

NORTH DAKOTA
STATE UNIVERSITY

MONSON

2021-23
BIENNIAL BUDGET REQUEST
NDSU » AGENCY 235
DEAN L. BRESCIANI PRESIDENT

HOUSE APPROPRIATIONS -
EDUCATION AND ENVIRONMENT DIVISION
REP. DAVID MONSON, CHAIRMAN
MARCH 9, 2021

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North Dakota State University is pleased to submit for consideration this agency review and summary for the 2021-23 biennial budget request.

INTRODUCTION

As the state's land-grant institution, NDSU has a longstanding commitment to bringing educational opportunities and research solutions to the people of North Dakota. Our commitment remains focused on affordable access to a high quality education for our students and serving state interests in a manner demonstrating sound stewardship and accountability.

NDSU excels in its support of the state's leading economic engine of agriculture, while also excelling in Engineering, Health Professions, pharmaceutical, biological and physical sciences. As the SBHE's designated site for high-performance computing, NDSU's Center for Computationally Assisted Science and Technology (CCAST) provides the super-computing facilities and staffing backbone for those data intensive disciplines, and is critical to key N.D. initiatives, particularly in the UAS industry.

Our graduates also enjoy an exceptional job placement rate in their field of study, exhibit a steadily increasing level of residency in the state after graduation, and make record-setting contributions to the state's tax base. From another perspective, the university's success also has led to continued record research and development expenditures, licensing revenues and new business growth, as well as subsequent job creation.

As NDSU continues to evolve and grow, we also continue our commitment to affordability, efficiency and productivity. That commitment is reflected in the success of our students, local and service region communities and the statewide economic interests we serve. We look forward and remain committed to addressing the needs and aspirations of North Dakota by building on our land-grant foundation.

AGENCY OVERVIEW

Agency Statutory Authority ND Constitution, Section 215, North Dakota Century Code Chapter 15-12

AGENCY DESCRIPTION

As the state's land-grant institution, NDSU has a longstanding commitment to bringing educational opportunities and research solutions to the people of North Dakota. Our commitment remains focused on affordable access to a high quality education for our students and serving state interests in a manner demonstrating sound stewardship and accountability. We are truly a student focused, land-grant, research university. NDSU's continued success has led to higher national and international visibility, not just for itself but the entire state, and most importantly, more substantial contributions to the success of North Dakota and the nation.

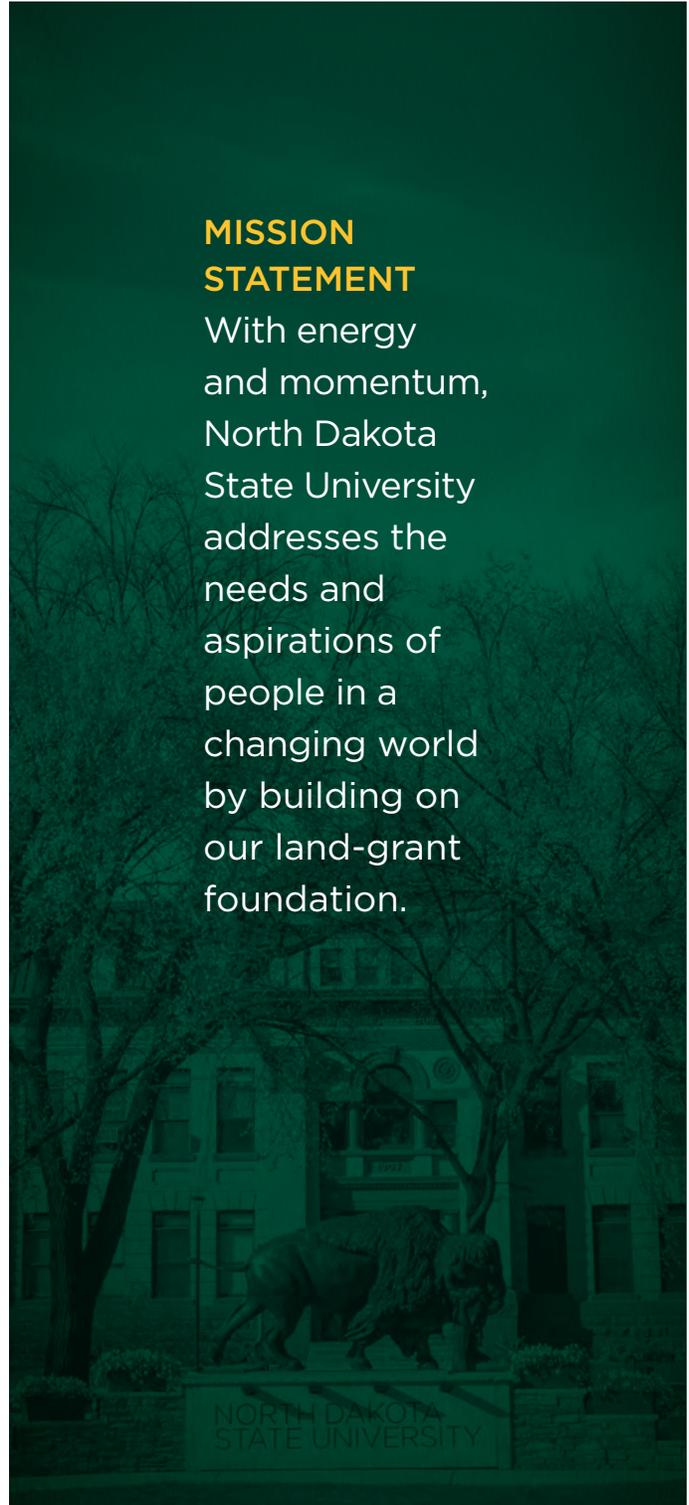
NDSU enjoys demand from both in- and out-of-state students seeking a traditional full-time, residential experience leading to graduation in four years from a rigorous research university environment. NDSU leads the state in the enrollment of firsttime freshmen, and NDSU remains the largest university in the state in terms of overall full-time enrollment. NDSU graduates also enjoy an exceptional job placement rate in their field of study, exhibit a steadily increasing level of residency in the state after graduation, and make record-setting contributions to the state's tax base. From another perspective, the university's success also has led to continued record research and development expenditures, licensing revenues and new business growth, as well as subsequent job creation.

Our signature programs include Engineering (largest discipline enrollment), Agriculture (largest NDSU research productivity), and Health Professions (2nd largest discipline enrollment with nationally ranked programs for Pharmacy and Nursing). Collaborative programs include a wide variety of research collaborations with other leading research universities around the country. Additionally, NDSU has a reverse transfer agreement "Pathways" program with NDSCS and collaborative courses and programs with other ND University System institutions, DSU, VCSU, MiSU. Graduate programs in public health and biomedical engineering are offered jointly between NDSU and UND. We also provide administrative payroll services for NDSCS, VCSU, DSU and WSC.

As NDSU continues to evolve, adapt and thrive, we also continue our commitment to affordability, efficiency and productivity. That commitment is reflected in the success of our students, local and service region communities and the statewide economic interests we serve. We look forward and remain committed to addressing the needs and aspirations of North Dakota by building on our land-grant foundation.

MISSION STATEMENT

With energy and momentum, North Dakota State University addresses the needs and aspirations of people in a changing world by building on our land-grant foundation.



AGENCY PERFORMANCE MEASURES

NDUS has adopted several data systems that help incorporate accountability measures and transparent reporting in accordance with the Board’s vision and strategic plan. These data systems, including Dashboards, Predictive Analytic Reporting, Strategic Planning Online, and the State Longitudinal Data System, provide public reports on completion and retention rates, semester-by-semester enrollment, peer comparisons, financial aid and tuition, and much more.

Additionally, the publicly-available data available throughout the systems provides real-time data to researchers and decision-makers. These analytical tools complement the system’s biennial report on its strategic plan, which incorporates the “flexibility with accountability” expectations created in Senate Bill 2003 passed by the 2001 Legislative Assembly.



AGENCY FUTURE CRITICAL ISSUES

NDSU’s productivity and national visibility combined with the attractiveness of the surrounding community and the state’s current economic strength have led to strong student demand by both undergraduate and graduate students, scholars and entrepreneurs eager to bring their research and business ideas to an environment that supports their success. Our future strategic focus, recently codified by a comprehensive academic masterplan, is focused toward science, engineering, technology, public health and agricultural fields represented by the STEM disciplines. NDSU’s future critical issues are:

- Manage resources to address changing demographics, enrollment trends and effects of the pandemic.
- Provide resources to support faculty and staffing of academic areas and support functions while meeting the needs of student demand. Prior to the devastating cuts in budget and subsequently personnel in the last two legislative sessions, NDSU had been able to provide increasing resources to support faculty and staffing of academic areas and support functions while meeting the needs of student demand.
- Continue to provide up to date classroom facilities equipped to meet the educational, technological and physical needs of our students.
- Continue to provide and maintain a safe and secure environment for students, faculty and staff.

NDSU understands its responsibility to evaluate and purposefully consider opportunities for collaboration and to find efficiencies across its academic programs and all other activities. Over the past several years we have undergone a comprehensive strategic planning process to evaluate those areas in which it is best positioned to lead, support, collaborate or contribute to the success of its constituencies.

Additionally, NDSU continues to identify those areas in which it is not best positioned or cannot efficiently lead with excellence in addressing demands of the state and nation, and must support collaboration with or redirection of state necessities to NDUS institutions better positioned to meet such demands.

At the same time, the University has also pursued a number of initiatives ranging from curriculum reviews, and restructuring of tuition, fees and course load expectations to purposeful collaboration with other state post-secondary institutions. Just a few current examples of such collaboration include development of undergraduate and graduate programs with Minot State (social work and human development), and NDSCS (the “Pathways” program, and the establishment of a two-year liberal arts preparatory program in the Fargo area.

AGENCY MAJOR ACCOMPLISHMENTS



NDSU elevated retention to a state-leading 78.9 percent and leads the state in graduation rates.

1. Ranked by the National Science Foundation (NSF) as ND's only top-100 public research university. In that category, NDSU is 94th in nation in total R&D expenditures. Research productivity leads the state and in recent years climbed as high as \$156.0 million as reported to the NSF.
2. Led the state in license and patent revenues and have in recent years climbed as high as nearly \$2.0 million.
3. Continued its competitive advantage to: enroll largest number of fulltime students; enroll largest number of fulltime undergraduates from ND; enroll largest number of fulltime undergraduates from out-of-state; enroll largest number of engineering students; enroll largest number of nursing students; elevated entering class average high school GPA to 3.50 and average ACT score to 23.7; elevated retention to state leading 78.9 percent; elevated graduation rate to state leading 41.2 percent; and nationally ranked and state leading affordability and subsequent return on investment (ROI).
4. Achieved post-graduation success rates (employment/graduate study) are 93 percent for undergraduate students and 94 percent for graduate students.
5. Achieved the state's highest pass rate on professional licensures and certifications by graduates.



The recently completed Aldevron Tower is a six-story, privately funded building with a focus on team-based education.

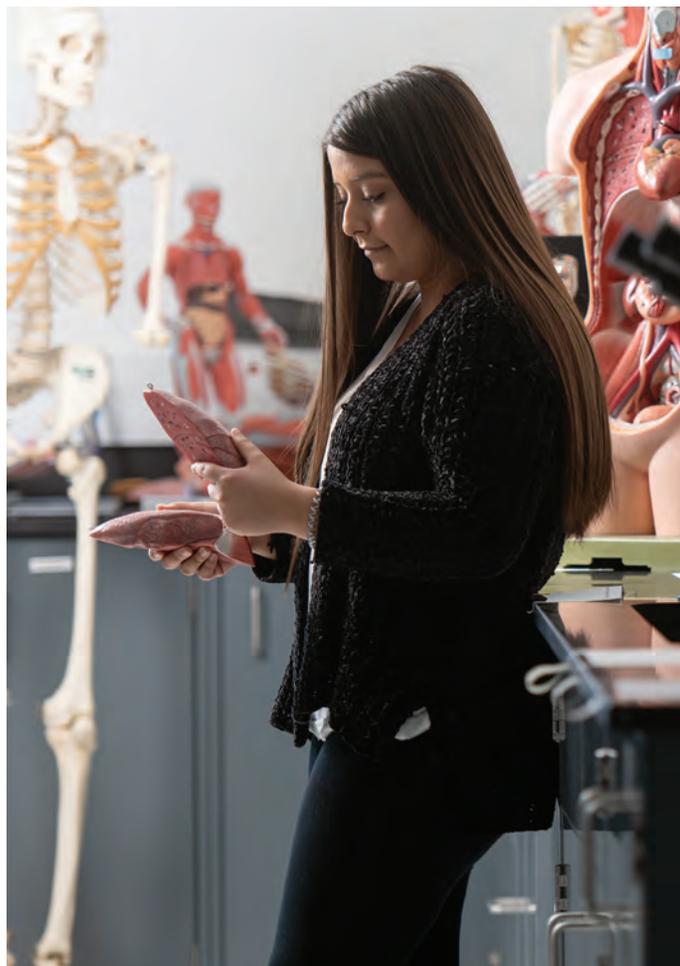
6. Ranked among the best overall NCAA Division-I programs in the nation.
7. Operated at full capacity the award-winning 55-acre Research & Technology Park, home to John Deere Electronic Solutions and Appareo Systems, along with ND's leading business incubator.
8. Maintained the largest physical footprint in the state: main campus, seven major research and extension centers and extension offices in every county of North Dakota total almost 20,000 acres.
9. Completed construction of Aldevron Tower, connected to Sudro Hall, a 74,000 square foot, six-story building. This is a \$28.0 million, fully privately-funded building with a focus on team-based education.
10. Started construction on Sugihara Hall, which will be a laboratory intensive building with approximately 106,000 square feet.
11. Provided collaborative programs in: a wide variety of funded research collaborations with other leading research universities around the country; reversed transfer agreement "Pathways" program and other shared services with NDSCS, and collaborative NDSU courses and programs with other System institutions (DSU, VCSU, MiSU, etc.); offered jointly with UND graduate programs in public health and biomedical engineering; and provided payroll services for NDSCS, VCSU, DSU and WSC.

PROGRAM NARRATIVE

AGENCY EXPLANATION OF PROGRAM COSTS

Salaries and fringe benefits continue to make up the majority of NDSU's expenses, representing approximately 74% of the University's state educational and general operating expenses in the most recent fiscal year. At NDSU, in order to achieve and sustain the University's viability and recognition as a leading student focused, land-grant, research university, sufficient funding is required for competitive compensation and start-up packages for faculty and staff, along with the capacity to retain those faculty and staff in a performance-based, market driven environment.

Non-salary operating expenses represent the remaining 26% of the state education and general fund operating expenses. NDSU's focus on operational efficiencies allow us to continue to meet student demand of both undergraduate and graduate students, as well as support our ability to attract scholars and entrepreneurs eager to bring research and business ideas to an environment that supports their success.



PROGRAM GOALS AND OBJECTIVES

NDSU is proud of its tradition as the state's student focused, land-grant, research institution. It embraces that responsibility as a cornerstone of its future productivity. NDSU prides itself on the contributions it can make to North Dakota and the state's residents, as well as to the country and world. NDSU continues to excel in providing accessible and affordable education to academically prepared students. Research productivity remains strong; our faculty compete successfully for corporate, state, and federal research grants, and our creative activity is vibrant and diverse.

The program goals and objectives for NDSU are in 3 major functional areas: academic programs, research and public service. In order to meet these objectives NDSU strives to provide: 1) high quality, best practice instruction in curricula approved by the State Board of Higher Education to meet student needs 2) community and statewide educational services and on line, distance education programs at the collegiate level 3) a culture of scholarly activity, including research and creative activity. The University's expectation is that research and other scholarly activities will provide vitality and relevance necessary for superior instruction and public service and strengthen North Dakota's economic future. NDSU's strategic vision provides the guiding document for pursuing these objectives and for resource allocation, and its strategic plan delineates strategies for student success, expansion of the research enterprise, and outreach to the citizens of North Dakota.

In support of these goals and objectives, student services and institutional support is necessary. NDSU must meet the needs of students by providing traditional and innovative programs to assist in the total development of the student. In response to the pandemic, NDSU has fully adopted the HyFlex (Fall 2020) learning model which synchronously incorporates traditional in-person classes with remote learning. These efforts support student achievement/academic excellence through career preparation and development. We promote a better quality of life for our students through wellness programs, the provision of alcohol-free social activities, counseling and personal growth opportunities, as well as services for first generation students, veterans, and students with disabilities.

NDSU's institutional support provides administrative leadership and direction of the University academically, economically, and physically; coordinating all institutional affairs and operating guidelines of the University; and ensuring compliance with policies established by the State Board of Higher Education.



PROGRAM PERFORMANCE MEASURES

NDUS has adopted several data systems that help incorporate accountability measures and transparent reporting in accordance with the Board’s vision and strategic plan. These data systems, including Dashboards, Predictive Analytic Reporting, Strategic Planning Online, and the State Longitudinal Data System, provide public reports on completion and retention rates, semester-by-semester enrollment, peer comparisons, financial aid and tuition, and much more. Additionally, the publicly-available data available throughout the systems provides real-time data to researchers and decision-makers. These analytical tools complement the system’s biennial report on its strategic plan, which incorporates the “flexibility with accountability” expectations created in Senate Bill 2003 passed by the 2001 Legislative Assembly.

PROGRAM STATISTICAL DATA

NDSU consists of nine colleges: College of Agriculture, Food Systems and Natural Resources; College of Arts, Humanities, and Social Sciences; College of Business; College of Engineering; College of Human Sciences and Education; College of Health Professions; College of Science and Mathematics; College of University Studies and the College of Graduate and Interdisciplinary Studies.

The programs of study include 51 graduate doctoral programs; 83 master degree programs and professional masters programs (software engineering, electrical and computer engineering, logistical and urban systems); over 100 bachelor degree programs; 1 specialist program (Education Leadership); 18 graduate level certificate programs and undergraduate certificate programs.

The NDSU campus includes over 100 buildings (either owned or fully leased). Currently, NDSU leases spaces off campus to house the offices and facilities of the Center Heritage Renewal, the Institute for Regional Studies and University Archives, a warehouse for Facilities Management, and is the location for the monthly State Surplus Auctions (West Building 41,500sq ft). Additionally, 23,400 sq. feet of space is leased at the Stop & Go development (north side of 19th Avenue and east of University Avenue) which currently houses the departments of Human Resources, Payroll, and Child & Family Services. Our goal is to have all departments on campus, where suitable and as space becomes available.

