



# Senate Appropriations – Education & Environment Division

68<sup>th</sup> Legislative Session  
March 13, 2023

Steve Shirley, PhD, President  
Brent Winiger, VP for Administration & Finance



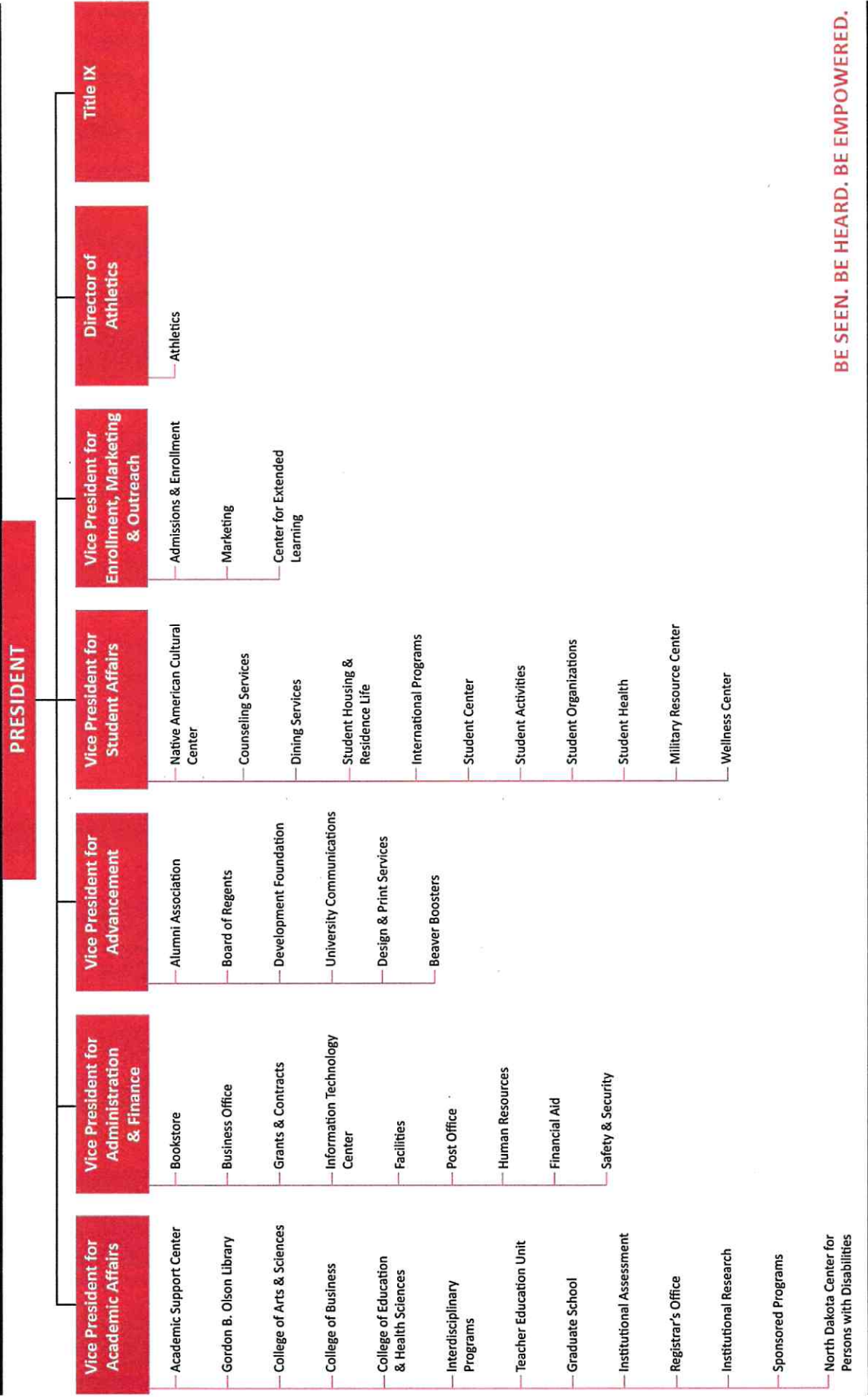
## **RELEVANT ND CENTURY CODE**

- ND Constitution:
  - Article VIII “Education,” Section 6d:
    - “The state normal schools and teachers colleges at Valley City, Mayville, Minot, and Dickinson.”
- ND Century Code:
  - Chapter 15-13-01 – Normal Schools – Locations – Names:
    - “The state normal schools established at.....Minot in the county of Ward; .....the name of the normal school at Minot is Minot State University.”
  - Chapter 15-18.1-05 – Postsecondary Education Minimum Standards:
    - “All postsecondary educational institutions must be accredited by national or regional accrediting agencies recognized by the United States department of education.”





