

**2023-25 Biennium Budget Narration
for the Presentation to the Division of the Appropriations Committees**

**University of North Dakota
School of Medicine and Health Sciences**

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

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:

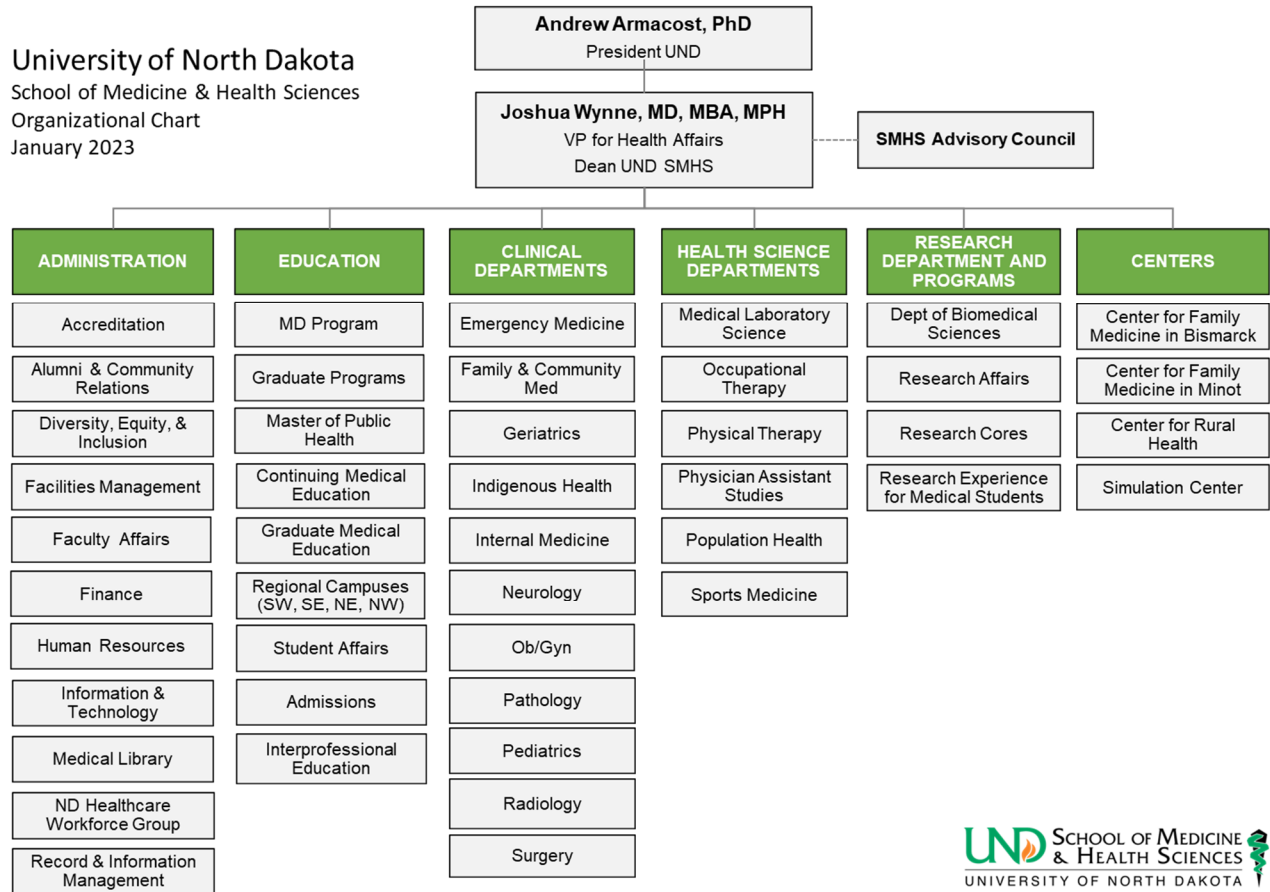
Healthcare Workforce Initiative (HWI): Starting in the 2019-21 biennium SMHS has a separate appropriation line for HWI. Appropriations have allowed additional 35 budgeted slots (out of 36 approved slots) of post-graduate residencies and expanded our North Dakota rural experiences. Our general fund appropriations 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. The SMHS is also starting a new Pediatrics residency program that will accept its first 4 residents in FY24, with 4 additional residents being accepted in FY25 and FY26, for a final total of new 12 resident slots. This new Pediatrics residency program will be funded with HWI carryover funding for the first 6 to 8 years. The funding will need to be evaluated at that time to determine if permanent HWI funding would need to be requested from the ND Legislature for these additional HWI resident slots.

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. Both programs continue to grow their student enrollment.

Rural Medicine Loan Forgiveness Program (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, 34 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 to a total of 16 per year or 64 total students; health sciences 30 per year or 90 total students.

The current organizational chart is attached below.



3. Report any 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. Received full 8-year accreditation from the Liaison Committee on Medical Education (LCME).

2. Continued Implementation of the Healthcare Workforce Initiative – which was to increase class sizes and growing residencies based on funding legislature has provided. The SMHS started the planning and accreditation process for the new Pediatrics residency program that will start accepting its first 4 residents in FY24.

