

OUTLINE FOR AGENCY BUDGET PRESENTATIONS TO THE APPROPRIATIONS COMMITTEES

1. Cite the North Dakota Century Code chapter(s) associated with the agency and list its major statutory responsibilities.

ND Constitution Articles VIII and IX; North Dakota Century Code Chapter 15-52.

2. Explain the purpose of the agency's various divisions/programs - Attach organizational chart.

The University of North Dakota School of Medicine and Health Sciences (SMHS) is following legislative intent in our purpose to educate physicians and other health professionals for subsequent service in North Dakota and to enhance the quality of life of its people. Other purposes include the discovery of knowledge that benefits the people of this state and enhances the quality of their lives. Some areas of interest:

Healthcare Workforce Initiative (HWI): For the 2019-21 biennium SMHS has a separate appropriation line for HWI. Appropriations have allowed an additional 35 slots of post-graduate residencies and expanded our North Dakota rural experiences. Our general fund appropriations support the North Dakota strategy of the HWI. The HWI is a four-pronged plan to help address North Dakota's healthcare workforce needs now and in the future by reducing disease burden, retaining more of our graduates for practice in North Dakota, training more practitioners, and improving the efficiency of our healthcare delivery system.

Master of Public Health: A first in the state partnership of two educational institutions in providing a new masters level degree program. We received accreditation by Council on Education for Public Health (first in the state). An Indigenous Health (Ph.D.) was added in FY21. The first of its kind in the United States or Canada educates and prepares students regarding unique health issues facing Indigenous populations. With its evidence-based approach to public health care, the program prepares students to be forward-thinking, culturally competent experts who are setting new standards in the fight against Indigenous disease disparities.

RuralMed: A program designed to encourage medical students to select careers in family medicine and other shortage specialties and increase the number of providers for rural North Dakota. Students (a maximum of eight per year) accepted for RuralMed will have the cost of tuition paid for in return for practicing in rural North Dakota. This program accepts applications from medical students enrolled at the UND School of Medicine & Health Sciences. Students accepted for the RuralMed Program have the entire cost of tuition forgiven in return for their practicing in North Dakota. Currently, 22 students are accepted or enrolled in the program, and all are destined for rural practice in North Dakota.

Medical & Health Science Students: Medical class size expanded through the HWI a total of 16 per year or 64 total students; health sciences 30 per year or 90 total students.

3. Report any financial audit findings included in the most recent audit of your department or institution and action taken to address each finding.

UND and UND SMHS did not have any audit findings on the 06/30/20 financial audit.

4. Discuss current biennium accomplishments and challenges and next biennium goals and plans.

Biennium Accomplishments:

- 1. Implemented the Healthcare Workforce Initiative - increasing class sizes and growing residencies based on funding legislature has provided.**
- 2. Established a process of constant and recurring attention to and assessment of our compliance with accreditation standards.**
- 3. Recognized by the American Academy of Family Physicians (AAFP) as having the nation's highest percentage of graduating seniors select family medicine as their specialty choice.**
- 4. Ranked by U.S. News & World Report as one of the best in the nation, ranking 3rd for its commitment to rural medicine.**
- 5. Continued the RuralMed program to mitigate medical student debt and encourage the choice of a rural family medicine practice location for graduating medical students. Reviewing expansion of the program to further incent rural area practice. Expanded opportunities in interdisciplinary experience in a rural setting with the Rural Opportunities in Medical Education [ROME] program.**
- 6. Collaborated on Project Echo to address the opioid epidemic.**
- 7. Increased grant proposals. Progressed in building research infrastructure with INBRE and COBRE grants, reached \$30.0 million in grant awards.**
- 8. Supervised the Tobacco Quitline.**
- 9. Provided services to all 53 counties and all 33 rural hospitals by the Center for Rural Health and Rural Assistance Center.**
- 10. Recognizing the role of telehealth the Remotely Operated Biomedical Telepresence Systems project revolutionizes telemedicine and team-based healthcare education.**

Challenges:

