

House Appropriations Committee Hearing

Wednesday, January 11, 2023

Andrew Armacost, President

Karla Mongeon-Stewart, VP Finance & Operations/COO

Faith Wahl, President, UND Student Government



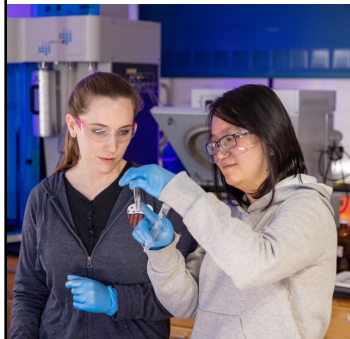


Our **mission** is to provide exceptional educational experiences that enrich the lives of North Dakotans and the global community through excellence in teaching, innovative research, and meaningful engagement.

Our **vision** is to inspire a sense of wonder, a love of discovery, and a commitment to serve.

Over the last eleven months, the campus has been involved in the development of our new strategic plan, called **UND LEADS**. We are adopting new mission and vision statements to guide the activities on the campus. These important statements emphasize our commitment to the state and the students who arrive on campus, either physically or virtually. Our **mission** is to provide exceptional educational experiences that enrich the lives of North Dakotans and the global community through excellence in teaching, innovative research, and meaningful engagement. And our **vision** is to inspire a sense of wonder, a love of discovery, and a commitment to serve.

Today, we will share how UND contributes in so many ways to the State of North Dakota and its citizens, and how we plan to do so for the next biennium and beyond.



Sydney Menne
2023 Marshall Scholar

Accomplishments

- National institutional recognition
- International student recognition
- Continued campus transformation
- Increased growth in student headcount
- 30% research expenditure growth plus two key DoD agreements

During the last biennium, the members of our campus have accomplished so much, and let me highlight a few notable achievements. National organizations, such as the American Council on Education, the International Town Gown Association, and the Western Interchange for Higher Education have bestowed their top honors on the university for its transformation and its commitment to the members of the campus and the Grand Forks community. Sydney Menne, a double major in mathematics and physics, earned a Marshall Scholarship for graduate studies in the UK. This is considered the pinnacle of academic achievement across the nation. We continue to follow our campus master plan to physically transform the campus, and we'll highlight later how we've done so using limited state appropriations. In spite of national trends of declining enrollment, we've seen an uptick in each of the last four years in the number of students we serve. And our trajectory in funded research has been strong, with extraordinary and sustained growth in research expenditures, growth that has been sustained in FY22.




Challenges

- Inflationary impact
- Recruitment and retention of staff and faculty
- Climbing interest rates
- National enrollment decline and increase in competition
- Indigenous repatriation and holistic support to tribal needs
- Behavioral health needs for students, faculty and staff

These are great examples of what's been happening on campus, but we are also facing a number of challenges. The historic rates of inflation have impacted both the cost to operate a college as well as a student's ability to pay for college. Attracting faculty and staff is strongly connected to what we pay them. When we combine pay scales that lag behind national and regional averages with the impact of inflation, we face daunting challenges in recruiting and retaining the talented members on our campuses. Cost of capital makes projects more expensive. The national decline in birthrate in 2008 will begin impacting campuses across the country in 2026, and we will not be immune from this, given the competitiveness of college admissions. A major area of commitment is to tribal nations across the region as we repatriate Indigenous ancestors from the campus to their tribal homes. Finally, the personal well-being of our campus members is an imperative, and the resources we have on the campus are insufficient to handle the growing demand.

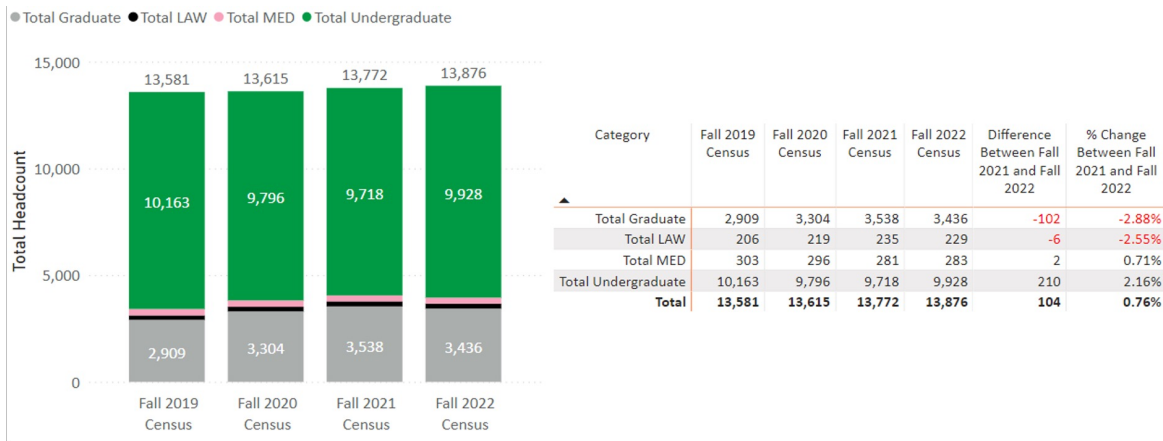


2023-25 Goals and Plans

- Promote excellence in academic and co-curricular programs that prepare UND students for the workforce and for leadership
 - Support the state in addressing shortages in key workforce areas
 - Continue to expand university research to foster the sense of discovery and to support economic growth and diversification
 - Grow partnerships across the state and region
 - Strengthen our sense of community and well-being
 - Continue consolidation and modernization of physical plant
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As we head into the next biennium, we have a number of goals, including continuing to focus on the excellence in our programs and experience; helping the state with workforce challenges; nurturing the sense of innovation, discovery, and economic impact through our research programs; to continue developing key partnerships; to look out for all members of our community; and to continue our steady march toward a right-sized and modernized campus. The details we present today support these goals.