Complementing NDSU are 8 NDSU Research Extension Centers representing 18,853 acres and physical assets estimated at over \$840M:

- Carrington Research Extension Center
- Dickinson Research Extension Center
- NDSU Main Experiment Station
- Hettinger Research Extension Center
- Langdon Research Extension Center
- Minot North Central Research Extension Center

FALL 2020 ENROLLMENT



| TOTAL ENROLLMENT | Undergraduate | Professional | Graduate | Total |
|---------------------|---------------|--------------|--------------|---------------|
| | 10,555 | 344 | 1,947 | 12,846 |
| NORTH DAKOTA | 4,519 | 172 | 918 | 5,609 |
| Cass | 2,324 | 96 | 566 | 2,986 |
| Burleigh | 575 | 18 | 78 | 671 |
| Morton | 142 | 4 | 25 | 171 |
| Grand Forks | 130 | 7 | 22 | 159 |
| Richland | 127 | 5 | 22 | 154 |
| Ward | 117 | 3 | 27 | 147 |
| Stutsman | 75 | 1 | 21 | 97 |
| Stark | 77 | 2 | 5 | 84 |
| Williams | 73 | 4 | 7 | 84 |
| Barnes | 59 | | 25 | 84 |
| Walsh | 61 | 5 | 5 | 71 |
| Traill | 41 | 2 | 13 | 56 |
| Dickey | 38 | 3 | 7 | 48 |
| McLean | 39 | 1 | 4 | 44 |
| Mercer | 40 | 2 | 1 | 43 |
| Sargent | 31 | | 7 | 38 |
| Ramsey | 33 | 2 | 2 | 37 |
| Ransom | 34 | | 3 | 37 |
| Bowman | 30 | | 3 | 33 |
| McHenry | 24 | 1 | 8 | 33 |
| Pierce | 24 | 1 | 8 | 33 |
| Bottineau | 26 | 1 | 5 | 32 |
| Wells | 20 | | 12 | 32 |
| Lamoure | 26 | 2 | 3 | 31 |
| Foster | 26 | 2 | 1 | 29 |
| Rolette | 26 | | 3 | 29 |
| McKenzie | 25 | | 3 | 28 |
| Benson | 22 | 1 | 3 | 26 |
| Emmons | 22 | | 4 | 26 |
| Pembina | 20 | | 4 | 24 |
| Renville | 20 | 1 | 1 | 22 |
| Mountrail | 16 | 2 | 2 | 20 |
| McIntosh | 17 | 1 | 1 | 19 |
| Cavalier | 13 | 1 | 3 | 17 |
| Eddy | 15 | | | 15 |
| Steele | 12 | | 3 | 15 |
| Adams | 13 | | 1 | 14 |
| Hettinger | 13 | | 1 | 14 |
| Kidder | 11 | | 3 | 14 |
| Dunn | 8 | 1 | 1 | 10 |
| Golden Valley | 9 | | 1 | 10 |
| Grant | 10 | | | 10 |
| Logan | 10 | | | 10 |
| Nelson | 8 | | 1 | 9 |
| Griggs | 5 | 1 | 1 | 7 |
| Sheridan | 6 | | 1 | 7 |
| Towner | 6 | 1 | | 7 |
| Oliver | 6 | | | 6 |
| Burke | 5 | | | 5 |
| Divide | 3 | 1 | | 4 |
| Sioux | 3 | | 1 | 4 |
| Billings | 2 | | | 2 |
| Slope | 1 | | | 1 |
| MINNESOTA | 5,253 | 158 | 365 | 5,776 |
| OTHER | 783 | 14 | 664 | 1,461 |
| TOTAL | 10,555 | 344 | 1,947 | 12,846 |

PERFORMANCE INDICATORS

| RETENTION | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|--|----------------|----------------|----------------|----------------|----------------|
| First-year retention | 79.60% | 79.10% | 78.90% | 78.90% | 82.00% |
| Second-year retention | 69.80% | 71.99% | 71.35% | 71.05% | 72.09% |
| | | | | | |
| 4 year graduation rate | 32.40% | 35.00% | 37.80% | 41.22% | 43.27% |
| 6 year graduation rate | 55.50% | 58.00% | 57.60% | 60.32% | 62.33% |
| | | | | | |
| | | | | | |
| OTHER INDICATORS | 2016-17 | 2017-18 | 2018-19 | 2019-20 | |
| Student-faculty ratio | 17:1 | 18:1 | 19:1 | 18:1 | |
| Percentage of first-year students taking at least 15 credits | 73% | 79% | 83% | 81% | |



NDSU RESEARCH OVERVIEW

NDSU IS RANKED 94 AMONG ALL PUBLIC INSTITUTIONS; 138 AMONG ALL INSTITUTIONS; AND 110 AMONG NON-MEDICAL SCHOOLS.



TOP 100

NSF RANKING

For FY18, NDSU is listed in the top 100 research universities in the U.S. in these categories:

- Agricultural Sciences
- Business Management and Business
- Communications
- Computer Sciences
- Natural Resources and Conservation Science
- Political Science and Government
- Social Sciences
- Sociology, Demography, and Population Studies
- Visual and Performing Arts

>\$2.04B

RESEARCH EXPENDITURES SINCE FY2004

\$152.4M in FY2019, per NSF Higher Education Research and Development (HERD) Survey

(FY19 submitted and accepted by the National Science Foundation but is not yet published)



NDSU RESEARCH ACCOMPLISHMENTS

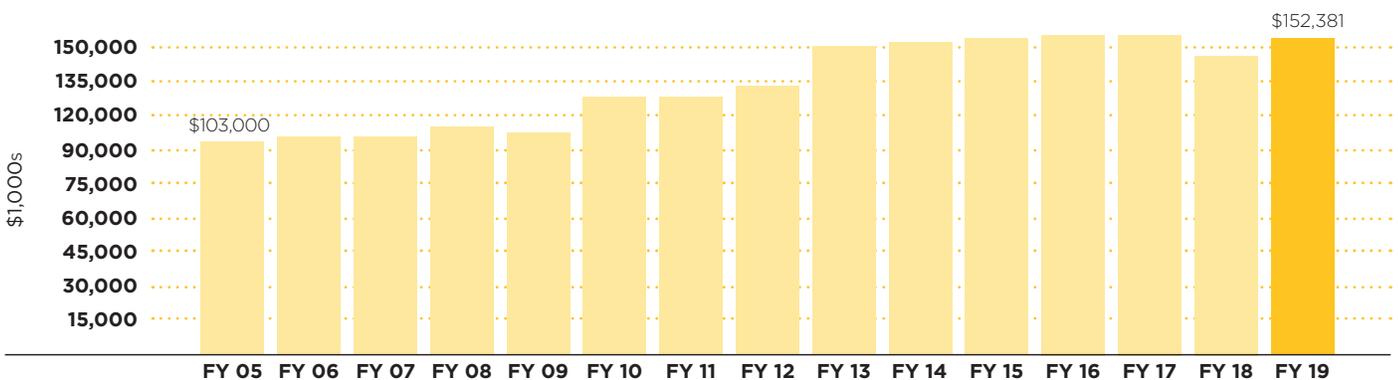
FY19 PROPOSALS PROCESSED THROUGH SPONSORED PROGRAMS ADMINISTRATION

| | |
|----------------------------------|--------------|
| Private sector | 80 |
| Commodity Groups | 297 |
| Federal agencies | 490 |
| Foundations | 230 |
| Other | 6 |
| Other Governmental Offices | 30 |
| State/Local..... | 86 |
| TOTAL..... | 1,219 |



GROWTH OF NDSU RESEARCH AND DEVELOPMENT EXPENDITURES

MORE THAN \$2.04 BILLION IN RESEARCH EXPENDITURES SINCE FY2004; \$152.4 MILLION IN FY2019



Source: National Science Foundation Higher Education Research & Development Survey *FY19 reported to and accepted by National Science Foundations but is not yet published.

RESEARCH FOUNDATION ACCOMPLISHMENTS

380+

MORE THAN 380 TECHNOLOGIES/IP UNDER MANAGEMENT

30+

AVERAGING MORE THAN 30 POTENTIALLY PATENTABLE INVENTIONS PER YEAR SINCE 2004

55

55 U.S. ISSUED PATENTS
37 PENDING PATENT APPLICATIONS

66

66 ACTIVE US PVP CERTIFICATES
22 FOREIGN PBR REGISTRATIONS
35 REGISTERED U.S. TRADEMARKS
20 FOREIGN REGISTERED TRADEMARKS
12 PENDING PVP APPLICATIONS

\$2.6M

\$2.6 MILLION IN LICENSING REVENUE FROM NDSU IP IN FY19

6

6 STARTUPS BASED UPON NDSU TECHNOLOGIES AND/OR IP SINCE 2010:

- Elinor Specialty Coatings, LLC
- c2renew Inc.
- Renuvix, LLC
- C2sensor Inc.
- Uniqarta, Inc.
- Dark Horse Technologies



RESEARCH CORPORATE PARTNERS

PRIVATE SECTOR PARTNERS ENGAGED IN R&D WITH NDSU RESEARCH (INCLUDING CENTERS OF EXCELLENCE, CENTERS OF RESEARCH EXCELLENCE, RESEARCH ND, OR OTHER CENTERS/UNITS)

| | | |
|---|---|---|
| 3M | Falkirk Mining Company | New Generation Supplements |
| Adaptive Surface Technologies, Inc | Ford Motor Company | North American Coal Corporation |
| ADM | Fortus Medical | North Dakota Pharmacy Service Corporation |
| AdvanSix | Frotime LLC | Northern Plains Railroad |
| Akzo Nobel Coatings Inc | Futamura | Northern Plains Sustainable Agriculture Society |
| AmeriFlax | GA Group | Northwest Green Chemistry |
| American Crystal Sugar Company | GC Innovation | Nuseed |
| American Simmental Association | Google Inc. | Oklahoma Transit Association |
| AMVAC Chemical Corporation | GreenDot Bioplastics | ONEOK, Inc |
| Ardent Mills | GreenLight Biosciences, Inc. | PepsiCo. Inc. |
| AURI | Horizon Resources | Pioneer Hi-Bred International Inc. |
| BASF Corporation | Hyundai | Plant Impact |
| Benson Hill Biosystems, Inc | Idaho Forest Group Timber LLC | PMI Nutritional Additives |
| BioConsortia, Inc | Indigo Agriculture, Inc. | Powder Coating Research Group |
| Biogemma USA Corp | J.R. Simplot Company | PPG Industries |
| Bioplastics Magazine | Kimberly-Clark Corporation | Purina Mills |
| Blue Cross & Blue Shield of ND | Kinesio Taping Association International | Rapha Global |
| BNI Energy, LTD | Koch Ag & Energy LP | RheTech |
| Boehringer-Ingelheim | Koch Industries, Inc | Roquette America, Inc |
| Boeing Commerical Airplane Company | Lignite Energy Council | RWDC |
| Branson Ultrasonics | Lonza | Shaw |
| Brewer's Association, Inc | Macaulay-Brown Inc | Sherwin Williams |
| c2sensor | Marathon Petroleum Corporation | Shimadzu Scientific Instruments |
| Center for Bioplastic and Biocomposites | M-Base | Shire |
| CHS, Inc. | Meadowlark | Speculoop, LLC |
| Cogi, Inc. | Medtronic | Sunstrand LLC |
| Comfort King | Merck & Company Inc. | Syngenta Crop Protection Inc. |
| Corteva Agriscience | Microsoft Corporation | Synoptic Data Corp. |
| Coteau Properties Company | Mid-American Athletic Trainers' Association | TimeCloud Inc. |
| Cotton Incorporated | Monsanto Company | Uniqarta |
| Covestro LLC | Mosaic Company | Valent BioSciences LLC |
| Coyote Creek Mining Company. LLC | Multimin USA, Inc | Valent USA |
| D&M Industries | Myriad Mobile | Valspar Corporation |
| Danimer | Native American Fiber Program | Voxtelesys |
| Dark Horse | NatureWorks LLC | Weave Got Maille LLC |
| Deere & Company | ND Corn Council | Westrock |
| Doodlebug Beverages | ND Farmers' Union | WSP USA Corporation |
| Dow AgroSciences | ND Insurance Reserve Fund | Zila Works |
| Dukane Ultrasonics | ND Petroleum Council | Zymergen, Inc. |
| Eastman Chemical Company | ND Rural Rehabilitation Corp. | |
| ECS-GEC JV | ND School Nutrition Association | |
| Elsevier Science | ND Township Officers Association | |
| EVOLVE GOLF | ND Trade Office | |

FINAL ENROLLMENT OF HB 1003

| NORTH DAKOTA STATE UNIVERSITY | |
|---|----------------------|
| 2017-19 Adjusted General Fund Base Appropriation | \$128,591,042 |
| 2019-21 Base proposed adjustments: | |
| 1/ Funding formula: Credit hour completion adjustment | (716,330) |
| | - |
| 2/ Salary compensation package* <i>see note below</i> | 2,679,025 |
| 3/ 2019-21 Health insurance increases | 2,164,246 |
| | - |
| Total Base adjustments | 4,123,941 |
| Base General Fund Request and Recommendation | \$132,714,983 |
| <i>GF Base % change</i> | 3.2% |
| <i>GF Base \$ change</i> | \$4,123,941 |
| One time General Funds: | |
| 4/ Campus Network Upgrades (HB103, sec 32) | \$1,500,000 |

1/ SCH formula production change

2/ Senate Engrossed budget includes a FY20 minimum of \$120 per month-max of \$200 per month for a -2.0% | 2.5% compensation package

3/ Includes fully funded health insurance

4/Legislature approved \$1.5M in one-time funding from BND profits for campus network upgrades (SB1003, section 32).

Other Legislative Assembly approval:

SB 2297-Project Authorizations

Approved bonding for Dunbar Hall replacement \$40M; remaining SF \$3.2M and \$8M GF cash = total \$51.3M

Approved bonding for Agriculture Product Development Center \$20M; along with \$20M GF cash + other funds \$20M = total \$60M

CARES FUNDING

NDSU RECEIVED CARES FUNDING OF \$22,671,414

AS OF OCT. 1, 2020, \$4.0M WAS TURNED BACK TO ND OFFICE OF MANAGEMENT AND BUDGET



EXECUTIVE SUMMARY OVERVIEW

On April 29, the North Dakota State Board of Higher Education unanimously passed a motion indicating that the eleven institutions within the North Dakota University System should be open and in-person for classes starting with the Fall, 2020 semester. This is an important step which will help achieve multiple goals: (1) allowing the students to return to the in-person education environment in order to maximize learning outcomes and the overall collegiate experience; (2) helping the local, regional and state economies through student/parent expenditures and workforce participation; and (3) helping to stabilize the financial position of each of the eleven institutions and thereby mitigate potential reductions-in-force which would add to the state's unemployment numbers.

In order to accomplish these goals, we must reduce the risk of viral spread on campus and have effective contingency plans for dealing with positive cases. From a public health perspective, this mitigates risk to the community. From an economic perspective, risk mitigation and planning will encourage students, parents and employees to return for the fall semester. The process of opening the campuses in the midst of a pandemic will take a great deal of creativity and capital. The campuses have the creativity but need the capital. The request that we have put forward reflects our vision for NDSU in the age of COVID-19. It's a world that seamlessly and synchronously integrates in-person teaching with remote instruction in as close to a "normal" manner as possible. It's a world where students and faculty that are vulnerable, in isolation or in quarantine, can still effectively teach, learn and be an active part of the NDSU community.

The cornerstone of our plan is a new, highly-flexible educational delivery format known as HyFlex (short for hybrid flexibility). Through technology, the HyFlex model blends the in-person classroom with the virtual classroom and enables NDSU to maintain its traditional classes while synchronously incorporating

students/faculty who are vulnerable, in quarantine or in isolation. This model combines the best of the traditional and virtual educational environments and allows for unified delivery of educational services regardless of location. Thinking beyond the current crisis, this technology will enable NDSU to improve its educational services for years to come. A significant portion of our request involves the acquisition/installation of the necessary technology along with training costs.

In addition, our commitment to students goes well beyond in-class education. NDSU prides itself on providing holistic, experience-rich opportunities for its students. We have thousands of students who live, eat, work and recreate on campus. We have plans to provide reduced-risk services, including telehealth/telecounseling, and virtual academic advising, career counseling and writing workshops.

Finally, our plans involve improvements to our physical space to reduce viral spread including masks, retail-shields, increased sanitation supplies, awareness campaigns, isolation/quarantine residences, etc. We also intend to utilize remote work opportunities, which help vulnerable employees, and lead to lower infection rates and less absenteeism.

It is important to note that time is of the essence regarding this request. Post-secondary institutions across the country as well as K-12 institutions will be attempting to order the same types of equipment. This could result in supply chain backlogs. In addition, we will need time to install the new equipment and train faculty in its use before the start of the semester in mid-August.

A financial summary has been included and the subsections below provide a more detailed description of the three parts of our proposal (education services, student services and physical safety/telework). If there are any questions or if you need more detail about any of these topics, we can readily provide additional information.



ENHANCING EDUCATIONAL SERVICES

March 13 was the last day of in-person classes before NDSU converted to virtual education. Both the faculty and the students accomplished an amazing transformation in a very short time period, but it was far from ideal. Unfortunately, the risk of COVID-19 has not disappeared and there is no certainty as to its timeline. To continue our education virtually for an indefinite time period is not realistic. Instead, we intend to provide our in-person educational services in a new, highly-flexible format. The term being used across the country for this model is HyFlex education. Through technology, the HyFlex model blends the in-person classroom with the virtual classroom and enables NDSU to maintain its traditional classes while synchronously incorporating students/faculty who are vulnerable, in quarantine or in isolation.

We have continuously heard from our students that they want to return to the in-person environment as soon as possible. However, given the uncertainty of future conditions, we are asking our faculty to deliver their courses simultaneously to differently-located students. They must plan for students in the room. They must also plan for students attending remotely throughout the semester. They must plan for students who may get ill and have to isolate for a period of time. In addition, faculty need technology to teach the class remotely in the event that they themselves are vulnerable or become ill.

To make this possible, our request to OMB includes a significant amount of proposed IT infrastructure. We propose adding video conferencing capabilities to most classrooms on campus. The equipment will allow for face-to-face instruction and for students to attend remotely. To the greatest extent possible, classrooms would have the same equipment, so instructors would not have to learn more than one set of equipment. This would allow for uniform support from IT staff and a predictable experience for instructors and students, whether they are remote or in the classroom. To ensure reliable performance from all campus classrooms, we request funding to enhance network capabilities in academic and residential buildings.

In addition, in the event that the University must go fully online again, instructors must also plan a virtual-only version of their course, where all students would be attending from home. While we have already experienced this once, the quick switch mid-semester to emergency remote instruction did not create ideal remote learning experiences for students. There are successful models for online classes, but they require time to create. Because faculty are not normally under contract in the summer (meaning they are not paid or required to teach), we must provide additional compensation for them to modify their classes for all these contingencies. Properly planned online courses would provide a much better learning experience for students, which will positively impact student retention. Our request also includes additional support to address extra costs from reducing class sizes to facilitate social distancing. We have space limitations in our classrooms which prevents effective social distancing. As a result, we need to offer more sections of the same class. We propose hiring additional graduate assistants so that we can split classes and offer multiple sections (possibly at alternate times) and support students and instructors with online courses.

A variety of teaching software will also be needed to facilitate instruction if either students or faculty need to be outside the classroom for health-related reasons. Simulations for labs and medical records are available for courses in Anatomy and Physiology, Biology and Microbiology, and Dietetics.

Specialized equipment will facilitate face-to-face and in-class instruction for programs in Engineering and Interior Design. Simulation software is also available for courses in Business and Hospitality and Tourism Management. A variety of advanced technologies will enable Disability Student Services to meet federal requirements to accommodate students with documented learning or physical disabilities.

ENHANCING STUDENT SERVICES

NDSU prides itself on providing holistic, experience-rich opportunities for its students. In this world, our commitment to our students goes well beyond the in-class education. We have thousands of students that live on campus, eat on campus, work on campus and recreate on campus. The experiences that students have outside the classroom are oftentimes as meaningful and educational as what happens inside the classroom. As mentioned above, our students have made it loud and clear that they want to return to in-person environment because they miss those experiences.

We are looking at and appropriately modifying our practices in order to reduce the risk of exposure while trying to ensure a rich experience. As with the educational services, our creativity is limited by our resources. If the request is granted, we can help ensure that students have a better experience in a reduced-risk environment.

For example, student demand for mental health services has remained strong during the pandemic. Our providers had to rapidly adapt to the need for telehealth services. Both the Counseling Center which serves NDSU students, and the Community Counseling Center which trains graduate level counselors and supervisors and serves NDSU, NDSCS and the community, have identified a variety of needs. Our Student Health Center has also identified needs. Collectively, equipment to practice telemedicine, replace PPE supplies, purchase/renew digital licenses for various medical/counseling services, additional counselors, additional custodial services at the student health clinic, additional phone lines to facilitate communication, and improved medical records management systems are examples of costs incurred.

