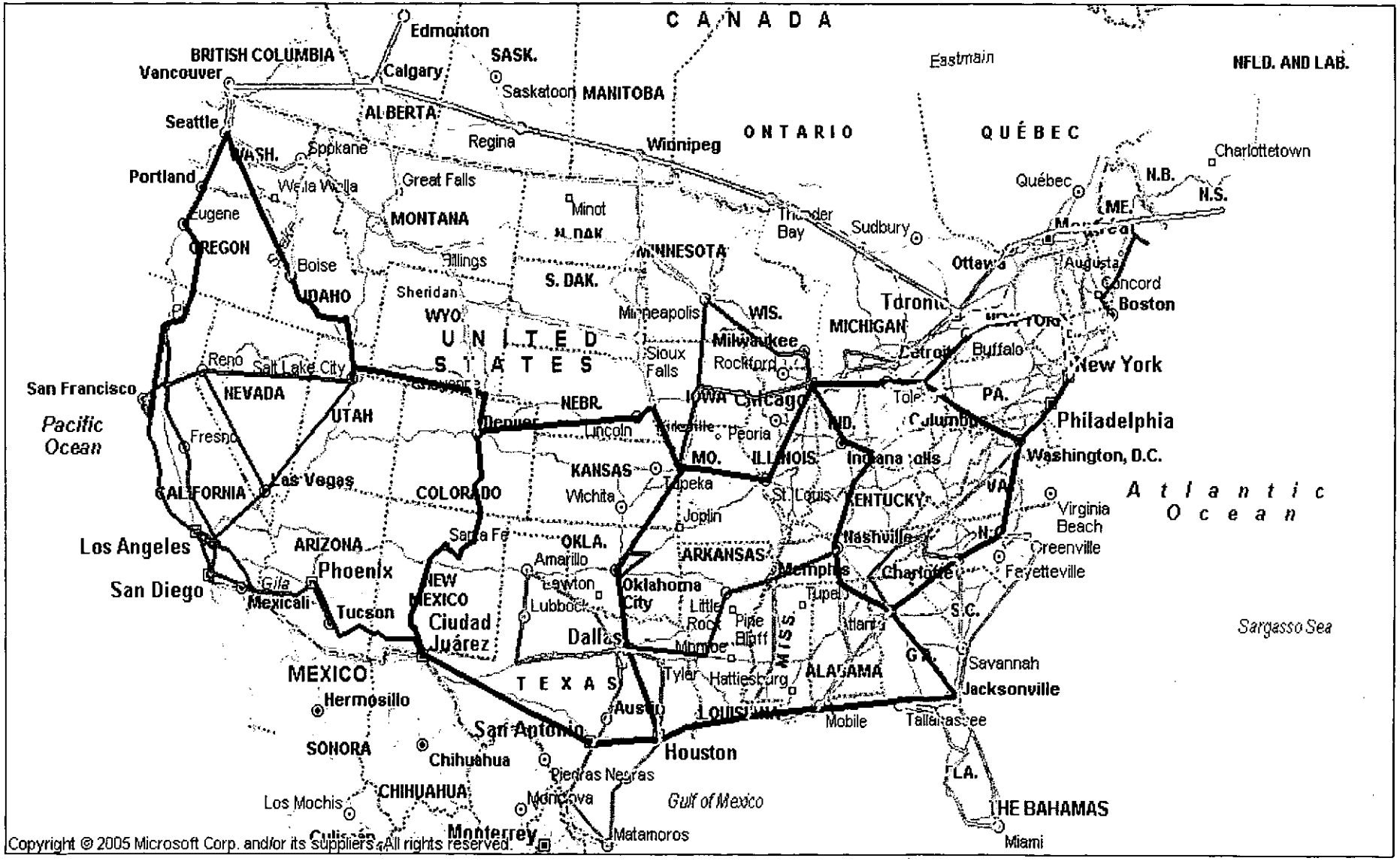
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National and Regional R&D Optical Networks – 2003



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Proposed Northern Tier Network – Today



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Northern Tier Network

Presentation to the Senate Appropriations Committee March 1, 2007

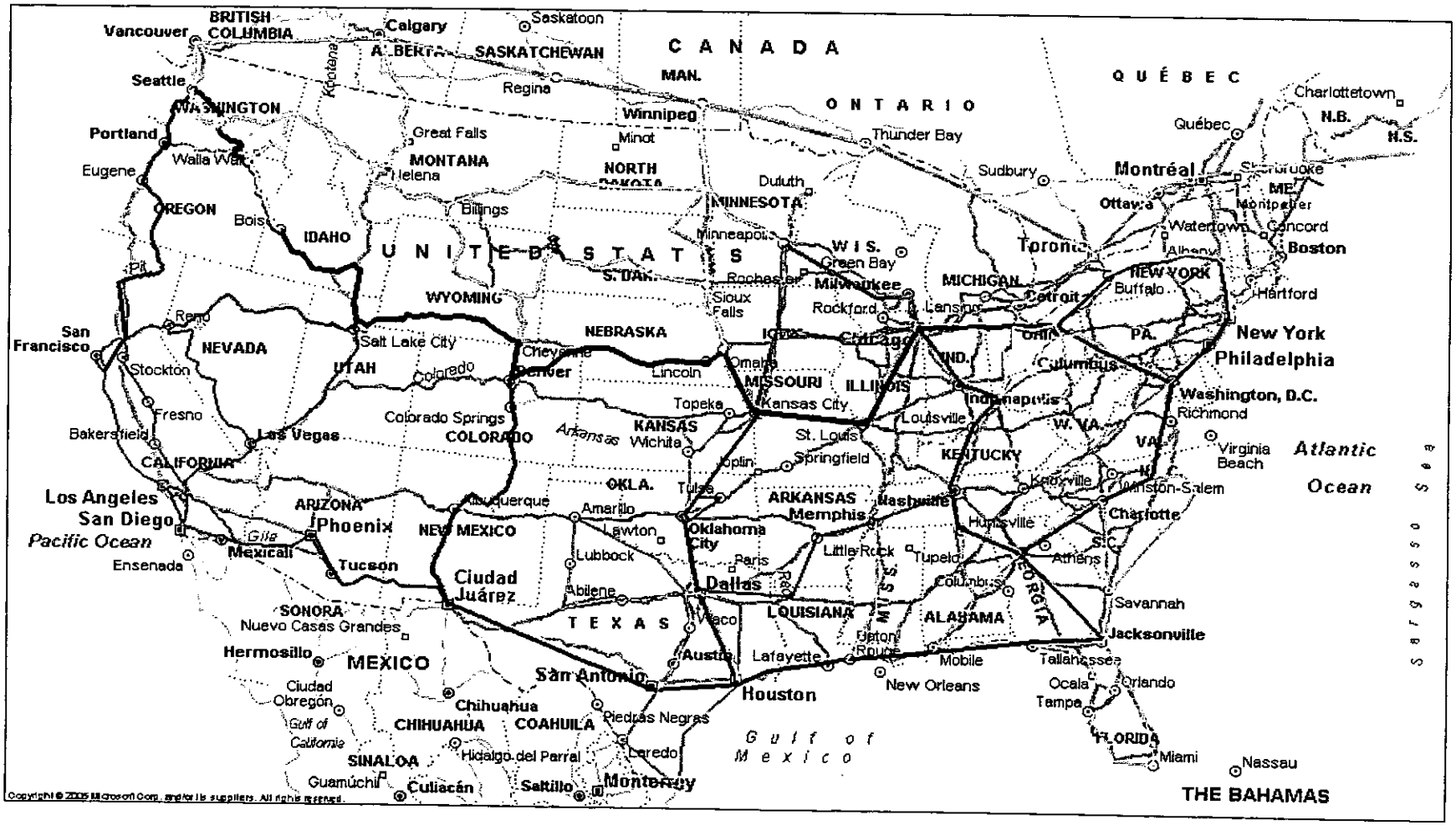
Bonnie Neas

North Dakota University System

Nationwide R&E Backbone Map
and
Regional Optical Networks – 2003-2006

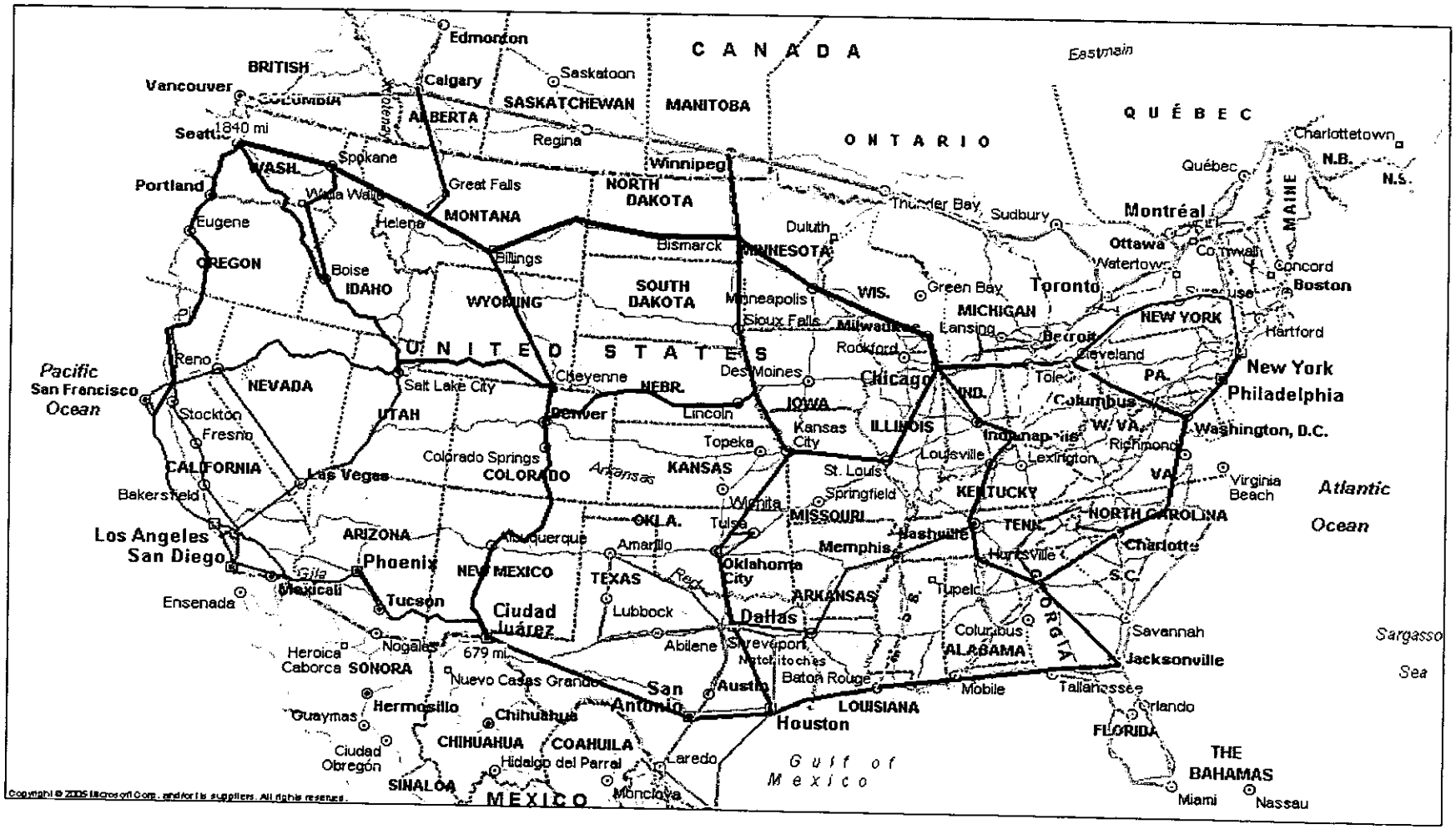


National R&E Backbone
and
Proposed Northern Tier Network - 2007



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National R&E Backbone
With
Northern Tier Network Expansion – 2007-2009



NORTH DAKOTA UNIVERSITY SYSTEM
Engrossed HB 1003 - Northern Tier Network

ONE-TME FUNDING		
Est. One-time Equipment/Fiber/Installation cost		$5,585,800
Funding Sources:		
Department of Defense Grant 1/	$2,812,000	
One-time funding in 07-09 Exec, Budget	$1,000,000	
One-time funding added by House	$1,400,000	$5,212,000
Balance of **one-time** funding needed from state in 07-09 to complete east/west and north/south links		**$373,800**
BASE FUNDING		
2007-09 maintenance costs, fully operational during a portion of the second year of the biennium 2/		$400,000
Funding Sources:		
Base funding included in 07-09 Exec. Budget		$0
Balance of **base** funding needed from state in 07-09		**$400,000**

1/ Depart. of Defense grant was $3.25 million, with an expected net amount available for the project of $2.8 million.

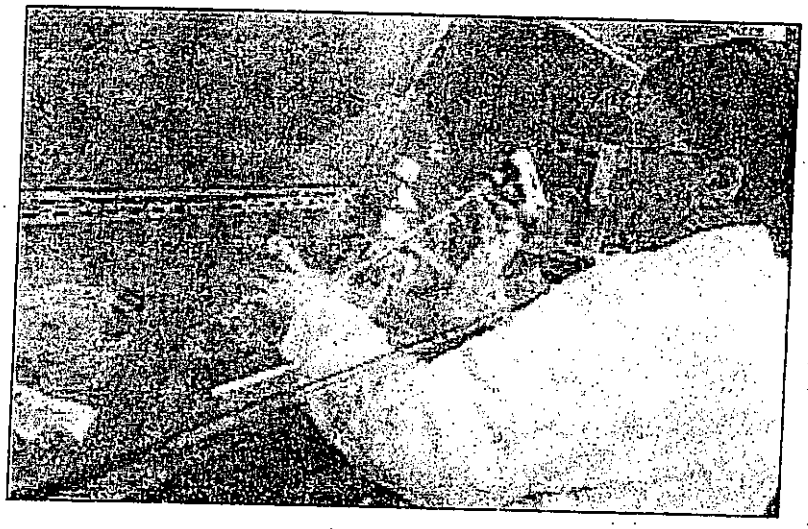
2/ In the 09-11 biennium, maintenance fees are expected to be $2.0 million per biennuim, which will require an additional $1.6 million in increased base funding in 09-11 to continue support of the project.

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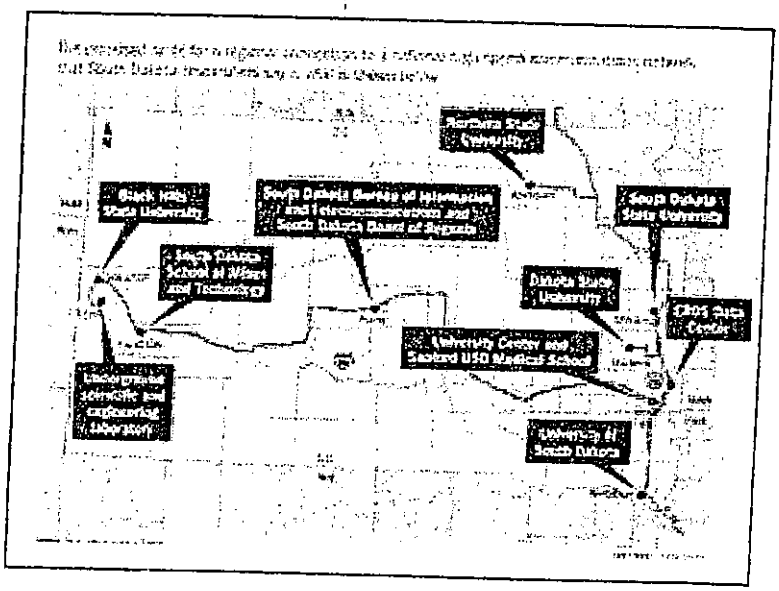
From the Sioux Falls Argus Leader
February 26, 2007

BROOKINGS - A high-speed network some call Internet 3 now bypasses South Dakota cities, but some researchers say hooking into the system is vital for the state's future.

By Melanie Brandert
mbrander@argusleader.com



Research technician Collette Stacey-Oda checks the viability of and feeds cultured cell lines in the immunophysiology research lab in the South Dakota State University veterinary science building.



South Dakota's proposed route for a regional connection to a national high speed communications network that researchers say is vital.

Money and geography are among the reasons South Dakotans don't have access to the network. But the state stands to lose millions of dollars in research funding - and face challenges recruiting scientists and others to the region - if the network doesn't tie in to universities and research centers here, experts say.

Alan Young, an associate professor of veterinary science and a member of the Center for Infectious Disease Research and Vaccinology at South Dakota State University, has witnessed the Internet's expanding uses the past 10 to 15 years. His use has grown from sending short e-mails to conducting video chat conferencing with research collaborators in Germany, the East Coast and the Midwest. Rather than kilobytes, he sends megabytes to gigabytes of data. Or he tries to - in vain.

"As it stands now, there is clearly a limitation on our ability to carry on with these technologies simply because of the limitation in speed," Young said. "There's been times when I've tried to do video chat conferencing or I try to send data files back and forth. It simply can't handle (that) because of the limitations we have on the current network within the state."

South Dakota has been left in a digital desert of sorts, bypassed by a national network with 14 regional connections across the country and Canada. The closest hubs are at Chicago, Kansas City and Denver. Regional cities that have potential connection points are Omaha, Fargo, Des Moines, the Twin Cities or Cheyenne, Wyo.

Regional connection

For the past two years, state and university officials have been working on how to establish a regional connection in South Dakota and talking with neighboring states.
But while discussions have occurred here, other Midwestern states have moved much faster to establish their own links to the national network, with their legislatures appropriating funds.

"North Dakota got a federal earmark to do their link and are adding to that," said Monte Kramer, Regents vice president for administrative services.

Now the Great Plains Education Foundation in South Dakota has pledged $8 million - at the request of the Board of Regents - to cover the one-time cost of connecting the state into this national network, known to some university officials as Internet 3. In return, the state must agree to pay an estimated $1.7 million annually to operate and maintain the system.

Gov. Mike Rounds wanted the network for the potential underground research lab at Homestake mine, and the state needs it for pressing technology and research needs, said V: Stoia of Aberdeen, Great Plains Education Foundation president.

"We saw this as an opportunity to assist higher education institutions in research interests they have emerging," Stoia said. "Who wouldn't like to have that high-speed technology? It's a great thing."

Route chosen

A route has been etched out heading north from Omaha through Sioux City and zig-zagging to the University of South Dakota in Vermillion; University Center (formerly USDSU) in Sioux Falls; Sanford USD Medical Center in Sioux Falls; EROS Data Center near Brandon; Dakota State University in Madison; SDSU and Northern State University in Aberdeen before reaching Fargo.

From Sioux Falls, the path heads west along Interstate 90, then north to the state Bureau of Information and Telecommunications and Board of Regents office and southwest toward the state School of Mines and Technology in Rapid City, the proposed Deep Underground Scientific and Engineering Laboratory in Lead and Black Hills State University in Spearfish.

Michael Adelaine, SDSU vice president of information technology, said a national high-speed communications network was established in 1996. South Dakota established Internet 2 capability with 5 megabits a second in September 1999, but that is now insufficient. SDSU's Geographic Information System Center for Excellence, a collaboration with EROS, requires speed of at least 10 gigabits a second to analyze large data from satellites for a project in Africa and to send data to two African countries, he said.

South Dakota became part of the Northern Tier National Consortium with North Dakota, Minnesota and Montana this decade to pursue creating a regional fiber-optic network that connects to the national one, Adelaine said. The consortium focuses on developing network capabilities for educational, research and economic development vitality.

The new, unnamed research network would have the capacity of 1 terabyte, or 1,000 gigabytes, of information, Adelaine said. And South Dakota wants to be able to access one of two networks out there, he said.

Just too slow

Kevin Kephart, SDSU vice president of research and graduate school dean, echoed Young's Internet speed angst. As any university becomes more sophisticated in research, he said it deals with larger data, such as geographic information system satellite images or gene sequences.

"We have had instances where data exchanges or downloads can take hours or days," he said. "We need to have access ... to be able to take a role in the scientific community - not only as it's developed locally, but nationally and internationally as well."

Public testimony 3-1-07

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March 1, 2007

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We appreciate your support in the past and encourage your continued support of higher education by supporting HB 1003.

Thank you.

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CHAPTER 54-59
INFORMATION TECHNOLOGY DEPARTMENT

54-59-01. Definitions. As used in this chapter:
1. "Agency" or "entity" does not include any agricultural commodity promotion group or any occupational or professional board.
2. "Department" means the information technology department.
3. "Information technology" means the use of hardware, software, services, and supporting infrastructure to manage and deliver information using voice, data, and video.
4. "Network services" means the equipment, software, and services necessary to transmit voice, data, or video.

54-59-02. Information technology department - Responsibility - Public policy. The information technology department is established with the responsibility for all wide area network services planning, selection, and implementation for all state agencies, including institutions under the control of the board of higher education, counties, cities, and school districts in this state. With respect to a county, city, or school district, wide area network services are those services necessary to transmit voice, data, or video outside the county, city, or school district. In exercising its powers and duties, the department is responsible for computer support services, host software development, statewide communications services, standards for providing information to other state agencies and the public through the internet, technology planning, process redesign, and quality assurance. The department may not exercise its powers and duties in a manner that competes or otherwise interferes with the provision of telecommunications service to a private, charitable, or nonprofit entity by a privately or cooperatively owned telecommunications company.

Robert Haskins

NDSA President

bobhaskins@mail.und.edu

We are living in a time that the wallets of students have become the crutches of higher education and even sometimes fully support higher education programs. We have reached a point in North Dakota that we can sit back and allow 8-10% tuition and fee increases to become the status quo or we can stand up together as a state and make a substantial investment in the human capital that drives this state.

The University system has a major impact on the economy of this great state and I am proud to say that students make substantial contributions to the estimated 3.1 billion dollars generated by the North Dakota University System. The students that are enrolled in the 11 statewide institutions provide over 707 Million in economic impact for North Dakota. But what do the students of the university system get out of their contribution? We get a great education an education that I would say is second to none. We attend school in communities that are excited about having students living and learning in their community and at some points these communities are overwhelming with their support of the university. We also get to sit in front of some of the most dedicated professors in the country. Daily I am amazed

by the sacrifices my professors make just to be able to educate the students that come in their classroom everyday. One of my professors has been driving the same car since he was 16 and believe me he is very proud of his Studebaker. We have great opportunities as students in this state and I know that I have been truly blessed by attending a North Dakota Institution I have no regrets about the decision I made as a senior in high school to attend a North Dakota Institution.

As students we also get an increasing bill every year! I know you all have heard the numbers before but I want to point out some that I find to be very alarming as a student. The national average for tuition inflation-adjusted at a public four year institution has increase 76% since 1987 and the public two year institutions have a similar number. Students are leaving college with larger and larger debt in fact at a two year institution here in North Dakota the annual amount borrowed per student has increase 64% since 1989 and at the four year institutions that amount has increased almost 100% in the same time frame. So you can see it is becoming harder and harder to get a college degree and at the same time it is becoming even harder to get a job without an education. So college students are in between a rock and a hard place.

First, let me take a moment to explain the green ribbon that many in the room are wearing this ribbon signifies the unity and determination of the students and the university system to attain 21% of the North Dakota general fund. If the university system gets 21% of the general fund we will be able to keep tuition increase close to the rate of inflation. 21% sends a signal of great confidence in the university system and its students. This gives us the ability to make improvements to the system and at the same time keeping the cost of an education in this state at a reasonable level. The Governors budget is a step in the right direction and sends a message of confidence in the system and its students. Let me be very clear I am not asking for more money but I do have a few concerns about the budget. Currently in the budget some of the money for ConnectND is coming from one time funding instead of base funding. One time funding only allows the university system to temporarily band-aid the problems the system would have to bring in consultants to help us conquer the problems. Consultants are expensive and temporary also as I have seen they are more focused on getting back to their home then the problems they are trying to fix. If the ConnectND money was moved to base funding we would be able to create permanent positions to maintain the ever-changing technology that comes along with the ConnectND system. This would help to keep the ConnectND fee down and

would directly benefit the students in the university system. By making this switch I feel the state would get a greater return on its investment.

I believe the university system is the gateway to the future in North Dakota. They have proven to be an economic engine in the state and are constantly providing the human capital that drives this state. I am standing here today in unity with the university system and the state board of higher education. They have reached out to the students more this year then I have seen in my 5 years here in North Dakota. If we continue to invest in the young people of this state we can't go wrong and what better way is there to invest in the young people of this state then by providing them with the best possible education! I want to leave you with a quote that I found and it comes from one of our founding fathers and I feel it summarizes our current situation in North Dakota.

Laws for the liberal education of youth, especially for the lower classes of people, are so extremely wise and useful that to a humane and generous mind, no expense for this purpose would be thought extravagant.

-John Adams

Aviation 309/428 Course Fee – 140.00

ConnectND Fee – 81.00

Technology Fee – 50.00

NDSA Fee – 0.36 cents

Wellness Bond Fee – 50.00

Wellness Operations – 45.00

McCannel Fee – 15.00

Student Fee – 235.14

Student Union Fee – 14.50

Aviation Laptop Fee – 450.00

Grand Total – 1,081

These are the fees that I have to pay every semester just to take classes at UND! Keep in mind I didn't add in tuition, room and board, books, and transportation. It seems every semester a new fee is created or a previous fee has been increased beyond the rate of inflation. We are living in a time that the wallets of students have become the crutches of higher education and even sometimes fully support higher education programs. We have reached a point in North Dakota that we can sit back and allow 8-10% tuition and fee increases to become the status quo or we can stand up together as a state and make a substantial investment in the human capital that drives this state.

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the same time it is becoming even harder to get a job without an education. So college students are in between a rock and a hard place.

I am not standing here in front of you today asking you to freeze tuition in fact I might be one of the first students to say I understand some of the increases. I know the fact is that most of our faculty are substantially underpaid and there are facilities at each institution that are well overdue for an upgrade this list could go on and on. Students understand this and we know there are necessities that cause some of these increases but we get frustrated when we don't see any benefits out of these increases. One of the fees that students haven't seen anything out of is the ConnectND fee. We currently pay 81 dollars a semester for ConnectND this is the first time a program of this nature has been funded by the students of a state. I think we all remember the nightmare during the start of this system and we have seen improvements from that point. Still students are waiting more then an hour to log on to their account and there are many other problems that plague the system. I signed on last semester to add a class and was logged off over 7 times, the system told me it was due to inactivity but I had never left my computer. During the first weekend there are major lines at the registrar office because students can do what they need to online. If ConnectND was working the way it had been advertised we wouldn't have a problem with this fee. An example of a fee that students do not have a problem with would be the UND Student Wellness center. The students at UND voted to increase their fees 95 dollars per semester and got a 19.6 million dollar facility out of that fee. This facility has been flooded with activity by students and is now a highlight of the campus at UND. The students had a say in this fee and they are benefiting from their

investment. Sadly we can't say that with ConnectND. The state and the university system has been doing a great job of educating the students on the system and its potential but the improvement to student life has been non-existent. This is just one of the changes that the students of the University systems would like to see made to the budget. All right, I am all done talking about the debt that I am facing after I graduate and now I want to talk about what can be done to help the students of the university system but more importantly help North Dakota.

First, let me take a moment to explain the green ribbon that many in the room are wearing this ribbon signifies the unity and determination of the students and the university system to attain 21% of the North Dakota general fund. If the university system gets 21% of the general fund we will be able to keep tuition increase close to the rate of inflation. 21% sends a signal of great confidence in the university system and its students. This gives us the ability to make improvements to the system and at the same time keeping the cost of an education in this state at a reasonable level. The Governors budget is a step in the right direction and sends a message of confidence in the system and its students. Let me be very clear I am not asking for more money but I do have a few concerns about the budget. Earlier I talked about ConnectND and some of the problems that we have been having with the system. Currently in the budget some of the money for ConnectND is coming one time funding instead of base funding. One time funding only allows the university system to temporarily band-aid the problems the system would have to bring in consultants to help us conquer the problems. Consultants are expensive and temporary also as I have seen they are more focused on getting back to their home then the problems

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HB 1003

NORTH DAKOTA
CHAMBER of COMMERCE

TESTIMONY OF DAVE MACIVER
President, North Dakota Chamber of Commerce
In Support of HB 1003
January 12, 2007

Chairman Wald and members of the Education and Environment Division of the House Appropriations Committee, I am Dave MacIver, president of the North Dakota Chamber of Commerce.

The North Dakota Chamber is the principal business advocacy group in North Dakota. Our organization's membership is an economic and geographic cross section of North Dakota's private sector, including statewide associations and local chambers of commerce, development organizations, and convention and visitors associations and public sector organizations. .

During this legislative session, 16 local chambers of commerce in North Dakota are part of a coalition representing 7,235 business members that support the Legislative Policy Statements of the North Dakota Chamber.

Our legislative policy statement for education is that we recognize the importance of a strong education system for a healthy business community and growing economy. We believe in consistent, high standards to adequately prepare all students for the future. During our territory meetings held across the state this fall, the highest priority given by our business, industry and community leaders was the need for individuals to have the knowledge and skills to meet the workforce needs of North Dakota.

As our policy relates to higher education, we support adequate base funding. As the state's private sector business people, we also strongly support your recognition of the state's University System as an economic development engine for our state. We have seen what has been created by unleashing the entrepreneurial strength and spirit of the University System and we believe that this needs to continue.

In today's economy, the real source of wealth and economic growth is from human brainpower and ideas. It is important that our state continues the momentum that is already in place to create and retain talented and innovative workers who can contribute to our economy. Universities are a magnet for this talent and a key to future development and prosperity.

2000 Schafer Street PO Box 2639 Bismarck, ND 58502 Toll-free: 800-382-1405 Local: 701-222-0929 Fax: 701-222-1611
Web site: www.ndchamber.com E-mail: ndchamber@ndchamber.com

Our state has an excellent higher education infrastructure in place, and it is important that we use it for the greatest possible return. Growth opportunities will only happen in a knowledge-based economy through a partnership with businesses and a quality higher education system.

We also support funding for the Northern Tier Network. This will assist in funding the building of infrastructure from Fargo. This network will bring to our northern states a research network similar to what other regions of the country already have. It will create a research and economic development network that will stretch from Seattle to Chicago. The sooner this can be constructed, the sooner we can put this to work in higher education and business development and reap the economic rewards that will come from this.

I encourage you to provide adequate base funding for higher education in North Dakota. Thank you.



The following chambers are members of a coalition that support our 2007 Legislative Policy Statements:

Beulah Chamber of Commerce - 107

Bismarck - Mandan Chamber of Commerce - 1080

Cando Area Chamber of Commerce - 51

Chamber of Commerce Fargo Moorhead - 1800

Crosby Area Chamber of Commerce - 50

Devils Lake Area Chamber of Commerce - 276

Dickinson Chamber of Commerce - 527

Greater Bottineau Area Chamber of Commerce - 153

Hettinger Area Chamber of Commerce - 144

Langdon Chamber of Commerce - 112

Minot Chamber of Commerce - 700

North Dakota Chamber of Commerce - 1058

Wahpeton Breckenridge Area Chamber of Commerce - 293

Watford City Area Chamber of Commerce - 84

Williston Chamber of Commerce - 401

West Fargo Chamber of Commerce - 400

Total Businesses Represented = 7236 members

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NORTH DAKOTA
CHAMBER of COMMERCE

TESTIMONY OF DAVE MACIVER
President, North Dakota Chamber of Commerce
In Support of HB 1003
February 27, 2007

Chairman Holmberg and members of the Senate Appropriations Committee, I am Dave MacIver, president of the North Dakota Chamber of Commerce.

The North Dakota Chamber is the principal business advocacy group in North Dakota. Our organization's membership is an economic and geographic cross section of North Dakota's private sector, including statewide associations and local chambers of commerce, development organizations, and convention and visitors associations and public sector organizations.

During this legislative session, 16 local chambers of commerce in North Dakota are part of a coalition representing 7,235 business members that support the Legislative Policy Statements of the North Dakota Chamber.

Our legislative policy statement for education is that we recognize the importance of a strong education system for a healthy business community and growing economy. We believe in consistent, high standards to adequately prepare all students for the future. During our territory meetings held across the state this fall, the highest priority given by our business, industry and community leaders was the need for individuals to have the

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Web site: www.ndchamber.com E-mail: ndchamber@ndchamber.com

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In today's economy, the real source of wealth and economic growth is from human brainpower and ideas. It is important that our state continues the momentum that is already in place to create and retain talented and innovative workers who can contribute to our economy. Universities are a magnet for this talent and a key to future development and prosperity.

Our state has an excellent higher education infrastructure in place, and it is important that we use it for the greatest possible return. Growth opportunities will only happen in a knowledge-based economy through a partnership with businesses and a quality higher education system.

I encourage you to provide adequate funding for higher education in North Dakota. Thank you.

Higher education in North Dakota has had many successes since the state legislature granted the higher education system flexibility with accountability in fostering job and economic growth. Cultural environment, the core of higher education, also has been fostered. Evidence is a record state budget surplus of which higher education plays a significant role in achieving. Currently in Grand Forks is a labor shortage increasing wages, without restraining business expansion.

Students come to North Dakota from every other state and numerous foreign countries, many remaining after graduation. David Badman and Adam Kemp, whose materials are distributed among you, are examples. David is from an Air Force family, and Adam is British. Both attracted to the UND fine arts program, they remain in Grand Forks, becoming something of local institutions. Deb Kirby, our departmental secretary, also a graduate of the UND fine arts program, discovered her talent later in life, currently successfully marketing her paintings on the internet.

Bringing millions of dollars into the state is the Red River research corridor. Provided with needed "seed money," research faculty succeed in achieving grants worth many times more than state provided funds. Additionally, as sought by the Roundtable, the university system prospers from development of public/private partnerships. In these and other ways, higher education is intimately involved in the economic development of the state.

Also benefitted are the local communities served by the 11 institutions of higher education in North Dakota. Faculty and staff are integral members of these communities, participating in local community life, patronizing local merchants, and their children attending local schools. Failure to adequately support higher education is failure to support the local communities they serve. Higher education funding is not a concern of higher education alone, it is a concern of the communities in which they are located as well.

Neither should comments be limited to financial considerations, this demeaning higher

education's very nature. At its center, higher education exists to foster culture. Many inform me this will not interest you, but it should. As a native Californian with three children scattered elsewhere, I sadly inform you others view North Dakota a cultural backwater. North Dakotans know this, revolting when my department was threatened with extermination. Anti-intellectualism does not serve North Dakota.

An article by a University of Pittsburgh researcher concludes multiple factors affect economic development, business subsidies only one. Entrepreneurial talent is also required, studies showing this attracted by community character. As illustrated by Minneapolis/St. Paul, Seattle, Portland, Denver, Taos, Vermont, cultural environment attracts educated young adults, not the middle-age life style favored by North Dakota policy makers.

It will not do, as did WDAZ News anchor Milo Smith, to introduce *after* the weather *just* before the sports a very short segment on the nationally renowned North Dakota Writers Conference with, "You might think the only thing going on at UND is athletics, but . . . ." Reinforcing the national perception of North Dakota as a cultural backwater does not attract the sort of young educated entrepreneurs North Dakota desires. In the 1990s a member of the French embassy invited to identify investments opportunities, discretely indicated the French prefer investing in communities with a cultural environment.

Despite our responsibility in development of North Dakota, and success in fulfilling it, we in higher education share the frustration, like abused children, whatever we achieve is never enough. Many of us viewed the Roundtable indication by the state of unwillingness to fund higher education appropriately, informing higher education to fund itself. Obediently, tuition was increased, grants submitted increased, salaries increased (somewhat) from increased tuition, and still the legislature is dissatisfied.

Legislators call for another study of higher education productivity, ignoring the recently published consultants report that ND colleges are among the top 3 in the country in productivity (see the SBHE website). Legislators slash the Governor's proposal for raises of 5% and 5% to 4% and 4% for a state system whose salaries are 51st in the country. Bewildered, we know not what legislators expect of higher education.

Uncertain myself, although still inadequate, I only can recommend the Governor's budget proposal for higher education. Acknowledged by it is the dire circumstance of North Dakota higher education. Being so, it would be shortsighted to not fund higher education at least at the level proposed in the Governor's budgetary recommendation. Circumstance is so serious, failing to do so raises question as to the legislative commitment to the very concept of public higher education. If this legislature fails the Governor's recommendation, one only can respond: shame, shame, shame.

Donald V. Poochigian
Professor
Department of Philosophy and Religion
University of North Dakota
donald.poochigian@und.nodak.edu
(701) 777-2710

Mr. Chairman and representatives of the Appropriations committee, my name is Bob Wetsch. I live 7 miles south of Mandan. I am here representing myself, as a taxpayer in North Dakota. I'm here to comment on the budget for Higher Ed and to suggest to you that someone needs to do a better job looking out for taxpayers when it comes to Higher Ed spending. I don't know who to talk to about this but it appears this committee is the only one that has any oversight of Higher Ed through their budget.

I want to suggest to you that you freeze the Higher Ed budget for the coming biennium until you get a handle on what is going on in Higher Ed. I know that's a pretty drastic suggestion compared to the proposals to raise their budget by tens of millions of dollars, but the legislature needs to get a handle on what the Higher Ed system is doing. The fiasco with chancellor Potts finally showed to the public how broken the Higher Ed system is. The mismanagement and duplication has got to stop.

Some stirring speech & Amen and Senate

As an example, in the last couple of years NDSU has started a College of Education. I don't know how expensive it is to add an additional College with all the infrastructure that comes with it, but I'm sure it's expensive. Especially when you consider that 75 miles up the road, the taxpayers of North Dakota are already paying for the College of Education at UND. Now I don't know how many PhD's in Education we need to generate in the state on an annual basis, but if we needed more it seems logical as a taxpayer that we might have expanded an existing program rather than creating a new one at a new location. Also, and possibly in response, what did UND do? They opened a branch in Fargo. Now if this makes sense to anyone, than maybe we should have more than one medical school because after all we need more doctors in the state. We should also have one or more dental schools and veterinarian schools because we need more dentists and vets in the state. And we certainly should fund another law school because you can never have too many lawyers. You see where I'm going with this, how ridiculous this sounds. Yet this is the direction things are going and what the taxpayer in ND is asked to endure under the current Higher Education system.

Also in the last year or two the taxpayer, because of the management of the Higher Ed Board had to buy out the contract of the aforementioned Chancellor Potts probably because the Board misrepresented the position of Chancellor to him at the time he was hired. In addition in the past year or two, the taxpayers paid the ex-President of BSC a six figure payout for her to get out of her contract, a move she requested before the expiration of her contract. Now I have no problem letting someone out of their contract if it does not create a problem for the institution. But I can't for the life of me understand why we as taxpayers should pay someone the remainder of their contract when they ask to leave early. I asked some people how this could happen and their only response was that there was a precedent for it. If that's the case, you need to stop that now. That should never happen again. Finally, most recently, the taxpayer was asked to continue to pay the salary of the President of the State School of Science when she was removed from the position after a vote of no confidence by the schools faculty. The

Board of Higher Ed decided they should create a position for this individual here at the capital.

I don't know what more the Higher Ed system could possibly do to show that the system is broken. You as the legislature, as the elected representatives of the taxpayers need to get a handle on the system. The Higher Ed Board and the University Administrations are not going to look out for the taxpayer. Maybe in their defense, that's not their job. I'm not a fan of the legislature trying to micro manage things but in this case someone needs to start to assume some control over the Higher Ed system and see that taxpayer dollars are spent wisely.

I mentioned early on that I suggest you freeze the Higher Ed budget for the coming biennium and that I know that might be difficult. But certainly you could and should eliminate anything in this budget which will result in duplication of an existing program. Also any future compensation considerations for the Board of Higher Ed and the University Administrations should be frozen at current levels given the mismanagement of the system. It's no wonder that tuition levels have increased so dramatically the last few years the way the system is being managed.

My fear is that you as legislators will confuse your role as representing the taxpayers with representing the Higher Ed institution where you live. Nearly every city with any population in the state has a Higher Ed institution. So I suppose a good majority of you legislators live where one of the schools is located. That's fine, the people of North Dakota have spoken on the issue of having all the Higher Ed institutions we have. We have affirmed that we want to have the number of schools we have. I'm not so sure we want these institutions to duplicate each other. We affirmed that we wanted the institutions but we leave the financial management of these institutions up to you, our elected representatives. Please look out for us.

That concludes my testimony. If you have any questions I would be happy to answer them.

Bob Wetsch

5

Testimony in opposition to HB 1003
Before the Senate Appropriations Committee

Mr. Chairman and Committee Members,

Thank you for taking the time to allow me to speak today. I am here today as a representative of the taxpayers of North Dakota asking you to consider exercising some fiscal restraint on the spending increases currently before you.

North Dakota consistently scores among the highest in the nation in terms of per capita funding for higher education when compared to other states. Since the 1997-99 biennium, the level of full time enrollment in the ND university system has increased an average of 4.2% per biennium. During that same time period, the average biennial general fund increase in funding for the Higher Ed system has been 6.1%. Not only have we been increasing the rate of funding for higher education faster than we have been able to recruit students to spend that funding on, but the proposed funding increase in HB 1003 is 22.8% - a marked increase over even the biennial average.

Americans for Prosperity sought input from taxpayers on all manner of budgetary issues during our Taxpayer Trust Tour last year. On that tour, many concerns were expressed to me by the taxpayers of North Dakota regarding the structure and funding of the North Dakota University System. There seems to be a general impression that the system is out of balance and that it will never be satisfied with the level of funding that North Dakota taxpayers can provide. I'm here to day to ask you to reduce the increased level of

ongoing funding - and therefore government growth - included in this bill.

During the Taxpayer Trust Tour, the taxpayers we spoke with recognized the need for some one-time expenditures, within the university system and within other areas of state government. I understand that $42 million of this appropriation is set aside for one-time expenditures, and I believe that the taxpayers of North Dakota can be comfortable with that - as long as those expenditures are truly one-time.

The other issue that was brought to my attention on my tour of the state was the issue of accountability within the higher education system. At the moment, those who run the day-to-day operations of the University System are not accountable to any voter. This legislation includes requiring a report detailing many of the specific concerns expressed to me by the taxpayers of the state - I applaud the legislature for including this provision in the bill.

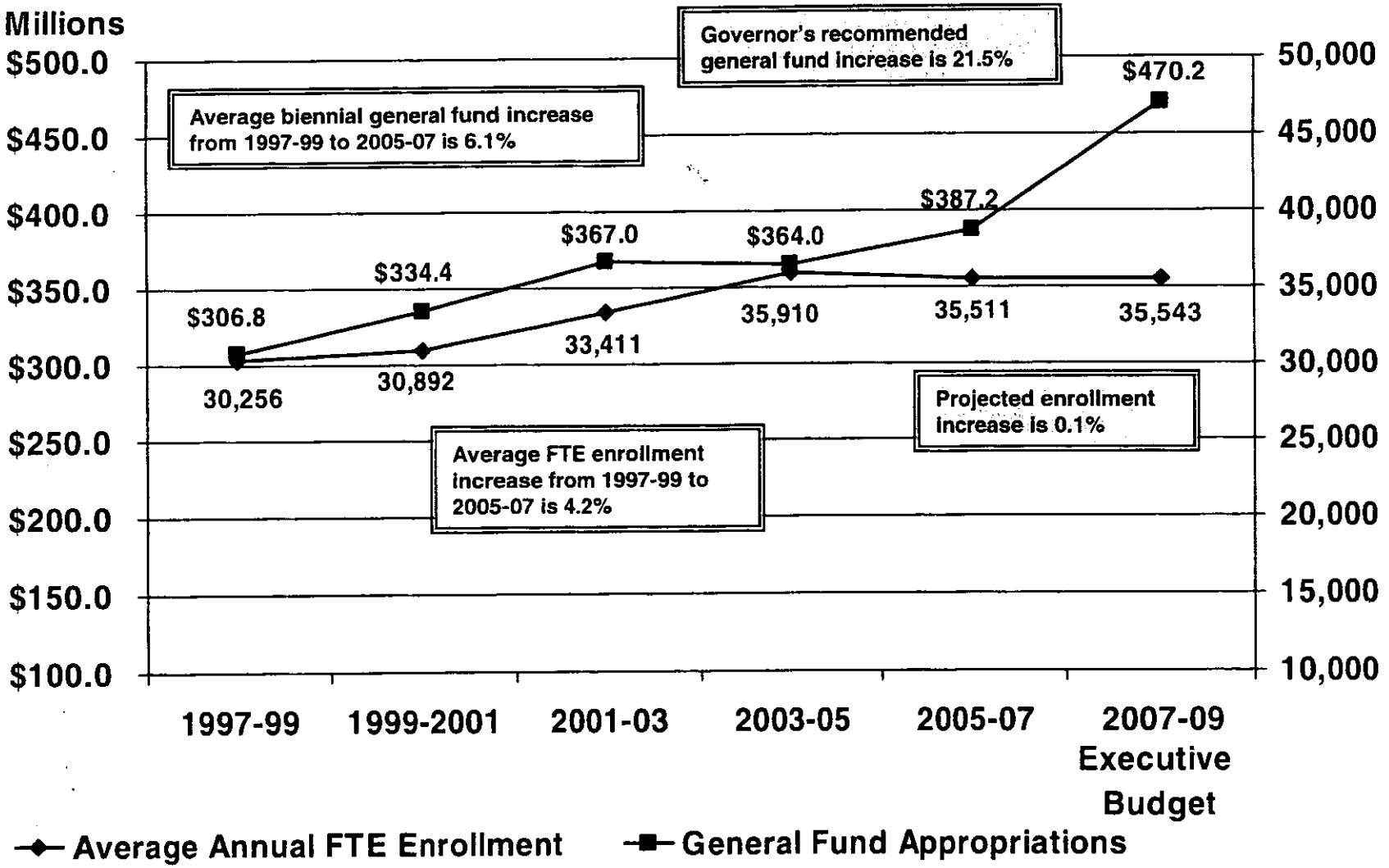
I understand the tension that exists in Higher education issues - we need to balance the needs of the student with the needs of the taxpayer that must pay for the system. We must hold the increased cost to the taxpayer as well as the cost to the student down. This committee should consider paring back the overall increased cost of non-salary, continuing funding. If this change is not feasible, a total tuition freeze, rather than the 5% allowed in this bill, should be enforced. Think of the potential selling point in recruiting students to our state if we could promise their tuition would not rise during their entire 4-year college term!

I comment the legislature for the work on this legislation so far that has included accountability measures, taken steps to limit the increase in tuition our state's institutions of higher learning charge our students, and provided one-time funding for necessary projects that our university system needs to undertake. I ask the committee now to consider paring back the ongoing funding for the university system included in this bill. The ND University System already places a heavy burden on the taxpayers of our state - one that is consistently among the highest per capita in our nation. We have increased funding at healthy levels for a decade - in fact, we have increased funding faster than we have increased enrollment. While many projects and provisions of this bill are worthy, I ask the committee to reduce the level of continuing funding and government growth that this bill will create. We need to return our surplus money to those that created it - reducing the appropriation in this bill will be an important first step.

Thank you for your time today.

Duane Sand
State Director
Americans for Prosperity - North Dakota

Higher Education - General Fund Appropriations and Full-Time Equivalent Enrollments





Center for Public Higher Education Trusteeship and Governance

by

Doreen Knapp

Director of Foundation Programs

February 6, 2002

PUBLIC/PRIVATE PARTNERSHIPS LIKE STATE MATCHING FUNDS PROGRAMS OFFER HIGHER EDUCATION A COMPETITIVE ADVANTAGE

With an uncertain economy and declining state support for higher education, leaders of colleges and universities face unprecedented challenges. In the public sector, which enrolls 80 percent of some 16 million students, these challenges are particularly acute. Public higher education institutions are under pressure to do more - especially related to revenue generation. It has become essential for them to raise and manage millions of dollars from private sources. American higher education is counting on it.

AGB's Center for Public Higher Education Trusteeship and Governance recently study of creative public/private partnerships discovered that state matching funds programs serve as powerful incentives for institutions to leverage and raise funds from private sources. Public and private colleges and universities that fully utilize state matching funds programs maintain a considerable competitive advantage over their peer institutions. AGB's study sought to identify, and review matching fund programs, policies and outcomes for higher education.

Several states have recently created matching fund programs to encourage private philanthropic support for higher education. The history of American philanthropy suggests that donors will make private gifts to higher education without the incentive of a matching fund program. However, an opportunity to double or in some cases, triple the dollar value of a gift, provides donors with powerful incentives. Matching fund programs can jumpstart a fund-raising campaign or fund a specific campus project.

What are matching fund programs? State programs have been created to offer matching funds for private gifts made to colleges and universities. These programs, excellent examples of public/private partnerships, are designed to encourage the creation of endowments or fund special projects. AGB found that 75% of the existing state matching funds programs support general endowments and endowed chairs or faculty professorships. The balance of the existing programs are equally split to support student scholarships, capital projects and technology initiatives. Only 4% of existing matching fund programs are designed to encourage research (See Slide 1). For example, the Louisiana State University Foundation reported their endowment grew by $30 million in just three years because of the state matching funds program enabling the Foundation to establish 46 new endowed chairs and 340 new endowed professorships - worth more than $80 million.

Are all state matching funds programs the same? AGB's study found 27 different types of matching fund programs and a range of higher education institutions as beneficiaries. The University of Massachusetts at Amherst was able to fund 18 new endowed chairs and professorships, plus $10

million in student financial aide or scholarships and $35 million in new endowments solely due to the state's commitment to match private dollars given to public institutions.

What states have matching fund programs? Twenty-four states have established matching fund programs to encourage private support for higher education. (See Slide 2). Active matching fund programs - not just on the books, but funded and operating, can be found in: Alabama, Connecticut, Florida, Illinois, Kansas, Kentucky, Louisiana, Massachusetts, Maryland, Maine, Missouri, North Carolina, New Hampshire, New Jersey, Oregon, Oklahoma, Pennsylvania, Rhone Island, South Carolina, Tennessee, Utah, Washington, Wisconsin, and Wyoming. New Mexico and Virginia have expressed interest in creating such programs during the 2002 legislative session.

Who benefits? Who is eligible for state matching funds programs? The majority of state matching funds programs benefit public colleges and universities, but AGB's survey found three states that supported private higher education institutions. Of the 24 programs, only three supported community colleges with the balance supporting universities and four-year colleges. Several foundations responding to the AGB survey reported that their board leadership advanced the matching fund program idea at the state capitols – persuading elected officials to establish and fund these initiatives.

What is the financial impact of state matching funds programs? State matching funds dollars generate a tremendous return on investment for state policy makers and higher education officials. In FY01, matching fund dollars exceeded $150 million with $38 million from state funds and $112

million from private dollars. That's a return on investment of 400%. (See Slide 3). Over the past three years, state matching funds programs have provided $363 million to higher education with $276 million of that coming from private sources. The states' portion of the investment was only $87 million in matching funds – a remarkable return on investment. (See Slide 4). The University of Wyoming reported that prior to the state establishing a matching fund program, the institution averaged $6.5 million in private support annually between 1992-99. After the program was created, the university's annual average jumped to more than $18.3 million each year.

Is there a standard program matching fund ratio? Forty-one percent of the states offer a 1:1 matching fund ratio. That means, for every dollar raised from private sources, the state will provide a dollar for dollar match. Fifteen percent offer a 2:3 matching ratio, 11% offer a 1:2 matching ratio, 4% reported a 1:3 matching ratio, and 18% use a sliding scale match. Only a small handful of states payout their match over time at 5% or 10% annually, while most states fulfill commitments during each year.

Is there really a competitive advantage? Perhaps the most dramatic example occurred in the State of Florida. The matching fund program has been so successful that over the past three years the state has tripled its dollar support for matching fund programs. One state institution, Florida State University's portion of state matching dollars was $17 million just six years ago. In 2001 it rose to just over $54 million. That is an increase of 215%. Since 1994, 72% of the Florida State University donors of $1 million or more took advantage of the state match enabling the institution to receive 69 cash gifts of a million dollars attributed in part to this incentive.

Is there a future for state matching funds programs? State matching funds programs are excellent examples of public/private partnerships. Legislative officials generally like matching fund programs because they provide leverage for private fund-raising and higher education institutions are seen as helping themselves. Higher education leaders support matching fund programs as incentives for donors and the potential for tremendous fund-raising results.

However, most matching fund programs were established during good economic conditions - when state revenues were growing at record-breaking rates. States that continue to generously support these programs, even during difficult economic times, will maintain a significant competitive advantage over those states that only marginally fund these programs or even worse, are still trying to establish a matching fund program. Higher education leaders and state policy makers should be able to clearly articulate their case for matching fund programs and look for ways to better leverage them during economic downturns when financial needs are so great.

AGB and survey participants have some concern that as these programs rise in popularity and success that matching fund initiatives could become a substitute for public support for higher education. We hope matching fund programs only enhance the state's ability to strengthen higher education and not become a substitute for funding.

For more information about current legislative initiatives affecting public higher education, please refer to AGB's website at: http://www.agb.org

An Idea for the Application of One-time, or Non-recurring Revenue to the Permanent Support of Higher Education

Public-Private Leverage in Support of Public Higher Education in North Dakota

Endowed Scholarships.

In this proposal, a sum of money would be made available by the State to be matched 1:1 by the private sector to endow scholarships on the campuses of all of the State's colleges and universities. Although there are many ways in which this might be done, I will describe only one of them.

In this case, the State will identify a sum of money, say in an initial trial run, $20 million. These funds could be drawn on by any or all of the universities in the state on a first-come, first-served basis, or some other basis. A university that indicates it has a donor wishing to establish a merit- or needs-based tuition scholarship, could put up two thirds of what it would take to endow such a scholarship. In the case of the University of North Dakota, this would be roughly half of $126,000, or approximately $63,000, and the state would provide the balance. Thus, once it was shown that $63,000 had been deposited in the University's foundation, the State would provide the match. Annually thereafter, this would yield the cost of tuition at a four percent spending rate, ideally allowing the size of the endowment to grow with inflation. Full scholarships -- that is tuition, room and board, and books -- would be roughly three times the value of the tuition scholarship, and thus in this case the donor would have to provide $190,000 and the State would match it.

Endowed Chairs/Professorships.

A description of endowed chairs and what they mean to a university, like the University of North Dakota, is attached herewith. In a public-private matching program, say in this case as was true for a similar program in Kentucky where there was a 1:1 match, a donor would provide $1 million and the state would match it 1:1, up to some limit.

In order to create somewhat of a level playing field, a proportionate amount of the $20 million, in the case of endowed scholarships and $20 million for endowed chairs and professorships, could be held against the draw in proportion to enrollment or annual budget, or some other measure for each of the State's eleven colleges and universities.

October 5, 2006

REPORT ON OUT-OF-STATE MEETING

Name: Representative Ken Svedjan **Place:** Denver, CO

Meeting: 2006 Legislative Institute on Higher Education **Date:** September 21-23, 2006

Key issues covered:

THE ENTIRE AGENDA DEALT WITH "PRODUCTIVITY" IN HIGHER EDUCATION IN A VARIETY OF WAYS: ① ATTRACTING & GRADUATING STUDENTS MORE EFFICIENTLY, ② BETTER USE OF CAPITAL ASSETS; ③ WAYS TO IMPROVE "REMEDIAL" NEEDS OF STUDENTS, ④ CREDIT VARIANCES TOWARD GRADUATION REQUIREMENTS, ⑤ POLICY AS RELATED TO OUTCOMES & PRODUCTIVITY GOALS, ⑥ COST CONTAINMENT, ⑦ FACULTY WORKLOAD, ⑧ TIME TO DEGREE, ⑨ ON-LINE/DISTANCE LEARNING, ⑩ ENROLLMENT MANAGEMENT, ⑪ PROCUREMENT, ⑫ RE-ENGINEERING ADMIN/ACADEMIC PROCESSES, ⑬ USE OF REGIONAL EDUCATION CENTERS

Contact or resource people at meeting:

Name	Organization	Address/Phone	Issue
WILLIAM KIRWAN CHANCELLOR	MARYLAND HIGHER EDUCATION	3300 METZEROTT ROAD ADELAHI, MD 20783-1690 301-445-1901	ALL OF ABOVE
DENNIS JONES PRES.	NATL CENTER FOR HIGHER ED. MGMT	ON FILE - HAS WORKED WITH ND	" " "
DAVID LONGANECKER EXEC. DIR.	WICHE	ON FILE	" " "

New ideas or solutions that could benefit North Dakota:

① ND LEGISLATURE NEEDS GREATER INVOLVEMENT IN DETERMINING POLICY DIRECTION IN HIGHER EDUCATION

② LEGISLATURE HAS NO EXISTING LEGISLATIVE POLICY COMMITTEE — ONLY THE EDUCATION SECTION OF APPROPRIATIONS THAT REVIEWS $; NOT POLICY

Evaluation of meeting (i.e., did you obtain information of value to your interim or standing committees?):

THIS WAS AN OUTSTANDING MEETING AT WHICH SENATORS AND LEGISLATIVE LEADERS SHOULD HAVE BEEN PRESENT. THERE IS OPPORTUNITY FOR THE MARYLAND CHANCELLOR TO COME TO ND TO MEET WITH BUDGET SECTION, EDUCATION LEADERS AND THE BOARD/ADMIN. OF HIGHER EDUCATION AT NO COST TO ND. WE MUST PURSUE. HIS MESSAGE/ACCOMPLISHMENT IN

Additional comments: MARYLAND HAS BEEN REMARKABLE.

I WILL PURSUE THIS OPPORTUNITY WITH LEADERSHIP (REP. MARTINSON & AARSVOLD AGREE).

Rep. Ken Svedjan

Signature

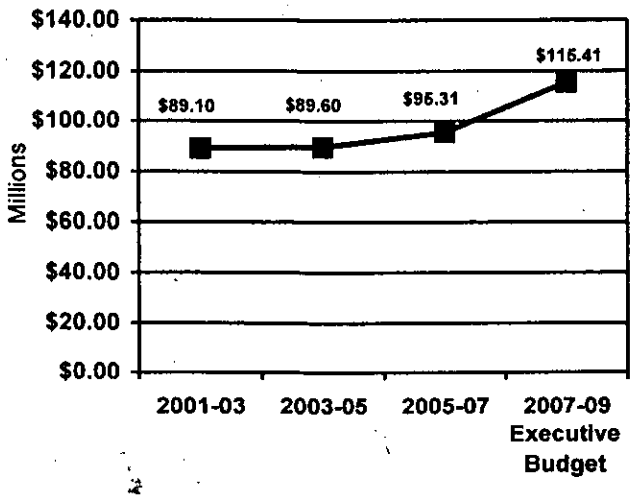
Department 230 - University of North Dakota
House Bill No. 1003

	FTE Positions	General Fund	Other Funds	Total
2007-09 Executive Budget	637.24	$115,408,905	$78,200,000	$193,608,905
2005-07 Legislative Appropriations	623.76 [1]	95,312,147	97,831,554	193,143,701 [2]
Increase (Decrease)	13.48	$20,096,758	($19,631,554)	$465,204

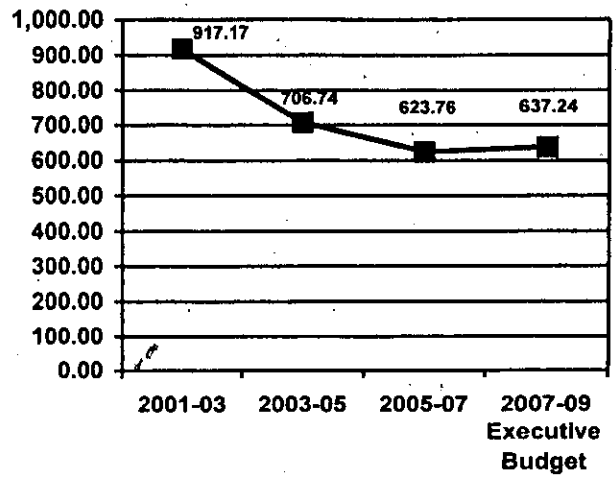
[1]The 2005-07 biennium appropriation is based on 623.76 FTE positions. Section 13 of Senate Bill No. 2003 (2005) authorizes the State Board of Higher Education to adjust full-time equivalent positions, as needed, subject to the availability of funds, for institutions and entities under its control. A total of 13.58 positions were added pursuant to this section and reported to the Office of Management and Budget.

[2]The 2005-07 appropriation amounts include general fund allocations of $300,000 from the equity pool and $160,000 from the board initiative funding appropriated to the North Dakota University System, and do not include $664,596 of general fund carryover and $44,904,839 of other funds capital construction carryover.

Agency Funding - General Fund



FTE Positions



Executive Budget Highlights

	General Fund	Other Funds	Total
1. Provides parity funding of $10,356,966 for the following:			
Costs to continue fiscal year 2007 legislatively funded salary increases	$1,205,274		$1,205,274
5 percent per year salary increases	6,185,049		6,185,049
10 percent per year health insurance increases	2,354,636		2,354,636
2.4 percent per year operating inflation	12,007		612,007
Total (The executive recommendation only includes approximately 92 percent of the total general fund portion of parity costs of $11,202,117. Operating inflation of $845,151 is not included in the executive recommendation. An annual tuition increase of 5.5 percent would be needed to fund the remaining general fund portion of $845,151 and to fund the student portion of parity costs of $7,468,078.)	$10,356,966		$10,356,966
2. Provides equity funding of $3,163,572. (The executive recommendation includes a $10 million increase for equity distributed among the 11 higher education institutions. The amount distributed to each institution was determined by considering both the institution's dollar difference from their peer benchmark as well as giving a greater weighting factor to those institutions that are the furthest behind their peer benchmark.)	$3,163,572		$3,163,572

3. Provides funding for extraordinary repairs of $5,928,875 equal to the 2005-07 base funding of $2,300,545 plus a proportionate share, $3,628,330, of the $10 million increase that is included in the executive budget recommendation. **(The additional funding of $3,628,330 is identified as one-time funding in the executive budget.)**	$3,628,330		$3,628,330
4. Provides funding for major capital projects for the 2007-09 biennium, including: • O'Kelly-Ireland Hall remodeling project ($2.2 million from the general fund) **(executive budget identified as one-time funding)** • University of North Dakota School of Medicine and Health Sciences renovation project ($9.8 million other funds) • Indoor track/multipurpose space ($15 million other funds) • Wilkerson dining center renovation ($4 million revenue bonds) • American Indian Center ($10 million other funds) • Earth systems science building ($5 million other funds) • Memorial Union front entrance renovation ($4.5 million other funds) • Center for Family Practice building in Bismarck ($4.5 million other funds) • Energy and Environmental Research Center Commercialization Center ($5 million other funds) • Allied Health Facility ($20.4 million other funds)	$2,200,000	$78,200,000	$80,400,000
5. Transfers the Center for Biomedical Research from the University of North Dakota School of Medicine and Health Sciences per accreditation requirements which provides that the reporting of the Center for Biomedical Research be under the Vice President of Research at the University of North Dakota	$747,890		$747,890
6. Removes major capital project funding provided in the 2005-07 biennium		($142,736,393)	($142,736,393)

Other Sections in Bill

Transfer authority - Section 12 provides that the State Board of Higher Education may transfer funds from an institution's operations line item to the institution's capital assets line item if the board determines the additional funds are needed for capital projects or extraordinary repairs.

FTE positions - Section 13 authorizes the State Board of Higher Education to adjust FTE positions as needed for institutions and entities under its control.

Bonding authorization - Section 16 authorizes the State Board of Higher Education to issue revenue bonds for the Wilkerson dining center project ($4,000,000).

Continuing Appropriations

Special revenue funds - NDCC Section 15-10-12 - Provides the continuing appropriation authority for higher education institutions' special revenue funds, including tuition, through June 30, 2007.

Major Related Legislation

House Bill Nos. 1030, 1031, and 1032 - These bills provide for the continuation of the following statutory provisions through June 30, 2009:

- The continuing appropriation authority for higher education institutions' special revenue funds, including tuition.
- The requirement that the budget request for the North Dakota University System include budget estimates for block grants for a base funding component and for an initiative funding component and a budget estimate for an asset funding component and the requirement that the appropriation for the University System include block grants for a base funding appropriation and for an initiative funding appropriation and an appropriation for asset funding.
- The North Dakota University System's authority to carry over at the end of the biennium unspent general fund appropriations.

Senate Bill No. 2023 - The deficiency appropriation bill provides $560,476 from the general fund to the University of North Dakota for the estimated amount needed to repay the Bank of North Dakota for the state's share of expenses resulting from the 1997 flood.

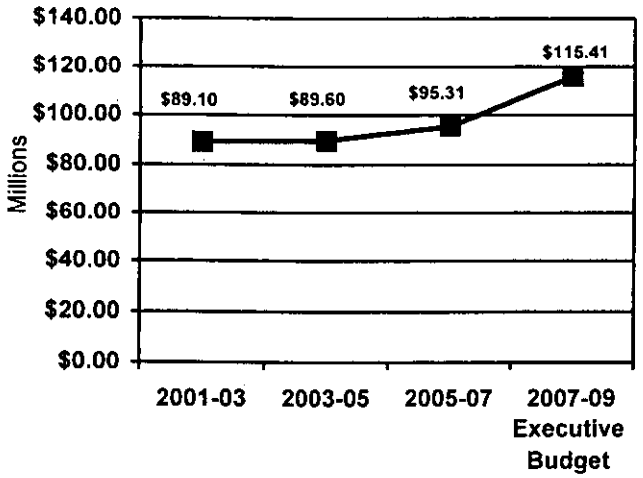
Department 230 - University of North Dakota
House Bill No. 1003

	FTE Positions	General Fund	Other Funds	Total
2007-09 Executive Budget	637.24	$115,408,905	$78,200,000	$193,608,905
2005-07 Legislative Appropriations	623.76 [1]	95,312,147	97,831,554	193,143,701 [2]
Increase (Decrease)	13.48	$20,096,758	($19,631,554)	$465,204

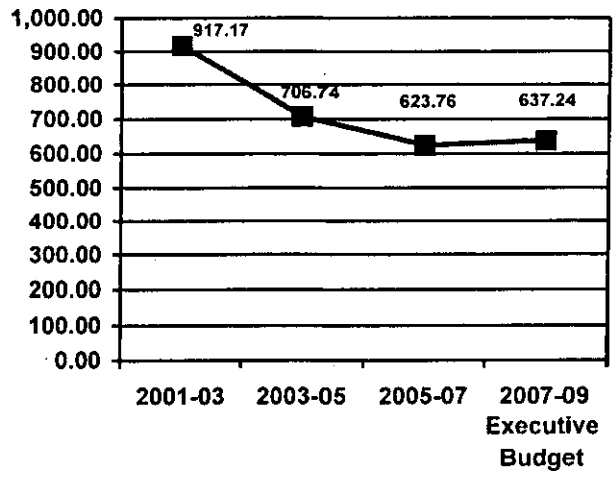
[1]The 2005-07 biennium appropriation is based on 623.76 FTE positions. Section 13 of Senate Bill No. 2003 (2005) authorizes the State Board of Higher Education to adjust full-time equivalent positions, as needed, subject to the availability of funds, for institutions and entities under its control. A total of 13.58 positions were added pursuant to this section and reported to the Office of Management and Budget.

[2]The 2005-07 appropriation amounts include general fund allocations of $300,000 from the equity pool and $160,000 from the board initiative funding appropriated to the North Dakota University System, and do not include $664,596 of general fund carryover and $44,904,839 of other funds capital construction carryover.

Agency Funding - General Fund



FTE Positions



First House Action

Attached is a summary of first house changes.

Executive Budget Highlights
(With First House Changes in Bold)

	General Fund	Other Funds	Total
1. Provides parity funding of $10,356,966 for the following:			
Costs to continue fiscal year 2007 legislatively funded salary increases	$1,205,274		$1,205,274
5 percent per year salary increases	6,185,049		6,185,049
Estimated health insurance increases	1,678,118		1,678,118
2.4 percent per year operating inflation	1,288,525		1,288,525
Total (The executive recommendation only includes approximately 98 percent of the total general fund portion of parity costs of $10,525,600. Operating inflation of $168,634 is not included in the executive recommendation.) **The House reduced parity funding by $1,246,985 from the general fund to reflect 4 percent per year salary increases.**	$10,356,966		$10,356,966
2. Provides equity funding of $3,163,572. (The executive recommendation includes a $10 million increase for equity distributed among the 11 higher education institutions. The amount distributed to each institution was determined by	$3,163,572		$3,163,572

considering both the institution's dollar difference from their peer benchmark as well as giving a greater weighting factor to those institutions that are the furthest behind their peer benchmark.)			
3. Provides funding for extraordinary repairs of $5,928,875 equal to the 2005-07 base funding of $2,300,545 plus a proportionate share, $3,628,330, of the $10 million increase that is included in the executive budget recommendation. **(The additional funding of $3,628,330 is identified as one-time funding in the executive budget.)**	$3,628,330		$3,628,330
4. Provides funding for major capital projects for the 2007-09 biennium, including: • O'Kelly-Ireland Hall remodeling project ($2.2 million from the general fund) **(executive budget identified as one-time funding)** • University of North Dakota School of Medicine and Health Sciences renovation project ($9.8 million other funds) • Indoor track/multipurpose space ($15 million other funds) • Wilkerson dining center renovation ($4 million revenue bonds) • American Indian Center ($10 million other funds) • Earth systems science building ($5 million other funds) • Memorial Union front entrance renovation ($4.5 million other funds) • Center for Family Practice building in Bismarck ($4.5 million other funds) - **The House changed the funding source to $3.6 million from the general fund and $400,000 of special funds.** • Energy and Environmental Research Center Commercialization Center ($5 million other funds) • Allied Health Facility ($20.4 million other funds)	$2,200,000	$78,200,000	$80,400,000
5. Transfers the Center for Biomedical Research from the University of North Dakota School of Medicine and Health Sciences per accreditation requirements which provides that the reporting of the Center for Biomedical Research be under the Vice President of Research at the University of North Dakota	$747,890		$747,890
6. Removes major capital project funding provided in the 2005-07 biennium		($142,736,393)	($142,736,393)

Other Sections in Bill

Transfer authority - Section 13 provides that the State Board of Higher Education may transfer funds from an institution's operations line item to the institution's capital assets line item if the board determines the additional funds are needed for capital projects or extraordinary repairs.

FTE positions - Section 14 authorizes the State Board of Higher Education to adjust FTE positions as needed for institutions and entities under its control.

Bonding authorization - Section 17 authorizes the State Board of Higher Education to issue revenue bonds for the Wilkerson dining center project ($4,000,000).

Continuing Appropriations

Special revenue funds - NDCC Section 15-10-12 - Provides the continuing appropriation authority for higher education institutions' special revenue funds, including tuition, through June 30, 2007.

Major Related Legislation

House Bill Nos. 1030, 1031, and 1032 - These bills provide for the continuation of the following statutory provisions through June 30, 2009:

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- The North Dakota University System's authority to carry over at the end of the biennium unspent general fund appropriations.

House Bill No. 1459 - This bill provides an appropriation to the University of North Dakota for extraordinary repairs.

Senate Bill No. 2023 - The deficiency appropriation bill provides $2,069,727 from the general fund to the University of North Dakota for the estimated amount needed to repay the Bank of North Dakota for the state's share of expenses resulting from the 1997 flood.

Senate Bill No. 2379 - This bill provides a $500,000 general fund appropriation to the University of North Dakota for a nursing education consortium.

ATTACH:1

NDUS Campuses and Medical School
Comparison of SBHE General Fund Request to Executive Recommendation & Engrossed HB1003

	(1)	(2)	(3)	(4)
	University of North Dakota			
	SBHE 2007-09 Prioritized GF Request	Executive Recommendation	House Adjustments 1/	Engrossed HB1003
2005-07 Original General Fund Appropriation	**$ 94,852,147**	**$ 94,852,147**		**94,852,147**
Base Adjustments	**1,207,890**	**1,207,890**		**1,207,890**
2005-07 Adjusted General Fund Appropriation, Net of Base Adjustments	**96,060,037**	**96,060,037**		**96,060,037**
Prioritized SBHE Requested Increase in Base Funding:				
Capital Assets Increase-Ongoing Extraordinary Repairs	1,568,048	-		-
Campus Parity	10,356,966	10,356,966	(1,246,985)	9,109,981
Campus Equity	3,163,572	3,163,572		3,163,572
House Adjustments to Base Funding				-
Total Requested Increase in GF Base Funding & Adjustments	15,088,586	13,520,538	(1,246,985)	12,273,553
Subtotal Base GF Request, Compared to Executive Recommendation & Engr HB1003	**111,148,623**	**109,580,575**	**(1,246,985)**	**108,333,590**
One-time Budget Increases, Excluding Major Capital Projects:				
Capital Assets Increase-Ongoing Extraordinary Repairs		1,568,048		1,568,048
Infusion for Deferred Maintenance	3,433,803	2,060,282		2,060,282
House One-time Adjustments				-
Subtotal One-time GF Request, Excluding Major Capital Projects, Compared to Exec Recommendation & Engr HB1003	**3,433,803**	**3,628,330**	**-**	**3,628,330**
2007-09 State General Funded Projects	-	2,200,000	3,600,000	5,800,000
Total 2007-09 General Fund Request, Compared to Executive Recommendation & Engrossed HB1003	**$ 114,582,426**	**$ 115,408,905**	**$ 2,353,015**	**$ 117,761,920**

g:\cathy\excelfil\Biennial Budgets\2007-09 Budget\07-09 House\Campuses-Med GF Summary-HB1003

1/ House Adjustments Include:

Reduce salary increases from 5/5 to 4/4	$ (1,246,985)
Partial funding for Bismarck FPC	3,600,000
	$ 2,353,015

HB 1003
January 10, 2001
Handout # 2

The University of North Dakota

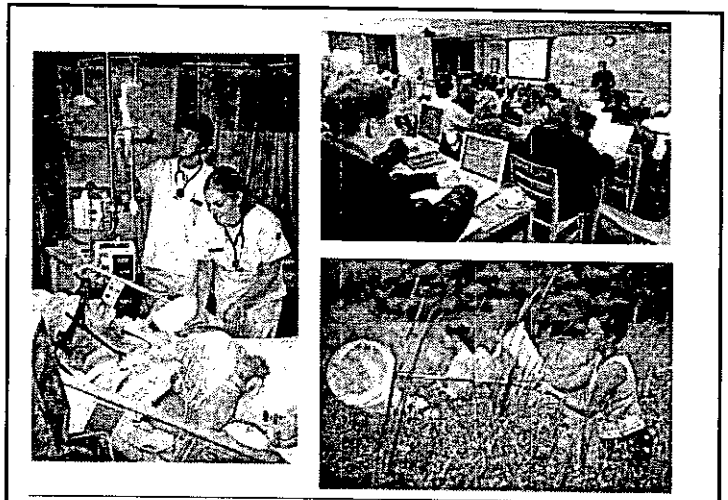
Presentation to
The North Dakota House
Appropriations Committee
January 10, 2007
Charles E. Kupchella, President

1 ND House Appropriations Committee, January 10, 2007 UND The University of North Dakota



State of the University

3 ND House Appropriations Committee, January 10, 2007 UND The University of North Dakota



4 ND House Appropriations Committee, January 10, 2007 UND The University of North Dakota

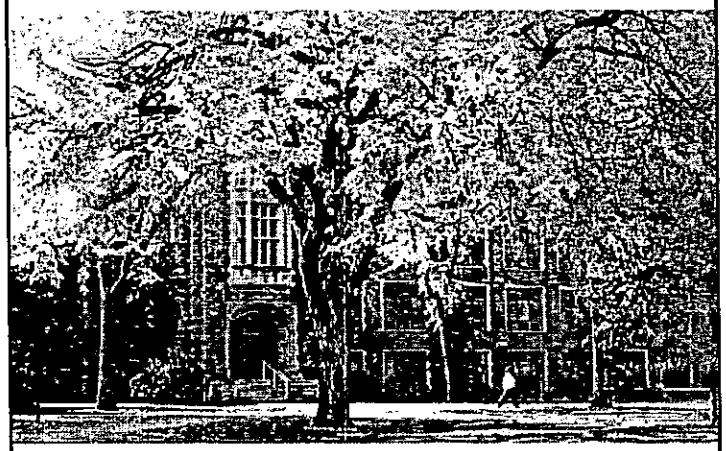
HB 1003

January 10, 2007

Handout #2

ı Dakota
Strengths

- A national university
- One of America's best
- Unique in combination of size and comprehensiveness
- Top 25 Most Connected Universities
- 14th Most Entrepreneurial University in the country (Forbes, etc.)
- Noted as one of Princeton Review's "Best 361 Colleges and Universities"



University Of North Dakota
Some Challenges

- Salaries
- Demographics
- Funding level overall
- Research infrastructure
- Remaining accessible

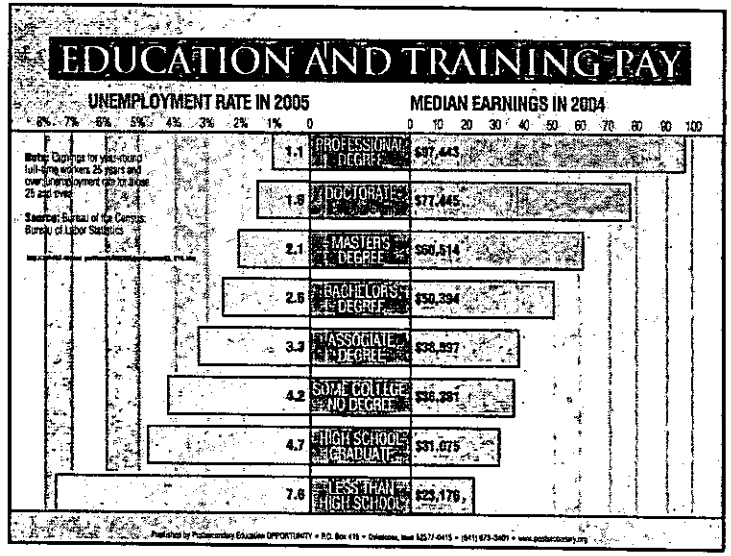
Positioning of the University

The University of North Dakota will rise to a ranking well within the top 100 (top 15 percent of all) doctoral/research universities in the United States – by every measure – and do so in a sustainable way that will enable future leaders to ultimately move it into the top 50.

Economic Impact

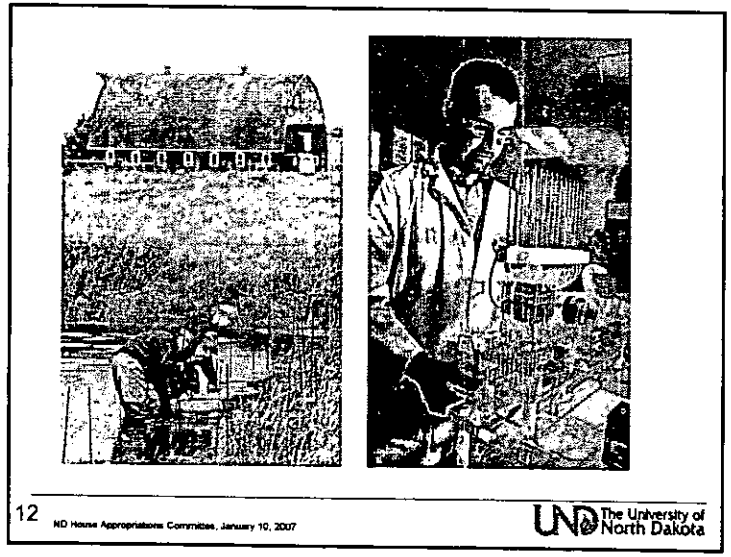
- UND's total economic impact $1,009,334
- UND's total direct economic impact for FY 2004 is $341.5 million
- Business activity resulting from UND's expenditures would support 10,600 secondary jobs (indirect and induced) in 2006, up from 6,950 secondary jobs* in 1999

*In addition to the persons employed by UND in 2006, and in addition to the 1,982 jobs supported by student expenditures in the local community



Employees

- UND currently employs 2,391 full-time and 126 part-time benefited employees (faculty and staff).
- Another 3,351 are temporary or otherwise non-benefited.



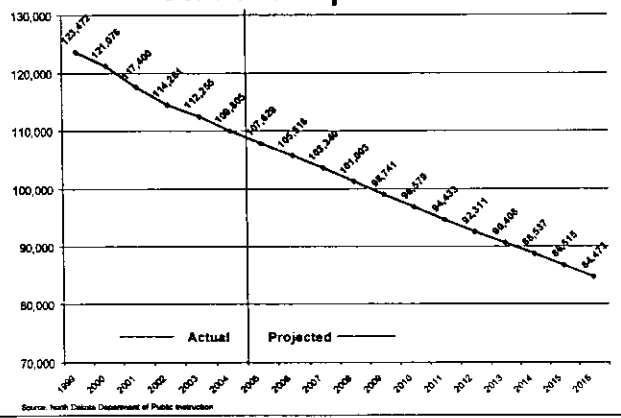
Alumni Reported Satisfaction

How well did experiences at this school prepare you for your current job?	UND%	NDUS%	Nat'l%
Exceptionally well	25.2	18.3	16.6
More than adequate	27.5	26.7	25.8
Adequately	29.4	35.2	32.1
Less than adequate	8.5	4.4	4.0
Very poorly	0.5	0.7	1.0
Not at all	2.7	2.6	4.3
I am not employed	0.5	0.6	0.4
No response	5.8	11.6	15.9

How would you rate the overall quality of instruction?	UND%	NDUS%	Nat'l%
Very satisfied	30.2	29.4	37
Satisfied	53.6	53.1	45.1
Neutral	8.7	10.4	8.9
Dissatisfied	2.2	2.8	3.2
Very dissatisfied	0.3	0.7	0.9
No Opinion	1.0	0.6	0.7
No Response	1.9	3.1	3.9

13 ND House Appropriations Committee, January 10, 2007 — The University of North Dakota

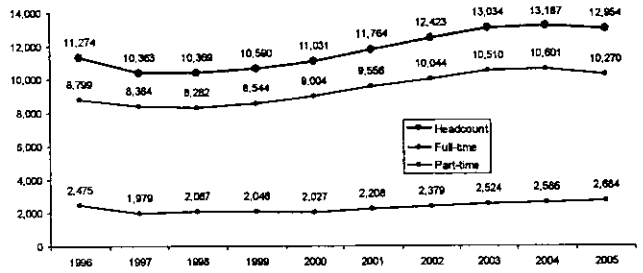
North Dakota Elementary and Secondary Student Population



14 ND House Appropriations Committee, January 10, 2007 — The University of North Dakota

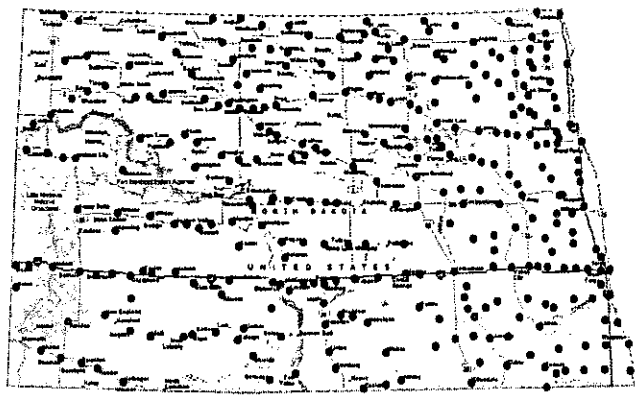
Enrollment Fall 1996-2005

Headcount



15 ND House Appropriations Committee, January 10, 2007 — The University of North Dakota

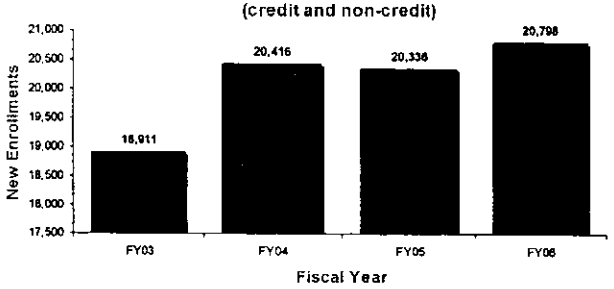
ND Continuing Education Enrollments



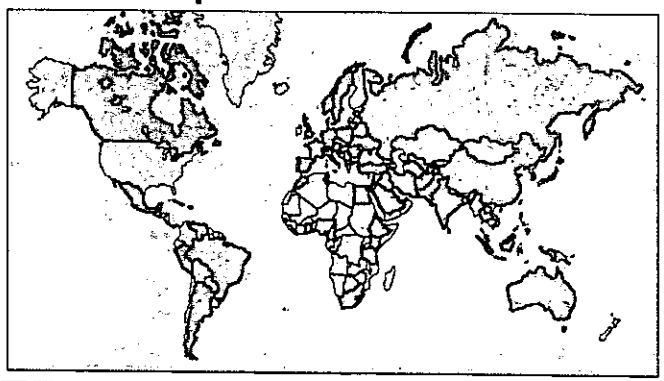
16 ND House Appropriations Committee, January 10, 2007 — The University of North Dakota

Division of Continuing Education

Total New Enrollments
(credit and non-credit)

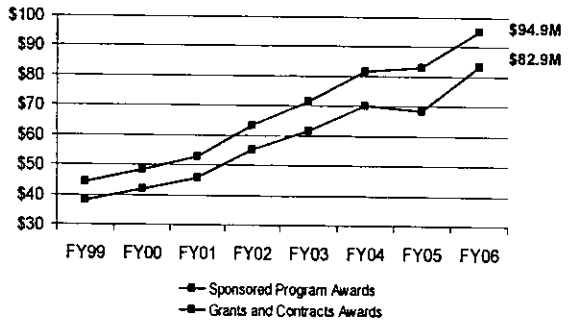


66 Different Countries Represented at UND



UND Research Enterprise and Economic Development

FY99 – FY06 Sponsored Program Awards and Grants and Contacts Awards (in Millions)



- UND Strategic Plan goal of $100M and $80M.
- Research, 27% of UND annual revenue; State appropriations, 24% of UND annual revenue.

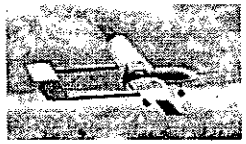
ND EPSCoR

- ND EPSCoR now has funding from five federal agencies:
  1. NSF, $6M (3 years)
  2. NIH, $26.2M (5 years)
  3. NASA, $250K (2 years)
  4. DoD, $458K (3 years)
  5. DOE, $1.5M (3 years)
- $5.19M FY05-07 State Support
- ND EPSCoR has contributed significantly to research growth at UND
  1. 36/37 EPSCoR-supported new faculty hires since 2003 remain at UND
  2. 1,105 undergraduate and 865 graduate students supported since 1985

UND awarded three Centers of Excellence for Economic Development at $7M



EERC National Center for Hydrogen Technology Facility

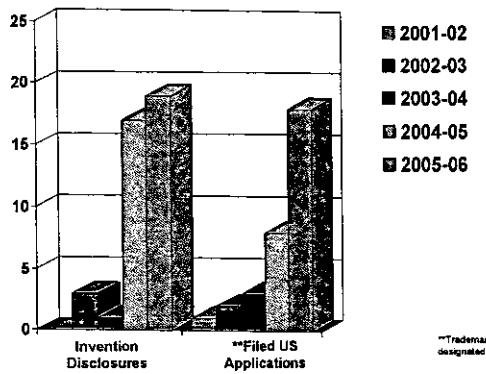


Economic Development in UAVs and Simulation Applications



Life Sciences and Advanced Technologies

Commercializing Opportunities Intellectual Property Growth



**Trademarks and US or US designated patent applications.

Summary of Facilities

- 5.22 million square feet and 549 acres
- 223 buildings & infrastructure valued at $608.5M
- 5.4 miles of roads
- 25 miles of sidewalks
- 99 acres of parking lots
- UND is also principal user of Alerus Center
  (400,000+ sq. ft. $80M value)
- Ralph Engelstad Arena
  (400,000+ sq. ft. $100M value)

Current Capital Construction

- Wellness Center
- Neuroscience Addition
- Parking Ramp
- Replacement Student Housing
- Squires Hall Cafeteria Renovation
- Northern Plains Center for Behavioral Research
- EERC National Center for Hydrogen Technology
- COELSAT Research Facility
- Spiritual Center

2007- 2009 Legislative Requests

Project	Cost	Funding Source	Projected Year
O'Kelly - Ireland Hall	$2,200,000	Appropriated	2007-08
SOMHS Allied Health	$20,400,000	Non-Appropriated	2008-09
SOMHS Lab and Support Renovations	$9,800,000	Non-Appropriated	2007-08
Indoor Track Facility	$15,000,000	Non-Appropriated	2007-08
Wilkerson Dining Center	$4,000,000	Non-Appropriated	2008-09
American Indian Center	$10,000,000	Non-Appropriated	2008-09
Earth System Sciences Bldg.	$5,000,000	Non-Appropriated	2008-09
Memorial Union Front Entrance	$4,500,000	Non-Appropriated	2008-09
Bismarck Center for Family Practice and UND Graduate Center	$4,500,000	Non-Appropriated	2008-09
EERC Commercialization Center	$5,000,000	Non-Appropriated	2007-08

Energy Improvement Projects

- UND has made significant improvements in its building energy systems.
- Projects are funded by over $6 Million in state-secured bonds which are repaid through energy savings.
- UND currently realizes over $600,000 in annual savings, with a majority of the debt retired in less than four years.
- Savings will increase as utility costs rise, greatly reducing the impact of future high energy costs.
- Projects greatly enhance the "green" qualities of all UND facilities.

Recent History of UND's Appropriated Funding and Current Funding Status

It is critical that we be able to sustain our ability to generate the very foundation of prosperity and innovation.

There must be a strong liberal arts (broad foundational) "education" underpinning whatever "training" students receive at UND

The Case for Liberal Arts

The Futurist, July/August '01

"In the years ahead we'll need more ... workers who can think, collaborate, create, solve problems, communicate, and lead. Demand will be high for people who have learned how to learn; who have strong, multidisciplinary education; and who can adapt easily to whatever comes their way."

General Fund Increases By Each of Last Three Legislative Sessions

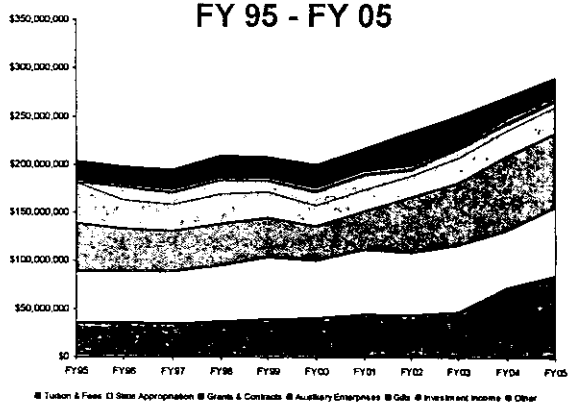
	$ General Fund Increase	% General Fund Increase	Inflation Index Change
1999-01 base period			
2001-03	$5,351,667	5.5%	
2003-05	($2,414,273)	-2.3%	
2005-07	$4,714,272	4.7%	
Total Increase	**$7,651,666**	**7.85%**	**21%**

Source: UND Annual Budgets

General Fund/State Bonding for Capital Projects UND vs. State System

	UND	State System
2001	$0	$9,992,000
2003	$0	$8,022,347
2005	$0	$14,205,432
2007 Executive Budget	$2,200,000	$24,952,460

UND Revenue by Source
FY 95 - FY 05



For the University of North Dakota Percent (FY03-FY05) of the Average of Peer Institutions Appropriated Dollars per Student

50%

Source: State Board of Higher Ed Resource Allocation Model

"Original" Long-Term Financing Equity Plan

	% of Benchmark	Needed to Reach 85% of Peer (millions)
BSC	44%	$14
LRSC	42%	$5
WSC	62%	$2
UND w/Medical	56%	$61
NDSU w/o Ag	49%	$53
NDSCS	78%	$2
DSU	58%	$6
MaSU	88%	$0
MiSU	69%	$6
VCSU	96%	$0
MiSUB	58%	$2

Source: NDUS System Office

UND Tuition Increases
FY03 – FY07

2002-03	7.25%
2003-04	16.50%
2004-05	16.50%
2005-06	9.50%
2006-07	9.00%
Total % Increase 2002-Present	**58.75%**

Student (Net Tuition and Fees) Share Compared to Suggested Share Per Long-Term Financing Plan

Institution	Student Share (Net Tuition and Fees)				
	Fiscal Year 2004	Fiscal Year 2005	2003-05 Biennium	Fiscal Year 2006	Target
Bismarck State College	51%	50%	50%	49%	25%
Dickinson State University	41%	46%	44%	49%	30%
Lake Region State College	49%	51%	50%	50%	25%
Mayville State University	24%	34%	30%	32%	30%
Minot State University	39%	45%	42%	46%	35%
Minot State University Bottineau	25%	30%	27%	30%	25%
ND State College of Science	31%	36%	34%	39%	25%
ND State University	53%	62%	58%	59%	40%
University of North Dakota	58%	57%	58%	62%	40%
Valley City State University	23%	32%	27%	35%	30%
Williston State College	35%	34%	35%	34%	25%
NDUS Average	51%	54%	52%	55%	

Source: IPEDS Fall 2003 and Fall 2004 Enrollment Data, NDUS Long-Term Finance Plan and FY 2004, FY 2005 and FY 2006 NDUS audited financial Statements

Actual State Appropriated Share of Cost of Instruction Compared to Suggested Share Per Long-Term Financing Plan

Institution	State Share (State Appropriations)				
	Fiscal Year 2004	Fiscal Year 2005	2003-05 Biennium	Fiscal Year 2006	Target
Bismarck State College	49%	50%	50%	51%	75%
Dickinson State University	59%	54%	56%	51%	70%
Lake Region State College	51%	49%	50%	50%	75%
Mayville State University	76%	66%	70%	68%	70%
Minot State University	61%	55%	58%	54%	65%
Minot State University Bottineau	75%	70%	73%	70%	75%
ND State College of Science	69%	64%	66%	61%	75%
ND State University	47%	38%	42%	41%	60%
University of North Dakota	43%	43%	42%	38%	60%
Valley City State University	77%	68%	73%	65%	70%
Williston State College	65%	66%	65%	66%	75%
NDUS Average	49%	46%	48%	45%	

Source: IPEDS Fall 2003 and Fall 2004 Enrollment Data, NDUS Long-Term Finance Plan and FY 2004, FY 2005 and FY 2006 NDUS audited financial Statements

2005 Student Debt on Leaving College

State Average	**$22,682**
University of North Dakota	**$26,225***
North Dakota State University	$22,675
Mayville State University	$18,190
Minnesota State University, Moorhead	$19,209

* 70% of Graduates Left UND in Debt

Source: Project Information Network, December 19, 2006

Average Salary for Full Professors at Selected Public Doctoral Institutions In the MHEC Region (thousands)

Institution	2005-06	2004-05	2000-01	5-Year Change
Iowa State U	97.2	93.3	85.2	14.1%
U of Iowa	105.3	102.8	94.3	11.7%
U of Illinois, Urbana-Champaign	116.6	111.8	95.8	22.0%
Indiana U, Bloomington	104.9	101.8	88.2	18.9%
Purdue U (IN)	104.3	100.7	87.4	19.3%
Kansas State U	83.8	80.5	70.7	18.5%
U of Kansas	98.0	92.4	79.6	23.1%
Michigan State U	105.9	101.9	85.2	24.3%
U of Michigan	125.6	120.2	105.2	19.4%
U of Minnesota, Twin Cities	110.3	105.4	93.6	17.8%
U of Missouri, Columbia	96.7	94.3	84.4	14.6%
U of North Dakota	74.4	73.3	67.4	10.3%
U of Nebraska, Lincoln	97.5	93.9	81.5	19.6%
Ohio State U	112.6	108.4	92.2	22.1%
U of South Dakota	77.9	73.0	63.4	22.9%
U of Wisconsin, Madison	100.5	97.6	90.4	11.2%
U of Wisconsin, Milwaukee	86.4	84.4	78.1	10.6%
Midwest Average *	99.9	96.4	84.5	18.3%

Source: Midwest Higher Education Commission

Salary Comparison: UND to AAUP* Faculty Salaries (% Variance)

	2002-03	2003-04	2004-05	2005-06
Professor	-42.67%	-37.87%	-33.62%	-36.57%
Associate	-19.01%	-15.32%	-14.29%	-15.36%
Assistant	-13.46%	-11.72%	-12.64%	-13.45%
Instructor	5.78%	13.01%	8.69%	2.72%

* American Association of University Professors

Deferred Maintenance at UND

State Funded Buildings
- Health & Safety: $1,176,791
- ADA Compliance: $3,366,634
- Major Renovations – Networking: $6,010,033
- Major Repairs: $29,900,460
- **TOTAL: $40,453,919**

Non - State Funded Buildings (Auxiliary)
- Health & Safety: $269,806
- ADA Compliance: $516,034
- Major Renovations – Networking: $1,405,831
- Major Repairs: $17,482,222
- **TOTAL: $19,673,894**

GRAND TOTAL, STATE AND NON-STATE FUNDED BUILDINGS
$60,127,814

General Fund Repair & Maintenance Funding FY01 – FY07

2001	$2,362,136
2003	$2,362,136
2005	$2,300,545
2007 Requested	$3,868,593 base $3,433,803 one-time

Total Deferred Maintenance Need → $60,127,814
(State Owned → $40,453,919)

Some of Our Deferred Maintenance Needs

1. Hyslop Sports Center	$6,934,497
2. O'Kelly Hall	$5,420,205
3. Hughes Fine Arts Center	$1,837,268
4. Twamley Hall	$1,659,659
5. Chester Fritz Library	$507,470

Some of Our Needs For Replacement or New Facilities

1.	Allied Health Sciences	$20,400,000
2.	All Purpose Multidisciplinary Research Building	$12,000,000
3.	Steam Generation Facility	$29,000,000
4.	O'Kelly Hall / Ireland Laboratory	$2,200,000
5.	Law School Addition	$6,125,000
6.	American Indian Museum/Cultural Center	$10,000,000
7.	SMHS Bismarck Center for Family Practice/Graduate Center	$4,500,000
8.	Graduate (MBA/MPA) Business Building	$20,000,000

Some Other Things We Would Like To Do With Additional State Funding

Potential New Programs

Undergraduate
- Human Resources Management
- Sports Business
- Computational Chemistry
- Ethics
- Aeronautical Engineering
- Community Health
- Petroleum Engineering

Master's Degrees
- Qualitative Financial Analysis
- Nutrition and Dietetics
- J.D./M.B.A.
- American Indian Studies
- Biomedical Engineering

Doctoral Degrees
- Scientific Computing
- Nursing Practice
- Space Studies
- Nuclear Chemistry
- Earth Systems/ Environmental Science

Examples of New and Enhanced Research Areas of Opportunity

- Behavioral Sciences
- Neurosciences
- Unmanned Vehicle Systems
- Genomics
- Drug Abuse/Addiction
- Bioterrorism
- Renewable Energy
  - Hydrogen
  - Biomass
  - Wind, etc.
- Geriatrics
- Forensic Pathology

Strategic Investments

- Compensation (salaries, stipends, health insurance premiums)
- Inflationary Increases
- Faculty/Staff Positions
- Institutional Innovation/Program Development
- Technology infrastructure (bandwidth, network, equipment, security)
- Increased utility/maintenance costs associated with research growth
- Research infrastructure (equipment, library resources, renovations)
- Matching grant funds/funds for grant leverage
- Technology transfer and commercialization capabilities
- Diversity initiatives (American Indian programs, international programs, minority recruitment)
- Recruitment and retention initiatives

University of North Dakota 2005-07 Appropriation and Other Funds Status

(Dollars in Millions)

	Original 05-07	Revised 05-07	Increase
State General Fund	$94.9	$108.9	$14.0
Tuition/Utility Revenue	$113.4	$115.0	$ 1.6
Local/Grant Funds	$290.0	$290.0	$ 0.0
Total	**$498.3**	**$513.9**	**$15.6**

Excludes Medical School

2007-09 Budget Request Summary

Total Cost Increases (original)	($18,670,195)
General Fund Request	**$13,520,538**
Estimated Tuition Increase (5%)	$ 7,600,250
Total Revenue Increase	**$21,120,788**
Annual Funds Available for Strategic Priorities	$1,225,297

General Fund Capital Assets Increase Request

Total Capital Assets Increase

$5,001,851

Capital Asset increase request includes:

$1,568,048 Capital Assets (Base)

$3,433,803 Deferred Maintenance (One-Time)

Funding Needed for Northern Tier Network

One-Time	$2,700,000
Base (Ongoing Operations)	$ 900,000

- Enhance state's research, teaching, learning, and economic vitality by interconnecting with national Research and Education Fiber backbones.
- Maintain network funded through Department of Defense $3.2 Million

$500 Million Endowment Target

Summary

- Terrific value to state and region
  - Across all cornerstones of the higher education roundtable
- Best investment state makes in terms of return and bringing people to the state
- Deferred maintenance/infrastructure needs
- Currently under-funded for basic operation

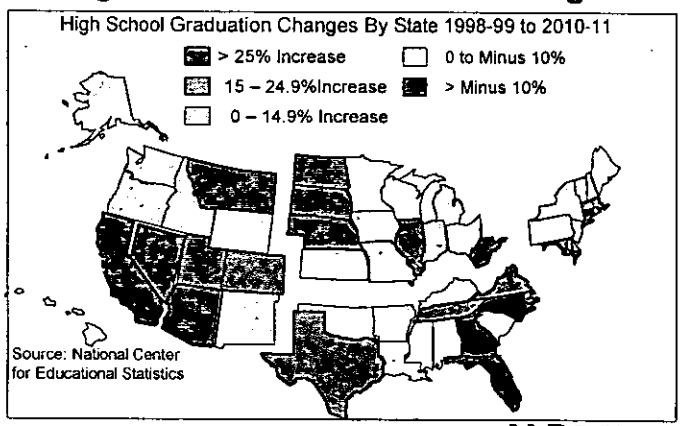
THANK YOU – and to the taxpayers you represent – we could not do it without your support

(what we do is leverage dollars you provide)

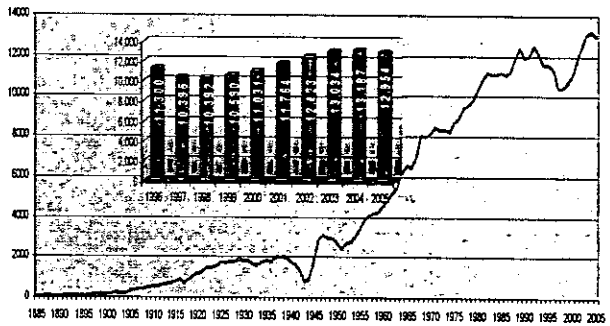


Additional Supporting Material

High School Graduation Changes



Fall Enrollment 1883-2005



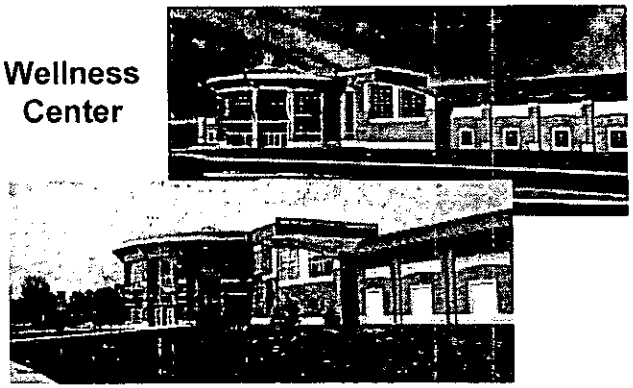
UND's Division of Continuing Education Administers:

Doctoral, Master's and Bachelor's Degrees
22

Graduate Certificates
3

Graduate Coursework leading to an Endorsement
1

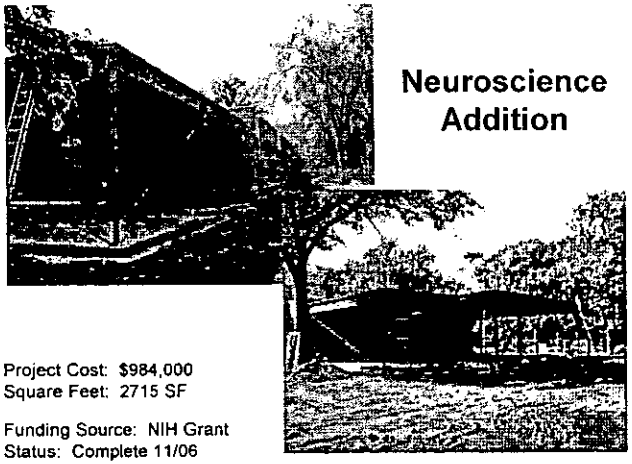
Wellness Center



Project Cost: $19,500,000
Square Feet: 109,000 SF

Funding Source: Student Fees / Bond
Status: Substantial Completion

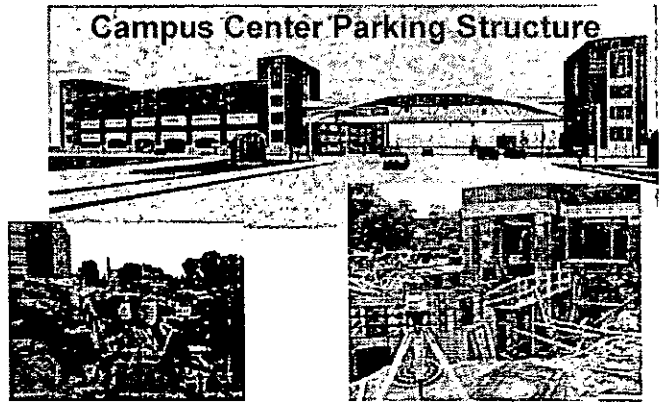
Neuroscience Addition



Project Cost: $984,000
Square Feet: 2715 SF

Funding Source: NIH Grant
Status: Complete 11/06

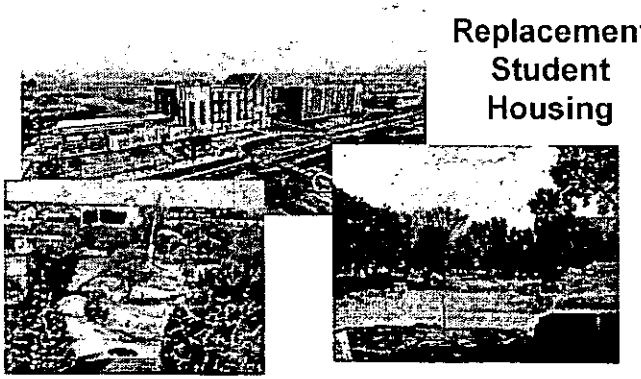
Campus Center Parking Structure



Project Cost: $16,500,000
Parking Stalls: 775

Funding Source: Revenue Bonds
Status: Complete 10/07

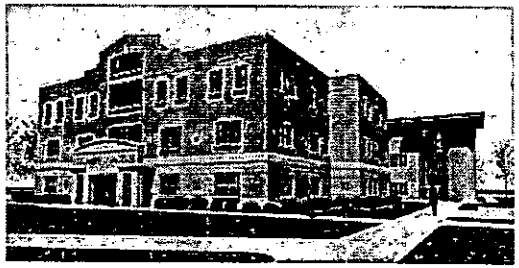
Replacement Student Housing



Funding Source: Revenue Bonds
Status: Complete 8/07

Project Cost: $20,000,000
276 Beds, Emporium Space

Northern Plains Center for Behavioral Research



Project Cost: $3,950,000
Square Feet: 31,000 SF

Funding Source: NIH Extramural Grant
Status: Complete 10/07

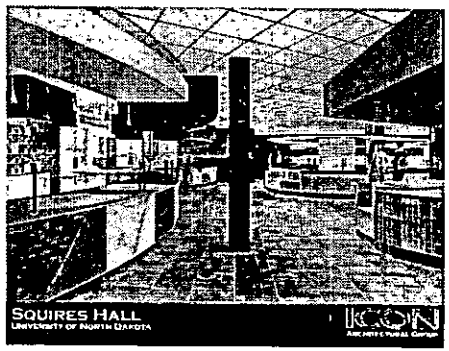
National Center for Hydrogen Technology



Project Cost: $3,000,000
Square Feet: 15,000 SF

Funding Source: State & Local
Status: Complete 5/07

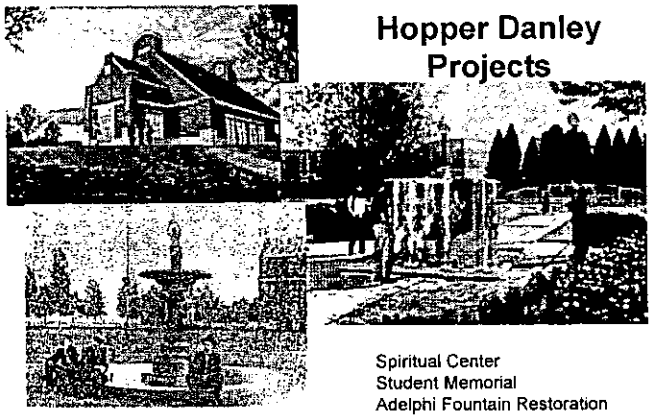
Squires Hall Cafeteria Renovation



Project Cost: $2,200,000
Square Feet: 15,000 SF

Funding Source: Revenue Bonds
Status: Complete 8/07

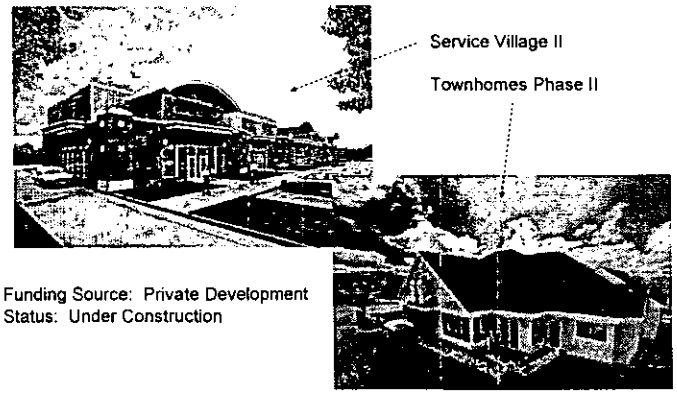
Hopper Danley Projects



Spiritual Center
Student Memorial
Adelphi Fountain Restoration
Misc. Landscaping

Funding Source: Hopper Danley Gift
Status: Complete 5/07

Bronson Property Developments



Funding Source: Private Development
Status: Under Construction

Deferred Maintenance

Deferred maintenance is a practice of allowing machinery or infrastructure to deteriorate by postponing prudent but non-essential repairs to save cost, labor and/or material. The failure to perform needed repair, maintenance, and renewal by normal maintenance management creates deferred maintenance. (Wikipedia)

Deferred maintenance within the North Dakota University System is calculated by each institution estimating its repairs. The University of North Dakota calculates deferred maintenance by determining the replacement cost for components that have been listed as "Poor Condition" within each building.

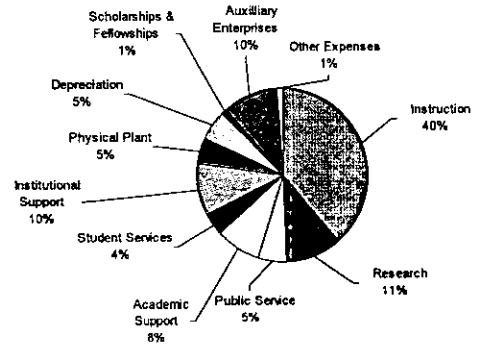
Currently, the North Dakota Association of Physical Plant Administrators (NDAPPA) is planning to recommend a process for determining deferred maintenance that will be used throughout the system.

UND Research Foundation and the Research Enterprise and Commercialization Park

- REAC1 will house the Center of Excellence in Life Sciences and Advanced Technologies.
- 50,000 sq ft secured research & development facility.
- Creating 120+ new high tech, high wage jobs for ND.
- Six R&D companies and two UND spin-off projects.
- Site: UND leased land at 42nd / Demers.
- Perkins & Will / PCL Construction..
- Groundbreaking Oct 2006 → Completion Oct 2007.

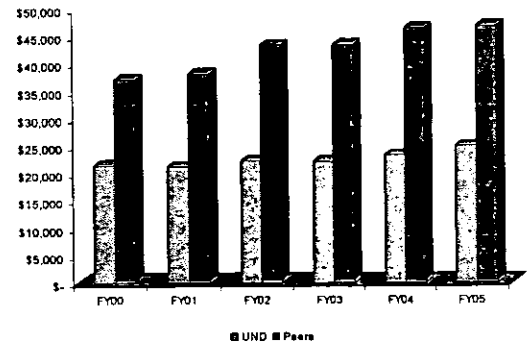
IDEAL AEROSMITH BORDERS Alert and Ready ProLogic
ALION Agragen Avianax NovaDigm
IndianGamingToday.com

Expenditure by Function FY05



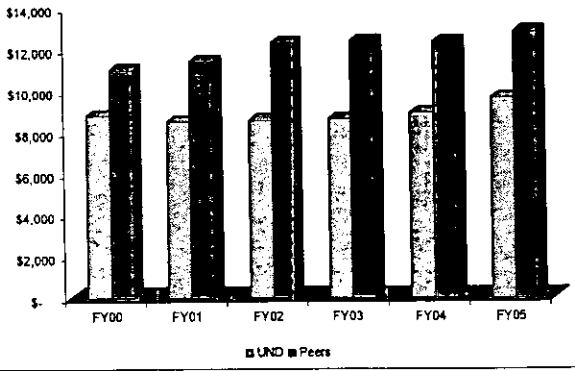
UND The University of North Dakota

Total Expenditure per FTE UND vs. Peer Institutions



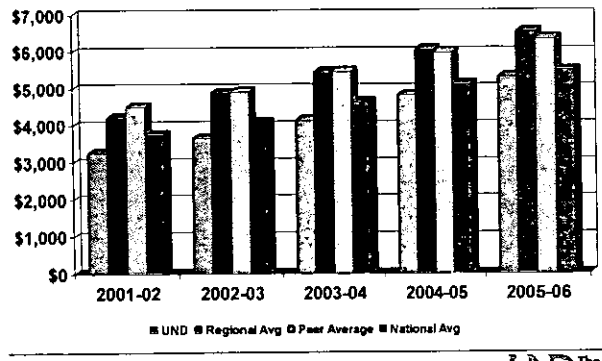
UND The University of North Dakota

Instruction Expenditure per FTE UND vs. Peer Institutions



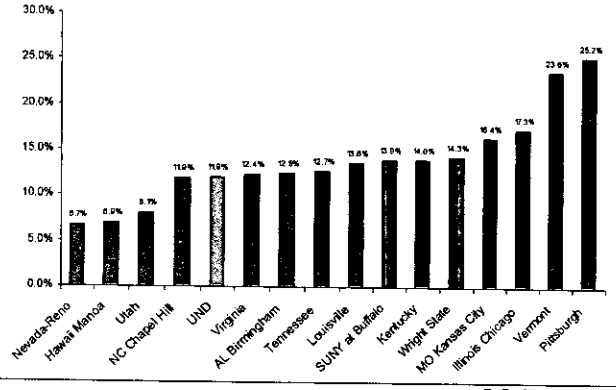
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Peer, Regional and National Tuition and Fees Comparison



UND The University of North Dakota

Tuition and Fees as a % of Median Household Income FY2005



UND: Benchmark Peer Institutions

- University of Alabama at Birmingham
- University of Hawaii at Manoa
- University of Illinois at Chicago
- University of Kentucky
- University of Louisville
- University of Missouri-Kansas City
- University of Nevada-Reno
- SUNY at Buffalo
- University of North Carolina at Chapel Hill
- Wright State University-Main Campus
- University of Pittsburgh-Main Campus
- The University of Tennessee
- University of Utah
- University of Vermont
- University of Virginia-Main Campus

University of North Dakota
General Fund Carryover (2003-05 to 2005-07)
10-Jan-07

Operations	$	772,556
Capital Assets	$	664,596

UNIVERSITY OF UND NORTH DAKOTA

BUDGET OFFICE
P.O. BOX 8233
GRAND FORKS, NORTH DAKOTA 58202-8233
(701) 777-3840
FAX (701) 777-3866

January 19, 2007

Honorable Francis J. Wald
State Representative
600 E. Boulevard Ave.
Bismarck, ND 58505

Dear Representative Wald:

During the January 10, 2007 hearing on HB1003 for the University of North Dakota, additional information was requested. The following information is provided in response:

1. The University of North Dakota continues to attempt to utilize North Dakota lignite as a heating source. The most recent experience resulted in problems with the boilers plugging up and emissions that exceed EPA requirements. This experience reconfirms that the existing UND boilers (old technology) do not have the capability to successfully burn North Dakota lignite. Significant upgrades to the boilers would be necessary to address the problems. The estimated cost of the upgrades is about $6 million. These changes would not extend the useful life of the three boilers which are currently 28, 44 and 54 years old.
2. Slide Number 38 shows the state share of funding at 38 percent compared to a target of 60 percent for Fiscal Year 2006. The 22 percent difference equates to just over $33 million for 2006.
3. Slide Number 39 gives the amount of 2005 average student debt on leaving college for various North Dakota institutions as well as a state average. The numbers include debt incurred by undergraduate students only (graduating seniors). Debt incurred by students graduating with advanced degrees (for example, Masters, Doctorate, Law and Medicine) is not included.

Please feel free to give me a call if you have questions.

Sincerely,

Alice Brekke
Assistant to the President/Budget Director

c: Charles Kupchella
H. David Wilson
Laura Glatt

UND is an equal opportunity/affirmative action institution

The University of North Dakota

Presentation to
The North Dakota Senate
Appropriations Committee
February 27, 2007
Charles E. Kupchella, President

UND The University of North Dakota

With the exception of the following pages, the testimony to House and Senate was the same.



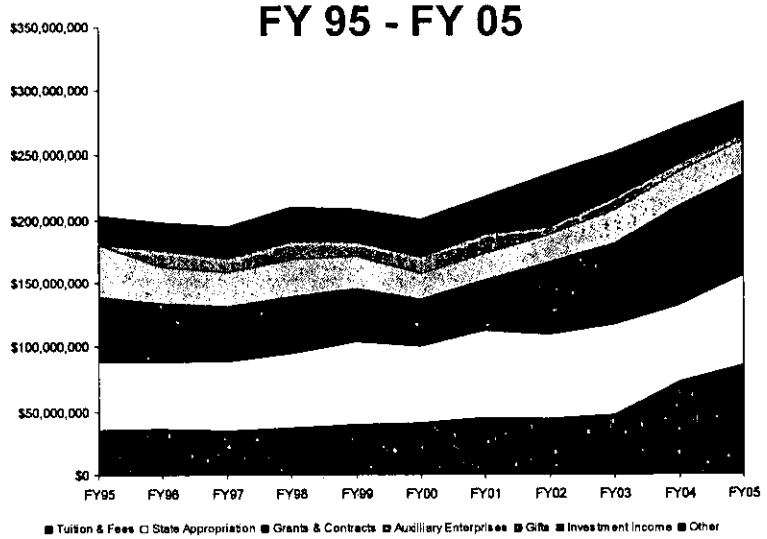
General Fund/State Bonding for Capital Projects UND vs. State System

	UND	State System
2001	$0	$9,992,000
2003	$0	$8,022,347
2005	$0	$14,205,432
2007 Engrossed HB1003 and 1020	$5,800,000	$31,989,460

UND The University of North Dakota

UND Revenue by Source

FY 95 - FY 05



UND The University of North Dakota

University of North Dakota 2005-07 Appropriation and Other Funds Status

(Dollars in Millions)

	Original 05-07	Revised 05-07	Increase
State General Fund	$94.9	$108.9	$14.0
Tuition/Utility Revenue	$113.4	$115.0	$ 1.6
Local/Grant Funds	$290.0	$290.0	$ 0.0
Total	**$498.3**	**$513.9**	**$15.6**

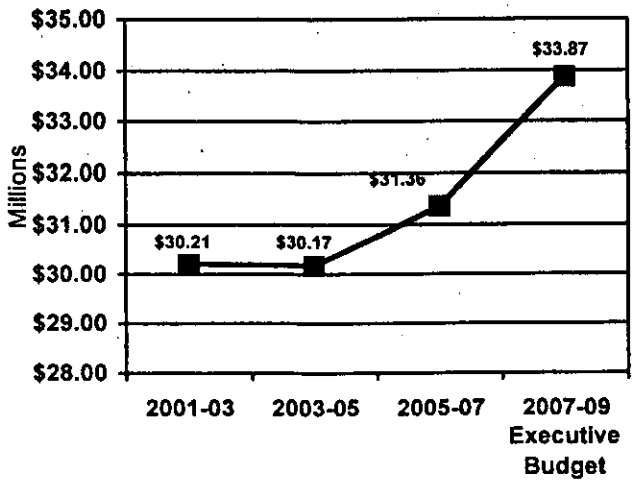
Excludes Medical School

Prepared by the North Dakota Legislative Council staff for House Appropriations
January 9, 2007

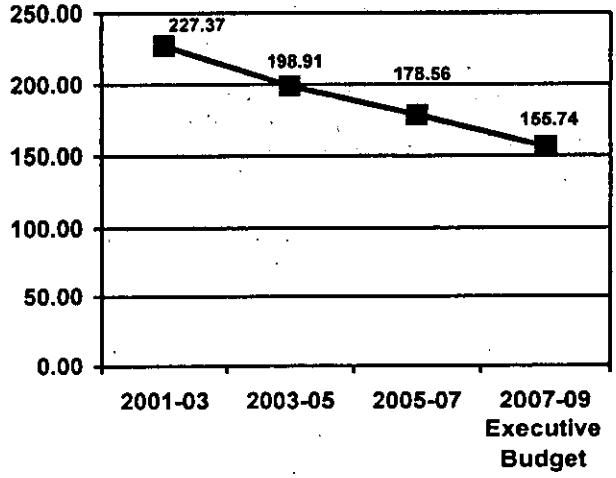
Department 232 - University of North Dakota School of Medicine and Health Sciences
House Bill No. 1003

	FTE Positions	General Fund	Other Funds	Total
2007-09 Executive Budget	155.74	$33,874,938	$0	$33,874,938
2005-07 Legislative Appropriations	178.56	31,361,002	0	31,361,002
Increase (Decrease)	(22.82)	$2,513,936	$0	$2,513,936

Agency Funding - General Fund



FTE Positions



Executive Budget Highlights

	General Fund	Other Funds	Total
1. Provides parity funding of $2,503,374 for the following:			
Costs to continue fiscal year 2007 legislatively funded salary increases	$80,543		$80,543
5 percent per year salary increases	366,790		366,790
10 percent per year health insurance increases	1,627,290		1,627,290
2.4 percent per year operating inflation	428,751		428,751
Total (The executive recommendation only includes approximately 93 percent of the total general fund portion of parity costs of $2,685,658. Operating inflation of $182,283 is not included in the executive recommendation. An annual tuition increase of 7.1 percent would be needed to fund the remaining general fund portion of $182,283 and to fund the student portion of parity costs of $1,790,438.)	$2,503,374		$2,503,374
2. Provides equity funding of $758,452. (The executive recommendation includes a $10 million increase for equity distributed among the 11 higher education institutions. The amount distributed to each institution was determined by considering both the institution's dollar difference from their peer benchmark as well as giving a greater weighting factor to those institutions that are the furthest behind their peer benchmark.)	$758,452		$758,452
3. Transfers the Center for Biomedical Research to the University of North Dakota per accreditation requirements, which provides that the reporting of the Center for Biomedical Research be under the Vice President of Research at the University of North Dakota	($747,890)		($747,890)

Other Sections in Bill

Transfer authority - Section 12 provides that the State Board of Higher Education may transfer funds from an institution's operations line item to the institution's capital assets line item if the board determines that additional funds are needed for capital projects or extraordinary repairs.

FTE positions - Section 13 authorizes the State Board of Higher Education to adjust FTE positions as needed for institutions and entities under its control.

Continuing Appropriations

Special revenue funds - NDCC Section 15-10-12 - Provides the continuing appropriation authority for higher education institutions' special revenue funds, including tuition, through June 30, 2007.

Major Related Legislation

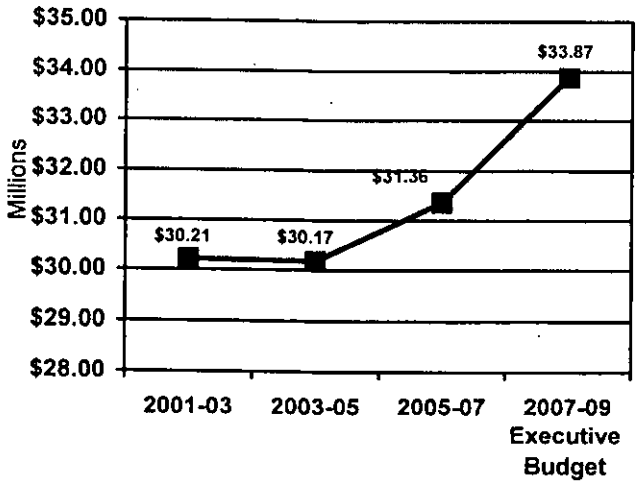
House Bill Nos. 1030, 1031, and 1032 - These bills provide for the continuation of the following statutory provisions through June 30, 2009:

- The continuing appropriation authority for higher education institutions' special revenue funds, including tuition.
- The requirement that the budget request for the North Dakota University System include budget estimates for block grants for a base funding component and for an initiative funding component and a budget estimate for an asset funding component and the requirement that the appropriation for the University System include block grants for a base funding appropriation and for an initiative funding appropriation and an appropriation for asset funding.
- The North Dakota University System's authority to carry over at the end of the biennium unspent general fund appropriations.

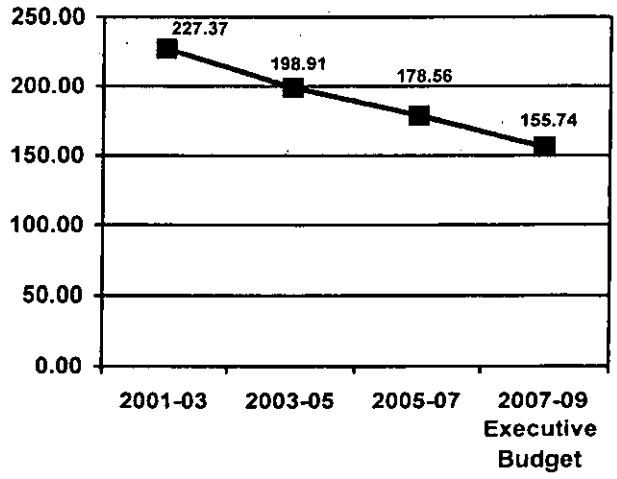
Department 232 - University of North Dakota School of Medicine and Health Sciences
House Bill No. 1003

	FTE Positions	General Fund	Other Funds	Total
2007-09 Executive Budget	155.74	$33,874,938	$0	$33,874,938
2005-07 Legislative Appropriations	178.56	31,361,002	0	31,361,002
Increase (Decrease)	(22.82)	$2,513,936	$0	$2,513,936

Agency Funding - General Fund



FTE Positions



First House Action

Attached is a summary of first house changes.

Executive Budget Highlights
(With First House Changes in Bold)

	General Fund	Other Funds	Total
1. Provides parity funding of $2,503,374 for the following:			
Costs to continue fiscal year 2007 legislatively funded salary increases	$366,790		$366,790
5 percent per year salary increases	1,627,290		1,627,290
Estimated health insurance increases	305,657		305,657
2.4 percent per year operating inflation	203,637		203,637
Total (The executive recommendation only includes approximately 98 percent of the total general fund portion of parity costs of $2,562,563. Operating inflation of $59,189 is not included in the executive recommendation.) **The House reduced parity funding by $335,975 from the general fund to reflect 4 percent per year salary increases. In addition, the House provided funding of $700,000 from the general fund for recruiting two new faculty in bacteriology and immunology.**	$2,503,374		$2,503,374
2. Provides equity funding of $758,452. (The executive recommendation includes a $10 million increase for equity distributed among the 11 higher education institutions. The amount distributed to each institution was determined by considering both the institution's dollar difference from their peer benchmark as well as giving a greater weighting factor to those institutions that are the furthest behind their peer benchmark.)	$758,452		$758,452

3. Transfers the Center for Biomedical Research to the University of North Dakota per accreditation requirements, which provides that the reporting of the Center for Biomedical Research be under the Vice President of Research at the University of North Dakota	($747,890)	($747,890)

Other Sections in Bill

Transfer authority - Section 13 provides that the State Board of Higher Education may transfer funds from an institution's operations line item to the institution's capital assets line item if the board determines that additional funds are needed for capital projects or extraordinary repairs.

FTE positions - Section 14 authorizes the State Board of Higher Education to adjust FTE positions as needed for institutions and entities under its control.

Continuing Appropriations

Special revenue funds - NDCC Section 15-10-12 - Provides the continuing appropriation authority for higher education institutions' special revenue funds, including tuition, through June 30, 2007.

Major Related Legislation

House Bill Nos. 1030, 1031, and 1032 - These bills provide for the continuation of the following statutory provisions through June 30, 2009:

- The continuing appropriation authority for higher education institutions' special revenue funds, including tuition.
- The requirement that the budget request for the North Dakota University System include budget estimates for block grants for a base funding component and for an initiative funding component and a budget estimate for an asset funding component and the requirement that the appropriation for the University System include block grants for a base funding appropriation and for an initiative funding appropriation and an appropriation for asset funding.
- The North Dakota University System's authority to carry over at the end of the biennium unspent general fund appropriations.

ATTACH:1

HB1003 - UND school of Medicine
January 10, 2007
Handout # 4

University of North Dakota
School of Medicine and Health Sciences

Presentation to:
House Appropriations Committee

January 10, 2007

H. David Wilson, MD
Vice President for Health Affairs and Dean

Agenda

- **Mission Statement**
- **Review of Programs**
- **Value to State of North Dakota**
- **Justification for Increased Investment**
- **Comments by:**
  - **Mr. David Molmen, Chair, Medical Center Advisory Council Chief Operating Officer, Altru Health System**
  - **Dr. Roger Gilbertson, CEO, MeritCare Health System**
  - **Rena Nordeng Zimmermann, Ryan Zimmermann 4th year Medical Students**

Focus

- **The mission of the University of North Dakota School of Medicine and Health Sciences is to educate and prepare North Dakota residents as physicians, medical scientists and other health professionals for service to the people of North Dakota and the nation, and to advance medical and biomedical knowledge through research.**

The Value of the School to the State

- **Providing health care professionals**
  - 45% Physicians
  - 91% Physical Therapists
  - 62% Occupational Therapists
  - 88% Cytotechnologists
  - 75% Physician Assistants
  - 45% Clinical Laboratory Sciences

The Value of the School to the State

- **<u>UND</u> physicians in the four North Dakota regional health systems**
  - 48% Fargo
  - 47% Grand Forks
  - 44% Bismarck-Mandan
  - 37% Minot

Current Enrollments

	Enrollments
M.D. (*M.D./Ph.D)	236 / 2
M.S./Ph.D. - Basic Sciences	43
D.P.T. Physical Therapy	178
Clinical Lab Science (M.S. - 47; B.S. - 203)	250
Cytotechnology	7
B.S. Athletic Training	30
M.O.T. Occupational Therapy (Grand Forks)	90
(Casper WY)	29
Physician Assistant	60
Physician in Training (Graduate Medical Education/Residency Programs Family Med, Internal Med, Surgery, Psychiatry, Transitional)	96
	1,019 / 2
Other Programs	
Continuing Medical Education	11,716
Laboratory Education for North Dakota (LEND)	853
	12,569
Total	**13,588 / 2**

- Plus 1600 undergraduates (4500 credit hours): nurses, school teachers, dieticians, and others taking physiology, microbiology, anatomy, biochemistry and pharmacology courses

*M.D.\Ph.D. program to produce physician scientists

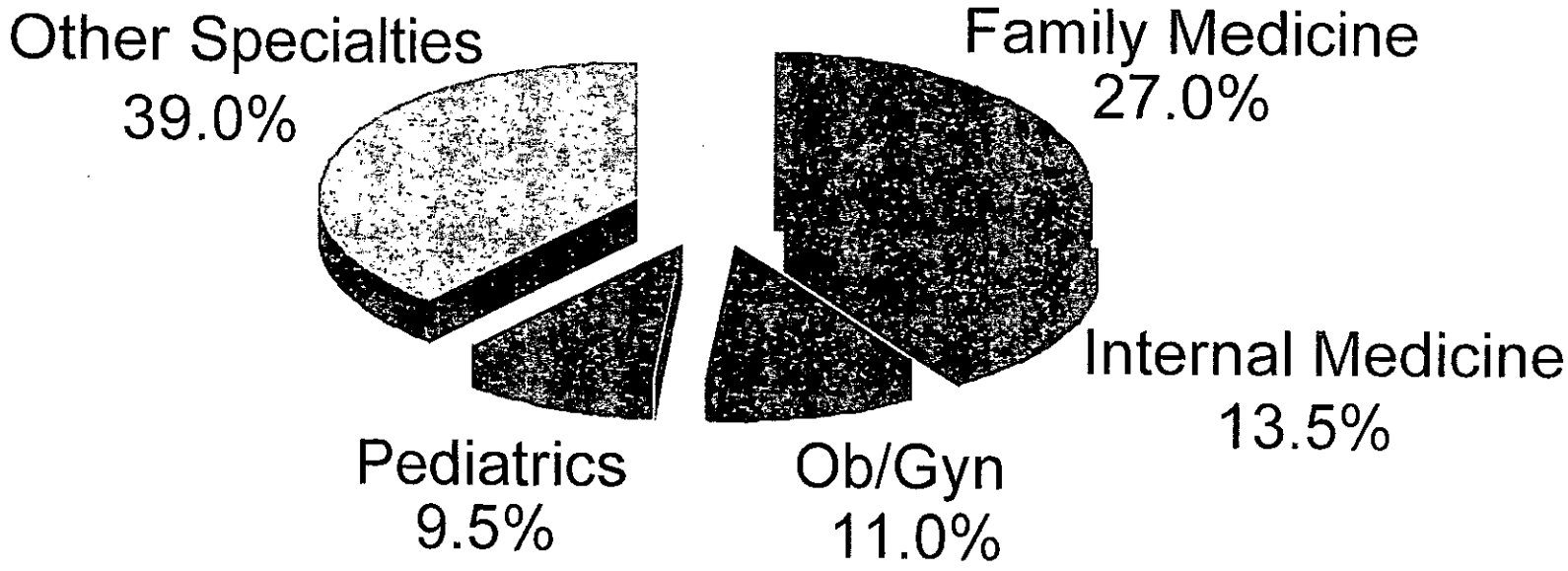
Percent of UND Graduates who practice in North Dakota

Statistics: 1990-2000

Medical school graduates	182/497	37%
- Residency training graduates	161/409	39%
- Combined medical school plus residents	343/906	38%
- University of South Dakota Medical School	182/488	37%
- University of Kansas Medical School	"...about 40%"	

Specialty Choices

Medical School Graduates: 1995-2005



61% of UND Medical School Graduates Enter Primary Care/ObGyn

Challenges for Selecting Family Medicine

- Consistent national decline in specialty choice
- "Admired but not envied," says Dr. Rob Beattie
- Dr. Bob Bowman, U. of Nebraska stated:
  - "The University of North Dakota is by far the dominant supplier with 27% of the non-FP physicians found in ND and 55% of the Family Physicians found in the state."
  - How to help?
    - Keep tuition low by increasing state support
    - Loan repayment program
    - Added faculty
    - New facility in Bismarck
    - Offer Masters in Public Health
    - Rural Opportunities in Medical Education (ROME) program
    - Combined departments of Family and Community Medicine (40 others) and redirect $132,000 for each Bismarck and Minot CFM

The Quality of Research

- **1995**
  - Outside research funding = $4-5 million
- **2006**
  - Outside research funding = $20+ million

$125 million submitted in 2005-06!

Our research mission results in outstanding scientists teaching tomorrow's doctors!

Reaccreditation

- **Full Reaccreditation for 8 years (2006-14)**

- **UNDSMHS Strengths Identified by the Reaccreditation Team:**
  - **Commitment and creativity of faculty**
  - **Exceptional curriculum**
  - **Focused research strategy**
    - **"a model for community schools"**
  - **Vision and energy of Dean Wilson**
  - **Commitment of volunteer faculty**
  - **Rural Opportunities in Medical Education (ROME) Program**
  - **Clinical Education Center**
  - **INMED Program**

- **Accreditation Team: Darrrell Kirch, M.D., Pennsylvania State University; Barry Linger, Ed.D., West Virginia University School of Medicine; Nanette Clare, M.D., University of Texas-San Antonio; David Swee, M.D., Robert Wood Johnson Medical School – New Jersey; Tom Norris, M.D., University of Washington School of Medicine - Seattle**

2005 – 07 Appropriation and Other Funds Status (Dollars in Millions)

	Original 05-07	Revised 05-07	Increase
State General Fund	**$31.4**	**31.4**	**0.0**
Tuition/Mill Levy	**22.6**	**22.6**	**0.0**
Local/Grant Funds	**60.3**	**60.3**	**0.0**
Total	**114.3**	**114.3**	**0.0**

2007 – 09 Executive Budget for General Fund Appropriation **Same Amount of SBHE Recommendation**

		% Increase Above Base
2005 – 07 General Fund Base	**$30,613,112**	
Executive Budget Recommended Increase	**$3,261,826**	**10.7%**
with 5% tuition increase this pays for		
Costs to continue		
Health insurance		
5% salary increase		
Executive Budget Recommendation	**$33,874,938**	

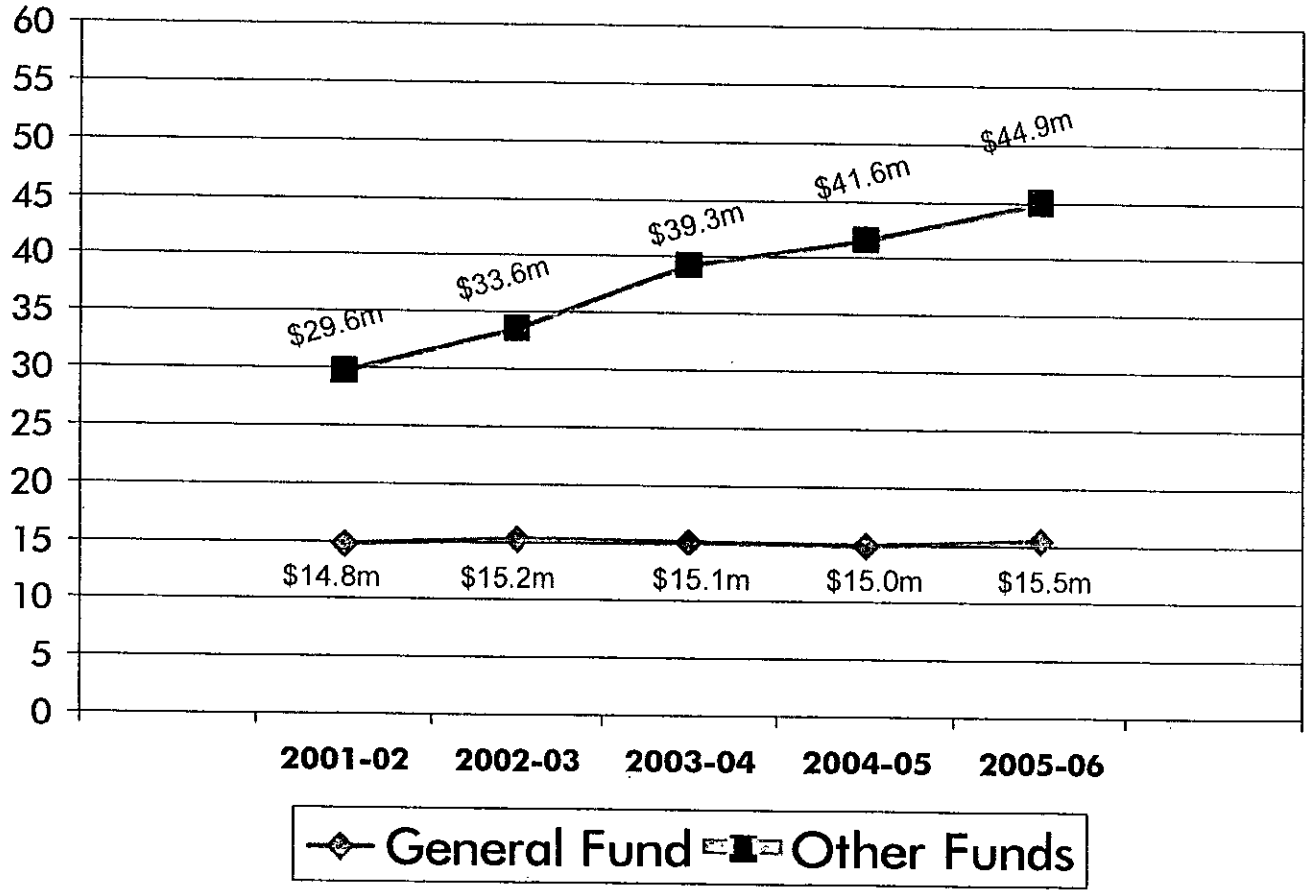
Tuition

	2001-02	2002-03	2003-04	2004-05	2005-06	Increase from 2001-06
Minnesota	$22,966	$26,889	$27,305	$28,400	$29,400	28.0%
AAMC Midwest Mean	$16,086	$18,412	$19,597	$20,974	$21,925	37.9%
Nebraska	$14,871	$15,647	$17,862	$19,903	$20,097	35.1%
South Dakota	$13,702	$15,650	$17,617	$16,450	$16,821	22.8%
North Dakota	$13,346	$14,479	$16,383	$18,326	$20,125	50.8%

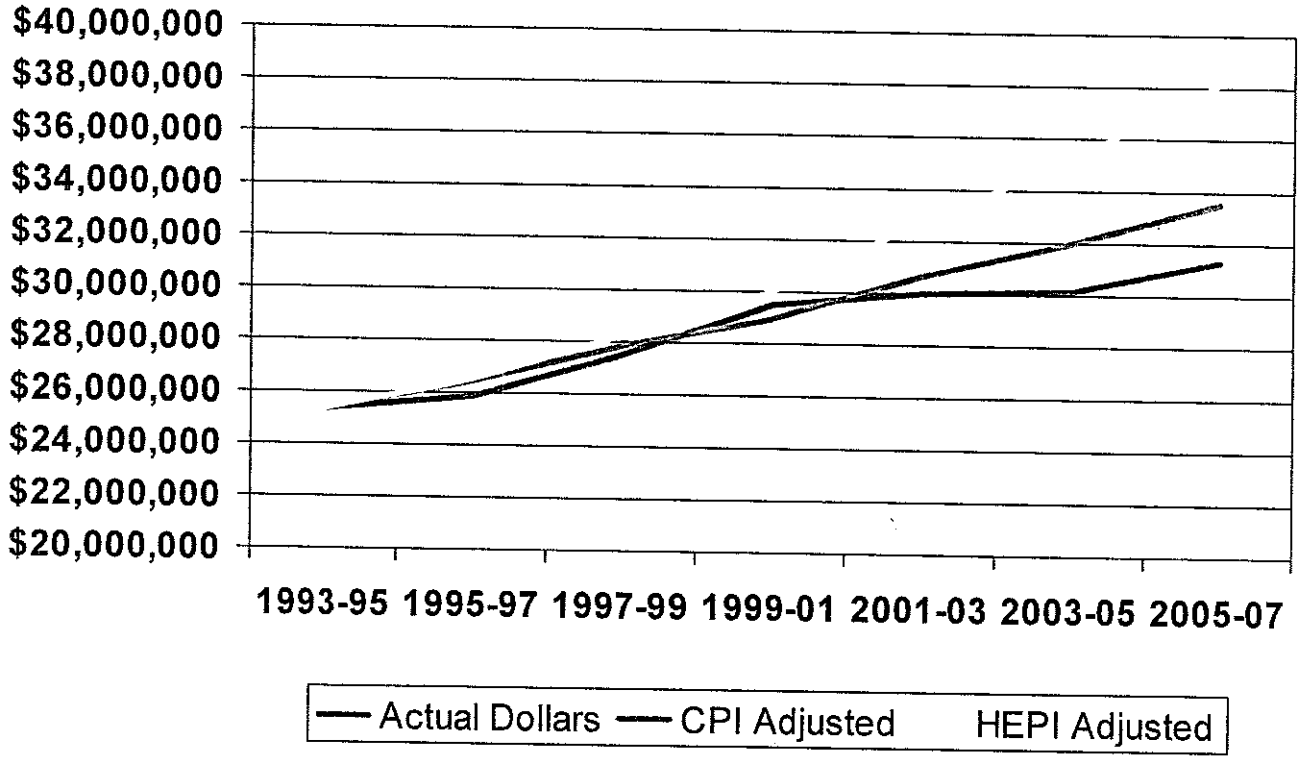
Tuition and Fees for 2006-07 at UNDSMHS is $21,753.

Debt estimate for students entering UNDSMHS in 2006 is over $125,000

Sources of Revenue



Sustaining our Mission and Programs: Inflation



We need a minimum of $2.2 - $6.8M just to keep up with inflation!

<u>$2.2 million to $6.8 million</u> is needed for increasing departmental operating budgets and sustaining highly productive faculty and staff

Medical Center Advisory Council Recommendations

Council met August 24, 2006; concluded increased funding was necessary:

- **Sustain current programs and missions**
- **Respond to growing critical health needs of the state**

In addition to proposed increase of $3.2 million, the Council endorsed increased funding for the following critical needs areas:

- **Offset inflation costs currently paid for by medical student tuition increases**
- **Address statewide primary care and preventive health needs**
- **Establish a branch of the state morgue at the SMHS**
- **Increase clinical research and education in microbiology and immunology**
- **Re-establish the Geriatrics Education Center**
- **One-time expenditure for sustaining INMED program**
- **New Bismarck Family Medicine Residency building**



Funding Needs for Departments

- **Primary Care/Family & Community Medicine**
- **Rural Health**
- **Health Promotion and Prevention**
- **Microbiology and Immunology**
- **Geriatrics**
- **Forensic Pathology**

Construction/Renovation Needs
One-time expenditures

- **Bismarck Center for Family Medicine** **$4,500,000**
- **Forensic Pathology Suite for Branch of State Morgue** **$1,500,000**
- **Allied Health Facility** **$20,400,000**
- **Laboratory and Administrative Renovations** **$9,800,000**

Economic Impact on North Dakota

- **Economic impact on four major North Dakota cities resulting from state general fund contribution of $15.5 M (in dollars for one year):**
  - **$19.9M Fargo**
  - **$130.9M Grand Forks**
  - **$13.1M Bismarck**
  - **$11.1M Minot**
- **$175,000,000 - Total for North Dakota**

**These figures represent salaries and fringes of benefited faculty, staff and residents; grant funding; operating budget; faculty payments to hospitals or physicians, and medical students' living expenses times a 2.5 standard multiplier effect.*

Progress and Achievements for North Dakota

Research funding has increased from $4 million in 1995 to $20 million/year in 2006

Patient-centered learning curriculum is a national model and has recently been adopted by Mayo Medical School

Students and graduates score in the top range on national examinations

Full reaccreditation granted in 2006

Selected by the Carnegie Foundation for study as a model of a community-based medical school

Dean Wilson elected as Chair of the Association of American Medical Colleges' Council of Deans

SMHS contributes $175 million/year to the North Dakota economy

Summary

UND School of Medicine & Health Sciences is vital to North Dakota.

- **We ARE the ONLY medical school serving ALL of North Dakota**
- **We have an outstanding educational program and students/faculty/staff**
- **We can and <u>want</u> to do more for North Dakota**
  - **Primary Care/Family & Community Medicine**
  - **Rural Health**
  - **Health Promotion and Prevention**
  - **Microbiology/Immunology**
  - **Geriatrics**
  - **Forensic Pathology**
- **Your support of these areas allows greater <u>service</u> to North Dakotans.**

Excellent HEALTH CARE and excellent schools <u>essential</u> for economic growth!

Thank you

HB1003 UND School of Medicine
January 10, 2007
Handout #6

Medical Center Advisory Council Recommendations for Increased Funding to the School of Medicine and Health Sciences

Presented to the Education and Environment Section of the North Dakota House of Representatives Appropriations Committee

Presented by David Molmen, Chief Operating Officer, Altru Health System & Chair, Medical Center Advisory Committee

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The Medical Center Advisory Council met on August 24, 2006 and concluded that increased funding for the SMHS was necessary to:

- Sustain current programs and missions
- Respond to growing critical health needs of the state

The proposed SBHE increase of $3.2 million for the SMHS will provide only $160K above 2007-2009 projected operating costs. The Council, recognizing the importance of funding many critical needs areas in the SMHS, endorsed a plan for requesting increased funding for these priority areas:

1. $6.8 million to offset inflation as calculated by the 2005-2007 Higher Education Consumer Price Index. This adjustment is critical for increasing current department operating budgets and for sustaining highly productive faculty and staff.

HIGHEST PROGRAM FUNDING PRIORITY

2. $4 million for a North Dakota Primary Care and Prevention Initiative for addressing critical healthcare needs in our state:

   Department of Family & Community Medicine: $1.5 million
   - 2 faculty needed at CFM-Bismarck & 1 faculty for Minot
   - Resources to upgrade the Bismarck facility
   - Install electronic medical record system

   Center for Rural Health: $600,000
   - 2 faculty, 1 data analyst, and support staff needed
   - Statewide workforce needs analyses
   - Technical assistance and service to hospitals/clinics in ND
   - Healthcare delivery systems assessment & coordination

   Public Health and Prevention: $1.9 million
   - 4 faculty/support staff needed for behavioral & environmental health
   - Develop a joint SMHS-ND Health Department Masters of Public Health degree & Preventive Medicine Residency Program degree
   - Recruit more physicians into ND Family Medicine Practice
   - Address the high rates of tobacco, drug, and alcohol use by providing school-based prevention services; assist youth in developing healthy lifestyles and reduce obesity rates
   - Increase education/training to students and healthcare providers in disease prevention strategies

3. $700,000 for recruiting new faculty in Bacteriology and Immunology. These faculty are needed for providing education and research in the rapidly developing and critical fields of:
   - Transplantation
   - Pluripotent cell technology
   - Microbiologic terrorism

4. $800,000 for re-establishing the Geriatric Education Center. The GEC was established with federal funds to provide outreach, education, and service to elderly North Dakotans, the fastest growing segment of our population. This important Center requires state funding to continue its services.

CRITICAL NEEDS FOR ONE-TIME FUNDING

1. $4 million for a new Bismarck Family Medicine Residency Building.
   - Current lease is about to expire on the Broadway location
   - Current location greatly limits patient access
   - New building will increase income and recruitment/retention of residents and faculty

2. $1.5 million for establishing a branch of the State Morgue at the SMHS.
   - We have a highly trained Forensic pathologist M.D.
   - Deceased from eastern ND are transported to Bismarck
   - The laboratory would provide essential training to students
   - Bismarck forensic services are currently overloaded

3. $500,000 for sustaining the Indians Into Medicine (INMED) Program.
   - Federal funding for this important program has been drastically cut
   - Efforts are underway to obtain future federal funding

Summary of MCAC Legislative Meeting, January 19, 2007

The MCAC legislative subcommittee on Increased Funding met January 19th at 7AM in the State Capitol cafeteria. In attendance were Senator Mathern, and representing Rep. Svedjan, was Rep. Monson. Dr. Neumann, Ms. Prom, and Dr. Vogeltanz-Holm from the SMHS provided updated information to the committee.

Senator Mathern provided copies of the 7 amendments that have now been prepared, representing the 7 priority areas for increased funding needs in the SMHS. Drs. Neumann and Vogeltanz-Holm provided additional detail for each of the funding requests. As you may recall, Mr. David Molmen, chair of the MCAC, presented all 7 of the funding requests on January 10 to the House Appropriations Section on Education and Environment. During the January 12 meeting of the MCAC legislative committee, Rep. Svedjan recommended to Senator Mathern that the funding requests be drafted as 7 separate amendments with more budget and justification detail provided for each one.

Discussion next focused on moving the amendments forward. Senator Mathern recommended that his name now be removed from the 7 amendments, and that the committee quickly identify key legislative leaders for sponsoring each of the amendments. Rep. Monson advised that the amendments be packaged with the corresponding support documents and distributed to potential key supporters quickly.

Following the meeting in the cafeteria, Senator Mathern and the MCAC SMHS representatives met with Rep. Keiser, informing him about the need for a new Family Medicine Center in Bismarck.

NVH, January 21, 2007

Since the January 19 meeting, Dean Wilson has communicated with Rep. Martinson about the MCAC committee's efforts to secure increased funding for the SMHS. Rep. Martinson indicated he would be interested in attending Friday meetings, supporting the committee's efforts, and assuming a leadership role in requesting one-time funds for a new Family Medicine Center in Bismarck.

Attached in a single pdf file are the 7 amendments with supporting information for each of the 7 funding requests. I will also provide a hard copy of the documents that should arrive for you in Bismarck by Tuesday AM.

Thank you very much for your support and valuable time as we move forward. Please let Sen. Mathern or I know if you need any further information.

78003.0103
Title.
Fiscal No. 3

Prepared by the Legislative Council staff for

January 17, 2007

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1003

Page 8, line 8, replace "2,513,936" with "9,313,936"

Page 8, line 9, replace "2,513,936" with "9,313,936"

Page 8, line 17, replace "83,069,547" with "89,869,547"

Page 8, line 19, replace "33,990,595" with "40,790,595"

Page 12, line 1, replace "33,874,938" with "40,674,938"

Page 12, line 2, replace "33,874,938" with "40,674,938"

Page 12, line 10, replace "470,227,440" with "477,027,440"

Page 12, line 12, replace "599,700,596" with "606,500,596"

Page 12, line 13, replace "470,227,440" with "477,027,440"

Page 12, line 15, replace "599,700,596" with "606,500,596"

Renumber accordingly

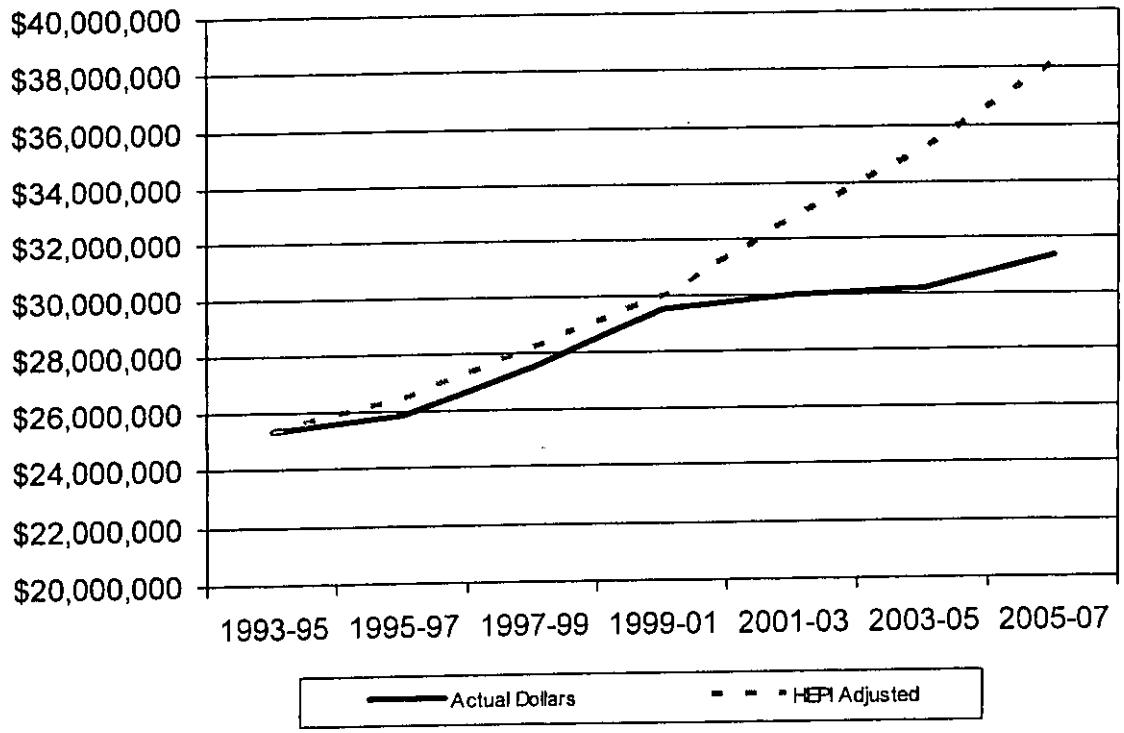
STATEMENT OF PURPOSE OF AMENDMENT:

This amendment provides a $6.8 million general fund appropriation to the University of North Dakota School of Medicine and Health Sciences to offset inflation.