UND Enrollment Trends



I mentioned enrollment trends, and here is a snapshot of the last four years. You'll see an uptick each year, with notable growth in our graduate programs. This has bucked the national trend, where college enrollment, according to the National Student Clearinghouse Research Center, dipped by 7.4% over the last two years. Our Admissions team and our academic departments have been doing wonderful work telling the story of the university and the value of a UND education.

UND Enrollment Trends



Category	Fall 2019 Census	Fall 2020 Census	Fall 2021 Census	Fall 2022 Census	Difference Between Fall 2021 and Fall 2022	% Change Between Fall 2021 and Fall 2022
Total Graduate	10,163	9,796	9,718	9,928	-102	-2.88%
Total LAW	303	296	281	283	-6	-2.55%
Total MED	206	219	235	229	2	0.71%
Total Undergraduate	2,909	3,304	3,538	3,436	210	2.16%
Total	13,581	13,615	13,772	13,876	104	0.76%

Focus on Academic Partnerships

Collaboration Across NDUS

2+2 Agreements



Research and Education



Collaboration with Tribal Colleges



UND does not and cannot operate in isolation, and partnerships are critical to both the university and to the system. We actively look for ways to partner with the other institutions in the system. We have a number of active and developing 2+2 programs, where a student starts with a two-year Associates degree and continues their bachelors degree at UND, either on campus or online. We host system-wide research partnerships in the areas of space and biomedical research, opening up extraordinary opportunities for our students to be involved in research and discovery. We are doing the same with our partners at the Tribal Colleges, whether in the form of 2+2 agreements or program agreements that allow alignment of academic programs and transfer of academic credits.

Of course, there is no partnership more important to us than that with NDSU. Whether in joint academic programs, research collaboration across many fields, or opportunities for faculty and staff growth, we continue to explore opportunities and create new frontiers in this essential partnership.

Additional Notes on Collaboration Across NDUS

- 832 UND undergraduate students with transfer information from NDUS institutions, Fall 2021, Source: University Analytics & Planning
- Through a unique partnership between UND and Lake Region State College (LRSC), students can prepare to transfer to UND while taking classes from both institutions and living on the UND campus
- The LAUNCH! program prepares students who are not yet eligible for admission to UND — but meet admission requirements for LRSC — to seamlessly transition to UND after just one year
- Support NDUS institutional research programs
 - NASA Established Program to Stimulate Competitive Research (NASA EPSCoR)
 - North Dakota IDeA Networks of Biomedical Research Excellence (ND INBRE)

Academic and Research Collaboration with Tribal Colleges

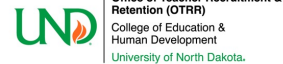
- 2+2 Agreements: Cankdeska Cikana Community College
- Transfer Program Guides: UND has program guides for several institutions to aid in the transfer process
 - Mesabi Range College
 - Nueta Hidatsa Sahnish College
 - Sisseton Wahpeton College
 - Sitting Bull College
 - Turtle Mountain Community College
 - United Tribes Technical College

Focus on Academic Partnerships

Out-of-State Colleges



Industry



Outside the NDUS and tribal colleges, we continue to develop academic partnerships with universities across the region and nation. Of particular note is our support to a consortium of small, high-quality schools by offering our nationally-recognized online engineering degrees to students who are completing another degree at these colleges, often in disciplines like math and physics. For these students, this is typically their initial exposure to the state of North Dakota and what it has to offer.

Finally, I highlight a number of organizations with whom we've partnered to offer opportunities for internships, academic projects, and job placement. These types of partnership directly impact the experiences of our students.

Additional notes on Collaboration with Out-of-State Colleges

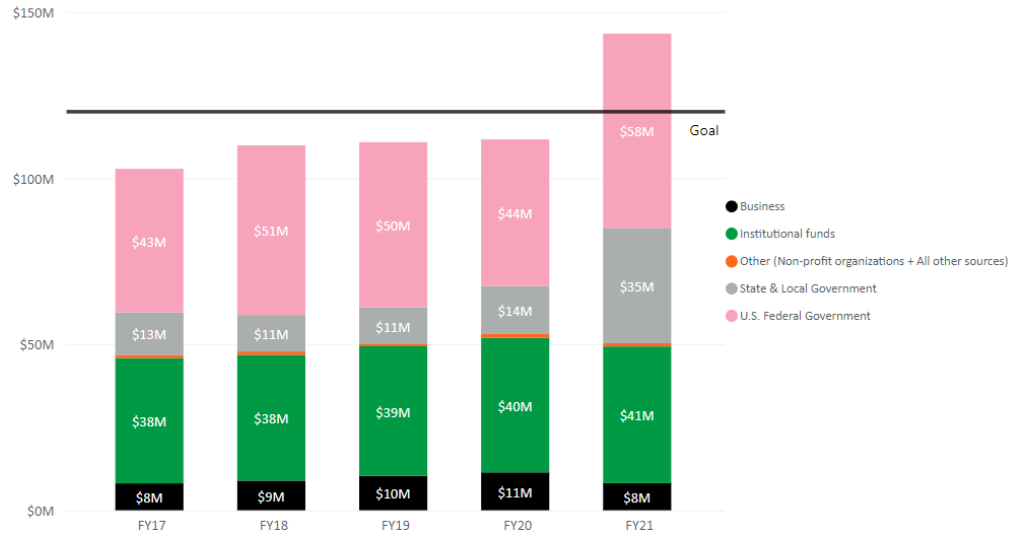
- 2+2 Agreements: Northland Community College
- Dual-degree programs with out-of-state colleges
 - Rize Education, the LCMC, and Engineering: Agreement with 66 independent, liberal arts colleges across the nation to provide access to online UND engineering degrees