In addition, NDSU has identified several needs in the area of Academic Support, Career and Advising Services, and Orientation. Expenses will include a virtual career fair platform, salary costs for additional tutors and overload pay for academic advisors, enabling the Center for Writers to conduct writing workshops and dissertation boot-camps remotely, and overall staffing costs of outreach and support to the student body, whether remotely or on-campus.

Lastly, in addition to the CARES funding targeted directly at students, NDSU has an emergency fund that students can access for basic necessities such as food, rent, utility costs, repairs or emergency travel.

That fund was exhausted very quickly during spring semester. The NDSU Foundation raised over \$30,000 in a campaign to replenish that fund, but that was also quickly depleted. Therefore, we are requesting \$50,000.00 for Additional Emergency Fund Grants for students for Summer and Fall semesters.



ENHANCING PHYSICAL SAFETY AND TELEWORK

We all fervently hope that there is definitive resolution to the COVID-19. Until that time, we need to plan for how we manage our physical environment and our employees. These plans will incorporate numerous aspects such as masks, retail-shields, increased sanitation supplies, awareness campaigns, isolation/quarantine residences, etc. NDSU has included increased security technology, including card-access limitations so that buildings can be limited to particular individuals.

An effective method of social distancing is to identify workers who can and should work remotely. This helps employees with vulnerabilities as well as employees who are caretakers of the vulnerable. It also helps the employer because it lowers the amount of potential virus in the workplace leading to lower infection rates and less absenteeism. Finally, it helps the community by helping to stop the spread of the infection.

For these reasons, NDSU has had numerous employees working remotely, and we would like to enable some of them to continue to do so. We are requesting additional equipment and supplies for faculty and staff to work remotely. Items include head-sets, high-definition video cameras, tablets (including digital drawing pads for faculty and students), laptops, additional monitors and document cameras.

We are also asking for funding to upgrade conference rooms to seamlessly incorporate in-person and virtual meetings. This will help remote workers be incorporated into meeting spaces, and long term, should help make the state more efficient by potentially reducing the need for intrastate travel.

NDSU CARES ACT FUNDING: APPROVED JUNE 2020

| NDSU REQUEST | CATEGORY | JUNE 2020 APPROVED CARES FUNDING |
|--|---|----------------------------------|
| ENHANCING EDUCATIONAL SERVICES | Digitization of course materials | |
| | Augmented Reality for Human Anatomy and Physiology | \$3,000 |
| | Case Simulations, Food and Beverage | \$1,000 |
| | MBA online simulation software | \$1,875 |
| | Digitization of courses | |
| | Lecture capture | \$35,000 |
| | Digitization of labs | |
| | Labster Site License | \$30,000 |
| | SimBio Virtual Labs/Tutorials software | \$10,380 |
| | Digitization of process | |
| | Electronic health records | \$1,000 |
| | Equipment | |
| | Equipment for Teaching Labs | \$60,000 |
| | HyFlex Course Development and Delivery | |
| | Instructional Designer | \$12,000 |
| | Instructional Re-design | \$6,394,000 |
| | IT equipment | |
| | BLips Microphones | \$2,112 |
| | Instructional Re-design | \$13,000 |
| | Tablets and accessories | \$65,000 |
| | *Installation of equipment to facilitate hybrid synchronous instruction | |
| | IT Infrastructure equipment | |
| | Classroom technology | \$2,500,000 |
| | Network infrastructure | \$1,500,000 |
| | Social Distancing measure | |
| | Classroom technology support | \$ - |
| | Extra Class sections | \$ - |
| | COVID-19 response: additional duties staff and faculty | \$ - |
| Software and Cloud Services | | |
| Academic Computing in the Azure Cloud | \$65,000 | |
| Virtual classroom and office | | |
| Videoconferencing software | \$55,000 | |
| Enhancing Educational Services Total | | \$10,748,367 |
| ENHANCING PHYSICAL SAFETY AND TELEWORK | Digitization of process | |
| | Dining Services mobile ordering | \$145,000 |
| | Electronic Lab Notebook | \$31,250 |
| | Interactive Supercomputing | \$75,000 |
| | Residence Hall Room Condition forms | \$3,500 |
| | Equipment | |
| | Digital Communication signage | \$400,000 |
| | Distance/virtual spaces in the Memorial Union | \$215,000 |
| | Keyless Entry with Card Access | \$ - |
| | Security Cameras | \$ - |
| | IT equipment | |
| | *Software and equipment to facilitate remote work for VPN | \$1,150,000 |
| | IT equipment | |
| Conference rooms equipped for virtual meetings | \$750,000 | |
| Laptops for faculty and staff | \$525,000 | |

| NDSU REQUEST | CATEGORY | JUNE 2020 APPROVED CARES FUNDING |
|---|---|----------------------------------|
| ENHANCING PHYSICAL SAFETY AND TELEWORK | Tablets and accessories | \$8,400 |
| | IT Infrastructure equipment | |
| | Virtual Private Network | \$200,000 |
| | Prevention and Sanitation equipment | |
| | Disinfecting equipment | \$117,000 |
| | Sanitizing Stations | \$100,000 |
| | Touchless equipment | \$397,000 |
| | UV Plasma Ionization units | \$100,000 |
| | Prevention and Sanitation supplies | |
| | Dining Services take out/disposable containers | \$375,000 |
| | Walk up spaces plexi-glass shields | \$200,000 |
| | PPE/thermometers | \$639,250 |
| | Cleaning supplies | \$263,500 |
| | Student welcome to campus packets (incl facemasks, sanitizer) | \$80,000 |
| | Social Distancing measure | |
| | Isolation Dorm staffing | \$15,000 |
| MAT Bus (Add'l buses) | \$310,548 | |
| Printed Communication | \$52,000 | |
| Video Communication | \$15,000 | |
| | Enhancing Physical Safety and Telework Total | \$6,167,448 |
| ENHANCING STUDENT SERVICES | Course re-design | |
| | Study service Re-design | \$ - |
| | Digitization of process | |
| | Dissertation process | \$ - |
| | Virtual Career Fair Platform | \$ - |
| | Emergency Grants for Students | |
| | Student Emergency Grants | \$ - |
| | IT equipment | |
| | SWIVL cameras | \$ - |
| | Webcams monitor and Mic | \$ - |
| | Telepresence devices and controls | \$ - |
| | Tele-health services laptops | \$ - |
| | IT Infrastructure equipment | |
| | Residence Hall Wireless modernization | \$1,300,000 |
| | Social Distancing measure | |
| | Captioning Service | \$ - |
| Disability Services add'l staffing | \$ - | |
| Remote Student Advising | \$ - | |
| Student Success Programs | \$ - | |
| Add'l staff time/duties to support social distancing | | |
| Staff overloads | \$1,200,000 | |
| Student Mental Health | | |
| Beck Depression Inventory | \$ - | |
| Mental Health tracking application | \$ - | |
| Beck Anxiety Inventory | \$ - | |
| Add'l Counseling Services | \$ - | |
| | Enhancing Student Services Total | \$2,500,000 |
| | Grand Total | \$19,415,815 |
| | Add'l pay for IT Help desk, virus related research | \$47,272 |
| | ND Forest Service OT | \$48,244 |
| | PPE | \$90,534 |
| | Add'l cleaning supplies | \$57,979 |
| | Technology | \$66,808 |
| | Misc Protective supplies/equipment | \$42,009 |
| | Telework equipment | \$19,961 |
| | Total March-May actual list | \$372,807 |
| | TOTAL OMB RECOMMENDATION FOR CARES FUNDING | \$19,788,622 |

NDSU CARES ACT FUNDING: APPROVED AUGUST 2020

| CATEGORY | ITEM NAME | AUGUST 2020 APPROVED CARES FUNDING |
|---|--|---|
| MEDICAL /PROTECTIVE SUPPLIES | Plexiglass Plexiglass shield for classroom, office and walk up spaces | \$60,000 |
| | Touchless equipment Automatic faucets and flush valves | \$30,000 |
| | Medical/protective supplies total | \$90,000 |
| PUBLIC AREAS AND FACILITY DISINFECTION | Cleaning supplies Cleaning/disinfectant supplies: cleaning solution, towels, dispensers, sanitizer, can liners, gloves, masks, UV type lightbulbs, portable HEPA filters | \$40,000 |
| | Isolation dorm equipment Food self-service equipment for students in isolation | \$10,000 |
| | Public areas and facility disinfection total | \$50,000 |
| FACILITATE TELEWORK | Laptops for faculty and staff | \$ - |
| | Facilitate Telework Total | \$ - |
| FACILITATE DISTANCE LEARNING-HYFLEX MODEL | Captioning Service Regular + Cart service scale up | \$ - |
| | Electronic Library resources Online learning resources to support HyFlex learning | \$ - |
| | HyFlex equipment for students Laptops and accessories for needs based students to support HyFlex academic coursework | \$ - |
| | Site license costs for HyFlex instruction Software and license fees for virtual lab tools for microbiology labs | \$ - |
| | Contracted classroom installation Procure contracted labor for installing equipment in instrumented classrooms and meeting spaces | \$ - |
| | IT devices and accessories Microphones, webcams, silicone keyboard sleeves classroom equipment for Hyflex instruction | \$ - |
| | Learning integrity platform Provides proctoring and other academic integrity applications | \$ - |
| | Facilitate Distance Learning-HyFlex model total | \$ - |
| | FACILITATE DISTANCE LEARNING-BEHAVIORAL HEALTH | Student Wellness Beck Anxiety inventory, convert from paper to electronic |
| Beck Depression inventory, convert from paper to electronic | | \$5,396 |
| Mental health related app to be used as part of the Center's stepped-care mode of providing services. This WellTrak license is a one year cost to help us get through the crisis. | | \$14,000 |
| Facilitate Distance Learning-Behavioral Health Total | | \$24,792 |
| IMPROVE PHYSICAL DISTANCING MEASURES-BLDG AND EQUIPMENT | Keyless Entry with Card Access Exterior and interior door card access points to control access, provide security for classroom and/or residence halls | \$ - |
| | Security Cameras Exterior building security | \$ - |
| | Improve Physical Distancing Measures-Bldg & Equip Total | \$ - |
| | Grand Total | \$164,792 |
| | Additional funding for HVAC related projects: Improved air quality-HVAC system modifications | \$2,520,000 |
| | Self-contained air scrubbing equipment (portable) | \$126,000 |
| | Improved air quality-HVAC Filters, supplies, modifications | \$72,000 |
| | Total request | \$2,882,792 |



NDSU 2021-23 BIENNIAL BUDGET REQUEST

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2021-23 BIENNIAL BUDGET REQUEST

NDSU HAS PREPARED A NEEDS BASED BUDGET FOR CONSIDERATION AS APPROVED AND DIRECTED BY THE NORTH DAKOTA SBHE.

BASE BUDGET REQUEST

| | |
|--|--------------------|
| Formula decrease due to student credit hour production | \$(29,096) |
| Salary compensation increase 3% each year (excluding benefits) | \$3,547,510 |
| Base Budget Increase | \$3,518,414 |

OPTIONAL BASE BUDGET REQUEST

| | |
|---|--------------------|
| Student share of 3% compensation increase <i>in lieu of 1.7% tuition increase (excluding benefits)</i> | \$5,646,026 |
| Funding formula 2.5% SCH rate increase | \$3,317,147 |
| Optional Base Budget Increase | \$8,963,173 |

OPTIONAL ONE-TIME DEFICIENCY REQUEST

| | |
|--|------------------|
| Legal Settlement | \$125,000 |
| Deficiency Appropriation | \$474,657 |
| Optional One-time Budget Increase | \$599,657 |

| | |
|---|---------------------|
| TOTAL BASE AND ONE-TIME REQUESTS | \$13,081,244 |
|---|---------------------|

CAPITAL PROJECT REQUEST

General Fund Project

| | |
|--|---------------------|
| Agriculture Products Development Center | \$14,000,000 |
|--|---------------------|

Total project \$60m approved by 66th Legislative Assembly (2019)

BASE FUNDING REQUESTS:

HE FUNDING FORMULA - SCH PRODUCTION CHANGES: (\$29,096)

N.D.C.C. 15-18.2-5 provides the campuses with “base funding per adjusted student credit hour (ASCH). Current rates are \$97.06 for community colleges; \$90.98 at four-year regional universities; and \$60.87 at research universities.

As a result of the SCH production NDSU’s decrease is (\$29,096). General operating expense will be adjusted for this change in production.

2021-23 SALARY INCREASES: \$3,547,510 GENERAL FUNDS

The SBHE requests an average salary increase of 3% for all employees in each year of the 2021-23 biennium. Salary increases are critical to recruit and retain the best employees to ensure the ongoing success of higher education in North Dakota.

At NDSU the average 3% annual salary increase is estimated at \$3,547,510 in general funds, excluding benefits.

OPTIONAL FUNDING REQUESTS:

STUDENT SHARE OF 2021-23 SALARY

COMPENSATION PACKAGE INCREASE: \$5,656,026

SBHE is requesting an average salary increase of 3% for all employees in each year of the 2021-23 biennium.

College affordability is a significant factor in student access, retention and completion. Tuition and fee rates are a major component of affordability. Any tuition increase, particularly in the current economy, could prohibit students from obtaining the education needed to join the ND workforce.

NDSU is requesting \$5,646,026 in general funds, which represents the student share of the proposed 2021-23 salary increase. Funds would replace a 1.7% annual tuition increase (excluding benefits) for the biennium.

HE FUNDING FORMULA SCH

RATE INCREASE: \$3,317,147

The SBHE requests a 2.5% increase in the statutory funding formula rates established in N.D.C.C. 15-18.2-5. Current rates are \$97.06 for community colleges; \$90.98 at four-year regional universities; and \$60.87 at research universities.

At NDSU a 2.5% funding formula increase would generate \$3,317,147. Funds would be allocated in support of NDSU's strategic plan and general operations; including instructional and academic support, salaries for faculty and staff, operating costs, equipment, campus designated deferred maintenance and/or facility renovations and fit-up projects.

LEGAL SETTLEMENT: \$125,000

NDSU entered into a Settlement Agreement and Release, dated November 7, 2019, with the approval of the SBHE, which ended the construction litigation pertaining to the A. Glenn Hill Center. Pursuant to the Settlement Agreement, NDSU paid the plaintiff \$38,609.38 which was the amount remaining of the Legislative authorization for the project.

In addition, NDSU agreed to seek Legislative authorization and general fund appropriation for an additional payment to the plaintiff of \$125,000. NDSU could not make this payment without Legislative authorization pursuant to NDCC 54-27-12.

DEFICIENCY APPROPRIATION: \$474,657

On January 16, 2018 NDSU was served with a complaint for claims arising out of the A. Glenn Hill Center construction project. NDSU was authorized to: (1) retain outside counsel and defend the lawsuit including initiating 3rd-party actions; and (2) establish a deficiency fund to pay the costs of the litigation in the expectation that NDSU would seek reimbursement of such costs through a deficiency appropriation in a future legislative session. The litigation ultimately involved nine different parties and settled prior to trial pursuant to a Settlement Agreement and Release, dated November 7, 2019, which was approved by the SBHE. NDSU is seeking a deficiency appropriation to cover the litigation costs.

REQUEST: \$14,000,000 GENERAL FUNDS

The 66th Legislative Assembly (2019) approved \$60m for the project, with \$40m in state bonds, plus \$20m local funds/fundraising. NDSU has committed to raise \$6.0m and is now requesting \$14.0m in state general funds in lieu of the remaining local fundraising.

**TITLE OF PROJECT: AG PRODUCTS DEVELOPMENT CENTER (HARRIS HALL AND MEATS LAB REPLACEMENT)
\$61,200,000 (INCLUDES \$1.2M INFLATION)
NDSU PRIORITY #1 APPROVED BY SBHE**

PROJECT TYPE BASED ON PERCENTAGE OF COST AS PER NDSU MASTER PLAN SECTION 3.

10% PED PED 4 (College of Agriculture, Food Systems and Natural Resources)

75% DMP DMP 2 (Harris Hall)

15% LSS

MASTER PLAN ALIGNMENT

The mainstay of the agricultural industry in the state is the ability of North Dakota to continue producing and marketing superior crop and livestock commodities worldwide. North Dakota is the leading state in production of spring wheat, durum wheat, barley, pulses, and flax. In 2018, the on-farm value of wheat, corn, and soybean crops in the state exceeded \$5.32 billion.

In conjunction, a new facility that houses crop quality, food science, and meat science teaching and research programs is critical to maintaining or advancing the cereal chemistry/cereal quality, food science, meat science, and food safety and security programs that exist at NDSU. These programs are not only important in ensuring food security for the citizens of North Dakota and the surrounding region but also in the ability to trade the state's products internationally. The new building is also necessary to address the health, safety, food grade and code issues of the current facilities – Harris Hall and the Meats Lab – and to provide for improved efficiencies by co-locating necessary core research, teaching, and outreach areas in one unit.

HARRIS HALL

Harris Hall was completed in 1953 and houses the quality laboratories for spring wheat, winter wheat, durum wheat, barley, pulses, corn, and flax. Current research and teaching activities in Harris include:

- Crop quality surveys necessary and vital to food processing industries in the U.S. and globally
- Crop quality research essential to the development of new varieties that have traits desired by the food industry
- Food processing (baking, brewing, canning, extrusion, food fermentation, malting, milling)
- Food ingredient and product development: all the labs provide research and outreach to end users of each of the crops, and their programs are key to the development and release of crop varieties that are critically important to the state's economy. A factor affecting this, however, is that the facility has become deficient in the following areas over the years:

- Appropriate HVAC is inadequate, resulting in recirculation of grain dust generated by milling cereals, pulses and oilseeds. This poses a health risk, as well as creating conditions conducive to explosion and fire as the building is not equipped with an adequate fire suppression system. The facility is in, or near, violation for lack of appropriate emergency showers in laboratory areas, eyewash stations, and other worker safety-related issues. For instance, one such eyewash station is located in the middle of a corridor.
- The HVAC system is also inadequate in controlling building temperatures. Temperature issues have occurred with the increasing amount of technical equipment required for activities in the building. Portable air conditioning units are used as a temporary solution; however, their use impacts research quality, overloads the electrical system, and creates obstructions and safety concerns.
- The electrical system is at maximum capacity. New equipment vital to undergraduate programs and research activity cannot be connected to the system, thereby, limiting their success. Fire is also a concern due to the age of the system, especially since the building does not contain sprinklers. Many of the electrical panels still utilize fuses that regularly trip during the day, disrupting experiments, classes and research. In some areas, employees need to determine whether to use a computer, lights, or AC because using all three simultaneously will blow a fuse.
- The electrical system is lacking the proper voltage and power for the type of modern technical equipment used in today's industry. NDSU has received donated equipment from outside industry that cannot be used due to the current electrical system.
- Teaching and research laboratory spaces need to be separated. Besides separation for safety reasons, commodity groups have paid for research activities and equipment that have general use restrictions.

- The laboratories require distilled and/or purified water for research. However, most of the building's water lines are too corroded to achieve the required water quality level so researchers must carry water to holding tanks for use. The only partially treated water system in the building is currently located in a men's bathroom.
- The cast iron domestic waste lines are beyond their useful life. Because of their condition, the plumbing shop has a difficult time finding adequate piping to connect to when a section needs replacement. Repair patches generally don't hold, which result in recurrent leaks throughout the system.
- The building has limited accessibility. The only access to an elevator is through the adjacent Northern Crops Institute building.

Together with enhanced technologies occurring in wheat and other crops, the need to evaluate new materials for quality traits will require separate HVAC systems. This will prevent unintended presence of regulated traits in conventionally developed crops and will allow larger and focused collaborations with industry.

