UNⓃ UNIVERSITY OF NORTH DAKOTA

Presentation to the ND Senate Appropriations Committee

January 18, 2021

Andy Armacost, UND President

- Introduction: Andy Armacost, president of the University of North Dakota
- Thank you for the opportunity to testify before the North Dakota Legislature

UNIVERSITY OF NORTH DAKOTA

Our mission is to provide transformative learning, discovery and community engagement opportunities for developing tomorrow's leaders.

- Discuss how we've spent the past two years fulfilling our mission
- Cover how UND has dealt with the COVID-19 pandemic
- Discuss how UND is positioned to assist the state of North Dakota and its citizens with post-pandemic recovery
- Review opportunities for the future that benefit North Dakota
- Happy to discuss any questions about information in the packets you've been provided

Investment in Higher Education

How UND impacts every family, every town, and
every industry in the State of North Dakota.

- Looking to the future economic landscape, universities are facing important decisions on strategic direction
    - Adjusting enrollment and staffing
    - Blending online and on-campus education
- Molding *leaders in action* who will change the state and the world
    - Example: Successful UAS BVLOS operations is the result of years of work by UND researchers and students
    - Example: UND Engineering's Institute of Energy Studies research work for Wellspring Hydro to build facility that extracts valuable lithium from oil and gas industry wastewater

Conscientious Stewardship

- Routine use of matching fund programs
  - Scholarships through Challenge Grants
  - Capital projects and campus modernization
- Partnerships with ND colleges and industry
- Rich history of online education to better support ND citizens
- Careful attention to deferred maintenance
- Robust campus response to pandemic
- Continually identifying areas for self-sustained growth

- Stewardship is making smart decisions for the state
  - Routine use of matching fund programs
    - Scholarships (e.g. Challenge Fund leveraged with philanthropic donations)
    - Capital projects and campus modernization (e.g. Nistler College)
  - Active partnership with NDUS colleges
  - Partnerships with North Dakota's five tribal colleges
  - Early adoption of online education to better support citizens
  - Right-sizing the physical campus – a long-term effort
    - Adoption of cost model for better planning and execution
    - Allocation of tuition dollars for deferred maintenance
  - Stunning campus response to pandemic to keep communities safe
    - Adjustments to our faculty and staff – amplified by COVID-19
    - CARES Act distribution support to students and institution

Percentage of Job Losses from COVID-19 by Industry in North Dakota

Top 10 Job Losses by Industry
February 2020 through November 2020

North Dakota lost 32,800 jobs (7.4%) from 2/2020 through 11/2020

Mining and Logging
Arts, Entertainment & Recreation
Accommodation & Food Services
Construction
Manufacturing
Admin & Support & Waste Services
Professional, Scientific & Tech Services
Information
Retail
Transport, Warehousing & Utilities

-40% -35% -30% -25% -20% -15% -10% -5% 0%
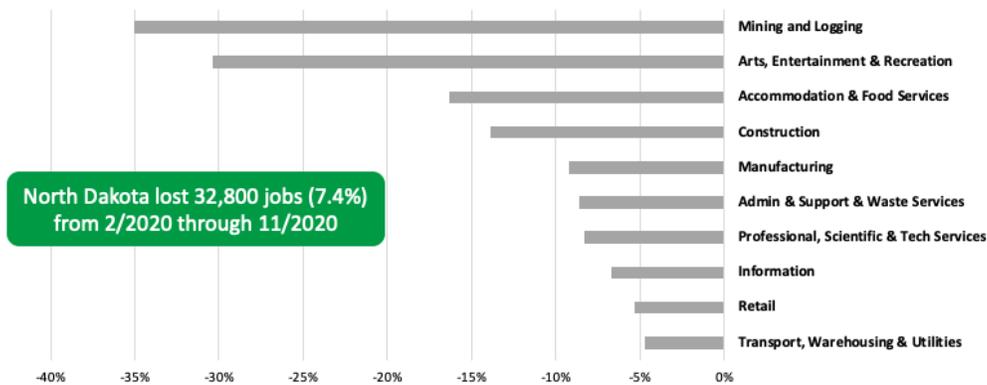
Source – University of New Hampshire Carsey School of Public Policy – COVID-19 Economic Crisis: By State – December 20, 2020

- Workers with some college, an associate degree, bachelor's degree or higher have lower unemployment rates overall and are less likely to be unemployed during the COVID-19 crisis
- With the exception of the gas industry, those experiencing the highest COVID-19 job loss in North Dakota were workers in the leisure and hospitality industry, jobs that typically require no higher education
- Higher education provides an opportunity for those who have experienced losses to re-skill