# Organizational Chart



BE SEEN. BE HEARD. BE EMPOWERED.



## **AUDIT FINDINGS**

The June 30, 2022 NDUS financial audit report conducted by the State Auditor's Office contained one finding for

Minot State:

*“We recommend that MiSU....properly use fiduciary funds in accordance with GASB 84 and the NDUS Accounting Manual.”*

### **Minot State's Response:**

*“Agree. In FY2022, MiSU left its Remittance fund in the fiduciary range. In FY2023, a new BTA fund was created for this fund and the fiduciary fund was inactivated.”*



## **CAMPUS HIGHLIGHTS**

- **Higher Learning Commission Accreditation Visit**
  - Hosted a twice/10-year accreditation visit from HLC in April '22
  - Scored “Met” on all 18 core components; best outcome possible
- **Continued Nursing Partnership with Trinity Health**
  - Began 3<sup>rd</sup> 5-yr cycle of grant: Trinity provides \$250K/yr to MSU & \$100K/yr to DCB; 40% growth in nursing grads vs 10 yrs ago
- **“Empowering Generations” capital campaign in-progress**
  - MSU’s largest-ever capital campaign with goal of \$50M; 4 pillars of Scholarships, Academic Programs, Facilities, and Athletics
  - Publicly announced in Oct. '22; \$41.1M raised to-date; ongoing
- **MSU Outdoor Amphitheater**
  - Completed a \$2.8M fundraiser for a major renovation to the 50-year old facility; beautiful outdoor campus performing arts space
- **Magic City Daycare**
  - New agreement in 2021; host private daycare on campus
  - 37 attendees have been children of MSU employees/students
  - MSU students observe, work, and do clinical hours at daycare



## **CAMPUS HIGHLIGHTS**

- **Financing Efficiencies**
  - Restructured MSU debt by advance refunding and reissuing one bond series and the defeasance of another bond
  - Improves MSU's cash flow by ~ \$550,000 annually
  - Maintained "A" rating by S&P Global
- **Added Women's Wrestling**
  - 2022-23 was the first season of this intercollegiate sport at MSU
  - Provides added opportunities for females; first team in NDUS
- **Hometown Pride Scholarship**
  - New in 2021; \$1000 for freshmen from NW/Northcentral ND
  - 27% increase in 2022 freshmen from the target area
- **10-yr increase: Graduation & Freshmen Retention rates**
  - Graduation: 36% 10 yrs ago to 49% now; Retention: 66% to 72%
- **NSA/DHS Cyber Designation**
  - Feb. '22: designated by Dept. of Homeland Security & National Security Agency as a Center of Excellence in Cyber Defense
  - 3<sup>rd</sup> four-year campus in ND, SD, MT, & WY with this designation



# DHS/NSA CYBER DEFENSE DESIGNATION FEATURED IN JUNE '22 "PRAIRIE BUSINESS" MAGAZINE

**PB** | HIGHERED  
JUNE 2022  
VOL. 23/ISSUE 6

## MINOT STATE EARNS NATIONAL CYBER DEFENSE DESIGNATION

MINOT, N.D. • Minot State University has earned a national cyber-defense designation.

The designation - Center of Academic Excellence in Cyber Defense by the National Security Agency and the Department of Homeland Security - was given to the school's Management Information Systems through 2027.

The designation is awarded to regionally accredited academic institutions offering cybersecurity degrees and/or certificates at the associate, bachelor and graduate levels. The designation process is a combination of elements related to the institution, focused on outputs for determining academic achievement.


This combination assures that the institution meets the desired characteristics of a CAE-CD institution, and that the academic delivery to students is producing the qualified workforce needed by the nation.