Inflation Offset

The Medical Center Advisory Council of the University of North Dakota School of Medicine and Health Sciences (UNDSMHS) requests funding to offset inflationary costs incurred since the 1999-01 biennium. The North Dakota general fund appropriation to the UND School of Medicine & Health Sciences (SMHS) has not increased at the rate necessary to fund required salary increases and operating budget inflationary costs. Using the Higher Education Price Index, the SMHS has lost an estimated $6.8 million in general fund value from the start of the 1999-01 biennium.

The shortfall in general fund support continues to cause pressure for large tuition increases to maintain faculty salaries and support operating budgets required to maintain accredited academic programs. These critical funds are required for increasing current department operating budgets, sustaining highly productive faculty and staff, and retaining accreditation standards for our academic programs. The figure below shows the actual dollars the UND School of Medicine and Health Sciences has received since the 1993-95 biennium and the dollars needed to keep pace with inflation as calculated by the Higher Education Price Index.



78003.0104
Title.
Fiscal No. 4

Prepared by the Legislative Council staff for

January 17, 2007

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1003

Page 8, line 8, replace "2,513,936" with "3,013,936"

Page 8, line 9, replace "2,513,936" with "3,013,936"

Page 8, line 17, replace "83,069,547" with "83,569,547"

Page 8, line 19, replace "33,990,595" with "34,490,595"

Page 12, line 1, replace "33,874,938" with "34,374,938"

Page 12, line 2, replace "33,874,938" with "34,374,938"

Page 12, line 10, replace "470,227,440" with "470,727,440"

Page 12, line 12, replace "599,700,596" with "600,200,596"

Page 12, line 13, replace "470,227,440" with "470,727,440"

Page 12, line 15, replace "599,700,596" with "600,200,596"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

This amendment provides funding of $500,000 from the general fund to the University of North Dakota School of Medicine and Health Sciences for sustaining the Indians Into Medicine (INMED) program.

INDIANS INTO MEDICINE (INMED) PROGRAM

The Medical Center Advisory Council of the University of North Dakota School of Medicine and Health Sciences (UNDSMHS) requests one-time funding for the Indians Into Medicine (INMED) Program. The INMED Program is a comprehensive educational assistance program designed to assist American Indian students who are enrolled in health-related curriculum and exists as an integral part of the UND School of Medicine and Health Sciences. The INMED Program has made an impact graduating 168 medical doctors and another 169 allied healthcare professionals. Of the medical doctors completing their degrees, there are 13 currently practicing in the state.

The primary funding sources for INMED have been federal grants from the Indian Health Service and the Health Resources and Services Administration (HRSA) Health Career Opportunity Program. Our proposal submitted in January 2005 had been approved for funding for three years. With the budget reduction to HRSA, as a result of Congressional action, HCOP funds were cut and our grant was not funded effective as of September 1, 2006. The direct impact to our program included:

- Reduction in program staff by 50%
- Loss of 30 slots for Summer Institute -11th and 12th grade participants
- Elimination of tribal community college pathway program
- Elimination of Medical Colleges Admissions Test (MCAT) Preparation program
- Elimination of summer preparatory session for incoming medical students
- Reduction in yearly recruitment activities
- Reduction in student support services and tutorial assistance
- Elimination of Project at Oglala Lakota College

  Note: The program is not requesting any funds or other resources for the continuation of the Oglala Lakota College Project.

The attached budget section reflects the economic resources associated with the restoration of components of the INMED Program that are reduced or eliminated by the decision of the United States Congress to reduce funding for Title VII programs.

DETAILED 2 YEAR BUDGET

Title of Position	Numbers other than 1	%	Hours/ week	Salary	Fringe Benefits	Total
Program Specialist		*34%*	*14*	*22,800*	*6,372*	*29,172*
Administrative Officer		*40%*	*16*	*28,796*	*8,070*	*36,866*
Secretary II		*45%*	*18*	*18,788*	*4,800*	*23,588*
Summer Institute Staff	**6 Instructors** **10 Counselors**	*50%* *50%*	*20* *20*	*15,000* *25,000*	*4,350* *7,250*	*19,350* *32,250*
Med Prep Staff	**6 Instructors**	*100%*	*40*	*30,000*	*8,700*	*38,700*
Tutor Staff	**2 Tutor**	*100%*	*6*	*10,000*	*3,000*	*13,000*
Subtotal				**$150,384**	**$42,542**	**$192,926**
Consultant Costs						**8,000**
Supplies						**20,000**
Staff Travel						**14,930**
Other Expenses	**Learning Resource Ctr**	**Print**	**Postage**	**Telephone**		**20,544**
Trainee stipends	**$40day x 42 days x 60**	**People**				**201,600**
Trainee travel	**$350 x 60 People**					**42,000**
TOTAL						**$500,000**

78003.0105
Title.
Fiscal No. 9

Prepared by the Legislative Council staff for
January 17, 2007

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1003

Page 8, line 8, replace "2,513,936" with "4,013,936"

Page 8, line 9, replace "2,513,936" with "4,013,936"

Page 8, line 17, replace "83,069,547" with "84,569,547"

Page 8, line 19, replace "33,990,595" with "35,490,595"

Page 12, line 1, replace "33,874,938" with "35,374,938"

Page 12, line 2, replace "33,874,938" with "35,374,938"

Page 12, line 10, replace "470,227,440" with "471,727,440"

Page 12, line 12, replace "599,700,596" with "601,200,596"

Page 12, line 13, replace "470,227,440" with "471,727,440"

Page 12, line 15, replace "599,700,596" with "601,200,596"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

This amendment appropriates $1.5 million from the general fund to the University of North Dakota School of Medicine and Health Sciences to establish a branch of the state morgue at the University of North Dakota School of Medicine and Health Sciences.

Funding for State Morgue Branch in Grand Forks

The Medical Center Advisory Council of the University of North Dakota School of Medicine and Health Sciences (UNDSMHS) requests funding for construction of a morgue in Grand Forks to: (1) Serve the eastern portion of the State of North Dakota; (2) Provide integration / support for the Chief Forensic Examiner in Bismarck; (3) Provide critically needed health, injury and death investigation for the State of North Dakota; and (4) Expand opportunities for training of future state coroners and death investigators while in educational settings. This is a critical base infrastructure request to further collaborations and support for the Department of Health, State of North Dakota and the UNDSMHS. It is requested as a branch office to the Bismarck State Forensic Examiner. This is congruent with the vision of a Task Force for Study of the Medical Examiner System, currently underway by the Department of Health.

Critical need of services in Eastern North Dakota:

- Decedents from the Eastern counties must be transported to Bismarck for autopsy resulting in delays and inconvenience for families in this difficult time, increased expenses for referring counties and difficulty in providing law enforcement and investigative continuity with travel to Bismarck.
- Training for law enforcement and coroners / death investigators in the eastern counties is difficult with sole morgue in Bismarck.
- Cases done by various entities in the Eastern portion of ND are not optimally integrated statewide.

Benefits to Living; Death Investigation Base in North Dakota:

- Based on national estimates and the population of ND, approximately 650 forensic autopsy examinations are needed annually. This does NOT include cases from hospitals, private requests or other medically related quality assurance programs, which would increase totals. With the population base in Eastern ND, a branch office will optimize state services in forensic examinations.
- Accurate and uniform records for child mortality, suicide, workforce/farm/ranching deaths, elder/domestic abuse, and all types of traumatic deaths are critically needed for functions of Department of Health and other state agencies. This is provided by a state forensic system.
- Accurate, professional and timely medical-legal investigation for suspicious deaths is vital to the State.
- Detection of unsuspected disease: This is significant in genetically related diseases for risk assessment of family members and accurate disease incidence for the State of North Dakota. Current practice in Grand Forks HAS A 7% UNDETECTED CANCER RATE. This information is critical for health and environmental risk assessment for the state.
- Accurate and timely risk assessment (and elimination) of drug and alcohol related deaths.
- Drug use monitoring (i.e. methamphetamine, cocaine) and changing / evolving substance abuse.
- Unsuspected public health and environmental hazards, i.e. electrical injury, CO unsuspected exposure, workforce and other safety issues.
- Training for future coroners, health professionals, law enforcement and investigators in educational setting in Eastern ND. Training for current coroners, law enforcement and death investigators.
- Optimizing coordination with organ and tissue procurement in accordance with decedents wishes.

Increased support for Department of Health and Bismarck State Forensic Examiner:

- Integration of cases within the ND State Forensic Examiner system
- Specialty expertise (Neuropathology, Pediatric Pathology, Cardiac and other) from expertise at UNDSMHS.
- Consultation on cases between system-wide offices (Bismarck and Grand Forks), better coordination with ND Coroners and Law Enforcement
- Vacation and other support between offices for professional staff to assure seamless statewide coverage.

Continuing Operating Costs are defrayed by affiliations:

- Affiliations for a fee-for-service case performance from local hospitals, surrounding counties and private parties will defray and reduce per case cost.

Budget for Construction of Branch Office of State Morgue: Based on construction estimates from Bismarck facility, 1.5M is requested. A similar facility is envisioned with slightly more capacity due to population base and educational mandates.

Total Request: $1.5 Million in Construction; Recurring costs through DOH and SMHS budgets.

78003.0106
Title.
Fiscal No. 7

Prepared by the Legislative Council staff for

January 17, 2007

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1003

Page 8, line 8, replace "2,513,936" with "3,313,936"

Page 8, line 9, replace "2,513,936" with "3,313,936"

Page 8, line 17, replace "83,069,547" with "83,869,547"

Page 8, line 19, replace "33,990,595" with "34,790,595"

Page 12, line 1, replace "33,874,938" with "34,674,938"

Page 12, line 2, replace "33,874,938" with "34,674,938"

Page 12, line 10, replace "470,227,440" with "471,027,440"

Page 12, line 12, replace "599,700,596" with "600,500,596"

Page 12, line 13, replace "470,227,440" with "471,027,440"

Page 12, line 15, replace "599,700,596" with "600,500,596"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

This amendment appropriates $800,000 from the general fund to the University of North Dakota School of Medicine and Health Sciences for reestablishing the Geriatric Education Center.

Geriatric Education Center

The Medical Center Advisory Council of the University of North Dakota School of Medicine and Health Sciences (UNDSMHS) requests funding for the Geriatric Education Center (GEC). This GEC will provide essential educational and healthcare services in the state for (a) our increasingly aging population; and (2) improving our health providers' response to older North Dakotans healthcare and social needs.

Programmatic Request

- 3 faculty, 1 curriculum development coordinator, and 1 support staff to concentrate on development of an educational consortium, curriculum development, and education of medical, nursing,

Program Justification: North Dakotans who are 85 and older are the fastest growing age group in the state. ND ranks first in having the highest percentage of its population in this age cohort and it ranks fifth for the percentage of its population 65 and older. In comparison to the U.S. population, North Dakotans are older than the national median. Common in elderly populations the leading causes of death are chronic diseases such as heart disease, cancer, stroke, respiratory disease, and diabetes. A compelling issue facing ND is the state's ability to meet the health needs of a growing geriatric population along with the corresponding issue of having a health care workforce that is trained to treat the elderly.

The purpose of the UND Geriatric Education Center (GEC) is to meet the unique geriatric health care needs of North Dakota elders by providing educational experiences at the undergraduate, graduate, and post-graduate level. An educational consortium will be furthered developed involving the UND School of Medicine and Health Sciences, UND College of Nursing, NDSU College of Pharmacy, and tribal colleges. To meet the health needs of the elderly, ND medical, nursing, and allied health students require expertise in geriatric education. The GEC will provide training for the following health professionals: family physicians, internists, and medical generalists; nurses; physician assistants; nurse practitioners; pharmacists; mental health; physical therapy; occupational therapy; and health administration. The program will be administered by the UND Center for Rural Health.

The three faculty, one curriculum staff, and one administrative staff associated with this effort will concentrate their work on the following educational outcomes:

- Provide health professional students with academic and community-based experiences in geriatrics; geriatric specific continuing medical education; and enhanced clinical training for other health professionals including nursing students and advanced practice nurses; and
- Provide improved training for students and practitioners in mental health and behavioral health fields.

Budgetary Request:

$210,000	3 faculty positions @ $70,000 each
67,200	Fringe benefits for faculty @ 30 percent
45,500	Curriculum Development Coordinator
15,925	Fringe benefits for coordinator @ 35 percent
30,000	1 support staff position
10,500	Fringe benefits for support staff @ 35 percent
8,000	4 desk computers and software
12,875	Travel and other operating expenses

Total Funding Request for the Geriatric Education Center: $800,000 per biennium

78003.0107
Title.
Fiscal No. 8

Prepared by the Legislative Council staff for

January 17, 2007

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1003

Page 8, line 8, replace "$2,513,936" with "$2,513,936"

Page 8, after line 8, insert:

"Capital assets 4,000,000"

Page 8, line 9, replace "2,513,936" with "6,513,936"

Page 8, line 17, replace "83,069,547" with "87,069,547"

Page 8, line 19, replace "33,990,595" with "37,990,595"

Page 12, line 1, replace "$33,874,938" with "$33,874,938"

Page 12, after line 1, insert:

"Capital assets 4,000,000"

Page 12, line 2, replace "33,874,938" with "37,874,938"

Page 12, line 10, replace "470,227,440" with "474,227,440"

Page 12, line 12, replace "599,700,596" with "603,700,596"

Page 12, line 13, replace "470,227,440" with "474,227,440"

Page 12, line 15, replace "599,700,596" with "603,700,596"

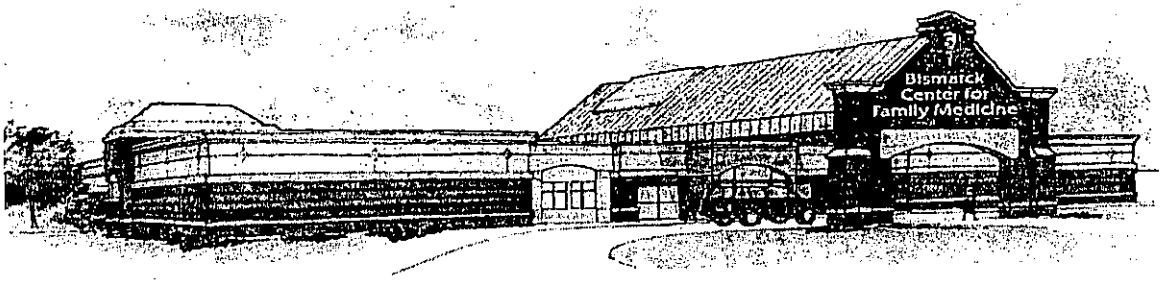
Renumber accordingly

$160 ANN. LEASE

LEASE EXPIRES FEB. 2008

STATEMENT OF PURPOSE OF AMENDMENT:

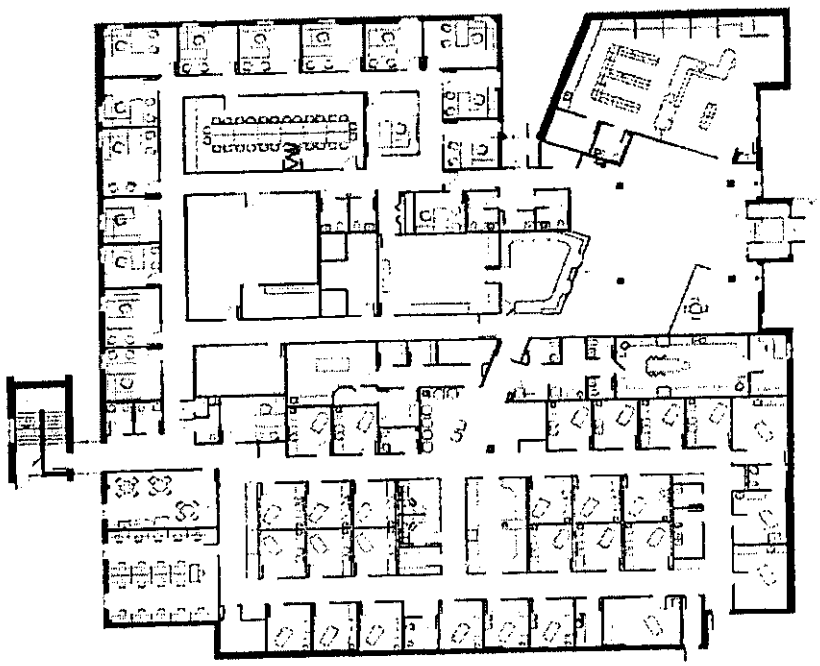
This amendment provides funding of $4 million from the general fund to the University of North Dakota School of Medicine and Health Sciences for a new Bismarck family medicine residency building.



The Medical Center Advisory Council of the University of North Dakota School of Medicine and Health Sciences (UNDSMHS) requests funding to construct a new facility for the Center for Family Medicine in Bismarck.

Estimated Costs of Constructing a New Facility (22,000 Square Feet)

General Contractor	$2,110,000	
Mechanical	$650,000	
Electrical	$460,000	
Architect	$280,000	
Construction Management	$200,000	
Owner & Permits	$300,000	
Total Costs		$4,000,000
Cost per Square Foot		$181.82



BISMARCK CENTER FOR FAMILY MEDICINE (proposed)
UND SCHOOL OF MEDICINE & HEALTH SCIENCES
UNIVERSITY OF NORTH DAKOTA

78003.0109
Title.
Fiscal No. 6

Prepared by the Legislative Council staff for

January 17, 2007

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1003

Page 8, line 8, replace "2,513,936" with "3,213,936

Page 8, line 9, replace "2,513,936" with "3,213,936"

Page 8, line 17, replace "83,069,547" with "83,769,547"

Page 8, line 19, replace "33,990,595" with "34,690,595"

Page 12, line 1, replace "33,874,938" with "34,574,938"

Page 12, line 2, replace "33,874,938" with "34,574,938"

Page 12, line 10, replace "470,227,440" with "470,927,440"

Page 12, line 12, replace "599,700,596" with "600,400,596"

Page 12, line 13, replace "470,227,440" with "470,927,440"

Page 12, line 15, replace "599,700,596" with "600,400,596"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

This amendment provides funding of $700,000 from the general fund to the University of North Dakota School of Medicine and Health Sciences for recruiting new faculty in bacteriology and immunology.

Funding for Faculty in Immunology and Bacteriology

The Medical Center Advisory Council of the University of North Dakota School of Medicine and Health Sciences (UNDSMHS) requests funding for two faculty in Immunology and Bacteriology and for laboratory development costs. The new faculty and resources within the Department of Microbiology and Immunology are critically needed for teaching medical students and for developing the department's immunology and microbiologic terrorism clinical research areas.

Recruitment of new chair:

- The current chair is scheduled to retire in early 2008.
- It is very important that the new chair have specialty training in immunology to meet our medical student teaching needs and for the development of this important field. Although salary will be available for recruiting the new chair, start-up (one-time) funds of $300,000 are requested.

Recruitment of additional faculty member in immunology:

- $90K/year plus 30% fringes is requested for an assistant or associate professor to provide greater range and depth in the teaching of immunology. Immunology has grown explosively over the past two decades and has become an important area of knowledge and technology for many areas of biology, biomedical science, and biomedical engineering. Any of several areas of immunology would be appropriate and dependent, in large part, of the vision of the new chair.
- Large numbers of requests and applications are being received from excellent students seeking training in immunology, but who cannot be accommodated by the current limited availability of immunology laboratories in the department.
- In order to maximize the currently available departmental expertise in immunology, the number of faculty working in the area needs to be expanded to create the "critical mass" needed for optimal interaction and collaboration. The increased ability to obtain grant funding also aids in local economic growth.

Recruitment of additional faculty member in microbial pathogenesis:

- $90K/year plus 30% fringes is requested for an assistant or associate professor active in microbial (bacterial or viral) pathogenesis. This reflects the growing demand for education and training in this area, its role in disease, and its potential use for bioterrorism.
- Increasing numbers of requests and applications are being received from excellent students seeking training in microbial pathogenesis, but the limited availability of appropriate laboratories in the department requires that most of them be denied.
- Addition of such an individual would also help provide "critical mass" for needed the collaborations needed for maximal productivity of research efforts in this area. It would also expand the pool of appropriate specialists in place needed to obtain federal funding for the construction of P3/P4 levels research facilities to attract both university-based scientists and industrial users. The increased ability to obtain grant funding also aids in local economic growth.

Budget for New Faculty and for Laboratory Development Costs:
2 faculty ($92K/year plus 30% fringes); start-up costs for two new faculty ($160K, one-time funding); Start-up costs for new departmental chair ($300K, one-time funding):

Total Request: $700,000 for 2007-2009 biennium; $239,200 recurring costs.

(7)

University of North Dakota
School of Medicine and Health Sciences

Presentation to:
Senate Appropriations Committee

February 27, 2007

H. David Wilson, MD
Vice President for Health Affairs and Dean

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Agenda

- **Accomplishments**
- **Review of budget**
- **Institutional needs & priorities**
- **Enrollment – past, present, future**
- **Areas of focus and specialization**
- **Future innovation – research opportunities**
- **Value to state**
- **Comments by :**
  - **Mr. David Molmen, Chair, Medical Center Advisory Council**
    Chief Operating Officer, Altru Health System

Focus

- **The mission of the University of North Dakota School of Medicine and Health Sciences is to educate and prepare North Dakota residents as physicians, medical scientists and other health professionals for service to the people of North Dakota and the nation, and to advance medical and biomedical knowledge through research.**

Accomplishments

- **Full Reaccreditation for 8 years (2006-14)**
- **UNDSMHS Strengths Identified by the Reaccreditation Team:**
  - **Commitment and creativity of faculty**
  - **Exceptional curriculum**
  - **Focused research strategy**
    - **"a model for community schools"**
  - **Vision and energy of Dean Wilson**
  - **Commitment of volunteer faculty**
  - **Rural Opportunities in Medical Education (ROME) Program**
  - **Clinical Education Center**
  - **INMED Program**
- **Accreditation Team: Darrrell Kirch, M.D., Pennsylvania State University; Barry Linger, Ed.D., West Virginia University School of Medicine; Nanette Clare, M.D., University of Texas-San Antonio; David Swee, M.D., Robert Wood Johnson Medical School – New Jersey; Tom Norris, M.D., University of Washington School of Medicine - Seattle**

Accomplishments

Research funding has increased from $4 million in 1995 to $20 million/year in 2006

Patient-centered learning curriculum is a national model and has recently been adopted by Mayo Medical School

Students and graduates score in the top range on national examinations

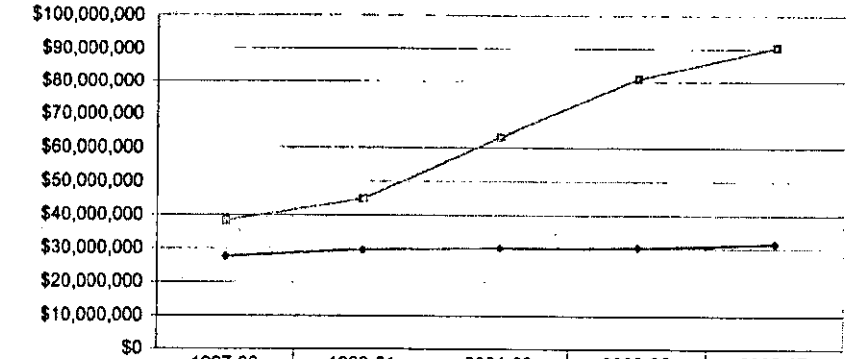
Full reaccreditation granted in 2006

Selected by the Carnegie Foundation for study as a model of a community-based medical school

Dean Wilson elected as Chair of the Association of American Medical Colleges' Council of Deans (125 Deans)

SMHS contributes $175 million/year in economic impact to North Dakota

Sources of Revenue



	1997-99	1999-01	2001-03	2003-05	2005-07
General Fund	$27,517,360	$29,499,696	$29,978,570	$30,165,865	$31,361,002
Other Funds	$38,279,101	$44,832,421	$63,133,840	$80,895,693	$90,638,998

Tuition

	2001-02	2002-03	2003-04	2004-05	2005-06	Increase from 2001-06
Minnesota	$22,966	$26,889	$27,305	$28,400	$29,400	28.0%
AAMC Midwest Mean	$16,086	$18,412	$19,597	$20,974	$21,925	37.9%
Nebraska	$14,871	$15,647	$17,862	$19,903	$20,097	35.1%
South Dakota	$13,702	$15,650	$17,617	$16,450	$16,821	22.8%
North Dakota	$13,346	$14,479	$16,383	$18,326	$20,125	50.8%

Tuition and Fees for 2006-07 at UNDSMHS is $21,753

Debt estimate for students entering UNDSMHS in 2006 is over $125,000

General Fund Request to Executive Recommendation & Engrossed HB1003

	SBHE 2007-09 Prioritized GF Request	Executive Recommendation	House Adjustments 1/	Engrossed HB1003
2005-07 Original General Fund Appropriation	$ 31,361,002	$ 31,361,002		31,361,002
Base Adjustments	(747,890)	(747,890)		(747,890)
2005-07 Adjusted General Fund Appropriation, Net of Base Adjustments	30,613,112	30,613,112		30,613,112
Prioritized SBHE Requested Increase in Base Funding:				
Capital Assets Increase-Ongoing Extraordinary Repairs		-	-	-
Campus Parity	2,503,374	2,503,374	(335,975)	2,167,399
Campus Equity	758,452	758,452		758,452
House Adjustments to Base Funding			239,200	239,200
Total Requested Increase in GF Base Funding & Adjustments	3,261,826	3,261,826	(96,775)	3,165,051
Subtotal Base GF Request, Compared to Executive Recommendation & Engr HB1003	33,874,938	33,874,938	(96,775)	33,778,163
One-time Budget Increases, Excluding Major Capital Projects:				
Capital Assets Increase-Ongoing Extraordinary Repairs		-	-	-
Infusion for Deferred Maintenance				-
House One-time Adjustments			460,800	460,800
Subtotal One-time GF Request, Excluding Major Capital Projects, Compared to Exec Recommendation & Engr HB1003	-	-	460,800	460,800
2007-09 State General Funded Projects	-			-
Total 2007-09 General Fund Request, Compared to Executive Recommendation & Engrossed HB1003	$ 33,874,938	$ 33,874,938	$ 364,025	$ 34,238,963

g:\kathy\excel\Biennial Budgets\2007-09 Budgets\07-09 House\Compared, Hse GF Summary-HB1003

1/ House Adjustments Include:

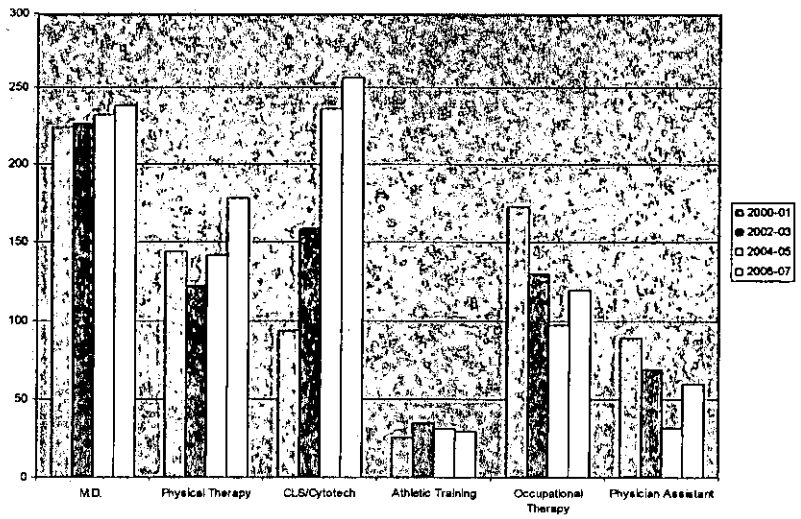
Reduce salary increases from 5/5 to 4/4	$ (335,975)
Bacteriology/Immunology-Base increase	239,200
Bacteriology/Immunology-One-time increase	460,800
	$ 364,025

Current Enrollments

	Enrollments
M.D. (*M.D./Ph.D)	236 / 2
M.S./Ph.D. - Basic Sciences	43
D.P.T. Physical Therapy	178
Clinical Lab Science (M.S. - 47; B.S. - 203)	250
Cytotechnology	7
B.S. Athletic Training	30
M.O.T. Occupational Therapy (Grand Forks)	90
(Casper WY)	29
Physician Assistant	60
Physician in Training (Graduate Medical Education/Residency Programs Family Med, Internal Med, Surgery, Psychiatry, Transitional)	96
	1,019 / 2
Other Programs	
Continuing Medical Education	11,716
Laboratory Education for North Dakota (LEND)	853
	12,569
	Total 13,588 / 2

- Plus 1600 undergraduates (4500 credit hours): nurses, school teachers, dieticians, and others taking physiology, microbiology, anatomy, biochemistry and pharmacology courses
- *M.D.\Ph.D. program to produce physician scientists

Enrollments 2000-01 thru 2006-07



Institutional Needs
Your Medical Center Advisory Council Recommendations

Council met August 24, 2006; concluded increased funding was necessary to:

- **Sustain current programs and missions**
- **Respond to growing critical health needs of the state**

In addition to SBHE budget, the Council endorsed additional funding for:

- **Primary care and preventive health funding**
- **Additional faculty in Microbiology & Immunology**
- **New Center for Family Medicine building in Bismarck**
- **Branch of the state forensic morgue at SMHS**
- **Three other items have been eliminated from our requests**

NDCC 15-52-03: Medical Center Advisory Council

- **Duties of the MCAC:**

"...formulate plans for facilitating and implementing, through the ND state medical center, a unified program for the improvement and maintenance of the health of the people of the state in all its phases."

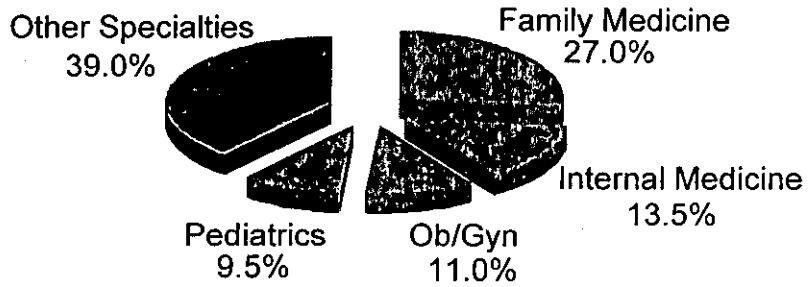
"...include specifically ways and means of bringing about the complete training of adequate numbers of qualified physicians and surgeons for the people of the state, both in the general practice of medicine and surgery and the field of public health, of allied health professionals, and all other personnel concerned with the improvement and preservation of the health of the people of this state."

Areas of Focus (Priorities)

- **Medical & health sciences education**
- **Rural health & primary care**
- **Prevention of diseases & addiction**
  - **Obesity, smoking, alcohol, methamphetamine**
- **Selected areas of research**
  - **Neurodegenerative diseases, cancer, diabetes, heart disease, bacterial & immunologic diseases, microbiologic terrorism (plague)**

Specialty Choices

Medical School Graduates: 1995-2005



61% of UND Medical School Graduates Enter Primary Care/ObGyn

Future Innovations – Research Opportunities

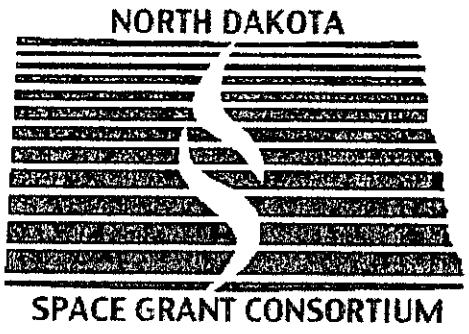
- **Master's degree in Public Health (MPH), Program in Preventive Medicine = CDC Research Center for North Dakota**
  - **Methamphetamine, obesity, smoking, etc.**
- **Human Simulation laboratory**
  - **Students – medicine/nursing, practicing doctors, EMT, firemen**
- **National Cancer Institute designation for North Dakota**



The Value of the School to the State

- **Providing health care professionals**
  - 41% - 45% Physicians
  - 91% Physical Therapists
  - 62% Occupational Therapists
  - 88% Cytotechnologists
  - 75% Physician Assistants
  - 45% Clinical Laboratory Sciences
  - UND graduates who practice in North Dakota -- 38%
  - University of South Dakota ---------- 37%
  - University of Kansas ---------- about 40%





About North Dakota Space Grant

In 1990 the state of North Dakota received a Space Grant College Capability Enhancement Grant from NASA. The North Dakota Space Grant Program has its headquarters at the Department of Space Studies at the John D. Odegard School of Aerospace Sciences at the University of North Dakota.

Mission:
The North Dakota Space Grant Consortium has continued its well-regarded foci in internet-delivered higher education, education financial assistance all across North Dakota (especially to women and minority students), involvement of tribal colleges, and public outreach activities. This has been done to help achieve the primary goal of NDSGC which is making the research and education infrastructure in North Dakota more NASA-relevant.

Through its programming the NDSGC develops the pipeline of students educated in the high technology and scientific fields relevant to NASA's mission. With cutting edge research activities across the state, the NDSGC is helping develop the regional and statewide high technology economy. Our emphasis on the rich human capital of North Dakota is positioning the state in a leading role in the future of mankind.

Strategic Plan:
The NDSGC has three primary priorities within its strategic plan.

Education Priorities:

- Award $100,000 each year in scholarships and fellowships to undergraduate and graduate students at North Dakota's four year, two year, and tribal colleges.
- Expand SPACE.EDU, the world's first interactive distance learning graduate degree in space studies, to continually incorporate new technologies and to reach an increasing number of students.
- Present pre-service workshops on space science in collaboration with North Dakota's teaching training departments.
- Present in-service workshops in collaboration with the aerospace education specialists from Johnson Space Center.
- Provide summer internships for North Dakota college students at NASA Space Centers.
- Support high school research projects such as FIRST robotics, BalloonSat and the Rocketry Challenge.
- Award Science Teaching Enhancement Grants each year to K-12 teachers.
- Support special research projects for college students such as KC-135, Moonbuggy, Fuel Cell Car and Planetary Space Suit for Mars.

- ❖ Achieve gender/minority participation in NDSGC activities consistent with the state's demographics.
- ❖ Initiate a World Wide Web site to disseminate information about space to students and teachers at all levels in North Dakota.

Research Priorities

- ❖ Establish and fund college level research projects in the area of technologies for human spaceflight.
- ❖ Establish a Planetary Science Observatory telerobotic research facility.
- ❖ Support North Dakota research and development activities in collaboration with EPSCoR and other NASA-related activities.
- ❖ Promote awareness via an internet clearinghouse of research opportunities with NASA and other federal agencies.

Public Service Priorities

- ❖ Promote lifelong learning of space science through public presentations and projects coordinated by the ND regional educator resource center.
- ❖ Provide presentations on NASA related activities and their benefits to the public in communities around the state.
- ❖ Promote North Dakota through tourism as a Dark Skies destination.
- ❖ Underwrite StarDate on North Dakota Public Radio.

About NASA Space Grant

The National Aeronautics and Space Administration (NASA) Space Grant Program was established to ensure continued U.S. strength in space-related research and education and to capitalize on the multiple opportunities afforded by the space environment.

Space Grant objectives:

- ❖ Establish a national network of universities with interests and capabilities in aeronautics, space, and related fields.
- ❖ Encourage cooperative programs among universities, aerospace industry, and Federal, State, and local governments.
- ❖ Encourage interdisciplinary training, research, and public service programs related to aerospace.
- ❖ Recruit and train professionals, especially women, underrepresented minorities, and persons with disabilities for careers in aerospace science and technology.
- ❖ Promote a strong science, mathematics, and technology education base from elementary through secondary levels.

Under the Space Grant Program, a national network of public and private colleges and universities with varying degrees of aeronautics and space-related resources and capabilities are joined by space-related industry, State and local governments, and nonprofit organizations. Space Grant Consortia have been established in every State, the District of Columbia, and Puerto Rico. Each consortium receives funds to be used in implementing a balanced program of research, education, and outreach.

NORTH DAKOTA
SPACE GRANT CONSORTIUM

Shanaka de Silva, Director
(701)777-3558
desilva@space.edu

Suezette Rene Bieri, Assistant Director
(701)777-4856
bieri@space.edu

Virginia Makepeace, Fellow
(701)777-4161
virginia@space.edu

June 2, 2006

We request that Governor John Hoeven include $300,000 in the 2007-2009 state budget for the North Dakota Space Grant Consortium (NDSGC). The NDSGC, a state-wide program sponsored by the National Aeronautics and Space Administration (NASA), is designed to enhance the science, technology, engineering and mathematics (STEM) research and education infrastructure in North Dakota. The Consortium is composed of all public two year, public four year and tribal colleges in the state. The NDSGC is headquartered in the Department of Space Studies at the University of North Dakota.

The National Space Grant Program places great emphasis on education and research at colleges and universities. The NDSGC has been very successful at the undergraduate and graduate level but would now like to expand its K-12 program in order to encourage more young people to enter the STEM pipeline. Our hope is that this will help students be prepared for careers that support NASA's goals and help provide the high-tech workforce development needs of North Dakota.

Over the course of the 2007-2009 biennium, this $300,000 will be leveraged to match close to $900,000 in federal Space Grant money.

The NDSGC proposes to use the $300,000 as follows.

Science Teaching Enhancement Grants for K-12 teachers	
Fifty (50) per year at $500 each	$50,000
Dark Skies Initiative	
Two (2) 12" telescopes per year at $7,500 each	$30,000
FIRST Robotics	
Sponsorship of seven (7) high school teams per year at $10,000 each	$140,000
BalloonSat Training and Launches	
Training for two (2) teachers per year	$ 8,000
Launch expenses for eight (8) teams per year	$ 8,000
Team America Rocketry Challenge	
Sponsorship of one (1) team per year to attend national competition	$12,000
Lego Robotics	

Department of Space Studies
John D. Odegard School of Aerospace Sciences
University of North Dakota
4149 Campus Rd., Clifford Hall
Grand Forks, ND 58202-9008
(701)777-2480 • FAX (701)777-3711

UNDAEROSPACE
UNIVERSITY OF NORTH DAKOTA

One (1) workshop per year to train K-12 teachers $10,000

Summer Research Internships at NASA Space Centers
Three (3) students per year (at $7,000 per student) from two year and tribal colleges in the state $42,000

This projected budget may be modified depending on the K-12 educational and research opportunities that are offered by NASA Headquarters to the NDSGC.

We appreciate your consideration of our request. If you need additional information please contact Suezette Rene Bieri at bieri@space.edu or 1-800-8284274.

Shan de Silva, Director

Suezette Rene Bieri, Assistant Director

HB 1003
January 12, 2007
Handout 16

NORTH DAKOTA SPACE GRANT CONSORTIUM

North Dakota Space Grant Consortium

Bismarck State College

Minot State University

University of North Dakota

Valley City State University

North Dakota State College of Science

North Dakota State University

United Tribes Technical College

Grand Forks Herald

Dickinson State University

Mayville State University

Fort Berthold Community College

Sitting Bull College

Cankdeska Cikana Community College

Minot State University–Bottineau Campus

Lake Region State College

Turtle Mountain Community College

Williston State Univ

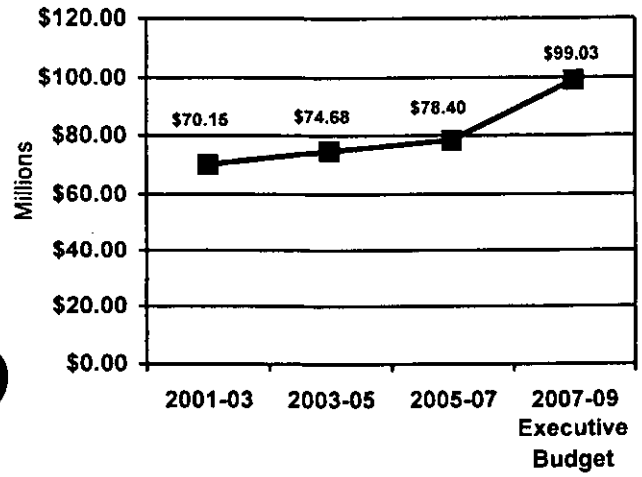
Department 235 - North Dakota State University
House Bill No. 1003

	FTE Positions	General Fund	Other Funds	Total
2007-09 Executive Budget	498.12	$99,027,336	$20,500,000	$119,527,336
2005-07 Legislative Appropriations	483.99 [1]	78,396,876	37,500,000	115,896,876 [2]
Increase (Decrease)	14.13	$20,630,460	($17,000,000)	$3,630,460

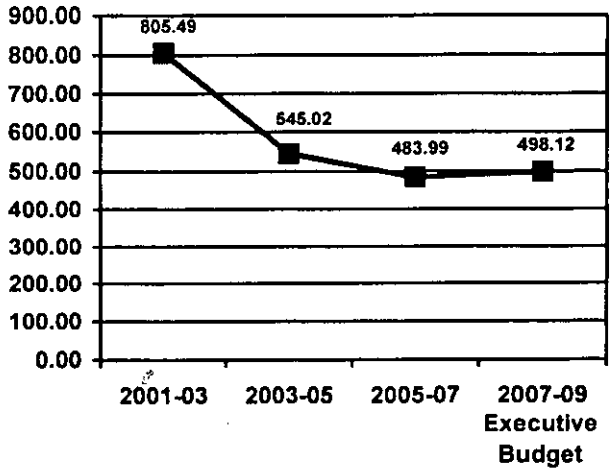
[1]The 2005-07 biennium appropriation is based on 483.99 FTE positions. Section 13 of Senate Bill No. 2003 (2005) authorizes the State Board of Higher Education to adjust full-time equivalent positions, as needed, subject to the availability of funds, for institutions and entities under its control. A total of 14.13 positions were added pursuant to this section and reported to the Office of Management and Budget.

[2]The 2005-07 appropriation amounts include general fund allocations of $900,000 from the equity pool and do not include $40,662 of general fund carryover.

Agency Funding - General Fund



FTE Positions



Executive Budget Highlights

	General Fund	Other Funds	Total
1. Provides parity funding of $8,972,683 for the following:			
Costs to continue fiscal year 2007 legislatively funded salary increases	$962,633		$962,633
Utilities of buildings coming online	199,558		199,558
5 percent per year salary increases	5,369,374		5,369,374
10 percent per year health insurance increases	1,854,190		1,854,190
2.4 percent per year operating inflation	586,928		586,928
Total (The executive recommendation only includes approximately 94 percent of the total general fund portion of parity costs of $9,521,374. Operating inflation of $548,691 is not included in the executive recommendation. An annual tuition increase of 5 percent would be needed to fund the remaining general fund portion of $548,692 and to fund the student portion of parity costs of $6,347,583.)	$8,972,683		$8,972,683
2. Provides equity funding of $4,140,843. (The executive recommendation includes a $10 million increase for equity distributed among the 11 higher education institutions. The amount distributed to each institution was determined by considering both the institution's dollar difference from their peer benchmark as well as giving a greater weighting factor to those institutions that are the furthest behind their peer benchmark.)	$4,140,843		$4,140,843

3. Provides funding for extraordinary repairs of $4,209,161 equal to the 2005-07 base funding of $1,692,226 plus a proportionate share, $2,516,935, of the $10 million increase that is included in the executive recommendation. **(The additional funding of $2,516,935 is identified as one-time funding in the executive budget.)**	$2,516,935		$2,516,935
4. Removes 2005-07 biennium major capital projects funded with bond proceeds, including $3.5 million for a hazardous material storage facility, $22 million for the Memorial Union renovation and addition, and $12 million for a Wellness Center addition		($37,500,000)	($37,500,000)
5. Provides funding for Phases I and II of the Minard Hall renovation project **(executive budget identified as one-time funding)**	$5,000,000		$5,000,000
6. Adds special funds spending authority for construction of a Living Learning Residence Hall (revenue bonds)		$12,000,000	$12,000,000
7. Adds special funds spending authority for renovation of the Ellig softball complex		$4,500,000	$4,500,000
8. Adds special funds spending authority for Dakota Coteau Field School		$4,000,000	$4,000,000

Other Sections in Bill

Transfer authority - Section 12 provides that the State Board of Higher Education may transfer funds from an institution's operations line item to the institution's capital assets line item if the board determines that additional funds are needed for capital projects or extraordinary repairs.

FTE positions - Section 13 authorizes the State Board of Higher Education to adjust FTE positions as needed for institutions and entities under its control.

Bonding authorization - Section 16 authorizes the State Board of Higher Education to issue revenue bonds for the Living Learning Residence Hall project ($12,000,000).

Continuing Appropriations

Special revenue funds - NDCC Section 15-10-12 - Provides the continuing appropriation authority for higher education institutions' special revenue funds, including tuition, through June 30, 2007.

Major Related Legislation

House Bill Nos. 1030, 1031, and 1032 - These bills provide for the continuation of the following statutory provisions through June 30, 2009:

- The continuing appropriation authority for higher education institutions' special revenue funds, including tuition.
- The requirement that the budget request for the North Dakota University System include budget estimates for block grants for a base funding component and for an initiative funding component and a budget estimate for an asset funding component and the requirement that the appropriation for the University System include block grants for a base funding appropriation and for an initiative funding appropriation and an appropriation for asset funding.
- The North Dakota University System's authority to carry over at the end of the biennium unspent general fund appropriations.

Senate Bill No. 2023 - The deficiency appropriation bill provides $289,092 to North Dakota State University for the estimated amount needed to repay the Bank of North Dakota for the state's share of expenses resulting from the 2000 flood.

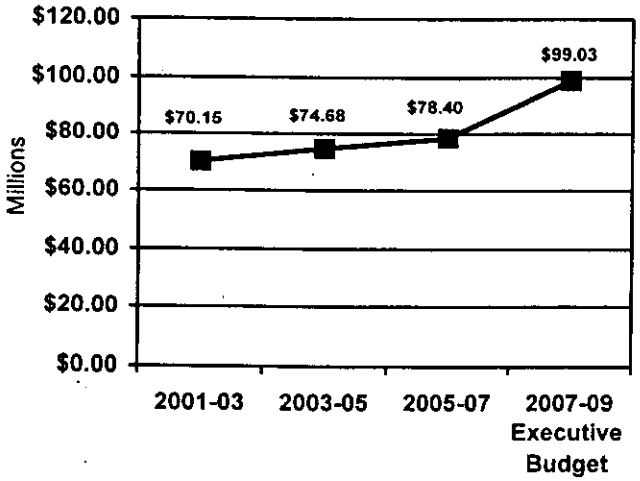
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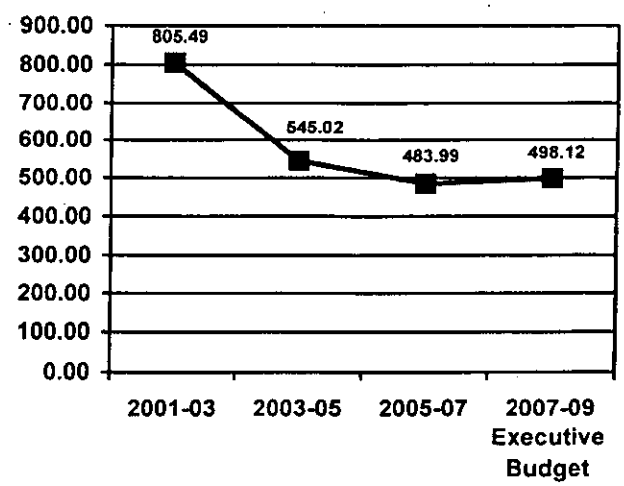
[1]The 2005-07 biennium appropriation is based on 483.99 FTE positions. Section 13 of Senate Bill No. 2003 (2005) authorizes the State Board of Higher Education to adjust full-time equivalent positions, as needed, subject to the availability of funds, for institutions and entities under its control. A total of 14.13 positions were added pursuant to this section and reported to the Office of Management and Budget.

[2]The 2005-07 appropriation amounts include general fund allocations of $900,000 from the equity pool and do not include $40,662 of general fund carryover.

Agency Funding - General Fund



FTE Positions



First House Action

Attached is a summary of first house changes.

Executive Budget Highlights
(With First House Changes in Bold)

	General Fund	Other Funds	Total
1. Provides parity funding of $8,972,683 for the following:			
Costs to continue fiscal year 2007 legislatively funded salary increases	$962,633		$962,633
Utilities of buildings coming online	199,558		199,558
5 percent per year salary increases	5,369,374		5,369,374
Estimated health insurance increases	1,321,518		1,321,518
2.4 percent per year operating inflation	1,119,600		1,119,600
Total (The executive recommendation only includes approximately 99 percent of the total general fund portion of parity costs of $8,988,702. Operating inflation of $16,019 is not included in the executive recommendation.) **The House reduced parity funding by $1,087,958 from the general fund to reflect 4 percent per year salary increases.**	$8,972,683		$8,972,683
2. Provides equity funding of $4,140,843. (The executive recommendation includes a $10 million increase for equity distributed among the 11 higher education institutions. The amount distributed to each institution was determined by considering both the institution's dollar difference from their peer	$4,140,843		$4,140,843

benchmark as well as giving a greater weighting factor to those institutions that are the furthest behind their peer benchmark.)			
3. Provides funding for extraordinary repairs of $4,209,161 equal to the 2005-07 base funding of $1,692,226 plus a proportionate share, $2,516,935, of the $10 million increase that is included in the executive recommendation. **(The additional funding of $2,516,935 is identified as one-time funding in the executive budget.)**	$2,516,935		$2,516,935
4. Removes 2005-07 biennium major capital projects funded with bond proceeds, including $3.5 million for a hazardous material storage facility, $22 million for the Memorial Union renovation and addition, and $12 million for a Wellness Center addition		($37,500,000)	($37,500,000)
5. Provides funding for Phases I and II of the Minard Hall renovation project **(executive budget identified as one-time funding)**	$5,000,000		$5,000,000
6. Adds special funds spending authority for construction of a Living Learning Residence Hall (revenue bonds)		$12,000,000	$12,000,000
7. Adds special funds spending authority for renovation of the Ellig softball complex		$4,500,000	$4,500,000
8. Adds special funds spending authority for Dakota Coteau Field School.		$4,000,000	$4,000,000
The House also added $15 million of special funds spending authority to reauthorize the Bison Sports Arena renovation project.			

Other Sections in Bill

Transfer authority - Section 13 provides that the State Board of Higher Education may transfer funds from an institution's operations line item to the institution's capital assets line item if the board determines that additional funds are needed for capital projects or extraordinary repairs.

FTE positions - Section 14 authorizes the State Board of Higher Education to adjust FTE positions as needed for institutions and entities under its control.

Bonding authorization - Section 17 authorizes the State Board of Higher Education to issue revenue bonds for the Living Learn Residence Hall project ($12,000,000).

Continuing Appropriations

Special revenue funds - NDCC Section 15-10-12 - Provides the continuing appropriation authority for higher education institutions' special revenue funds, including tuition, through June 30, 2007.

Major Related Legislation

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- The requirement that the budget request for the North Dakota University System include budget estimates for block grants for a base funding component and for an initiative funding component and a budget estimate for an asset funding component and the requirement that the appropriation for the University System include block grants for a base funding appropriation and for an initiative funding appropriation and an appropriation for asset funding.
- The North Dakota University System's authority to carry over at the end of the biennium unspent general fund appropriations.

House Bill No. 1458 - This bill provides a $200,000 general fund appropriation to North Dakota State University for developing and deploying, in partnership with industry and the city of Fargo, a commercially promising hydrogen production system.

House Bill No. 1459 - This bill provides an appropriation to North Dakota State University for extraordinary repairs.

Senate Bill No. 2023 - The deficiency appropriation bill provides $289,092 to North Dakota State University for the estimated amount needed to repay the Bank of North Dakota for the state's share of expenses resulting from the 2000 flood.

ATTACH:1

HB 1003 NDSU
January 9, 2007
Handout #1

2007-2009

NDSU

legislative update



HOUSE APPROPRIATIONS COMMITTEE
EDUCATION & ENVIRONMENT DIVISION
Representative Francis J. Wald, Chairman

8:30 a.m.
Tuesday, January 9, 2007

HB 1003
NORTH DAKOTA STATE UNIVERSITY
Joseph A. Chapman, President, NDSU

www.ndsu.edu/legislators

HB 1003 PRESENTATION OF

PRESIDENT JOSEPH A. CHAPMAN

NORTH DAKOTA STATE UNIVERSITY

BEFORE THE

HOUSE APPROPRIATIONS COMMITTEE

EDUCATION & ENVIRONMENT DIVISION

REP. FRANCIS J. WALD, CHAIRMAN

TUESDAY, JAN. 9, 2007

Good morning, it is an honor to be with you today to present information on North Dakota State University, on how public investments in NDSU have performed, and to speak in support of Governor Hoeven's executive budget recommendation.

I will begin by offering:

1) an overview of North Dakota State University, and

2) an economic analysis that reveals NDSU's additional economic impact was nearly $1 billion over the last five years,

   - and for every new dollar appropriated to NDSU, we have generated $7.90.

Later this morning, you will hear presentations from the Forest Service and Upper Great Plains Transportation Institute. Then, On Monday, January 15, NDSU budget presentations will continue with the Main Research Center, branch research centers, Extension Service and the Northern Crops Institute.

NDSU is North Dakota's original land-grant university. The land-grant mission is three-fold:

- Education - Morrill Act 1862
- Research - Hatch Act 1887
- Service - Smith-Lever Act 1914.

I would like to relate these missions to our five campus themes:

Our institutional goals for <u>It's About People</u> are:

- Increase salaries to the levels of our peers
- Address salary compression/inversion
- Foster an environment of empowerment

- As noted by consultant-evaluators from the North Central Association's reaccreditation team, we have achieved university-wide unity of purpose. "The profound, steady progress made at NDSU during the past seven years....reflects a noteworthy up-tick in the level of morale and positive "can-do/will-do" attitudes that prevail throughout the institution and among its many loyal supporters."

- Embrace diversity

  - Campus diversity strategic plan

  - Currently, NDSU has more than 700 international students from 67 countries.

  - Goal: 1,000 international students.

For Students Are Paramount, our goals are:

- Keep NDSU affordable and maintain our commitment to the student partnership in all our efforts

2006-07 Tuition and Fees

	Semester	Academic Year	Comment
NDSU	$2860.86	$5721.72	12 credit cap
U of MN	$4281.50	$8563.00	13 credit cap
MSU-Moorhead	$3023.92	$6047.84	16 credits
SDSU	$2688.00	$5276.00	16 credits
USD	$2704.80	$5409.60	16 credits

  - We meet regularly with student leadership, and

  - On a personal level, Gale and I will never forget March 27, the day when hundreds of students at the Memorial Union reminded me of how fortunate I am to be president of this great university, and how no other university could offer us what we already have here. It remains a defining moment in my academic career.

- Raise student services to a new level

  - One stop student service center, Bison Connection, in Memorial Union

  - New technology "smart" classrooms

  - On-campus wireless Internet access

- Continue to build additional housing accommodations.

- Achieve national recognition of student accomplishments

  - 36 NDSU student-athletes have earned highly prestigious NCAA Post Graduate Scholarships.

  - NDSU civil engineering students won the national steel bridge competition for the third time. No other entrant has won the competition more than once.

- From our newest annual employment survey:

  - 94% of last year's graduates are either employed in a field related to their major/minor (71.6%) or continuing their education (23%).

  - Of those employed 51% are employed in North Dakota, with 71% of North Dakotans working in state and 27% of Minnesota students accepting jobs in North Dakota.

Our goals for Programs are:

- Be recognized as a center for innovative instruction

  - NDSU is a national leader in the use of Personal Response Systems to obtain real-time student interaction even in the largest of lecture classes.

- Become a national center for emerging technologies and new agricultural products

  - We are working to establish a national center focused on surface studies with an emphasis on preservation. The technical emphasis will be on corrosion and marine fouling.

- Initially, we gave a primary emphasis to adding graduate level programs knowing that, too often, North Dakota did a great job at undergraduate education, only to lose those students to states that offered the specific graduate programs many students wanted.

- Now, and to a growing extent, we are keeping North Dakota students in state by offering new graduate programs. In addition, we have attracted many other young people to our state. Even better, the graduates of these additional programs are staying and finding jobs in our state. These are jobs in businesses that need these students as much as these students need their first career step.

Doctoral Program Growth

	1991	2007
Doctoral Programs*	15	42
Doctoral students	151	514

* includes professional and specialist degrees

- Foster interdisciplinary programs
  - There are numerous examples:
    - Military logistics
    - Cattle RFID with Dickinson State University
    - Nanotechnology program with North Dakota State School of Science
    - NDSU Center for Community Planning and Design/NDSU Extension Center for Community Vitality
- Deliver our services across the state through University Extension
  - The Rural Leadership North Dakota program utilizes faculty from several colleges to support the program.
  - North Dakota is our campus. Last year, the Extension Service had more than 600,000 contacts with North Dakota citizens.
- Expanding our global perspective
  - 'Twinning' partnership with Ansal Institute of Technology, India allows students to begin studies in India in selected disciplines and transfer to NDSU. NDSU students can spend a semester or more in India.

Our goals for Leveraging Support include:

- Completing our $75 Million capital campaign: we are currently at $86 million
- Taking advantage of private support for our College of Business and Architecture and Landscape Architecture program to complete major facility expansions that will provide more space, better space and at a lower cost than previous plans
- NDSU has strategic relationships with business partners that are important to our state's economic future:
  - John Deere through Phoenix International

- Tessera Corporation (San Jose) for microelectronics in wireless communications

- Turtle Mountain

- Symyx Corporation (Santa Clara) for Combinatorial High Throughput Technology applied to soft and hard coatings materials

- Superconducting Technologies (Santa Barbara) for detectors for microsensors

- ISR (Spokane) on spraycooling technologies applied to remove heat from computers

- Alien Technology for research, development and manufacturing of radio frequency identification tags (RFID) at NDSU Research and Technology Park

- Developing and enhancing our infrastructure. NDSU's building boom is continuing with construction projects in excess of $50 million.

    - This includes the 65,000 square foot addition to the Memorial Union

    - The 74,000 square foot addition to the Wellness Center

    - The material handling facility

    - The first phase of the Center for Technology Enterprise in the Research Park

    - The renovation of the Bison Sports Arena, and

    - We are adding valuable infrastructure to our centers and stations across the state including a new agronomy lab/greenhouse at the North Central Research and Extension Center in Minot, new administrative offices in Dickinson, and a new headquarters addition at our Central Grasslands center in Streeter.

Our goals for the campus theme of <u>Stature</u> are:

- Being a national model of a contemporary land-grant university

    - North Dakota State University now has the academic program mix of our land-grant peers.

- For the second year in a row, we lead a five-state region in research expenditures, as measured by the National Science Foundation. With more than $102 million recorded in 2004, we are ranked 122nd among the top 600 research universities.

- In several National Science Foundation subcategories, NDSU ranks among the top 100 research universities, including science and engineering — 85th in the nation, chemistry — 80th in the nation, physical sciences — 70th, and agricultural sciences — 24th in the nation.

- The NDSU Research and Technology Park was selected from among 20 finalists from across the nation to receive the U.S. Department of Commerce's award for excellence in technology-led economic development. The Assistant Secretary of Commerce who presented the award said, "The NDSU Research and Technology Park is a world-class facility and a national leader in economic development."

• Continuing to build our national and international exposure for all our programs

- We are proud to be ranked 34th in the nation in The Scientist's survey of best places for post doctorates.

- We are proud that our students have won — for an unprecedented fourth time — the National Student Steel Bridge competition.

- We are proud that the City of Fargo recognized our campus with their first Vision Award.

- We are proud of our people, like Professor Holly Bastow-Shoop, who has been named a Fulbright Scholar. Bastow-Shoop heads the apparel, design, facility and hospitality management department at NDSU and will travel to India with a group of 20 educators from around the United States.

I am pleased to share with you some additional information about North Dakota State University:

• Enrollment:

- NDSU has an enrollment of 12,258, setting a new record for the seventh year in a row.

- We have the largest first-year class in the state with nearly 2,100 students. We have the largest undergraduate enrollment in North Dakota with 10,596 students.

- Graduate enrollment has reached an all-time high for the ninth consecutive year with more than 1,650 students. Graduate students are vital to our growth as a research university.

- NDSU's international enrollment, the largest in North Dakota, is at an all-time high of more than 700. Graduate students are vital to our growth as a research university.

- Students have a choice in furthering their education, and a growing number are choosing NDSU. Growth will be maintained by focusing on graduate, non-resident and international students through high quality, high demand programs.

- Centers of Excellence: We have 6 state-funded Centers of Excellence

  - Center for Advanced Electronics Design and Manufacturing

  - Center on Surface Protection

  - Center for AgBiotechnology: Oilseed Development

  - NDSU Beef Systems Center of Excellence

  - NDSU Center for Nanoscale Science and Engineering

  - NDSU Center for Technology Enterprise

- Research and Technology Park

  - The NDSU Research and Technology Park is a significant tool in North Dakota's economic development program.

  - Association of University Technology Managers (AUTM) annual survey for FY-04 (July 1, 2002 -June 30, 2003), NDSU ranked 92nd out of 156 who responded in research expenditures and 60th in licensing revenue.

  - In FY-04, NDSU had a total of 47 invention disclosures which include potentially patentable inventions, plant varieties which may be plant variety protected, and horticultural trademarks.

  - In FY-05, the total invention disclosures were 45 and in FY-06, total invention disclosures were 35. This reflects the results of the significant increase in total research expenditures at NDSU.

- NDSU Research Foundation has:

  - 47 US issued patents

  - 45 pending US patent applications

- 71 issued US Plant Variety Protection (PVP) certificates on NDSU developed varieties

- 18 pending PVP applications

- 22 registered horticultural trademarks

- 3 other trademark registration applications pending.

Chairman Wald and legislators, North Dakota State University is a great investment, as shown in our most recent economic impact analysis:

- Over the past seven years, the State of North Dakota has invested roughly $61 million in additional general fund resources to support the growth of this university.

- NDSU, in turn, has leveraged those state resources by securing more than $483 million from other sources, such as research grants and donations.

- If added state tax revenues are considered, the net cost to the state of supporting NDSU's growth is $33.6 million, or about half of the $61 million expenditure — without including the more than $2 billion total economic benefit to the state.

In 1999, North Dakota State University was at a crossroads and we asked, "What will the 21st Century hold for this great land-grant university?" We had great aspirations and we were fortunate to be at a point in our state's history where the Higher Education Roundtable created an environment where flexibility and acceptable risks could be taken. We enjoyed wide consensus that a great land-grant university could make our state better. This expectation — within this environment — would prove to be a powerful opportunity.

In all of this, we have had great partners from the private sector, from the State Board of Higher Education, from Governor John Hoeven, from North Dakota's congressional delegation, from the North Dakota legislature, and many others such as our students, alumni, and friends. Together, we are accomplishing great things. Thank you.

NDUS Campuses and Medical School
Comparison of SBHE General Fund Request to
Executive Recommendation

	(1)	(2)	(3)	(4)	(5)	(6)
	NDSU					
	SBHE 2007-09 Prioritized GF Request	Executive Recommendation Base Funding	Executive Recommendation Change in Base Funding	Executive Recommendation One-Time Funding	Total Executive Recommendation	Executive Recommendation Over (Under) Budget Request
2005-07 Original General Fund Appropriation	$ 77,496,876	$ 77,496,876			$ 77,496,876	0
Base Adjustments	900,000	900,000			900,000	0
2005-07 Adjusted General Fund Appropriation, Net of Base Adjustments	**78,396,876**	**78,396,876**			**78,396,876**	**0**
Prioritized SBHE Needs Based Request:						
Capital Assets Increase	987,741	-	(987,741)	987,741	987,741	0
Campus Parity	8,972,682	8,972,682			8,972,682	0
Campus Equity	4,140,843	4,140,843			4,140,843	0
Total Requested Increase in GF Base Funding	14,101,266	13,113,525	(987,741)	987,741	14,101,266	0
Total Base General Fund Request & Recommendation	**92,498,142**	**91,510,401**	**(987,741)**	**987,741**	**92,498,142**	**0**
2007-09 State-funded Projects	-			5,000,000	5,000,000	5,000,000
One-time Budget Requests:						
Infusion for Deferred Maintenance	2,548,657			~~1,529,194~~ 987,741	1,529,194	(1,019,463)
Total One-time Budget Request & Recommendation	2,548,657			1,529,194	1,529,194	(1,019,463)
Total 2007-09 General Fund Request & Recommendation	$ 95,046,799	$ 91,510,401	$ (987,741)	$ 7,516,935	$ 99,027,336	$ 3,980,537

NORTH DAKOTA STATE UNIVERSITY
2007-09 BUDGET REQUEST AND RECOMMENDATION
ALL FUNDING SOURCES (Including Tuition)

			2007-09 Increased Costs	
Adjusted 2005-07 Budget	**$**	**173,363,174**		
Cost to Continue FY07 Salary Increase			$ 3,050,448	
Health Insurance Increase			$ 2,689,394	
Salary Increase (5% per year)			$ 9,549,295	
Estimated Utility Increase			$ 4,542,649	
Operating Inflation Increase			$ 1,719,476	
Operating Costs (Faculty, Staff, Equipment, Operations)			$ 2,802,059	
2007-09 Increased Costs			$ 24,353,321	
Capital Asset Increase (one-time)			$ 987,741	
Infusion for Deferred Maintenance (one-time)			$ 1,529,194	
State Funded Projects (Minard Hall Renovation)			$ 5,000,000	
Total 2007-09 Increased Costs			**$ 31,870,256**	
2007-09 Budget Request and Recommendation				**$ 205,233,430**

Funding Sources						
General Fund	$	78,396,876	$	20,630,460	$	99,027,336
Tuition	$	91,820,298	$	11,315,796	$	103,136,094
State Land	$	1,146,000	$	(76,000)	$	1,070,000
Indirect Cost Recoveries	$	2,000,000	$	-	$	2,000,000
Total Funding Sources	**$**	**173,363,174**	**$**	**31,870,256**	**$**	**205,233,430**

05 07 Budget

NORTH DAKOTA STATE UNIVERSITY
2003-05 GENERAL FUND AND OTHER CARRYOVER FUNDS

General Fund Carryover: Capital Improvements/Projects of $40,662 includes steam line repairs of $12,818; lighting projects of $10,741; ADA projects of $9,436; and health and safety projects of $7,667. With the exception of $2,000 in health and safety projects, these funds were spent in 2005-06. The balance of $2,000 has been spent in 2006-07.

Income Carryover Capital Assets: Major capital projects of $17,686,992 funded from estimated income and revenue bonds includes the following two projects:

Bison Sports Arena	$15,000,000	NDSU capital project campaign (Initial request in 2003-05, carryover to 2005-07. NDSU will seek an amendment requesting re-authorization for 2007-09)
Bison Court Apartment Bldg	$ 2,686,992	Completed in 2005-06

The 2003-05 general fund carryover (Operating) is $1,253,605. This consists of:

HECN Equipment	$184,577	Funds expended in FY06
Lease payment on downtown bonds	$413,000	Funds expended in FY06
Center for Genetic Research	$656,028	Funds expended by FY07

NORTH DAKOTA STATE UNIVERSITY
CAPITAL PROJECT REQUESTS

MINARD HALL RENOVATION — $ 5,000,000

Minard Hall is currently the main classroom building on the North Dakota State University campus and is located in the University's historical district. It houses the College of Arts, Humanities and Social Sciences, along with the Psychology and Mathematics Departments of the College of Science and Mathematics. The existing building contains 78,000 square feet of classrooms and faculty offices constructed in three phases beginning back in 1903. It has been renovated a number of times over the past 100+ years to meet the changing uses of the building. Its exterior is structurally sound, but the interior is in need of a complete renovation after 34 years of heavy use. The last renovation was in the late nineteen-sixties when windows were replaced, an elevator, ventilation and air-conditioning systems added, heating and electrical systems upgraded, and space rearranged and decorated.

The renovation of Historic Minard hall will consist of three phases beginning with this request for $5,000,000 for phases I and II, which will be used for architect and engineering fees; utility and infrastructure to include roofs, tuckpointing, water and sewer; windows and interior.

Phase III will consist of renovation to the remaining portion of the building including HVAC and electric. At this time, the plan is to request $10,000,000 in the 2009-11 biennium. The estimated total cost of the project is $15,000,000 over two biennia.

Funding will be provided through one-time state general fund appropriations.

LIVING LEARNING CENTER WEST / CERES HALL RENOVATION — 12,000,000

Living Learning Center West (Residence Hall):

The conceptual framework for the Living Learning Center to the north of the Wellness Center is to create a Learning Community in that area of the campus. This Learning Community includes an addition to the Wellness Center, along with incorporation of the adjacent new housing.

The first stage of this project was completed with the construction of the Living Learning Center East, which opened fall of 2003. The second step of this process would be the construction of the Living Learning Center West. This facility would be identical in design to the east hall, while also providing some classroom space. With the increase in student enrollment and the projected increase of students from around the world, the need for adequate housing for upperclass students is critical on campus.

The Living Learning Center West will have four floors, encompassing 68,000 square feet. It will have a capacity of 166 beds in 70 studio apartments and 24 four-bedroom apartments. The building will be fully accessible. Floors two through four will have 22-24 studio apartments and six four-bedroom apartments. The studios and apartments will have a kitchen, bathroom, data ports for high speed internet access, cable television and air conditioning. Laundry facilities will be located on each floor, as well as lounges for studying and social interaction.

The anticipated need for this type of housing is based on the current demand from upperclass students for the east hall and because of the hall's close proximity to the Wellness Center that currently serves over 5,000 students. Construction would begin in the spring of 2007 with completion estimated for fall of 2008.

Ceres Hall Renovation:

Built in 1910, Ceres Hall has been gradually converted from a student dormitory to administrative offices for student services. During previous biennia, remodeling has included installation of an elevator, reshingling of the roof, installation of a sprinkler system, and renovation of the west one-half of the building. Although the building is over 80 years old, it is worthy of retention and a good investment for improvement funds. Completion of this project will accomplish the consolidation of Student Services (Counseling, Financial Aid, Student Academic Affairs, Admissions, Career Services, TRIO Programs, and the University Registrar).

The conceptual framework for the proposed $2,000,000 Ceres Hall project includes the construction of a modest building addition in the form of an infill that will create additional office space, an atrium, a drive-up window for student convenience, some reconfiguring of office space, new HVAC equipment, asbestos abatement, an elevator extension to the fourth floor, tuckpointing, and new windows.

Students living on campus benefit from many of the services housed in Ceres Hall. These students understand that the role of an auxiliary is to provide funding for important projects that will benefit them throughout their experience at North Dakota State University. These projects, such as the Minard Hall Addition, are an investment in their overall experience.

Funding for the projects will be provided by revenue bonds. NDSU wishes to bond for the two projects simultaneously – Living Learning Center West (Series A revenue producing building) for $10,000,000 and the Ceres Hall renovation (Series B administrative building) for $2,000,000. Since Ceres Hall has been a priority for NDSU for several years, Student Affairs would like to include it in the LLC bonding, as the building is in dire need of renovation. This would be contingent, however, on student approval for an increase in student fees to cover the payback of the bonds and if the bids for LLC are in the $10,000,000 range. If the bids should come in higher, the amount for Ceres would be decreased accordingly, because LLC is the priority of the two projects and the total amount of the two projects would not exceed $12,000,000.

ELLIG SOFTBALL COMPLEX — $ 4,500,000

The current Ellig Sports Complex was a 1994 joint effort between NDSU, the City of Fargo, the Fargo Park District, Fargo/Moorhead Convention and Visitors Bureau, Fargo Public and Shanley Schools, and private donations. The running track/soccer field/softball complex was built to replace a deteriorated track and field. The $800,000 complex has been heavily utilized by NDSU and the Fargo Park District and Schools since its completion.

Targeted in this phase of renovation is the softball complex. The existing softball complex is the site of four diamonds used primarily by university students, including intramural participants and intercollegiate athletes. Several youth and adult community teams also use the complex.

The project consists of the construction of a press box, dugouts, locker rooms, and restrooms for both the athletes and the general public. Also included is the upgrade and partial replacement of the irrigation system, as well as the complete retooling of each diamond. Finally, bleachers, lights, and a maintenance storage area are paramount to the success of the project.

Funding for the project will be provided through private gifts and donations.

DAKOTA COTEAU FIELD SCHOOL — $ 4,000,000

North Dakota has the greatest number of national wildlife refuges (69) of any state in the union. The Coteau region of central North Dakota encompasses several of these refuges that include countless wetland depressions or potholes. These wetlands and the neighboring prairie pothole regions are the major waterfowl production areas in North America, which make them a popular place for researchers and recreational birders alike.

NDSU researchers, members of Birding Drives Dakota (a local nonprofit organization), representatives of the U.S. Geological Survey's Northern Plains Prairie Wildlife Research Center in Jamestown, Jamestown and Carrington economic development agencies, and the U.S. Fish and Wildlife Service came together to identify common interests of the area: promoting economic growth through nature-based tourism; providing education and interpretation of the coteau region; and creating topnotch field research facilities for NDSU researchers and others. The outcome of this discussion resulted in NDSU's College of Science and Math putting a field research lab and school on the top of its priority list. The Fish and Wildlife Service then sponsored the proposal with the backing of North Dakota Senator Byron Dorgan. As a result, the Department of Interior appropriated $295,000 in funding for the planning and design of a complex that would include a field station and school and a wetlands interpretive center in the heart of the Coteau region.

The proposed Dakota Coteau Field Research School will be located along ND State Highway 36 midway between Woodworth and Pingree, in the vicinity of the communities of Jamestown, Carrington, Steele and Medina. The station will be used primarily as the home for an academic community of NDSU students and faculty, who will live in this multi-building campus during the four-to-six-week summer school sessions. Other potential uses range from class offerings (such as biology and nature), public school field trips, and art workshops to serving the Chase Lake and Arrowwood wildlife refuges and two area wetlands management districts. Local school districts will also be able to utilize the facility through the winter in order to offer a hands-on science education that the Field School provides.

The 12,350 square-foot main building will house classrooms, research and teaching labs, offices, a conference room/library, and storage areas as well as a 70-seat lecture room that can double as a dining hall. The public lobby and welcoming center in the main building will display local history and ecology, making the facility a point-of-interest to birding tourists who increasingly travel to the Coteau region. Instead of traditional dormitories for students and faculty staying at the Center during the summer school session, a variety of accommodations units will be available including cabins, lodges and apartments that will house six to twelve people in each unit.

This field station is being viewed as a potential data center for research conducted in the national wildlife refuges. Having a statewide database, plus a well-equipped facility in a prime location, will allow NDSU researchers to apply for grants that were unattainable in the past.

Funding for the $4.0 million facility will be provided through a Department of Interior grant secured through Senator Byron Dorgan.

NORTH DAKOTA STATE UNIVERSITY
FUTURE MAJOR CAPITAL PROJECTS

Project	Funding Source
Major Renovations (Buildings/Infrastructure)	
Administration Building – Phase II	General Funds
Alba Bales Renovation	General Funds
Bentson-Bunker Fieldhouse Renovation and Addition	General Funds
Ceres Hall Renovation – Phase II	General Funds
Churchill Hall Renovation	Auxiliary Funds
Dacotah Field and Stands Refurbishment	Private Funds
Ellig Track Complex Renovation	Private Funds
Heating Plant Boiler	General Funds
Infrastructure: Pavement, Water Mains/Lines, Steam Lines	General Funds
Ladd Hall Renovation	General Funds
Minard Hall Renovation – Phase III	General Funds
South Engineering Renovation	General Funds
Stevens Hall Auditorium Renovation	General Funds
Storm Water Pollution Prevention Program	General Funds
Van Es HVAC Upgrade	General Funds
Walster/Waldron Halls Renovation	General Funds
New Construction/Additions	
Engineering Quonset Replacement	General Funds
Indoor Athletic Practice Facility	Private Funds
Science & Technology Classroom/Laboratory Building (4 stages)	General Funds
Thorson Maintenance Center Replacement	General Funds
Vet & Diagnostic Laboratory	General Funds

DEFERRED MAINTENANCE

Building Types	Health & Safety	ADA	Networking	Major Repairs	Total
Group I & II (Instructional & Research)	$ 894,412	$ 1,510,557	$ 381,000	$ 27,240,386	$ 30,026,355
Group III (Auxiliaries)	$ 194,501	$ 2,442,988	$ 0	$ 11,119,361	$ 13,756,849
TOTAL	$ 1,088,912	$ 3,953,545	$ 381,000	$ 38,359,747	$ 43,783,205

HB 1003 Forest Service
January 9, 2005
Handout # 2

HB 1003 Presentation of
Danté Miller, Student Body President
North Dakota State University
Before the
House Appropriations Committee
Representative Francis J. Wald, Chairman
Tuesday, January 9, 2007

For the record, our name is Danté Miller, Student Body President @ NDSU.

Mr. Chairman, ladies and gentlemen of the House Appropriations Committee, I would like to first express my appreciation for being able to present to you this morning. Today I will be speaking on behalf of the more than 12000 students of North Dakota State University. I will present to you, from a student's perspective, the strong academic tradition of our institution, and how the continued support of the people of North Dakota, through the North Dakota State Legislature, helps maintain this tradition.

This tradition of education at North Dakota State holds its roots in our people and our students. Our faculty, staff, and administration go above and beyond the standard when it comes to ensuring a quality education. They work hard to make sure the students have the necessary tools to be competitive in today's demanding world. The faculty are there to constantly challenge the minds of their students, encouraging them to dig deeper into their studies. To obtain a quality education at an institution that stands out among its peers.

The support staff and administration stand out as well. They work to develop community in our residence halls. They support our academic studies as well as our endeavors in student organizations. They are there to ensure the continued operation of our facilities. They are advocates for the students.

And at the center of it all, the students. Commitment to academics as well as participation in extracurricular activities is the norm at North Dakota State University. Our students excel inside and outside the classroom. Participation in student organizations, internships and cooperative education opportunities all contribute to a well-rounded education. Experiences such as real-world problem solving, effective communication with peoples of different backgrounds and a better understand of how our

industries work together cannot always be learned in the classroom. These experiences, along with the strong academics I have spoken of, are how 94% of last year's graduates are now employed or continuing their education. The reputation for hard working, qualified and dedicated individuals coming from this institution is no secret to employers and graduate schools.

With all that being said, there is a trend that I have seen over the past couple of years that is of some concern to me. Each year, with increasing costs, I speak with more and more students who must give up these experiences for more and more hours of work at what I ~~am going to call~~ "support jobs". Dealing blackjack, bartending and selling clothes can only go so far in providing the same experiences as the opportunities I spoke of earlier. The United States has always been committed to the idea that everyone has a right to an education, but today this idea is becoming harder and harder for some to realize. It doesn't have to be this way.

This biennium, the Governor's budget has provided the necessary relief to see an end to the double digit tuition increases our students have seen the past few years, as well as the increasing burden of fees attributed to ConnectND. By providing this tuition assistance, our state can insure that our institutions will remain affordable for our current students and competitive with our peers when it comes to quality and affordability.

I was born and raised in this state not 80 miles southwest of here. When I graduated, I must admit, I was bent on going somewhere ~~else~~ with no plans to return. However, after crunching the numbers many times over, there was only one clear choice that I could afford with the quality of education that I was after. Now after almost four years at North Dakota State, my perspectives have changed. While I am once again looking to go out of state to further my education, this time something has changed, I want to come back. It took me a few years extra to realize just what this state has to offer me in my future. I can assure you that I am not a unique situation. Many other students stay in this state for an education, or come here from other areas, and decide to call it their home. For good.

North Dakota State University has accomplished many great goals in the past years by building on its strong tradition as the land grant university of the State of North Dakota. Many individuals, with many different passions and expertise from many different areas have contributed to this success. Continued commitment from all of those who have a stake in this institution, including our Governor and our legislature, will insure that this tradition maintains its strength and continues into the future of our great state. Thank you.

HB1003 NDSU Handout #3
January 9, 2007

2001 STATE FACILITY ENERGY IMPROVEMENT PROGRAM - NDSU

1/8/2007 19:22

[redacted]ding me	Job Description	Project Costs	Payback Period	Est. Ann. Savings	Meets Savings Projections
Engr Admin	**Lighting retrofit & controls:** T12/magnetic to T8/electronic conversion; LED exit lights; motion sensors to control lights in copy room	$ 8,319	6.9 yrs.	$ 1,208	yes
Civil & Ind Engr	**Lighting retrofit & controls; vending machine controls; pneumatic room controls:** T12/magnetic to T8/electronic conversion; incandescent to fluorescent (T8 & CFLs); LED exit lights; vending machine controls; pneumatic room controls (thermostats); motion sensors to control lights in computer lab	$ 50,727	6.9 yrs.	$ 7,399	yes
Architect	**Lighting retrofit & vending machine controls:** T12/magnetic to T8/electronic conversion; incandescent to fluorescent (T8 & CFLs); LED exit lights; vending machine controls	$ 12,031	5.8 yrs.	$ 2,063	yes
Elec Engr	**Lighting retrofit & controls; vending machine controls; pneumatic room controls:** T12/magnetic to T8/electronic conversion; incandescent to fluorescent (T8 and CFLs); LED exit lights; motion sensors to control lights in computer lab & classroom; vending machine controls; pneumatic room controls (thermostats)	$ 43,735	6.8 yrs.	$ 6,478	yes
Dolve/Mech [redacted]ngr	**Lighting retrofit & controls; vending machine controls; pneumatic room controls:** T12/magnetic to T8/electronic conversion; incandescent to fluorescent (T8 and CFLs); LED exit lights; exterior incandescent to high pressure sodium; vending machine controls; pneumatic room controls (thermostats)	$ 55,929	7.0 yrs.	$ 7,979	yes
Architect Quonset	**Lighting retrofit & vending machine controls:** T12/magnetic to T8/electronic conversion; incandescent to fluorescent (T8 and CFLs); LED exit lights; exterior incandescent to high pressure sodium; vending machine controls	$ 5,476	7.3 yrs	$ 746	yes
Complex Wide*	**Energy management controls; insulation; computer & monitor operational shutdown & high pressure steam shutdown:** Energy management controls - central system (backbone), condensate metering, electric metering; install new lace-on removable fiberglass fitting covers; repair steam traps & steam system leaks; implement computer & monitor energy saving modes; repair electric domestic water heater & shut-down high pressure steam	$ 120,130	7.3 yrs	$ 16,477	yes
	FACILITY SUMMARY TOTAL	$ 296,347	7.0 yrs.	$ 42,350	yes

* The simple payback on the "complex wide" project exceeds the payback limit (with the cost of money.) The energy management controls cost about $86,000 with no direct savings. However, in order to monitor savings, provide historical data & provide a base for future controls, this project was supported.

HB1003 NDSU Handout #4
January 9, 2007

NDSU NORTH DAKOTA STATE UNIVERSITY

Office of the Vice President for Business and Finance
P.O. Box 5227
Fargo, ND 58105-5227

701.231.8411
Fax 701.231.6194
www.ndsu.nodak.edu

January 5, 2007

Chancellor Eddie Dunn
North Dakota University System
600 East Boulevard Avenue, Dept. 215
Bismarck, ND 58505-0230

RE: BISON SPORTS ARENA – CAPITAL PROJECT CARRYOVER REQUEST

Dear Chancellor Dunn:

NDSU requests authorization to seek an amendment to the NDUS appropriation bill re-authorizing it to carryover the Bison Sports Arena (BSA) Addition and Renovation project in the amount of $15,000,000 as per **N.D.C.C. 54-44-1-11: "*(Effective through June 30, 2007) Office of management and budget to cancel unexpended appropriations - When they may continue.*** *...Unexpended appropriations for the North Dakota university system are not subject to this section and the North Dakota university system shall report on the amounts and uses of funds carried over from one biennium to the next to subsequent appropriations committees of the legislative assembly. The chairmen of the appropriations committees of the senate and house of representatives of the legislative assembly with the office of the budget may continue appropriations or balances in force for not more than two years after the expiration of the biennial period during which they became available upon recommendation of the director of the budget for:*

1. *New construction projects.*
2. *Major repair or improvement projects."*

Background Information:
The $15.0 million Bison Sports Arena project was included in the capital assets line item of NDSU's budget request in HB 1003 for the 2003-05 biennium. It also appeared in NDSU's 2002 Campus Master Plan revision as Priority #5 for 03-05; however, it was not listed in the 2004 CMP update. It was assumed, at that time, that it would be some time before fund raising efforts would begin, and NDSU would proceed with the authorization process at that time.

The NDSU Development Foundation announced its $75.0 million *Momentum* capital campaign in October 2005 (http://www.ndsufoundation.com/campaign/announce.htm). One of the items slated to be funded through the campaign was the Bison Sports Arena project. Since the project was not included in the 2004 Campus Master Plan revision and, therefore, did not appear on the SBHE Major Capital Project List approval, NDSU requested and received permission from the SBHE at its February 16, 2006, meeting to request required Budget Section approval, to complete fundraising for the project, and to proceed with the project once all funding was available. The amount for the addition and renovation was also revised from $15.0 million to $8.0 million because that was the level of funding being sought through the capital campaign.

Project Description:
An independent study was done in 2003 by a consulting firm hired by the Development Foundation (CDFM^2, Kansas City, MO.) Their recommended emphasis of work at the BSA focused on improvements to the facilities and the existing infrastructure: the HVAC system, ADA compliance, locker room expansion and upgrades, athletic training areas, classroom technology enhancements, relocation of offices, conference, and meeting rooms to increase space efficiency, and the replacement of the unsafe playing surfaces and bleacher systems in the building.

NDSU is an equal opportunity institution.

Basketball Arena:
New developments occurred late this fall concerning the basketball accommodations. The renovation plans for the BSA include an update to the current basketball arena. In October, a private developer approached NDSU with a proposal to possibly move Bison basketball to a planned community center/sports arena to be located in south Fargo. The FargoDome also proposed hosting basketball at its facility, either in the current building or in a possible new basketball arena addition. If either of these options proves favorable, the focus of the BSA renovation may change to a track, volleyball and/or wrestling facility. Current plans are on hold while details are formulated, but NDSU would like to begin renovations on the BSA this summer.

In addition, because an architect has been hired and schematic designs have been developed, the project is again estimated to cost $15.0 million. Therefore, NDSU would like to increase the project amount from the $8.0 million previously requested in February 2006 back to the original $15.0 million requested in the 2003-05 biennium. Funding would be provided by private gifts and donations through the NDSU Development Foundation.

If this request is approved, NDSU will seek ratification of your actions at the next SBHE meeting.

Thank you for your consideration in this matter.

Sincerely,

John C. Adams
Vice President for Business & Finance

/gah

HB 1003 - NDSU
January 30, 2007
Handout #2

2007 North Dakota Legislative Assembly
House Appropriations Committee
Education and Environmental Division
Tuesday, January 30, 2007

Non-General Fund Financial Overview – North Dakota State University

1. **Deficit Balances** – The NDUS office has developed a reporting mechanism to alert the SBHE of potential deficit balances at the constituent institutions. The report is currently in progress for calendar year 2006 and is due to the NDUS office on 1/31/07. NDSU projects two possible deficits:
   a. 18th Street Special Assessments – The early payoff of these assessments necessitated a deficit balance of over $400 thousand at 6/30/05. The deficit was a planned event in order to achieve an interest expense savings. The deficit will be recovered in three to four years from rental income from the 19th Avenue property. The deficit as of 12/31/06 is $199,759.
   b. Interest on the Bank of North Dakota line of credit advance associated with the 2000 flood has a deficit balance as of 12/31/06 of $177,831. A deficiency appropriation request is currently included in SB2023 to cover this deficit.

2. **Fund Balance Reserves** – The local fund balance for NDSU at 6/30/06 was $44.7 million (as of 11/30/06 this balance was $35.3 million). The following categories are included:
   a. Non-campus funds of $5.4 million – These are restricted non-NDSU funds held by the University for others. Included are ConnectND funds, student clubs, NDSU Research Foundation, Cooperative Education, and revenues held on behalf of the Agriculture Research and Extension Service.
   b. Student/Course Fees of $12.0 million – These funds are restricted to the purposes for which they are charged to students. Examples include summer school tuition, technology fee, course fees, student health fee, Wellness Center fees, and student activity fee. Student fees are not changed without student input at NDSU.
   c. Investment/Debt/Repair & Renovation funds of $11.6 million – These funds are primarily held by Auxiliary units on campus for payment of debt service or for repairs and renovations to parking lots, residence halls, dining halls, the Memorial Union, or other auxiliary buildings.
   d. Auxiliary Unit Sales and Services of $6.4 million – These funds support the operation of residence halls, dining halls, and the Varsity Mart.
   e. Indirect Costs of $3.5 million – These funds represent the indirect cost recovery (or "overhead") reimbursements from research grant and contract activity at the University.
   f. Internal Service funds of $2.2 million – These funds include internal charges within the University to other departments for telecommunications expenses, document publishing and facilities maintenance operations.
   g. Other funds of $3.6 million – Items in this category include direct gift income to campus units, funds set aside from Research and Auxiliary enterprises for student scholarships, the Faculty and Staff Development Fund (for professional development), and funds set aside by college deans for instructional support.

2007 North Dakota Legislative Assembly
House Appropriations Committee
Education and Environmental Division
Tuesday, January 30, 2007

Non-General Fund Financial Overview – North Dakota State University

3. **Fund Transfers** – Transfers occur at the University in order to ensure expenses in some areas where insufficient revenues exist, thus preventing deficit balances. For example, in the Auxiliary area (i.e., residence halls, dining halls, Varsity Mart, parking services, Memorial Union) revenues from one operation may be used to offset expenses in another operation to prevent increases in student fees and to ensure seamless student services can be continued. In addition, prior to approximately 1999, General Fund revenues were allowed to cover maintenance costs and utilities on existing Auxiliary buildings. Since that time, these costs on all new Auxiliary facilities have been covered by Auxiliary revenues.

4. **Indirect Cost Recovery** – These funds totaled $8.9 million in FY 2005-06. Indirect cost recoveries associated with federal earmarked research grant and contract activities are used for the support of the NDSU Research & Technology Park buildings, including debt service, utilities, insurance and maintenance. For all other grant and contract activities, ICR is divided as follows:
   a. 42% to colleges that generate the research activity. Uses of these funds include departmental operations, laboratory maintenance and support, new faculty startup packages, and salary increases;
   b. 16% is directed to the Research enterprise for research administration; and
   c. 42% is directed to the University non-appropriated fund. (This fund also includes revenues from investment interest income, soft drink commissions, and transfers from Student Affairs and Research. Uses of these funds include the Faculty and Staff Development, aircraft support, marketing, athletics support, student scholarships, and employee recognition events.

5. **Athletics** – NDSU Athletics receives revenue from a number of sources, including gift income, ticket sales, radio and television rights, game guarantees from other institutions, corporate sponsorships, student activity fees, and support from the University. The latter includes an annual allocation from the University non-appropriated fund, and approximately $800 thousand from the General Fund for a portion of staff salaries and for utilities and maintenance of Bentson-Bunker Fieldhouse, Bison Sports Arena, and the Ellig Softball Complex. The total Athletics budget for FY 2006-07 is slightly over $9.5 million.

Keith,
According to Gary, there is approximately **$190,000** per year in income for the19th Ave. rent.

Bruce stated that they have an estimated amount for both 17th Ave and 12th Ave.:
For 17th, it is **$56,236/year** if the Dome shares, **$96,000** if they don't
For 12th, it is **$47,736/year**

These estimates are for 25 years.

If you need further information, please let me know. Thanks, and have a safe trip back!

Gina

2-28-07
1:00pm.
HB 1003

(1)

FINAL REPORT OF A COMPREHENSIVE EVALUATION VISIT

TO

NORTH DAKOTA STATE UNIVERSITY
Fargo, North Dakota

February 13-15, 2006

FOR

The Higher Learning Commission
A Commission of the North Central Association of Colleges and Schools

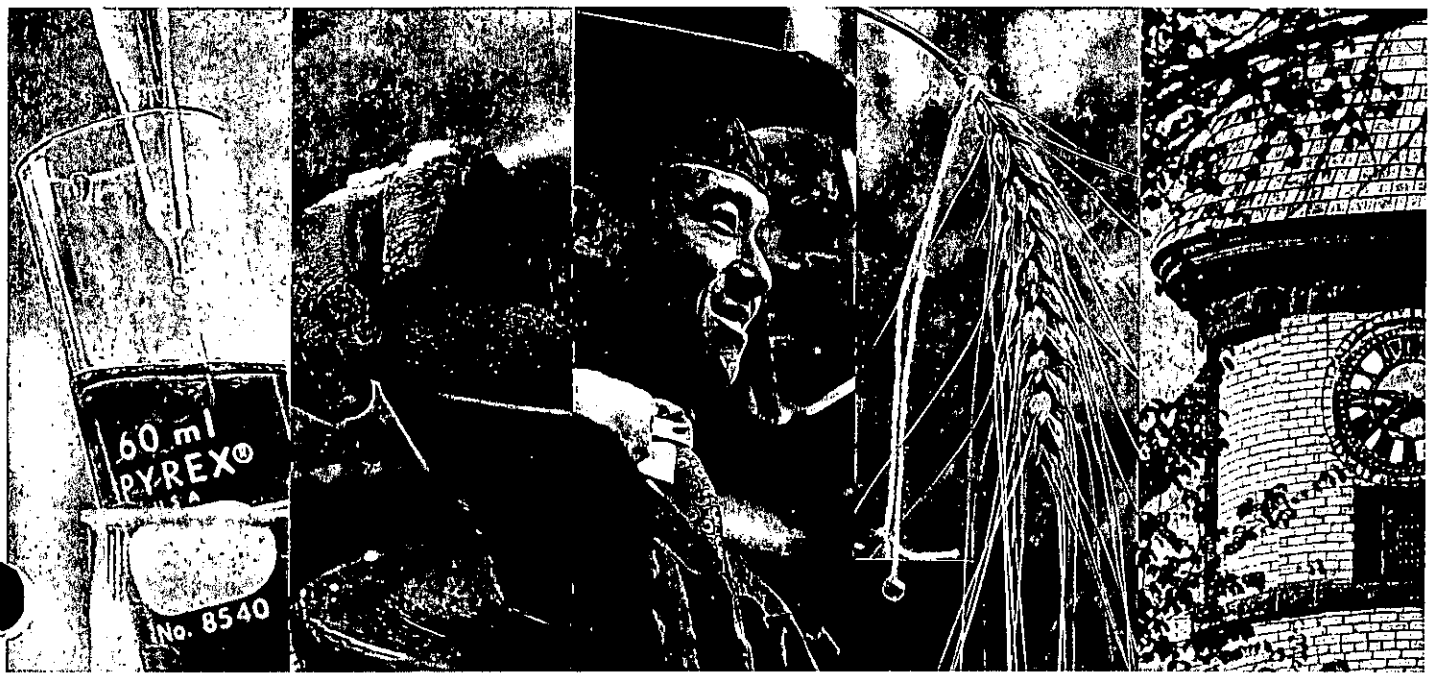
Contact NDSU or State library for a copy —

HB1003 . 2-28-07

2A

With the exception of these pages, the same testimony goes to House and Senate

NDSU
legislative update



NORTH DAKOTA STATE UNIVERSITY FARGO, ND

SENATE APPROPRIATIONS COMMITTEE
Senator Ray Holmberg, Chairman

Wednesday, February 28, 2007
1 p.m.

HB 1003
NORTH DAKOTA STATE UNIVERSITY
Joseph A. Chapman, President, NDSU

1

www.ndsu.edu/legislators

HB 1003 PRESENTATION OF

PRESIDENT JOSEPH A. CHAPMAN

NORTH DAKOTA STATE UNIVERSITY

BEFORE THE

SENATE APPROPRIATIONS COMMITTEE

SENATOR RAY HOLMBERG, CHAIRMAN

WEDNESDAY, FEB. 28, 2007

Good afternoon, it is an honor to be with you today to present information on North Dakota State University, on how public investments in NDSU have performed, and to speak in support of Governor Hoeven's executive budget recommendation.

I will begin by offering:

1) an overview of North Dakota State University, and

2) an economic analysis that reveals NDSU's additional economic impact was more than $1.5 billion over the last five years,

   - and for every new dollar appropriated to NDSU, we have generated $7.90.

Later this afternoon, you will hear presentations from the Upper Great Plains Transportation Institute, the Forest Service and the Northern Crops Institute. Then, on Thursday, March 1, NDSU budget presentations will continue with the Extension Service, Agronomy Seed Farm and Main and Branch Research Centers.

NDSU is North Dakota's original land-grant university. The land-grant mission is three-fold:

- Education - Morrill Act 1862
- Research - Hatch Act 1887
- Service - Smith-Lever Act 1914.

I would like to relate these missions to our five campus themes:

Our institutional goals for <u>It's About People</u> are:

- Increase salaries to the levels of our peers
- Address salary compression/inversion
- Foster an environment of empowerment

- As noted by consultant-evaluators from the North Central Association's reaccreditation team, we have achieved university-wide unity of purpose. "The profound, steady progress made at NDSU during the past seven years....reflects a noteworthy up-tick in the level of morale and positive "can-do/will-do" attitudes that prevail throughout the institution and among its many loyal supporters."

- Embrace diversity

  - Campus diversity strategic plan

  - Currently, NDSU has 740 international students from 70 countries.

  - Goal: 1,000 international students.

For Students Are Paramount, our goals are:

- Keep NDSU affordable and maintain our commitment to the student partnership in all our efforts

2006-07 Tuition and Fees

	Semester	Academic Year	Comment
NDSU	$2860.86	$5721.72	12 credit cap
U of MN	$4281.50	$8563.00	13 credit cap
MSU-Moorhead	$3023.92	$6047.84	16 credits
SDSU	$2688.00	$5276.00	16 credits
USD	$2704.80	$5409.60	16 credits

  - We meet regularly with student leadership, and

  - On a personal level, Gale and I will never forget March 27, 2006, the day when hundreds of students at the Memorial Union reminded me of how fortunate I am to be president of this great university, and how no other university could offer us what we already have here. It remains a defining moment in my academic career.

- Raise student services to a new level

  - One stop student service center, Bison Connection, in Memorial Union

  - New technology "smart" classrooms

  - On-campus wireless Internet access

- Continue to build additional housing accommodations.

- Achieve national recognition of student accomplishments

  - 36 NDSU student-athletes have earned highly prestigious NCAA Post Graduate Scholarships.

  - NDSU civil engineering students won the national steel bridge competition for the third time. No other entrant has won the competition more than once.

- From our newest annual employment survey:

  - 94% of last year's graduates are either employed in a field related to their major/minor (71.6%) or continuing their education (23%).

  - Of those employed 51% are employed in North Dakota, with 71% of North Dakotans working in state and 27% of Minnesota students accepting jobs in North Dakota.

Our goals for Programs are:

- Be recognized as a center for innovative instruction

  - NDSU is a national leader in the use of Personal Response Systems to obtain real-time student interaction even in the largest of lecture classes.

- Become a national center for emerging technologies and new agricultural products

  - We are working to establish a national center focused on surface studies with an emphasis on preservation. The technical emphasis will be on corrosion and marine fouling.

- Initially, we gave a primary emphasis to adding graduate level programs knowing that, too often, North Dakota did a great job at undergraduate education, only to lose those students to states that offered the specific graduate programs many students wanted.

- Now, and to a growing extent, we are keeping North Dakota students in state by offering new graduate programs. In addition, we have attracted many other young people to our state. Even better, the graduates of these additional programs are staying and finding jobs in our state. These are jobs in businesses that need these students as much as these students need their first career step.

Doctoral Program Growth

	1991	2007
Doctoral Programs*	15	42
Doctoral students	151	514

* includes professional and specialist degrees

- Foster interdisciplinary programs
  - There are numerous examples:
    - Military logistics
    - Cattle RFID with Dickinson State University
    - Nanotechnology program with North Dakota State School of Science
    - NDSU Center for Community Planning and Design/NDSU Extension Center for Community Vitality
- Deliver our services across the state through University Extension
  - The Rural Leadership North Dakota program utilizes faculty from several colleges to support the program.
  - North Dakota is our campus. Last year, the Extension Service had more than 600,000 contacts with North Dakota citizens.
- Expanding our global perspective
  - 'Twinning' partnership with Ansal Institute of Technology, India allows students to begin studies in India in selected disciplines and transfer to NDSU. NDSU students can spend a semester or more in India.

Our goals for Leveraging Support include:

- Completing our $75 Million capital campaign: we are currently at $92 million
- Taking advantage of private support for our College of Business and Architecture and Landscape Architecture program to complete major facility expansions that will provide more space, better space and at a lower cost than previous plans
- NDSU has strategic relationships with business partners that are important to our state's economic future:
  - John Deere through Phoenix International

- Tessera Corporation (San Jose) for microelectronics in wireless communications

- Turtle Mountain

- Symyx Corporation (Santa Clara) for Combinatorial High Throughput Technology applied to soft and hard coatings materials

- Superconducting Technologies (Santa Barbara) for detectors for microsensors

- ISR (Spokane) on spraycooling technologies applied to remove heat from computers

- Alien Technology for research, development and manufacturing of radio frequency identification tags (RFID) at NDSU Research and Technology Park

- Developing and enhancing our infrastructure. NDSU's building boom is continuing with construction projects in excess of $50 million.

    - This includes the 65,000 square foot addition to the Memorial Union

    - The 74,000 square foot addition to the Wellness Center

    - The material handling facility

    - The first phase of the Center for Technology Enterprise in the Research Park

    - The renovation of the Bison Sports Arena, and

    - We are adding valuable infrastructure to our centers and stations across the state including a new agronomy lab/greenhouse at the North Central Research and Extension Center in Minot, new administrative offices in Dickinson, and a new headquarters addition at our Central Grasslands center in Streeter.

Our goals for the campus theme of Stature are:

- Being a national model of a contemporary land-grant university

    - North Dakota State University now has the academic program mix of our land-grant peers.

- For the second year in a row, we lead a five-state region in research expenditures, as measured by the National Science Foundation. With more than $102 million recorded in 2004, we are ranked 122nd among the top 600 research universities.

- In several National Science Foundation subcategories, NDSU ranks among the top 100 research universities, including science and engineering — 85th in the nation, chemistry — 80th in the nation, physical sciences — 70th, and agricultural sciences — 24th in the nation.

- The NDSU Research and Technology Park was selected from among 20 finalists from across the nation to receive the U.S. Department of Commerce's award for excellence in technology-led economic development. The Assistant Secretary of Commerce who presented the award said, "The NDSU Research and Technology Park is a world-class facility and a national leader in economic development."

• Continuing to build our national and international exposure for all our programs

- We are proud to be ranked 34th in the nation in The Scientist's survey of best places for post doctorates.

- We are proud that our students have won — for an unprecedented fourth time — the National Student Steel Bridge competition.

- We are proud that the City of Fargo recognized our campus with their first Vision Award.

- We are proud of our people, like Professor Holly Bastow-Shoop, who has been named a Fulbright Scholar. Bastow-Shoop heads the apparel, design, facility and hospitality management department at NDSU and will travel to India with a group of 20 educators from around the United States.

I am pleased to share with you some additional information about North Dakota State University:

• Enrollment:

- NDSU has an enrollment of 12,258, setting a new record for the seventh year in a row.

- We have the largest first-year class in the state with nearly 2,100 students. We have the largest undergraduate enrollment in North Dakota with 10,596 students.

- Graduate enrollment has reached an all-time high for the ninth consecutive year with nearly 1,700 students. Graduate students are vital to our growth as a research university.

SUMMARY

- **ORGANIZATIONAL GOALS MET**
  - Enrollment growth to 12,250
  - Research expenditures of more than $100 million (largest research endeavor in ND, SD, MT, ID, WY)
    - 122nd among the top 635 research universities.
    - 85th in science and engineering
    - 80th in chemistry physical sciences
    - 70th in physical sciences
    - 24th in agricultural sciences
  - Doctoral programs from 15 to 41
  - More than 50 doctoral graduates/year in 23 disciplines
  - Increased economic activity from NDSU growth in FY2006 would support about 2,700 FTE jobs, in addition to the additional personnel employed directly by the University. (NDSU has 2,324 employees and has added 355 full-time benefited positions since 1999)
  - Research and Technology Park received the U.S. Department of Commerce's top award for excellence in technology-led economic development
  - National Preservation Honor Award for NDSU Downtown

- **SUSTAINED ENROLLMENT GROWTH**
  - For the seventh year in a row, NDSU has set a record enrollment (Fall '07 12,258)
    Led the NDUS in raising admissions enrollment standards (2.5 GPA and 21 ACT since 1993)
  - We have the largest first year class in the state with nearly 2,100 students
  - We have the largest undergraduate enrollment in North Dakota with 10,596 students
  - Graduate enrollment has reached an all-time high for the ninth consecutive year with 1,695 students
  - NDSU's international enrollment, the largest in North Dakota, is at an all-time high of 740
  - Students have a choice in furthering their education, and a growing number are choosing NDSU
  - 15.8% of students who leave the NDUS say it is because the program they want is not offered

- **ECONOMIC/SOCIAL IMPACTS**
  - 70% of NDSU grads from ND find work in ND
  - 30% of NDSU grads from MN find work in ND
  - 34th in the nation in The Scientist's for best places for post doctorates
  - North Dakota has invested roughly $61 million in additional general fund resources in past 7 years to support NDSU. NDSU has leveraged more than $483 million from other sources, such as research grants and donations. If added state tax revenues are considered, the net cost to the state of supporting NDSU's growth is $33.6 million, or about half of the $61 million expenditure — without including the more than $2 billion total economic benefit to the state.
  - Despite increased productivity, ND faculty salaries are last in the nation: need 5% and 5% to become more competitive
  - Generate $7.90 for every state dollar invested

- **FUTURE OPPORTUNITIES**
  - Use Roundtable philosophy to leverage faculty research and productivity of ND youth to attract/expand businesses
  - Enhanced private sector relationships and increase collaboration with other NDUS institutions (nano-tech)
  - Continue to expand faculty research and external funding
  - Develop new programs to provide ND students the majors they seek out of state
  - Completion of $75 Million Campaign for North Dakota State University (goal exceeded)
  - Maximize the benefits of existing and future Centers of Excellence to expand economic activity
  - Incubator open and fully occupied

NDUS Campuses and Medical School
Comparison of SBHE General Fund Request to Executive Recommendation & Engrossed HB1003

	(1)	(2)	(3)	(4)
	North Dakota State University			
	SBHE 2007-09 Prioritized GF Request	Executive Recommendation	House Adjustments 1/	Engrossed HB1003
2005-07 Original General Fund Appropriation	**$ 77,496,876**	**$ 77,496,876**		**77,496,876**
Base Adjustments	**900,000**	**900,000**		**900,000**
2005-07 Adjusted General Fund Appropriation, Net of Base Adjustments	**78,396,876**	**78,396,876**		**78,396,876**
Prioritized SBHE Requested Increase in Base Funding:				
Capital Assets Increase-Ongoing Extraordinary Repairs	987,741	-		-
Campus Parity	8,972,682	8,972,682	(1,087,958)	7,884,724
Campus Equity	4,140,843	4,140,843		4,140,843
House Adjustments to Base Funding				-
Total Requested Increase in GF Base Funding & Adjustments	14,101,266	13,113,525	(1,087,958)	12,025,567
Subtotal Base GF Request, Compared to Executive Recommendation & Engr HB1003	**92,498,142**	**91,510,401**	**(1,087,958)**	**90,422,443**
One-time Budget Increases, Excluding Major Capital Projects:				
Capital Assets Increase-Ongoing Extraordinary Repairs		987,741		987,741
Infusion for Deferred Maintenance	2,548,657	1,529,194		1,529,194
House One-time Adjustments				-
Subtotal One-time GF Request, Excluding Major Capital Projects, Compared to Exec Recommendation & Engr HB1003	**2,548,657**	**2,516,935**	**-**	**2,516,935**
2007-09 State General Funded Projects	-	5,000,000		5,000,000
Total 2007-09 General Fund Request, Compared to Executive Recommendation & Engrossed HB1003	**$ 95,046,799**	**$ 99,027,336**	**$ (1,087,958)**	**$ 97,939,378**

g:\cathy\excelfil\Biennial Budgets\2007-09 Budget\07-09 House\Campuses-Med GF Summary-HB1003

1/ House Adjustments Include:

Reduce salary increases from 5/5 to 4/4	**$ (1,087,958)**

NORTH DAKOTA STATE UNIVERSITY
2003-05 GENERAL FUND AND OTHER CARRYOVER FUNDS

General Fund Carryover:
Capital Improvements/Projects of $40,662 includes steam line repairs of $12,818; lighting projects of $10,741; ADA projects of $9,436; and health and safety projects of $7,667. With the exception of $2,000 in health and safety projects, these funds were spent in 2005-06. The balance of $2,000 has been spent in 2006-07.

Income Carryover Capital Assets:
Major capital projects of $17,686,992 funded from estimated income and revenue bonds includes the following two projects:

Bison Sports Arena **$15,000,000**
NDSU capital project campaign
(Initial request in 2003-05, carryover to 2005-07. NDSU will seek an amendment requesting re-authorization for 2007-09 in the amount of $25,500,000.)

Bison Court Apartment Bldg **$ 2,686,992**
Completed in 2005-06

The 2003-05 general fund carryover (Operating) is $1,253,605. This consists of:

HECN Equipment	$184,577	Funds expended in FY06
Lease payment on downtown bonds	$413,000	Funds expended in FY06
Center for Genetic Research	$656,028	Funds expended by FY07

NORTH DAKOTA STATE UNIVERSITY
HB 1003 Amendment Request

Repeal of N.D.C.C. 15-12-27 – Eighteenth Street Development Fund

N.D.C.C. 15-12-27 (Eighteenth Street Development Fund) states:

"A special fund is established in the state treasury to be known as the eighteenth street development fund. Net income received by North Dakota state university from leases of real property for the development and commercialization of the nineteenth avenue project...bordered by nineteenth avenue north, university drive, and north tenth street in the city of Fargo, must be deposited into the fund. "Net income" means lease rental payments less expenses for improving, maintaining, and developing the nineteenth avenue project. The fund and interest earned on the fund must be used for the payment of expenses and special assessments associated with the construction and improvement of eighteenth street on the campus of North Dakota state university located in section thirty-six, township one hundred forty north, range forty-nine west, county of Cass, state of North Dakota. The fund is not subject to the provisions of section 54-44.1-11."

This statute was enacted by the 1995 Legislative Assembly for the development of 18th Street located on the west side of NDSU's Main Campus. The law dictates that the rental payments received from the 19th Avenue (University Town Center) strip mall lease be deposited into an account to pay for improvements and special assessments specifically for 18th Street.

When the 18th Street construction and improvements were completed, the City of Fargo established the special assessments for this work. After comparing the interest rate on the specials to the interest income on the money at the Bank of ND and State Treasury, NDSU requested authorization to payoff all of the special assessments through interfund borrowing. Since the specials have been prepaid and repayment of the interfund borrowing will be completed in fiscal 2008, there is no further reason to dedicate the lease payments specifically to this purpose. Thus, NDSU is requesting its repeal so that the funds can be utilized for other campus needs

NORTH DAKOTA STATE UNIVERSITY
HB 1003 Amendment Request

Increase in Authorization Amount for Bison Sports Arena (BSA)

NDSU requested and received permission from the SBHE at its January 18, 2007, meeting to ratify the Chancellor's action authorizing NDSU to seek an amendment to the NDUS appropriation bill re-authorizing it to carryover the $15,000,000 Bison Sports Arena as per NDCC 54-44-1.11. The request indicated that an architect had been hired and that schematic designs had been developed. Since that meeting, more definitive figures have been obtained; with the increase in estimated prices since 2003 and the expanded scope of the project, the Bison Sports Arena addition and renovation is now estimated at $25,500,000.

The independent study done by a consulting firm in 2003 recommended that the emphasis of work done at the BSA focus on improvements to the facilities and the existing infrastructure: the HVAC system; ADA compliance; locker room expansion and upgrades; athletic training areas; classroom technology enhancements; relocation of offices, conference, and meeting rooms; and replacement of the unsafe playing surfaces and bleacher systems in the building.

The scope of the project has since been expanded to include the replacement of the existing roof; new north and south entrances to the building; a new practice gym; improvements for the wrestling, track and baseball programs; and an addition to the east side of the building to accommodate suites and premium facilities.

Funding for the project will be provided by private gifts and donations through the NDSU Development Foundation and its $75.0 million *Momentum* capital campaign.

NORTH DAKOTA STATE UNIVERSITY

Degree Credit Headcount by Category - February 2007

Official NDUS - Third Week Enrollment Report

Fall Semester	Campus Totals	DE only	Dual Credit**	Face to Face Campus Total
2001	10,538	75	3	10,463
2002	11,146	190	12	10,956
2003	11,623	229	7	11,394
2004	12,026	216	10	11,810
2005*	12,099	20	4	12,079
2006	12,258	256	13	12,002
Projection				
2007	12,350	282	10	12,068
2008	12,450	310	10	12,140
2009	12,550	341	10	12,209
2010	12,650	375	10	12,275
2011	12,750	412	10	12,338

*ConnectND Implemented

** SAS used for 2001-04 data; Dual Credit Enrollment report for 2005-06 data

Fall Semester	Undergrad	Grad	Total
2001	9,433	1,105	10,538
2002	9,874	1,272	11,146
2003	10,157	1,466	11,623
2004	10,549	1,477	12,026
2005	10,496	1,603	12,099
2006	10,596	1,662	12,258
Projection			
2007	10,680	1,670	12,350
2008	10,770	1,680	12,450
2009	10,860	1,690	12,550
2010	10,950	1,700	12,650
2011	11,040	1,710	12,750

Private Sector Research

NDSU

GREMADA INDUSTRIES

GAMRY INSTRUMENTS

3M

ALIEN

APPASEO SYSTEMS

TECTON PRODUCTS LLC

TESSERA

Honeywell

Bobcat

Symyx

CRANE

AKZO NOBEL

MONSANTO

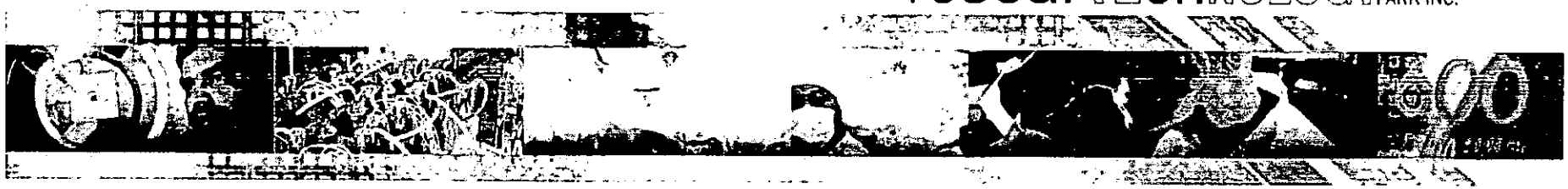
Microsoft

DUPONT

Pfizer

syngenta

NDSU researchTECHNOLOGY PARK INC.



Economic Impact of NDSU Growth, FY 2000-2004

F. Larry Leistritz, Nancy M. Hodur, and Dean A. Bangsund[1]

Exported services is one of the fastest growing sectors of the North Dakota economy. As the U. S. economy is increasingly driven by technological advances, research and education have become critical to economic growth. Public and private research and educational activities and related manufacturing and professional services now make an important contribution to the state=s economic base. Foremost among these are the university-based research and education activities centered at North Dakota's research universities. Supported in large part from the federal government and/or from other out-of-state sources, these programs constitute an important component of the state's economic base.

North Dakota State University (NDSU) has experienced substantial growth in both research and teaching programs over the past few years. The purpose of this report is to estimate the economic impacts associated with the growth that has occurred since FY 1999.

Methods

The initial task in any impact assessment is estimating the direct impacts (or Afirst-round effects@) of the activity being studied. In this study, NDSU operating budgets were analyzed to determine the growth in direct expenditures that had occurred since FY 1999. The capital improvements budget was also examined to identify expenditures during this period (that would also be included as direct impacts), and data on changes in enrollments were used to estimate growth in student spending (excluding tuition and fees) in the Fargo-Moorhead area. The North Dakota Input-Output Model was used to estimate the secondary economic impacts based on these data.

The North Dakota Input-Output Model consists of interdependence coefficients or multipliers that measure the level of business activity generated in each economic sector from an additional dollar of expenditures in a given sector. (A sector is a group of similar economic units, e.g., the firms engaged in retail trade make up the retail trade sector.) For a complete description of the input-output model, see Coon and Leistritz (1989). The model estimates the changes in gross business volume (gross receipts) for all sectors of the area economy resulting from the direct expenditures associated with the growth of NDSU programs. The increased gross business volumes are used to estimate secondary employment and tax revenues based on historic relationships. The procedures used in the analysis are parallel to those used in estimating the impact of other facilities and activities (Leistritz 1995; Bangsund and Leistritz 2004, Hodur et al. 2006). Empirical testing has confirmed the model's accuracy in estimating changes in levels of economic activity in North Dakota; over the period 1958-2004, estimates of statewide personal

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[1]Leistritz is a professor, Hodur is a research associate, and Bangsund is a research scientist in the Department of Agribusiness & Applied Economics, North Dakota State University, Fargo.

income derived from the model averaged within 4 percent of comparable values reported by the U.S. Department of Commerce (Leistritz et al. 1990, Coon and Leistritz 2006).

Results

The NDSU operating budget grew from $156 million in FY1999 to $279.2 million in FY2006, an increase of $123.2 million or 79 percent. General fund revenue increased $13.4 million, and non-general fund revenue increased $109.8 million. After examination of the operating budget, it appeared that the Capital Equipment line item represented items that generally would be purchased from vendors located outside North Dakota (e.g., computers, laboratory equipment). Therefore, Capital Equipment was excluded from the economic impact calculations ($7.3 million in FY2000; $11.6 million in FY2004; and $5.8 million in FY2006 -- general fund and non-general fund sources combined). After adjusting for Capital Equipment, increased NDSU operating expenditures based on non-general fund sources represented a direct economic impact of $10.6 million in FY2000 and $97.8 million in FY2006 (Table 1). Including general fund revenues, the direct economic impacts of NDSU growth were $12.4 million in FY2000 and $110.7 million in FY2006 (Table 2).

Capital improvements added substantially to the economic impact of NDSU growth. Over the period FY2000-FY2006, capital improvements totaled $111.6 million, of which $99.8 million were non-general fund resources and $11.8 million were general fund revenues. Several major projects, including the Research I and Research II buildings in the NDSU Research and Technology Park, the Downtown Campus, the Equine Center, and the Criminal Justice building were completed during this time period. (Also included in the FY2006 total is $3.5 million in FARGODOME locker room and related facilities, funded by the NDSU Development Foundation.)

Student enrollments have also been increasing steadily over the past five years. In 2005-06, student FTE totaled 11,361, compared to 9,083 in FY 1998-99 (based on 14.5 credit hours per semester for undergraduates and 9 credit hours for graduate students). In addition to tuition and fees paid to the University, student spending in the Fargo-Moorhead area was estimated to be $8,000 per student, per academic year (based on information from NDSU Office of Student Financial Services).

The direct economic impacts associated with NDSU growth (excluding general fund revenue) are summarized in Table 1. Growth in NDSU operating expenditures (based on tuition revenues, research grants, and other non-general fund sources) was steady over the period FY2000 through FY2005, dipping slightly to $97.8 million in FY2006. Capital improvements added an average of $14.3 million per year over the seven-year period B $18.9 million in FY 2004. Student spending also increased over the period, to an estimated $18.2 million in FY2006. Thus, the total direct impact of NDSU growth was $131.2 million in FY2006 and totaled $557.1 million over the seven-year period.

The total impacts associated with NDSU growth were estimated by applying the input-output model coefficients to these expenditures (Table 1). Total impacts were estimated to be

$42 million in FY2000 and $368.1 million in FY2006, totaling $1.6 billion over the seven-year period. Sectors that received major contributions include *households* (i.e., personal income of area residents), *retail trade*, *construction*, and *finance, insurance, and real estate* (FIRE). The increased economic activity from NDSU growth in FY2006 would support about 2,700 FTE jobs in the area economy, in addition to the additional personnel employed directly by the University. (NDSU has 5,222 employees and has added 720 full-time benefited positions since 1999.) (Average secondary employment over the past seven years was 1,763 FTE jobs.) The increased economic activity also resulted in additional state tax revenues. The additional retail sales in FY2006 ($104 million) resulted in roughly $4.8 million in additional sales and use tax collections, while the additional personal income ($135.1 million) would result in about $2 million in additional personal income tax collections. Over the five-year period, additional sales and use tax collections were estimated to total $19.2 million while additional personal income tax collections totaled $8.4 million.

Over the past seven years the State of North Dakota has invested roughly $61.2 million in additional general fund resources to support the growth of the University. The University has leveraged those state resources by securing almost $483.4 million from other sources (e.g., research grants, donations). Thus, for every additional dollar of state support, roughly $7.90 of other funds have been obtained. In fact, if the added state tax revenues are considered, the **net** cost to the State of supporting NDSU growth could be considered to be only $33.6 million ($61.2 million of added general fund support less $27.6 million of added tax collections, collected as a result of NDSU growth).

The direct and total impacts of NDSU growth, *including general fund resources*, are summarized in Table 2. The interpretation of the values in Table 2 is the same as for Table 1. The values in Table 1 represent the economic impact of NDSU growth for the state, the values in Table 2 represent the economic impact of NDSU growth since FY1999 for the local area (i.e., Fargo-Moorhead).

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Table 1. Direct and Total Economic Impacts of NDSU Growth, Fiscal Year 2000 to Fiscal Year 2006 (Fiscal Year 1999 ' base), excluding General Fund Growth

Item	Fiscal Year 2000	2001	2002	2003	2004	2005	2006	Total
		000s nominal $						
Direct Impacts:								
NDSU Operating	10,574	22,579	36,158	51,544	64,627	100,325	97,845	383,652
NDSU Cap. Improve.	3,450	7,846	15,612	29,464	18,913	9,367	15,116	99,768
NDSU Student Spending	992	2,944	8,288	11,208	14,360	17,672	18,224	73,688
Total Direct Impacts	15,016	33,370	60,059	92,215	97,900	127,363	131,185	557,108
Direct Impacts by I-O Sector:								
Construction	3,450	7,846	15,612	29,464	18,913	9,367	15,116	99,768
Comm.& Pub. Util.	453	729	1,026	1,348	1,483	2,728	3,496	11,264
Retail trade	2,302	5,100	10,561	14,332	17,952	32,012	31,826	114,084
Fin., Ins. & Real Estate	1,564	3,628	6,741	9,476	12,072	16,979	17,238	67,697
Bus. & Pers. Services	1,601	3,686	6,163	9,117	11,225	17,561	10,747	60,101
Households	5,645	12,381	19,956	28,479	36,256	48,716	52,761	204,194
Total Impacts:								
Construction	4,445	10,050	19,463	35,293	25,357	17,735	23,827	136,170
Comm.& Pub. Util.	1,808	3,738	6,307	9,284	10,383	14,583	15,474	61,577
Retail trade	10,528	23,368	42,502	62,656	71,499	101,492	104,048	416,093
Fin., Ins. & Real Estate	3,382	7,659	13,755	20,046	23,889	32,428	33,223	134,382
Bus. & Pers. Services	2,303	5,250	8,889	13,200	15,857	23,687	16,979	86,165
Prof. & Soc. Services	988	2,190	3,789	5,674	6,437	8,446	8,792	36,316
Households	15,179	33,634	58,076	86,921	98,766	129,392	135,140	557,108
Other[1]	3,337	7,412	13,206	19,831	22,079	29,593	30,585	126,043
Total	41,970	93,301	165,987	252,905	274,267	357,356	368,068	1,553,854

[1]Includes agriculture, mining, manufacturing, transportation, and government.

Table 2. Direct and Total Economic Impacts of NDSU Growth, Fiscal Year 2000 to Fiscal Year 2005 (Fiscal Year 1999 = base), including General Fund Growth

	Fiscal Year							
	2000	2001	2002	2003	2004	2005	2006	Total
		000s nominal $						
Direct Impacts:								
NDSU Operating	12,445	26,438	42,137	59,801	75,854	105,549	110,735	432,959
NDSU Cap. Improve.	5,855	9,271	17,481	31,081	20,139	10,918	16,885	111,630
NDSU Student Spending	992	2,944	8,288	11,208	14,360	17,672	18,224	73,688
Total Direct Impacts	19,292	38,652	67,906	102,090	110,353	134,139	145,844	618,277
Direct Impacts by I-O Sector:								
Construction	5,855	9,271	17,481	31,081	20,139	10,918	16,885	111,630
Comm.& Pub. Util.	582	992	1,438	1,894	2,256	3,117	3,748	14,019
Retail trade	2,430	5,363	10,964	14,882	18,723	32,824	32,034	117,220
Fin., Ins. & Real Estate	1,981	4,506	8,127	11,422	14,573	18,464	22,333	81,406
Bus. & Pers. Services	1,720	3,929	6,535	9,625	11,936	18,735	11,874	64,354
Households	6,724	14,593	23,371	33,186	42,725	50,081	58,970	229,649
Total Impacts:								
Construction	7,118	11,851	21,897	37,642	27,529	19,714	26,707	152,458
Comm.& Pub. Util.	2,284	4,504	7,468	10,822	12,440	15,617	17,322	70,457
Retail trade	12,872	26,752	47,604	69,306	80,148	105,882	113,727	456,291
Fin., Ins. & Real Estate	4,276	9,224	16,178	23,344	28,145	34,702	40,398	156,267
Bus. & Pers. Services	2,601	5,762	9,668	14,244	17,264	25,191	18,993	93,723
Prof. & Soc. Services	1,240	2,569	4,363	6,429	7,423	8,865	9,963	40,852
Households	19,059	39,480	66,930	98,571	113,996	135,718	153,070	626,824
Other[1]	4,199	8,621	15,025	22,191	25,124	31,083	32,258	140,501
Total	53,649	108,763	189,133	282,549	312,069	376,772	414,438	1,737,373

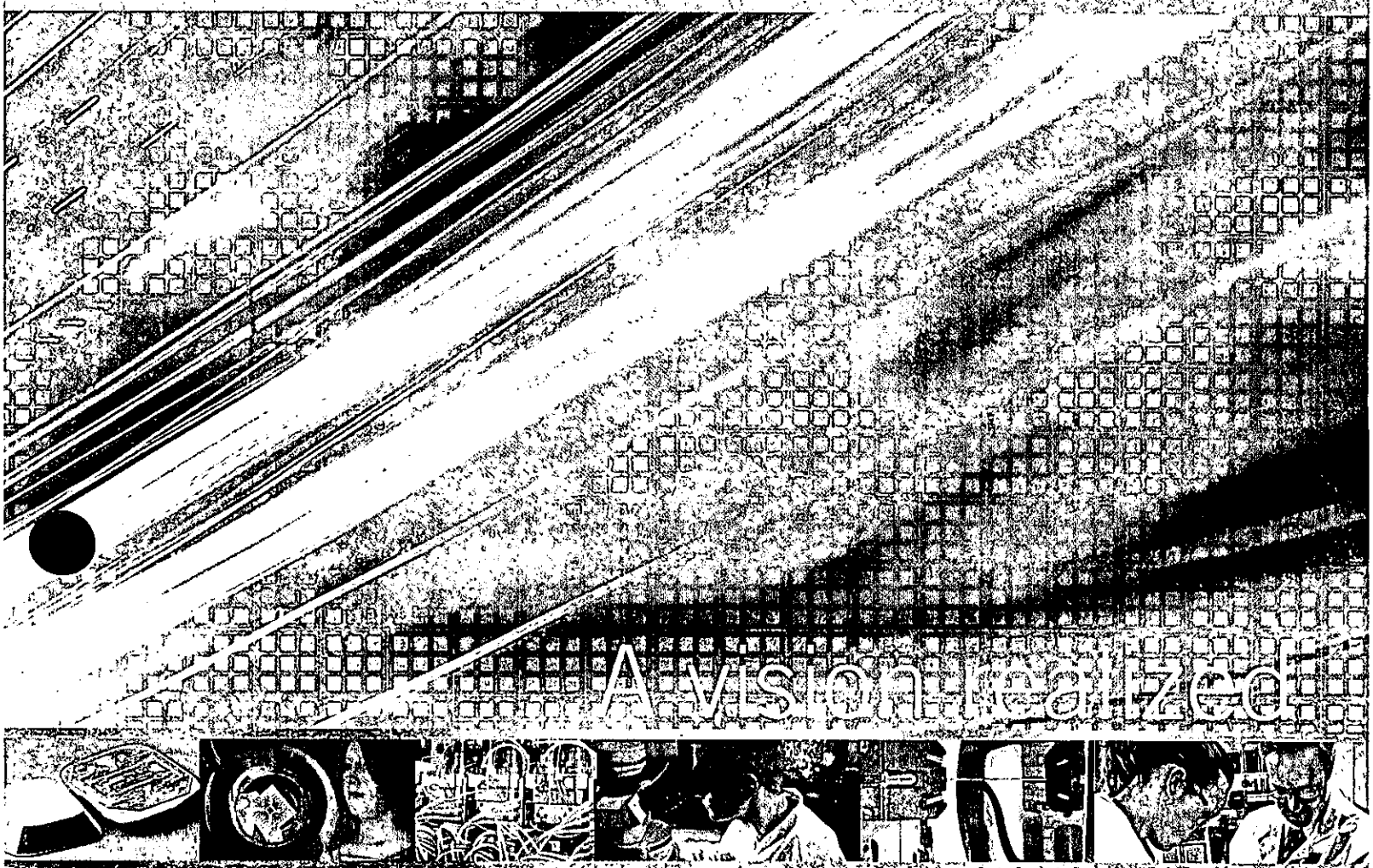
[1]Includes agriculture, mining, manufacturing, transportation, and government.

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NDSU

researTECHNOLOGY PARK INC.

2005-06 annual report



A vision realized

North Dakota State University

RESEARCH & TECHNOLOGY PARK

The NDSU Research & Technology Park, Inc., (RTP) is a 501(c)(3) corporation created to provide university researchers and private industry a central location for combining their talents to develop new technologies, methods and systems. It covers 55 acres on the north end of the NDSU campus in Fargo, N.D. The RTP, a member of the Association of University Research Parks, is led by an executive director and a 10-person board of directors.

Mission

The NDSU Research & Technology Park operates to enhance the investments in North Dakota State University by the citizens of North Dakota. Through partnerships with international, national and regional centers of excellence, high technology-based businesses, and the research community at NDSU, RTP will achieve successful technology-based elopment and broaden the economic base of North Dakota. Scientific and technological advancement will be promoted through the development of facilities and research centers conducive to cutting-edge research. The RTP will establish an innovation accelerator unit, which offers space, facilities and services to technology-based entrepreneurs and businesses.

Vision

The NDSU Research & Technology Park serves as a catalyst for innovation in science and technology leading to discoveries that contribute to North Dakota's economic development.

Objectives

- To operate for the benefit of NDSU by assisting the university with its teaching, research and public service missions.
- To achieve successful, technology-based economic development.
- To create a technology incubator that will be mutually beneficial to NDSU and North Dakota by assisting entrepreneurs, start-up businesses and existing businesses with new ventures.
- To provide RTP occupants access to research, development and problem-solving resources at NDSU.
- To create a business environment dedicated to applied research and technological discovery for the benefit of NDSU faculty, staff and students.
- To provide a pool of professionals as a resource for teaching and applied research and development at NDSU.
- To facilitate the transfer and application of scientific research to the global economy.
- To promote economic development in Fargo and North Dakota, add value to North Dakota citizens' investments in NDSU and enhance the state's economic base.
- To pay out and distribute funds to NDSU for scientific investigation, research, technological advancement and educational opportunities.

A LETTER FROM THE PRESIDENT AND THE EXECUTIVE DIRECTOR

The NDSU Research & Technology Park, Inc., has proven to be a resounding success for North Dakota State University, the Fargo-Moorhead community, the state of North Dakota and the entire region. "A Vision Realized" is the title of this 2005-06 annual report, and the phrase is, without question, an apt description of the park's remarkable development.

Through numerous partnerships and collaborations with the public and private sectors, the NDSU Research & Technology Park has become the home of several high-growth companies, four Centers of Excellence, a hotel and the Center for Technology Enterprise.

Truly, the park's progress has met or exceeded our high expectations. And the future holds more opportunities.

In these pages, you will read about how the park has grown, and you will see that exciting times lie ahead as we expand the vision of how the park can move forward. We expect the park to continue to play a critical role in our area's economic development and to grow as a recognized leader in world-class high technology research.

You will also learn the impressive results of an impact study by Larry Leistritz, professor of agricultural economics. The impact of park's projects is more than $128 million. The 511 employees at the park have an average annual salary of more than $50,000. The report also puts the annual contribution to state tax revenues (sales, use and personal income taxes) at $2.6 million. The park clearly is having a dramatic impact on the region's economy.

Our efforts are being recognized. The park recently was selected for the U.S. Department of Commerce's Award for Excellence in Technology-led Economic Development. The award program honors innovative economic development strategies of national significance.

Thank you for your interest in the NDSU Research & Technology Park, Inc., and thank you for reading "A Vision Realized."

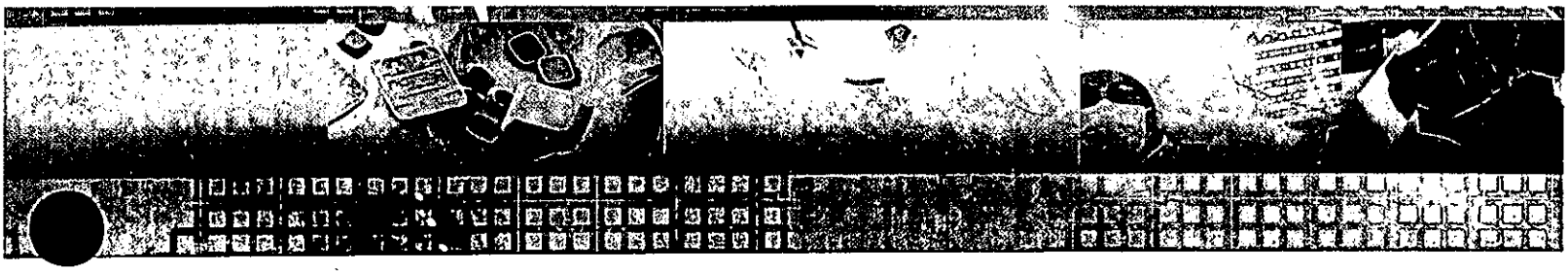
Sincerely,



Joseph A. Chapman
President
North Dakota State University



Tony Grindberg
Executive Director
NDSU Research & Technology Park, Inc.



The Company We Keep

The RTP is the home of fast-paced, high-growth companies that promote economic development in North Dakota. To operate within the RTP, a company must be involved in the advancement and development of new technology, be willing to establish a working relationship with NDSU and work in one or more of the following technology fields:

- Material Sciences
- Biosciences and Life Science Technology
- Information Technology
- Nanotechnology
- Advanced Manufacturing and Sensors/Micro-Electronics

COMPANIES

Alien Technology® provides UHF radio frequency identification (RFID) products and services for retail, consumer goods, manufacturing, defense, transportation and logistics, pharmaceuticals and other industries.

Appareo Systems develops solutions that build on innovations in augmented reality and advanced electronics. The company employs experts in embedded hardware and software, networking, advanced graphics, and large-scale computing platforms.

Bobcat®, a business unit of Ingersoll-Rand, is an anchor tenant of the Center for Technology Enterprise. The company is a leader in the design and construction of compact equipment for the industrial, construction and agribusiness industries.

Feed Management Systems, an anchor tenant of the Center for Technology Enterprise, is the leading application software company for the global feed industry.

NDSU Candlewood Suites, operated by Sonmar Management Corp., is a $4 million extended-stay hotel with 72 guest rooms intended primarily for visitors conducting business at the RTP or on the NDSU campus. The hotel employs students and includes a classroom for courses in Hospitality & Tourism Management.

Pedigree Technologies creates wireless sensing solutions for companies in the agriculture and food and beverage industries that allow them to leverage the dynamic nature of wireless sensing, control, and RFID technologies.

Phoenix International, a John Deere® company, designs and manufactures complex electronics for heavy industries.

ORGANIZATIONS

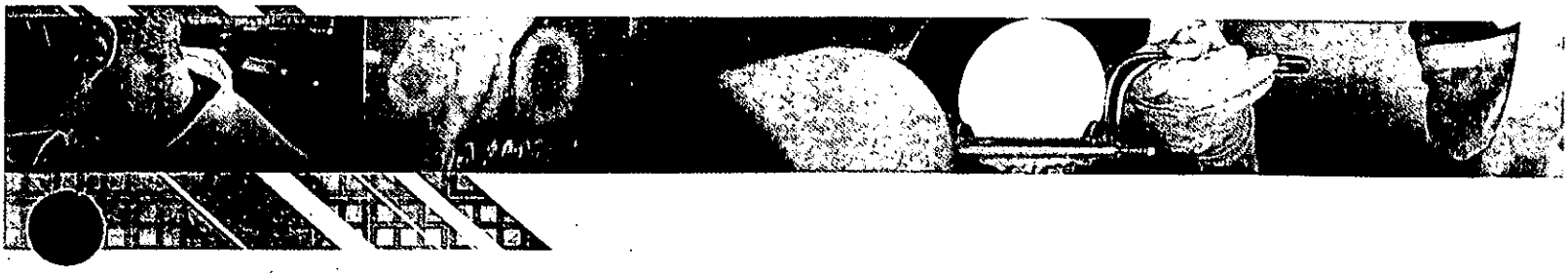
The Red River Basin Institute serves as a collaborative medium for research and watershed education that transcends jurisdictional boundaries for the Canadian and U.S. governments, the private sector, non-governmental organizations, and academic/research institutions in the Red River Basin.

NDSU OFFICES

The ***Office of Research, Creative Activities & Technology Transfer*** facilitates research and creative activities across campus. It assists faculty in seeking and submitting proposals for research funding and fosters partnerships with government and private business. It includes the Office of Sponsored Programs Administration, the Office of Technology Transfer, the Office of Federal Government Relations and the Center for High Performance Computing.

The ***Center for Nanoscale Science & Engineering*** is one of the only facilities in the nation with all the technologies and equipment necessary for electronic miniaturization under one roof. CNSE scientists and engineers conduct interdisciplinary research and design at the atomic-molecular scale that is focused on practical materials, processes and devices.

The ***Department of Coatings & Polymeric Materials*** is a national leader in developing new materials for NASA, the U.S. Department of Defense and private industry. It includes the only Corrosion and Coatings Research Center in North America.



EDA HONORS NDSU RESEARCH & TECHNOLOGY PARK

Award Recognizes Excellence in Tech-Led Economic Development



North Dakota Gov. John Hoeven (left) and NDSU President Joseph A. Chapman (center) accept the Award for Excellence in Technology-Led Economic Development from U.S. Assistant Secretary of Commerce for Economic Development Sandy K. Baruah.

The U.S. Department of Commerce, Economic Development Administration (EDA) has presented the NDSU Research & Technology Park its Award for Excellence in Technology-Led Economic Development.

The RTP was selected from among 20 finalists from across the nation. The EDA announced the award in May and presented it to the RTP on August 28.

The Excellence in Economic Development awards recognize innovative economic development strategies of national significance and are designed to showcase best practices and highlight outstanding results. The EDA evaluated nominees to determine how effectively they support technology-led economic development and reflect the important role of linking universities, industries and technology transfers.

NDSU Hosts Four N.D. Centers of Excellence

The North Dakota Economic Development Centers of Excellence Program provides incentives for North Dakota University System institutions to partner with private companies in conducting advanced research and development. The state provided $50 million to help North Dakota's institutions of higher education attract private and matching funds for advanced research and development. To date, the program has funded four centers at NDSU and in the RTP.

CENTER FOR TECHNOLOGY ENTERPRISE

RTP – $1.25 million

(See page 5)

CENTER FOR SURFACE PROTECTION

NDSU – $2 million

Allows researchers in the Department of Coatings & Polymeric Materials and the Center for Nanoscale Science & Engineering to collaborate with industry leaders in developing, testing and implementing new coatings solutions.

CENTER FOR ADVANCED ELECTRONICS DESIGN AND MANUFACTURING

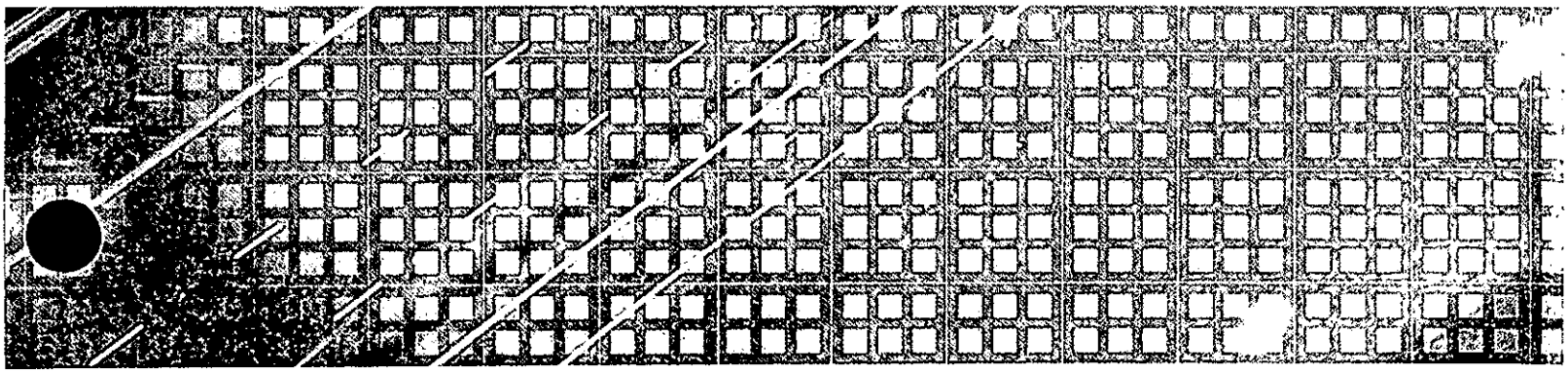
NDSU – $3 million

Conducts research on highly-marketable RFID and advanced sensor products identified by two of NDSU's established private-sector partners, Alien Technology® and Crane Aerospace and Electronics.

CENTER FOR AGBIOTECHNOLOGY: OILSEED DEVELOPMENT

NDSU – $2 million

Makes available conventional and/or deregulated biotechnology lines of soybeans and canola with unique oilseed traits that have potential as biofuels, specialty lubricants and health care products.



Center for Technology Enterprise to Open 1st Quarter 2007

The RTP broke ground for the first phase of the Center for Technology Enterprise (CTE), a high-tech business incubator, on Oct. 12, 2005.

The CTE will promote the development of innovation-driven companies by allowing them to take up residence in a high-tech business environment. It also will provide access to financing, technical support, market research, management consulting, shared office equipment and flexible physical space. Its annual operating budget is estimated at $400,000.

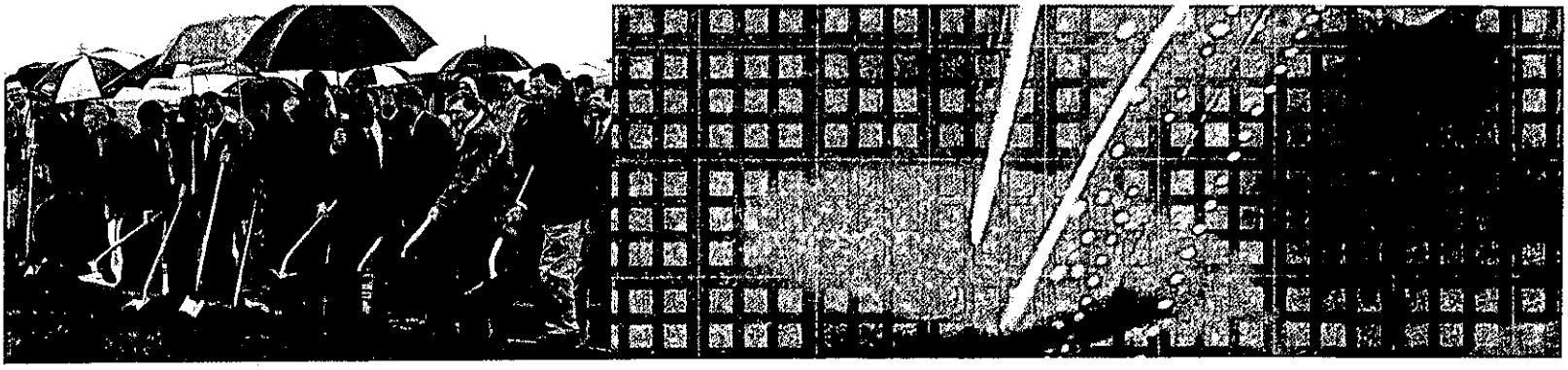


In developing the incubator, the RTP implemented recommendations from Claggett Wolfe Associates, Auburn, Calif., which completed a feasibility study for the incubator in 2003. The firm examined the overall market by sector as well as geography, "incubatable" industry sectors, current and past levels of technology activity, local entrepreneurial and business support conditions and competition.

Claggett Wolfe recommended an incubator model that includes construction of the facility with no mortgage. The firm also recommended that anchor tenants occupy at least 30 percent of available space. Market-rate rents paid by anchor tenants will provide cash flow to support overall operations. The remaining 70 percent of the facility will be dedicated to serving entrepreneurs and start-up businesses.

The first phase of construction, which includes the building with 32,000 square feet of the inside finished, will be complete by the first quarter of 2007. The second phase, projected for completion by the second quarter, will be to finish the remaining 20,000 square feet of internal space as new companies take up residency. In addition to its anchor tenants, the goal is for the CTE to house eight to 10 high-tech start-up companies on an annual basis.

The CTE's two anchor tenants are Bobcat Co. and Feed Management Systems, which together will occupy 17,500 square feet of the 52,000-square-foot facility. Appareo Systems and Pedigree Technologies also will move into the CTE as soon as it is completed.



Contributors to the CTE's construction and ongoing operations (as of September 2006) include:

3M Foundation
Alerus Financial
Alex Stern Foundation
Amity Technology, LLC
Bobcat
Bremer Bank
Cardinal IG Co.
Cass County Electric
City of Fargo
City of West Fargo
Eide Bailly, LLP
[redacted]CO Corporation
[redacted]ate City Bank
Greater Fargo-Moorhead EDC
Hebron Brick Company
John Deere Foundation
McNeilus Steel, Inc.
NDSU Research Foundation
Otter Tail Corporation
Scheel's, Fargo-Moorhead
State of North Dakota – Centers of Excellence
Tecton Products, LLC
US Bank, N.A.
U.S. Department of Commerce-Economic Development Administration
U.S. Department of Housing and Urban Development
Wells Fargo
[redacted]el Energy

CENTER FOR TECHNOLOGY ENTERPRISE ADVISORY COMMITTEE

The Incubator Advisory Committee is an outside resource for entrepreneurs that provides coaching and mentoring and links CTE clients to the business community and NDSU. The committee also advises the RTP Board of Directors regarding opportunities for the CTE and its operations. The board appoints committee members to two-year terms.

"The past year was monumentally successful for the Center for Technology Enterprise, which will soon be up and running. The committee members look forward to contributing to the economic advancement of our community and our state by providing the guidance high-tech entrepreneurs and companies need to launch and sustain successful operations."

— CTE Advisory Committee Chair Mark Nisbet

COMMITTEE MEMBERS

Mark Nisbet, Chair
North Dakota Principal Manager
Xcel Energy

Dorinda Anderson
Business Development Director
City of West Fargo

Barry Batcheller
President & CEO
Appareo Systems, LLC

Dr. Philip Boudjouk
Vice President for Research, Creative Activities and Technology Transfer
North Dakota State University

Mike Chambers
President & CEO
Aldevron, LLC

Nick Colella
Senior Vice President of Operations
Tessera Technologies

John Cosgriff
Manager
InvestAmerica

Glenn Gengel
Vice President of Manufacturing
Alien Technology Corporation

Steve Halverson
President
Heartland Trust Company

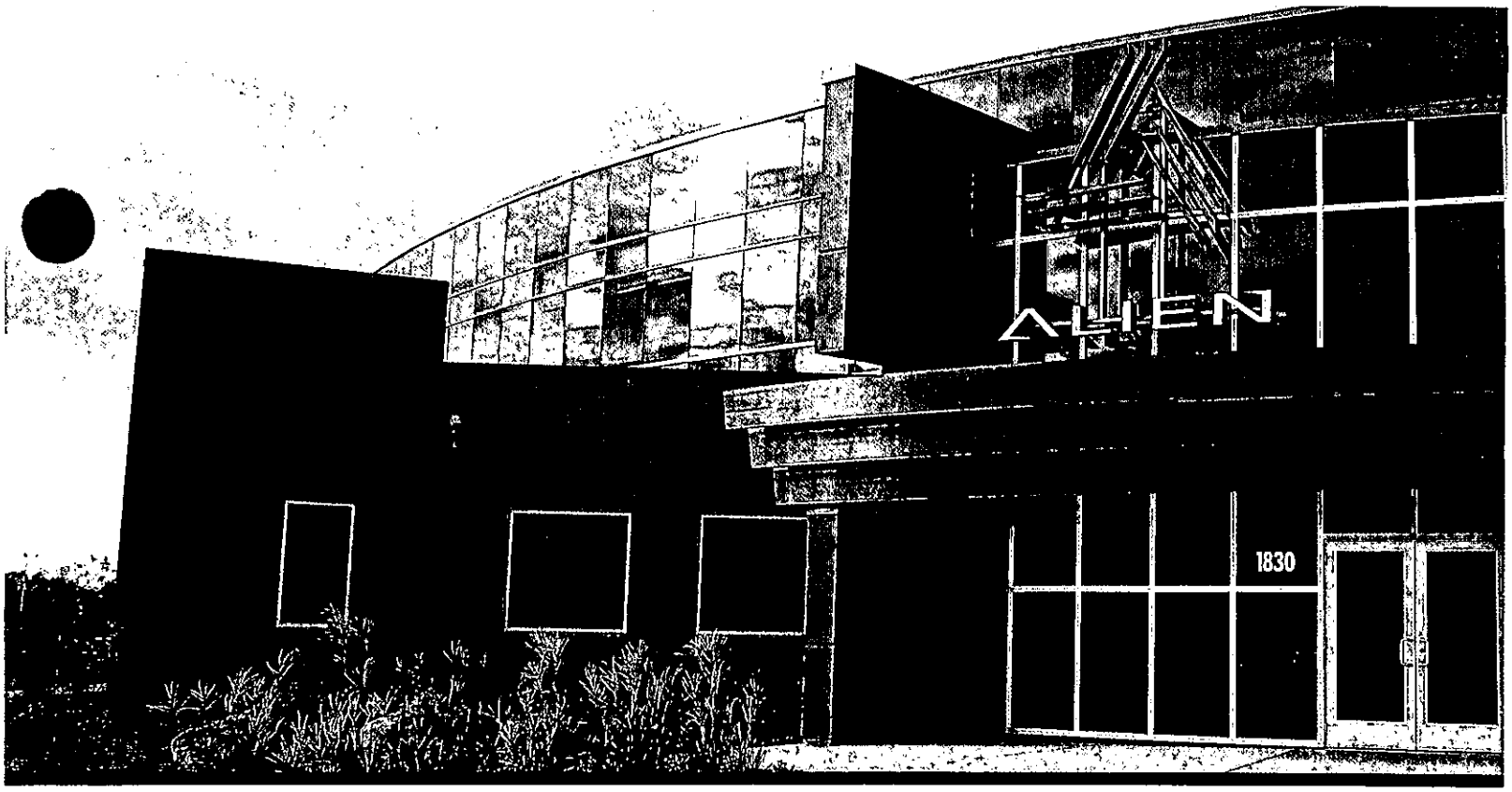
Ronald Johnson
Dean of the College of Business
North Dakota State University

Mark Rheault
Executive Management Consultant
NorthPoint Professionals

Dr. Craig Schnell
Provost and Vice President for Academic Affairs
North Dakota State University

Dale Zetocha
Executive Director
North Dakota State University
Research Foundation

Terri Zimmerman
Business Development Specialist
NDSU Research & Technology Park



The Future: Expanding the Vision

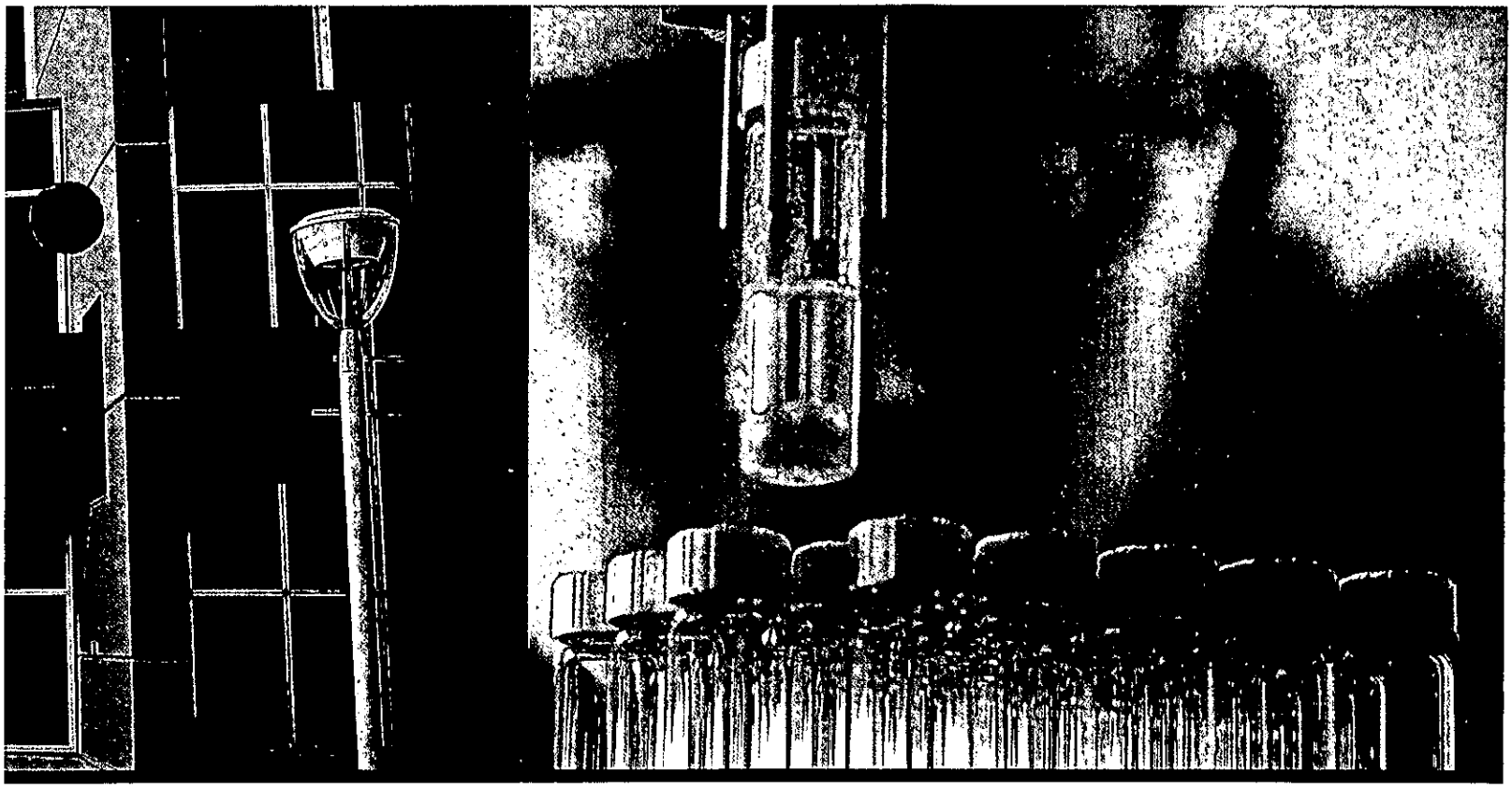
FINANCIAL

Overview
We continue to explore new funding opportunities for the Research & Technology Park and the Center for Technology Enterprise. For the next fiscal year, our goal is to begin focusing more on operations and program delivery for the CTE, as well as next steps for facilitating continued growth for the RTP.