3. Established a process of constant and recurring attention to and assessment of our compliance with accreditation standards.
4. 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.
5. Ranked by U.S. News & World Report as one of the best in the nation, ranking 3rd for its commitment to rural medicine.
6. Continued the Rural Medicine Loan Forgiveness (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.
7. Collaborated on Project Echo to address the opioid epidemic.
8. Increased grant proposals. Progressed in building research infrastructure with INBRE and COBRE grants, reaching \$48.7 million in grant awards.
9. Supervised the Tobacco Quitline.
10. Provided services to all 53 counties and all 33 rural hospitals by the Center for Rural Health and Rural Assistance Center.
11. 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.
- Fargo Campus aging facility
- Retaining high-performing basic sciences faculty
- Retaining high-performing staff and addressing salary equity concerns
- 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:

- Continued investment in research infrastructure including research active faculty hires with anticipated outcomes of increased research expenditures.
- Address the Fargo Campus aging facility and location concerns
- Continue to try and address the retention of high-performing faculty and staff

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

	General Fund	GF - HWI	Total
Base Funding			
Base budget 2021-23	\$57,446,808	\$10,676,150	\$68,122,958
Base adjustment	1,861,841		1,861,841
Cost to continue salaries	389,953		389,953
General Fund before Executive Proposal	59,698,602	10,676,150	70,374,752
Adjustments in Executive Budget			
6%/4% Salary Increase	3,368,540		3,368,540
Health Insurance Increases	862,571		862,571
Equity salary pool	1,942,905		1,942,905
General Fund before UND/NDUS Proposal	65,872,618	10,676,150	76,548,768
Adjustments proposed by UND/NDUS			
Inflationary increase of 7.5%	4,477,395		4,477,395
General Fund before SMHS Proposal	70,350,013	10,676,150	81,026,163
Adjustments proposed by UND SMHS			
6%/4% applied to HWI funding		633,360	633,360
Health Insurance Increases for HWI		162,182	162,182
General Fund Grand Total	\$70,350,013	\$11,471,692	\$81,821,706

	FTEs
2021-23	492.67
2023-25	488.83

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

2021-23 Legislative Base	
General Funds	57,446,809
General Funds - HWI	10,676,150
Tuition Funds	35,912,020
Special Funds	124,894,229
Total Funding Sources	228,929,208
Salary and Fringe Benefits	142,072,679
General Operating	73,680,379
Major Equipment	2,500,000
HWI Residents	10,676,150
Total Expenditures	228,929,208

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; Cost to Continue Salaries
- (2) Operating expenses: No changes
- (3) Capital assets: No changes
- (4) Grants: No changes
- (5) Any special line items: No changes
- (6) Estimated income - Special funds: Cost to Continue Salaries
- (7) Estimated income - Federal funds: None
- (8) General fund: Student Credit Hour Adjustment
- (9) FTE positions: Slight decrease from 492.67 to 488.83

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.

See UND Testimony – UND in conjunction with the SMHS are requesting support of \$9M for the Allied Health facility planning process.

9. Discuss agency collections that are deposited in the general fund or a special fund, and any anticipated changes from 2021 legislative session estimates during the 2021-23 biennium and estimated changes for the 2023-25 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. Provide a one-page itemized listing of the changes your agency is requesting the committee to make to the executive recommendation.

Complying with the Executive Recommendation Budget will increase both our salary/FB and operating budgets which is needed to increase salaries to a competitive level to retain high-

performing faculty and staff. The operating budget increase will allow us to continue pay the increased operating costs that we have been experiencing over the past decade.

The SMHS has requested an increase to their General Fund HWI medical resident budget to cover increases to salary and fringe benefits and health insurance for faculty, staff and medical residents. This HWI funding has remained flat for the 2019-21 and the 2021-23 biennium, so are requesting a \$795,542 increase in 2023-25 HWI funding to support a 6%/4% increase in salary and fringe costs and 15% increase in health insurance.

13. Provide a comparison of your agency's major requests to those recommended in the executive budget.

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14. Identify the purpose and amount of federal state fiscal recovery funding appropriated to your agency during the November 2021 special legislative session, the amount of funds spent to date, the timeline for obligating and spending the remaining funds, and any amounts that will not be obligated by December 2024.

Senate Bill No 2345 There is appropriated from federal funds derived from the state fiscal recovery fund, not otherwise appropriated, the sum of \$2,104,121, or so much of the sum as may be necessary, to the university of North Dakota school of medicine and health sciences for the purpose of purchasing equipment and hiring personnel to provide hyperbaric oxygen therapy for the period beginning with the effective date of this Act, and ending June 30, 2023

Campus	Project	Appropriated Federal Fund ARPA (special session HB1505 & SB2345)	Expenditures as of 11-30-2022	Amount of balance obligated at 12-31-24	Estimated Expended Funds at Project Completion	Project Completion Date	11.30.2022 Encumbrances
UND-SMHS	Hyperbaric Oxygen Therapy (SB2345)	2,104,121	210,319	1,893,802	2,104,121	6/30/2025	484,953

15. Identify the amount of federal funding available to your agency for the 2023-25 biennium, the purpose of the funding, federal deadlines for spending the funds, and your agency's plan for spending the funds.

N/A

16. Provide additional information as necessary.

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