Opportunities for Economic Growth

Mean Earnings by Education, 25-65 yrs

Education	Mean Earnings
Not a High School Graduate	$25,315
High School Graduate	$35,615
Some College	$38,943
Bachelor's Degree	$65,482
Advanced Degree	$92,525

9% Increase (High School Graduate to Some College)

68% Increase (Some College to Bachelor's Degree)
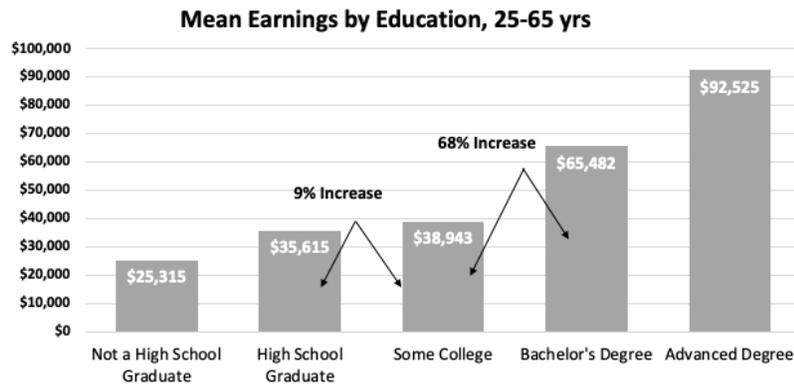
Source: U.S. Census Bureau, 2015

Similar findings when examining education level and recovery from COVID-19 unemployment

- UND has a role to play in helping North Dakotans out of the economic situation created by the pandemic

Preparing for Careers and Leadership

- Learning experiences to meet every learner's needs
  - On-campus
  - Online
  - Combination
- Essential skills that employers demand
- Programs meet growing interest and need in high-demand areas
  - Data science, cybersecurity, counseling, biomedical engineering, nursing

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- UND provides important skills for democracy, citizen leadership, and employment
- UND offers flexibility in courses and programs with on-campus, online or a combination. In the past three years, UND has provided:
  - 34 new certificate opportunities
  - 12 new undergraduate program opportunities
  - 14 new master's program opportunities
  - 3 new doctoral program opportunities
- Essential skills that employers demand
  - Employer survey reveals a need for essential skills for all jobs Data source
  - As a liberal arts university, UND provides skills such as creativity, communication, teamwork, problem solving, critical thinking, etc.
- UND offer programs in high-demand areas: Biomedical engineering, cybersecurity, special education, nursing, engineering, social work, behavioral health, etc.

On-Campus and Online Students

Undergraduate Students

	On-Campus	Online
Fall 2019	8,487	1,676
Fall 2020	8,008	1,788

Graduate Students

	On-Campus	Online
Fall 2019	1,925	1,493
Fall 2020	1,903	1,916

University of North Dakota University Analytics & Planning (2019). *Enrollment Profile - Demographics, Academics, and Residency.* [PowerBI Report]. Retrieved from UAP Enrollment Profile – Launch on 11/20/2020.

- Uncertain as to how these trends will be affected in a post-COVID-19 recovery
- UND's Long-term investment in online education
    - UND serves largest number of exclusively online students in 8-State region (Nonprofit, Flagship Universities)
    - Enabled UND to have a smooth transition during the COVID-19 pandemic
    - Summer 2020, 175 faculty found creative uses of online education
    - Online education training conducted by UND TTaDA
    - Range of online offerings: UND offers over 120 fully online programs
    - Of nearly $21M UND received from CARES Act funding, $1.5M went to meeting technology needs, $2.3M for instructional design resources, and $5.4M for academic technology and software to develop the hybrid education model
- Year-over-year comparison, on-campus and online totals
    - Fall 2019 on campus: 10,412; online: 3,169
    - Fall 2020 on campus: 9,911; online: 3,704
- On-campus experience, even during a pandemic, remains popular, while at same time, utility of online learning continues to grow
    - Pre-COVID-19, about a third of U.S. college students had taken an online class
    - On-campus and online learning will continue to complement each other
- UND's Distance Engineering program celebrated 30th anniversary in 2019
    - Electrical Engineering Professor Arnie Johnson got the nickname "Fuzzy Arnie" in 1989 because he lectured to video cameras on campus, and the blurry-imaged cassettes were mailed to students nationwide