Grants
The RTP is developing a request for an additional three-year (2008-10) University Centers Grant to the U.S. Department of Commerce, Economic Development Administration. The RTP continuously explores other grant opportunities that will complement and grow our mission.

Venture Capital
The RTP has established relationships with the Bank of North Dakota, the North Dakota Department of Commerce, the U.S. Small Business Administration and the Small Business Investment Company to assist our tenants in obtaining loans, grants and other forms of financial assistance.

RAIN® Network and Seed Fund
A group of local investors, working with RAIN Source℠ Capital, has established a Regional Angel Investor Network (RAIN) and fund for start-up ventures in Fargo-Moorhead. RAIN Source Capital is a multi-state network of RAIN funds that works with angel investors interested in supporting growing companies. It provides investment capital, a process for due diligence, legal templates, management support, access to deal flow and other resources. The RTP will be the temporary home of the RAIN and will supply administrative support for investors.



PARTNERSHIPS

nsortium for RFID in Healthcare

ders from the public, private and academic sectors are working to create a Consortium for RFID in Healthcare in the Red River Valley, and the RTP is supporting the effort. The Consortium's mission will be to establish the Red River Valley Research Corridor as the leader in RFID applications for healthcare by fostering collaboration among technology companies, research institutions, public sector organizations, and healthcare providers. Dakota Medical Foundation, Fargo, has provided a grant to fund a feasibility study. If the effort moves forward, the RTP will provide an in-kind contribution of space for the Consortium.

STAFFING

Business Development Specialist

The RTP plans to fill this position by October 2006. The individual will be dedicated to future start-up technology client activity, which is growing at a steady pace. The business development specialist also will advance and facilitate the involvement of our Incubator Advisory Committee with current start-up companies, as well as future plans and processes for the CTE. In addition, this professional will begin identifying, positioning and organizing the RTP with a RAIN fund.

Internships

The RTP plans to employ three to four student interns during the next fiscal year. Over the past six months, two NDSU students were invaluable to both the RTP and our tenants. Interns will provide administrative support for the CTE, assist our clients with marketing and research, help coordinate 5:01 Entrepreneur Society events, and support our tenant networks.

OPERATIONS

Center for Technology Enterprise

The RTP is searching for two additional start-up technology firms that will be prepared to take up residence in the CTE immediately. Our goal is to locate three to four new start-up companies in the facility per year over the next two years and to fill open space as companies graduate from the CTE.

Multi-Tenant Facility

We continue to explore the potential and feasibility of constructing a multi-tenant building in the RTP. We envision a facility that will be available to companies that are committed to partnerships with NDSU and are expanding their research and development activities.

Marketing

The RTP will launch a marketing campaign to inform potential technology entrepreneurs of the CTE, its programs and services in the first quarter of 2007. Marketing and promotions will include national advertising, direct mail, networking, e-mail updates and industry publications.

OUR BOARD

The NDSU Research & Technology Park Board of Directors is composed of three directors from NDSU, including the university president, the vice president for research, and an employee designated by the NDSU president; three community members who represent the legal, finance and economic development sectors; and four at-large community directors who represent manufacturing (1), service (1) and high-technology (2) industry sectors.

Dr. Joseph Chapman, *President*
President
North Dakota State University

Barry Martin, *Vice President*
Division President
US Bank

Chuck Hoge, *Secretary/Treasurer*
Vice President
Otter Tail Corporation

Mike Chambers, *Assistant Secretary*
President & Chief Executive Officer
Aldevron, LLC

Barry Batcheller
President & Chief Executive Officer
Appareo Systems, LLC

Dr. Philip Boudjouk
Vice President for Research, Creative Activities and Technology Transfer
North Dakota State University

Larry Ellingson
Chief Executive Officer
Protemix Corporation

Dr. Craig Schnell
Provost and Vice President for Academic Affairs
North Dakota State University

Paul Steffes
Chief Executive Officer
Steffes Corporation

Bradley Swenson
General Counsel
Ulteig Engineers

OUR STAFF

Tony Grindberg
Executive Director

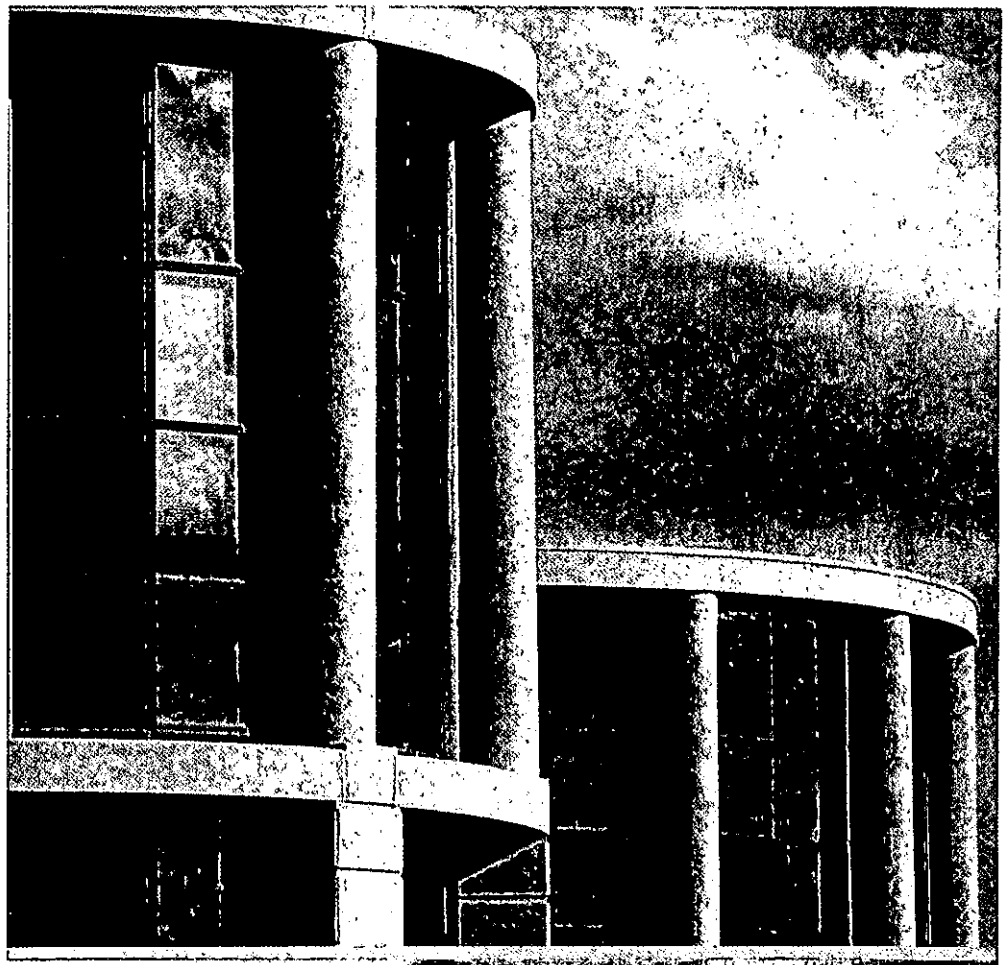
Jan Sobolik
Executive Assistant

Terri Zimmerman
Business Development Specialist

Bob Lindberg
Business Development Assistant

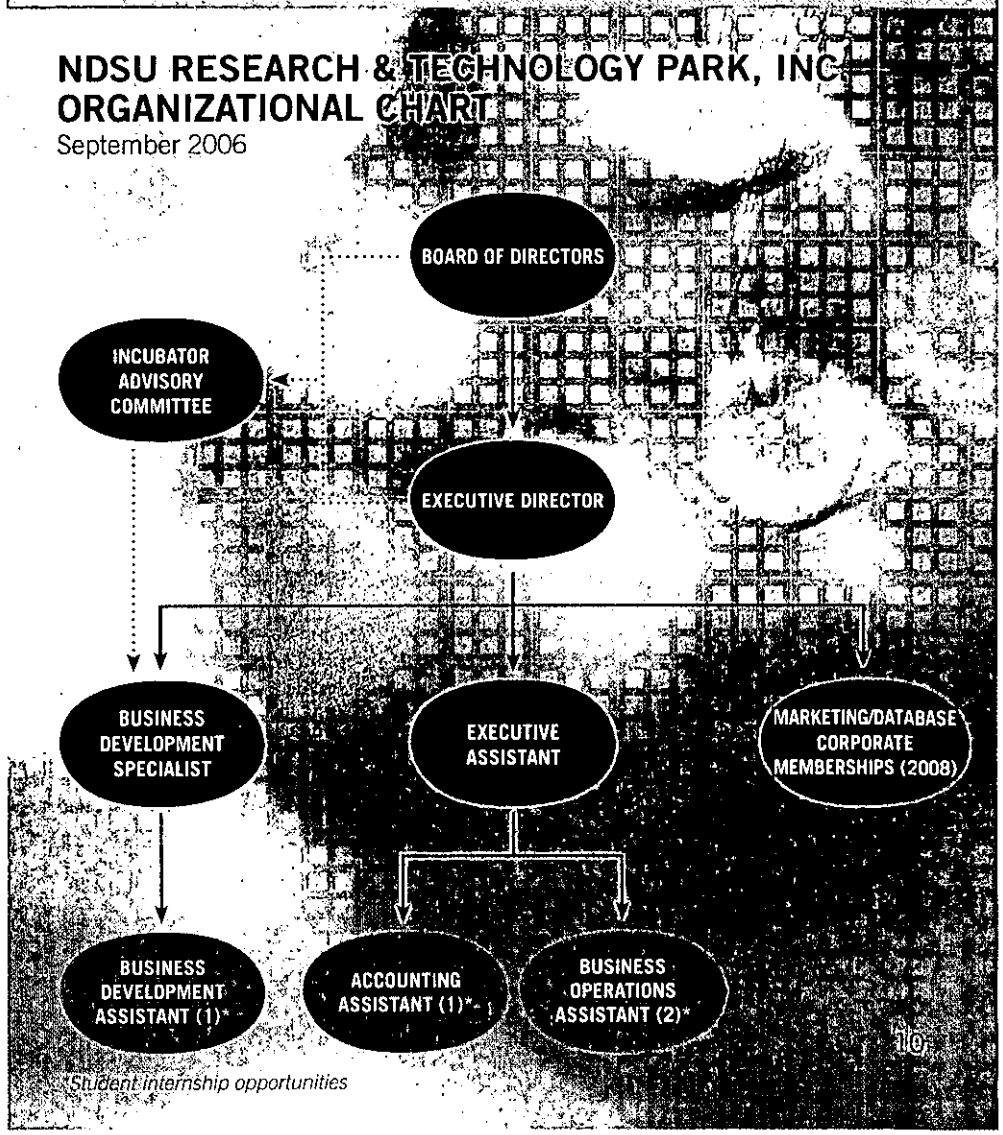
Lindsey Friez
Business Operations Assistant

Craig Kilber
Business Operations Assistant

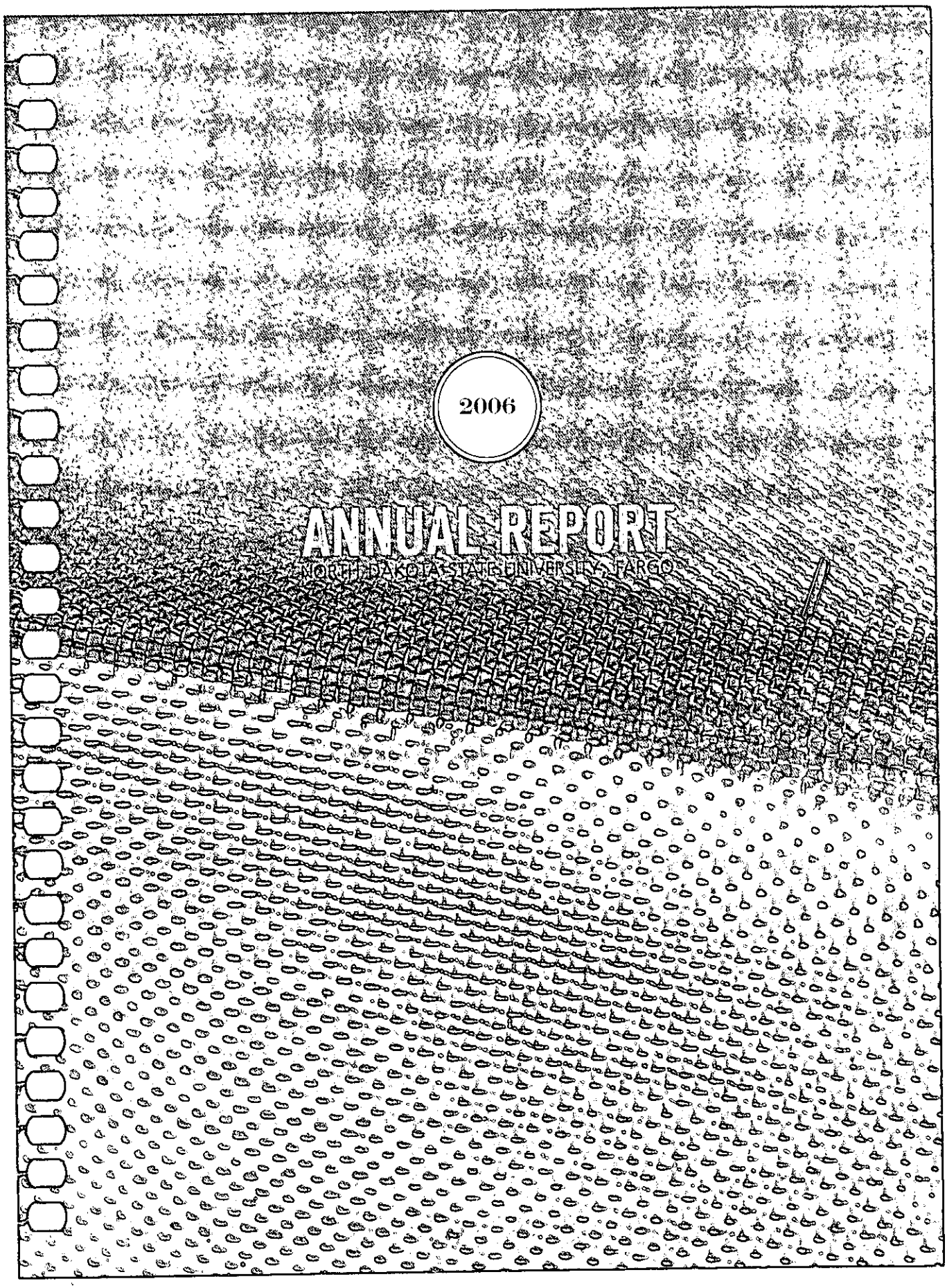


NDSU RESEARCH & TECHNOLOGY PARK, INC. ORGANIZATIONAL CHART

September 2006



*Student internship opportunities


2006
ANNUAL REPORT
NORTH DAKOTA STATE UNIVERSITY - FARGO

As we looked at the possible paths we could take in academics, service, research and athletics, we saw paths that led through familiar territory and threatened little risk, and we saw paths that led into unfamiliar territory and required more of us if we were to better serve North Dakota. At dozens of junctures, the people of North Dakota State University chose the more difficult paths. Today, we have new academic programs. We have new facilities on campus, across the state and in downtown Fargo. We have a record enrollment for the seventh year in a row. Today, North Dakota State University demonstrates what happens when you turn aspiration into momentum.

NDSU PRESIDENT JOSEPH A. CHAPMAN

ENROLLMENT

NDSU saw growth in all areas of enrollment.

12,258

^ **TOTAL ENROLLMENT**
Seven consecutive years of record enrollment



1,662

^ **GRADUATE ENROLLMENT**
Nine consecutive years of record graduate enrollment

^ **FRESHMAN ENROLLMENT**
NDSU's freshman class is the largest in the state.

2,076



^ **INTERNATIONAL STUDENTS**
International admission is at an all-time high.

675



IT'S ABOUT PEOPLE

"In 1999, North Dakota State University was at a crossroads and we asked, 'What will the 21st Century hold for this great land-grant university?' We had great aspirations and we were fortunate to be at a point in our state's history where the Higher Education Roundtable created an environment where flexibility and acceptable risks could be taken. We enjoyed wide consensus that a great land-grant university could make our state better. This expectation — within this environment — would prove to be a powerful opportunity.

"The people of North Dakota State University said they wanted to do more. I challenged every unit to move to the next level. Some could have stayed status quo, but none did — no one — and we set off on a great adventure."

— **NDSU PRESIDENT JOSEPH A. CHAPMAN** *2006 State of the University Address*



CHAPMAN RECEIVES GREATER NORTH DAKOTAN AWARD

President Joseph Chapman received the Greater North Dakotan Award at the North Dakota Business Conference. The award is one of the state chamber's eight prestigious statewide awards. It recognizes the direction and energy Chapman has brought to NDSU. ¶ Dave MacIver, president of the North Dakota Chamber of Commerce, who made the presentation, said "Chapman's vision, direction and energy have made NDSU a prominent national research university that has sparked economic development in North Dakota. He is committed to growing and improving NDSU, technology research, education and North Dakota." ¶ The North Dakota Chamber of Commerce is the state's largest, most influential general business organization. It offers programs and services to help businesses succeed in North Dakota and to make the state an outstanding place to live, work and do business.



ADAMS NAMED NEW BUSINESS VICE PRESIDENT

John C. Adams is the university's new vice president for business and finance. Adams was director of financial planning and budgets at the University of North Carolina at Chapel Hill, is a former officer in the United States Navy and served as director of budget and planning for Central Michigan University. Adams earned his bachelor's degree from the University of Michigan, Flint, his master's degree in biology from the University of Michigan, Ann Arbor, and his Master of Business Administration from the College of William and Mary, Williamsburg, Va.



MATHEW NAMED VICE PRESIDENT FOR STUDENT AFFAIRS

President Joseph A. Chapman named Prakash Mathew, former dean of student life, to be NDSU's next vice president for student affairs, following the retirement of George Wallman. ¶ "This appointment was an easy decision to make because of the high quality of the leadership team within the Division of Student Affairs," said Chapman. "Time and again, we've seen how Prakash has been an effective leader at NDSU. In addition, he has a well-deserved reputation for excellence at the national level in student affairs. When George Wallman told me of his desire to retire, I knew right away that Prakash had earned this next step in his career. He truly is one of the finest student affairs professionals in the nation." ¶ Mathew began his career at NDSU in 1976 as interim counselor in the Counseling Center. Since then, he has held progressively senior positions in Residence Life and Student Life.



RULEY, MORLOCK NAMED TO NCAA ANNIVERSARY TEAM

Bison women's basketball head coach Amy Ruley and former Bison player Kasey Morlock were named to the Division II Women's Basketball 25th Anniversary Team for their outstanding achievements while competing and coaching in NCAA championship competition. ¶ Ruley, who was inducted into the Women's Basketball Hall of Fame in 2004, has led the Bison to 10 Division II Elite Eight appearances and five Division II National Championship titles. She has received the Russell Athletic/WBCA Division II Coach of the Year Award and the WBCA Carol Eckman Award. ¶ Morlock, a three-time All-American, was named the 1995 and 1996 NCAA All-Tournament Team Most Outstanding Player and the WBCA Division II Player of the Year in 1997. ¶ An NCAA Division II women's basketball sports committee named an expert panel to select the anniversary team. The panel, which consisted of current and former coaches, athletics administrators, sports information directors, student-athletes, and coaches association members, used historical data and results from online public voting at www.ncaasports.com to make its decision.



SLOBIN INDUCTED INTO TAPESTRY OF DIVERSE TALENTS

Kathleen Slobin, professor of sociology, was selected for induction into the Tapestry of Diverse Talents, which recognizes and supports efforts by NDSU community members to promote multiculturalism both here and throughout the region. ¶ Slobin was recognized for her commitment to promoting and supporting women faculty and students at NDSU. She founded WISMET and Student WISMET – organizations for women in the professional fields of science, mathematics, engineering and technology. She has been instrumental in efforts to advance women's roles at NDSU through research support and grant writing.



STUDENTS ARE PARAMOUNT

"I would like to start with our reaccredidation from the North Central Association's Higher Learning Commission. A tremendous amount of work went into this effort-that was literally years in the making and involved nearly all of us. In the end, outside evaluators saw the true quality of this institution. Their report cited 'profound changes in the basic components of institutional excellence — people, programs, facilities, and funding.' They also appropriately recognized that our progress is the product of many, including stakeholders on and off campus. In the words of one member of the NCA team, he regretted that he had never worked at a university during a time of such excitement and change as North Dakota State. Other members talked of how things they saw at NDSU would be taken back to their home universities — a very high compliment."

— **NDSU PRESIDENT JOSEPH A. CHAPMAN** *2006 State of the University Address*

"OUR CONTINUED GROWTH IN STUDENT ENROLLMENT, PARTICULARLY IN OUR GRADUATE PROGRAMS, IS SIGNIFICANT AND EXCITING."

NDSU SETS ENROLLMENT RECORD

NDSU's fall 2006 enrollment set a record for the seventh year in a row, with 12,258 students in its undergraduate and graduate programs. The official third-week figure is 159 more than one year ago. Graduate student enrollment reached an all-time high for the ninth consecutive year.

Our continued growth in student enrollment, particularly in our graduate programs, is significant and exciting," said President Joseph A. Chapman. "We are growing as an institution because our programs meet the region's needs and wants. Students have a choice in furthering their education, and a growing number of them are choosing NDSU."

NDSU is seeing growth in all areas, including 2,076 new freshmen, an increase of 52 students; 733 undergraduate transfer students, 13 more than last year; and 1,662 graduate students, 59 more than a year ago. NDSU's international student population also reached an all-time high enrollment of 675 students.

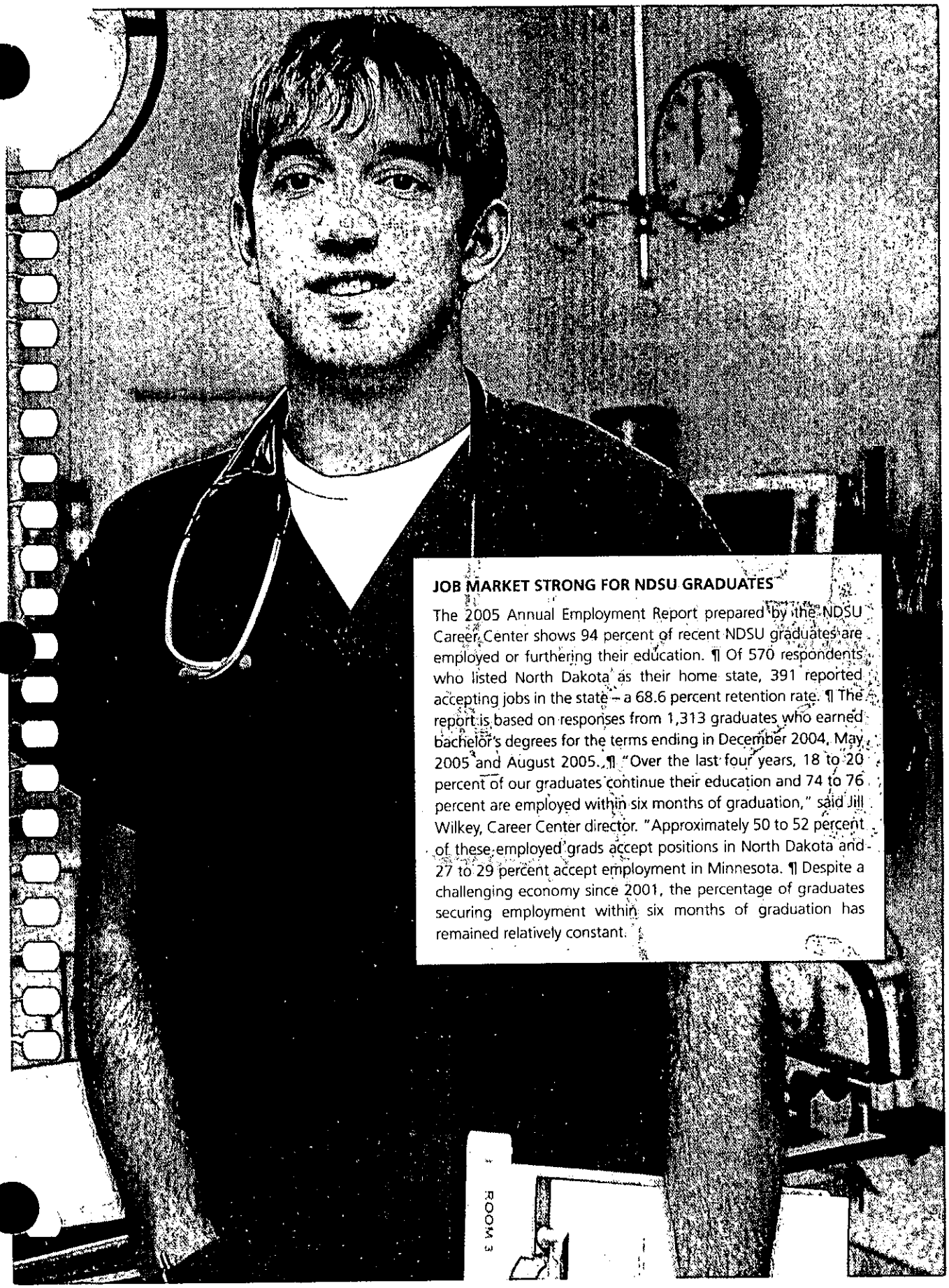


CANDLEWOOD SUITES NDSU HOTEL PROVIDES TEACHING LAB

The new hotel, Candlewood Suites Fargo @ NDSU, is now open in the NDSU Research and Technology Park. ¶ Owned by Sonmar of Fargo Inc. and managed by Sonmar Management Consultants LLC, the three-floor facility has 72 guest rooms. The $4 million hotel is an extended-stay hotel, intended primarily for visitors conducting business at the research park or on campus. Amenities include high-speed wireless Internet access, on-site guest laundry facilities, full kitchen and fitness center. ¶ It also is expected to serve as a teaching laboratory for students in NDSU's hospitality and tourism management program. "This is a good opportunity for our students," said Kara Wolfe, assistant professor and coordinator of the hospitality and tourism management program. "The hotel is a convenient, nearby place for them to work while they are taking classes at NDSU. It's also a chance for them to apply what they learn in the classroom to an on-the-job situation."

NDSU WINS STEEL BRIDGE COMPETITION

A team of seven NDSU civil engineering students won the 15th annual National Student Steel Bridge competition held May 27 at the University of Utah, Salt Lake City. NDSU is the only school in the nation to win the competition more than once, with previous championships in 1995, 2002 and 2004. ¶ According to co-captain Nathan Hoffmann, the championship was a direct result of the effort the team gave during the academic year. "We pushed the limits in all areas of design and construction to achieve our goal of winning it all," said Hoffmann, a native of Leeds, N.D., who graduated in May. "This continues the successful tradition of past NDSU teams, making NDSU a team to beat among other top universities in the country."



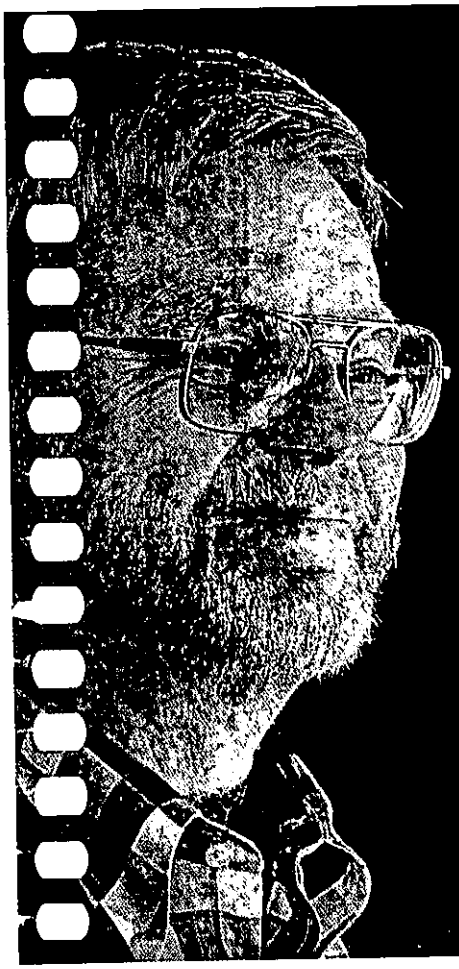
JOB MARKET STRONG FOR NDSU GRADUATES

The 2005 Annual Employment Report prepared by the NDSU Career Center shows 94 percent of recent NDSU graduates are employed or furthering their education. ¶ Of 570 respondents who listed North Dakota as their home state, 391 reported accepting jobs in the state – a 68.6 percent retention rate. ¶ The report is based on responses from 1,313 graduates who earned bachelor's degrees for the terms ending in December 2004, May 2005 and August 2005. ¶ "Over the last four years, 18 to 20 percent of our graduates continue their education and 74 to 76 percent are employed within six months of graduation," said Jill Wilkey, Career Center director. "Approximately 50 to 52 percent of these employed grads accept positions in North Dakota and 27 to 29 percent accept employment in Minnesota. ¶ Despite a challenging economy since 2001, the percentage of graduates securing employment within six months of graduation has remained relatively constant.



GIFT IS MUSIC TO STUDENTS

A former drum major for the Gold Star Band presented the NDSU Division of Fine Arts with the largest gift it has ever received. Alumnus Robert Challey and his wife, Sheila, pledged a $2.15 million endowment to fund scholarships for music students.¶ For the 2006-07 academic year, nearly 60 students received scholarships. As the endowment builds, more students will benefit. ¶ "My connection with NDSU goes back to when I was a child. My mother was on the faculty, and my uncle was a legend on campus for many years," Challey said. "Our family wanted to do something to help an excellent department that needed support." ¶ Kayla Johnson, a student from Casselton, N.D., was the first four-year full-tuition scholarship recipient. "We students are very lucky. I feel that nothing can stand in my way with my goals in music," she said. "We are fortunate for what [the Challeys] have given us."



ATRIUM NAMED FOR ALUMNUS

The Festival Concert Hall lobby is now the "Challey Atrium," named for a long-time supporter of the Division of Fine Arts. Alumnus Robert Challey was honored at a dedication ceremony Oct. 13 in the Reineke Fine Arts Center. ¶ Challey and his wife, Sheila, recently pledged a $2.15 million endowment to fund scholarships for music students — the largest gift the Division of Fine Arts has ever received. ¶ "What an incredible gift for the music program. The Challeys are terrific people and great friends," said President Joseph A. Chapman during the ceremony. "Their gift has made a huge difference in so many lives of this university. Thanks so much for that." ¶ A dedication plaque has been placed in the main entrance of the Reineke Fine Arts Center, and the words "Challey Atrium" were unveiled over the entrance to Festival Concert Hall. ¶ "We are committed to this university," Challey said. We are very much at home here. This is wonderful. It is a terrific privilege to be honored this way." ¶ A native of Fargo, Challey majored in chemistry and graduated from NDSU in 1967. He was elected to the NDSU Development Foundation board in 1981 and received an Alumni Achievement Award in 1986 and the foundation's Service Award in 2002. He is board chair of The Park Place Group, a real estate development and investment company in Walnut Creek, Calif.

STUDENT ATHLETES POSE FOR CAMPAIGN

The North Dakota State University Extension Service and Bison Athletics have teamed up for the statewide community service campaign "Eat Smart. Play Hard." to emphasize the importance of healthy eating and physical activity.

"This program allows our athletes to serve as role models and promote a very important message to young people in classrooms throughout North Dakota," said Troy Goergen, associate athletic director for marketing and media relations.

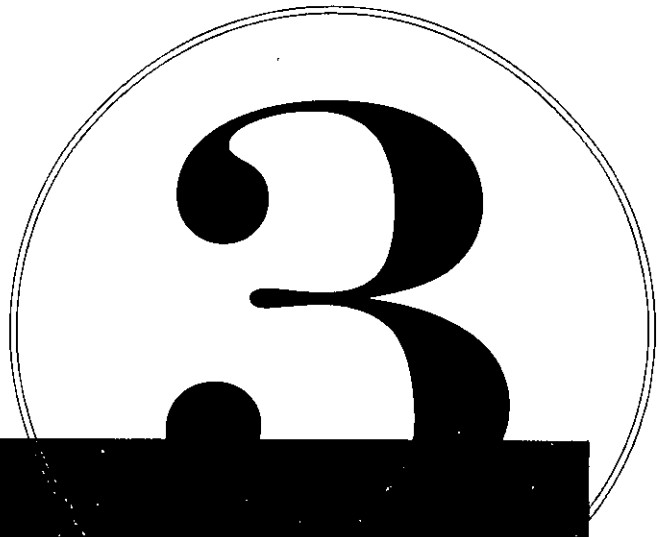
According to Julie Garden-Robinson, NDSU Extension food and nutrition specialist, a healthy lifestyle is important because it plays a major role in preventing chronic illnesses, such as diabetes and heart disease. Also, students with a nutritious diet and regular physical activity perform better in school.



As part of the campaign, county Extension agents plan to visit schools to teach students about healthy eating and physical activity, and distribute the posters and bookmarks.

Blue Cross Blue Shield of North Dakota, the North Dakota School Food Service Association and North Dakota Nutrition Council provided some of the funding for the project.

campus theme No. 3



LEVERAGING SUPPORT

"All organizations spend a great deal of time considering the allocation of financial resources and, in North Dakota right now, there is an on-going debate about the allocation of public funding for higher education. As president, my job is to be an advocate for funding at this university. We have been good stewards of our public funding and have leveraged several additional dollars for every new dollar of state support. But the reality is that in good years and bad, state funding is limited and never going to meet the level needed for every possible program. We have successfully found funding from other sources so that we can be the land-grant university that we want to be and that North Dakota needs. In this task, our efforts have been most productive. The growth of our research portfolio to more than $100 million and the generosity of our contributors to Momentum: The $75 Million capital campaign are bringing new resources to our university. I want to thank everyone for their efforts in these areas."

— **NDSU PRESIDENT JOSEPH A. CHAPMAN** *2006 State of the University Address*

NDSU CONSTRUCTION BOOM CONTINUES

CONSTRUCTION PROJECTS OF MORE THAN $50 MILLION ARE UNDERWAY OR WILL SOON BEGIN AT NDSU.

The $22 million **MEMORIAL UNION** project is expected to be nearly complete by fall semester 2007. The 65,000 square foot addition will include a new ballroom, offices to centralize student functions and dining areas, as well as more space for the Varsity Mart and the art gallery.

The $12 million **WELLNESS CENTER** addition is a 74,000 square foot project, including basketball courts, a multi-purpose area, a banked track, racquetball courts and a climbing rock more than three stories tall. The addition is expected to be finished in the summer of 2007.

Students voted to fund the Memorial Union and Wellness Center projects.

Groundbreaking is expected this fall for a $3.5 million **MATERIAL HANDLING FACILITY**, west of 18th Street North on the Centennial Boulevard extension, the first state-funded building at NDSU since Loftsgard Hall was built in the late 1980s. Other current projects are funded either with funds raised through the Development Foundation, bonding or by student-approved fees.

The recently completed **FARGODOME** project, a joint effort with the city of Fargo, includes a remodeled upper level with offices for football coaches and staff; and work to the lower level, including a laundry, training area, locker rooms and meeting space at a cost to NDSU of $3.2 million. The city built an escalator to the lower level.

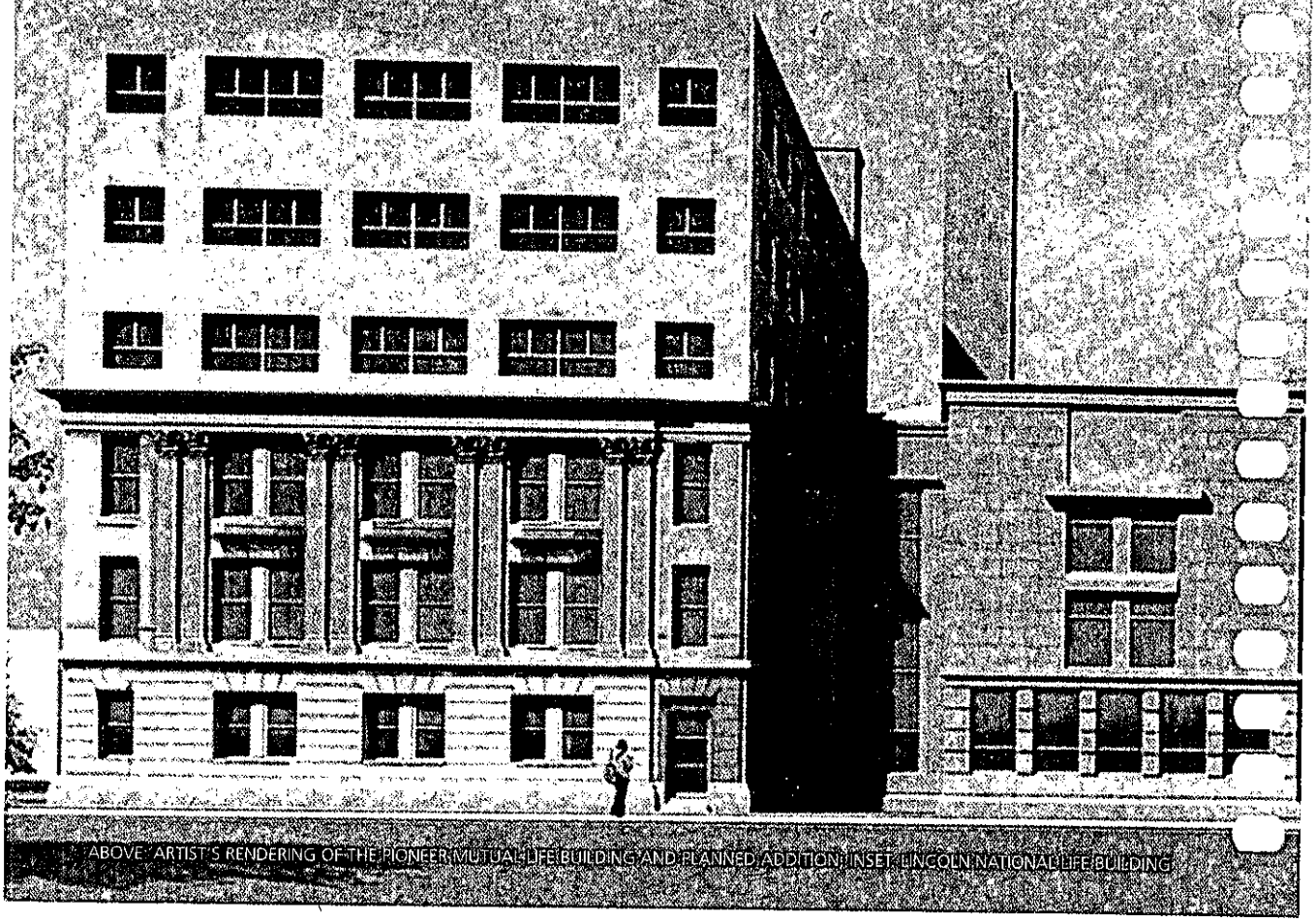
Groundbreaking was held in May for the **CENTER FOR TECHNOLOGY ENTERPRISE**. Occupancy is expected in February. Located in the Research and Technology Park, the technology business incubator is intended to provide venture capital, supply services, business networking and technical assistance. The first phase will be a $5.4 million project.

ALIEN TECHNOLOGY CORP. moved into its new building in May. Alien is a leader in the development of Radio Frequency Identification (RFID) tags.

TL Stroh, Fargo, was selected as the architect for the **BISON SPORTS ARENA** project, which is now in the programming phase. The $8 million project is expected to include a renovated basketball court, track and locker rooms, administrative offices, practice facility, weight room and storage space. A groundbreaking is planned for 2007.

EXPANSION FOR NDSU CAMPUS UNVEILED

The NDSU Development Foundation recently purchased two downtown Fargo structures — the former Pioneer Mutual Life and Lincoln National Life buildings — from Noridian for $3.54 million.



ABOVE: ARTIST'S RENDERING OF THE PIONEER MUTUAL LIFE BUILDING AND PLANNED ADDITION; INSET: LINCOLN NATIONAL LIFE BUILDING

The six-story Pioneer Mutual Life building will become home to the College of Business and the Department of Agribusiness and Applied Economics. The two-story Lincoln National Life building will house the Department of Architecture and Landscape Architecture. An estimated 4,000 students each semester will have opportunities to have classes or activities in the buildings.

"We will renovate and expand the buildings to greatly increase NDSU's downtown presence," NDSU President Joseph A. Chapman said. "For our students, this is an incredible opportunity. The facility is unique and has a lot of character. It will be a truly exciting environment for our students."

Renovating the buildings rather than constructing a new building on campus will provide 11,000 more square feet of space and save about $3.5 million.

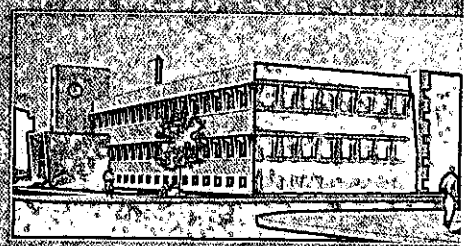
Civic leaders said the proposal will mean exciting things for downtown.

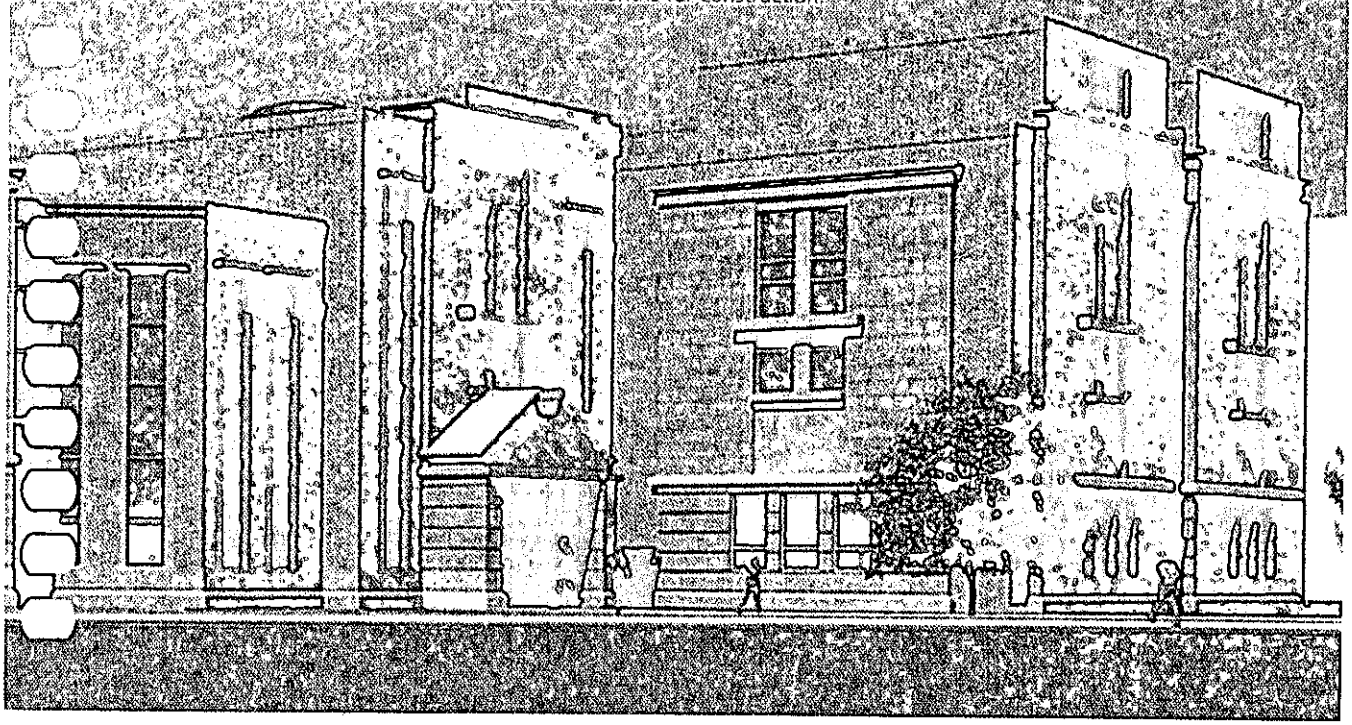
"It is my pleasure to invite NDSU to the downtown area, again," said Mayor Dennis Walaker, noting the success of the earlier project to remodel the former Northern School Supply building into a facility for visual arts, architecture and landscape architecture students. "This is very exciting ... it is going to be another jewel in our crown."

David Martin, CEO of the Chamber of Commerce of Fargo Moorhead, said, "For NDSU to look at placing its College of Business downtown, it sends a very positive message to our community that business and education really can work together for the common good. It brings an additional energy and dynamic into downtown Fargo that is going to be good for all of us."

The first phase of work on the College of Business project could begin in spring 2007. That part of the plan will need 12 to 14 months for construction.

"THIS IS VERY EXCITING... IT IS GOING TO BE ANOTHER JEWEL IN OUR CROWN."



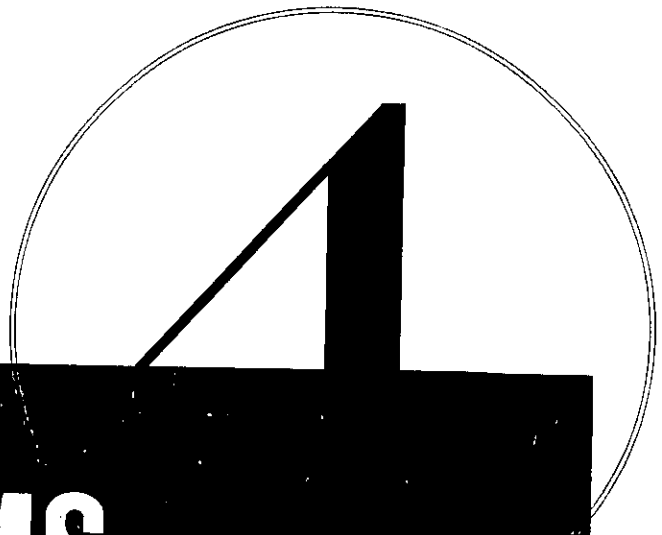


NDSU CENTERS OF EXCELLENCE RECEIVE $2 MILLION, $1 MILLION

Gov. John Hoeven presented a $2 million check to NDSU for the Center of Excellence for Oilseed Development. The funding will leverage nearly $11 million in private sector investment in the project. ¶ The center will be developing canola with unique oilseed traits that have potential as biofuels, specialty lubricants and health care products. The center will develop these lines for their use in biodiesel and special oils, conduct marketing and develop product strategies. Private sector partners in the venture include Monsanto Corp., Dakota Skies Biodiesel Inc. and Archer Daniels Midland Co. ¶ The NDSU Center for Surface Protection received $2 million to perform market-driven research and development of protective coatings to enhance the durability of products and address industrial problems for companies in North Dakota and elsewhere. Private sector match is $9.5 million from partners Gremada Industries, Tecton, Industrial Builders, Marvin Windows, ATMI, Micron, O'Day Equipment, Seashell Technology, International Technology Center, Technology Applications Group, Gamry, and Akzo Nobel. ¶ Centers of Excellence are hubs of research and development on the campuses of the North Dakota University System around which related businesses expand and new businesses cluster.

STOP-N-GO PLEDGES $1 MILLION TO NDSU ATHLETICS

Shelly Ellig, the owner of the Stop-N-Go convenience stores, has made a $1 million pledge to the renovation of NDSU's Bison Sports Arena. The gift, which is part of the NDSU Development Foundation's Momentum: the $75 Million Campaign for NDSU, goes toward an anticipated $8 million project to upgrade the arena. ¶ The gift continues Ellig's long history of supporting Bison Athletics. Stop-N-Go has been a strong, ongoing sponsor of the Bison Buddies program, and the Ellig Sports Complex was named in his honor. ¶ "We have had a long-term, very positive relationship with Shelly Ellig and Stop-N-Go. The continuation of his tremendous financial support of our programs will help us during our NCAA Division I transition," said Athletic Director Gene Taylor. ¶ Ellig started his company in 1974, when he was working for Mid-American Dairy in Fergus Falls, Minn. He bought the dairy's 10 stores, and the Stop-N-Go stores became fixtures across the region for more than 30 years. "The community gave to me first. I have to turn around and give them a square deal," said Ellig, who at age 78 has no plans to retire. "It's really fun to give to worthy causes, and I have the satisfaction of giving."



PROGRAMS

"Our shared vision has given students greater opportunity and now North Dakota students have the options that can be provided only by a great national land-grant university. These programs have attracted students nationally and most are fully enrolled. Coupled with program expansion has been a commitment to on-going program review and assessment of learning, to ensure the continued relevancy and quality of existing programs. Our programmatic expansion is ongoing in areas such as nanotechnology, bioengineering, student personnel management, and more.

"Initially, we gave a primary emphasis to adding graduate level programs knowing that, too often, North Dakota did a great job at undergraduate education, only to lose those students to states that offered the specific graduate programs many students wanted. Now, and to a growing extent, we are keeping North Dakota students in state by offering new graduate programs. In addition, we have attracted many other young people to our state. Even better, the graduates of these additional programs are staying and finding jobs in our state. These are jobs in businesses that need these students as much as these students need their first career step."

— **NDSU PRESIDENT JOSEPH A. CHAPMAN** *2006 State of the University Address*

MILITARY LOGISITICS PROGRAM BEGINS

A new master's degree program in military logistics covers the process of getting necessary supplies from their originating country to the servicemen and servicewomen in the field. The one-year interdisciplinary educational experience meets the national logistics curriculum as outlined by the U.S. Army Logistics Management College.

Topics covered range from logistics, transportation, disaster emergency response, and homeland security to supply chain management, radio frequency identification tags and global positioning systems.

The Upper Great Plains Transportation Institute offers the program in conjunction with the NDSU Departments of Industrial and Manufacturing Engineering; Marketing, Management and Finance; Computer Science; and Operations Research.

"THE MILITARY IDENTIFIED AFTER DESERT STORM THAT THERE REALLY WAS A NEED FOR LOGISTICS EDUCATION AT THE PROFESSIONAL, MID-OFFICER LEVEL."

"What makes our program unique is that we designed it from the ground up specifically for the Department of Defense to help meet military logistics needs of the 21st century," said Denver Tolliver, Upper Great Plains Transportation Institute associate director. "We are dealing with the performance and reliability of transportation systems — the capability to move personnel and supplies very quickly, move them by highway or rail to the ports, get them through the ports, onto ocean freight or air freight and get them to the theater of deployment."

Program manager Brian Kalk brings hands-on experience to the coursework. A former logistics officer during a 20-year career with the Marines, Kalk served in Operation Desert Storm, Bosnia and Iraq.

"The military identified after Desert Storm that there really was a need for logistics education at the professional, mid-officer level. We had a cadre of officers that needed to be exposed to more, and there was a need by the Army, Navy, Air Force and Marines to professionalize their young officer corps," Kalk said. "On the ground, we needed better logistics officers."

For the first year of the NDSU program, the Department of Defense has sent 17 officers and civilians to campus to study for the specialized degree. Over the next four to five years, the program is expected to attract as many as 40 students per year from the public and private sectors.



NAME CHANGES APPROVED

The State Board of Higher Education approved name changes for the Graduate School, which was re-named the College of Graduate and Interdisciplinary Studies, and the College of Business Administration, now the College of Business. ¶ "In the past, interdisciplinary programs did not have a clear place in NDSU's academic structure, and we feel this puts them in a position in which to grow and thrive," said David Wittrock, dean of graduate and interdisciplinary studies. ¶ Last July, responsibility for Distance and Continuing Education and several interdisciplinary graduate programs was added to the office's duties of graduate programs and university studies. ¶ The new title for the College of Business also is seen as an important move. "While the removal of 'Administration' from the name of the college may appear relatively innocuous, it addresses two issues," said Ron Johnson, dean of business. "First, as a practical matter, most individuals refer to the college as the College of Business. Secondly, we are a 'college of business' and the inclusion of the word administration could inadvertently imply a more narrow perspective than is true." ¶ The college was established in 1987, and received national accreditation for its undergraduate and graduate program in 2001 by the Association to Advance Collegiate Schools of Business.

STATE BOARD APPROVES NEW DEGREES

The State Board of Higher Education has given the go-ahead to five new bachelor's degree programs in the NDSU Department of Communication. The programs are management communication; journalism, broadcasting and mass communication technologies; health communication; public relations and advertising; and agricultural communication. ¶ The board also approved a graduate certificate program in college teaching, a major in public history and a minor in coatings and polymeric materials. ¶ A new NDSU doctoral program in materials and nanotechnology was approved by the State Board of Higher Education in June.

COMMUNICATION | five new bachelor's degrees |

"We couldn't be more pleased with the board's approval," said Paul Nelson, professor and chair of communication. "For prospective students, the main advantage is that we have refined our list of majors so that it has specific things that most of them like. They can either major or minor in these areas."

EDUCATION | new college teaching certificate |

Program objectives include developing individual models of effective teaching; understanding the influences of teacher and learner variables on instruction and learning; reviewing aspects of the human learning process; supervised practice in developing and designing learning experiences; and developing assessment, grading and evaluation tools.

HISTORY | new public history major |

The goal of the new public history major is to educate students for careers in archives or museum management, historic preservation, historic site management and agencies such as the State Historical Society and the National Park Service.

COATINGS + POLYMERIC MATERIALS | new minor |

The minor in coatings and polymeric materials replaces a current option available to students and aims to provide technical skills and develop competence in the areas of polymers and coatings. The minor requires 16 credits of the 21 credits that are offered by the department.

NANOTECHNOLOGY | new doctoral program |

"NDSU is a perfect fit for the program because of the materials and nanotechnology research already being conducted on campus, the Center for Nanoscale Science and Engineering on campus and the strengths of many scientists in the campus community," said Kalpana Katti, associate professor of civil engineering and construction.

NDSU RECEIVES RE-ACCREDITATION

NDSU has received re-accreditation for a period of 10 years from the Higher Learning Commission. "Re-accreditation for a full 10 years with no necessary follow-up visits is the result of hard work and dedication by people across the institution," said President Joseph A. Chapman. "NDSU is clearly a leader, moving forward on many fronts."

A commission team made a comprehensive evaluation visit to campus in February, meeting with more than 70 committees or organizations and more than 630 people. The team noted profound changes at NDSU since its 1996 visit, and reported NDSU "has successfully brought its most precious resource — dedicated, diverse, resourceful, tenacious people — to bear on the challenging opportunities at hand."

"THE PROFOUND, STEADY PROGRESS ... REFLECTS A NOTEWORTHY UPTICK IN THE LEVEL OF MORALE AND POSITIVE 'CAN-DO/WILL-DO' ATTITUDES THAT PREVAIL THROUGHOUT THE INSTITUTION AND AMONG ITS MANY LOYAL SUPPORTERS."

The report went on to say, "The profound, steady progress made at NDSU during the past seven years in enrollment — both undergraduate and graduate, in private fundraising, in physical facilities, in the size and scope of external grants and contracts, in the assessment of learning outcomes and the benefits that accrue there from, in the effective use of technology in the classroom, in employee salaries and benefits relative to the peer group and on many other important fronts — reflects a noteworthy uptick in the level of morale and positive 'can-do/will-do' attitudes that prevail throughout the institution and among its many loyal supporters."

NDSU's Self-Study Steering Committee, a group of more than 50 faculty members, staff, students and administrators, was formed in early 2003 to prepare information to support NDSU's request for re-accreditation. The committee produced a 267-page document that addressed how NDSU meets and exceeds the five "Criteria for Accreditation" published by the commission, which include "Mission and Integrity," "Preparing for the Future," "Student Learning and Effective Teaching," "Acquisition, Discovery and Application of Knowledge" and "Engagement and Service."



EDUCATION, ARCHITECTURE PROGRAMS RECEIVE ACCREDITATION

NDSU's architecture program received full six-year re-accreditation from the National Architectural Accrediting Board, the highest level of accreditation available to architecture programs nationwide. NDSU's new Master of Architecture degree program received fully accredited status at the board's February meeting. ¶ NDSU's School of Education received accreditation from the National Council for Accreditation of Teacher Education, the organization responsible for professional accreditation of teacher education.

campus theme No. 5



STATURE

"North Dakotans are too often judged by others' perceptions of us, rather than on the merits of what we have accomplished. So, you might ask, what does it matter what others think of us? Is it really important if perceptions of us are based on the movie *Fargo*? Or if the words 'isolated' and 'remote' are applied to a state that lies at the center of North America? National perceptions of North Dakota are important.

"Our campus theme Stature is changing the national perception. We are proud of our agricultural roots and our continued ag leadership. We are proud of our growing high-tech future, much of which is tied to our prominence in agricultural research.

"North Dakota State University is proud to be one of the nation's leading research universities. We are proud to be ranked 34th in the nation in *The Scientist*'s survey of best places for post doctorates. We are proud that our students have won — for an unprecedented fourth time — the National Student Steel Bridge competition. We are proud that the City of Fargo recognized our campus with their first Vision Award. We are proud that *NDSU Magazine* was awarded a Gold Medal from the Council for the Advancement and Support of Education. The other Gold Medal in our category was awarded to *Yale Alumni Magazine*. And we are proud to give the nation a new image, a more accurate image, of our university and state."

— **NDSU PRESIDENT JOSEPH A. CHAPMAN** *2006 State of the University Address*

"THIS IS A REALLY WONDERFUL DAY FOR US ... AND IT IS ONLY GOING TO GET BETTER FROM HERE."

NDSU JOINS MID-CON CONFERENCE

NDSU has accepted an invitation to join the Mid-Continent Conference.

Speaking of NDSU's transition to NCAA Division I which began in August 2002, President Joseph A. Chapman praised the commitment and effort of coaches, student athletes, State Board of Higher Education, state legislators, the City of Fargo, alumni, friends, the Team Makers, NDSU Development Foundation, faculty, staff and students. "This is a really wonderful day for us," said Chapman. "We are blessed with incredible people, and it is only going to get better from here."

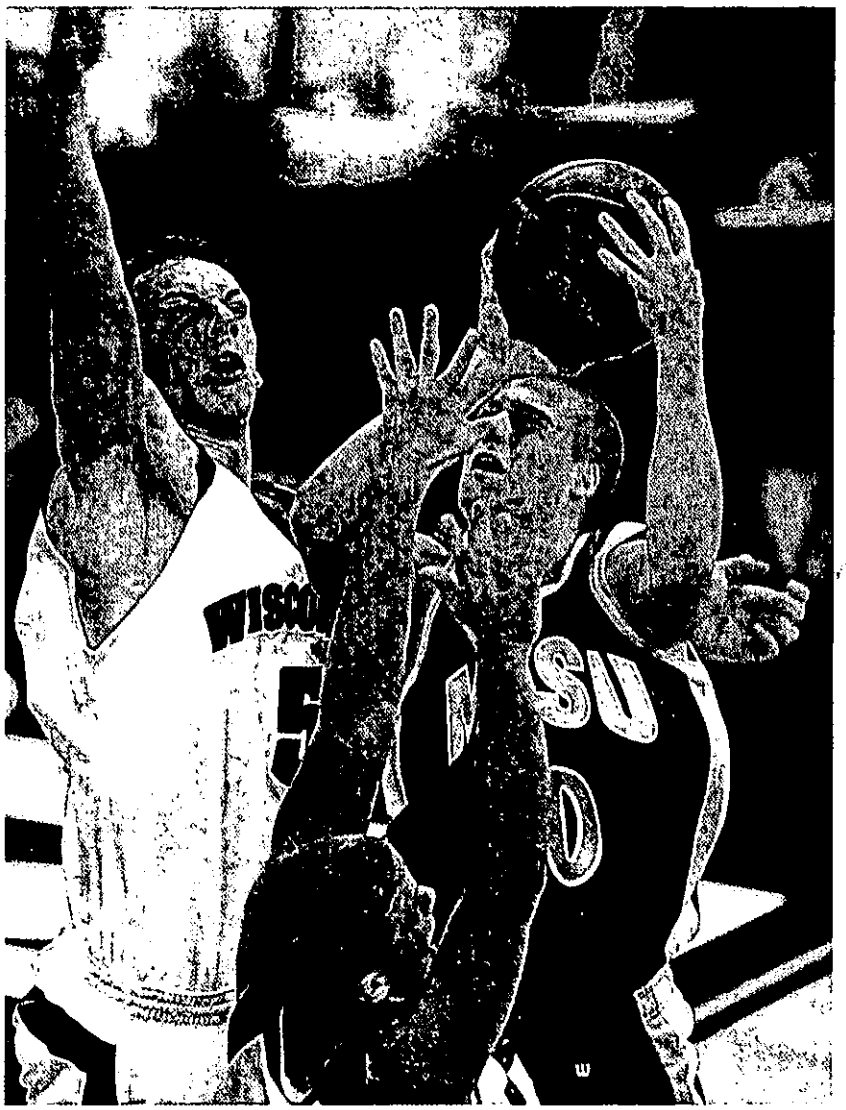
Athletic director Gene Taylor described the scene at the Bison Sports Arena as "lots of smiles, hugs and high fives" when administrators and coaches heard the news early in the morning of Aug. 31. "This is truly a historic day for us," he said. "It's been a tremendous ride and we have some exciting things to look forward to."

Al Goldfarb, president of Western Illinois University and Chair of the Mid-Con Presidents Council said NDSU will be an outstanding addition to the conference. "We're very excited," he said. "This university clearly has shown remarkable growth in academic programs and facilities. Congratulations — this is a great day for Fargo and NDSU."

NDSU offers programs in baseball, men's and women's basketball, men's and women's cross country, football, men's and women's golf, women's soccer, softball, men's and women's indoor and outdoor track and field, women's volleyball, and men's wrestling. NDSU plays football in the Great West Conference, will compete in the Western Wrestling Conference and women's soccer will compete in the United Soccer Conference.

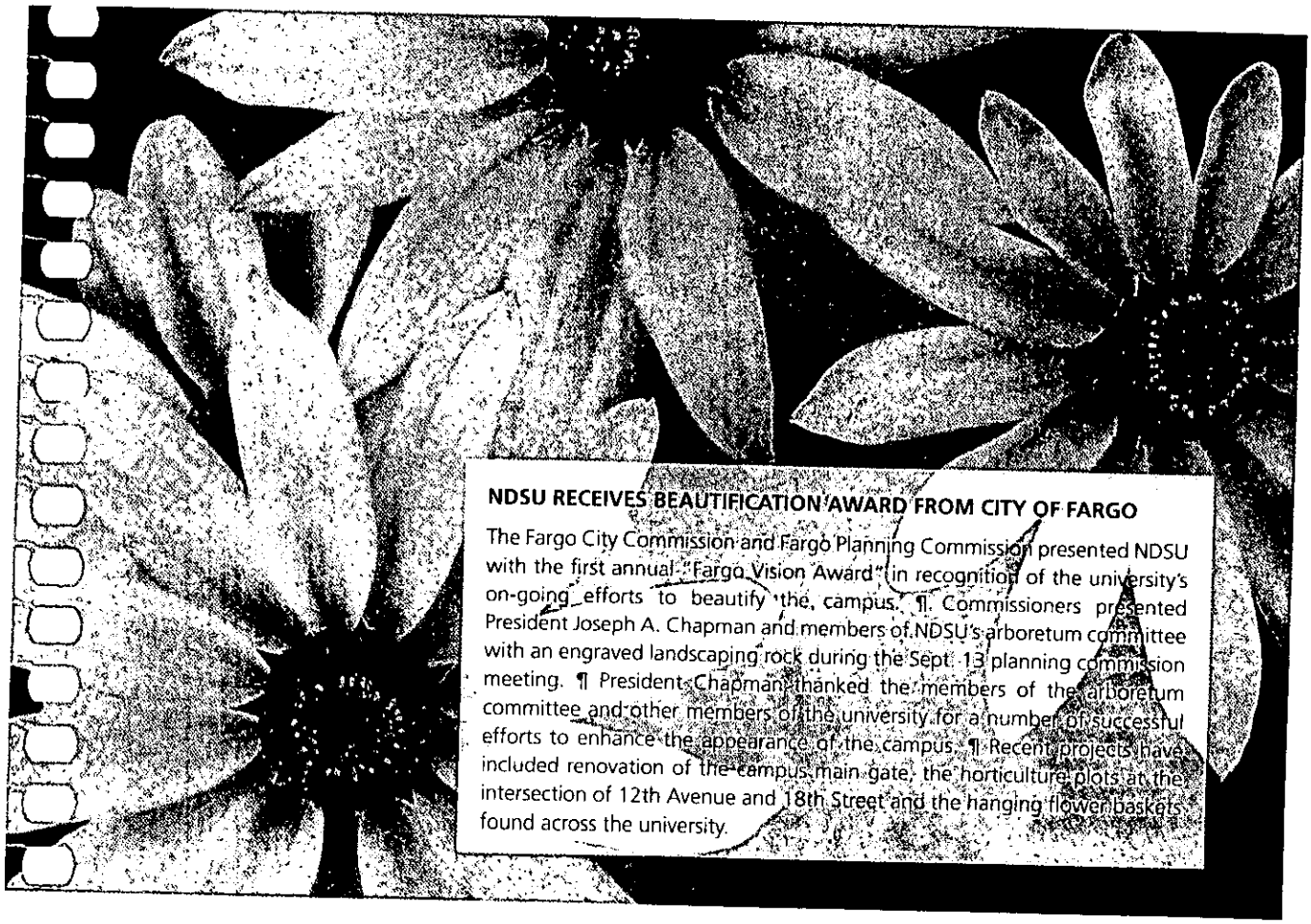
NDSU will begin league competition in the 2007-08 academic year, and will be immediately eligible to compete for conference championships.

The decision by Mid-Con follows a campus visit by a site team Aug. 7-9. At that time, conference representatives held more than 70 meetings with more than 150 individuals from the university and the community.



NDSU TO CONDUCT ATHLETICS STUDY FOR NCAA CERTIFICATION

North Dakota State University has begun a year-long, campuswide effort to study its athletics program as part of the NCAA Division I athletics certification program. The study will cover academic integrity, governance and commitment to rules compliance, commitment to equity and student athlete welfare. ¶ The certification program's purpose is to help ensure integrity in the institution's athletics operations. It opens up athletics to the rest of the university community and to the public. NDSU will benefit by increasing campuswide awareness and knowledge of the athletics program, confirming its strengths and developing plans to improve areas of concern. ¶ While academic accreditation is common in colleges and universities, this program focuses solely on certification of athletics programs. ¶ Once the university has concluded its study, an external team of reviewers will conduct an evaluation visit on campus. The reviewers will be peers from other colleges, universities or conference offices. That team will report to the NCAA Division I Committee on Athletics Certification, another independent group. The committee will then determine the institution's certification status and announce the decision publicly.



NDSU RECEIVES BEAUTIFICATION AWARD FROM CITY OF FARGO

The Fargo City Commission and Fargo Planning Commission presented NDSU with the first annual "Fargo Vision Award" in recognition of the university's on-going efforts to beautify the campus. ¶ Commissioners presented President Joseph A. Chapman and members of NDSU's arboretum committee with an engraved landscaping rock during the Sept. 13 planning commission meeting. ¶ President Chapman thanked the members of the arboretum committee and other members of the university for a number of successful efforts to enhance the appearance of the campus. ¶ Recent projects have included renovation of the campus main gate, the horticulture plots at the intersection of 12th Avenue and 18th Street and the hanging flower baskets found across the university.

NDSU SCIENCE AND ENGINEERING RESEARCH IN TOP 100

An analysis of National Science Foundation (NSF) research statistics shows NDSU is listed in the top 100 research universities in the country in at least six NSF research subcategories for 2003, the latest year for which statistics are available.

1. When ranked by non-federal research expenditures in science and engineering, NDSU ranked 88th by NSF among more than 600 U.S. research universities.
2. In science and engineering fields, NDSU ranked 85th in total research expenditures at U.S. public colleges and universities.
3. When ranked by federally financed research expenditures for science and engineering, NDSU ranked 96th among public research universities.
4. In chemistry, NDSU ranked 80th in total and federally financed research expenditures among U.S. research universities.
5. In the physical sciences, NDSU ranked 70th in research expenditures among the top 100 universities and colleges.*
6. When ranked by federally financed research expenditures for physical sciences, NDSU was listed 57th out of the top 100 U.S. research universities and colleges.

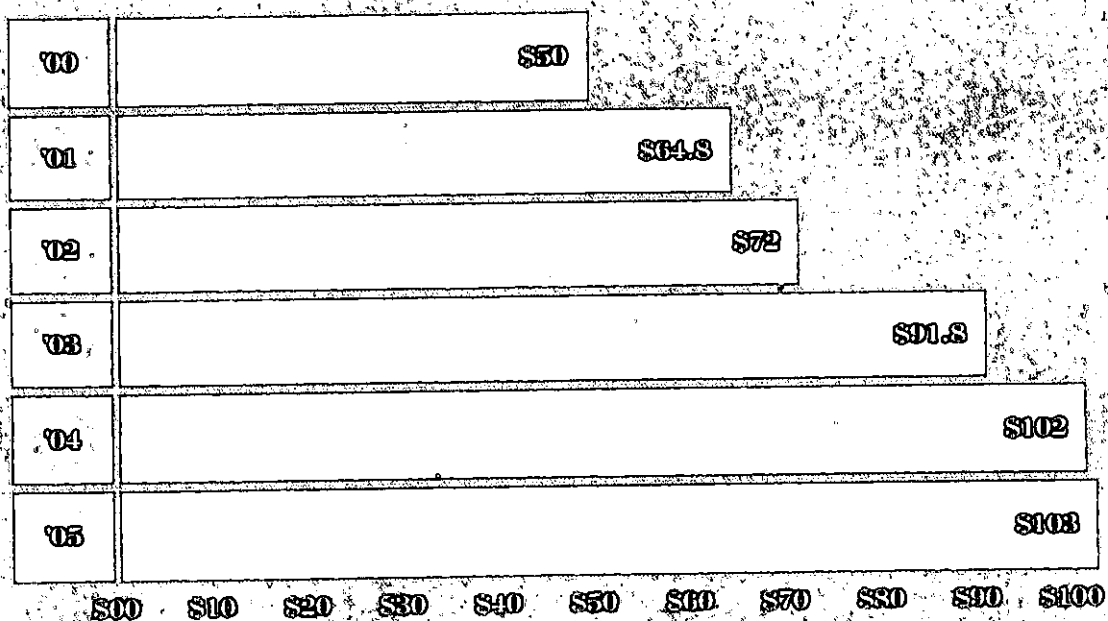
"When you look at the regions of the nation that have experienced significant economic growth, you will almost always find an active university research center fueling that growth," said President Joseph A. Chapman. "These rankings show just how far NDSU has grown in being a major national research university."

** Physical sciences includes astronomy, chemistry, physics, materials sciences and other sciences not elsewhere classified.*

NDSU RANKS 122ND AMONG THE TOP 600 RESEARCH UNIVERSITIES IN THE UNITED STATES

RESEARCH EXPENDITURES

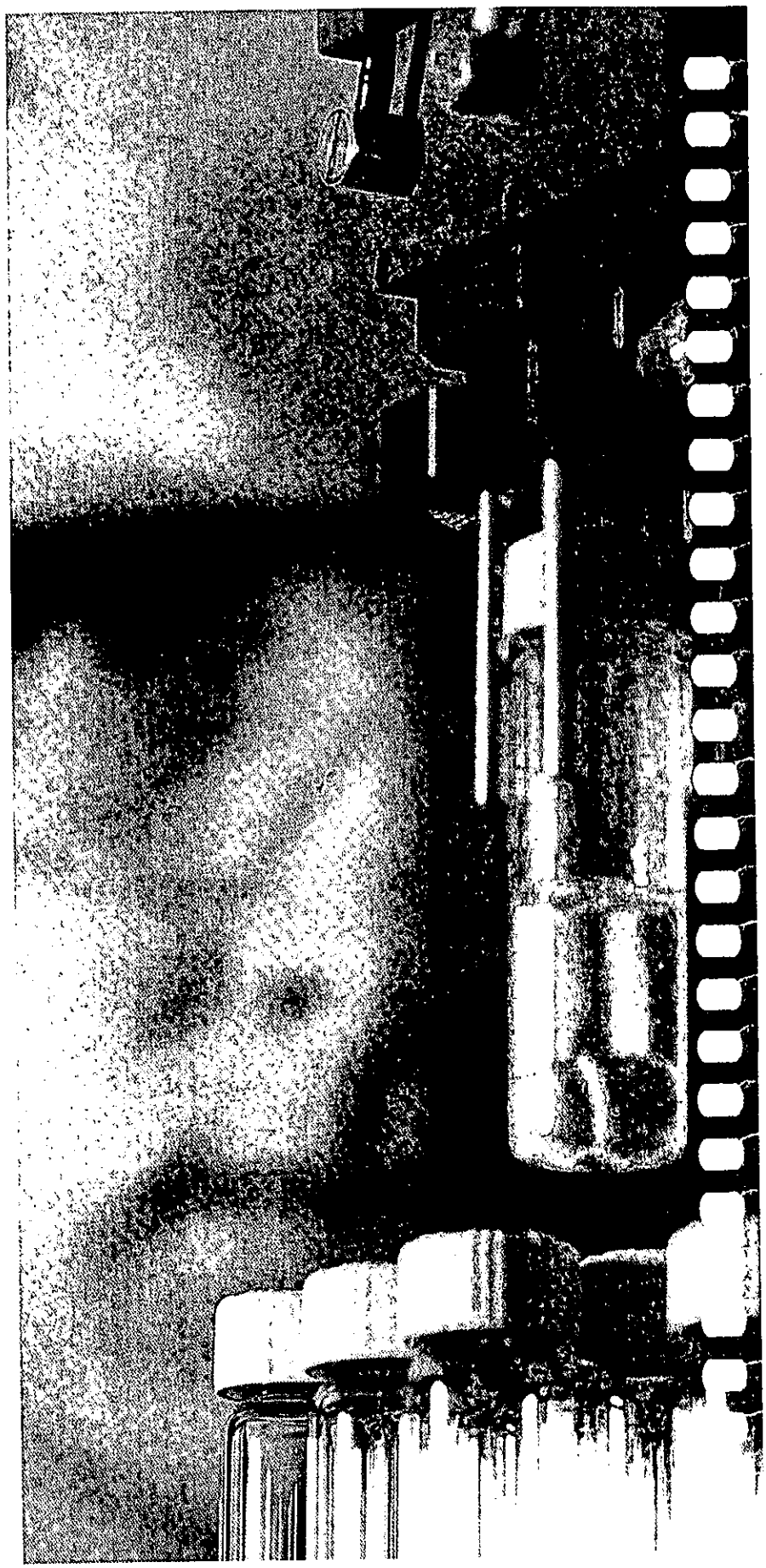
// IN MILLIONS //



"The commitment of the North Dakota legislature, Gov. John Hoeven, Sen. Byron Dorgan and additional members of the congressional delegation has played a crucial role in recognizing the exceptional research being conducted at NDSU and bringing it to the attention of others in the national arena," said Philip Boudjouk, vice president for research, creative activities and technology transfer. "The talented professionals in science at NDSU provide exceptional expertise, which results in exceptional research. This expertise and the climate it creates also provide unique opportunities for undergraduate and graduate students."

RESEARCH & TECHNOLOGY PARK FEATURED IN MAGAZINE

North Dakota's agricultural history and its focus on new technology were featured in the article "Farming New Tech Talent," in the February issue of *Wired* magazine. ¶ The article features electrical engineering student Jeremy Lee, Garrison, N.D., whose farming background is recognized as typical of students at the Research and Technology Park. ¶ The article also mentions the role Sen. Byron Dorgan has played to establish the research corridor, and the funding of technology projects across the state, including those involving RFID, and the new Alien Technology research and manufacturing facility now open in the park. ¶ "One of the advantages of being at the forefront of technology is that there are others worldwide who share our interests and are looking for scientific collaborators," said President Joseph A. Chapman. "When they learn of what we're doing, it opens the door to partnerships that potentially lead to similar businesses locating here as well." ¶ "Others are noting the technology available in North Dakota, and our exceptional workforce," said Philip Boudjouk, vice president for research, creative activities and technology transfer. "Diversifying the state's economy and offering opportunities are among the goals of the Tech Park."



RESEARCH & TECHNOLOGY PARK RECEIVES AWARD

NDSU's Research and Technology Park received the U.S. Economic Development Administration's Award for Excellence in Technology-led Economic Development. The park was chosen from among 20 finalists from across the nation.

"THIS AWARD RECOGNIZES THE WORK THAT NDSU AND ITS LEADERS HAVE DONE TO USE HIGH-TECH RESEARCH AND DEVELOPMENT TO SPUR THE ECONOMY AND CREATE NEW JOBS IN OUR STATE."

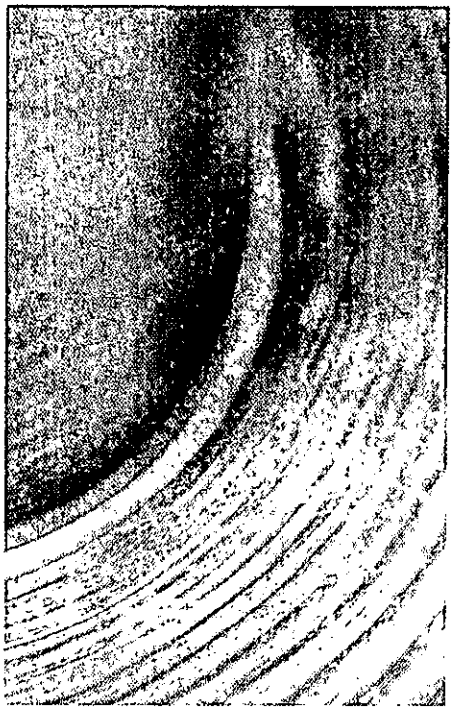
The awards program recognizes innovative economic development strategies of national significance. The awards are designed to showcase best practices and highlight outstanding results.

"This prestigious award is a distinct honor for our university," said President Joseph A. Chapman. "North Dakota's Higher Education Roundtable brought together local, state, federal and private sector partners. This award demonstrates that the concepts of the Roundtable are working, and working well."

Gov. John Hoeven congratulated NDSU on being recognized as a model for the rest of the nation. "Our Centers of Excellence and partnership with NDSU's Research and Technology Park embody just one way we're doing things differently in North Dakota to promote sustained economic development," he said.

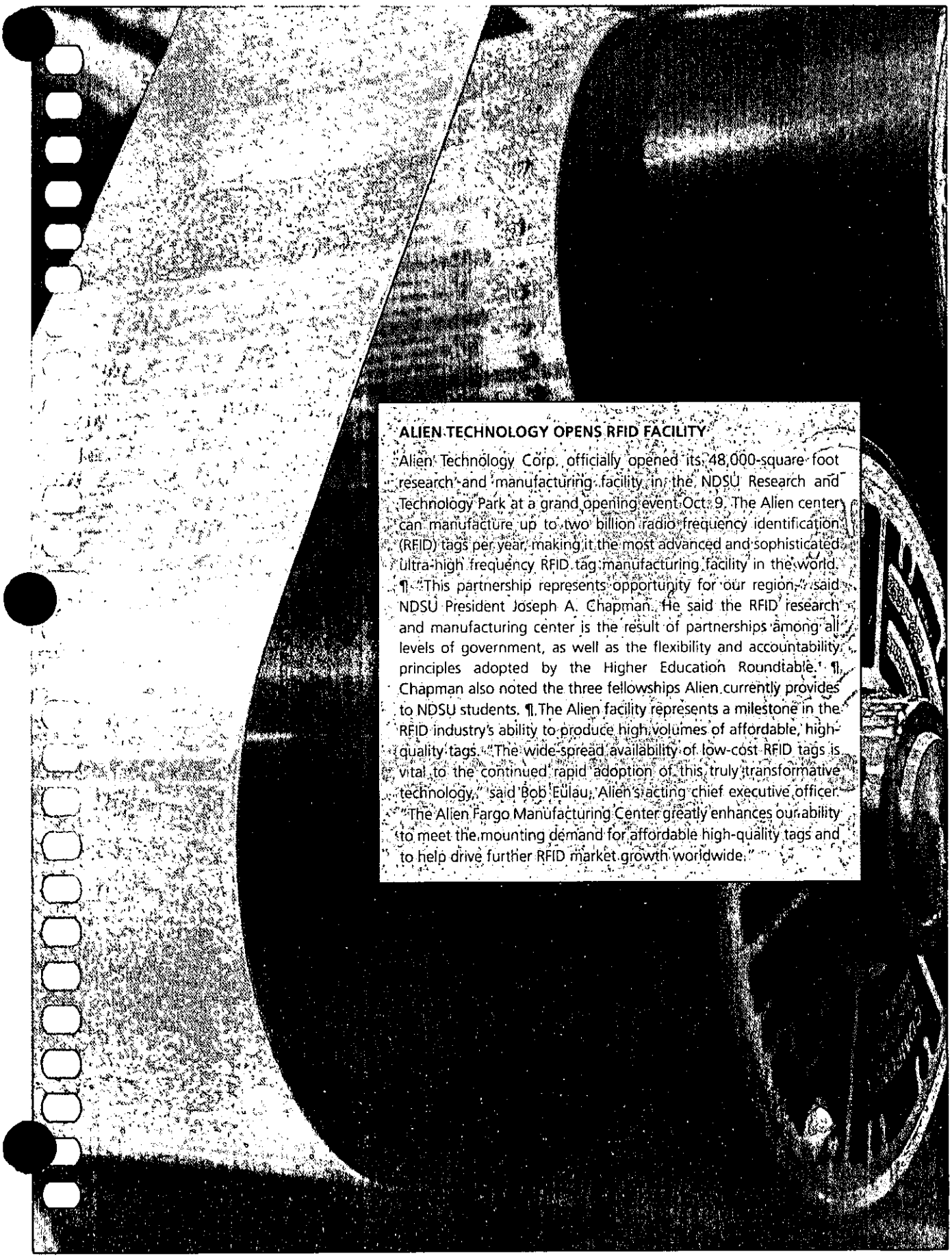
U.S. Sen. Byron Dorgan said, "This award recognizes the work that NDSU and its leaders have done to use high-tech research and development to spur the economy and create new jobs in our state."

Dorgan, who has promoted the concept of a Red River Valley Research Corridor, has worked to foster a high-tech economy in North Dakota that attracts federal funding and firms while creating quality jobs. "Our goal has been to help the state's institutions of higher learning be engines for economic development. This award shows that our effort is succeeding," he said.



RESEARCH FOUNDATION SIGNS LICENSING AGREEMENT WITH WORLD'S LARGEST COATINGS COMPANY

Akzo Nobel's Aerospace Coatings, from the Netherlands, signed a commercial licensing agreement with the NDSU Research Foundation for a new primer technology for coating aluminum aircraft structures. ¶ NDSU researchers Dante Battocchi, Gordon Bierwagen and Michael Nanna developed the new coating. The primer technology is based on magnesium, rather than chromate, which is highly regulated in the United States, and is coming under increasing pressure in Europe. The pioneering corrosion inhibiting technology will be incorporated into some of Akzo Nobel's aerospace coating products. The coating will not only eliminate the need for using hazardous chromate-based materials, but also will provide longer-lasting corrosion protection. The patent pending coating was field tested in partnership with private industry and at Wright Patterson Air Force Base in Ohio. ¶ NDSU became involved in U.S. Air Force coatings research after receiving a $2 million competitive grant from the U.S. Department of Defense. With assistance from U.S. Sen. Byron Dorgan, NDSU researchers received additional supplementary grants totaling $7 million to further their coatings research. ¶ "Commercial and military aircraft manufacturers have already expressed an interest in the technology developed at NDSU," said Philip Boudjouk, vice president for research, creative activities and technology transfer. "Development of this exceptional coating is the result of research expertise available at NDSU, in partnership with federal agencies and the private sector."



ALIEN TECHNOLOGY OPENS RFID FACILITY

Alien Technology Corp. officially opened its 48,000-square foot research and manufacturing facility in the NDSU Research and Technology Park at a grand opening event Oct. 9. The Alien center can manufacture up to two billion radio frequency identification (RFID) tags per year, making it the most advanced and sophisticated ultra-high frequency RFID tag manufacturing facility in the world.

¶ "This partnership represents opportunity for our region," said NDSU President Joseph A. Chapman. He said the RFID research and manufacturing center is the result of partnerships among all levels of government, as well as the flexibility and accountability principles adopted by the Higher Education Roundtable. ¶ Chapman also noted the three fellowships Alien currently provides to NDSU students. ¶ The Alien facility represents a milestone in the RFID industry's ability to produce high volumes of affordable, high-quality tags. "The wide-spread availability of low-cost RFID tags is vital to the continued rapid adoption of this truly transformative technology," said Bob Eulau, Alien's acting chief executive officer. "The Alien Fargo Manufacturing Center greatly enhances our ability to meet the mounting demand for affordable high-quality tags and to help drive further RFID market growth worldwide."



NDSU 122ND AMONG TOP 600 RESEARCH UNIVERSITIES IN U.S.

North Dakota State University leads a five-state region in the most recent National Science Foundation (NSF) report on research and development expenditures among the country's more than 600 research universities. According to the report, NDSU's research expenditures were $102.1 million for fiscal year 2004, the most recent year available. For next year's NSF rankings, NDSU reported research expenditures of $103 million for fiscal 2005. ¶ The standard for comparison of research universities is the National Science Foundation's annual listing of research expenditures. The research dollars come from various sources, primarily federal contracts.

NEW CARNEGIE RANKINGS LIST NDSU 'HIGH RESEARCH ACTIVITY'

NDSU is listed among "Research Universities (high research activity)" by the Carnegie Foundation for the Advancement of Teaching in its new "basic" classifications of United States colleges and universities. ¶ "NDSU is in the same category with institutions such as Boston College, Brigham Young University, Clemson University, Georgetown University, Marquette University, Temple University and the University of Oregon," said Craig Schnell, provost and vice president for academic affairs. "To have institutions of this caliber to be designated as research peers speaks highly of our progress under President Chapman. Since this classification was based on fiscal 2003 data, we anticipate being in the 'very high research activity' classification in future Carnegie rankings." ¶ The foundation uses three classifications — Research Universities (very high research activity), Research Universities (high research activity) and Doctoral/Research Universities — in the latest university descriptions. ¶ The index was based on research expenditures in science and engineering; research expenditures in non-science and engineering fields; science and engineering staff; and doctoral conferrals in the humanities, social-sciences, science, technology, engineering, mathematics and professional fields.

NDSU A 'BEST PLACE TO WORK' FOR POSTDOCTORAL RESEARCHERS

The Scientist magazine named NDSU one of the best places to work in 2006 for individuals pursuing postdoctoral positions, placing it in the top 35 research institutions in North America. ¶ The survey recognized NDSU's strength of benefits and facilities provided for postdocs. NDSU was ranked as 34th in the survey. ¶ Postdoctoral researchers have completed their doctoral studies at a university and are working on research in their area of expertise. ¶ "Postdocs are the future of scientific discovery, and as they consider their career opportunities, this ranking will show how NDSU offers significant professional opportunities," said President Joseph A. Chapman. "Combine professional opportunity with our community's standard of living, and we can offer advantages to individuals that will be difficult to beat. This ranking is further evidence of how NDSU's growth as a national research university meets North Dakota's goals of attracting and retaining people."

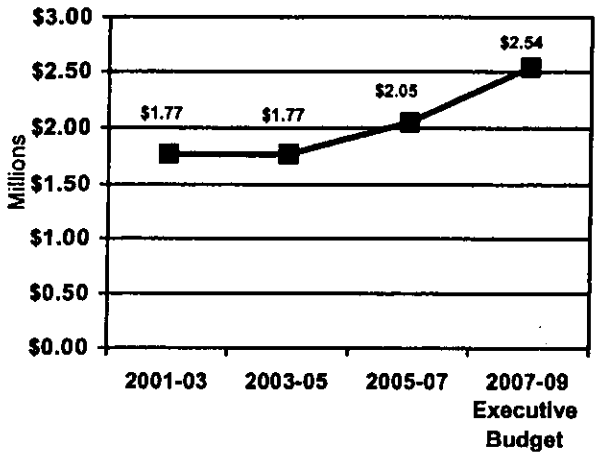


Prepared by the North Dakota Legislative Council staff for House Appropriations
January 5, 2007

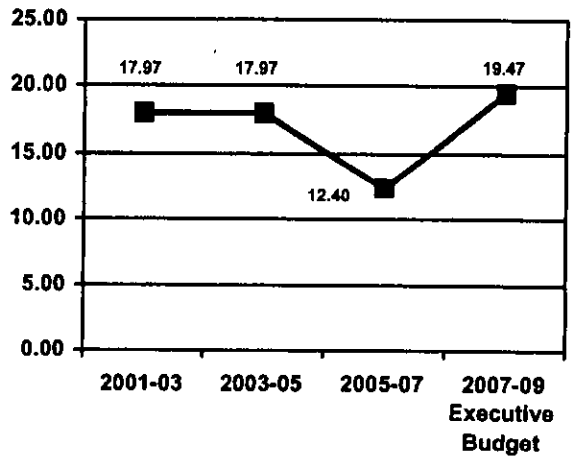
Department 244 - Forest Service
House Bill No. 1003

	FTE Positions	General Fund	Other Funds	Total
2007-09 Executive Budget	19.47	$2,541,449	$997,486	$3,538,935
2005-07 Legislative Appropriations	12.40	2,052,283	975,001	3,027,284
Increase (Decrease)	7.07	$489,166	$22,485	$511,651

Agency Funding - General Fund



FTE Positions



Executive Budget Highlights

	General Fund	Other Funds	Total
1. Provides funding to continue legislatively funded salary increases for fiscal year 2007	$37,890		$37,890
2. Provides funding for 5 percent per year salary increases	$123,096		$123,096
3. Provides funding for 10 percent per year health insurance increases	$63,068		$63,068
4. Provides funding for 2.4 percent per year operating inflation	$36,546		$36,546
5. Provides an additional 5 percent operational increase to support personnel responsible for providing forestry assistance through the "Building Sustainable Communities Through Forestry Initiative"	$150,000		$150,000
6. Increases special funds generated by income from tree seedling sales and the trees for North Dakota trust fund		$22,485	$22,485
7. Provides funding for extraordinary repairs of $60,204 equal to the 2005-07 base funding of $36,638 plus a proportionate share, $23,566, of the $10 million increase that is included in the executive recommendation. (The additional funding of $23,566 is **identified as one-time funding in the executive budget.**)	$23,566		$23,566
8. Removes major capital project funding provided in the 2005-07 biennium, including $65,000 from the general fund for a seed processing facility at Towner State Nursery	($65,000)		($65,000)
9. Provides funding from the general fund for major capital projects--two storage buildings and an outdoor restroom facility--for the 2007-09 biennium	$120,000		$120,000

Other Sections in Bill

Transfer authority - Section 12 provides that the State Board of Higher Education may transfer funds from an institution's operations line item to the institution's capital assets line item if the board determines that additional funds are needed for capital projects or extraordinary repairs.

FTE positions - Section 13 authorizes the State Board of Higher Education to adjust FTE positions as needed for institutions and entities under its control.

Continuing Appropriations

Special revenue funds - NDCC Section 15-10-12 - Provides the continuing appropriation authority for higher education institutions' special revenue funds, including tuition, through June 30, 2007.

Major Related Legislation

House Bill Nos. 1030, 1031, and 1032 - These bills provide for the continuation of the following statutory provisions through June 30, 2009:

- The continuing appropriation authority for higher education institutions' special revenue funds, including tuition.
- The requirement that the budget request for the North Dakota University System include budget estimates for block grants for a base funding component and for an initiative funding component and a budget estimate for an asset funding component and the requirement that the appropriation for the University System include block grants for a base funding appropriation and for an initiative funding appropriation and an appropriation for asset funding.
- The North Dakota University System's authority to carry over at the end of the biennium unspent general fund appropriations.

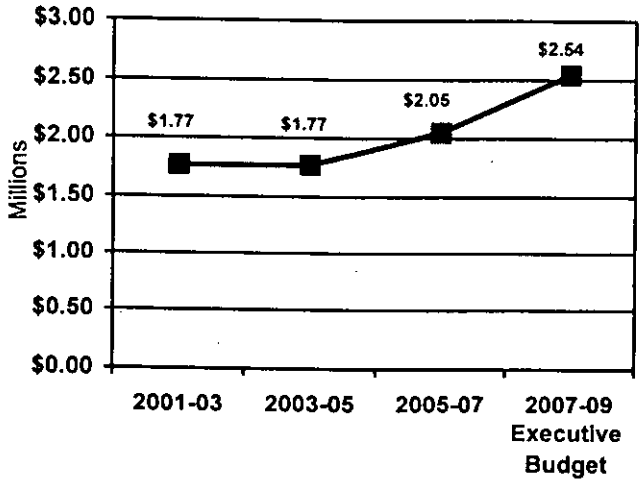
House Bill No. 1066 - This bill increases the maximum fund balance limit for the State Forester reserve account from $500,000 to $1 million and increases the minimum fund balance limit from $200,000 to $700,000.

Senate Bill No. 2023 - This bill provides a $55,500 general fund deficiency appropriation for the 2005-07 biennium for costs incurred in fighting wild land fires in 2006.

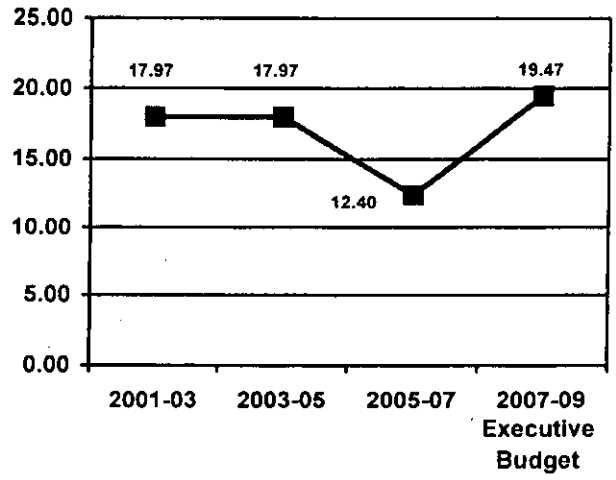
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Increase (Decrease)	7.07	$489,166	$22,485	$511,651

Agency Funding - General Fund



FTE Positions



First House Action

Attached is a summary of first house changes.

Executive Budget Highlights
(With First House Changes in Bold)

	General Fund	Other Funds	Total
1. Provides funding to continue legislatively funded salary increases for fiscal year 2007	$37,890		$37,890
2. Provides funding for 5 percent per year salary increases - **The House reduced funding by $24,942 to reflect 4 percent per year salary increases.**	$123,096		$123,096
3. Provides funding for 10 percent per year health insurance increases	$63,068		$63,068
4. Provides funding for 2.4 percent per year operating inflation	$36,546		$36,546
5. Provides an additional 5 percent operational increase to support personnel responsible for providing forestry assistance through the "Building Sustainable Communities Through Forestry Initiative"	$150,000		$150,000
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8. Removes major capital project funding provided in the 2005-07 biennium, including $65,000 from the general fund for a seed processing facility at Towner State Nursery	($65,000)		($65,000)

9. Provides funding from the general fund for major capital projects--two storage buildings and an outdoor restroom facility--for the 2007-09 biennium	$120,000	$120,000

Other Sections in Bill

Transfer authority - Section 13 provides that the State Board of Higher Education may transfer funds from an institution's operating line item to the institution's capital assets line item if the board determines that additional funds are needed for capital projects or extraordinary repairs.

FTE positions - Section 14 authorizes the State Board of Higher Education to adjust FTE positions as needed for institutions and entities under its control.

Continuing Appropriations

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House Bill No. 1066 - This bill increases the maximum fund balance limit for the State Forester reserve account from $500,000 to $1 million and increases the minimum fund balance limit from $200,000 to $700,000.

House Bill No. 1459 - This bill provides an appropriation to the Forest Service for extraordinary repairs.

Senate Bill No. 2023 - This bill provides a $55,500 general fund deficiency appropriation for the 2005-07 biennium for costs incurred in fighting wild land fires in 2006.

ATTACH:1

HB 1003 Forest Service
January 9, 2005
Handout #1

NDSU
legislative update



NORTH DAKOTA STATE UNIVERSITY FARGO, ND

HOUSE APPROPRIATIONS COMMITTEE
EDUCATION & ENVIRONMENT DIVISION
Representative Francis J. Wald, Chairman

10:30 a.m.
Tuesday, January 9, 2007

HB 1003
NORTH DAKOTA STATE UNIVERSITY
North Dakota Forest Service
Larry Kotchman, State Forester

www.ndsu.edu/legislators

North Dakota Forest Service

Larry A. Kotchman, State Forester

2007 – 2009 Legislative Update

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North Dakota Forest Service Mission

The North Dakota Forest Service mission is "to care for, protect and improve forests and natural resources to enhance the quality of life for future generations."

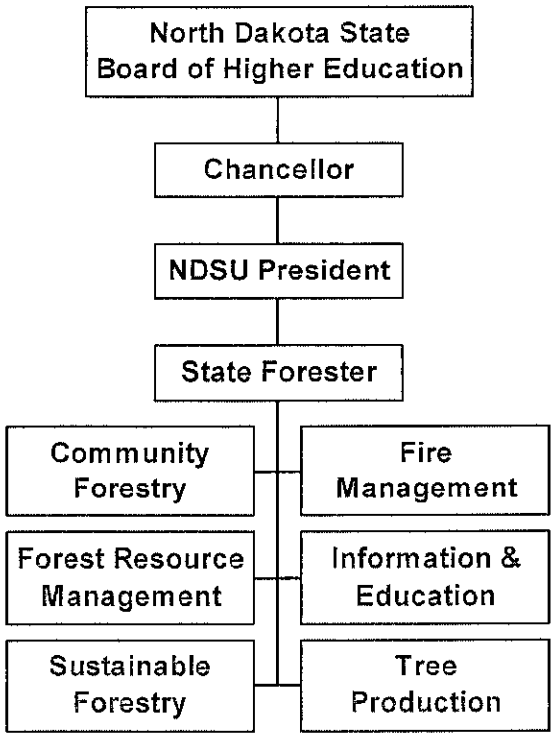
- A wide variety of customers depend on the North Dakota Forest Service for technical, financial and educational assistance relating to the management of private forest lands, state forest lands, urban and community forests, tree planting and wildland fire protection.

Organizational Structure

The agency has been part of Higher Education since 1906 and is aligned with North Dakota State University.

The State Forester reports to the President of North Dakota State University and supports the land grant mission in public service.

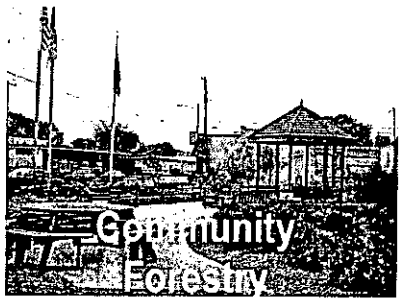




Forestry Programs in North Dakota

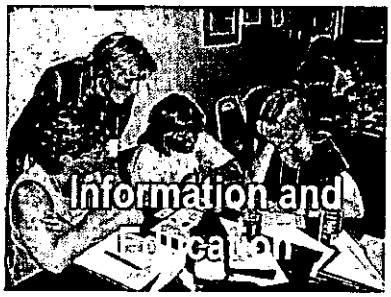
The State Forester administers six forestry programs that utilize a voluntary, educational and incentives-based approach to address natural resource needs and customer demands.

- The agency operates the Towner State Nursery, which produces 1.2-million conifer (evergreen) tree stock in over 20 species and age classes.
- The agency owns and manages 13,278 acres of state forests.

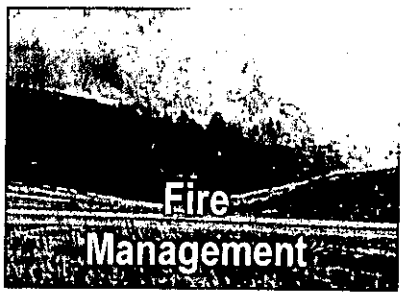












Accountability Measures

Our success is measured by the difference trees and forests have made in the health, safety and economy for the citizens of North Dakota. A sound accountability measures system drives the agency in a positive direction. The North Dakota Forest Service implemented accountability measures in response to the "flexibility with accountability" provisions of legislation passed by the 2001 Legislative Assembly. The legislation grew out of the recommendations from the 1999-2000 Roundtable on Higher Education, signaling that the University System should play a larger role in enhancing the economic and social vitality of North Dakota.

- 1999-2000 Higher Education Roundtable
- 2001 Flexibility with Accountability Legislation

Accountability Measures Implementation

The North Dakota Forest Service utilizes an accountability measures process to assess progress toward achieving long-range strategic goals, and ultimately the agency's mission. The agency developed twelve (12) accountability measures to document progress toward achieving the State Forester's five goals.

Implementation Timetable

- Accomplishment data will be measured in annual increments beginning July 1, 2005, and ending June 30, 2007.
- A biennial accountability measures report will be prepared by the agency after June 30, 2007, for the 2005-2007 biennium.
- The biennial report will describe the agency's accountability measures, significant accomplishments and progress toward caring for, protecting and improving North Dakota's forests and related natural resources.

State Forester's Goals

The State Forester's goals are directly linked to the authority granted under North Dakota Century Code Sections 4-19, 18-02 and 57-57 to meet the forestry needs in the state. The State Forester's goals include:



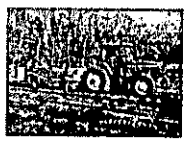
- Goal 1 – Positively impact economic growth and sustainability of communities by promoting forestry utilization.



- Goal 2 – Improve the protection of people, property and natural resources by enhancing interagency cooperation in wildfire management.



- Goal 3 – Support informed decision making and foster individual responsibility in stewards of all ages by raising public awareness about natural resource values.

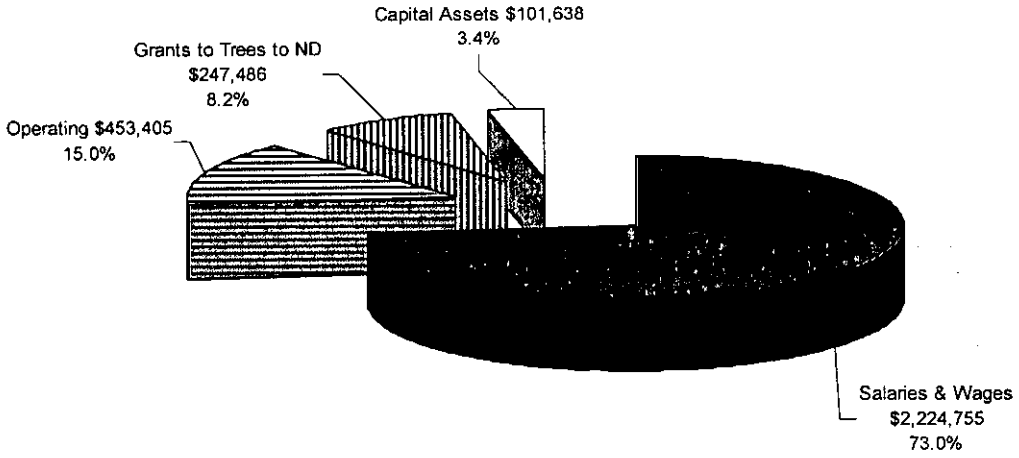


- Goal 4 – Meet the forest and conservation tree planting needs of private and public landowners by producing and marketing high quality nursery stock.



- Goal 5 – Meet current societal demands for today and the needs of tomorrow by ensuring the health, productivity and growth of private, community and state forests.

2005–2007 Appropriation



The 2005-2007 appropriated budget for the North Dakota Forest Service is $3,027,284, including $975,001 generated by income from tree seedling sales and the Trees for North Dakota Trust Fund. The General Fund appropriation is $2,052,283.

2005-2007 Operations Budget

The Operations budget includes salaries and wages for 17.97 FTE and 45 seasonal positions that provide public forestry services.

- Operations $2,925,646

2005-2007 Capital Assets Budget

The Capital Assets budget provides necessary repairs for 24 office, shop, storage and recreational buildings at Bottineau, Lisbon, Towner and Walhalla. The budget includes one capital project.

- Capital Project – Seed processing facilities $65,000
- Extraordinary Repairs
  - Well and walking bridge repairs $8,000
  - Irrigation well repairs $28,638

Total $101,638

Biennium Carryover

The 2003-2005 biennium carryover is $215,838. The carryover originated from greater than anticipated revenues generated by tree sales at Towner State Nursery. The funding will be used for one-time replacements of specialized forestry equipment.

2005-2007 Appropriation Status Report					
Line Item	**Original Appropriation**	**Adjusted Appropriation**	**Expenditures Through 12/31/2006**	**Balance**	**Percent Spent**
Operations	2,925,646	2,925,646	2,247,200	678,446	76.81%
Capital Assets	101,638	101,638	91,380	10,258	89.90%
Total	**3,027,284**	**3,027,284**	**2,338,580**	**688,704**	**77.25%**

As of December 31, 2006, approximately 77% of the operations budget and 90% of the capital assets budget have been expended.

2007-2009 Budget Request: Building Sustainable Communities Through Forestry

The Forest Service 2007-2009 budget request focuses on improvements for North Dakota in health, safety and the economy. The request includes $3,358,731 in "Operations" and $188,692 in "Capital Assets."

2007-2009 Operations Budget Request

The Operations budget funds salaries and wages, operating expenses and grants to Trees for North Dakota.

The Operations budget supports the Towner State Nursery and field offices in Bismarck, Bottineau, Carrington, Fargo, Grafton, Lisbon and Walhalla. The budget covers travel and motor pool costs for servicing over 1,200 field forestry requests each year. Other annual costs include utilities, repairs, and supplies for seeding, weeding, irrigating, fertilizing, lifting, packing and shipping operations associated with tree production at Towner State Nursery.

- Operations Request $3,358,731

2007-2009 Estimated Income

The 2007-2009 estimated income includes $997,486 generated by tree seedling sales and donations to the Trees for North Dakota Trust Fund. Revenues are expected to increase by $22,485 during the 2007-2009 biennium. The additional income will fund part-time salaries and operating expenses at Towner State Nursery.

Nursery tree sales are projected to generate $750,000. The remaining $247,486 in revenues from the Trees for North Dakota Trust Fund will be used to continue grants to public and private entities for establishing "Family Forests." The funds also support promotional, educational and fund raising projects associated with strengthening the tradition of tree planting and management in North Dakota.

2007-2009 Budget Adjustments

The 2007-2009 Budget Adjustments total $410,600 for the General Fund portion of the costs to continue the FY 2007 legislatively funded salary increase; an estimated 10% per year rise in health insurance premiums; a 2.4% per year operating inflation increase; 5% per year 2007-2009 salary increases; and a 5% operating increase for a "Building Sustainable Communities Through Forestry Initiative."

The Forest Service needs the $150,000 operating increase to address the shortfall in federal funding for forestry programs benefiting communities, fire districts and family forest landowners. The loss of this funding jeopardizes support for 1.5 FTE who provide technical, financial and educational services.

2007-2009 Budget Adjustments		
CTC FY 07 Salary Increases	Cost to continue salary increases for FY 2007	$37,890
Health Insurance	General fund portion of 2007-09 increase	$63,068
Operating Inflation	General fund portion of 2.4% per year inflation	$36,546
2007-09 Salary Increases	General fund portion of 5% per year increase	$123,096
Forest Service Increase	A 5% operating increase for "Building Sustainable Communities Through Forestry Initiative"	$150,000
Total		**$410,600**

2007-2009 Capital Assets Budget Request

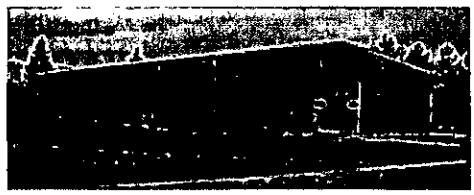
The 2007-09 Capital Assets Budget Request is $188,692. It includes $36,638, an amount equal to the 2005-07 base funding for Extraordinary Repairs, plus a proportionate share of the $4 million NDUS capital assets base budget request. The Forest Service's share is $10,834.

The budget also provides an optional deferred maintenance increase of $21,220. This is the Forest Service's share of the $10 million NDUS optional deferred maintenance request.

2007-2009 Capital Project Needs

The Capital Project Needs for the 2007-09 biennium include a $120,000 project for the construction of two storage facilities and one outdoor ADA restroom. The storage facilities would provide protection for five fire engines, vehicles and recreational equipment at the Bottineau Field Office. The outdoor restroom will be ADA accessible and serves two public recreation areas on the Turtle Mountain State Forest near Bottineau.

- Capital Projects Request $120,000
  - Storage buildings
  - ADA restrooms



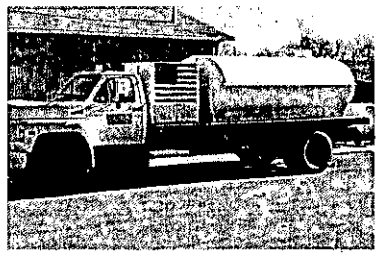
2007-2009 Capital Assets Budget		
Capital Asset Base and Increase	Extraordinary repairs base and share of NDUS $4 million NDUS capital assets base request	$ 47,472
Capital Projects	Two storage buildings and one outdoor ADA restroom	$120,000
Optional Deferred Maintenance	Share of $10 million of NDUS optional deferred maintenance increase	$ 21,220
Total		**$188,692**

"Building Sustainable Communities Through Forestry"

The agency is requesting a $150,000 operating increase to address the shortfall in federal funding for forestry programs benefiting communities, fire districts and family forest landowners. Unfortunately, declining federal support for key State and Private Forestry Programs is reducing formula funding to state forestry agencies.

"Building Sustainable Communities Through Forestry" highlights the important public benefits provided by the North Dakota Forest Service through State and Private Forestry Programs. Key programs include Cooperative Fire Protection, Forest Health Protection, Landowners Assistance, and Urban and Community Forestry. Funded by the USDA Forest Service, these formula-based grant programs provide technical, financial and educational services to communities, fire districts and family forest landowners. State General Funds and contributions from grant recipients are used as match to leverage this federal support.

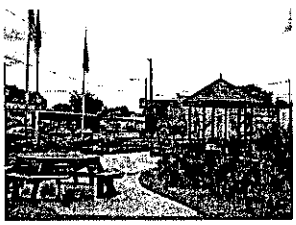
Cooperative Fire Protection focuses on the protection of lives, property and natural resources from wildfire. The program provides training, technical and financial assistance, and federal excess property to rural fire departments to enhance firefighting capabilities. These efforts also strengthen interagency cooperation and coordination, which improves the efficiency and effectiveness of fire suppression.



Forest Health Protection provides a statewide survey to detect outbreaks of forest insects and diseases. In addition, this program provides technical and financial assistance and training to family forest landowners, community leaders and agency resource managers in all phases of forest pest management, including identification, evaluation and control.



Landowner Assistance educates and assists family forest landowners to better manage, protect and utilize their natural resources. This is accomplished through the development of management plans and by providing financial incentives for forestry practices such as tree planting.



Urban and Community Forestry helps cities and towns with natural resource management in city parks, tree-lined streets, and other green spaces within their communities. Program assistance includes tree planting and management plans, shade tree ordinances, pest surveys and tree maintenance workshops. Challenge grants are available to eligible communities to assist with forestry needs.

Critical Forestry Issues

Critical forestry issues and needs addressed by State and Private Forestry Programs in North Dakota are highlighted below and will be greatly impacted by the reduction of federal grant funds.



Invasive insects and pathogens are some of the greatest threats to native forests, shade trees, and woody horticultural crops in the United States. Emerald ash borer has already killed 15 million ash trees within the State of Michigan and may exceed the ecological, cultural, and economic damage observed from Dutch elm disease. The infestation has prompted state, federal and university personnel in North Dakota to begin contingency planning efforts for prevention, detection and response.

Communities at risk from wildfire represents a continuing challenge throughout significant portions of North Dakota. Landowners, local government officials and fire departments are working collaboratively with the North Dakota Forest Service and other federal agencies to develop Community Wildfire Protection Plans. A collaborative approach to preparing these plans ensures successful implementation and the protection of people, homes and critical natural resources from catastrophic wildfires.





Riparian (streamside) forest restoration is a critical need along North Dakota's major rivers and their tributaries. Streamside forests function as filters to improve water quality, stabilize stream banks and reduce downstream flooding. The management and protection of forested riparian areas can prevent sedimentation by holding soil in place. Sedimentation of streams and water bodies has been labeled as the major source of non-point water pollution in the United States.

2007-2009 Executive Recommendation

The Executive Recommendation includes $2,541,449 in general funds and $997,486 in other funds for the North Dakota Forest Service 2007-2009 budget.

Operations

The Executive Recommendation provides $3,358,731 in "Operations" for the North Dakota Forest Service. It recommends a total operating increase of $410,600.

Capital Assets

The 2007-2009 Executive Recommendation provides $180,204 for "Capital Assets." The budget includes $36,638 in base funding for extraordinary repairs, $10,834 in one-time funding for a proportionate share of the $4 million NDUS capital assets base budget request, and $120,000 for capital projects.

In addition, the Governor included $12,732 in one-time funding for the North Dakota Forest Service's share of the $10 million NDUS optional deferred maintenance increase request.

Larry A. Kotchman, State Forester
NORTH DAKOTA FOREST SERVICE
307 First Street East
Bottineau ND 58318

Tel: (701) 228-5422
forest@nd.gov
www.nd.gov/forest

NDSU

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NORTH DAKOTA FOREST SERVICE
2007- 09 Budget Detail

BASE BUDGET:	Operations	Capital Assets & Equip > $5K	Total	Gen Fund	Other Funds	Total Funds
2005-07 Appropriation Budget						-
Operations	2,925,646		2,925,646	1,950,645	975,001	2,925,646
Capital Assets	-	101,638	101,638	101,638	-	101,638
Total 2003-05 Appropriation			3,027,284	2,052,283	975,001	3,027,284
Less One-Time Allocations:	-					
Capital Projects	-	(65,000)	(65,000)	(65,000)	-	(65,000)
Total Adjusted 2005-07 Budget Base	2,925,646	36,638	2,962,284	1,987,283	975,001	2,962,284
Add: Operating						
Continue 2006-07 Salary Increase	37,890	-	37,890	37,890	-	37,890
Adjusted Health Insurance Increases	63,068	-	63,068	63,068	-	63,068
Operating Inflation @ 2.4% Per Year	36,546	-	36,546	36,546	-	36,546
Salary Increases	123,096	-	123,096	123,096	-	123,096
Forest Service Increase Over Parity	150,000	-	150,000	150,000	-	150,000
Increase for Towner State Nursery	22,485	-	22,485	-	22,485	22,485
Total Operating Increases	433,085	-	433,085	410,600	22,485	433,085
Add: Capital Assets						
Capital Project 2007-09	-	120,000	120,000	-	120,000	120,000
Capital Assets Base Increase (Improvements)	-	10,834	10,834	10,834	-	10,834
Optional Deferred Maintenance Increase	-	21,220	21,220	21,220	-	21,220
Total 2007-09 Budget Request	3,358,731	188,692	3,547,423	2,429,937	1,117,486	3,547,423
Executive Recommendation						
Capital Project 2007-09 (Funding Change Only)	-		-	120,000	(120,000)	-
Optional Defferred Maintenance Increase	-	(8,488)	(8,488)	(8,488)	-	(8,488)
Total 2007-09 Budget Executive Recommendation	3,358,731	180,204	3,538,935	2,541,449	997,486	3,538,935

Job 4134

HB 1003
2:45pm.

2-28-07

With the exception of these pages, same testimony given to House and Senate

(3)

NDSU
legislative update



NORTH DAKOTA FOREST SERVICE

SENATE APPROPRIATIONS COMMITTEE
Senator Ray Holmberg, Chairman

Wednesday, February 28, 2007
2:45 p.m.

HB 1003
NORTH DAKOTA STATE UNIVERSITY
North Dakota Forest Service
Larry Kotchman, State Forester

North Dakota Forest Service

Larry A. Kotchman, State Forester

2007 – 2009 Legislative Update

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North Dakota Forest Service Mission

The North Dakota Forest Service mission is "to care for, protect and improve forests and natural resources to enhance the quality of life for future generations."

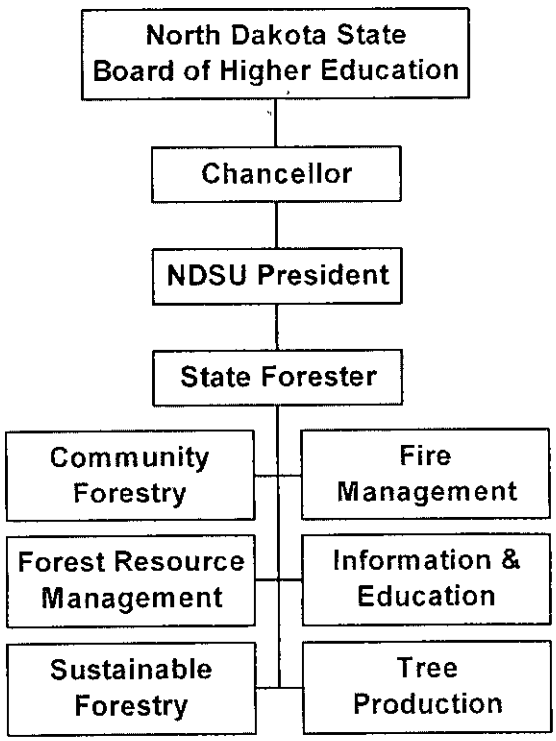
- A wide variety of customers depend on the North Dakota Forest Service for technical, financial and educational assistance relating to the management of private forest lands, state forest lands, urban and community forests, tree planting and wildland fire protection.

Organizational Structure

The agency has been part of Higher Education since 1906 and is aligned with North Dakota State University.

The State Forester reports to the President of North Dakota State University and supports the land grant mission in public service.





Critical Forestry Issues

Critical forestry issues and needs addressed by State and Private Forestry Programs in North Dakota are highlighted below and will be greatly impacted by the reduction of federal grant funds.



Invasive insects and pathogens are some of the greatest threats to native forests, shade trees, and woody horticultural crops in the United States. The emerald ash borer (EAB) is one of the more recently discovered invasive tree pests. This exotic wood-boring beetle has already killed 25 million ash trees in the Midwest. The devastation caused by this insect has raised great concerns among foresters, scientists, arborists, and nursery personnel throughout the Great Plains.

Federal and state quarantines have been imposed that regulate the interstate movement of ash material from infested areas. Eradication efforts in these areas continue, but appear to be a losing effort as new infestations are being found and funding sources are diminishing. Many of the new detections are believed to have resulted from persons moving infested ash material such as firewood and nursery stock. Transport of such material could introduce the insect into North Dakota at any time, as enforcement of regulations has been limited.

EAB is the most serious threat to the forests and trees of North Dakota, the Great Plains, and the entire ash resource of North America. Ash is an important species within North Dakota's communities, conservation plantings, and native woodlands and the loss of this species would have enormous economic, social, and ecological impacts in the state. The compensatory value of ash within North Dakota's native woodlands alone is estimated at $3.5 billion. The cost of removing dead ash trees and replanting (boulevard trees only) would cost the cities of Bismarck and Fargo $5.2 million and $5 million, respectively.

Communities at risk from wildfire represents a continuing challenge throughout significant portions of North Dakota. Landowners, local government officials and fire departments are working collaboratively with the North Dakota Forest Service and other federal agencies to develop Community Wildfire Protection Plans. A collaborative approach to preparing these plans ensures successful implementation and the protection of people, homes and critical natural resources from catastrophic wildfires.





Riparian (streamside) forest restoration is a critical need along North Dakota's major rivers and their tributaries. Streamside forests function as filters to improve water quality, stabilize stream banks and reduce downstream flooding. The management and protection of forested riparian areas can prevent sedimentation by holding soil in place. Sedimentation of streams and water bodies has been labeled as the major source of non-point water pollution in the United States.

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The Executive Recommendation provides $3,358,731 in "Operations" for the North Dakota Forest Service. It recommends a total operating increase of $410,600.

Capital Assets

The 2007-2009 Executive Recommendation provides $180,204 for "Capital Assets." The budget includes $36,638 in base funding for extraordinary repairs, $23,566 in one-time funding for a deferred maintenance and $120,000 for capital projects.

2007-2009 House Adjustments

The House adjustments reduce salary increases by $24,942 from 5 percent per year to 4 percent per year.

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NORTH DAKOTA FOREST SERVICE
307 First Street East
Bottineau ND 58318

Tel: (701) 228-5422
forest@nd.gov
www.nd.gov/forest

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Forest Service
Comparison of SBHE General Fund Request to
Executive Recommendation & Engrossed HB1003

	(1)	(2)	(3)	(4)
	Forest Service			
	SBHE 2007-09 Prioritized GF Request	Executive Recommendation	House Adjustments 1/	Engrossed HB1003
2005-07 Original General Fund Appropriation	**$ 2,052,283**	**$ 2,052,283**		**$2,052,283**
Base Adjustments	**(65,000)**	**(65,000)**		**(65,000)**
2005-07 Adjusted General Fund Appropriation, Net of Base Adjustments	**1,987,283**	**1,987,283**		**1,987,283**
Prioritized SBHE Requested Increase in Base Funding:				
Parity + 5% Increase Over Parity	410,600	410,600	(24,942)	385,658
Capital Assets Increase-Ongoing Repairs/Def Maintenance	10,834			-
Total Requested Increase in GF Base Funding & Adjustments	421,434	410,600	(24,942)	385,658
Subtotal Base GF Request, Compared to Executive Recommendation & Engrossed HB1003	**2,408,717**	**2,397,883**	**(24,942)**	**2,372,941**
One-time Budget Increases, Excluding Major Capital Projects:				
Capital Assets Increase-Ongoing Repairs/Def Maintenance	-	10,834		10,834
Infusion for Deferred Maintenance	21,220	12,732		12,732
Subtotal One-time GF Request, Excluding Major Capital Projects,	**21,220**	**23,566**	**-**	**23,566**
2007-09 State General Funded Projects	-	120,000		120,000
Total 2007-09 General Fund Request, Compared to Executive Recommendation & Engrossed HB1003	**$ 2,429,937**	**$ 2,541,449**	**$ (24,942)**	**$ 2,516,507**

G:\cathy\excelfil\Biennial Budgets\2007-09 Budget\07-09 House\Engrossed HB1003 Summary\GF Compar-ForestSvc

1/ House Adjustments Include:

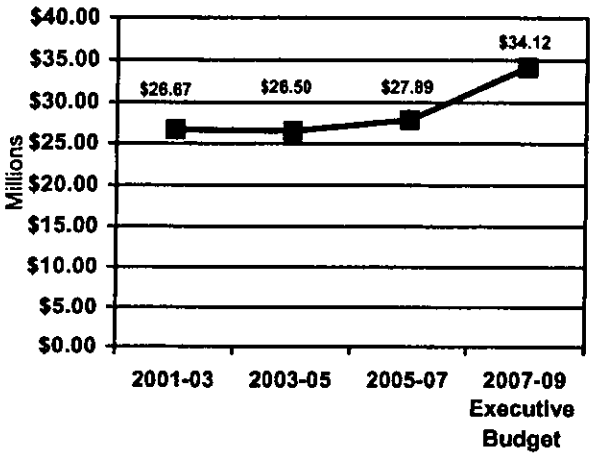
Reduce salary increases from 5/5 to 4/4	**$ (24,942)**

Prepared by the North Dakota Legislative Council staff for House Appropriations
January 5, 2007

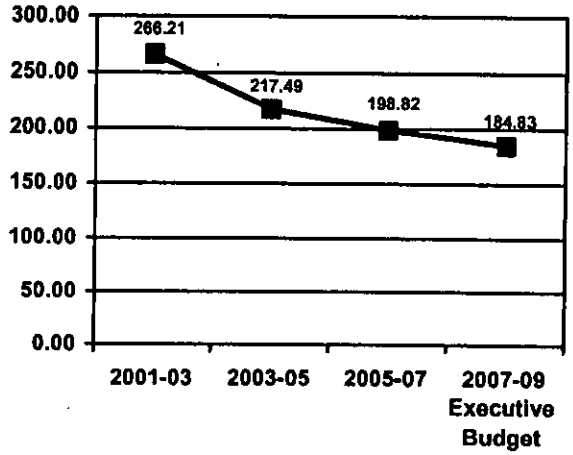
Department 241 - Minot State University
House Bill No. 1003

	FTE Positions	General Fund	Other Funds	Total
2007-09 Executive Budget	184.83	$34,123,292	$5,575,550	$39,698,842
2005-07 Legislative Appropriations	198.82	27,892,719	8,535,000	36,427,719
Increase (Decrease)	(13.99)	$6,230,573	($2,959,450)	$3,271,123

Agency Funding - General Fund



FTE Positions



Executive Budget Highlights

	General Fund	Other Funds	Total
1. Provides parity funding of $2,616,595 for the following:			
Costs to continue fiscal year 2007 legislatively funded salary increases	$323,569		$323,569
5 percent per year salary increases	1,502,086		1,502,086
10 percent per year health insurance increases	680,956		680,956
2.4 percent per year operating inflation	109,984		109,984
Total (The executive recommendation only includes approximately 96 percent of the total general fund portion of parity costs of $2,732,644. Operating inflation of $116,049 is not included in the executive recommendation. An annual tuition increase of 5.6 percent would be needed to fund the remaining general fund portion of $116,049 and to fund the student portion of parity costs of $1,471,423.)	$2,616,595		$2,616,595
2. Provides equity funding of $338,104. (The executive recommendation includes a $10 million increase for equity distributed among the 11 higher education institutions. The amount distributed to each institution was determined by considering both the institution's dollar difference from their peer benchmark as well as a greater weighting factor to those institutions that are the furthest behind their peer benchmark.)	$338,104		$338,104
3. Removes one-time funding provided in the 2005-07 biennium for extraordinary repairs	($80,000)		($80,000)
4. Provides funding for extraordinary repairs of $1,452,744 equal to the 2005-07 base funding of $596,870 plus a proportionate share, $855,874, of the $10 million increase that is included in the executive recommendation. (The additional funding of $855,874 is **identified as one-time funding in the executive budget.**)	$855,874		$855,874

5. Removes major capital project funding provided in the 2005-07 biennium, including $5 million from special funds for the renovation of Crane Hall and $3,535,000 from special funds for a center for applied professional education		($8,535,000)	($8,535,000)
6. Provides funding for the following major capital projects for the 2007-09 biennium:			
Athletic floor replacement		$336,400	$336,400
Swain Hall renovation and addition	$2,500,000	4,536,150	7,036,150
Dakota Hall elevator		340,000	340,000
Pioneer Hall elevator		363,000	363,000
Total	$2,500,000	$5,575,550	$8,075,550

Other Sections in Bill

Transfer authority - Section 12 provides that the State Board of Higher Education may transfer funds from an institution's operations line item to the institution's capital assets line item if the board determines that additional funds are needed for capital projects or extraordinary repairs.

FTE positions - Section 13 authorizes the State Board of Higher Education to adjust FTE positions as needed for institutions and entities under its control.

Continuing Appropriations

Special revenue funds - NDCC Section 15-10-12 - Provides the continuing appropriation authority for higher education institutions' special revenue funds, including tuition, through June 30, 2007.

Major Related Legislation

House Bill Nos. 1030, 1031, and 1032 - These bills provide for the continuation of the following statutory provisions through June 30, 2009:

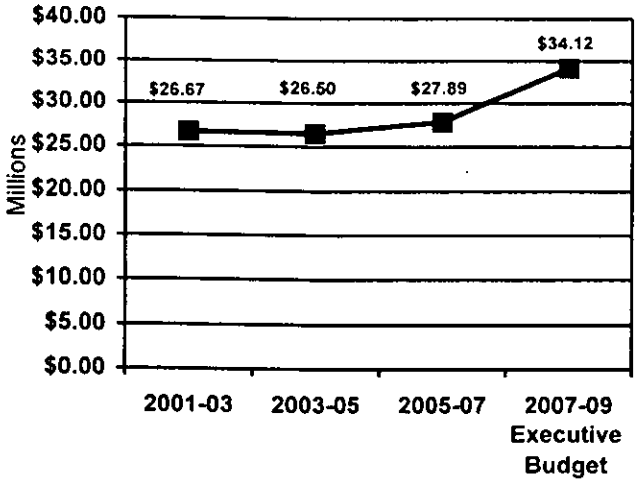
- The continuing appropriation authority for higher education institutions' special revenue funds, including tuition.
- The requirement that the budget request for the North Dakota University System include budget estimates for block grants for a base funding component and for an initiative funding component and a budget estimate for an asset funding component and the requirement that the appropriation for the University System include block grants for a base funding appropriation and for an initiative funding appropriation and an appropriation for asset funding.
- The North Dakota University System's authority to carry over at the end of the biennium unspent general fund appropriations.

Prepared by the North Dakota Legislative Council staff for Senate Appropriations
February 23, 2007

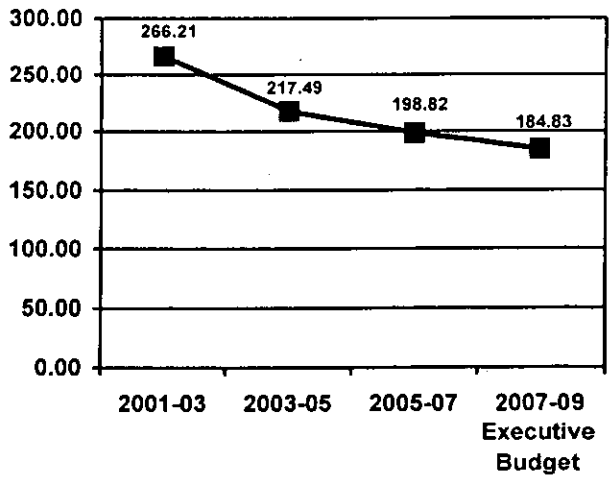
Department 241 - Minot State University
House Bill No. 1003

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2007-09 Executive Budget	184.83	$34,123,292	$5,575,550	$39,698,842
2005-07 Legislative Appropriations	198.82	27,892,719	8,535,000	36,427,719
Increase (Decrease)	(13.99)	$6,230,573	($2,959,450)	$3,271,123

Agency Funding - General Fund



FTE Positions



First House Action

Attached is a summary of first house changes.

Executive Budget Highlights
(With First House Changes in Bold)

	General Fund	Other Funds	Total
1. Provides parity funding of $2,616,595 for the following:			
Costs to continue fiscal year 2007 legislatively funded salary increases	$323,569		$323,569
5 percent per year salary increases	1,502,086		1,502,086
Estimated health insurance increases	485,331		485,331
2.4 percent per year operating inflation	226,033		226,033
Undesignated increase	79,576		79,576
Total (The executive recommendation includes approximately 103 percent of the total general fund portion of parity costs of $2,537,019.) **The House reduced parity funding by $304,357 from the general fund to reflect 4 percent per year salary increases.**	$2,616,595		$2,616,595
2. Provides equity funding of $338,104. (The executive recommendation includes a $10 million increase for equity distributed among the 11 higher education institutions. The amount distributed to each institution was determined by considering both the institution's dollar difference from their peer benchmark as well as a greater weighting factor to those institutions that are the furthest behind their peer benchmark.)	$338,104		$338,104
3. Removes one-time funding provided in the 2005-07 biennium for extraordinary repairs	($80,000)		($80,000)

4. Provides funding for extraordinary repairs of $1,452,744 equal to the 2005-07 base funding of $596,870 plus a proportionate share, $855,874, of the $10 million increase that is included in the executive recommendation. (The additional funding of $855,874 is **identified as one-time funding in the executive budget.**)	$855,874		$855,874
5. Removes major capital project funding provided in the 2005-07 biennium, including $5 million from special funds for the renovation of Crane Hall and $3,535,000 from special funds for a center for applied professional education		($8,535,000)	($8,535,000)
6. Provides funding for the following major capital projects for the 2007-09 biennium:			
Athletic floor replacement - **The House changed the funding source to $387,000 from the general fund.**		$336,400	$336,400
Swain Hall renovation and addition - **The House changed the funding source to $6,500,000 from the general fund and $536,150 from special funds.**	$2,500,000	4,536,150	7,036,150
Dakota Hall elevator		340,000	340,000
Pioneer Hall elevator		363,000	363,000
Total	$2,500,000	$5,575,550	$8,075,550

Other Sections in Bill

Transfer authority - Section 13 provides that the State Board of Higher Education may transfer funds from an institution's operations line item to the institution's capital assets line item if the board determines that additional funds are needed for capital projects or extraordinary repairs.

FTE positions - Section 14 authorizes the State Board of Higher Education to adjust FTE positions as needed for institutions and entities under its control.

Continuing Appropriations

Special revenue funds - NDCC Section 15-10-12 - Provides the continuing appropriation authority for higher education institutions' special revenue funds, including tuition, through June 30, 2007.

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- The continuing appropriation authority for higher education institutions' special revenue funds, including tuition.
- The requirement that the budget request for the North Dakota University System include budget estimates for block grants for a base funding component and for an initiative funding component and a budget estimate for an asset funding component and the requirement that the appropriation for the University System include block grants for a base funding appropriation and for an initiative funding appropriation and an appropriation for asset funding.
- The North Dakota University System's authority to carry over at the end of the biennium unspent general fund appropriations.

House Bill No. 1459 - This bill provides an appropriation to Minot State University for extraordinary repairs.

ATTACH:1

HB 1003
January 9, 2007
Handout #1

Minot State UNIVERSITY

Be seen. Be heard.

January 9, 2007
2:30 – 3:30 p.m.

Bill No. 1003
Budget No. 241



60th Legislative Assembly

HOUSE APPROPRIATION COMMITTEE HEARINGS

Education and Environment Division

Sakakawea Room

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MINOT STATE UNIVERSITY
Statutory Authority and Description

Statutory Authority

North Dakota Constitution, Article VIII, Section 6; North Dakota Century Code Chapters 15-10 and 15-13.

Agency Description

Minot State University (MSU) is a comprehensive public university whose purpose is to foster the intellectual, personal, and social development of its students, and to promote the public good through excellence in teaching, research, scholarly activity, and public service. The university offers a wide array of undergraduate programs in the liberal arts and the professions. Graduate education includes masters programs in communication disorders, criminal justice, education, management, mathematics, music, science, and special education. One education specialist degree is offered in school psychology.





CAMPUS OVERVIEW

Minot State University has been achieving notable successes in the classroom, in faculty research and scholarship, in the work of its Centers of Excellence—the Rural Crime and Justice Center and the North Dakota Center for Persons with Disabilities, and in many efforts to plan for the future. Selected information and activities include:

Enrollment

Enrollments have been falling slightly in the last two years but showing noticeable increases in various categories, particularly in on-line, Canadian, graduate, and Native American students. Due to the population decreases and demographic changes in this service area, enrollment and recruitment will continue to be a major challenge to the university.



- Official 2006 fall semester headcount enrollment was 3,712, which marked a 2% decrease from the numbers registered in the fall of 2005.
- Decreases were reflected in a 36% decrease in transfer students, a 10% decrease in face-to-face off campus students (Minot Air Force Base and Bismarck), and a 10% decrease in Ward County students.
- Increases were realized in new freshman students (2%), part-time graduate students (20%), total graduate students (14%), Native American students (14%), Canadian students (8%), International students ((14%), and e-learning/on-line students (14%).
- The fall 2006 enrollment of 3,712 compares to the fall enrollment of five years ago in 2001 at 3,515. Full-time equivalent enrollment of 2,986 in fall 2006 compares to 2,739 FTE in 2001.

Strategic Planning

The University's Strategic Plan, *Vision 2013*, has been completed and identifies a new goal, strategic initiatives, and priorities for the future. The campus is currently engaged in identifying specific action plans and projects to support the vision.

- **Institutional Vision**
  Minot State University of the future will achieve a national reputation as an institution of place and engagement that is dedicated to high-quality student learning within an inclusive community, to student growth, character, and success, to diversity and multiculturalism, to valuing and supporting faculty and staff, and to a life-long commitment to the common good. Concomitantly, the MSU graduate of the future will be known for vision, creativity, compassion, tolerance, character, sound judgment, and commitment to the life of the community and the common good. Confident, insightful, and learned, and devoted to life-long learning, the MSU graduate will be well prepared for the future, and capable of realizing positive achievements and accomplishments in career, life, and service to others.

- **Strategies to Achieve Vision**
  - *Creating a Distinctive Mission Focused on Engagement and Place*
    Create and promote a distinctive mission, vision and premier institutional character based on curricula and services known for high quality, engagement, relationship to place, and the integration of knowledge, theory and practice.

  - *Fostering Engaged Learning and Place for the Benefit of Students*
    Raise academic standards and expectations exceptionally high for quality teaching and engaged learning; create and sustain a dynamic place and engaged campus atmosphere and design conducive to high-quality learning and student support.

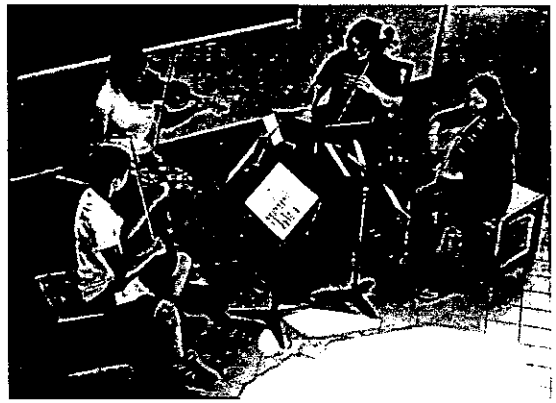
  - *Valuing Faculty and Staff within an Engaged Community*
    Recruit, retain, and support well-qualified faculty and staff as valued members of an inclusive community, dedicated and devoted to the institutional mission, to engaged learning, and to student support and success.

  - *Building a Diverse and Multicultural University Climate*
    Develop and support a diverse, multicultural, and inclusive campus community.

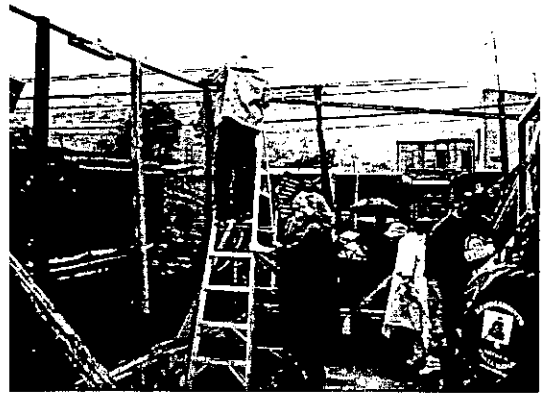
  - *Focusing on Student Success and Future Achievements*
    Provide students with a strong and engaging academic experience for intellectual and personal growth, formation of sound character, and development of abilities and skills required for success in future careers and endeavors.

  - *Creating a Commitment to Civic Engagement, Service, and the Common Good*
    Enhance and strengthen the university's mission and purview to include civic engagement, experiential learning, and activities focused on collaboration, partnerships, community relations and involvement; complementing the institution's educational function through a concerted and deliberate effort to connect higher education and the common good.

  - *Ensuring Future Institutional Viability, Vitality, and Growth*
    Ensure MiSU's future viability, the vitality of its campus proper, and its success and competitiveness.







Higher Learning Commission Self-Study

In preparation for the visit of the Higher Learning Commission accreditation team in April 2008, the university is undergoing an inclusive and in-depth self-study of its teaching and learning and general operations. The self-study is organized by four themes indicating that MSU is: 1) future focused, 2) learning focused; 3) a connected organization; and 4) a distinctive organization. Wide-spread involvement by faculty, staff, students, and external stakeholders is driving the study and analysis.



Master Plan

The university has been undergoing a campus master planning process. Led by an architectural firm with special expertise in university planning, this process has resulted in a comprehensive campus plan for the next ten years. Key findings and recommendations involve: new signage, reconfigured entrances and interior roads, thematic elements to complement the theme of place and engagement in the strategic plan, walkways and landscaping design, relocation of some existing programs for better efficiencies, student service, and cooperation with external constituencies, new parking options, expansion and alignment of a new community bowl, and future building projects (e.g., wellness center, alumni center, childcare facility, art program).



Compensation Task Force

To address a serious need for improved faculty and staff salaries, the university has formed a compensation task force, comprised of faculty, staff, and administrators, to study existing salaries, identify comparable national benchmarks for each classification, and to develop a five-year plan and goal for reaching agreed-upon objectives for salary levels. The first year has resulted in a detailed analysis and recommendations for salary enhancements. The university has identified individual salary disparities and used a pool of funds to increase all salaries and to address individual classification disparities.

International Initiatives

In response to the strategic interest in global education and diversity, the university has embarked on a concerted effort to build a strong infrastructure for international support and programming, to pursue international partnerships, and to increase international recruitment, exchanges, and study opportunities. A few notable achievements include: 1) a signed partnership agreement with SIAS International University in the Henan Province of China, resulting in the exchange of faculty and students, study tours to China, the planning for a master's degree for visiting students; 2) a partnership agreement with Kadir Has University in Istanbul, Turkey, with plans for student and faculty exchanges and study tours; 3) a new International Director; and 4) plans for additional partnerships and initiatives.

Native American Partnerships



Building on the strengths of the university's Native American curriculum and Native American Cultural Center and tradition of cooperation with our Native American community members, the university has taken significant steps to strengthen cultural exchanges, recruitment, and cooperation. A few notable examples include:

- The signing of a partnership agreement with Ft. Berthold Community College in December 2006, with planned partnerships with Turtle Mountain Community College and other Native American colleges.
- A review and increase of financial support to Native American students.
- The forming of a new Native American Task Force to identify new directions for cooperation.

New Building Projects to Enhance Campus Support for Students

A considerable number of building projects and enhancements have been completed in the fall. These include:

- Crane Hall Renovation (renovation of an existing residence hall into four-person suites).
- Beaver Dam (renovation of the old Student Union Ballroom into an engaging and multidimensional student activity center).
- Dakota Hall (remodeling of the south end of the first floor to accommodate residence life offices; remodeling of restrooms on each floor).

New Initiatives to Support First-Year Students

In a deliberate effort to strengthen support for the university's first-year students, the university has embarked on a comprehensive first-year program. This year, the university has instituted a new mentoring program for first-year students; started an enhanced orientation program required for all first-year students; and developed a first-year residency requirement focused on improving students' connections to campus and their academic success and engagement (to begin in fall 2007).

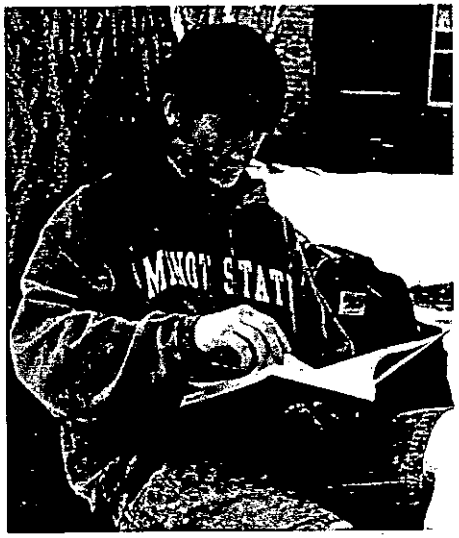




Roundtable and Cornerstone Projects

Committed to the North Dakota Roundtable project, Minot State University has experienced notable success in meeting the Cornerstone goals for academic enhancements and economic development. Examples of these successes include:

- Increases in graduate programming and enrollments.
- Programs to enhance greater diversity and tolerance.
- Technological advances for the classrooms.
- Pursue new recruitment initiatives.
- Examine and improve tuition waiver program
- Projects initiated by the university's Prairie Community Development Center to enhance the economic development of the region.







MINOT STATE UNIVERSITY

Status of 2005-07 Budget
As of December 2006

(Excludes One-time Adjustments)

	Adjusted 2005-07 Appr and Income	Budgeted 2005-06	Balance 2006-07
Appropriated:			
Operations	$27,215,849	$13,428,239	$13,787,610
Capital assets	676,870	420,000	256,870
Total General Fund Appropriation	**$27,892,719**	**$13,848,239**	**$14,044,480**
Non-appropriated:			
Tuition/other income	18,723,981	8,790,461	9,933,520
Total General Fund and Tuition	**$46,616,700**	**$22,638,700**	**$23,978,000**

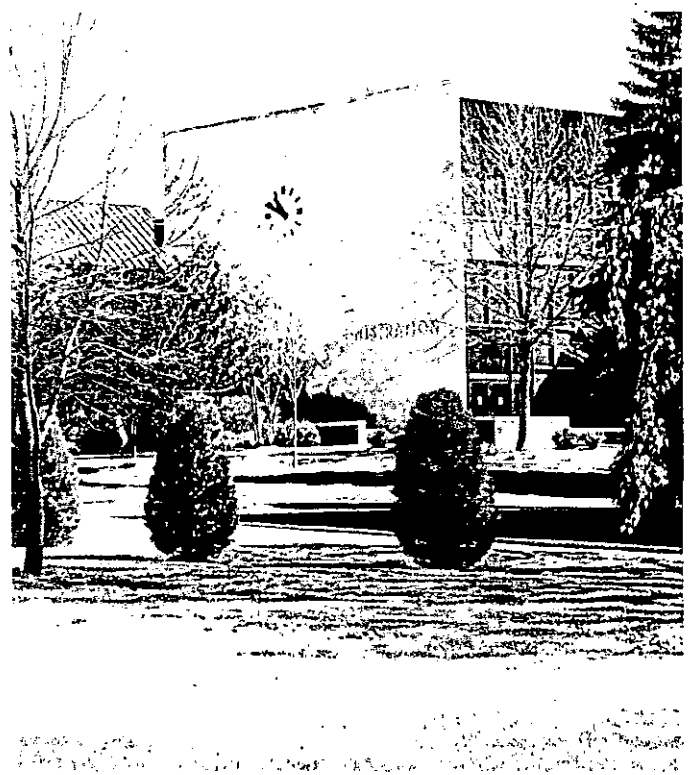
Note: Excludes CIS Pool Allocation (NDUSO)

MINOT STATE UNIVERSITY

Comparison of Budget to Actual Expenditures
Fiscal Year 2005-06

	Budgeted 2005-06	Actual 2005-06
Operations	$13,428,239	$13,428,239
Capital assets	420,000	413,674
	$13,848,239	**$13,841,913**

	Budgeted 2006-07	Actual 2006-07
Operations	$13,787,610	$10,351,721
Capital assets	256,870	63,166
	$14,044,480	**$10,414,887**



Minot State University	2007-09 Exec Recommendation	2005-07 Adj Appropriation	Incr (Decr) over 2003-05 $$ change	Incr (Decr) over 2003-05 %% change
Operations	30,170,548	27,215,849		
Capital Assets (Excluding Major Capital Projects)	1,452,744	596,870		
2003-05 Capital Assets Carryover	0	0		
Subtotal all funds	31,623,292	27,812,719		
Less estimated income	0	0		
Subtotal general fund appropriation	31,623,292	27,812,719		
Capital Assets—Major Capital Projects	**8,075,550**	**8,615,000**		
Subtotal all funds	8,075,550	8,615,000		
Less estimated income	5,575,550	8,535,000		
Subtotal general fund appropriation	2,500,000	80,000		
TOTAL				
Total all funds	39,698,842	36,427,719	3,271,123	9.0%
Less estimated income	5,575,550	8,535,000	(2,959,450)	-34.7%
Total general fund appropriation	34,123,292	27,892,719	6,230,573	22.3%

Swain Hall Renovation

Minot State University's campus master plan for 2000-2008, as revised March 2006, included narrative regarding the Swain Hall addition/renovation, which totaled 67,108 sq. ft. Costs were broken down as follows: $181,500 asbestos abatement, $4,307,600 remodel/addition, and $2,547,050 upgrade/replace electrical & HVAC, for a total estimated cost of $7, 036,150. The floor plan included in the master plan was the original floor plan when the building was constructed. That original floor plan for Swain included considerable space for athletics, as the basketball court and adjoining facilities were the only athletic facilities on the campus. A review of that original plan might suggest that the building was designed for 2/3 athletics and 1/3 academics.

This simply is not how the building is currently being utilized by Minot State University and planned for its use in the future. All university athletic contests and events are held in the Dome. Most of the space in Swain is currently being used either all the time or a majority of the time by the Department of Teacher Education and Human Performance for physical education classes, training classes, and intramurals. Many non-physical faculty offices and the physical education classrooms are in Swain. Swain Hall is home to all courses for physical education majors, and 75%-85% of all students attending Minot State University take at least one class in Swain Hall. Many non-physical education majors take three to five classes in Swain. Swain Hall is also used for Special Olympics, state-wide workshops, intramurals, and a variety of campus and community events. These events and usages are academic in nature, not athletic. The gym floor or old basketball court is used by the Human performance academic department, as well as by the city of Minot, but only occasionally by athletic teams as a practice facility when the Dome is being used for public events. There are some athletic offices and locker rooms in the building, but these take only a small percentage of the space of Swain, and those will be relocated to another building in the future when the university's new campus master plan is fully implemented.

The building as it is currently being used, has a large area of underutilized and inefficient space in need of constant repair. Lighting is inadequate, plumbing and heating systems are outdated, and the original galvanized plumbing in glazed block walls has deteriorated to the point of leaking through the walls in many places. Ventilation is nearly nonexistent. The building requires the opening of windows to introduce fresh air and regulate temperature. Swain Hall has a significant amount of asbestos that needs to be abated.

Minot State University's new strategic plan has Swain Hall becoming an academic building housing an expanded Human Performance program and with the addition of new classrooms and laboratory space for the sciences. In the new scenario for Swain Hall as an academic building, the wellness center will be housed in a facility adjoining the student union, and the athletic offices and locker rooms will be housed in an addition to the Dome. Bleachers will be taken out of Swain to provide more classroom space. Other departments within the College of Education will move into Swain to allow other academic departments to be consolidated in their respective buildings.

Swain Hall Budget

Asbestos abatement	$181,500
Remodel/addition	$4,307,600
Upgrade/replace electrical & HVAC systems	$2,547,050
Total	$7,036,150

Dome Floor Replacement

The Dome was constructed in 1980 with a 44,000 sq.ft. playing surface. The original surface was a 3/8" synthetics called Pro-turf, poured over concrete. In 1996, a build-up floor system was installed over the original surface. This surface consists of 3 layers of plywood on rubber feet with a thin pad-n-pour synthetic on the running floor; the balance of the floor is hardwood maple installed over 2 layers of plywood on rubber feet. This hardwood system is salvageable, but the running floor requires replacement. We had a consultant survey the floor area to determine what is causing the de-lamination problems. In his view, the floor was installed to 1996 specifications, but did not allow sufficiently for expansion and the weight of the bleacher systems. MSU has not hosted an indoor meet for 4 years, and 6 local/regional indoor track meets that were scheduled for spring 2006 were cancelled.

State Risk Management visited the campus in December 2005. As a result of that visit, Terry Milas from Risk Management stated in a memo dated December 13, 2005, that Minot State University find a way to immediately address the overall inconsistent and uneven surface of the indoor track of the "Dome" prior to allowing any further use of the indoor track. As a result of the Risk Management visit, warning signs have been placed at all entrances/exits advising people to use caution when walking on the floor as they enter or leave the building, and the bleachers are open during most events to keep people off of most of the running floor. People must cross the running floor to reach the bleacher seating and basketball court. In addition warning cones have been placed over the most severe parts of the floor impeding egress to and from the building, raising the possibility that the fire marshal could close the building down until the floor is replaced. We have had one incident report filed with the university as a result of someone falling on the floor because of its condition, and we are aware of other unreported incidents that have occurred.

The Dome is a community use facility partially funded by the city of Minot. Many people not directly connected with Minot State University use the facility daily as a part of their exercise program. In addition, the facility is used for MSU athletic events and, as mentioned above, many high school basketball and volleyball tournaments and track and field meets. Other public and university events are also held at the Dome, such as the university's commencement exercise and the annual MSU PowWow. With the many public and university events that are held at the Dome we are concerned about the continuing liability issues and the loss of revenue to the community.