"Earning the designation as a Center of Academic Excellence in Cyber Defense by the NSA and DHS is a significant honor for MSU, and specifically our College of Business," said Minot State President Dr. Steven Shirley. "This designation is a strong seal of approval from the federal government

regarding our cyber programming, and it will create wonderful new opportunities for current and future MSU students.

"Faculty have made major strides in both our business information technology and computer science academic areas, and this academic excellence acknowledgment is

yet another important affirmation of our expertise in these critical cyber areas."

With this designation, Minot State is formally recognized by the U.S. government for its robust cybersecurity-related programs, having undergone in-depth assessment and met rigorous requirements. 

THE DESIGNATION - CENTER OF ACADEMIC EXCELLENCE IN CYBER DEFENSE BY THE NATIONAL SECURITY AGENCY AND THE DEPARTMENT OF HOMELAND SECURITY - IS AWARDED TO REGIONALLY ACCREDITED ACADEMIC INSTITUTIONS OFFERING CYBERSECURITY DEGREES AND/OR CERTIFICATES AT THE ASSOCIATE, BACHELOR AND GRADUATE LEVELS.  
IMAGE: COURTESY OF MINOT STATE UNIVERSITY

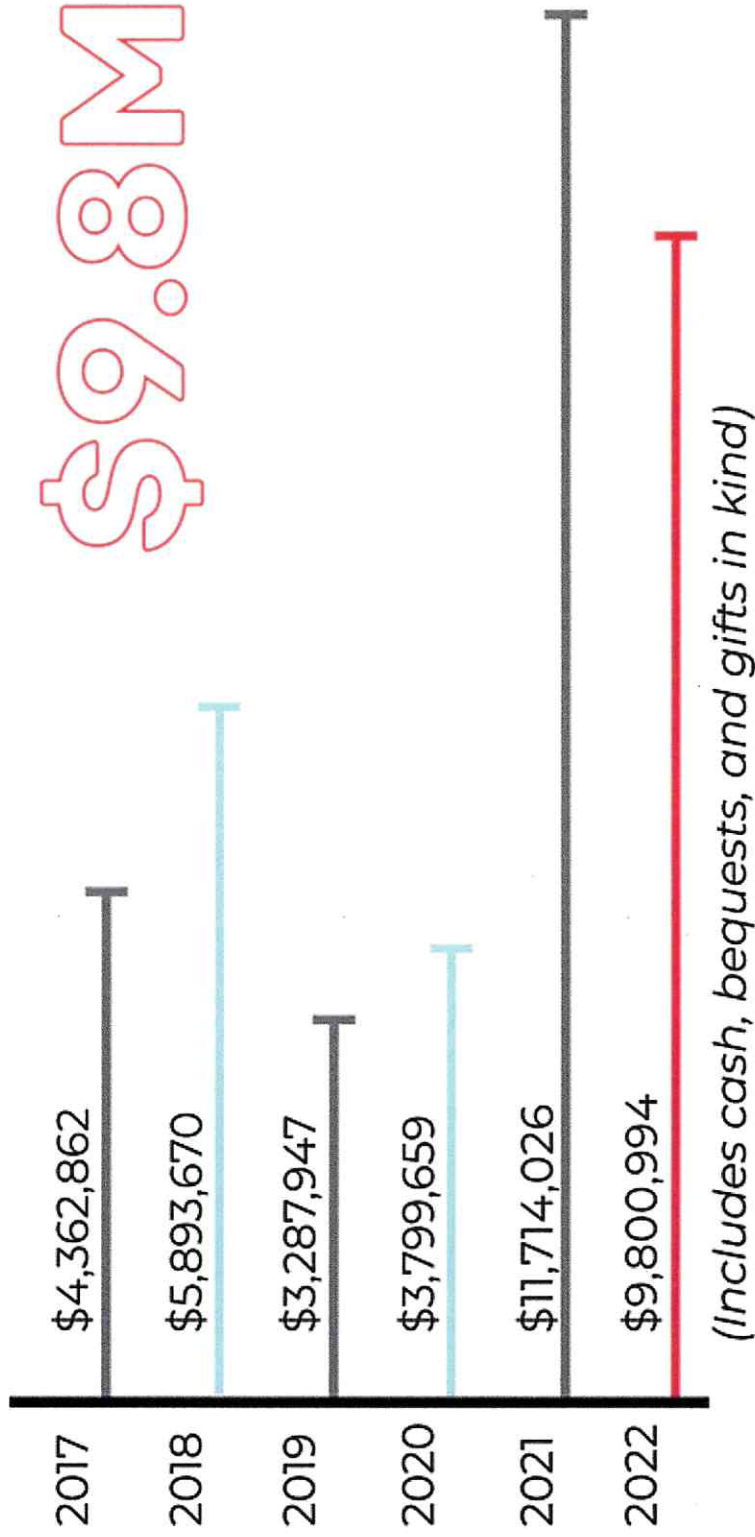


**Fundraising Update and Collaboration**  
**with the MSU Foundation**

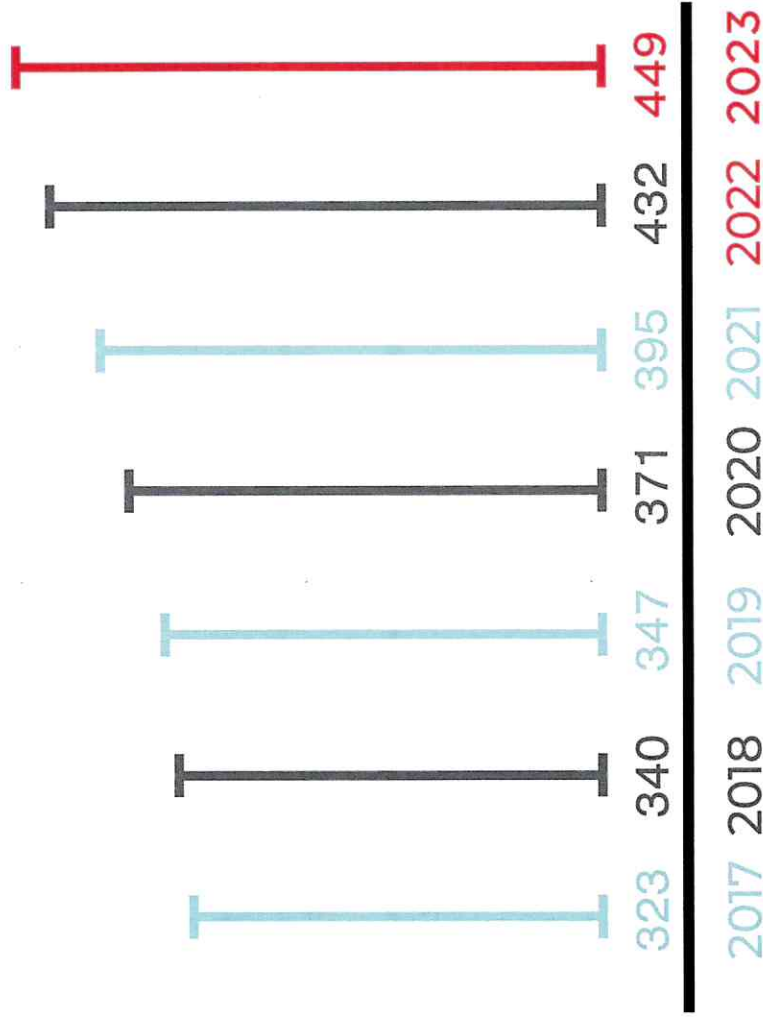




# Total Support By All Donors — Fiscal Year



# Fiscal Year Growth of Endowed Scholarships

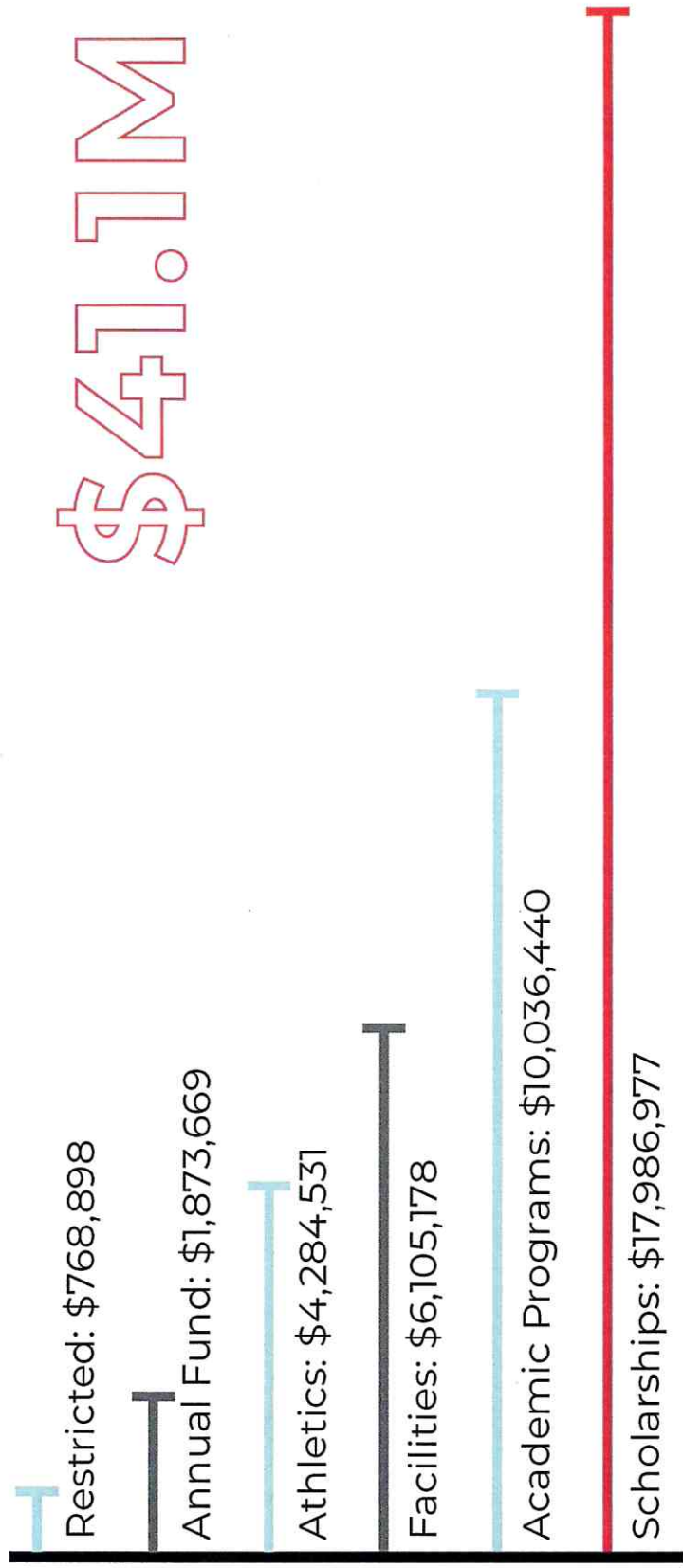


449

as of 2-10-2023



# \$50M Capital Campaign — Total Raised as of 2-15-2023



## **WORKFORCE INITIATIVES**

- **Teacher Education “Aspire Scholars” Program**
  - Partner w/ K-12 to address teacher shortages; “grow your own”
  - HS Scholars nominated; take MSU courses; paired w/ mentor
- **Special Education “Para to Professional” program**
  - Pathway for in-field paras to complete degrees online; DPI grant
  - 27 graduates as of Dec. ‘22 (began in 2020); more enrolled now
- **MSU School Psychology / Bureau of Indian Ed. partnership**
  - \$4.35M, 5-year grant received in Dec. ‘22 from US Dept. of Education
  - School Psyc. students will work w/ Turtle Mountain schools/NA students
- **Academic Program growth in new Bachelors programs**
  - Cybersecurity & Operations: 4 declared majors in F20; 34 in F22
  - Exercise Science & Rehabilitation: 45 majors in F20; 78 in F22
  - Entrepreneurship: 6 majors in F18; 24 in F22
- **Nursing Support and Scholarship Growth**
  - Trinity partnership; and Challenge grant growth of Nursing scholarships
- **New Academic offerings (UG certificates, associates)**
  - Data Science; Data Analytics; Associates in Accounting
- **Social Work @ NDSU**
  - Dual degree; MSU delivers the BSW degree at NDSU; 60-80 students