MEATS LAB

Shepperd Arena opened in March 1952. It consisted of a livestock arena, livestock arrival rooms and a meat laboratory that was designed to demonstrate limited-scale on-farm slaughtering and meat science. The arena continues as the largest physical space in the building today, along with classrooms, academic function areas, and the Meats Lab, which houses meat science teaching and research activities. This lab is essential for operating with other disciplines to improve meat and muscle quality, nutritional quality, and consumer sensory traits; carrying out research and teaching in Meat Science for the state's cattle, sheep and swine livestock industries; and providing outreach to its end users. The livestock industry's economic contribution to the state, which exceeded \$1.14 billion for the three species in 2018, would be further enhanced by expanding the research efforts in meat science. However, the following areas in the Meats Lab facility are restricting this progress:

- Cleaning/sanitizing/sterilizing the facility is difficult due to a poor HVAC system, no integrity of the floor, and poor insulation of refrigerated/freezing facilities, increasing the potential for mold and bacterial growth.
- Shared ventilation system between the arena and Meats Lab can cause contamination and issues with dust, creating a concern for product that is sold, for academic teaching, and for quality meat research.
- Insufficient meat cooling and storage areas limit research and teaching capabilities.
- Cramped, poorly designed research and meat handling labs impact student learning opportunities and further impede research in meat science.



- Additional space is needed for the next level of new technologies, such as computer aided imaging and meat grading research.
- Lack of sensory evaluation facilities impacts and reduces the ability to carry out the critical research component of consumer preferences.

Sensory evaluation, which includes assessment of flavor, smell, and appearance of food made from plant and animal origin, is another important component of food product development or evaluation. The kitchen used to prepare food for sensory evaluation must meet food grade standards because the food will be consumed as part of the evaluation. The ventilation system for the kitchen must be isolated from the evaluation laboratory so evaluators are not influenced by extraneous odors. No such facility currently exists on campus.

Laboratories preparing food products for sensory evaluation need to meet state laws for food service. In addition, research laboratories where research will be conducted using regulated traits need to meet federal guidelines. Meat Science facilities require USDA inspection and approval. Nearly all of the current food grade labs do not meet present day North Dakota Department of Health standards in these areas. This is a significant deficiency in the current buildings.

The food science industries for food grade commodities, such as soybean, dry bean, pulses, corn, potato, and other commodities, rely on research programs to provide quality analyses. The livestock industry relies on research carried out at the Meats Lab to improve meat quality through improved nutrition, genetics, handling, and husbandry. Thus, these

food safety, meat science, and food security programs are far-reaching in their academic and research agendas. Each program area relies on food science-based research to ensure a safe and nourishing food supply that is in compliance with the FDA Food Safety Modernization Act approved and signed into law in 2011. These academic, research, and outreach programs involve both undergraduate and graduate education. The cereal chemistry/cereal quality program is only one of two in the nation and the food safety program is the only one in the nation that offers certificate, B.S., M.S., and Ph.D. degrees. The meat science program is a crucial component of the animal sciences research and teaching programs, addressing research and teaching for multiple livestock species including cattle, swine, and sheep. In addition, the meats science research program addresses research concerns related to muscle biology, the conversion of muscle to meat, and post-harvest practices aimed at improving meat quality. Research in food and in food safety provides necessary information that can be used to make science-based decisions on food security issues regionally and throughout the world.

If an adequate facility is not built, NDSU and the state will continue to lose out on research opportunities for both crops and livestock. Constructing an innovative and forwardlooking facility to meet the issues today and well into the future will allow our researchers to enhance their competitiveness for Federal and industry grants, allow our students the opportunity to be educated using current technologies needed throughout the food industry, and provide our stakeholders with critical and timely information to remain competitive in a global economy.

North Dakota State University is a Land Grant Research University, and the activities in Harris Hall and the Meats Lab are consistent with its teaching, research and public service responsibilities, particularly in regards to agriculture. Agriculture aligns with the needs and core values of North Dakota. Improving research, along with providing quality classroom space and supporting agricultural needs, is consistent with the NDSU Master Plan.

SCOPE OF WORK

A new advanced facility will be constructed at a new site on the west side of campus for ease of truck and vehicle access. The three-to-four story building will be designed with high ceilings in first floor areas to accommodate large milling equipment and chain hoists for meat and crop materials. Truck access to products in the crop and meat areas will allow for safe delivery and pick-up. The new facility would house shared quality, analytical and sensory laboratories with high-tech analytical equipment that could be utilized by multiple users and foster affiliations between crops and meats programs. Bio-processing of crops and co-products, product development, and end-use evaluation will also benefit. The new facility will promote

collaborative research and interactions among scientists, thereby making our scientists more competitive in obtaining extramural funding. The facility would also meet all codes, especially health codes dealing with food products and safety.

The activities in Harris Hall and the Meats Lab operate year-round. NDSU explored options to temporarily relocate these activities during the project but found that doing so was cost prohibitive, especially for sensitive research equipment, or impractical for students to do their academic work off campus. Therefore, a new facility will be constructed and the existing equipment moved to it to minimize downtime. In some cases, new equipment will be installed so no downtime will be necessary. Additional laboratory space will be included that will be adaptive to the many research assistance requests received by NDSU and that will also enhance the university's ability to partner with Federal and State agencies and private industry.

Harris Hall is not a sprinkled building and is physically attached to Northern Crops Institute (NCI). There is a high risk of fire or explosion due to the dust created by the activities in both of these buildings. However, Harris Hall will be razed once the new building is constructed, placing NCI in a more secure situation because the new facility will be sprinkled.

Based on NDSU's Building Condition Report, Harris Hall is one of the two academic buildings on campus in the poorest condition. Its demolition is supported because the amount of deferred maintenance for the facility exceeds the 65% replacement value threshold. This will remove an estimated \$7.1 million of deferred maintenance from NDSU's list. In addition, the poorest Lord and Burnham Greenhouse will also be razed. The greenhouses have sustained major storm damage over the last few years, thereby limiting activities occurring in them. The deferred maintenance value for the greenhouses exceeds 65% of the replacement value threshold so their demolition is also warranted. This will remove an estimated \$2.54 million from NDSU's deferred maintenance list. The Meats Lab in Shepperd Hall will be repurposed for other agricultural activities and academic functions.

A new facility dedicated to the above areas would enhance the university's ability to obtain competitive grants and partner with Federal and State agencies and with industry. Undergraduate and graduate students would also benefit from the improved teaching and research space that will provide greater opportunities for their research programs.

AG PRODUCTS DEVELOPMENT CENTER

THIS NEW FACILITY IS CURRENTLY RATED AS PRIORITY #1 FOR NDSU STATE FUNDED PROJECTS. IT IS ESTIMATED TO TAKE 18-TO-24 MONTHS TO COMPLETE THE WORK NEEDED FOR THIS PROJECT.

PROJECT COST ESTIMATE

Ag Products Development Center
Project Total \$ 61,200,000

Construction Costs

| | |
|----------------------------------|----------------------|
| General | \$ 23,488,000 |
| Mechanical | \$ 16,396,000 |
| Electrical | \$ 7,126,000 |
| Site Work | \$ 1,487,000 |
| Landscaping | \$ - |
| Demolition (Included in General) | \$ - |
| IT | \$ 1,784,000 |
| Other | \$ - |
| Sub Total | \$ 50,281,000 |
| Contingency | 2,514,000 |
| Total Construction | \$ 52,795,000 |

Soft Costs

| | |
|-------------------------|--------------------|
| Design Fees | \$ 3,963,000 |
| Owner Costs | \$ 360,000 |
| Permits | \$ 45,000 |
| Advertising | \$ 2,000 |
| Other | \$ 740,000 |
| Sub Total | \$ 5,110,000 |
| Contingency | \$ 150,000 |
| Total Soft Costs | \$5,260,000 |

FF&E - Property Costs

| | |
|-----------------------------|--------------------|
| FF&E | \$ 3,145,000 |
| Land Acquisition | \$ - |
| Total FF&E/Other | \$3,145,000 |

The total project cost is estimated at \$61,200,000, which includes FF&E. NDSU will construct the new facility, move equipment from Harris Hall and Shepperd Arena into the new facility, remove the environmental issues (asbestos, lead and mold) from Harris Hall, and then raze Harris Hall and the poorest of the Lord and Burnham greenhouses.

FUTURE OPERATING COSTS

Current custodial support will transfer to the new building and one additional custodian will need to be hired. Other salaries to cover electrical, HVAC, plumbing and carpentry will also be included. The utilities will increase slightly with the additional equipment included in the facility but will be offset by the savings in demolishing the greenhouse.

FURNITURE, FIXTURES AND EQUIPMENT

NDSU is requesting that the funds, including some FF&E, be provided by general fund appropriation. Some FF&E may also be funded by grants or gifts.

SOURCE OF FUNDS

1. General funds \$14M
2. State bonds \$40M
3. Other funds (private) \$6M
4. Inflation \$1.2M

The Ag Products Development Center was included in SB2297 of the sixty-sixth legislative assembly in the amount of \$60,000,000 [\$20,000,000 State Bonding, \$20,000,000 Special Fund Authority, \$20,000,000 general fund cash from 2017-19.]

Section 1. Project Authorizations – Appropriation. 2. states:

- *North Dakota state university may obtain and utilize local funds obtained from fundraising or other sources for the agriculture products development center project. There is appropriated to North Dakota state university the sum of \$20,000,000, or so much of the sum as may be necessary, from any local or other funds that may become available for this project for the period beginning with the effective date of this Act, and ending June 30, 2021.*
- *The industrial commission may issue evidences of indebtedness for the agriculture products development center project only if North Dakota state university certifies to the industrial commission and the director of the office of management and budget that \$20,000,000 of local and other funds has been obtained for the project or if North Dakota state university receives approval for a change in project scope from the legislative assembly or budget section pursuant to section 48-01.2-25.*
- September 26, 2019: The SBHE authorized the SBHE Budget and Finance Committee's recommendation for "NDSU to increase the special fund authority for the Ag Products Development Center from \$6,000,000 to \$20,000,000 as per SB2297."
- The Ag Products Development Center was ranked as NDSU Priority #2 in the 2019-2021 Capital Project Budget Request submitted for consideration by the SBHE for recommendation in the 2019-21 biennial budget in June 2018. It appeared as Priority #12 in the 2019-21 Capital Project Request Recommendations – NDUS Facility Planning.
- May 23, 2018: The SBHE authorized the SBHE Budget and Finance Committee's recommendation for "NDSU to begin a formal fund raising campaign for a portion of the Ag Products Development Center through the NDSU Foundation and Alumni Association with a target amount of \$6,000,000. A state general fund appropriation will be requested for the remaining \$54,000,000 of the project."

SHARED SERVICES/EFFICIENCIES/PHASING – PLANNING

As stated above, a new facility would house quality laboratories for important crops and colocate Meat Science research and teaching efforts in order to gain efficiencies and minimize duplication of core facilities. A new facility would foster collaborative research and interactions among scientists and create a better learning environment for students. The new facility would also house shared analytical laboratories with state-of-the-art analytical equipment that could be shared by multiple users. This, in turn, would make our scientists more competitive in obtaining extramural funding.

Based on NDSU's Building Condition Report, Harris Hall is one of the top two poorest academic buildings on campus containing classrooms and laboratories. The Meats Lab is also in very poor condition, resulting in increased operating costs and challenges in maintaining USDA approval to operate. This project will correct deferred maintenance on plumbing, electrical, structural, and animal handling issues that reduce the effectiveness of the current facilities.

Agriculture is a leading industry in the state and building a new facility to accommodate crop and meat quality/chemistry/utilization, food science, and food safety/security is crucial for NDSU and the State of North Dakota. The State Board of Agriculture Research and Education (SBARE) endorses this project. State crop and livestock commodity groups are also strongly supportive of this project.

The proposed facility is an integration of core research and teaching laboratories, milling rooms, seed and food storage rooms, livestock handling pens, kill floor, meat preparation facilities, freezers, coolers, kitchens, and sensory laboratories associated with support labs for analytical lab work. When originally proposed, thorough evaluation of the need for separate space for novel genetic research, meat science, bioprocessing, food science teaching and research, and food security teaching and research needs were not completely explored and matched with faculty needs. The Food Science academic program requires national accreditation. The Meat Science lab requires USDA inspection and approval. Due to the intricacies of the various laboratories and support areas, this project cannot be constructed in phases. The only piece that could be funded later is demolition of Harris Hall.

HB 1025 NDSU LITIGATION EXPENSES

After completing construction of the A. Glenn Hill Center in late 2016, the project's general contractor, Roers Construction, Inc. (the "GC") alleged that NDSU owed the GC an additional \$1,317,403 based on claimed delays and increased costs during the construction process. NDSU disputed the allegations, and NDSU was served with a lawsuit on January 16, 2018.

Subcontractors and other parties involved in the construction project were brought into the litigation, and ultimately, there were a total of nine parties. Upon completion of extensive discovery, but prior to summary judgment motions and a possible trial, the parties reached a global settlement with the assistance of a mediator. The settlement negotiations were complicated due to the fact that there were nine parties together with their attorneys and insurance companies. The amounts paid by the other parties are confidential and not known to NDSU. NDSU signed the settlement agreement on November 15, 2019 contingent upon the approval of the State Board of Higher Education. The SBHE approved the agreement on December 3, 2019.

NDSU has a two-part obligation under the settlement:

1. NDSU has paid \$38,609.38 to the plaintiff. This represented the remaining balance of the legislative authorization on the A. Glenn Hill Center project and included retainage.
2. NDSU agreed to seek a legislative appropriation for an additional payment to the GC in the amount of \$125,000 in the next session. Under the settlement agreements, NDSU may make this payment only if the Legislature authorizes and appropriates funding for the payment.

The rationale for this settlement was that the above-referenced payments to settle the case were significantly less than the estimated litigation costs to continue with the case, bring a dispositive motion, and potentially try the case and resulting appeals. This meant that if NDSU continued with the litigation and did not settle, the ongoing costs would have likely exceeded the settlement amount, and in addition, there was the potential for an adverse judgment compounding the financial risk. On this basis, NDSU's litigation counsel recommended that NDSU agree to the settlement terms.

Research Infrastructure

Keeping ND Higher Education Competitive

Executive Summary

The University of North Dakota and North Dakota State University are requesting base funding to support research infrastructure on both campuses. This request is for **(1) connectivity to Internet2**, which connects more than 300 research universities to each other and to national laboratories (e.g., Los Alamos National Laboratory) and **(2) computational research** services which support an increasing number of research activities including UAS systems and precision agriculture.

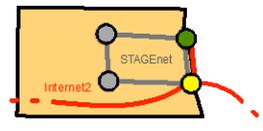
Financial Summary

| Item | Annual | Biennium |
|-------------------------------------|---------------------|---------------------|
| Internet2 UND Share | \$ 325,000 | \$ 650,000 |
| Internet2 NDSU Share | \$ 325,000 | \$ 650,000 |
| CRC (UND Computational Research) | \$ 775,550 | \$ 1,551,100 |
| CCAST (NDSU Computational Research) | \$ 774,552 | \$ 1,549,104 |
| Total | \$ 2,200,102 | \$ 4,400,204 |

Note: The request of the 66th Legislative Assembly was \$5.7M.

Internet2

[Internet2](#) connects over 300 research universities to each other and to national laboratories. It provides researchers access to federal research facilities, advanced collaboration opportunities with researchers at other institutions, and is a prerequisite for applying for many federal grant opportunities. Additionally, in-state infrastructure connects computational research centers at UND and NDSU, facilitating the universities complementary research programs.



Computational Research

Computational research centers currently exist at both UND (Computational Research Center or CRC) and NDSU (Center for Computationally Assisted Science and Technology or CCAST). These centers offer services appropriated to the different types of research happening at each of the research universities. The need for both facilities and support staff with specialized skills (e.g., data analytics or cloud computing) has been steadily growing and outpaced available resources at both institutions. Aligning this base level of research infrastructure with the demands of researchers is critical to maintain North Dakota’s ability to compete for grant funds and contracts.



NDSU 2021-23 EXECUTIVE RECOMMENDATION

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| 2021-23 Comparison of SBHE General Funds Budget Request to Executive Recommendation | North Dakota State University | | |
|--|-----------------------------------|-----------------------------|---|
| | SBHE 2021-23 GF Budget Request | Executive Recommendation | Executive Recommendation Over (Under) Budget Request |
| 2019-21 Adjusted General Fund Appropriation, Net of Base Adjustments(Needs Based Budget Request) | \$ 132,714,983 | \$ 132,714,983 | - |
| Base adjustments: | | | |
| 1/ Funding formula: Credit Hour completion adjustment | (29,096) | (29,096) | - |
| 2/ Funding formula 7.5% reduction | - | (9,951,442) | (9,951,442) |
| 3/ Salary/benefit compensation: request 3%/3%; Gov 2%/2% | 3,547,510 | 2,258,394 | (1,289,116) |
| 4/ 2021-23 Health insurance increases | - | 23,494 | 23,494 |
| 5/ Student share of compensation increase in lieu of 1.7% tuition increase (excluding benefit amount) | 5,646,026 | - | (5,646,026) |
| 6/ Funding formula: 2.5% operating rate increase | 3,317,147 | - | (3,317,147) |
| One-time adjustments: | | | |
| Legal Settlement | 125,000 | 125,000 | - |
| Total Base and One-time Adjustments | 12,606,587 | (7,573,650) | (20,180,237) |
| General Fund Request & Exec Recommendation | \$ 145,321,570 | \$ 125,141,333 | \$ (20,180,237) |
| | 9.5% | -5.7% | |
| Capital Project: Agriculture Products Development Center (State of ND Bonding Authority) Total project authorization \$60M. | \$ 14,000,000 | \$ 14,000,000 | - |
| 2021-23 Total General Funds-Base, One-time and Capital Project | 159,321,570 | 139,141,333 | (20,180,237) |

1/ Student Credit Hour production change

2/ Executive Recommendation: reduction in amount per student credit hour of (-\$3.52); from \$60.87 to \$57.35. The proposed reduction would result in cuts to existing faculty, staff and/or academic college closure.

3/ Salary compensation amounts reflect General Fund amounts only.

5/ Request for compensation increase to cover the portion funded by student tuition. If not funded, tuition will need to increase by a minimum of 1.7% each year of the biennium.

6/ At NDSU a 2.5% funding formula increase would generate \$3,317,147. Funds would be allocated in support of NDSU's strategic plan and general operations; including instructional and academic support, salaries for faculty and staff, operating costs, equipment, campus designated deferred maintenance and/or facility renovations and fit-up projects.

North Dakota State University

Statutory Authority

ND Constitution Section 215, North Dakota Century Code Chapter 15-12.

Agency Description

As the state's land-grant institution, NDSU has a longstanding commitment to bringing educational opportunities and research solutions to the people of North Dakota. Our commitment remains focused on affordable access to a high quality education for our students and serving state interests in a manner demonstrating sound stewardship and accountability. We are truly a student focused, land-grant, research university. NDSU's continued success has led to higher national and international visibility, not just for itself but the entire state, and most importantly, more substantial contributions to the success of North Dakota and the nation.

Our signature programs include Engineering (largest discipline enrollment), Agriculture (largest NDSU research productivity), and Health Professions (2nd largest discipline enrollment with nationally ranked programs for Pharmacy and Nursing). Collaborative programs include a wide variety of research collaborations with other leading research universities around the country. Reverse transfer agreement "Pathways" program and other shared services with NDSCS and collaborative courses and programs with other ND University System institutions, DSU, VCSU, MISU. Graduate programs in public health and biomedical engineering offered jointly between NDSU and UND. We also provide administrative payroll services for NDSCS, VCSU, DSU and WSC.