Changes in Student Profile

	Fall 2015		Fall 2020
Part-time students	4,084		4,701
Graduate students	2,862		3,304
Transfer students	706		956
Students 25+ years	420		591
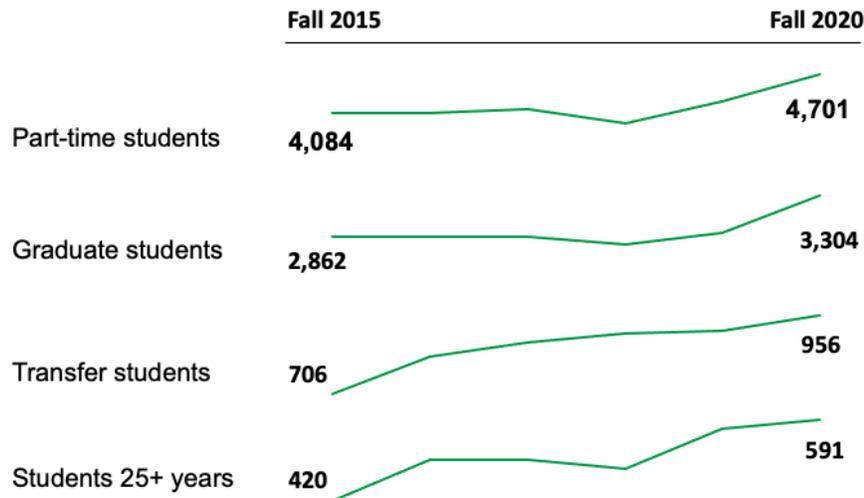
- UND is responsive to changing demographic needs and interest in higher education and new career opportunities and upskilling
  - These numbers have been influenced by the COVID-19 pandemic
  - In the past few years, we have been seeing more:
    - Part-time students (15% increase since 2015)
    - Graduate students, includes med and law (15% increase since 2015)
    - Transfer students (35% increase since 2015)
    - Older students (41% increase since 2015)
- Task Force on the Future of Education at UND
  - 23 members comprised of faculty, staff and students from across campus with faculty co-chairs
  - Tackling big questions
    - Future students
    - Programs
    - Funding models
    - Delivery methods
    - Role of partnerships
    - Open educational resources

Graduate Enrollment Growth

Fall 2018	Fall 2019	Fall 2020
2,785	2,909	3,304 +13.6% from 2019
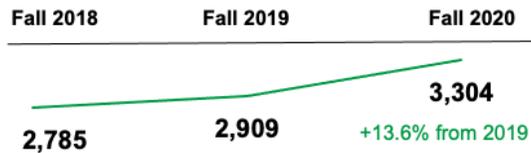
- 4+1 programs
  - 22 programs combining bachelor's and master's degrees in accelerated format
- Preparing graduate students for employment
  - Accelerate to Industry internships
  - Professional Development Workshops
- High Growth Areas
  - Business (43%); Engineering (22%); Nursing (33%)

- Fall 2020 graduate enrollment was a record with 3,304 students, up nearly 400 students from the Fall 2019 graduate enrollment
- Includes law school and medical school graduates
- 4+1 programs (e.g. Accountancy, Biology, Chemistry, Computer Science, Dietetics (Nutrition), Early Childhood Education, Applied Economics and Predictive Analytics, Kinesiology, Mathematics, Physics, Psychology, Public Administration, Public Health, Reading Education, Special Education)
- Preparing for Employment
  - Accelerate to Industry: Industry workforce readiness program provides graduate and postgraduate trainees with a competitive edge
  - Professional development workshop series for graduate students
- High growth areas
  - Business: Accounting, the M.B.A, and Applied Economics & Predictive Analytics
  - Engineering: Biomedical, Environmental, and Petroleum
  - Nursing: Master's of Science
- UND launched a Doctoral program in Indigenous Health; the first of its kind in the U.S. or Canada

- Partnerships across NDUS
    - Witnessing growth in transfer students from two-year schools
    - Enables students to earn UND degree without leaving their community
    - We will be signing a 2+2 agreement with Bismarck State College involving undergraduate engineering
    - Nationally, students transferring from two-year institutions to four-year institutions have increased by 2.6% over last year (Source: National Student Clearinghouse Research Center)
    - UND is seeing growth in our transfer population (35% increase since 2015 and 5.5% just in the past year 2019 to 2020) because of the actions we've taken
- Other points:
    - UND regularly updates articulation agreements
    - We have a dedicated transfer advisor to assist students even before they are accepted into UND
    - UND departments respond to transfer articulation requests in five days or less (which classes will transfer over for a major)
    - Proud of our 2+2 programs – specific pathways for students to start at a two-year NDUS institution and transfer seamlessly into UND