Collaboration with Industry for Internships and Workforce Development

- Accelerate to Industry: Collaboration with industry to enhance student employment readiness and build employment pipelines
- Evolve Grand Forks is a nonprofit organization focusing on the support of entrepreneurship in the Greater Grand Forks community by connecting entrepreneurs to the mentors, resources, capital, and more that is available in Grand Forks
- InternGF is a partnership between the UND Center for Innovation and the Grand Forks Region Economic Development Corporation designed to introduce UND students to high-wage, in-demand careers and employers in the Grand Forks region
- The Office of Teacher Recruitment and Retention (OTRR) was created to address the loss of qualified and trained individuals from the teaching profession, a trend that is seen not just in North Dakota but nationwide
- Riipen: Virtual project-based learning platform empowering every student with employable skills
- Research relationships with federal, state, and industry partners

Research Growth

UND R&D by Source of Funds for FY17 through FY21

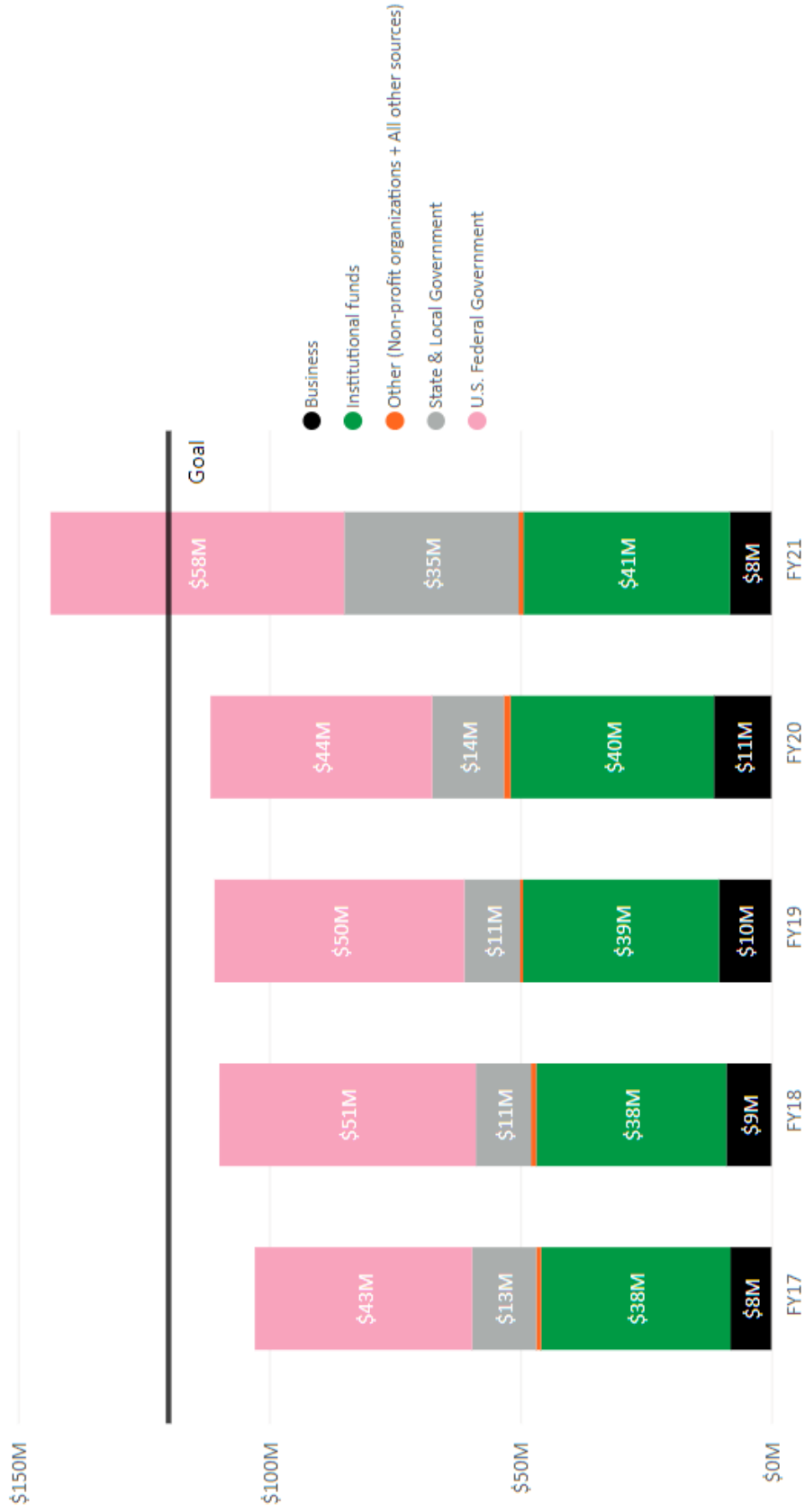


There's no greater opportunity for partnership than in our research programs. Research is critical to the creation of new knowledge and to develop opportunities that offer economic benefit to the state of North Dakota.

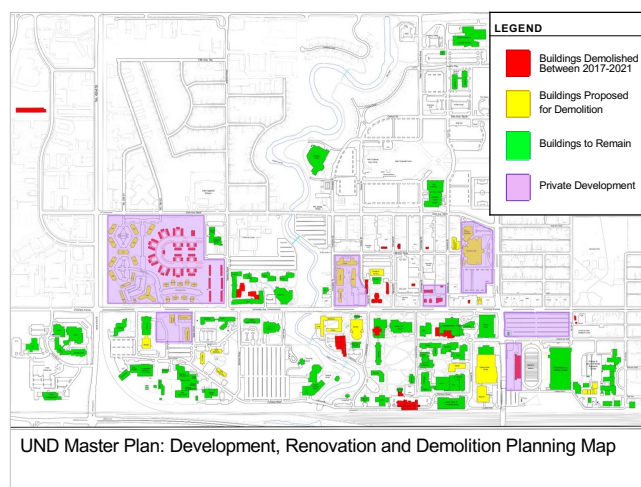
We are proud of our expanding research partnerships with federal agencies, state agencies, and industry. Our research expenditures grew year-over-year from \$111M to \$143M. This includes a 30% increase in federal research expenditures. Our FY22 expenditures will continue at the previous year's level. Central to this growth in funded research has been the identification of six Grand Challenges that focus on the areas of human health, rural health, energy, computational and data science, autonomy, and national security & space. We encourage the state to consider greater investment in university research, development, and innovation.