Dome Floor Budget

Subfloor/surface repair	$361,700
Architect fees	$25,300
Total	$387,000

Missing pages were photos that could not copy

MINOT STATE UNIVERSITY
Capital Improvement Projects
Funding for 2007-09 Biennium

Project	Capital Assets general fund appr. for 2005-07	Project Total	Expended 2005-06	Balance remaining for 2006-07
Student Union-Ballroom Renovation	$350,000.00	$350,000.00	$159,237.91	$190,762.09
Roof Replacements (Warehouse, Administration)	95,000.00	95,000.00	0.00	95,000.00
Campus Networking (Hubs)	85,000.00	85,000.00	0.00	85,000.00
Projects less than $50,000	146,870.00	146,870.00	111,388.64	35,481.36
	$676,870.00	$676,870.00	$270,626.55	$406,243.45

MINOT STATE UNIVERSITY
Deferred Maintenance Projects FY 2007–2009

One Time Deferred Maintenance Funds **$855,874**

Deferred Maintenance List from Campus Master Plan

Administration Building:		
Re-Roof	$64,130	$791,744
Replace HVAC system 1,3 floors (south)	$216,590	$575,154
Upgrade fire alarm system	$28,314	$546,840
Door signage/hardware—ADA	$29,645	$517,195
Main Building:		
Window replacement	$447,700	$69,495
Library:		
Door-Hardware—ADA	$11,495	$58,000
Power House:		
Six underground fuel storage tanks	$208,725	-$150,725
Coal boiler/ash removal system	$257,730	-$408,455
Install Cable tray system	$154,275	-$562,730
Dome:		
Upgrade fire alarm system	$102,850	-$665,580
Remodel restrooms/shower facilities—ADA	$53,845	-$719,425
Door hardware/signage—ADA	$42,350	-$761,775

(con't on page 29)

MINOT STATE UNIVERSITY
Deferred Maintenance Projects FY 2007–2009

Campus Improvements:		
Signage	$129,800	-$891,575
Campus Networking	$156,695	-$1,048,270
Outdoor recreation complex/water, power	$70,785	-$1,119,055
Exterior lighting	$51,425	-$1,170,480
Landscaping/green areas	$51,425	-$1,221,905
North parking lot replacement	$695,750	-$1,917,655
Parker Stadium-Press Box:		
Stadium seating replacement	$900,000	-$2,817,655
Remodel restrooms—ADA	$13,915	-$2,831,570
Broadcast booth lift—ADA	$28,314	-$2,859,884
Deferred maintenance needs in excess of one time funds		**$2,859,884**
Deferred maintenance one time funds		**$855,874**
Total MSU deferred maintenance excluding Swain Hall		$3,715,758

Major Variances

$608,462 Estimated Cost increase of Utilities 2005-2007

MINOT STATE UNIVERSITY
03-05 Operating Appropriation Carryover Balances

Fund/Dept	Name	Carry Over Authorized	FY06 expenses	FY07 Expenses	Available Balance
31405/3000	VPAF Contingency	$144,641.26	$144,641.26	$0.00	$0.00
31309/2600	Marketing	80,000.00	80,000.00	0.00	0.00
31310/2601	Enrollment Management	20,000.00	20,000.00	0.00	0.00
31409/3000	Office Reorganization	35,000.00	14,372.92	19,049.40	1,577.68
31004/2100	Accreditation Visits	25,000.00	20,593.32	99.45	4,307.23
31307/5070	Disability Student Services	20,000.00	16,970.51	0.00	3,029.49
TOTAL		$324,641.26	$296,578.01	$19,148.85	$8,914.40
34001/3000	NDUS Online	$9,122.46	$7,865.57	$1,256.89	$0.00

HB 1003
January 9, 2007
Handout #2

Conrad, Kari L.

From: Dave Waind [waind@web.ci.minot.nd.us]
Sent: Tuesday, January 09, 2007 12:29 PM
To: Conrad, Kari L.
Cc: Cindy *Hemphill
Subject: MSU - Local funding information

Kari:

Our Finance Dept. gave me the following list of major funding that the City has approved for MSU over the last 14 years:

MSU Olson Library - $350,000 - 1993/1994 - from Sales Tax Infrastructure funds
MSU Dome floor/roof - $440,000 - 1995 thru 2006 - from Sales Tax Infrastructure funds
Renovation of old MSU Library Building - $255,000 - 1996 thru 1998 - from Sales Tax Infrast. funds
MSU Old Main - Nelson (McFarland) Auditorium - $300,000 - 2002-2003 - from Sales Tax Infrast. funds

MSU Marketing Plan - $150,000 - 1998 thru 2000 - from Sales Tax Ec. Dev. funds

1993-2006 $1.795 million

In addition to the above, there were a couple more minor items that received City funding, but they were no where near the level of funding approved as noted above.

Additionally, there was some previous additional funding that goes back more than two decades, as for example the original construction of the MSU Dome in 1978-79. Although the City contributed to this project....but it would take additional time to dig out the details on it. Let me know if you need that and we will research further.

Thank you for your legislative efforts.

David

From: Conrad, Kari L. [mailto:kconrad@nd.gov]
Sent: Tuesday, January 09, 2007 7:48 AM
To: City Manager's Office
Subject:

David -- MSU's presentation is this afternoon at 2:30. I would appreciate a list of all the contributions the City of Minot has made to previous projects. Please designate the amount and the year and source (i.e. general revenue from property tax, city sales tax, etc.) Thanks so much. Kari

Plant Services
MINOT STATE UNIVERSITY
500 University Ave W • Minot, ND 58707 • 701-858-3210 • 1-800-777-0750 • FAX 701-839-7185

Representative Matthew Klein
RE: Swain Hall Renovation

January 12, 2007

Dear Sir:

In response to your request for additional information, the following documentation is provided for your review. This information supports renovation of the current facility in lieu of complete demolition and new construction.

Please refer to the statement provided by Mr. Wayne Whitty, principal and owner of the architectural firm Anderson Wade Whitty. Mr. Whitty's explanation provides first hand knowledge as to the condition of Swain Hall since he was commissioned to provide a complete facility evaluation recently.

Also provided are photographs depicting the current building elevations for Swain Hall. This portion of the structure would remain intact along with the structural steel, while the interior will be renovated to today's programming requirements. All issues related to health and safety, ADA compliance, heating, air conditioning and ventilation will be addressed.

Following those photographs are examples of major capital projects which enlisted this very type of approach. Those were completed successfully in a timely, fiscal, and prudent manner. As with all of our campus improvements, careful consideration is given to available options and developmental design. Our campus, as with most, has a long tradition of collegiality and our environment reflects those attributes.

We strongly feel that the best approach to this very important project is to proceed as we have so forth requested. We are confident that our academic mission in relation to Teacher's Education and Human Performance will be met, and are looking forward to the legislature's continued support and positive impact to Minot State University and its students.

If there are any questions, or if clarification on further specifics is required, please contact us. We are very excited, and thankful, as your efforts and support are vital to sustaining the high level of education that is expected at Minot State University.

Sincerely,

Jared Edwards
Plant Services Director

Anderson
Wade &
Whitty P.C.
Architects / Planners

January 11, 2006

Mr. Jared Edwards
Minot State University
Minot, ND 58701

Re: Swain Hall
Space Renovations Study

Dear Mr. Edwards,

Our office prepared a Facility Evaluation and Concept Development Study for Swain Hall at Minot State University. Part of our study was the evaluation of the existing structure to determine its structural soundness and its adaptability to house the intended educational program requirements.

Swain Hall is a signature building on campus originally intended as a field house/gymnasium to support athletic activities. Since the construction of the Dome, Swain has been used as an academic education center for Human Performance, Campus Fitness, Classroom and Instructor Office space.

In evaluating the option of renovation of the existing facility vs. building new, it is our opinion that the most cost effective approach to fulfilling the program requirements is to renovate Swain Hall. Some of the factors that brought us to this conclusion are as follows:

1. Swain Hall is an architecturally significant building on campus.
2. Swain Hall is a structurally sound facility.
3. The roof was replaced 5 years ago.
4. Renovation will allow use of the existing foundation system and building shell. Approximately 30% of new construction costs can be attributed to these components.
5. Demolition would be a major cost item if Swain was razed to allow for new construction.
6. The academic program requires gymnasium space. With the exception of flooring replacement, the existing gymnasium will serve the program well.

7. A significant amount of site development costs can be saved through renovation.

The program requirements for Swain Hall constitute approximately 63,250 square feet of space. The probable cost for this type of new construction is $150 / square foot plus the cost of demolition and site development. In our opinion, the most cost effective approach to housing the academic program requirements is to renovate the existing structure.

Sincerely,

Wayne Whitty AIA
Anderson, Wade & Whitty PC

Swain Hall 1952 Original Construction

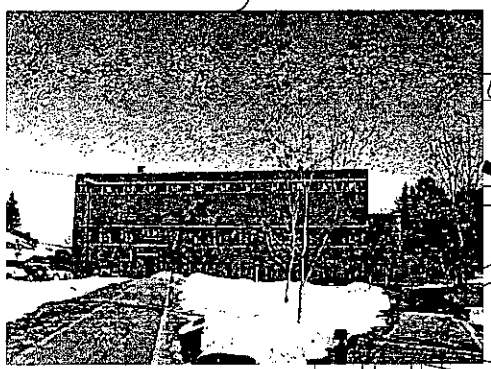
No significant upgrades to date.

Current building insured value is 4.1 million.

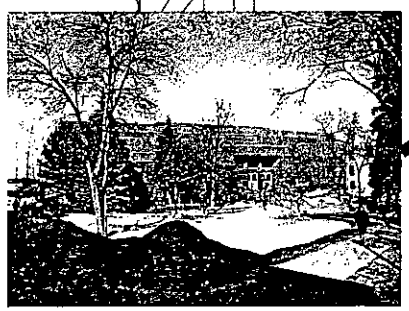
All photographs (4):
Depict the existing building elevations. While the building requires re-windowing, the cost is reflected in our renovation estimates. The roof was replaced in 2001 with an energy efficient system (RV32).

Minot State University
Swain Hall Renovations

North Elevation

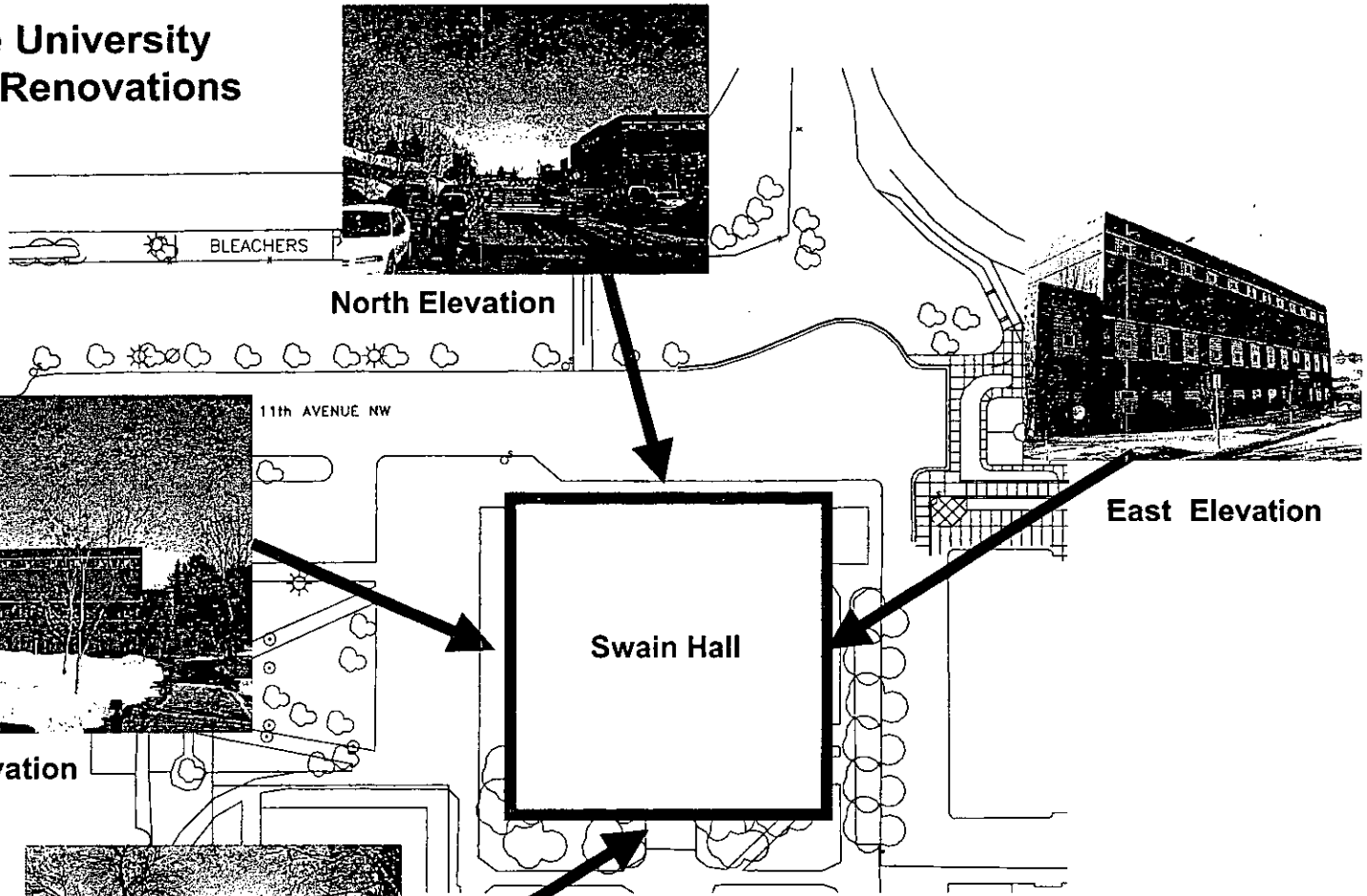


West Elevation



South Elevation

East Elevation



Existing Elevations

Old Main 1913-17/1925 Original Construction

Total Interior Renovation /15,000 sq. ft. addition completed in 2003 for a total of 8.9 million.

Current building insured value is 16.2 million.

First photograph:
Depicts the main entrance at the south elevation. Note the inefficient operating windows from 1972. These are scheduled for replacement, biennium 2007/09 with fixed, non-operating glass.

Second photograph:
Presents the 15,000 square foot addition which houses a portion of our music division, support spaces for Ann Nicole Nelson hall, and the mechanical/electrical equipment that service the facility. The newly constructed architecture compliments the building's original, historical traditions.

Third photograph:
An original interior stairwell retained and refurbished in the 2003 renovation.

Fourth photograph:
A portion of the grand foyer as you enter old Main from the south building entrance. The lobby acknowledges university supporters via displays and provides for a gallery that recognizes past president George McFarland. Previously the hall was McFarland Auditorium, and now is a state of the art performing center.

Fifth photograph:
Defines an informal gathering space common to the first floor corridor. The area has computer kiosks and a large meeting table that students use for group study and social activities.

Model Hall 1929 Original Construction

Total Interior Renovation /2,100 sq. ft. addition completed in 1992 for a total of 1.2 million.

Current building insured value is 2.9 million.

First photograph:
Depicts the south entrance of the building. Originally, due to the campus mission as a teacher's college, the facility was Model High School. In 1969 its program was changed to an experimental laboratory elementary school. Note the inefficient operating windows installed in 1977. These are scheduled for replacement biennium 2007/09 with fixed insulated glass.

Second photograph:
Presents the building addition completed in 1992. Due to a change in mission, the entire interior was redesigned and remodeled for university level delivery for math and computer sciences. The addition creates the "new" main entrance at the north elevation and provides for mechanical/electrical equipment on the upper two floors.

Third photograph:
A picture of an instructor interacting with students in a tiered lecture room that serves 60 students. The classroom employs "smart" technology for electronic delivery of instruction.

With the exception of these pages same testimony given to House and Senate

Minot State UNIVERSITY

Be seen. Be heard.



February 28, 2007
8:45 – 9:30 a.m.

HB No. 1003

60th Legislative Assembly
SENATE APPROPRIATION COMMITTEE HEARINGS

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OVERVIEW

Current

Minot State University has been achieving notable successes in the classroom, in faculty research and scholarships in the work of its Centers of Excellence—the Rural Crime and Justice Center, the North Dakota Center for Persons with Disabilities, the Center for Extended Learning, and in many efforts to plan for the future. It is through these efforts that the university focuses on its mission:

> ***Minot State University is first and foremost dedicated to the success of all students: their growth and development as educated citizens, their confidence, and their life-long devotion to the common good and the welfare of others.***

Selected Accomplishments

New Strategic Plan
The University's Strategic Plan, Vision 2013, has recently been completed and identifies a new goal, strategic initiatives, and priorities for the future. The campus is currently engaged in identifying specific action plans and projects to support the vision.



Institutional Vision
Minot State University of the future will achieve a national reputation as an institution of place and engagement that is dedicated to high-quality student learning within an inclusive community, to student growth, character, and success, to diversity and multiculturalism, to valuing and supporting faculty and staff, and to a life-long commitment to the common good. Concomitantly, the MSU graduate of the future will be known for vision, creativity, compassion, tolerance, character, sound judgment, and commitment to the life of the community and the common good. Confident, insightful, and learned, and devoted to life-long learning, the MSU graduate will be well prepared for the future, and capable of realizing positive achievements and accomplishments in career, life, and service to others.

Roundtable and Cornerstone Projects

Committed to the North Dakota Roundtable project, Minot State University has experienced notable success in meeting the Cornerstone goals for academic enhancements and economic development. MSU's efforts are in keeping with the Roundtable's goal, which is: "To enhance the economic vitality of North Dakota and the quality of life of its citizens through a high-quality, more responsive, equitable, flexible, accessible, entrepreneurial, and accountable university system."

The plan leads to effective work between the NDUS, the ND legislature and executive branch, and the private sector to create agreed-upon funding and accountability mechanisms. The plan leads to the alignment of the budgets and the appropriation processes, so they are consistent with the directions and expectations of the Roundtable--to reflect a relationship with the NDUS and to ensure flexibility with accountability

Examples of results on the Minot State University campus include:

- Increases in graduate programming and enrollments.
- Programs to enhance greater diversity and tolerance.
- Technological advances for the classrooms.
- New recruitment initiatives and enhanced enrollment management program.
- Improved tuition-waiver program.
- Projects initiated by the university's Prairie Community Development Center to enhance the economic development of the region.







Peer-Comparison Model to Guide Long-Term Financing and Operations

> Tying the NDUS funding to the state general fund budget permits the University System to share in and be rewarded for contributing to the state's economy, which is one of the major tenets of the Higher Education Roundtable.

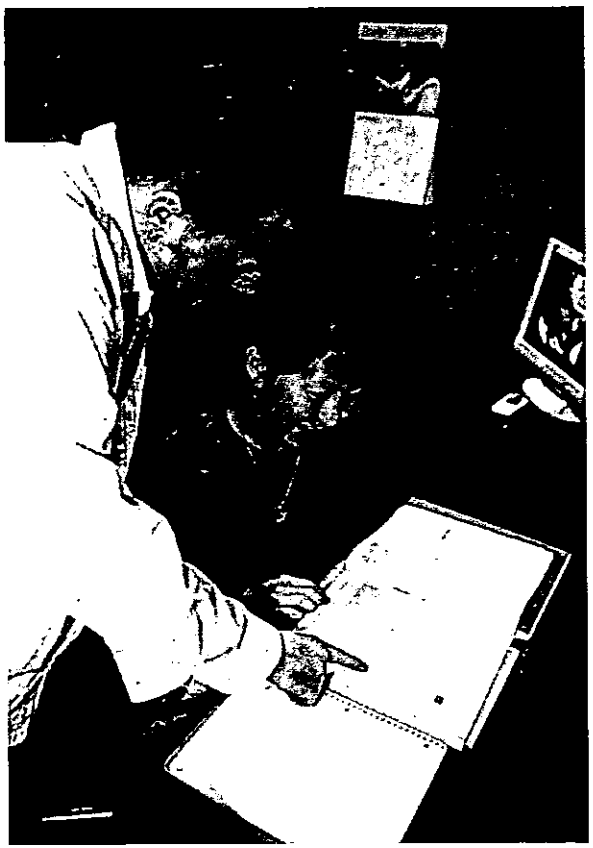
Minot State University's peers are located across the nation, in the East, South, Midwest, and West. Those locations across the country are essential because higher education competes on a national and international arena, and should not be limited to a comparison within a specific locality. According to the MGT report, Minot State University charges 77% of the tuition of its peers; and its receives 64% of the amount of appropriations received by its peers. Using those comparisons and formulas the university is able to establish clear and compelling benchmarks for funding and operations, so that it can understand what is required to compete on a national level.



Economic Impact of Minot State University

Understanding the basic principle of the Roundtable and our charge to contribute to the economic welfare of the state through this partnership, Minot State University was pleased to note in the recent "Economic Impact of the North Dakota University System," a study by Larry Leistritz and Randall Coon, a significant growth in the economic impact of the university. It is clear from the report that:

- The NDUS institutions are contributing significantly to the state's economy.
- Minot State University's economic impact on the state and region has risen in just seven years from $89 million in FY 1999, to $119 million in FY 2004, to $136 million in 2006.
- Those results and others verify the significant role MSU and the state institutions play in the Roundtable and the economic development of our cities, regions, and state.



Roundtable Accountability Measures (selected)

These measures show the extent to which the NDUS and individual institutions meet the "flexibility with accountability" expectations of the Roundtable (see 2006 Accountability Measures Report). Selected measures and results for MSU include:

- Increase of Nursing licensure pass rates in 2004 from 75.8% to 94% in 2006 (compares to the national pass rate of 86.2% in 2006).
- Students reported levels of satisfaction higher than the national means for each standard except one. The question that generated a lower rating than the national average (campus safety and security) has led to MSU's concerted effort to study the results and determine how that perception could be addressed.
- Alumni reported levels of satisfaction higher than NDUS and national averages in the overall rating of the institution and the quality of instruction.
- The MSU mean exceeds the mean score of the NDUS reported employer satisfaction for each of the survey questions.
- Overall job satisfaction reported by employees has increased from 2002-2006.
- Tuition and fees remain below the regional and national averages and continue to show the exceptional value provided to students.

Enrollment: Past, Present, and Future

Enrollments have been declining slightly in the last two years but showing noticeable increases in various categories, particularly in on-line, Canadian, graduate, and Native American enrollments. Since 1997, the headcount and the FTE numbers have increased significantly reveal notable changes in enrollment patterns.

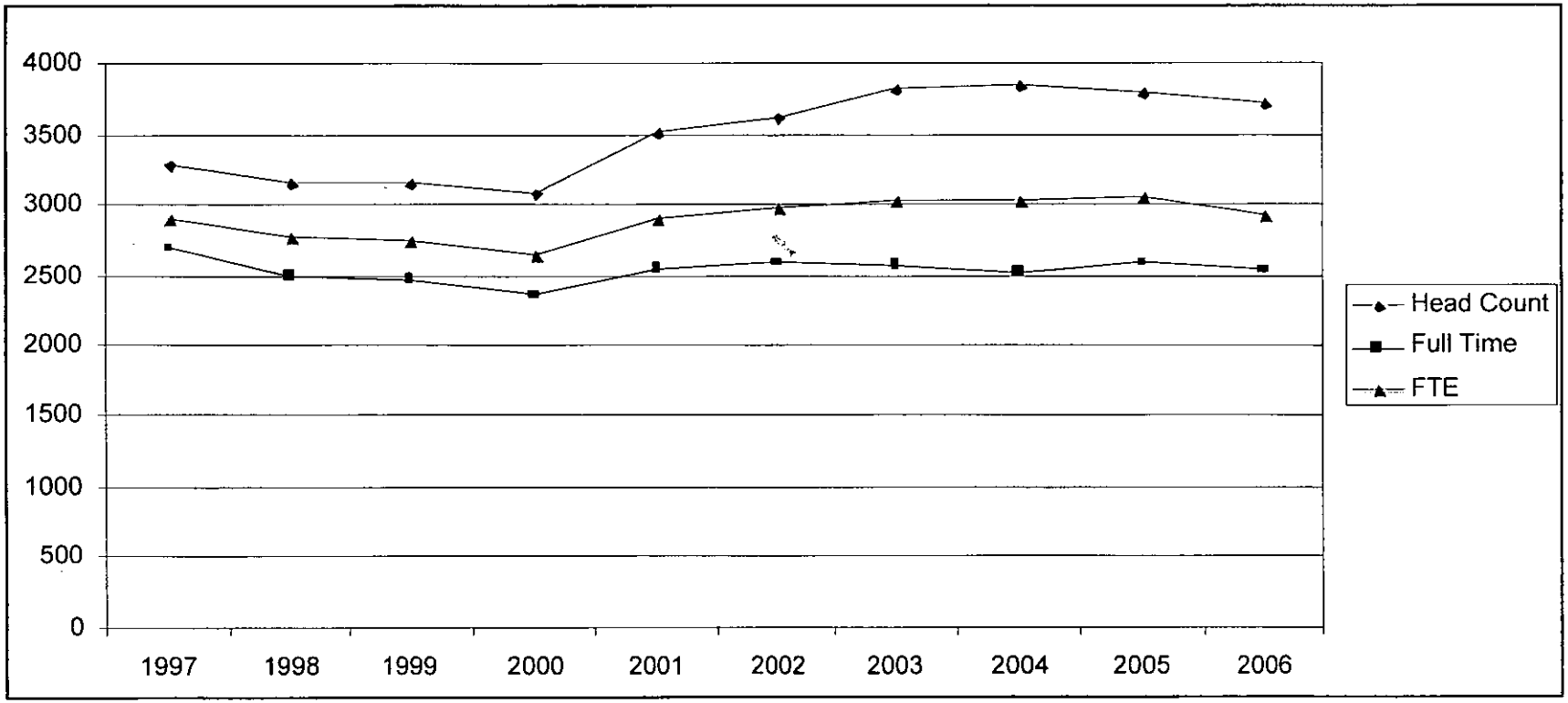
- Official 2006 fall semester headcount enrollment was 3,712, which marked a 2% decrease from the numbers registered in the fall of 2005.
- Decreases were reflected in a 36% decline in transfer students, a 10% fall in face-to-face off campus students (Minot Air Force Base and Bismarck), and a 10% decrease in Ward County students.
- Increases were realized in new freshman students (2%), part-time graduate students (20%), total graduate students (14%), Native American students (14%), Canadian students (8%), International students ((14%), and e-learning/on-line students (14%).
- The fall 2006 enrollment of 3,712 compares to the fall enrollment five years ago in 2001 at 3,515. Full-time equivalent enrollment of 2,986 in fall 2006 compares to 2,739 FTE in 2001, which represents an increase of 247 FTE in the five year period.
- In 10 years, MSU's enrollments have grown considerably in that time period (see the following tables). Changes have occurred in the type of enrollments, particularly in the shift from face-to-face to online courses and programs. The mixture of courses provides students more choices and convenient options for courses and programs, and at the same time compels the university to reallocate resources, reassign loads, and accommodate different student demands and expectations for virtual courses and support. This dynamic has put immense pressure on the existing infrastructure, faculty loads, professional development, technology support, and assignments.

The following tables will illustrate these changes in enrollments and delivery methods.

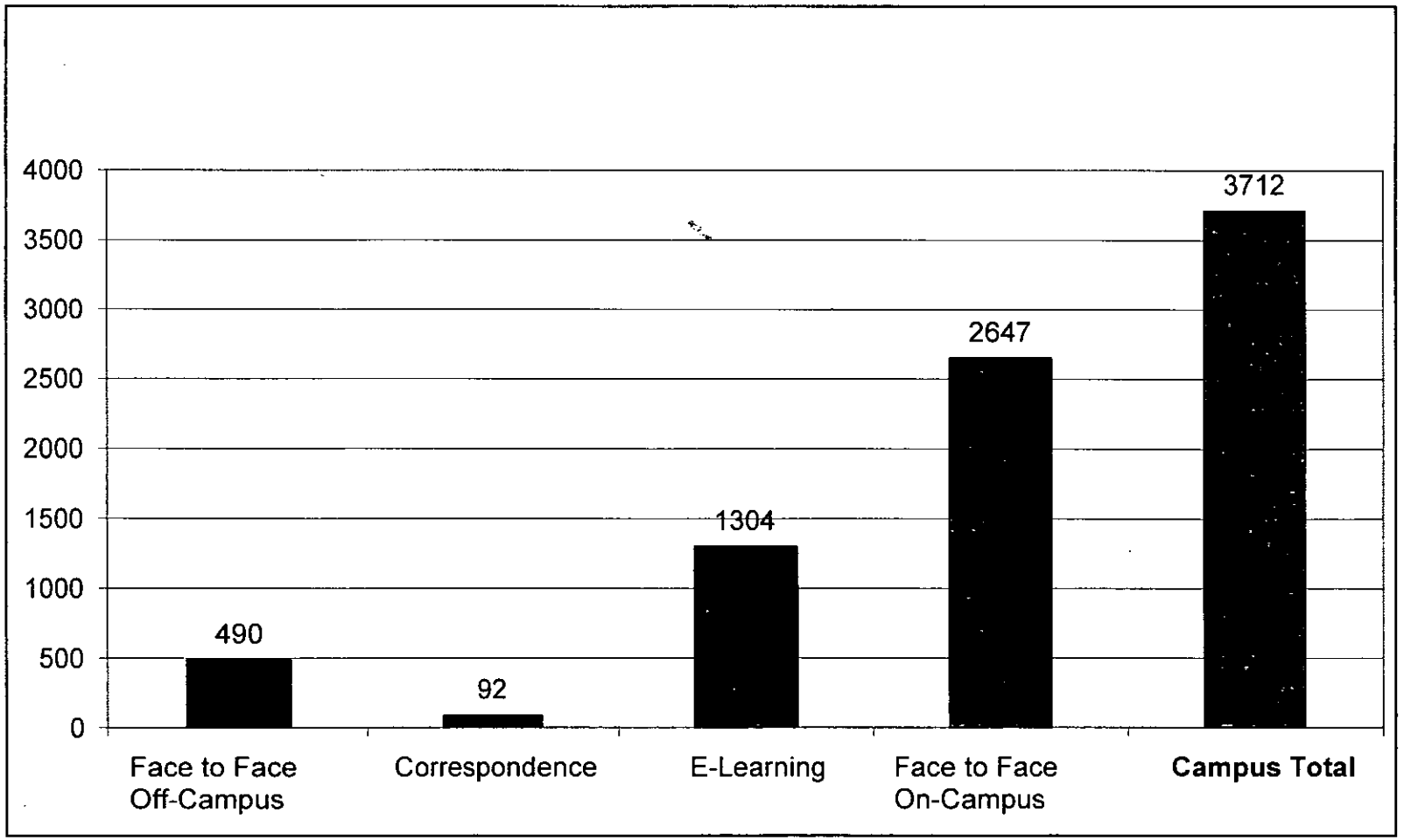


Degree Credit Fall Enrollment Comparison

Fall 1997 through Fall 2006



Degree Credit Headcount
Fall 2006



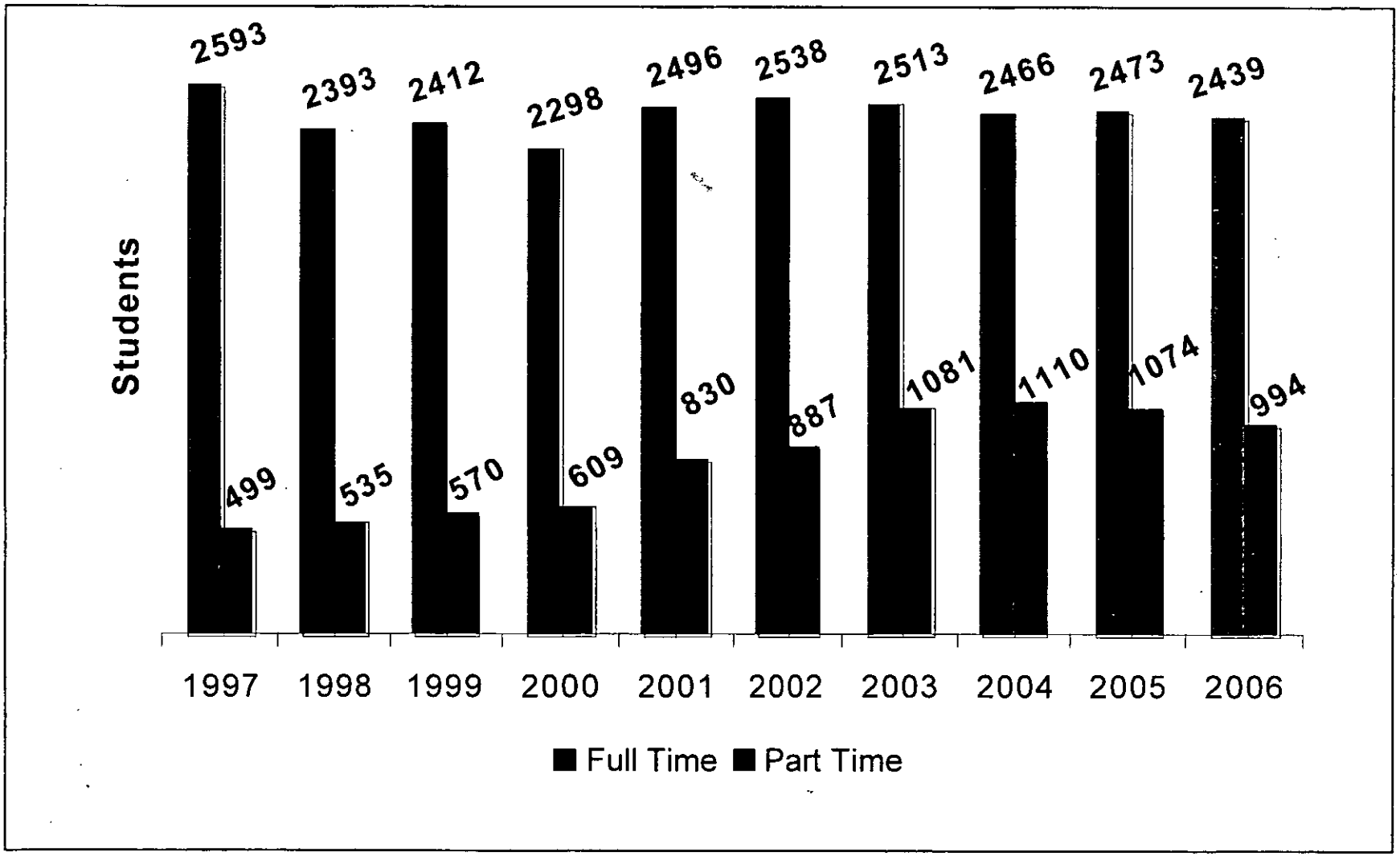
MSU Headcount (HC) and Full-time Equivalent (FTE)*
1997-2006

Graduate and Undergraduate Combined

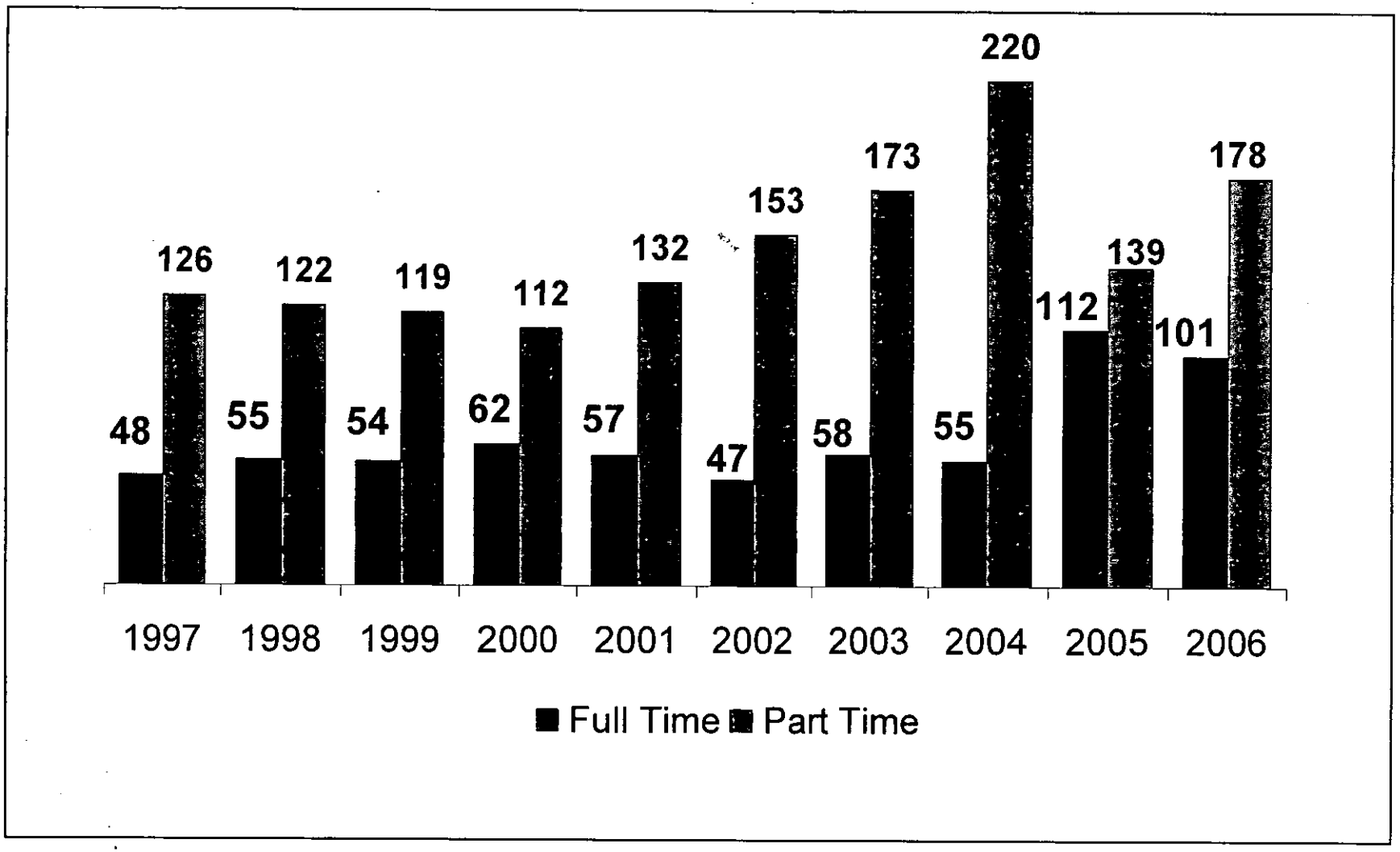
Year	Headcount	% Change	FTE*	% Change
1997	3294	----	2727	----
1998	3156	-4.2	2597	-4.8
1999	3155	0.0	2588	-0.3
2000	3081	-2.3	2491	-3.7
2001	3515	14.1	2739	10.0
2002	3625	3.1	2789	1.8
2003	3825	5.5	2839	1.8
2004	3851	0.7	2844	0.2
2005	3798	-0.8	2884	1.4
2006	3712	-2.3		

*FTE of total credit hours (graduate and undergraduate).

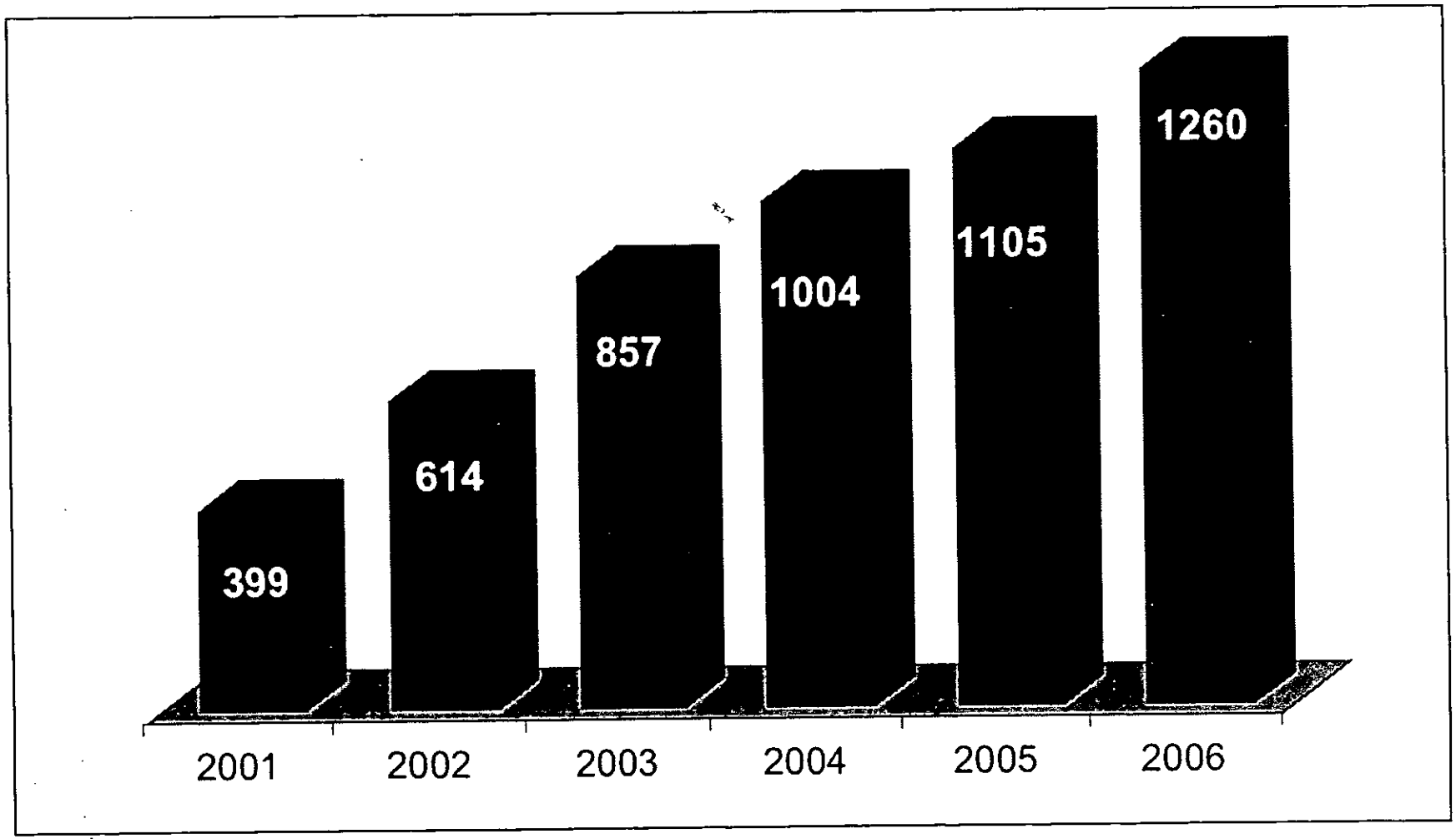
MSU Enrollment 1997–2006
Total Full-time/Part Time Status
Undergraduate Students



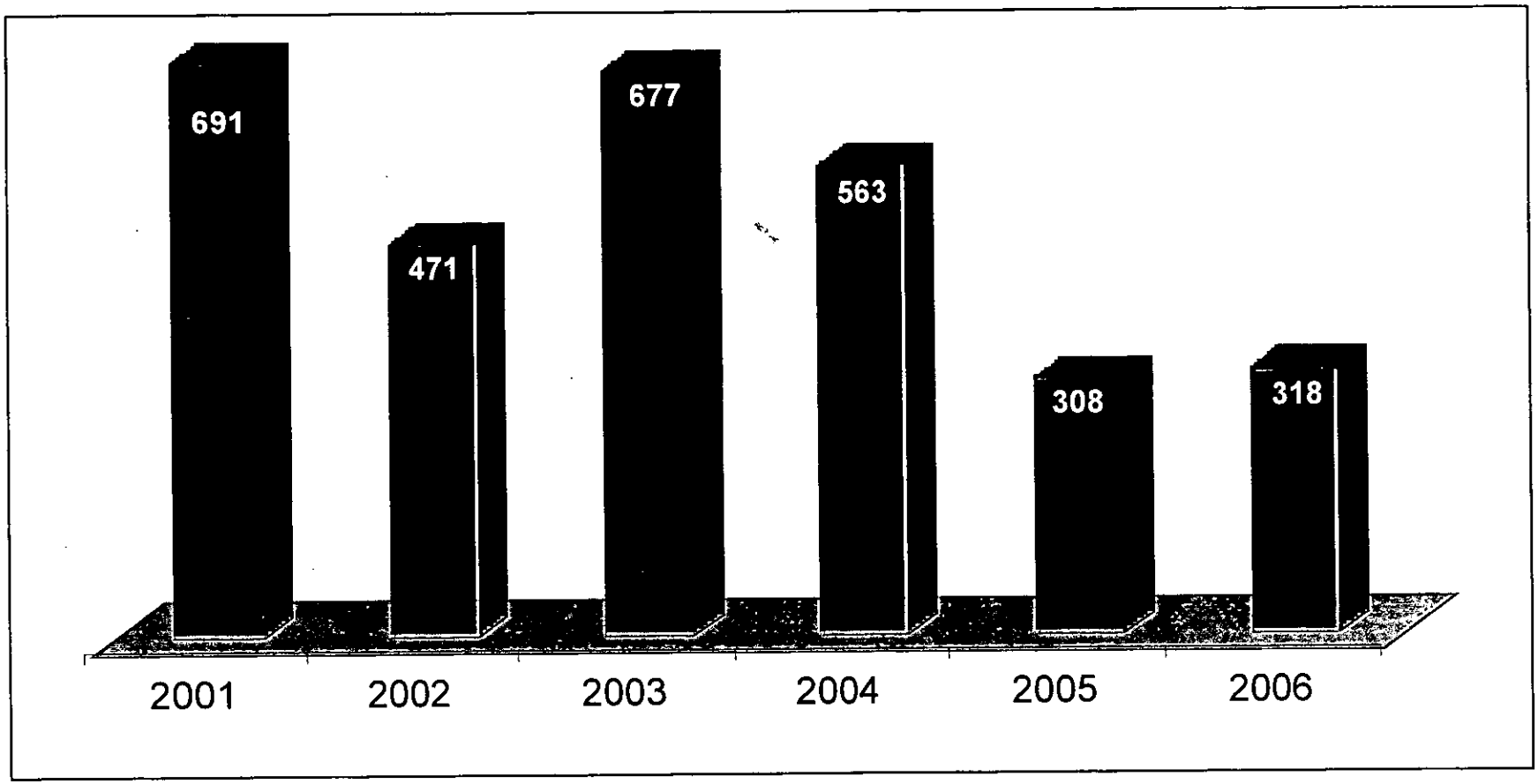
MSU Enrollment 1997–2006
Total Full-time/Part Time Status
Graduate Students



MSU Center for Extended Learning
Headcounts: Fall 2001–2006
Online



MSU Center for Extended Learning
Headcounts: Fall 2001–2006
Minot Air Force Base



Areas of Focus and Specialization

Higher Learning Commission Self-Study

In preparation for the visit of the Higher Learning Commission accreditation team in April 2008, the university is undergoing an inclusive and in-depth self-study of its teaching and learning and general operations. The self-study is organized by four themes indicating that MSU is: 1) future focused, 2) learning focused; 3) a connected organization; and 4) a distinctive organization. Wide-spread involvement by faculty, staff, students, and external stakeholders is driving the study and analysis.



Master Plan

Led by an architectural firm with special expertise in university planning, this master plan has resulted in a comprehensive campus plan for the next ten years. Key findings and recommendations involve: new signage, reconfigured entrances and interior roads, thematic elements to complement the theme of place and engagement in the strategic plan, walkways and landscaping design, relocation of some existing programs for better efficiencies, student service, and cooperation with external constituencies, new parking options, expansion and alignment of a proposed new community bowl, and future building projects (e.g., wellness center, alumni center, and childcare facility).



Compensation Task Force

To address a critical need for improved faculty and staff salaries, the university formed a compensation task force, comprised of faculty, staff, and administrators, to study existing salaries, identify comparable national benchmarks for each classification, to develop a five-year plan and goal for reaching agreed-upon objectives for salary levels. The first year has resulted in a detailed analysis and recommendations for salary enhancements. The university has identified individual salary disparities and used a pool of funds to increase all salaries and to address individual classification inequities.

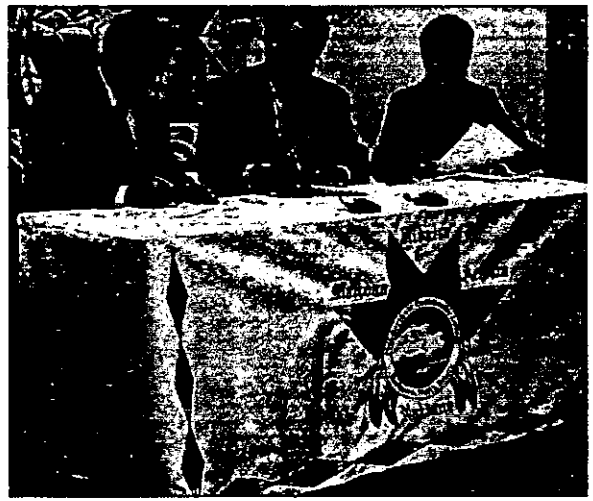
International Initiatives

In response to the strategic interest in global education and diversity, the university has begun to build a strong infrastructure for international support and programming, to pursue international partnerships, and to increase international recruitment, exchanges, and study opportunities. A few notable achievements include: 1) a signed partnership agreement with SIAS International University in the Henan Province of China, resulting in the exchange of faculty and students, study tours to China, the planning for a master's degree for visiting students; 2) a partnership agreement with Kadir Has University in Istanbul, Turkey, with plans for student and faculty exchanges and study tours; 3) a new International Director; and 4) plans for additional partnerships and initiatives in the West Indies, Norway, Sweden, and Denmark.

Native American Partnerships

Building on the strengths of the university's Native American curriculum and Native American Cultural Center and tradition of cooperation with Native American community members, the university has pursued cultural exchanges, recruitment, and cooperation. A few notable examples include:

- The signing of a partnership agreement with Ft. Berthold Community College in December 2006 and with Turtle Mountain Community College in February 2007.
- A review and increase of financial support to Native American students.
- The forming of a new Native American Task Force to identify new directions for cooperation.
- A Native American Honor Dance and Celebration on campus in the spring.



New Building Projects to Enhance Campus Support for Students

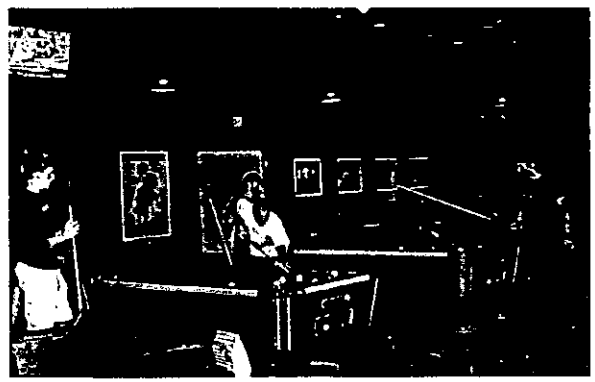
A number of building projects and enhancements have been completed in the fall. These include:

- Crane Hall Renovation (renovation of an existing residence hall into four-person suites).
- The "Beaver Dam" (renovation of the old Student Union Ballroom into an engaging and multidimensional student activity center).
- Dakota Hall (remodeling of the south end of the first floor to accommodate residence life offices; remodeling of restrooms on each floor).
- Creation of a new multi-cultural center.
- Outsourcing and renovation of the university bookstore.
- Upgrading of the Student Union and addition of inviting new spaces for students, faculty, and staff to strengthen the campus environment.



New Initiatives to Support First-Year Students

To strengthen support for the university's first-year students, the university has embarked on a comprehensive first-year program. This year, the university instituted a new mentoring program for first-year students; started an enhanced orientation program required for all first-year students; and developed a first-year residency requirement focused on improving students' connections to campus and their academic success and engagement (to begin in fall 2007).



FUTURE
Institutional Needs and Priorities
Financial Needs and Priorities: Budget

Comparison of SBHE General Fund Request to Executive Recommendation & Engrossed HB1003

For Minot State University	SBHE 2007-09 Prioritized GF Request	Executive Recommendation	House Adjustments Note 1	Engrossed HB1003
2005-07 Original General Fund Appropriation	**$ 27,892,719**	**$ 27,892,719**		**$ 27,892,719**
Base Adjustments	**(80,000)**	**(80,000)**		**(80,000)**
2005-07 Adjusted General Fund Appropriation, Net of Base Adjustments	**27,812,719**	**27,812,719**	**27,812,719**	
Prioritized SBHE Requested Increase in Base Funding:				
Capital Assets Increase-Ongoing Extraordinary Repairs	286,233	*Funded as one-time (Line 10)*		
Campus Parity	2,616,595	2,616,595	(304,357)	2,312,238
Campus Equity	338,104	338,104		338,104
House Adjustments to Base Funding				-
Total Requested Increase in GF Base Funding & Adjustments	3,240,931	2,954,699	(304,357)	2,650,342
Subtotal Base GF Request, Compared to Executive Recommendation & Engr HB1003	**31,053,650**	**30,767,418**	**(304,357)**	**30,463,061**
One-time Budget Increases, Excluding Major Capital Projects:				
Capital Assets Increase-Ongoing Extraordinary Repairs	*Requested as base (Line 4)*	286,233		286,233
Infusion for Deferred Maintenance	949,401	569,641		569,641
House One-time Adjustments				-
Subtotal One-time GF Request, Excluding Major Capital Projects, Compared to Exec Recommendation & Engr HB1003	**949,401**	**855,874**	-	**855,874**
2007-09 State General Funded Projects	159,585	2,500,000	4,387,000	6,887,000
Total 2007-09 General Fund Request, Compared to Executive Recommendation & Engrossed HB1003	**$ 32,162,637**	**$ 34,123,292**	**$ 4,082,643**	**$ 38,205,935**

Note 1 House Adjustments Include:

Reduce salary increases from 5/5 to 4/4	$ (304,357)
Dome floor replacement	387,000
Increase state funding for Swain Hall	4,000,000
	$4,082,643

Parity and Equity—4% Salary Increase
FY2008–FY2009

State Funded Portion at 65%

Parity	$2,312,238	State 65% of 4% salary increase	$1,197,729
Equity	338,104	Health Insurance	485,331
		Cost to continue funded Salary	
Subtotal	2,650,342	Increase	323,569
		Total increase for salary & health	
Total increase for salary & health insurance	2,006,629	insurance	$2,006,629
	643,713		
2.4% inflation	(215,482)		
	$428,231		

MSU Funded Portion at 35%

	$428,231	MSU 35% of 4% salary increase	$644,931
Total increase for salary & health insurance	1,080,492	Health Insurance	261,332
		Cost to continue funded Salary	
Subtotal	(652,261)	Increase	174,229
		Total increase for salary & health	
2.4% inflation	(132,261)	insurance	$1,080,492
	($784,522)		

Unfunded after 5% Tuition Increase

2% decrease in FTE	543,746	= (240,776)
No increase/decrease in FTE	949,200	= 164,678

Parity and Equity—5% Salary Increase
FY2 -FY2009

State Funded Portion at 65%

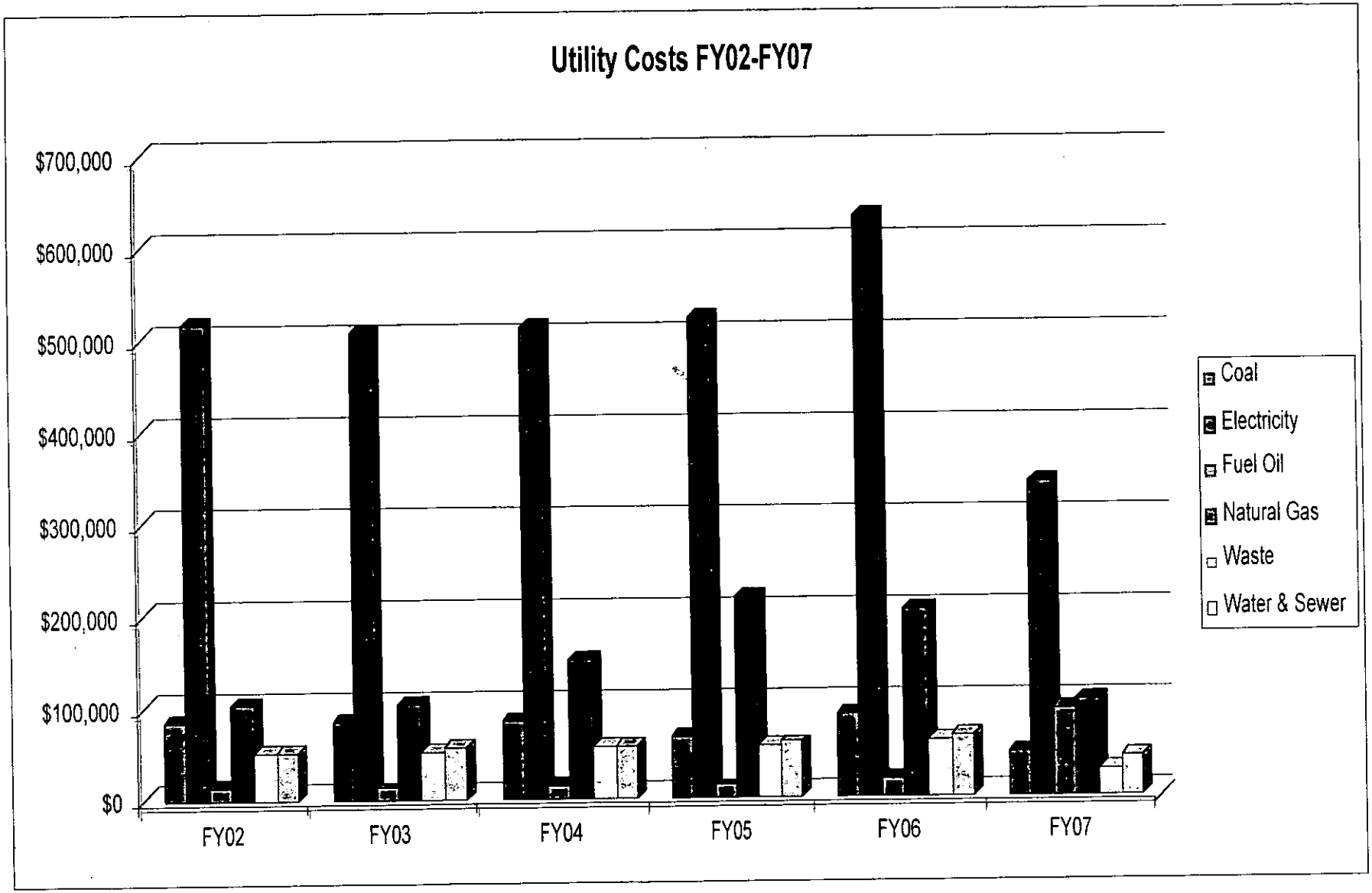
Parity	$2,616,595	State 65% of 5% salary increase	$1,502,086
Equity	338,104	Health Insurance	485,331
		Cost to continue funded Salary Increase	323,569
Subtotal	2,954,699		
		Total increase for salary & health insurance	$2,310,986
Total increase for salary & health insurance	2,310,986		
	643,713		
2.4% inflation	(215,482)		
	$428,231		

MSU Funded Portion at 35%

	$428,231	MSU 35% of 5% salary increase	$808,816
Total increase for salary & health insurance	1,244,377	Health Insurance	261,332
		Cost to continue funded Salary Increase	174,229
Subtotal	(816,146)		
		Total increase for salary & health insurance	$1,244,377
2.4% inflation	(132,261)		
	($948,407)		

Unfunded after 5% Tuition Increase

2% decrease in FTE	543,746 = (404,671)
No increase/decrease in FTE	949,200 = 793


Utility Costs FY02-FY07
$700,000
$600,000
$500,000
$400,000
$300,000
$200,000
$100,000
$0
FY02
FY03
FY04
FY05
FY06
FY07
Coal
Electricity
Fuel Oil
Natural Gas
Waste
Water & Sewer

Swain Hall Renovation

Minot State University's campus master plan for 2000-2008, as revised March 2006, included narrative regarding the Swain Hall addition/renovation, which totaled 67,108 sq. ft. Costs were broken down as follows: $181,500 asbestos abatement, $4,307,600 remodel/addition, and $2,547,050 upgrade/replace electrical and HVAC, for a total estimated cost of $7, 036,150. The floor plan included in the master plan was the original floor plan when the building was constructed. That original floor plan for Swain included considerable space for athletics, as the basketball court and adjoining facilities were the only athletic facilities on the campus. A review of that original plan might suggest that the building was designed for 2/3 athletics and 1/3 academics, but in reality the current usage remains predominantly academic.

This simply is not how the building is currently being utilized by Minot State University and planned for its use in the future. All university athletic contests and events are held in the Dome. Most of the space in Swain is currently used either all the time or a majority of the time by the Department of Teacher Education and Human Performance for physical education classes, training classes, and intramurals. Many non-physical education faculty offices and the physical education classrooms are in Swain. Swain Hall is home to all courses for physical education majors, and 75%-85% of all students attending Minot State University take at least one class in Swain Hall. Many non-physical education majors take three to five classes in Swain. Swain Hall is also used for Special Olympics, state-wide workshops, intramurals, and a variety of campus and community events. These events and usages are academic in nature, not athletic. The gym floor or old basketball court is used by the Human Performance academic department, as well as by the city of Minot, but only occasionally by athletic teams as a practice facility when the Dome is being used for public events. There are some athletic offices and locker rooms in the building, but these take only a small percentage of the space of Swain, and those will be relocated to another building in the future when the university's new campus master plan is fully implemented.

The building as it is currently used has a large area of underutilized and inefficient space in need of constant repair. Lighting is inadequate, plumbing and heating systems are outdated, and the original galvanized plumbing in glazed block walls has deteriorated to the point of leaking through the walls in many places. Ventilation is nearly nonexistent. The building requires the opening of windows to introduce fresh air and regulate temperature. Swain Hall has a significant amount of asbestos that needs to be abated.

Minot State University's new strategic plan envisions Swain Hall becoming an academic building housing an expanded Human Performance program and with the addition of new classrooms and laboratory space for the sciences. In the new scenario for Swain Hall as an academic building, the wellness center will be housed in a facility adjoining the student union, and the athletic offices and locker rooms will be housed in an addition to the Dome. Bleachers will be taken out of Swain to provide more classroom space. Other departments within the College of Education will move into Swain to allow other academic departments to be consolidated in their respective buildings.

Swain Hall Budget

Asbestos abatement	$181,500
Remodel/addition	$4,307,600
Upgrade/replace electrical & HVAC systems	$2,547,050
Total	$7,036,150

One Time Deferred Maintenance Funds $855,874

Deferred Maintenance List from Campus Master Plan

Administration Building:		
Re-Roof	$64,130	$791,744
Replace HVAC system 1,3 floors (south)	$216,590	$575,154
Upgrade fire alarm system	$28,314	$546,840
Door signage/hardware—ADA	$29,645	$517,195
Main Building:		
Window replacement	$447,700	$69,495
Library:		
Door-Hardware—ADA	$11,495	$58,000
Power House:		
Six underground fuel storage tanks	$208,725	-$150,725
Coal boiler/ash removal system	$257,730	-$408,455
Install Cable tray system	$154,275	-$562,730
Dome:		
Upgrade fire alarm system	$102,850	-$665,580
Remodel restrooms/shower facilities—ADA	$53,845	-$719,425
Door hardware/signage—ADA	$42,350	-$761,775



Areas of Potential Future Innovation

- Environmental Curricula and Practice
- Career Support and Hands-On Learning
- Experiential Center and Internship Support
- Alternative Energy
- Civic engagement projects and service learning
- Northern Great Plains Research and Development Institute
- Centers of Excellence proposals
- Human Performance and Physiology Programs
- Wellness Center









Critical Priorities for the Future

In the view of Minot State University, the most critical priority for the future is for the Roundtable to prosper and function as was originally agreed upon by the Legislature, the private sector partners, and the North Dakota University System. An effort to fragment the system and to develop a model that runs contrary to the unified model now in place will be counterproductive and fiscally ineffective. The Roundtable goals and the North Dakota University System is the most powerful means of contributing to the growth of human capital in North Dakota.

Funding

The funding provided through the executive budget reflects the recognition of many needs facing the individual colleges and universities. While all of us support and appreciate one-time funding initiatives, we also know how important it is to strengthen our base to the level proposed in the NDUS budget. Our priorities at this point are to seek the restoration of the amount of base funding specified in the NDUS budget, which was in line with the Roundtable plan. At the very least it is a priority to restore the amount recently reduced from the executive budget.

Salaries

Base funding is critical to support the core functions of our institutions, especially the support of faculty and staff salaries. Faculty and the curriculum are the core of what we do. If we compromise that quality by keeping salaries low and preventing us from attracting well qualified scholars and teachers, we do our institutions and our students a disservice. Minot State University competes in a national and global environment. Competitive salaries are one of our greatest priorities. One of our priorities is to return to the executive budget recommendation to increase faculty and staff salary 5% per year and to maintain the current health insurance benefits.

Tuition

Keeping tuition low, so that we can remain competitive and so that we can keep our students' bills from escalating to the point that they cannot afford a college education, is as well a key priority for our university. We are supportive of holding the line on tuition increases and not increasing the tuition more than 5% per year during the 07-09 biennium. But keeping the tuition at that level requires increases in base funding to a level recommended in the SBHE's budget request. According to our calculations, if base funding is not increased to those levels and the tuition is held at 5%, Minot State University would need at least an 8% increase to support the added costs.

ConnectND

Despite all the good efforts by CND staff, the NDUS, and the individual campuses, ConnectND remains costly, cumbersome, and inadequately supported. Of all the systems on the MSU campus, this one has proven most challenging and causes a great deal of stress for our employees and students. The NDUS is on the verge of addressing these serious flaws through the excellent efforts of our Executive Director and our CIO. They have identified a plan to significantly improve this system, but it will take dollars and support to get us there. If we do nothing or if we limit the solutions provided to us by our consultant and director, the system will continue to get more costly and, worse yet, continue to cause our universities and colleges serious problems. An investment in the CND system and in the recommended solutions is one of the top priorities for Minot State University and the NDUS.

Conclusion

Minot State University greatly appreciates the support we receive from the state and the legislature. We believe that what we do is critical to the future of North Dakota and its purpose to strengthen the human capital of the state, the economic welfare of the state, and the future promise of our students. We urge you to continue to support the Roundtable and the unified system in North Dakota, and the roles each of our institutions play in the economic and intellectual development of our regions and the state at large.





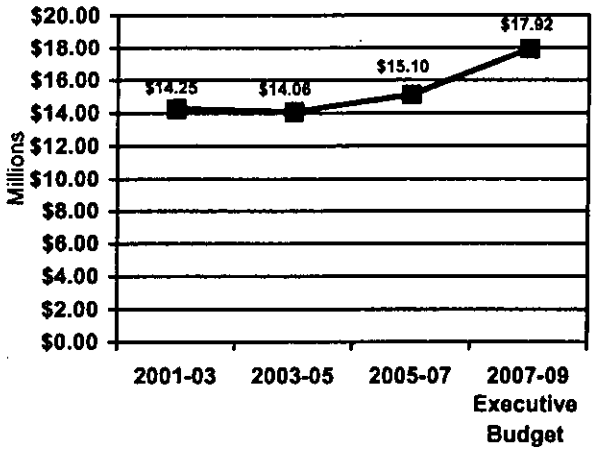
Prepared by the North Dakota Legislative Council staff for House Appropriations
January 5, 2007

Department 239 - Dickinson State University
House Bill No. 1003

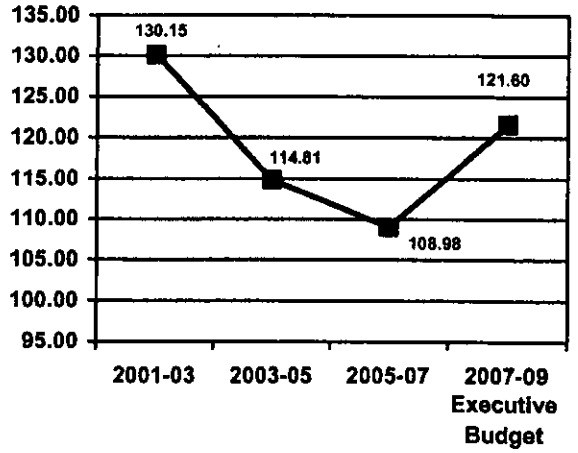
	FTE Positions	General Fund	Other Funds	Total
2007-09 Executive Budget	121.60	$17,917,119	$8,000,000	$25,917,119
2005-07 Legislative Appropriations	108.98	15,095,317	9,100,557	24,195,874 [1]
Increase (Decrease)	12.62	$2,821,802	($1,100,557)	$1,721,245

[1]The 2005-07 appropriation amounts do not reflect $357,763 of general fund carryover from the 2003-05 biennium.

Agency Funding - General Fund



FTE Positions



Executive Budget Highlights

	General Fund	Other Funds	Total
1. Provides parity funding of $1,641,858 for the following:			
Costs to continue fiscal year 2007 legislatively funded salary increases	$184,628		$184,628
5 percent per year salary increases	923,674		923,674
10 percent per year health insurance increases	419,400		419,400
2.4 percent per year operating inflation	114,156		114,156
Total (The executive recommendation only includes approximately 92 percent of the total general fund portion of parity costs of $1,793,993. Operating inflation of $152,135 is not included in the executive recommendation. An annual tuition increase of 4.7 percent would be needed to fund the remaining general fund portion of $152,135 and to fund the student portion of parity costs of $768,854.)	$1,641,858		$1,641,858
2. Provides equity funding of $544,871. (The executive recommendation includes a $10 million increase for equity distributed among the 11 higher education institutions. The amount distributed to each institution was determined by considering both the institution's dollar difference from their peer benchmark as well as giving a greater weighting factor to those institutions that are the furthest behind their peer benchmark.)	$544,871		$544,871
3. Provides funding for extraordinary repairs of $1,018,763 equal to the 2005-07 base funding of $383,690 plus a proportionate share, $635,073, of the $10 million increase that is included in the executive recommendation. (The additional funding of $635,073 is **identified as one-time funding in the executive budget.**)	$635,073		$635,073

4. Removes major capital project funding provided in the 2005-07 biennium, including $4,100,557 from state bond proceeds for the second phase of the Murphy Hall renovation and expansion and $5 million from special funds for the Whitney Stadium renovation and addition	($9,100,557)	($9,100,557)
5. Provides funding for major capital projects for the 2007-09 biennium, including $8 million in special funds for the Whitney Stadium renovation and addition	$8,000,000	$8,000,000

Other Sections in Bill

Transfer authority - Section 12 provides that the State Board of Higher Education may transfer funds from an institution's operations line item to the institution's capital assets line item if the board determines that additional funds are needed for capital projects or extraordinary repairs.

FTE positions - Section 13 authorizes the State Board of Higher Education to adjust FTE positions as needed for institutions and entities under its control.

Continuing Appropriations

Special revenue funds - NDCC Section 15-10-12 - Provides the continuing appropriation authority for higher education institutions' special revenue funds, including tuition, through June 30, 2007.

Major Related Legislation

House Bill Nos. 1030, 1031, and 1032 - These bills provide for the continuation of the following statutory provisions through June 30, 2009:

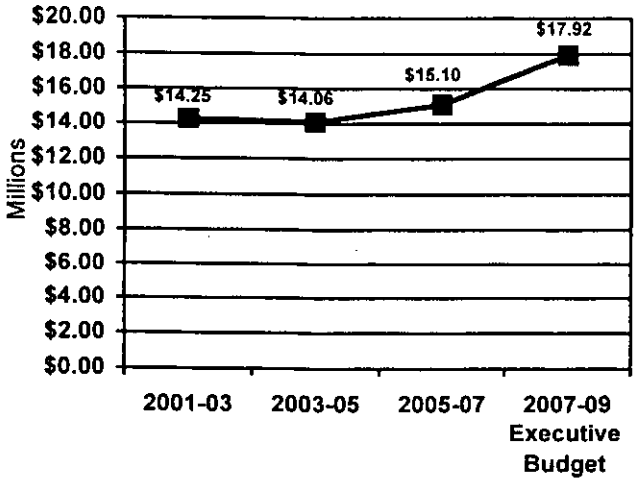
- The continuing appropriation authority for higher education institutions' special revenue funds, including tuition.
- The requirement that the budget request for the North Dakota University System include budget estimates for block grants for a base funding component and for an initiative funding component and a budget estimate for an asset funding component and the requirement that the appropriation for the University System include block grants for a base funding appropriation and for an initiative funding appropriation and an appropriation for asset funding.
- The North Dakota University System's authority to carry over at the end of the biennium unspent general fund appropriations.

Department 239 - Dickinson State University
House Bill No. 1003

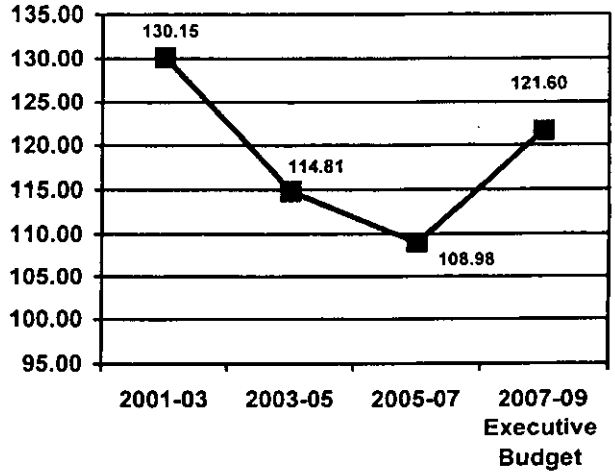
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Increase (Decrease)	12.62	$2,821,802	($1,100,557)	$1,721,245

[1]The 2005-07 appropriation amounts do not reflect $357,763 of general fund carryover from the 2003-05 biennium.

Agency Funding - General Fund



FTE Positions



First House Action

Attached is a summary of first house changes.

Executive Budget Highlights
(With First House Changes in Bold)

	General Fund	Other Funds	Total
1. Provides parity funding of $1,641,858 for the following:			
Costs to continue fiscal year 2007 legislatively funded salary increases	$184,628		$184,628
5 percent per year salary increases	923,674		923,674
Estimated health insurance increases	298,915		298,915
2.4 percent per year operating inflation	266,216		266,216
Total (The executive recommendation only includes approximately 98 percent of the total general fund portion of parity costs of $1,673,507. Operating inflation of $31,649 is not included in the executive recommendation.) **The House reduced parity funding by $187,158 from the general fund to reflect 4 percent per year salary increases.**	$1,641,858		$1,641,858
2. Provides equity funding of $544,871. (The executive recommendation includes a $10 million increase for equity distributed among the 11 higher education institutions. The amount distributed to each institution was determined by considering both the institution's dollar difference from their peer benchmark as well as giving a greater weighting factor to those institutions that are the furthest behind their peer benchmark.)	$544,871		$544,871

3. Provides funding for extraordinary repairs of $1,018,763 equal to the 2005-07 base funding of $383,690 plus a proportionate share, $635,073, of the $10 million increase that is included in the executive recommendation. (The additional funding of $635,073 is **identified as one-time funding in the executive budget.**)	$635,073		$635,073
4. Removes major capital project funding provided in the 2005-07 biennium, including $4,100,557 from state bond proceeds for the second phase of the Murphy Hall renovation and expansion and $5 million from special funds for the Whitney Stadium renovation and addition		($9,100,557)	($9,100,557)
5. Provides funding for major capital projects for the 2007-09 biennium, including $8 million in special funds for the Whitney Stadium renovation and addition		$8,000,000	$8,000,000

Other Sections in Bill

Transfer authority - Section 13 provides that the State Board of Higher Education may transfer funds from an institution's operations line item to the institution's capital assets line item if the board determines that additional funds are needed for capital projects or extraordinary repairs.

FTE positions - Section 14 authorizes the State Board of Higher Education to adjust FTE positions as needed for institutions and entities under its control.

Continuing Appropriations

Special revenue funds - NDCC Section 15-10-12 - Provides the continuing appropriation authority for higher education institutions' special revenue funds, including tuition, through June 30, 2007.

Major Related Legislation

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- The North Dakota University System's authority to carry over at the end of the biennium unspent general fund appropriations.

House Bill No. 1459 - This bill provides an appropriation to Dickinson State University for extraordinary repairs.

ATTACH:1



TABLE OF CONTENTS

FOREWORD

CAMPUS OVERVIEW
Enrollment, Retention and Graduation Rates and Campus Initiatives and Challenges

BUDGET ISSUES

MAJOR CAPITAL PROJECTS

MAJOR ACCOMPLISHMENTS
(Narrative)

FOREWORD

Dickinson State University's primary mission is to address the broad and ever-changing educational needs of the citizens of southwestern North Dakota. The university continues to serve the West River Region as it has for nearly 90 years, striving for excellence in its programs which include liberal arts, teacher education, business, agriculture and nursing.

Realizing that the future prosperity of North Dakota depends on developing its human capital, Dickinson State University adapts with flexibility and distinction to the changing needs of its students by enhancing the quality of its programs and services and increasing access to education by providing user-friendly modes of instruction. Above all, Dickinson State University continues to focus on providing a student-centered learning environment that affords each individual the opportunity to maximize his or her potential and gain the skills necessary to compete in a highly complex global economy.

Higher Learning Commission re-accreditation of Dickinson State University and the re-accreditation of several of its departments, including the Department of Nursing, the Department of Teacher Education, the Department of Music and the Small Business Development Center, prove the effectiveness of the university's comprehensive assessment plan and its firm commitment to continuous improvement. Utilizing the flexibility of the Legislative Roundtable, Dickinson State University has become competitive nationally and internationally.

The success of a university to maintain and increase enrollment depends on a variety of factors, including quality, facilities, programs, service and place. Dickinson State University conscientiously addresses each of these factors, realizing that North Dakota's future depends on attracting and keeping bright and talented people in the state's workforce. The following examples are proof of Dickinson State University's commitment to quality:

- Last fall, Dickinson State University achieved record enrollments for the 11th consecutive year.
- Results from the 2006 graduating class major field exit exams showed the psychology students' mean scores were at the 55th percentile, the Bismarck campus business graduates' scores were at the 60th percentile and the accounting graduates were at the 95th percentile. Furthermore, Dickinson

State University students are passing the CPA exam at 58.3 percent, more than 14 percent higher than the national average of 43 percent and leading all colleges and universities in North Dakota.

- Dickinson State University nursing students also demonstrate a high level of proficiency, with 55 of 59 graduates passing the National Council Licensing exam last year. This reflects a pass rate of 97.1 percent for practical nursing, compared to the state average of 90.1 percent and an 87.5 percent pass rate for registered nursing, compared to the state average of 86.2 percent.
- The graduating class of 2006 boasts a 98.7 percent placement rate. Also, 76 percent of North Dakota native graduates and 59 percent of non-resident graduates who obtained employment stayed in North Dakota.

Center for Entrepreneurship Driving Economic Progress

Rural communities across the nation that are thriving are doing so because of their focus on entrepreneurship. As a driving force for change within the region, as well as the state, the university continues to establish creative and innovative partnerships with other institutions, agencies and private sector entities. The Center for Entrepreneurship and Rural Revitalization at Dickinson State University is the realization of a vision formed through these partnerships to bring economic growth to the region. The Center, made possible in part by a $1 million gift from alumni Jerome Strom and his late wife, Rosie, was established in the fall of 2005. It was designated a state Center of Excellence in the spring of 2006. Many of the components that make up the Center are already in place. These include the annual Strom Entrepreneuring in North Dakota Conference, the Theodore Roosevelt Honors Leadership Program, the Small Business Development Center, and the North Dakota Trade Center at Dickinson State University. Supporting entrepreneurs and aspiring entrepreneurs in their efforts to compete on a global scale is just one objective of the Center. Other objectives include addressing the decline of rural communities, stemming outmigration and creating wealth for the region and the state.

Extended Campus Expands Opportunities for Non-Traditional Learners

One of the most rapidly growing segments of the student population is the adult learner. Through its Extended Campus, and in partnership with Bismarck State College,

Dickinson State University is meeting the unique needs of these students by continuing to expand its degree programs and online offerings. During the past two years, Dickinson State University expanded its offerings at Bismarck State College to include Bachelor of Science programs in education with available majors in both elementary and secondary education, Computer Technology Management, Computer Science and Human Resource Management, and minor and certificate programs in Human Resource Management and Entrepreneurship. Also, a Bachelor of Science in Business Administration is now offered completely online.

New, Renovated Facilities Support Student Learning

On-campus efforts to meet national needs include the nearly completed Murphy Hall Expansion and Renovation Project which provides students with a state-of-the-art science facility and a math/science grant totaling over $1.3 million being used to enhance teacher education. Dickinson State University also has responded to the Legislative Roundtable's concern about college students' soft skills development by adding an Academic Success Center to provide student support, tutoring and advising. The Center is located in Stoxen Library and includes an 18-unit computer lab dubbed "The Learning Commons Lab." This Center reinforces the library's role as an "information commons" designed to be a hub of intellectual inquiry and a place for research, creative dialogue, interdisciplinary pursuits and cultural activities.

Global Awareness Initiative Prepares Students for 21st Century

Dickinson State University continues to actively expand its Global Awareness Initiative by promoting international student and faculty exchange programs and forming partnerships with institutions from around the globe. The model for today's universities must be one that educates students to be competent in their discipline and intentionally prepares them to successfully participate as world citizens in a multicultural society and a highly technical global economy. Through education and interaction with people from other cultures, Dickinson State University fosters the ideal that individuals can contribute to tolerance and understanding worldwide. The university currently has partnership agreements with China, England, Japan, Kazakhstan, Mexico, Mongolia, Russia and Ukraine.

The heretofore mentioned initiatives illustrate Dickinson State University's commitment and determination to implement the Legislative Roundtable cornerstones and to enhance the economic potential for prosperity in North Dakota. The university continues to contribute to the "Quality of Place" by fostering visionary thinking and providing students and citizens with the skills necessary to maximize their potential, grow North Dakota and compete on a national and international level.

Attracting and retaining talented people is the key to North Dakota's future. By continuing to focus on and commit to excellence in education and providing quality facilities, programs, and services, Dickinson State University is making a substantial contribution to the future of North Dakota. This commitment is reflected in the highlights listed on the following pages. Thank you for your interest in and support of Dickinson State University and your efforts to enhance higher education across North Dakota.

Dickinson State University Campus Overview

Presented by
Dr. Lee A. Vickers, President

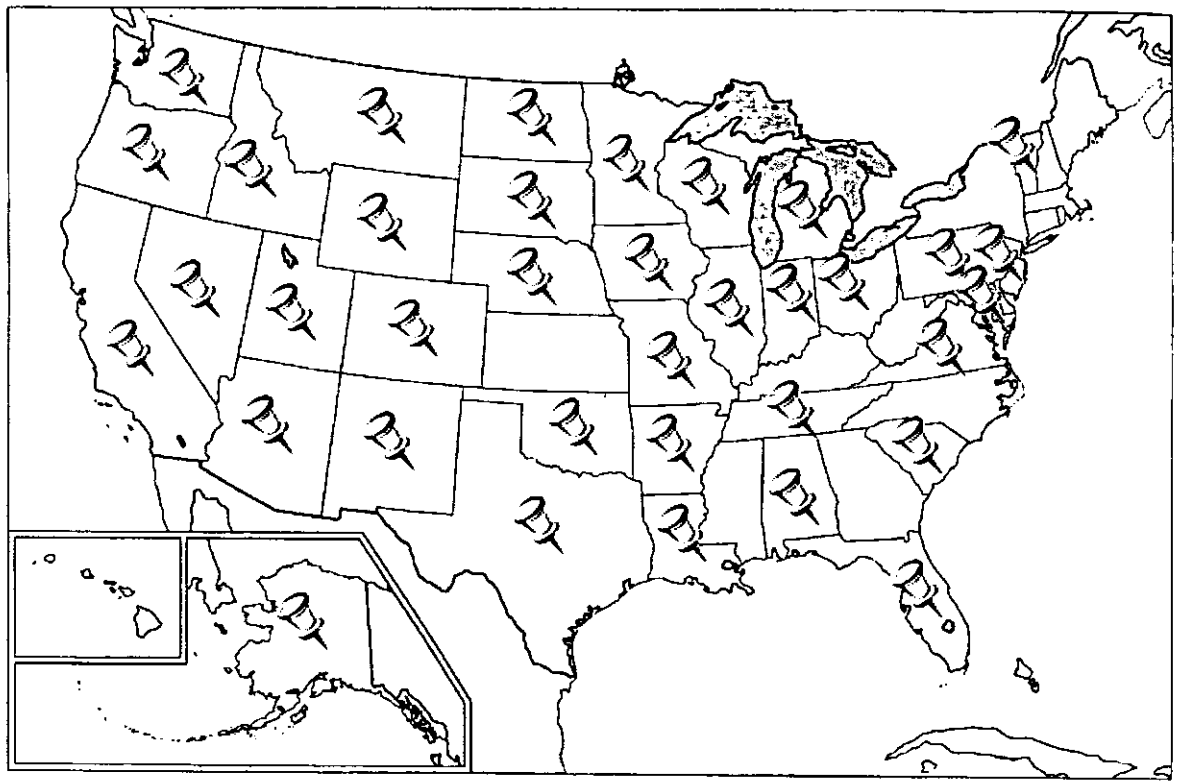
House Appropriations Committee
Education and Environmental Division
January 9, 2007

Overview

- Enrollment/Retention/Graduation Rates – Goals and Strategies
- Campus Initiatives
  - Joint Powers Agreement – RESP
  - Theodore Roosevelt
  - Global Awareness
  - Agrosecurity
  - Center for Entrepreneurship and Rural Revitalization/ Center of Excellence
  - DSU Foundation – Hawks Point
- Challenges

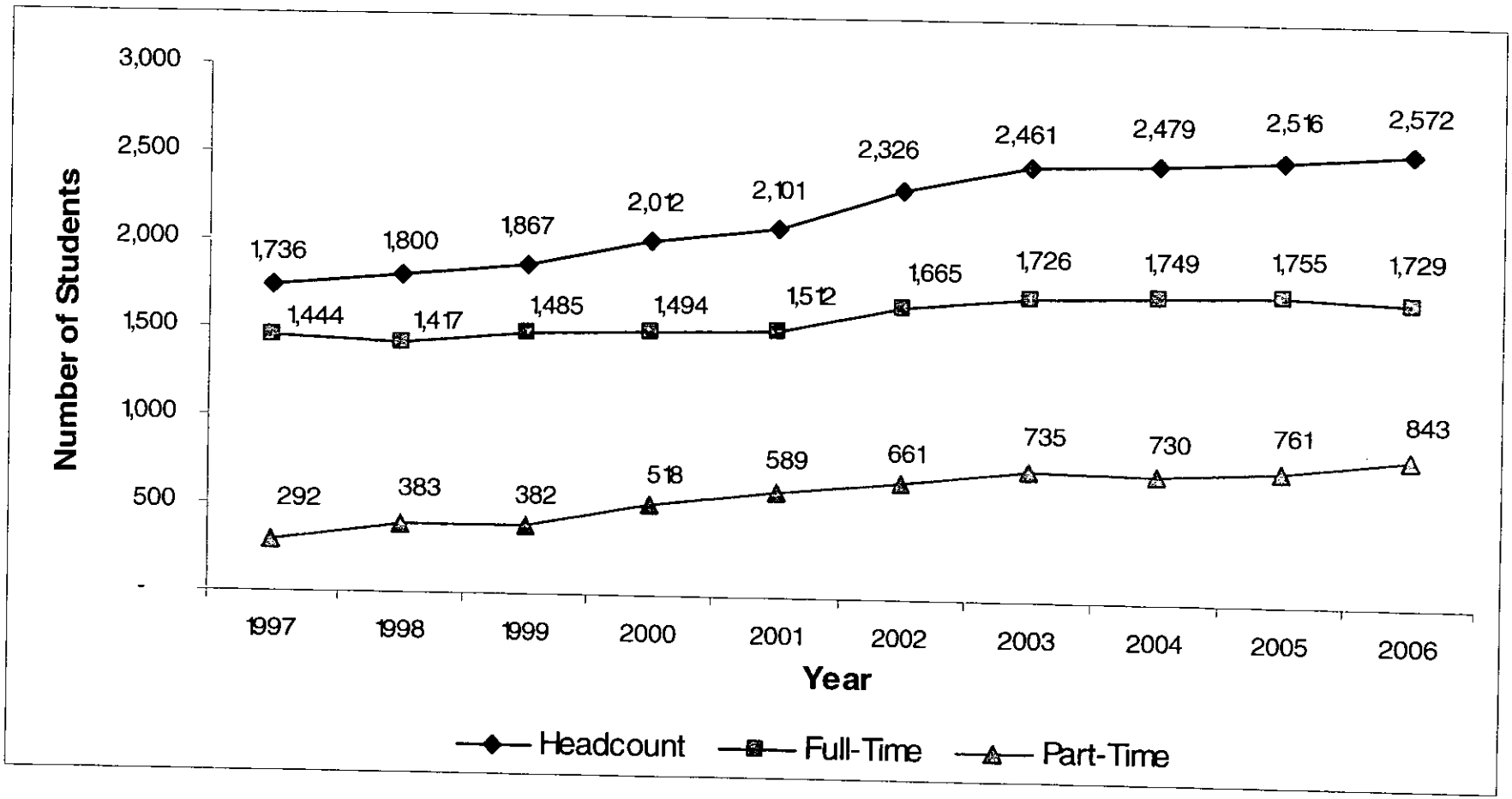
Students' States of Origin

Fall 2006

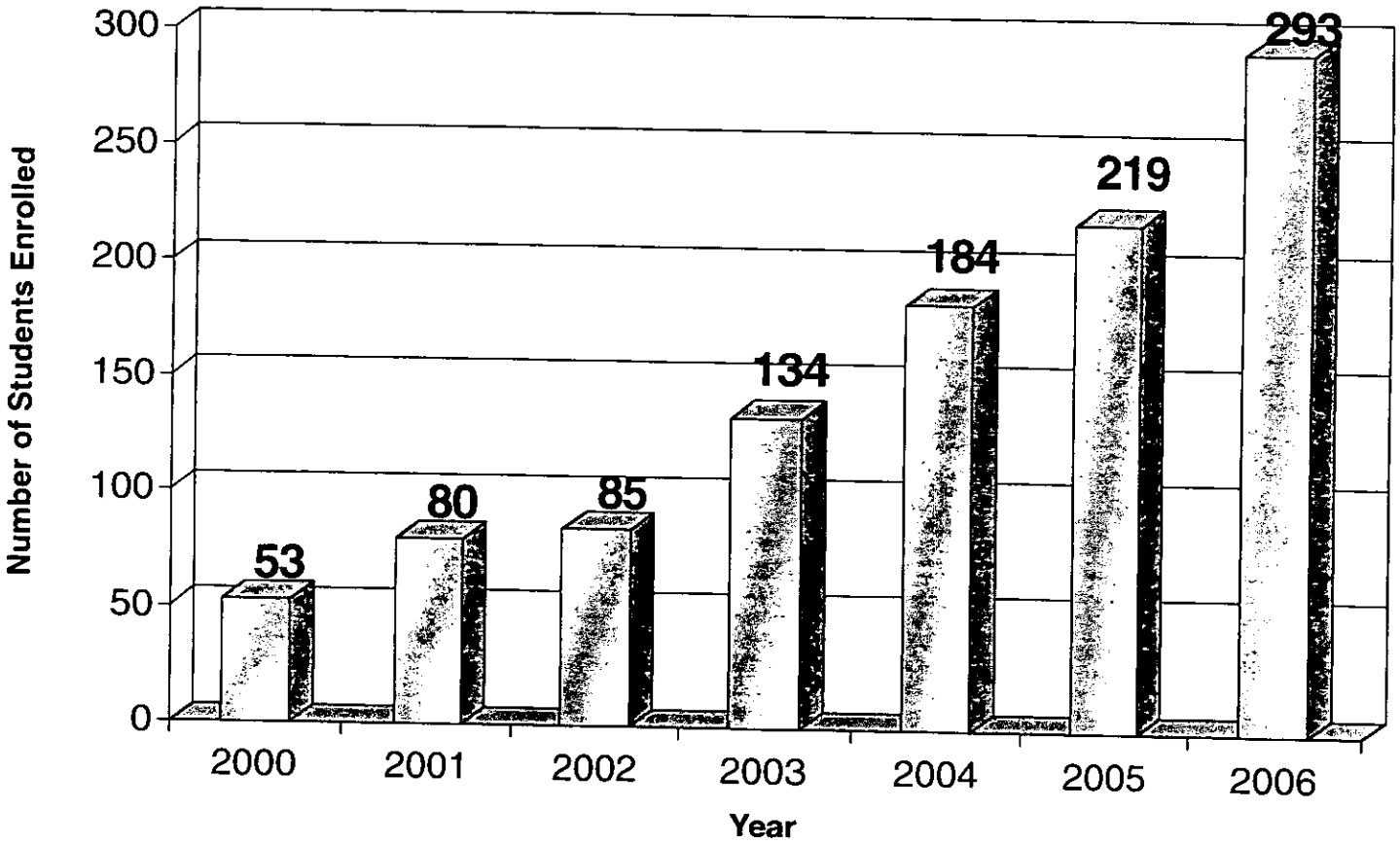


- 36 states
- 28 countries
- 47 ND counties

Fall Enrollment, 1997-2006
Full-Time and Part-Time

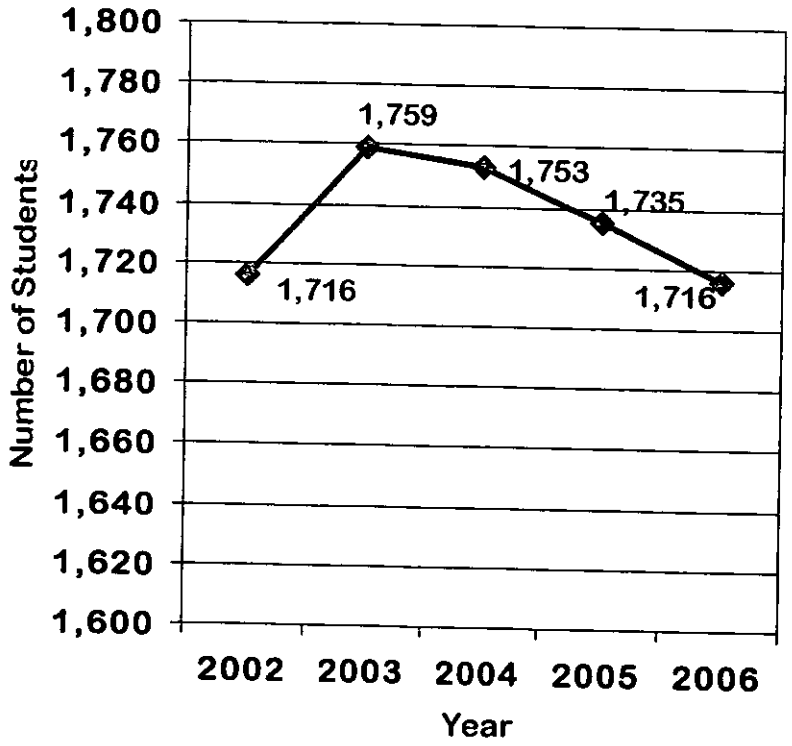


Fall Enrollment in Bismarck 2000-2006

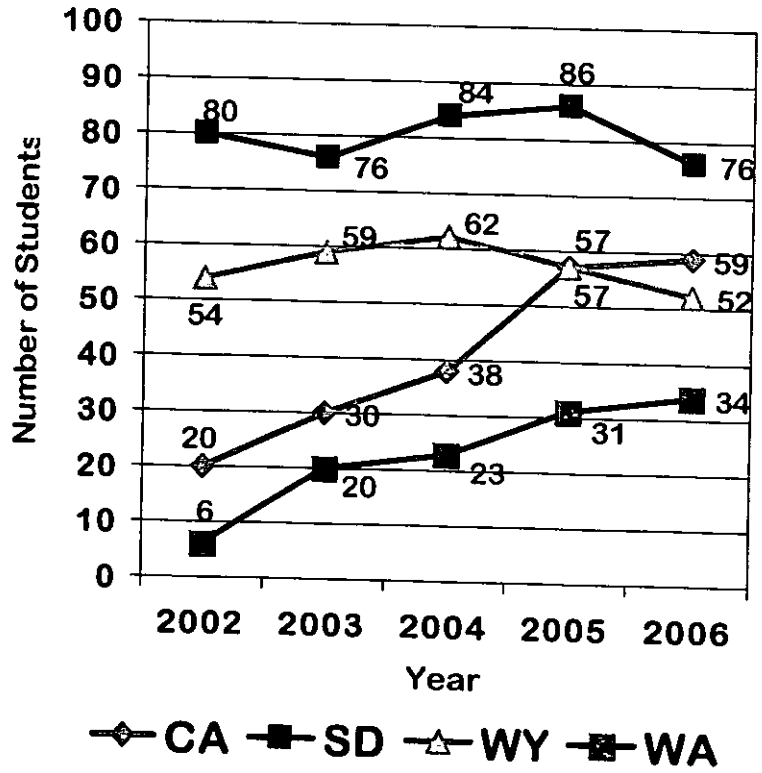


Fall Enrollment, 2002-2006
Demographics

North Dakota

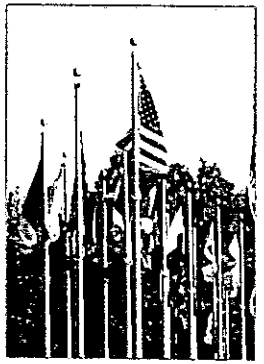


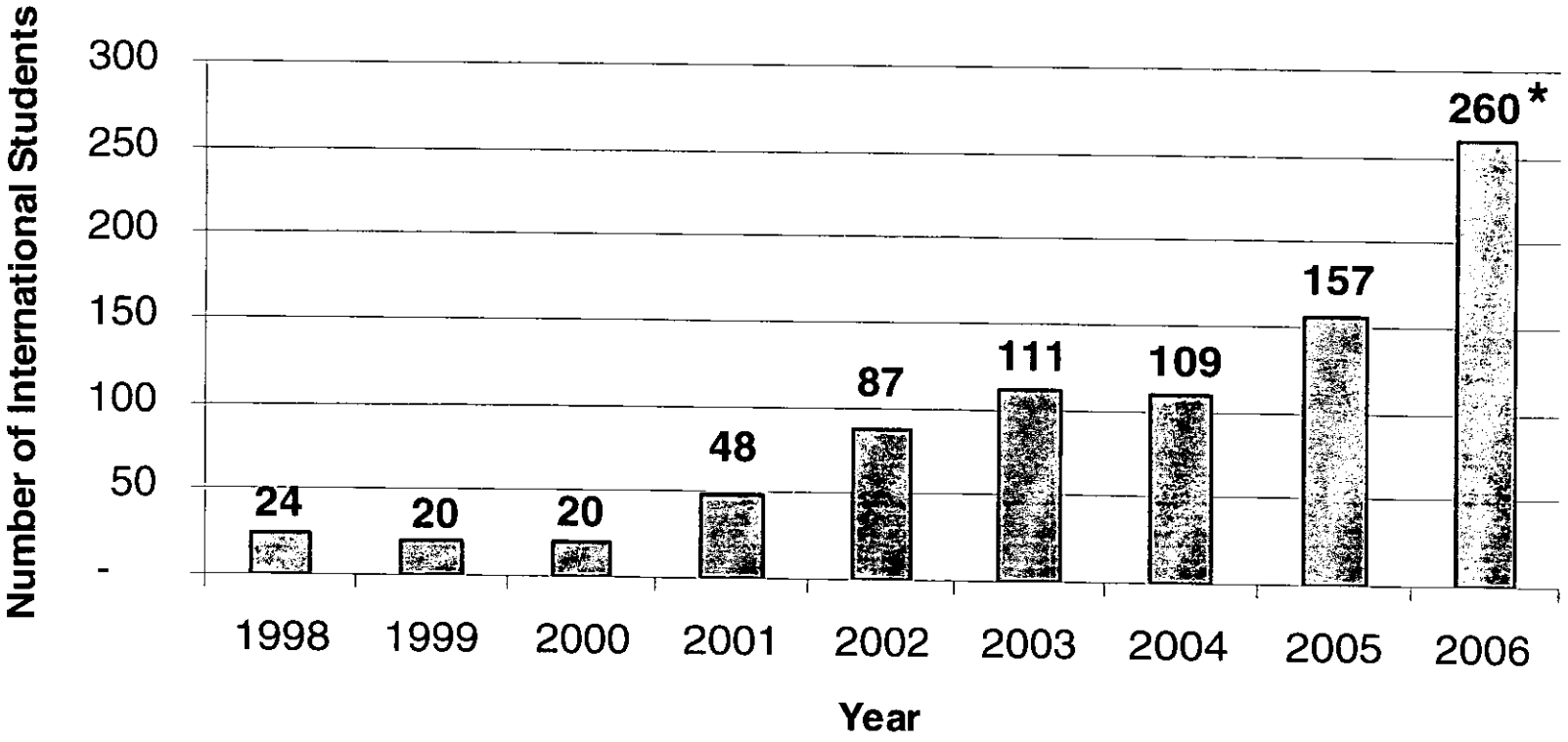
Target States



Fall Enrollment, 1998-2006

Demographics – International

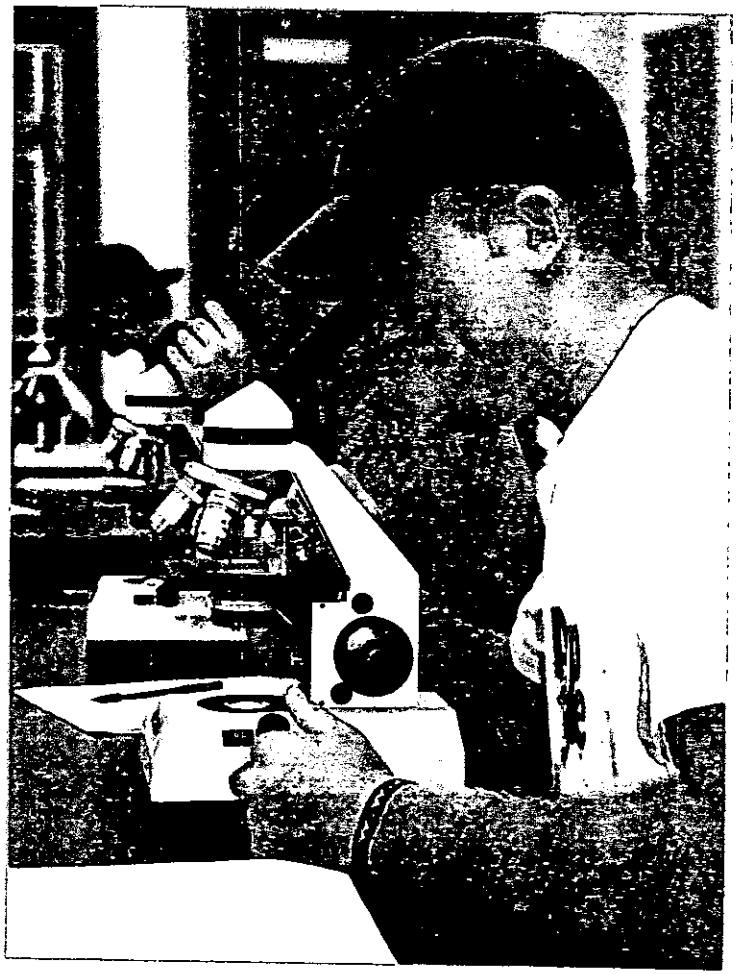




***28 Countries Represented**

Enrollment Factors

- Quality
- Facilities
- Programs
- Services



Quality – Assessment Results



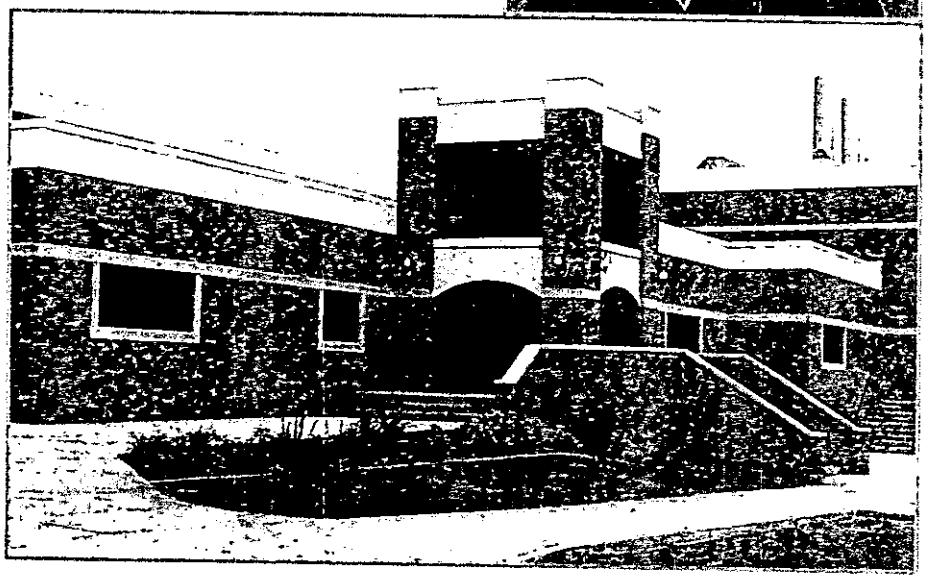
- 2006 Major Field Tests
  - Business students in Bismarck
    - Overall mean score 60th percentile
    - Overall accounting score 95th percentile
- CPA Exam
  - Range of pass rates in ND – 16.67% To 58.33%
  - Average pass rate in ND – 49.74%
  - DSU – 58.33%
- Nursing Licensure Exam Pass Rates
  - 2-year program – 91.89%
  - BSN program – 95.83%

Facilities –
Murphy Hall Science Building

- Stroup Scientific Auditorium
  - SPICE Network
    - Dickinson Public
    - Bowman
    - Scranton
    - Hettinger
    - Mott-Regent

K-12 → P-16





Programs – Theodore Roosevelt Honors Leadership Program

- 102 students from 7 states and 8 countries
- 20 associate members
- Leadership minor
- Admission requirements
  - 3.5 GPA, 26 ACT, or 1170 SAT
  - Engagement in community and school activities



Services – Academic Success Center

- Advising
- Tutoring
- Writing Center
- Computer Lab

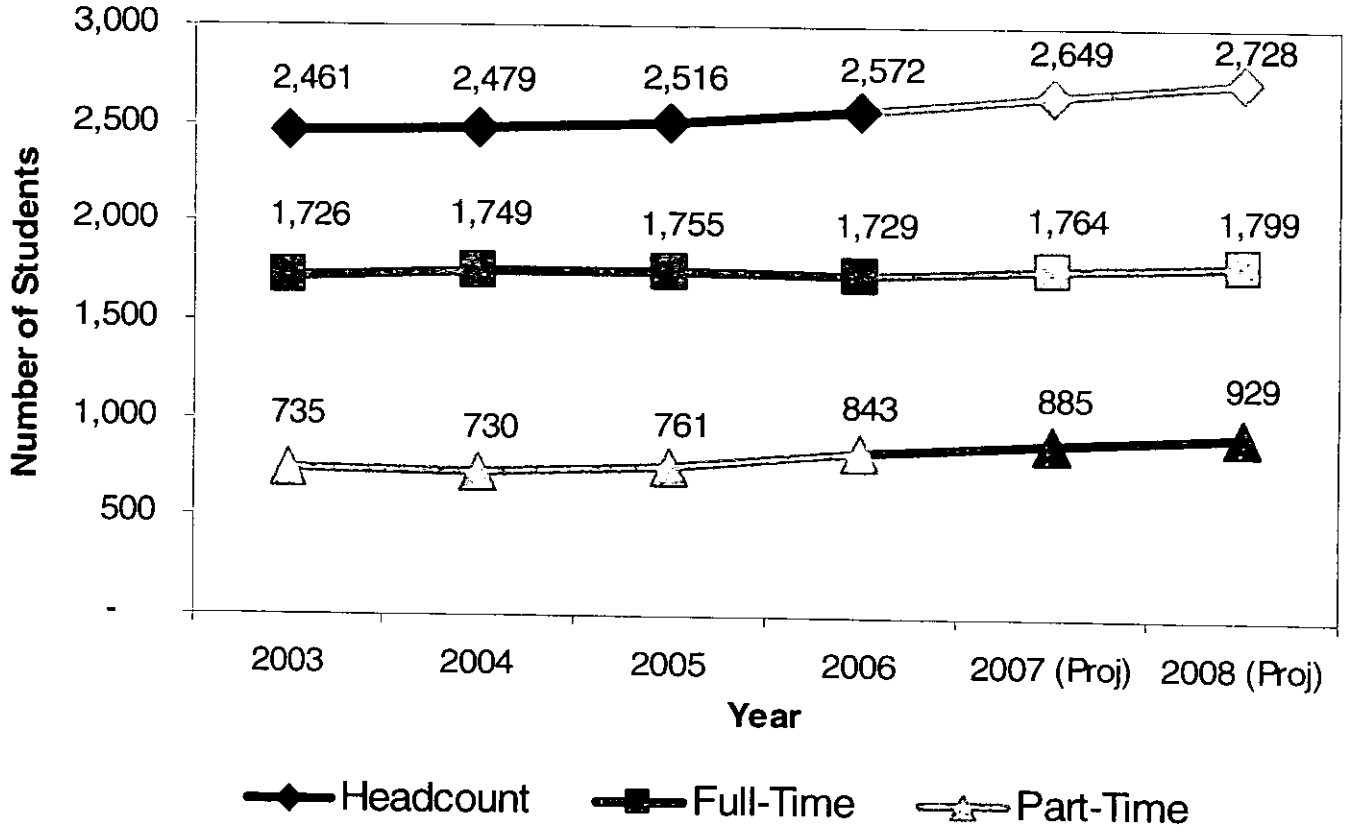


- First Year Experience
- Quality Enhancement Workshops
- Supplemental Instruction
  - Math
  - English
  - History

Enrollment Projections, 2007-2008

- Moderate growth on main campus
  - Primarily international and out-of-state students
- Continued growth in extended campus
  - Bismarck
  - Online
  - Hybrid students (mix of campus, online, ITV)
  - Dual credit
- Overall 3% growth each of the next 2 years
  - 2% full-time, 5% part-time
- Potentially greater growth (2007 and beyond) from In-China Program

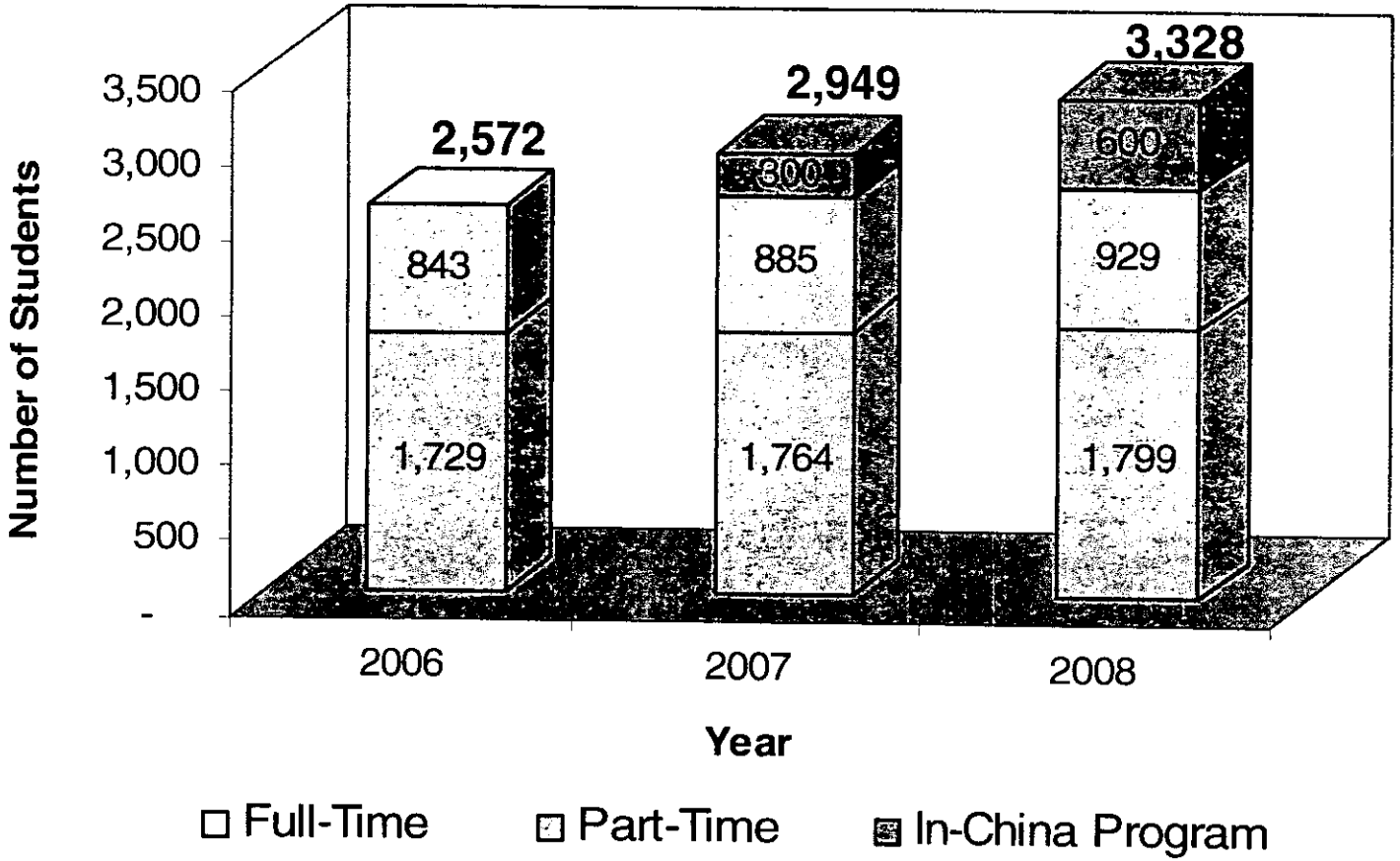
Enrollment Projections, 2007-2008



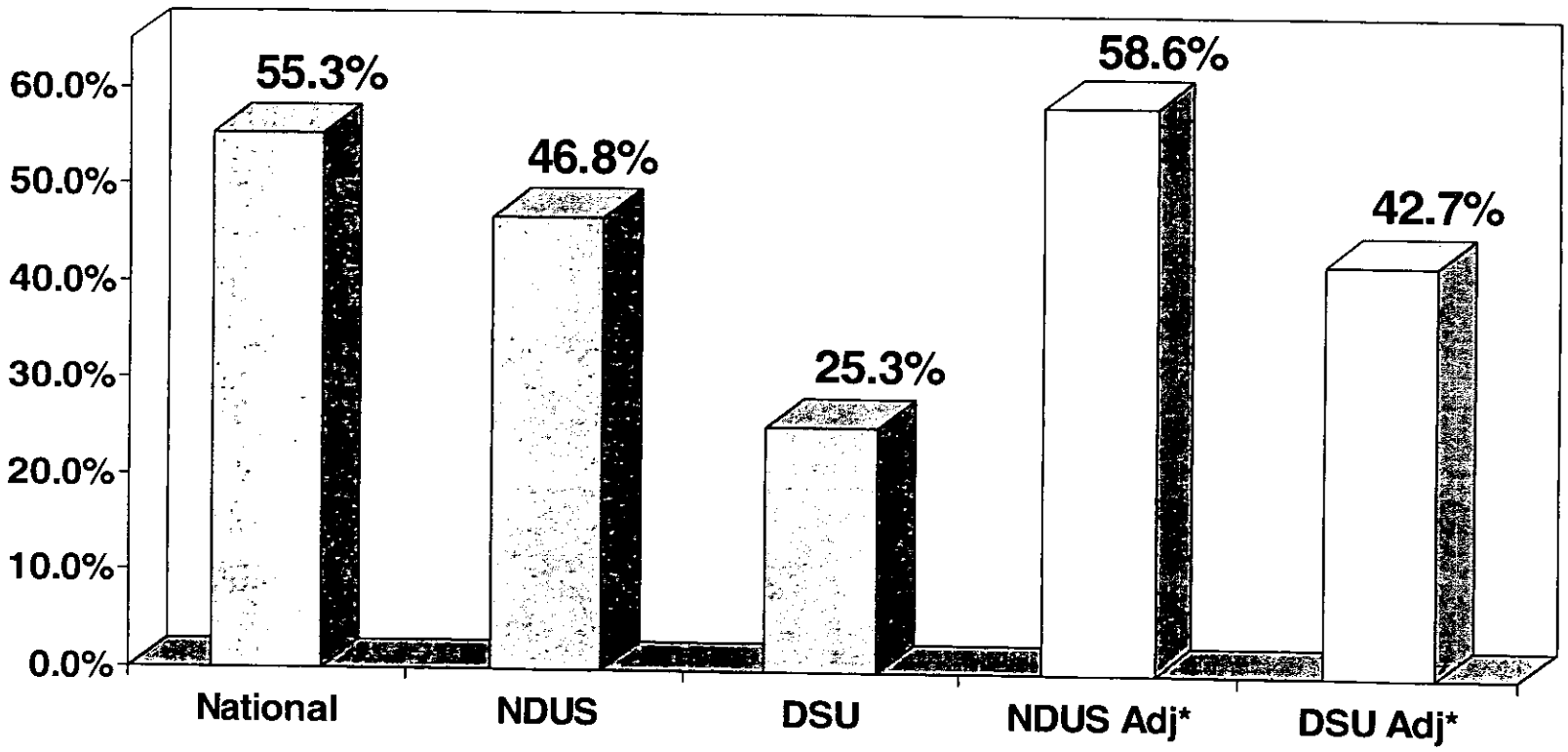
Assumptions: 2% growth in full-time, 5% growth in part-time

Enrollment Projections, 2007-2008 with In-China Program

Sichuan International Studies University

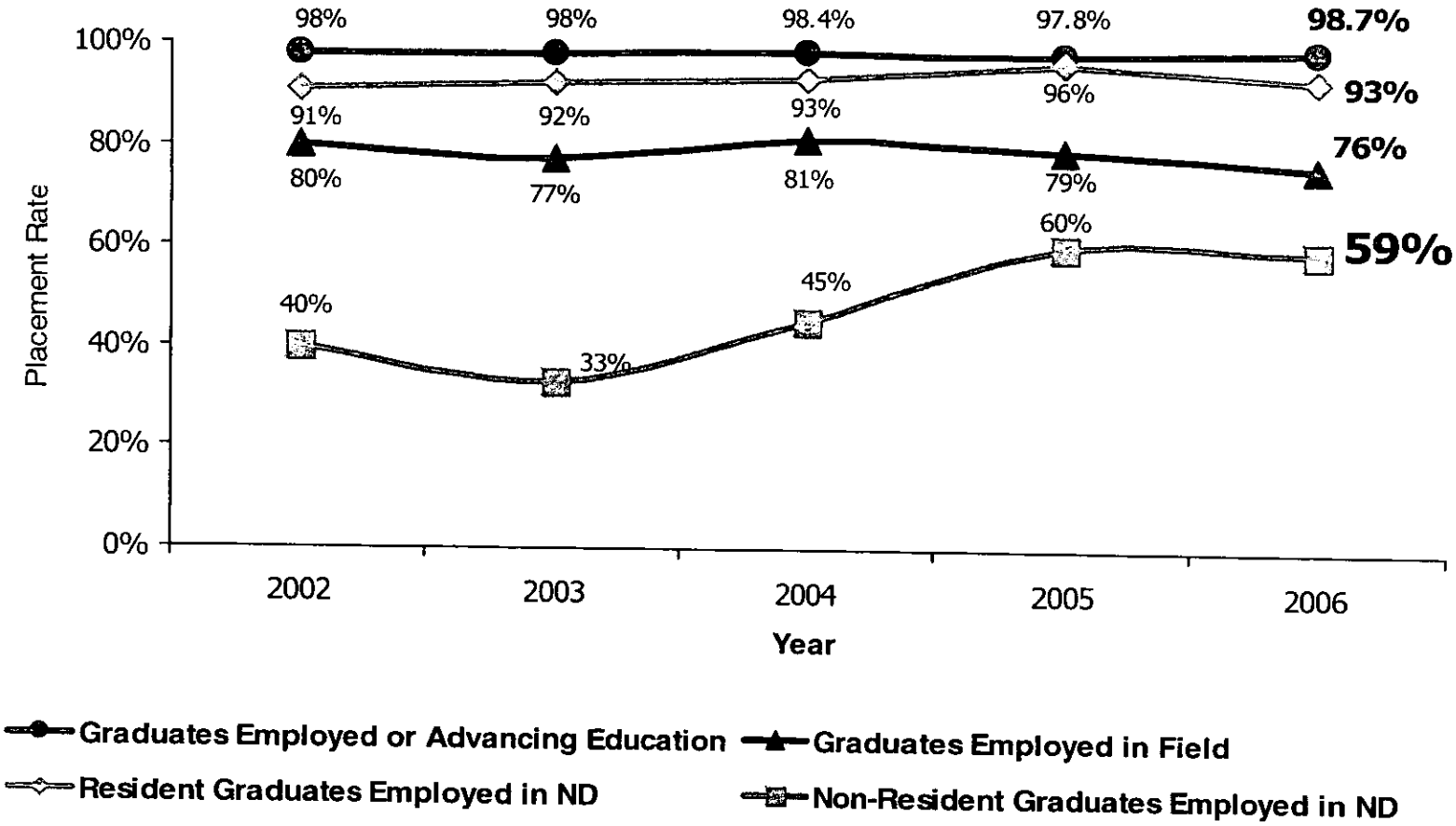


2004 Graduation Rate

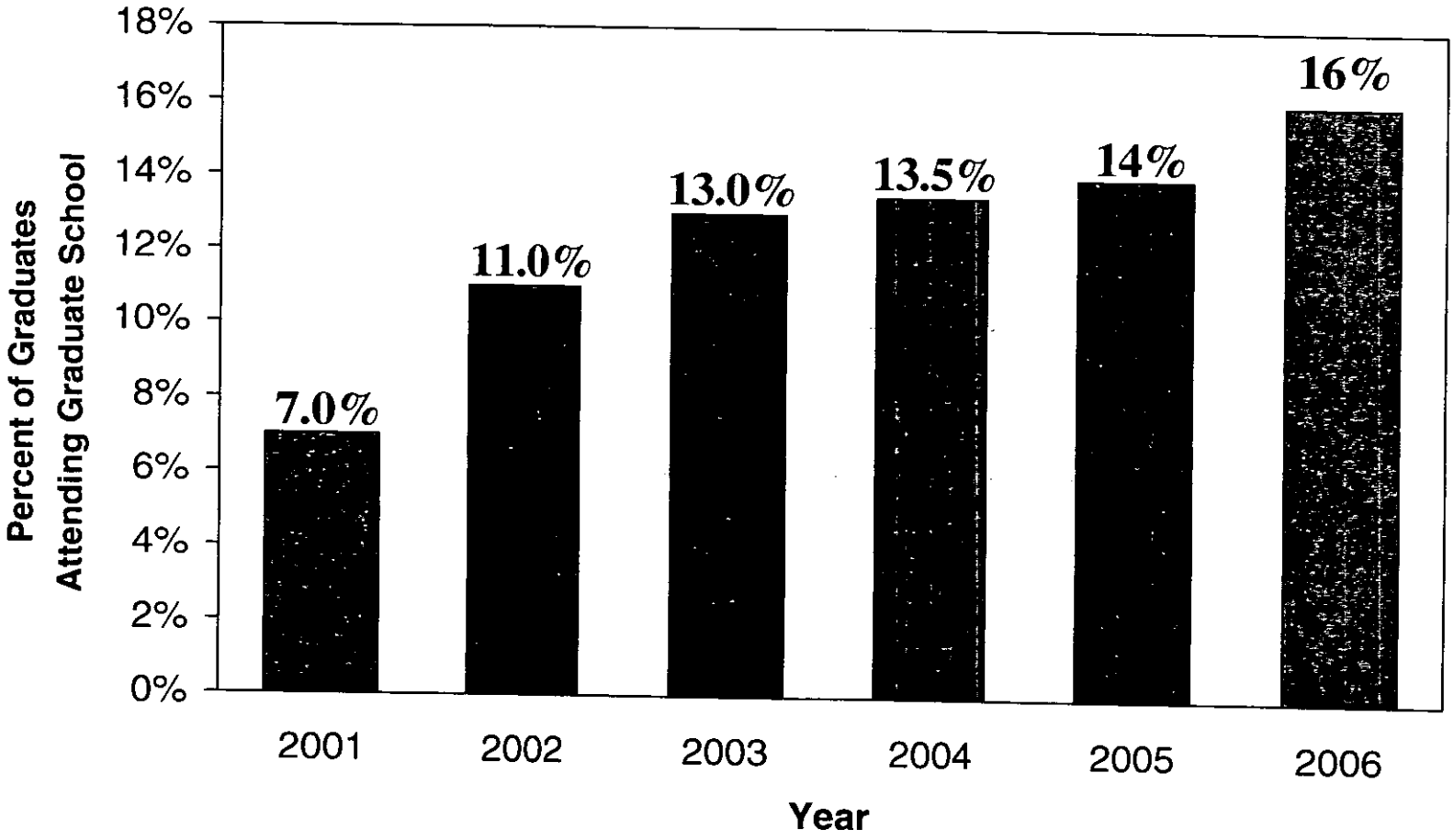


Adjusted figures include students who graduate from other campuses

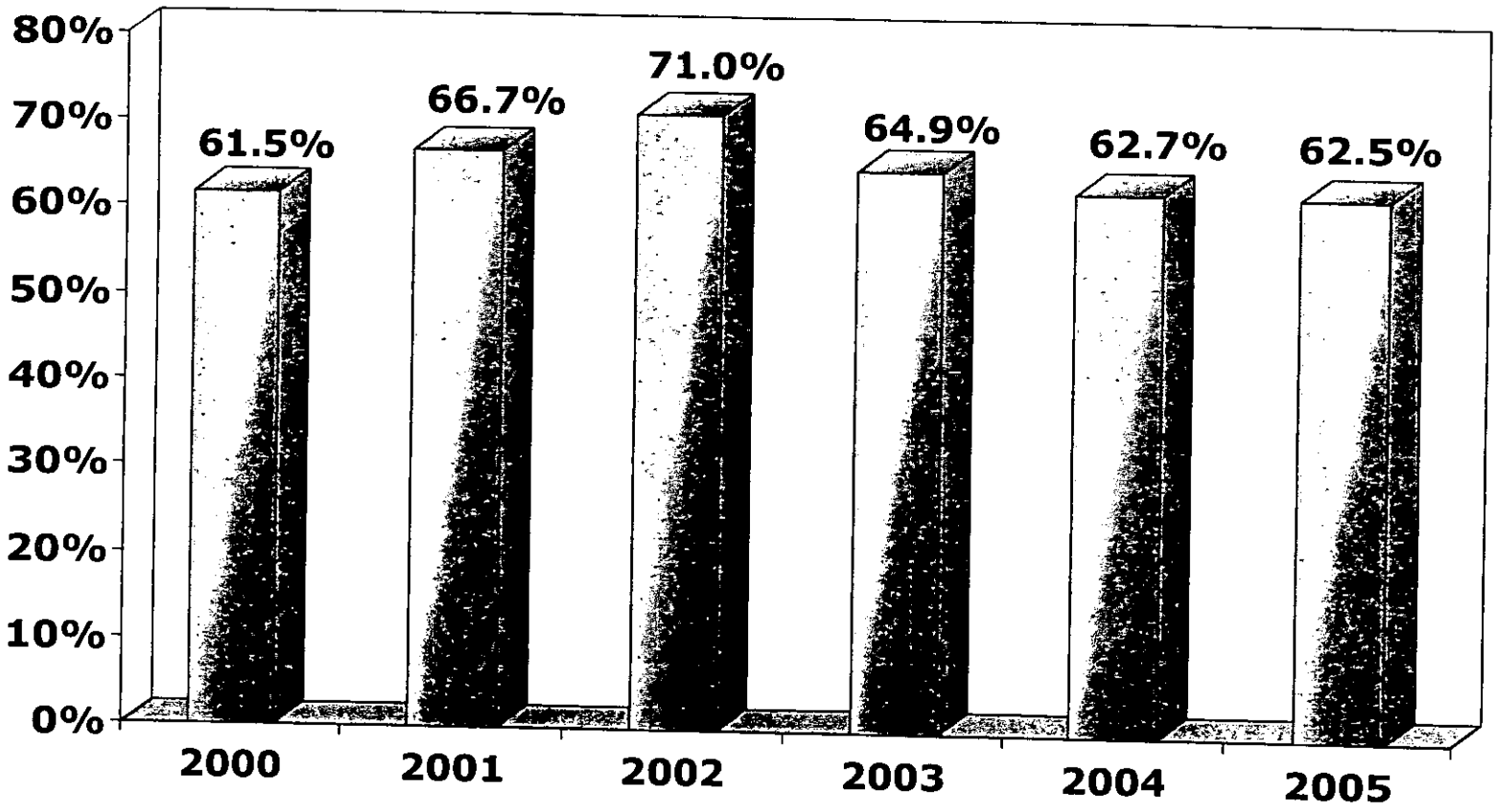
Placement Rate, 2002-2006



Graduate School, 2001-2006



Retention Rates, 2000-2005



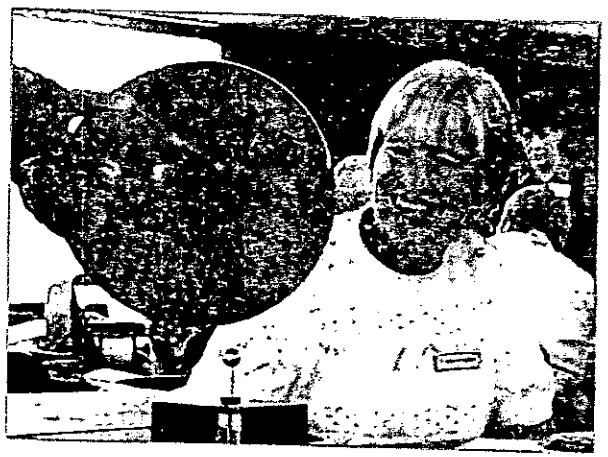
Roughrider Education Services Partnership (RESP)

- Joint Powers Agreement: partnership with 18 K-12 school districts in the region
- DSU West River Teacher Center and RESP
  - Assist teachers to meet the requirements of No Child Left Behind
  - Provide professional development programming and opportunities for area teachers



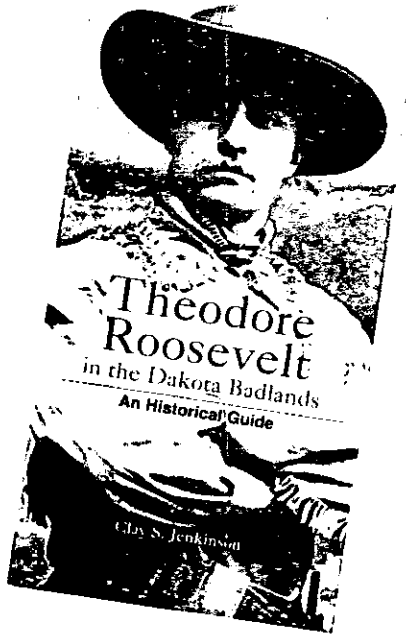
Math/Science Partnership Grant

- Funding for 3 years, awarded in 2003
  - Year 1: $282,694 \
  - Year 2: $473,778 **Total $1,332,857**
  - Year 3: $576,385 /
- Participants
  - K-12 teachers
  - Paraprofessionals
  - Administrators
  - DSU faculty
  - Teacher Education students



Roosevelt Initiative

- Promote the legacy of Theodore Roosevelt in North Dakota
- *TR in the Dakota Badlands: An Historical Guide* – published June 2006
- TR Symposium – October 12-14, 2006
- Other initiatives in cooperation with
  - Theodore Roosevelt Medora Foundation
  - Theodore Roosevelt National Park
  - State Historical Society of North Dakota
  - North Dakota Cowboy Hall of Fame



Theodore Roosevelt: The Adventurer Symposium

- 500+ people from 25 states
- Donor recognition luncheon
- Major sponsors

MDU RESOURCES GROUP, INC.

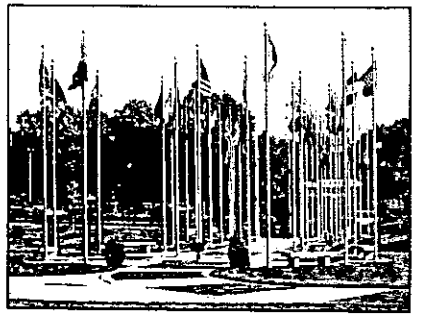
Dickinson State University FOUNDATION

- Engaged partners
  - Theodore Roosevelt Medora Foundation
  - North Dakota Cowboy Hall of Fame
  - North Dakota State Historical Society
  - Theodore Roosevelt National Park



Speakers Doug Brinkley and Patricia O'Toole with participants

Global Awareness Initiative – Objectives



1. Create a more **diverse and invigorating learning environment** by recruiting and retaining international students and faculty
2. Increase student and faculty involvement in **foreign exchange programs**
3. Engage students and area citizens in activities which foster a greater understanding of the **economic issues and opportunities** related to globalization
4. Foster the ideal that individuals can contribute to **world peace** through education, understanding, tolerance and interaction with people from other cultures

Global Awareness – Trip to Russia and Ukraine (ND Trade Mission)

- Voronezh State University – 12,000 students
  - International Relations Department – 2+2 dual degree
  - MacArthur Foundation
- National Agricultural University of Ukraine – 36,000 students
  - Faculty and student exchange
  - GIS/GPS, cattle breeding, environmental land management
- North Dakota Trade Mission
  - Ukrainian Agrarian Confederation, Kiev
- US Educational Advising Center, Deputy Director Natalia Rozanova



Global Awareness – Nursing Exchange with Krasnoyarsk State Medical Academy, Siberia

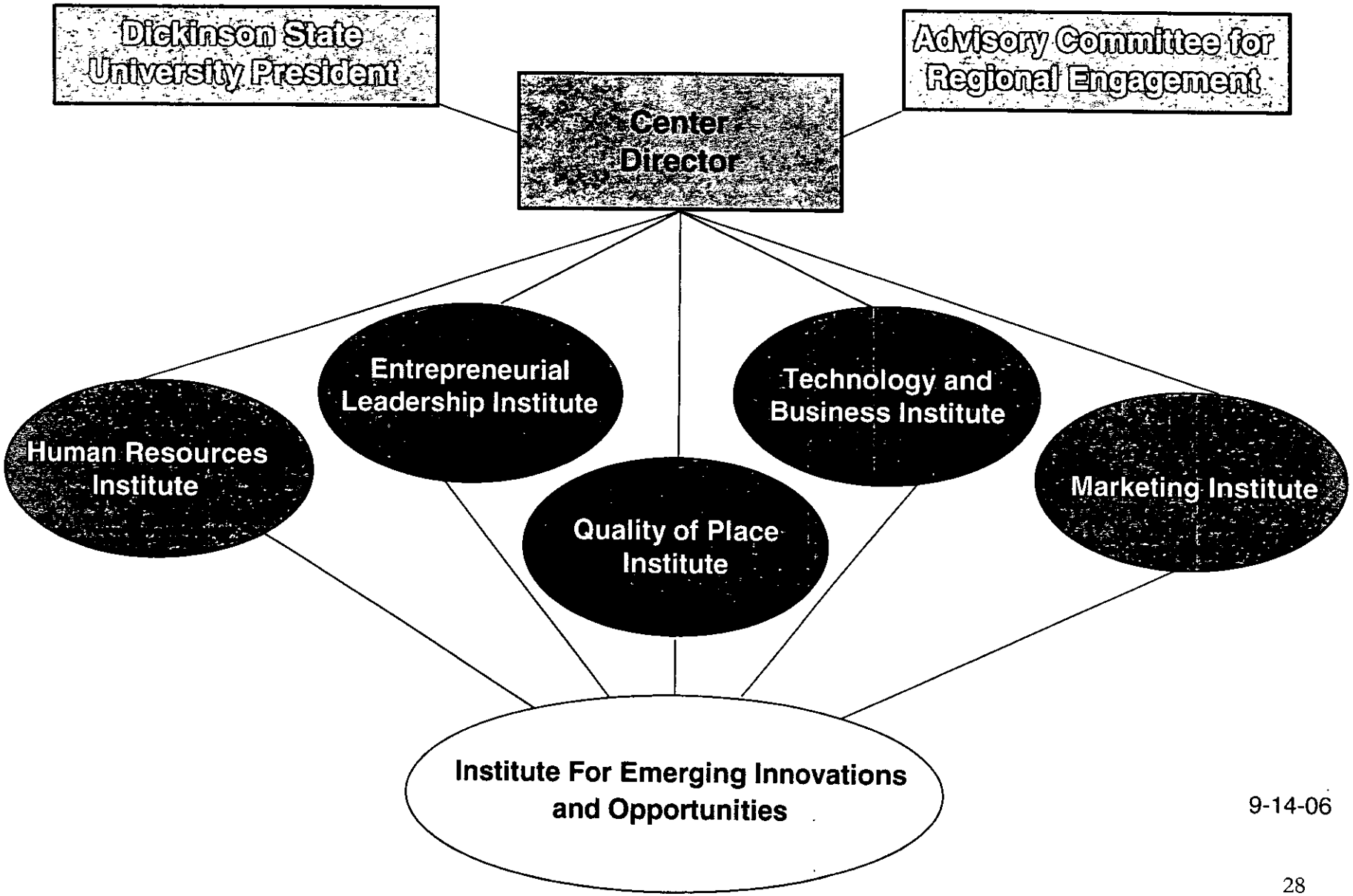
- April 2006 – Drs. Tatiana Kamaeva and Larissa Mudrova visited DSU
- November 2006 – Dr. Mary Anne Marsh, Nursing Department Chair, and Ms. Terry Klusmann, Assistant Professor of Nursing, visited KSMA



Agrosecurity Initiative

- Partners
  - DSU, NDSU Dickinson Research Extension Center (DREC), North Dakota State University
- GIS/GPS
- Animal ID Action Summit, November 2006
  - RFID technology to track livestock
- Grant funding
  - $1,037,201 DSU
  - $5,347,667 total project budget to date

Center for Entrepreneurship and Rural Revitalization



9-14-06

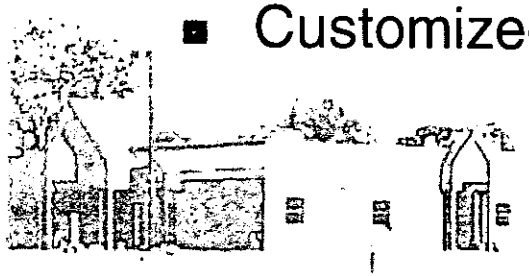
ND Center of Excellence

$1.15 Million

Keystone Project:

Killdeer Mountain Manufacturing

1. Integration of production at remote sites
   - RFID technology for supply chain transparency
2. Implementing new technologies
   - Develop expertise and provide technical assistance
3. Entrepreneurial leadership for high-tech production facilities
   - Customized "Manufacturing Leadership" program



Bush Planning Grant "Lessons Learned"

- **Pace of change** is more rapid than anticipated – flexibility is critical
- Ability to find **human capital** is the defining issue for community/economic development

  "The economic prosperity of the region for the foreseeable future will *not* depend on our ability to attract or grow businesses; it will depend on our ability to attract and retain talented people, particularly young entrepreneurs."

"Lessons Learned", cont'd

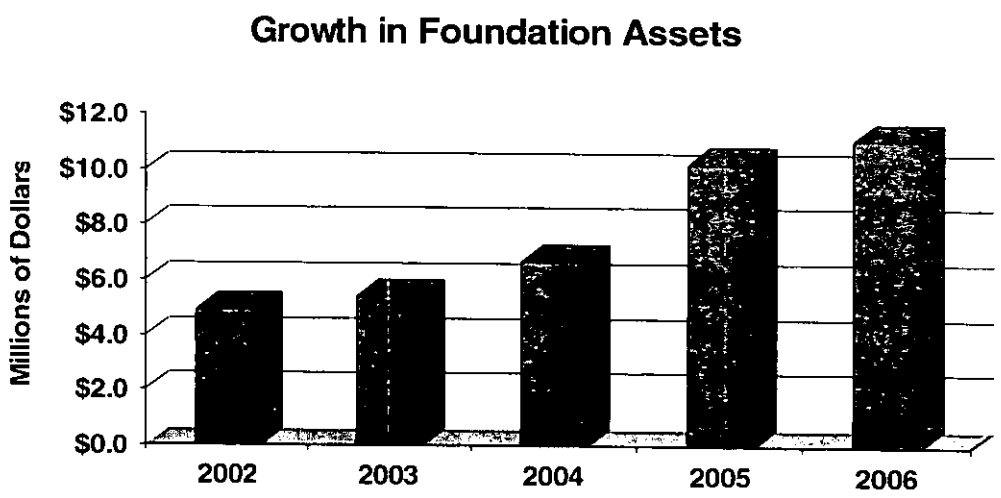
- Great deal of **entrepreneurial energy** in our region, but creative thinking and innovative approaches to problem-solving are often lacking
- **Business-as-usual attitude will not work**

Bush Grant Proposal – Four Goals

1. Develop initiatives associated with:
   - **people attraction**
   - **heritage tourism/arts**
   - **entrepreneurial development**
   - **Native American community and economic development**
2. Enhance civic capacity in partner communities in Western North Dakota – capacity that can be engaged to stimulate and support development initiatives
3. Strengthen regional collaboration and regional development capacity to partner with communities of place and interest in the region
4. Build an entrepreneurial region which:
   - affords residents a superior quality of life rooted in its heritage
   - creates economic and social opportunities within the world community

DSU Foundation Highlights

- >$2 million net income for 4 consecutive years
- More than $650,000 in scholarships
- Alumni and Foundation House
- Total assets
  - 2002 <$5 million
  - 2006 >$11 million
- Hawks Point



Hawks Point

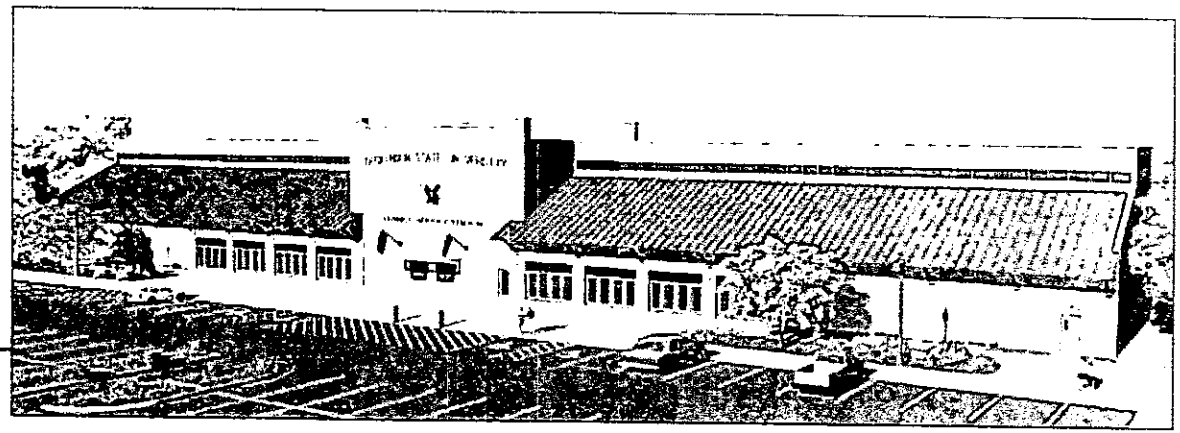
- 78 apartments
- 11 cottages
- $12 million cost
- Opening date – February 3, 2007



Whitney Stadium

$10 Million (Est.)

- Regional high school superintendents and school board representatives
- City Commission/County Commission
- Parks and Recreation
- Chamber of Commerce, CVB
- Other community leaders



Challenges

- Sustaining **enrollment growth** to support:
  - Faculty and staff salary increases
  - New positions
  - Initiatives designed to foster student success

Meeting this challenge will require

- A comprehensive, aggressive effort to recruit more students from the immediate area
- An internal focus on retention
- Success in our efforts to recruit students from targeted states (WA, CA, NV, WY, MT, SD) as well as internationally

Challenges (continued)

2. Recruiting and retaining highly motivated, creative faculty and staff dedicated to providing a learning environment that routinely produces graduates who are competitive at the national and international level
3. Utilizing **assessment data to improve the learning environment** by making needed changes in curriculum, instruction, and services

Challenges (continued)

4. Implementing and promoting the **Center for Entrepreneurship and Rural Revitalization** and the **Center of Excellence designation** to ensure the goals and objectives of the Center are met and the Center is self-sustaining
5. Provide the physical facilities and infrastructure necessary to project a genuine concern and commitment to a quality learning environment

Challenges (continued)

6. Identifying and aggressively pursuing opportunities to solidify and promote the University's position as a critical element in the future prosperity of southwestern North Dakota and the greater region
   - **Quality of Place is a critical factor** in attracting and retaining talented people, particularly young entrepreneurs

Dickinson State University
Budget Issues

Presented by Alvin Binstock,
Vice President for Business Affairs

House Appropriations Committee
Education and Environmental Division
January 9, 2007

2005-2007 APPROPRIATION

General Fund:		
Operations	$14,711,627	
Capital Assets	383,690	
Total General Funds		$15,095,317
Bonding: (Murphy Hall Project)	$ 4,100,557	4,100,557
Major Capital Project: Gift/Local Funds (Whitney Stadium Authority)	$ 5,000,000	5,000,000
Total General Fund/Bonding/ Capital Project Authority		$24,195,874

2005-2007 APPROPRIATION

Dickinson State University anticipates expending all of its General Fund appropriation for 2005-2007 ($15,095,317) with the exception of a portion of the $383,690 Capital Asset allocation which will be expended during the 2007 construction window extending beyond June 30, 2007.

The majority of the bond funds in support of the Murphy Hall capital project will be expended by June 30, 2007. Expenditures related to finishing the landscaping around the building and addressing retainages upon acceptance may extend into the next biennium.

Dickinson State University is requesting reauthorization of the Whitney Stadium Project to be funded through local/gift funds totaling $8 million. Other than funds supporting the programming/marketing efforts, funds available for construction are not planned for expenditure prior to the 2007-09 biennium.

Building and Infrastructure Inventory

Buildings	
General Fund Supported	$33,780,180
Auxiliary Supported	12,273,050
Infrastructure	
(parking lots, lighting, streets, water mains, steam lines, etc.)	4,715,186
Total	**$50,768,416**

Capital Asset Funding

2005-07 Capital Asset Allocation	**$ 383,690**
General Fund Supported Building Value	$33,780,180
Campus Infrastructure Value (water mains, steamlines, etc.)	4,715,186
Total Value	**$38,495,366**

$$\frac{\text{Capital Asset Allocation}}{\text{GF Building + Infrastructure Values}} \quad \frac{\$383,690}{\$38,495,366} = 1\%$$

Dickinson State University

Comparison of SBHE General Fund Request to Executive Recommendation

	(1)	(2)	(3)	(4)	(5)	(6)
	SBHE 2007-09 Prioritized GF Request	Executive Recommendation Base Funding	Executive Recommendation Change in Base Funding	Executive Recommendation One-Time Funding	Total Executive Recommendation	Executive Recommendation Over (Under) Budget Request
2005-07 Original General Fund Appropriation	**$ 15,095,317**	**$ 15,095,317**			**$ 15,095,317**	**0**
Base Adjustments	-	-			-	0
2005-07 Adjusted General Fund Appropriation, Net of Base Adjustments	**15,095,317**	**15,095,317**		-	**15,095,317**	**0**
Prioritized SBHE Needs Based Request:						
Capital Assets Increase[1]	182,153	-	(182,153)	182,153	182,153	0
Campus Parity [2]	1,641,858	1,641,858			1,641,858	0
Campus Equity [3]	544,871	544,871			544,871	0
Total Requested Increase in GF Base Funding	2,368,882	2,186,729	(182,153)	182,153	2,368,882	0
Total Base General Fund Request & Recommendation	**17,464,199**	**17,282,046**	**(182,153)**	**182,153**	**17,464,199**	**0**
2007-09 State-funded Projects	-				-	0
One-time Budget Requests:						
Infusion for Deferred Maintenance [4]	754,867			452,920	452,920	(301,947)
Total One-time Budget Request & Recommendation	**754,867**	-	-	**452,920**	**452,920**	**(301,947)**
Total 2007-09 General Fund Request & Recommendation	**$ 18,219,066**	**$ 17,282,046**	**$ (182,153)**	**$ 635,073**	**$ 17,917,119**	**$ (301,947)**

[1] The request of $182,153 represents DSU's proportionate share of a $4 million deferred maintenance request based on the NDUS's original Capital Asset funding model methodology. DSU has outstanding deferred maintenance needs totalling $8,893,166.

[2] The request of $1,641,859 represents funds earmarked in support of parity (funds needed to continue current programs and services including salaries, benefits, and inflationary cost increases). The factors comprising the partiy request include a 5%/year compensation package increase, a health insurance increaseof $127.05/month, and an operating inflation rate of 2.4%/year.

[3] The request of $544,871 represents funds earmarked toward equity (funds needed to move an institution closer to the "benchmark" or average funding levels of selected national peer institutions). The $544,871 represents DSU's proportionate share of a $10 million system request in support of equity.

[4] The request of $754,867 represents DSU's proportionate share of a $10 million system one-time funding request in support of deferred maintenance. In total, the executive recommendation includes Capital Asset funding of $1,018,763 (base funding of $383,690 plus $635,073 of one-time funds.)

UNFUNDED SBHE APPROVED REQUEST

Consistent with written instructions from Jim Smith, Legislative Budget Analyst and Auditor, Dickinson State University presents the following item which was included in the budget approved by the State Board of Higher Education, but not funded in the Executive Budget Recommendation:

One-Time Budget Request for Deferred Maintenance	$754,867
Executive Recommendation One-time Funding	452,920
Unfunded Deferred Maintenance Request	$301,947

NORTH DAKOTA UNIVERSITY SYSTEM
Proposed SBHE Adjustments to the 2007-09 Executive Budget Recommendation (12/21/06)

		(1) Base Funding	(2) One-Time Funding	(3) Total Change in Funding
1	2007-09 Executive Budget Recommendation	$52,142,861	$16,120,000	$68,262,861
2	2007-09 Executive Budget Recommendation- net major capital projects		$13,530,835	$13,530,835
3	TOTAL Executive Budget Recommendation	$52,142,861	$29,650,835	$81,793,696
	Proposed Adjustments:			
4	Capital Assets-repair/deferred maintenance	$4,000,000	($4,000,000)	$0
5	Connect ND: replace SBHE init. funds	$1,500,000	($1,500,000)	$0
6	Connect ND: student technology fee bonds	$920,000	($920,000)	$0
7	Connect ND: stabilize critical business functions/contingency	$1,280,000	($1,280,000)	$0
10	Common Information Services (tech pool)	$420,000	($420,000)	$0
11	Subtotal-Adjustments to NDUS Budget (Chge. From Exec. Budget)	$8,120,000	($8,120,000)	$0
12	**Total Proposed NDUS budget with adjustments**	**$60,262,861**	**$21,530,835**	**$81,793,696**
13	Career and Tech Ed (CTE) Budget - Workforce training	$2,700,000		
14	TOTAL Provided with NDUS and CTE adjustments	$62,962,861		

2003-05 General Fund Carryover into 2005-07 Biennium

$357,763

- Capital Asset funds unexpended as of June 30, 2005, primarily as a result of timing within the construction season and the unavailability of trades to complete work prior to the close of the biennium

Use of Carryover Funds:

- Electrical Distribution Upgrade – West Campus Complex
- Tuckpointing/Sealing of Masonry Surfaces
- Stickney Auditorium Lighting Systems Upgrade
- Library/Academic Success Center Improvements
- Murphy Hall Steam Line Replacement

"Unexpended appropriations for the North Dakota University System are not subject to this section and the North Dakota University System shall report on the amounts and uses of funds carried over from one Biennium to the next to subsequent appropriation committees of the legislative assembly." Section 54-44.1-11 of the *North Dakota Century Code* (relating to unexpended appropriations)

Dickinson State University
Major Capital Projects

Presented by Alvin Binstock,
Vice President for Business Affairs

House Appropriations Committee
Education and Environmental Division
January 9, 2007

WHITNEY STADIUM

- **Category**: Major Renovation/Addition
- **Projected Cost Estimate**: $8.0 Million
- **Recommended Source of Funding**: Philanthropic/Local Funds
- **Biennium**: 2007-2009 (Reauthorization)

Whitney Stadium – General Objectives

- Provide a safe learning environment to complement extra-curricular activities at Dickinson State University

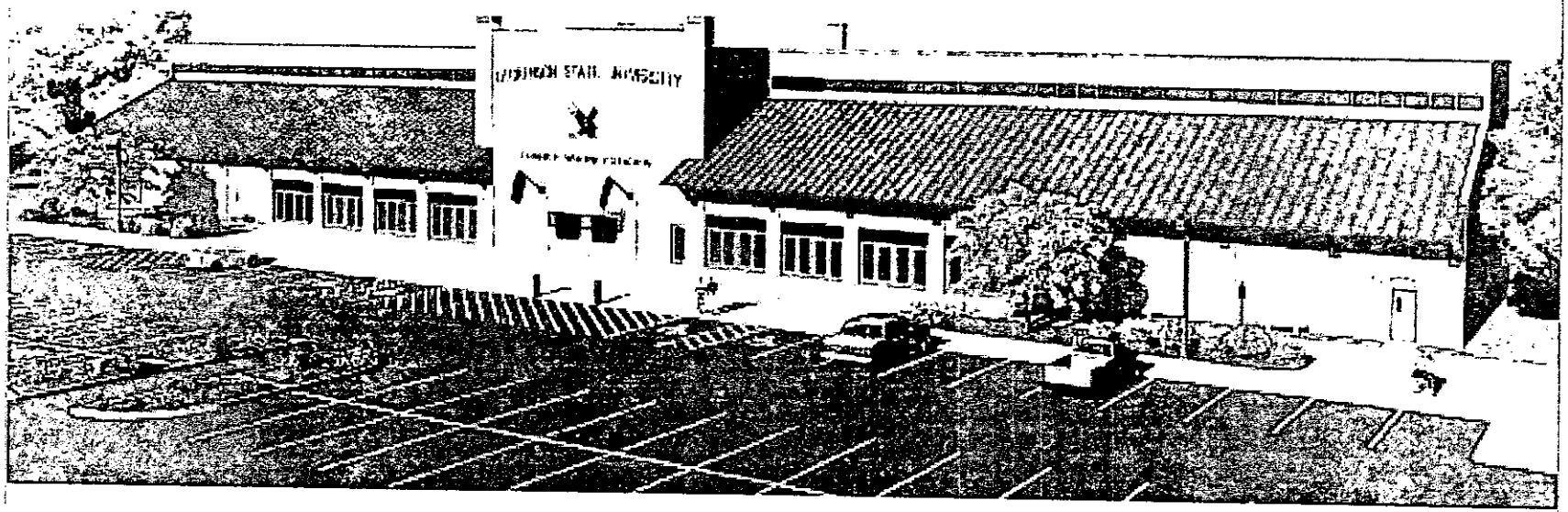
AND

- Provide a quality facility capable of serving as a hub for activities sponsored by regional schools and organizations.