Academic Innovations and Partnerships

- Pursuing new marketing avenues to build bigger funnel of prospective student
- Industry relationships to provide educational benefits to employees
- Provide students opportunity to engage with industry and nonprofits
- Being engaged in online education for 30 years leads to partnerships with organizations such as the U.S. Air Force and LCMC
- Riipen: Virtual project-based learning platform empowering every student with employable skills
- Accelerate to Industry: Collaboration with industry to enhance student employment readiness and build employment pipelines
- Rize Education, the LCMC, and Engineering: Agreement with 66 independent, liberal arts colleges across the nation to provide access to online UND engineering degrees
- Digi-Key and Electrical Engineering: Workforce development and electrical engineering online at the worksite specifically designed for Digi-Key
- Boeing and Systems Engineering: Workforce-responsive online systems engineering program designed with academic and industry cooperation
- Lumerit Education, Pearson Accelerated Pathways, and Engineering: Partnership permitting employees from almost 50 companies to use their educational benefits to enroll in UND online engineering certificate and degree programs

Graduation & Completion

Undergraduate Students	Graduate Students
Retention Rates UND Fall 2018 cohort: 78% National average: 75%	**Continuation Rates - 2018 Cohort** Master's: 87% Doctoral: 89%
Graduation Rates 4-year: 26% Average over 10 years: 23% 6-year: 61% Average over 10 years: 54%	**Completion Rates - 2011 Cohort** Master's: 74% Doctoral: 67%

- UND's Fall-to-Fall IPEDS retention rate for the Fall 2018 cohort was 78.39%
    - UND retention rate has consistently remained above the national average of 75%
- UND's continuation rate for incoming doctoral and master's students (analogous to the IPEDS retention rate) for the 2018 cohort
    - Master's: 87.32%
    - Doctoral: 89.14%
- UND has steadily increased the 4-year, 5-year, and 6-year graduation rates
    - 4-year graduation rate: 32% (Fall 2013 cohort), increase from 26% (Fall 2010 cohort)
    - 5-year graduation rate: 56% (Fall 2013 cohort); increase from 48% (Fall 2010 cohort)
    - 6-year graduation rate: 61% (Fall 2013 cohort); increase from 54.6% (Fall 2012 cohort)
- UND's 8-year completion rates for incoming doctoral and master's students 2011 cohort (analogous to the IPEDS graduation rates):
    - Master's: 74%
    - Doctoral: 67.09%

Access to Learning My Way

Expanding opportunities for finishing degrees, new occupations, changing careers, or enhancing work skills

- Noncredit opportunities, digital credentials, micro-credentials, certificate programs, and traditional degrees
- Career development in high-demand areas, such as cybersecurity, data analytics, specialized medical training, and project management
- On-demand, flexible, self-paced courses and degree programs enable working adults to complete degrees

Amy Joshua, '19
Spirit Lake Tribe
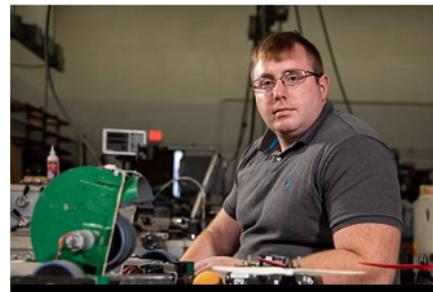
Colin Sabie, '21
U.S. Army Veteran

- We have other ways of educating beyond four-year degrees
  - Example: Altru employee Amy Joshua is a mother, cancer survivor, and online R.N to B.S.N student at UND
  - Example: Colin Sabie started as UND undergraduate and then, after six years in the Army, came back to pursue mechanical engineering
- The Teaching Transformation and Development Academy (TTaDA) provides a variety of noncredit learning opportunities and supports the colleges' self-paced enroll anytime (SPEA) offerings. They are working with the Provost and colleges to expand these opportunities and to integrate them with certificates and degrees to form coordinated, seamless learning pathways that cater to working adults, career changers, and those interested in job skill enhancement

Research & Development

- High-impact educational practice for students
- Development of faculty as authorities in their field and as educators
- Benefits realized directly by citizens of North Dakota
- Positive impact to statewide economy