Research Growth

UND R&D by Source of Funds for FY17 through FY21



Changes to Physical Plant



2019 – Present Progress

State funds: \$26M
ARPA funds: \$55M
Donor funds: \$57M
Local funds: \$285M

Steam Plant construction
 Memorial Union construction
 Chester Fritz Library renovation
 Nistler College construction
 Brannon Hall renovation (residence)
 McVey & West construction (residence)
 O'Kelly Hall renovation
 Memorial Village construction
 Pollard Center addition
 Airport apron project
 Merrifield/Twamley Hall renovation

The physical transformation of the campus modernizes our educational programs and enhances the quality of student life. Our campus master plan describes steps to achieve three goals: (1) right-sizing the campus with a reduction in physical space of 2 million square feet, (2) reducing deferred maintenance by \$550M, and (3) consolidating academic activities to the historic quad. The map demonstrates this transformation by showing red buildings that have been removed, yellow buildings that will be removed, green buildings that will remain, and purple regions that represent spaces for possible private development.

In the last 3-4 years, a number of projects have enabled this transformation, but we aren't done yet. It is important to include this slide to show how the combination of funding sources can enable such a transformation. Among projects totaling more than \$400M in construction costs, state appropriations accounted for \$26M in state dollars, primarily for the Nistler College, and \$55M in federal ARPA dollars. Remaining funds came from donors, bonds, and student body decisions to cover most of the cost of the new Memorial Union via student fees.

We have truly tried to leverage state funding with other funds, and we will continue our efforts to be good stewards of state funding by promoting match opportunities with our donor community.

2021-23 One-Time Funding

Space and national security research & education **\$14M**

- Construction of satellite design and test facilities
- Construction of satellite operations and control facility
- Construction of UND's nanofoundry, a production & test facility for nano-materials

FEDERAL FUNDING

Merrifield/Twamley renovation: work begins Feb 2023 **\$50M**

Recommend use of remaining federal ARPA funding for inflationary adjustments to projects approved in special session

Flight apron repair **\$5M**

Before we move to the details of our proposed initiatives, let me provide a short summary of the status of prior one-time funding. We truly appreciate the support from the legislature to catalyze our work in space and national security. Between the regular and special session, you have enabled the creation of an infrastructure that will dramatically alter our academic and research opportunities. This support has been noticed by the federal government and has yielded two key partnerships with the Space Force and Grand Forks Air Force Base. UND and our growing capabilities were critical to the attraction of the new Space Development Agency's primary operating center to Grand Forks AFB, as well as the Test Resources Management Center and coming to Grand Forks. We have included in the attachments the specifics of how the state appropriations have been used.

The state's allocation of federal ARPA funding during the special session has enabled two projects: a renovation project for Merrifield and Twamley Halls and the repair of the flight apron for UND's aviation program. We also encourage the use of remaining ARPA funds for adjustments to ARPA-funded projects to help cover the dramatic increases in costs so that the originally approved projects may be completed.

Let me know turn the podium to Vice President Stewart. She will build upon comments made by the Chancellor and his staff last week about the impact of unfunded portions of benefits increases and the impact of inflation. I'll then return to talk about additional initiatives for which we are asking for support.

2023-25 Appropriations Request

Karla Mongeon-Stewart, VP Finance & Operations/COO



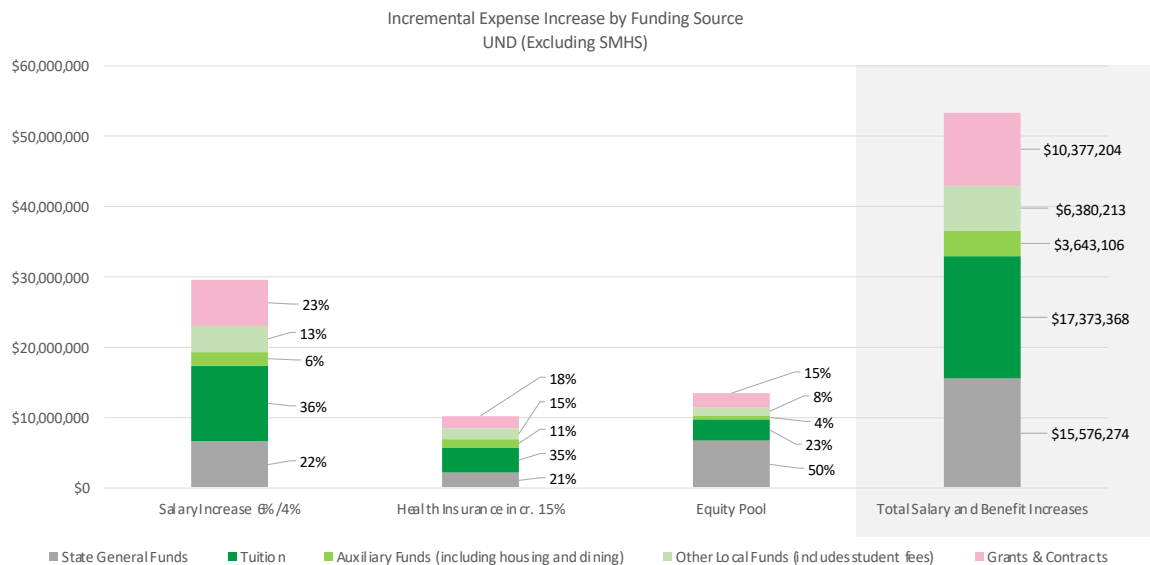
Base Funding Priorities for 2023-2025

▶ Needs-based budget	\$150M
▶ A 6%/4% salary increase	\$7.4M
▶ 15% health insurance increase	\$1.95M
▶ Tuition portion of the salary and benefits increases	\$14.4M
▶ Funding formula increase of 7.5% to address inflation	\$11.2M
▶ Equity salary pool SB 2015	
General Fund	\$6.7M
Tuition Share	\$3M