Whitney Stadium – Project Objectives

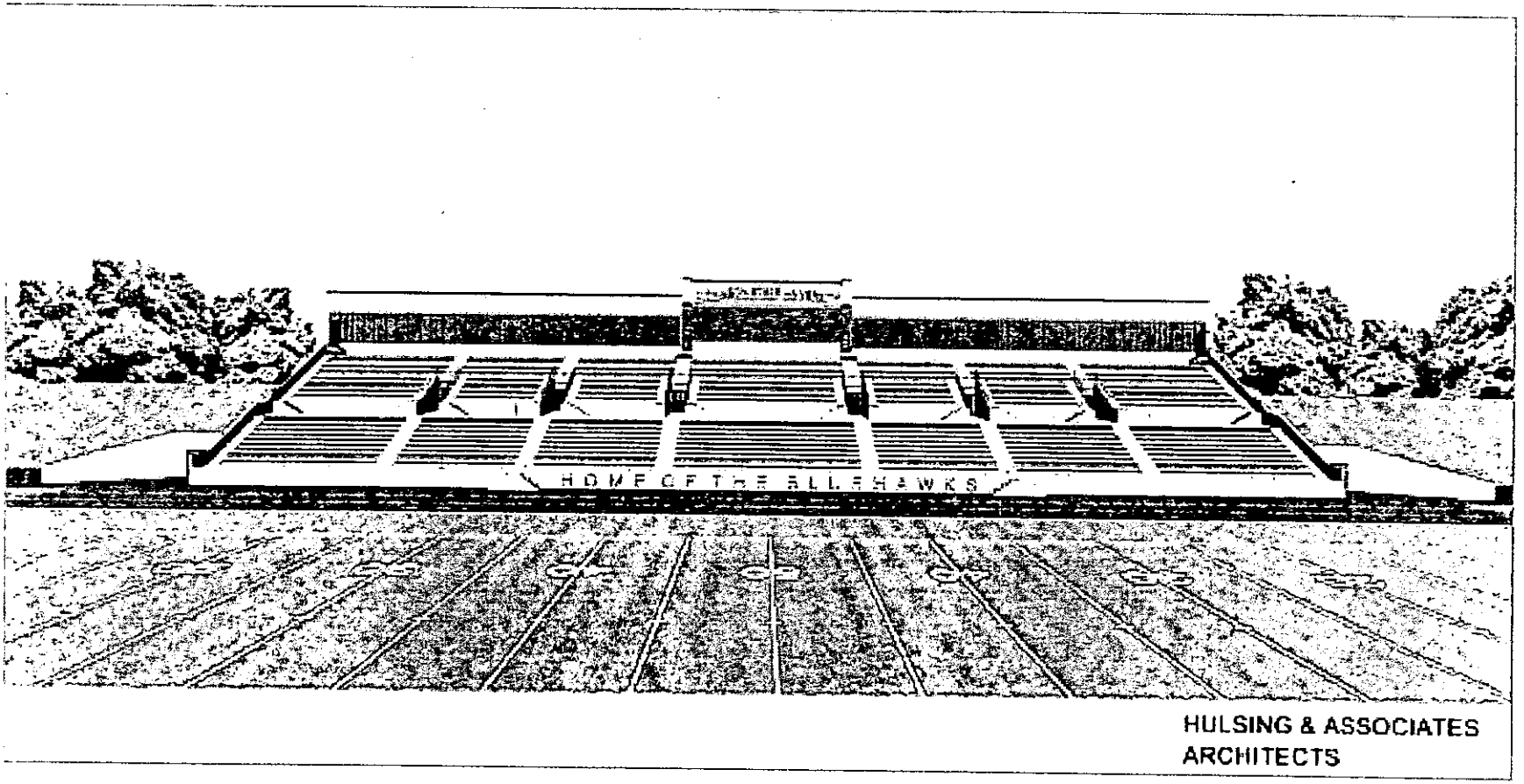
- Stabilize and/or replace stadium seating
- Provide adequate restrooms, lobby, concessions, and press box space
- Add locker room facility (lockers, restrooms, showers, etc.)
- Replace retaining walls that are failing
- Address parking lot and access concerns (pavement, lighting, striping)
- Modify existing track and field configurations
- Install adequate drainage system in support of the track and field
- Resurface track
- Upgrade sound system
- Upgrade power infrastructure
- Install artificial turf

Whitney Stadium



HULSING & ASSOCIATES
ARCHITECTS

Whitney Stadium – Field Side



Whitney Stadium – Project Rationale

- The facility was constructed in 1971 to provide a site for Dickinson State University's football and track and field events.

  Before construction began, it became clear that the facility held great potential not only to serve the needs of DSU but also to complement the needs of Dickinson's local school systems: Dickinson Public Schools and Trinity High School.

- The school systems participated in the local drive which funded the initial project.

Whitney Stadium – Project Rationale (continued)

- Whitney Stadium has admirably served the needs of Dickinson State University and, through use agreements, the needs of area school systems. In addition, the Stadium serves as a hub for schools and organizations throughout the region to sponsor activities such as regional track meets, football playoff games, etc.
- The utilization of Whitney Stadium exemplifies how a resource can be capitalized on for the overall good of the citizenry of North Dakota.

Whitney Stadium – Project Rationale (continued)

- The 36-year-old complex has a growing list of problems and deficiencies that must be addressed if it is to continue to serve Dickinson State University and the southwest region in a quality fashion and with a safe environment.
- Items of concern consist of but are not limited to the following:
  - a concessions building roof that needs replacement
  - settlement of the concrete stadium seating
  - deteriorated track surface
  - track and field drainage problems
  - undersized and non-handicapped accessible restrooms
  - absence of locker room facilities

Whitney Stadium – Project Rationale (continued)

- With increasing enrollments at Dickinson State University and growing interest by regional entities in using the stadium, it is necessary to move forward with improvements and enhancements.
- The institution will seek to capitalize on the excellent "service" record of the facility in soliciting local and philanthropic contributions.
- To assist in this effort, the architectural firm of Hulsing and Associates supported by the engineering firms of Kadrmas, Lee & Jackson and Prairie Engineering, P.C. has identified facility shortfalls and offered options to address specific concerns. This facility study will guide the institution in the prioritization of improvements and project implementation as funding materializes.

Whitney Stadium – Maintenance and Operating Costs of Proposed Improvements*

Salaries and Wages	
1 FTE Maintenance Worker plus fringe x 2 years	$68,880
Operating Expenses	
Utilities	80,000
Supplies	50,000
Equipment	
Custodial Support Equipment	12,000
Estimated Biennial Costs	$210,880

*(beginning in 2009-11 biennium)

Dickinson State University Highlights

- **Eleventh Consecutive Year of Record Enrollment**
  DSU enrolled record-breaking student numbers for the 11th consecutive year. A total of 2,572 students were enrolled at the university for the Fall 2006 semester, an increase of 2.2 percent over the previous year. Increases in the numbers of nontraditional and international students are two of the main factors contributing to the university's consistent growth.

- **Graduate Placement Rate Continues to Increase**
  DSU graduated a combined total of 810 students in the past two years. Students from 15 states and 10 foreign countries received degrees in 2006. The placement rate for the class of 2006 was 98.7 percent. Also, 76 percent of North Dakota native graduates and 59 percent of non-resident graduates who obtained employment stayed in North Dakota.

- **DSU Receives Full 10-Year Accreditation**
  DSU received a full 10-year accreditation from the Higher Learning Commission of the North Central Association of Colleges and Schools.

- **Department of Teacher Education Receives Continuing Accreditation**
  The Department of Teacher Education received continuing accreditation from the National Council for the Accreditation of Teacher Education and continuing accreditation program approval by the North Dakota Education Standards and Practices Board.

- **Nursing Program Receives Full 8-Year Accreditation**
  The Bachelor of Science in Nursing Completion Program received a full 8-year accreditation by the National League for Nursing Accrediting Commission, Inc.

- **Music Program Receives Accreditation**
  The music program received accreditation from the National Association of Music Schools.

- **DSU Expands Program Offerings**
  During the past two years, DSU expanded its offerings at the Bismarck State College campus to include Bachelor of Science programs in education with available majors in elementary education and in secondary education. Secondary education majors offered include composite social science, math, English and history. DSU also added majors in Computer Technology Management, Computer Science and Human Resource Management, and minor and certificate programs also in Human Resource Management and Entrepreneurship. These programs are available at both the DSU campus and at Bismarck State College through the Office of Extended Campus. Another addition is the Bachelor of Science in Business Administration now offered completely online.

- **Academic Success Center Created to Meet Student Needs**
  The Academic Success Center was established in the fall of 2005 to provide disability services, tutoring services, academic counseling and a writing center to all university students. The Center was relocated to the lower level of Stoxen Library in 2006 and an 18-station computer lab added.

- **TR Honors Leadership Program**
  The Theodore Roosevelt Honors Leadership Program grew to 120 participants and received approval by the National Collegiate Honors Council (NCHC). In November 2006, 17 students presented projects done in collaboration with faculty members at the NCHC Conference in Philadelphia, Pa. DSU will host the annual Upper Midwest Honors Council Conference in April 2007. Approximately 200 people from a half dozen states are expected to attend.

- **Center for Entrepreneurship and Rural Revitalization Established**
  The Center for Entrepreneurship and Rural Revitalization at Dickinson State University was established and approved by the North Dakota State Board of Higher Education in the fall of 2005, and a director was hired. The Center was made possible, in part, by a generous $1 million donation from alumni Jerome Strom and his late wife, Rosie.

- **Center Designated State Center of Excellence**
  The Center for Entrepreneurship and Rural Revitalization received $1.15 million in North Dakota Centers of Excellence funding and was designated a state Center of Excellence in the spring of 2006.

- **North Dakota Trade Office at Dickinson State University Established**
  The North Dakota Trade Office at Dickinson State University was established in the fall of 2005. In November 2006, DSU President Dr. Lee Vickers connected with the North Dakota Trade Office's international trade delegation in Russia and Ukraine to help facilitate meetings with partner universities there to explore trade opportunities.

- **DSU Signs Partnership Agreements**
  DSU signed partnership agreements with Russian institutions Nizhniy Novgorod State Agricultural University and Voronezh State University allowing for student and faculty exchange. The University also signed a memorandum of understanding with the Krasnoyarsk Medical Academy in Krasnoyarsk, Russia, allowing for student exchange, joint scientific research projects and conferences.

- **DSU Applies to In China Program**
  DSU submitted an application to participate in the "In China Program." The program is a cooperative agreement between the DSU and Sichuan International Studies University that will allow Chinese students to study in both America and China, and American faculty to teach in China.

- **Theodore Roosevelt Initiative Created to Encourage Heritage Tourism**
  DSU embarked on a Theodore Roosevelt Initiative to become a national center of Roosevelt scholarship. The endeavor includes collaborating with the Theodore Roosevelt Medora Foundation, Theodore Roosevelt National Park and the North Dakota Cowboy Hall of Fame to plan and execute TR activities and encourage heritage tourism in the region. As part of the initiative, TR scholar and first-person interpreter Clay Jenkinson was hired as a scholar in residence.

- **DSU Produces First Book**
  DSU produced the book, "Theodore Roosevelt in the Badlands," authored by Jenkinson and published by DSU in collaboration with TRMF.

- **First Theodore Roosevelt Symposium Held on Campus**
  DSU hosted a Roosevelt symposium in October 2006, bringing nationally-known TR scholars and authors together on campus. More than 400 people attended the three-day event that culminated in a field trip to Roosevelt's Elkhorn Ranch Site.

- **Murphy Hall Expansion and Renovation Project Nearly Complete**
  The $9.9 Murphy Hall Expansion and Renovation project completed phase I, which is an addition to the science facility. The addition includes state of the art chemistry and biology labs, a green house and a high-tech auditorium. Phase II, remodeling the original structure, which will house classrooms and offices, is underway and expected to be completed and furnished in time for fall semester 2007.

- **Alumni and Foundation House Hosts 6,000 Visitors**
  The Foundation completed construction of the Alumni and Foundation House, a building that contains offices and provides space for meetings and gatherings. Since opening in the winter of 2005, more than 6,000 alumni and friends of the university have visited the building.

- **Hawks Point Home to First Residents**
  Construction for Hawks Point, a senior living facility located on campus, is nearly complete. There are currently three residents in the facility, which is expected to hold its grand opening in February 2007.

- **Ternes Named DAC Athletic Director of the Year**
  DSU Athletic Director Roger Ternes was chosen as the 2006 Dakota Athletic Conference Athletic Director of the Year. Four other DSU coaches were named coach of the year in their respective sports: Pete Stanton, Duane Monlux, Guy Fridley, and Tim Daniel.

- **DSU Awarded DAC Commissioner's Cup**
  DSU captured the DAC Commissioner's Cup and won six outright conference championships and shared another in 2005-06. The Blue Hawks won DAC titles in volleyball, men's indoor and outdoor track and field, women's golf, softball and baseball and tied for the DAC championship in football with Valley City State.

- **Biesiot Inducted into NAIA Hall of Fame**
  DSU Head Football Coach Hank Biesiot was inducted into the National Association of Intercollegiate Athletics (NAIA) Hall of Fame in January 2006.

- **Men's Outdoor Track and Field team take NAIA National Title**
  For the third consecutive year, the Men's Outdoor Track and Field team won the NAIA National title in 2006. Track and Field Coach Pete Stanton was named the NAIA Men's Track and Field Coach of the Year for the fourth consecutive year. He also was named DAC indoor and outdoor men's coach of the year.

- **DSU Forms Partnership With Partners for Grassland Stewardship**
  DSU formed a partnership with Partners for Grassland Stewardship to assist in efforts to build agreements on strategies, policies and projects in the grasslands of North Dakota.

- **Animal Identification Systems Summit Held at DSU**
  DSU, U.S. Senator Byron Dorgan, North Dakota State University and the Red River Valley Research Corridor held a summit on animal identification systems at DSU in November 2006. The summit addressed national and state policy issues and featured demonstrations of the mapping capabilities at the Agrosecurity Center at DSU and technologies now being tested and demonstrated at the NDSU Dickinson Research Extension Center.

(1)

With the exception of these pages, same testimony given to House and Senate



SENATE APPROPRIATIONS COMMITTEE
EDUCATION & ENVIRONMENTAL DIVISION
HEARING

Tuesday, February 27, 2007

FOREWORD

Dickinson State University's primary mission is to address the educational needs of the citizens of southwestern North Dakota. The university continues to serve the West River Region as it has for nearly 90 years, striving for excellence in its programs which include liberal arts, teacher education, business, agriculture and nursing.

Realizing that the future prosperity of North Dakota depends on attracting and retaining talented people, especially young entrepreneurs, Dickinson State University takes seriously its mission to develop human capital. The university adapts to the needs of its students with flexibility and distinction by enhancing the quality of its programs and services and increasing access to education through user-friendly modes of instruction. Above all, Dickinson State University continues to focus on providing a student-centered learning environment that affords each individual the opportunity to maximize his or her potential and gain the skills necessary to compete in a highly complex global economy.

Higher Learning Commission re-accreditation of Dickinson State University and the re-accreditation of several of its departments, including the Department of Nursing, the Department of Teacher Education, the Department of Music and the Small Business Development Center demonstrate the effectiveness of the university's comprehensive assessment plan and its firm commitment to continuous improvement. Utilizing the flexibility provided by the Legislative Roundtable, Dickinson State University is becoming nationally and internationally competitive.

The success of a university to maintain and increase enrollment depends on a variety of factors including quality facilities, programs, service, marketing and overall quality of place. Dickinson State University conscientiously addresses each of these factors, recognizing the importance of preparing bright and talented people for the state's workforce. The following examples are indications of Dickinson State University's commitment to quality:

- Last fall, Dickinson State University achieved record enrollments for the 11th consecutive year.
- Results from the 2006 graduating class major field exit exams showed the psychology students' mean scores were at the 55th percentile, the Bismarck

campus business graduates' scores were at the 60th percentile and the accounting graduates were at the 95th percentile. Furthermore, Dickinson State University students are passing the CPA exam at 58.3 percent, more than 14 percent higher than the national average of 43 percent and leading all colleges and universities in North Dakota.

- Dickinson State University nursing students also demonstrate a high level of proficiency. In 2005-06, 95.8 percent of DSU students obtaining practical nursing degrees passed the national licensing examination. The national pass rate for practical nurse licensure was 88.2 percent. In the BSN program, 91.9 percent passed the national exam, compared to the national average of 87.5 percent.
- The graduating class of 2006 boasts a 98.7 percent placement rate.
- 76 percent of North Dakota native graduates and 59 percent of non-resident graduates who obtained employment stayed in North Dakota.

Center for Entrepreneurship Driving Economic Progress

Most rural communities across the nation that are thriving are doing so because of their focus on entrepreneurship (Center for Rural Entrepreneurship, Lincoln, Nebraska). A recent study of the 400 U.S. regional economies by the Edward Lowe Foundation and the Small Business Administration found that the most entrepreneurial regions had 78 percent more business starts, significantly higher business survival rates, 73 percent higher employment growth, 14 percent higher wages and 45 percent higher productivity than the least entrepreneurial regions.

As a driving force for change within the region, as well as the state, the university continues to establish creative and innovative partnerships with other institutions, agencies and private sector entities. The Center for Entrepreneurship and Rural Revitalization at Dickinson State University is the realization of a vision formed through these partnerships to bring economic growth to the region. The Center, made possible in part by a $1 million gift from alumnus Jerome Strom and his late wife, Rosie, was established in the fall of 2005. An institute within the Center received North Dakota Center of Excellence designation in the spring of 2006. Supporting entrepreneurs and aspiring entrepreneurs in their efforts to compete on a global scale is just one objective of

the Center. Other objectives include addressing the decline of rural communities, stemming outmigration and creating wealth for the region and the state.

Extended Campus Expands Opportunities for Non-Traditional Learners

One of the most rapidly growing segments of the student population is the adult learner. Through its Extended Campus, and in partnership with Bismarck State College, Dickinson State University is meeting the unique needs of these students by continuing to expand its degree programs and online offerings. During the past two years, Dickinson State University increased its offerings at Bismarck State College to include Bachelor of Science programs in education with available majors in both elementary and secondary education. Moreover, majors in Computer Technology Management, Computer Science and Human Resource Management were added along with minor and certificate programs in Human Resource Management and Entrepreneurship. Also, a Bachelor of Science in Business Administration is now offered completely online.

New, Renovated Facilities Support Student Learning

On-campus efforts to meet national needs include the nearly completed Murphy Hall Expansion and Renovation Project which provides students with a state-of-the-art science facility and a math/science grant totaling over $1.3 million being used to enhance teacher education. Dickinson State University also has responded to the Legislative Roundtable's concern about college students' soft skills development by adding an Academic Success Center to provide student support, tutoring and advising. The Center is located in Stoxen Library and includes an 18-unit computer lab. The "Learning Commons Computer Lab and the Academic Success Center reinforce the library's role as an "information commons – a hub of intellectual inquiry and a place for research, creative dialogue, interdisciplinary pursuits and cultural activities.

Global Awareness Initiative Prepares Students for 21st Century

Dickinson State University continues to actively expand its Global Awareness Initiative by promoting international student and faculty exchange programs and forming partnerships with institutions around the globe. The model for today's universities must be one that educates students to be competent in their discipline and intentionally

prepares them to successfully participate as world citizens in a multicultural society and a highly technical global economy. Through education and interaction with people from other cultures, Dickinson State University fosters the ideal that individuals can contribute to world peace through tolerance and understanding. The university currently has partnership agreements with China, England, Japan, Kazakhstan, Mexico, Mongolia, Russia and Ukraine.

The heretofore mentioned initiatives illustrate Dickinson State University's commitment and determination to implement the Legislative Roundtable cornerstones and to enhance the economic potential for prosperity in North Dakota. The university continues to contribute to the "Quality of Place by fostering visionary thinking and providing students and citizens with the skills necessary to maximize their potential, grow North Dakota and compete on a national and international level.

Attracting and retaining talented people is the key to North Dakota's future. Dickinson State University is making a substantial contribution by continuing to focus on developing human capital. Its hallmarks are excellence in education and quality facilities, programs, and services. Thank you for your interest in and support of Dickinson State University and your efforts to enhance higher education across North Dakota.

Dickinson State University Campus Overview

Presented by
Dr. Lee A. Vickers, President

Senate Appropriations Committee
February 27, 2007

Overview

- Human Capital
- Enrollment/Retention/Graduation Rates – Goals and Strategies
- Campus Initiatives
  - Joint Powers Agreement – RESP
  - Theodore Roosevelt
  - Global Awareness
  - Agrosecurity
  - Center for Entrepreneurship and Rural Revitalization/ Center of Excellence
  - DSU Foundation – Hawks Point
- Challenges/Opportunities and Priorities

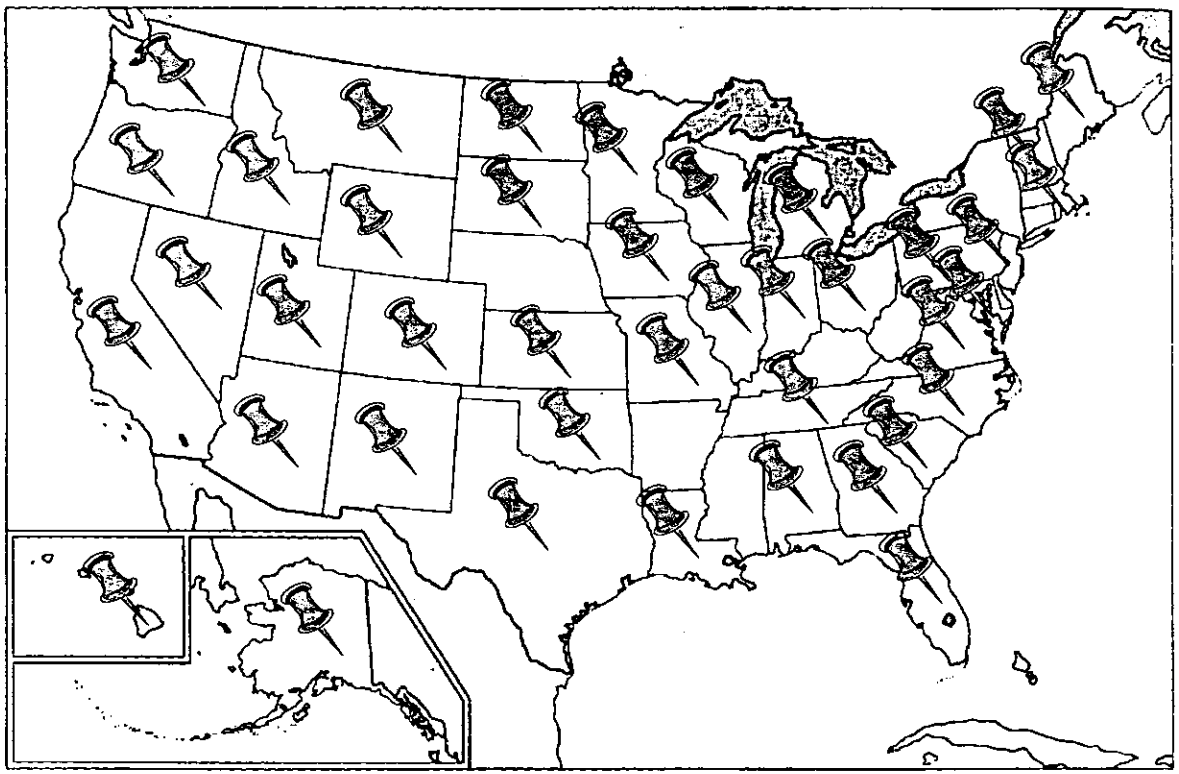
Human Capital

- The paradigm has changed:

  "The **economic prosperity of our state** for the foreseeable future **will *not* depend on our ability to attract or grow businesses**; it **will depend on our ability to attract and retain talented people,** particularly young entrepreneurs."

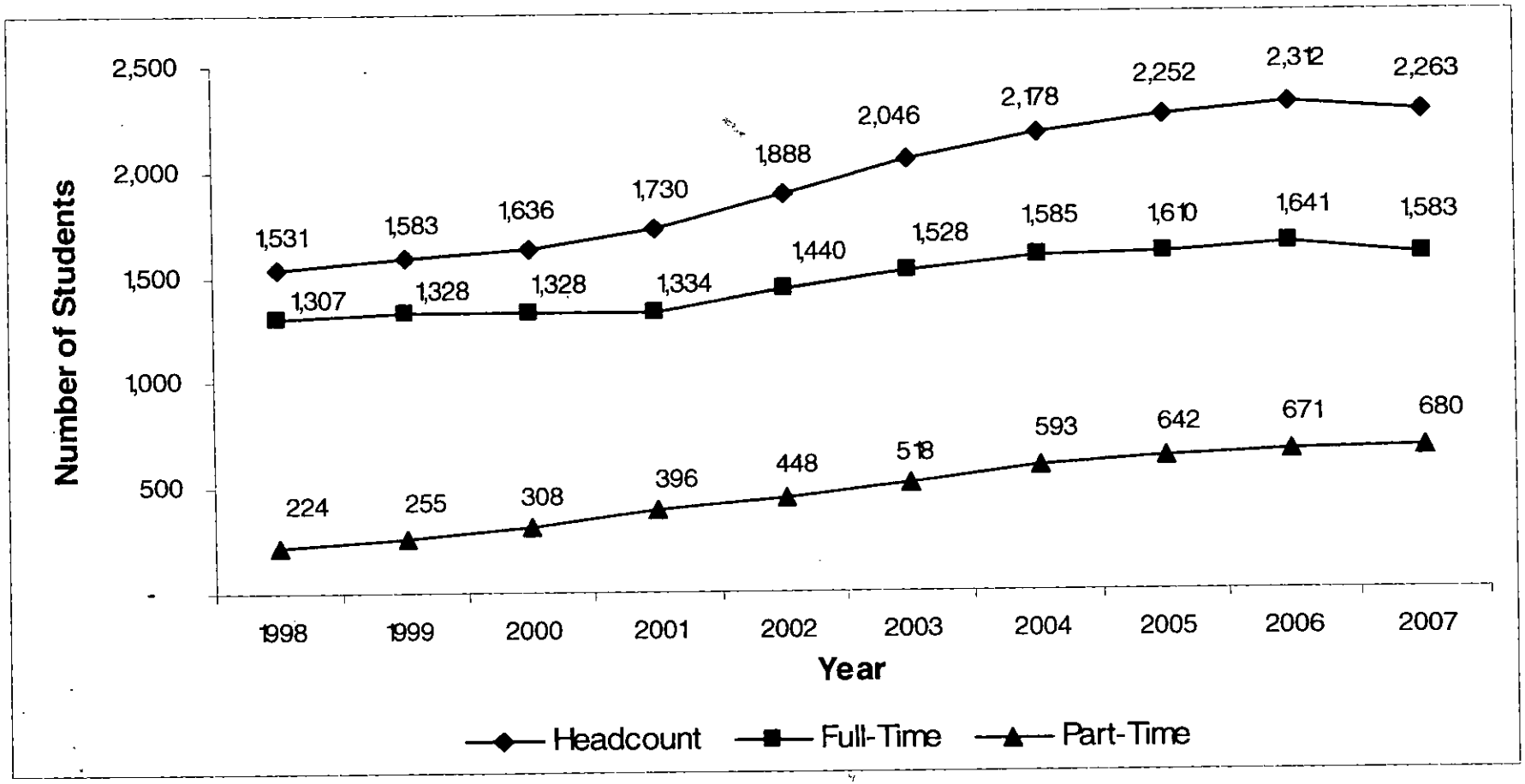
Students' States of Origin

Spring 2007

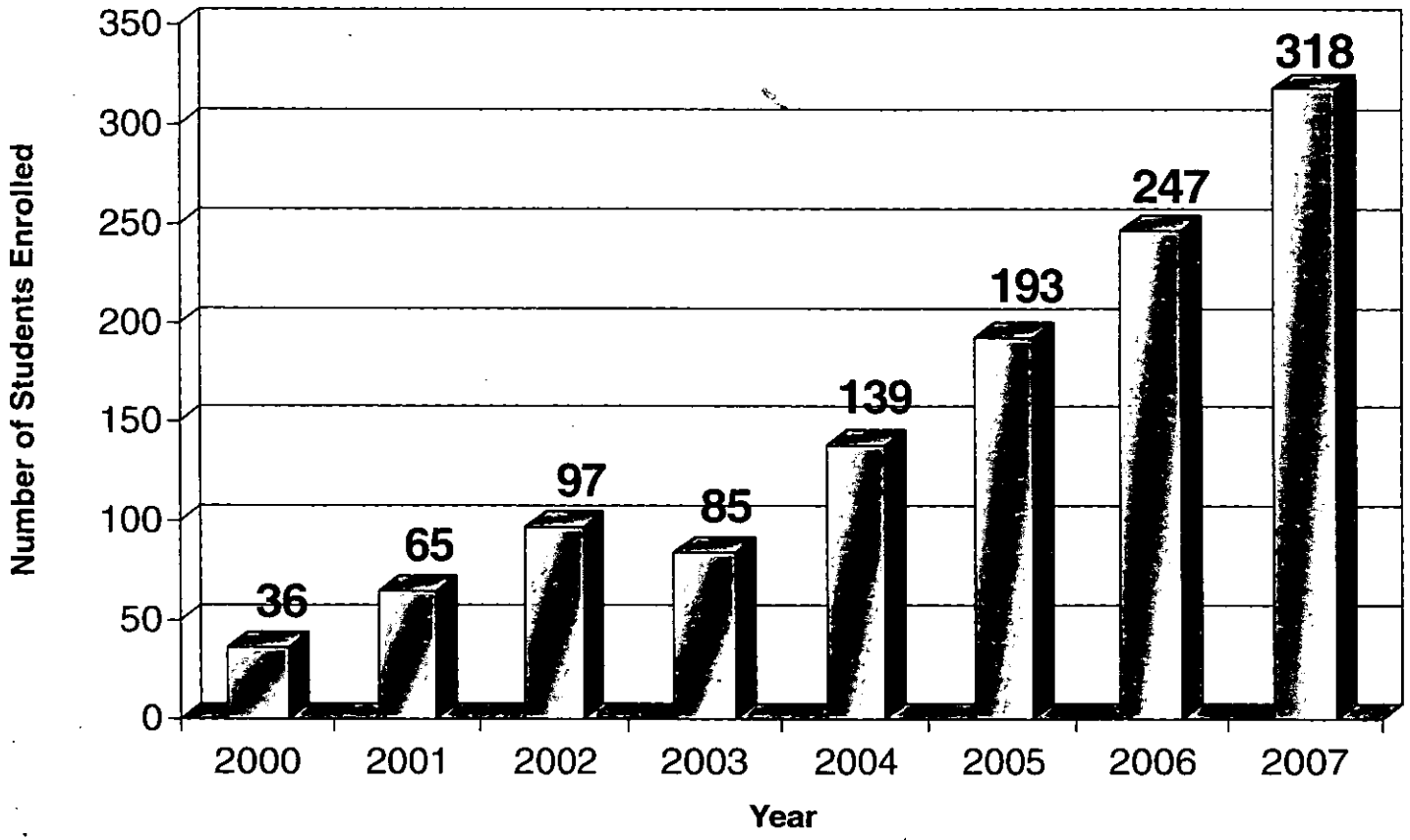


- 40 states
- 29 countries
- 46 ND counties

Spring Enrollment, 1998-2007
Full-Time and Part-Time



Spring Enrollment in Bismarck 2000-2007



Enrollment Factors

- Quality
- Facilities
- Programs
- Services
- Marketing



Quality – Assessment Results



- 2006 Major Field Tests
  - Business students in Bismarck
    - Overall mean score 60th percentile
    - Overall accounting score 95th percentile
- CPA Exam
  - Range of pass rates in ND – 16.67% To 58.33%
  - Average pass rate in ND – 49.74%
  - DSU – **58.33%**
- Nursing Licensure Exam Pass Rates
  - 2-year program – **95.8%** (national average is 88.2%)
  - BSN program – **91.9%** (national average is 87.5%)

Services – Academic Success Center

- Advising
- Tutoring
- Writing Center/Writing Across the Curriculum
- Computer Lab



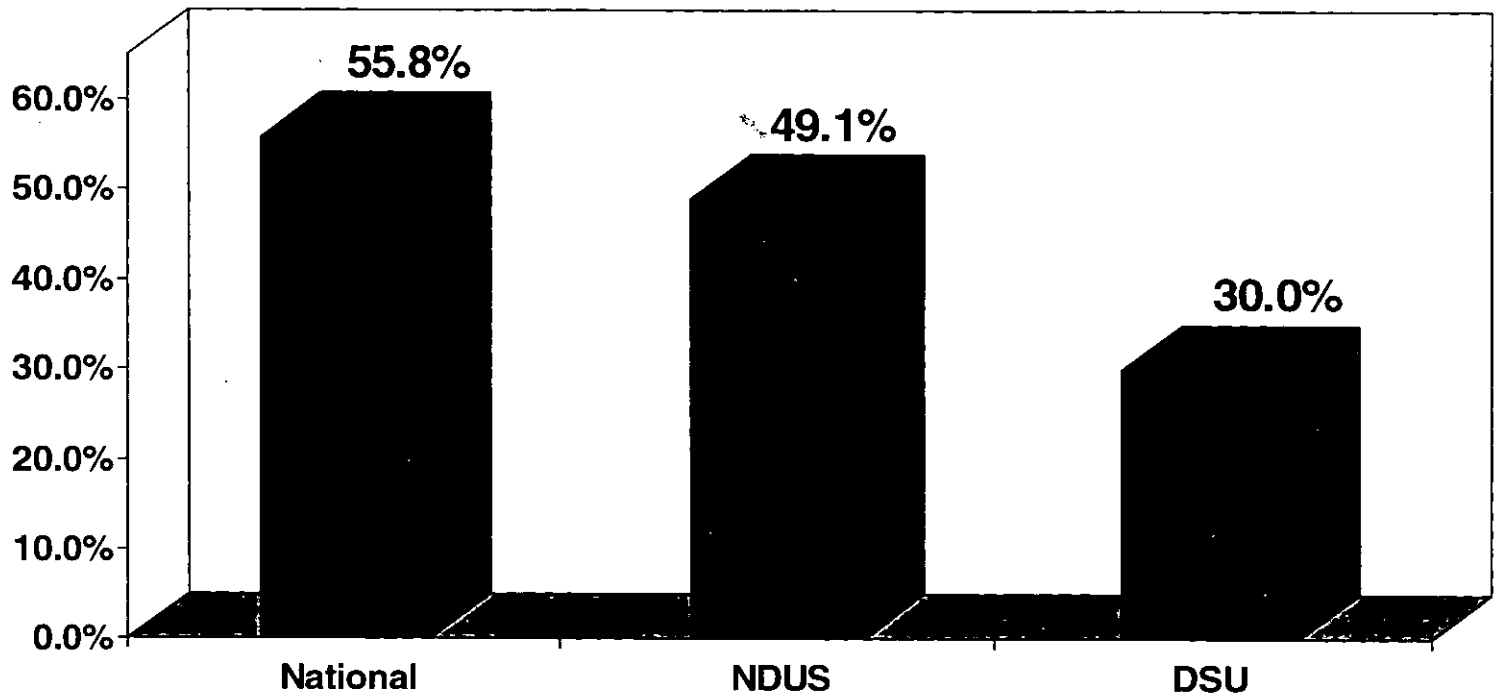
- First Year Experience
- Quality Enhancement Workshops
- Supplemental Instruction
  - Math
  - English
  - History
- Private Sector/Soft Skills
- P-16

Marketing

- Maximize every opportunity
- Partnership
- Areas of distinction
- Know your students

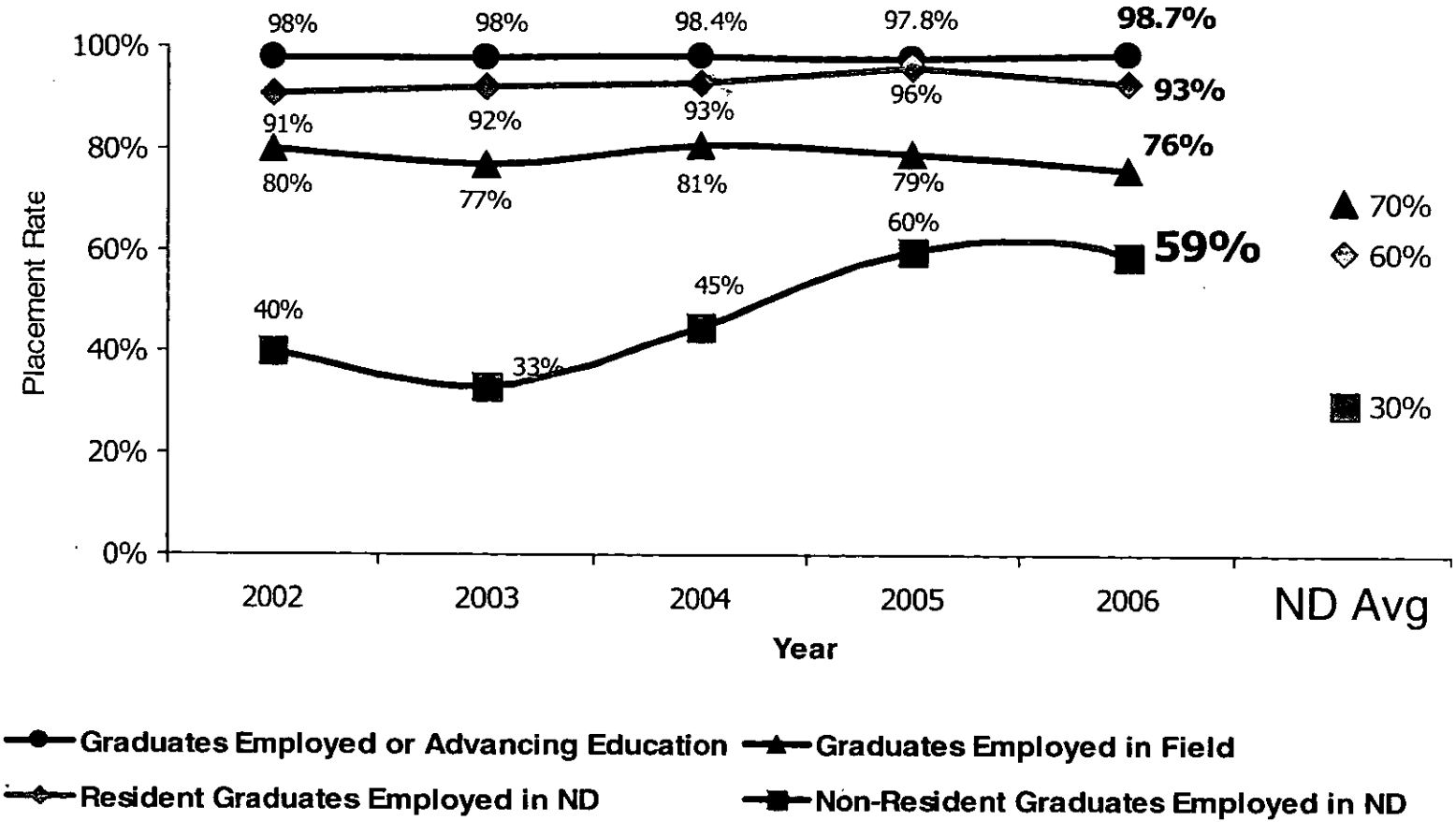


2005 Graduation Rate

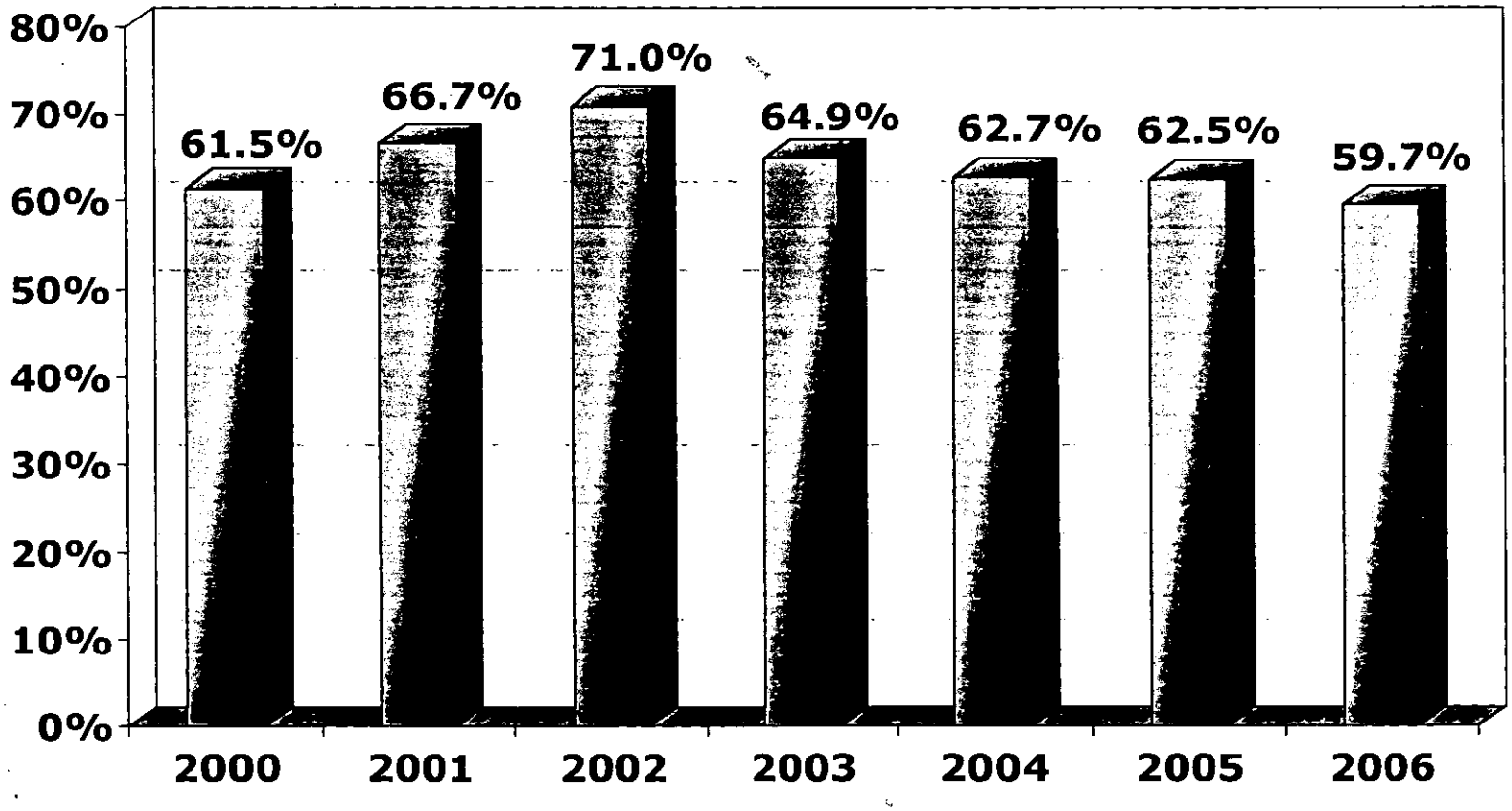


DSU has **66% first-generation** college attendees (incoming freshmen)

Placement Rate, 2002-2006



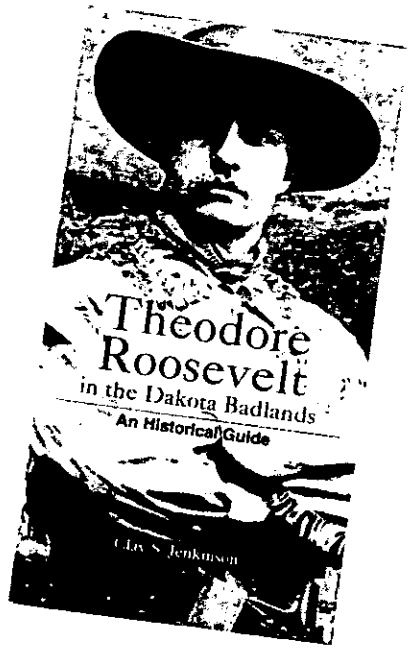
Fall-to-Fall Retention Rate* 2000-2006



* First-Time, Full-Time Freshmen

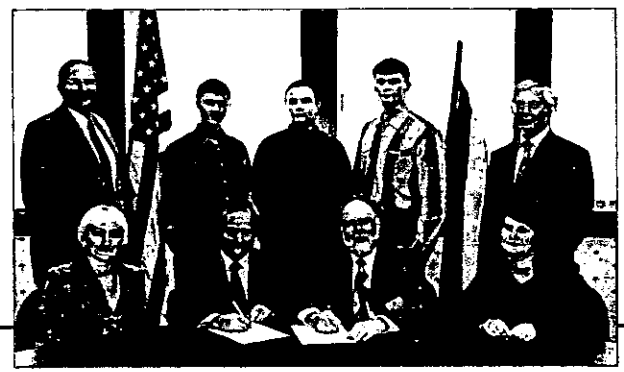
Roosevelt Initiative

- Promote the legacy of Theodore Roosevelt in North Dakota
- *TR in the Dakota Badlands: An Historical Guide* – published June 2006
- TR Symposium – October 12-14, 2006
- TR Symposium – September 13-15, 2007
- **TR Virtual Library**
- Engaged partners
  - Theodore Roosevelt Medora Foundation
  - North Dakota Cowboy Hall of Fame
  - North Dakota State Historical Society
  - Theodore Roosevelt National Park



Global Awareness – Trip to Russia and Ukraine (ND Trade Mission)

- Voronezh State University – 12,000 students
  - International Relations Department – 2+2 dual degree
  - MacArthur Foundation
- National Agricultural University of Ukraine – 36,000 students
  - Faculty and student exchange
  - GIS/GPS, cattle breeding, environmental land management
- North Dakota Trade Mission
  - Ukrainian Agrarian Confederation, Kiev
- North Dakota Trade Office, Global Conference – March 2007



Agrosecurity Initiative

- DSU, NDSU Dickinson Research Extension Center (DREC), North Dakota State University
- GIS/GPS
- Animal ID Action Summit, November 2006 (Senator Byron Dorgan)
  - RFID technology to track livestock
- Grant funding
  - $1,037,201 DSU
  - $5,347,667 total project budget to date

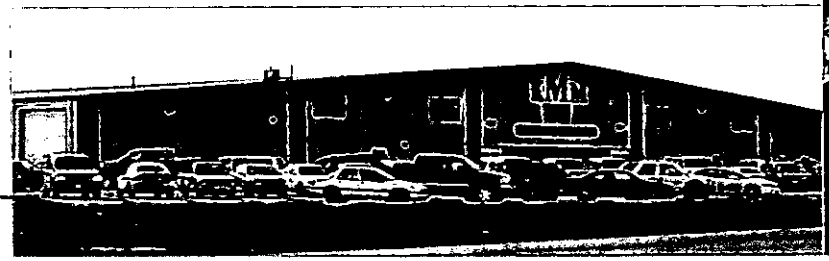
ND Center of Excellence

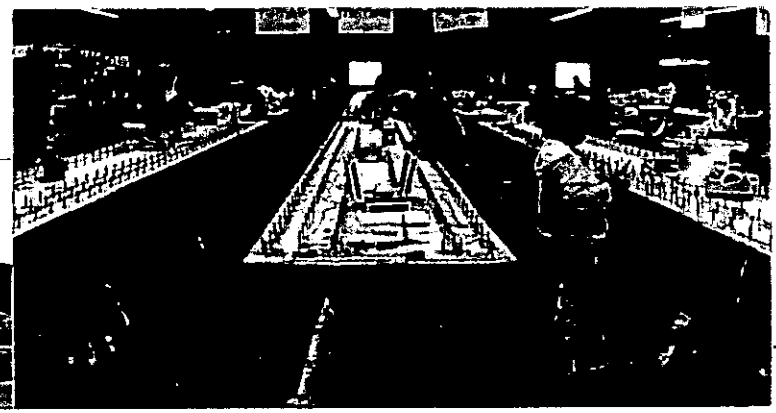
$1.15 Million

Keystone Project: Killdeer Mountain Manufacturing

1. Integration of production at remote sites
   - RFID technology for supply chain transparency
2. Implementing new technologies
   - Develop expertise and provide technical assistance
3. Entrepreneurial leadership for high-tech production facilities
   - Customized "Manufacturing Leadership" program

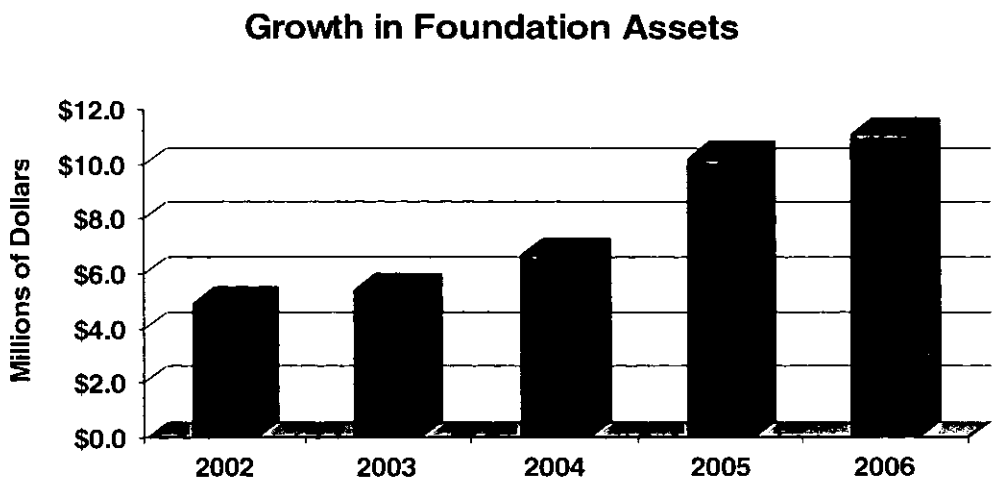
50 new employees
at new plant in Dickinson





DSU Foundation Highlights

- >$2 million net income for 4 consecutive years
- More than $700,000 in scholarships
- Alumni and Foundation House
- Total assets
  - 2002 <$5 million
  - 2006 >$11 million
- Hawks Point



Hawks Point

- 78 apartments
- 11 cottages
- $12 million cost
- Grand Opening – March 3, 2007



Challenges/Opportunities and Priorities

1. Sustain **enrollment growth** and build and project **Quality of Place**
   - Base funding
   - Maximize partnerships
   - Invest in ConnectND
2. Recruit and retain **highly motivated, creative faculty and staff**
   - Faculty and staff salary increases
   - Fully funded health benefits
   - New positions

Challenges/Opportunities and Priorities (continued)

3. Utilize **assessment data** to continuously improve the **quality of programs and services**
   - Initiatives designed to foster student success
   - Focus on goal to be competitive nationally and internationally
   - Expand and enhance the Theodore Roosevelt Honors Leadership Program

Challenges/Opportunities and Priorities (continued)

4. Implement and promote the **Center for Entrepreneurship and Rural Revitalization** and the **Center of Excellence designation**
   - Ensure goals and objectives are met
   - Ensure the Center is self-sustaining
   - Funding for Center of Excellence initiative

Challenges/Opportunities and Priorities (continued)

5. Provide the **physical facilities and infrastructure** necessary to project a genuine concern and commitment to a **quality learning environment**
   - Deferred maintenance request
   - Whitney Stadium
   - TR Virtual Library component

Challenges/Opportunities and Priorities (continued)

6. Identify and aggressively pursue opportunities to solidify and **promote the University's position** as a critical element in the future prosperity of southwestern North Dakota and the greater region
   - Flexibility
   - **Quality of Place is a critical factor** in attracting and retaining talented people, particularly young entrepreneurs
   - P-16 – invest in the future
   - **Human Capital – higher education's mission**

Same except for these sheets given to House

Dickinson State University Budget Issues

Presented by Alvin Binstock,
Vice President for Business Affairs

Senate Appropriations Committee
February 27, 2007

Dickinson State University
Comparison of SBHE General Fund Request to Executive Recommendation & Engrossed HB1003

	(1) SBHE 2007-09 Prioritized GF Request		(2) Executive Recommendation		(3) House Adjustments	(4) Engrossed HB1003	
2005-07 Original General Fund Appropriation	**$ 15,095,317**		**$ 15,095,317**			**15,095,317**	
Base Adjustments	**-**		**-**			**0**	
2005-07 Adjusted General Fund Appropriation, Net of Base Adjustments	**15,095,317**		**15,095,317**			**15,095,317**	
Prioritized SBHE Requested Increase in Base Funding:							
Capital Assets Increase-Ongoing Extraordinary Repairs[1]	182,153	[1]	-			-	
Campus Parity[2]	1,641,858	[2]	1,641,858		(187,158)	1,454,700	[2]
Campus Equity[3]	544,871	[3]	544,871			544,871	[3]
House Adjustments to Base Funding						-	
Total Requested Increase in GF Base Funding & Adjustments	2,368,882		2,186,729		(187,158)	1,999,571	
Subtotal Base GF Request, Compared to Executive Recommendation & Engr HB1003	**17,464,199**		**17,282,046**		**(187,158)**	**17,094,888**	
One-time Budget Increases, Excluding Major Capital Projects:							
Capital Assets Increase-Ongoing Extraordinary Repairs			182,153	[1]		182,153	[1]
Infusion for Deferred Maintenance[4]	754,867	[4]	452,920	[4]		452,920	[4]
House One-time Adjustments						-	
Subtotal One-time GF Request, Excluding Major Capital Projects, Compared to Exec Recommendation & Engr HB1003	**754,867**		**635,073**		**-**	**635,073**	
2007-09 State General Funded Projects	-					-	
Total 2007-09 General Fund Request, Compared to Executive Recommendation & Engrossed HB1003	**$ 18,219,066**		**$ 17,917,119**		**$ (187,158)**	**$ 17,729,961**	

[1] DSU's proportionate share of a $4 million deferred maintenance request

- DSU has outstanding deferred maintenance needs totaling $8,893,166
- Executive Branch and House recommended one-time funding rather than a base allocation

[2] Funds earmarked in support of **parity** (funds needed to continue current programs and services)

- 5%/year compensation package increase
- Health insurance increase of $146/month
- Operating inflation rate of 2.4%/year

• Amendments to HB 1003

- Reduce salary increases to 4%/year – reduces DSU's share by $187,158
- Health insurance funding in the bill will require changes in plan coverage
  - E.g. deductible for "basic" family plan could increase $450 in 2007-09 - this is 2½% of an $18,000 annual salary or half of the requested 5% salary increase (two-thirds of the House-proposed 4% salary increase)
- DSU will struggle to fund general operations with only a 2.4%/year operating inflation factor – utility cost increases are higher
  - "Equity" funding will be needed to support our projected 2007-09 operating expense level

[3] Funds earmarked for **equity** (funds needed to move an institution closer to the "benchmark" or average funding levels of selected national peer institutions)

- DSU receives 47% of its peer institution benchmarked "state support" level

[4] DSU's proportionate share of a $10 million **one-time** funding request in support of deferred maintenance

- Executive Branch and House recommended one-time funding of $452,920, a $301,947 reduction from the request

HB 1003's Impact on **Base Funding**

- Assumptions
  - 5% tuition increase per year
  - 2.4% annual utility increase + $1,006,136

    10% annual utility increase + $786,786
- Impact
  - Provides resources necessary to hold tuition increases to no more than 5% per year
  - Provides for a contingency reserve to address:
    - Potential shortfall in projected tuition revenue
    - Operating cost increases in excess of 2.4% (utilities, etc.)

HB 1003's Impact on **Base Funding** **(continued)**

- Enhances the institution's ability to sustain/provide funds in support of:
  - Fully funding parity
  - Addressing continuing costs relative to 2005-07 utility increase
  - Center for Multicultural Affairs staff
  - "Extended Campus" opportunities
  - Faculty/Staff positions (Accounting, Biology, Music, Geology/Soils, Facility Operations, Grant Writer, etc.)
  - Upgrading/providing access to modern equipment
  - Enhancing faculty/student research opportunities

System Priorities

- Dickinson State University supports the State Board of Higher Education's budget request and recommends the Senate give consideration to the following prioritized adjustments to the House budget

System Priorities (continued)

1) Restore $4.2 million in state general funds to provide **5% annual salary increases** for faculty and staff

2) Fund the state **health insurance plan** at the level needed to maintain the current level of benefits for all state employees

3) Add $920,000 in base funding and $9.7 million in one-time funding for **ConnectND**, to fund additional staff, stabilize the system, retire debt and provide a grants and contracts solution

4) Add $400,000 in base funding and $375,000 in one-time funding to complete the build out of the **Northern Tier Network** and cover the ongoing maintenance costs for one year of the biennium

System Priorities (continued)

5) Add $200,000 to **SBHE Contingency and Capital Improvement Emergency** fund for a total of $496, 482 for the biennium, the current 05-07 funding level

6) Add $1,791,174 to the **SBHE Initiative Fund** to restore funding to the 05-07 level

7) Add $308,000 in funding for a **full-time CTEC Director**

8) Add $200,000 to the **Operations Pool** to restore funding to the 05-07 level

2003-05 General Fund Carryover into 2005-07 Biennium

$357,763

- Capital Asset funds unexpended as of June 30, 2005, primarily as a result of timing within the construction season and the unavailability of trades to complete work prior to the close of the biennium

Use of Carryover Funds:

- Electrical Distribution Upgrade – West Campus Complex
- Tuckpointing/Sealing of Masonry Surfaces
- Stickney Auditorium Lighting Systems Upgrade
- Library/Academic Success Center Improvements
- Murphy Hall Steam Line Replacement

"Unexpended appropriations for the North Dakota University System are not subject to this section and the North Dakota University System shall report on the amounts and uses of funds carried over from one Biennium to the next to subsequent appropriation committees of the legislative assembly." Section 54-44.1-11 of the *North Dakota Century Code* (relating to unexpended appropriations)

Att. B.

Wald, Francis J.

From: lee.vickers@dsu.nodak.edu
Sent: Thursday, April 19, 2007 3:48 PM
To: Wald, Francis J.
Cc: Wardner, Rich P.
Subject: Roosevelt Center

Dear Frank,

In response to your inquiry regarding the status of the Roosevelt Initiative, please find below a brief summary of the situation.

As you know, we are leading an effort to establish a Roosevelt Center at DSU and in Medora. A crucial and immediate step in that effort is working with the Library of Congress staff and Senator Byron Dorgan to secure an agreement to begin the digitization of TR's extensive papers in their collection. The Library of Congress staff is very excited about the possibility and intrigued with the idea of working with North Dakota to accomplish this.

In this age of technology, the digitization of TR's papers is a critical part of the proposed center and heritage tourism activities we are planning and developing in collaboration with a group we call the "Medora Stakeholders." The group is comprised of the CEOs of Theodore Roosevelt National Park, Theodore Roosevelt Medora Foundation, State Historical Society and the North Dakota Cowboy Hall of Fame.

Today I received an email that may provide North Dakota with a unique opportunity to gain some national recognition in support of our efforts to elevate the profile of Roosevelt in North Dakota. A staff person with the Boone & Crockett Club has indicated through a mutual acquaintance that plans are being made for President Bush and his chief of staff, Karl Rove, to visit the Badlands in order to see firsthand the Eberts Ranch (adjacent to TR's Elkhorn Ranch site) which was recently purchased by the U.S. Forest Service after a long series of negotiations.

I am also aware that the national Theodore Roosevelt Association based in Oyster Bay, New York, is also very much interested in establishing a museum/center. Their establishing a center does not in any way preclude our doing so. In fact, there is every reason to believe that we could work together to enhance each other's work. It is, however, in my opinion imperative that North Dakota demonstrate a will and commitment to be a major player in the renaissance of Theodore Roosevelt's legacy.

In order for North Dakota to be recognized from the outset as a serious participant in this effort, we must find a way to get seed money in the amount of $150,000-$250,000 to lock in the agreement with the Library of Congress. The total project will cost approximately $600,000. We are actively working with the Theodore Roosevelt National Park and Senator Dorgan to identify a portion of the funding from federal sources, and we are prepared to do private fundraising, but time is of the essence.

Moreover, if we can secure the funds necessary to immediately begin working with the Library of Congress, we are confident we can leverage those funds to obtain a significant grant from the National Endowment for the Humanities. We are already in conversation with NEH staff and have received very enthusiastic response and encouragement. The NEH grant would allow us to create a premier Roosevelt web portal and a searchable database of TR's papers which would be accessible worldwide. It would literally put ND on the world map in heritage tourism.

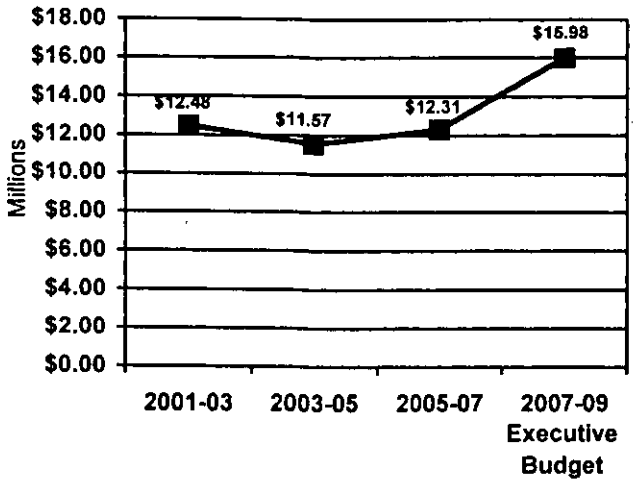
I very much appreciate your ongoing interest in the Roosevelt Initiative.
I hope this answers your questions.
--
Lee A. Vickers, Ph.D.
President
Dickinson State University
291 Campus Drive
Dickinson, ND 58601

Department 242 - Valley City State University
use Bill No. 1003

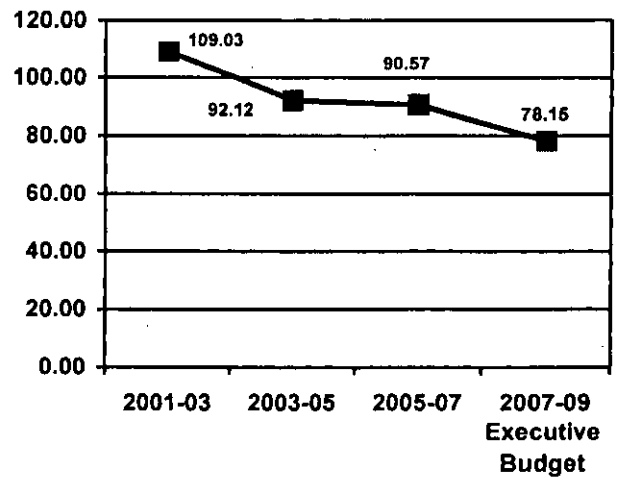
	FTE Positions	General Fund	Other Funds	Total
2007-09 Executive Budget	78.15	$15,979,831	$0	$15,979,831
2005-07 Legislative Appropriations	90.57	12,314,942	0	12,314,942 [1]
Increase (Decrease)	(12.42)	$3,664,889	$0	$3,664,889

[1]The 2005-07 appropriation amounts do not reflect $83,929 of general fund carryover from the 2003-05 biennium.

Agency Funding - General Fund



FTE Positions



Executive Budget Highlights

	General Fund	Other Funds	Total
1. Provides parity funding of $1,137,501 for the following:			
Costs to continue fiscal year 2007 legislatively funded salary increases	$129,695		$129,695
5 percent per year salary increases	634,577		634,577
10 percent per year health insurance increases	316,390		316,390
2.4 percent per year operating inflation	56,839		56,839
Total (The executive recommendation only includes approximately 94 percent of the total general fund portion of parity costs of $1,213,493. Operating inflation of $75,992 is not included in the executive recommendation. An annual tuition increase of 6.4 percent would be needed to fund the remaining general fund portion of $75,992 and to fund the student portion of parity costs of $520,068.)	$1,137,501		$1,137,501
2. Provides equity funding of $39,569. (The executive recommendation includes a $10 million increase for equity distributed among the 11 higher education institutions. The amount distributed to each institution was determined by considering both the institution's dollar difference from their peer benchmark as well as a greater weighting factor to those institutions that are the furthest behind their peer benchmark.)	$39,569		$39,569
3. Provides funding for extraordinary repairs of $796,235 equal to the 2005-07 base funding of $258,416 plus a proportionate share, $537,819, of the $10 million increase that is included in the executive recommendation. (The additional funding of $537,819 is **identified as one-time funding in the executive budget**.)	$537,819		$537,819

4. Removes major capital project funding provided in the 2005-07 biennium, including $250,000 from the general fund for W. E. Osmon bleacher replacement	($250,000)	($250,000)
5. Provides funding for major capital projects for the 2007-09 biennium, including $2,200,000 from the general fund for steamline replacement	$2,200,000	$2,20[illegible]

Other Sections in Bill

Transfer authority - Section 12 provides that the State Board of Higher Education may transfer funds from an institution's operations line item to the institution's capital assets line item if the board determines that additional funds are needed for capital projects or extraordinary repairs.

FTE positions - Section 13 authorizes the State Board of Higher Education to adjust FTE positions as needed for institutions and entities under its control.

Continuing Appropriations

Special revenue funds - NDCC Section 15-10-12 - Provides the continuing appropriation authority for higher education institutions' special revenue funds, including tuition, through June 30, 2007.

Major Related Legislation

House Bill Nos. 1030, 1031, and 1032 - These bills provide for the continuation of the following statutory provisions through June 30, 2009:

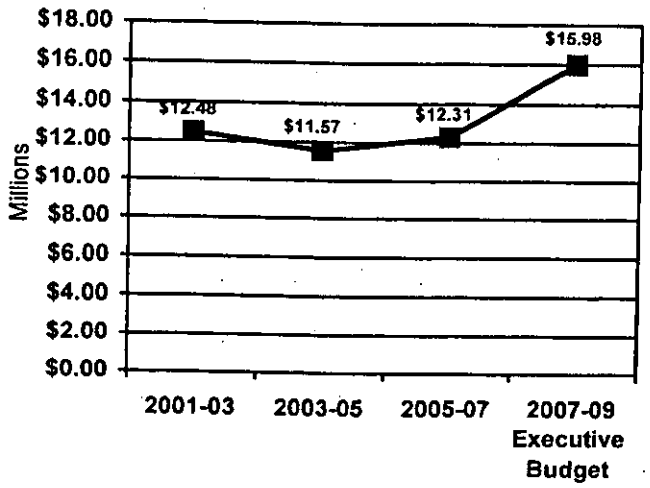
- The continuing appropriation authority for higher education institutions' special revenue funds, including tuition.
- The requirement that the budget request for the North Dakota University System include budget estimates for block grants for a base funding component and for an initiative funding component and a budget estimate for an asset funding component and the requirement that the appropriation for the University System include block grants for a base funding appropriation and for an initiative funding appropriation and an appropriation for asset funding.
- The North Dakota University System's authority to carry over at the end of the biennium unspent general fund appropriations.

Department 242 - Valley City State University
House Bill No. 1003

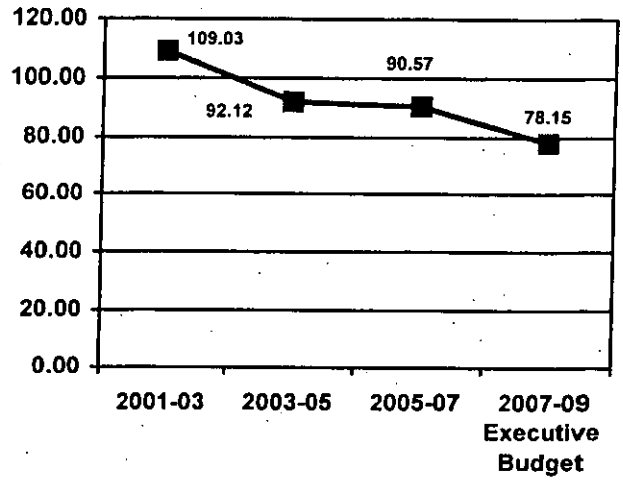
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[1]The 2005-07 appropriation amounts do not reflect $83,929 of general fund carryover from the 2003-05 biennium.

Agency Funding - General Fund



FTE Positions



First House Action

Attached is a summary of first house changes.

Executive Budget Highlights
(With First House Changes in Bold)

	General Fund	Other Funds	Total
1. Provides parity funding of $1,137,501 for the following:			
Costs to continue fiscal year 2007 legislatively funded salary increases	$129,695		$129,695
5 percent per year salary increases	634,577		634,577
Estimated health insurance increases	225,497		225,497
2.4 percent per year operating inflation	132,831		132,831
Undesignated increase	14,901		14,901
Total (The executive recommendation includes approximately 101 percent of the total general fund portion of parity costs of $1,122,601.) **The House reduced parity funding by $128,579 from the general fund to reflect 4 percent per year salary increases.**	$1,137,501		$1,137,501
2. Provides equity funding of $39,569. (The executive recommendation includes a $10 million increase for equity distributed among the 11 higher education institutions. The amount distributed to each institution was determined by considering both the institution's dollar difference from their peer benchmark as well as a greater weighting factor to those institutions that are the furthest behind their peer benchmark.)	$39,569		$39,569

3. Provides funding for extraordinary repairs of $796,235 equal to the 2005-07 base funding of $258,416 plus a proportionate share, $537,819, of the $10 million increase that is included in the executive recommendation. (The additional funding of $537,819 is **identified as one-time funding in the executive budget.**)	$537,819	$537,819
4. Removes major capital project funding provided in the 2005-07 biennium, including $250,000 from the general fund for W. E. Osmon bleacher replacement	($250,000)	($250,000)
5. Provides funding for major capital projects for the 2007-09 biennium, including $2,200,000 from the general fund for steamline replacement	$2,200,000	$2,200,000

Other Sections in Bill

Transfer authority - Section 13 provides that the State Board of Higher Education may transfer funds from an institution's operations line item to the institution's capital assets line item if the board determines that additional funds are needed for capital projects or extraordinary repairs.

FTE positions - Section 14 authorizes the State Board of Higher Education to adjust FTE positions as needed for institutions and entities under its control.

Continuing Appropriations

Special revenue funds - NDCC Section 15-10-12 - Provides the continuing appropriation authority for higher education institutions' special revenue funds, including tuition, through June 30, 2007.

Major Related Legislation

House Bill Nos. 1030, 1031, and 1032 - These bills provide for the continuation of the following statutory provisions through June 30, 2009:

- The continuing appropriation authority for higher education institutions' special revenue funds, including tuition.
- The requirement that the budget request for the North Dakota University System include budget estimates for block grants for a base funding component and for an initiative funding component and a budget estimate for an asset funding component and the requirement that the appropriation for the University System include block grants for a base funding appropriation and for an initiative funding appropriation and an appropriation for asset funding.
- The North Dakota University System's authority to carry over at the end of the biennium unspent general fund appropriations.

House Bill No. 1459 - This bill provides an appropriation to Valley City State University for extraordinary repairs.

ATTACH:1

Valley City State University:
Growing the Sheyenne Valley and North Dakota

House of Representatives
Appropriations Committee
Education and Environment Division
January 11, 2007

Dr. Ellen-Earle Chaffee, President
Trudy Collins, Vice-President for Business Affairs

Agenda

- How VCSU Benefits North Dakota
- Status and Strategic Actions
- Returns on Investment
- Budget and capital projects
- Discussion

What North Dakota Needs from Valley City State University

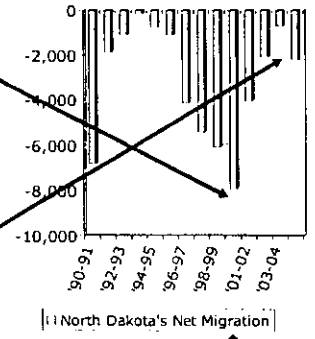
North Dakota's Roller Coaster

- In the 1980s and 1990s, ND lost people because there were "no jobs."
- In the 2000s, ND is losing jobs because there are "no people."

Handout #1
HB 1003
January 15, 2007

Out-Migration: Down, Up, Down

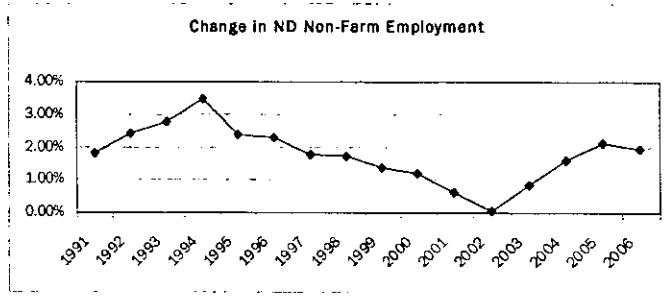
- North Dakota's out-migration has slowed significantly during the first half of the 2000s.
- Between 2000 and 2001, North Dakota lost a net of nearly 8,000 people due to migration, and over 2,200 between 2004 and 2005



Source: North Dakota State Data Center, Richard Rathge; U.S. Census Bureau, Population Estimates Branch, http://www.census.gov/popest/estimates.php

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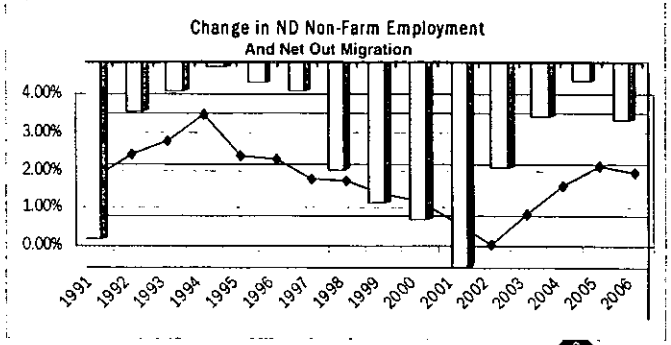
No. of Jobs: Up, Down, Up



Source: Job Service North Dakota

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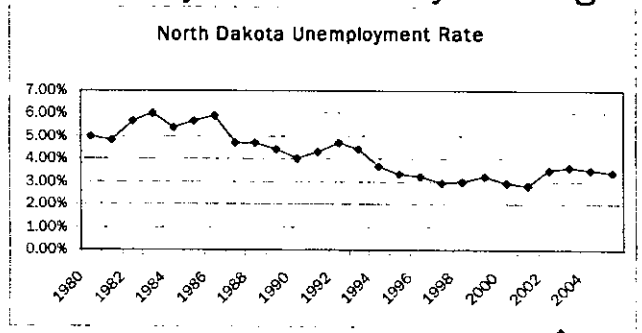
Jobs here, people here. Jobs gone, people gone. (Or: People here, jobs here. People gone, jobs gone)



Source: Job Service North Dakota and U.S. Census Bureau

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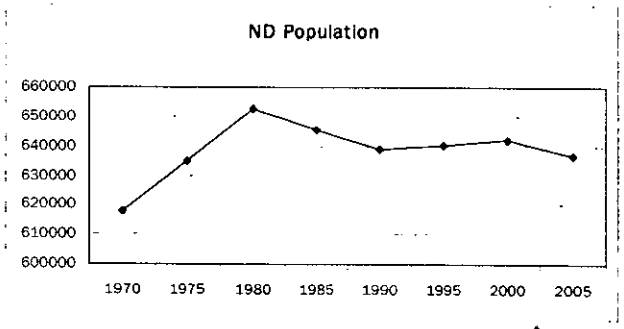
Who will fill the jobs now?
1. "Everyone" is already working



Source: Job Service North Dakota

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Who will fill the jobs now?
2. We have fewer people, and they are older



VALLEY CITY STATE UNIVERSITY

Don't expect new students or workers from Wisconsin, Indiana, Texas Michigan, North Carolina, Wyoming, Washington, Massachusetts,.....

All stories are from December 2006!

More aid may come to ASU
Program would cut debt for the poorest students
By Lasse Descomb
JOURNAL REPORTER
Wednesday, December 20, 2006

Officials at Appalachian State University are working on a program that will offer low-income students the chance to graduate from college with little or no debt.

The idea is similar to programs for low-income students offered at the state's two largest universities, N.C. State University and the University of North Carolina at Chapel Hill. At colleges across the country, there has been increased interest in offering substantial need-based scholarships. The University of Washington and the University of Texas at San Antonio are among the large universities that fall that announced programs similar to those in North Carolina.

Future holds 'Promise' of higher education
Governor kicks off week celebrating scholarship program
Daily Tribune Staff Writer 12/20/06

FERNDALE – Gov. Jennifer Granholm on Tuesday visited a group of Ferndale High School seniors to tout higher education and elaborate Michigan Promise scholarships that pay up to $4,000 to all college bound students. The new scholarships, which start in 2007, also apply to high school graduates who pursue a technical certification. The governor's goal is to double the number of college graduates in Michigan in the next decade.

State is losing its most-talented
Worker flight could derail progress
By Lisa Eisenhauer TELEGRAM & GAZETTE STAFF
Monday, December 18, 2006
Worcester Telegram & Gazette

The "innovation" sectors of the Massachusetts economy that account for much of the state's growth and high-wage jobs are under threat as residents leave the state and the work force lacks skills needed to invent technologies and launch businesses, according to a new report. The state could be ill-equipped to capitalize on opportunities because of work-force issues, even though Massachusetts continues to possess strong research, development and financing tools, according to "The State of the Innovation Economy in 2006," a report being released today by the Boston-based Massachusetts Technology Collaborative.

Houston & Texas News
Dec. 20, 2006, 12:00AM
UT-Tyler to offer some free tuition
From wire reports

TYLER — University of Texas at Tyler will provide free tuition for students whose families make less than $25,000 a year. The University of Texas at San Antonio announced a similar program last week.

Wisconsin plans its own 'Big Bang'
State proposal seeks to plug brain drain
By Tom Jones Tribune national correspondent December 18, 2006

MADISON, Wis. – Here's the deal: Students would get four years of reduced or free college tuition in exchange for staying in Wisconsin 10 years after they graduate.

That's the plan, known as the "Big Bang," from a special state commission that looked at daunting economic projections and decided last week it was time for a "Hail Mary" approach to stave off an era of serious decline in the Dairy State. It could cost billions of dollars, depending on how it is structured. And it could be a big bust if/when under the political weight of high cost. Last week, Indiana Gov. Mitch Daniels proposed blowing the Hoosier Lottery and using $1 billion for education initiatives, including a big chunk of that money for college scholarships that graduates would have to pay for if they left Indiana within three years of graduation. That idea faces an uncertain future, as does the Wisconsin initiative.

Hathaway presence heavy at UW
By Gazette News Service Billings@gazette.com
December 8, 2006

LARAMIE – About 62 percent of the University of Wyoming's in-state freshman class this fall received Hathaway aid from the new Hathaway scholarship, the UW Board of Trustees was told Thursday. The Legislature gave final approval in March to the Scholarship, which eventually will be funded through a permanent, $400 million endowment. The scholarship has three tiers. Students with at least a 25 on the ACT and a 3.5 grade-point average receive $3,200 a year, plus 100 percent of any unmet financial need. A 3.0 GPA and 21 ACT qualifies for $2,400 plus 36 percent of unmet financial need; a 2.5 GPA and 19 ACT qualifies students for $1,600 a year and 25 percent of unmet financial need.

VALLEY CITY STATE UNIVERSITY

So employers must start to consider other states instead

- Eagle Creek Software in Valley City has grown at double its projected rate. They need 200 more by 2008.
- A major firm created and based in central ND and now a national success is considering moving the heart of its enterprise to another state due to inability to recruit software engineers/computer scientists.

VALLEY CITY STATE UNIVERSITY

Rx: Talented People in ND

- People + Education + Jobs = Bright Future
- Valley City State University roles:
  - Retain and recruit **people** (students, staff)
  - Provide high-level career-focused **education**
  - Help create and fill local/state **jobs**

VALLEY CITY STATE UNIVERSITY

Valley City State University: Status and Strategic Action to Attract, Retain, and Educate People for North Dakota

Who are We?

- **Mission**: Valley City State University prepares people for life through visionary leadership and exemplary practices in teaching, learning and service.
- **Vision**: VCSU is nationally acclaimed for **attracting and retaining talented individuals** who advance quality learning opportunities and **economic growth through technology and innovation.**

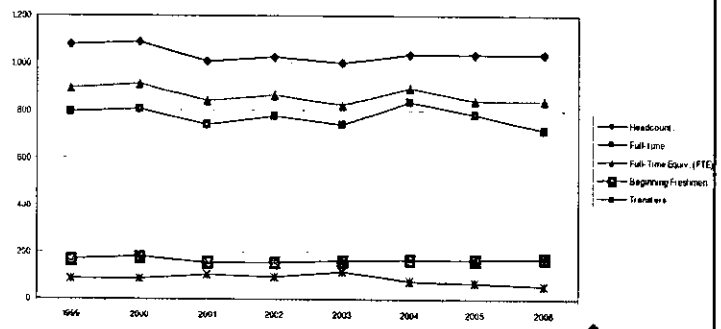
Strategic Action Summary

- ✓Raise scholarship funding
- ✓Grow the Business Institute
- ✓Grow Master's degree
- Market selected majors
- Improve academic & admin processes
- Improve www.vcsu.edu
- Data dashboard, communication

Enrollment Summary

- Relatively steady "top line" conceals major changes
- Changes are driven by ND demographics and VCSU strategy
  - Retain and bring young and working-age people to North Dakota
  - Educate them for great jobs in North Dakota
  - Partner with private sector and economic development

Enrollment Trends 1999-2006



VALLEY CITY STATE UNIVERSITY

Enrollment dynamics

Downward

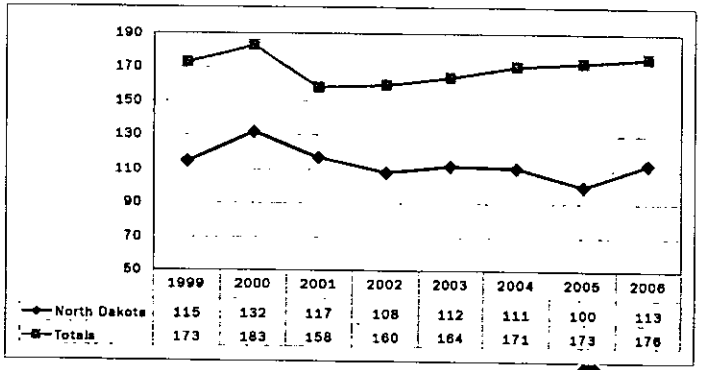
- Large graduating classes
  - Reduced required credits to 120
  - Minor no longer required
- Fewer full time students
- Fewer in-state
- Fewer transfers
- Fewer under age 21
- Average credit load is down
- Fewer from MT and Manitoba

Upward

- 5th yr of more freshmen
- More part time
- More from out of state – MN, FL, AK – and Cass County
- More over age 21
- New graduate students
- Increase in residence halls
- More "other non-teaching" majors

VALLEY CITY STATE UNIVERSITY

New freshmen are climbing, but NOT from North Dakota



	1999	2000	2001	2002	2003	2004	2005	2006
North Dakota	115	132	117	108	112	111	100	113
Totals	173	183	158	160	164	171	173	176

VALLEY CITY STATE UNIVERSITY

2006-2007 VCSU Enrollment: Compared to 2005-2006

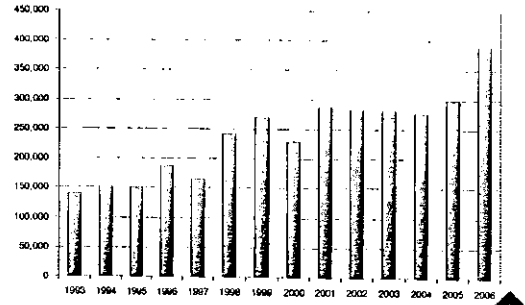
- Scholarships up $100,000 (33%)
- Tuition waivers up (total is about $500,000)
- 56 more graduate students (plus 18 one-year only)
- Freshmen up 5th consecutive year (+4%/8 yr avg)
- 15 fewer at NDSU
- 17 fewer transfers (-36% of 8 yr avg)
- 70 more part time (+22%/8 yr avg)
- 68 fewer full time (-7%/8 yr avg)

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Strategic Action: Scholarships

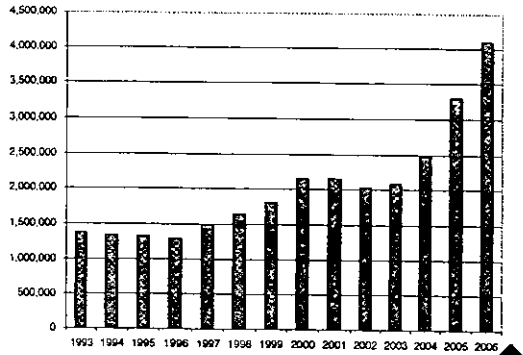
- Record high $2.6 million in major gifts in 2005-2007 (7X previous) –
  - Tharaldson ($1 million),
  - Van Houten ($750,000),
  - McCready ($500,000),
  - Meredith ($200,000),
  - Borho ($150,000

Foundation Scholarships Awarded



1993-2006

VCSU Foundation Net Assets



1993-2006

About Scholarships...

- Scholarships went up 61% in 9 years
- Tuition has gone up 96% in 9 years
- Competitors have many more large multi-year scholarships for freshmen
- VCSU is #7 of 8 in Dakota Athletic Conference aid to student athletes
- Average VCSU graduate's debt in 2005: $18,394 – highest of ND 4-year schools. NDUS is #2 in the nation.

Donor Confidence: Tharaldsons

"Connie and I believe in Valley City State University as an asset that delivers tremendous value for its students, the region, and the state. In making this gift, we are investing in the growth of VCSU and their students, and are confident it will pay important dividends."

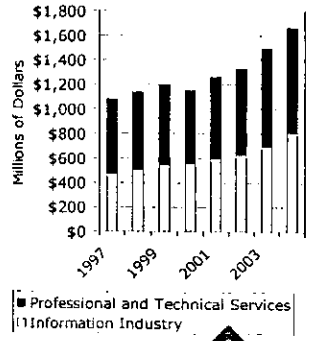
Gary Tharaldson (VCSU Class of '67)
Alumnus and hospitality industry entrepreneur



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Strategic Action: Grow the Information Industry

- North Dakota's Gross State Product totaled $22.7 billion in 2004.
- The **Information industry, along with Professional and Technical services** captured 7.4% of that total in 2004, or nearly $1.7 billion (a **54.5% increase from $1.1 billion in 1997).**



Source: North Dakota State Data Center, Richard Rathge; U.S. Bureau of Economic Analysis, Regional Economic Accounts, www.bea.gov/regional/gsp.htm

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New IT Certificate Programs

Enterprise Systems

Customer Relationship Management

- Prepare for employment in companies with Enterprise Applications requirements.
- Designed to meet the requirements of rapidly growing segments of the information industry.

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Building the Talent Pool

Eagle Creek Software Partnership: over 70 New ND Jobs – so far

eagle creek

- Company employs over 70 in Valley City, paying $35,000+ annually.
- 81 students successfully completed VCSU's FastTrack training.
- VCSU trainees filled 51 of the jobs.
- Goal of 300 jobs in Valley City a.s.a.p.



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VCSU as Economic Engine



*"VCSU has played a **key role in every one of our major economic development initiatives.** For example, one of the reasons that Eagle Creek selected Valley City for their new software development center was our partnership with VCSU, which gave them confidence they would have access to a talented and well-qualified workforce."*

Jennifer Feist
Director
Valley City/Barnes County
Development Corporation

VALLEY CITY STATE UNIVERSITY

Building the Talent Pool

Institute for Customized Business Solutions (ICBS): North Dakota Center of Excellence

- Public-private partnership
- To develop new and updated professional information industry consultants



Who have:

- Specific enterprise software skills
- Business process management skills
- Project management skills
- Leadership and communication skills

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14 member executive-level private-sector advisory board

Partnership Agreements:

- Eagle Creek Software Services
- Eide Bailly Technology Consulting
- Others in process

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To Create/Fill Information Industry Jobs



*"VCSU's Center of Excellence, the Institute for Customized Business Solutions, is an excellent example of their leadership in technology. By offering curriculum that has been customized to meet the needs of their partners, **VCSU is helping to deliver badly needed skills and providing unparalleled value for both their partners and the state.***

Scott Kost
Principal
Eide Bailly Technology Consulting

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Strategic Action: Build the Talent Pool

Master of Education degree:

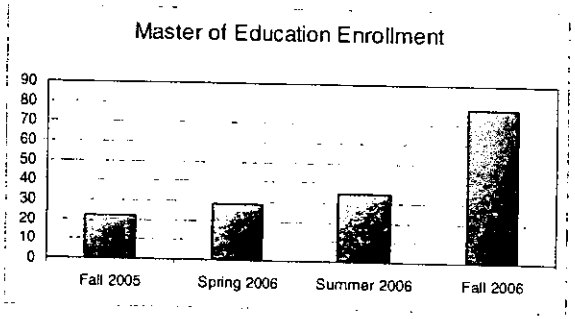
- Approved October, 2005
- Designed for practicing teachers
- 100% online



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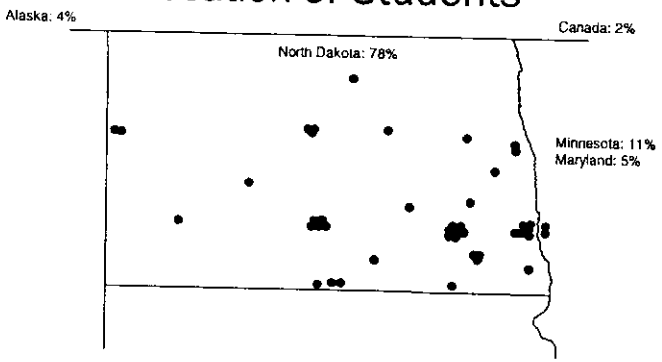
Meeting Significant Need

ND has the lowest % of Master's teachers in the nation



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Location of Students



VALLEY CITY STATE UNIVERSITY

To Increase K-12 Quality



EDUCATION STANDARDS and PRACTICES BOARD

*"VCSU is a cornerstone of education in North Dakota. Their graduates are consistently well-prepared for the classroom, and **their M.Ed. will surely make a great system of primary and secondary education even better.**"*

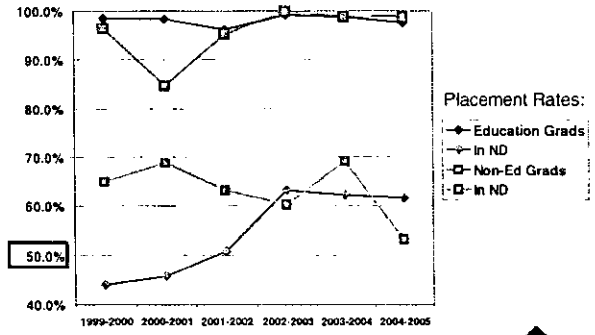
Janet Welk
Executive Director
Education Standards and Practices Board

VALLEY CITY STATE UNIVERSITY

Valley City State University: Returns on Investment

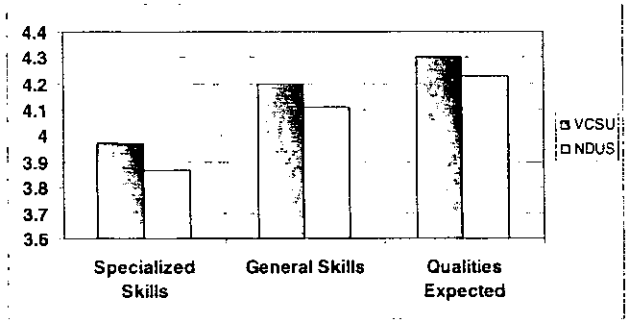
Economic Impact on Barnes County Area: $48,804,000 per year

Employable Grads, Jobs in ND



Very High Employer Satisfaction

2006 National Survey



Source: 2006 Noel Levitz Employer Satisfaction Survey

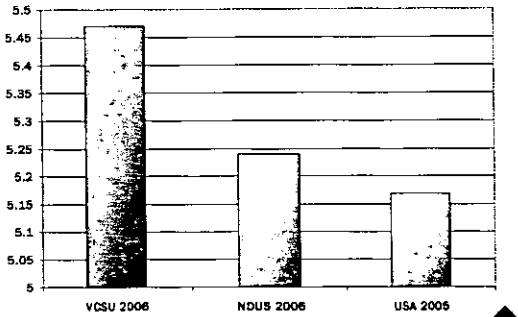
Now Hiring: VCSU Teaching Graduates!



"VCSU has an outstanding reputation for teacher preparation. It seems as if we are adding quality VCSU graduates to our staff on an annual basis."

Greg Grooters (VCSU class of '82)
Assistant Principal
West Fargo High School

Very Satisfied Students



National Student Satisfaction Survey Results

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VCSU Prepares Leaders



"The education I received at VCSU gave me the skills I have needed to successfully advance my career, and it has been a valuable resource I use in business everyday. Even today, VCSU has one of the most effective programs for preparing students to compete in the business world."

Jerry Topp (VCSU Class of 1974)
Managing Partner / CEO
Eide Bailly LLP

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State Leaders Appreciate VCSU



"In both the North Dakota Roundtable on Higher Education and the Valley Development Group Roundtable, VCSU was identified as an essential catalyst for economic development. Since then, VCSU has more than lived up to this role – they have established themselves as leaders, and are showing other universities what it means to drive economic growth by forming partnerships with business and local communities."

Roger Reierson
President/CEO, Flint Communications, Inc.

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On VCSU's Horizon: Service

- Innovation, technology, "real world" themes
  - Professionalism and creativity throughout curriculum; internships; corporate partnerships
  - Institute for Customized Business Solutions
- More/better talent in math, science, technology, health sciences for North Dakota
  - Science research program
  - Science and technology education, K-16
  - More graduates in high-demand sectors
  - Better qualified K-12 teachers

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On VCSU's Horizon: Strength

- Faculty and staff salary increases (currently 23% below market).
- Expand wellness and athletics programs to attract and serve resident undergraduates
- Improve campus residences
- Competitive/corporate grants staffing
- Partnering and outreach

On VCSU's Horizon: Cash Clouds

- Over $200,000 short in ability to provide 5% salary increases for FY08 (-4% state, assume 5% tuition limit, enrollment shortfall).
- Over $500,000 short to provide basic operations (restore key prior cuts and temporary reallocations, deferred equipment, utility cost increases, promotions and degree attainments, etc)
- Another $500,000 short to invest in greater service to North Dakota

On VCSU's Horizon: Facility Clouds

- Renovation:
  - Nearly $8 million in deferred maintenance
  - Approaching "point of no return" on restoration of historic Vangstad Auditorium
- Construction:
  - Unsafe and wholly unsuitable science/research facilities –newest building on campus built in 1973
  - Need for campus/community sports and recreation complex

VCSU: Budget and Capital Projects

Trudy Collins

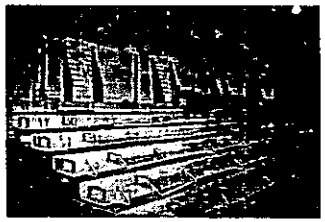
Vice President for Business Affairs

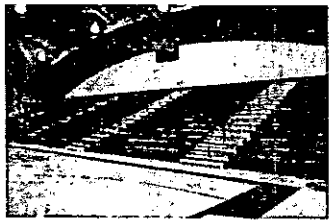
Capital Improvements 2005 - 2007

• Bleacher Replacement	$282,000 (complete)
• Tuck pointing	108,000
• Classroom and Office Renovation	91,204
• Special Assessments	38,235
• Sidewalk Repairs	12,259
• Graichen Roof Repair	25,841 (complete)
• Science Bldg Emergency Power	10,436 (complete)
• Graichen ADA	5,569 (complete)
• Power House Repairs	50,472
• McFarland Elevator Repair	24,400 (complete)
• Vangstad Sound System	10,000 (complete)
Total	$658,416

2005-2007 Capital Improvement Funds made a Difference

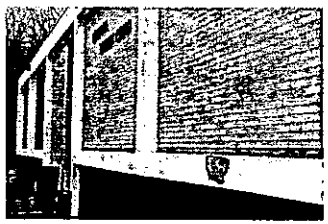
Before and after photos - Bleachers

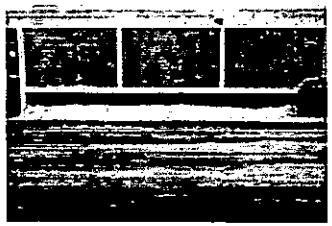




2005-2007 Capital Improvement Funds made a Difference

Before and after photos - Tuck pointing





Capital Improvement Funds made a Difference

Tuckpointing

- Repairs were made to the brick masonry on the upper six feet of the building
- 240 loose bricks were removed and replaced

McCarthy Hall



Budget Challenges 2005-2007

- Estimated $130,000 tuition shortfall in 2006-2007 due to more part-time and fewer full-time students
- Athletic operating deficit of $140,000 (local funds) – SBHE approved plan to eliminate by 2009 through reallocation, additional student fee, and budget cuts

Budget Request 2007-2009 Biennium

Comparison of SBHE General Fund Request to Executive Recommendation Valley City State University	SBHE 2007-09 Prioritized GF Request	Executive Recommended Base Funding	Executive Recommended Change in Base Funding	Executive Recommended One-Time Funding	Total Executive Recommended Funding	Executive Recommended Funding Over (Under) Budget Request
2006-07 Original General Fund Appropriation	$ 12,314,942	$ 12,314,942			$ 12,314,942	0
Base Adjustments	(250,000)	(250,000)			(250,000)	0
2006-07 Adjusted General Fund Appropriation, Net of Base Adjustments	12,064,942	12,064,942		-	12,064,942	0
Prioritized SBHE Needs Based Request:						
Capital Assets Increase	180,246		(180,246)	180,246	180,246	0
Campus Parity	1,137,501	1,137,501			1,137,501	0
Campus Equity	39,569	39,569			39,569	0
Total Requested Increase in GF Base Funding	1,357,316	1,177,070	(180,246)	180,246	1,357,316	0
Total Base General Fund Request & Recommendation	13,422,258	13,242,012	(180,246)	180,246	13,422,258	0
2007-09 State-funded Projects	-			2,200,000	2,200,000	2,200,000
One-time Budget Requests:						
Infusion for Deferred Maintenance	595,954			357,573	357,573	(238,381)
Total One-time Budget Request & Recommendation	595,954	-	-	357,573	357,573	(238,381)
Total 2007-09 General Fund Request & Recommendation	$ 14,018,212	$ 13,242,012	$ (180,246)	$ 2,737,819	$ 15,979,831	$ 1,961,619

Capital Improvements/Deferred Maintenance Request for 2007-2009

• Special Assessments	$ 40,000
• Emergency Electrical Services	46,800
• Fire Alarm Upgrade	79,560
• Sidewalk and Street Repair	110,760
• Steam Valve Replacement	130,832
• Tuck pointing	120,640
• Classroom and Office Renovation	199,224
• Pool Filtration System	88,400
• Paint Smoke Stack	62,400
• Water and Drain Replacement	124,800
• Summer Boiler Replacement	31,200
Total	$1,034,616

Capital Improvements/Deferred Maintenance Request for 2007-2009

Current Base	$ 258,416
Requested increase (Base)	$ 180,246
Requested increase (OTO)	$ 595,954
Total Budget Request	$1,034,616
Executive Recommendation (Base)	$ 258,416
Executive Recommendation (OTO)	$ 537,819
Total Executive Recommendation	$ 796,235
Difference	$ 238,381

Capital Project FY 2007-2009

Steam Lines Replacement $2.2 million

- Existing steam distribution system is 42 years old, exceeding its useful life by 12 years
- Difficult, dangerous and expensive to locate and repair failures in cold weather
- Heat loss = $$ lost

Future Capital Projects

- Life Safety/ADA $ .82 million
  - Fire Alarm Updates
  - Foss Music Bldg Elevator
  - Vangstad Fire Escape
- Vangstad Renovation $1.25 million
- Science and Technology Building $10.0 million

Vangstad Auditorium

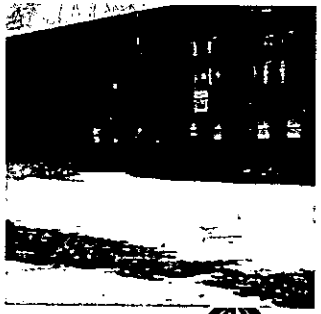
- Historical treasure in need of renovation to restore its beauty and improve comfort and safety
- Campus and Community asset for a variety of events
  - Commencement
  - Music
  - Theatre
  - Student and community events

Vangstad Fire Escapes

West side – Too Steep and Narrow

East side – Wider with cross landings





VALLEY CITY STATE UNIVERSITY



Vangstad Auditorium

VALLEY CITY STATE UNIVERSITY

Rhoades Science Center Built in 1973

- Outdated
- Air quality issues
- Inadequate space for growing number of enriching undergraduate research experiences
- Crowded science labs have been constructed in classroom building





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Thank you for your attention and support!

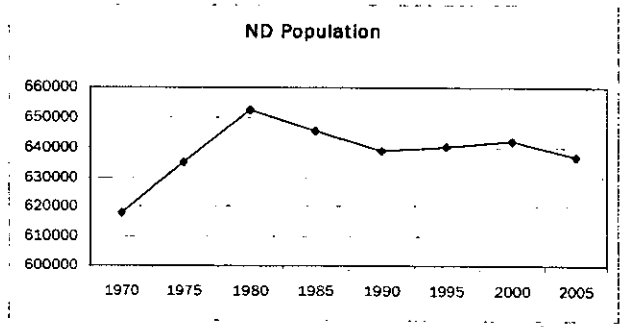
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Valley City State University

2005-07 General Fund Carryover

Valley City State University carried over $30,041 in capital improvement general funds from the prior biennium to the current biennium. These funds were expended for classroom and office renovations.

Who will fill the jobs now?
2. We have fewer people, and they are older



VALLEY CITY STATE UNIVERSITY

It's in the news

Workers hot commodity

By John Edison Grand Forks Herald - 02/18/2007

In Grand Forks, employees are hot right now. They are so hot that local employers are adopting new work force retention and recruitment strategies because losing an employee or filling an open position equates to venturing into a competitive labor market.

Numbers Confront F-M Area

By Mike Nowatzki The Forum - 10/15/2006

Something is creeping up on Fargo-Moorhead. Threatening to send the thriving metro area into a stagnant state. It's called death. And by the year 2020, it will be more common than birth in the metro area, according to a new population study. When that happens, the only thing that will prevent the metro area from losing population is a big jump in net immigration, which occurs when more people move into an area than move out, the study says.

Seniors population to swell by 2020

2/19/07 FARGO (AP)

North Dakota's senior population is poised to swell by more than 55,000 by 2020, a new report says. The demographic "tidal wave" will cause a projected loss of earnings from wages and salaries approaching $1 billion in 2020, said Richard Rathge, director of the North Dakota State Data Center and lead author of the report on the economic implications of the state's graying population.

VALLEY CITY STATE UNIVERSITY

Don't expect new students or workers from Wisconsin, Indiana, Texas, Michigan, North Carolina, Wyoming, Washington, Massachusetts,.....

More aid may come to ASU

Program would cut debt for the poorest students

By Laura Gatewood
JOURNAL REPORTER
Wednesday, December 20, 2006

Officials at Appalachian State University are working on a program that will offer low-income students the chance to graduate from college with little or no debt.

The idea is similar to programs for low-income students offered at the state's two largest universities, N.C. State University and the University of North Carolina at Chapel Hill. All colleges across the country have been increasingly criticized for offering substantial need-based scholarships. The University of Washington and the University of Texas at San Antonio are among the large universities that fell that announced programs similar to those in North Carolina.

Future holds 'Promise' of higher education

Governor kicks off week celebrating scholarship program

Daily Tribune Staff Writer 12/20/06

FERNDALE – Gov. Jennifer Granholm on Tuesday treated a group of Ferndale High School seniors to loud hyphen education and celebrate Michigan Promise scholarships that pay up to $4,000 to all college-bound students. The new scholarships, which start in 2007, also apply to high school graduates who pursue a technical certification. The governor's goal is to double the number of college graduates in Michigan in the next decade.

State is losing its most-talented

Worker flight could derail progress

By Lisa Esselbacher TELEGRAM & GAZETTE STAFF
Monday, December 18, 2006
Worcester Telegram & Gazette

The "innovation" sectors of the Massachusetts economy that account for much of the state's growth and high-wage jobs are under threat as residents leave the state and the work force loses skills needed to invent technologies and launch businesses, according to a new report. The state could be ill-equipped to capitalize on opportunities because of work force issues, even though Massachusetts continues to possess strong research, development and financing tools, according to "The State of the Innovation Economy in 2006," a report being released today by the quasi-public Massachusetts Technology Collaborative.

All stories are from December 2006!

Houston & Texas News

Dec. 20, 2006, 12:00AM
UT-Tyler to offer some free tuition
From wire reports

TYLER — University of Texas at Tyler will provide free tuition for students whose families make less than $25,000 a year. The University of Texas at San Antonio announced a similar program last week.

Wisconsin plans its own 'Big Bang'

State proposal seeks to plug brain drain

By Tim Jones Tribune National Correspondent December 19, 2006

MADISON, Wis. – Here's the deal: Students would get four years of reduced or free college tuition in exchange for staying in Wisconsin 10 years after they graduate.

That's the plan, known as the "Big Bang," from a special state commission that looked at daunting economic projections and decided last week it was time for a "Hail Mary" approach to stave off an era of serious decline in the Dairy State. It could cost billions of dollars, depending on how it is structured. And it could be a big bust, dying under the political weight of high cost. Last week, Indiana Gov. Mitch Daniels proposed keeping the Hoosier Lottery and using $1 billion for education endowment, including a big chunk of that money for college scholarships that graduates would have to pay for if they left Indiana within three years of graduation. That idea faces an uncertain future, as does the Wisconsin initiative.

Hathaway presence heavy at UW

By Suzette Parent Sanchez, Billingsgazette.com
December 8, 2006

LARAMIE – About 82 percent of the University of Wyoming's in-state freshman class this fall received financial aid from the state Hathaway scholarship, the UW Board of Trustees was told Thursday. The Legislature gave final approval in March to the Scholarship, which eventually will be funded through a permanent $400 million endowment. The scholarship has three tiers. Students with at least a 25 on the ACT and a 3.5 grade-point average receive $3,200 a year, plus 100 percent of any unmet financial need; a 3.0 GPA and 21 ACT qualifies for $2,400 plus 36 percent of unmet financial need; a 2.5 GPA and 19 ACT qualifies students for $1,600 a year and 25 percent of unmet financial need.

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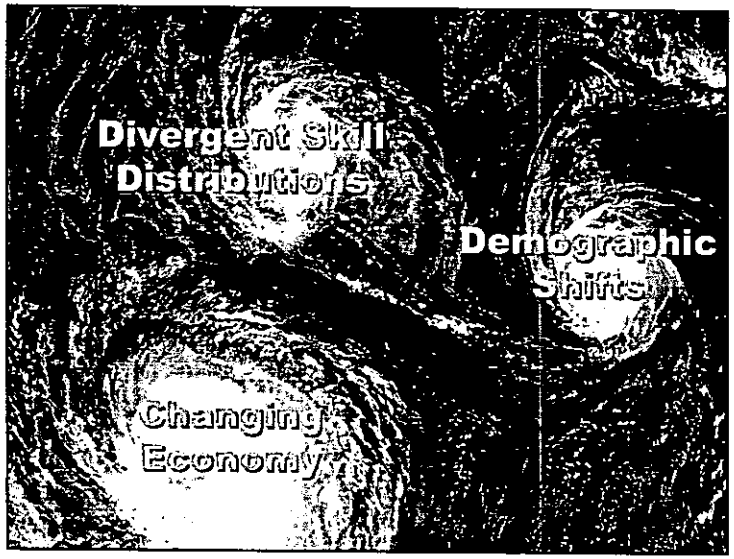
America's Perfect Storm

Irwin Kirsch
ETS

National Press Club
Washington, D.C.
February 5, 2007

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With these exceptions, same pages to House and Senate as testimony



Jobs associated with college-level skills and education accounted for two-thirds of the job growth between 1984 and 2000.

Occupational group	1984 millions	2000 millions	Absolute change in millions of adults	Percentage change
All 16+	105.0	135.0	30.0	29.0
High literacy	34.0	54.0	20.0	57.0
Moderate literacy	70.0	80.0	10.0	14.3

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Jobs requiring high levels of education and skills are projected to account for almost half of the job growth over the next decade.

Occupational group	2004 millions	2014 millions	Absolute change in millions of adults	Percentage change
All 16+	146.0	165.0	19.0	13.0
High literacy	49.0	58.0	9.0	18.0
Moderate literacy	97.0	107.0	10.0	10.0

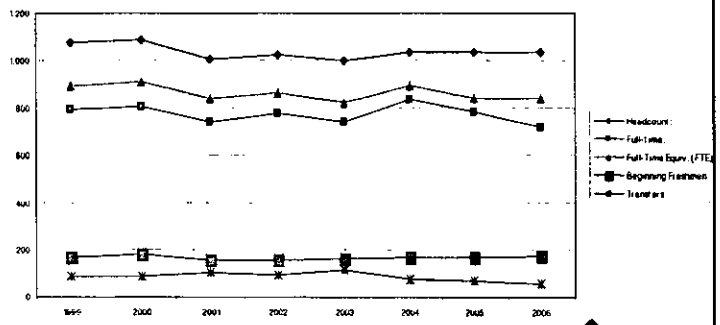
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Rx: Talented People in ND

- People + Education + Jobs = Bright Future
- Valley City State University roles:
  - Retain and recruit **people** (students, staff)
  - Provide high-level career-focused **education**
  - Help create and fill local/state **jobs**

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Enrollment Trends 1999-2006



VALLEY CITY STATE UNIVERSITY

Enrollment dynamics

Downward

- Large graduating classes
  - Reduced required credits to 120
  - Minor no longer required
- Fewer full time students
- Fewer in-state
- Fewer transfers
- Fewer under age 21
- Average credit load is down
- Fewer from MT and Manitoba

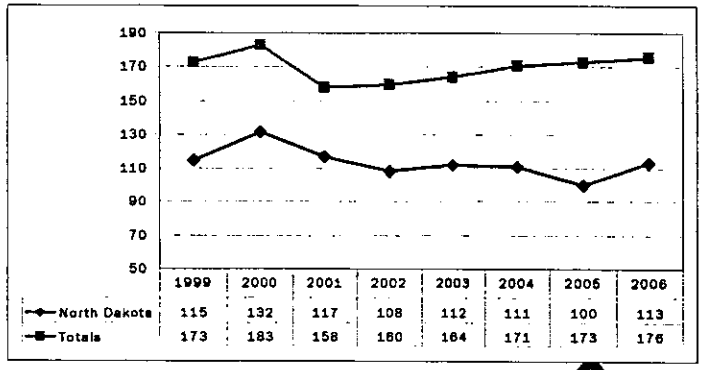
Upward

- 5th yr of more freshmen
- More part time
- More from out of state – MN, FL, AK – and Cass County
- More over age 21
- New graduate students
- Increase in residence halls
- More "other non-teaching" majors

Note: Only UND, NDSU, and VCSU require completion of the "college prep" high school curriculum. We deny admission to unqualified applicants; many others never apply. This was by SBHE decision in 1991.

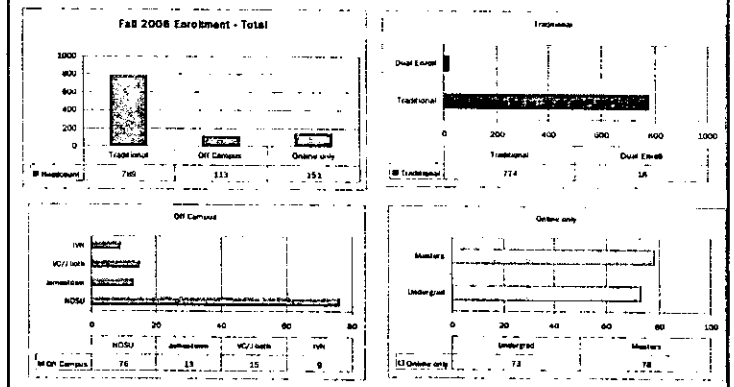
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New freshmen are climbing, but NOT from North Dakota



	1999	2000	2001	2002	2003	2004	2005	2006
North Dakota	115	132	117	108	112	111	100	113
Totals	173	183	158	160	164	171	173	176

VALLEY CITY STATE UNIVERSITY



Software does not produce this kind of information. Data includes 16 "duplicated" headcount students we were unable to un-duplicate by hand.

VALLEY CITY STATE UNIVERSITY

About Scholarships...

- Scholarships went up 61% in 9 years
- Tuition has gone up 96% in 9 years
- Average VCSU graduate's debt in 2005: $18,394 – highest of ND 4-year schools. NDUS is #2 in the nation.

Donor Confidence: Tharaldsons

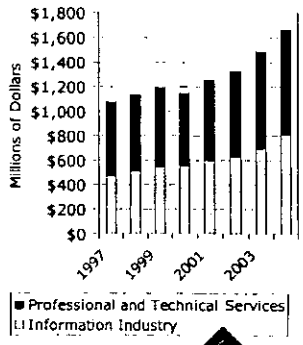
"Connie and I believe in Valley City State University as an asset that delivers tremendous value for its students, the region, and the state. In making this gift, we are investing in the growth of VCSU and their students, and are confident it will pay important dividends."

Gary Tharaldson (VCSU Class of '67)
Alumnus and hospitality industry entrepreneur



Strategic Action: Grow the Information Industry

- North Dakota's Gross State Product totaled $22.7 billion in 2004.
- The **Information industry, along with Professional and Technical services** captured 7.4% of that total in 2004, or nearly $1.7 billion (a **54.5% increase from $1.1 billion in 1997).**



Source: North Dakota State Data Center, Richard Rathge; U.S. Bureau of Economic Analysis, Regional Economic Accounts, www.bea.gov/regional/gsp.htm

New IT Certificate Programs

Enterprise Systems
Customer Relationship Management

- Prepare for employment in companies with Enterprise Applications requirements.
- Designed to meet the requirements of rapidly growing segments of the information industry.

Building the Talent Pool

Eagle Creek Software Partnership: over 70 New ND Jobs – so far

eagle creek

- Company employs over 70 in Valley City, paying $35,000+ annually.
- 81 students successfully completed VCSU's FastTrack training.
- VCSU trainees filled 51 of the jobs.
- Goal of 300 jobs in Valley City a.s.a.p.



VALLEY CITY STATE UNIVERSITY

VCSU as Economic Engine



"VCSU has played a ***key role in every one of our major economic development initiatives.*** *For example, one of the reasons that Eagle Creek selected Valley City for their new software development center was our partnership with VCSU, which gave them confidence they would have access to a talented and well-qualified workforce."*

Jennifer Feist
Director
Valley City/Barnes County Development Corporation

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Building the Talent Pool

Institute for Customized Business Solutions (ICBS): North Dakota Center of Excellence

•Public-private partnership

•To develop new and updated professional information industry consultants

Who have:
- •Specific enterprise software skills
- •Business process management skills
- •Project management skills
- •Leadership and communication skills



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14 member executive-level private-sector advisory board

Partnership Agreements:
- Eagle Creek Software Services
- Eide Bailly Technology Consulting
- Others in process

VALLEY CITY STATE UNIVERSITY

Capital Improvement Funds made a Difference

Tuckpointing

- Repairs were made to the brick masonry on the upper six feet of the building
- 240 loose bricks were removed and replaced

McCarthy Hall



Budget Challenges 2005-2007

- Estimated $411,000 tuition shortfall in 2006-2007 due to enrollment drop and more part-time and fewer full-time students
- Athletic operating deficit of $140,000 (local funds) – SBHE approved plan to eliminate by 2009 through reallocation, additional student fee, and budget cuts

Budget Request 2007-2009 Biennium

Valley City State University Comparison of SBHE General Fund Request to Executive Recommendation & Engrossed HB1003	(1) SBHE 2007-09 Prioritized GF Request	(2) Executive Recommendation	(3) House Adjustments 1/	(4) Engrossed HB1003
2005-07 Original General Fund Appropriation	$ 12,314,942	$ 12,314,942		12,314,942
Base Adjustments	(250,000)	(250,000)		(250,000)
2005-07 Adjusted General Fund Appropriation, Net of Base Adjustments	12,064,942	12,064,942		12,064,942
Prioritized SBHE Requested Increase in Base Funding:				
Capital Assets Increase-Ongoing Extraordinary Repairs	180,246	-		-
Campus Parity	1,137,501	1,137,501	(128,579)	1,008,922
Campus Equity	39,569	39,569		39,569
House Adjustments to Base Funding				-
Total Requested Increase in GF Base Funding & Adjustments	1,357,316	1,177,070	(128,579)	1,048,491
Subtotal Base GF Request, Compared to Executive Recommendation & Engr HB1003	13,422,258	13,242,012	(128,579)	13,113,433
One-time Budget Increases, Excluding Major Capital Projects:				
Capital Assets Increase-Ongoing Extraordinary Repairs		180,246		180,246
Initiation for Deferred Maintenance	595,954	357,573		357,573
House One-time Adjustments				-
Subtotal One-time GF Request, Excluding Major Capital Projects, Compared to Exec Recommendation & Engr HB1003	595,954	537,819	-	537,819
2007-09 State General Funded Projects	-	2,200,000		2,200,000
Total 2007-09 General Fund Request, Compared to Executive Recommendation & Engrossed HB1003	$ 14,018,212	$ 15,979,831	$ (128,579)	$ 15,851,252

Capital Improvements/Deferred Maintenance Request for 2007-2009

• Special Assessments	$ 40,000
• Emergency Electrical Services	46,800
• Fire Alarm Upgrade	79,560
• Sidewalk and Street Repair	110,760
• Steam Valve Replacement	130,832
• Tuck pointing	120,640
• Classroom and Office Renovation	199,224
• Pool Filtration System	88,400
• Paint Smoke Stack	62,400
• Water and Drain Replacement	124,800
• Summer Boiler Replacement	31,200
Total	$1,034,616

Capital Improvements/Deferred Maintenance Request for 2007-2009

Current Base	$ 258,416
Requested increase (Base)	$ 180,246
Requested increase (OTO)	$ 595,954
Total Budget Request	$1,034,616
Executive Recommendation (Base)	$ 258,416
Executive Recommendation (OTO)	$ 537,819
Total Executive Recommendation	$ 796,235
Variance from Request	($ 238,381)

Capital Project FY 2007-2009

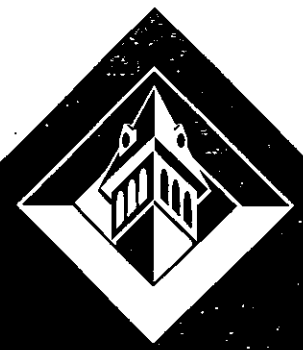
Steam Lines Replacement $2.2 million

- Existing steam distribution system is 42 years old, exceeding its useful life by 12 years
- Difficult, dangerous and expensive to locate and repair failures in cold weather
- Heat loss = $$ lost

Future Capital Projects

- Life Safety/ADA $ .82 million
  - Fire Alarm Updates
  - Foss Music Bldg Elevator
  - Vangstad Fire Escape
- Vangstad Renovation $ 1.6 million
- Science and Technology Building $ 8.0 million
- Addition to W.E.Osmon Fieldhouse $15.0 million

2006
Legislative
Budget Tour

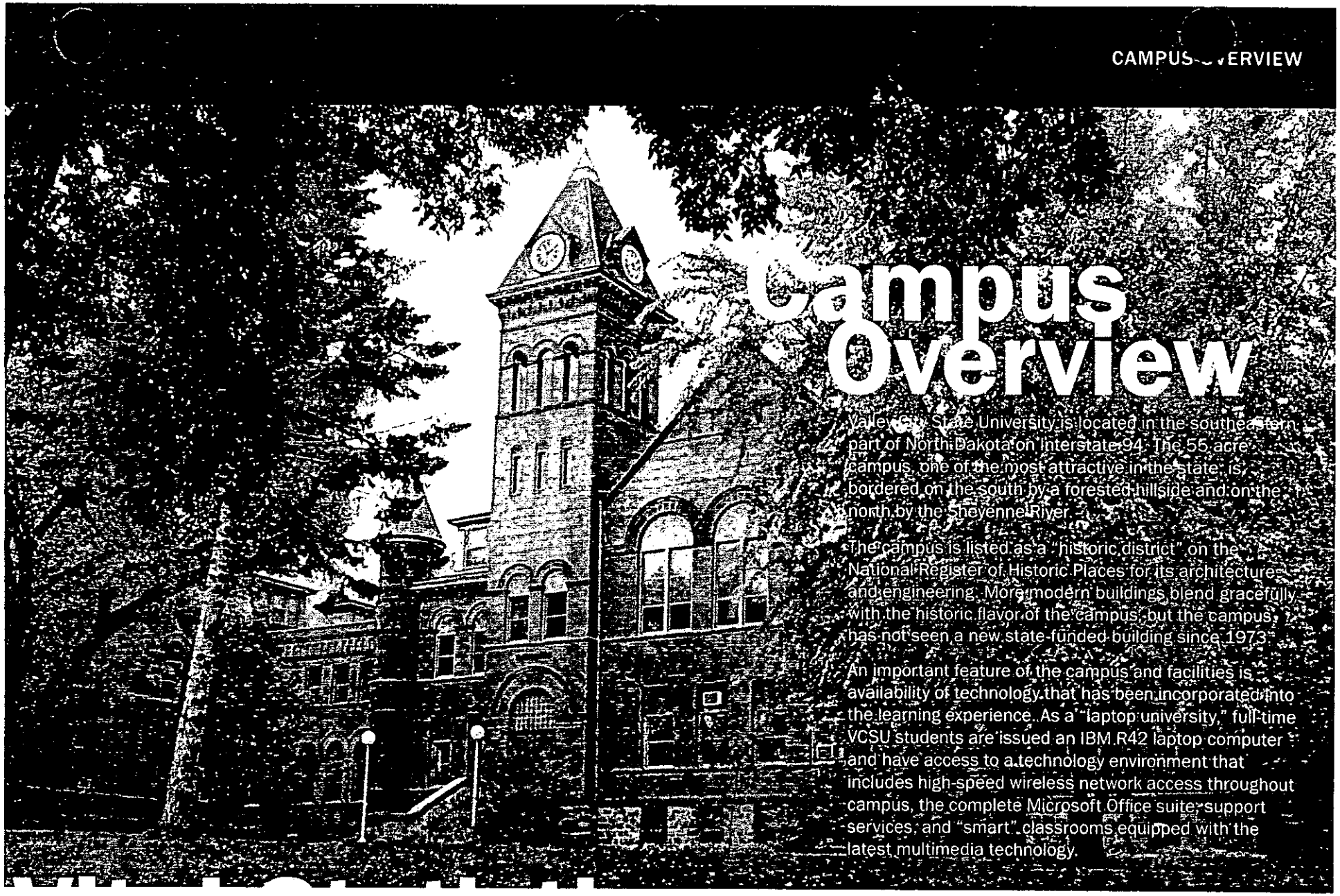


VALLEY CITY
STATE UNIVERSITY

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1 CAMPUS OVERVIEW
2 CAMPUS INITIATIVES AND PROGRAMS
4 VCSU RESPONSES TO ROUNDTABLE THEMES
6 ENROLLMENT UPDATE
7 FUNDING CHALLENGES AND OPPORTUNITIES
8 RECENT CAPITAL PROJECTS
10 CURRENT CAPITAL PROJECTS
12 NEEDED CAPITAL PROJECTS

Undergraduate Degree Programs • Art • Biology • Business Administration • Business Education • Career and Technical Education • Chemistry • Computer Information Systems • Elementary Education • English • Exercise Science & Leisure Studies • Health Education • Health Science • History • Human Resources • Mathematics • Music • Music K-12 Certification • Office Management • Physical Education - K-12 • Professional Communication • Psychology • Science • Social Science • Spanish • Technology Education - K-12 • Wildlife and Fisheries Sciences • **Minor Degree Programs** • Athletic Coaching • Business • Business Software Applications • Computer Science • Early Childhood Education • Earth & Environmental Science • English - Elementary • English - Secondary • Instructional Technology • Library Media & Information Science • Mathematics - Elementary • Mathematics - Secondary • Music Business • Physical Education • Physics • Piano Pedagogy • Reading – Elementary • Reading - Secondary • Sociology • Speech Communication - Theater Arts • Teaching English Language Learners • Technology Education **Concentrations/Certificates** • Accounting • CRM Software • Digital Design • Finance • Management • Marketing **Graduate Degree Programs** • Master of Education, concentrations in Technology Education and Teaching and Technology



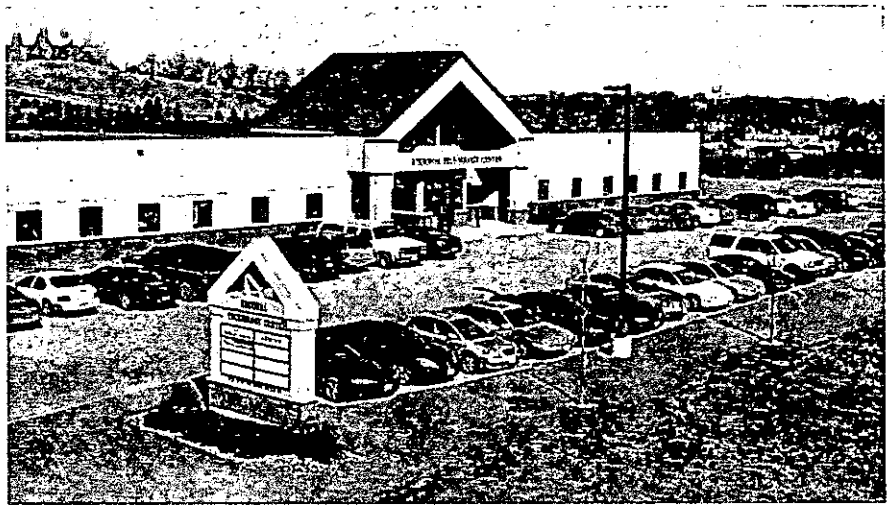
Campus Overview

Valley City State University is located in the southeastern part of North Dakota on Interstate 94. The 55 acre campus, one of the most attractive in the state, is bordered on the south by a forested hillside and on the north by the Sheyenne River.

The campus is listed as a "historic district" on the National Register of Historic Places for its architecture and engineering. More modern buildings blend gracefully with the historic flavor of the campus, but the campus has not seen a new state-funded building since 1973.

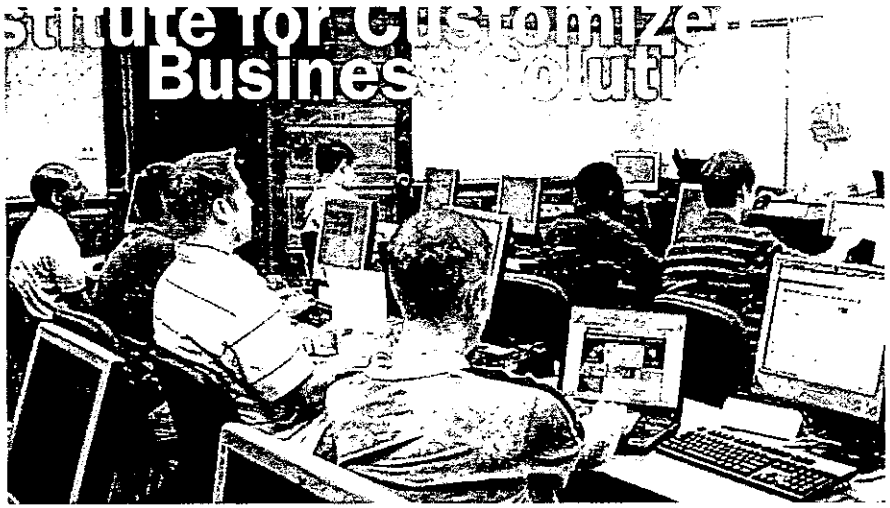
An important feature of the campus and facilities is availability of technology that has been incorporated into the learning experience. As a "laptop university," full-time VCSU students are issued an IBM R42 laptop computer and have access to a technology environment that includes high-speed wireless network access throughout campus, the complete Microsoft Office suite, support services, and "smart" classrooms equipped with the latest multimedia technology.

- Campus Size: 55 acres
- Number of structures: 29
- Average age of buildings: 55 years
- Oldest building: McFarland Hall (originally Old Main), construction begun in 1890
- Newest building: Rhoades Science Building, dedicated in 1973
- Heating plant: Coal/Gas fired boilers generating steam fed to campus buildings via underground steamlines.
- 2005-2006 annual budget: $15,046,957
- 2005-2006 state support: $5,853,076



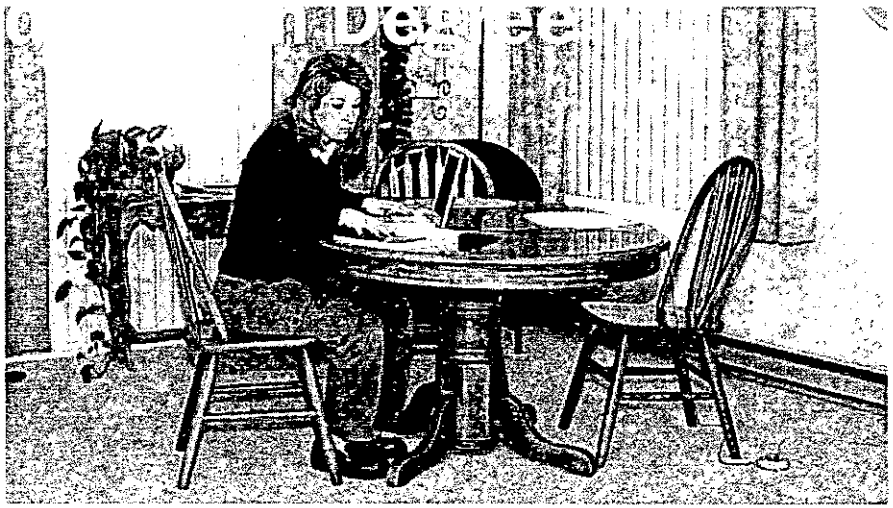
Eagle Creek Software Services

In less than one year, VCSU has solidified its public/private partnership with Eagle Creek in many ways. Eagle Creek officially opened its Valley City facility in January, 2005, moving into one of the suites of the Technology Center. A new instructor for the CRM Track has created a new and unique course that forms the backbone of the CRM Track, and the first set of VCSU students is completing the six-month internship spring semester. Four are eligible to become full-time employees when their internship completes in May. In addition, VCSU has worked with Eagle Creek to design and execute "FastTrack" programs designed to give experienced programmers the background of the CRM Track for immediate employment at Eagle Creek. Total full-time employment at the Eagle Creek facility in Valley City stands at near 50, and the company has plans to increase that by another 50 by the end of 2006.



The VCSU Center of Excellence: Institute for Customized Business Solutions

VCSU is taking the concept behind its public/private partnership with Eagle Creek to the next level. Partly funded by a $1 million "Centers of Excellence" grant, VCSU has begun work on the Institute for Customized Business Solutions, which will create qualified enterprise software consulting candidates to meet the specific business needs of partners in the IT services industry. Funding for the center was approved by the state legislature in March, and VCSU is currently working on an implementation plan that will produce 40 new private sector jobs by the end June of 2007 and lead to 200 new jobs by 2010. Eide Bailly Technology Consulting will be the next private sector partner, and they look forward to the relationship providing them with access to qualified professionals trained in the technologies they are using, increasing efficiencies in getting new professionals "up-to-speed," and providing cost-effective services for their clients.



Master of Education Degree

Background:

After receiving accreditation in October of 2005, the VCSU M.Ed. program has already crossed a number of exciting milestones. The program is designed to meet the needs of working teachers who wish to complete their master's degree without leaving their jobs, so for example, nearly all coursework may be completed online from anywhere an internet connection is available.

Coursework and Curriculum:

The program currently offers two areas of concentration. "Teaching and Technology" focuses on the use of technology to enhance learning. The concentration in "Technology Education" is designed for educators who are interested in teaching Technology Education, a field that currently faces a substantial nationwide shortage of qualified teachers. Course rotations are being designed so that students may complete either concentration in two years.

Enrollment:

The first master's-level courses were offered during fall semester 2005, and 28 students were enrolled as of the beginning of spring semester 2006. Of these, 27 are residents of North Dakota and are either currently employed as teachers or pursuing a career in teaching in a North Dakota school district.

"It is great to be finally working on my master's degree. I live in a rural area hundreds of miles from the nearest university, so taking this step wasn't practical until VCSU began offering their program online. Now I can work on my degree from home, without interfering with my regular teaching job."

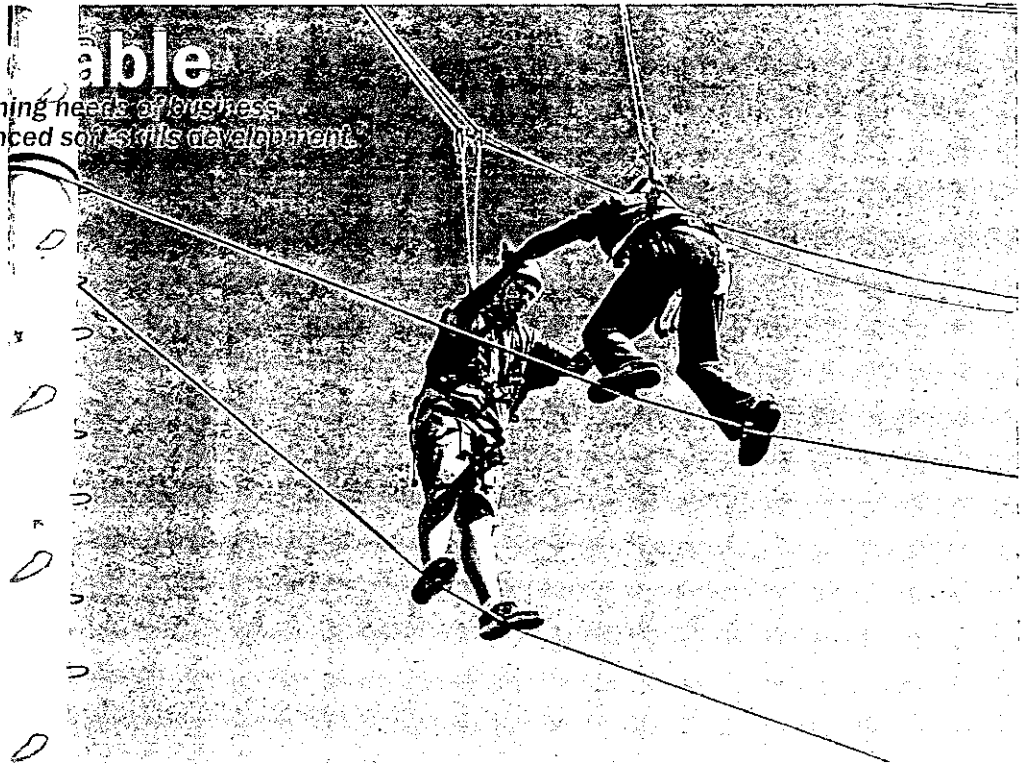
Jason Simpfenderfer
Beulah, ND

"Meeting the rapidly changing education and training needs of business and industry, including the need for enhanced soft skills development."

General education requirements at VCSU include a focus on eight Abilities that instill in students the intellectual capability to learn effectively throughout their lives. These Abilities include:

- Communication
- Global Awareness
- Problem Solving
- Wellness
- Collaboration
- Aesthetic Engagement
- Technology
- Effective Citizenship

As part of their requirements for graduation, all students must develop a digital portfolio that presents accomplishments pertaining to the Abilities requirements for their degree. The senior portfolio must be orally presented to faculty of their major.



"Learning to Live, Living to Learn": First year students at VCSU go through this program which provides an introduction to many aspects of campus life. One stop during the program is a visit to the "ropes course" at Corporate Adventures in Kathryn, ND. In the exercise shown in this photo, two participants support each other as they work their way down ropes suspended 40 feet in the air. Experiences like these instill in students the idea that working together makes it possible to accomplish things that would be impossible by working alone.

Communication (writing and speaking)

The Department of Communication Arts manages "The Writing Center," a place where students receive friendly, competent assistance to help them improve their written work. The Center provides one-on-one sessions staffed by undergraduate students from a variety of majors who have been specifically trained to tutor students. Help is available at all stages of writing projects.

Team-building

VCSU supports student involvement in a variety of community assets that enhance team-building skills. Examples include the Medicine Wheel Park, a solar calendar made of rocks and boulders patterned after Indian Medicine Wheels found in the Great Plains and Rocky Mountains, and the Planetarium, an educational facility in which VCSU science students deliver presentations on a variety of astrological topics while images of the sun, moon, and stars are projected onto a domed ceiling.

Problem solving

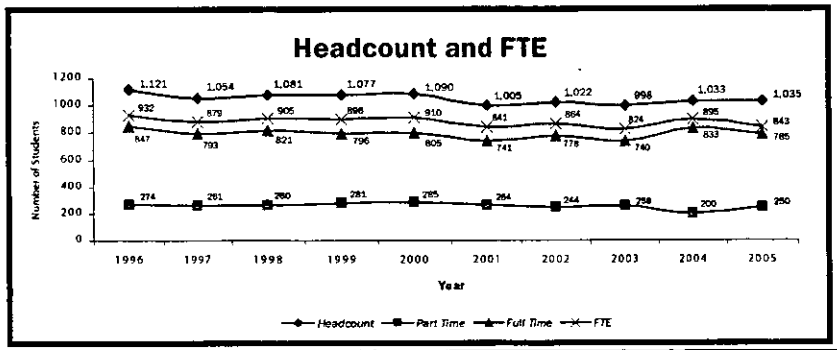
Opportunities to Conduct Research: Science students, particularly in the biology area, have opportunities to engage in scientific research far greater than is true at most undergraduate institutions. These opportunities have a dramatic impact on problem solving and critical thinking skills.

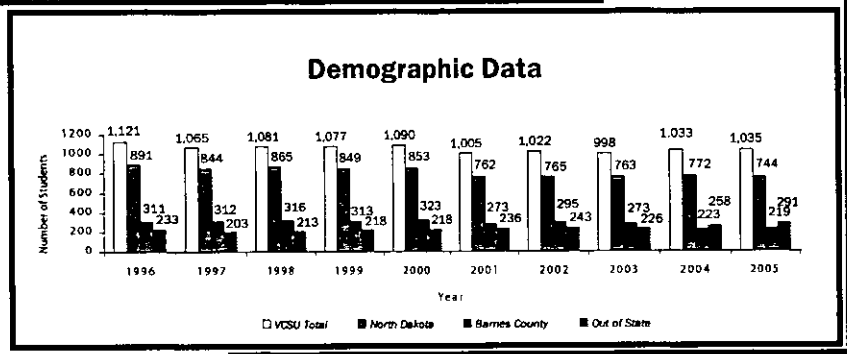
Critical thinking

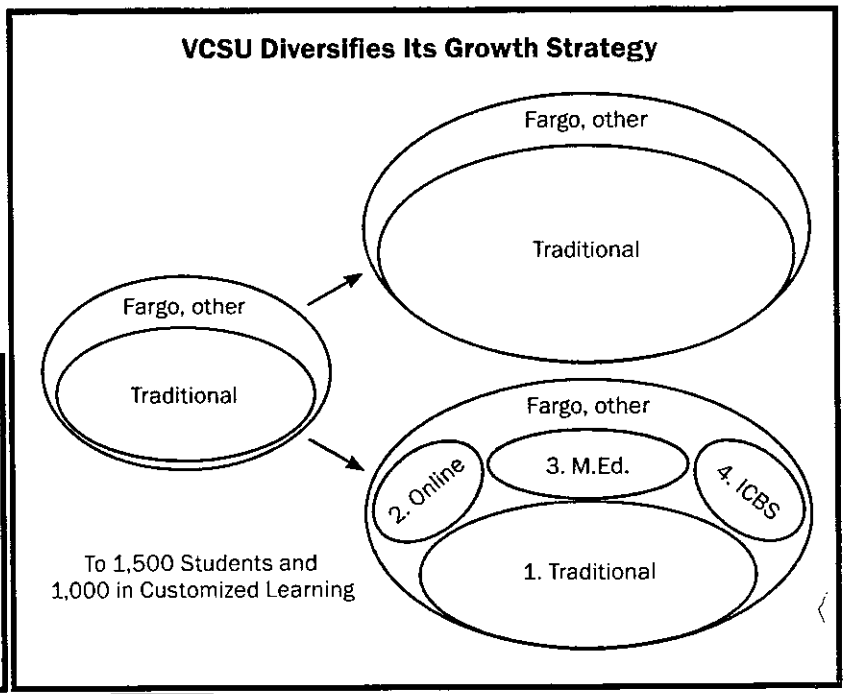
A "Laptop" Campus and More: Every student gets access to their own laptop, the latest multimedia technology, high-speed wireless networking throughout campus, and classrooms equipped with the latest educational technology. Our students use these tools to enhance their learning and graduate skilled at using technology to critically evaluate and effectively use information.

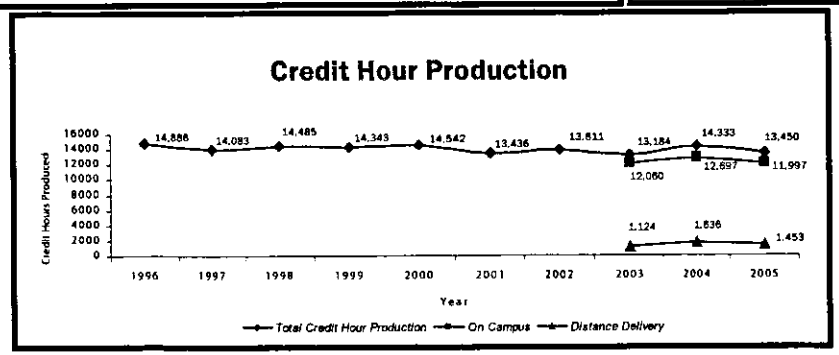
as illustrated in our strategic plan. The president consistently and frequently promotes the vision in her weekly messages to the campus and community.

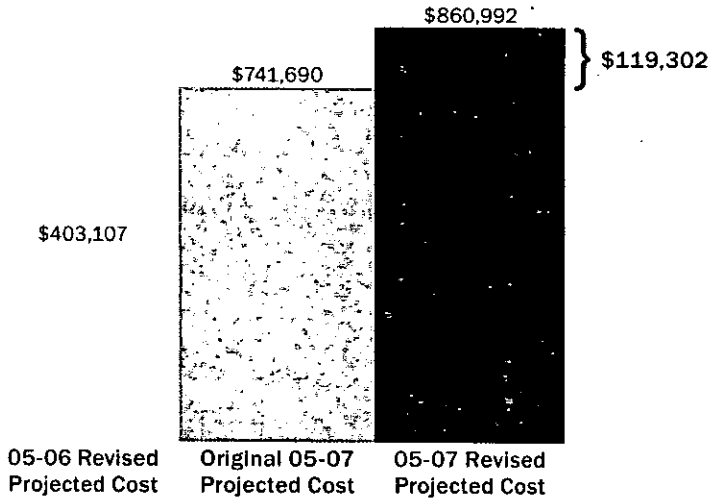
In addition, the university is committed to a major curriculum review and renovation to enhance all students' learning in the areas of leadership and communication (soft skills) and project management, plus (for business and computing majors, and to be adapted to suit non-business majors) business intelligence and specific high-end software skills. These four pillars have emerged from our work with Eagle Creek Software Services and are specifically endorsed by every business with which we have had contact. We believe that students with these skills will have enhanced value as contributors to the Roundtable vision in any post-graduate capacity.


Headcount and FTE
Number of Students
Year
1996 1997 1998 1999 2000 2001 2002 2003 2004 2005
Headcount
Part Time
Full Time
FTE


Demographic Data
Number of Students
Year
1996 1997 1998 1999 2000 2001 2002 2003 2004 2005
VCSU Total
North Dakota
Barnes County
Out of State


VCSU Diversifies Its Growth Strategy
Fargo, other
Traditional
Fargo, other
Traditional
To 1,500 Students and
1,000 in Customized Learning
Fargo, other
2. Online
3. M.Ed.
4. ICBS
1. Traditional


Credit Hour Production
Credit Hours Produced
Year
1996 1997 1998 1999 2000 2001 2002 2003 2004 2005
Total Credit Hour Production
On Campus
Distance Delivery



Utility Costs

As is true for all campuses in the University System, VCSU has experienced substantially higher utility costs than had been projected. The difference between original projected costs and our best current estimate is $119,302. However, it is very difficult to project these costs since market volatility has made utility companies reluctant to project future rates.

In addition, VCSU has many other funding challenges and opportunities falling into two general categories – funding challenges and potential (or missed) opportunities.

Sample Funding Challenges

Salaries – Faculty and staff at VCSU earn, on average, significantly less than their counterparts in the region and the nation. Major efforts to reallocate internally have fallen short of filling the gap.

Travel – Energy cost increases have impacted the cost of transporting coal to the campus (in winter, we use one semi-load per day), other shipments and deliveries, field trips, conference travel, and sports travel.

Academic and facilities equipment – Over the years, new technologies in all fields have put ever-greater pressure on equipment budgets. Items we never missed before they existed (from fax machines to digital projectors, for example) are now essential. The growth rate of equipment budgets has been unable to keep pace with the growth rate of needs.

Sample Funding Opportunities

Note: The details may differ from campus to campus, but the issues are similar.

Workforce-related program developments – New majors in psychology, fisheries and wildlife sciences, health sciences, technology education, and the master of education degree have tremendous potential for enrollment and employment. If we did not have to fund them solely from reallocation and their own tuition revenues, we could reach more prospective students with information and provide students with a full range of experiences early in the program as well as upon its maturity.

Globalization and diversity – In today's world, opportunities to know people from diverse cultures are an essential part of the undergraduate experience. Increasing those opportunities at VCSU would require a major investment in staffing, travel, and expertise.

Flexible and responsive administrative systems – Academic software, business processes, and job descriptions were created for traditional students, courses, locations, and calendars with simple tuition rate structures and one course delivery system. As we plunge ever-deeper into customized learning, we often find that making one "easy" change to accommodate these developments creates a dozen or more complications in other parts of the process. Without additional staff time, we are severely limited in our extent and speed of change.



Kolstoe

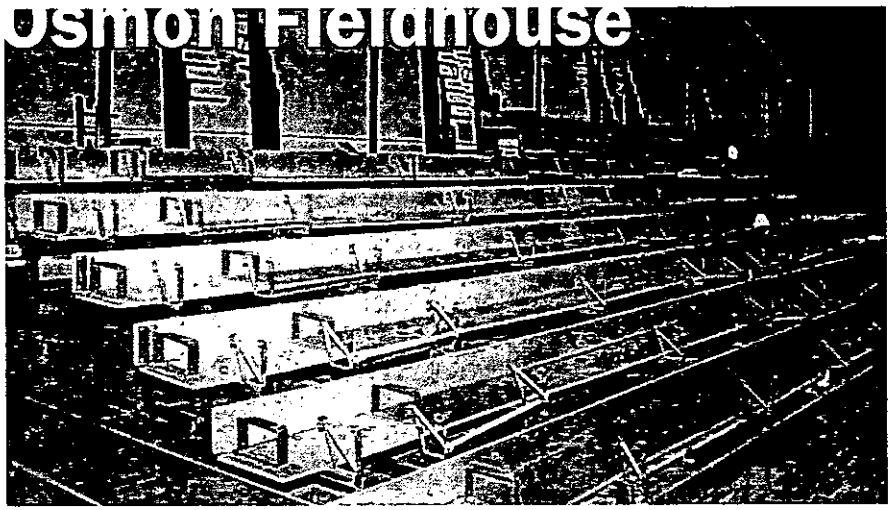
No state funding went into the $2.8 million renovation of Kolstoe Hall – students are paying for it.

In 2004, VCSU completed a $2.8 million project that converted Kolstoe Hall into apartment-style two and four person suites with private bathrooms and living room areas. The project also included a renovation of the entire first floor, a new elevator, central air conditioning, a fitness room and all new furnishings. Driven by demands from today's students who consider comfortable and private student housing an important factor in selecting a college, a renovated Kolstoe Hall also provides attractive housing for summer workshops, conferences and camps. Prior to this project, the most recent new residence hall space was added in 1971.



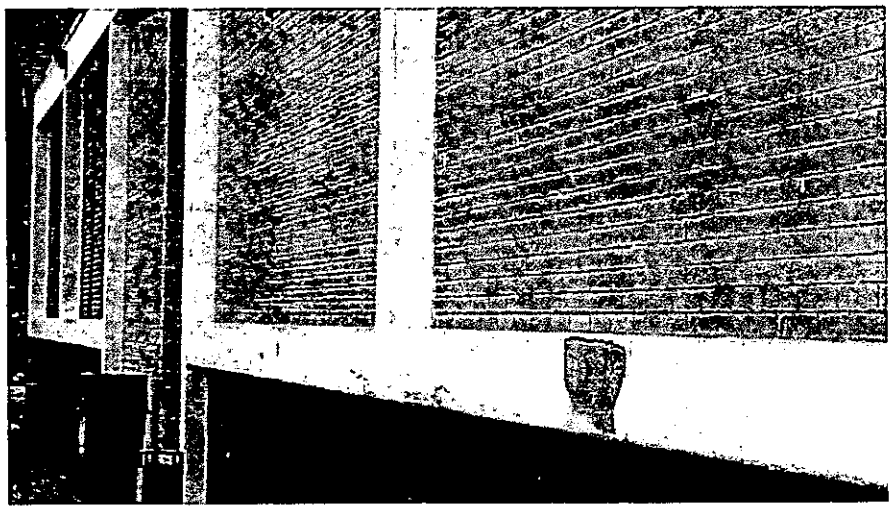
Graichen

Also in 2004, VCSU completed an update to Graichen Gymnasium (originally built in 1923) which added a lobby area, elevator, rest rooms, and second stairwell to the north end of the building providing an emergency egress and making both levels accessible to the handicapped. The project also improved air quality by upgrading the lower level ventilation system. Fire safety was improved by upgrading the lower level corridor, and classroom and office doors. In 2005, Graichen Gym also received new work-out facilities that are being paid for by student fees.



Bleachers in W.E. Osmon Fieldhouse

The W.E. Osmon Building is used extensively: for student instruction, athletic and intramural activities, and as a valued resource for many area and community functions. The bleacher seating in the arena was installed in 1973. A recent safety inspection revealed the following areas of concern: many foot boards are spongy and cracked; many brackets for the seats are weak and bending; several brackets and uprights on the bleachers have been welded and have cracks and need welding again; the end rails have been modified to three rails and aisles do not meet code, all of which are dangerous. The bleachers also have open decks that are dangerous. The bleachers are currently being replaced in a project that should be complete by June 30, 2006.



Tuckpointing

Over time, mortar joints in brick masonry begin to decay, creating the need for periodic maintenance. Without this maintenance, the mortar will completely crumble, exposing the building to penetration from the elements, and eventually, bricks will even begin to fall out from the siding completely. This project repairs the mortar for affected areas on the brick siding for McFarland Hall, the Memorial Student Center, and other buildings.

05-07 Capital Projects

Specials	$38,236	Ongoing
Bleacher replacement W. E. Osmon Fieldhouse	282,000	Started
Tuckpointing various buildings	108,000	Summer '06
Classroom and office repair and renovation	174,673	Ongoing
Sidewalk repair	12,260	Ongoing
Roof replacement Graichen Gym	25,840	Completed
Handicap access Graichen Gym	6,500	Completed
Emergency power Rhoades Science Building	10,436	Completed
Heating system repairs	50,000	Ongoing
Sound system Vangstad Auditorium	10,000	Completed
Elevator repair McFarland Hall	24,400	Completed
	$742,345	

Valley City State University has had no state funding for new programs in more than 10 years.

The laptop initiative had no additional state funding.

At our current rate of spending on deferred maintenance (which averages $260,000 per biennium), completing the *current* list of $8.5 million in deferred maintenance projects will take about 64 years.

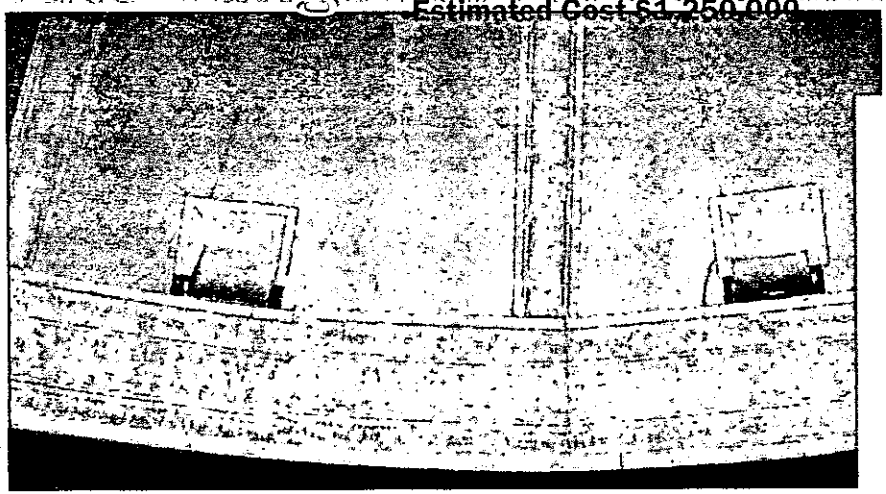
Estimated Cost $2,200,000

The existing steam distribution system is 40 years old, exceeding the expected useful life by 10 years. Several of the joints in the lines have been replaced. Determining the location of failures and repairing them is difficult with the direct buried lines, and can be dangerous and expensive during cold weather.

The project would include distribution piping in the power house, replacing the main steam line that runs from the power house to steam vaults across campus, and individual lines to each building. This project would add a metering system to allow us to collect data for individual buildings.

Renovate Vangstad Auditorium

Estimated Cost $1,250,000



In April 2005, YHR Partners completed a technical assessment of Vangstad Auditorium that identified deficiencies and ranked them according to physical serviceability and code compliance scales. In addition to those items identified in the report, the pipe organ located in the auditorium is in need of repair, new theatrical and stage lighting is needed and new carpet, draperies, and stage curtains would enhance the appearance of the auditorium.

Currently, the building has no air conditioning or humidification. Both should be added to help preserve the pipe organ and ornate plasterwork in Vangstad Auditorium. To add air conditioning, the size of the existing mechanical room will need to be expanded and one classroom on the second floor will have to be used for a mechanical room.

Life Safety/ADA Project

Estimate Cost $818,000

The Life Safety/ADA Project will address the two top issues on campus in the area of life safety and ADA: updating the fire alarm system, and installing an elevator in Foss Music Building.