Nicholas Gapp (with Professor David Delene)
Hometown: Fargo

- Research is not just about economic development, it's also part of how universities educate
- The depth of UND's research extends across campus from traditional laboratory settings into such diverse areas as the arts and education.
  Examples: Virginia Clinton's research on reading comprehension and Donovan Widmer's research on skin conditions as art
- Experiential, hands-on learning in the lab and in the field
- Example: Fargo native Nicholas Gapp turned a summer weather research internship into a senior project, a thesis for his master's degree, a published research paper and a job opportunity with the Naval Research Laboratory

UND's Research

- Individual faculty scholarship is essential
- Grand Challenges
  - Human Health, Rural Health, Big Data, Autonomy & Unmanned Aircraft Systems, Energy

Behavioral Health Bridge
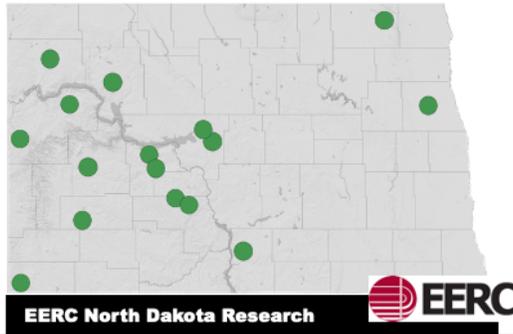
EERC North Dakota Research

EERC

Integration of UAS into National Airspace System

- Creates economic diversification opportunities for the state of North Dakota
- UND's human health and rural health research assisted state during pandemic
- The EERC's research success across the state is replicated in our outreach work to rural health, telemental health and other delivery platforms
- UND is a leader in integrating UAS into the national airspace system, especially in operating beyond visual line of sight
- At UND we value not only the Grand Challenges but also the people and the scholarship involved

Building Relationships in Space

- Educational programs to support workforce development
- Research activities
  - Human spaceflight and deep space exploration
  - Satellite design, experimentation, and control
  - UAS ←→ Satellite interface
  - Space policy, law, and ethics

Gen. John W. "Jay" Raymond
Chief of Space Operations, U.S. Space Force

Gen. James Dickinson
Commander, U.S. Space Command

Dr. Derek Tournear
Director, Space Development Agency

Jim Bridenstine
NASA Administrator

- One of the greatest research opportunities for UND is the University Affiliated Research Center program through the U.S. Space Force
- UARC has research potential for aerospace sciences, autonomous systems, engineering, computer science, chemistry, and energy and environmental technologies
- UARC also focuses on workforce development to educate and train military and civilian personnel for jobs needed within the U.S. Space Force
- Satellites: UND will design them, build them, test them, and fly them
- $4M in infrastructure bill to support space activities at UND
- Gen. Raymond, U.S. Space Force
- Gen. Dickinson, U.S. Space Command
- Derek Tournear, Space Development Agency
- Jim Bridenstine, NASA
- UND Space Studies NASA-sponsored Inflatable Lunar/Mars Habitat

State Investment in Research & Development

- Current Biennium
    - Designated EERC as the State Energy Research Center
    - Funded the Northern Plains UAS Test Site & Vantis
    - Sustained high-speed computing network infrastructure
- Next Biennium
    - Continue support for these efforts
    - R&D>ND proposal
        - State investment in basic and applied research infrastructure across NDUS
        - Catalyst for future federal funding and industry support
        - Economic diversification for State of North Dakota
        - Bill draft specifies 4% of Legacy Fund earnings

- Example: Legislative funding for SERC creates exploratory research opportunities and invention disclosures through the EERC

Economic Development

- Commercialization of UND inventions
- UND Center for Innovation
  - 43 active tenants
  - 78% of tenants since 2014 are still in business
- Commerce programs add value
  - LIFT
  - InnovateND

- UND is involved in many different economic development activities that benefit North Dakota through research commercialization and new technologies
- The Center for Innovation provides tenants with office space and offers assistance to entrepreneurs and startup businesses

State Investment in Physical Infrastructure
CURRENT BIENNIUM

Matching funds for Nistler College construction
The building also catalyzed donations for academic programs

Steam Plant Public-Private Partnership (P3)

- Campus master plan key findings
    - More than enough space
    - Quality of space is poor and inadequate
    - Improving work-study environments will positively impact our mission of teaching and learning
    - Over past four years, UND has reallocated $4M from operations to deferred maintenance (1% of student tuition)
    - Our goal is to continue 1% of tuition to create a stable deferred maintenance fund
    - This biennium, UND took out a $30M bond for deferred maintenance only
    - We're also taking down old buildings, using spaces more efficiently and remodeling or renovating for easier-to-maintain spaces
- UND's goal: Reduce square footage, improve the space we retain, and strategically utilize diverse funding sources
    - Nistler College construction catalyzed donations for academic programs
    - Testimony outlines positive outcomes of the Steam Plant P3

State Investment in Physical Infrastructure
NEXT BIENNIUM

Merrifield and Twamley Hall Renovation
Renovate Merrifield to provide modern instructional space.
Repurpose Twamley to allow decommissioning of other campus buildings.