Base Funding Priorities by Line Item

1. Needs-based budget request represents a small decrease in formula funding (\$1,616,332) as a result of a reduction in credit hours of approximately 1%.
2. Support of the Governor's Executive recommendation of a 6% and 4% salary increase over the biennium.
 - **Salary and Benefits:** We are increasingly seeing staff shortages and a lack of qualified applicants for open positions. The proposed salary and benefit funding increase will help us address some of these issues.
 - UND wants to ensure that our employees and their families are compensated at levels to help them address the unprecedented inflation for goods and services
 - Consumer inflation has minimized the impact of the historical salary increases over the past several years
 - UND is experiencing a decrease in qualified applicants for open positions and often must readvertise positions multiple times
 - With the influx of the availability for online work, employees are able to expand their job searches nationally
 - Salaries are not competitive with the national market and there is market pressures both from the private sector as well as other states
 - South Dakota provided a 6% increase in wages for their state university employees and froze tuition
 - UND is seeing vacancies at a critical level in some areas which has forced us to decrease service levels in some areas
 - Market reviews and adjustments are needed at all levels
3. Support for the general fund portion of the 15% health insurance increase.
4. Consider funding the tuition portion of the salary and benefits increase proposed. This funding would allow the institution to minimize tuition and fee increases to our students and their families who also have been dealing with the repercussions of this unprecedented inflation.
5. Base increase to the funding formula of 7.5% (exclusive of any salary and benefit increase requested in the lines above).
 - This increase would give UND the ability to better address some significant inflationary operational expense increases. I will describe these in more details in a few minutes.
6. Support for the governor's equity pool. The funding for this pool is currently contained in SB 2015, but we have been notified by OMB and the NDUS that our share of that request is \$6.7M.
 - An equity pool is critical to addressing our recruitment and retention challenges as many of our positions are not currently in alignment with the market. If an equity pool is provided, base salaries can be adjusted to better align with the market surveys and address internal equity issues within UND prior to the allocation of salary increases.
 - The proposal by the governor assumes that 50% of the equity pool would come from general fund dollars. The remaining 50% is funded through other local funds, of which \$3M is tuition.
 - If the legislature is able to provide funding for the tuition portion of the salary and benefits increase; we would like consideration for funding the student share of this pool as well.

Salary and Benefits by Funding Source



This graph illustrates the multiple funding sources that UND relies on for its operations, or in this case for salaries and benefits.

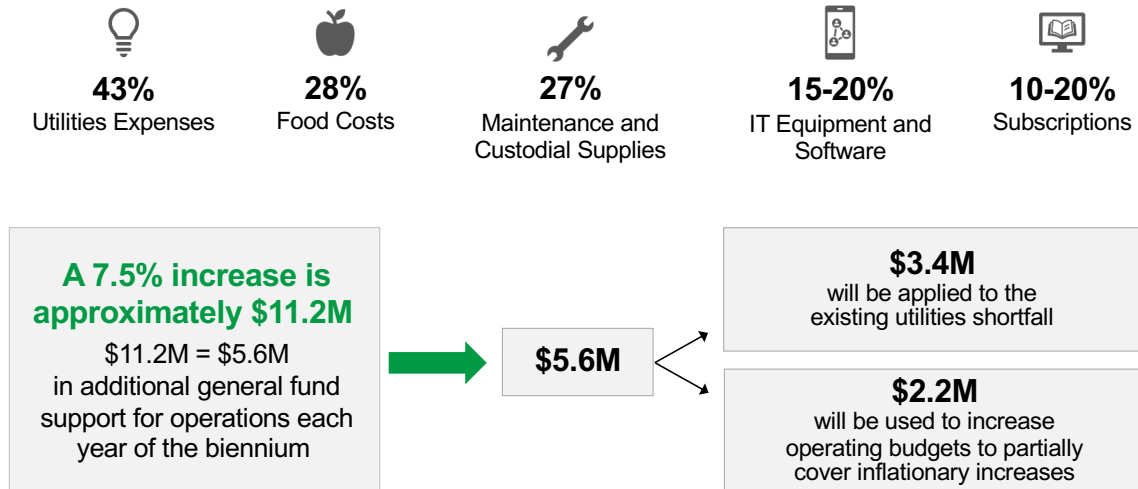
- The first level of funding is the state general fund.
 - Salary and benefit increases including health insurance covered by the general fund equals \$8.8M broken out as you can see.
 - The proposed equity pool would add an additional \$6.7M in general funding for a total increase in GF of \$15.6M.
- The second funding sources (in various shades of green) rely on revenues the institution generates primarily from students in the form of tuition, student fees and fee for services such as room and board, etc.
 - The largest portion (dark green) of this is the tuition share which provides \$17.4M of the funding. This ties back to the base funding request of \$14.4M for salary and benefits increases with an additional \$3M for the equity pool.
 - Auxiliary funds (lime green) represent the next funding source for these salary and benefit increases. The primary source of funding of this \$3.6M comes from housing, dining, parking and athletics ticket revenues.
 - The final other funding source (light green) is other local funds at \$6.4M. These funds represent revenues from student mandatory and nonmandatory fees including flight fees. There are also other funding sources included in this group which include departments that chargeback for services, gifts, etc. They manage their rates accordingly to fund operations as needed.
- The final funding source represented in pink is Grants and Contracts Revenues. This section represents EERC operations as well as all other grant-funded programs across the university. These increases are absorbed by the grants and are generally allowed for in the budgets of most federal, state and private grants.
 - The total grants and contract funding needed to cover their share of these increases is \$10.4M. These increases do not have a direct impact on students, but inflation does impact grant outcomes in the same ways as the university.