Major Accomplishments

1. Ranked by the National Science Foundation (NSF) as ND's only top-100 public research university. In that category, NDSU is 94th in nation in total R&D expenditures. Research productivity leads the state and climbed as high as \$156.0 million.
2. Led the state in license and patent revenues and climbed to \$2.0 million.
3. Continued its competitive advantage to: enroll largest number of fulltime students; enroll largest number of fulltime undergraduates from; enroll largest number of number of fulltime undergraduates from out-of-state; enroll largest number of engineering students; enroll largest number of nursing students; elevated entering class average high school GPA to 3.50 and average ACT score to 23.7; elevated retention to state leading 78.9 percent; elevated graduation rate to state leading 41.2 percent; and nationally ranked and state leading affordability and subsequent return on investment (ROI).

Agency 235

4. Achieved post-graduation success rates (employment/graduate study) are 93 percent for undergraduate students and 94 percent for graduate students.
5. Achieved the state's highest pass rate on professional licensures and certifications by graduates.
6. Ranked among the best overall NCAA Division-I programs in the nation.
7. Operated at full capacity the award-winning 55-acre Research & Technology Park is home to John Deere Electronic Solutions and Appareo Systems, along with the ND's leading business incubator.
8. Maintained the largest physical footprint in the state: main campus, seven major research and extension centers and extension offices in every county of North Dakota total almost 20,000 acres.
9. Completed construction of Aldevron Tower, a 74,000 square foot, six-story building and is a \$28.0 million, fully privately-funded building with a focus on team-based education.
10. Started construction on Sughara Hall which will be a nearly 106,000 square foot, lab-intensive building.
11. Provided collaborative programs in: a wide variety of funded research collaborations with other leading research universities around the country; reversed transfer agreement "Pathways" program and other shared services with NDSCS, and collaborative NDSU courses and programs with other System institutions (DSU, VCSU, MISU, etc.); offered jointly with UND graduate programs in public health and biomedical engineering; and provided payroll services for NDSCS, VCSU, DSU and WSC.

Executive Budget Recommendation

- Reduces \$29,096 from the General Fund higher education formula due to a decrease in adjusted student credits.
- Reduces \$9.9 million from the General Fund by adjusting the base funding per student credit hour amount to 92.5 percent of current law.
- Provides \$125,000 of one time funds from the General Fund for lawsuit settlement agreement fees.
- Provides \$2.3 million from the General Fund as an inflationary increase, which includes the increase in employee health insurance and the executive compensation plan.
- Provides \$125.1 million from the General Fund for the state share of campus operations at \$57.35 per adjusted student credit hour
- Provides \$14.0 million of bonding authority for Agriculture Products Development Center.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

235 North Dakota State University
Biennium: 2021-2023

| Description | Expenditures Prev Biennium 2017-2019 | Legislative Base 2019-2021 | 2021-2023 Requested | | Requested Budget 2021-2023 | 2021-2023 Recommended | | Executive Recommendation 2021-2023 |
|--|--|----------------------------------|------------------------|--------|----------------------------------|--------------------------|--------|--|
| | | | Incr(Decr) | % Chg | | Incr(Decr) | % Chg | |
| By Major Program | | | | | | | | |
| North Dakota State University | 818,166,713 | 751,574,675 | 15,972,152 | 2.1% | 767,546,827 | 13,226,117 | 1.8% | 764,800,792 |
| Total Major Programs | 818,166,713 | 751,574,675 | 15,972,152 | 2.1% | 767,546,827 | 13,226,117 | 1.8% | 764,800,792 |
| By Line Item | | | | | | | | |
| Campus Operations | 730,085,720 | 743,775,571 | 15,574,524 | 2.1% | 759,350,095 | (1,171,511) | (0.2%) | 742,604,060 |
| Capital Assets | 35,799,104 | 7,799,104 | 397,628 | 5.1% | 8,196,732 | 14,397,628 | 184.6% | 22,196,732 |
| Capital Assets Carryover | 1,218,586 | 0 | 0 | 0.0% | 0 | 0 | 0.0% | 0 |
| Capital Projects - Non-State | 44,328,423 | 0 | 0 | 0.0% | 0 | 0 | 0.0% | 0 |
| Capital Projects Carryover - Non-State | 6,734,880 | 0 | 0 | 0.0% | 0 | 0 | 0.0% | 0 |
| Total Line Items | 818,166,713 | 751,574,675 | 15,972,152 | 2.1% | 767,546,827 | 13,226,117 | 1.8% | 764,800,792 |
| By Funding Source | | | | | | | | |
| General Fund | 129,253,831 | 132,714,983 | 12,481,587 | 9.4% | 145,196,570 | (7,573,650) | (5.7%) | 125,141,333 |
| Federal Funds | 0 | 0 | 0 | 0.0% | 0 | 0 | 0.0% | 0 |
| Special Funds | 688,912,882 | 618,859,692 | 3,490,565 | 0.6% | 622,350,257 | 20,799,767 | 3.4% | 639,659,459 |
| Total Funding Source | 818,166,713 | 751,574,675 | 15,972,152 | 2.1% | 767,546,827 | 13,226,117 | 1.8% | 764,800,792 |
| Total FTE | 1,895.66 | 1,870.16 | (40.73) | (2.2%) | 1,829.43 | (40.73) | (2.2%) | 1,829.43 |

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NDSU 2021-23 SENATE ENGROSSED



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| 2021-23 Comparison of SB2003 General Funds Budget Request to Senate Engrossed | North Dakota State University | | | |
|--|-----------------------------------|-----------------------------|-----------------------|--|
| | SBHE 2021-23 GF Budget Request | Executive Recommendation | Senate Engrossed | Senate Engrossed Over (Under) Budget Request |
| 2019-21 Adjusted General Fund Appropriation, Net of Base Adjustments(Needs Based Budget Request) | \$ 132,714,983 | \$ 132,714,983 | \$ 132,714,983 | - |
| Base adjustments: | | | | |
| 1/ Funding formula: Credit Hour completion adjustment | (29,096) | (29,096) | (29,096) | - |
| 2/ Funding formula 7.5% reduction (Gov)/Senate changes to model as recommended by Interim HE Committee | - | (9,951,442) | 3,763,288 | 3,763,288 |
| 3/ Salary/benefit compensation: request 3%/3%; Senate 2%/2% | 3,547,510 | 2,258,394 | 2,195,738 | (1,351,772) |
| 4/ 2021-23 Health insurance increases | - | 23,494 | 23,494 | 23,494 |
| 5/ Student share of compensation increase in lieu of 1.7% tuition increase (excluding benefit amount) | 5,646,026 | - | - | (5,646,026) |
| 6/ Funding formula: 2.5% operating rate increase | 3,317,147 | - | - | (3,317,147) |
| | | | | - |
| One-time adjustments: | | | | |
| 7/ Legal Settlement | 125,000 | 125,000 | 125,000 | - |
| 8/ Deficiency appropriation (from HB1025) | | | 474,657 | 474,657 |
| | | | | - |
| Total Base and One-time Adjustments | 12,606,587 | (7,573,650) | 6,553,081 | (6,053,506) |
| General Fund Request comparison | \$ 145,321,570 | \$ 125,141,333 | \$ 139,268,064 | \$ (6,053,506) |
| | 9.5% | -5.7% | 4.9% | |
| 9/ Capital Project: Agriculture Products Development Center (State of ND Bonding Authority) Total projects \$70m | \$ 14,000,000 | \$ 14,000,000 | \$ 50,000,000 | 36,000,000 |
| 2021-23 Total General Funds-Base, One-time and Capital Project | 159,321,570 | 139,141,333 | 189,268,064 | 29,946,494 |

1/ Student Credit Hour production change

2/ Senate Engrossed: provides funding formula changes, as recommended by the interim Higher Education Committee

3/ Salary compensation amounts reflect general fund amounts only. Senate Engrossed provides a 2% / 2% compensation package.

5/ Request for compensation increase to cover the portion funded by student tuition. If not funded, tuition will need to increase by a minimum of ~1.7% each year of the biennium.

9/ Capital Project funding in HB1431-State of ND Bonding project including a Northern Crops Institute Project \$50M + GF carryover \$20M = \$70M total projects.

Department 235 - North Dakota State University
Senate Bill No. 2003

Executive Budget Comparison to Prior Biennium Appropriations

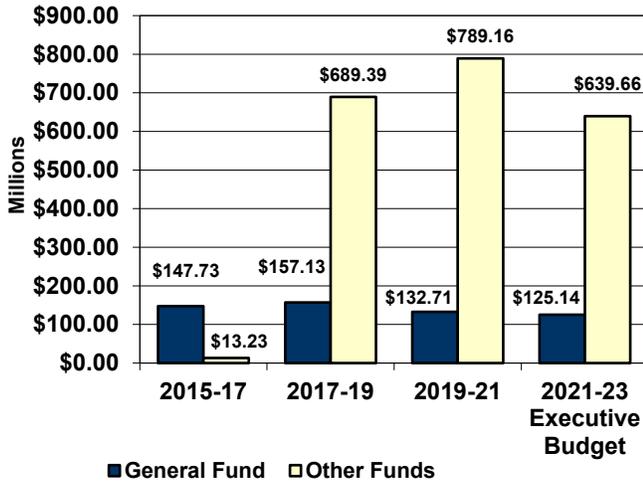
| | FTE Positions | General Fund | Other Funds | Total |
|---|---------------|---------------|-----------------|-----------------|
| 2021-23 Executive Budget | 1,829.43 | \$125,141,333 | \$639,659,459 | \$764,800,792 |
| 2019-21 Legislative Appropriations ¹ | 1,870.16 | 132,714,983 | 789,158,884 | 921,873,867 |
| Increase (Decrease) | (40.73) | (\$7,573,650) | (\$149,499,425) | (\$157,073,075) |

¹The 2019-21 biennium agency appropriation amounts have not been adjusted for additional federal Coronavirus (COVID-19) funds authority of \$26,399,740 during the 2019-21 biennium.

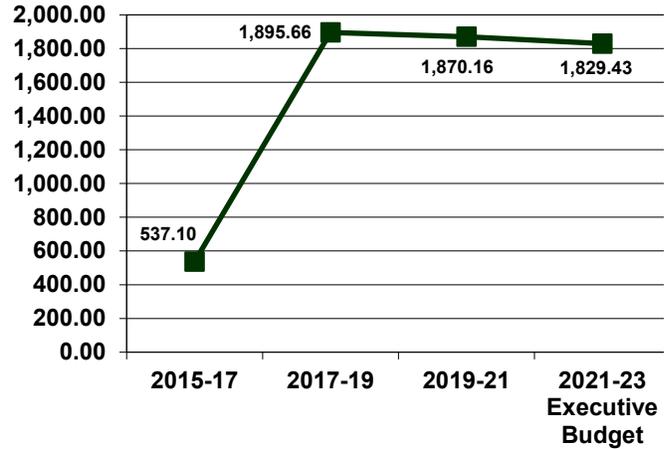
Ongoing and One-Time General Fund Appropriations

| | Ongoing General Fund Appropriation | One-Time General Fund Appropriation | Total General Fund Appropriation |
|------------------------------------|------------------------------------|-------------------------------------|----------------------------------|
| 2021-23 Executive Budget | \$125,016,333 | \$125,000 | \$125,141,333 |
| 2019-21 Legislative Appropriations | 132,714,983 | 0 | 132,714,983 |
| Increase (Decrease) | (\$7,698,650) | \$125,000 | (\$7,573,650) |

Agency Funding



FTE Positions



Executive Budget Comparison to Base Level

| | General Fund | Other Funds | Total |
|--------------------------|---------------|---------------|---------------|
| 2021-23 Executive Budget | \$125,141,333 | \$639,659,459 | \$764,800,792 |
| 2021-23 Base Level | 132,714,983 | 618,859,692 | 751,574,675 |
| Increase (Decrease) | (\$7,573,650) | \$20,799,767 | \$13,226,117 |

Attached as an appendix is a detailed comparison of the executive budget to the agency's base level appropriations.

Executive Budget Highlights

| | General Fund | Other Funds | Total |
|--|---------------|-------------|---------------|
| 1. Provides funding adjustments through the higher education funding formula as follows: | | | |
| • Reduces funding for institution operations by 7.5 percent | (\$9,951,442) | \$0 | (\$9,951,442) |
| • Adjusts funding to reflect changes in completed student credit-hours | (29,096) | 0 | (29,096) |
| • Adds funding for inflationary increases, including employee compensation and benefit adjustments | 2,281,888 | 0 | 2,281,888 |
| Total | (\$7,698,650) | \$0 | (\$7,698,650) |
| 2. Adds one-time funding for a settlement agreement related to the A. Glenn Hill Center capital project | \$125,000 | \$0 | \$125,000 |

| | | | |
|---|-----|--------------|--------------|
| 3. Adds one-time funding from bond proceeds for the agriculture products development center project, to provide a total of \$54 million of state funds for the project | \$0 | \$14,000,000 | \$14,000,000 |
|---|-----|--------------|--------------|

FTE Positions

The 2021-23 biennium executive budget recommendation includes authorization of all FTE positions for institutions and entities under the control of the State Board of Higher Education, including positions supported by special funds. Prior to the 2017-19 biennium, only FTE positions supported by the general fund were authorized.

Special Funds Appropriations

The 2021-23 biennium executive budget recommendation includes appropriation authority of all special funds received by the University System office and institutions. Prior to the 2017-19 biennium, special funds appropriations for the University System office and institutions were provided only for certain items, such as capital projects.

Other Sections Recommended to be Added in the Executive Budget (As Detailed in the Attached Appendix)

Higher education challenge grants - Sections 3 and 4 would adjust the higher education challenge grant statutory language and provide for the distribution of up to \$20 million of grant funds to eligible institutions.

Higher education funding formula - Section 5 would adjust the base credit-hour funding rates of the higher education funding formula.

Carryover authority - Section 6 would continue the authorization through July 31, 2023, for institutions under the control of the State Board of Higher Education to carry over unexpended appropriations at the end of a biennium.

Additional funds appropriation authority - Section 7 would appropriate any additional other funds received by entities under the control of the State Board of Higher Education to the respective entities.

Project management oversight - Section 8 would require capital projects authorized by the State Board of Higher Education to have adequate project oversight by an institution official or representative of an external entity.

Transfer authority - Section 10 would provide 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 assets.

FTE positions - Section 11 would authorize the State Board of Higher Education to adjust FTE positions as needed, subject to the availability of funds, for institutions and entities under its control.

Capital building fund program - Sections 12, 13, 15, and 16 would provide for the continuation of the capital building fund program, including the carryover of unexpended funds appropriated for the 2019-21 biennium.

Extraordinary repairs matching funds - Section 14 would require institutions to match state extraordinary repairs funding on a \$2 to \$1 basis using operations or other funding.

Agriculture products development center bonding - Section 17 would provide bonding authorization through the Public Finance Authority for \$14 million of bonds for the agriculture products development center project.

Agriculture products development center carryover - Section 18 would provide an exemption to allow North Dakota State University (NDSU) to carry over the \$20 million of general fund appropriation authority for the agriculture products development center project.

Agriculture products development center bonding continuation - Section 19 would intend to continue bonding authorization through the State Building Authority for \$20 million of bonds for the agriculture products development center project.

Deficiency Appropriation

A. Glenn Hill Center project - The executive budget recommends House Bill No. 1025 provide a deficiency appropriation of \$474,657 from the general fund to NDSU for litigation costs related to the A. Glenn Hill Center construction project.

Significant Audit Findings

The State Auditor's office reported NDSU:

- Did not ensure that all faculty members were receiving proper evaluations, including student input as required by board and institution policies;
- Did not ensure that all faculty members had complete and valid contracts;
- Did not ensure that all faculty members had all required information included in their office personnel file, as required by law;
- Did not monitor the revenues received under the contract for trademark royalties or have a policy in place for the distribution of trademark royalty revenues; and
- Did not maintain proper documentation to support the awarding of contracts for the Sudro Hall expansion architect or a steam tunnel replacement project engineer and construction manager.

Major Related Legislation

House Bill No. 1025 - Provides a deficiency appropriation to NDSU for litigation expenses.

House Bill No. 1132 - Provides \$1.1 billion of bonding authority for various projects statewide, including \$50 million for the NDSU agriculture products development center, \$35 million for a polytechnic program at Bismarck State College, \$15 million for a career and technical education program (CTE) at Dickinson State University, \$2 million for a CTE program at Lake Region State College, \$19 million for the capital building fund program, \$3 million for the Dickinson State University Pulver Hall project, \$3 million for the Dakota College at Bottineau Old Main renovation, and \$4 million for a space command initiative at the University of North Dakota.

Senate Bill No. 2013 - Permanent funds distributions - Provides distributions to University System institutions from permanent funds established for the benefit of the institutions. The following is a comparison of distributions from permanent funds during the 2017-19 biennium and the 2019-21 executive budget recommendation:

| Institution | 2019-21 Distribution | 2021-23 Distribution | Increase (Decrease) |
|---------------------------------------|----------------------|----------------------|---------------------|
| North Dakota State University | \$5,916,000 | \$6,620,000 | \$704,000 |
| University of North Dakota | 4,504,000 | 5,084,000 | 580,000 |
| North Dakota State College of Science | 1,736,000 | 1,941,000 | 205,000 |
| Valley City State University | 1,034,000 | 1,178,000 | 144,000 |
| Mayville State University | 668,000 | 742,000 | 74,000 |
| Dakota College at Bottineau | 242,000 | 285,000 | 43,000 |
| Dickinson State University | 242,000 | 285,000 | 43,000 |
| Minot State University | 242,000 | 285,000 | 43,000 |
| Total | \$14,584,000 | \$16,420,000 | \$1,836,000 |

Senate Bill No. 2030 - Appropriates \$9.65 million from the general fund to continue the higher education challenge matching grant program.

Senate Bill No. 2031 - Changes the higher education funding formula to restore the hold harmless clause, remove the institutional size factor, and increase funding for credits completed in CTE and computer science courses.

Senate Bill No. 2033 - Continues the University System capital building fund program.

PROPOSED AMENDMENTS TO SENATE BILL NO. 2003

Page 1, line 2, after the first semicolon insert "to create and enact section 15-18.2-06.1 and a new chapter to title 15 of the North Dakota Century Code, relating to a higher education funding formula minimum amount payable and a university system capital building fund; to amend and reenact subdivision k of subsection 1 of section 15-18.2-02, and sections 15-18.2-03, 15-18.2-05, and 54-44.1-11 of the North Dakota Century Code, relating to the higher education funding formula and the cancellation of unexpended appropriations; to amend and reenact section 2 of chapter 53 of the 2019 Session Laws, relating to appropriations for higher education capital projects; to repeal section 15-18.2-04 of the North Dakota Century Code, relating to the institutional size factor of the higher education funding formula; to provide for a transfer;"

Page 1, line 2, remove "and"

Page 1, line 2, after "exemption" insert "; to provide for a study; to provide a statement of legislative intent; to provide a continuing appropriation; and to declare an emergency"

Page 1, remove lines 11 through 24

Page 2, remove lines 1 through 31

Page 3, remove lines 1 through 30

Page 4, remove lines 1 through 30

Page 5, remove lines 1 through 30

Page 6, replace lines 1 through 29 with:

"Subdivision 1.