Aerospace Sciences Health & Safety Projects
Targets deferred health and safety maintenance, including
phase two of replacing the flight operations apron.

Priority #1: Merrifield and Twamley Hall renovations
- Leverages the Nistler College of Business & Public Administration by making further investments into an academic "Four Building Ecosystem" (Chester Fritz Library, Nistler Hall, Merrifield Hall and Twamley Hall)
- Will create modern instructional space and allow for faculty/staff relocation to decommission Columbia and Gamble Halls
- $56M state appropriations request + $23M local funds
- Eliminates $132.1M in deferred maintenance

**Priority #2: John D. Odegard School of Aerospace Sciences Health and Safety Projects**
- Targets deferred health and safety maintenance associated with the John D. Odegard School of Aerospace Sciences
- Complete Phase 2 to replace deteriorated flight apron, repair excessive water infiltration/air quality risks
- During 2015 biennium, Legislature provided $6M to partially complete this project
- Flight training program's success depends on sturdy ramps, runways and facilities
- $15M state appropriations request
- Eliminates $28.8M in deferred maintenance

Matthew Ternus, UND Student Body President

Student Life

- Mental health, shelter, and food
- COVID-19 support and outreach
- Merrifield Hall renovation perspective
- Memorial Union
  - Opening summer 2021
  - Partnership with student body
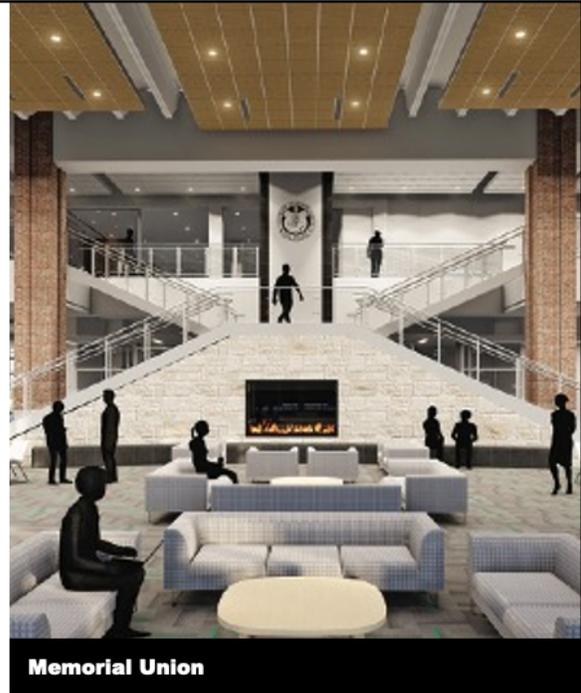
Memorial Union

Student Life

- Challenge Grant
- Open Door Scholarship
  - $677,000+ committed
- Angel Fund
  - $220,000+ committed
  - 303 requests funded
- Student housing modernization

Student Housing P3
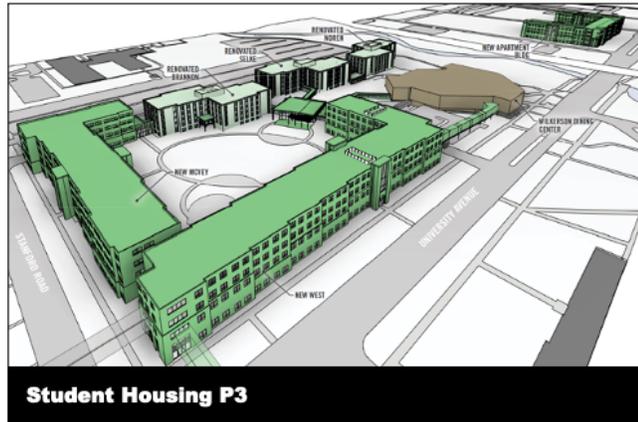
Use of Philanthropy to sustain enrollment
- Challenge Grant has been an incentive for increasing amount donated for scholarships
- Open Door Scholarship:
  - $677,729
- Angel Fund as of Dec. 31, 2020
  - 638 requests for support have been received from 610 unique students
  - $206,675 has been awarded to date ($682.10 = average award)
  - 303 requests have been funded; 294 requests have not been funded for a variety of reasons; 13 requests are in review
  - $220,000+ has been raised in gifts and pledges
  - 451 unique donors have given 526 gifts to the Angel Fund