Salary and Benefits by Funding Source

Incremental Expense Increase by Funding Source
UND (Excluding SMHS)



UND Operational Expense and Inflationary Increases



UND is dealing with significant challenges related to the unprecedented inflationary environment in addition to the salary and market challenges I have already described.

Utilities

A new power plant, made possible through a public private partnership with JCI and UND was completed in October of 2019. No GF funds were used in the construction of this project. The university has been able to generate enough operational savings to cover the annual debt service of the new plant. In addition, 2 years ago, UND hedged its natural gas prices for 10 years so have been able to minimize the inflationary impact on natural gas prices which increased over 52% in the last year.

However, our utilities costs have continued to rise. The three primary reason for these increases are:

1. Colder than average temperatures
2. Increases electricity costs (increase have been between 11% and 18% over the past year)
3. A significant number of curtailments (UND was curtailed 24 days in FY22)
 - Curtailments are when our natural gas utility provider does not have sufficient capacity for all of its customers so it has UND get off of the "natural gas grid" until sufficient availability returns to the system
 - Natural gas curtailments have caused significant increases in our operating expenses for several reasons
 - When the institution is curtailed, the power plant converts from natural gas to fuel oil
 - The operating cost of transitioning from natural gas to fuel oil are significant and occur each time a curtailment is issued
 - The natural gas price per hour is approximately \$477 whereas the fuel oil cost per hour is \$4,572 or an 858% increase in raw commodity price per hour exclusive of additional operating costs

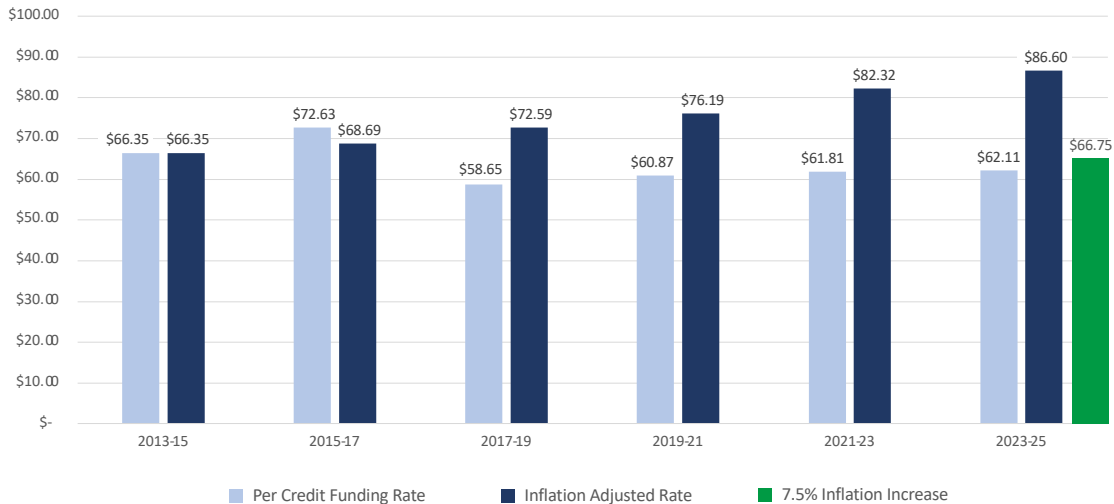
As a result, UND suffered a utilities operational deficit of approximately \$2M in FY22. In addition, rate increases in FY23 are expected to increase utility costs by an additional \$1.4M for a total budget shortfall of \$3.4M per year.

Other Operating Expenses

- Dining services has experienced a 28% increase in food cost and a total increase of \$1.2M in cost of goods sold
- Academic units are seeing significant increases in instructional supplies, IT equipment and software and the library is seeing a 10%-20% increase in online subscription every year
- Maintenance and custodial supplies have increased 27% which not only impact facilities, but also auxiliary units

If an inflationary increase of 7.5% were able to be funded, UND would utilize the \$5.6M per year first to offset the utilities shortfall. The remaining \$2.2M would help address the inflationary impacts on other items such as custodial and maintenance supplies, academic supplies, IT supplies and equipment and library subscription increases.