NORTH DAKOTA UNIVERSITY SYSTEM

| | <u>Base Level</u> | <u>Adjustments or Enhancements</u> | <u>Appropriation</u> |
|--|-------------------|--|----------------------|
| Capital assets - bond payments | \$4,959,448 | \$8,425,816 | \$13,385,264 |
| Competitive research programs | 5,685,750 | 0 | 5,685,750 |
| System governance | 8,737,867 | 81,471 | 8,819,338 |
| Core technology services | 62,286,128 | 740,101 | 63,026,229 |
| Student financial assistance grants | 23,917,306 | 2,400,000 | 26,317,306 |
| Professional student exchange program | 3,699,342 | 0 | 3,699,342 |
| Academic and CTE scholarships | 12,016,749 | 4,200,000 | 16,216,749 |
| Scholars program | 1,807,115 | 0 | 1,807,115 |
| Native American scholarship | 555,323 | 0 | 555,323 |
| Tribally controlled community college grants | 1,000,000 | 0 | 1,000,000 |
| Education incentive programs | 260,000 | 0 | 260,000 |
| Student mental health | 284,400 | 0 | 284,400 |
| Veterans' assistance grants | 277,875 | 0 | 277,875 |
| Shared campus services | 500,000 | 300,000 | 800,000 |
| Nursing education consortium | 0 | 1,356,000 | 1,356,000 |
| Math pathways | 0 | 150,000 | 150,000 |

| | | | |
|--------------------------------|-------------------|----------------|-------------------|
| NASA EPSCoR | <u>342,000</u> | <u>0</u> | <u>342,000</u> |
| Total all funds | \$126,329,303 | \$17,653,388 | \$143,982,691 |
| Less estimated income | <u>24,002,206</u> | <u>276,821</u> | <u>24,279,027</u> |
| Total general fund | \$102,327,097 | \$17,376,567 | \$119,703,664 |
| Full-time equivalent positions | 148.90 | 9.93 | 158.83 |

Subdivision 2.

BISMARCK STATE COLLEGE

| | <u>Base Level</u> | <u>Adjustments or Enhancements</u> | <u>Appropriation</u> |
|--------------------------------|-------------------|------------------------------------|----------------------|
| Operations | \$98,743,682 | \$1,788,163 | \$100,531,845 |
| Capital assets | <u>1,922,561</u> | <u>0</u> | <u>1,922,561</u> |
| Total all funds | \$100,666,243 | \$1,788,163 | \$102,454,406 |
| Less estimated income | <u>69,598,016</u> | <u>782,330</u> | <u>70,380,346</u> |
| Total general fund | \$31,068,227 | \$1,005,833 | \$32,074,060 |
| Full-time equivalent positions | 323.93 | 8.97 | 332.90 |

Subdivision 3.

LAKE REGION STATE COLLEGE

| | <u>Base Level</u> | <u>Adjustments or Enhancements</u> | <u>Appropriation</u> |
|--------------------------------|-------------------|------------------------------------|----------------------|
| Operations | \$37,559,127 | \$1,588,168 | \$39,147,295 |
| Capital assets | <u>362,667</u> | <u>363,000</u> | <u>725,667</u> |
| Total all funds | \$37,921,794 | \$1,951,168 | \$39,872,962 |
| Less estimated income | <u>24,976,514</u> | <u>658,619</u> | <u>25,635,133</u> |
| Total general fund | \$12,945,280 | \$1,292,549 | \$14,237,829 |
| Full-time equivalent positions | 118.10 | (2.34) | 115.76 |

Subdivision 4.

WILLISTON STATE COLLEGE

| | <u>Base Level</u> | <u>Adjustments or Enhancements</u> | <u>Appropriation</u> |
|--------------------------------|-------------------|------------------------------------|----------------------|
| Operations | \$32,596,060 | \$1,452,908 | \$34,048,968 |
| Capital assets | <u>1,261,968</u> | <u>0</u> | <u>1,261,968</u> |
| Total all funds | \$33,858,028 | \$1,452,908 | \$35,310,936 |
| Less estimated income | <u>23,790,285</u> | <u>237,339</u> | <u>24,027,624</u> |
| Total general fund | \$10,067,743 | \$1,215,569 | \$11,283,312 |
| Full-time equivalent positions | 100.48 | 0.81 | 101.29 |

Subdivision 5.

UNIVERSITY OF NORTH DAKOTA

| | <u>Base Level</u> | <u>Adjustments or Enhancements</u> | <u>Appropriation</u> |
|-----------------------|--------------------|------------------------------------|----------------------|
| Operations | \$888,106,266 | \$15,637,951 | \$903,744,217 |
| Capital assets | <u>4,411,566</u> | <u>0</u> | <u>4,411,566</u> |
| Total all funds | \$892,517,832 | \$15,637,951 | \$908,155,783 |
| Less estimated income | <u>744,185,677</u> | <u>11,777,467</u> | <u>755,963,144</u> |

| | | | |
|--------------------------------|---------------|-------------|---------------|
| Total general fund | \$148,332,155 | \$3,860,484 | \$152,192,639 |
| Full-time equivalent positions | 2,132.17 | (72.19) | 2,059.98 |

Subdivision 6.

NORTH DAKOTA STATE UNIVERSITY

| | <u>Base Level</u> | <u>Adjustments or Enhancements</u> | <u>Appropriation</u> |
|--------------------------------|--------------------|--|----------------------|
| Operations | \$743,775,571 | \$12,770,712 | \$756,546,283 |
| Capital assets | <u>7,799,104</u> | <u>0</u> | <u>7,799,104</u> |
| Total all funds | \$751,574,675 | \$12,770,712 | \$764,345,387 |
| Less estimated income | <u>618,859,692</u> | <u>6,692,288</u> | <u>625,551,980</u> |
| Total general fund | \$132,714,983 | \$6,078,424 | \$138,793,407 |
| Full-time equivalent positions | 1,870.16 | (40.73) | 1,829.43 |

Subdivision 7.

NORTH DAKOTA STATE COLLEGE OF SCIENCE

| | <u>Base Level</u> | <u>Adjustments or Enhancements</u> | <u>Appropriation</u> |
|--------------------------------|-------------------|--|----------------------|
| Operations | \$95,725,411 | (\$213,890) | \$95,511,521 |
| Capital assets | <u>1,012,379</u> | <u>0</u> | <u>1,012,379</u> |
| Total all funds | \$96,737,790 | (\$213,890) | \$96,523,900 |
| Less estimated income | <u>60,195,768</u> | <u>624,033</u> | <u>60,819,801</u> |
| Total general fund | \$36,542,022 | (\$837,923) | \$35,704,099 |
| Full-time equivalent positions | 310.73 | 0.88 | 311.61 |

Subdivision 8.

DICKINSON STATE UNIVERSITY

| | <u>Base Level</u> | <u>Adjustments or Enhancements</u> | <u>Appropriation</u> |
|--------------------------------|-------------------|--|----------------------|
| Operations | \$48,560,994 | \$2,245,941 | \$50,806,935 |
| Capital assets | <u>409,078</u> | <u>0</u> | <u>409,078</u> |
| Total all funds | \$48,970,072 | \$2,245,941 | \$51,216,013 |
| Less estimated income | <u>30,577,009</u> | <u>405,018</u> | <u>30,982,027</u> |
| Total general fund | \$18,393,063 | \$1,840,923 | \$20,233,986 |
| Full-time equivalent positions | 213.26 | (37.76) | 175.50 |

Subdivision 9.

MAYVILLE STATE UNIVERSITY

| | <u>Base Level</u> | <u>Adjustments or Enhancements</u> | <u>Appropriation</u> |
|--------------------------------|-------------------|--|----------------------|
| Operations | \$47,719,555 | \$2,809,482 | \$50,529,037 |
| Capital assets | <u>358,992</u> | <u>0</u> | <u>358,992</u> |
| Total all funds | \$48,078,547 | \$2,809,482 | \$50,888,029 |
| Less estimated income | <u>31,657,931</u> | <u>558,339</u> | <u>32,216,270</u> |
| Total general fund | \$16,420,616 | \$2,251,143 | \$18,671,759 |
| Full-time equivalent positions | 209.27 | 21.08 | 230.35 |

Subdivision 10.

MINOT STATE UNIVERSITY

| | <u>Base Level</u> | <u>Adjustments or Enhancements</u> | <u>Appropriation</u> |
|--------------------------------|-------------------|--|----------------------|
| Operations | \$102,325,073 | \$1,786,019 | \$104,111,092 |
| Capital assets | <u>1,099,620</u> | <u>0</u> | <u>1,099,620</u> |
| Total all funds | \$103,424,693 | \$1,786,019 | \$105,210,712 |
| Less estimated income | <u>63,528,000</u> | <u>493,882</u> | <u>64,021,882</u> |
| Total general fund | \$39,896,693 | \$1,292,137 | \$41,188,830 |
| Full-time equivalent positions | 407.58 | (4.54) | 403.04 |

Subdivision 11.

VALLEY CITY STATE UNIVERSITY

| | <u>Base Level</u> | <u>Adjustments or Enhancements</u> | <u>Appropriation</u> |
|--------------------------------|-------------------|--|----------------------|
| Operations | \$48,176,928 | \$1,875,867 | \$50,052,795 |
| Capital assets | <u>455,823</u> | <u>0</u> | <u>455,823</u> |
| Total all funds | \$48,632,751 | \$1,875,867 | \$50,508,618 |
| Less estimated income | <u>25,973,818</u> | <u>383,860</u> | <u>26,357,678</u> |
| Total general fund | \$22,658,933 | \$1,492,007 | \$24,150,940 |
| Full-time equivalent positions | 180.68 | 22.09 | 202.77 |

Subdivision 12.

DAKOTA COLLEGE AT BOTTINEAU

| | <u>Base Level</u> | <u>Adjustments or Enhancements</u> | <u>Appropriation</u> |
|--------------------------------|-------------------|--|----------------------|
| Operations | \$21,440,606 | \$2,177,944 | \$23,618,550 |
| Capital assets | <u>114,007</u> | <u>4,000,000</u> | <u>4,114,007</u> |
| Total all funds | \$21,554,613 | \$6,177,944 | \$27,732,557 |
| Less estimated income | <u>13,813,787</u> | <u>4,383,803</u> | <u>18,197,590</u> |
| Total general fund | \$7,740,826 | \$1,794,141 | \$9,534,967 |
| Full-time equivalent positions | 82.29 | 9.57 | 91.86 |

Subdivision 13.

UNIVERSITY OF NORTH DAKOTA SCHOOL OF MEDICINE AND HEALTH SCIENCES

| | <u>Base Level</u> | <u>Adjustments or Enhancements</u> | <u>Appropriation</u> |
|----------------------------------|--------------------|--|----------------------|
| Operations | \$213,244,364 | \$3,870,855 | \$217,115,219 |
| Health care workforce initiative | <u>10,676,150</u> | <u>0</u> | <u>10,676,150</u> |
| Total all funds | \$223,920,514 | \$3,870,855 | \$227,791,369 |
| Less estimated income | <u>159,037,011</u> | <u>1,728,353</u> | <u>160,765,364</u> |
| Total general fund | \$64,883,503 | \$2,142,502 | \$67,026,005 |
| Full-time equivalent positions | 485.32 | 7.35 | 492.67 |

Subdivision 14.

NORTH DAKOTA FOREST SERVICE

| | <u>Base Level</u> | <u>Adjustments or Enhancements</u> | <u>Appropriation</u> |
|--------------------------------|-------------------|------------------------------------|----------------------|
| Operations | \$15,223,336 | \$112,394 | \$15,335,730 |
| Capital assets | 118,728 | 0 | 118,728 |
| Total all funds | \$15,342,064 | \$112,394 | \$15,454,458 |
| Less estimated income | 10,665,400 | 3,333 | 10,668,733 |
| Total general fund | \$4,676,664 | \$109,061 | \$4,785,725 |
| Full-time equivalent positions | 27.00 | 1.00 | 28.00 |

Subdivision 15.

TOTAL - SECTION 1

| | <u>Base Level</u> | <u>Adjustments or Enhancements</u> | <u>Appropriation</u> |
|---------------------------|-------------------|------------------------------------|----------------------|
| Grand total general fund | \$648,667,805 | \$40,913,417 | \$689,581,222 |
| Grand total special funds | 1,900,861,114 | 29,005,485 | 1,929,866,599 |
| Grand total all funds | \$2,549,528,919 | \$69,918,902 | \$2,619,447,821" |

Page 6, line 30, after "FUNDING" insert "- EFFECT ON BASE BUDGET - REPORT TO SIXTY-EIGHTH LEGISLATIVE ASSEMBLY"

Page 6, line 31, after "biennium" insert "and the 2021-23 biennium one-time funding items included in section 1 of this Act"

Page 7, replace lines 2 through 11 with:

| | | |
|---|---------------|-------------|
| "Capital projects - other funds | \$408,500,000 | \$4,363,000 |
| North Dakota state university settlement agreement | 0 | 125,000 |
| Math pathways | 0 | 150,000 |
| Education challenge grants | 9,400,000 | 0 |
| School of law matching grants | 250,000 | 0 |
| Tier II and tier III capital building funds | 29,000,000 | 0 |
| Theodore Roosevelt digitization | 200,000 | 0 |
| University of North Dakota campus network upgrades | 1,500,000 | 0 |
| North Dakota state university campus network upgrades | 1,500,000 | 0 |
| Total all funds | \$450,350,000 | \$4,638,000 |
| Total other funds | 438,500,000 | 4,363,000 |
| Total general fund | \$11,850,000 | \$275,000 |

SECTION 3. APPROPRIATION - 2019-21 BIENNIUM - NORTH DAKOTA STATE UNIVERSITY. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$474,657, or so much of the sum as may be necessary, to North Dakota state university for litigation fees relating to the A. Glenn Hill center project, for the period beginning with the effective date of this Act, and ending June 30, 2021.

SECTION 4. APPROPRIATION - VALLEY CITY STATE UNIVERSITY - PURCHASE OF LAND AUTHORIZED. The state board of higher education, acting for and through Valley City state university, is authorized to purchase two parcels of land in Barnes county, described as the south half of the east one-third of lot one, block four, of Andrus and Sifton's addition to the city of Valley City, and the south one hundred feet of the west one-third of the east half and the east one-third of the west half of lot one, block four, in Andrus and Sifton's addition to the city of Valley City, from the Valley City state university foundation for the use and betterment of Valley City state university.

There is appropriated from other funds the sum of \$309,000, or so much of the sum as may be necessary, to Valley City state university for the purposes of this section for the period beginning with the effective date of this Act and ending June 30, 2023. The funding provided in this section is considered a one-time funding item."

Page 7, after line 21, insert:

"SECTION 6. TRANSFER - UNIVERSITY OF NORTH DAKOTA SCHOOL OF MEDICINE AND HEALTH SCIENCES OPERATIONS. The operations line item in subdivision 5 of section 1 of this Act includes a funding allocation from the higher education per student credit-hour funding formula attributable to inflation during the biennium beginning July 1, 2021, and ending June 30, 2023. Based on the recommendation of the commissioner of higher education, a portion of the allocation may be transferred by the state board of higher education between the university of North Dakota school of medicine and health sciences and the university of North Dakota.

SECTION 7. UNSPENT FUNDS - TRANSFER - BANK OF NORTH DAKOTA PROFITS - GENERAL FUND - UNIVERSITY SYSTEM CAPITAL BUILDING FUND. Any amounts from the \$17,000,000 from the current earnings and accumulated profits of the Bank of North Dakota for the tier II and tier III capital building fund program and any amounts from the \$2,000,000 from the general fund for the tier III capital building fund program appropriated in section 1 of chapter 3 of the 2019 Session Laws which are not matched and committed for a project by June 30, 2021, must be transferred to the university system capital building fund at the end of the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 8. TRANSFER - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND - UNIVERSITY SYSTEM CAPITAL BUILDING FUND. The office of management and budget shall transfer \$19,000,000 from the strategic investment and improvements fund to the university system capital building fund during the period beginning with the effective date of this Act, and ending June 30, 2023, as requested by the commissioner of higher education. Funding transferred pursuant to this section is to be allocated to each institution as follows:

| | Tier II | Tier III | Total |
|---------------------------------------|----------------|----------------|----------------|
| Bismarck state college | \$425,693 | \$500,000 | \$925,693 |
| Lake Region state college | 177,375 | 500,000 | 677,375 |
| Williston state college | 137,947 | 500,000 | 637,947 |
| University of North Dakota | 4,361,801 | 2,250,000 | 6,611,801 |
| North Dakota state university | 2,899,596 | 2,250,000 | 5,149,596 |
| North Dakota state college of science | 500,695 | 500,000 | 1,000,695 |
| Dickinson state university | 268,862 | 500,000 | 768,862 |
| Mayville state university | 240,029 | 500,000 | 740,029 |
| Minot state university | 572,801 | 500,000 | 1,072,801 |
| Valley City state university | 309,137 | 500,000 | 809,137 |
| Dakota college at Bottineau | <u>106,064</u> | <u>500,000</u> | <u>606,064</u> |
| Total | \$10,000,000 | \$9,000,000 | \$19,000,000 |

SECTION 9. CAPITAL BUILDING FUNDS - USES. The institutions listed may use funding from the respective institution's university system capital building fund allocation for the following projects authorized by the sixty-sixth and sixty-seventh legislative assemblies:

| | |
|---|-------------------|
| North Dakota state university - Dunbar Hall | \$51,200,000 |
| North Dakota state university - Agriculture products development center | 60,000,000 |
| Dakota college at Bottineau - Old main renovation | 4,000,000 |
| University of North Dakota - Business school | <u>70,000,000</u> |
| Total | \$185,200,000 |

SECTION 10. STRATEGIC INVESTMENT AND IMPROVEMENTS FUND - LAKE REGION STATE COLLEGE - DAKOTA COLLEGE AT BOTTINEAU - CAPITAL PROJECTS. The appropriation in subdivision 3 of section 1 of this Act includes the sum of \$363,000 from the strategic investment and improvements fund for the Lake Region state college Curtis and Annette Hofstad agricultural center project. The appropriation in subdivision 12 of section 1 of this Act includes the sum of \$2,000,000 from the strategic investment and improvements fund for the Dakota college at Bottineau old main renovation project."

Page 7, after line 26, insert:

"SECTION 12. AMENDMENT. Subdivision k of subsection 1 of section 15-18.2-02 of the North Dakota Century Code is amended and reenacted as follows:

- k. The ~~factor~~factors for credits completed in career and technical education is ~~2.0~~are:
 - (1) 3.0 for lower division credits; and
 - (2) 5.0 for upper division credits.

SECTION 13. AMENDMENT. Section 15-18.2-03 of the North Dakota Century Code is amended and reenacted as follows:

15-18.2-03. Credit completion factor - Determination.

- 1. Except as provided in subsections 2 and 3 of this section, for each institution under its control, the state board of higher education shall multiply the product determined under section 15-18.2-02 by a factor of:
 - a. 1.00 if the number of credit-hours is at least 240,000;
 - b. 1.05 if the number of credit-hours is at least 180,000 but less than 240,000;
 - c. 1.10 if the number of credit-hours is at least ~~120,000~~135,000 but less than 180,000;
 - d. 1.15 if the number of credit-hours is at least ~~90,000~~130,000 but less than ~~120,000~~135,000;
 - e. 1.20 if the number of credit-hours is at least ~~80,000~~120,000 but less than ~~90,000~~130,000;
 - f. 1.30 if the number of credit-hours is at least 70,000 but less than ~~80,000~~120,000;
 - g. 1.40 if the number of credit-hours is at least 60,000 but less than 70,000;
 - h. 1.50 if the number of credit-hours is at least 50,000 but less than 60,000;

- i. 1.60 if the number of credit-hours is at least 40,000 but less than 50,000;
 - j. 1.70 if the number of credit-hours is at least 30,000 but less than 40,000; and
 - k. 1.80 if the number of credit-hours is less than 30,000.
2. ~~If the square footage of an institution, when divided by the institution's weighted credit-hours results in a quotient greater than 5.00, the state board of higher education shall multiply the product determined under section 15-18.2-02 by a factor of 1.00. For purposes of this subsection, the square footage of an institution includes real property as determined by the state board of higher education in accordance with section 15-18.2-04.~~
3. ~~If the number of credit-hours completed by an institution causes~~would cause a decrease in the credit completion factor for that institution, ~~the new credit completion factor shall not be in effect for calculation purposes for the first two fiscal years following the change~~compared to the credit completion factor the institution was entitled to receive during the 2017-19 biennium, the state board of higher education shall multiply the product determined under section 15-18.2-02 by a credit growth factor of 1.0 for credits in excess of the factor the institution was entitled to receive during the 2017-19 biennium. Any weighted credit-hours multiplied by a credit growth factor under this section must have a weight of 1.0 under section 15-18.2-02. The state board of higher education shall multiply the remaining weighted credits by the credit completion factor the institution was entitled to receive during the 2017-19 biennium.
- 4.3. For purposes of this section, the number of credit-hours must be those determined by the state board of higher education in accordance with section 15-18.2-01.