UND UNIVERSITY OF NORTH DAKOTA

Jed Shivers, VP Finance & Operations / COO

Karla Mongeon-Stewart, Associate VP for Finance

Key Budgetary Aspects

- A needs-based budget as proposed by the SBHE

- Specific match funding for the Merrifield-Twamley project

- Use of the Legacy Fund or other funds to invest in research across the NDUS to diversify the economy

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- A needs-based budget as proposed by the SBHE to maintain forward momentum in growing enrollment, improving retention, and retaining its high-quality faculty and staff (operational and financial predictability yields stability)
- Specific funding support for the same matching dynamic that made Nistler a success as it relates to the Merrifield-Twamley project
- Opportunities for student housing using the same type of public/private partnership employed with UND's new steam plant
- Use of the Legacy Fund or other funds to invest in research across the NDUS to diversify the economy and reduce the effects of the boom/bust cycle

NDUS Institutions Comparison of SBHE General and Special Funds Budget Request to Executive Recommendation	University of North Dakota		
	SBHE 2021-23 GF Budget Request	Executive Recommendation	Executive Recommendation Over (Under) Budget Request
2019-21 Adjusted General Fund Appropriation	$ 158,139,947	$ 158,139,947	$ -
3%/3% Salary Increases	4,006,364		(4,006,364)
Remove one-time, carryover & payroll adj.	(9,807,792)	(9,807,792)	-
Base Adjustments	(1,730,595)	(1,730,595)	-
2019-21 Adjusted General Fund Appropriation, Net of Base Adjustments	150,607,924	146,601,560	(4,006,364)
2021-23 Adjustments:			
2%/2% salary/benefit increase		2,204,905	2,204,905
Health insurance increases	-	19,824	19,824
Funding formula 7.5% reduction	-	(10,995,114)	(10,995,114)
Funding formula - minimum amount payable	-	-	-
Total Adjustments	-	(8,770,385)	(8,770,385)
Total Base General Fund Request & Recommendation	$ 150,607,924	$ 137,831,175	$ (12,776,749)

Impact of 2021-23 Needs-Based Budget

- **Needs-based budget** submitted by the SBHE for legislative consideration has base funding of **$150,607,924** for UND
  - Base funding in 2021-23 of **$148,332,155**
  - Decrease of **$1,730,595** based on reduced total credit hours in funding formula (1.2% budget decrease)
  - Increase by **$4,006,364** for state's share of 3% / 3% salary increase on appropriated salaries
  - SBHE assumes an annual tuition increase (estimated at 2% for UND) for tuition portion of 3% salary increase

- UND's base funding at the end of the 19-21 Biennium was $150,607,924. Due to a reduction of 28,428 weighted credit hours, UND's funding from the funding formula is reduced by $1,730,595
  - This reduction represents a 1.2% budget reduction for the biennium
- UND's needs-based budget also include an increase of $4,006,364 to fund the state's share of a 3%/3% merit pool. The state's share currently funds approximately 48% of the appropriated salary increase with the remaining 52% coming from an estimated 2% tuition increase. The tuition increase for UND to fund the student share is approximately a 2% increase
- UND is committed to recruiting and retaining the best faculty and staff and the merit pool enables UND to compete in the market

Impact of 2021-23 Needs-Based Budget

- **Optional budget request** submitted by the SBHE for legislative consideration includes the following:
  - The tuition portion of the salary increase for UND: **$4,350,356**
  - Funding formula rate increase of 2.5% for student services, workforce initiatives, new program startup, or other institutional needs for UND and SMHS: **$5,073,785**

- In addition to the NDUS needs-based budget request, UND supports the submitted optional request which includes the following:
  - An increase in funding of $4,350,356 to cover the student share of the merit pool increase. This funding request would eliminate the need to increase tuition by approximately 2% to cover this additional cost
- Finally, the optional budget package includes an increase of 2.5% per credit hour funding to provide resources for critical service needs related to student services, workforce initiatives, new program startup, and other institutional needs as determined by the President. This funding of $5,073,785 is for UND as well as the School of Medicine & Health Sciences