[illegible] System

The new 4100u panels will be configured to report directly to the heating plant for all alarm and trouble conditions. To keep things going in the right direction and meet all the current code issues, each of the buildings will need to be upgraded with new addressable network fire alarm panels and peripherals. The peripherals (i.e. smoke detectors, heat detectors, pull stations, control modules) will all be tied to the main fire alarm panel in each of the buildings. From there, the control panel will be in continuous communication through network interface over existing multi-mode fiber optics to the head end Network Display Unit in the heating plant.

◆ Elevator Foss Hall

Foss Hall, a two story building which houses the Music Department, does not have an elevator at this time. The second floor contains classrooms, practice rooms and faculty offices. The installation of an elevator would bring the building into ADA compliance.

Future Projects

Project	Amount
Replace steam lines	$2,200,000
Life Safety/ADA Project	$818,000
Renovate Vangstad Auditorium	1,250,000
Addition to Allen Memorial Library	1,389,440
Addition to W.E. Osmon Building	15,000,000
Air conditioning McFarland Hall	1,936,680
Air conditioning McCarthy Hall	354,600
Technology building	3,522,168

Information and Perspectives:

Major Higher Education Issues Facing the 2007 Legislative Assembly

Ellen-Earle Chaffee, Ph.D., President
Valley City State University

Selections from "The President's Corner," a weekly feature of the Valley City Times-Record

VCSU
Valley City State University
101 College St. SW
Valley City, ND 58072
1-800-532-8641
www.vcsu.edu

VALLEY CITY
STATE UNIVERSITY

Information and Perspectives:

Major Higher Education Issues
Facing the 2007 Legislative Assembly



Dear Legislator:

Thank you for the time, effort, and thought you give to the history-making issues that will shape our state for generations to come. I am awestruck by the number and complexity of those issues, and I know you have plenty to read. I share the information and ideas here in hopes that they will be useful to you and with gratitude for your public service.

Best wishes,

Ellen Chaffee

Ellen Chaffee

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Higher Education Productivity:

Welcome to Our World

February 5, 2006

A growing theme in national news about higher education is the need for cost containment and productivity increases. My recent column addressed this theme as it impacts health care, our "sister profession," noting that a recent national study found North Dakota to be second only to Utah in overall value. These two states get the greatest payoff for the least cost in the country.

Another recent publication from the prestigious Federal Reserve Board of Saint Louis repeats the call for productivity and offers four strategies to achieve it. Could we do even better?

The authors claim that higher education has lost productivity in recent years. Colleges have shown higher-than-inflation increases since 1990 in tuition, overall cost, and administrative cost, and tuition has increased as a percent of household disposable income. These facts may or may not be true of any single institution, but they are widely accepted as true for higher education institutions on average. Do they mean our productivity has gone down?

The authors make no attempt to examine the causes of these trends. Among the mandated or barely controllable cost increases for universities since 1990 are federal reporting requirements, state accountability requirements, costs of compliance with laws such as human resources and grant disbursements, providing services to help people with countless and diverse disabilities, dealing with the birth of the Internet and explosion of technology expectations, extraordinary increases in the cost of utilities and library materials, and responding to state demands for flexibility and new services.

Given forces like these, it is reasonable to conclude that higher education now produces not just student learning and new graduates but also federal and state reports, compliance with dozens of new laws, access to technology, and high-cost heat. Whatever the cost increases may be, a significant fraction of it must go to costs that did not exist in 1990, most of which add no value to student learning.

That being the case, one good way to become more productive would be to make all the unnecessary extra costs go away or at least make them less expensive. Realistically, that is not going to happen. A reasonable alternative would be to factor them out of the equation for a truly "apples to apples" productivity analysis.

"For the first time in decades, it is truly likely that some prospective students will be unable to attend college due to cost, no matter how many jobs they have."

That would not fix the cost problem, though. Congress just voted to strip millions of dollars out of student financial aid. For the first time in decades, it is truly likely that some prospective students will be unable to attend college due to cost, no matter how many jobs they have. It really is important to contain costs as much as possible. And that is what universities in North Dakota and Utah are doing, as a previous study demonstrates.

The four Federal Reserve suggestions are privatization, decentralization, improving student quality, and increased flexibility of faculty activity. VCSU has privatized food service; no other service has sufficient profit potential to interest the private sector.

As for decentralization, we take any opportunity that would not harm legal compliance, basic operations, and student services. Improving student quality through better teaching practices? VCSU teaching is exceptional on all dimensions, and we have data to prove it. Finally, we have flexible faculty who accommodate changes in student interest without additional cost.

Outsiders, even astute analysts like those in the Federal Reserve system, often find it easy to "fix" higher education. I invite them to try the real world for awhile and see how "easy" it is. In the meanwhile, we will continue to seek and capture every opportunity to increase quality and decrease cost, wherever we find it, while dealing with growing external and often extraneous demands.

Thomas A. Garrett and William Poole. "Stop Paying More for Less." The Regional Economist. January 2006. www.stlouisfed.org

Centers of Excellence:

An Excellence Dilemma?

March 5, 2006

As you may know, Valley City State University is in the process of seeking $1 million in state Center of Excellence (COE) funds to establish an Institute for Customized Business Solutions. The Institute would enable us to expand customized curriculum services to match the needs of private enterprise. The legislature's Budget Section will make the final decision on our proposal this week.

COE is a new $20 million state program to partner higher education with the private sector to proactively build the state's economy through new ideas. In the first round of awards, UND, NDSU, Lake Region State College and Bismarck State College received funding. In this round UND, NDSU, VCSU, and Williston State College have been recommended for funding.

Twenty million dollars is a lot of money by any measure, and devoting such a sum to a new, untested program was quite a leap of faith by our governor and legislature. They recognized, as many current leaders do, that the essential fuel for growth in these times is innovation. This is the kind of thinking that can create a very positive future.

COE has strong safeguards and accountability measures. The approval process requires favorable votes by five different groups. Centers must demonstrate significant measurable results in a short time.

Legislators wanted any campus to be eligible for a Center, but the original concept was that Centers would fuel the transfer of new technologies from the laboratory to the marketplace. New technologies come from the kind of activity that takes place at research universities. Comprehensive universities and community colleges do not have that kind of mission.

"I hope that the COE vision of innovation-based economic development will be stronger and broader in the next legislative session. Research is a necessary but not sufficient condition for economic growth."

This dilemma has not yet been resolved – that every campus could have a Center, but only two campuses have the mission and resources to play the expected roles. So projects from campuses other than UND and NDSU tend to be controversial, and the votes tend to be split.

All of the other campus proposals represent challenging, promising, and innovative ways to achieve the goals of the COE program. I would have tried to fund them all. Collectively they lead to an astounding vision of North Dakota in 2015.I feel extremely fortunate that we are one of only four non-research institutions to have been recommended for funding.

I hope that the COE vision of innovation-based economic development will be stronger and broader in the next legislative session. Research is a necessary but not sufficient condition for economic growth. All parties throughout the process need to be creative critical thinkers who can start something from scratch or see how to modify what already exists.

Often, innovation means not just new products but also whole new jobs and careers. This is a knowledge economy, full force. It runs on intellectual capital. All North Dakota colleges and universities produce intellectual capital, and the Centers program will help make sure that it is the right kind in the right place at the right time. We could be the talent capital of the world.

Peer Funding Model:

The Elephant in the Room

March 19, 2006

There was an elephant in the room, but everyone ignored it. It was hard to see – one of those "forest or trees" things. I will show you the elephant, but first you need some background.

The legislature's Interim Higher Education Committee engaged a consulting firm to evaluate the funding model for the ND University System and make recommendations for improvement or change. Dr. Moak of MGT presented the firm's report to legislators last week. That was the room with the elephant.

For six years, we have had a funding system that starts by comparing each campus to a set of peer institutions from other states, chosen for their similarities to us. The Higher Education Roundtable recommended the change to help power the university system as an engine for growth for the entire state, with priorities such as education excellence, economic development, flexibility and responsiveness, and accessibility.

The comparison with peer institutions becomes a score. For example, if VCSU spent $8,500 per student and our peer institutions spent $10,000 per student, the VCSU score would be 85 – we would have 85 percent as much to work with as our set of similar institutions. Each North Dakota institution has different peers and different scores. The scores for all ND campuses were below 100.

The goal over time has been to fund every campus for inflation ("parity") and for "equity," bringing the low-score campuses up to at least 85 over a number of years. The main legislative decision each biennium was total funding for the university system. Feuding among campuses at the legislative session declined considerably.

Last week, the consultants assigned each campus 15 peers and recommended switching the parity/equity split from 80/20 to 20/80. Since VCSU has a relatively high score, we get no equity funding. If this biennium's funds had been split the new way, we would have had $362,000 less right now. The new split would do little to improve equity. Our score went from 74 to 72. The lowest campus went from 32 to 33. No campus changed more than three points.

"Funding at 51 percent is not adequate for normal operations, let alone the visionary recommendations of the Roundtable."

Discussion that day focused on topics like why Dr. Moak did not recommend a different model, how to achieve equity, whether we should aim to receive 21 percent of the state budget, and whether the NDUS needs just a tune-up or a major overhaul.

All well and good. Here is the elephant. It is just one number, derived by a totally independent, objective expert: 51. The average score for the entire university system is just 51. In English: North Dakota's higher education system is operating with about half the funding per student that other states provide to similar institutions across the country.

We discussed equity at length that day, but we did not discuss North Dakota's expectations for higher education or what level of investment would achieve it. We never discussed adequacy.

Funding at 51 percent is not adequate for normal operations, let alone the visionary recommendations of the Roundtable. It is long past time for state leaders in all sectors to come to grips with our Constitutional responsibility to, "...provide adequate funds for the proper carrying out of the functions and duties of the state board of higher education."

Enrollment Dynamics:

How Many This Year?

August 13, 2006

Now is when people start asking me how it looks for enrollment this year. You'd think after 13 years I could come up with a better answer than, "I don't know."

The truth is, though, that projecting enrollment has become more complicated and uncertain over the years.

In the old days, we looked at the number of high school graduates in our service region, considered our typical attendance rate from that group, added the number of continuing students who had pre-registered for fall, adjusted for the size of the graduating class, threw in a little "fudge factor," held a wet finger up to the breeze, and came up with a number. It was usually pretty close.

As I have said previously, the number of high school graduates in our service region has declined 44 percent in the last eight years, while our total enrollment has remained steady. Obviously, we are serving new and different kinds of students to fill the hole left by the shortage of traditional students.

We have offered classes in Jamestown and our elementary education major in Fargo for years, and they are important elements. Each of them fluctuates to a different drum – sometimes one that we cannot hear this far away, so we may misestimate their enrollment.

We have also been offering programs for certain adult populations – notably, vocational teachers who want or need to complete their degrees and individuals who need courses to qualify as school librarians. Furthermore, a number of high school juniors and seniors are taking university classes here. Those numbers go up and down, too.

I am delighted to report that our enrollment by out of state students is on an upward trend, and we can usually come close to an enrollment estimate for that sub-set based on applications and pre-registration data. We believe that this is partly due to a scholarship program called Stars, which we established several years go to reduce the out of state tuition charge for academically able students.

"...the number of high school graduates in our service region has declined 44 percent in the last eight years, while our total enrollment has remained steady. Obviously, we are serving new and different kinds of students to fill the hole left by the shortage of traditional students."

This is the first year for a full-blown graduate program at VCSU. Over the last year, we have admitted a total of 64 individuals (and rising almost daily) to the graduate program. Not all are enrolled every semester, but we do not have the history that would allow us to estimate that.

Two recent trends make estimating even more difficult. First, students tend now to register later than before, with many of them showing up to register just as classes are starting. Second, new students are applying to more universities than was true in the past. Therefore, our number of applications received can lead us to over-estimate the number of new students. The odds differ if we are one of three schools versus being one of seven schools to which they have applied.

So predicting enrollment is far from being a science. Glen Schmalz is our enrollment projection wizard, and he has weighed in with a prediction for this fall. When the final numbers are in, I'll let you know whether he has that magic touch.

College Costs:

Making Ends Meet

September 3, 2006

A new study tells a sobering story about the debt burden facing the nation's college graduates. If you ever had student loans, or if you know someone who is in college or a recent graduate, you have a personal connection to this story.

The study is based on reports from campuses around the nation about the debt load of students who graduated in 2005. State by state and looking only at public universities, the average debt for seniors graduating in 2005 ranged from a high of $23,198 in Iowa to just $11,067 in Utah.

North Dakota University System graduates came in second in the nation with an average debt of $22,839.

Show of hands, now – how many of you believe that salaries for new college graduates in North Dakota are the second-highest in the land?

"North Dakota University System graduates came in second in the nation with an average debt of $22,839."

I thought not.

How many believe that the cost of attending public universities in North Dakota is above average, let alone second-highest in the land?

Right. Our costs are in the lower half among all states.

Are North Dakota students scuffing through college for studies and fun only, without working to contribute to the cost of their education? Quite the opposite.

Most likely, several factors contribute to our students' high debt load. For example, state funding for student aid is very low, relatively speaking. On average, North Dakota families have relatively low earnings and cannot contribute as much to education costs as the average family in many other states. And privately funded scholarship programs may be smaller here, especially compared to states in the eastern half of the nation where universities have raised funds for a longer time and in more populous and prosperous areas.

Within the North Dakota University System, graduates of UND ($26,225) and NDSU ($22,675) had the highest average debt. Valley City State University graduates were next with an average debt of $18,394. Mayville State's figure was $18,190 and Minot State was at $15,575 (no 2005 data for Dickinson State).

The average starting salary for a North Dakota teacher, according to a 2006 wage report from Job Service is $26,000-$27,000. The average-debt UND graduate who stayed here to teach would owe the equivalent of a full year's salary in student loans. The average-debt VCSU graduate would owe about two-thirds of a year's salary. Clearly, going to college is a very serious investment that needs to pay off financially – and it does, on average and over time. According to a U.S. Census report ("The Big Payoff," July 2002), a college graduate can expect to make nearly twice as much as a high school graduate over the course of a lifetime.

These young graduates are, by the way, the very people on whom the baby boomers are depending to make sure that Social Security, Medicare, the overall national economy, and other key factors are in place and functioning well so that their (our!) senior years are secure and healthful. In a sense, we expect these young people not only to take care of themselves but also to take care of (in some sense) their parents and grandparents.

I am rooting for them. We all should. And if we're serious about it, we will do all we can to support their success.

You will find the student debt study and a great deal of additional information on the Internet at www.projectonstudentdebt.org/

Accountability:

The Story in Numbers

October 15, 2006

Accountability is the big issue in higher education today. It is a boring word, but a very significant and complex matter. Briefly put, people are asking universities, "Are you any good? How good?"

We regularly ask the same question of ourselves. As part of that initiative, I just received the results of a survey asking our 2001-2003 graduates how well we had prepared them for what they are doing now.

Of the 52 respondents, 40 percent graduated with $15,000 or more in debt. All but three of the 45 people who are currently employed have jobs that are related to their field of study. Most started at a salary between $15,000 and $40,000, and most are now making $25,000-$50,000 per year.

On all of the five skills graduates rated as most important for their work, they rated VCSU's impact very high as well. These included working cooperatively in groups, developing effective verbal communication skills, developing effective leadership skills, and making a lifelong commitment to learning. They rated VCSU well on the fifth, getting along with people from various cultures, races, and backgrounds, but the university needs to improve on that dimension.

Graduates also rated VCSU very highly on learning to define and solve problems, using a variety of information sources, written communication skills, and developing original ideas and products.

In terms of satisfaction with VCSU, respondents gave an average of 4 or better out of 5 points to more than half of the satisfaction questions, including class size, quality of major program, concern for individual students, overall quality of instruction, variety of instructional approaches used in the classroom, and acceptance of transfer credits.

On every item that ranked the quality of their experience at VCSU, the average response was well above the midpoint of the scale. Little wonder, then, that every single respondent said, "Yes," they would recommend VCSU to others.

"We are proud of what we do here, and the data say that pride is justified. Accountability? Bring it on!"

The public, students, parents, and others are demanding that universities prove their worth. The value of higher education must be proven not just at the national level and not just as a whole. The fact that college graduates earn much more over a lifetime than those with less education is not enough. The social and personal investment in higher education is huge, and people want to know, in very concrete and measurable ways, what they are getting for that investment.

Valley City State University has been proactively answering that question for over ten years. We produced annual documents called the Report to Investors starting in 1995. Each report covered all the major measures of quality and viability, showing how we score and how our score was changing over time. We sent the document to hundreds of people statewide every year.

The North Dakota Higher Education Roundtable discussions led to state-level accountability reports for all campuses starting in 2002, so VCSU joined with that initiative and ended the Reports to Investors. The state-level reports cover many measures, reported school-by-school and altogether. Every legislator, board member, and campus receives a copy, and we will gladly share it with anyone who is interested.

We are proud of what we do here, and the data say that pride is justified. Accountability? Bring it on!

College Educated Workforce:

Reversing the Trends

November 4, 2006

Stories are usually more memorable than statistics, but I have found some exceptions to that rule. The American Council on Education started a web site at SolutionsForOurFuture.org, which is the source for most of the following statistics. The main message of the site is that America will have a declining economic and social future unless we make some major changes. Site sponsors tell the story with numbers.

Less than half – 42 percent – of Americans continue from high school into college. Countries with a higher participation level include Poland (67 percent), Sweden (69 percent), Finland (72%), and New Zealand with an astonishing 76 percent continuing on to college. From 1999 to 2003, just four short years, China increased its investment in higher education by 54 percent. America now ranks ninth worldwide in college enrollment rates.

I heard at a conference last week that 80 percent of the new jobs in the United States require a college education. At the current rate, our country will have only half as many college-educated workers as it needs. The logical solution will be to seek workers in countries like New Zealand. Think about that – we will lose not only low-wage jobs but also high-end jobs to other countries. And if only 20 percent of new jobs can go to those with less education, that group of Americans will experience very high unemployment rates.

"At the current rate, our country will have only half as many college-educated workers as it needs."

This country needs college graduates to do the work of a knowledge economy. Those same college graduates are also the least expensive citizens in terms of government services. Estimates suggest that "the government spends between $800 and $2,000 less per year, per person, on social programs (including unemployment compensation, Medicare and Medicaid, food programs, welfare, and other social programs) for 30-year-old college graduates than it spends for 30-year-old high school graduates, taking into account gender and race/ethnicity."

We tend to think that the sole beneficiary of a college education is the student. One higher education leader summarized additional benefits – those that the public or society enjoy – as follows: research that fosters innovation and solves problems, citizens who participate effectively in our democracy, development of culture and the arts, tolerance and open-mindedness, and a flexible workforce to meet the challenges of global competition (Terry Hartle, "Strength in Numbers," The Presidency, Special Issue 2006, p. 9).

Ironically, as the power and importance of a college education has risen, public support for it has fallen. State spending per student on higher education went down 13 percent from 1991 to 2004. This is a trend the nation absolutely cannot afford to continue.

North Dakota is already in the throes of this dilemma. Our unemployment rate is barely above zero. In the 1980s and 1990s, we lost people because there were not enough jobs. Now, with thousands of vacancies, we are losing jobs because we do not have enough people. We need to bring people in to North Dakota, and we can be glad that some of them are college students who will remain after graduation to help build our economy.

Revenues & Expense:

Are We Running Out of Gas?

November 13, 2006

Picture two cans of fuel - One is full of state funds, the other is full of family funds. Both the state and the families have many "vehicles" to run using those gallons of fuel – food, shelter, public safety, and such - each with its own fuel economy, investment value, necessity quotient, and so on.

For this example, one of those vehicles is a family member's college education. Suppose its fuel tank requires ten gallons of fuel each year. The state fuel can contributes some gallons; more come from the family in the form of tuition; and the state provides a little financial aid to the family.

This is a simplified version of the situation that all states and public-university students face. How does North Dakota handle it, compared to other states, and how has that changed over time? A recent report provides some answers, using constant 2004 dollars and the 25-year period from 1979 to 2004.

The main messages for us in this report are: (1) state funding has gone down in 25 years even though the state's economy has gone up, (2) state financial aid has been and remains much less here than in most other states, (3) the ratio of financial aid to tuition and the ratio of tuition to families' ability to pay have grown much worse. Put another way, fuel from the state can has gone down, leaving families with a greater burden to bear. Meanwhile, expectations for higher education have skyrocketed, taking costs far higher than the rate of inflation.

In 2004, North Dakota appropriated $5,656 per full-time equivalent student, which is 86 percent of the national average of $6,592. North Dakota funding declined by seven percent from $6,042 in 1979 and by 30 percent from a high of $7,327 in 1982. Could the state have afforded to keep pace? North Dakota's economy (gross state product) increased by 60 percent during that time.

"...state funding has gone down in 25 years even though the state's economy has gone up..."

The state now provides less than half the cost at most institutions, where 60-80 percent was not uncommon 25 years ago. Tuition rates at four-year North Dakota universities have nearly tripled to fill the gap. Tuition at VCSU now is about $130 per credit hour. If it had increased only by inflation, tuition today would be a mere $45 per credit hour.

From 1979 to 2004, state financial aid increased by $10 compared to a national average increase of $127. The ratio of financial aid to tuition here was less than one percent in 2004, compared to a national average of over nine percent.

New demands have also increased university costs well beyond inflation. The first "portable" computers came out in the early 1980s, weighing in at about 50 pounds. VCSU now has over 1,000 computers and major investments in software, hardware, and personnel. Other examples include demand for outcomes evaluation and overall accountability reporting, facilities changes to comply with the Americans with Disabilities Act, need for marketing and recruiting, and greater need to provide precollegiate instruction to underprepared students. Achieving some kind of balance in the trend lines of revenue and expense is the greatest and most challenging task of state policy makers and institutional leaders.

Data source: Recession, Retention, and Recovery: State Higher Education Funding and Student Financial Aid. Center for the Study of Education Policy, Illinois State University, and others. October 2006.

Education or Outsourcing:

The Very Big Picture

November 19, 2006

When a vehicle is running on fumes, it runs rough. At first it feels like minor bumps in the road. Soon you lose control of your speed, and then you have no speed. Starting up again will require major effort and significant unbudgeted expense. And the time from little bumps to immobility is short. By the time you realize the problem, it is almost always too late to prevent it.

That was the image in my mind as I read "Economic Inequality in the United States," a speech that Janet L. Yellen, President and CEO of the Federal Reserve Bank of San Francisco, gave to the Center for the Study of Democracy on November 6, 2006.

The "vehicle" is the nation. The fuel is a workforce with enough high-octane energy to run its emerging economy. Yellen sees us running out of gas.

Although the economy is increasingly productive, many people are not satisfied with or optimistic about their quality of life. Since 1973, half of the reward (income) for economic growth has gone to people in the top 10 percent, where income rose 30 percent and most people have college or advanced degrees. Meanwhile income for those at the 50th percentile and below rose only 5-10 percent and many people have at most a high school diploma.

To explain this disparity, "no cut at the data has been more revealing than the differences in real wages by education," says Yellen. The demand for college-educated workers has far outstripped the supply, and the reverse is true for those with less education

A major contributor is dramatic technological changes in the workplace, requiring new skills among workers. "Consider two college graduates with liberal arts degrees," says Yellen. "The one who has the skills to use computer power to collect, analyze, and synthesize data may have a distinct edge in the labor market."

Yellen also recognizes the impact of globalization. U.S. companies need people who can manage and function in complex, global operations. Distance is a dwindling issue so workers at all levels must be world class to compete. Outsourcing is not just a factory phenomenon any more. Furthermore, other countries' growing investments in education help their industries compete successfully against their U.S. counterparts.

"There IS an antidote to outsourcing. It is advanced education. We HAVE the key to prosperity and democracy for citizens and the nation. But it will not work unless we maintain it, fuel it, and make it accessible to everyone."

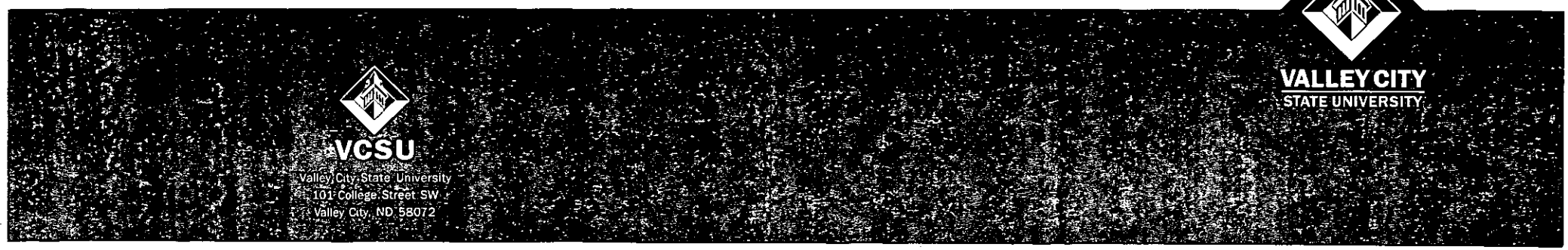
Yellen's overall picture is this: The demand for low-skilled or low-educated U.S. workers is low and going down. At mid-level, the pressure is high to increase education and skills because of technology and globalization in the workplace. Individuals and companies that do not continue to learn will be replaced through the global marketplace. This would increase inequities within the U.S. and ultimately threaten not only the nation's economy but also democracy itself.

Therefore, Yellen recommends investing in all levels of education, pre-school through adult retraining. "Improvements in education are an imperative for reducing inequality and an easily justifiable investment, given its high social return," she says.

There IS an antidote to outsourcing. It is advanced education. We HAVE the key to prosperity and democracy for citizens and the nation. But it will not work unless we maintain it, fuel it, and make it accessible to everyone.

Economic Impact

Fiscal Years 1999, 2004 & 2006



Valley City State University

Each of the state's college campuses is an important component of that area's local economy. This brief analysis will provide highlights of an economic impact analysis of Valley City State University in the Valley City area. Key economic indicates estimated in the analysis include direct impacts, total level of economic activity, personal income, retail trade, tax revenues, and employment. impact for higher education in North Dakota, which was presented in the main body of this report. All dollar values for FY1999, FY2004, and FY2006 are presented in terms of current year dollars, i.e., the effects of inflation have not been removed. The Consumer Price Index indicates that inflation during the 7-year period 1999-2006 was 21 percent.

Expenditures by Valley City State University comprise the direct impacts, or "first round effects". Expenditures by Valley City State University were $13.4 million in FY1999, increased to $17.0 million by FY2004, and were $16.4 million in FY2006. The increase during the 7-year period was $3.0 million, a 22.6 percent increase. These expenditures were allocated to corresponding sectors of the North Dakota Input-Output Model. The North Dakota Input-Output Model consists of interdependence coefficients, or multipliers, that measure the level of business activity generated in each economic sector for an additional dollar of expenditures in a given sector.

Total impacts associated with Valley City State University were estimated by applying the Input-Output Model coefficients to total expenditures. Total economic impacts were estimated to be $39.3 million in FY1999, $50.1 million in FY2004, and $48.8 million in 2006. The economic impact has increased by 24.2 percent during the 7-year period. The sector that had the largest impact was households (i.e., personal income of area residents) for each of the three years presented. Personal income has grown from $15.5 million in FY1999 to $19.4 million in FY2006, a 25.2 percent ($3.9 million) increase. Other sectors receiving major contributions included retail trade, construction, finance, insurance, and real estate, and business and personal services. Increased retail trade activity was estimated to be $9.5 million in FY1999, $11.5 million in FY2004, and $11.8 million in FY2006. This represents a $2.3 million (24.2 percent) increase for the 7-year period. Increased levels of retail trade activity would generate $545,000 in sales and use tax collections for FY2006, compared to $439,000 in FY1999 and $533,000 in FY2004. Personal income tax collections were estimated to be $232,000 in FY1999, $289,000 in FY2004, and $291,000 in FY2006 as the result of increased economic activity in the household sector.

Levels of business activity resulting from Valley City State University expenditures would support almost 400 secondary (indirect and induced) jobs in 1999, nearly 500 in 2004, and over 500 in 2006. These jobs are in addition to the 189 persons employed by Valley City State University in 2006. In 2006, 844 full-time equivalent students were enrolled at Valley City State University.

In addition to the economic impact resulting from the institution's expenditures, spending by students also contributes to the local economy. Direct impacts of student spending in the Valley City area was $6.9 million in the 2006 academic year. Total economic impact was $17.2 million, highlighted by increased retail trade activity of $7.8 million and personal income of $4.2 million. These levels of business activity would generate an additional $360,00 sales and use tax revenue, and $63,000 more personal income tax collections. This level of student spending would create enough business activity to support 135 secondary (indirect and induced) jobs.

Direct and Total Economic Impacts for Valley City State University, Fiscal Years 1999 2004, and 2006, Current Year Dollars

Item	FY1999	FY2004	FY2006	Change FY1999-2006	Change FY2004-2006
	$000			%	
Direct Impacts:					
General Fund	5,152	5,943	5,850	13.5	-31.1
Nongeneral Fund	7,364	8,657	10,229	38.9	67.4
Capital Improvements	841	2,423	295	-64.9	-87.8
TOTAL	13,357	17,023	16,374	22.6	-3.8
Direct Impacts by I-O Sector:					
Construction	841	2,423	295	-64.9	-87.8
Communication and Public Util	794	672	699	-12.0	4.0
Retail Trade	1,413	1,330	1,702	20.5	28.0
Finance, Insurance, Real Estate	1,744	2,636	2,532	45.2	-3.9
Business and Personal Services	1,938	2,253	2,849	47.0	26.5
Households	6,627	7,709	8,297	25.2	7.6
TOTAL	13,357	17,023	16,374	22.6	-3.8
Total Impacts:					
Construction	1,817	3,648	1,506	-17.1	-58.7
Communications and Public Util	2,143	2,367	2,402	12.1	1.5
Retail Trade	9,479	11,521	11,771	24.2	2.2
Finance, Insurance, Real Estate	3,558	4,907	4,798	34.9	-2.2
Business and Personal Services	2,650	3,155	3,756	41.7	19.0
Professional Social Services	1,004	1,254	1,259	25.4	0.4
Households	15,485	19,295	19,385	25.2	0.5
Other [1]	3,153	3,960	3,927	24.5	-0.8
TOTAL	39,289	50,107	48,804	24.2	-2.6

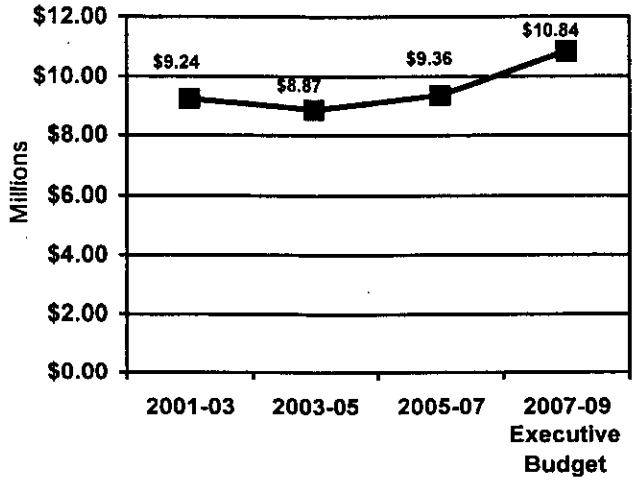
[1] Includes agriculture, mining, manufacturing, transportation, and government.

Department 240 - Mayville State University
use Bill No. 1003

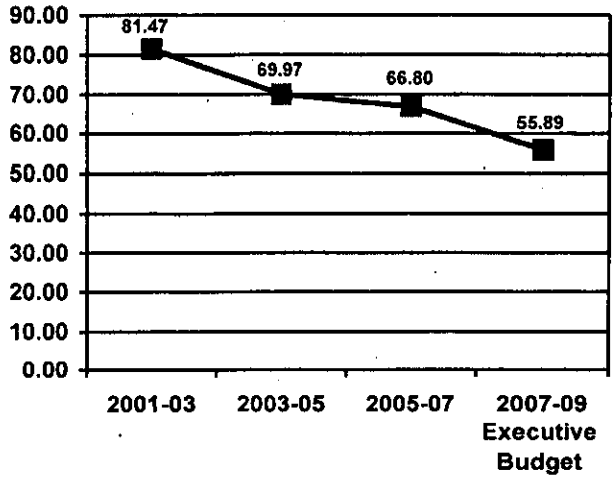
	FTE Positions	General Fund	Other Funds	Total
2007-09 Executive Budget	55.89	$10,836,719	$900,000	$11,736,719
2005-07 Legislative Appropriations	66.80	9,362,624	1,500,000	10,862,624 [1]
Increase (Decrease)	(10.91)	$1,474,095	($600,000)	$874,095

[1]The 2005-07 appropriation amounts do not reflect $44,000 of general fund carryover from the 2003-05 biennium.

Agency Funding - General Fund



FTE Positions



Executive Budget Highlights

	General Fund	Other Funds	Total
1. Provides parity funding of $805,139 for the following:			
Costs to continue fiscal year 2007 legislatively funded salary increases	$96,928		$96,928
5 percent per year salary increases	435,278		435,278
10 percent per year health insurance increases	201,116		201,116
2.4 percent per year operating inflation	71,817		71,817
Total (The executive recommendation only includes approximately 95 percent of the total general fund portion of parity costs of $849,802. Operating inflation of $44,663 is not included in the executive recommendation. An annual tuition increase of 8.5 percent would be needed to fund the remaining general fund portion of $44,663 and to fund the student portion of parity costs of $364,200.)	$805,139		$805,139
2. Provides equity funding of $81,020. (The executive recommendation includes a $10 million increase for equity distributed among the 11 higher education institutions. The amount distributed to each institution was determined by considering both the institution's dollar difference from their peer benchmark as well as a greater weighting factor to those institutions that are the furthest behind their peer benchmark.)	$81,020		$81,020
3. Removes one-time funding provided in the 2005-07 biennium for extraordinary repairs	($150,000)		($150,000)
Provides funding for extraordinary repairs of $946,930 equal to the 2005-07 base funding of $208,994 plus a proportionate share, $737,936, of the $10 million increase that is included in the executive recommendation. (The additional funding of $737,936 is **identified as one-time funding in the executive budget.**)	$737,936		$737,936

5. Removes major capital project funding provided in the 2005-07 biennium, including $1 million from special funds for the fieldhouse entrance, concession, and restroom and $500,000 from special funds for an outdoor athletic complex	($1,500,000)	($1,500,000)
6. Provides funding for major capital projects for the 2007-09 biennium, including $900,000 from special funds for the Northwest Hall renovation	$900,000	$90

Other Sections in Bill

Capital assets - Section 9 provides that $1 million of the funding appropriated to the North Dakota University System office for capital assets may be used for the development of a master capital plan and for deferred maintenance projects at Mayville State University as approved by the State Board of Higher Education.

Transfer authority - Section 12 provides that the State Board of Higher Education may transfer funds from an institution's operations line item to the institution's capital assets line item if the board determines that additional funds are needed for capital projects or extraordinary repairs.

FTE positions - Section 13 authorizes the State Board of Higher Education to adjust FTE positions as needed for institutions and entities under its control.

Continuing Appropriations

Special revenue funds - NDCC Section 15-10-12 - Provides the continuing appropriation authority for higher education institutions' special revenue funds, including tuition, through June 30, 2007.

Major Related Legislation

House Bill Nos. 1030, 1031, and 1032 - These bills provide for the continuation of the following statutory provisions through June 30, 2009:

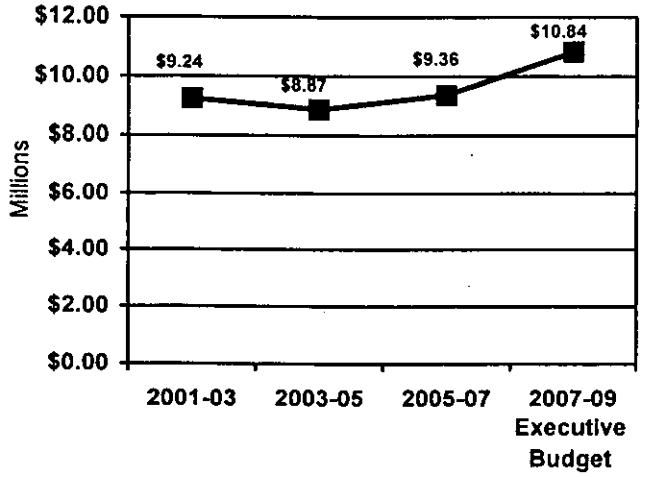
- The continuing appropriation authority for higher education institutions' special revenue funds, including tuition.
- The requirement that the budget request for the North Dakota University System include budget estimates for block grants for a base funding component and for an initiative funding component and a budget estimate for an asset funding component and the requirement that the appropriation for the University System include block grants for a base funding appropriation and for an initiative funding appropriation and an appropriation for asset funding.
- The North Dakota University System's authority to carry over at the end of the biennium unspent general fund appropriations.

Department 240 - Mayville State University
House Bill No. 1003

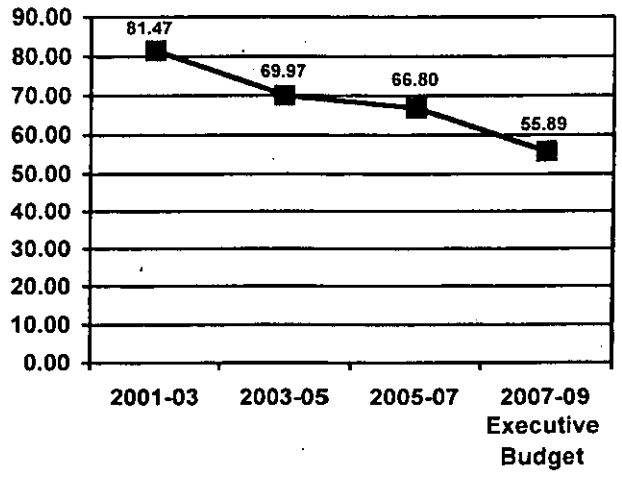
	FTE Positions	General Fund	Other Funds	Total
2007-09 Executive Budget	55.89	$10,836,719	$900,000	$11,736,719
2005-07 Legislative Appropriations	66.80	9,362,624	1,500,000	10,862,624 [1]
Increase (Decrease)	(10.91)	$1,474,095	($600,000)	$874,095

[1]The 2005-07 appropriation amounts do not reflect $44,000 of general fund carryover from the 2003-05 biennium.

Agency Funding - General Fund



FTE Positions



First House Action

Attached is a summary of first house changes.

Executive Budget Highlights
(With First House Changes in Bold)

	General Fund	Other Funds	Total
1. Provides parity funding of $805,139 for the following:			
Costs to continue fiscal year 2007 legislatively funded salary increases	$96,928		$96,928
5 percent per year salary increases	435,278		435,278
Estimated health insurance increases	143,339		143,339
2.4 percent per year operating inflation	116,480		116,480
Undesignated increase	13,114		13,114
Total (The executive recommendation includes approximately 102 percent of the total general fund portion of parity costs of $792,025.) **The House reduced parity funding by $88,198 from the general fund to reflect 4 percent per year salary increases.**	$805,139		$805,139
2. Provides equity funding of $81,020. (The executive recommendation includes a $10 million increase for equity distributed among the 11 higher education institutions. The amount distributed to each institution was determined by considering both the institution's dollar difference from their peer benchmark as well as a greater weighting factor to those institutions that are the furthest behind their peer benchmark.)	$81,020		$81,020
3. Removes one-time funding provided in the 2005-07 biennium for extraordinary repairs	($150,000)		($150,000)

4. Provides funding for extraordinary repairs of $946,930 equal to the 2005-07 base funding of $208,994 plus a proportionate share, $737,936, of the $10 million increase that is included in the executive recommendation. (The additional funding of $737,936 is **identified as one-time funding in the executive budget.) The House provided funding of $559,500 from the general fund for paying off special assessments and deferred maintenance issues.**	$737,936		$737,936
5. Removes major capital project funding provided in the 2005-07 biennium, including $1 million from special funds for the fieldhouse entrance, concession, and restroom and $500,000 from special funds for an outdoor athletic complex		($1,500,000)	($1,500,000)
6. Provides funding for major capital projects for the 2007-09 biennium, including $900,000 from special funds for the Northwest Hall renovation		$900,000	$900,000

Other Sections in Bill

Capital assets - Section 9 provides that $1 million of the funding appropriated to the North Dakota University System office for capital assets may be used for the development of a master capital plan and for deferred maintenance projects at Mayville State University as approved by the State Board of Higher Education.

Transfer authority - Section 13 provides that the State Board of Higher Education may transfer funds from an institution's operations line item to the institution's capital assets line item if the board determines that additional funds are needed for capital projects or extraordinary repairs.

FTE positions - Section 14 authorizes the State Board of Higher Education to adjust FTE positions as needed for institutions and entities under its control.

Continuing Appropriations

Special revenue funds - NDCC Section 15-10-12 - Provides the continuing appropriation authority for higher education institutions' special revenue funds, including tuition, through June 30, 2007.

Major Related Legislation

House Bill Nos. 1030, 1031, and 1032 - These bills provide for the continuation of the following statutory provisions through June 30, 2009:

- The continuing appropriation authority for higher education institutions' special revenue funds, including tuition.
- The requirement that the budget request for the North Dakota University System include budget estimates for block grants for a base funding component and for an initiative funding component and a budget estimate for an asset funding component and the requirement that the appropriation for the University System include block grants for a base funding appropriation and for an initiative funding appropriation and an appropriation for asset funding.
- The North Dakota University System's authority to carry over at the end of the biennium unspent general fund appropriations.

House Bill No. 1459 - This bill provides an appropriation to Mayville State University for extraordinary repairs.

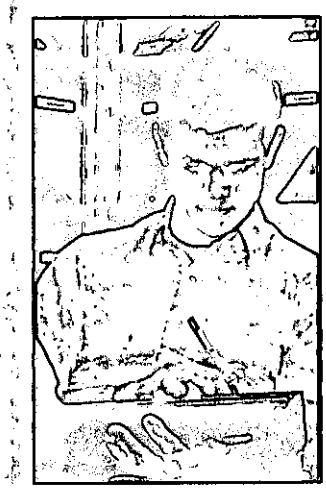
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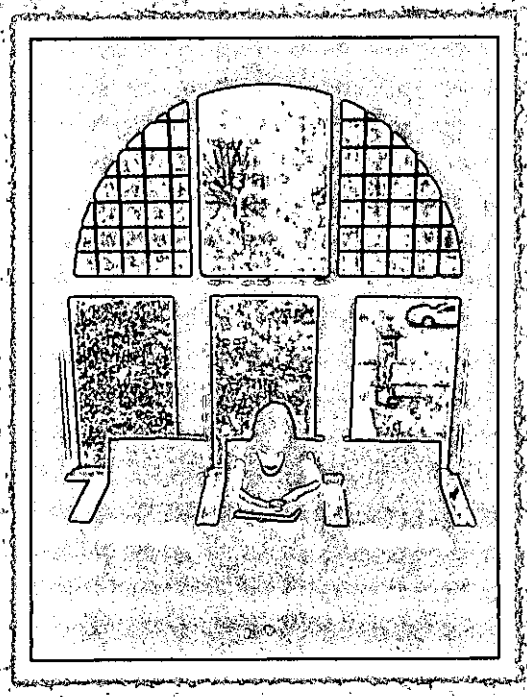
Handout #1

HB 1003
January 11, 2007

Mayville State University

MAKING AN IMPACT







House Appropriations
Education and Environment Division

Mayville State University Budget Hearing
January 11, 2007

Gary Hagen, Interim President
Steve Bensen, VP for Business Affairs



Overview of Mayville State University

Established by constitutional charter in 1889, Mayville State University continues to pursue its original mission to train teachers for the State of North Dakota. Over the years, Mayville State has expanded its mission to include non-teaching degrees. The University has also pursued a technology-enriched mission that made it one of the first notebook computer campuses in the nation and the nation's first Tablet PC university. Thousands of students have been impacted by a Mayville State education.

Student Impact on North Dakota

- Between 95-100% Mayville State graduates find satisfactory placement in their careers.
- More than 50% of teacher education graduates find jobs in North Dakota.
- About 65% of other graduates find jobs in North Dakota.
- Nearly 800 Mayville State graduates teach in North Dakota schools.
- More than 92 % of student internships were in North Dakota in 2006.
- Student spending impacts the local community by $11.7 million.

Mission

The mission of Mayville State University is to educate and guide students, as individuals, so that they may realize their full career potential and enhance their lives. We do this in an environment that reflects our tradition of personal service, commitment to innovative technology-enriched education, and dynamic learning relationships with community, employers, and society.

Vision

To be known for continuing academic excellence in a cooperative, enjoyable learning environment that anticipates and responds to individual needs.

Vital Statistics

Number of structures - 22
Avg. age of buildings – 55.5 years

Oldest building – Main Building (1890)
Newest building – Wellness Center (2004)

Replacement Value of Buildings - $52,025,408

2005-07 biennial budget - $14,007,755
2005-07 state support - $9,003,630

Direct economic impact - $14 million
Total economic impact - $41 million

Purposes

- Collaborative relationships with schools, employers, and communities that contribute to the economic growth and social vitality of North Dakota
- Effective support for appropriate applications of information technologies to instruction and administration
- Academic programs and services that address real-world career and North Dakota workforce opportunities
- Innovative, flexible delivery of instruction that meets the needs of the individual
- Enrollment and revenue development through retention, recruiting, and new opportunities
- Assessment and improvement of student learning outcomes and institutional effectiveness

Mayville State University

MAKING AN IMPACT



NEW STRATEGIC THRUSTS



Actual Debt / Debt Reduction Estimates

In response to the growing financial deficit, a budget was developed that would ensure expenses did not exceed income for the current year. This process required elimination of one administrative position, four staff positions, two soccer programs, and the postponement of filling several faculty and staff positions. Next, ineffective past practices were either eliminated or changed to balance all future budgets. A long-range plan was created that would retire all accumulated debt over a four-year period by recovering an amount equal to 1.7 percent of operating expenses each year.

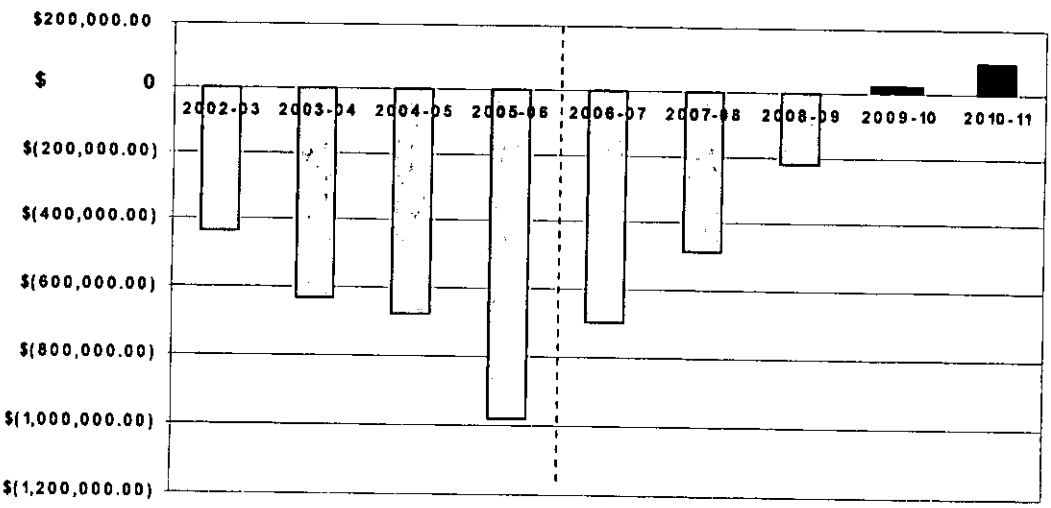
Cost increases NOT accompanied by increased revenue

VP of Enrollment Management Position
Men's and Women's Soccer Program
Increased Tuition Waivers
Rising Energy Costs
ConnectND Staffing Costs
Other Staffing Decisions

Cuts made as part of the debt reduction plan

VP of Enrollment Management position eliminated
Men's and Women's Soccer program removed
Tuition waivers reviewed and reduced
Four staff positions eliminated
Hiring of open faculty and staff positions delayed

Debt Reduction Plan





Strategic Planning

Mayville State requested assistance from the North Dakota University System Office to hire an external consultant to prepare, in cooperation with MaSU cabinet, a comprehensive strategic plan to refine the mission, focus, and expectations of the campus. This study would take into consideration demographic trends, industry analysis, and the resources available at MaSU. Proposals from DMD Associates in Grand Forks, HBH of Minneapolis, and the National Center for Higher Education Management Systems were received and forwarded to the Board Office for consideration.

Energy and Facility Proposals

A comprehensive energy/facility assessment proposal was requested from the Energy Services Group (ESG). This proposal would provide architectural, structural, and civil engineering services necessary to determine how best to proceed with deferred maintenance, energy conservation and capital improvement requirements. This proposal was received on January 4, 2007 and was forwarded to the North Dakota University System Office Staff for consideration.

Athletic Committee

Athletic Director, Mike Moore, assembled a committee of 14 individuals, seven from campus and seven from the community, to study athletics.

The committee has four charges:

1. Help determine the role athletics should play in Mayville State's mission.
2. Determine the tangible and intangible aspects of Mayville State athletics and their impact on the campus, community, and alumni.
3. Complete a cost/benefit analysis of all athletic teams and examine other tangible and intangible aspects.
4. Determine what options are available if scholarships and maintenance dollars can not be raised to adequate levels.

Futures Committee

The President has organized a faculty task force called "The Futures Committee" whose charge is to systematically examine the literature this year and locate examples of creative, niche-oriented academic programs that are flourishing on small campuses across the nation. Their charge is to recommend new unique majors, thrusts, campus themes, or other state-of-the-art programming that could lead Mayville State University into the future.



Title III Grant Proposal

Mayville State has submitted a Title III Strengthening Institutions Development grant proposal to the US Department of Education. The purpose of Title III grants is to assist selected institutions in improving their academic quality, institutional management, and fiscal stability, and to help them become more self sufficient.

If funded, this grant would provide nearly $2 million dollars over five years and would compliment existing institutional strategic plans and objectives to enhance enrollment development. Specific objectives for this grant relate to the six NDUS Campus Alignment Cornerstone Objectives and include:

- To increase and sustain a student headcount of 1,500 by 2011 (Cornerstone 1,3,4,5).
- To increase student retention by 2.5% annually (Cornerstone 1,2,3,4,5).
- To increase the number of distance education degree programs from two to six (Cornerstone 1,2,3,4,5,6).
- To increase the number of individual students enrolled in distance education from 264 to 664 (Cornerstone 1,3,4,5,6).
- To increase faculty and staff subject matter competence of professional development training as determined through pre- and post-tests (Cornerstone 2,3,4,5).
- To improve distance education student access to student services and academic support systems (Cornerstone 2,3,4,5).
- To increase funding through resource development planning by 25% over 2005 baselines (Cornerstone 1, 5).
- To increase employee, student, alumni, and employer satisfaction with quality of services and graduates over 2005 baselines (Cornerstone 2,6).

Mayville State University

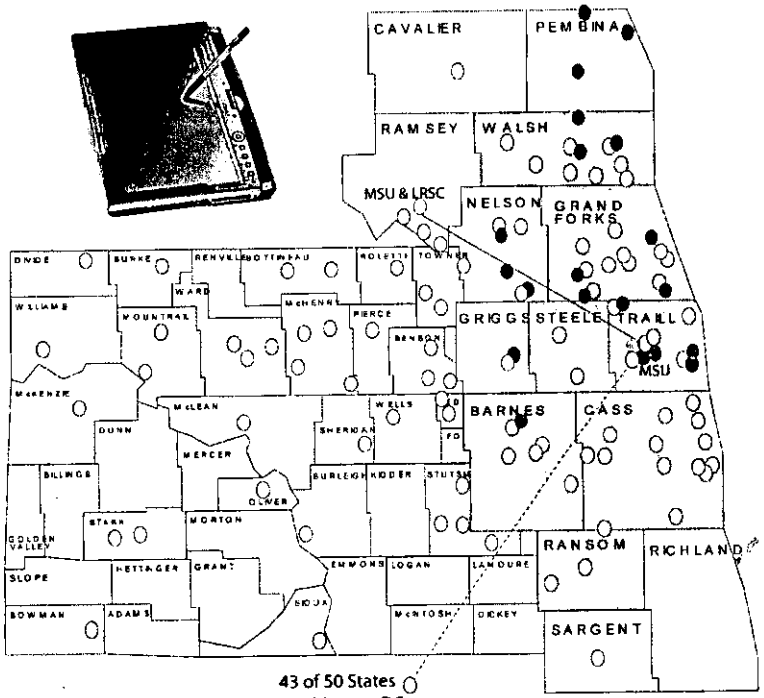
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PARTNERSHIPS



Mayville State University Partnerships



- Office of Worldwide Learning
  - Distance Degrees
    - Collaboration with LRSC
    - Business Admin. - Online
    - Early Childhood - Online
  - IVN - statewide
  - Online - worldwide
- Heart of the Valley ITV Consortium
  - 20 schools & MSU
  - 7 counties
  - over 8000 square miles
  - over 50 communities
- Rural Teachers' Math/Science Academy
  - Collaboration with the DPI
- Biomedical Research
  - INBRE
- Traill County Technology Center
  - Businesses transitioned into the community
    - Powered Ink
    - Sewbatik
    - Valley Computer Systems
    - Commark
- Child Development Programs
  - 5 locations
    - Mayville
    - Hillsboro
    - Aneta
    - Cooperstown
    - McVille

43 of 50 States
Washington DC
US Virgin Islands
England
Iraq
Saudi Arabia
Turkey

Collaborative Programs with Lake Region State College

Mayville State University is partnering with Lake Region State College in Devils Lake, ND to meet a state need for "place-bound" adults. Mayville State has a full-time program coordinator located on the LRSC campus.

Programs offered at LRSC:

B.S. in Business Administration
Fall '01 – 10 students, Fall '06 – 34 students

B.S. in Elementary Education
Fall '05 – 9 students, Fall '06 – 12 students



Distance Programs

B.A.S. in Business Administration
This program is designed to provide opportunities for career advancement to "place-bound" adults holding A.A.S. degrees.

B.A. & A.A. in Early Childhood
This program meets the future educational requirements for two- and four-year degrees for Headstart employees.

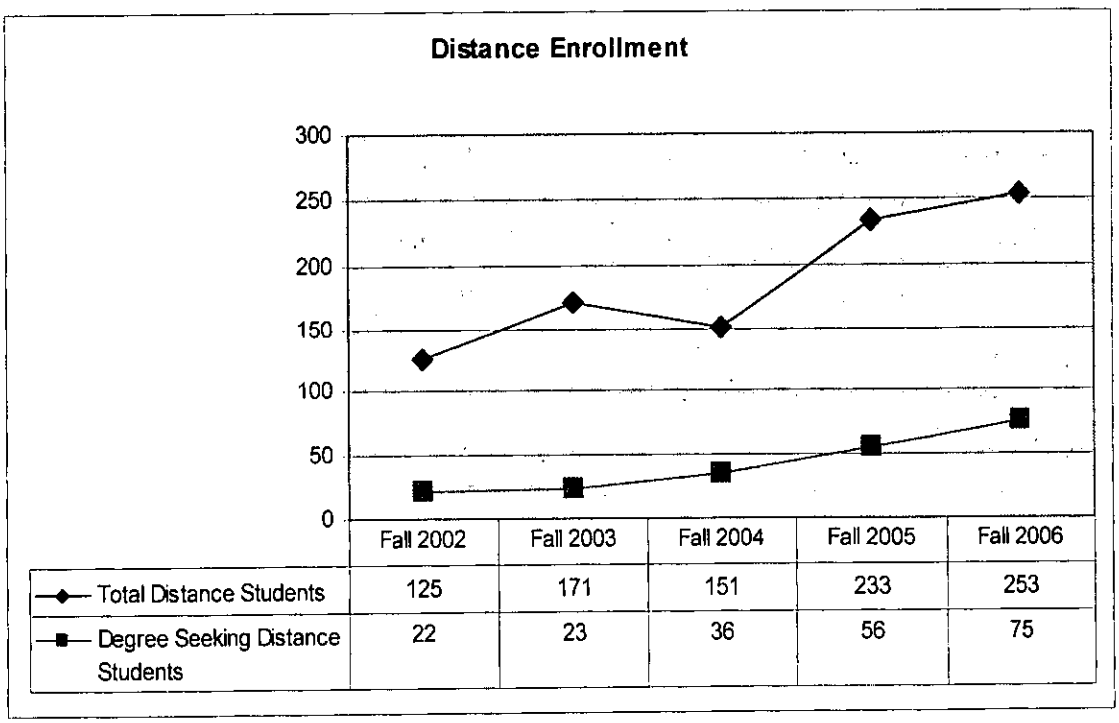
Heart of the Valley Consortium

The purpose of the Heart of the Valley Consortium is to provide distance learning opportunities for member schools using telecommunications technology. The Heart of the Valley ITV is a consortium of 20 schools from a seven-county area.

Dual credit courses offered:

- College Composition I
- College Composition II
- Fundamentals of Public Speaking
- College Algebra

Total Dual Credit Enrollment
Fall '02 – 35 students,
Fall '06 – 103 students





Rural Teachers' Math/Science Academy

Mayville State University and the Multi-County Special Project Consortium were named the recipients of a $544,692 mathematics and science partnership grant in 2004. In the three-year project, Mayville State University, together with Edutech and Dakota Learning Systems, are providing training in instructional strategies, content knowledge, development of standards, integration of technology into mathematics and science, and curriculum mapping the local standards.

Collaborative effort between Mayville State and the Department of Public Instruction

- Prepares area teachers for changes due to No Child Left Behind legislation
- Extends Mayville State's mission to train and prepare teachers to positively impact the lives of their students.
- Approximately 100 mathematics and science teachers who work with more than 5,500 students are involved.

Traill County Technology Center

The Traill County Technology Center, housed in West Hall on the Mayville State campus, provides business incubator space and information technology training.

- Powered-Ink, Commark, Sewbatik, and Valley Computer Systems are businesses that were incubated in the Traill County Technology Center and have successfully transitioned into the community during the last two years.

- The Traill County Technology Center is administering its second earmark U.S. Department of Labor grant related to workforce training. This one focuses most of the resources to local internships for college juniors or seniors. The grant will fund 40 internships over six semesters. A secondary focus of the grant is on the job training for new workers.

INBRE—Biomedical Research ($178,571)

Mayville State University is one of four baccalaureate institutions in North Dakota participating in the IDeA Network of Biomedical Research Excellence (INBRE) program (NIH grant P20 RR016741 from the NCRR). One of North Dakota INBRE's objectives is to increase the number of students from primarily undergraduate institutions who pursue advanced degrees in biomedical research. Undergraduate researchers at Mayville State are collaborating in the areas of enzyme kinetics with UND School of Medicine and novel application of fluorescent proteins with the NDSU Department of Chemistry and Molecular Biology.



USDA Common Bean Grant ($75,000)

Through the USDA-NRI grant, Mayville State University is collaborating with USDA-ARS, Prosser, WA, and Department of Plant Sciences, NDSU.

In addition to INBRE, Mayville State has initiated two research projects, enhancement of iron and zinc content in the common bean and development of soybean mutants for gene identification. The first project collaborators are from the Department of Plant Sciences at NDSU and USDA-ARS in Prosser, WA. For the second project, Mayville State will work with the NDSU Department of Plant Sciences and Purdue University Department of Agronomy.

Due to the recent U.S. emphasis on bioenergy production, another project using switchgrass to enhance biofuel production is being planned.

Child Development Programs

Mayville State is North Dakota's only institution of higher education that provides a comprehensive child development program, offering Early Head Start, Head Start, Even Start, child care, and after school programming to clients ages birth to 13 and pregnant women in five counties. These programs have received more than $1.3 million in grants in the past year. Mayville State Child Development Programs partners with a number of agencies including public health, special education, social services, child care providers, and school districts.



Mayville State University

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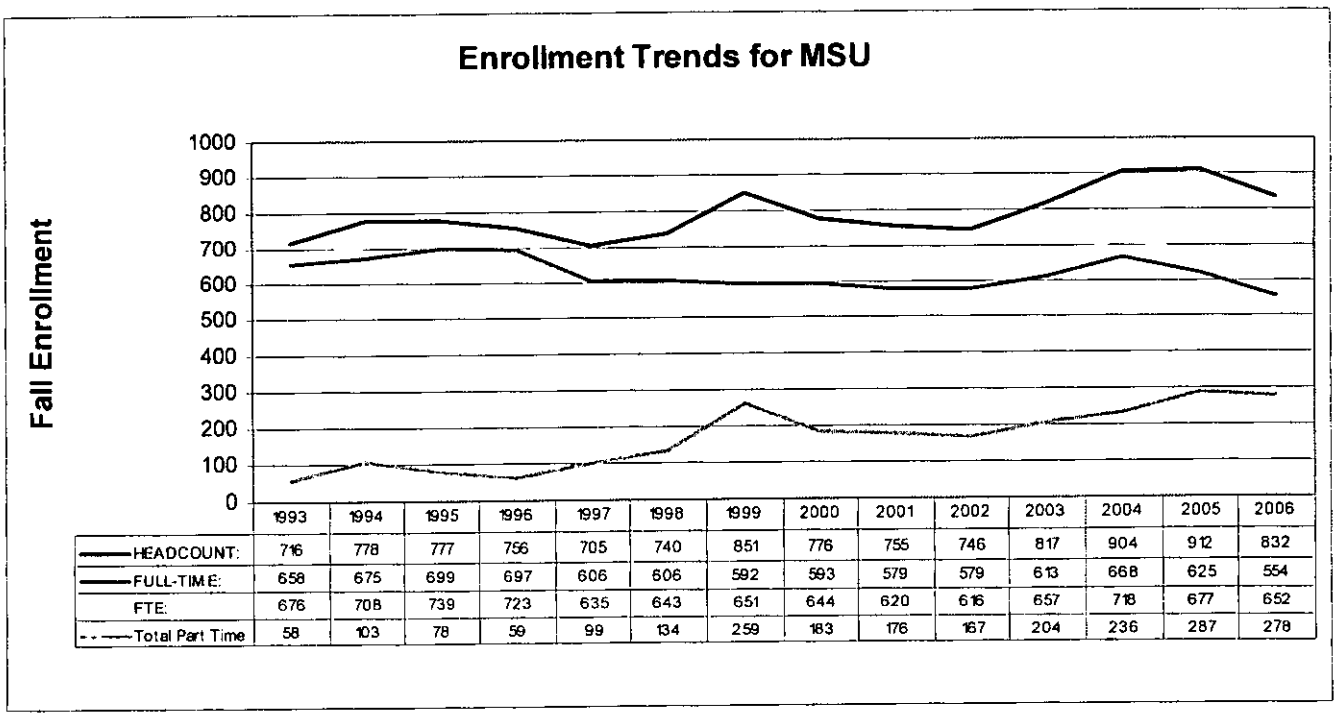
ENROLLMENT

Enrollment

History of Enrollment Development

- Historical enrollments have been stable over many years for Mayville State.
- Full time and FTE enrollments have been a reflection of number of students drawn from traditional markets.
- After several years of increased headcount, fall 2006 numbers are down.
- The number of full time students decreased due to elimination of soccer and less retention of enrolled students.
- Statewide, the number of high school graduates will continue to decrease.
- Recent enrollment management strategies have focused on recruiting additional students from Western Undergraduate Exchange (WUE) and other states.

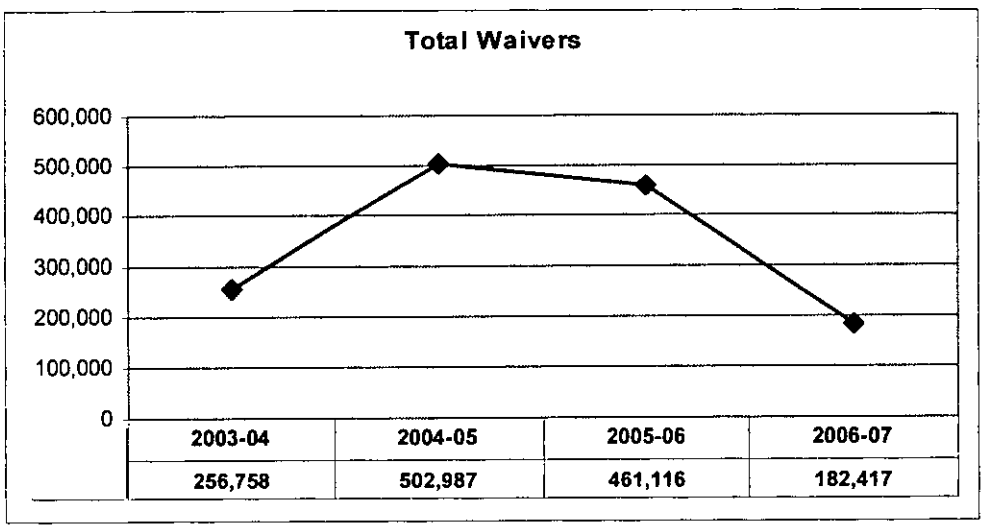
WUE States include Alaska, Arizona, California, Colorado, Hawaii, Idaho, Nevada, New Mexico, Oregon, Utah, Washington, and Wyoming.



	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
HEADCOUNT:	716	778	777	756	705	740	851	776	755	746	817	904	912	832
FULL-TIME:	658	675	699	697	606	606	592	593	579	579	613	668	625	554
FTE:	676	708	739	723	635	643	651	644	620	616	657	718	677	652
Total Part Time	58	103	78	59	99	134	259	183	176	167	204	236	287	278

Tuition Waiver Strategies

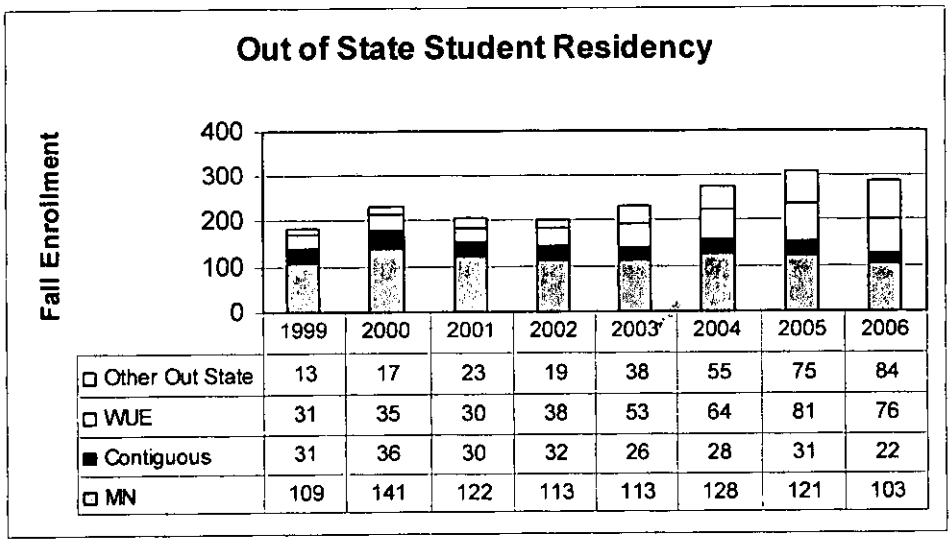
- Tuition waivers have resulted in increased numbers of minority, international and out of state students.
- Total waivers that were increased dramatically over the last three years are now decreased.
- International and diversity waivers have been reduced.
- Athletic waivers are used to recruit and retain local and regional students.
- Non-resident waivers assist with the recruitment of students from other states and fall 2006 levels reflect lower tuition pricing.
- The practice of giving waivers to dependents of MaSU employees has been eliminated.
- As a result of a year long review, a responsible waiver plan has been implemented.



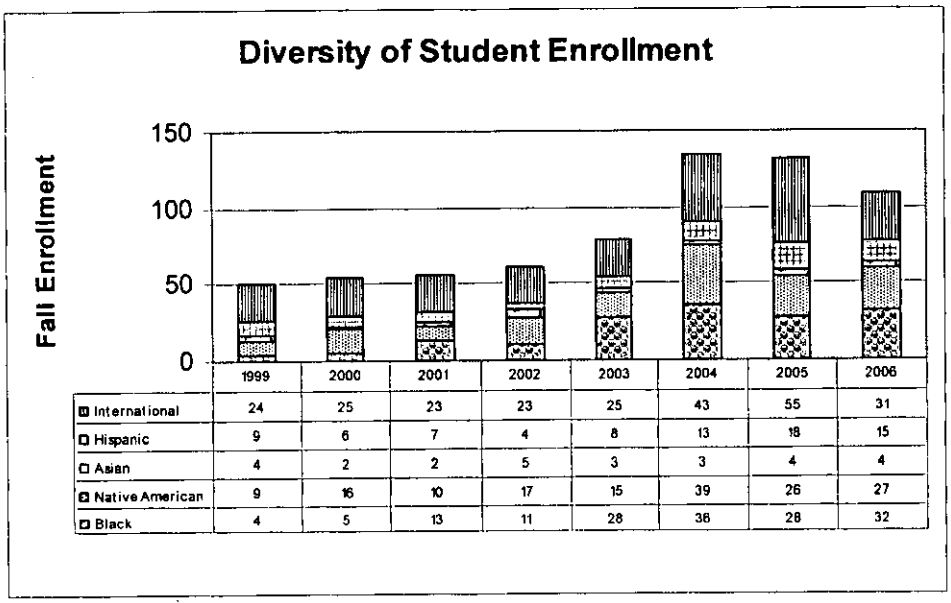
	2003-04	2004-05	2005-06	2006-07
International Student Waivers	67,385	224,302	151,129	18,250
Cultural Diversity Waivers	91,032	75,221	41,800	16,263
Comet Athletic Waiver		22,310	80,295	77,153
Non Resident Merit Waivers	72,512	127,634	132,608	52,251
Employee Waivers	6,631	14,601	16,953	18,500
Dependent Waivers	19,198	38,919	38,331	0
Totals	**256,758**	**502,987**	**461,116**	**182,417**

Enrollment of Out of State Students

- To compensate for fewer ND high school students, recruitment efforts have focused on other states.
- Western Undergraduate Exchange (WUE) students have increased dramatically.
- Recruitment of students from other states has been aided by tuition practices.
- Enrollment from contiguous states and provinces is stable.



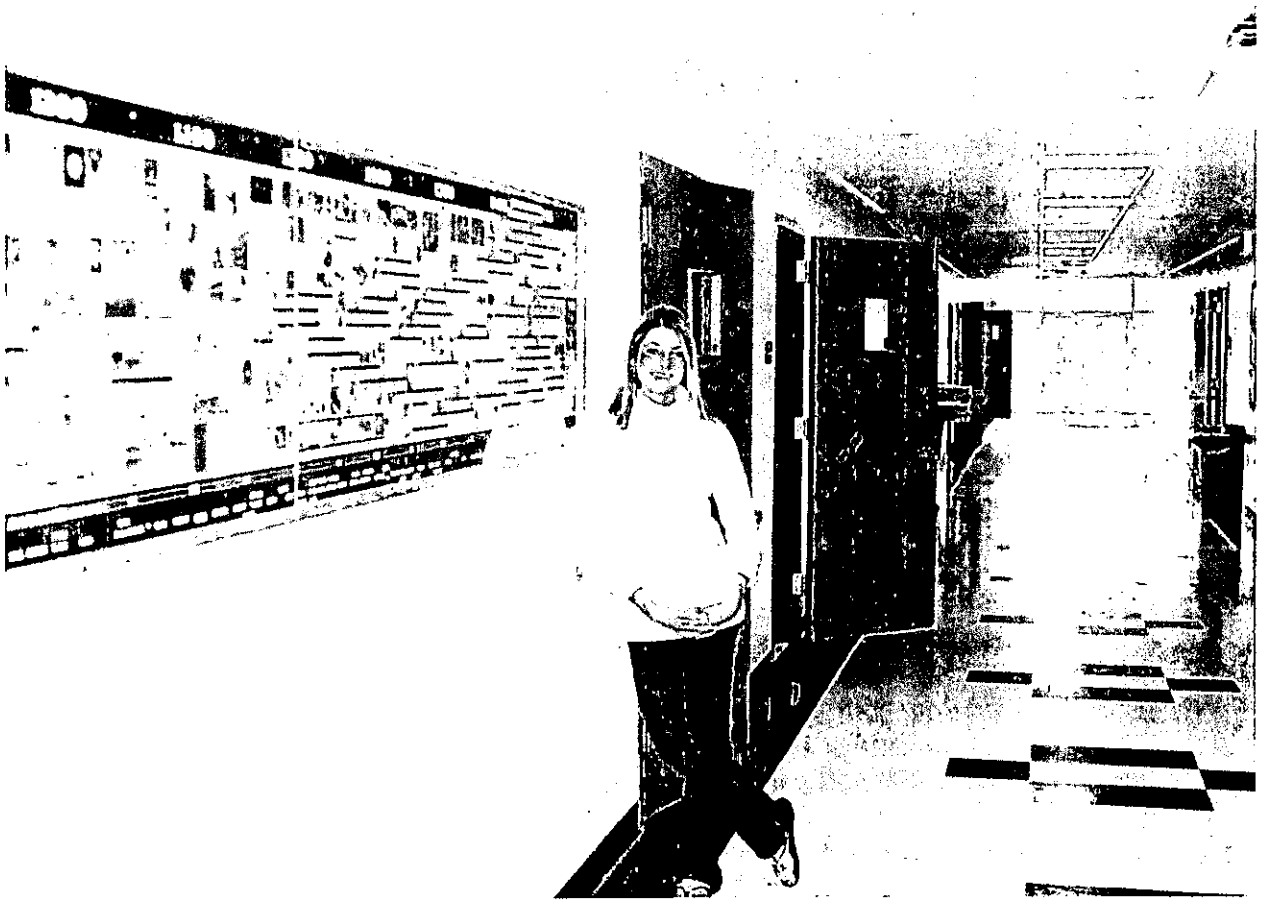
	1999	2000	2001	2002	2003	2004	2005	2006
Other Out State	13	17	23	19	38	55	75	84
WUE	31	35	30	38	53	64	81	76
Contiguous	31	36	30	32	26	28	31	22
MN	109	141	122	113	113	128	121	103



	1999	2000	2001	2002	2003	2004	2005	2006
International	24	25	23	23	25	43	55	31
Hispanic	9	6	7	4	8	13	18	15
Asian	4	2	2	5	3	3	4	4
Native American	9	16	10	17	15	39	26	27
Black	4	5	13	11	28	36	28	32

Mayville State University

MAKING AN IMPACT



MEETING NEEDS & PLANNING FOR THE FUTURE



Meeting the Needs of North Dakota

- Mayville State continues to work to meet the needs of North Dakota business and industry by enhancing hard skills (the ability to do a task) and soft skills (the ability to work with and manage people).

- Mayville State developed an Applied Psychology major which stresses soft skills from group dynamics to team building and organizational skills.

- A new Developmental Adapted Physical Education minor (DAPE) deals with skills needed to accommodate people with special needs. This includes working with people with different physical and emotional needs.

- We are conducting a pilot to test students for writing proficiency using the PLATO system.

- The Business Administration program continues to offer courses on team building, group dynamics, leadership, and organizational skills.

- Mayville State has expanded the breadth of field of research from molecular biology into plant genetics. Two Mayville State faculty members are directing three life science research projects at Mayville State. The first is the development of unique molecular programs that are extremely sensitive to DNA mutation and replication. The second is to identify and modify the gene in the common bean that is responsible to the uptake of iron and zinc into its structure. The third research project is to identify and modify the gene in the common bean that is responsible for disease resistance.

- In the cooperation with the Governor's office, Mayville State is collaborating with North Dakota universities and college, the ND Department of Commerce, various entrepreneurs, economic developers, and business professionals in a program to promote entrepreneurship throughout North Dakota. Mayville State will provide a steering committee member for the program, InnovateND, as well as provide educational resources, promote entrepreneurship in our community, and help any entrepreneur get assistance.

Supplying Teachers for the State

- More than 50% of teacher education graduates find jobs in North Dakota

- Nearly 800 Mayville State graduates teach in North Dakota schools



Meeting Workforce Needs

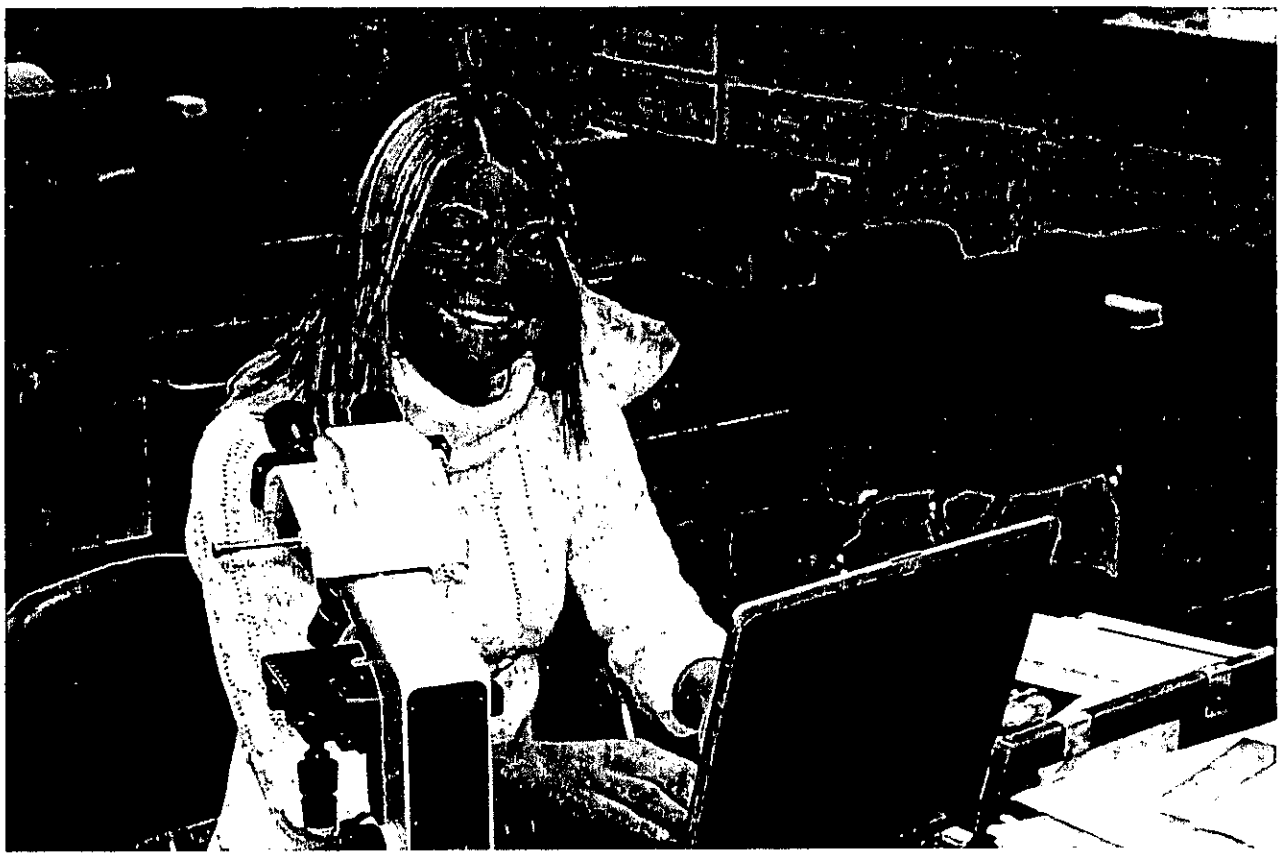
- 95-100% of Mayville State graduates find satisfactory placement in their careers.
- Approximately 65% of graduates (other than teacher education) find jobs in North Dakota.
- Students in all majors at Mayville State University utilize the internship program. During the 2006 academic year, 53 students were involved in internships, 92% of them in North Dakota. During the 2005 academic year, 63 students were involved in internships, 79% of them in North Dakota. Approximately $1.5 million have been earned by Mayville State interns during the last ten years.
- Mayville State was a primary collaborator in the establishment of a consortium of career services/internships/co-op programs across North Dakota. The program is called TeamND (www.teamnd.org). The goal is it include all North Dakota University System schools, private colleges, and tribal colleges.

Service Learning

- Mayville State is working to build a sense of community responsibility in all of our students through service learning classes. All students have the opportunity to take a service learning course, but early childhood majors are required to complete a service learning experience.
- MaSU Student Bonnie Nichol's service learning project was called "Public Protection". Bonnie volunteered to work with the fire department, police department, and ambulance services. She then took the lessons she learned from her experiences into the elementary school to share them with the students.
- Distance student Tristan Henry's project was to work on the ombudsman program for the United States Navy. Tristan, a Valley City native, is stationed with her husband at Pearl Harbor. She volunteered to serve as an information link between the command leadership and Navy families. Ombudsmen, like Tristan, are instrumental in resolving family issues before they require extensive command attention.
- Another distance student, Tracie Lindquist, conducted a book drive for Bisbee-Egeland Public School. Tracie worked to extend her service learning project beyond her own efforts. She got local merchants involved, and she asked for and received the assistance of 740th missile squadron at the Minot Air Force Base. As a result, Tracie gathered 300 new and used books, and raised over $200 for Bisbee-Egeland's Pages for All Ages reading program.

Mayville State University

MAKING AN IMPACT



FINANCIAL REPORT



General Fund & Tuition
2005-07 Biennial Budget

	Original Budget	FY06 & FY07 Adjustments	Adjusted Budget
Revenue:			
General Fund	9,003,630	- -	9,003,630
Land Dept. Trust I&I	176,000	- -	176,000
Tuition	5,380,558	(552,433)	4,828,125
Totals	14,560,188	(552,433)	14,007,755
Expenses:			
Salaries	10,849,723	(902,507)	9,947,216
Operations	3,208,752	599,006	3,807,758
Equipment	27,270	(5,620)	21,650
Totals	14,085,745	(309,121)	13,776,624

TUITION ADJUSTMENT
- Original budget - 737 FTE
- Adjusted budget - FY06 - 677 FTE; FY07 - 652 FTE

SALARY ADJUSTMENT
- RIF employees 4 positions (3.8 FTE)
- Faculty & staff hiring moratorium 11 positions (7.925 FTE)
- State to local funding 3 positions (1.42 FTE)
- Reduction of student employment
- President & VP for Academic Affairs compensation savings
- Faculty/Staff compensation increases - FY06 - 4%; FY07 - 3%

OPERATIONS ADJUSTMENT
- Increase in utility cost
- Campus-wide operating reductions
- Eliminate dependent tuition waivers



General Fund & Tuition
FY 2006 Budget

	Budget	Actual	Balance
Revenue:			
General Fund	4,501,815	4,501,815	- -
Land Dept. Trust I&I	88,000	88,000	- -
Tuition	2,572,253	2,367,074	(205,179)
Totals	7,162,068	6,956,889	(205,179)
Expenses:			
Salaries	5,344,691	4,969,412	(375,279)
Operations	1,588,491	1,748,524	160,033
Equipment	13,500	7,880	(5,620)
Totals	6,946,682	6,725,816	(220,866)

Tuition revenue did not meet budget amounts; however, the afore mentioned budget revisions reduced operating expenses, specifically salaries, to maintain a balanced budget.

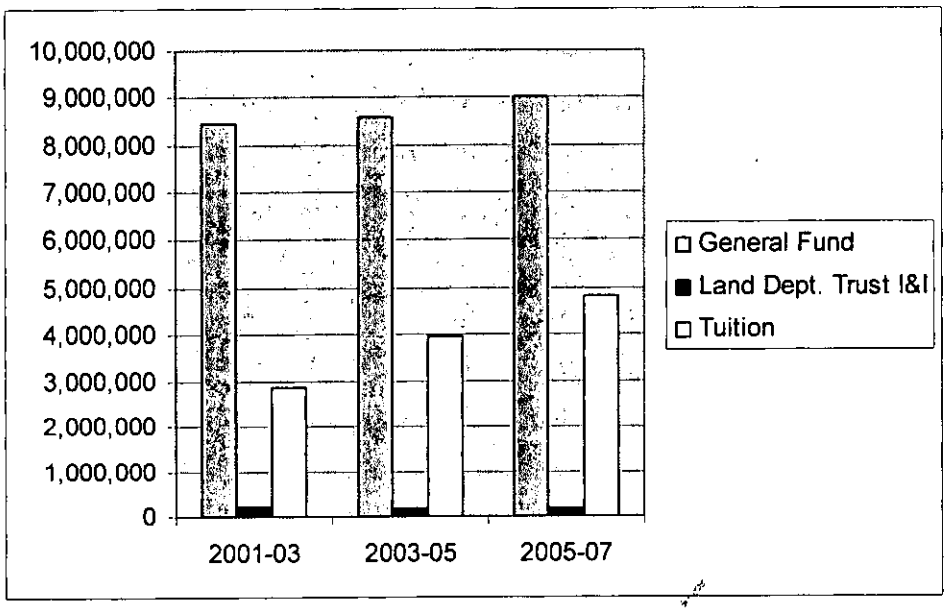


General Fund & Tuition
FY 2007 Budget

	Budget	Actual thru Dec.	Balance Amount
Revenue:			
General Fund	4,501,815	1,875,760	2,626,055
Land Dept. Trust I&I	88,000	- -	88,000
Tuition	2,461,051	1,150,894	1,310,157
Totals	7,050,866	3,026,654	4,024,212
Expenses:			
Salaries	4,977,804	2,099,675	2,878,129
Operations	2,059,234	745,716	1,313,518
Equipment	13,770	- -	13,770
Totals	7,050,808	2,845,391	4,205,417

Mayville State currently expects to meet budgeted tuition revenue for FY 2007 and will monitor and review revenue and expenses to ensure a balanced budget for FY 2007.

Revenue Comparison by Source



	2001-03		2003-05		2005-07	
	Amount	**%**	**Amount**	**%**	**Amount**	**%**
General Fund	8,448,551	73.3	8,602,335	67.4	9,003,630	64.3
Land Dept. Trust I&I	218,663	1.9	186,000	1.5	176,000	1.3
Tuition	2,856,938	24.8	3,967,406	31.1	4,828,125	34.5
Totals	11,524,152	100.0	12,755,741	100.0	14,007,755	100.0

Total General Fund and Tuition Budget has increased by 21% since FY 2001-03. Tuition has accounted for two-thirds of the total budget increase, resulting in an increased cost of $1,400 per student per year since FY 2001-03.



2007-09 Biennial Budget Request

Campus Parity

SBHE Base General Fund Request		805,139
Executive Base Recommendation		805,139
Parity Computation:		
2.4% year operating inflation excl. utilities		91,994
2.4% year operating inflation on utilities		74,406
Cost to continue FY07 salary increase		138,469
Health insurance base increase $127.05 per month		250,034
Cost of compensation package at 5% per year		621,825
Total Estimate Increase in Parity		1,176,728
SBHE Request and Executive GF Recommendation *		805,139
Campus portion of Parity to be funded with tuition and other means		371,589
Projection at 5% annual tuition increase:		
FY2008 tuition increase reflecting 5% @ 635 FTE	56,089	
FY2009 tuition increase reflecting 5% @ 650 FTE	188,160	
Revenue from projected tuition increase		244,249
Parity balance <u>not</u> provided through a 5% tuition increase		**127,340**

*** - GF portion using 70% target state portion per funding model ($823,709)**

Parity operating budgets increased 2.2% each year in the 2005-07 biennium, and are projected to increase 2.4% each year in the 2007-09 biennium. These budget adjustments do not offset the 65% increase in utility costs in the 2005-07 biennium.

The current parity funding model places a greater burden on tuition revenue from a smaller campus to offset the 30% unfunded portion. Based on our FY 2007-09 enrollment estimates, Mayville State needs an annual tuition increase of 7.6% to fund our portion of campus parity.



2007-09 Biennial Budget Requests

Campus Equity

SBHE Base General Fund Request	81,020
Executive Base Recommendation	81,020

Full-time residential students are a high priority. Resources will support enrollment development staffing and marketing to attract additional residential students.

Operating Budget One-Time Needs

2005-07 Utility Costs Increase	439,012
Comprehensive Energy/Facility Assessment	71,653



2005-07 Capital Projects

State Funding

Project Description	Budget	Actual thru Dec.	Balance
Main Building Repairs	188,000	190,602	(2,602)
Special Assessments	98,969	50,087	48,882 *
Projects < $50,000 (Flooring, HVAC, Roofs, Other)	72,025	62,662	9,363
Totals	358,994	303,351	55,643

* - To be paid in February, 2007

Local Funding

Project Description	Budget	Actual thru Dec.	Balance
Fieldhouse / Wellness Center	15,000	11,577	3,423
Parking Lots	40,000	32,304	7,696
Student Housing	40,000	23,495	16,505
Northwest Hall Renovations	25,000	8,228	16,772
Other Projects	40,000	33,234	6,766
Totals	160,000	108,838	51,162

Mayville State University

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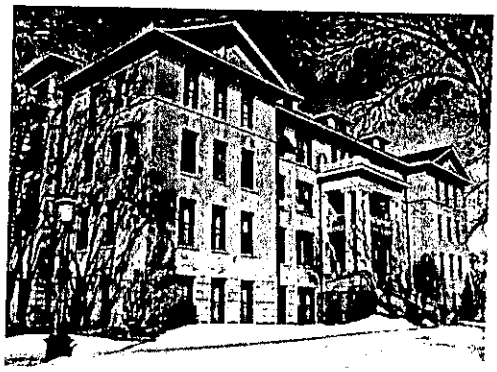


2007-2009 BIENNIAL BUDGET REQUEST



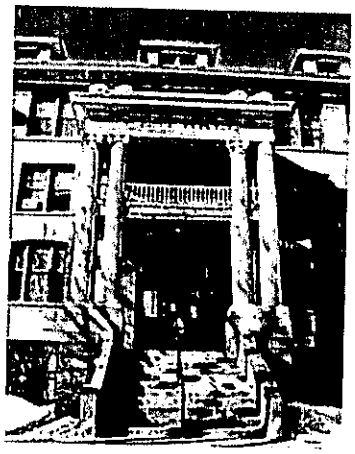
Capital Asset - Major Project Funding

West Hall Renovation



SBHE State Funding Request $3,957,000

Executive One-Time Funding for West Hall renovation or deferred maintenance $1,000,000



Mayville State University greets students, staff and visitors to the campus with an open mall bounded by three historically significant buildings. Designed by Hancock Brothers, Architects, shortly after the turn of the twentieth century, Old Main, West and East Halls are classic examples of renaissance revival architecture.

The renovation of West Hall is the #2 ranked state-funded project as approved by the State Board of Higher Education on June 15, 2006. This building houses Mayville State's largest academic division, Education and Psychology, including our fastest growing program on campus, Early Childhood. The condition of the building hinders student recruitment. The building represents about 35% of the campus' deferred maintenance.

The proposed renovation design which was developed by Widseth, Smith, Nolting and Associates, Inc. on April 7, 2006 includes:

- Health and safety improvements
- Energy efficient mechanical systems
- Larger, more flexible classroom spaces
- Elevator access to all four floors to satisfy ADA requirements
- Extensive exterior renovation
- Project proposes ground source heating estimated to reduce overall heating by approximately 7% or $36,000 annually

West Hall Strategies

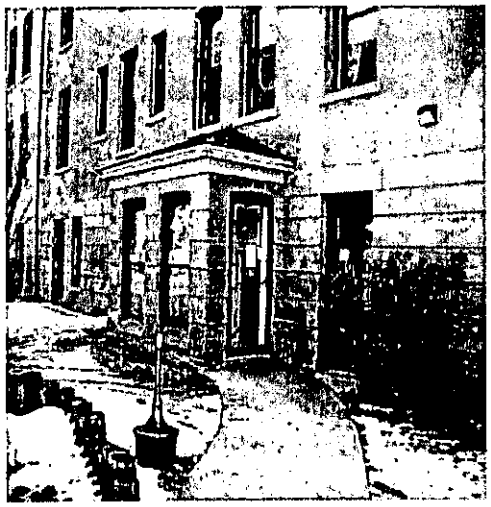
The West Hall renovation was ranked as the second priority in the list of SBHE capital projects, but not funded in the Governor's budget. A study completed in 2006 was designed to determine if West Hall should be renovated, or if a new building should be erected in its place. According to the study, it was more cost effective to renovate West Hall. Mayville State University would like to proceed with the renovation. It is the desire of the SBHE Office and the OMB to have a comprehensive campus-wide study completed before a commitment is made to this project. This study would help better determine the greatest areas of need on campus by exploring more options, including energy conservation. MaSU agrees with this premise and suggests the following plan of action:

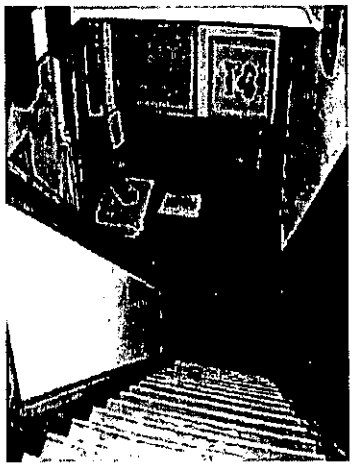
- Use either SBHE initiated funds or a portion of the $1.0 million of deferred maintenance money earmarked for MaSU to complete a comprehensive study as soon as possible. This study would evaluate the needs of the campus, evaluate various energy alternatives, and suggest the most appropriate use of energy and facility renovation dollars.

- If the comprehensive study indicates that the West Hall renovation is the best use of funds, use the $1.0 million earmarked for deferred maintenance for MSU to begin securing the exterior of West Hall and allow MaSU to request the remaining $2.95 million to complete the project.

- If the comprehensive study indicates a better use of the deferred maintenance dollars, MaSU would seek approval to follow the recommendations as suggested by the study.









Capital Asset - Major Project Funding

Northwest Hall Rehabilitation

Estimated Cost - $900,000

Funding Source – Local funds



Plans are to rehabilitate the building for use by Mayville State University and the Mayville community. It will serve as an alumni center where alumni, friends, and community members can meet. The building will house the office of the MSU Foundation.

Exterior work to revitalize Northwest Hall was funded in part by a historic preservation restoration matching grant provided through the State Historical Society of North Dakota. Work completed includes repair of the roof with new shingles and soffits. The building was tuck pointed and drain tile was installed around the perimeter.

About one-four of the cost of the rehabilitation of the interior of the building has been raised through gifts and pledges from private donors. Private funds to restore the windows to their original 1911 look are in hand and restoration work is underway.

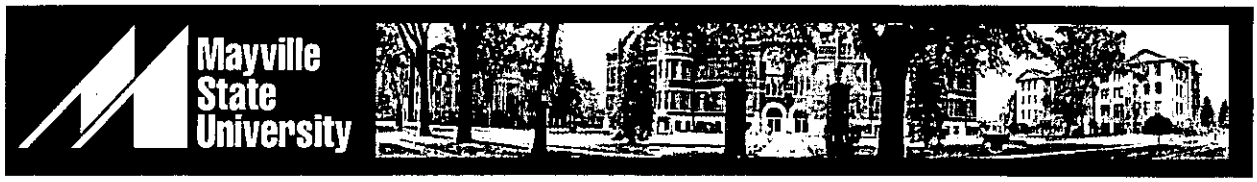


Capital Asset - Deferred Maintenance
$4 Million Pool

SBHE Base General Fund Request	181,644
Executive One-time Funding Recommendation	181,644
Current Formula base general fund	208,994
Total funding request	390,638

Project description in priority order:

Special Assessments	98,000
Powerhouse tuck-point and rewindow	62,800
Classroom Bldg ADA upgrades	60,100
Main Bldg theatre emergency lights	18,100
Campus curb cuts and signage	56,900
Old Gym fire alarms	22,300
Campus lighting and surfacing	72,438
	390,638



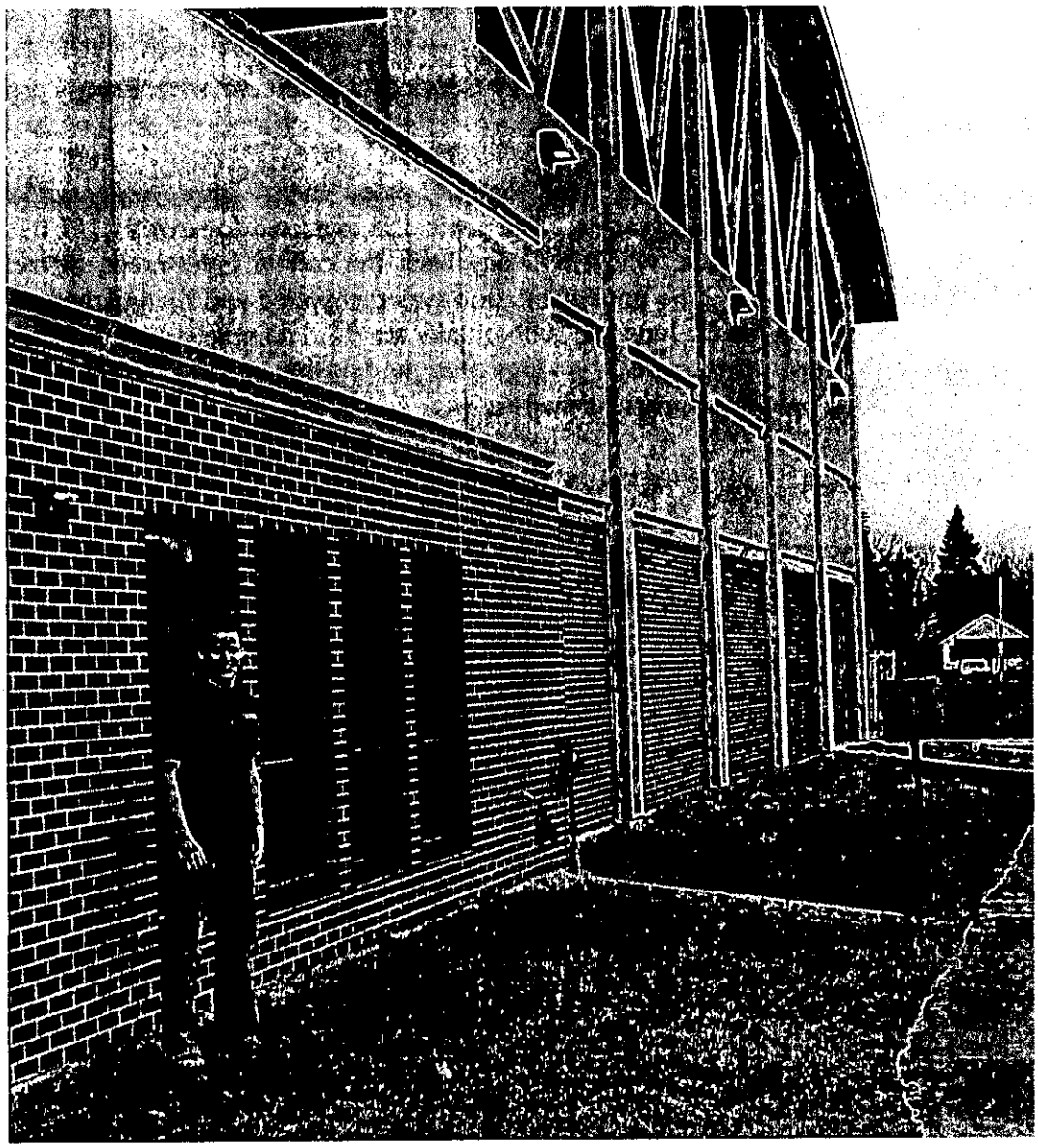
Capital Asset - Deferred Maintenance
$10 Million Pool

SBHE One-time Funding Request	927,154
Executive One-time Funding Recommendation **($6 Million)**	556,292
Project description in priority order:	
Main building enclose stairs, fire alarms	297,200
Library, classroom and science building fire alarms	101,400
Science building basement exit & vent	41,700
Science building and greenhouse rewindow	82,300
Building steam meters	45,100
Library and classroom doors and openers	23,600
Library and classroom rewindow	121,800
Campus networking repairs	28,200
Science building and library elevators	112,800
Powerhouse ADA upgrades	11,300
Campus lighting and surfacing	61,754
	927,154

Executive recommendation funding is adequate to complete the first three projects.

Mayville State University

MAKING AN IMPACT



RECENT CAPITAL IMPROVEMENTS



Energy Services Agreement

Mayville State University entered into an Energy Services Agreement with Energy Services Group on August 14, 2001.

This program funded a $1,312,024 investment that addressed energy improvements, deferred maintenance, and operational enhancements. The project is expected to save $1,751,670 over the ten year term of the agreement, which will pay back the capital investment, interest and Technical Resource Agreement. The implementation was completed and the guarantee period began on July 1, 2003. As a result, June 30, 2006, marks the third complete year of the guarantee. The verified utility and operating cost savings over the last three years were 20% ahead of the guarantee. The table below summarizes the results.

Type of Savings	Guaranteed Savings	Verified Savings			Total Savings to Date		Ahead of
		Year 1	Year 2	Year 3	Guaranteed	Verified	Guarantee
Electric Use (kWH)	882,477	1,003,813	997,430	1,011,665	2,647,431	3,012,908	14%
Electric Demand (kW)	2,577	3,092	3,092	3,092	7,731	9,276	20%
Steam (1000 lb)	6,685	7,961	7,909	8,403	20,055	24,273	21%
Water (Gallons)	2,388,206	2,829,782	2,829,782	2,829,782	7,164,618	8,489,346	18%
Guaranteed Cost		**$ 149,973**	**$ 153,467**	**$ 157,066**	**$ 460,506**		
Verified Cost		**$ 155,728**	**$ 194,395**	**$ 200,867**		**$ 550,990**	**20%**

Debt Service Summary: Financed by GE Capital Public Finance

September 2001 $1,193,632 @ 5.25%

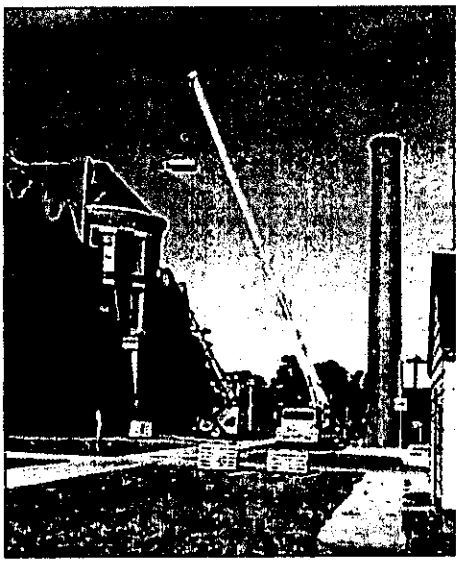
Final payment August 2013

FY03-FY13 Annual debt payments

$150,000 to $160,000

Funding source: Utility budget

Old Main Roof



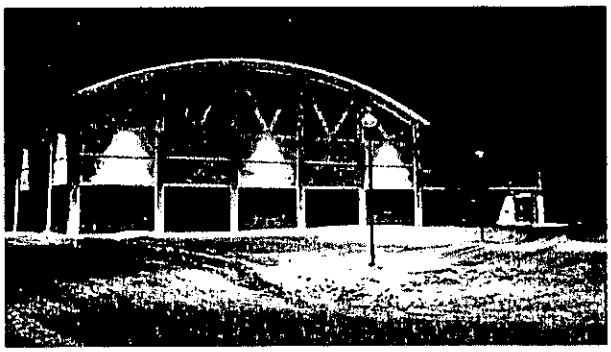
- **Cost**
  $ 190,602
- **Funding Source**
  State funds
- **Completion Year**
  2006

This project included removal and replacement of shingled roofing complete with proper underlayment, proper valley and parapet flashing, and replacement of membrane roofing in the low slope valleys.

Wellness Center

- **Facility includes**:
  Multipurpose gym
  Aerobics area
  Additional locker rooms
- **Cost**
  $2.3 million
- **Funding Source**
  Local Funds &
  1% City Sales Tax
- **Completion Year**
  2004

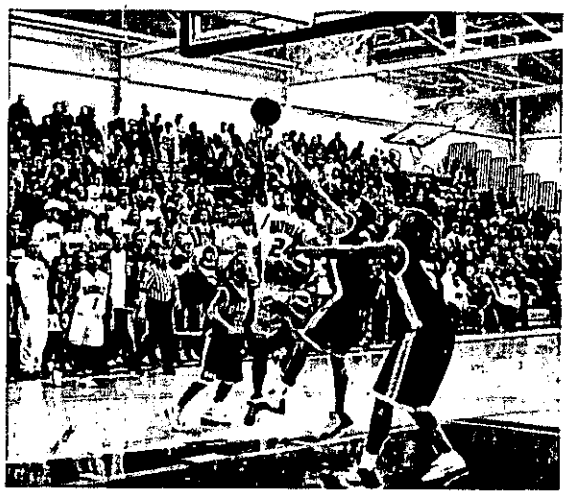
On April 29, 2003 voters in Mayville and Portland, ND approved a 1% city sales tax by an overwhelming margin, and the MSU Student Senate approved a $100 per student fee to be used toward the Wellness Center project and other facilities improvements.



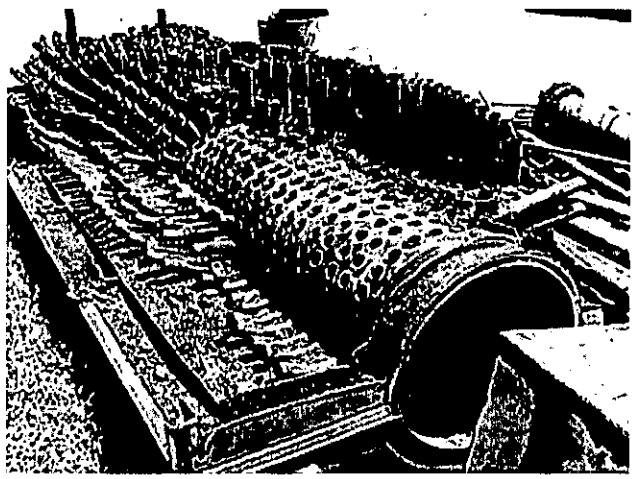
Fieldhouse Improvements

- **Improvements Made:**
  New wood arena floor
  New bleachers
  Classroom renovation
  Hazardous material abatement
  Painted
  ADA compliance
- **Cost**
  $500,000
- **Funding Source**
  Local Funds &
  1% City Sales Tax
- **Completion Year**
  2003

The approved 1% city sales tax was also beneficial in assisting with these fieldhouse improvements. Additional funding came from the student fee increase also.



Steam Line and Boiler Replacement Project



- **Steam Line Cost**
  $1,865,000
- **Funding Source**
  State funds
- **Completion Year**
  2003
- **Boiler System Cost**
  $923,100
- **Funding Source**
  State Funds
- **Completion Year**
  2001

Mayville State University

MAKING AN IMPACT



POINTS OF PRIDE



Points of Pride

- Mayville State received a full 10-year accreditation from the Higher Learning Commission (HLC), formerly known as the North Central Association, in 2006. No further reports or visits are required during this period. This is the highest recognition an institution can receive from the accrediting agency.

- The National Council for Accreditation of Teacher Education (NCATE) conducted its examination of Mayville State University during the 2006 school year. This was one of the first examinations under the new standards. The professional education unit at Mayville State University did very well, with clarification needed on only one standard by April 1, 2007. This accreditation is good for seven years.

- In 2007, Mayville State University was given the designation of "Best Midwestern College" by The Princeton Review for the fifth straight year.

- Mayville State University received a gift of $500,000 from alumna Connie (Green) Tharaldson and her husband Gary in November of 2006. The donation will be used to provide scholarships for academically eligible students from North Dakota and improve athletic facilities.

- Mayville State's Bush Foundation Faculty Development Continuation Grant for Problem-Based Learning (PBL) was officially completed on November 30, 2006. The PBL continuation grant was designed to create problem-based learning units for each major and minor in the five divisions, provide workshops in learning/teaching strategies and provide support to faculty to incorporate PBL into their classes. Members of Mayville State's Problem Based Learning team have shared their expertise all over the world.

- Developed a partnership with Luther Memorial Home patients and assisted-living residents by which Mayville State students conduct field experience in therapy, recreational activities, and fitness.

- Mayville State hosted "North Dakota: Heritage & Hope," an event celebrating North Dakota Statehood Day on November 2, 2006. This annual celebration features presentations, debates, discussions, and activities that address the history and future that all North Dakotans share.



- Mayville State University's men's basketball team made NAIA national tournament appearances in 2005 and 2006, finishing in the Elite Eight of a 32-team field in 2006. The team was ranked as high as seventh in the nation in 2006 and are currently ranked 16th in the nation.

- The women's basketball team at Mayville State University is currently ranked 12th nationally in the NAIA.

- Mayville State University's baseball team has won 17 conference titles in the last 21 years, and appeared in the NAIA World Series in 2002.

- Fifty-two student athletes at Mayville State University were named 2005-2006 Dakota Athletic Conference Scholar Athletes, earning a 3.25 or higher grade point average.

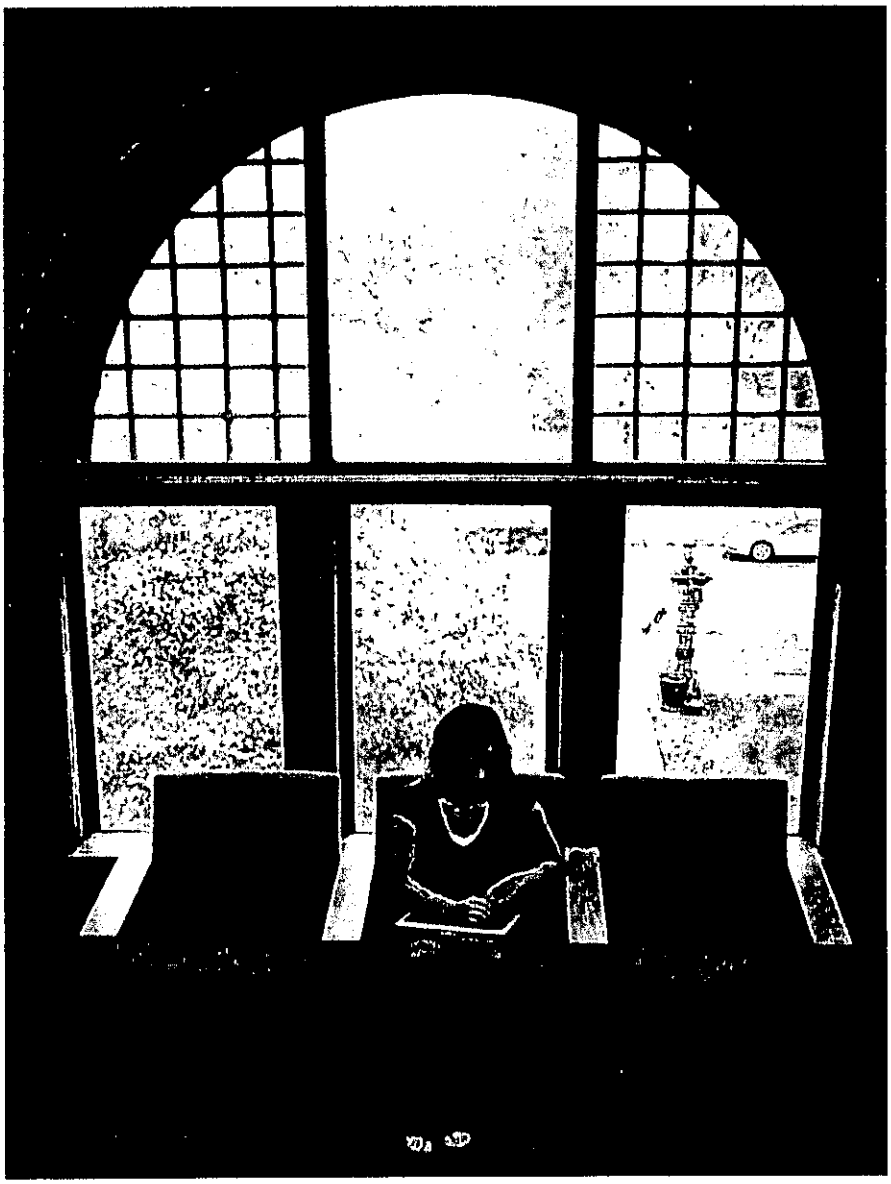
- A grassroots effort to revitalize music on our campus has resulted in a growing concert band and choir, and the formation of a new stage band and swing choir. The band, choir, stage band, and swing choir are busy preparing for their spring tour and concerts.

- The Mayville State Drama Department continues to produce quality musicals and plays. Musical productions have been invigorated by the increased involvement in music on the campus and a new sound and lighting system funded by the 2005 North Dakota Legislature. People from the around the region have enjoyed the talents of Mayville State students involved in these popular performances.

- In the summer of 2004, Mayville State became the first Tablet PC campus in the nation. This is one of the ways in which Mayville State is helping to enhance student learning experiences through cutting-edge technology.

Mayville State University

MAKING AN IMPACT



CAMPUS ALIGNMENT PLAN

2006-2007



Mayville State University Campus Alignment Plan for 2006-07
Roundtable Cornerstones and Objectives
October, 2006

*1. **Economic Development:** Increase direct connections and contributions of the University system to the economic growth and social vitality of North Dakota.*

Objective: To develop and implement an enrollment management plan that has a goal of 1500 headcount, with 750 full time residential and 660 distance students.

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*2. **Education Excellence:** Provide high quality education and skill development opportunities which prepare students to be personally and professionally successful, readily able to advance and change careers, be lifelong learners, good citizens, leaders, and a knowledgeable contributing member of an increasingly global and multicultural society.*

Objective: To improve the retention of new freshmen to their sophomore year and to eventual graduation within six years.

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*3. **Flexible and Responsive System:** Create a university system environment which is responsive to the needs of its various clients and is flexible, empowering, competitive, entrepreneurial, and rewarding.*

Objective: To expand distance programs from the current Business (BAS online), to include Early Childhood Education (BS online), Elementary Education (BSED online), and Applied Psychology (BA online).

Objective: To implement an athletic task force that will review all existing athletic programs to determine their cost effectiveness and their benefit to the institution..

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*4. **Accessible System:** Create a University System that is proactively accessible to all areas of North Dakota and seeks students and customers from outside the state. It provides students, business, industry, communities and citizens with access to educational programs, workforce training opportunities, and technology access and transfer- and does so with the same performance characteristics as described in the "Flexible and Responsive" Cornerstone.*

Objective: To explore the development of new academic programs that respond to the needs of North Dakota and the region.



Mayville State University Campus Alignment Plan for 2006-07 Roundtable Cornerstones and Objectives Continued

5. Funding and Rewards: *Develop a system of funding, resource allocation, and rewards which assures quality and is linked to the expressed high priority needs and expectations of the University System – assures achievement of the expectations envisioned.*

Objective: To develop funding sources to support energy savings projects and alternative energy sources.

Objective: To balance all state and local budgets and to reduce local deficits within five years.

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6. Sustaining the Vision: *Develop a structure and process which assures the University System for the 21st Century, as described by these cornerstones, remains connected, understood, relevant and accountable to the present and future research, education, and public service needs of the state and its citizens –sustaining the vision.*

Objective: To use the Title III Strengthening Institutions Program to support changes in institutional operations that support increased enrollment and greater self sufficiency.

Objective: To make positive contributions to the goals of the Roundtable and the SBHE by utilizing strategic planning consultants as recommended by the Chancellor's special work group.

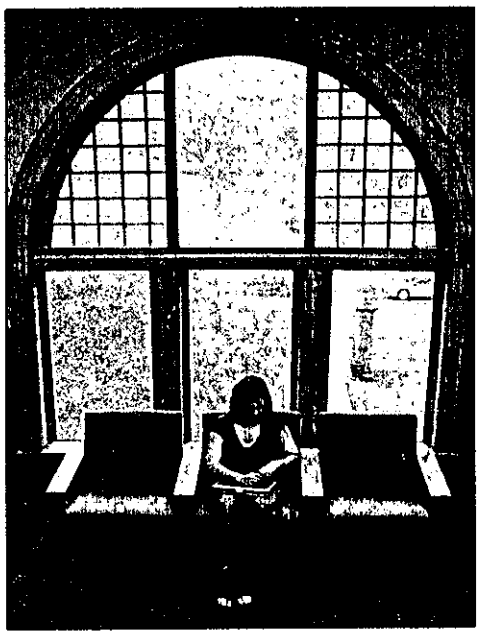
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With the exception of these pages same testimony given to the House

Mayville State University

MAKING AN IMPACT







Senate Appropriations

Mayville State University Budget Hearing
February 27, 2007

Gary Hagen, President
Steve Bensen, VP for Business Affairs



Overview of Mayville State University

Established by constitutional charter in 1889, Mayville State University continues to pursue its original mission to train teachers for the State of North Dakota. Over the years, Mayville State has expanded its mission to include non-teaching degrees. The University has also pursued a technology-enriched mission that made it one of the first notebook computer campuses in the nation and the nation's first Tablet PC university. Thousands of students have been impacted by a Mayville State education.

Student Impact on North Dakota

- Between 95-100% Mayville State graduates find satisfactory placement in their careers.
- More than 50% of teacher education graduates find jobs in North Dakota.
- About 65% of other graduates find jobs in North Dakota.
- Nearly 800 Mayville State graduates teach in North Dakota schools.
- More than 92 % of student internships were in North Dakota in 2006.
- Student spending impacts the local community by $11.7 million.

Mission

The mission of Mayville State University is to educate and guide students, as individuals, so that they may realize their full career potential and enhance their lives. We do this in an environment that reflects our tradition of personal service, commitment to innovative technology-enriched education, and dynamic learning relationships with community, employers, and society.

Vision

To be known for continuing academic excellence in a cooperative, enjoyable learning environment that anticipates and responds to individual needs.

Vital Statistics

Number of structures - 22
Avg. age of buildings – 55.5 years

Oldest building – Main Building (1890)
Newest building – Wellness Center (2004)

Replacement Value of Buildings - $52,025,408

2005-07 biennial budget - $14,007,755
2005-07 state support - $9,003,630

Direct economic impact - $13.7 million
Total economic impact - $40.9 million

Purposes

- Collaborative relationships with schools, employers, and communities that contribute to the economic growth and social vitality of North Dakota
- Effective support for appropriate applications of information technologies to instruction and administration
- Academic programs and services that address real-world career and North Dakota workforce opportunities
- Innovative, flexible delivery of instruction that meets the needs of the individual
- Enrollment and revenue development through retention, recruiting, and new opportunities
- Assessment and improvement of student learning outcomes and institutional effectiveness



Strategic Planning

Mayville State requested assistance from the North Dakota University System Office to hire an external consultant to prepare, in cooperation with MaSU cabinet, a comprehensive strategic plan to refine the mission, focus, and expectations of the campus. This study would take into consideration demographic trends, industry analysis, and the resources available at MaSU. Proposals from DMD Associates in Grand Forks, HBH of Minneapolis, and the National Center for Higher Education Management Systems were received and forwarded to the Board Office for consideration.

Energy and Facility Assessment

A comprehensive energy/facility assessment from the Energy Services Group (ESG) will provide architectural, structural, and civil engineering services necessary to determine how best to proceed with deferred maintenance, energy conservation and capital improvement requirements. The energy/facility assessment is expected to be completed by April 1, 2007.

Athletic Committee

The Athletic Director assembled a committee of 14 individuals, seven from campus and seven from the community, to study athletics.

The committee has four charges:

1. Help determine the role athletics should play in Mayville State's mission.
2. Determine the tangible and intangible aspects of Mayville State athletics and their impact on the campus, community, and alumni.
3. Complete a cost/benefit analysis of all athletic teams and examine other tangible and intangible aspects.
4. Determine what options are available if scholarships and maintenance dollars can not be raised to adequate levels.

Futures Committee

The President has organized a faculty task force called "The Futures Committee" whose charge is to systematically examine the literature this year and locate examples of creative, niche-oriented academic programs that are flourishing on small campuses across the nation. Their charge is to recommend new unique majors, thrusts, campus themes, or other state-of-the-art programming that could lead Mayville State University into the future.



INBRE—Biomedical Research (5 year grant)

Total Grant Funds = $750,000

Mayville State University is one of four baccalaureate institutions in North Dakota participating in the IDeA Network of Biomedical Research Excellence (INBRE) program (NIH grant P20 RR016741 from the NCRR). One of North Dakota INBRE's objectives is to increase the number of students from primarily undergraduate institutions who pursue advanced degrees in biomedical research. Undergraduate researchers at Mayville State are collaborating in the areas of enzyme kinetics with UND School of Medicine and novel application of fluorescent proteins with the NDSU Department of Chemistry and Molecular Biology.



Traill County Technology Center

The Traill County Technology Center, housed in West Hall on the Mayville State campus, provides business incubator space and information technology training. The Traill County Technology Center opened its doors in 1999 for new entrepreneurs.

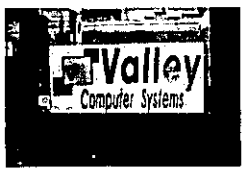
The following list of businesses started in the Traill County Technology Center:



- **Powered-Ink**: A web/media services business started by two MSU graduates.
- **Sewbatik**: Former ND residents that "came home" from New York to create this successful business doing textile design and sales.



- **ComMark, Inc.**: This new business in Portland provides web development/hosting, marketing, and call center services. They provide an E-mall site for ShopND (Pride of Dakota) and web-site designs for the Alerus Center in Grand Forks, ND; Badland Brew in Dickinson, ND; First Midwest Bank in Centerville and Sioux Falls, SD and many other customers.



- **Valley Computer Systems**: A growing business in Mayville that builds/maintains computer systems and networks.
- **Olson Tax Services:** Tax preparation and consulting service for the community started by a MSU graduate.
- **ND Department of Public Instruction-Child Nutrition Program**: A telecommuter has her office here to coordinate the DPI child nutrition program for this region.
- **Traill County Economic Development Commission:** Assisting entrepreneurs and other potential Traill County business startups with business planning and development.

Four of these businesses have made the transition into the community and have approximately 15 employees with an average annual salary of $28,000. The total economic impact of these salaries to the region is approximately $1.7 million.

The Traill County Technology Center is administering its second earmark U.S. Department of Labor grant related to workforce training. This one focuses most of the resources to local internships for college juniors or seniors. The grant will fund 40 internships over six semesters. A secondary focus of the grant is on job training for new workers.



Child Development Program (Continuous since 1991)

Total Grant Funds—$11 million

Mayville State is North Dakota's only institution of higher education that provides a comprehensive child development program, offering Head Start, Early Head Start, Even Start, child care, and after school programming. Mayville State's Child Development Program (CDP) serves more than 200 children and their families in Traill, Steele, Griggs, Nelson, and rural Grand Forks Counties.

The Child Development Program also provides a critical training site for students from Mayville State University, North Dakota State University, the University of North Dakota, and Minnesota State University-Moorhead. Students and interns gain experience in early childhood, elementary education, social work, child psychology, and human resources.

Since 1991, the Child Development Program has brought in $11 million of grant funding. The CDP has about 50 employees earning a total of $767,000 per year. The CDP makes a total economic impact of nearly $2.3 million on the North Dakota economy.



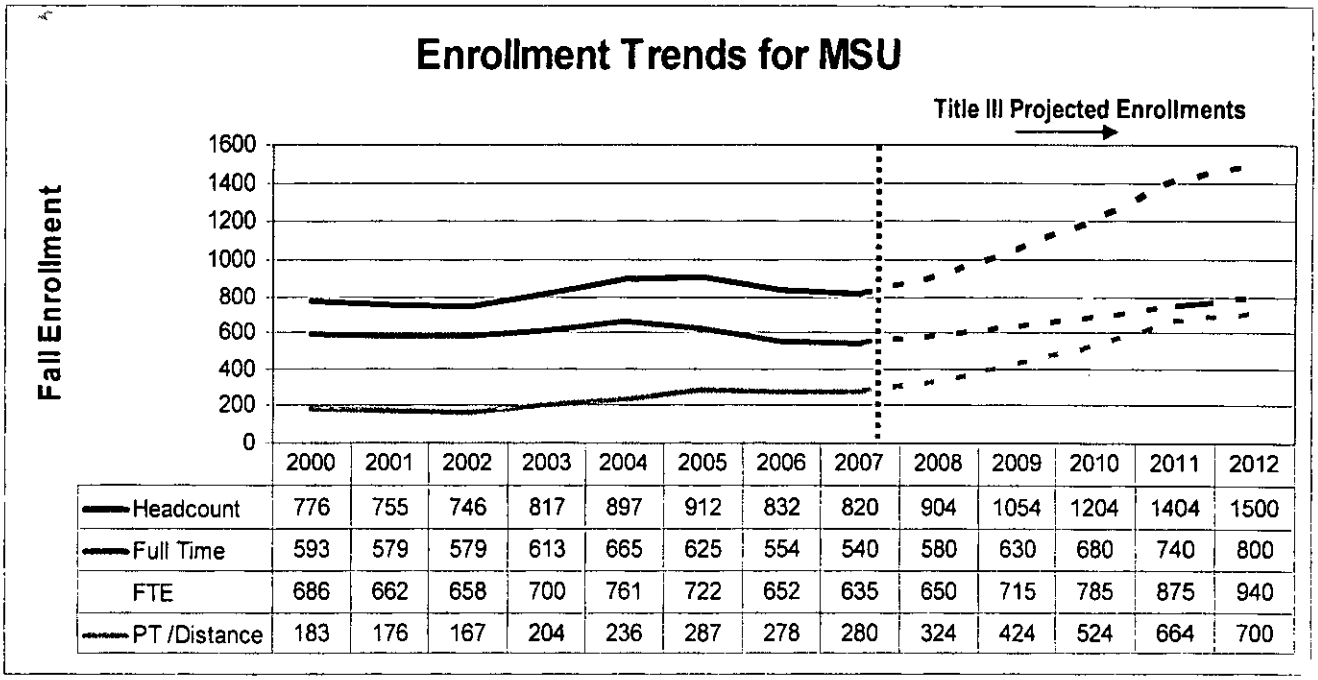


Enrollment

History of Enrollment Development

- Historical enrollments have been stable over many years for Mayville State.
- Full time and FTE enrollments have been a reflection of number of students drawn from traditional markets.
- After several years of increased headcount, fall 2006 numbers are down.
- The number of full time students decreased due to elimination of soccer and less retention of enrolled students.
- Statewide, the number of high school graduates will continue to decrease.
- Recent enrollment management strategies have focused on recruiting additional students from Western Undergraduate Exchange (WUE) and other states.

WUE States include Alaska, Arizona, California, Colorado, Hawaii, Idaho, Nevada, New Mexico, Oregon, Utah, Washington, and Wyoming.



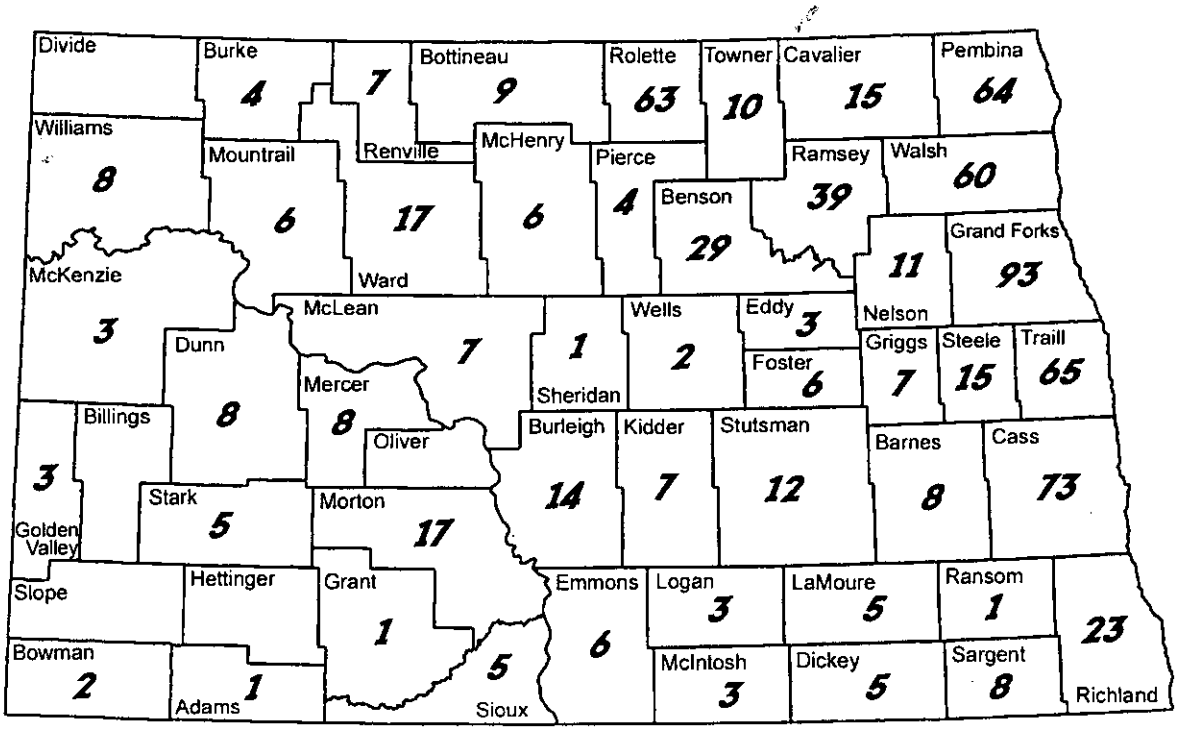
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Headcount	776	755	746	817	897	912	832	820	904	1054	1204	1404	1500
Full Time	593	579	579	613	665	625	554	540	580	630	680	740	800
FTE	686	662	658	700	761	722	652	635	650	715	785	875	940
PT /Distance	183	176	167	204	236	287	278	280	324	424	524	664	700



Supplying Quality Teachers for North Dakota

- More than 50% of teacher education graduates find jobs in North Dakota
- Nearly 800 Mayville State graduates teach in North Dakota schools
- Mayville State prepares teachers with a solid foundation in general education. Mayville State students benefit from small general education courses taught primarily by full-time faculty. Mayville State's technology-enriched courses give students the technology skills they will need in the classroom of the future.

Mayville State graduates teach in these North Dakota counties.





General Fund & Tuition
FY 2006 & 2007 Budgets

FY 2006	Budget	Actual	Balance
Revenue:			
General Fund	4,501,815	4,501,815	- -
Land Dept. Trust I&I	88,000	88,000	- -
Tuition	2,572,253	2,367,074	(205,179)
Totals	7,162,068	6,956,889	(205,179)
Expenses:			
Salaries	5,344,691	4,969,412	(375,279)
Operations	1,588,491	1,748,524	160,033
Equipment	13,500	7,880	(5,620)
Totals	6,946,682	6,725,816	(220,866)

Tuition revenue did not meet budget amounts; however, the afore mentioned budget revisions reduced operating expenses, specifically salaries, to maintain a balanced budget.

FY 2007	Budget	Actual thru Feb.	Balance Amount
Revenue:			
General Fund	4,501,815	2,626,064	1,875,751
Land Dept. Trust I&I	88,000	44,000	44,000
Tuition	2,461,051	2,394,775	66,276
Totals	7,050,866	5,064,839	1,986,027
Expenses:			
Salaries	4,977,804	2,750,800	2,227,004
Operations	2,059,234	1,114,686	944,548
Equipment	13,770	- -	13,770
Totals	7,050,808	3,865,486	3,185,322

Mayville State expects to meet budgeted tuition revenue for FY 2007 and will monitor and review expenses to ensure a balanced budget for FY 2007.



2005-07 Capital Projects

State Funding

Project Description	Budget	Actual thru Feb.	Balance
Main Building Repairs	188,000	190,602	(2,602)
Special Assessments	98,969	98,969	- -
Projects < $50,000 (Flooring, HVAC, Roofs, Other)	72,025	56,862	15,163
Totals	358,994	346,433	12,561

Local Funding

Project Description	Budget	Actual thru Feb.	Balance
Fieldhouse / Wellness Center	15,000	11,577	3,423
Parking Lots	40,000	32,304	7,696
Student Housing	40,000	23,495	16,505
Northwest Hall Renovations	25,000	15,210	9,790
Other Projects	40,000	26,883	13,117
Totals	160,000	109,469	50,531



Comparison of SBHE General Fund Request to Executive Recommendation & Engrossed HB 1003

	SBHE 2007-09 Prioritized GF Request	Executive Recommendation	House Adjustments*	Engrossed HB 1003
2005-07 Original General Fund Appropriation	$ 9,362,624	$ 9,362,624		9,362,624
Base Adjustments	(150,000)	(150,000)		(150,000)
2005-07 Adjusted General Fund Appropriation, Net of Base Adjustments	9,212,624	9,212,624		9,212,624
Prioritized SBHE Requested Increase in Base Funding:				
Capital Assets Increase- Ongoing Extraordinary Repairs	181,644	-		-
Campus Parity	805,139	805,139	(88,198)	716,941
Campus Equity	81,020	81,020		81,020
House Adjustments to Base Funding				-
Total Requested Increase in GF Base Funding & Adjustments	1,067,803	886,160	(88,198)	797,96
Subtotal Base GF Request, Compared to Exec Recommendation & Engrossed HB 1003	10,280,427	10,098,784	(88,198)	10,010,586
One-time Budget Increases, Excluding Major Capital Projects:				
Capital Assets Increase Ongoing Extraordinary Repairs		181,644		181,644
Infusion for Deferred Maintenance	927,154	556,292		556,292
House One-time Adjustments			559,500	559,500
Subtotal One-time GF Request, Excluding Major Capital Projects, Compared to Exec Recommendation & Engrossed HB 1003	927,154	737,936	559,500	1,297,436
2007-09 State General Funded Projects	-			-
Total 2007-09 General Fund Request, Compared to Executive Recommendation & Engrossed HB 1003	$ 11,207,581	$ 10,836,719	$ 471,302	$ 11,308,021

* - **House Adjustments Include:**

Reduce salary increases from 5/5 to 4/4	$ (88,198)
Payoff special assessments & def mnt	559,500
	$ 471,302



2007-09 Biennial Budget Requests

Campus Equity

SBHE Base General Fund Request	81,020
Executive Base Recommendation	81,020

Full-time residential students are a high priority. Resources will support enrollment development staffing and marketing to attract additional residential students.

Carryover Reporting 2003 - 2005

Capital Projects	
General Fund	**44,000**

Capital projects carryover to be applied towards the steamline project.

Estimates of Revenue and Expenditures of Other Funds

	Estimated Revenue	Estimated Expenditures
Sources:		
Tuition	5,222,440	5,222,440
Auxiliary Services	4,604,200	4,517,652
Other Unrestricted	3,182,000	2,820,412
Scholarships and Fellowships	1,090,568	1,088,508
Grants and Contracts	4,561,868	4,561,868
Other	156,000	156,000
Total	$ 18,817,076	$ 18,366,880



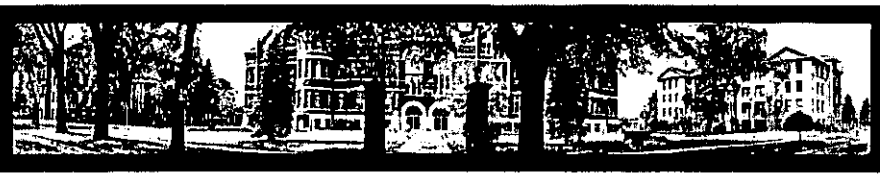
2007-09 Biennial Budget Request

Campus Parity

	5% Salary Increase	4% Salary Increase
SBHE Base General Fund Request	805,139	
Executive Base Recommendation	805,139	
Engrossed HB 1003		716,941
Parity Computation:		
2.4% year operating inflation excl. utilities	91,994	91,994
2.4% year operating inflation on utilities	74,406	74,406
Cost to continue FY07 salary increase	138,469	138,469
Health insurance base increase	250,034	204,770
Cost of compensation package	621,825	495,829
Total Estimate Increase in Parity	1,176,728	1,005,468
SBHE Request and Executive GF Recommendation	805,139	
Engrossed HB 1003		716,941
Campus portion of Parity to be funded with tuition and other means	371,589	288,527
Projection at 5% annual tuition increase:		
FY2008 tuition increase reflecting 5% @ 635 FTE	56,089	56,089
FY2009 tuition increase reflecting 5% @ 650 FTE	188,160	188,160
Revenue from projected tuition increase	244,249	244,249
Parity balance <u>not</u> provided through a 5% tuition increase	$ 127,340	$ 44,278

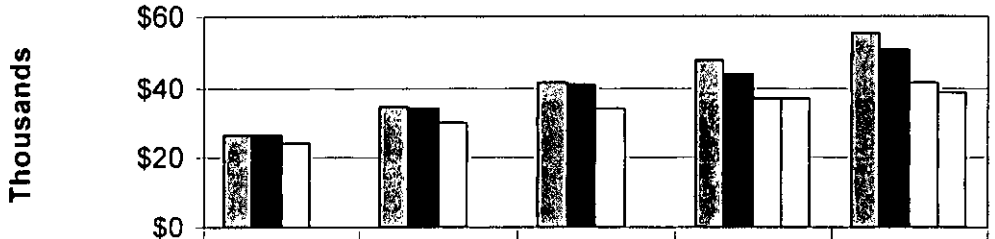
The current parity funding model with the projected 5% tuition increase does not allow Mayville State University and other small campuses to meet ongoing expenses.

Parity operating budgets increased 2.2% each year in the 2005-07 biennium, and are projected to increase 2.4% each year in the 2007-09 biennium. These budget adjustments do not offset the 65% increase in utility costs in the 2005-07 biennium.



In the last 5 years, ND's average baccalaureate salary has lost ground and continues to lag behind the regional and national averages.

Average Faculty Salaries of Baccaleaureate Institutions



	1984-85	1989-90	1994-95	1999-00	2004-05
U.S.	$26.8	$34.4	$41.4	$47.8	$55.5
Regional	$26.4	$34.3	$40.7	$43.8	$50.9
N.D.	$24.5	$30.1	$33.9	$37.2	$41.3
MaSU	$-	$-	$-	$37.2	$38.9

MaSU Faculty at or below the ND Average	54%	66%
MaSU Faculty at or below the Regional Average	89%	100%

Campus faculty salaries have not kept pace with North Dakota or regional averages. As senior faculty have retired, salaries have been applied towards increases in health insurance premiums and other operating expenses

Average Staff Salaries of Baccaleaureate Institutions - 2005



	Admin	Profess.	Tech/ Para.	Office Supp.	Craft/ Trades	Services
Avg Market Salary	$59.3	$37.1	$24.2	$22.5	$31.0	$18.7
Avg NDUS Salary	$43.8	$31.4	$22.2	$20.8	$25.8	$19.0
MaSU Staff Salary	$38.7	$27.4	$21.5	$18.0	$22.6	$17.8

All staff broadband categories lag the four-state regional job market.

Information in the charts above are from the report of the State Board of Higher Education's Committee on Employee Compensation—March 2006-Revised.



North Dakota University System
Summary of Outstanding Deferred Maintenance

Campus	Health & Safety	ADA	Networking	Major Repairs	Total Needs	% of Outstanding Deferred Maintainence
BSC	$473,000	$114,000	$189,000	$1,264,000	$2,040,000	1.732%
LRSC	0	0	36,000	512,000	548,000	0.465%
WSC	50,000	29,000	90,000	0	169,000	0.143%
UND	1,177,000	3,367,000	6,010,000	29,900,000	40,454,000	34.338%
NDSU	894,000	1,511,000	381,000	27,240,000	30,026,000	25.487%
NDSCS	373,000	8,000	0	5,390,000	5,771,000	4.899%
DSU	635,576	511,041	580,000	7,166,549	8,893,166	7.549%
MaSU	**642,700**	**856,400**	**28,200**	**9,395,600**	**10,922,900**	**9.272%**
MiSU	581,000	633,000	157,000	9,814,000	11,185,000	9.494%
VCSU	59,800	166,000	31,200	6,764,000	7,021,000	5.960%
MiSU-BC	10,000	30,000	0	491,000	531,000	0.451%
FOREST SERVICE	17,000	0	3,000	230,000	250,000	0.212%
Total	**$4,913,076**	**$7,225,441**	**$7,505,400**	**$98,167,149**	**$117,811,066**	**100.000%**

- Mayville State's outstanding deferred maintenance, $10.9 million dollars is 9.272% of the $117.8 million dollar NDUS total deferred maintenance.
- Mayville State's total plant value – state funds, $38.3 million is 3.2% of the $1.2 billion total NDUS plant value – state funds.
- **Comparing the two percentages gives Mayville State a 29% deferred maintenance ratio (10.9 million / 38.3 million), the highest in the NDUS system.**



Deferred Maintenance Inventory 2007

Building	Health & Safety	ADA	Networking	Major Repairs	Totals
West Hall Renovation	162,000	196,000	-	3,599,000	3,957,000
Old Gym Renovation	22,300	54,000	-	850,000	926,300
Library Addition and Upgrade	33,800	175,300	-	619,100	828,200
Main Building Renovation	315,300	127,500	-	2,660,000	3,102,800
Science/Greenhouse Upgrade	33,800	107,100	-	82,300	223,200
Classroom Building Upgrade	33,800	71,900	-	743,100	848,800
Science #1 Addition	41,700	56,400	-	565,000	663,100
Power House Renovation	-	11,300	-	62,800	74,100
Campus Improvements	-	56,900	28,200	214,300	299,400
Total Deferred Maintenance	**$642,700**	**$856,400**	**$28,200**	**$9,395,600**	**$10,922,900**

Health & Safety includes updating fire alarm and sprinkler systems and storage ventilation.
ADA includes elevators and handicap accessibility to facilities.

Major Repairs consist of roofs, streets, sidewalks, parking lots, curb, gutter, mechanical systems, HVAC heating plant and electrical projects.



Capital Asset Funding
(Excluding Major Capital Projects)

SBHE Base General Fund Request	$ 208,994
One Time Funding:	
Ongoing Extraordinary Repairs	181,644
Infusion of Deferred Maintenance	556,292
Payoff Special Assessments & Deferred Maintenance	559,500
Total Capital Asset Funding	$ 1,506,430

Schedule of Maturies of Special Assessments

Fiscal Year(s)	Principal	Interest	Total
2008	$ 30,116	$ 17,562	$ 47,678
2009	30,116	16,357	46,473
2010	30,116	15,152	45,268
2011	30,116	13,948	44,064
2012	30,116	12,743	42,859
2013-2017	150,580	45,645	196,225
2018-2022	137,878	15,531	153,409
Total	**$ 439,038**	**$ 136,938**	**$ 575,976**

Payment of special assessments in full results in annual savings of $47,678 and a total interest savings of $136,938 over 15 years.

West Hall Strategies

The West Hall renovation was ranked as the second priority in the list of SBHE capital projects, but not funded in the Governor's budget. A study completed in 2006 was designed to determine if West Hall should be renovated, or if a new building should be erected in its place. According to the study, it was more cost effective to renovate West Hall. Mayville State University would like to proceed with the renovation. It is the desire of the SBHE Office and the OMB to have a comprehensive campus-wide study completed before a commitment is made to this project. This study would help better determine the greatest areas of need on campus by exploring more options, including energy conservation. MaSU agrees with this premise and suggests the following plan of action:

- Use either SBHE initiated funds or a portion of the $1.0 million of deferred maintenance money earmarked for MaSU to complete a comprehensive study as soon as possible. This study would evaluate the needs of the campus, evaluate various energy alternatives, and suggest the most appropriate use of energy and facility renovation dollars. The study is expected to be completed by April 1, 2007.
- If the comprehensive study indicates that the West Hall renovation is the best use of funds, use the $1.0 million earmarked for deferred maintenance for MSU to begin securing the exterior of West Hall and allow MaSU to request the remaining $2.95 million to complete the project.
- If the comprehensive study indicates a better use of the deferred maintenance dollars, MaSU would seek approval to follow the recommendations as suggested by the study.







Economic Impact

Business Benefits



North Dakota Community Colleges Raise Consumer Spending

- The North Dakota community colleges employed 789 full-time and 705 part-time faculty and staff during FY 2005-06, with an annual payroll of **$48 million**.
- Altogether, the community colleges had an operating budget of $81 million, of which **$65 million** (or 80%) was spent in the state.
- Approximately 22% of the entire student body came from outside the state. It is estimated that these students spent approximately **$9 million** while in attendance.

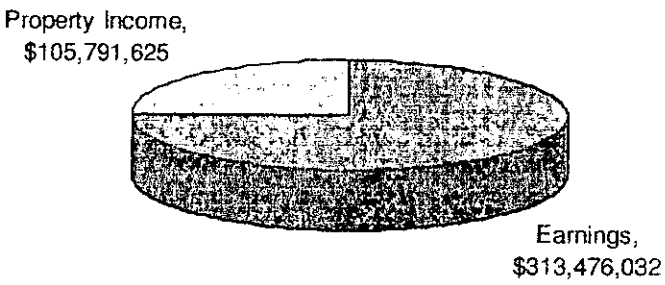
North Dakota Community Colleges Supply Skilled Labor

- Community college activities encourage new business, assist existing business, and create long-term economic growth. The community colleges enhance worker skills and provide customized training to state business and industry.
- It is estimated that the present-day workforce in the State of North Dakota embodies about **3.5 million** credit hours of past and present community college training. These added skills promote business productivity and increase statewide income.

North Dakota CCs Contribute to Economic Growth

- Community college activities in the state workforce contribute **$313 million** in earnings and **$106 million** in property income (i.e., dividends, interest, and rent) to the economy each year.
- Altogether, the North Dakota economy owes roughly **$419 million** of its current income to the annual operations of the community colleges and the cumulative effects of past students.

Statewide Economic Growth



CCbenefits Inc.

Report prepared February 6, 2007

Report prepared by CCbenefits Inc., an economics firm providing socioeconomic impact and strategic planning tools to community and technical colleges. Visit the CCbenefits website at www.ccbenefits.com for more information. To see full documentation of the study, please contact the North Dakota University System.

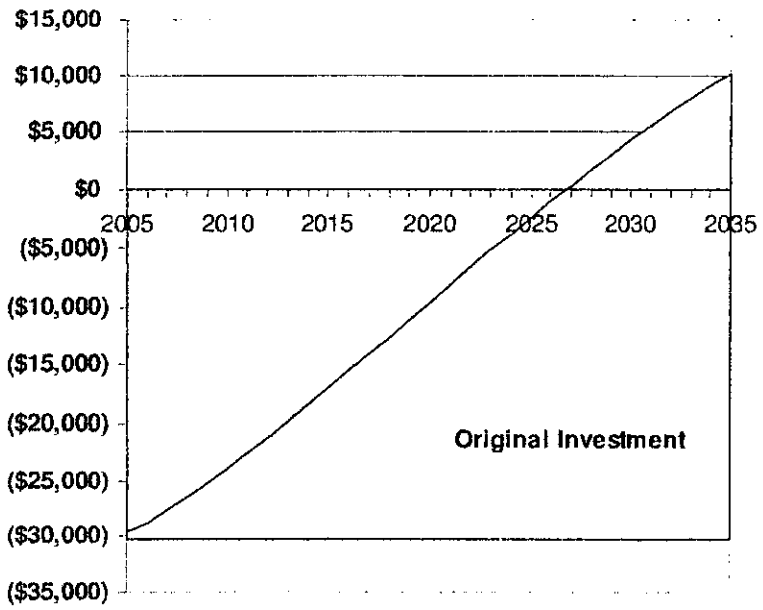
North Dakota Community Colleges Leverage Taxpayer Dollars



- As many as **82%** of students remain in the state and contribute to economic growth. Each student who enters the workforce expands the tax base in the form of higher earnings and lower social costs.
- When aggregated across all students, taxpayers in the State of North Dakota will see **$252,000** in avoided social costs each year, including savings associated with improved health, lower crime costs, and reduced unemployment.
- Students benefit from higher earnings, thereby expanding the tax base and reducing the tax burden on state taxpayers. When aggregated together, higher student earnings and associated increases in property income generate about **$5 million** in added tax revenue each year.

ND CCs Generate Return on Government Investment

How taxpayer investment will grow over next 30 years ($'000)



- State government allocated around **$30 million** in support of the North Dakota CCs in FY 2006.
- For every dollar appropriated by state government, taxpayers will see a cumulative return of **$1.60** in the form of higher tax receipts and avoided social costs.
- State government will see a rate of return of **7%** on their community college support.

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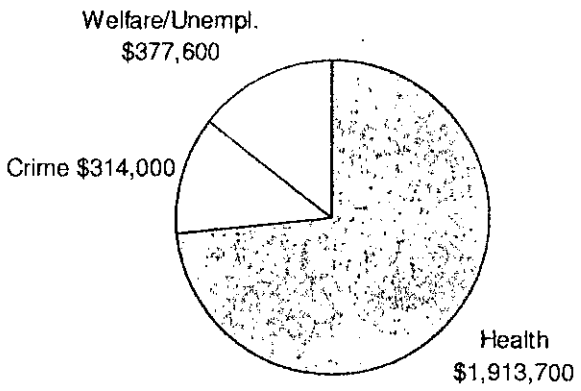
North Dakota Community Colleges Increase Statewide Income

- North Dakota's current community college student body will benefit from higher earnings due to their professional training and added skills.
- Once current students become active in the workforce, they will promote business output, raise consumer spending, and increase property income in the state economy. All of this contributes additional taxable income to the state economy each year.
- Altogether, higher student earnings and associated effects on business productivity annually add **$17 million** in income to the North Dakota economy.

North Dakota Community Colleges Reduce Social Costs

- Education is statistically correlated with improved lifestyle behaviors, including reduced incidences of absenteeism, alcohol abuse, and smoking, lower probability of committing crimes, and fewer welfare and unemployment claims.
- Altogether, it is estimated that the North Dakota community college student body generates social savings equal to **$2.6 million** a year, with $1.9 million in health savings, $314,000 in crime savings, and $377,600 in welfare and unemployment savings.
- These savings accrue to all state residents – students, homeowners, businesses, as well as government taxpayers.

Social Savings



CCbenefits Inc.

Report prepared February 6, 2007

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Economic Impact

Student Benefits

Education Generates a Return on Investment

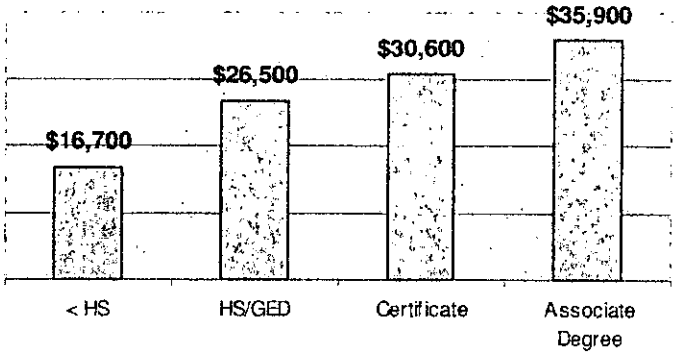


- Students enjoy an attractive **17%** rate of return on their educational investment, and recover all costs (including wages foregone while attending) in **9 years**.
- Over the course of his or her working career, the average student's lifetime earnings will increase **$5.60** for every dollar invested in their community college education (in the form of tuition, fees, and foregone earnings).

Education Increases Lifetime Earnings

- Students see their annual income increase, on average, by **$136** per year for every credit completed at the North Dakota community colleges.
- The typical Associate Degree graduate earns **$35,900** per year, **36%** more than someone with a high school diploma or GED.
- Over the course of a working lifetime, Associate Degree graduates of the ND community colleges earn **$389,500** more than someone with a high school diploma.

Average Earnings by Education Level



Education Prepares Students for Jobs

- By 2010 it is anticipated that there will be **34,000 new and replacements jobs** available in North Dakota.
- About **30%** of these jobs will require an education level equal to an Associates Degree or greater.
- Another 7% of available jobs in 2010 will require an education level equal to a Certificate or postsecondary vocational award.

Report prepared by CCbenefits Inc., an economics firm providing socioeconomic impact and strategic planning tools to community and technical colleges. Visit the CCbenefits website at www.ccbenefits.com for more information. To see full documentation of the study, please contact the North Dakota University System.

CCbenefits Inc.

Report prepared February 6, 2007

Statewide vs. Regional Impacts

Students served by the North Dakota community colleges bring new skills to the region where they work, thereby contributing to the growth of the economy through higher earnings and the increased output of the businesses that employ them. For the purpose of this study, the North Dakota community colleges submitted information on the percent of students who remained in their respective service areas immediately upon exiting college. This information was used to determine the impacts generated by students who were still active in the workforce, measured in terms of added regional income. Students who left the region were net out of the income growth calculations altogether, under the assumption that they took with them any benefits that they would have otherwise generated in the area.

In the aggregate, the entire State of North Dakota serves as the backdrop against which the analysis measures economic growth. As such, the model removes the regional boundaries used in the individual college reports and focuses on those students who settle in the state, including those who leave the community college service regions upon completing their education. As such, the relative impact of community college students on the entire state is actually greater in the aggregate than it is for the individual community colleges, by virtue of the fact that an additional 9% of the student population not accounted for in the individual college studies settle within state boundaries. Altogether, it is estimated that 82% of the North Dakota community college student body remains in the state upon exiting college, thereby enhancing the efficiency of statewide businesses and promoting the development of the state economy. Without the higher incomes and productivity effects of these students, the economy of the State of North Dakota would be measurably smaller.

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Report prepared by CCbenefits Inc. (www.ccbenefits.com), February 6, 2007.

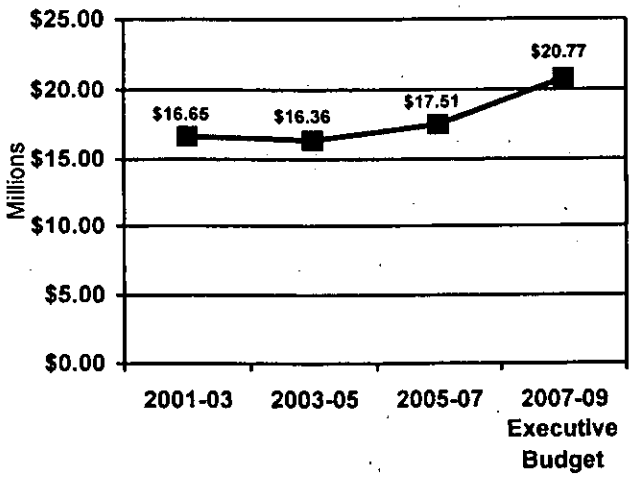
Department 227- Bismarck State College
House Bill No. 1003

	FTE Positions	General Fund	Other Funds	Total
2007-09 Executive Budget	105.38	$20,771,525	$27,805	$20,799,330
2005-07 Legislative Appropriations	115.15 [1]	17,109,029	3,745,300	20,854,329 [2]
Increase (Decrease)	(9.77)	$3,662,496	($3,717,495)	($54,999)

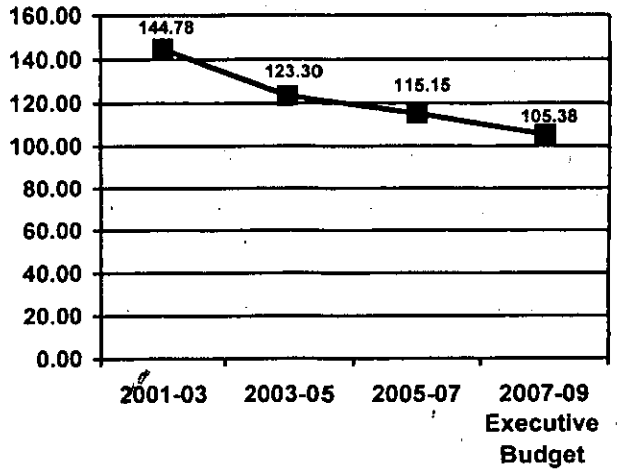
[1]The 2005-07 biennium appropriation is based on 115.15 FTE positions. Section 13 of Senate Bill No. 2003 (2005) authorizes the State Board of Higher Education to adjust full-time equivalent positions, as needed, subject to the availability of funds, for institutions and entities under its control. A total of 9.77 positions were removed pursuant to this section and reported to the Office of Management and Budget.