- Maintaining high quality teaching, learning and research environment during COVID-19.**
- Clinical experience and placement of students during COVID-19.**
- Building research infrastructure and capacity.**
- Retaining high-performing basic sciences faculty.**
- Addressing staff and faculty morale as a result of a stressful COVID environment and prior employee reductions that led to increased workloads loads for many.**
- Meeting the mental health needs of students.**

Next Biennium Goals and Plans:

- **Preparation and successful completion of accreditation visit in 2022 by the Liaison Committee on Medical Education (LCME).**
- **Continued investment in research infrastructure including research active faculty hires with anticipated outcomes of increased research expenditures.**

5. Compare the agency's request/recommendation totals, including full-time equivalent (FTE) positions, for the next biennium compared to the current biennium.

Comparison of 2019-2021 Base, Needs based and Executive Recommendation						
	2019-21 Legislative Base	Requested Adjustments	2021-23 Needs Based	Executive Recommendation	Difference from 2019-21 Base Level	Difference from SBHE Needs Based Budget
Campus Operations	213,244,364	7,646,189	220,890,553	214,293,869	1,049,505	(6,596,684)
Healthcare Workforce Initiative	10,676,150	-	10,676,150	10,676,150	-	-
Total Expenditures	223,920,514	7,646,189	231,566,703	224,970,019	1,049,505	(6,596,684)
General Fund	64,883,503	4,459,564 *	69,343,067	64,065,329	(818,174)	(5,277,738) #
Tuition Funds	38,311,114	1,723,519	40,034,633	40,034,633	1,723,519	
Special Funds	120,725,897	1,463,106	122,189,003	120,870,057	144,160	(1,318,946)
Total Funding Sources	223,920,514	7,646,189	231,566,703	224,970,019	1,049,505	(6,596,684)
Funding Formula	2,142,502	SCH increases				
Optional Gen Fund Student Share of 3%	881,428					
Gen Fund share of 3% merit	1,435,634					
*Total Requested Adjustments	4,459,564					
# Difference without Optional change	(4,396,310)					

FTE- unchanged

6. Explain the funding included in each program/line item either in total or by division depending on the size of the agency:

a. Amounts included in the base budget and their purpose and use; and

General Fund	64,883,503
Tuition Funds	38,311,114
Special Funds	120,725,897
Total Funding Sources	223,920,514
Salary and Fringe Benefits	152,054,425
General Operating	61,189,939
HWI Residents	10,676,150
Total Expenditures	223,920,514

Base budget allows for high-quality educational programs, efficiently delivered, with an emphasis on primary care. In addition to medical student and resident education, the SMHS provides educational opportunities for a wide variety of allied health service professionals including medical lab science, athletic training, physical therapy, occupational therapy, physician assistant program and public

health. Further, the SMHS is acknowledged for its leadership in providing education in health professions through its commitment to American Indians.

b. Amounts included in the request/recommendation and justification for the change from the base budget. Discuss changes relating to:

(1) Salaries and wages; **Merit pool requested for all employees in each year of the biennium. Employees are carrying significant workload while continuing to provide a quality education to students. Funds will be used to recruit and retain the best employees to ensure the ongoing success of graduates.**

*Merit Pool sources:	2/2%	3/3%
General Fund	953,931	1,435,634
Tuition	585,679	881,428
Other SMHS	2,117,405	3,186,625
Total Funding for Pool	3,657,015	5,503,687

(2) Operating expenses; **No changes**

(3) Capital assets; **No requests**

(4) Grants; **Increases to support merit pool.**

(5) Any special line items; **None**

(6) Estimated income - Special funds; **Increases to support merit pool.**

(7) Estimated income - Federal funds; **None**

(8) General fund; **Special funds; Increases to support merit pool.**

(9) FTE. **No changes**

7. Discuss the purpose and use of any one-time funding items for the current biennium. **N/A, See UND testimony.**

8. Identify and justify the need for any one-time funding being requested/recommended. **N/A, See UND testimony.**

9. Discuss agency collections that are deposited in the general fund or a special fund, and any anticipated changes from 2019 legislative session estimates during the 2019-21 biennium and estimated changes for the 2021-23 biennium.

N/A

10. Discuss the need for any other sections that are included or are requested/recommended to be included in the agency appropriation bill.