Other Considerations for Needs-Based Budget

- Unknown health insurance premium increase
  - Tuition portion and nonappropriated positions will be funded 100% by UND
- Fringe benefit expenses associated with salary increases
  - Increase of 7.65% due to FICA, estimated at **$1,097,085**
  - Increase in Retirement Expense (average 12%), estimated at **$1,720,918**

Merit Pool Details	State Share	Student Share	Other Funding	Totals
Base Salaries	44,074,407	47,858,713	65,833,486	157,766,606
3% merit pool	4,006,364	4,350,357	5,984,264	14,340,985
Percent of Merit pool	28%	30%	42%	100%
FICA Expenses 7.65%	306,487	332,802	457,796	1,097,085
Retirement Expenses 12%	480,764	522,043	718,112	1,720,918

- It is unknown at this time if the state will incur a health insurance increase. However, any health insurance premium adjustments for the tuition portion as well as 100% of all positions not funded by appropriated dollars will need to be funded in whole by the university. Approximately 72% of health insurance increases (if any) will need to be funded through tuition and other sources
- Additionally, as the table shows, there are FICA and Retirement expenses associated with a 3% merit pool that will need to be funded 100% with university resources

96% "Hold Harmless" Threshold for the Funding Formula

- Though UND would not benefit in the current biennium from the reinstatement of the 96% hold harmless clause, UND is extremely supportive of permanent language including this clause

- This clause protects all universities that have swings in enrollment and allows them to make adjustments over time that would not be possible in one year due to multiple considerations such as:
    - Tenure status
    - Teach-out requirements if programs are stopped
    - Curriculum redevelopment, etc.

Executive Budget Recommendation

Impact on UND:
- Base fund reduced 7.5%: $10,995,114
- Proposed 2% / 2% merit pool: $2,204,905
- Health Insurance funding increase: $19,824

Net impact on UND's budget: $8,770,385 reduction

Implications of Executive Budget

- Funding less than the needs-based budget would be a sequential cut on top of a cut
  - The $10.99M (7.5%) reduction may translate to approximately 71 additional FTEs cut
  - The FY21 cuts reduced adjunct faculty and increased teaching loads across UND; further reductions will require eliminating vital services and programs
- Reductions recently sustained:
  - 2017-19 biennium: UND reduced by $25.6M (excluding SMHS) and cut 166 positions
  - FY21: The expected COVID-19 losses led us to cut 119 positions
    - 33 voluntary separations or retirements
    - Active budget cuts of 86 staff including:
      - 68 part-time instructional positions
      - 8 special faculty appointments
      - 10 staff

Additional Funding Requests

- Capital projects:
  - Merrifield and Twamley Halls: $56M + $23M Local
  - Flight apron: $15M
- Challenge Grant fund
  - Maximize use of this 2-to-1 matching program
- Research & Development fund: 4% of Legacy Fund earnings
- Space Studies infrastructure bonding: $4M
- High-speed computing network infrastructure: $2.2M

- Challenge Grant funding affects the affordability and accessibility of the university system for all students in the state
- Funding for the Higher Education Challenge Grant program also would increase from $9.4M to $20M – $10M from the general fund and $10M from potential June 30, 2021, Legacy Fund earnings – to support North Dakota's public colleges and universities. By requiring a 2-to-1 match in private donations, investing $20M into the Challenge Grant program would bring a total of $60M into the higher education system
- Challenge Grant APPROPRIATION. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of $9,650,000, or so much of the sum as may be necessary, to the State Board of Higher Education for the purpose of awarding matching grants for the advancement of academics at institutions under the control of the board, for the biennium beginning July 1, 2021, and ending June 30, 2023. The funding provided in this section is considered a one-time funding item

Requests Requiring No Funding

- Permission to refinance Tech Accelerator, pending SBHE approval
- Support issuance of Certificates of Participation to raise funds for the Student Housing P3 project, pending SBHE approval
- Permission to use Tier 2 and Tier 3 dollars for the Nistler College of Business & Public Administration as part of the State's $20M match

Closing Comments

- Summary of budget interest items
- Other areas of interest to UND
    - *Commerce*: Northern Plains UAS Test Site, LIFT, Innovate ND
    - *Energy*: SERC designation, clean and sustainable energy technologies
- Commitment to provide timely information
- Appreciation for past support

University of North Dakota — Leaders in Action

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Q&A