Funding Formula Rate Compared to Inflation Rate



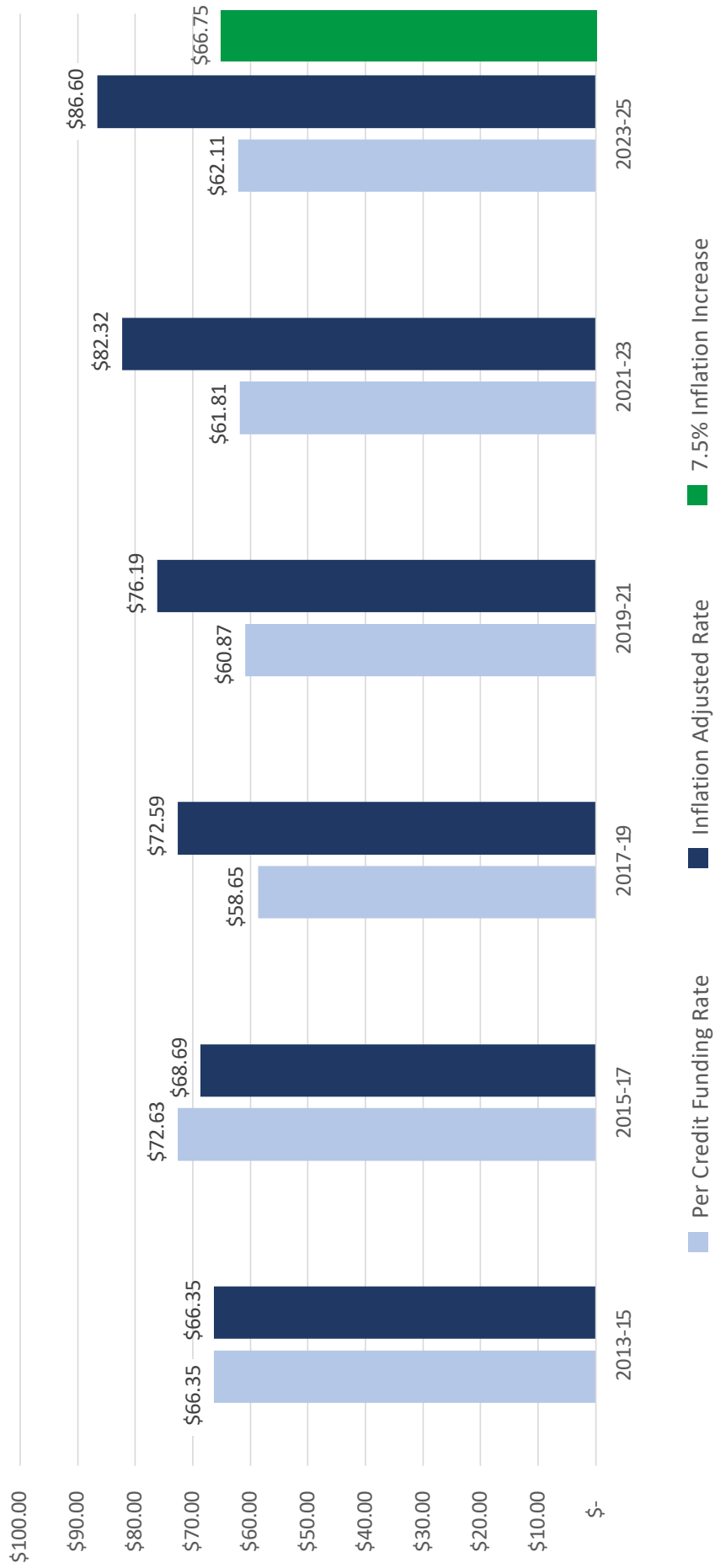
Inflation Impact on the Funding Formula

- The table displayed shows the Higher Education Funding Formula rates for research institutions (UND and NDSU) since the formula's inception during the 2013-15 biennium in light blue
- The dark blue bar to the right is the inflation adjusted rate based on the Higher Education Price Index which has been included in the appendix of your handout
- For many reasons, including the financial downturn in the state during 2017-2019, the formula funding rate has not kept pace with inflation
- When comparing the original rate of \$66.35 to the current rate of \$61.81, the funding formula rate has decreased 6.8% in real dollars over the past ten years or 31% in inflation-adjusted buying power

The Request

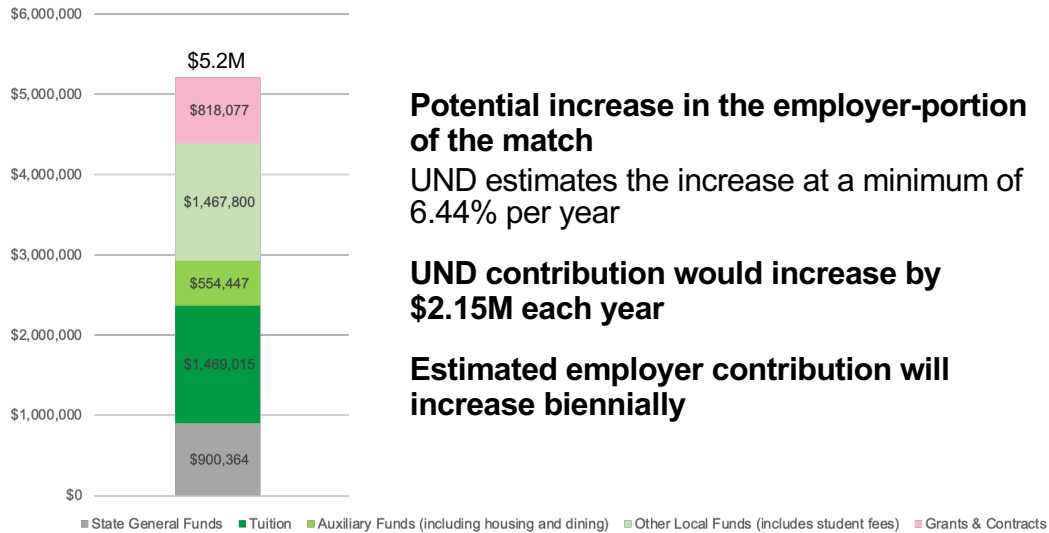
- The NDUS/UND is requesting an inflationary increase to the funding formula of 7.5% (exclusive of any salary and fringe increases described in the previous slides) to address the unprecedented inflation of operating expenses
- This increase would take steps for UND to be able to address significant operational issues as a result of this inflation

Funding Formula Rate Compared to Inflation Rate



NDPERS Defined Benefit Plan Changes – HB 1040

Incremental Expense Increase by Funding Source
NDPERS



Potential increase in the employer-portion of the match

UND estimates the increase at a minimum of 6.44% per year

UND contribution would increase by \$2.15M each year

Estimated employer contribution will increase biennially

The committee requested that we identify any other bills that may have an impact on UND.