SECTION 14. AMENDMENT. Section 15-18.2-05 of the North Dakota Century Code is amended and reenacted as follows:

15-18.2-05. Base funding - Determination of state aid.

- 1. Except as provided under ~~subsection 2, in order~~subsections 2 and 3, to determine the state aid payment to which each institution under its control is entitled, the state board of higher education shall multiply the product determined under section ~~15-18.2-04~~15-18.2-03 by a base amount of:
 - a. ~~\$60.87~~\$61.86 in the case of North Dakota state university and the university of North Dakota;
 - b. ~~\$90.98~~\$92.56 in the case of Dickinson state university, Mayville state university, Minot state university, and Valley City state university; and
 - c. ~~\$97.06~~\$98.81 in the case of Bismarck state college, Dakota college at Bottineau, Lake Region state college, North Dakota state college of science, and Williston state college.
- 2. ~~An institution is entitled to an amount equal to seventy-five percent of the product determined under subsection 1 for credits completed by students receiving a tuition waiver pursuant to section 54-12-35.~~For institutions

under subdivision b of subsection 1, the state board of higher education shall multiply the product determined under section 15-18.2-03 for credits completed in instructional programs under subdivision k of subsection 1 of section 15-18.2-02 by the base amount under subdivision c of subsection 1.

3. For institutions under subdivision c of subsection 1, the state board of higher education shall multiply the product determined under section 15-18.2-03 for upper division credits completed in instructional programs under subdivisions a through j of subsection 1 of section 15-18.2-02 by the base amount under subdivision b of subsection 1.

SECTION 15. Section 15-18.2-06.1 of the North Dakota Century Code is created and enacted as follows:

15-18.2-06.1. Base funding - Minimum amount payable.

Notwithstanding any calculations required by this chapter, during each biennium beginning with the 2021-23 biennium, an institution may not receive less than ninety-six percent of the state aid to which the institution was entitled under this chapter during the previous biennium.

SECTION 16. A new chapter to title 15 of the North Dakota Century Code is created and enacted as follows:

University system capital building fund - Creation - Continuing appropriation.

There is created in the state treasury the university system capital building fund. The university system capital building fund consists of moneys transferred to the fund and any interest and earnings of the fund. The state board of higher education may provide for the fund to be invested under the supervision of the state investment board. Moneys in the fund are appropriated to the state board of higher education on a continuing basis for allocations to the institutions under the control of the state board of higher education for capital projects as directed by the legislative assembly and in accordance with this chapter. Any interest or earnings of the fund must be allocated to the capital building fund pool within the university system capital building fund.

Capital building funds - Uses - Reports.

Subject to tier II and tier III capital building fund matching requirements under this chapter, each institution may use its allocation of funds from the university system capital building fund for projects specifically authorized by the legislative assembly to use university system capital building fund moneys. In addition, after an institution has matched and committed seventy-five percent of the funding appropriated for the institution's tier I extraordinary repairs and subject to state board of higher education approval and matching requirements under this chapter, each institution may use its allocation of funds from the university system capital building fund for extraordinary repairs and deferred maintenance projects that do not increase the overall square footage of a building. The state board of higher education shall report biennially to the legislative management and to the appropriations committees of the legislative assembly on the use of funding in the university system capital building fund, the source of matching funds, and each institution's five-year plan for capital construction spending.

Tier II capital building funds - Matching requirements.

The state board of higher education may allocate tier II capital building fund moneys to an institution for a project only after the institution provides one dollar of matching funds from operations or other sources for each one dollar from the university system capital building fund for the project. An institution may not use tier I extraordinary repairs funding, tier III capital building fund moneys, or state funding appropriated for a specific capital project as matching funds under this section.

Tier III capital building funds - Matching requirements.

The state board of higher education may allocate tier III capital building fund moneys to an institution only after the institution provides two dollars of matching funds from operations or other sources for each one dollar from the university system capital building fund for the project. An institution may not use tier I extraordinary repairs funding, tier II capital building fund moneys, or state funding appropriated for a specific capital project as matching funds under this section.

Capital building fund pool.

If the state board of higher education has not allocated capital building fund moneys to an institution by January first of the third biennium after the funding was appropriated or transferred to the fund, the board shall reallocate the funds to a pool within the university system capital building fund. Any institution under the control of the state board of higher education that has fully matched and committed its university system capital building fund allocation may apply for and be allocated funding from the capital building fund pool, subject to state board of higher education approval and tier III capital building fund matching requirements under this chapter.

SECTION 17. AMENDMENT. Section 54-44.1-11 of the North Dakota Century Code is amended and reenacted as follows:

54-44.1-11. Office of management and budget to cancel unexpended appropriations - When they may continue. (Effective through July 31, 2021~~2023~~)

Except as otherwise provided by law, the office of management and budget, thirty days after the close of each biennial period, shall cancel all unexpended appropriations or balances of appropriations after the expiration of the biennial period during which they became available under the law. Unexpended appropriations for the state historical society are not subject to this section and the state historical society shall report on the amounts and uses of funds carried over from one biennium to the appropriations committees of the next subsequent legislative assembly. 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.

3. Purchases of new equipment costing more than ten thousand dollars per unit if it was ordered during the first twelve months of the biennium in which the funds were appropriated.
4. The purchase of land by the state on a "contract for deed" purchase if the total purchase price is within the authorized appropriation.
5. Purchases by the department of transportation of roadway maintenance equipment costing more than ten thousand dollars per unit if the equipment was ordered during the first twenty-one months of the biennium in which the funds were appropriated.
6. Authorized ongoing information technology projects.

Office of management and budget to cancel unexpended appropriations - When they may continue. (Effective after July 31, 2021-2023) The office of management and budget, thirty days after the close of each biennial period, shall cancel all unexpended appropriations or balances of appropriations after the expiration of the biennial period during which they became available under the law. Unexpended appropriations for the state historical society are not subject to this section and the state historical society shall report on the amounts and uses of funds carried over from one biennium to the appropriations committees of the next subsequent 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.
3. Purchases of new equipment costing more than ten thousand dollars per unit if it was ordered during the first twelve months of the biennium in which the funds were appropriated.
4. The purchase of land by the state on a "contract for deed" purchase if the total purchase price is within the authorized appropriation.
5. Purchases by the department of transportation of roadway maintenance equipment costing more than ten thousand dollars per unit if the equipment was ordered during the first twenty-one months of the biennium in which the funds were appropriated.
6. Authorized ongoing information technology projects.

SECTION 18. AMENDMENT. Section 2 of chapter 53 of the 2019 Session Laws is amended and reenacted as follows:

SECTION 2. APPROPRIATION - CAPITAL PROJECTS - EXEMPTION.

1. Subject to the provisions of this section, 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, to the following institutions for

the identified capital projects, for the period beginning with the effective date of this Act, and ending June 30, 2019, as follows:

| | |
|---|------------------|
| Bismarck state college Nursing Building | \$8,900,000 |
| Dakota college at Bottineau dining hall and other projects | 1,000,000 |
| Lake Region state college precision agriculture project | 1,000,000 |
| North Dakota state university agriculture products development center project | 20,000,000 |
| North Dakota state university Dunbar Hall project | 8,000,000 |
| University of North Dakota Gamble Hall project | 9,000,000 |
| Valley City state university Communications and Fine Arts Building project | <u>2,000,000</u> |
| Total general fund | \$49,900,000 |

In accordance with section 54-44.1-11, any unaccepted funds from these appropriations may be continued into the biennium beginning July 1, 2019, and ending June 30, 2021.

2. The appropriation for the agriculture products development center project must be continued into the biennium beginning July 1, 2019, and ending June 30, 2021, ~~and is available only if North Dakota state university certifies to the industrial commission and the director of the office of management and budget that \$20,000,000 of local and other funds has been obtained for the project or if North Dakota state university receives approval for a change in project scope from the legislative assembly or budget section pursuant to section 48-01.2-25.~~
3. The appropriation for the Gamble Hall project must be continued into the biennium beginning July 1, 2019, and ending June 30, 2021, and is available only if the university of North Dakota certifies to the industrial commission and the director of the office of management and budget that \$55,000,000 of local and other funds has been obtained for the project or if the university of North Dakota receives approval for a change in project scope from the legislative assembly or budget section pursuant to section 48-01.2-25.

SECTION 19. REPEAL. Section 15-18.2-04 of the North Dakota Century Code is repealed.

SECTION 20. CAMPUS CAPITAL PROJECTS - PROJECT MANAGEMENT. During the period beginning with the effective date of this Act, and ending June 30, 2023, each capital project authorized by the state board of higher education must have adequate project management oversight by either an institution official or a representative of an external entity. An institution may seek assistance from the North Dakota university system office for project management oversight of a capital project.

SECTION 21. UNIVERSITY OF NORTH DAKOTA - TECHNOLOGY ACCELERATOR BUILDING REFINANCING. The state board of higher education, acting for and through the university of North Dakota, may enter into a refinancing agreement with a private entity for the technology accelerator building during the period beginning with the effective date of this Act and ending June 30, 2023."

Page 8, after line 8, insert:

"SECTION 24. EXEMPTION - PROJECT AUTHORIZATIONS. Any unexpended amounts remaining from the \$49,900,000 appropriated from the general fund for capital projects at institutions under the control of the state board of higher education in section 2 of chapter 53 of the 2019 Session Laws are not subject to section 54-44.1-11 and any unexpended funds from the appropriations are available to the respective institutions to complete the projects during the biennium beginning July 1, 2021, and ending June 30, 2023.

SECTION 25. STATE BOARD OF HIGHER EDUCATION - STUDY OF THE HIGHER EDUCATION FUNDING FORMULA - REPORT TO LEGISLATIVE MANAGEMENT. During the period beginning July 1, 2021, and ending June 30, 2022, the state board of higher education shall study the higher education funding formula, including instructional program classification factors. The state board of higher education shall provide a report to the legislative management regarding any findings or recommended changes to the funding formula by June 30, 2022.

SECTION 26. LEGISLATIVE INTENT - WEIGHTED CREDIT-HOURS - INSTRUCTIONAL PROGRAM CLASSIFICATION FACTORS. It is the intent of the sixty-seventh legislative assembly that:

1. Veterinary medicine courses remain under the health sciences instructional program classification within the higher education funding formula;
2. Computer and information sciences and support services courses be transferred to the engineering instructional program classification within the higher education funding formula; and
3. Lineworker; plumbing; powersports technology; heating, ventilating, air conditioning, and refrigeration technology; diesel technology; mechanical systems; and machine tooling courses be placed in an upper division under the career and technical education instructional program classification within the higher education funding formula.

SECTION 27. EMERGENCY. Sections 3, 4, 7, 8, 9, 10, 16, 18, 20, and 21 of this Act and the capital assets line items in section 1 of this Act are declared to be an emergency measure."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2003 - Summary of Senate Action

| | Base Budget | Senate Changes | Senate Version |
|---------------------------|----------------|-------------------|-------------------|
| University System Office | | | |
| Total all funds | \$126,329,303 | \$17,653,388 | \$143,982,691 |
| Less estimated income | 24,002,206 | 276,821 | 24,279,027 |
| General fund | \$102,327,097 | \$17,376,567 | \$119,703,664 |
| FTE | 148.90 | 9.93 | 158.83 |
| Bismarck State College | | | |
| Total all funds | \$100,666,243 | \$1,788,163 | \$102,454,406 |
| Less estimated income | 69,598,016 | 782,330 | 70,380,346 |
| General fund | \$31,068,227 | \$1,005,833 | \$32,074,060 |
| FTE | 323.93 | 8.97 | 332.90 |
| Lake Region State College | | | |

| | | | |
|-------------------------------|--------------------|-------------------|--------------------|
| Total all funds | \$37,921,794 | \$1,951,168 | \$39,872,962 |
| Less estimated income | <u>24,976,514</u> | <u>658,619</u> | <u>25,635,133</u> |
| General fund | \$12,945,280 | \$1,292,549 | \$14,237,829 |
| FTE | 118.10 | (2.34) | 115.76 |
| Williston State College | | | |
| Total all funds | \$33,858,028 | \$1,452,908 | \$35,310,936 |
| Less estimated income | <u>23,790,285</u> | <u>237,339</u> | <u>24,027,624</u> |
| General fund | \$10,067,743 | \$1,215,569 | \$11,283,312 |
| FTE | 100.48 | 0.81 | 101.29 |
| University of North Dakota | | | |
| Total all funds | \$892,517,832 | \$15,637,951 | \$908,155,783 |
| Less estimated income | <u>744,185,677</u> | <u>11,777,467</u> | <u>755,963,144</u> |
| General fund | \$148,332,155 | \$3,860,484 | \$152,192,639 |
| FTE | 2,132.17 | (72.19) | 2,059.98 |
| UND Medical Center | | | |
| Total all funds | \$223,920,514 | \$3,870,855 | \$227,791,369 |
| Less estimated income | <u>159,037,011</u> | <u>1,728,353</u> | <u>160,765,364</u> |
| General fund | \$64,883,503 | \$2,142,502 | \$67,026,005 |
| FTE | 485.32 | 7.35 | 492.67 |
| North Dakota State University | | | |
| Total all funds | \$751,574,675 | \$12,770,712 | \$764,345,387 |
| Less estimated income | <u>618,859,692</u> | <u>6,692,288</u> | <u>625,551,980</u> |
| General fund | \$132,714,983 | \$6,078,424 | \$138,793,407 |
| FTE | 1,870.16 | (40.73) | 1,829.43 |
| State College of Science | | | |
| Total all funds | \$96,737,790 | (\$213,890) | \$96,523,900 |
| Less estimated income | <u>60,195,768</u> | <u>624,033</u> | <u>60,819,801</u> |
| General fund | \$36,542,022 | (\$837,923) | \$35,704,099 |
| FTE | 310.73 | 0.88 | 311.61 |
| Dickinson State University | | | |
| Total all funds | \$48,970,072 | \$2,245,941 | \$51,216,013 |
| Less estimated income | <u>30,577,009</u> | <u>405,018</u> | <u>30,982,027</u> |
| General fund | \$18,393,063 | \$1,840,923 | \$20,233,986 |
| FTE | 213.26 | (37.76) | 175.50 |
| Mayville State University | | | |
| Total all funds | \$48,078,547 | \$2,809,482 | \$50,888,029 |
| Less estimated income | <u>31,657,931</u> | <u>558,339</u> | <u>32,216,270</u> |
| General fund | \$16,420,616 | \$2,251,143 | \$18,671,759 |
| FTE | 209.27 | 21.08 | 230.35 |
| Minot State University | | | |
| Total all funds | \$103,424,693 | \$1,786,019 | \$105,210,712 |
| Less estimated income | <u>63,528,000</u> | <u>493,882</u> | <u>64,021,882</u> |
| General fund | \$39,896,693 | \$1,292,137 | \$41,188,830 |
| FTE | 407.58 | (4.54) | 403.04 |
| Valley City State University | | | |
| Total all funds | \$48,632,751 | \$2,184,867 | \$50,817,618 |
| Less estimated income | <u>25,973,818</u> | <u>692,860</u> | <u>26,666,678</u> |
| General fund | \$22,658,933 | \$1,492,007 | \$24,150,940 |
| FTE | 180.68 | 22.09 | 202.77 |
| Dakota College at Bottineau | | | |
| Total all funds | \$21,554,613 | \$6,177,944 | \$27,732,557 |
| Less estimated income | <u>13,813,787</u> | <u>4,383,803</u> | <u>18,197,590</u> |
| General fund | \$7,740,826 | \$1,794,141 | \$9,534,967 |

| | | | |
|-----------------------|-----------------|--------------|-----------------|
| FTE | 82.29 | 9.57 | 91.86 |
| Forest Service | | | |
| Total all funds | \$15,342,064 | \$112,394 | \$15,454,458 |
| Less estimated income | 10,665,400 | 3,333 | 10,668,733 |
| General fund | \$4,676,664 | \$109,061 | \$4,785,725 |
| FTE | 27.00 | 1.00 | 28.00 |
| Bill total | | | |
| Total all funds | \$2,549,528,919 | \$70,227,902 | \$2,619,756,821 |
| Less estimated income | 1,900,861,114 | 29,314,485 | 1,930,175,599 |
| General fund | \$648,667,805 | \$40,913,417 | \$689,581,222 |
| FTE | 6,609.87 | (75.88) | 6,533.99 |

Senate Bill No. 2003 - North Dakota University System - General Fund Summary

| | Base Budget | Senate Changes | Senate Version |
|-------------------------------|---------------|----------------|----------------|
| University System Office | \$102,327,097 | \$17,376,567 | \$119,703,664 |
| Bismarck State College | 31,068,227 | 1,005,833 | 32,074,060 |
| Lake Region State College | 12,945,280 | 1,292,549 | 14,237,829 |
| Williston State College | 10,067,743 | 1,215,569 | 11,283,312 |
| University of North Dakota | 148,332,155 | 3,860,484 | 152,192,639 |
| UND Medical Center | 64,883,503 | 2,142,502 | 67,026,005 |
| North Dakota State University | 132,714,983 | 6,078,424 | 138,793,407 |
| State College of Science | 36,542,022 | (837,923) | 35,704,099 |
| Dickinson State University | 18,393,063 | 1,840,923 | 20,233,986 |
| Mayville State University | 16,420,616 | 2,251,143 | 18,671,759 |
| Minot State University | 39,896,693 | 1,292,137 | 41,188,830 |
| Valley City State University | 22,658,933 | 1,492,007 | 24,150,940 |
| Dakota College at Bottineau | 7,740,826 | 1,794,141 | 9,534,967 |
| Forest Service | 4,676,664 | 109,061 | 4,785,725 |
| Total general fund | \$648,667,805 | \$40,913,417 | \$689,581,222 |

Detail of Senate Changes to the General Fund

| | Adjusts Funding for University System Office ¹ | Provides Funding Formula Adjustments ² | Adjusts Special Funds and FTE Positions ³ | Adds Funding for Capital Projects ⁴ | Adds Funding for NDSU Settlement Agreement ⁵ | Adds One-Time Funding for VCSU Land Purchase ⁶ |
|-------------------------------|---|---|--|--|---|---|
| University System Office | \$17,376,567 | | | | | |
| Bismarck State College | | \$1,005,833 | | | | |
| Lake Region State College | | 1,292,549 | | | | |
| Williston State College | | 1,215,569 | | | | |
| University of North Dakota | | 3,860,484 | | | | |
| UND Medical Center | | 2,142,502 | | | | |
| North Dakota State University | | 5,953,424 | | | \$125,000 | |
| State College of Science | | (837,923) | | | | |
| Dickinson State University | | 1,840,923 | | | | |
| Mayville State University | | 2,251,143 | | | | |
| Minot State University | | 1,292,137 | | | | |
| Valley City State University | | 1,492,007 | | | | |
| Dakota College at Bottineau | | 1,794,141 | | | | |
| Forest Service | | | | | | |
| Total general fund | \$17,376,567 | \$23,302,789 | \$0 | \$0 | \$125,000 | \$0 |

| | Adjusts Forest Service Funding ⁷ | Total the General Fund Changes |
|-------------------------------|---|--------------------------------|
| University System Office | | \$17,376,567 |
| Bismarck State College | | 1,005,833 |
| Lake Region State College | | 1,292,549 |
| Williston State College | | 1,215,569 |
| University of North Dakota | | 3,860,484 |
| UND Medical Center | | 2,142,502 |
| North Dakota State University | | 6,078,424 |
| State College of Science | | (837,923) |
| Dickinson State University | | 1,840,923 |
| Mayville State University | | 2,251,143 |
| Minot State University | | 1,292,137 |
| Valley City State University | | 1,492,007 |
| Dakota College at Bottineau | | 1,794,141 |
| Forest Service | \$109,061 | 109,061 |
| Total general fund | \$109,061 | \$40,913,417 |