[2]The 2005-07 appropriation amounts do not include general fund allocations of $400,000 from the equity pool, $43,183 general fund carryover from the 2003-05 biennium, and an adjustment to special funds appropriation authority of $1,785,000.

Agency Funding - General Fund



FTE Positions



Executive Budget Highlights

	General Fund	Other Funds	Total
1. Provides parity funding of $1,993,005 for the following:			
Costs to continue fiscal year 2007 legislatively funded salary increases	$222,268		$222,268
5 percent per year salary increases	1,045,772		1,045,772
10 percent per year health insurance increases	501,914		501,914
Utilities of buildings coming online in 2007-09 biennium	102,094		102,094
2.4 percent per year operating inflation	120,957		120,957
Total (The executive recommendation only includes approximately 93 percent of the total general fund portion of parity costs of $2,185,977. Operating inflation of $192,972 is not included in the executive recommendation. An annual tuition increase of 4.6 percent would be needed to fund the remaining general fund portion of $192,973 and to fund the student portion of parity costs of $728,659.)	$1,993,005		$1,993,005
2. Provides equity funding of $524,585. (The executive recommendation includes a $10 million increase for equity distributed among the 11 higher education institutions. The amount distributed to each institution was determined by considering both the institution's dollar difference from their peer benchmark as well as giving a greater weighting factor to those institutions that are the furthest behind their peer benchmark.)	$524,585		$524,585

3. Provides funding for extraordinary repairs of $473,192 equal to the 2005-07 base funding of $243,481 plus a proportionate share, $229,711, of the $10 million increase that is included in the executive budget recommendation. **(The additional funding of $229,711 is one-time funding.)**	$229,711		$229,711
4. Provides funding for major capital projects for the 2007-09 biennium, including $515,195 from the general fund **(executive budget identified as one-time funding)** and $27,805 of special funds for renovation of the first floor of Schafer Hall	$515,195	$27,805	$543,00.
5. Removes major capital project funding provided in the 2005-07 biennium		($5,027,500)	($5,027,500)

Other Sections in Bill

Section 15 of House Bill No. 1003 provides for the State Board of Higher Education entering into an agreement(s) with the Bismarck State College Foundation or other private entities to authorize the construction of a national energy center of excellence building on the Bismarck State College campus using state funds, federal funds, donations, gifts, or other private funds.

Continuing Appropriations

Special revenue funds - NDCC Section 15-10-12 - Provides the continuing appropriation authority for higher education institutions' special revenue funds, including tuition, through June 30, 2007.

Major Related Legislation

House Bill Nos. 1030, 1031, and 1032 - These bills provide for the continuation of the following statutory provisions through June 30, 2009:

- The continuing appropriation authority for higher education institutions' special revenue funds, including tuition.
- The requirement that the budget request for the North Dakota University System include budget estimates for block grants for a base funding component and for an initiative funding component and a budget estimate for an asset funding component and the requirement that the appropriation for the University System include block grants for a base funding appropriation and for an initiative funding appropriation and an appropriation for asset funding.
- The North Dakota University System's authority to carry over at the end of the biennium unspent general fund appropriations.

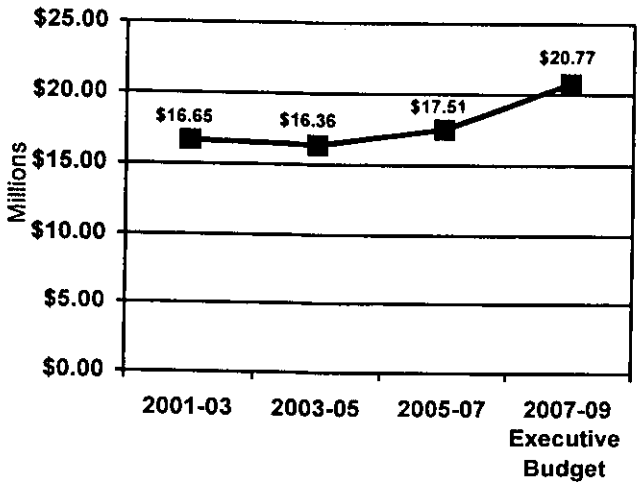
Department 227- Bismarck State College
House Bill No. 1003

	FTE Positions	General Fund	Other Funds	Total
2007-09 Executive Budget	105.38	$20,771,525	$27,805	$20,799,330
2005-07 Legislative Appropriations	115.15 [1]	17,509,029	3,745,300	21,254,329 [2]
Increase (Decrease)	(9.77)	$3,262,496	($3,717,495)	($454,999)

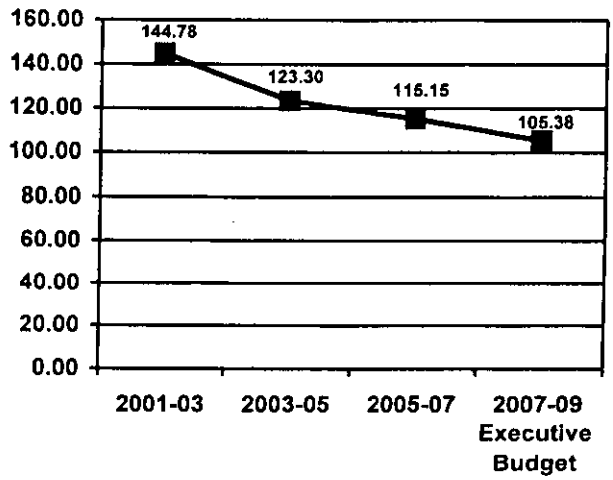
[1]The 2005-07 biennium appropriation is based on 115.15 FTE positions. Section 13 of Senate Bill No. 2003 (2005) authorizes the State Board of Higher Education to adjust full-time equivalent positions, as needed, subject to the availability of funds, for institutions and entities under its control. A total of 9.77 positions were removed pursuant to this section and reported to the Office of Management and Budget.

[2]The 2005-07 appropriation amounts do include a general fund allocation of $400,000 from the equity pool; however, the 2005-07 appropriation amounts do not include $43,183 of general fund carryover from the 2003-05 biennium and an adjustment to special funds appropriation authority of $1,785,000.

Agency Funding - General Fund



FTE Positions



First House Action

Attached is a summary of first house changes.

Executive Budget Highlights
(With First House Changes in Bold)

	General Fund	Other Funds	Total
1. Provides parity funding of $1,993,005 for the following:			
Costs to continue fiscal year 2007 legislatively funded salary increases	$222,268		$222,268
5 percent per year salary increases	1,045,772		1,045,772
Estimated health insurance increases	357,724		357,724
Utilities of buildings coming online in 2007-09 biennium	102,094		102,094
2.4 percent per year operating inflation	265,147		265,147
Total (The executive recommendation only includes approximately 98 percent of the total general fund portion of parity costs of $2,041,788. Operating inflation of $48,783 is not included in the executive recommendation.) **The House reduced parity funding by $211,897 from the general fund to reflect 4 percent per year salary increases.**	$1,993,005		$1,993,005
2. Provides equity funding of $524,585. (The executive recommendation includes a $10 million increase for equity distributed among the 11 higher education institutions. The amount distributed to each institution was determined by	$524,585		$524,585

considering both the institution's dollar difference from their peer benchmark as well as giving a greater weighting factor to those institutions that are the furthest behind their peer benchmark.)			
3. Provides funding for extraordinary repairs of $473,192 equal to the 2005-07 base funding of $243,481 plus a proportionate share, $229,711, of the $10 million increase that is included in the executive budget recommendation. **(The additional funding of $229,711 is one-time funding.)**	$229,711		$229,711
4. Provides funding for major capital projects for the 2007-09 biennium, including $515,195 from the general fund **(executive budget identified as one-time funding)** and $27,805 of special funds for renovation of the first floor of Schafer Hall	$515,195	$27,805	$543,000
5. Removes major capital project funding provided in the 2005-07 biennium		($5,530,300)	($5,530,300)

Other Sections in Bill

Section 16 of House Bill No. 1003 provides for the State Board of Higher Education entering into an agreement(s) with the Bismarck State College Foundation or other private entities to authorize the construction of a national energy center of excellence building on the Bismarck State College campus using state funds, federal funds, donations, gifts, or other private funds.

Continuing Appropriations

Special revenue funds - NDCC Section 15-10-12 - Provides the continuing appropriation authority for higher education institutions' special revenue funds, including tuition, through June 30, 2007.

Major Related Legislation

House Bill Nos. 1030, 1031, and 1032 - These bills provide for the continuation of the following statutory provisions through June 30, 2009:

- The continuing appropriation authority for higher education institutions' special revenue funds, including tuition.
- The requirement that the budget request for the North Dakota University System include budget estimates for block grants for a base funding component and for an initiative funding component and a budget estimate for an asset funding component and the requirement that the appropriation for the University System include block grants for a base funding appropriation and for an initiative funding appropriation and an appropriation for asset funding.
- The North Dakota University System's authority to carry over at the end of the biennium unspent general fund appropriations.

House Bill No. 1459 - This bill provides an appropriation to Bismarck State College for extraordinary repairs.

ATTACH:1

Handout #1

HB1003
January 11, 2007

Bismarck State College



North Dakota
House Appropriations
Committee

Education and
Environment Division

January 11, 2007

Overview of BSC

Gordon Binek
Interim President
Bismarck State College
Gordon.Binek@bsc.nodak.edu
224-5431

BSC Mission

- Bismarck State College, a Learning First college, provides a high quality learning-centered education that maximizes student learning and makes students partners in their education. As a comprehensive community college in the North Dakota University System, BSC offers broad-ranging, flexible, and innovative educational opportunities. We participate in partnerships that promote economic development, we provide cultural enrichment, and we champion integrity, citizenship, and the improvement of life through lifelong learning.

BSC Vision Statement

- BSC, Your Lifetime Link to Learning

BSC at a Glance

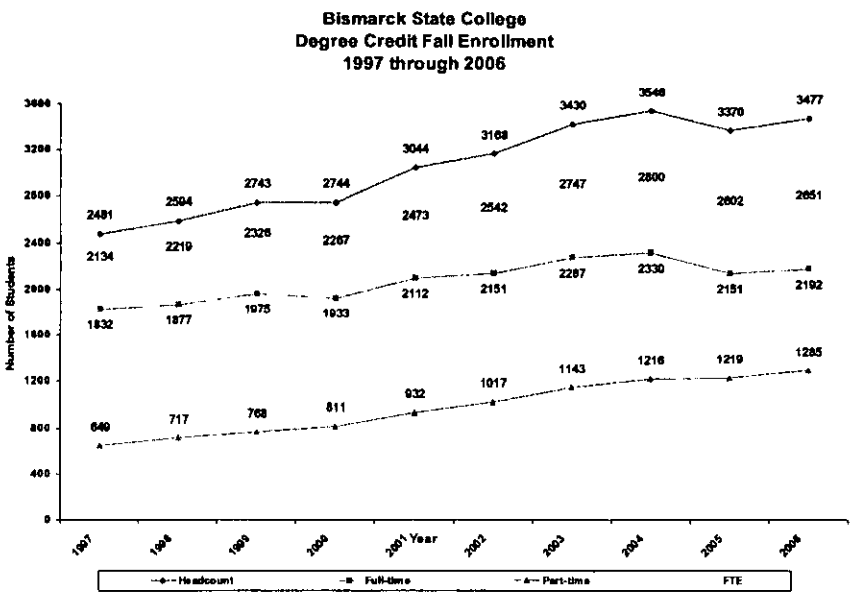
- 4th largest enrollment in ND University System
- 75% of BSC graduates have stayed in North Dakota
- Campus – 107 acres
- Buildings – 9
- Gross square feet – 415,000

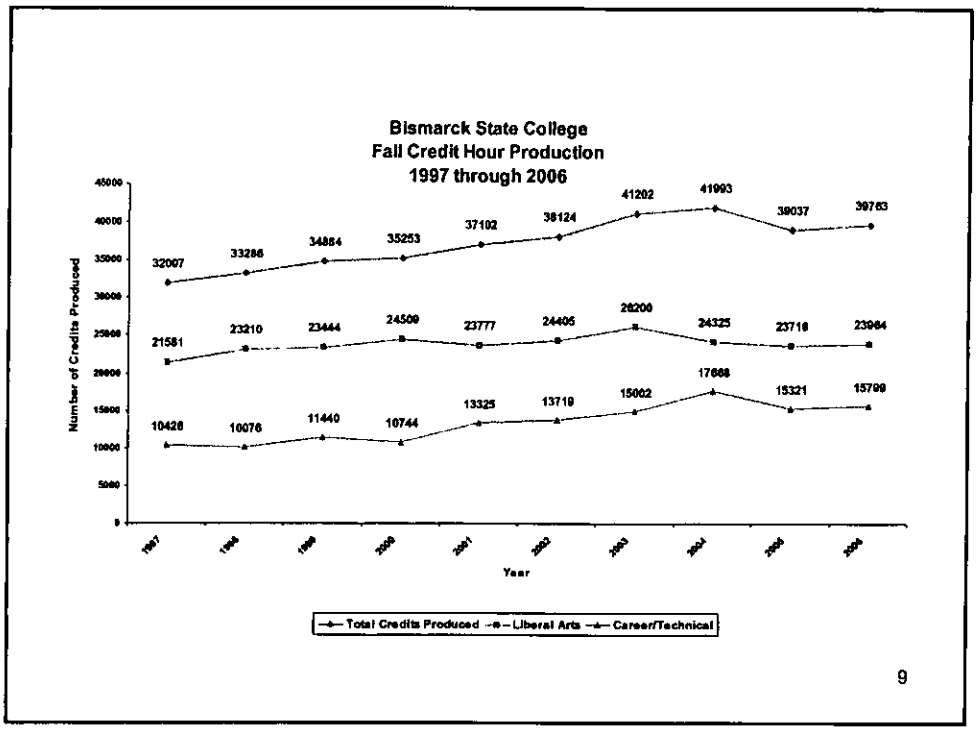
Programs

- Transfer
  - Courses of study for first and second year leading to bachelor's degree
- Technical
  - Career training in more than 35 programs
- Corporate & Continuing Education
  - Workforce training, professional development, personal enrichment, conferences

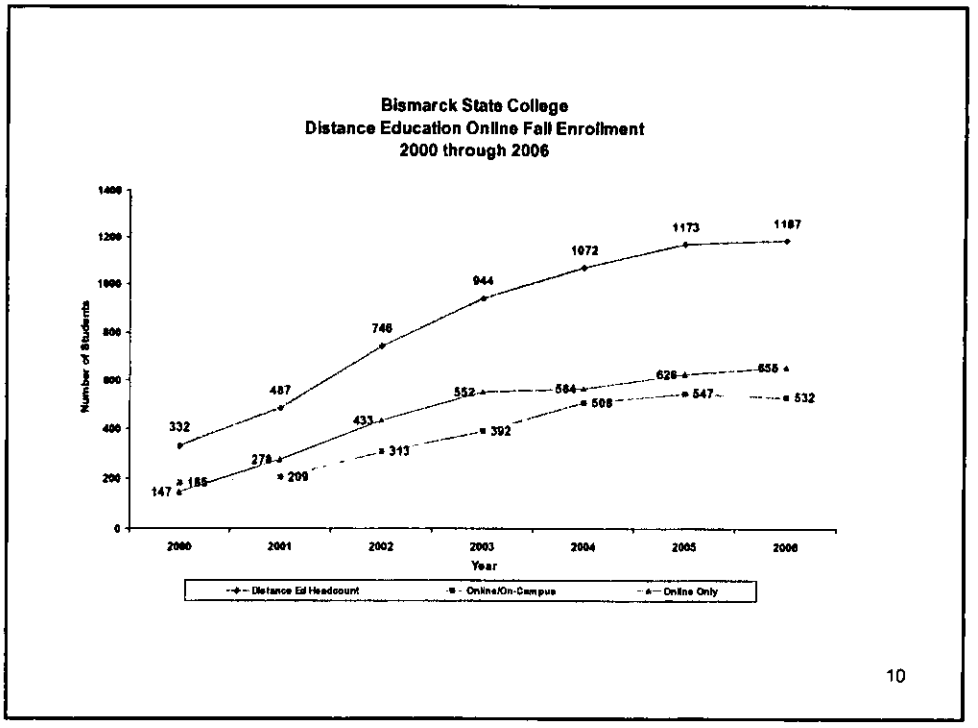
Enrollment History 1997-2006

- Degree Credit Enrollment
- Credit Hour Production
- Distance Education Online
- Demographic Data

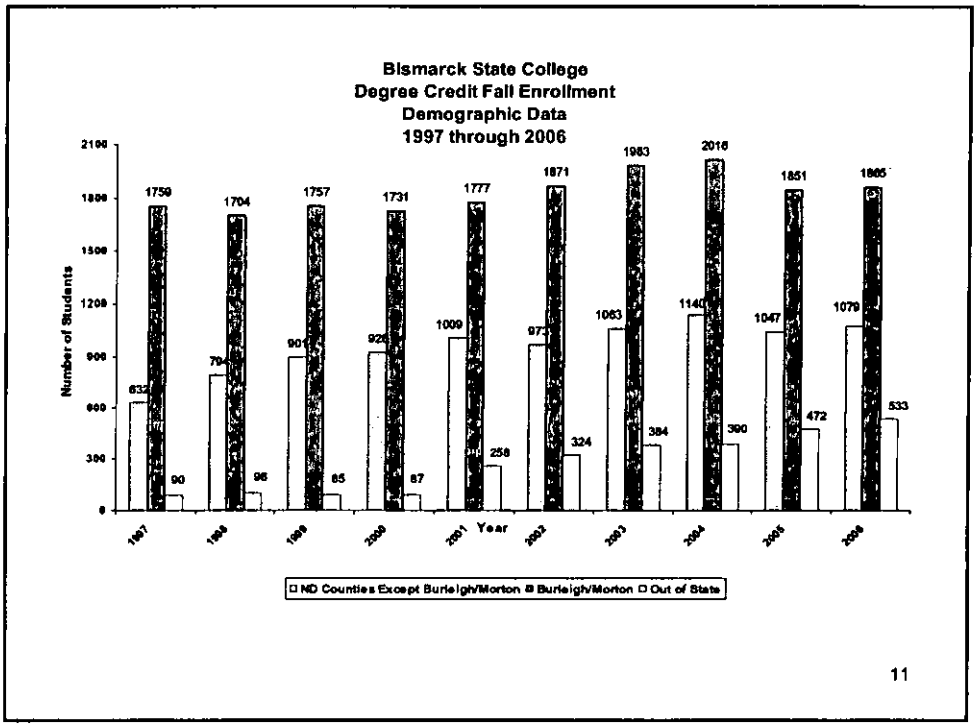



Bismarck State College
Fall Credit Hour Production
1997 through 2006
Number of Credits Produced
Year
32007
33286
34884
35253
37102
38124
41202
41993
39037
39763
21581
23210
23444
24509
23777
24405
26200
24325
23718
23984
10426
10076
11440
10744
13325
13719
15002
17668
15321
15799
Total Credits Produced
Liberal Arts
Career/Technical

9


Bismarck State College
Distance Education Online Fall Enrollment
2000 through 2006
Number of Students
Year
332
487
748
944
1072
1173
1187
147
185
278
433
552
564
628
655
209
313
392
508
547
532
Distance Ed Headcount
Online/On-Campus
Online Only

10



11

Corporate & Continuing Education

- More than 25,000 people served in FY2006
  - Workforce training for business and industry
    - 2,830 individuals from 231 businesses in Southwest Workforce Training Region received training in FY06
    - Additional training requested by 85 businesses
    - 553 training events held
    - 99% of clients served satisfied with training and responsiveness of BSC
    - Direct revenue exceeded $670,000

Long-term Enrollment Plans

- Conduct external environmental scanning and strategic planning to determine new programs
- Continue to develop new programs based on industry need
- Anticipate growth in online learning in many disciplines
  - Military
  - International markets
- Goal is 4,000 total enrollment by 2010

National Energy Center of Excellence

- This world-class facility will serve as a national resource of education and training for energy industry and their partners
- Facility will capitalize on BSC's national prominence as a leading provider of training for the energy industry through five on-campus and online credit programs and many non-credit training opportunities
- 950 unduplicated students enrolled in on-campus and online credit programs in FY06
  - 293 from North Dakota
  - 651 from out of state
  - 6 international students

National Energy Center of Excellence

- $16.1 million building to be completed in Summer 2008
  - $3 million received from first cycle of N.D. Centers of Excellence for Economic Development
- Recent partnerships providing economic benefit
  - $120,000 contract to provide online training in Nuclear Power Technology for Duke Power in North Carolina
  - Turtle Mountain Community College energy program partnership

National Energy Center of Excellence

- BSC has created new technologies, such as WebLab
  - Potential to become private sector spin-off
- Building will be demonstration site for use of fly ash through production of FlexCrete
  - This new industry would create many new jobs
- Federal Energy Bill designates BSC as National Power Plant Operations Technology and Education Center

Future Critical Issues for BSC

- Providing expanded distance education opportunities as campus demographics shift
- Continued development of external funding sources
- Maintaining enrollment growth while number of N.D. high school graduates declines
- Strengthening strategic planning tied to budget process

Future Critical Issues for BSC

- Keeping tuition at a competitive level
- Making sound decisions when campus initiatives compete for limited financial resources
- Finding funding sources for future physical facilities
- Identifying funding sources for program development

Campus Initiatives and Programs

Dr. Wayne Boekes
Provost and Vice President for
Academic and Student Affairs
W.Boekes@bsc.nodak.edu
224-5404

New Program Development

- Partnering arrangements used for development and delivery
- Changes in technology and emergence of new occupations demand that BSC respond quickly to industry needs
- Expansion occurring in industrial fields
- Many new programs are aligning with local and state economic development initiatives

New Programs

- Mechanical Maintenance Technology
  - Program begins this semester (Spring 2007)
  - AAS and Certificate
  - Technicians install, repair and maintain industrial production and processing equipment
  - Regional jobs available in new and existing energy plants
  - BSC received Department of Labor earmark of $495,850 in 2004-05
  - BSC Foundation funded construction of industrial building in Mandan for the program

New Programs

- Geographic Information Systems
  - AAS and certificate, combination of online and on campus classes
  - Began in Fall 2006
  - BSC responding to local and state demand for skilled GIS technicians
    - Telecommunications
    - Utilities
    - Ag
    - Mining
    - Transportation

New Online Programs

- Web Page Development and Design
  - Certificate program is new
- Management
  - Students can now complete online
- Eligibility Worker
  - For place-bound human services personnel

New Programs

- Bachelor of Applied Science in Energy Management
  - Online program designed for energy industry employees seeking management positions
  - Applicants must have AAS degree in BSC's energy education programs
  - Approved by SBHE in December 2006
  - Program to begin Fall 2007 or Spring 2008

Recently Developed Programs

- Dakota Nursing Program
  - Career ladder: CNA, Practical Nurse, Registered Nurse (Associate degree)
  - Collaborative program with Lake Region, Williston State, MSU-Bottineau
  - Began in Fall 2004
  - PN class of 2006 has 100% pass rate on NCLEX-PN exam
  - First RN class (2006) has 95% pass rate on NCLEX-RN exam

Program Revision

- Process Plant Technology
  - Curriculum revised to meet needs of expanding alternative fuels industry
    - Ethanol
    - Biodiesel
    - Potential for proposed coal conversion plants
  - Many BSC graduates employed in area and regional ethanol plants

Collaborative/Cooperative Program Enrollments Fall 2006

- UND Graduate Programs (60 students)
- Minot State University - Bachelor Degrees (172 students)
- Dickinson State University - Bachelor Degrees (287 students)
- Williston State College - Massage Therapy (13 students)
- MSU-Bottineau - Medical Assistant (5 students)
- Bismarck Public Schools – (425 students)

Future New Technical Facility

- Bismarck Public Schools will lease ground from BSC for a 50,000 sq ft facility
- BPS will construct and operate facility
- Space will be shared by BPS and BSC as in existing Technical Center
- Technical Center will be renovated later

Academic Quality Improvement Program (AQIP)

- New process for maintaining BSC's accreditation with The Higher Learning Commission/North Central Association
- BSC applied and was accepted by NCA to become an AQIP campus
- Requires a quality improvement philosophy and culture

Academic Quality Improvement

- BSC declared 3 Action Projects in Dec. 2005
  1. Employee Training in Continuous Quality Improvement Principles
  2. Finding Your Way with CampusConnection
  3. Investigate and Improve the Advising Process
- BSC submitted update on projects and received positive comments on progress

Budget Overview

Dave Clark
Executive Vice President
David.Clark@bsc.nodak.edu
224-5434

Please refer to green handout.

Accomplishments Cornerstone 1 Economic Development

- Selected new grants in 2005-06
  - N.D. Centers of Excellence for Economic Development for NECE - $3 million
  - Bismarck Vision Fund for NECE - $700,000
  - Mandan Growth Fund for Mechanical Maintenance program - $200,000
  - Ottertail Power Co. for scholarships - $36,000
  - Qwest for telecommunications equipment - $15,000

Accomplishments Cornerstone 1 Economic Development

- Other economic development activities
  - Workforce training in Southwest Region of North Dakota - 231 businesses received training in FY06
    - Revenues exceeded $670,000
    - Reflects 39% over budgeted amount
  - Training contracts
    - Energy companies
    - North American Electric Reliability Corp. (NERC) certification
    - OSHA Consultation Service

Accomplishments Cornerstone 2 Education Excellence

- Developed new programs
  - Mechanical Maintenance Technology
  - BAS Degree in Energy Management
- Clinical Lab Technician program received continuing accreditation
- Allied Health Campus opened with state-of-the-art equipment

Accomplishments Cornerstone 2 Education Excellence

- Provide students and employees with access to latest technology
  - Latest operating systems, hardware and software
  - All faculty use laptop computers
  - 50 "smart classrooms"
  - Wireless network installed at off-campus Lineworker program facility, and in residence halls, Office Annex, Student Union, and part of Technical Center
  - Employees get computer training through Business Partners and campus instructor
  - New equipment purchased for technical programs

Accomplishments Cornerstone 2 Education Excellence

- Student groups received international, national and regional recognition
  - Phi Theta Kappa – BSC student elected an international vice president
  - Board of Governors – BSC student elected national president
  - Students in agribusiness, lineworker, journalism and business/computer classes won various regional and national awards

Accomplishments Cornerstone 3 Flexible & Responsive System

- Offering five programs through partnerships with energy industry to help meet demand for multi-skilled technicians
- Revised curriculum of Process Plant Technology program to meet needs of ethanol and biodiesel industries
- Developed Mechanical Maintenance Technology program requested by industry
  - Classes begin January 2007

Accomplishments Cornerstone 3 Flexible & Responsive System

- Developed proposal for Bachelor of Applied Science degree in Energy Management
  - Approved to proceed, online classes to begin within 12 months
- Paramedic (EMT) Technology program available in Bismarck and Fargo
  - Offered in Rugby via Interactive Video Network
- Dakota Nursing Program offered in collaboration with three other colleges

Accomplishments Cornerstone 4 Accessible System

- Multicultural programs coordinator provides support for minority students through programming and activities
- Minority students are tracked through cultural diversity tuition waivers and the multicultural programs office
- Disability support services provides support and accommodations for students with disabilities

Accomplishments Cornerstone 4 Accessible System

- BSC received an NSF grant that provides scholarships for underrepresented students (minorities and females) majoring in computer science, math, and engineering
- BSC continues to expand online classes and programs – more than 150 classes and 11 programs
  - Newest programs are GIS Technology and Web Page Development & Design

Accomplishments Cornerstone 4 Accessible System

- Collaborative/Cooperative Programs
  - UND Graduate Programs (60 students)
  - Minot State University - Bachelor Degrees (172 students)
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  - Bismarck Public Schools – (425 students)

Accomplishments Cornerstone 5 Funding & Rewards

- More than 20 grant proposals submitted in 2005-06
  - $4.4 million awarded
- Includes $3 million from N.D. Centers of Excellence Commission for BSC National Energy Center of Excellence

Accomplishments Cornerstone 5 Funding & Rewards

- BSC Foundation (2005-06)
  - Scholarships - $225,359
  - Grants - $357,592
  - Staff development and awards - $21,041

Accomplishments Cornerstone 6 Sustaining the Vision

- BSC is using the AQIP accreditation process for maintaining accreditation with North Central Association
  - Continuous quality improvement practices will be used throughout campus
- BSC continues its work within NDUS to improve functionality of ConnectND software

Accomplishments Cornerstone 6 Sustaining the Vision

- BSC is committed to fulfilling our obligation to meet the goals and objectives of the Roundtable
- BSC participates in and supports the ongoing activities of the Roundtable, and strives to fully implement the cornerstones of the Roundtable

BISMARCK STATE COLLEGE

BSC

Bismarck State College Budget Overview
Dave Clark-Executive Vice President

2005-07 Appropriation Status Report

2005-07 General Fund Appropriation

Operations	$16,865,548
Capital Assets-Repairs	$ 243,481
Equity Adjustment	$ 400,000
	$17,509,029

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Capital Assets-Residence Hall	$ 3,242,500*
Capital Assets-Plant Services Bldg	$ 502,800
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*Excludes $1,785,000 other fund appropriation authority from 2003-05 biennium for Residence Hall project.

Early in the biennium, Bismarck State College faced a budget challenge. After 10 years of enrollment growth, we experienced a decline in the Fall of 2005. The enrollment change carried over to the Spring 2006 term and we ended FY06 with an enrollment decline of approximately 7%. This amounted to a tuition shortfall of $700,000. BSC utilized the $400,000 equity adjustment to offset the tuition shortfall and implemented additional mid-year budget cuts to balance the operating budget.

The FY07 operating budget and income projections were put together based on FY06 enrollments. We did carry over most of the mid-year FY06 operating expense cuts to the FY07 budget and have also kept a number of positions vacant in FY07. These were difficult decisions, but necessary to balance the FY07 operating budget. FY07 fall enrollment has rebounded 2% from FY06 levels and thus the FY07 tuition revenues are tracking ahead of projections. The FY07 expenditures are under-budget which puts the overall 2005-07 operations budget in good shape.

Our capital assets-extraordinary repair budget of $243,481 was all expended in FY06. The expenses included $60,500 for special assessments, $172,400 for renovation of our registrar/admissions area in Schafer Hall and $10,600 on some remodel work in Werner Hall.

The 2005-07 major capital improvement projects include a new residence housing unit. The budget for this project is $5,027,500. We had a bid opening on this project last summer and rejected the bids, because they were over budget. We will be re-bidding this project in February 2007 after a re-design effort that has reduced the square footage of the project.

The second major capital improvement in the 2005-07 budget was for a $502,800 plant services building to be funded from internal sources. We still have a compelling need for this project, but are not in the financial condition to fund this project internally.

2007-09 Budget Information

Bismarck State College is strongly supportive of the 2007-2009 executive budget. We feel this budget will provide a basis for BSC to continue to provide quality education at an affordable price and to help fuel the economic expansion in the Bismarck/Mandan region by maintaining and growing our close partnerships with business and industry. We are confident BSC has played an important role in support of the current strong local economy and certainly will contribute to its sustainability as we look to the future.

A) General Fund

	SBHE Request	Executive Recommendation	
Operations	$17,265,548	$17,265,548	Base Funding
Campus Parity	$ 1,993,005	$ 1,993,005	Base Funding
Campus Equity	$ 524,585	$ 524,585	Base Funding
Operations Total	$19,783,138	$19,783,138	
Capital Assets-Repairs	$ 243,481	$ 243,481	Base Funding
Capital Assets-Rep. Inc.	$ 125,816	$ 125,816	One-Time Funding
Deferred Maintenance	$ 173,159	$ 103,895	One-Time Funding
Capital Asset Total	$ 542,456	$ 473,192	
Schafer Hall Renovation	$ 515,195	$ 515,195	One-Time Funding
Total General Fund	$20,840,789	$20,771,525	

B) Other Funds

Schafer Hall Renovation	$ 27,805	$ 27,805	One-Time Funding

C) Total All Funds

Operations	$19,783,138	$19,783,138
Capital Assets	$ 542,456	$ 473,192
Schafer Hall Renovation	$ 543,000	$ 543,000
Total	$20,868,594	$20,799,330

The executive recommendation fully funds the parity ($1,993,005) and equity ($524,585) requests for BSC.

The parity funding is the result of the North Dakota University System long term finance plan which provides $33,852,000 for parity in the executive recommendation. BSC's share is $1,993,005

The parity funding will provide:

- operating expense increase-$288,167
- cost to continue salary increase-$222,268
- increased cost of health insurance premiums-$436,798
- 5% per year/employee compensation package-$1,045,772

These amounts are 75% of the total estimated cost to continue operations. In the North Dakota University System long term finance plan, the 2-year schools have a targeted state share of expenses of 75%. The other 25% expense share would be applied in theory to a tuition rate increase. It was also pointed out in the North Dakota University System's hearing that not all of the parity costs were built into the request. Bismarck State College fully understands the need to hold the line on a tuition rate increase. With this budget we will be able to do just that and certainly keep tuition rate increases to less than 5% annually for the next biennium.

Most of the parity funding will be expended for salaries and benefits for our employees. The parity funds are critically needed to remain competitive in the Bismarck/Mandan market. We have a number of vacant positions we are trying to fill; however we have received a limited response due to increased competition for human resources and our current salary structure. This budget will maintain the health insurance benefit for our employees and provide a 5% per year salary increase to help us address this market issue. The 5% compensation package is the top funding priority at Bismarck State College.

The operating expense budget has been impacted significantly by higher natural gas prices this biennium. We have been fortunate with weather conditions or the situation would be worse. Still utilities will be over budget. Due to our 2005-06 enrollment decline, BSC departmental operating expenses were cut by 5% in FY06. The parity funded operating expense increase of $288,166 will provide for some reinstatement of these funds, which primarily affects discretionary funding areas.

The equity funding is the result of the North Dakota University System long term finance plan which provides $10 million for equity in the executive recommendation. BSC's share of the $10 million would be $524,585. BSC is currently at 51% of our peer benchmark.

The equity funds are a critical funding component as well. There are a number of areas that BSC has identified for use of these funds:

- New program development
    - Bachelor of Applied Science in energy management
    - Instrumentation and Control
    - Energy Technology specialization

- Space needs
  - BSC will be completing construction on the National Energy Center of Excellence in the summer of 2008. This is a BSC Foundation project that will provide leased space for our energy education programs, Corporate and Continuing Education, and collaborative higher education programs. We also have started a mechanical maintenance program in leased space in Mandan. These new and improved facilities will have an impact on our operating budget that the equity funding will support.

The capital asset funding executive recommendation is $473,192. The base funding level is $243,481 and there is a recommendation of one-time funding for $229,711. This funding is for extra-ordinary repairs ($125,816) and deferred maintenance projects (103,895). There are a number of projects that need to be addressed. They include the following:

- 2007-09 special assessments $109,419
- Electrical distribution line replacement $ 57,200
- Armory bleachers $135,200
- Armory/Library repairs $171,373

In accordance with the North Dakota University System budget refinement plan, BSC requests that the one-time capital asset funding recommendation of $125,816 be shifted to on-going base funding.

As requested by the Legislative Council, the only variance in the executive budget recommendation from what BSC requested is in the capital asset-deferred maintenance request. The executive budget recommendation reduced our request by $69,264. These funds were to be primarily used to make campus-wide exterior lighting improvements.

The executive recommendation also provides a $543,000 appropriation for the last phase of Schafer Hall renovation. There is $515,195 recommended from general funds and $27,805 of other funds which will likely be our local fund reserves. This renovation will remove the remaining asbestos in Schafer Hall and improve the Business Office and Information Services support areas. This will allow for more efficient customer service to our students and a better working environment for our employees. We will reconfigure the Sidney J. Lee auditorium ticket and gallery areas if funds allow for the work.

One other area that the State Board of Higher Education , North Dakota University System, and Bismarck State College would like you to consider changing is the Governor's recommended appropriation for the North Dakota Workforce Training System. Currently $1,350,000 is appropriated to the State Board for Career and Technical Education for workforce training. These funds are granted to Bismarck State College, North Dakota State College of Science, Lake Region State College and Williston State College. This is the same level of appropriation that was granted in 2001. Please consider providing an additional $2.7 million in base funding for the Career and Technical Education budget in support of workforce training. The most important thing North Dakota can do is invest in human capital. An exemplary way to invest in human capital is to invest in the North Dakota Workforce Training System.

A total statewide biennial budget of $4 million will allow the Workforce Training System to go to the next level of service while maintaining its high level of accountability. The business advisory boards of the four workforce training regions have identified three major conclusions:

1. The Workforce Training System is very effective in responding to the needs of business and industry.
2. The Workforce Training System has reached its capacity with its current resources.
3. The number of businesses and employees served will remain relatively constant until additional resources are received.

The additional funds will provide businesses greater access and extend additional training opportunities to rural communities and small businesses.

Performance Contract Projects-Energy Services

Bismarck State College entered into a performance contract agreement with Energy Services Group in July, 2002 to furnish equipment and to make retrofits designed to reduce energy consumption and operational costs. Substantial completion and acceptance of the project occurred in May, 2004. The project improvement costs were $1,492,000 and the total expenses with technical resources and finance costs are $2,222,733 with a 10 year payback period. The debt will be paid off as of June 30, 2013. The estimated savings as stipulated in their performance guarantee is $2,222,733 over the 10 year period.

After the close of each fiscal year ESG and BSC meet to go over the measurement and verification annual report. The documentation supports that the savings are meeting the performance guarantee.

2003-05 General Fund Carryover

Section 54-44.1-11 of the North Dakota Century Code requires a report on the amounts and uses of funds carried over from one biennium to the next. BSC had a capital asset carryover of $43,183. These funds were all expended in FY2006 on building improvements. The funds were expended as follows:

- Werner Hall remodel $36,689
- Architectural Fees $ 1,392
- Electrical work $ 4,947
- Office equipment $ 155

(1)

With the exception of these pages, same testimony given to House and Senate

Bismarck State College



North Dakota
Senate
Appropriations
Committee

February 28, 2007

Overview of BSC

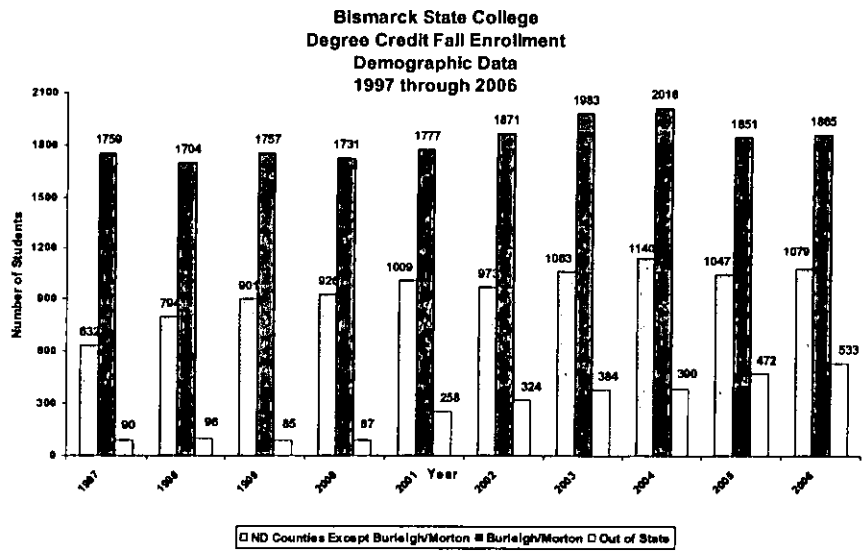
Gordon Binek
Interim President
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Area of Focus and Specialization
National Energy Center of Excellence

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- Sen. Dorgan proposes establishing Energy Corridor in western NoDak with BSC as headquarters

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Provost and Vice President for
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Dave Clark-Executive Vice President

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A) General Fund

	SBHE Request	Executive Recom.	House Adjustments	Engrossed HB 1003	
Operations	$17,265,548	$17,265,548		$17,265,548	Base Funding
Campus Parity	$ 1,993,005	$ 1,993,005	($211,897)	$ 1,781,108	Base Funding
Campus Equity	$ 524,585	$ 524,585		$ 524,585	Base Funding
Operations Total	$19,783,138	$19,783,138		$19,571,241	
Capital Assets-Repairs	$ 243,481	$ 243,481		$ 243,481	Base Funding
Capital Assets-Services	$ 125,816	$ 125,816		$ 125,816	One-Time Funding
Deferred Maintenance	$ 173,159	$ 103,895		$ 103,895	One-Time Funding
Capital Asset Total	$ 542,456	$ 473,192		$ 473,192	
Schafer Hall Renovation	$ 515,195	$ 515,195		$ 515,195	One-Time Funding
Total General Fund	$20,840,789	$20,771,525	($211,897)	$20,559,628	

B) Other Funds

Schafer Hall Renovation	$ 27,805	$ 27,805		$ 27,805	One-Time Funding

C) Total All Funds

Operations	$19,783,138	$19,783,138	($211,897)	$19,571,241
Capital Assets	$ 542,456	$ 473,192		$ 473,192
Schafer Hall Renovation	$ 543,000	$ 543,000		$ 543,000
Total	$20,868,594	$20,799,330		$20,559,628

The executive recommendation fully funds the parity ($1,993,005) and equity ($524,585) requests for BSC. The House adjustments reduce the salary increase compensation from 5% per year to 4% per year. This change reduced our campus parity by $211,897.

The parity funding is the result of the North Dakota University System long term finance plan which provides $33,852,000 for parity in the executive recommendation. This amount was reduced in the engrossed bill by $4.2 million. BSC's share was $1,993,005 in the executive budget and reduced by $211,897 in the engrossed bill.

The parity funding will provide:

- operating expense increase-$288,167
- cost to continue salary increase-$222,268
- increased cost of health insurance premiums-$436,798
- 4% per year/employee compensation package-$833,875

These amounts are 75% of the total estimated cost to continue operations. In the North Dakota University System long term finance plan, the 2-year schools have a targeted state share of expenses of 75%. The other 25% expense share would be applied in theory to a tuition rate increase. It was also pointed out in the North Dakota University System's hearing that not all of the parity costs were built into the request. Bismarck State College fully understands the need to hold the line on a tuition rate increase. With this budget we will be able to do just that and certainly keep tuition rate increases to less than 5% annually for the next biennium.

Most of the parity funding will be expended for salaries and benefits for our employees. The parity funds are critically needed to remain competitive in the Bismarck/Mandan market. We have a number of vacant positions we are trying to fill; however we have received a limited response due to increased competition for human resources and our current salary structure. This budget will maintain the health insurance benefit for our employees and provide a 4% per year salary increase to help us address this market issue. We are concerned that the state health insurance plan will require higher co-payments and deductibles. If that occurs, a significant amount of any salary increase will be offset by higher out of pocket health care expenses. That would be unfortunate, especially for our lower paid employees. The compensation package is the top funding priority at Bismarck State College.

The operating expense budget has been impacted significantly by higher natural gas prices this biennium. We have been fortunate with weather conditions or the situation would be worse. Still utilities will be over budget. Due to our 2005-06 enrollment decline, BSC departmental operating expenses were cut by 5% in FY06. The parity funded operating expense increase of $288,166 will provide for some reinstatement of these funds, which primarily affects discretionary funding areas.

The equity funding is the result of the North Dakota University System long term finance plan which provides $10 million for equity in the executive recommendation. BSC's share of the $10 million would be $524,585. BSC is currently at 51% of our peer benchmark.

The equity funds are a critical funding component as well. There are a number of areas that BSC has identified for use of these funds:

- New program development
  - Bachelor of Applied Science in energy management
  - Instrumentation and Control
  - Energy Technology specialization
- Space needs
  - BSC will be completing construction on the National Energy Center of Excellence in the summer of 2008. This is a BSC Foundation project that will provide leased space for our energy education programs, Corporate and Continuing Education, and collaborative higher education programs. We also have started a mechanical maintenance program in leased space in Mandan. These new and improved facilities will have an impact on our operating budget that the equity funding will support.

The capital asset funding executive recommendation is $473,192. The base funding level is $243,481 and there is a recommendation of one-time funding for $229,711. This funding is for extra-ordinary repairs ($125,816) and deferred maintenance projects (103,895). There are a number of projects that need to be addressed. They include the following:

- 2007-09 special assessments $109,419
- Electrical distribution line replacement $ 57,200
- Armory bleachers $135,200
- Armory/Library repairs $171,373

The executive recommendation also provides a $543,000 appropriation for the last phase of Schafer Hall renovation. There is $515,195 recommended from general funds and $27,805 of other funds which will likely be our local fund reserves. This renovation will remove the remaining asbestos in Schafer Hall and improve the Business Office and Information Services support areas. This will allow for more efficient customer service to our students and a better working environment for our employees. We will reconfigure the Sidney J. Lee auditorium ticket and gallery areas if funds allow for the work.

2007-09 Budget Restoration Priorities and Summary

The top priority of Bismarck State College is support for the SBHE request. Please consider the following:

- Restore $211,897 in state general funds to provide 5% annual salary increases for faculty and staff as originally included in the Executive Budget. Salary increase compensation is the #1 budget priority at BSC.
- Fund the state health insurance plan at the level needed to maintain current level of benefits for all state employees.
- BSC supports funding to stabilize and enhance our Connect North Dakota system. Any investment in CND supports our students and all campuses in an equal fashion.
- BSC supports funding for SBHE contingency and initiative funds. These funds are often the only available source for important new collaborations and for dealing with emergencies. An example at BSC would be our Dakota Nursing Program which is a

partnership among BSC, WSC, LRSC and MSU-Bottineau for the delivery of PN and ADN programs. This multi campus collaboration was a result of SBHE initiative funding. BSC has also had the need to request SBHE contingency funds. In the mid 1990's we had a facility emergency with the Armory that required the demolition (due to slumping) of part of the facility to maintain the structural integrity.

- BSC supports funding for the College Technical Education Council (CTEC) position within the NDUS. This position is critical to the success of our two-year schools. Leadership, visability and coordination for our community colleges during a time of statewide economic expansion is very important especially when you consider the growing demand for technical education.
- There is a close linkage of the appropriated funding level to the NDUS and BSC and the ability to hold tuition increases to not more than 5% next biennium. BSC is committed to this financial relationship and asks your support for the budget restoration plan.

2003-05 General Fund Carryover

Section 54-44.1-11 of the North Dakota Century Code requires a report on the amounts and uses of funds carried over from one biennium to the next. BSC had a capital asset carryover of $43,183. These funds were all expended in FY2006 on building improvements. The funds were expended as follows:

- Werner Hall remodel $36,689
- Architectural Fees $ 1,392
- Electrical work $ 4,947
- Office equipment $ 155

Handout #2

HB 1003
January 11, 2007

BISMARCK STATE COLLEGE

Annual Report





Your Lifetime Link to Learning

www.bismarckstate.edu

BISMARCK STATE COLLEGE

BSC



Dear Friends & Colleagues,

I'm pleased to offer this overview of Bismarck State College's highlights of the 2005-06 academic year. I encourage you to take note of the Student Accomplishments section below. Students in several disciplines competed and excelled in academic and skills areas, resulting in significant state, regional, and national awards. Two of our students were elected to national and international offices, a true demonstration of the leadership activities BSC provides. We can all be proud of our students!

The College's designation as a North Dakota Center of Excellence for Economic Development stands out as one of the high points of the year. When we broke ground for BSC's National Energy Center of Excellence, we knew the efforts of many would soon be realized. The NECE will greatly benefit our students and other stakeholders, and will contribute to local, state and regional economic development.

The year was the capstone in the 11-year tenure of Dr. D. S. Thigpen, who retired as president on June 30, 2006. Her strong leadership leaves a lasting legacy of progress and growth.

Thank you, employees, for your dedication to our students. And thanks to the community, business, industry, and all levels of government for your support of Bismarck State College.

Sincerely,

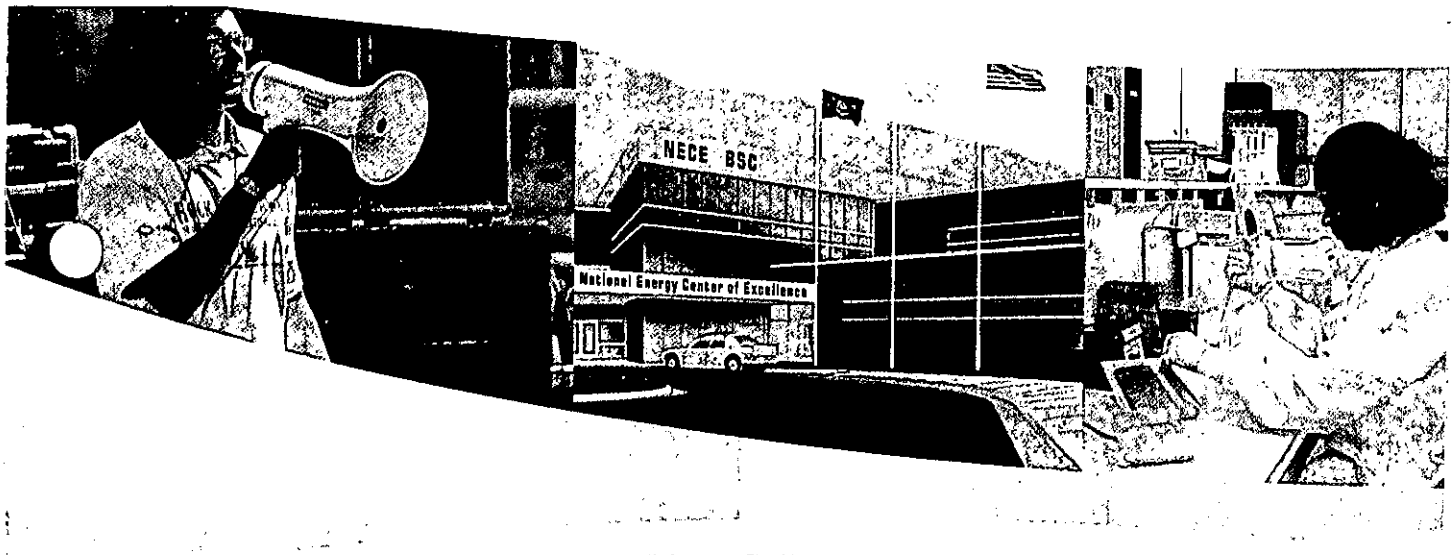
Gordon Binek
Interim President, Bismarck State College

Bismarck State College

Student Accomplishments

- Preston Schmidt was elected International Vice President of Division III of Phi Theta Kappa, the international honor society of two-year colleges, in April 2006. He is the first student from the four-state region to hold an international office in the society.
- Catherine Klein, president of the BSC Board of Governors, was elected in June 2006 as the national president of the American Student Association of Community Colleges. She is the second BSC student to serve in this national leadership position in the past five years.
- BSC agribusiness students won two first place awards, a second place award, and two third place awards at the National Postsecondary Agricultural Students Organization Conference.
- The Mystic volleyball team was honored as an NJCAA Academic Team of the Year. To earn this status, they must have a minimum 3.0 grade point average as a team.
- The Mystic women's basketball team made an unprecedented third trip in four years to the NJCAA National Division II Basketball Tournament after winning region and district championships. They placed eighth in the tournament.
- The Mystic men's basketball team took the Region XIII championship.
- BSC lineworker students placed third overall at the 4th annual College Linemen's Rodeo at Pratt Community College in Pratt, Kan. BSC students won three team awards and three individual awards.
- The Mystician student newspaper won second place in the category Best All-Around Daily Student Newspaper in the Mark of Excellence Awards of the Society of Professional Journalists Region 6. Jennifer Weisgerber, an editor, won two first place photography awards. Weisgerber also won six writing/editing awards in the N.D. Professional Communicators college contest.
- Three students placed in the Phi Beta Lambda National Leadership Conference. Austin Wolf and Maleah Nelsen took fifth place in Web Development and Design. Kim Jensen placed tenth in Management Analysis and Decision Making.





Major College

Accomplishments

- Bismarck State College was designated the National Power Plant Operations Technology and Education Center in the Energy Bill passed by Congress in August 2005. U.S. Senator Byron Dorgan had the provision added to the bill. The designation in federal energy policy will facilitate moving appropriations to the national center at BSC.
- BSC's Allied Health Campus opened in the fall of 2005 in downtown Bismarck. The remodeled space features state-of-the art equipment. Programs located there are the Dakota Nursing Program (practical nursing and associate degree nursing), surgical technology and certified nursing assistant programs, and the massage therapy program offered through Williston State College.
- BSC began participation as an Academic Quality Improvement Program (AQIP) campus with several employees attending a Strategy Forum in October 2005. The Strategy Forum is part of the process to help campuses move to AQIP for renewing accreditation with the North Central Association Higher Learning Commission. The campus declared three AQIP Action Projects in December 2005. Project titles are "Employee Training in Continuous Quality Improvement Principles," "Finding Your Way with CampusConnection" and "Investigate and Improve the Advising Process." About 30 employees were actively involved with the projects.
- In December 2005, Bismarck State College received $3 million in the first round of awards provided through the N.D. Centers of Excellence for Economic Development. BSC's Center of Excellence focuses on education of multi-skilled technicians for the energy industry on a national scale.
- Ground breaking took place May 10 for the National Energy Center of Excellence, the new name of BSC's Career and Technology Institute. A large gathering of energy industry and business leaders, government officials, and educators attended the event. May 2008 is the expected completion date of the 106,200 square-foot building.
- BSC coordinated training for 2,830 people from 231 businesses in the Southwest Workforce Training Region during 2005-06. Additional training was requested by 85 businesses and 99 percent of all companies were satisfied with their training. Clients requested more technical training, which supports the kind of positive economic growth being experienced in the southwest region. Direct revenue exceeded $670,000.
- The number of online students increased 9.4 percent from last fall. In 2005, the number of students enrolled in at least one online class was 1,173 individual students. Of the 1,173 students, 626 were enrolled only in online courses. Of that number, 272 were taking general education/electives and 354 were taking energy technology classes (or a combination of energy/general education/ electives). Online students were from 44 states, two Canadian provinces, and Australia.
- BSC continues to host collaborative students who attend classes on the BSC campus. In 2005-06, 465 collaborative students were enrolled in programs with Dickinson State University, Minot State University, Minot State University-Bottineau, University of North Dakota and Williston State College. In addition, more than 400 high school students attended classes in the Technical Center.
- The 9th annual ArtsQuest incorporated a new feature, FilmFocus, about movies and movie production. Other events included student talent, interactions with guest artists and a student organized music festival. The Arts and Communications Department coordinates the month-long arts celebration for the campus and community.
- BSC became the first campus in the North Dakota University System to become tobacco-free. The new policy took effect Jan. 1, 2006.

Selected Grants, Awards & Departmental

Accomplishments

Major Grants

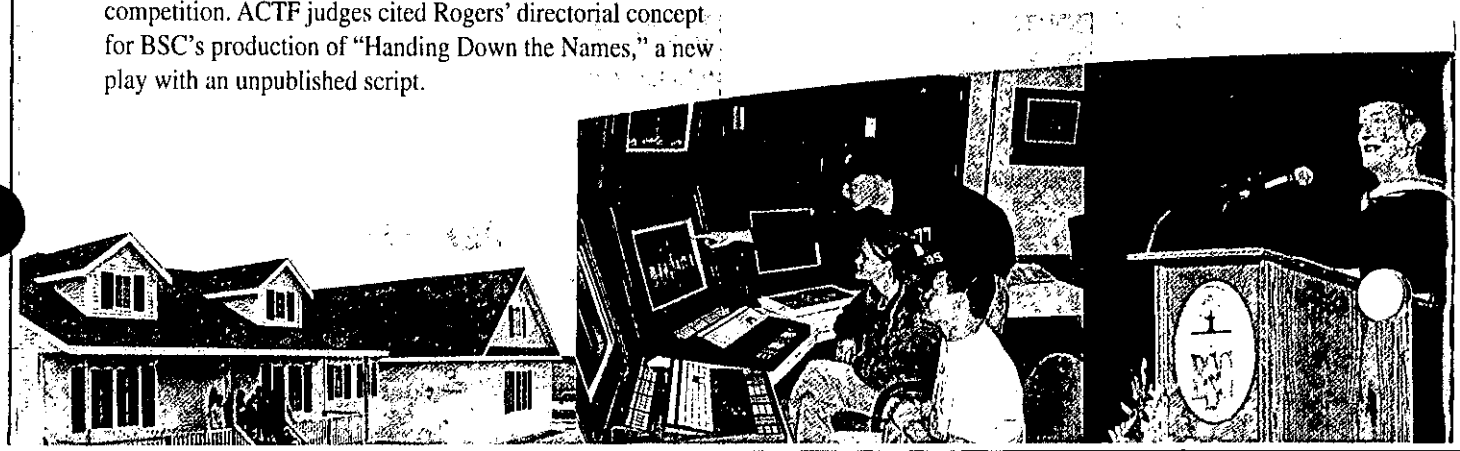
- BSC received $700,000 from the Bismarck Vision Fund for the National Energy Center of Excellence (formerly Career & Technology Institute).
- The Mandan Growth Fund provided $200,000 for assistance with construction of a building to house the Mechanical Maintenance Technology Program in Mandan.
- Ottertail Power Co. provided a $36,000 grant to fund scholarships for students enrolled in electrical lineworker and energy technology education programs.
- BSC received a $15,000 grant in August 2005 from Qwest for the Electronics/Telecommunications Technology program. Purchases of a telecommunications test set, a handheld fusion splicer for fiber optic cable, and a cable fault simulator will enable students to become proficient with updated equipment used by industry.
- BSC's Multicultural Program received a grant of $3,200 from the American Indian Education Foundation to provide emergency financial help to BSC American Indian students.
- The U.S. Department of Labor Women's Bureau awarded $2,000 to BSC to implement the Group E-Mentoring in Nursing Project (GEM-Nursing), a national initiative to recruit young people ages 15 to 21 into nursing.

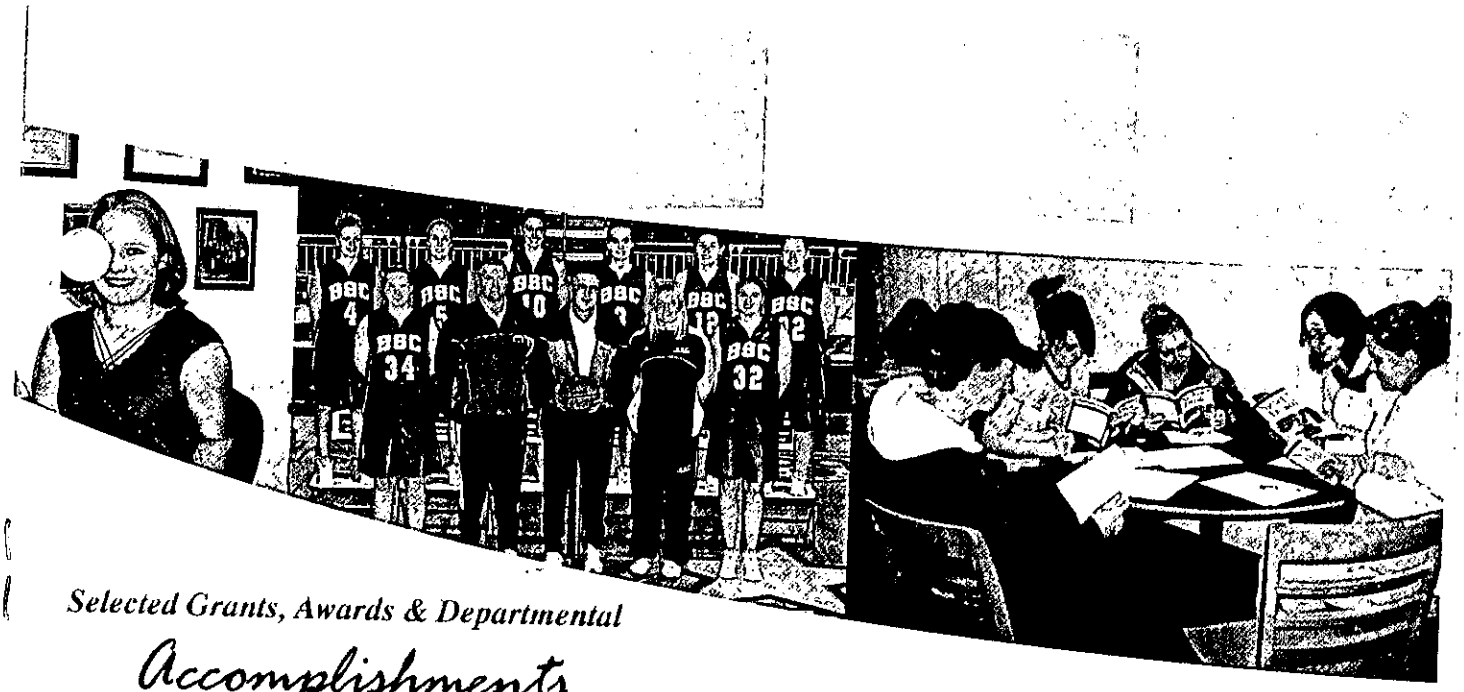
Selected Awards

- The BSC Catalog for 2005-07 received first place for college catalogs in the communications contest of the National Council for Marketing and Public Relations, District 5. NCMPR is a council of the American Association of Community Colleges. Eight states/provinces comprise District 5.
- Dan Rogers, associate professor of speech and theater, won his second commendation for outstanding directing at the Kennedy Center American College Theater Festival. Four BSC students also received recognition at the Region V competition. ACTF judges cited Rogers' directorial concept for BSC's production of "Handing Down the Names," a new play with an unpublished script.
- Jane Schreck, associate professor of English, was named "Outstanding Teacher of the Year" for higher education by the Bismarck-Mandan Chamber of Commerce in May.
- Dr. Wayne Boekes, provost and vice president for academic and student affairs, received the 25-year Service Award from the Energy Generation Conference for 25 years of involvement in the conference, including assisting the committee that founded the conference.
- The Automotive Technology program at the Missouri River Correctional Center received the 2005 Automotive Industry Planning Council Award for Excellence. This is the ninth time the program received the state-level award. The program is offered through BSC and the N.D. Department of Corrections and Rehabilitation.

Departmental Accomplishments

- BSC's Division of Corporate and Continuing Education became certified by the Learning Resources Network (LERN), the leading training and consulting services for lifelong learning professionals.
- The August 2005 issue of Ethanol Producer Magazine, an international publication, included a feature story about BSC's Process Plant Technology Program. The story describes enhancements to the program's curriculum to meet the needs of ethanol and biodiesel plants for additional qualified plant operators.
- Record-breaking attendance marked the 27th annual Energy Generation Conference in Bismarck. More than 1,400 energy industry employees from several states and 600 vendors gathered for professional development and networking opportunities. BSC's Corporate & Continuing Education Division coordinates the conference, which was started by BSC and energy industry partners.





Selected Grants, Awards & Departmental

Accomplishments

- BSC's Clinical Laboratory Technician/Medical Laboratory Technician program received continuing accreditation from the National Accrediting Agency for Clinical Laboratory Sciences.
- The Agribusiness program became a new associate partner with AgrowKnowledge, a national consortium of community colleges that focuses on technology in agriculture. AgrowKnowledge is based at the National Center for Agriscience and Technology Education at Kirkwood Community College, Cedar Rapids, Iowa. BSC's participation places the Agribusiness program among the top colleges integrating the newest technology into their curriculum.
- BSC researched its current place and perceptions in the market to assist in defining a comprehensive branding strategy. Representatives from across campus identified a brand promise statement and series of attributes to be integrated into marketing efforts.

Bismarck State College

Learning First

The Learning First initiative emphasizes the importance of putting learning at the heart of everything that happens on campus. The initiative encourages all employees to recognize their vital part in the learning process and decision-making process on campus. When considering activities, we ask two critical questions — "How does this improve student learning?" and "How do we know?"

Highlights of Learning First team activities

- **Building Community** - Facilitated employee donations of nearly $6,000, other gifts and volunteer time toward several charities, including United Way and a technical college damaged by Hurricane Katrina. On-campus activities included delivering more than 600 "You Make the Difference" certificates to employees, and promoting a healthy lifestyle for employees and students.
- **Embracing Diversity** - Proposed a diversity course requirement for all students, organized a GLBT club (Gay, Lesbian, Bisexual and Transgender) and provided related training for employees, conducted a Diversity Climate Survey in conjunction with the N.D. University System with plans to use results as a guide for future projects, and sponsored several speakers and events.
- **Infusing Technology** - Continued work toward installation of "Wallflower" in the Student Union. This digital picture frame provides information in a marquee format. The team also worked on improvements in technology that affect daily work of employees.
- **Learning Innovation** - Organized and facilitated Campus Development Day activities for employees, started a Readership Program that provides free newspapers to students on campus, and funded a series of satellite seminars on popular culture in cooperation with Phi Theta Kappa.
- **Learning Support** - Organized students to help seniors in the community register for Medicare Part D, established book and magazine exchange sites in four locations, and provided stress relief activities for students during finals.
- **Managing Excellence** - Coordinated a third session of customer service training for employees, continued working with a local organization for handling recycling of college materials, and purchased a container for aluminum recycling.



Bismarck State College

Programs

Bismarck State College, the fourth largest college in the North Dakota University System, is a comprehensive community college providing student-centered learning in these areas: transfer courses, technical programs, online classes and programs, corporate and continuing education, and workforce training.

Transfer

BSC provides the first two years of education toward a bachelor's degree in nearly any field. Students earn an associate in arts or an associate in science degree.

Technical

Students can choose from more than 35 technical programs that prepare them for entry-level placement in specific careers. Completion leads to a program certificate, program diploma or associate in applied science degree.

Distance Learning

BSC is one of the state's leaders in online education, with several programs and more than 150 courses offered online. Distance learning is also provided through the N.D. Interactive Video Network and Interactive Television.

Corporate and Continuing Education

BSC provides workforce training for business and industry in the southwest quadrant of North Dakota. CCE also provides professional development and personal enrichment courses, and conference coordination services.

Bachelor's Degree and Graduate Programs

Nearly 20 bachelor's degree programs and several graduate programs are offered on campus in cooperation with other N.D. University System institutions.

Bismarck State College

Enrollment

Fall 2005 Credit Enrollment

3,370 students

- Third highest enrollment in college's history
- 2,151 full-time students
- 1,173 enrolled in at least one online class

2005-06 Non-credit Numbers

More than 25,000 people attended non-credit educational programs sponsored by the Division of Corporate and Continuing Education. This included training for 231 businesses in the Southwest Workforce Training Region.

Bismarck State College

Mission

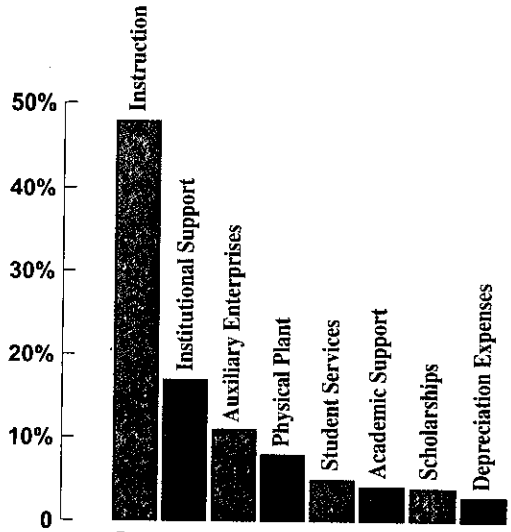
Bismarck State College, a Learning First college, provides a high quality learning-centered education that maximizes student learning and makes students partners in their education. As a comprehensive community college in the North Dakota University System, Bismarck State College offers broad-ranging, flexible, and innovative educational opportunities. We participate in partnerships that promote economic development, we provide cultural enrichment, and we champion integrity, citizenship, and the improvement of life through lifelong learning.

Bismarck State College

Financial Report

Operating Expenses *

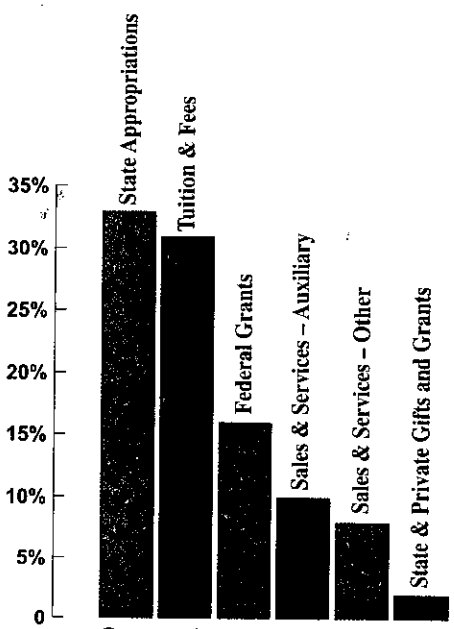
Instruction	$ 12,766,820
Institutional Support	4,520,626
Auxiliary Enterprises	2,846,480
Physical Plant	2,134,440
Student Services	1,343,816
Academic Support	1,133,896
Scholarships	1,025,588
Depreciation Expenses	725,889
TOTAL	**$ 26,497,555**



Operating Expenses

Operating Revenues *

State Appropriations	$ 8,753,000
Tuition and Fees	8,325,904
Federal Grants	4,134,866
Sales and Services – Auxiliary	2,613,169
Sales and Services – Other	2,087,343
State and Private Gifts and Grants	508,253
TOTAL	**$ 26,422,535**



Operating Revenues

Non-Operating Revenues/Expenses *

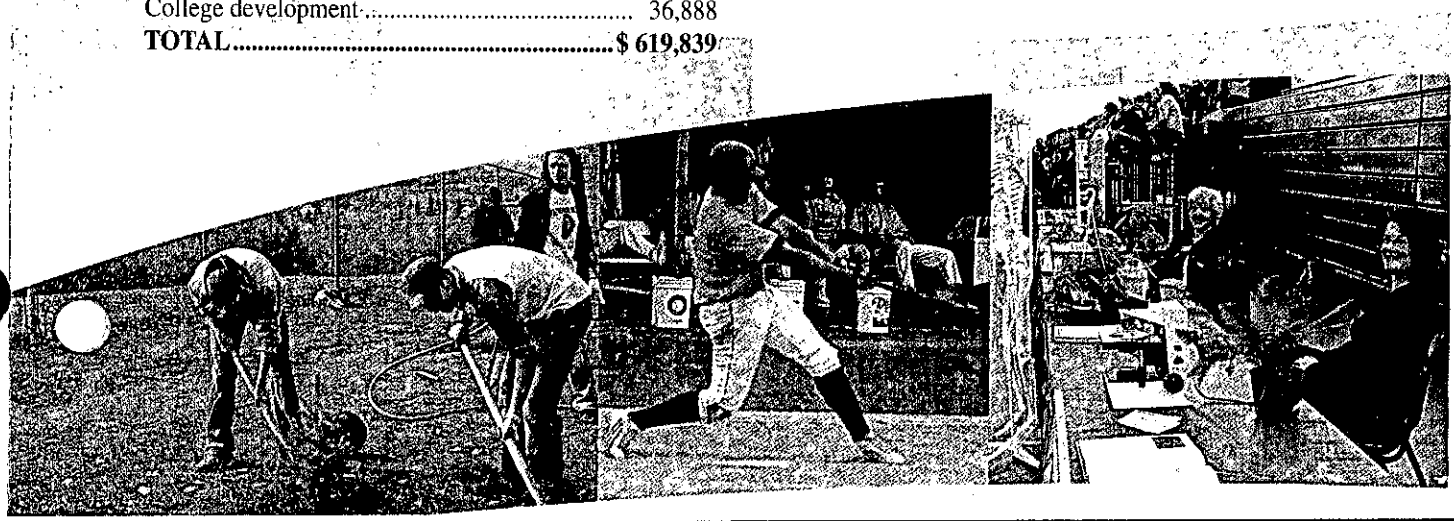
Gifts	$ 458,562
State Appropriations – Capital Assets	286,664
Investment Income	258,293
Other	(346,306)
TOTAL	**$ 657,213**

**Subject to audit review*

BSC Foundation

Private funds from the BSC Foundation provide opportunities for special programs that cannot be funded by appropriated state monies. For the grant awards, emphasis is given to innovative teaching and creative learning projects. In 2005-2006, the BSC Foundation funded these programs:

Grants for faculty, staff and students	$ 357,592
Scholarships for BSC students	225,359
College development	36,888
TOTAL	**$ 619,839**



Hand #3

HB 1003

SOUTHWEST WORKFORCE TRAINING REGION

January 11, 2007

PLACE PARTNER

mission statement

We are committed to being the premier provider of innovative, results-oriented workplace training for the businesses and industries included in ...ate Planning Regions II and VIII. By being fully responsive to workforce training needs, we help to provide businesses and industries in North Dakota with the most competitive workforce in the nation. (North Dakota's Workforce Training Initiative is a result of action by the 1999 Legislative Assembly.)

BISMARCK STATE COLLEGE

BSC

successful training solutions

As the Southwest Workforce Training Region completes its seventh year, we are pleased to present the 2005-2006 Annual Report of training activities.

Please take a few minutes to review the results of this past year. As you do, I believe you will find that the Southwest Workforce Training Region has reached a level of positive maturity. Although the number of businesses served is down slightly from 266 to 231, the number of businesses coming back for additional training assistance continues to grow, representing a 36% repeat business for 2006.

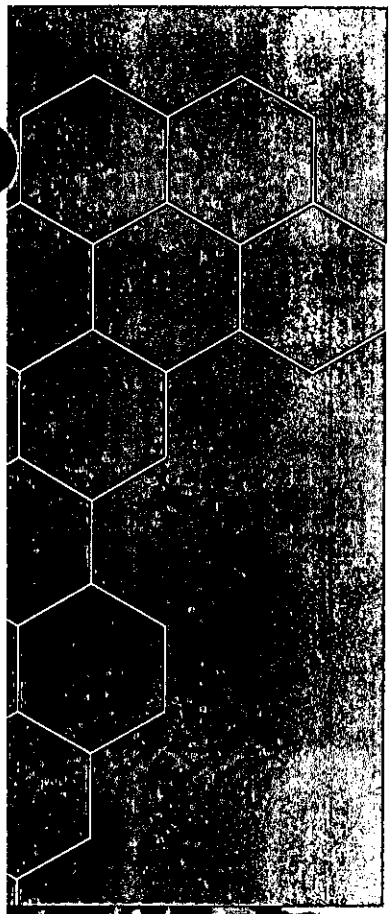
Further examination of the numbers for 2005-2006 would suggest the training being offered is becoming more technical in nature, which supports the kind of positive economic growth being experienced in the Southwest Workforce Training Region. It would also suggest that the technical nature of skills being called for is increasing as the economy continues to grow. The collective numbers presented in this Annual Report would also suggest that the collective business community that has been served reported a 99% satisfaction with the training services provided. This is truly a measurement of the quality of the efforts provided by the staff of the Southwest Workforce Training Region. We all need to thank the full staff for an outstanding job.

And finally, the total revenue generated was $672,510 based on the FY budget of $483,575. This was accomplished within the present staff and is again a credit to them and their commitment to the Southwest Workforce Training Region. This positive revenue picture allows the SW Workforce Training to move forward into the next year with a budget that will allow them continue to support the current businesses in meeting their training needs and to remain competitive in a strong regional economy.

My personal thanks to the staff and Advisory Board of the SWTR for all of your support this past year.

Best regards,

Russell Staiger, AICP
Chair '05-'06
Southwest Workforce Training Region



year end report

- Direct training revenue generated was $672,510 based on a FY budget of $483,575.
- Served 231 businesses representing 3.3% of the region's 6,900 businesses.
- Additional training was requested by 85 of the businesses served, resulting in 36% repeat business for the '06 fiscal year.
- Training events consisted of 4,969 attendees, with several attending multiple events, for a total of 2,830 individual people who received training, which is 3.2% of the region's 87,985 employees, exceeding the goal of serving 2,000 employees.
- Across the region, 553 training events were held.
- Of the clients served, 99% were satisfied with training and the responsiveness of BSC in meeting their needs.
- 99% of training participants were satisfied with the training provided, exceeding the goal of maintaining the satisfaction rate at or above 98%.
- Contacted a total of 393 businesses in the region, with a goal of 400.

referrals

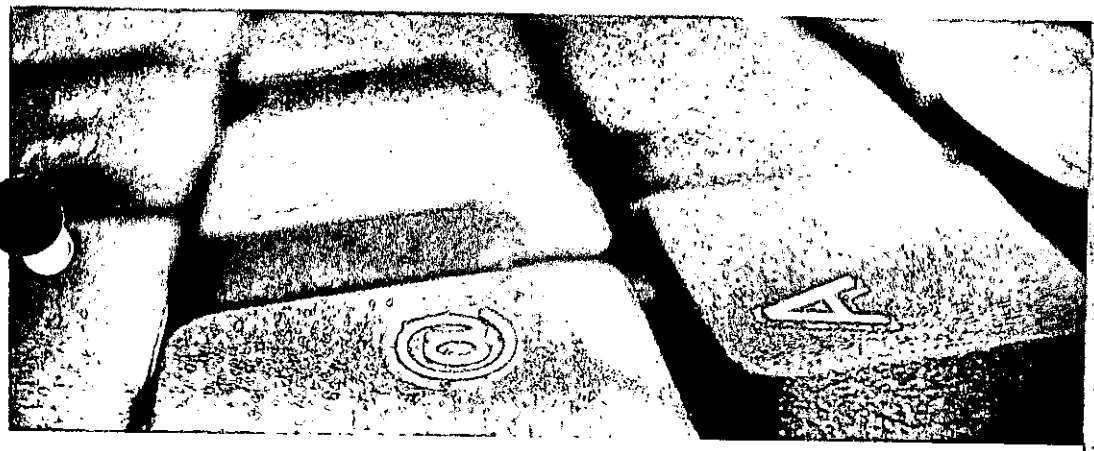


Referrals were made for the following training/ consulting requests:

- SW region referred Crystal Reports training, Java Script training, and three ACT classes to the SE region.
- SW region held Welding Training at WedgCor in Jamestown, the SE region.
- SW region referred both the Department of Commerce and Economic Development Association of North Dakota to the National Development Council for their Economic Development Finance Professional Certification.

fy comparisons

	2005	2006
number of businesses	**266**	**231**
people (unduplicated)	**2,513**	**2,830**
people (duplicated)	**4,479**	**4,969**
companies served with < 50 employees	**59%**	**48%**
total revenue	**$722,833**	**$886,377**
direct training revenue	**$511,620**	**$672,510**
events	**566**	**553**
contact hours	**48,552**	**74,090**



training delivered

Computer Training	229
Misc.	*53*
Excel	*31*
Internet	*28*
Desktop Publishing	*24*
Word	*21*
PowerPoint	*19*
Access	*15*
Quickbooks	*10*
Computer Concepts	*9*
CISCO	*7*
Outlook	*5*
Visual Basics	*4*
SQL	*2*
MOUS Testing	*1*

Organizational Development	22
Strategic Planning	*10*
Mentorship/Leadership	*10*
Misc.	*2*

Technical Training	49
Welding	*14*
Misc.	*10*
Asbestos	*9*
Electronics	*6*
Simulator	*5*
Emergency Ops	*3*
Heating/Refrigeration	*2*

Employee Development	210
Attitude/Motivation	*53*
Healthcare	*32*
Misc.	*32*
Financial Education	*30*
Customer Service	*25*
Workplace Communication	*18*
Supervisory/Managerial	*11*
Online	*7*
Sexual Harassment	*2*

Apprenticeships	43

Total Events	553

clients trained

Companies Served by North American Industry Classification System Code

NAICS	*Description*	*#of Companies*
22	Utilities	46
23	Construction	8
31	Manufacturing	10
42	Wholesale Trade	3
44	Retail Trade	7
48	Transportation	1
51	Information	7
52	Finance and Insurance	6
53	Real Estate Rental & Leasing	2
54	Professional, Scientific & Technical	10
55	Management	2
56	Administration Support	5
61	Educational Services	24
62	Healthcare & Social Assistance	46
1	Arts, Entertainment, Gaming & Recreation	3
2	Accommodation & Food Services	1
81	Other Services	4
92	Government Public Administration	46
	TOTAL	**231**

advisory board

Phil Baird
United Tribes Technical College

Robert Colton
Carpenters Local 1091

Bonnie Dahl
Aetna

Gerald Galloway
American State Bank

Clayton Hoffman
Mercer Economic Development

Kelvin Hullet
Chamber of Commerce

Linda Knodel
St. Alexius Medical Center

Guy Moos
Baker Boy

Bryan Personne
Consolidated

Greg Redekopp
Basin Electric

Russ Staiger
Bismarck/Mandan Dev. Assoc.

Becky Thiem
Zuger Kirmis & Smith Attorneys

Darcy Volk
Unisys Corporation

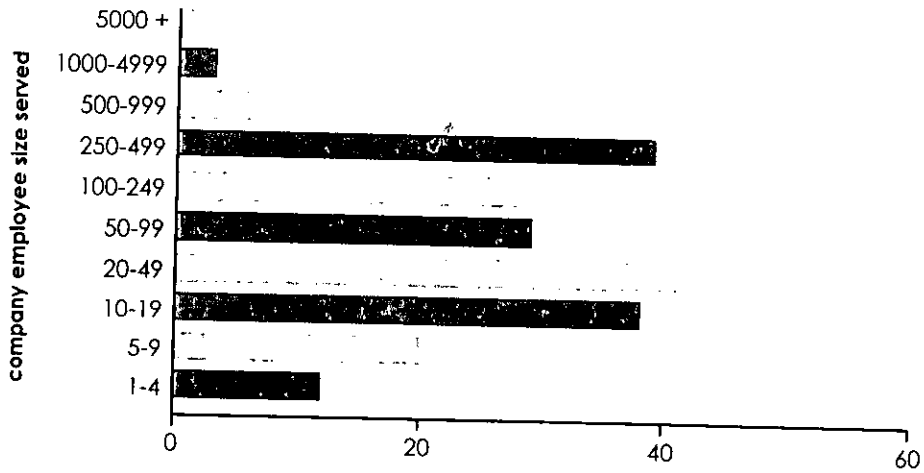
John Weeda
Great River Energy



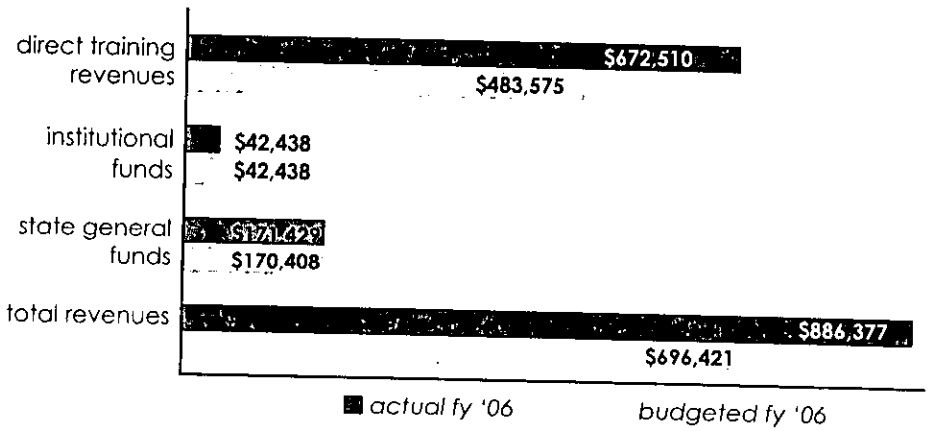
BISMARCK STATE COLLEGE
BSC
CORPORATE AND
NTINUING EDUCATION
1815 Schafer Street
P.O. Box 5587
Bismarck, ND 58506
701.224.5600
1.800.852.5685
v.bismarckstate.edu/cce
dickinson
701.483.2139



our customers



budget *july 2005 through june 2006*

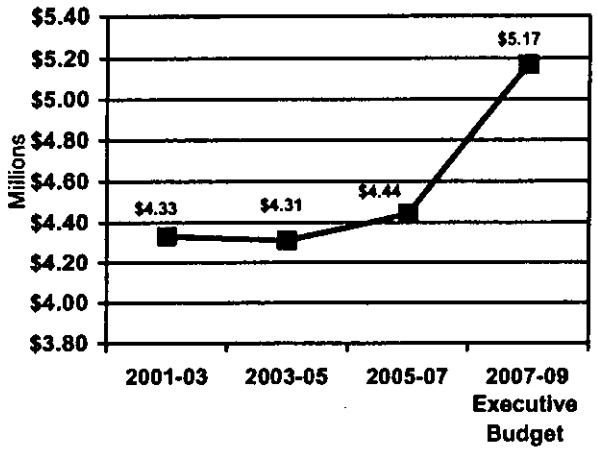


total investment included: direct training 76%; state funding 19%; institution funding 5%

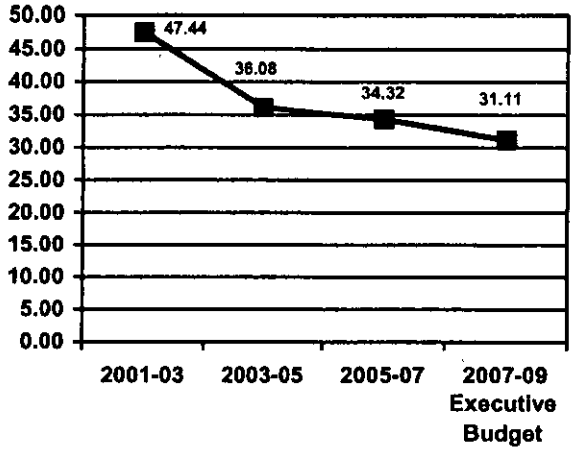
Department 243 - Minot State University - Bottineau
House Bill No. 1003

	FTE Positions	General Fund	Other Funds	Total
2007-09 Executive Budget	31.11	$5,169,274	$12,905	$5,182,179
2005-07 Legislative Appropriations	34.32	4,444,185	6,000,000	10,444,185
Increase (Decrease)	(3.21)	$725,089	($5,987,095)	($5,262,006)

Agency Funding - General Fund



FTE Positions



Executive Budget Highlights

	General Fund	Other Funds	Total
1. Provides parity funding of $398,275 for the following:			
Costs to continue fiscal year 2007 legislatively funded salary increases	$46,865		$46,865
5 percent per year salary increases	217,811		217,811
10 percent per year health insurance increases	110,368		110,368
2.4 percent per year operating inflation	23,231		23,231
Total (The executive recommendation only includes approximately 94 percent of the total general fund portion of parity costs of $424,423. Operating inflation of $26,148 is not included in the executive recommendation. An annual tuition increase of 7.1 percent would be needed to fund the remaining general fund portion of $26,148 and to fund the student portion of parity costs of $141,474.)	$398,275		$398,275
2. Provides equity funding of $38,742. (The executive recommendation includes a $10 million increase for equity distributed among the 11 higher education institutions. The amount distributed to each institution was determined by considering both the institution's dollar difference from their peer benchmark as well as a greater weighting factor to those institutions that are the furthest behind their peer benchmark.)	$38,742		$38,742
3. Provides funding for extraordinary repairs of $158,702 equal to the 2005-07 base funding of $109,725 plus a proportionate share, $48,977, of the $10 million increase that is included in the executive recommendation. (The additional funding of $48,977 **is identified as one-time funding in the executive budget.**)	$48,977		$48,977

4. Removes major capital project funding provided in the 2005-07 biennium including $3.5 million from special funds for an entrepreneurial center for horticulture and $2.5 million from state bond proceeds for an addition to Thatcher Hall		($6,000,000)	($6,000,000)
5. Provides funding for a major capital project--steamline replacement--for the 2007-09 biennium	$239,095	$12,905	$252,000

Other Sections in Bill

Transfer authority - Section 12 provides that the State Board of Higher Education may transfer funds from an institution's operations line item to the institution's capital assets line item if the board determines that additional funds are needed for capital projects or extraordinary repairs.

FTE positions - Section 13 authorizes the State Board of Higher Education to adjust FTE positions as needed for institutions and entities under its control.

Continuing Appropriations

Special revenue funds - NDCC Section 15-10-12 - Provides the continuing appropriation authority for higher education institutions' special revenue funds, including tuition, through June 30, 2007.

Major Related Legislation

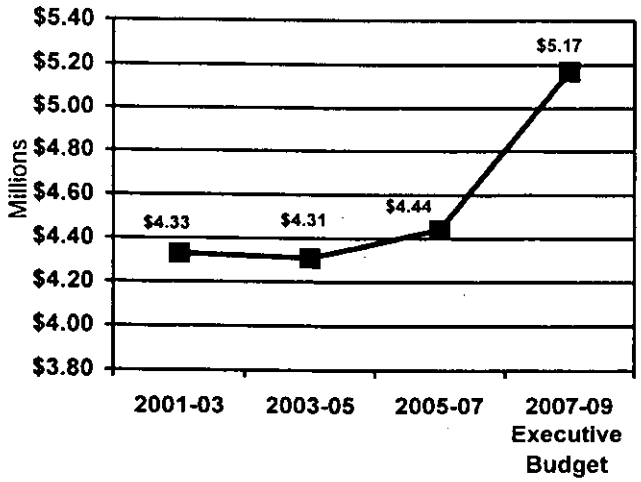
House Bill Nos. 1030, 1031, and 1032 - These bills provide for the continuation of the following statutory provisions through June 30, 2009:

- The continuing appropriation authority for higher education institutions' special revenue funds, including tuition.
- The requirement that the budget request for the North Dakota University System include budget estimates for block grants for a base funding component and for an initiative funding component and a budget estimate for an asset funding component and the requirement that the appropriation for the University System include block grants for a base funding appropriation and for an initiative funding appropriation and an appropriation for asset funding.
- The North Dakota University System's authority to carry over at the end of the biennium unspent general fund appropriations.

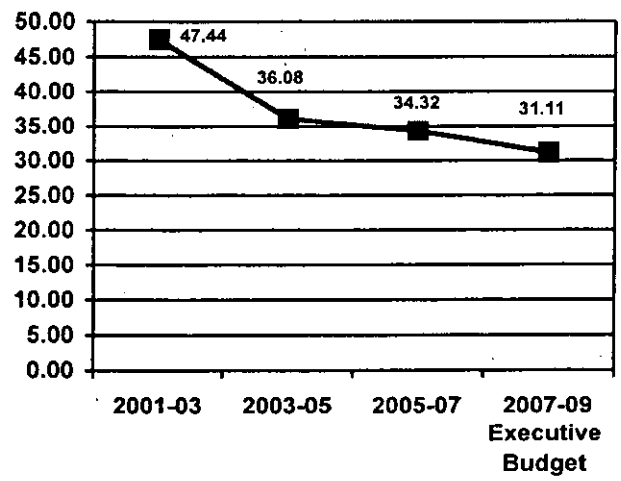
Department 243 - Minot State University - Bottineau
House Bill No. 1003

	FTE Positions	General Fund	Other Funds	Total
2007-09 Executive Budget	31.11	$5,169,274	$12,905	$5,182,179
2005-07 Legislative Appropriations	34.32	4,444,185	6,000,000	10,444,185
Increase (Decrease)	(3.21)	$725,089	($5,987,095)	($5,262,006)

Agency Funding - General Fund



FTE Positions



First House Action

Attached is a summary of first house changes.

Executive Budget Highlights
(With First House Changes in Bold)

	General Fund	Other Funds	Total
1. Provides parity funding of $398,275 for the following:			
Costs to continue fiscal year 2007 legislatively funded salary increases	$46,865		$46,865
5 percent per year salary increases	217,811		217,811
Estimated health insurance increases	78,662		78,662
2.4 percent per year operating inflation	49,865		49,865
Undesignated increase	5,559		5,559
Total (The executive recommendation includes approximately 102 percent of the total general fund portion of parity costs of $392,716.) **The House reduced parity funding of $44,133 from the general fund to reflect 4 percent per year salary increases.**	$398,275		$398,275
2. Provides equity funding of $38,742. (The executive recommendation includes a $10 million increase for equity distributed among the 11 higher education institutions. The amount distributed to each institution was determined by considering both the institution's dollar difference from their peer benchmark as well as a greater weighting factor to those institutions that are the furthest behind their peer benchmark.)	$38,742		$38,742

3. Provides funding for extraordinary repairs of $158,702 equal to the 2005-07 base funding of $109,725 plus a proportionate share, $48,977, of the $10 million increase that is included in the executive recommendation. (The additional funding of $48,977 is **identified as one-time funding in the executive budget.**)	$48,977		$48,977
4. Removes major capital project funding provided in the 2005-07 biennium including $3.5 million from special funds for an entrepreneurial center for horticulture and $2.5 million from state bond proceeds for an addition to Thatcher Hall		($6,000,000)	($6,000,0
5. Provides funding for a major capital project--steamline replacement--for the 2007-09 biennium	$239,095	$12,905	$252,000

Other Sections in Bill

Transfer authority - Section 13 provides that the State Board of Higher Education may transfer funds from an institution's operations line item to the institution's capital assets line item if the board determines that additional funds are needed for capital projects or extraordinary repairs.

FTE positions - Section 14 authorizes the State Board of Higher Education to adjust FTE positions as needed for institutions and entities under its control.

Continuing Appropriations

Special revenue funds - NDCC Section 15-10-12 - Provides the continuing appropriation authority for higher education institutions' special revenue funds, including tuition, through June 30, 2007.

Major Related Legislation

House Bill Nos. 1030, 1031, and 1032 - These bills provide for the continuation of the following statutory provisions through June 30, 2009:

- The continuing appropriation authority for higher education institutions' special revenue funds, including tuition.
- The requirement that the budget request for the North Dakota University System include budget estimates for block grants for a base funding component and for an initiative funding component and a budget estimate for an asset funding component and the requirement that the appropriation for the University System include block grants for a base funding appropriation and for an initiative funding appropriation and an appropriation for asset funding.
- The North Dakota University System's authority to carry over at the end of the biennium unspent general fund appropriations.

House Bill No. 1459 - This bill provides an appropriation to Minot State University - Bottineau for extraordinary repairs.

ATTACH:1

HB 1003
January 9, 2007
Handout #1



"Rooted in the past—growing towards the future."

House Appropriation Hearings

Sixtieth Legislative Assembly

January 9, 2007 -- Budget Number 243

MINOT STATE UNIVERSITY-BOTTINEAU

MSU BOTTINEAU

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I. INTRODUCTION

A. Description:

Minot State University-Bottineau (MSU-Bottineau) is a two-year institution and is part of the North Dakota University System. Minot State University is the parent campus. The college provides specialized technical programs in agriculture, environmental/natural resource studies, allied health, and business as well as traditional curricula that transfer to baccalaureate programs. MSU-Bottineau offers 41 vocational-technical programs leading to certificates, diplomas, or Associate in Applied Science (AAS) degrees; 11 Certificate of Completion programs; and comprehensive transfer course work leading to Associate in Arts (AA) or Associate in Science (AS) degrees.

B. Location:

Bottineau is located 14 miles from the Canadian border and is equal distance from the state's east and west borders. There are 2,336 residents in the city and 7,149 in the county.

C. Campus:

The 35-acre campus consists of five classroom buildings, three residence halls, a student center, a greenhouse, and an interactive video network (IVN) studio building. The college has four IVN equipped classrooms.

II. HISTORY AND MISSION

A. Statutory Authority:

North Dakota Constitution, Article IX, Section 13

B. History:

1906 – North Dakota School of Forestry
1969 – North Dakota State University-Bottineau Branch and Institute of Forestry
1987 – North Dakota State University-Bottineau
1996 – Minot State University-Bottineau Campus

C. Create a Focus, Theme, and Niche:

- Nature, Technology and Beyond
- A Natural Place to Start
- Growing With Nature and Technology

D. Name Change for the Institution:

- Four Seasons State College
- State College of the North

- North Country State College
- Northern Lights State College

III. ENROLLMENT

A. Ten Year History:

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Headcount	421	447	508	451	526	608	620	602	523	605
FTE	389	410	467	394	389	446	443	419	362	399
Resident	337	375	432	390	453	510	534	481	446	506
Non-resident	84	72	76	61	73	98	86	121	77	99
Bottineau County	110	108	117	110	121	129	105	110	109	108
4 Surrounding Counties	57	80	89	90	88	120	119	117	106	139
ND Counties Represented	34	32	38	32	37	41	42	40	41	40
States Represented	28	23	26	18	19	28	25	29	22	27
Canadian Students	16	12	24	18	34	36	37	28	28	24

B. Program Mix:

- Natural Resources -- 14%
- Business/Office Education/Technology -- 17%
- Allied Health -- 14%
- Undecided/Liberal Arts/Transfer -- 51%

C. Trends:

- Over the last ten year period, our enrollment figures represent every North Dakota county and every state except Delaware and Rhode Island.
- Our ten year headcount average = 531.
- Our ten year full-time equivalency average = 412.
- For fall semester 2006, 35% of our students were 25 years of age or older--58% were female and 42% male.

IV. COLLABORATION

A. Dakota Nursing Consortium:

- Offer PN certificate (Practical Nurse) and ADN degree (Registered Nurse) in cooperation with LRSC, WSC, BSC
- Health Center Partners: Trinity Hospital (Minot), St. Andrews Health Center (Bottineau), Heart of America Health Center (Rugby), Presentation Medical Center (Rolla)
- Nursing programs offered face-to-face in Bottineau, at a Distance to Rugby and possibly Burdick Job Corps in '07-'08

B. Entrepreneurial Center for Horticulture/International Peace Garden:

- A proposed MSU-Bottineau Entrepreneurial Center for Horticulture seeks to play a dynamic role in revitalizing the state's rural communities. A Center would achieve its objective by creating and providing value-added and economically viable retail and educational opportunities for agriculture and small business in rural North Dakota. This activity would be accomplished through the establishment of a vegetable production demonstration site and learning center located on the MSU-Bottineau campus. It would be an example of what will work for North Dakota farms and businesses.
- Collaborate with the International Peace Garden to establish a satellite facility at the Garden for applied horticultural research.
- Partner with the Bottineau Economic Development Corporation and the U.S. Department of Commerce.

C. Minot State University/Northwest ND Career and Technical Center:

- Coalition of MSU-Bottineau, WSC, MSU, Minot Public Schools, and Burdick Job Corps to bring career programming to the Minot region
- MSU-Bottineau currently delivers the following programs to the Minot area via the MSU campus: Accounting Technician, Administrative Assistant, Medical Secretary, Medical Assistant, and Advertising and Marketing
- Potential new collaborations: Water Technology to Bismarck and Information Technology to Minot

D. MSU-Bottineau Foundation/MSU-Bottineau:

- Potential for Foundation to purchase a golf course at Lake Metigoshe
- Managed by Foundation and used as an internship site by Golf Course Grounds, Turf Management, Landscaping, Water Technology and Advertising and Marketing programs

E. MSU-Bottineau/Valley City State University:

- 3+1 Wildlife program
- Students stay at the Bottineau campus for three years, spend last year at Valley City State and earn B.S. in Wildlife
- Exchange of faculty and courses

F. Work Force Training:

- MSU-Bottineau collaborates with WSC to provide work force training to the northwest quadrant
- WSC locates a work force training specialist on the Bottineau campus

V. DISTANCE EDUCATION AND OUTREACH

A. Online Programming:

- Seventy courses and 20 full programs are available online, e.g., Medical Transcription, Medical Coding, Urban Forestry, Recreation Management, Administrative Assistant, Medical Assistant, Para education
- Six hundred sixty-eight online registrations for '06-'07 academic year

B. Dual Credit:

- Helping students make a smooth and efficient transition from high school to college through dual credit program
- In '06-'07 MSU-Bottineau delivered nine courses, 20 sections, to 11 schools, and to 140 dual credit students

C. Interactive Video Network (IVN) Instruction:

- MSU-Bottineau has been first or second among System schools in IVN classes taught and credits produced
- In '06-'07, the college will instruct IVN classes in the following communities: Minot, Bismarck, Williston, Devils Lake, Rugby, Des Lacs, Wimbledon, Westhope, Towner, Granville, Anamoose, St. John, Rolla, Mohall, and Cooperstown

VI. COLLEGE MAJORS/PROGRAMS OF STUDY

	Diploma	AAS	AS	AA
BUSINESS				
Advertising & Marketing	X	X		
Information Management-Accounting Technician		X		
Information Management-Administrative Assistant		X		
Information Management-Medical Secretary		X		
Reception Services	X			
Bookkeeper	X			
COMPUTER TECHNOLOGY				
Information Technology-Computerized Office Management		X		
Information Technology-Network Engineering		X		
Database Technology		X		
Computer Systems Technology		X		
Information Assurance/Network Security		X		
Operating Systems Technology		X		
Information Technology-WebMaster		X		
Information Technology-WebDesign	X			
Computer Systems Technology	X			
EDUCATION				
Paraeducator	X	X		

HEALTH PROFESSIONS				
Medical Transcription	X			
Medical Coding	X			
Medical Assistant	X		X	
Practical Nurse (LPN)	X			
Associate Degree Nurse (RN)			X	
NATURAL RESOURCES				
Environmental Technology-Geographic Information Tech			X	
Environmental Technology-Laboratory & Field Technician			X	
Environmental Technology-Natural Resource Management			X	
Environmental Technology-Water Management			X	
Flowershop and Greenhouse Technology	X			
Greenhouse Technology	X			
Golf Course Grounds Technician	X			
Horticulture-Floral Design			X	
Horticulture-Greenhouse Technology			X	
Horticulture-Landscape Design			X	
Horticulture-Turf Management			X	
Landscape Technology	X			
Recreation Management			X	
Urban Forestry Technology	X		X	
Water Quality Technology	X			
Wildlife and Fisheries Technology			X	
*Transfer/Pre-Professional/University Parallel			X	X

*MSU-Bottineau offers the applicable freshman and sophomore coursework for most Bachelor degree programs. Following are examples:

Accounting
Agriculture
Art
Biology
Business Administration
Business Education
Chemistry
Computer Information Systems
Economics
Elementary Education
English
Health Professions
History
Liberal Arts
Marketing and Management
Mathematics
Pharmacy
Physical Education
Psychology
Secondary Education
Social Science
Sociology
Special Education
Urban Forestry
Veterinary Science
Wildlife Management

The college also offers the following Certificate of Completion programs which consist of 15 credits or less:

Basic Grounds Worker Skills
Bookkeeping
Cisco Networking Technician
Medical Coding
Medical Transcription
Office Applications Technician
Operating Systems Technician
Recreation Management
Sun Microsystems Technician
Web Technician
Microcomputer Technician

MINOT STATE UNIVERSITY -- BOTTINEAU
2005-07 Appropriation Status Report

	Original Appropriation	Adjusted Appropriation	Expenditures Through 12/31/2006	Balance	Percent Spent
Operations	4,334,460	4,336,585	3,139,785	1,196,800	72.40%
Capital Assets [1]	3,609,725	3,609,725	86,711	3,523,014	2.40%
Capital Assets - Off System [2]	2,500,000	2,668,000	1,608,881	1,059,119	60.30%
Total	10,444,185	10,614,310	4,835,378	5,778,932	45.56%

[1] Includes $3,500,000 for the Entrepreneurial Center for Horticulture

[2] Thatcher Hall Addition Project

MINOT STATE UNIVERSITY -- BOTTINEAU
2005-07 Budget Status Report
As of 12/31/2006

	Estimated Expenditures			Source of Funding		
	Operations	Capital Assets	Total	General Fund	Special Fund	Total
Revised 2005-07 Budget	6,169,716	6,333,712	12,503,428	4,446,310	8,057,118	12,503,428
Expenditures to Date	4,365,381	1,751,579	6,116,960	3,139,785	2,977,175	6,116,960
2005-07 Budget Balance	1,804,335	4,582,133	6,386,468	1,306,525	5,079,943	6,386,468
Percent Remaining	29.2%	72.3%	51.1%	29.4%	63.0%	51.1%

SOURCES OF SPECIAL FUNDS

Tuition	1,799,531
State Land Income	33,600
Bonding	2,500,000
Grant	3,500,000
Private Gift	168,000
Insurance Proceeds	55,987
	8,057,118

MINOT STATE UNIVERSITY - BOTTINEAU
Status of 2005-07 Capital Improvements/Projects

	Revised Budget 2005-07	Expenses As Of 12/31/06	Balance
Major Repairs-Misc	22,785	6,605	16,180
Greenhouse Improvements	55,987	55,987	0
Chemical Storage Ventilation	5,000	0	5,000
Boiler Plant Repairs	24,000	22,166	1,834
Campus Networking	34,000	34,000	0
Campus Entry	23,940	23,940	0
Entrep Center for Hort	3,500,000	0	3,500,000
Racquetball Court	168,000	0	168,000
Thatcher Addition	2,500,000	1,608,881	891,119
Totals	6,333,712	1,751,579	4,582,133

Sources of Capital Improvement Funding

General Fund	109,725	86,711	23,014	79.03%
Revenue Bonds	2,500,000	1,608,881	891,119	64.36%
Local Funds	3,668,000	0	3,668,000	0.00%
Insurance Proceeds	55,987	55,987	0	100.00%
Totals	6,333,712	1,751,579	4,582,133	27.65%

MINOT STATE UNIVERSITY -- BOTTINEAU
Reconciliation of 2007-09 General Fund Request From 2005-07 Original Appropriation

	General Fund
2005-07 Original General Fund Appropriation	**$ 4,444,185**
Adjustments:	
2003-05 Carryover	
2005-07 Capital Projects	
Permanent transfer of Center for Biomedical Research funding to meet accreditation requirements	
Permanent transfer from Equity Pool	
Permanent transfer for Alcohol Consortium & Arts & Humanities Summit	
Total Base Adjustments	-
2005-07 Adjusted General Fund Appropriation, Net of Base Adjustments	**4,444,185**
Prioritized SBHE Needs Based Request:	
Increase in Capital Bond Payments	
Parity (and Other) Costs:	
CIS Pool	
NDUS Office, Including MHEC/WICHE Dues Increases	
Forest Service + 5% Increase Over Parity	
Student Financial Aid Increase	
Capital Assets Increase	21,934
CND Perm Funding-Replace Funding from Board Init.	
CND Perm Funding-Replace Tech Bond Revenue	
CND Critical Business Function Solutions -Contingency	
Campus Parity	398,275
Campus Equity	38,742
Board Initiative Funding Enhancement	
Wide Area Network Growth	
Standards Based Interface to CND	
EPSCOR -state matching requirement	
External Student Recruiting Initiative	
Northern Tier Network Annual Maintenance	
ODIN Web Programmer Position	
New Academic Start-up - Programs for Economic Growth	
Total Requested Increase in GF Base Funding	458,951
Total Base General Fund Request	**4,903,136**
2007-09 Capital Projects Funded from Reallocation of 2005-07 State-funded Projects	239,095
One-time Budget Requests:	
Infusion for Deferred Maintenance	45,072
Implement Collaboration Project-Phase 1	
Campuses-Network refurbishment to replace convergence	
Northern Tier Network	
Total One-time Budget Requests	**45,072**
Total 2007-09 General Fund Request	**$ 5,187,303**

MINOT STATE UNIVERSITY -- BOTTINEAU
Comparison of General Fund Request to Executive Recommendation

	SBHE 07-09 Prioritized GF Request	Exec. Recommend Base Funding	Exec. Recommend Change in Base Funding	Exec. Recommend One-Time Funding	Total Executive Recommend	Exec. Recommend Over (Under) Budget Request
2005-07 Original General Fund Appropriation	$ 4,444,185	$4,444,185			$4,444,185	0
Base Adjustments	-	-			-	0
2005-07 Adjusted General Fund Appropriation, Net of Base Adjustments	4,444,185	4,444,185		-	4,444,185	0
Prioritized SBHE Needs Based Request:						
Capital Assets Increase	21,934	-	(21,934)	21,934	21,934	0
Campus Parity	398,275	398,275			398,275	0
Campus Equity	38,742	38,742			38,742	0
Total Requested Increase in Gen Fund Base Funding	458,951	437,017	(21,934)	21,934	458,951	0
Total Base General Fund Request & Recommendation	4,903,136	4,881,202	(21,934)	21,934	4,903,136	0
2007-09 State-Funded Projects	239,095			239,095	239,095	0
One-time Budget Requests:						
Infusion for Deferred Maintenance	45,072			27,043	27,043	(18,029)
Total One-time Budget Request & Recommendation	45,072	-	-	27,043	27,043	(18,029)
Total 2007-09 Gen Fund Request & Recommendation	$ 5,187,303	$4,881,202	$ (21,934)	$ 288,072	$5,169,274	$ (18,029)

MINOT STATE UNIVERSITY - BOTTINEAU
2007-09 Extraordinary Repairs and Capital Projects

2007-09 Budget Request		
Extraordinary Repairs Base	109,725	
Extraordinary Repairs Base Increase	21,934	
Capital Project - Steam Lines	252,000	
Optional Deferred Maintenance Increase	45,072	
Total 2007-09 Capital Assets Request	428,731	
2007-09 Executive Recommendation		
Optional Deferred Maintenance Increase	(18,029)	
Total 2007-09 Executive Recommendation	410,702	
Funding Sources		
General Fund	397,797	($288,072 in one-time funding)
Other Funds	12,905	
State Bonding Funds		
Total 2007-09 Capital Assets Funding Sources	410,702	

MINOT STATE UNIVERSITY – BOTTINEAU
2007-09 Capital Project

STEAM LINE REPLACEMENT

It is proposed to replace 850 linear feet of direct-buried steam and condensate lines that were installed between 1963 and 1971. These lines extend from the heating plant to six campus buildings. Water and condensate are dripping from the return lines, located in the boiler room, indicating that the lines are leaking steam and that ground water has penetrated the exterior conduit. According to engineering firm of Prairie Engineering P.C., direct buried steam lines of the type have an estimated life span of 20 to 25 years – These lines are 35 to 43 years old. Some of the lines are buried under asphalt roadway and sidewalk, which will have to be replaced to facilitate pipe installation. During 1998, a 150 foot section of broken direct-buried steam line was replaced. This section was newer than the lines currently in service. These steam and condensate lines are deteriorating and will fail in the near future. Planned replacement of these lines would avoid more costly emergency repairs, possible damage to equipment and loss of revenue should the campus experience a break during the heating season.

The estimated cost of this project: $252,000

NORTH DAKOTA UNIVERSTIY SYSTEM

Proposed SBHE Adjustments to the 2007-09 Executive Budget Recommendation (12/21/06)

	Base Funding	One-Time Funding	Total Change in Funding
2007-09 Executive Budget Recommendation	$52,142,861	$16,120,000	$68,262,861
2007-09 Executive Budget Recommendation- net major capital projects		$13,530,835	$13,530,835
TOTAL Executive Budget Recommendation	$52,142,861	$29,650,835	$81,793,696
Proposed Adjustments:			
Capital Assets-repair/deferred maintenance	$4,000,000	($4,000,000)	$0
Connect ND: replace SBHE init. funds	$1,500,000	($1,500,000)	$0
Connect ND: student technology fee bonds	$920,000	($920,000)	$0
Connect ND: stabilize critical business functions/contingency	$1,280,000	($1,280,000)	$0
Common Information Services (tech pool)	$420,000	($420,000)	$0
Subtotal-Adjustments to NDUS Budget (Chge. From Exec. Budget)	$8,120,000	($8,120,000)	$0
Total Proposed NDUS budget with adjustments	**$60,262,861**	**$21,530,835**	**$81,793,696**
Career and Tech Ed (CTE) Budget - Workforce training	$2,700,000		
TOTAL Provided with NDUS and CTE adjustments	$62,962,861		

The requested adjustments are as follows:

- Shift $4.0 million in one-time funding to base funding for capital assets at the 11 institutions for repairs and deferred maintenance,
- Shift $3.7 million in one-time funding to base funding in support of ConnectND.
  $1,500,000 to replace SBHE initiative funds
  $920,000 to replace student technology bond fee revenues
  $1,280,000 for addressing the critical business functions
- Shift $420,000 in one-time funding to base funding for common information services (technology pool),
- Provide an additional $2.7 million in base funding in the Career and Technical Education (CTE) budget in support of workforce training,

These shifts, along with the additional $2.7 million for workforce training in the CTE budget, would result in funding totaling $62,962,861 or slightly less than the $63 million included in the SBHE budget request as recommended by the private sector members of the roundtable and the North Dakota Student Association. Funding at this level would allow the NDUS to keep tuition increases to no more than 5 percent per year during the 2007-09 biennium.

With exception of 1 page same given to House and Senate



"Rooted in the past—growing towards the future."

Senate Appropriation Hearings

Sixtieth Legislative Assembly

February 28, 2007 -- Budget Number 243

MINOT STATE UNIVERSITY-BOTTINEAU

MSU BOTTINEAU

1

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VII. NEEDS AND OPPORTUNITIES

A. Restore 5% annual salary increase
   - Competitive salaries and benefits are necessary to attract and retain dedicated, effective faculty and staff – It is not unusual to conduct multiple searches for faculty and staff vacancies
   - Faculty salaries lag regional and national averages from 22-41% and staff salaries lag regional averages on the average by 3-18%, with some classifications of employees 25-35% behind the market

B. Maintain health insurance at current plan levels
   - Maintaining the current level of health insurance and other benefits is critical to recruiting and retaining faculty and staff
   - The health insurance plan is an important incentive for recruiting employees, especially in the medium-to-low-end positions
   - A large portion of a 4% annual salary increase will be needed to offset increasing co-payments and deductibles -- for low paid positions, the increase in payments could be as much as 65% of the salary increase

C. CND funding to stabilize and enhance system
   - Support the ConnectND 10 Recommendations
   - Frustration with the performance of the system
   - Additional funding is needed to stabilize and enhance the system
   - Oracle will discontinue support for the current versions of software in two years

D. Restore funding for SBHE pools (i.e. contingency and capital improvement emergency fund, initiative fund and operations fund) to the 2005-07 levels
   - Contingency fund is needed to address unexpected needs
   - Initiative Fund has promoted collaboration and cooperation between campuses (Water Quality and Environmental Tech Programs)
   - Assist institutions with priorities and needs (disabled student services)

VIII. BUDGET IMPACTS

A. New base funding for campus parity ($354,142) is adequate to cover the general fund share of operating inflation (2.4%), cost to continue FY07 legislatively funded salary increases, increase cost of health insurance (at $658 per month) and 4% per year compensation package.

B. New base funding for campus equity ($38,742) will be used to reinstate across the board 05-07 department operating budget reductions required to cover the increase cost of utilities.

C. New base funding and 5% tuition revenues are not sufficient to start new programs/services in response to business/industry needs or to engage in new marketing/recruiting efforts to attract students from out of state or country.

MINOT STATE UNIVERSITY -- BOTTINEAU
2005-07 Budget Status Report
As of 12/31/2006

	Estimated Expenditures			Source of Funding		
	Operations	Capital Assets	Total	General Fund	Special Fund	Total
Revised 2005-07 Budget	6,169,716	6,333,712	12,503,428	4,446,310	8,057,118	12,503,428
Expenditures to Date	4,365,381	1,751,579	6,116,960	3,139,785	2,977,175	6,116,960
2005-07 Budget Balance	1,804,335	4,582,133	6,386,468	1,306,525	5,079,943	6,386,468
Percent Spent	70.8%	27.7%	48.9%	70.6%	37.0%	48.9%

SOURCES OF SPECIAL FUNDS

Tuition	1,799,531
State Land Income	33,600
Bonding	2,500,000
Federal Grant	3,500,000
Private Gift	168,000
Insurance Proceeds	55,987
	8,057,118

NDUS Campuses and Medical School
Comparison of SBHE General Fund Request to
Executive Recommendation & Engrossed HB1003

Minot State University-Bottineau Campus

	(1) SBHE 2007-09 Prioritized GF Request	(2) Executive Recommendation	(3) House Adjustments 1/	(4) Engrossed HB1003
2005-07 Original General Fund Appropriation	**$ 4,444,185**	**$ 4,444,185**		**$ 4,444,185**
Base Adjustments	-	-		-
2005-07 Adjusted General Fund Appropriation, Net of Base Adjustments	**4,444,185**	**4,444,185**		**4,444,185**
Prioritized SBHE Requested Increase in Base Funding:				
Capital Assets Increase-Ongoing Extraordinary Repairs	21,934	*Funded as one-time (Line 10)*		-
Campus Parity	398,275	398,275	(44,133)	354,142
Campus Equity	38,742	38,742		38,742
House Adjustments to Base Funding				-
Total Requested Increase in GF Base Funding & Adjustments	458,951	437,017	(44,133)	392,884
Subtotal Base GF Request, Compared to Executive Recommendation & Engr HB1003	**4,903,136**	**4,881,202**	**(44,133)**	**4,837,069**
One-time Budget Increases, Excluding Major Capital Projects:				
Capital Assets Increase-Ongoing Extraordinary Repairs	*Requested as base (Line 4)*	21,934		21,934
Infusion for Deferred Maintenance	45,072	27,043		27,043
House One-time Adjustments				-
Subtotal One-time GF Request, Excluding Major Capital Projects, Compared to Exec Recommendation & Engr HB1003	**45,072**	**48,977**	-	**48,977**
2007-09 State General Funded Projects	239,095	239,095		239,095
Total 2007-09 General Fund Request, Compared to Executive Recommendation & Engrossed HB1003	**$ 5,187,303**	**$ 5,169,274**	**$ (44,133)**	**$ 5,125,141**

g:\cathy\excelfil\Biennial Budgets\2007-09 Budget\07-09 House\Engrossed HB1003 Summary\GF Compar-Campuses&Med

1/ House Adjustments Include:

Reduce salary increases from 5/5 to 4/4	**$ (44,133)**

MINOT STATE UNIVERSITY - BOTTINEAU
2007-09 Extraordinary Repairs and Capital Projects

2007-09 Budget Request		
Extraordinary Repairs Base	109,725	
Extraordinary Repairs Base Increase	21,934	
Capital Project - Steam Lines	252,000	
Optional Deferred Maintenance Increase	45,072	
Total 2007-09 Capital Assets Request	428,731	
2007-09 Executive Recommendation		
Optional Deferred Maintenance Increase	(18,029)	
Total 2007-09 Executive Recommendation	410,702	
Funding Sources		
General Fund	397,797	($288,072 in one-time funding)
Other Funds	12,905	
State Bonding Funds		
Total 2007-09 Capital Assets Funding Sources	410,702	

MINOT STATE UNIVERSITY – BOTTINEAU
2007-09 Capital Project

STEAM LINE REPLACEMENT

It is proposed to replace 850 linear feet of direct-buried steam and condensate lines that were installed between 1963 and 1971. These lines extend from the heating plant to six campus buildings. Water and condensate are dripping from the return lines, located in the boiler room, indicating that the lines are leaking steam and that ground water has penetrated the exterior conduit. According to engineering firm of Prairie Engineering P.C., direct buried steam lines of the type have an estimated life span of 20 to 25 years – These lines are 35 to 43 years old. Some of the lines are buried under asphalt roadway and sidewalk, which will have to be replaced to facilitate pipe installation. During 1998, a 150 foot section of broken direct-buried steam line was replaced. This section was newer than the lines currently in service. These steam and condensate lines are deteriorating and will fail in the near future. Planned replacement of these lines would avoid more costly emergency repairs, possible damage to equipment and loss of revenue should the campus experience a break during the heating season.

The estimated cost of this project:	$252,000
General Fund:	$239,095
Special Fund:	$ 12,905

MINOT STATE UNIVERSITY – BOTTINEAU
Performance Contracting Information

1. General Description of Project: Project included energy conservation measures such as lighting improvements, steam trap improvements, transformer replacement and installation of a computerized facility management system.

2. Payback Period: Ten years.

3. Amount of Project: $378, 067

4. When Project Initiated: August of 2003

5. Estimated Savings: $380,000

6. Is Project Meeting Estimated Savings: Yes, but the savings really haven't materialized since the cost of utilities have escalated by 30% during since the start of the project and funding for utilities has only increased by 4% during the same period .

MINOT STATE UNIVERSITY – BOTTINEAU
2003-05 Carryover

No general fund carryover to report.

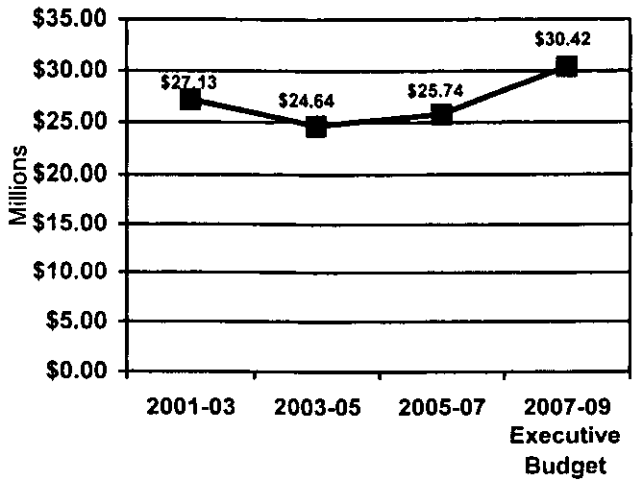
Prepared by the North Dakota Legislative Council staff for House Appropriations
January 4, 2007

Department 238 - State College of Science
House Bill No. 1003

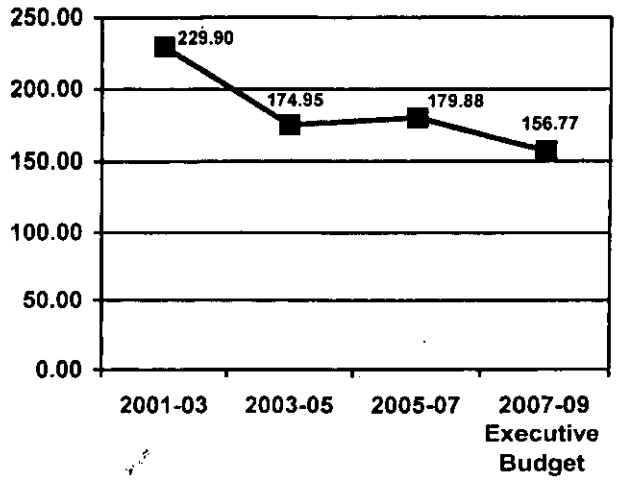
	FTE Positions	General Fund	Other Funds	Total
2007-09 Executive Budget	156.77	$30,416,758	$8,414,000	$38,830,758
2005-07 Legislative Appropriations	179.88 [1]	25,740,160	2,804,920	28,545,080
Increase (Decrease)	(23.11)	$4,676,598	$5,609,080	$10,285,678

[1]The 2005-07 biennium appropriation is based on 179.88 FTE positions. Section 13 of Senate Bill No. 2003 (2005) authorizes the State Board of Higher Education to adjust full-time equivalent positions, as needed, subject to the availability of funds, for institutions and entities under its control. A total of 23.11 positions were removed pursuant to this section and reported to the Office of Management and Budget.

Agency Funding - General Fund



FTE Positions



Executive Budget Highlights

	General Fund	Other Funds	Total
1. Provides parity funding of $2,339,370 for the following:			
Costs to continue fiscal year 2007 legislatively funded salary increases	$266,216		$266,216
5 percent per year salary increases	1,299,060		1,299,060
10 percent per year health insurance increases	607,026		607,026
2.4 percent per year operating inflation	167,068		167,068
Total (The executive recommendation only includes approximately 93 percent of the total general fund portion of parity costs of $2,523,327. Operating inflation of $183,956 is not included in the executive recommendation. An annual tuition increase of 5.8 percent would be needed to fund the remaining general fund portion of $183,956 and to fund the student portion of parity costs of $841,109.)	$2,339,370		$2,339,370
2. Provides equity funding of $33,694. (The executive recommendation includes a $10 million increase for equity distributed among the 11 higher education institutions. The amount distributed to each institution was determined by considering both the institution's dollar difference from their peer benchmark as well as giving a greater weighting factor to those institutions that are the furthest behind their peer benchmark.)	$33,694		$33,694
3. Provides funding for extraordinary repairs of $1,386,445 equal to the 2005-07 base funding of $753,332 plus a proportionate share, $633,113, of the $10 million increase that is included in the executive budget recommendation. **(The additional funding of $633,113 is one-time funding.)**	$633,113		$633,113

4. Provides funding for major capital projects for the 2007-09 biennium, including $1,670,420 from the general fund **(executive budget identified as one-time funding)** for steamline distribution replacement, $1,700,000 of special funds for football stadium and track renovations, $714,000 of special funds for parking lot construction, and $6,000,000 of special funds for the Robertson Hall renovation	$1,670,420	$8,414,000	$10,084,420
5. Removes major capital project funding provided in the 2005-07 biennium		($2,804,920)	($2,804,920)

Other Sections in Bill

Section 16 of House Bill No. 1003 provides for the State Board of Higher Education to issue revenue bonds for the Robertson Hall renovation ($6,000,000) and parking lot construction ($714,000) at the State College of Science.

Continuing Appropriations

Special revenue funds - NDCC Section 15-10-12 - Provides the continuing appropriation authority for higher education institutions' special revenue funds, including tuition, through June 30, 2007.

Major Related Legislation

House Bill Nos. 1030, 1031, and 1032 - These bills provide for the continuation of the following statutory provisions through June 30, 2009:

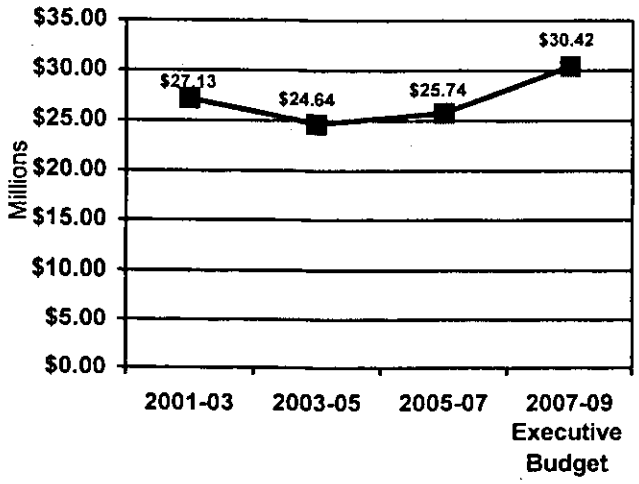
- The continuing appropriation authority for higher education institutions' special revenue funds, including tuition.
- The requirement that the budget request for the North Dakota University System include budget estimates for block grants for a base funding component and for an initiative funding component and a budget estimate for an asset funding component and the requirement that the appropriation for the University System include block grants for a base funding appropriation and for an initiative funding appropriation and an appropriation for asset funding.
- The North Dakota University System's authority to carry over at the end of the biennium unspent general fund appropriations.

Department 238 - State College of Science
House Bill No. 1003

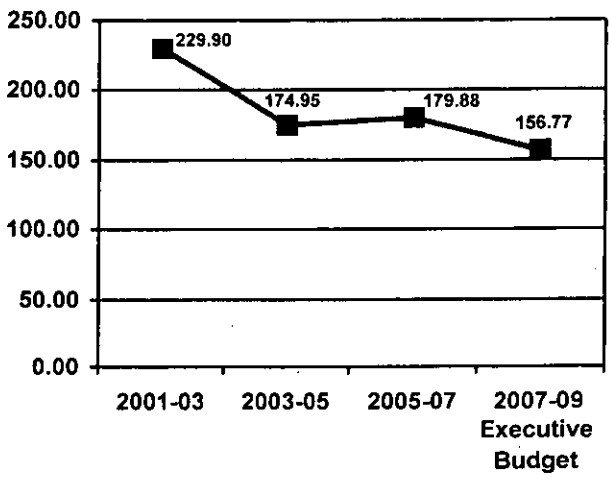
	FTE Positions	General Fund	Other Funds	Total
2007-09 Executive Budget	156.77	$30,416,758	$8,414,000	$38,830,758
2005-07 Legislative Appropriations	179.88 [1]	25,740,160	2,804,920	28,545,080
Increase (Decrease)	(23.11)	$4,676,598	$5,609,080	$10,285,678

[1]The 2005-07 biennium appropriation is based on 179.88 FTE positions. Section 13 of Senate Bill No. 2003 (2005) authorizes the State Board of Higher Education to adjust full-time equivalent positions, as needed, subject to the availability of funds, for institutions and entities under its control. A total of 23.11 positions were removed pursuant to this section and reported to the Office of Management and Budget.

Agency Funding - General Fund



FTE Positions



First House Action

Attached is a summary of first house changes.

Executive Budget Highlights
(With First House Changes in Bold)

	General Fund	Other Funds	Total
1. Provides parity funding of $2,339,370 for the following:			
Costs to continue fiscal year 2007 legislatively funded salary increases	$266,216		$266,216
5 percent per year salary increases	1,299,060		1,299,060
Estimated health insurance increases	432,640		432,640
2.4 percent per year operating inflation	341,454		341,454
Total (The executive recommendation only includes approximately 99 percent of the total general fund portion of parity costs of $2,348,940. Operating inflation of $9,570 is not included in the executive recommendation.) **The House reduced parity funding by $263,599 from the general fund to reflect 4 percent per year salary increases. In addition, the House provided funding of $350,000 from the general fund for support of the Center for Nanoscience and Technology Training.**	$2,339,370		$2,339,370
2. Provides equity funding of $33,694. (The executive recommendation includes a $10 million increase for equity distributed among the 11 higher education institutions. The amount distributed to each institution was determined by considering both the institution's dollar difference from their peer	$33,694		$33,694

benchmark as well as giving a greater weighting factor to those institutions that are the furthest behind their peer benchmark.)			
3. Provides funding for extraordinary repairs of $1,386,445 equal to the 2005-07 base funding of $753,332 plus a proportionate share, $633,113, of the $10 million increase that is included in the executive budget recommendation. **(The additional funding of $633,113 is one-time funding.)**	$633,113		$633,113
4. Provides funding for major capital projects for the 2007-09 biennium, including $1,670,420 from the general fund **(executive budget identified as one-time funding)** for steamline distribution replacement, $1,700,000 of special funds for football stadium and track renovations, $714,000 of special funds for parking lot construction, and $6,000,000 of special funds for the Robertson Hall renovation	$1,670,420	$8,414,000	$10,084,420
5. Removes major capital project funding provided in the 2005-07 biennium		($2,804,920)	($2,804,920)

Other Sections in Bill

Section 17 of House Bill No. 1003 provides for the State Board of Higher Education to issue revenue bonds for the Robertson Hall renovation ($6,000,000) and parking lot construction ($714,000) at the State College of Science.

Continuing Appropriations

Special revenue funds - NDCC Section 15-10-12 - Provides the continuing appropriation authority for higher education institutions' special revenue funds, including tuition, through June 30, 2007.

Major Related Legislation

House Bill Nos. 1030, 1031, and 1032 - These bills provide for the continuation of the following statutory provisions through June 30, 2009:

- The continuing appropriation authority for higher education institutions' special revenue funds, including tuition.
- The requirement that the budget request for the North Dakota University System include budget estimates for block grants for a base funding component and for an initiative funding component and a budget estimate for an asset funding component and the requirement that the appropriation for the University System include block grants for a base funding appropriation and for an initiative funding appropriation and an appropriation for asset funding.
- The North Dakota University System's authority to carry over at the end of the biennium unspent general fund appropriations.

House Bill No. 1459 - This bill provides an appropriation to the State College of Science for extraordinary repairs.

ATTACH:1

NDUS 2007-09 Major Capital Projects
Approved by SBHE (Including Revisions As of November 2006)

12/18/2006

(1)	(2) Project Description	(3) Campus	(4) Project Type	(5) Cost State	(6) Cost Other	(7) Cost Total	(8) Other Source
			A=addition; R=renovation; NC=new construction				
Section 1: CAMPUSES - STATE FUNDED PROJECTS RECOMMENDED FOR INCLUSION IN 2007-09 BUDGET REQUEST							
	Ranked State Funded Projects Requested (Campuses)						
1	Dome-athletic floor replacement	MiSU	R	$159,585	$176,815	$336,400	local/private
2	West Hall renovation or alternative	MaSU	R	$3,957,000		$3,957,000	
3	O'Kelly Hall-Ireland Lab [Note - If state funding is not provided, UND seeks authority to proceed with other funding sources]	UND	R	$2,200,000		$2,200,000	
4	Wind energy project	LRSC	NC	$3,007,600		$3,007,600	
5	Minard Hall renovation-Phase I and II	NDSU	R	$5,000,000		$5,000,000	
6	Swain Hall renovation/addition	MiSU	A/R	$7,036,150		$7,036,150	
7	Steam line distribution replacement	NDSCS	R	$1,670,420		$1,670,420	
8	Steamline replacement	VCSU	R	$2,200,000		$2,200,000	
9	Steam line replacement	MiSUB	R	$239,095	$12,905	$252,000	local/private
10	Schafer Hall renovation - 1st floor	BSC	R	$515,195	$27,805	$543,000	local/private
	Total Ranked State Funded Projects - Campuses			$25,985,045	$217,525	$26,202,570	
Section 2: Non-State Funded (Unranked) Projects Recommended for Inclusion in 2007-09 Budget Request							
	Whitney Stadium renovation/addition	DSU	R/A		$8,000,000	$8,000,000	gifts/local
	Northwest Hall Rehabilitation	MaSU	R		$900,000	$900,000	grants/gifts
	Dakota Hall elevator	MiSU	R		$340,000	$340,000	aux./local
	Pioneer Hall elevator	MiSU	R		$363,000	$363,000	aux./local
	Parking lot	NDSCS	NC		$714,000	$714,000	revenue bond
	Robertson Hall renovation	NDSCS	R		$6,000,000	$6,000,000	revenue bond
	Football Stadium and Track Renovation a/	NDSCS	R		$1,700,000	$1,700,000	private
	Living Learning Center West/ Ceres Hall Renovation-Phase I	NDSU	NC/R		$12,000,000	$12,000,000	revenue bond
	Center for Transportation Study	NDSU/ UGPTI	NC		$5,500,000	$5,500,000	federal
	Ellig softball complex	NDSU	R		$4,500,000	$4,500,000	private
	Dakota Coteau Field School	NDSU	NC		$4,000,000	$4,000,000	federal
	Indoor track facility	UND	NC		$15,000,000	$15,000,000	grants/gifts
	Wilkerson Dining Center	UND	R		$4,000,000	$4,000,000	revenue bond
	SMHS Lab & admin renovations	UND	R		$9,800,000	$9,800,000	grants/gifts
	American Indian Center	UND	NC		$10,000,000	$10,000,000	grants/gifts
	Earth Systems Science Building	UND	NC		$5,000,000	$5,000,000	grants/gifts
	Memorial Union-north entrance	UND	R/A		$4,500,000	$4,500,000	grants/gifts
	SMHS-Bismarck FPC/Graduate Center	UND	NC		$4,500,000	$4,500,000	rev bnds/grants/gifts
	EERC Commercialization Center	UND	NC		$5,000,000	$5,000,000	grants/gifts
	Allied Health Facility	UND	NC		$20,400,000	$20,400,000	grants/gifts/other
	Crighton Building addition	WSC	A		$1,400,000	$1,400,000	local,private
						$0	
	Total Non-State Funded Projects - Campuses			$0	$123,617,000	$123,617,000	

NDUS 2007-09 Major Capital Projects
Approved by SBHE (Including Revisions As of November 2006)

12/18/2006

(1)	(2) Project Description	(3) Campus	(4) Project Type	(5) Cost State	(6) Cost Other	(7) Cost Total	(8) Other Source
			A=addition; R=renovation; NC=new construction				
	Section 3: EXPERIMENT STATIONS AND FOREST SERVICE - STATE FUNDED PROJECTS RECOMMENDED FOR INCLUSION IN 2007-09 BUDGET REQUEST						
	Ranked State Funded Projects Requested (Experiment Stations and Forest Service)						
1	Research greenhouse complex-Phase II	Exp Sta.	NC/R	$9,000,000		$9,000,000	
	Carrington Hdqtr office bldg addition			$465,000		$465,000	
	Hettinger Hdqtr office bldg addition			$222,750		$222,750	
2	North Central Hdqtr office bldg addition	Exp Sta.	R/A	$420,000		$420,000	
3	Beef Research Facility	Exp Sta.	NC/R	$950,000		$950,000	
1	Storage Buildings and Outdoor Restroom Facilities	For. Svc.	NC	$120,000		$120,000	
	Total Ranked State Funded Projects			$11,177,750	$0	$11,177,750	
	Section 4. Non-State Funded (Unranked) Projects Recommended for Inclusion in 07-09 Budget Request (Experiment Stations and Forest Service)						
	Waste management facility	Exp. Sta.	NC		$351,000	$351,000	oil revenue
	Parking lot and landscape	Exp. Sta.	R		$350,000	$350,000	oil revenue
	Total Non-State Funded Project			$0	$701,000	$701,000	
	TOTAL - NDUS Major Capital Projects Approved for Inclusion in 2007-09 Budget Request			$37,162,795	$124,535,525	$161,698,320	

Footnotes:
a/ The NDSCS football stadium and track renovation project is a request for reauthorization of the appropriation authority received in 2005-07.

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HB1003
January 10, 2007
Handout #1

NDSCS North Dakota State College of Science

60th Legislative Assembly

House Appropriations Committee
Education and Environment Division

Francis J. Wald, Chairman
David Monson, Vice Chairman
Ole Aarsvold
Pam Gulleson
Kathy Hawken
Matthew M. Klein
Bob Martinson

House Bill 1003
January 10, 2007







North Dakota
State College of Science

VISION

To enrich people's lives through responsive lifelong learning in a dynamic educational and technological environment.

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MISSION

The North Dakota State College of Science is a comprehensive, associate degree granting college founded on a tradition of quality and integrity. We deliver learner-focused education through a unique and evolving collegiate experience. Using innovative delivery strategies, NDSCS anticipates and responds to statewide and regional needs by providing access to occupational/technical programs, transfer programs, and workforce training.

VALUES

The North Dakota State College of Science acts in accordance with a set of shared values that complement the College's vision and mission statements.

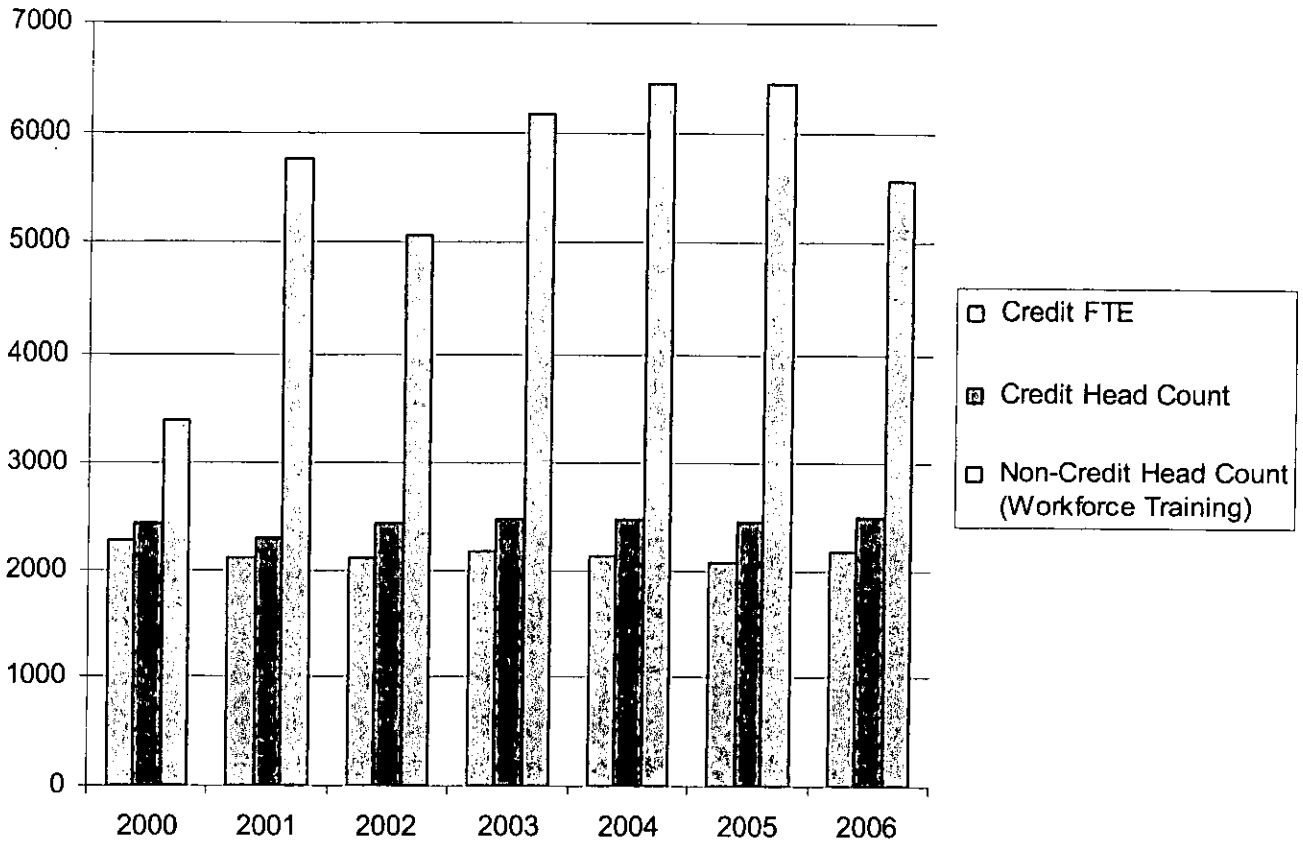
The people of NDSCS – students, employees, alumni and friends – hold learning, integrity, flexibility and excellence in the highest regard. These values are intended to foster an environment conducive to lifelong learning and to encourage behaviors that fulfill the College's mission and meet the needs of its students.

As members of the NDSCS community, we are stewards for many constituents – students, parents and citizens. They have entrusted us with their resources and their aspirations, and we respond with personal attention, professional conduct and vibrant enthusiasm for our vocation. Each of us contributes to the success of the College, its students and its alumni. Our shared values embrace our decisions and our daily actions.

We Value:

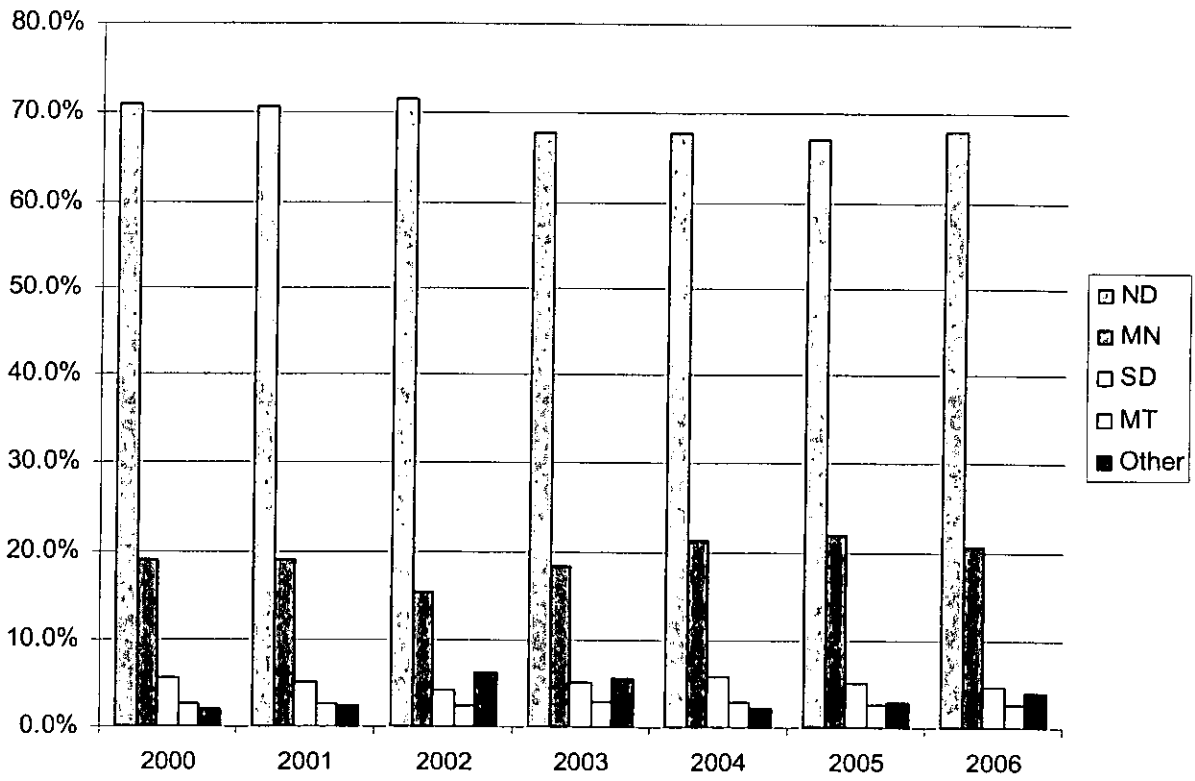
LEARNING:	Engage the campus community in a life long learning environment inside and outside the classroom.
INTEGRITY:	Work with others and conduct ourselves in a respectful, ethical, honest, and trusting manner.
FLEXIBILITY:	Consider ideas from all sources and adapt to the needs of our patrons.
EXCELLENCE:	Deliver superior programs and services that distinguish the college from its peers.

Enrollment Statistics



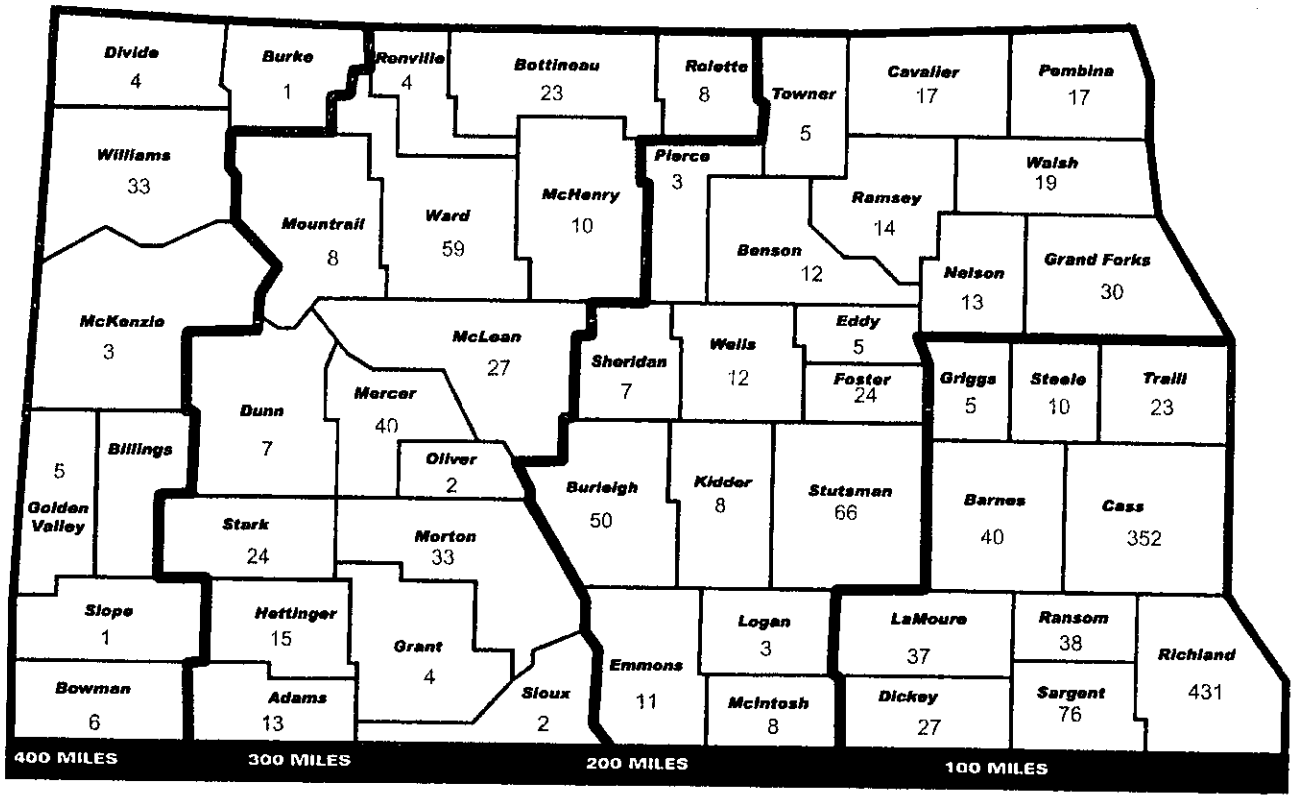
	2000	2001	2002	2003	2004	2005	2006
Credit FTE	2276	2106	2112	2177	2129	2084	2171
Credit Head Count	2425	2292	2439	2468	2481	2457	2490
Non-Credit Head Count	3400	5752	5061	6169	6437	6453	5563

Student Residency



	2000	2001	2002	2003	2004	2005	2006
ND	70.9%	70.7%	71.6%	67.8%	67.8%	67.1%	68.0%
MN	18.9%	18.9%	15.4%	18.4%	21.2%	22.0%	20.6%
SD	5.6%	5.3%	4.2%	5.1%	5.8%	5.3%	4.7%
MT	2.6%	2.6%	2.4%	3.0%	2.9%	2.6%	2.7%
Other	2.0%	2.4%	6.4%	5.7%	2.3%	3.0%	4.0%

Enrollment Pattern of North Dakota Students Fall 2006



	2000	2001	2002	2003	2004	2005	2006
Within 100 Miles	54.0%	52.3%	54.7%	60.3%	62.0%	60.7%	61.3%
100 – 200 Miles	20.0%	21.6%	18.7%	17.4%	18.7%	21.6%	19.1%
200 – 300 Miles	16.0%	20.7%	22.0%	19.1%	16.2%	14.1%	16.5%
300 – 400 Miles	9.0%	5.4%	4.6%	3.2%	3.1%	3.6%	3.1%

Academic Program Mix

	Program Mix	Fall 2006 Enrollment
35 Career and Technical Degrees (AAS)	95%	70%
2 Transfer Degrees (AA and AS)	5%	30%

Did you know?

NDSCS **offers 35 CTE degrees; 17 of which** are not available anywhere else in North Dakota.

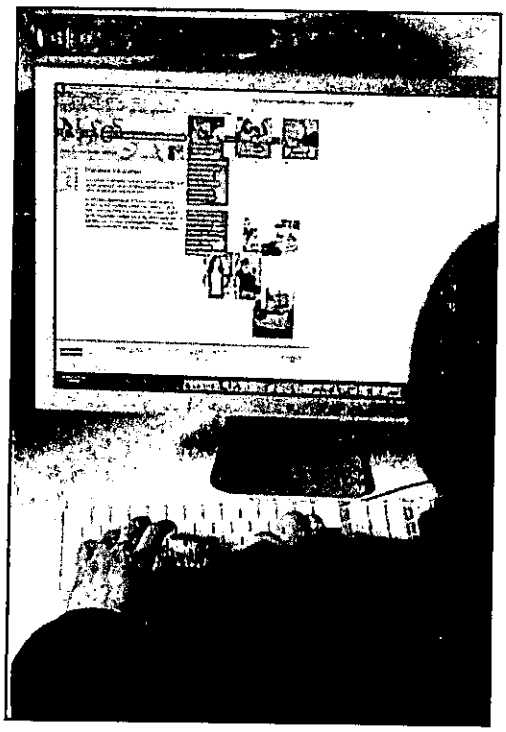
NDSCS enrolls **80% of all CTE students** in certificate, diploma and associate degree programs in North Dakota.

NDSCS enrolls **34% of all students** in certificate, diploma and associate degree programs in North Dakota.

Distance Education

Goals

- Expand program and course offerings
- Increase access to life-long learning opportunities
- Increase the total number of students



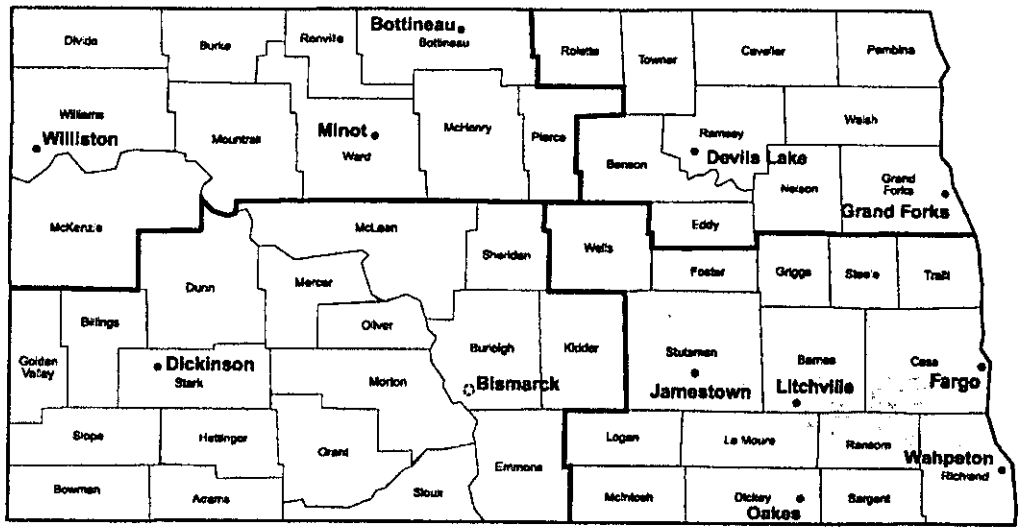
Delivery Methods

- Online
- Dual Credit
- IVN
- Off-site
- STTC

Course Enrollments in Online Classes

• 2001-2002	336
• 2002-2003	698
• 2003-2004	958
• 2004-2005	1583
• 2005-2006	2270

Workforce Training – Southeast Region 2005 – 2006



NDSCS has Workforce Training offices in 5 communities to serve the Southeast Region of North Dakota including: Wahpeton, Fargo, Litchville, Jamestown and Oakes.

Did you know?

NDSCS Workforce Training provided **59,550 total hours of training** in 2005-06.

Workforce Training – Southeast Region 2005 – 2006 (cont.)

Businesses/Participants Served

	Duplicated	Unduplicated	% Repeating
Number of businesses served	1094	736	75%
Number of participants served	3432	2791	N/A

Level of Satisfaction

	Participants	Employers
Satisfaction with training provided	99.2%	99.7%
Satisfaction with responsiveness to training needs	N/A	100%

Did you know?