HB1040 proposes closure of the defined benefit plan for NDPERS employees. A portion of UND employees participate in this plan. Similar to salaries and benefits, many of the employees that participate in this plan are paid from sources other than the general fund:

Based on our understanding of this bill as currently written there could be a significant financial impact to the campus.

- As the graph shows, based on preliminary estimates, the state general fund would cover \$900k of the increase, while other funding sources such as tuition, room and board rates and other student fees as well as grants and contracts funding will be responsible for funding the remaining majority of the increase.

We wanted to make sure this committee is aware of the potential impact to the operating budget of UND and all institutions of higher education due to our multiple funding sources.

With that, I will stand for any questions before I hand it back to President Armacost.

Incremental Expense Increase by Funding Source NDPERS



Additional Requests and Bills of Interest

Andy Armacost, President



Capital Project Requests

Science, Engineering & National Security Corridor planning, demo, ground preparation \$14.5M
(\$11.6M General Fund)

Support Tiers funding proposed changes **HB 1034**

EERC Building and Electrical Distribution Upgrade

- Seeking Legislative approval to bond through UND Alumni Association & Foundation for \$30M plus \$3M local funds

Other high priority UND projects

- Armory Renovation for ROTC programs
- Consolidated Allied Health Master Plan, Design & Construction
- Simulated rural emergency hospital
- Flight operations building

Let me begin with capital projects. Our number one priority, which is included on the NDUS list, is the first phase of work on a Science, Engineering, and National Security facilities project. The engineering programs at both UND and NDSU play an important workforce development role across our state, and modernizing our facilities is an imperative.

This project will include detailed design work that explores a combination of renovation and new construction to modernize our STEM educational and research facilities. This funding also covers the demolition of the aging Hyslop Sports Center and the preparation of that land as the site for future science and engineering facilities. This detailed design work will yield a shovel-ready project for the next biennium, when we would propose a state-donor match to make the building project a reality.

Turning now to the Tiers funding, we strongly support the recommendation of the Interim Higher Education Committee to modify the match requirement and to increase the funding available for extraordinary repairs.

At last week's NDUS briefing to the full committee, the EERC and its bonding proposal were discussed. The EERC generates its operating revenue through grants and contracts. It has a state appropriation to serve as the State Energy Research Center, currently at \$5M across the biennium. All other expenses are covered through grants and contracts.

The legislative request will authorize the UND Foundation to purchase revenue bonds, which will be repaid by EERC revenue. There is no state appropriation required for this transaction. The bond payments will be made from local funds generated from our F&A income from EERC grants and contracts. The additional \$3M in local funds will also come from F&A generation from EERC grants and contracts. I bring it up today to clarify key points and to have you ask any follow-up questions. The EERC is a unit of UND. Its head, Charlie Gorecki, serves on my executive team, and he's with us today.

Finally, to give you a sense of the other projects on our priority list, you see them listed here. All are tied to educational experiences and workforce development.

- Armory Renovation for ROTC programs: \$8.9M
- Consolidated Allied Health Master Plan, Design & Initial Construction: \$9M
- Simulated rural emergency hospital: \$6M
- Flight operations building: \$35M (donor + match)



NDUS Initiatives for 2023-25

UND supports the following NDUS initiatives:

- Behavioral Health Initiative (\$660,000 for UND)
- Workforce Education Innovation Grant program (\$3M for UND)
- Education Scholarships for Energy Workforce
- Veteran Education Training program
- Interim Higher Education Committee bills
- Nursing Education Consortium
- Restoration of minimum amount payable

In the NDUS testimony, a number of initiatives were presented. Here, we amplify support the student behavioral health initiative, which will allow us to expand services to students. The Workforce Education Innovation Grant program provides great opportunities across the system, and our appendix includes the UND list programs that could benefit, such as nursing, education, engineering, cybersecurity, quantum computing, and others.

We offer our support of other NDUS initiatives that support workforce, veterans, and nursing.

In addition, we offer our strong support to the interim committee proposals as well as the restoration of the minimum amount payable, which reduces immediate downside risk to fluctuations in enrollments.

Additional UND Requests for 2023-25

- Research and Economic Development through Legacy Fund earnings
- High Performance Computing (joint with NDSU) – \$3.2M for UND
- IT network redundancy installation, Phase I – \$4M
- Support Challenge Grant expansion **HB 1033**
- Removal of 2027 sunset clause for State Energy Research Center **SB 2161**
- Enhance Career Builders to address teacher and nursing shortages
- Support growth in North Dakota Indian Scholarship program
- Support NDUS Indigenous ancestor repatriation activity

Turning to UND-specific interest items, we believe it is important to continue the work to support university Research and Development using Legacy Fund earnings. In addition, we have two high-interest IT infrastructure items. Descriptions are included in the appendix, but we face a challenge where, in spite of our outlays for routine maintenance and upgrades, there are large IT infrastructure projects that are necessary but require additional support. The Challenge Grant program has catalyzed significant donor investment in scholarships and faculty support, in fact, bringing significant out-of-state donor funding to the state and the university. We strongly urge the continuation of this program, and the donor opportunities support funding levels even higher than the \$24M approved by the interim committee. Attracting students for key workforce areas like nursing and teaching should be considered through expanding opportunities in the Career Builders program to offer incentives that would help to alleviate shortages in these areas. Such a program should span the entire system.

Finally, much public attention has been paid to our efforts on the repatriation of Indigenous ancestors and returning them from UND to their tribal homelands. The broad discussion about repatriation has heightened the broader challenges these communities face, and we support the Governor's proposal to expand the state's Indian Scholarship program. Additionally, I must note the financial impact of repatriation on both UND and the entire university system will be significant.

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