N/A, See UND testimony.

11. Discuss any other bills being considered by the Legislative Assembly and their potential budgetary impact on the agency.

N/A

12. Discuss the impact of any budget changes made to meet the Governor's budget guidelines.

Complying with the Governor's budget guidelines will yield a reduction to the SMHS portion of UND equal to \$5.28 million from the needs-based budget. The general funds for SMHS are cushioned slightly from the base biennium by the increase in credit hour production for increased teaching, classes and completed credit hours.

13. Provide a one-page itemized listing of the changes your agency is requesting the committee to make to the executive recommendation.

We request changes to support the needs-based budget submitted.

The SBHE needs based budget requests an average salary increase of 3% for all employees in each year of the 2021-23 biennium. Our student population and instruction has increased and due to prior allotments, we have scaled back, restructured, reprioritized and repurposed operations to adjust to the new, lower funding levels. Remaining employees are carrying significant additional workload while continuing to provide a quality education to students. Salary increases are critical to recruit and retain the best employees to ensure the ongoing success of higher education in North Dakota. At SMHS the average 3% annual salary increase will cost \$5,503,687. The majority (\$3,186,625) is generated from other funding; \$1,435,634 is from the general fund and \$881,428 is from tuition increases. The resulting annual tuition increase to carry a portion of merit alone equates to 1.4% per year. 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 discourage students from obtaining the education needed to join the ND workforce. Research and clinical operations are challenged to support a large portion of the merit increase pool.

NDUS Institutions Comparison of SBHE General and Special Funds Budget Request to Executive Recommendation	UND SMHS		
	SBHE 2021-23 GF Budget Request	Executive Recommendation	Executive Recommendation Over (Under) Budget Request
2019-21 Adjusted General Fund Appropriation	\$ 64,883,503	\$ 64,883,503	\$ -
3%/3% Salary Increases	1,435,634		(1,435,634)
Remove one-time, carryover & payroll adj.	-	-	
Base Adjustments	2,142,502	2,142,502	-
2019-21 Adjusted General Fund Appropriation, Net of Base Adjustments	68,461,639	67,026,005	(1,435,634)
2021-23 Adjustments:			
2%/2% salary/benefit increase		1,257,388	1,257,388
Health insurance increases	-	8,175	8,175
Funding formula 7.5% reduction	-	(4,226,239)	(4,226,239)
Funding formula - minimum amount payable	-	-	-
Total Adjustments	-	(2,960,676)	(2,960,676)
Total Base General Fund Request & Recommendation	\$ 68,461,639	\$ 64,065,329	\$ (4,396,310)
#N/A			
2019-21 Original Other Fund Appropriation	\$ 159,037,011	\$ 159,037,011	\$ -
Base Payroll adjustments	-	-	-
Capital Projects		-	-
Salary Increase in needs based budget request	4,068,053	-	(4,068,053)
Other changes in estimated income		-	-
Remove prior biennium capital asset carryover		-	-
Change in extraordinary repairs and special assessments	-	-	-
Net change on base funding equipment over 5000	-	-	-
2021-23 Adjusted Other Fund Appropriation	\$ 163,105,064	\$ 159,037,011	\$ 4,068,053
Executive Recommendation Base Increases (Decreases):			
Capital Projects			-
2%/2% salary/benefit increase		1,853,549	1,853,549
Health insurance increases	-	14,130	14,130
Total Adjustments	-	1,867,679	1,867,679
2021-23 Total Base Special Fund Request and Executive Recommendation - Other Funds	\$ 163,105,064	\$ 160,904,690	\$ 5,935,732
Total All funds		224,970,019	

14. Provide a comparison of your agency's optional adjustment requests to those recommended in the executive budget.

N/A no optional adjustment requests, see UND testimony.

15. Identify the amount of federal funding available to your agency relating to the Coronavirus (COVID-19) pandemic, the actual amount spent, and for what purpose.

UND will cover in its presentation.

16. Provide additional information as necessary.

NOTE: These items are to be included in the initial presentation to the committee/division. The committee/division will be requesting more detailed information from the agency to be provided in subsequent meetings.