

HB 1161  
House Education Committee  
Neutral Testimony  
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Chair Heinert and members of the committee, thank you for the opportunity to speak on behalf of the University of North Dakota regarding House Bill No. 1161.

The University of North Dakota opposes HB 1161 as originally drafted. I met with the primary sponsor of this bill Representative Murphy regarding our opposition to the bill as drafted and the negative impact it would have on UND. Representative Murphy took note of our concerns and drafted an amended version of this bill which you have before you this morning. We appreciate his willingness to discuss this bill and the amended bill draft.

### **Importance of flexibility in the use of funds**

Campuses require flexibility in the allocation of resources to respond to the changing needs of each campus and to allocate resources as needed to achieve its mission. Because budgets are not assigned or allocated based on budgeted expenses, campuses rely on carefully allocating resources to maximize the impact of all funding.

Fluctuations in enrollment require flexibility in the hiring process. Tuition dollars represent 65% of the appropriated dollars allocated to salaries and wages at UND and these dollars would be “swept” based on the original language in the bill. Additionally, unplanned operating expenses are common and campuses must often reallocate resources from multiple sources including vacant lines.

Additionally, the original bill draft contradicts Century Code, existing OMB guidance and the intent of the legislative funding mechanism for higher education.

### **Transparency**

The bill sponsor emphasized transparency. The amended version ensures both transparency and accountability while maintaining the flexibility needed by institutions to meet campus demands.