Every $1 invested by the North Dakota Legislature in NDSCS Workforce Training generated **$3.78 in training activities** to business and industries served by the Southeast Region.

Workforce Training – Increased Funding Recommendation

NDSCS strongly supports the proposed **$2,650,000** increase for workforce training included within the State Board for Career and Technical Education. **(HB 1019)** This increase would bring the total statewide funding for workforce training to $4,000,000.

An additional $2,650,000 per biennium investment in The North Dakota Workforce Training System will:

- Allow The North Dakota Workforce Training System to significantly expand its operations and assist more businesses.
- Allow for additional resources and operating expenses.
- Support further efforts to cultivate additional partnerships, providing increased capacity.
- Marketing efforts will enhance business awareness, while support for product/project development including course design and delivery methods will maintain more cost effective proposals to businesses.

2005-2006 Career Services Data*

- Available jobs per graduate 5
- Average monthly beginning salary $2,157
- Placement rate 98%
- Placed in North Dakota 64%

Did you know?

The North Dakota Career Resource Network estimates that **50 percent of the state's employment needs** will require a one- or two-year post-secondary degree or an apprenticeship.

**Data based on students registered with the NDSCS Career Services office*

What Happened to the NDSCS 2006 Graduates?

- Employed in North Dakota 57%
- Continuing education in North Dakota 15%
- Total staying in North Dakota* 63%

** Some graduates are both employed and continued their education*

Did you know?

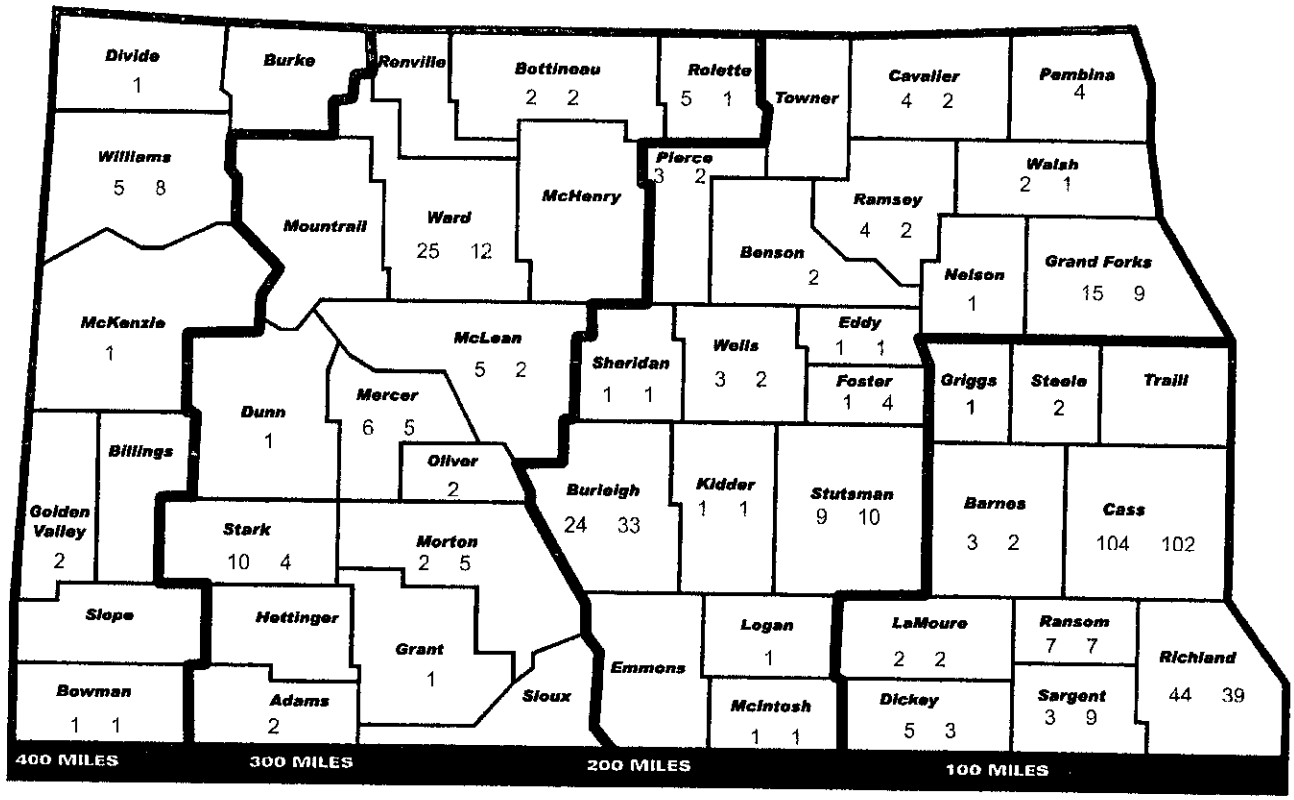
Of all NDSCS graduates…

- 80% are Career and Technical Education majors
- 20% are Liberal Arts majors

NDSCS students account for nearly **50 percent of all career and technical graduates** in North Dakota each year.

Historically **24% of all out-of-state graduates** attending NDSCS start their careers in North Dakota.

NDSCS Graduates Placed in North Dakota

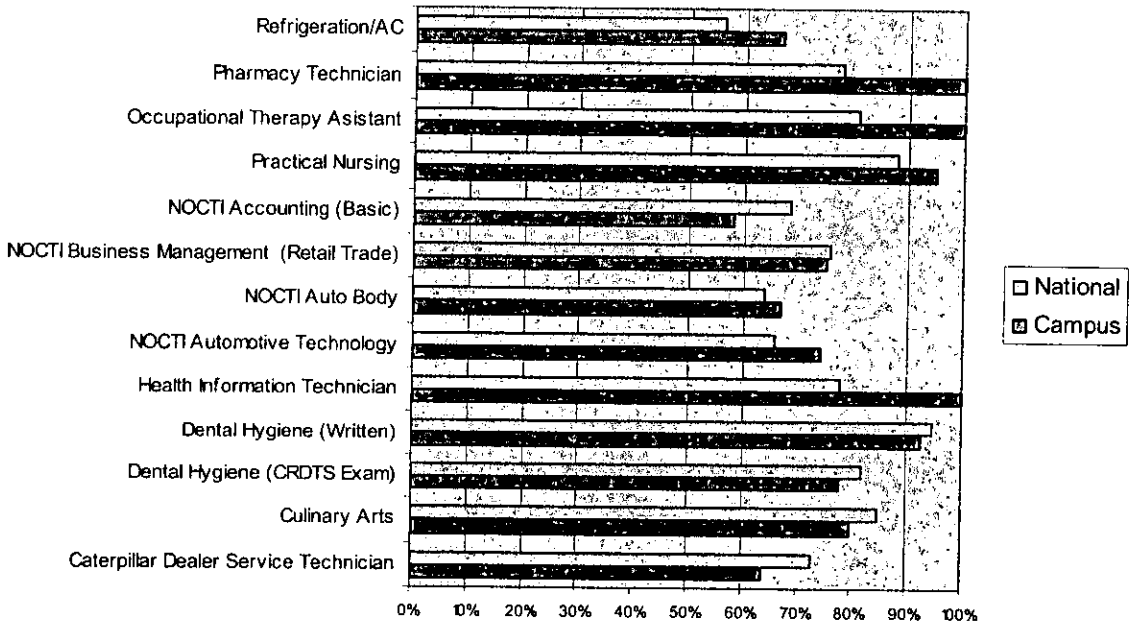


2004-2005 2005-2006

Did you know?

Six out of every seven NDSCS alumni live in North Dakota, Minnesota or South Dakota.

NDSCS National Examination First Time Pass Rate 2005-2006



	Campus	National
Refrigeration/AC	66.67%	56%
Pharmacy Technician	100%	77.92%
Occupational Therapy Assistant	100%	81%
Practical Nursing	95%	88%
NOCTI Accounting (Basic)	58%	68.6%
NOCTI Business Management (Retail Trade)	75.33%	75.8%
NOCTI Auto Body	66.7%	63.8%
NOCTI Automotive Technology	74.2%	65.8%
Health Information Technician	100%	77.92%
Dental Hygiene (Written)	92.6%	94.6%
Dental Hygiene (CRDTS Exam)	78%	82%
Culinary Arts	80%	85%
Caterpillar Dealer Service Technician	63.9%	72.8%

What NDSCS Students are Saying*

Strengths

- Ability to achieve educational goals
- Affordable, quality education
- Knowledgeable, academic advising
- Excellent quality of instruction
- Faculty who are approachable and knowledgeable in their fields
- Students feel welcome on campus
- Good variety of courses available

Issues of Greatest Concern

- Retaining affordable, quality education
- Retaining quality of instruction
- Availability of adequate financial aid
- Ability to register for classes with few conflicts
- Ability of college to provide up-to-date equipment in lab facilities
- Ability of college to provide adequate amount of student parking

**Based on 2006 Student Satisfaction Inventory*

Fiscal Year 2005-2007
General Fund Appropriation
Budget Review

Appropriated Funds		2005 – 2007	Total
General Fund Appropriations		$24,986,828	
Capital Assets (extra ordinary repairs)		$753,332	
Capital Projects		$736,000	
Total General Fund Appropriations		**$26,476,160**	**$26,476,160**
Expenditures			
General Fund Expenditures (salaries/fringe, equipment, operating)		($24,986,828)	
Capital Assets		($753,332)	
City specials	$77,590		
Coal/gas boiler repair	$25,000		
Roof repairs	$147,801		
Bisek exhaust system replacement	$70,000		
Ballweber paint booth	$85,000		
Electrical distribution	$52,450		
Miscellaneous repairs	$295,491		
Capital Projects		($736,000)	
Electrical distribution	$736,000		
Total General Fund Expenditures		**($26,476,160)**	**($26,476,160)**
	Balance		**- 0 -**

Fiscal Year 2007-2009
General Fund Appropriation
Budget Overview

Executive Budget Recommendation	Base	One-Time	2007 – 2009	Total
2005 – 2007 Base Budget	$24,986,826		$24,986,828	
Capital Assets (extra ordinary repairs)	$753,332		$753,332	
Capital Assets Increase	$339,202		$339,202	
Campus Parity	$2,339,371		$2,339,371	
Campus Equity	$33,694		$33,694	
Deferred Maintenance		$293,911	$293,911	
Capital Projects		$1,670,420	$1,670,420	
Total			**$30,416,758**	**$30,416,758**
Obligations				
General Fund Obligations				
Base Operating Costs (salaries/fringe, equipment, operating)	($24,986,828)		($24,986,828)	
Projected Cost to Continue	($2,444,574)		($2,444,574)	
Unfunded Utilities Increase	($300,000)		($300,000)	
Equity Investment	($33,694)		($33,694)	
Capital Assets Base (extra ordinary repairs)	($753,332)		($753,332)	
Capital Assets Increase	($339,202)		($339,202)	
Deferred Maintenance		($293,911)	($293,911)	
Capital Projects (steam line)		($1,670,420)	($1,670,420)	
Total			**($30,821,961)**	**($30,821,961)**
Balance (Shortfall)				**($405,203)**

2007 – 2009 Budget Narrative

Projected Cost to Continue $2,444,574

The Executive Budget recommendation includes $2,333,371 for NDSCS. The SBHE calculated cost to continue is $2,444,574, resulting in unfunded parity of $105,203. In order for NDSCS to follow the SBHE recommendation of a 5% salary increase and also to limit tuition increases to a maximum of 5% yearly, the College must identify resources to cover the **projected shortfall of $105,203**.

Unfunded Utilities Increase..... $300,000

Increased energy costs will result in a utilities shortfall beyond the 2.4% operating inflation for utilities contained in the SBHE recommended budget. In order for NDSCS to follow the SBHE recommendation of a 5% salary increase and also to limit tuition increases to a maximum of 5% yearly, the College must identify resources to cover the **projected shortfall of $300,000**.

Equity Investment..... $33,694

Campus equity will be used to partially fund an approximate $2 million need for equipment in the NDSCS Nanoscience Technology Program.

2007 – 2009 Budget Narrative (Cont.)

Capital Assets

Base	**$753,332**
Increase	**$339,202**
	$1,092,534

NDSCS projects ongoing obligations of $350,140 for safety code issues and city specials for the biennium. The remaining balance of $742,294 will be used for extra ordinary repairs such as: roofs, water and sewer, electrical, heating and ventilation, building exteriors, sidewalks, streets, general upkeep and emergency repairs.

Deferred Maintenance $293,911

NDSCS anticipates using these funds for the replacement of a badly deteriorated and leaking 50-year-old sewer line at an estimated cost of $300,000.

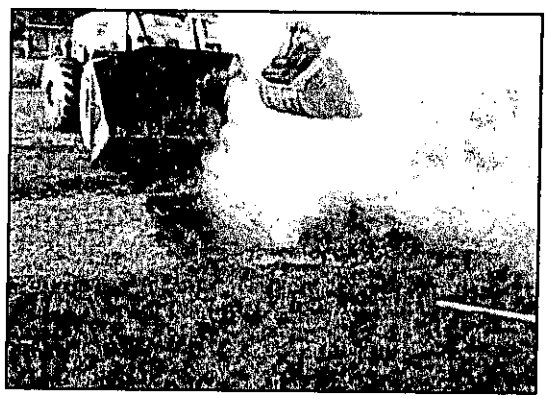
2007 – 2009 Budget Narrative (Cont.)

Capital Projects – State Appropriated Funded

1. Proposed Steam Line Replacement $1,670,420

NDSCS will use these funds to replace a badly deteriorated and leaking steam line. The steam lines that will be replaced are **39 years old** and have an average life expectancy of approximately **25 years**.

- No Capital Improvements for steam line replacements were approved for NDSCS in the FY 2005-2007 Budget request to SBHE.



This break occurred south of the Student Center for the second year in a row. It has been repaired with a temporary fix.



This break occurred on September 25, 2006, as the college turned the heat on in the buildings.

2007 – 2009 Budget Narrative (Cont.)

Capital Projects – Locally Funded

2. Proposed Bonding – Parking Lot 4 Project..... $714,000

NDSCS will be requesting bond approval of $714,000 from the State Board of Higher Education and from the 2007-2009 Legislature. The revenue needed to fund this bond would be raised through parking fees.

3. NDSCS Robertson Hall Renovation $6,000,000

NDSCS will be requesting bond approval of $6 million from the State Board of Higher Education and from the 2007-2009 Legislature for the proposed remodeling of Robertson Hall. The revenue needed to fund this bond would be raised through housing fees.

4. Football Stadium and Track Renovation $1,700,000

The 2005-07 Legislature authorized a project for the Football Stadium and Track Renovation of $1.7 million. At this time, NDSCS does not expect to complete this project in the 2005-07 biennium. In September 2006, NDSCS received SBHE approval to allow the college to continue in its efforts to fund the Football Stadium and Track Renovation ($1.7 million in Other Funds).

SBHE Approved Institutional Requests Not Funded in the Executive Budget

Deferred Maintenance $195,940

The SBHE approved a $489,852 request for NDSCS. The Executive Budget funded this request at $293,911, leaving an unfunded request of $195,940.

Unfunded Health Insurance $193,200

Cost to continue the current level of employee health insurance coverage for 2007-09 is $681 per month, however the Executive Budget includes funding of $658 per month. Funding at the lower level will require changes to the plan coverage, including higher deductibles and greater co-payments for employees. The estimated additional cost needed to fund employee health insurance at the current level of coverage is $193,200.

SBHE Proposed Adjustments to 2007-09 Executive Budget Recommendation

NDSCS supports the SBHE request that the following one-time funded requests be added to the respective budgets as a permanent base increase.

1. Capital Assets-repair/deferred maintenance $4,000,000
   a. NDSCS requests that the one-time deferred maintenance of **$293,911** be added as a permanent base increase to the NDSCS Capital Assets budget.

2. Connect ND: replace SBHE Initiative Funds $1,500,000

3. Connect ND: student technology fee bonds $920,000

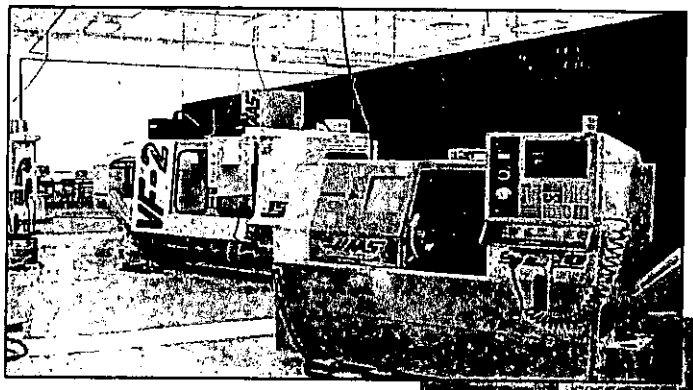
4. Connect ND: stabilize critical business functions/contingency $1,280,000

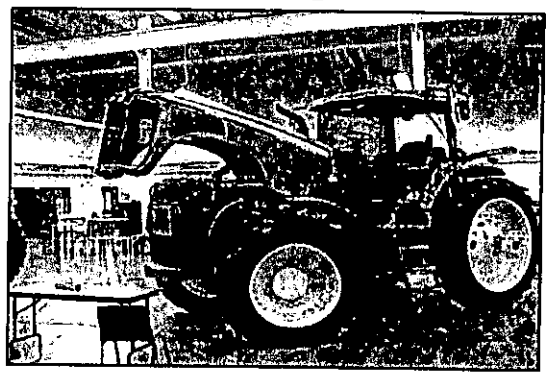
5. Common Information Services (tech pool) $420,000

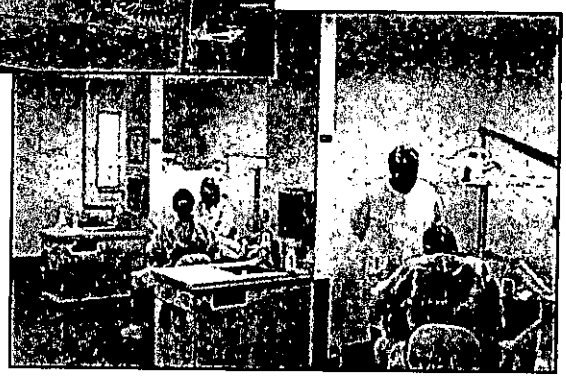
Total proposed adjustments to NDUS Budget $8,120,000

Quality CTE Programming Requires a Greater Investment*

- Specialized equipment and higher operating costs are **nine to 10 times higher**
- High faculty to student ratios are **six times more costly**
- Large and/or dedicated instructional facilities require **seven times more** physical space







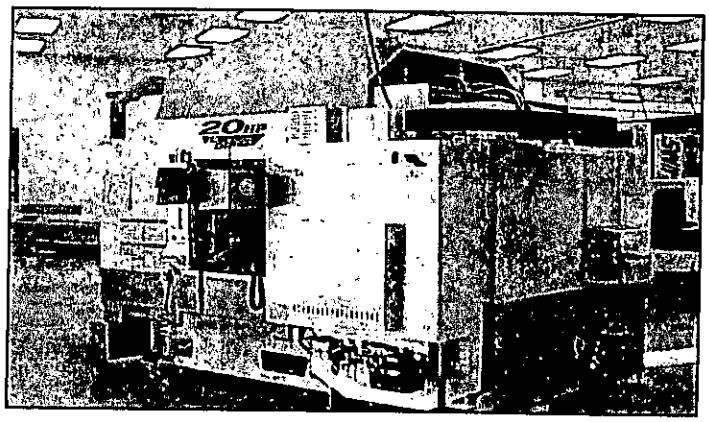
* *When compared to NDSCS Liberal Arts and transfer programs*

Quality CTE Programming Requires a Greater Investment (Cont.) *

Specialized Equipment and Higher Operating Costs

- Nine to 10 times more costly

CTE programming requires a significant investment in technical equipment and related operating supplies.



Additional Implications:

- Researching, purchasing and installation of equipment
- Facility modification to accommodate equipment
- Instructor in-service and training
- Equipment updating and maintenance
- Developing and maintaining industry relationships

** When compared to NDSCS Liberal Arts and transfer programs*

Quality CTE Programming Requires a Greater Investment (Cont.) *

High Faculty to Student Ratio

➢ Six times more costly

CTE programming requires a significant investment in personnel to maintain appropriate class sizes.

Some Driving Factors:

- Unique and individualized instruction required on many projects
- Numerous safety issues
- Accreditation requirements
- Availability and size of equipment
- Laboratory space



** When compared to NDSCS Liberal Arts and transfer programs*

Quality CTE Programming Requires a Greater Investment (Cont.) *

Large and/or Dedicated Facilities

➢ Seven times more physical space needed

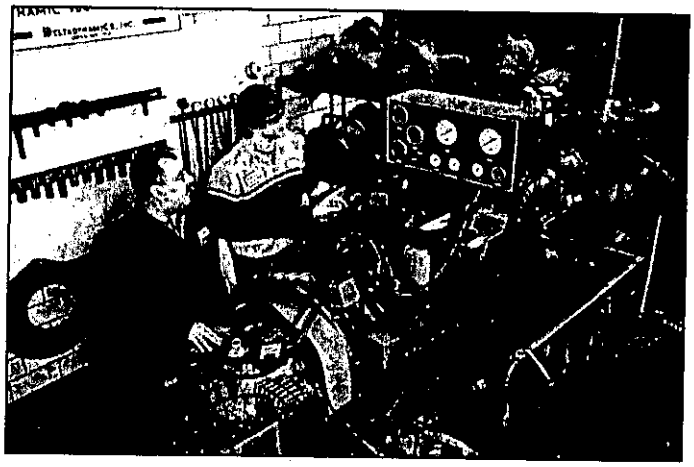
CTE programming requires a significant investment in dedicated laboratories, shops, storage areas and related facilities.

Some Examples:

- Automotive Lab vs. General Lecture Classroom
- Manufacturing Lab vs. Computer Lab
- Building Construction Lab vs. Science Lab

Additional Implications:

- Building repair and upkeep
- Custodial maintenance and services
- Heating
- Electrical
- Ventilation needs
- Acoustical needs



** When compared to NDSCS Liberal Arts and transfer programs*

Business and Industry Partnerships Contribute $4,500,000 Annually

Butler CAT

MeritCare Health System

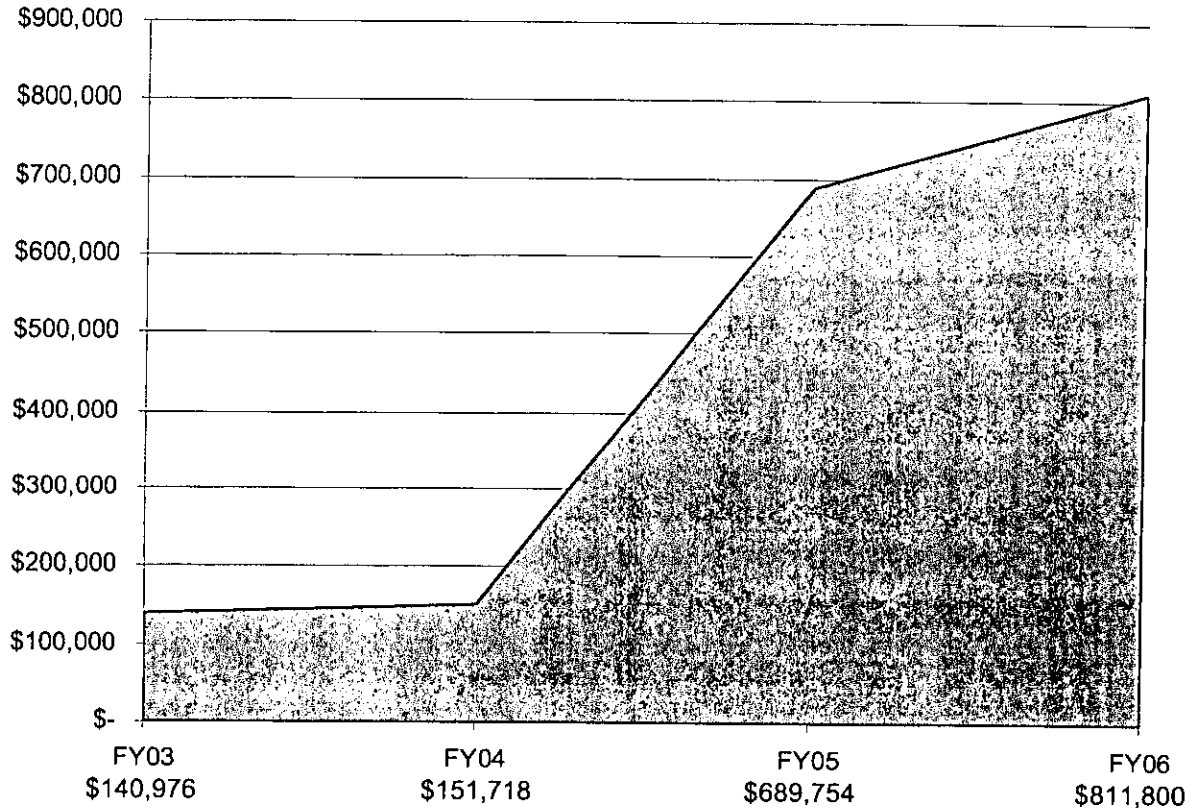
BUTLER®
A BlueScope Steel Company

John Deere

CAREER PARTNERSHIP Program

Miller
ARC WELDING EQUIPMENT

Alternative Funding Sources – Grants and Congressional Earmarks



Over **$1.5 million** in grants and congressional earmarks have been secured in the past two years. This is a **five-fold increase** when compared to the previous two years.

NDSCS Priority Needs

As part of the strategic planning process, NDSCS leaders have identified five priority needs for the next biennium. In order to continue serving North Dakota, NDSCS needs:

1. Resources that allow NDSCS to respond quickly and effectively to the needs of emerging and changing industries.

   Examples include:
   - Developing new academic options;
   - Modifying existing academic programs; and
   - Expanding Workforce Training services and activities.

2. Resources that allow NDSCS to effectively meet the ever-increasing costs of an academic mix focused predominantly on career and technical education.

   Examples include:
   - Maintaining and operating dedicated instructional facilities;
   - Procuring modern instructional equipment; and
   - Maintaining appropriate faculty-to-student ratios in order to meet quality instructional standards and selected accreditation requirements.

NDSCS Priority Needs (Cont.)

3. Resources that allow NDSCS to more effectively respond to the needs of an ever-changing, more diverse student body.

   Examples include:
   - Academic preparation;
   - Social adaptation; and
   - Continued student support.

4. Resources that allow NDSCS to develop a college-wide comprehensive technology plan and a process for implementation:

   Examples include:
   - Classroom and laboratory equipment;
   - Instructional delivery;
   - Marketing and student recruitment; and
   - Technology infrastructure.

5. Resources that allow NDSCS to attract, develop and retain highly skilled and technically proficient faculty and employees.

Total General Funds Carryover from FY 2003-05 $0

NDSCS Performance Contracting Project

Status Report
January 10, 2007

General Description of Project

The North Dakota State College of Science (NDSCS) negotiated a contract with Energy Services Group (ESG) a performance contracting firm based out of Minneapolis, MN on November 23, 1999. Performance contracting is a method for making capital improvements to a facility, finance all associated costs of the improvements, and have a guarantee that the resulting operational savings will cover the debt service. The College viewed this project as a creative way to reduce the consumption of utilities while upgrading its facilities.

Payback Period

The scheduled payback period is 10 years, starting on February 1, 2001 with the last payment scheduled to be made on January 1, 2011.

Amount of Project

The total obligation of the College was $2,628,086. NDSCS realized approximately $1.9 million in capital improvements, primarily associated with lighting and plant monitoring upgrades. The remaining obligation was for debt interest.

When was Project Initiated

The project was initiated on November 23, 1999 with the construction period for the improvements taking place between December 1, 1999, and December 31, 2000.

Estimated Savings

Over a ten year period the college was expected to save $2,781,949.

Is it Meeting Savings Projections

The State Energy Engineer, through a study completed on June 1, 2004, verified that NDSCS is meeting the projected savings. The study verified that the College exceeded the guaranteed savings in each of the first three years of the initial contract.

Other

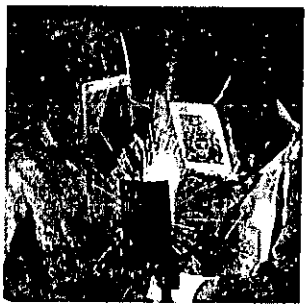
The project was expected to save $2,781,949 over the ten year term of the agreement, which will pay back the capital investment and interest. The guarantee period for the first three years began July 1, 2001 and ended June 30, 2004. The table below summarizes the results supplied by ESG.

	Guaranteed Savings	Verified Savings Year 1	Year 2	Year 3
Electrical Use (kwh)	2,292,889	3,143,836	3,159,914	3,142,561
Electrical Demand (kw)	5,606	6,415	6,424	6,409
Natural Gas (MCF)	22,820	27,166	27,463	26,168
Water (gallons)	1,737,727	1,782,486	1,782,486	1,782,486

The process used for the measurement and verification follows the guidelines that were established by the Federal Energy Management Program (FEMP) for federal Energy Savings Performance Contracts.

Each of the three years show the verified savings exceeded the guarantee.

NDSCS North Dakota State College of Science







NDSCS
Home of Tomorrow's Workforce

For additional information contact:

John Richman, Ph.D.
Interim President
1-800-342-4325, ext. 3-2222
John.Richman@ndscs.edu

Harvey Link
Vice President for Institutional Advancement
and Government Relations
1-800-342-4325, ext. 3-2353
Harvey.Link@ndscs.edu

Mike Renk
Vice President for Administrative Affairs
1-800-342-4325, ext. 3-2217
Mike.Renk@ndscs.edu







NDSCS North Dakota State College of Science

60th Legislative Assembly

Senate Appropriations Committee

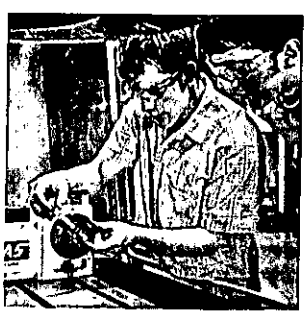
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Tim Mathern
Larry J. Robinson
Tom Seymour
Harvey D. Tallackson
Rich Wardner

The following pages are different or in addition to what was provided to the House on 1-10-07

House Bill 1003
February 27, 2007







North Dakota State College of Science

Workforce Training – Southeast Region 2005 – 2006 (cont.)

Businesses/Participants Served

	Duplicated	Unduplicated	% Repeating
Number of businesses served	1094	736	75%
Number of participants served	3432	2791	N/A

Level of Satisfaction

	Participants	Employers
Satisfaction with training provided	99.2%	99.7%
Satisfaction with responsiveness to training needs	N/A	100%

Did you know?

Every $1 invested by the North Dakota Legislature in NDSCS Workforce Training generated an additional **$2.78 in training activities** to business and industries served by the Southeast Region.

NDUS Campuses and Medical School
Comparison of SBHE General Fund Request to
Executive Recommendation & Engrossed HB1003

	(1)	(2)	(3)	(4)
	North Dakota State College of Science			
	SBHE 2007-09 Prioritized GF Request	Executive Recommendation	House Adjustments 1/	Engrossed HB1003
2005-07 Original General Fund Appropriation	**$ 25,740,160**	**$ 25,740,160**		**25,740,160**
Base Adjustments	-	-		0
2005-07 Adjusted General Fund Appropriation, Net of Base Adjustments	**25,740,160**	**25,740,160**		**25,740,160**
Prioritized SBHE Requested Increase in Base Funding:				
Capital Assets Increase-Ongoing Extraordinary Repairs	339,202	-		-
Campus Parity	2,339,371	2,339,371	(263,599)	2,075,772
Campus Equity	33,694	33,694		33,694
House Adjustments to Base Funding				-
Total Requested Increase in GF Base Funding & Adjustments	2,712,267	2,373,065	(263,599)	2,109,466
Subtotal Base GF Request, Compared to Executive Recommendation & Engr HB1003	**28,452,427**	**28,113,225**	**(263,599)**	**27,849,626**
One-time Budget Increases, Excluding Major Capital Projects:				
Capital Assets Increase-Ongoing Extraordinary Repairs		339,202		339,202
Infusion for Deferred Maintenance	489,852	293,911		293,911
House One-time Adjustments			350,000	350,000
Subtotal One-time GF Request, Excluding Major Capital Projects, Compared to Exec Recommendation & Engr HB1003	**489,852**	**633,113**	**350,000**	**983,113**
2007-09 State General Funded Projects	-	1,670,420		1,670,420
Total 2007-09 General Fund Request, Compared to Executive Recommendation & Engrossed HB1003	**$ 28,942,279**	**$ 30,416,758**	**$ 86,401**	**$ 30,503,159**

g:\cathy\excel\fl\Biennial Budgets\2007-09 Budget\07-09 House\Campuses-Med GF Summary-HB1003

1/ House Adjustments Include:

Reduce salary increases from 5/5 to 4/4	$ (263,599)
Nanoscience/technology training program	350,000
	$ 86,401

2007-2009
Budget Overview

Restricted Revenue	FY 2005-07 Budget	FY 2007-09 Executive Recommendation	FY 2007-09 House Approp. Committee
Capital Asset Base (extra ordinary repairs)	$753,332	$753,332	$753,332
Capital Assets Increase		$339,202	$339,202
Deferred Maintenance (one time)		$293,911	$293,911
Capital Projects (one time) Electrical Distribution 05-07 & Steamline 07-09	$736,000	$1,670,420	$1,670,420
Special Project (one time) Nanoscience			$350,000
Sub-Total	**$1,489,332**	**$3,056,865**	**$3,406,865**

Restricted Obligations			
Capital Assets (extra ordinary repairs)	$753,332	$1,092,534	$1,092,534
Deferred Maintenance (one time)		$293,911	$293,911
Capital Projects (one time) Electrical Distribution 05-07 & Steamline 07-09	$736,000	$1,670,420	$1,670,420
Special Project (one time) Nanoscience			$350,000
Sub-Total	**$1,489,332**	**$3,056,865**	**$3,406,865**

Unrestricted Revenue			
Base Appropriations	$24,986,826	$24,986,826	$24,986,826
Campus Parity (Executive @ 5/5%; House @ 4/4%)		$2,339,371	$2,075,772
Campus Equity		$33,694	$33,694
Tuition Revenue	$12,541,641	$13,881,178	$13,881,178
Sub-Total	**$37,528,467**	**$41,241,069**	**$40,977,470**

Unrestricted Obligations			
Salary & Wages (Executive @ 5/5%; House @ 4/4%)	$28,625,233	$31,861,685	$31,543,066
Operating Costs	$9,598,355	$9,598,355	$9,598,355
Unfunded Utilities Increase		$300,000	$300,000
Sub-Total	**$38,223,588**	**$41,760,040**	**$41,441,421**
Balance/Shortfall	**($695,121)**	**($518,971)**	**($463,951)**

2007 – 2009 Budget Narrative (Cont.)

Special Project $350,000

An amendment by the House provides $350,000 of one time funding to NDSCS for nanoscience and technology training. Activities may include curriculum design and development, purchase and installation of specialized equipment, facilities renovation, technical support and other related costs associated with the development of the Nanoscience Technician Program and Nanotechnology Applied Science Laboratory and related emerging technology programming.

Campus Parity (cost to continue) $2,075,772

The Executive Budget recommended a 5/5% salary increase and included funding of $2,333,371. The House included funding for a 4/4% salary increase in the amount of $2,075,772 for a reduction of $263,599. **NDSCS respectfully requests the restoration of $263,599 of campus parity to allow salary increases at a 5/5% level.**

2007 – 2009 Budget Narrative (Cont.)

Campus Equity $33,694

Based upon the NDUS equity allocation formula approved by the SBHE, NDSCS will receive $33,694 of the $10 million equity pool. These funds will be used to partially fund an approximate $2 million need for equipment in the NDSCS Nanoscience Technology Program.

Tuition Revenue $13,881,178

Projected tuition revenue has been calculated at 'hold even' enrollment numbers and with a 5% yearly tuition increase.

Salary and Wages $31,543,066

Based upon the 5/5% salary increase recommended in the Executive Budget, NDSCS calculated salary and wage obligations of $31,861,685. Based upon the 4/4% salary increase contained in the Engrossed House Bill, NDSCS calculated salary and wage obligations of $31,543,066. The difference is $318,619 which averages approximately $900 per NDSCS employee.

2007 – 2009 Budget Narrative (Cont.)

Operating Costs $9,598,355

NDSCS projects a 'hold even' operating budget during the upcoming biennium in an effort to reduce an anticipated shortfall of unrestricted funds.

Unfunded Utilities Increase $300,000

Increased energy costs will result in a utilities shortfall beyond the 2.4% inflation factor used to calculate the NDUS campus parity and cost to continue allocations. Actual utilities increases are in excess of 8.7% resulting in a $300,000 unfunded utilities increase. This will contribute to a shortfall of unrestricted funds.

Other Budget Requests

SBHE Approved Institutional Requests Not Funded in the Executive or House Budgets

Deferred Maintenance $195,940

The SBHE approved a $489,852 request for NDSCS. The Executive and House budgets funded this request at $293,911, leaving an unfunded request of $195,940.

SBHE Requests Not Funded in the House Budget

NDSCS supports the SBHE's budget request and priorities and requests that due consideration be given to these needs.

Workforce Training

NDSCS strongly supports the ongoing **$1,350,000** appropriation for workforce training included within the State Board for Career and Technical Education budget **(HB 1019).**

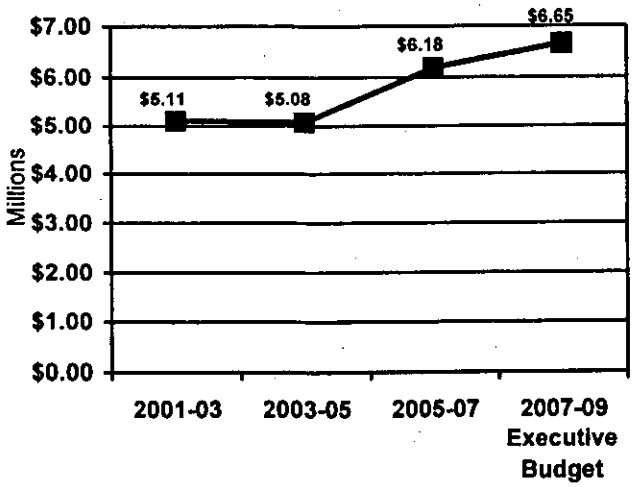
Department 228 - Lake Region State College
House Bill No. 1003

	FTE Positions	General Fund	Other Funds	Total
2007-09 Executive Budget	30.49	$6,653,271	$3,007,600	$9,660,871
2005-07 Legislative Appropriations	36.21 [1]	5,777,526	0	5,777,526 [2]
Increase (Decrease)	(5.72)	$875,745	$3,007,600	$3,883,345

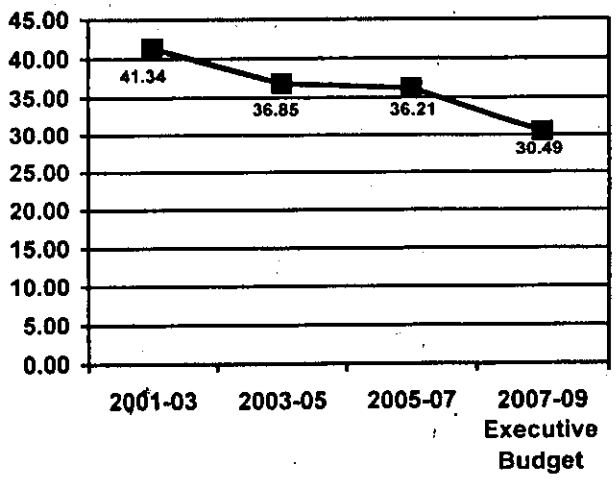
[1]The 2005-07 biennium appropriation is based on 36.21 FTE positions. Section 13 of Senate Bill No. 2003 (2005) authorizes the State Board of Higher Education to adjust full-time equivalent positions, as needed, subject to the availability of funds, for institutions and entities under its control. A total of 5.72 positions were removed pursuant to this section and reported to the Office of Management and Budget.

[2]The 2005-07 appropriation amounts include general fund allocations of $400,000 from the equity pool.

Agency Funding - General Fund



FTE Positions



Executive Budget Highlights

	General Fund	Other Funds	Total
1. Provides parity funding of $493,252 for the following:			
Costs to continue fiscal year 2007 legislatively funded salary increases	$57,621		$57,621
5 percent per year salary increases	264,393		264,393
10 percent per year health insurance increases	131,391		131,391
2.4 percent per year operating inflation	39,847		39,847
Total (The executive recommendation only includes approximately 93 percent of the total general fund portion of parity costs of $546,561. Operating inflation of $53,309 is not included in the executive recommendation. An annual tuition increase of 5.9 percent would be needed to fund the remaining general fund portion of $53,309 and to fund the student portion of parity costs of $182,187.)	$493,252		$493,252
2. Provides equity funding of $244,425. (The executive recommendation includes a $10 million increase for equity distributed among the 11 higher education institutions. The amount distributed to each institution was determined by considering both the institution's dollar difference from their peer benchmark as well as giving a greater weighting factor to those institutions that are the furthest behind their peer benchmark.)	$244,425		$244,425

3. Provides funding for extraordinary repairs of $125,604 equal to the 2005-07 base funding of $43,662 plus a proportionate share, $81,942, of the $10 million increase that is included in the executive budget recommendation. **(The additional funding of $81,942 is one-time funding.)**	$81,942		$81,942
4. Provides funding for major capital projects for the 2007-09 biennium, including $3,007,600 in special funds for a wind energy project		$3,007,600	$3,007,600

Continuing Appropriations

Special revenue funds - NDCC Section 15-10-12 - Provides the continuing appropriation authority for higher education institutions' special revenue funds, including tuition, through June 30, 2007.

Major Related Legislation

House Bill Nos. 1030, 1031, and 1032 - These bills provide for the continuation of the following statutory provisions through June 30, 2009:

- The continuing appropriation authority for higher education institutions' special revenue funds, including tuition.
- The requirement that the budget request for the North Dakota University System include budget estimates for block grants for a base funding component and for an initiative funding component and a budget estimate for an asset funding component and the requirement that the appropriation for the University System include block grants for a base funding appropriation and for an initiative funding appropriation and an appropriation for asset funding.
- The North Dakota University System's authority to carry over at the end of the biennium unspent general fund appropriations.

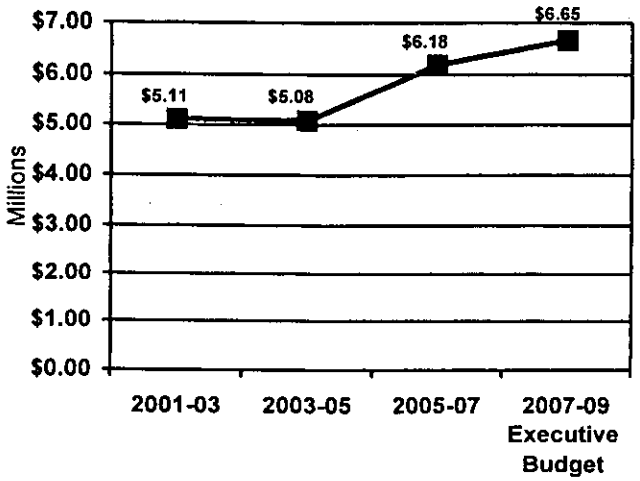
Department 228 - Lake Region State College
House Bill No. 1003

	FTE Positions	General Fund	Other Funds	Total
2007-09 Executive Budget	30.49	$6,653,271	$3,007,600	$9,660,871
2005-07 Legislative Appropriations	36.21 [1]	6,177,526	0	6,177,526 [2]
Increase (Decrease)	(5.72)	$475,745	$3,007,600	$3,483,345

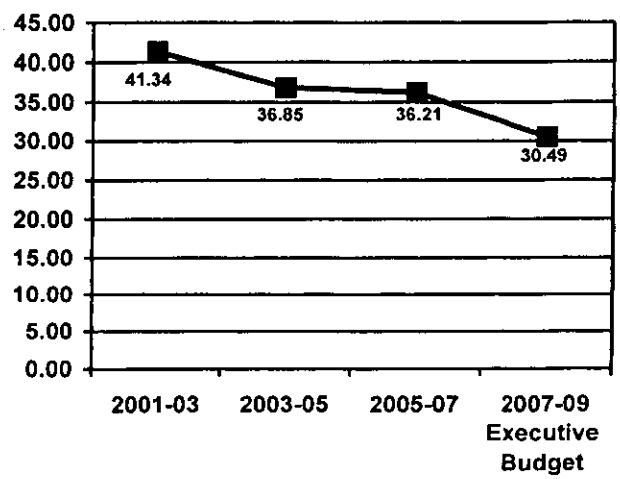
[1]The 2005-07 biennium appropriation is based on 36.21 FTE positions. Section 13 of Senate Bill No. 2003 (2005) authorizes the State Board of Higher Education to adjust full-time equivalent positions, as needed, subject to the availability of funds, for institutions and entities under its control. A total of 5.72 positions were removed pursuant to this section and reported to the Office of Management and Budget.

[2]The 2005-07 appropriation amounts include general fund allocations of $400,000 from the equity pool.

Agency Funding - General Fund



FTE Positions



First House Action

Attached is a summary of first house changes.

Executive Budget Highlights
(With First House Changes in Bold)

	General Fund	Other Funds	Total
1. Provides parity funding of $493,252 for the following:			
Costs to continue fiscal year 2007 legislatively funded salary increases	$57,621		$57,621
5 percent per year salary increases	264,393		264,393
Estimated health insurance increases	93,645		93,645
2.4 percent per year operating inflation	77,594		77,594
Total (The executive recommendation only includes approximately 97 percent of the total general fund portion of parity costs of $508,815. Operating inflation of $15,562 is not included in the executive recommendation.) **The House reduced parity funding by $53,572 from the general fund to reflect 4 percent per year salary increases.**	$493,253		$493,253
2. Provides equity funding of $244,425. (The executive recommendation includes a $10 million increase for equity distributed among the 11 higher education institutions. The amount distributed to each institution was determined by considering both the institution's dollar difference from their peer benchmark as well as giving a greater weighting factor to those institutions that are the furthest behind their peer benchmark.)	$244,425		$244,425

3. Provides funding for extraordinary repairs of $125,604 equal to the 2005-07 base funding of $43,662 plus a proportionate share, $81,942, of the $10 million increase that is included in the executive budget recommendation. **(The additional funding of $81,942 is one-time funding.)**	$81,942		$81,942
4. Provides funding for major capital projects for the 2007-09 biennium, including $3,007,600 in special funds for a wind energy project. **The House changed the funding source for the project to $1,000,000 from the general fund and $2,007,600 from special funds.**		$3,007,600	$3,007,600

Continuing Appropriations

Special revenue funds - NDCC Section 15-10-12 - Provides the continuing appropriation authority for higher education institutions' special revenue funds, including tuition, through June 30, 2007.

Major Related Legislation

House Bill Nos. 1030, 1031, and 1032 - These bills provide for the continuation of the following statutory provisions through June 30, 2009:

- The continuing appropriation authority for higher education institutions' special revenue funds, including tuition.
- The requirement that the budget request for the North Dakota University System include budget estimates for block grants for a base funding component and for an initiative funding component and a budget estimate for an asset funding component and the requirement that the appropriation for the University System include block grants for a base funding appropriation and for an initiative funding appropriation and an appropriation for asset funding.
- The North Dakota University System's authority to carry over at the end of the biennium unspent general fund appropriations.

House Bill No. 1459 - This bill provides an appropriation to Lake Region State College for extraordinary repairs.

ATTACH:1

HB 1003
January 10, 2007
Handout # 1

HOUSE APPROPRIATIONS COMMITTEE HEARINGS

HB 1003

Lake Region State College
January 10, 2007

Lake Region STATE COLLEGE
1801 College Drive North, Devils Lake ND 58301-1598
(701) 662-1600 ✦ 1-800-443-1313 ✦ (701) 662-1570 fax
www.lrsc.nodak.edu

House Appropriations Committee Hearings
HB1003

Lake Region State College
January 10, 2007

Good afternoon, Chairman Svedjan and members of the House Appropriations Committee. I am Dr. Sharon Etemad, President of Lake Region State College.

The College

Lake Region State College is one of eleven public higher education institutions within the North Dakota University system (NDUS). We are proud to be one of the nearly 1,200 community colleges throughout the United States. As community colleges in America, we serve over half of beginning college freshman each year. The college continues to experience enrollment growth (see Appendix, page 15). We provide education, training, and support for economic development. Through cultural events and community education we create quality of place. With our focus on career and technical education, workforce training, and developing quality of place, we are uniquely positioned to meet one of the greatest challenges facing North Dakota–developing a competent, well trained, creative workforce. We hear of this labor shortage from business and industrial leaders at every economic development meeting. We are truly the best hope the region and state has for developing and sustaining human capital.

Recognizing that the United States has the same challenge, William D. Green, CEO of Accenture, a global consulting company with $17 billion in revenue, said in the May 1, 2006 issue of *Newsweek*, *"I believe that our community and junior colleges can help America regain its competitive edge."* He should know. Green was the son of a plumber who always believed he would be a plumber like his father. That future changed after he visited Dean College, a two-year college outside of Boston, with some friends who were planning to enroll there after graduation. After the visit, he decided to enroll himself. It was a life-altering experience for him as it is for many of the students who enroll at Lake Region State College. Green and our students join with nearly 12 million other students attending community colleges throughout the country. Green believes that community colleges are the answer to the workforce training needs of this country. He cites the fact that over two-thirds of these students attend part-time while they continue to work, many of them at full-time jobs. He notes the diversity of students at community colleges–47 percent of all African-American undergraduates and 56 percent of all Hispanic undergraduates attend community colleges. The American Association of Community Colleges estimates that more than half of new health care workers were enrolled in community colleges. He also cites the workforce education and training that directly benefits local business and industry. He urges his business partners to *"... show their support by donating funds, recruiting students, offering career counseling, and encouraging our employees to teach classes."* He is particularly concerned that state support for community colleges is declining.

Lake Region State College has experienced loss of state support in relation to student investment from 1997-99 to 2005-07. Student tuition has moved from 41.25 percent of the budget to as high as 54.19 percent in 2003-05 (see Exhibit 1). The chart shows that the equity funds distributed in the 2005-07 biennium helped to begin moving this trend in a more positive direction back to 53.16

percent. The State Board of Higher Education (SBHE) goal for community college access is that tuition should make up 25 percent of our budget. With tuition collections representing 53 percent of our budget, we are a long way from that goal! The result is that student affordability at community colleges in North Dakota is being compromised.

Exhibit 1–Tuition Collections as Percentage of Lake Region State College Budget

	Biennium				
	97/99	99/01	01/03	03/05	05/07*
Local fund (net) tuition revenues	$1,341,323	$1,631,822	$1,890,847	$3,178,250	$3,038,500
General fund (net) tuition collections	1,543,127	1,785,940	2,055,369	2,775,214	3,531,767
General fund appropriation for salaries, operating, and equipment	4,107,420	4,410,268	5,003,513	5,032,682	5,789,989
Total support for core mission	$6,991,870	$7,828,030	$8,949,729	$10,986,146	$12,360,256
Total tuition collections as percentage of total support for core mission	41.25%	43.55%	44.09%	54.19%	53.16%

*Tuition collections (net) are estimated for 05/07

Green concludes, *"An investment in your local junior or community college is a sound investment in the competitiveness of our country and the potential of our citizens."*

There is substantial evidence from multiple perspectives that investment in Lake Region State College is a sound investment. This is corroborated by the results of two recent economic impact studies. Utilizing 2004 fiscal information and adjusting to current dollars, Leistritz and Coon found the direct impact of Lake Region State College on the local and state economy to be $10,158,000 per year with a total economic impact of $30.1 million (see Exhibit 2).

Exhibit 2–Direct and Total Economic Impacts for LRSC, FY99, FY04, and FY06, *Economic Impact of the North Dakota University System*

				Change	
Item	FY99	FY04	FY06	99 to 06	04 to 06
Direct Impacts					
General fund	$ 2,145,000	$ 2,471,000	$ 2,828,000	31.8%	14.4%
Non-general fund	3,880,000	6,077,000	6,781,000	74.8%	11.6%
Capital improvements	723,000	696,000	549,000	-24.1%	-21.1%
Total	**$ 6,748,000**	**$ 9,244,000**	**$ 10,158,000**	**50.5%**	**9.9%**

Exhibit 2–*continued*

Direct Impacts of I-O Sector					
Construction	$ 723,000	$ 696,000	$ 549,000	-24.1%	-21.1%
Communication and Public Utilities	225,000	333,000	294,000	30.7%	-11.7%
Retail trade	853,000	874,000	961,000	12.7%	10.0%
Finance, insurance, real estate	694,000	1,177,000	1,319,000	90.1%	12.1%
Business and personal services	620,000	1,189,000	1,597,000	57.6%	34.3%
Households	3,633,000	4,975,000	5,438,000	49.7%	9.3%
Total	**$ 6,748,000**	**$ 9,244,000**	**$ 10,158,000**	**50.5%**	**9.9%**
Total Impacts					
Construction	$ 1,216,000	$ 1,384,000	$ 1,304,000	7.2%	-5.8%
Communications/Public Utilities	880,000	1,266,000	1,332,000	51.4%	5.2%
Retail trade	4,935,000	6,581,000	7,240,000	46.7%	10.0%
Finance, insurance, real estate	1,606,000	2,456,000	2,729,000	69.9%	11.1%
Business and personal services	970,000	1,689,000	2,153,000	122.0%	27.5%
Professional social services	509,000	713,000	785,000	54.2%	10.1%
Households	7,881,000	11,030,000	12,126,000	53.9%	9.9%
Other*	1,595,000	2,203,000	2,421,000	51.8%	9.9%
Total	**$ 19,592,000**	**$ 27,322,000**	**$ 30,090,000**	**53.6%**	**10.1%**

* Includes agriculture, mining, manufacturing, transportation, and government

According to CCbenefits, Inc., *"Students benefit from improved lifestyles and increased earnings. Taxpayers benefit from an enlarged economy and lower social costs. The community as a whole benefits from increased job and investment opportunities, higher business revenues, greater availability of public funds, and an eased tax burden"*

Utilizing an approach that looks at the additional value of productivity of students who have continued to work and live in the area, CCbenefits, Inc. found that Lake Region State College accounts for $54.3 million, or 1.4 percent of all regional income in the LRSC service area. The past student productivity effect is by far the largest and most important impact of LRSC, stemming from higher incomes of students and their employers. CCbenefits, Inc. also reported an avoided social cost which were savings associated with improved health, reduced crime, and fewer welfare and unemployment claims. This savings of $9 per year per credit hour translates to $509,700 worth of social savings to the state of North Dakota each year as long as students are in the workforce (see Exhibit 3, following page).

FACT SHEET: ECONOMIC IMPACT OF LAKE REGION STATE COLLEGE

What role does Lake Region State College (LRSC) play in the local economy? The results of this study demonstrate that LRSC is a sound investment from multiple perspectives. Students benefit from improved lifestyles and increased earnings. Taxpayers benefit from an enlarged economy and lower social costs. And the community as a whole benefits from increased job and investment opportunities, higher business revenues, greater availability of public funds, and an eased tax burden.

LRSC stimulates state and local economy

- The LRSC Service Area economy receives roughly **$4.7 million in regional income** annually due to LRSC operations and capital spending.

- About 15% of LRSC's students come to the LRSC Service Area from outside the region, bringing with them monies that would not have otherwise entered the local economy. LRSC's out-of-region students spend a total of $1.7 million while attending LRSC, generating roughly **$1.2 million in regional income in the LRSC Service Area.**

- LRSC activities encourage new business, assist existing business, and create long-term economic growth. The college enhances worker skills and provides customized training to local business and industry. It is estimated that the present-day LRSC Service Area workforce embodies around **666,900 credit and non-credit hours** of past and present LRSC training.

- LRSC skills embodied in the workforce of the LRSC Service Area where former students are employed **increase regional income by $42.0 million.** Associated indirect effects increase income by **another $6.4 million.**

- Altogether, the LRSC Service Area economy annually receives roughly **$54.3 million in income** due to the past and present efforts of LRSC. Clearly it is accurate to describe LRSC as an engine of economic growth.

LRSC leverages taxpayer dollars

- The state and local community will see **avoided social costs amounting to $9 per year for every credit earned** by LRSC students, including savings associated with improved health, reduced crime, and fewer welfare and unemployment claims.

- This translates to **$509,700 worth of social savings** to the State of North Dakota each year as long as students are in the workforce.

- Students benefit from higher earnings, thereby expanding the tax base and reducing the tax burden on state taxpayers. When aggregated together, LRSC students generate about **$6.6 million annually in higher earnings** due to their LRSC education.

LRSC generates return on investment

- State government allocated around **$3.1 million in support of** LRSC in fiscal year 2006.

- For every dollar appropriated by state government, taxpayers will see a **cumulative return of $2.30** over the course of the students' working career (in the form of higher tax receipts and avoided social costs).

LRSC returns $2.30 for every dollar of taxpayer financial support.

- State government will see a **rate of return of 9%** on their support for LRSC, which compares very favorably with private sector rates of return on similar long-term investments.

LRSC increases students' earning potential

- A total of **4,244 credit and non-credit students** attended the college in academic year 2005-2006. As many as **70% of these students stay in the region** initially after they leave college and contribute to the local economy.

- Studies demonstrate that education increases lifetime earnings. **The average annual earnings of a student with a one-year certificate are $26,200,** or 85% more than someone without a high school diploma or GED, and 16% more than a student with a high school diploma. **The average earnings of a student with an Associate Degree are $30,900,** or 118% more than someone without a high school diploma or GED, and 37% more than a student with a high school diploma or GED.

- LRSC students will see their annual income increase, on average, by about **$123 per year for every credit completed** at LRSC during the analysis year.

- Throughout his or her working career, the average LRSC student's discounted lifetime earnings (i.e., future values expressed in present value terms) will increase **$6.50 for every education dollar invested** (in the form of tuition, fees, books, and foregone earnings from employment).

- Students enjoy an attractive **17% annual rate of return** on their LRSC educational investment, and recover all costs (including wages foregone while attending) in **9 years.**

Students see their annual income increase by $123 per year for every credit completed at LRSC.

Prepared by CCbenefits, Inc. – December 20, 2006 FIRST DRAFT

Regional income in the LRSC Service Area would be substantially lower without the educational activities of LRSC. From an economic standpoint alone, Lake Region State College is a solid investtment. According to the CCbenefits, Inc. report, for every dollar appropriated by state government, taxpayers will see a cumulative return of $2.30 over the course of students' working careers. With as many as 70 percent of students graduating from Lake Region State College staying to work and live in the state, state government will see a 9-percent rate of return on their support for Lake Region. In today's market, the state makes money on its investment in Lake Region State College.

It has also become highly recognized that quality of place is essential to attracting new business to a region. A policy brief by the Education Policy Center of the University of Alabama for the MidSouth Partnership for Rural Community Colleges concludes, *"Therefore, the preservation of rural America is strongly linked to the government's ability to provide opportunities for a satisfying and meaningful quality of life."* They believe, *"The potentially strongest agency to influence the livelihood of rural communities is the rural community college. These institutions provide workplace skill instruction, occupational training, literacy instruction, liberal education, leisure education, and transfer education. And while these areas of instruction and work are directed at specific outcomes, their actions also have a secondary, less intentional yet strong result in the form of influencing how rural citizens see themselves and the pride they have or do not have in rural life."* In order to explore these assumptions, a case study was conducted on three community colleges in Arkansas, Mississippi, and Alabama. Their findings supported the assumption that *"... investment in community education programs–ranging from summer camps to literacy instruction–improves the quality of life in these rural areas that has a subsequent impact on community stability and economic potential ..."*

So you can see, with our focus on career and technical education, workforce training, and developing quality of place, we **are** uniquely positioned to meet one of the greatest challenges facing North Dakota—developing a competent, well-trained, creative workforce. Community Colleges are a good investment.

LRSC Programming

I would like to take a few minutes to share with you some of the outcomes at Lake Region State College which are results of earlier investments you have made in the college.

✦ **Transfer, Career, and Technical Education**

Over the last two years, Lake Region State College has focused its programming on the following areas: 1) collaborating with other NDUS institutions to develop and deliver new programs without additional resources, 2) meeting the workforce needs of the northeast quadrant of the state of North Dakota, and 3) revising curriculum and delivery methods for existing programs to meet changing needs of employers and students.

Lake Region State College developed a Speech Language Pathology Assistant Program with Williston State College and the Communications Disorders Department at Minot State University. This innovative program is delivered entirely online and was developed with the assistance of the Department of Public Instruction to help meet the needs of students for speech pathology services. North Dakota was short 15 to 20 speech pathologists to provide services in schools. The American Speech-Language Hearing Association (ASHA) taskforce on the shortage of speech language

professionals requested our program faculty to present this innovative program as a potential model for helping to solve the shortage.

As a member campus of the Dakota Nursing Program, Lake Region State College is currently delivering nursing education in Devils Lake and Northwood. We are also working with Cavalier County Memorial Hospital to deliver nursing education to Langdon. We have actively been trying to meet the challenge of addressing the nursing shortage in rural areas. The Dakota Nursing Program had one of the highest national nursing board exam pass rates in the state this past year.

We are in our fifth year of delivering Peace Officer Training to Fargo in the summer. We have trained more than 100 police officers in the Fargo and Cass County area. We are providing re-certification training for active peace officers through the North Dakota Peace Officers Standards and Training (POST) Board in partnership with our POT Program and Workforce Training. Lake Region State College has also hosted advanced training sessions for peace officers during the last two years.

Lake Region State College currently has six degree programs available online, and our enrollments have grown to over 1,000 enrollments (400 to 500 students). We are in the process of developing two or three more programs for online delivery. We continue to work with the United States Air Force and deliver educational services at the Grand Forks Air Force Base; Thule, Greenland; Cavalier PAR Site; Baghdad, Iraq; and we are working on delivery to a site in Nevada.

We are exploring new programs in wind energy technician and forensic science to meet future labor market needs. The wind energy technician would be a wonderful opportunity to utilize our proposed wind turbine for educational and training purposes. A forensic science technician is a strong tie-in with our current Peace Officer Training Program.

✦ Workforce Training

The Workforce Training Division at Lake Region State College has undertaken several unique projects; however, the training that has the greatest impact in the lives of North Dakotan's is the In-Home Care Provider Program. This program is administered through a contract with the North Dakota Department of Human Services, Division of Aging Services, and is designed to train qualified service providers of in-home care throughout the state. In the last three years, the program has trained more than 300 service providers in 56 North Dakota cities using a bank of 57 registered nurses as trainers. The training is meeting a vital need in the health care industry, allowing individuals to stay independent and in their own homes for as long as their health will allow, and they do so knowing their caregivers have the knowledge and skills necessary to properly help them reach this goal.

Additionally, the Northeast Workforce Training Partnership has continued to meet the needs of new and emerging regional industries. Interest and activity in the biofuels and biodiesel industry has grown tremendously in the past two years, and the partnership has responded by delivering specialized Programmable Logic Controller (PLC) training to a biodiesel plant in York, North Dakota. This training was provided with help from the Southeast Workforce Training quadrant, whose subject matter expert delivered the training. This cooperation between workforce training quadrants is an example of a statewide system ready to respond efficiently and immediately to any training needs.

Since human capital development is critical for the success of new and expanding business and industry in North Dakota, support for our workforce training units is essential. The statewide workforce training initiative has received no additional legislative support since the system was implemented in 1999. Therefore, a request for an addition $2.7 million has been included in the Career and Technical Education Budget. The funds would be used for outreach personnel to work with individual business and industry in rural communities to develop new partnerships with the private sector. It would provide funds for upgraded equipment and training aids. The additional funds are also needed to meet inflationary costs and salary increases.

There is also minimal funding within the Career and Technical Education Budget which is shared among the five community colleges for new program development, equipment costs, and other start-up costs. The funds have been used to provide a distance program that our technical teachers can take to learn teaching and grading techniques, other pedagogical skills, and complete their bachelors degrees. The funding in this line has shrunk to less than $400,000 per biennium. As I will mention later, a bill is being proposed by Senator Grindberg and others that will address both the workforce training and workforce development needs for the development of human capital.

✦ **Center of Excellence**

Our center of excellence–the Dakota Center for Technology-Optimized Agriculture (DCTOA)–is off to a firm start. Since being funded in March of 2006, the applied research program has been implemented, with the able assistance of two cohorts of 'answer farms,' the avid participation of our private-sector partners–Agri ImaGIS and Total Crop Farming Solutions–and the collaboration of other private sector entities–the NDSU Langdon Research Extension Center and our industry-based steering committee. Substantial development of new software integrating remote sensing (satellite-based) with agronomic management has occurred, and additional software tools have been designed for use by farmers and ranchers.

To date, one of the partners has added one employee; opened new markets in Nebraska, Minnesota, South Dakota, Canada, and Australia; and experienced net income growth of over 60 percent. The owners stated recently that they believe that without the DCTOA, they would not have seen these positive developments. The second business partner has developed a more focused strategic business plan and staffed a second office. Both companies are currently looking at the possibility of franchising. We believe that this is precisely the outcome anticipated from the partnership. Additionally, the center has implemented sustained linkages and testing of technologies used for more economically applying synthetic crop inputs, livestock waste, and other industrial or sewage waste.

Full-field assessment of these technologies, computer software, and associated management algorithms has occurred on 160 real acre fields managed by our answer farm partners. Results to date suggest that emerging technologies intended to precisely control rates of placement of synthetic and natural products into soil profiles can be made to work as intended on northern high plains soil dynamics, with the expected result of accurate placement (important within fragile soil profiles) and more efficient usage. Two more years of actual in-field testing must occur before definitive conclusions can be rendered.

Looming directly ahead is new work 1) designing technology to assess nutrient levels of animal waste, crop byproducts, and municipal waste as soil amendments; 2) structuring and testing additional control technologies for use in other agronomic flow process applications; 3) writing additional software control applications for these emerging technologies; and 4) developing new

software-based tools so that farmers and ranchers can comply with emerging opportunity in the carbon sequestration, environmentally sensitive set-aside initiatives, and fragile eco-system preservation arenas. Also looming is biochemical work on conversion of cellular biomass and design of in-field mechanical compression of cellular biomass.

Cultural Activities/Quality of Place

We enjoy being the hub for arts, entertainment, and cultural activity for the region, along with life-enriching learning opportunities that add quality of place to the Lake Region.

Our renovated Robert Fawcett Auditorium–updated in 2000 with funds from the North Dakota Legislature and our community–is home to numerous events throughout the year. Following is just a sampling of the numerous entertainment activities performed at LRSC:

- The elementary, middle, and high school drama clubs, bands, and choirs perform on the stage many times a year.
- Our local dance company performs many annual shows and holds educational institutes.
- We host Missoula Children's Theatre, Marketplace for Kids, and community and health fairs.
- Our local Chautauqua organizers use the campus as the venue for many of its summer concerts and events.
- The Sully's Hill Birding Festival holds related lectures and concerts at LRSC, and we are home to Community Concert Association productions.
- We also are a neutral setting for debate on a variety of topics from candidate forums before elections, peace conferences, film festivals, and cultural diversity events.

Our Workforce Training Division facilitates many of its training sessions on our campus, from computer training to customer service training and any other specialized training businesses need. We held a small town action summit–a time to see what Devils Lake and surrounding communities can do to boost economic development in their rural areas. The college also is a certified test center for many computer licensure exams like VUE and CISCO.

Academically we are host to the regional science fair and drama contests for local schools. We hold ACT testing on campus and youth leadership activities for schools and local organizations like North Dakota Farmers Union, Girl Scouts of America, and the American Association of University Women. The college hosts College for Kids each July for children in grades two through eight to learn about careers and enhance skills in science, math, computers, and other areas.

Learning opportunities extend to citizens through community education courses like hunter safety, quilting, photography, publications, gardening, finance sessions, and more that bring people to our campus for life-enriching learning.

Finally, our campus is a prime location for community, regional, and state meetings from Dakota Growers Pasta's annual meeting that brings 500 to 700 people each January to monthly meetings of

life underwriters, safe communities coalition, Northeast Education Services Cooperative, and North Dakota Department of Transportation, just to name a few.

Through all these activities, Lake Region State College serves between 40,000 and 50,000 people a year with community events like the ones listed above.

As noted earlier, "*... the potentially strongest agency to influence the livelihood of rural communities is the rural community college.*" The quality of life in northeast North Dakota would be very different without Lake Region State College!

2007-09 Biennial Budget

✦ Operations Budget

Nationally, state support for community colleges has declined to 44 percent of total budget. Lake Region State College particularly needs your support, as our state support is only 33 percent of our budget. Lake Region State College is still only at 46 percent of our peer colleges in funding support per student (see Exhibit 4).

Exhibit 4–North Dakota University System Resource Allocation Model

	2005/07 GF operating base	Biennial peer benchmark state support	Percent 05/07 GF Base of biennial peer benchmark state support	Biennial state GF appropriation increase needed to reach 100% of peer benchmark
BSC	$17,265,548	$33,857,421	51%	$16,591,873
LRSC	$5,789,989	$12,658,332	46%	$6,868,343
WSC	$5,752,997	$9,313,245	62%	$3,560,248
UND w/ medical	$124,187,604	$245,971,459	50%	$121,783,855
NDSU w/o Ag	$76,704,650	$189,323,064	41%	$112,618,414
NDSCS	$24,956,828	$28,758,314	87%	$3,801,486
DSU	$14,711,627	$30,989,066	47%	$16,277,439
MaSU	$9,003,630	$12,708,788	71%	$3,705,158
MiSU	$27,215,849	$41,302,008	66%	$14,086,159
VCSU	$11,806,526	$14,607,270	81%	$2,800,744
MiSU-B	$4,334,460	$6,130,566	71%	$1,796,106
Total	$321,729,708	$625,619,533	51%	$303,889,825

The equity issue is even more serious when state appropriations and student tuition are compared to its peer colleges. Lake Region State College appropriation support is only 37.689 percent of its peers, while tuition is 149.48 percent of its peers (see Exhibit 5).

Exhibit 5–Lake Region State College Peer Campus Comparisons

Institution	Headcount	FTE	Net Tuition	State/Local Appropriation
Lake Region State College	1,473	760	$2,335,688	$2,466,000
Per FTE			$3,073	$3,245
South Arkansas Community College	1,098	627	$1,239,400	$6,178,682
Feather River Community College	1,547	835	$639,436	$7,762,527
Florida Keys Community College	1,283	614	$1,711,156	$5,287,829
Southwest Georgia Technical College	1,087	716	$1,779,534	$6,793,360
Ivy Tech State College-Whitewater	1,541	797	$2,370,034	$6,920,495
Northwest Iowa Community College	1,079	715	$2,429,258	$6,341,169
Cecil Community College	1,797	996	$3,472,513	$8,853,282
Kirtland Community College	1,918	1,045	$2,489,609	$8,068,549
West Shore Community College	1,318	793	$1,017,094	$8,273,828
Pine Technical College	769	429	$1,542,518	$2,767,904
Brunswick Community College	1,109	733	$609,642	$7,139,983
Sampson Community College	1,574	975	$810,352	$7,205,281
Clatsop Community College	1,573	785	$1,944,416	$8,263,776
Frank Phillips College	843	660	$504,861	$4,352,976
Paul D Camp Community College	1,636	806	$1,136,712	$5,043,578
Peer Average	1,345	768	$1,579,769	$6,616,881
PER FTE			$2,056	$8,611
LRSC as % of Peer Average	109.53%	98.91%	149.48%	37.678%

In order to meet our operational budgets, as state support has decreased as a percentage of the state budget, we have had to depend more on increases in tuition, and that has raised the student share of the cost of higher education which contradicts the mission of the community college to be accessible. Students are not only carrying a heavier load of the cost of education; they are getting fewer services for their tuition investment. College personnel try to make up the differential with long hours and heavy loads, which is not fair to them. As noted earlier, the imbalance has been growing. According to a report published in the *Community College Times*, November 7, 2006 edition, North Dakota community college tuition and fees are $200 or more lower than only four other states (Exhibit 6).

We support keeping tuition increases under five percent. Supporting the priorities outlined by Chancellor Dunn in the Overview of the System will guarantee that this limit will be maintained.

Exhibit 6–Average tuition and fees at public two-year colleges, by state

State	2006-2007	2005-2006	% change	State	2006-2007	2005-2006	% change
NATIONAL	$2,272	$2,182	4%	Montana	$2,633	$2,501	5%
Alabama	$2,738	$2,742	-1%	Nebraska	$2,023	$1,891	7%
Alaska	$3,360	$3,060	10%	Nevada	$1,695	$1,643	3%
Arizona	$1,647	$1,534	7%	New Hampshire	$5,207	$5,195	1%
Arkansas	$2,112	$1,982	7%	New Jersey	$3,187	$2,954	8%
California	$725	$810	-10%	New Mexico	$1,195	$1,126	6%
Colorado	$2,363	$2,304	3%	New York	$3,460	$3,376	2%
Connecticut	$2,672	$2,536	5%	North Carolina	$1,257	$1,245	1%
Delaware	$2,310	$2,166	7%	North Dakota	$3,276	$3,072	7%
Dist. of Columbia	*	*	*	Ohio	$3,420	$3,235	6%
Florida	$2,038	$1,922	6%	Oklahoma	$2,335	$2,238	4%
Georgia	$2,290	$2,179	5%	Oregon	$3,167	$2,980	6%
Hawaii	$1,734	$1,529	13%	Pennsylvania	$4,299	$4,137	4%
Idaho	$1,972	$1,877	5%	Puerto Rico	*	*	*
Illinois	$2,299	$2,123	8%	Rhode Island	$2,686	$2,470	9%
Indiana	$2,893	$2,726	6%	South Carolina	$3,082	$2,934	5%
Iowa	$3,189	$3,054	4%	South Dakota	$3,434	$3,209	7%
Kansas	$1,875	$1,843	2%	Tennessee	$2,499	$2,390	5%
Kentucky	$3,270	$2,940	11%	Texas	$1,604	$1,507	6%
Louisiana	$1,842	$1,830	1%	Utah	$2,358	$2,158	9%
Maine	$3,060	$2,814	9%	Vermont	$5,230	$4,990	5%
Maryland	$3,120	$3,046	2%	Virginia	$2,367	$2,188	8%
Massachusetts	$3,586	$3,543	1%	Washington	$2,743	$2,598	6%
Michigan	$2,251	$2,121	6%	West Virginia	$2,024	$1,940	4%
Minnesota	$4,300	$4,026	7%	Wisconsin	$3,224	$2,974	8%
Mississippi	$1,685	$1,665	1%	Wyoming	$1,826	$1,766	3%
Missouri	$2,338	$2,286	2%				

Source: College Board

I would like to thank you for the $2 million in equity funds you approved in the last session. Lake Region State College's share of that fund was $400,000 for the biennium or $200,000 per year. We utilized slightly over half to fund an average 8-percent salary increase for the campus. This allowed us to move our average full-time faculty salary to the system average and staff salaries to within 80 percent or more of their market goal salaries. This investment has helped to make us more competitive locally, but we have a ways to go before we are competitive regionally and nationally. Part-time salaries are also still far below local market which results in a challenge to meet our part-time employment needs. As we address the shortage of workforce in North Dakota, we likely will rely more and more on part-time workers. In a report regarding workforce challenges, The Concours Group reported that changing age demographics and lifestyles will cause employers to rely more and more on part-time help. This part-time help is looking for flexible hours, quality work, and fair salaries. We have already begun to utilize qualified retired persons to help fill out our workforce. We now have the challenge of offering them competitive salaries. For example, a part-time faculty member would only earn $15,000 per year if he or she carried a f ull-time load with no benefits. This is truly unacceptable.

The remaining equity funds were invested in three staff positions to address Connect North Dakota issues, support distance education and collaborative student advising and enrollment, develop online curriculum, and support international students. These were strategic investments to maintain enrollment and college financial viability and operations. Thank you very much. It has been appreciated and valuable for the continued health of the college.

✦ Capital Maintenance and Bonding

Funding for the remodeling of the science classrooms and labs is also much appreciated. The facilities are completed, and the faculty and students are enjoying the state-of-the-art equipment and lab stations as well as the safety of the environment.





Above and left, students attend classes in the newly remodeled science labs at Lake Region State College, fall 2006.

With an equity position of 46 percent of its peer colleges, Lake Region State College must be very creative in utilizing the funds that we have. For example, in order to meet escalating energy costs, Lake Region State College was forced to reduce its equipment and program budget and reallocate these funds to meet increased energy costs. Since the major criterion used by 75 percent of students in selecting a college is based on program offerings, it is essential that Lake Region returns funds to equipment and program budgets. The college has identified a means of addressing this issue through

installation of a wind turbine. By replacing our gas-powered boilers with electric boilers, both heating and lighting at the college could be powered by a wind turbine. The resulting savings could be re-allocated to meet lost equipment and program operation costs. There could potentially be further savings to invest in the college offerings.

The Governor's Budget supported this project but did not provide any state funding or bonding authority. A study conducted by EAPC Architects and Engineers determined that projected savings should be able to payback within the required 15 years for an energy performance contract; however, the college is currently unable to risk this debt load. An energy performance contract would guarantee the energy savings projected but cannot guarantee energy costs, maintenance costs, and other inflationary costs. This is a risk the college currently should not take. Fiscally, the college has managed its limited funds so well that all of our fiscal ratios–viability, primary reserves, current obligations, capital maintenance, operating income margins, net liquid assets–and with the exception of long-term liabilities are very positive. The campus just recently entered into an energy performance contract to reduce usage and issued bonds to remodel the north residence hall. These projects are excellent projects. The energy usage has been reduced substantially and is a sound long-term investment, not only in relation to saving additional costs that would have been incurred but also as good stewardship to preserve the environment. However, last year the college needed to find funds beyond savings from usage to meet the additional costs related to escalating rates. While we are quite positive we can meet revenue bonds for the residence hall remodeling, there is always risk related to occupancy and the resources needed for these bond payments. Therefore, we are not comfortable entering into a contract of the amount needed to install the turbine and convert and house the boilers without state support.

I believe state investment in this project makes good sense. It would accomplish several purposes:

- Provide savings that would allow reallocation of funds back to the equipment and program lines that were reduced when the escalation of energy rates required budget cuts and reallocation
- Recognize the challenges facing Lake Region State College as one of the campuses with equity funding 46 percent of its peers by providing a means of using appropriated funds more effectively than paying high energy costs
- Demonstrate leadership in developing and using renewable energy
- Utilize North Dakota's wind resources

Therefore, we ask that you consider providing all of the funding up front for this project, bond the project with the bonds to be paid each year by the state rather than from our college budget, or you consider funding it at a level that the remaining payments would not place the college in a position of undue risk.

Biennial Budget Request

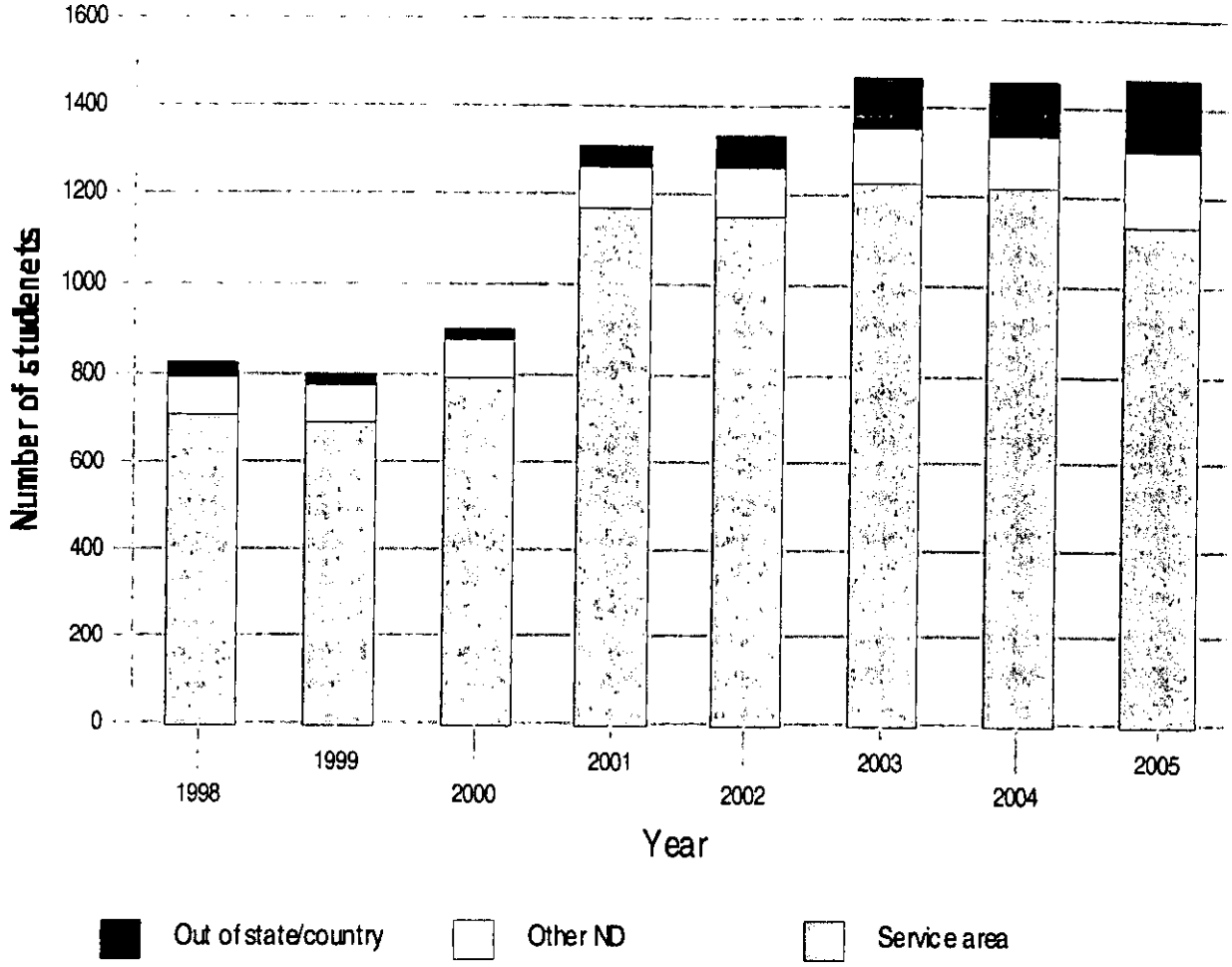
We request your support for the governor's recommendation for higher education, the additional workforce training appropriation in the Career and Technical Education bill, shifting one-time funding for Connect North Dakota and other priorities to permanent funding, and funding the wind turbine project. Following that, we support a bill being drafted by Senator Tony Grindberg to address the fundamental labor skill shortages in North Dakota. It would also be beneficial to support funding that would provide incentives for North Dakota high school graduates to stay in North Dakota to attend college and to work in North Dakota upon graduation. This request is a tall order,

but we have been very frugal with the funds we have received in the past when state budgets were very tight.

From the information and reports I have presented to you, it is clear that Lake Region State College is a good investment. Now, we request that Lake Region State College benefit from the current positive state budget. Thank you for this opportunity to share our accomplishments and dreams with you. We appreciate your past support and look forward to our continued partnership so that we may continue to grow the state's economy and develop the human capital it needs to create this growth. ✦

Appendix

LRSC Students by home address



With the exception of these pages, same testimony given to House and Senate

(1)

Lab 4067

SENATE APPROPRIATIONS COMMITTEE HEARINGS

HB 1003

Lake Region State College
February 28, 2007

Lake Region STATE COLLEGE
1801 College Drive North, Devils Lake ND 58301-1598
(701) 662-1600 ✦ 1-800-443-1313 ✦ (701) 662-1570 fax
www.lrsc.nodak.edu

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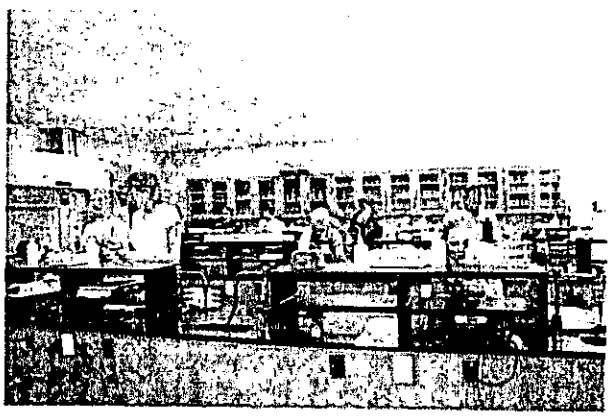
Reducing the salary increases from 5 percent for each year of the biennium to 4 percent makes it very difficult to meet the local, regional, and national market. Please give serious consideration to restoring the salary increases to 5 percent per year.

Part-time salaries are also still far below local market which results in a challenge to meet our part-time employment needs. As we address the shortage of workforce in North Dakota, we likely will rely more and more on part-time workers. In a report regarding workforce challenges, The Concours Group reported that changing age demographics and lifestyles will cause employers to rely more and more on part-time help. This part-time help is looking for flexible hours, quality work, and fair salaries. We have already begun to utilize qualified retired persons to help fill out our workforce. We now have the challenge of offering them competitive salaries. For example, a part-time faculty member would only earn $15,000 per year if he or she carried a f ull-time load with no benefits. This is truly unacceptable.

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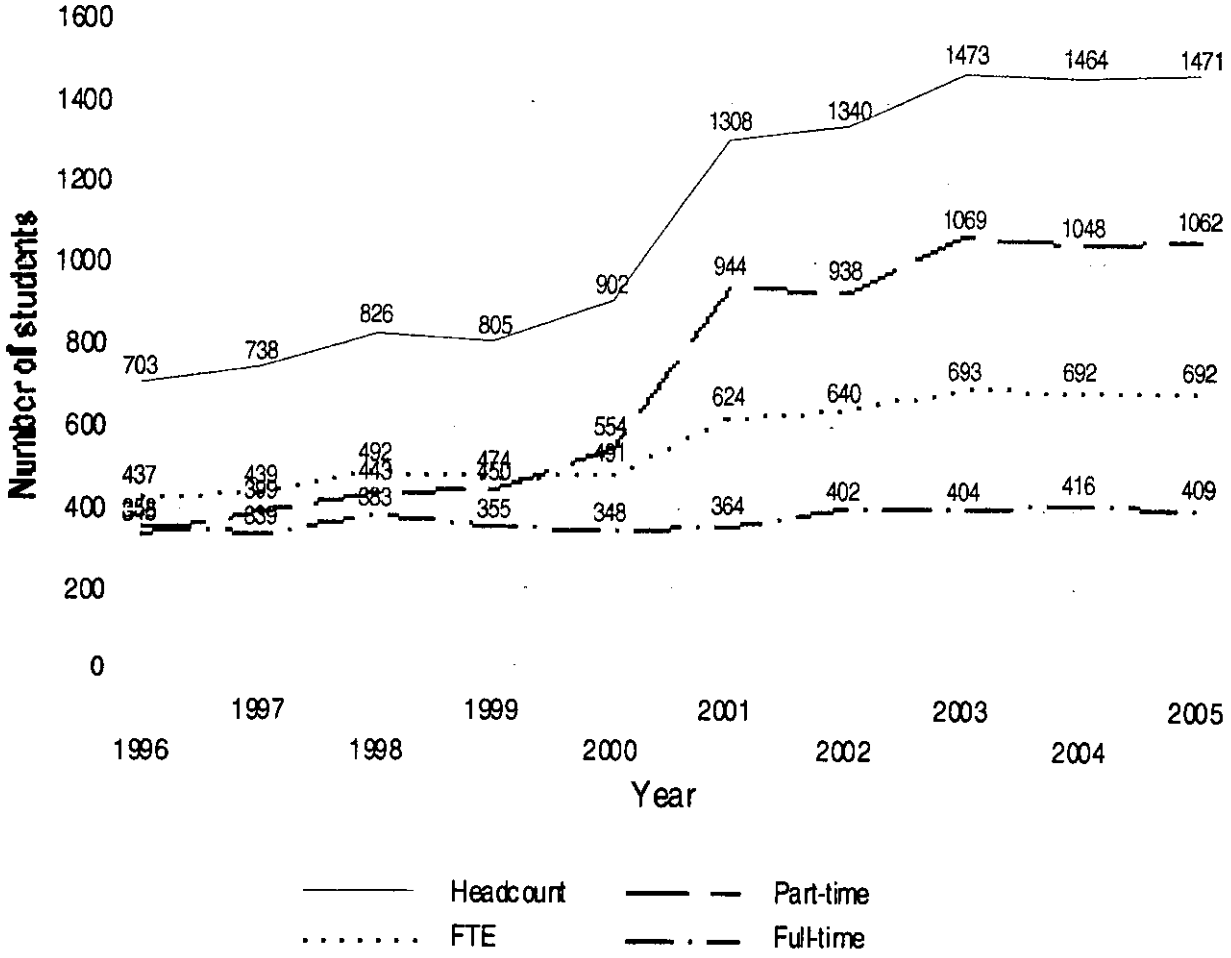
Therefore, we ask that you consider providing all of the funding up front for this project, bond the project with the bonds to be paid each year by the state rather than from our college budget, or you consider funding it at a level that the remaining payments would not place the college in a position of undue risk.

Biennial Budget Request

We request your support for the governor's recommendation for higher education, the additional workforce training appropriation in SB 2249, shifting one-time funding for Connect North Dakota and other priorities to permanent funding, restoring the salary increases to 5 percent per year, restoring Board initiative funding, the executive director position for the community colleges, and funding the wind turbine project. Following that, we support Senate Bill 2249 to address the fundamental labor skill shortages in North Dakota. It would also be beneficial to support funding that would provide incentives for North Dakota high school graduates to stay in North Dakota to attend college and to work in North Dakota upon graduation. This request is a tall order, but we have been very frugal with the funds we have received in the past when state budgets were very tight.

From the information and reports I have presented to you, it is clear that Lake Region State College is a good investment. Now, we request that Lake Region State College benefit from the current positive state budget. Thank you for this opportunity to share our accomplishments and dreams with you. We appreciate your past support and look forward to our continued partnership so that we may continue to grow the state's economy and develop the human capital it needs to create this growth. ✦

LRSC Enrollment History



Prepared by the North Dakota Legislative Council staff for House Appropriations
January 8, 2007

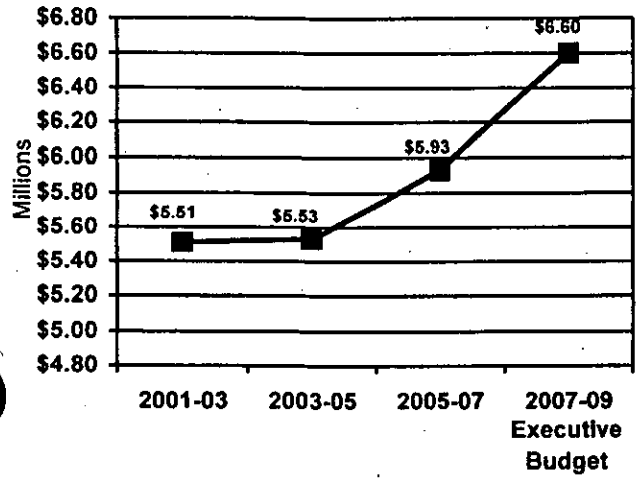
Department 229 - Williston State College
House Bill No. 1003

	FTE Positions	General Fund	Other Funds	Total
2007-09 Executive Budget	38.80	$6,596,300	$1,400,000	$7,996,300
2005-07 Legislative Appropriations	44.98 [1]	5,929,472	7,960,000	13,889,472 [2]
Increase (Decrease)	(6.18)	$666,828	($6,560,000)	($5,893,172)

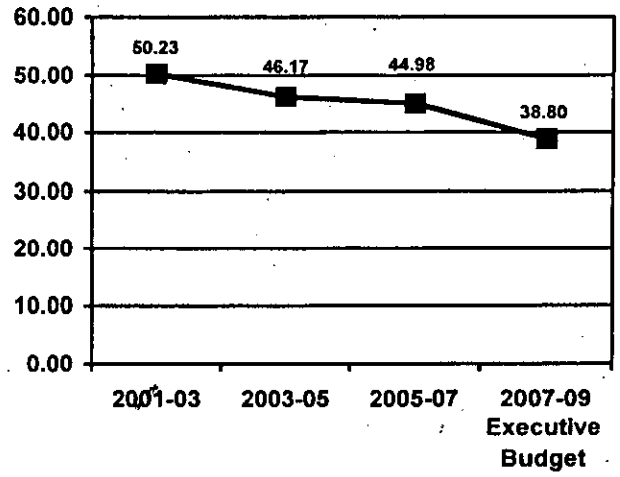
[1]The 2005-07 biennium appropriation is based on 44.98 FTE positions. Section 13 of Senate Bill No. 2003 (2005) authorizes the State Board of Higher Education to adjust full-time equivalent positions, as needed, subject to the availability of funds, for institutions and entities under its control. A total of 6.18 positions were removed pursuant to this section and reported to the Office of Management and Budget.

[2]The 2005-07 appropriation amounts include $10,000 in general fund carryover.

Agency Funding - General Fund



FTE Positions



Executive Budget Highlights

	General Fund	Other Funds	Total
1. Provides parity funding of $593,982 for the following:			
Costs to continue fiscal year 2007 legislatively funded salary increases	$67,839		$67,839
5 percent per year salary increases	325,402		325,402
10 percent per year health insurance increases	170,808		170,808
2.4 percent per year operating inflation	29,933		29,933
Total (The executive recommendation only includes approximately 93 percent of the total general fund portion of parity costs of $630,244. Operating inflation of $36,263 is not included in the executive recommendation. An annual tuition increase of 3.2 percent would be needed to fund the remaining general fund portion of $36,263 and to fund the student portion of parity costs of $210,081.)	$593,982		$593,982
2. Provides equity funding of $92,124. (The executive recommendation includes a $10 million increase for equity distributed among the 11 higher education institutions. The amount distributed to each institution was determined by considering both the institution's dollar difference from their peer benchmark as well as giving a greater weighting factor to those institutions that are the furthest behind their peer benchmark.)	$92,124		$92,124

3. Provides funding for extraordinary repairs of $157,918 equal to the 2005-07 base funding of $86,475 plus a proportionate share, $70,723, of the $10 million increase that is included in the executive budget recommendation. **(The additional funding of $70,723 is one-time funding.)**	$70,723		$70,723
4. Provides funding for major capital projects for the 2007-09 biennium, including $1,400,000 in special funds for the Creighton Building addition		$1,400,000	$1,400,0
5. Removes major capital project funding provided in the 2005-07 biennium		($7,960,000)	($7,960,000)

Continuing Appropriations

Special revenue funds - NDCC Section 15-10-12 - Provides the continuing appropriation authority for higher education institutions' special revenue funds, including tuition, through June 30, 2007.

Major Related Legislation

House Bill Nos. 1030, 1031, and 1032 - These bills provide for the continuation of the following statutory provisions through June 30, 2009:

- The continuing appropriation authority for higher education institutions' special revenue funds, including tuition.
- The requirement that the budget request for the North Dakota University System include budget estimates for block grants for a base funding component and for an initiative funding component and a budget estimate for an asset funding component and the requirement that the appropriation for the University System include block grants for a base funding appropriation and for an initiative funding appropriation and an appropriation for asset funding.
- The North Dakota University System's authority to carry over at the end of the biennium unspent general fund appropriations.

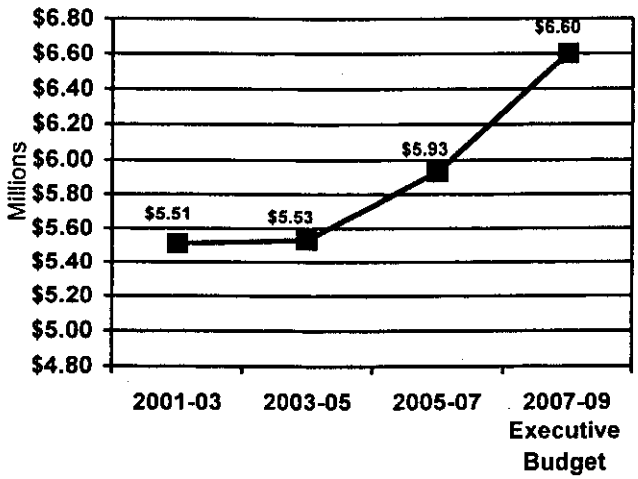
Department 229 - Williston State College
House Bill No. 1003

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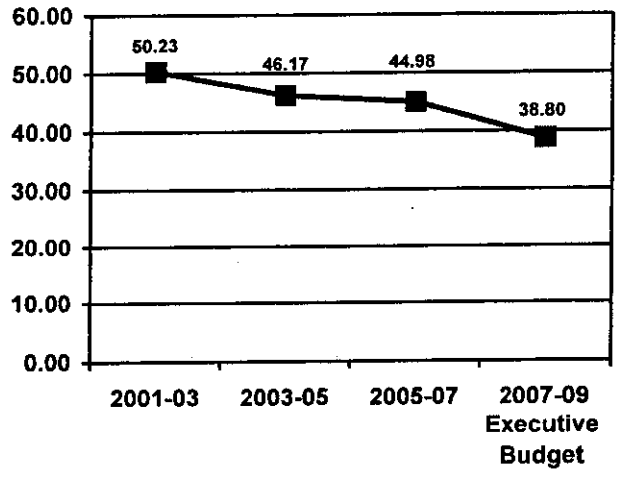
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[2]The 2005-07 appropriation amounts do not include $10,000 in general fund carryover.

Agency Funding - General Fund



FTE Positions



First House Action

Attached is a summary of first house changes.

Executive Budget Highlights
(With First House Changes in Bold)

	General Fund	Other Funds	Total
1. Provides parity funding of $593,982 for the following:			
Costs to continue fiscal year 2007 legislatively funded salary increases	$67,839		$67,839
5 percent per year salary increases	325,402		325,402
Estimated health insurance increases	121,739		121,739
2.4 percent per year operating inflation	66,196		66,196
Undesignated increase	12,806		12,806
Total (The executive recommendation includes approximately 102 percent of the total general fund portion of parity costs of $581,175.) **The House reduced parity funding by $65,934 from the general fund to reflect 4 percent per year salary increases. In addition, the House provided funding of $200,000 from the permanent oil tax trust fund for operational expenses for the service rig program.**	$593,982		$593,982
2. Provides equity funding of $92,124. (The executive recommendation includes a $10 million increase for equity distributed among the 11 higher education institutions. The amount distributed to each institution was determined by	$92,124		$92,124

considering both the institution's dollar difference from their peer benchmark as well as giving a greater weighting factor to those institutions that are the furthest behind their peer benchmark.)			
3. Provides funding for extraordinary repairs of $157,918 equal to the 2005-07 base funding of $86,475 plus a proportionate share, $70,723, of the $10 million increase that is included in the executive budget recommendation. **(The additional funding of $70,723 is one-time funding.)**	$70,723		$70,723
4. Provides funding for major capital projects for the 2007-09 biennium, including $1,400,000 in special funds for the Creighton Building addition. **The House also provided funding of $900,000 from the permanent oil tax trust fund for a facility for the service rig program.**		$1,400,000	$1,400,000
5. Removes major capital project funding provided in the 2005-07 biennium		($7,960,000)	($7,960,000)

Continuing Appropriations

Special revenue funds - NDCC Section 15-10-12 - Provides the continuing appropriation authority for higher education institutions' special revenue funds, including tuition, through June 30, 2007.

Major Related Legislation

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- The continuing appropriation authority for higher education institutions' special revenue funds, including tuition.
- The requirement that the budget request for the North Dakota University System include budget estimates for block grants for a base funding component and for an initiative funding component and a budget estimate for an asset funding component and the requirement that the appropriation for the University System include block grants for a base funding appropriation and for an initiative funding appropriation and an appropriation for asset funding.
- The North Dakota University System's authority to carry over at the end of the biennium unspent general fund appropriations.

House Bill No. 1459 - This bill provides an appropriation to Williston State College for extraordinary repairs.

ATTACH:1

HB1003
January 10, 2007
Handout #1

North Dakota
House Appropriations Committee
Hearing

January 10, 2007

Williston State College Budget

WSC Status Report
Fall 2006

3

- Fully accredited by the North Central Association
- College designated as a community college and assigned Workforce Training for Northwest North Dakota (July 1, 1999)
- College name changed to Williston State College (July 1, 1999)

Present Programs:

Associate of Arts (Liberal Arts)

Associate of Science (Liberal Arts)

- *Aviation added Fall 2002*

Associate of Applied Science

- Administrative Assistant*
- Administrative Assistant/Accounting
- Administrative Assistant/Health Information Management
  - Front Office*
  - Medical Billing/Coding*
- Administrative Assistant/Information Processing*
- Agriculture
  - Agribusiness Sales & Management
  - Farm & Ranch Management
  - Natural Resources Management & Conservation
- Automotive Technology**
- Computer Systems Specialist
  - Management Information Systems
  - Microsoft Certified System Engineer
  - Network Analyst
  - Programming*
  - Systems Technician
  - Web Design*
- Diesel Technology**
- Entrepreneurship***
  - Recreation & Tourism
  - Agribusiness
- General & Technical Studies*
  - Career Enhancement
  - Self-Enrichment
  - Workplace Readiness
- Marketing-Management*
  - Accounting
  - Management
  - Marketing
- Massage Therapy*
- Mental Health/Addiction Technicians*
- Medical Transcription*
- Nursing
  - Practical Nursing Certificate (LPN)
  - Associate Degree Nursing (RN)
- Paraeducator*
- Physical Therapist Assistant
- Speech Language Pathology Assistant

**Certificate program available **Diploma available ***Certificate program & Certificate of Completion available*

Distance Education:

Numerous Courses available online

Programs available online

- Associate in Arts
- Administrative Assistant
- Agribusiness
- Entrepreneurship
- Marketing & Management
- Medical Billing and Coding
- Medical Transcription
- Mental Health/Addictions Technician
- Paraeducator
- Recreation and Tourism
- Speech Language Pathology Assistant

Programs available via Interactive Video Network

- Dakota Practical Nursing Program
  - Collaboration among Williston State College, Bismarck State College, Lake Region State College & Minot State University—Bottineau
  - Practical Nursing Certificate (LPN) & Associate Degree Nursing (RN)
  - Williston State College nursing sites: Minot & Fort Berthold Community College
- Massage Therapy
  - Certificate or Associate Degree sites in Minot & Bismarck
- Bachelor of University Studies
  - Collaboration between Dickinson State University & Williston State College

Employees:

Full-time	71
Part-time and adjunct	110
Administrators	3
Faculty	
Full-time Teaching	26
Full-time (part-time teaching)	8
Permanent part-time	4
Adjunct	
On-campus	36
Off-campus	19
Staff	
Full-time	34
Part-time	18
Students (part-time)	33

Athletics:

Women's

- Volleyball
- Basketball

Men's

- Baseball
- Basketball

Credit Student Enrollment Information:

- 912 students
- 55% full-time (505)
- 45% part-time (407)
- 72% women (657)
- 56% E-Learning (507)

- 79% North Dakota (725)
- 48% Williams County (348)
- 51% Primary service area of Burke, Divide, Dunn, Golden Valley, Mountrail, McKenzie and Williams Counties (464)

- 10% Montana (98)
- 21% Out of State (187)
- 2% Canada (21)

- 55% 18-24 years of age (505)
- 41% 25 & above years of age (370)
- 4% under 18 years of age (37)
- Average age of student population: 27

- 4% American Indian Students (34)
- 6% Other Minority Students (56)

Population Information:

- Primary Service Area
  - North Dakota Counties: Burke, Divide, Dunn, Golden Valley, McKenzie, Mountrail and Williams

1990	2000	Change
46,547	42,178	-9.4%

- Secondary Service Area
  - Montana Counties: Daniels, McCone, Richland, Roosevelt, Sheridan and Valley

1990	2000	Change
39,228	36,061	-8.1%

- Workforce Training Counties
  - Bottineau, Burke, Divide, McHenry, McKenzie, Mountrail, Pierce, Renville, Ward and Williams

1990	2000	Change
135,214	131,242	-2.9%

Workforce Training 2005-2006:

- A total of 153 businesses were served (decreased by 24)
- 2224 (unduplicated count) employees attended trainings (increase of 694)
- 354 training sessions held (increase of 74)
- 38,179 hours of training were conducted (increase of 5,310)

Economic Impact 2005-2006:

- $9,203,000 direct
- $17,968,000 indirect

Williston State College
Status Report Summary
2001-2006

	2001	2002	2003	2004	2005	2006
Enrollment (Fall)						
Headcount	748	770	871	936	947	912
Full-time	525	561	603	568	557	505
Part-time	223	209	268	369	390	407
Montana	79	93	102	127	110	98
E-Learning	137	127	266	388	496	507
% Women	65%	63%	65%	71%	73%	72%
% Williams County	66%	63%	56%	47%	41%	48%
Workforce Training						
Businesses Served	86	129	229	193	177	153
[redacted]mployees (Duplicated Count)	1756	1994	1823	--	--	--
Employees (Unduplicated Count)	--	--	--	1387	1530	2224
Primary Sector Businesses Served	14	36	37	59	46	--
Employees						
Full-time	67	67	70	72	74	71
Part-time & Adjunct	65	82	101	106	101	110
Administration	4	3	4	4	4	3
Faculty	61	66	83	91	92	90
Full-time	28	26	26	27	26	26
Full-time, Part-time teaching	6	8	6	7	9	5
Permanent, Part-time	2	4	3	4	5	4
Adjunct, On-campus	9	20	25	28	20	36
Adjunct, Off-campus	16	8	23	25	32	19
Staff	37	39	40	41	41	52
Full-time	29	30	34	35	35	34
Part-time	8	9	6	6	6	18
[redacted]Students (Part-time)	30	41	44	42	38	33

WILLISTON STATE COLLEGE

Enrollment History

Year	Semester	Head Count	Full-Time	Part-Time	FTE
06-07	Fall	912	505	407	648
06-07	Spring				
05-06	Fall	947	557	390	691
05-06	Spring	900	501	399	614
04-05	Fall	936	568	369	694
04-05	Spring	965	575	390	675
03-04	Fall	871	603	268	694
03-04	Spring	872	587	285	690
02-03	Fall	770	561	209	611
02-03	Spring	813	579	234	634
01-02	Fall	748	525	223	579
01-02	Spring	720	533	187	594
00-01	Fall	687	506	181	555
00-01	Spring	654	484	170	543
99-00	Fall	714	582	132	615
99-00	Spring	705	558	147	588
98-99	Fall	674	577	397	592
98-99	Spring	718	552	166	595

Williston State College
Key Performance Indicators
Fall 2006

8

1. Full Time Equivalents

	Headcount	Full Time	Part Time	F.T.E.
Fall 2003	871	603	268	694
Fall 2004	936	545	391	682
Fall 2005	947	557	390	691
Summer 2004	260	13	247	88
Summer 2005	275	12	263	94
Summer 2006	237	11	226	79

Market Penetration

	Fall 2005	Fall 2004
Primary Service Area --Includes Burke, Divide, Dunn, Golden Valley, McKenzie, Mountrail, & Williams counties in North Dakota	1.9%	2.5%

2. Student Progress

- ACT and CAAP Scores (2005)

	ACT			CAAP	
	WSC Average	2-Yr College Average	National Average	WSC Average	National Average
Composite Score	19.9	18.9	21.7	---	---
Reading Skills	20.1	19.2	22.2	59.1	60.4
English/Writing Skills	18.9	18.1	21.3	61.3	62.3
Math Skills	19.6	18.5	21.4	56.4	56.1
Science Skills	20.4	19.2	21.5	59.5	59.0
Critical Thinking Skills	---	---	---	58.5	60.5

- Job Placement Rate (2005 graduates)
  - 77% of Vocational/Technical Students are working within their field.
  - 11% of Vocational/Technical Students are continuing their education within their field.

3. College External Reputation

- Not measured at this time.

4. Internal Work Climate

- Biennial Report on Employee Satisfaction (see attachment)

5. Personnel Full Time Equivalents

- F.T.E
  - 2003-2004: 86.1
  - 2004-2005: 84.5 (67.6—General Fund & Tuition Collections; 16.9—All other sources)
  - 2005-2006: Unavailable
- Dollars Budgeted for Personnel
  - 2004-2005: $4,084,360 ($3,334,469—General Fund & Tuition Collections; $749,891—All other sources)
  - 2005-2006: $4,450,092 ($3,487,910—General Fund & Tuition Collections; $962,182—All other sources)
  - 2006-2007: $4,456,474 ($3,482,047—General Fund & Tuition Collections; $974,427—All other sources)

6. Financial Health

- Expendable Net Assets Compared to Long Term Debt (FY 2005)
  - WSC: .09:1
  - NDUS: .7:1
- Tuition & Fees Collection (FY 2005)
  - WSC: $1,499,737
  - NDUS: $181,035,000

6. **Financial Health (continued)**
   - Percentage of WSC Funding (FY 2005) used for:
     - Instruction: 42%
     - Institutional Support: 15%
     - Academic Support: 3%

7. **Facilities—Planning and Maintenance**
   - Master Plan updated Spring 2006
   - Deferred Maintenance
     - WSC: $1,749,500 (FY 2006)
     - NDUS: $118,000,000 (FY 2006)

8. **Technology—Planning and Maintenance**
   - Technology Plan updated June 2006

9. **Instructional Planning**
   - Programs:
     - Nursing Program revised for Fall 2004 into Dakota Nursing Program
       - Associate Degree in Nursing (RN) added for Fall 2005
     - Speech-Language Pathology Assistant program added Spring 2005
     - Mental Health Addictions Technician Program added Fall 2006
   - New courses for 2007:

Name	Number	Credits
Mental Health I	MHA 201	4
Addictions I	MHA 210	4
Mental Health II	MHA 205	4
Addictions II	MHA 215	4

   - Additional Sites/Collaborations
     - Dakota Nursing Program:
       - Collaboration among Williston State College, Bismarck State College, Lake Region State College & Minot State University—Bottineau
       - Williston State College nursing sites: Minot & Fort Berthold Community College
     - Massage Therapy:
       - WSC in affiliation with Bismarck State College & Trinity Hospital in Minot
     - Speech-Language Pathology Assistant:
       - Collaboration among Williston State College, Lake Region State College, & Minot State University
     - Online Programs:
       - Associate in Arts, Administrative Assistant, Agribusiness, Entrepreneurship, Marketing/Management, Medical Billing & Coding, Medical Transcription, Paraeducator, Recreation & Tourism, Speech-Language Pathology Assistant, Mental Health Addictions Technician
     - Bachelor of University Studies:
       - Collaboration between Williston State College & Dickinson State University

10. **Quality of Student Life Experience**
    - Alumni Outcomes Survey of 2003 Graduates
      - 90.5% rated WSC above average
      - 90.5% would attend WSC if they had to start their college career over
      - 97.6% would recommend WSC to others
    - Graduate Opinion Poll (May 2006)
      - 96% of the graduates rated the services, instruction, etc. offered at WSC average or excellent

10

Williston State College

Biennial Report on Employee Satisfaction

Accountability Measure 1.e.

Overall Job Satisfaction at WSC – 2004 = 63%
2002 = 88%

Very Satisfied		Satisfied		Neutral		Somewhat Dissatisfied		Not Satisfied At All	
2004	2002	2004	2002	2004	2002	2004	2002	2004	2002
34%	23%	49%	65%	12%	6%	5%	6%	0%	0%

Overall Impression of Quality at WSC – 2004 = 84%
2002 = 90%

Excellent		Good		Average		Below Average		Inadequate	
2004	2002	2004	2002	2004	2002	2004	2002	2004	2002
23%	17%	61%	73%	13%	10%	3%	0%	0%	0%

Table 1: Comparisons of National Norms in Eight Main Survey Categories of Staff Perception of "How It Is Now"*

	How It Is Now		WSC Performance Gap		National Performance Gap	
	2004	2002	2004	2002	2004	2002
Employee Training and Recognition	3.333	3.129	1.134	1.310	1.333	1.367
Top Management Leadership & Support	3.433	3.325	1.068	1.185	1.161	1.187
Customer Focus	3.511	3.386	0.935	1.045	1.147	1.175
Measurement and Analysis	3.419	3.370	0.981	0.955	1.084	1.119
Quality/Productivity	3.486	3.434	0.946	0.932	1.076	1.112
Strategic Quality Planning	3.461	3.428	0.939	0.863	1.076	1.105
Quality Assurance	3.586	3.530	0.863	0.826	1.192	1.219
Employee Empowerment	3.746	3.651	0.711	0.679	1.006	1.037

Table 2: Performance Gap on NDUS Customized Questions*

	How It Is Now		Overall WSC Performance Gap		System Performance Gap	
	2004	2002	2004	2002	2004	2002
There are effective lines of communication between campuses.	3.347	3.260	1.122	1.100	1.394	1.492
NDUS employees are empowered to resolve problems quickly.	3.388	3.340	0.898	0.960	1.376	1.458
The NDUS involves employees in planning for the future.	3.220	3.460	1.100	0.960	1.474	1.499
The NDUS plans carefully.	3.354	3.580	1.146	0.940	1.400	1.335
The NDUS listens to students.	3.408	3.600	0.857	0.840	1.163	1.155
NDUS administrators cultivate positive relationships with students.	3.438	3.660	0.979	0.780	1.285	1.254
The mission, purpose, and values of the NDUS are familiar to employees.	3.531	3.540	0.837	0.760	1.138	1.146
The NDUS provides flexibility and responsibility at the campus level.	3.735	3.980	0.694	0.633	1.002	1.051
NDUS administrators are committed to providing quality service.	3.796	3.800	0.653	0.620	1.061	1.086
The NDUS has positive relationships with the private sector and business community.	3.653	3.940	0.755	0.580	0.923	0.929

Questions are rated on a 1–5 scale of "how it is now" and "how it should be" with (1) strongly disagree (2) disagree (3) uncertain (4) agree and (5) strongly agree.

* A small gap means employee expectations are close to being met.

For more information about this measure, see the *4th Annual Accountability Measures Report*, Pages 30–31 or refer to the Campus Quality Survey in Appendix A.

Measure FRS2

(Legis. 1.e.)

Biennial report on employee satisfaction relating to the university system and local institutions

See *5th Annual Accountability Measures Report*, Pages 24-25

Biennial Report on Employee Satisfaction

In response to concerns expressed in the 2004 Campus Quality Survey, WSC is working to improve employee satisfaction, including the following actions:

- The campus is reviewing ways to improve faculty workload and compensation.
- Faculty and staff 2005–06 salaries were increased by 4 percent.
- Faculty and staff groups are meeting regularly to identify action steps and make recommendations to improve the working environment.



Northwest North Dakota Workforce Training

The Workforce Training Division at Williston State College has experienced great success this fiscal year. For the first time the division's total revenue exceeded one million dollars. Significant increases in total revenue were due to many factors: equipment donations, Center of Excellence Grant, STAR Fund, and ND Oil and Gas Research Council Grant.

- The Petroleum Safety and Technology Center was created with the assistance of area oilfield companies. Oilfield companies have donated over one million dollars in equipment and services to this program. This Center will train individuals on the latest technology and skills needed for service rig employment. The industry is collaborating with the college to develop this and other safety programs.
- Other training opportunities in the Northwest Quadrant have increased as well. There is a continued need for training in the following areas: Certified Nursing Assistants, computer classes, customer service, leadership, farm management, supervisory classes, and other soft skills.

The Workforce Training System is building a first-class workforce for North Dakota. The four quadrants provide business and industry with the training their employees need to enhance productivity and competitiveness in today's fast changing economy.

Deanette Piesik, Director
NW ND Workforce Training Division
www.trainND.com

Northwest Workforce Training FY Comparisons			
	2004	**2005**	**2006**
Revenue	$329,475	$539,969	$1,200,006
Direct Training Revenue	$179,168	$289,428	$365,264
Number of Businesses	193	177	152
People (Duplicated)	1,847	2,336	3,157
Events	230	280	354
Contact Hours	29,556	32,869	38,179
Companies served with <50 employees	137	129	105

12

2006 Northwest Workforce Training Board

Rita Wilhelmi, Chair
Midstate Telephone Company

Andy Anderson
Halliburton Services

Dick Bergstad
IBEW Union

Wayne Biberdorf
Hess Corporation

Sherry Kondos
SRT

Starla Liedle
NW Communications Cooperative

Terry Wilber
Northrop Grumman Corporation

Diane Olson
Bottineau County EDC

Our Customers

Company Employee Size	Companies Served
1-4	27
5-9	21
10-19	20
20-49	37
50-99	25
100-249	15
250-499	3
500-5,000	4

What our customers say...

8 Hour New Hire Training
"Step by step learning and discussion of topics."
T. Malluch, Nabors Well Services

Quickbooks
"Facilitator was very knowledgeable and easy to understand, as well as patient."
Angela Palmer

Winning Women's Workshop
"Thank you for the book and all of the information. I hope I can get motivated to use the information and discover my dreams!"
Wendy Haugrose, KXMD-TV

Our 2006 Year End Report

- Total training revenue generated in Fiscal Year 2006 was $1,200,006, with $365,264 generated in direct training revenue.
- A total of 152 businesses were served.
- There were 62 businesses that requested additional training.
- Training sessions consisted of 3,157 participants, there were **2,224 unduplicated** participants.
- There were 354 training sessions held.
- Williston State College contributed $59,828 in salaries and benefits.
- Provided 38,179 contact hours of training to the region.
- Of the clients served, 98% were satisfied with the training, with 100% satisfied with the responsiveness of the NW ND Workforce Training Division in meeting their needs.
- Of the participants served, 99% were satisfied with the training provided by the NW ND Workforce Training Division.

Fact Sheet ~ FY 2005-2006



Northwest North Dakota Workforce Training

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Petroleum Safety & Technology Training Center ~ Fast Facts

- The Industry Advisory Committee for this Center is represented by the following companies: Hess Corporation, Key Energy, Sun Well Service, S & S Sales INC, Nabors Well Services, Halliburton, Nabors Drilling, Schlumberger, Vetco, and ND Job Service.
- Developed a 40-Hour New Hire Training Program for Halliburton. Additional companies have participated in the training. The companies are: SK and S, Enbridge, S & S Sales INC, and Sanjel. From July 1, 2005 through June 30, 2006; 97 new hires have attended.
- Developed an 8-Hour New Hire Training Program for Nabors Well Services. From July 1, 2005 through June 30, 2006; 248 new hires have attended.
- Since July of 2005; 2,113 individuals have participated in safety training courses.
- In January of 2006, in partnership with the Center for Transportation Safety and Halliburton, a Commercial Drivers License training program started at WSC. There has been 37 participants in the training program. This partnership will allow other oilfield companies and individuals to participate in the truck driver training program.
- WSC Foundation purchased 9 acres for the Workforce Training Division to develop a hands-on training site. Two instructional wells have been drilled by Nabors Well Services. One well will have a permanent service rig (donated by Key Energy) for training and the other well site will be available for testing and leasing. The State of ND awarded WSC with $400,000 from Centers of Excellence for oilfield training. Over one million dollars in equipment and materials have been donated by area oilfield companies to this project.
- In collaboration with state agencies and the ND Petroleum Council; WSC hired Ted Renner, Consultant, to conduct a Petroleum Industry Workforce Needs/Skills Assessment. The study will be completed by October of 2006.

Companies Donating to the Center:

- Key Energy
- Nabors Well Services
- Hess Corporation
- National Oil Well Varco
- Nance Petroleum
- Halliburton Energy Services
- Schlumberger
- Franz Construction
- Well Pro INC
- Hexom Construction
- Baker Oil Tools
- Nabors Drilling
- Hughes Christensen
- Vetco Gray
- S & S Sales INC
- American Casing & Equipment
- Stallion Oilfield Services
- Spec-Tech INC
- Joe's Casing and Drilling INC
- Weatherford
- Darby's Welding & Machine
- Corey's Septic

WORLD CLASS EMPLOYEE TRAINING

WSC ~ NW ND Workforce Training Division ~ PO Box 1326 ~ Williston, ND 58801

701-774-4235 ~ 1-866-938-6963 ~ www.trainND.com

Grand Forks Herald
12/03/06

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Williston State College

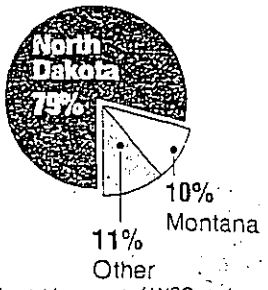
Founded in 1961

Tuition and fees

Costs listed are per-semester for full-time students. Students pay per credit hour up to 13 credits. There is no charge for credit 14, 15 and 16.

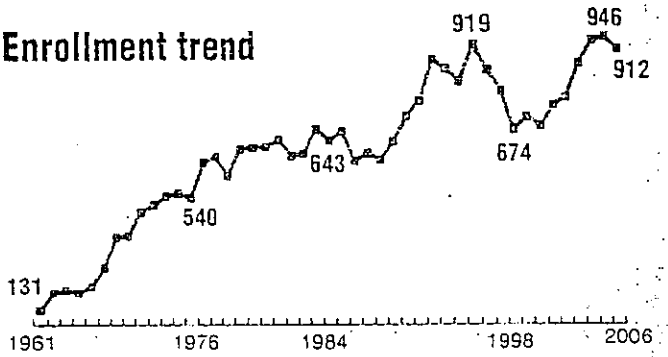
- North Dakota, South Dakota, Montana and Canada residents pay: **$1,540.**
- Minnesota residents pay: **$2,061.**
- Residents of all = other states pay: **$2,133.**
- Distance education students pay: **$154 per credit.**

Students come from:

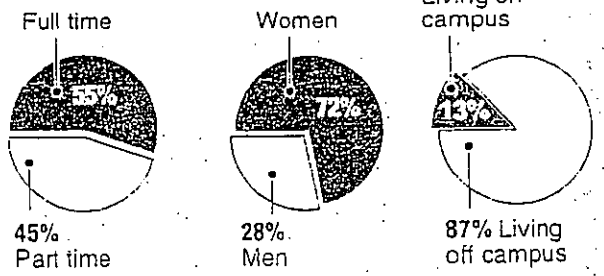


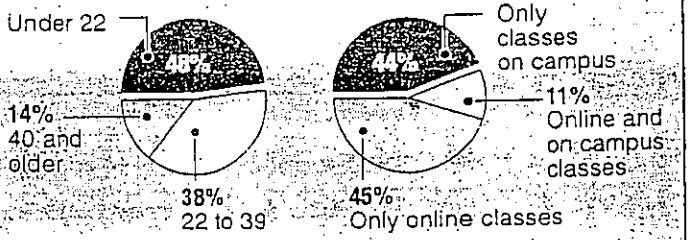
About 44 percent of WSC students come from neighboring Williams and McKenzie counties.

Enrollment trend



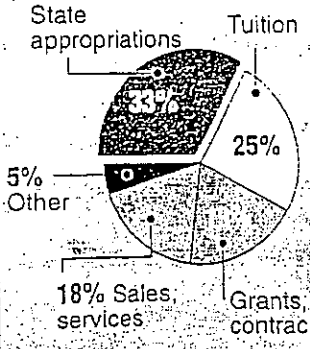
Students are:





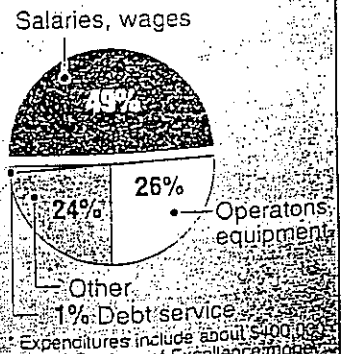
Revenue

Total '06-'07 school year equal: **$8,753,968**



Expenditures

Total '06-'07 school year equal: **$9,057,607**



* Expenditures include about $400,000 in state Centers of Excellence money. That money was received during the '05-'06 school year and is not included in the revenue listed above.

Petroleum Safety and Technology Center
Legislative Update

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Williston State College (WSC) recognizes that the region's most important asset is its workforce. Having employees who can effectively understand and utilize safety measures, use equipment and current technology, and develop and use future technologies will ensure that businesses, communities, area states and the region remain competitive. To meet this goal for the oilfield industry; WSC created the Petroleum Safety and Technology Center (PSTC). The purpose of this project is to develop a center that can assist with the creation of jobs. This is a multi-faceted effort to meet the critical workforce needs of the oil and gas industry in the Williston Basin.

By developing a training site offering hands-on rig experience, WSC's Workforce Training Division can educate individuals for a career in the oilfield. The main areas of technical education are: Industrial Safety, Service Rig, Drilling, Roustabout, Commercial Drivers License, and Specialty Technicians.

With advances in technology, many individuals do not have the necessary skills for oilfield employment. This hands-on center will prepare individuals with skills in: troubleshooting, problem-solving, computer skills, safety procedures, and general industry experience. The Petroleum Safety and Technology Center will give future employees the opportunity to experience service rig work, thus decreasing turnover in the industry. Two area service companies are adding innovative service rigs to the Williston Basin that are equipped with the latest technology. These rigs will allow companies to monitor activities (documentation, air quality, sensor data, trip speed, equipment handling, etc) at the rig remotely.

WSC Foundation purchased nine acres of land to develop this hands-on program. Companies have donated necessary equipment to develop the site. As with any program, the start-up costs is the major expense. The COE grant of $400,000 will be used to insure donated equipment meets industry standards and to meet other infrastructure needs. Also, in August of 2006, Senator Conrad announced an appropriation of $200,000 in the 2007 HUD Bill for the Center. These appropriated dollars will partially fund a building on the site for classroom training.

Nabors Well Services has donated the drilling services of the two wells, along with a crew quarters trailer. Key Energy donated a service rig to be placed on one of the well sites. The other well site will be available to companies for testing and training. Well Pro, Inc. donated their services as consultant on the drilling project. Nance Petroleum and the Hess Corporation donated casing, tubing, and the liner. Hess Corporation also donated sucker rods, pumping unit, tank, and treater. Halliburton Energy Services and Schlumberger donated cement. Vetco donated well head equipment. Nabors Drilling donated the trucking services to transport the rig. As of June 2006 over one million dollars in equipment and services has been donated to this project.

Even with the funding that WSC has received, there still is a need for additional dollars to move this project forward. The following are some of the top priorities for funding:

- Classroom space at the training site is needed for the Service Rig program and for the Commercial Drivers License program, as well as a parking area.
- Oilfield companies have donated a majority of the equipment, but there are still additional equipment needs.
- Classroom training space at the college is also an area of high priority for the division. As the oilfield training programs increase, more and more rooms are needed. WSC has proposed a Rural Development Center for the campus. The Workforce Training Division would be housed in this new center. The cost of the Workforce Training Division's share is approximately $1,200,000.00 for 9,296 square feet of space.

WSC continues to look for donations and at other funding sources for the Petroleum Safety and Technology Center.

Advances in technology using horizontal drilling have made the Bakken formation in the Williston Basin an emerging area of interest for many oil companies. WSC could not have accomplished all of this without the help, support, and knowledge of area oilfield companies. Now, more than ever, we need a trained workforce to realize the full potential of oil in the Williston Basin.

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WSC Achievements for 2004-2005 and 2005-2006

First Cornerstone - Economic Development

1. An entrepreneurship AAS degree was added to the marketing/management curriculum and online medical transcription AAS degree became available.

2. Received a Center of Excellence for Economic Development and started the establishment of a Petroleum Safety and Technology Center.

3. The WSC President is past president of the Williston Area Development Foundation, member of the Souris Basin Certified Development Company, and current president of the Tri-County Regional Development Corp., and meets with the area economic developers group.

4. Began a partnership with Dickinson State College via their Center for Entrepreneurship and Rural Revitalization to increase the development, mentorship, and nurturing of entrepreneurs.

5. WSC co-sponsored the Williston Region SBDC office with Tri-County Regional Development Corp. and other, Banks, EDCs, utilities, and a chamber of commerce.

Second Cornerstone - Educational Excellence

1. Graduated the first class of associate degree registered nursing via the Dakota Nursing Program, a partnership with BSC, LSC, & MiSU-B.

2. Revised the college facilities master plan to: facilitate enhanced on-campus experience for students; add music, art, and theater; enlarge the diesel program; facilitate other colleges providing access to programs and degrees WSC doesn't offer; increase WSC's role as a regional cultural center; respond to the demand for oil field training and other workforce shortage areas; better nurture, develop and support entrepreneurs; and support value-added agriculture in the Mon-Dak region;

3. Completed the application process to become a community college which uses the North Central Association Higher Learning Commision's Academic Quality Improvement Project mode of reaccreditation.

4. Started new credit AAS degree programs in para-educator, speech language pathology assistant, and mental health and addiction technology; and an agribusiness certificate.

5. Renovated the student center and bookstore as well as added a coffee bar on campus.

6. Recognized excellence in the World War II Veterans History Project.

Third Cornerstone –Flexible and Responsive System

1. WSC is party to over 80 different partnerships with external businesses, agencies, schools, and universities.

2. Dramatically expanded the number of civic and cultural events on the WSC campus.

3. Established a 20% time Coordinator of for postsecondary program offerings for the North West Career and Technical Center in the Minot area. This project is a partnership of MiSU-Bottineau, MiSU, WSC, Minot Public Schools, and Burdick Job Corps. The major thrust of this position is to increase access to career and technical associate of applied science degrees and certificates in the Minot region.

4. Trained over 2200 "oil patch" employees between July of 2005 and December of 2006.

5. Expanded oil field training available through the WSC Petroleum Safety and Technology Center.

6. Revised the WSC enrollment management plan with a renewed emphasis on academic transfer and high demand technical programs.

Fourth Cornerstone - Accessible System

1. Became an active partner in the Great North West Educational Consortium. House the Tech-Prep Consortium specialist and Great North West Educational Consortium executive director on the WSC campus.

2. Increased the access to dual credit courses via ITV.

3. Leased two apartment buildings to partially address the new challenge on-campus students have due to the oil boom, induced housing shortage.

4. Made progress working with the Great North West Educational Cooperative, MiSU-B, and the Minot Tech Center Committee to expand access to career and technical coursework and programs in northwest ND.

5. Extended the WSC Massage Therapy sites to three in cooperation with BSC and Trinity Regional Medical Center at Minot.

6. A WSC marketing plan has been established which integrates the elements of enrollment management into college operations.

7. Expanded the number of WSC IVN (ITV) classrooms to six.

8. Increased the number of part-time credit students by 46% from 268 in fall 2203 to 390 in the fall 2005.

9. Increased the number of E Learning online students by 85% from 266 in fall 2203 to 496 in the fall 2005.

Fifth Cornerstone - Funding and Reward

1. The campaign to fund an increased student capacity of the diesel technology program was started.

2. Adjunct and overload faculty pay rates were enhanced.

3. External funding was found to start four new career and technical programs.

4. A three-year faculty load revision was completed.

5. The campaign to fund the Thomas Witt leach Complex was completed.

Sixth Cornerstone - Sustaining the Vision

1. Established a three-year "rolling plan" into the WSC planning process.

2. WSC has been recognized as an exemplary Ford Foundation Funded: Rural Community College Initiative participant.

3. WSC has made progress in all of the initiative areas that emerged from Ford Foundation Funded: Rural Community College Initiative participation:
   - Value-Added Agriculture
   - Entrepreneurship
   - Oil Field Training
   - Quality of Life
   - Out-migration of Youth.
   - Establish a Rural Development Center

4. Timelines for institutional effectiveness monitoring, the budget timelines, schedule planning, technology planning, and strategic planning at WSC have been synchronized.

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Williston State College

2006–2007

Alignment Plan

10/16/06

WSC OBECTIVES
2006-2007

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OBJECTIVES

Goal 1: Economic Development*

1. Cultivate our present external relationships, which may prove to be private partners in a 2007-2008 value-added agriculture center of excellence application.

Goal 2: Educational Excellence*

2. Determine and begin implementing value-added features to enhance student outcomes and improve WSC's ability to attract on–campus and male students.
3. Facilitate the Diesel technology program's pursuit of NATEF Certification.

Goal 3: Flexible and Responsive System*

4. Revise emergency plan and the chemical hygiene plan

Goal 4: Accessible Systems*

5. Work out a mechanism to enhance the impact of WSC-Foundation grants and scholarships in recruiting.
6. Integrate the WSC webpage with the Enrollment Management plan

Goal 5: Funding and Rewards*

7. Facilitate a Public school /college dialog among faculty and staff.
8. Reduce or eliminate budget deficits in the Physical Plant, the Teton Development Fund and the Athletic Fund, and increase overall budget discipline on campus.

Goal 6: Sustaining the Vision*

9. Seek funding for the PS&TC building/improvements and the Rural Development Center.

Williston State College

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Three Year Plan
Objectives for '06 –'09

Goal 1: Economic Development*

1. Build a Center for Rural Development on the WSC campus.

2. Add additional career and technical programs offerings and partnerships, which address critical labor market shortages in the Mon-Dak region.

3. Improve staff support for student internships, cooperative education, and job placement for our students.

Goal 2: Educational Excellence*

4. Implement a plan to improve college communications

5. Determine a plan and seek funding in order to updated WSC science labs

6. Enhance and improve WSC's existing instructional programs

7. Enhance WSC resource development capability and add a full-time grant writer/administrator

8. Address the ratio of full-time to adjunct faculty with emphasis on programs that lack full-time faculty members

Goal 3: Flexible and Responsive System*

9. Strengthen external partnerships

10. Establish a collaboration plan to help reduce out-migration from the Mon-Dak region.

Goal 4: Accessible Systems*

11. Consolidate and integrate distance education with the Centers of Focus.

12. Expand parking for access to the Stevens Hall, Health Science and Sports Complex, and Rural Development Center buildings.

Goal 5: Funding and Rewards*

13. Continue to address salary inequities for all WSC employees

Goal 6: Sustaining the Vision*

14. Continue to enhance the college as an institution where the "***People Make the Difference***" and where we collaborate with our community in "building our region one dream at a time".

This chart has be[redacted]led to reflect the Minnesota rates

Updated 7-17-06

North Dakota [redacted]rsity System
INSTITUTI[redacted]HARGES
2006-2007 [redacted]emic Year

Institution/ Branch	Key**	TUITION: Resident Full Time	TUITION: Resident Part Time[1]	TUITION: Nonresident Full Time	TUITION: Nonresident Part Time[1]	TUITION: SD, MT, Saskatchewan, and Manitoba Full Time	TUITION: SD, MT, Saskatchewan, and Manitoba Part Time[1]	TUITION: Minnesota Full Time	TUITION: Minnesota Part Time[1]	FEES* Full Time	FEES* Part Time[1]	ROOM[2] Double	ROOM[2] Single	BOARD 5 Day	BOARD 7 Day
BSC*	a	(6)	101.72	(6)	271.59	(6)	127.15	(6)	129.00	$568.84	$22.40	$1,483[3]	$2,180[3]	$2,208-10 meals 2,330-15 meals	N/A
DSU*	a	3,646	151.92	9,735	405.62	4,558	189.90	3,922	163.42	824.72	34.36	1,390	1,974	2,292-10 meals (incl $200 flex cash) 2,292-15 meals	$2,492-19 meals
LRSC	a	2,780	115.84	2,780	115.84	2,780	115.84	3,856	160.69	782.72	26.16 [4]	1,600	2,150	2,268-10 meals 2,430-15 meals	2,672-12 meals 2,834-17 meals
		International Stdnts →		6,950	289.60										
MaSU	a	3,614	150.58	5,421	225.88	4,518	188.23	3,888	162.00	1,642.72 [5]	68.45	1,576	2,100	N/A	2,170-10 meals 2,308-14 meals 2,518-19 meals
				All Canadian Provinces except Saskatchewan & Manitoba		→ 5,421	225.88								
MiSU*	a	3,790	157.92	10,116	421.50	4,736	197.34	4,077	169.89	701.80	29.24	1,540[3]	2,865[3]	2,330-10 meals	2,434-10 meals
	b	5,013	208.88	13,384	557.67	7,520	313.34	6,285	261.87	Same as undergraduate fees				2,558-15 meals	2,664-15 meals 2,694-19 meals
MiSU-BC	a	2,830	117.92	7,556	314.84	SD & MT 2,953	147.40	3,856	160.67	626.72	26.11	1,450	2,174	2,340-15 meals	N/A
				All Canadian Provinces →		2,830	117.92								
NDSCS*	a	(7)	101.80	(7)	271.81	(7)	127.25	(7)	129.00	450.16	18.76	1,460	2,040	N/A	1,998-10 meals
	g	(7)	101.80	(7)	101.80	(7)	101.80	(7)	129.00	Same as undergraduate fees					2,078-15 meals
	h	(7)	101.80	(7)	101.80	(7)	101.80	(7)	129.00	Same as undergraduate fees					2,598-19 meals
NDSU*	a	4,774	198.92	12,747	531.11	7,161	298.38	5,142	214.25	947.72	39.49	2,277	2,677	N/A	2,500-10 meals
	b	5,120	213.34	13,671	569.62	7,680	320.01	6,285	261.88	Same as undergraduate fees					2,804-15 meals
	I			(8) Newly enrolled Mn pharmacy students-Fall 2006 →				5,142	214.25	Same as undergraduate fees					
UND*	a	4,786	199.42	12,780	532.50	7,180	299.17	5,142	214.25	1,006.00	41.92	2,137	2,710	N/A	2,782-10 meals
	b	5,148	214.50	13,746	572.75	7,722	321.75	6,285	261.88	Same as undergraduate fees					2,886-14 meals
	c	5,780	240.83	15,432	643.00	8,670	361.25	6,285	261.88	Same as undergraduate fees					2,948-19 meals
	c			(9) Newly enrolled Mn Law Students-Fall 2006 →				15,432	643.00	Same as undergraduate fees					3,186-21 meals
	d	20,422	850.92	37,800	1,575.00			21,969	915.38	Same as undergraduate fees					
	d			(9) Newly enrolled Mn Med Students-Fall 2006 →				22,464	936.00	Same as undergraduate fees					
	e	9,438	393.25	13,058	544.09	13,058	544.09	9,438	393.25	Same as undergraduate fees					
	f	8,614	358.92	12,060	502.50	10,682	445.09	8,614	358.92	Same as undergraduate fees					
VCSU	a	(10)	125.10	(10)	334.02	(10)	156.38	(10)	134.57	1,553.47 [11]	64.73	1,426	2,014	2,010-10 meals	N/A
	b		208.05		555.49		260.06		265.72	Same as undergraduate fees				2,260-15 meals	
WSC	a	(12)	91.32	(12)	136.98	(12)	91.32	(12)	129.00	691.30	27.11	1,146	1,804	$1,200, $1,510, or $1,830 meal ticket plan	N/A

* Additional fees are charged for a number of specific programs at BSC, DSU, MiSU, NDSCS, NDSU and UND. These program fees are not included in the tuition and/or fee amounts in this schedule.

** Key: a=Undergraduate, b=Graduate, c=Law, d=Medicine, e=Physical Therapy, f=Occupational Therapy

g=Special rates given to NDSCS nonresident and contiguous state/province students who live on campus with a meal plan, h=NDSCS business & industry ptsp programs (with formal signed contracts) which serve multi-state areas, I=NDSU newly enrolled MN pharmacy students, Fall 2006

In addition to the rates listed in this table, other special rates exist for other student categories such as WICHE/WUE students and non-resident dependents and spouses of NDUS campus graduates.

(Note: This schedule does not include tuition rates for all programs, but covers the major programs offered.)

(1) Per credit hour for less than 12 hours per semester, except at BSC, LRSC, NDSCS, VCSU and WSC (see footnotes 4, 6, 7, 10 & 11).

(2) Other living arrangements such as married and family housing, hi-rises, suites, mobile home parks, and 3-4 person apartments are also available on the campuses.

(3) The rates listed for BSC and MiSU represents the average single and double room rates of the dormitories. These campuses charge different rates for different dormitories.

(4) The part-time rate for fees at LRSC is based on 16 credit hours per semester, except the "Connect ND" & "NDSA" fees, which are capped at 12 credit hours per semester.

(5) Includes TabletPC computer and technology fees ($950/year) for guaranteed continuous access to a TabletPC, backpack, up-to-date software, integrated technology in classrooms, network and printer access and enhanced, high-speed wireless Internet access throughout campus.

(6) BSC charges the per credit (part-time) tuition rate for all credit hours. Fees are capped at 13 credit hours per semester, except the "Connect ND" & "NDSA" fees which are capped at 12 credit hours per semester.

(7) NDSCS charges the per credit (part-time) tuition rate for all credit hours. Fees are capped at 12 credit hours per semester.

(8) Newly enrolled Mn pharmacy students, Fall 2006

(9) Newly enrolled Minnesota students in Law and Medicine (professional) are no longer eligible for ND/Mn reciprocity rates.

(10) VCSU charges the per credit (part-time) tuition rate for all credit hours. Fees are capped at 12 credit hours per semester.

(11) Includes notebook computer ($901.75) and technology ($96) fees for guaranteed continuous access to a notebook computer, case, software license fees, insurance for damage or loss, integrated technology in classrooms, network bond payments and enhanced, high-speed wireless network and Internet access throughout campus.

(12) WSC charges the per credit (part-time) tuition and fee rate for all credit hours except for the 14th, 15th and 16th credits, which are at no charge. "Connect ND" & "NDSA" fees are capped at 12 credit hours per semester.

WSC 2003-05 General Fund Carryover

Salaries	Operating	Equipment	Capital Improvements	Total
$ -	$ -	$ -	$ -	$ -

Northwest North Dakota Workforce Training

FY06-07 STATEMENT OF REVENUES, EXPENSES, AND FUNDING SOURCES

	Actual FY02	Actual FY03	Actual FY04	Budget FY05	Actual FY05	Budget FY06	Budget FY07
Revenues							
Direct Training Revenues	$214,122	$208,043	$179,168	$250,000	$289,428	$290,000	$320,000
Community/Regional Funds	$40,150	$12,339	$2,025	$0	$0	$0	$0
Institutional Funds	$44,669	$45,799	$47,576	$45,000	$49,835	$50,000	$58,000
Grant Funding	$0	$0	$0	$0	$100,000	$0	$0
State General Fund	$103,154	$100,647	$100,706	$100,706	$100,706	$100,113	$100,113
Total Revenues	$402,095	$366,828	$329,475	$395,706	$539,969	$440,113	$478,113
Expenditures							
Total Direct Training Expenditures	$136,299	$150,952	$131,512	$140,000	$206,852	$165,000	$185,000
Outreach & Cooordination Expenses							
Salaries/ Wages/Benefits							
Training Director	$44,669	$45,799	$47,577	$45,000	$49,835	$50,000	$58,000
Training Specialist/Trainers	$104,178	$98,024	$71,902	$119,000	$97,053	$125,000	$150,000
Support Staff	$51,742	$36,247	$37,662	$36,000	$54,991	$55,000	$38,500
Total Salaries/WagesBenefits	$200,589	$180,070	$157,141	$200,000	$201,879	$230,000	$246,500
Marketing	$6,478	$6,457	$2,760	$12,500	$7,160	$10,000	$11,000
Travel	$19,567	$16,557	$10,011	$18,000	$18,954	$20,000	$22,000
Office/Prof Develop	$16,548	$12,071	$16,737	$15,206	$7,715	$10,000	$12,500
Other	$7,909	$0	$0	$0	$0	$1,000	$1,000
Total Operational Expenses	$50,502	$35,085	$29,508	$45,706	$33,829	$41,000	$46,500
Total Expenditures	$387,390	$366,107	$318,161	$385,706	$442,560	$436,000	$478,000
Net Result For Furture Investments	$14,705	$721	$11,314	$10,000	$97,409	$4,113	$113

WSC
Major Capitol Requests
2005-2007

The priorities of WSC have been revised through a recommendation of the college's Strategic Planning Committee and are detailed in the college's 2004 Revised Master Plan. Both of these capitol projects have been recommended for inclusion in the 2005-2007 budget request" by the State Board of Higher Education as one of the "Non-State Funded Unranked Projects" to be funded by local funding sources.

Energy and Transportation Training Center Addition to the Crighton Building to facilitate Oil Field Training and Expand the Current Diesel Technology Program. $910,000

This addition for inside oilfield training space is part of a larger plan to establish an Economic Development Center of Excellence. The SBHE approved the allocation of $100,000 of undesignated centers of Excellence funding for the WSC "Oil Field Training Center". The WSC plan for establishing the center of excellence includes investing part of funds raised into this addition to the Crighton Building. In order to meet increased pre-hire training demand brought on by increased oil field drilling activity, WSC Workforce Training has hired an "oil patch" training specialist and has a plan to phase-in a variety pre-hire trainings by the end of the calendar year.

The size of the Diesel Technology laboratory will be enlarged in order to:

1. Provide for students' safety in the laboratory setting
2. Meet National Automotive Technicians Education Foundation (NATEF) program certification standards for a 42-student laboratory.
3. Make the program eligible for Manufacturer equipment donations.

The demand for program graduates in Western North Dakota is in excess of the current capacity of WSC's Diesel Technology program. NATEF Certification will allow this program to qualify for manufacturer equipment contributions and will make WSC's diesel laboratory the only NATEF certified program between the Twin Cities and eastern Washington state.

Rural Development Center $6,000,000

This building is born out of a vision which community leaders have to establish a Rural Development Center in order to improve the quality of life in the Mon-Dak region (northwestern North Dakota and northeastern Montana) with an emphasis on entrepreneurship and innovation. The center will assist in reducing the out-migration of youth, make WSC more of a cultural focal point for the region, and as well as attracting young families to the region.

This center will fill gaps in rural development capacity that exist in the Mon-Dak Region by working cooperatively with agencies, at the local state and federal level to build capacity in the areas of: value-added agriculture, energy production, tourism, planning, Workforce Training, technology application, and facilitate meetings, workshops, cultural, and regional events. Ten different sectors of the region were involved in conceptual stage of this vision and will be involved in honing the functionality of the project.

WSC
Peer Institutions
2006

27

Institution Name	Town	State
WILLISTON STATE COLLEGE	Williston	ND
Feather River Community College District	Quincy	CA
Highland Community College	Freeport	IL
Itasca Community College	Grand Rapids	MN
Marshalltown Community College	Marshalltown	IA
McDowell Technical Community College	Marion	NC
Miles Community College	Miles City	MT
New Mexico State University-Carlsbad	Carlsbad	NM
Nicollet Area Technical College	Rhinelander	WI
North Central Missouri College	Tenton	MO
Northeast Alabama Community College	Rainsville	AL
Northwest College	Powell	WY
Southern Arkansas University Tech	Camden	AR
Southwestern Oregon Community College	Coos Bay	OR
West Shore Community College	Scottville	MI
Western Nebraska Community College	Scottsbluff	NE

NDUS Campuses and Medical School
Comparison of SBHE General Fund Request to Executive Recommendation

	(1)	(2)	(3)	(4)	(5)	(6)
	WSC					
	SBHE 2007-09 Prioritized GF Request	Executive Recommendation Base Funding	Executive Recommendation Change in Base Funding	Executive Recommendation One-Time Funding	Total Executive Recommendation	Executive Recommendation Over (Under) Budget Request
2005-07 Original General Fund Appropriation	$ 5,929,472	$ 5,929,472			$ 5,929,472	0
Base Adjustments	(90,000)	(90,000)			(90,000)	0
2005-07 Adjusted General Fund Appropriation, Net of Base Adjustments	5,839,472	5,839,472			5,839,472	0
Prioritized SBHE Needs Based Request:						
Capital Assets Increase	62,116	-	(62,116)	62,116	62,116	0
Campus Parity	593,981	593,981			593,981	0
Campus Equity	92,124	92,124			92,124	0
Total Requested Increase in GF Base Funding	748,221	686,105	(62,116)	62,116	748,221	0
Total Base General Fund Request & Recommendation	6,587,693	6,525,577	(62,116)	62,116	6,587,693	0
2007-09 State-funded Projects	-				-	0
One-time Budget Requests:						
Infusion for Deferred Maintenance	14,345			8,607	8,607	(5,738)
Total One-time Budget Request & Recommendation	14,345	-	-	8,607	8,607	(5,738)
Total 2007-09 General Fund Request & Recommendation	$ 6,602,038	$ 6,525,577	$ (62,116)	$ 70,723	$ 6,596,300	$ (5,738)

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2007-09 Exec Recom\Comparison to Request\
GF Compar-Campuses&Med

WSC
Major Capitol Requests
2007-2009

The priorities of WSC have been revised through a recommendation of the college's Strategic Planning Committee and are detailed in the college's 2006 Revised Master Plan. The Diesel Technology Addition project has been recommended for inclusion in the 2007-2009 budget requests by the State Board of Higher Education as one of the "Non-State Funded Unranked Projects" for local funding.

1st - Diesel Technology Addition to the Crighton Building - $1,400,000

The size of the Diesel Technology laboratory will be enlarged in order to; provide for students' safety in the laboratory setting; meet National Automotive Technicians Education Foundation (NATEF) program certification standards for a 42-student laboratory; Make the program eligible for Manufacturer equipment donations. The demand for program graduates in Western North Dakota is in excess of the current capacity of WSC's Diesel Technology program. NATEF Certification will allow this program to qualify for manufacturer equipment contributions and will make WSC's diesel laboratory the only NATEF certified program between the Twin Cities and eastern Washington state.

2nd - Petroleum Production and Technology Center (PS&TC) Building - $1,004,000

This addition for inside oilfield training space is part of a larger plan to establish an Economic Development Center of Excellence. The Centers of Excellence provided $400,000 in January 2006 and the SBHE approved the allocation of $100,000 of 2003-2005 undesignated centers of Excellence funding for the WSC PS&TC. The building will be built on a nine acre site owned by the WSC Foundation at the corner of landfill road and highway 1804 just east of Williston, the building will have four small classrooms and a 60' by 70' interior training space. Over 1,000,000 of additional support in the form of equipment (including a work over rig), well drilling, professional consulting, cash, and services has already been invested in the PS&TC, with more assistance on the way.

3rd - Rural Development Center (Phase 1 and 2) - $5,581,000

This center is born out of a vision which community leaders have to establish a Rural Development Center. Sixty individuals representing ten different sectors and thirty young people of the region were involved in Ford Foundation funded conceptual stage of this vision and will be involved in honing the functionality of the project. The Center this building will facilitate the improvement of the quality of life in the Mon-Dak region (northwestern North Dakota and northeastern Montana) with an emphasis on entrepreneurship and innovation, reversing a trend of out-migration by regional youth, and enhancing as a cultural focal point for the region.

This center will fill gaps in rural development capacity that exist in the Mon-Dak Region by working cooperatively with agencies, at the local state and federal level to build capacity in the areas of: value-added agriculture, tourism, expand "oil field training in support of oil and gas production, expand Workforce Training , technology application, and facilitate meetings, facilitate NDUS Universities and community colleges to provide access to their programs in the Mon-Dak region, address workforce development and workforce training demands, provide their workshops, cultural, and regional events.

(1)

with the exception of the following pages, same testimony given to the House

North Dakota
Senate Appropriations Committee
Hearing

February 27, 2007

Williston State College

Outline for
WSC Budget Hearing 02/27/07

N.D. Senate
Appropriations Committee

1. Selected WSC '04-'06 Achievements by Roundtable Cornerstones

2. WSC Key Performance Indicators

3. WSC Status Report

4. Additional enrollment information

5. Northwest N. D. Workforce Training Status Report

6. Status of the Petroleum Safety & Technology Center (WSC's Center of Excellence for Economic Development)

7. '06-'09 WSC Strategic Plan

8. Challenges facing WSC
    - Developing Human Capital
    - Building capacity to collaborate with other community colleges and universities to provide access to needed career and technical programs
    - Starting needed career and technical (workforce development) programs in both the schools and the community colleges
    - Maintaining quality
    - Decreasing the out-migration of youth
    - Improving the quality of life in the Mon-Dak region
    - Adding theater, art, and music programs at WSC in support of the Associate of Arts degree
    - Demographics of the region and the work force

- Retaining WSC employees in an escalating wage environment
- Housing for students and employees

9. Current '05-'07 Budget Status

10. SBHE's Long Range Funding Plan and WSC

11. HB1003 and WSC '07 –'09 General Fund Budget

I request the Senate Appropriations Committee to consider the following:
HB1003

- Funding faculty and staff salary raises at 5% and 5% and fund current level of health insurance benefits
- Moving $920,000 of investment to stabilize ConnectND to base funding and add $9.7 million in one-time funding for CND
- Add $308,000 in funding to allow reestablishing of a Community and Technical Education Council (CETC) director
- Providing the SBHE with initiative funding to address Roundtable Cornerstones
- Making progress on NDUS deferred maintenance
- Funding Petroleum Safety and Technology Center development funding

HB1019

HB1030, HB1031, HB1032

THANK YOU

WSC
Additional Credit Enrollment Information

Fall 2006 Dual Enrollments – 61 (7% of WSC credit headcount)

Fall 2006 educational goal

Academic Transfer	31%
Career and Technical	48%
Number of Graduates	21%

Summer 2006 headcount 237

Fall 2006

Unduplicated Distance Education	460
Online	115
Interactive TV	366

May 2006 Associate degrees awarded	167
Certificates awarded	51

46 % of 2004-2005 credit students received institutional grants
Average 2004-2005 institutional grant was $1,294

41% (370 headcount) of Fall 2006 students were age 25 or older

NDUS Campuses and Medical School
Comparison of SBHE General Fund Request to Executive Recommendation & Engrossed HB1003

	(1)	(2)	(3)	(4)
		Williston State College		
	SBHE 2007-09 Prioritized GF Request	Executive Recommendation	House Adjustments 1/	Engrossed HB1003
1 2005-07 Original General Fund Appropriation	$ 5,929,472	$ 5,929,472		$ 5,929,472
2 Base Adjustments	(90,000)	(90,000)		(90,000)
2005-07 Adjusted General Fund Appropriation, Net of Base Adjustments	5,839,472	5,839,472		5,839,472
Prioritized SBHE Requested Increase in Base Funding:				
4 Capital Assets Increase-Ongoing Extraordinary Repairs	62,116	*Funded as one-time (Line 10)*		-
5 Campus Parity	593,981	593,981	(65,934)	528,047
6 Campus Equity	92,124	92,124		92,124
7 House Adjustments to Base Funding				-
8 Total Requested Increase in GF Base Funding & Adjustments	748,221	686,105	(65,934)	620,171
Subtotal Base GF Request, Compared to Executive Recommendation & Engr HB1003	6,587,693	6,525,577	(65,934)	6,459,643
One-time Budget Increases, Excluding Major Capital Projects:				
10 Capital Assets Increase-Ongoing Extraordinary Repairs	*Requested as base (Line 4)*	62,116		62,116
11 Infusion for Deferred Maintenance	14,345	8,607		8,607
12 House One-time Adjustments				-
Subtotal One-time GF Request, Excluding Major Capital Projects, Compared to Exec Recommendation & Engr HB1003	14,345	70,723	-	70,723
14 2007-09 State General Funded Projects	-			-
Total 2007-09 General Fund Request, Compared to Executive Recommendation & Engrossed HB1003	$ 6,602,038	$ 6,596,300	$ (65,934)	$ 6,530,366

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1/ House Adjustments Include:

Reduce salary increases from 5/5 to 4/4	$ (65,934)