Senate Bill No. 2003 - North Dakota University System - Other Funds Summary

| | Base Budget | Senate Changes | Senate Version |
|-------------------------------|-----------------|----------------|-----------------|
| University System Office | \$24,002,206 | \$276,821 | \$24,279,027 |
| Bismarck State College | 69,598,016 | 782,330 | 70,380,346 |
| Lake Region State College | 24,976,514 | 658,619 | 25,635,133 |
| Williston State College | 23,790,285 | 237,339 | 24,027,624 |
| University of North Dakota | 744,185,677 | 11,777,467 | 755,963,144 |
| UND Medical Center | 159,037,011 | 1,728,353 | 160,765,364 |
| North Dakota State University | 618,859,692 | 6,692,288 | 625,551,980 |
| State College of Science | 60,195,768 | 624,033 | 60,819,801 |
| Dickinson State University | 30,577,009 | 405,018 | 30,982,027 |
| Mayville State University | 31,657,931 | 558,339 | 32,216,270 |
| Minot State University | 63,528,000 | 493,882 | 64,021,882 |
| Valley City State University | 25,973,818 | 692,860 | 26,666,678 |
| Dakota College at Bottineau | 13,813,787 | 4,383,803 | 18,197,590 |
| Forest Service | 10,665,400 | 3,333 | 10,668,733 |
| Total other funds | \$1,900,861,114 | \$29,314,485 | \$1,930,175,599 |

Detail of Senate Changes to Other Funds

| | Adjusts Funding for University System Office ¹ | Provides Funding Formula Adjustments ² | Adjusts Special Funds and FTE Positions ³ | Adds Funding for Capital Projects ⁴ | Adds Funding for NDSU Settlement Agreement ⁵ | Adds One-Time Funding for VCSU Land Purchase ⁶ |
|-------------------------------|---|---|--|--|---|---|
| University System Office | \$276,821 | | | | | |
| Bismarck State College | | | \$782,330 | | | |
| Lake Region State College | | | 295,619 | \$363,000 | | |
| Williston State College | | | 237,339 | | | |
| University of North Dakota | | | 11,777,467 | | | |
| UND Medical Center | | | 1,728,353 | | | |
| North Dakota State University | | | 6,692,288 | | | |
| State College of Science | | | 624,033 | | | |
| Dickinson State University | | | 405,018 | | | |
| Mayville State University | | | 558,339 | | | |
| Minot State University | | | 493,882 | | | |
| Valley City State University | | | 383,860 | | | \$309,000 |
| Dakota College at Bottineau | | | 383,803 | 4,000,000 | | |
| Forest Service | | | | | | |
| Total other funds | \$276,821 | \$0 | \$24,362,331 | \$4,363,000 | \$0 | \$309,000 |

| | Adjusts Forest Service Funding ^z | Total Other Funds Changes |
|-------------------------------|---|---------------------------|
| University System Office | | \$276,821 |
| Bismarck State College | | 782,330 |
| Lake Region State College | | 658,619 |
| Williston State College | | 237,339 |
| University of North Dakota | | 11,777,467 |
| UND Medical Center | | 1,728,353 |
| North Dakota State University | | 6,692,288 |
| State College of Science | | 624,033 |
| Dickinson State University | | 405,018 |
| Mayville State University | | 558,339 |
| Minot State University | | 493,882 |
| Valley City State University | | 692,860 |
| Dakota College at Bottineau | | 4,383,803 |
| Forest Service | \$3,333 | 3,333 |
| Total other funds | \$3,333 | \$29,314,485 |

Senate Bill No. 2003 - North Dakota University System - All Funds Summary

| | Base Budget | Senate Changes | Senate Version |
|-------------------------------|-----------------|----------------|-----------------|
| University System Office | \$126,329,303 | \$17,653,388 | \$143,982,691 |
| Bismarck State College | 100,666,243 | 1,788,163 | 102,454,406 |
| Lake Region State College | 37,921,794 | 1,951,168 | 39,872,962 |
| Williston State College | 33,858,028 | 1,452,908 | 35,310,936 |
| University of North Dakota | 892,517,832 | 15,637,951 | 908,155,783 |
| UND Medical Center | 223,920,514 | 3,870,855 | 227,791,369 |
| North Dakota State University | 751,574,675 | 12,770,712 | 764,345,387 |
| State College of Science | 96,737,790 | (213,890) | 96,523,900 |
| Dickinson State University | 48,970,072 | 2,245,941 | 51,216,013 |
| Mayville State University | 48,078,547 | 2,809,482 | 50,888,029 |
| Minot State University | 103,424,693 | 1,786,019 | 105,210,712 |
| Valley City State University | 48,632,751 | 2,184,867 | 50,817,618 |
| Dakota College at Bottineau | 21,554,613 | 6,177,944 | 27,732,557 |
| Forest Service | 15,342,064 | 112,394 | 15,454,458 |
| Total all funds | \$2,549,528,919 | \$70,227,902 | \$2,619,756,821 |
| FTE | 6,609.87 | (75.88) | 6,533.99 |

Detail of Senate Changes to All Funds

| | Adjusts Funding for University System Office ¹ | Provides Funding Formula Adjustments ² | Adjusts Special Funds and FTE Positions ³ | Adds Funding for Capital Projects ⁴ | Adds Funding for NDSU Settlement Agreement ⁵ | Adds One-Time Funding for VCSU Land Purchase ⁶ |
|-------------------------------|---|---|--|--|---|---|
| University System Office | \$17,653,388 | | | | | |
| Bismarck State College | | \$1,005,833 | \$782,330 | | | |
| Lake Region State College | | 1,292,549 | 295,619 | \$363,000 | | |
| Williston State College | | 1,215,569 | 237,339 | | | |
| University of North Dakota | | 3,860,484 | 11,777,467 | | | |
| UND Medical Center | | 2,142,502 | 1,728,353 | | | |
| North Dakota State University | | 5,953,424 | 6,692,288 | | \$125,000 | |
| State College of Science | | (837,923) | 624,033 | | | |
| Dickinson State University | | 1,840,923 | 405,018 | | | |
| Mayville State University | | 2,251,143 | 558,339 | | | |
| Minot State University | | 1,292,137 | 493,882 | | | |
| Valley City State University | | 1,492,007 | 383,860 | | | \$309,000 |
| Dakota College at Bottineau | | 1,794,141 | 383,803 | 4,000,000 | | |
| Forest Service | | | | | | |
| Total all funds | \$17,653,388 | \$23,302,789 | \$24,362,331 | \$4,363,000 | \$125,000 | \$309,000 |
| FTE | 9.93 | 0.00 | (86.81) | 0.00 | 0.00 | 0.00 |

| | Adjusts Forest Service Funding ¹ | Total All Funds Changes |
|-------------------------------|---|-------------------------------|
| University System Office | | \$17,653,388 |
| Bismarck State College | | 1,788,163 |
| Lake Region State College | | 1,951,168 |
| Williston State College | | 1,452,908 |
| University of North Dakota | | 15,637,951 |
| UND Medical Center | | 3,870,855 |
| North Dakota State University | | 12,770,712 |
| State College of Science | | (213,890) |
| Dickinson State University | | 2,245,941 |
| Mayville State University | | 2,809,482 |
| Minot State University | | 1,786,019 |
| Valley City State University | | 2,184,867 |
| Dakota College at Bottineau | | 6,177,944 |
| Forest Service | \$112,394 | 112,394 |
| Total all funds | \$112,394 | \$70,227,902 |
| FTE | 1.00 | (75.88) |

¹ Funding for the University System office is adjusted as detailed in the schedules below.

The following schedule details funding adjustments for system governance:

System Governance

| | FTE Positions | General Fund | Other Funds | Total |
|---|---------------|-----------------|----------------|-----------------|
| Salary increase | 0 | \$172,765 | \$7,524 | \$180,289 |
| Market salary adjustment | 0 | 200,000 | 0 | 200,000 |
| Health insurance increase | 0 | 1,131 | 52 | 1,183 |
| Adjusts FTE positions | 0.09 | (1) | 0 | (1) |
| Transfers funding to shared campus services | 0 | (300,000) | 0 | (300,000) |
| Total | 0.09 | \$73,895 | \$7,576 | \$81,471 |

The following schedule details funding adjustments for Core Technology Services:

Core Technology Services

| | FTE Positions | General Fund | Other Funds | Total |
|---------------------------|---------------|------------------|------------------|------------------|
| Salary increase | 0 | \$466,902 | \$266,970 | \$733,872 |
| Health insurance increase | 0 | 3,954 | 2,275 | 6,229 |
| Adjusts FTE positions | 9.84 | 0 | 0 | 0 |
| Total | 9.84 | \$470,856 | \$269,245 | \$740,101 |

The following schedule details funding adjustments in other line items in the University System office budget:

| | Base Level | General Fund Adjustment | Senate Version |
|-------------------------------------|---------------------|-------------------------|---------------------|
| Capital bond payments | \$4,959,448 | \$8,425,816 | \$13,385,264 |
| Student financial assistance grants | 23,917,306 | 2,400,000 | 26,317,306 |
| Academic and CTE scholarships | 12,016,749 | 4,200,000 | 16,216,749 |
| Shared campus services | 500,000 | 300,000 | 800,000 |
| Nursing education consortium | 0 | 1,356,000 | 1,356,000 |
| Math pathways (one-time funding) | 0 | 150,000 | 150,000 |
| Total | \$41,393,503 | \$16,831,816 | \$58,225,319 |

² The following adjustments are made to institution general fund appropriations through the higher education funding formula:

| | Credit-Hour Completion Adjustment | Formula Adjustments | Salary Increase | Health Insurance Increase | Total Increase (Decrease) |
|-------------------------------|--|--------------------------------|----------------------------|--|--|
| Bismarck State College | (\$3,156,780) | \$3,595,837 | \$560,563 | \$6,213 | \$1,005,833 |
| Dakota College at Bottineau | 1,393,782 | 231,488 | 166,726 | 2,145 | 1,794,141 |
| Lake Region State College | 497,336 | 543,051 | 249,709 | 2,453 | 1,292,549 |
| State College of Science | (1,862,581) | 400,900 | 616,160 | 7,598 | (837,923) |
| Williston State College | (284,969) | 1,300,702 | 197,893 | 1,943 | 1,215,569 |
| Dickinson State University | 833,558 | 661,971 | 341,654 | 3,740 | 1,840,923 |
| Mayville State University | 1,822,148 | 110,267 | 315,331 | 3,397 | 2,251,143 |
| Minot State University | 69,456 | 519,587 | 695,520 | 7,574 | 1,292,137 |
| Valley City State University | (860,398) | 1,940,149 | 407,233 | 5,023 | 1,492,007 |
| North Dakota State University | (29,096) | 3,763,288 | 2,195,738 | 23,494 | 5,953,424 |
| University of North Dakota | (1,730,595) | 2,253,590 | 3,309,490 | 27,999 | 3,860,484 |
| UND School of Medicine | 2,142,502 | 0 | 0 | 0 | 2,142,502 |
| Total | (\$1,165,637) | \$15,320,830 | \$9,056,017 | \$91,579 | \$23,302,789 |

³ The following adjustments are made to institution other funds appropriations and FTE positions:

| | FTE Positions Adjustment | Salary Increase | Health Insurance Increase | Other Adjustments | Total |
|-------------------------------|-------------------------------------|----------------------------|--|------------------------------|---------------------|
| Bismarck State College | 8.97 | \$773,128 | \$9,202 | \$0 | \$782,330 |
| Dakota College at Bottineau | 9.57 | 155,440 | 1,893 | 226,470 | 383,803 |
| Lake Region State College | (2.34) | 292,203 | 3,416 | 0 | 295,619 |
| State College of Science | 0.88 | 616,538 | 7,495 | 0 | 624,033 |
| Williston State College | 0.81 | 234,789 | 2,550 | 0 | 237,339 |
| Dickinson State University | (37.76) | 400,663 | 4,355 | 0 | 405,018 |
| Mayville State University | 21.08 | 550,625 | 7,714 | 0 | 558,339 |
| Minot State University | (4.54) | 987,405 | 11,283 | (504,806) | 493,882 |
| Valley City State University | 22.09 | 379,186 | 4,674 | 0 | 383,860 |
| North Dakota State University | (40.73) | 6,224,248 | 70,412 | 397,628 | 6,692,288 |
| University of North Dakota | (72.19) | 7,878,306 | 79,786 | 3,819,375 | 11,777,467 |
| UND School of Medicine | 7.35 | 1,714,223 | 14,130 | 0 | 1,728,353 |
| Total | (86.81) | \$20,206,754 | \$216,910 | \$3,938,667 | \$24,362,331 |

⁴ One-time funding is added for the following capital building projects:

| | Strategic Investment and Improvements | | |
|-----------------------------------|--|--------------------|--------------------|
| | Fund | Other Funds | Total |
| LRSC precision agriculture center | \$363,000 | \$0 | \$363,000 |
| DCB Old Main renovation | 2,000,000 | 2,000,000 | 4,000,000 |
| Total | \$2,363,000 | \$2,000,000 | \$4,363,000 |

⁵ One-time funding of \$125,000 from the general fund is added for a settlement agreement relating to the North Dakota State University (NDSU) A. Glenn Hill Center project.

⁶ Funding of \$309,000 from other funds is added for Valley City State University (VCSU) to purchase two parcels of land from the Valley City State University Foundation.

⁷ The following funding adjustments are made for the Forest Service:

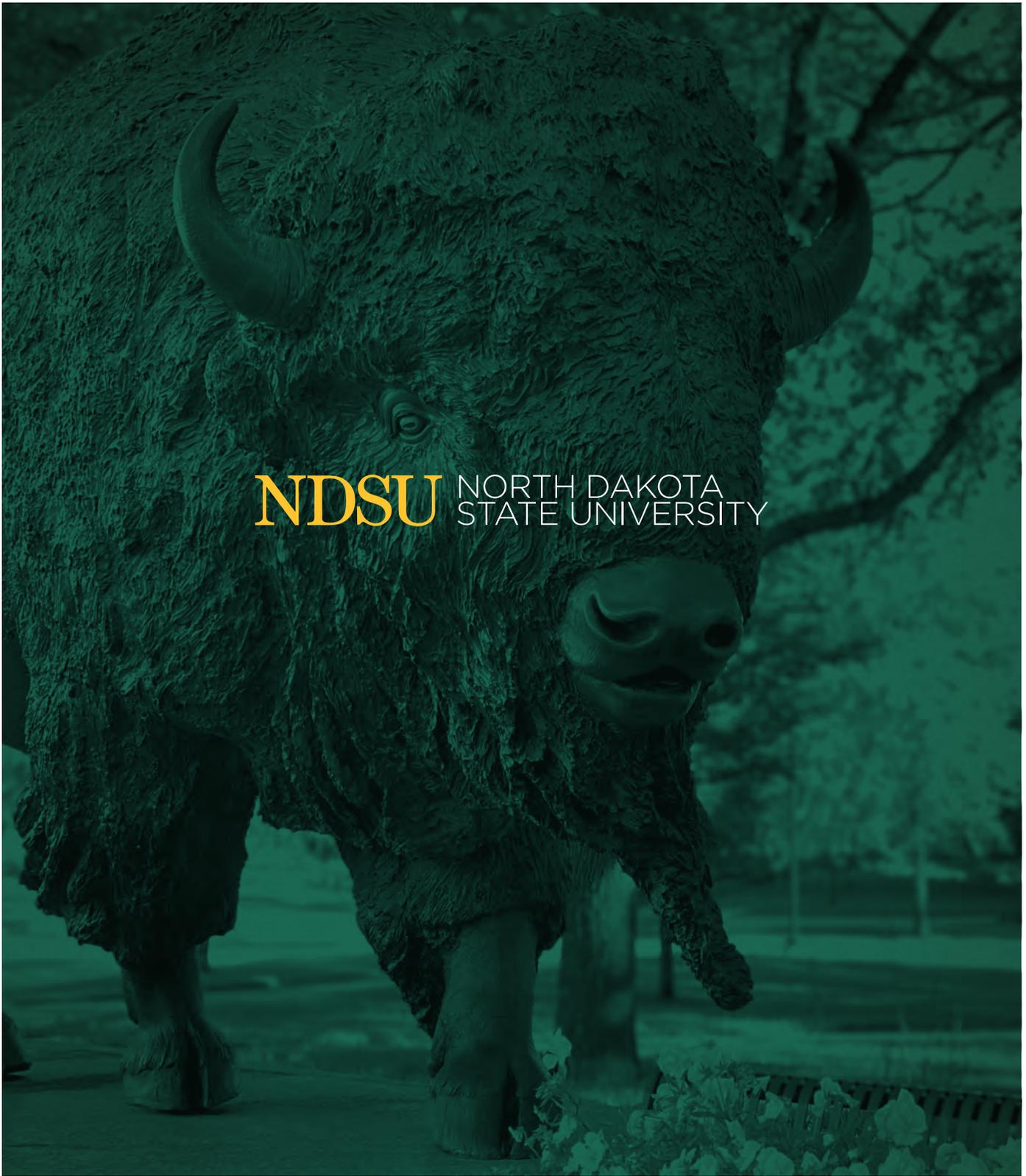
Forest Service

| | FTE Positions | General Fund | Other Funds | Total |
|---------------------------|----------------------|---------------------|------------------------|------------------|
| Base payroll changes | 1.00 | \$0 | \$0 | \$0 |
| Salary increase | 0 | 107,737 | 3,291 | 111,028 |
| Health insurance increase | 0 | 1,324 | 42 | 1,366 |
| Total | 1.00 | \$109,061 | \$3,333 | \$112,394 |

Senate Bill No. 2003 - Other Changes - Senate Action

This amendment also:

- Provides a 2019-21 biennium deficiency appropriation of \$474,657 from the general fund to NDSU for litigation fees relating to the A. Glenn Hill Center project.
- Provides authority for VCSU to purchase two parcels of land.
- Authorizes the transfer of funds between the University of North Dakota (UND) and the UND School of Medicine and Health Sciences.
- Continues the capital building fund program, including a transfer of \$19 million from the strategic investment and improvements fund for the program.
- Identifies \$2,363,000 from the strategic investment and improvements fund, including \$2 million for the Dakota College at Bottineau Old Main renovation and \$363,000 for the Lake Region State College precision agriculture building project.
- Provides funding formula changes, as recommended by the interim Higher Education Committee.
- Continues the authorization for institutions to continue unexpended appropriations at the end of the biennium.
- Removes matching requirements for state funding for the NDSU agriculture products development center project.
- Provides authority for UND to refinance the bank loan for the Technology Accelerator building.
- Provides an exemption to allow for the continuation of funding appropriated from the general fund in Senate Bill No. 2297 (2019) for certain capital projects.
- Directs the State Board of Higher Education to study the higher education funding formula during fiscal year 2022.
- Provides legislative intent for the weighting of certain credits in the higher education funding formula.
- Declares an emergency for capital projects and other emergency items.



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