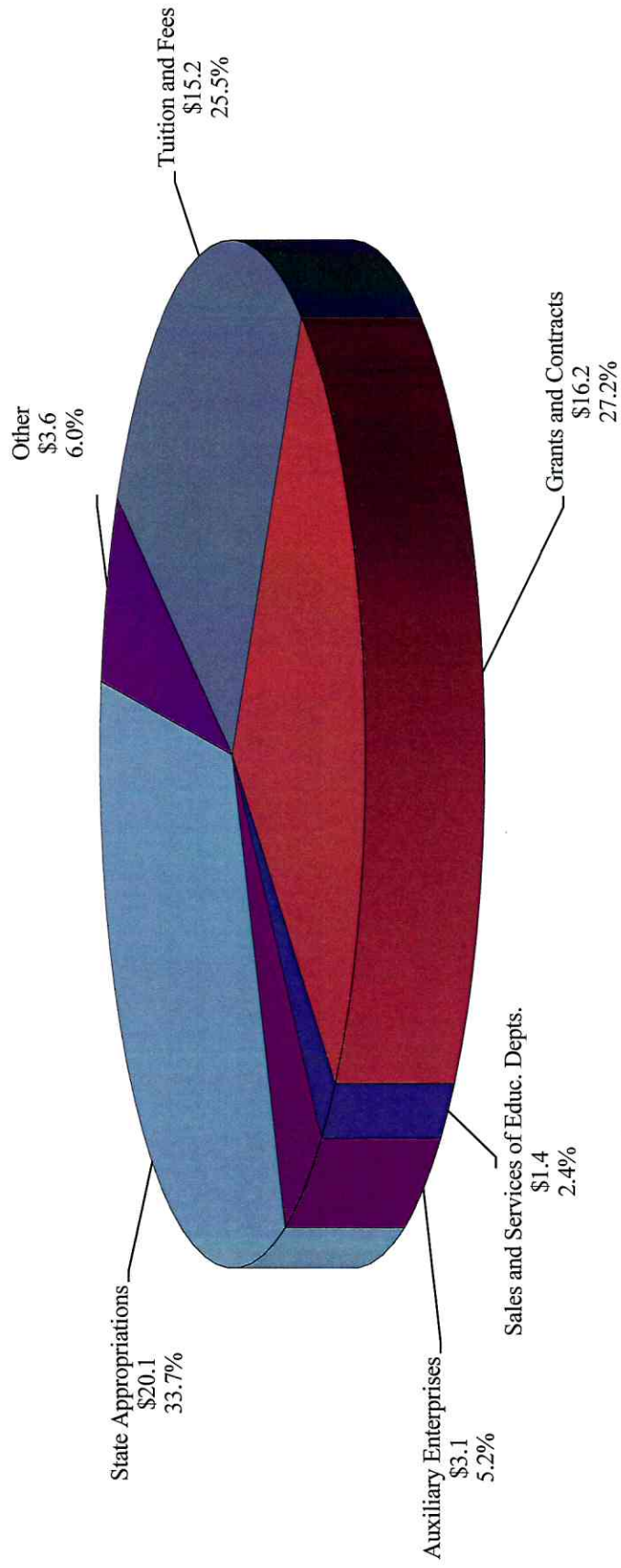
## **CURRENT CHALLENGES/PRIORITIES**

- **Enrollment**
  - Student enrollment is 2,777 in Fall '22; it was 3,348 in Fall '15 – a 17% drop in 7 years; similar to regional and national trends
  - New strategies include addition of Hometown Pride scholarship; 4-year renewable scholarship; new/revised academic programs
- **Competitive Salaries**
  - Competition for talent from both other governmental agencies & the private sector is creating recruitment/retention challenges
  - Currently reviewing and increasing salaries where possible with certain position classifications and lower-level wage earners
- **Inflationary impacts of materials/goods**
  - Renovation and construction project costs have escalated dramatically during the past 12-24 months
  - Utilities, food costs, transportation, and other ongoing operating expenditures are driving costs up across every aspect of campus



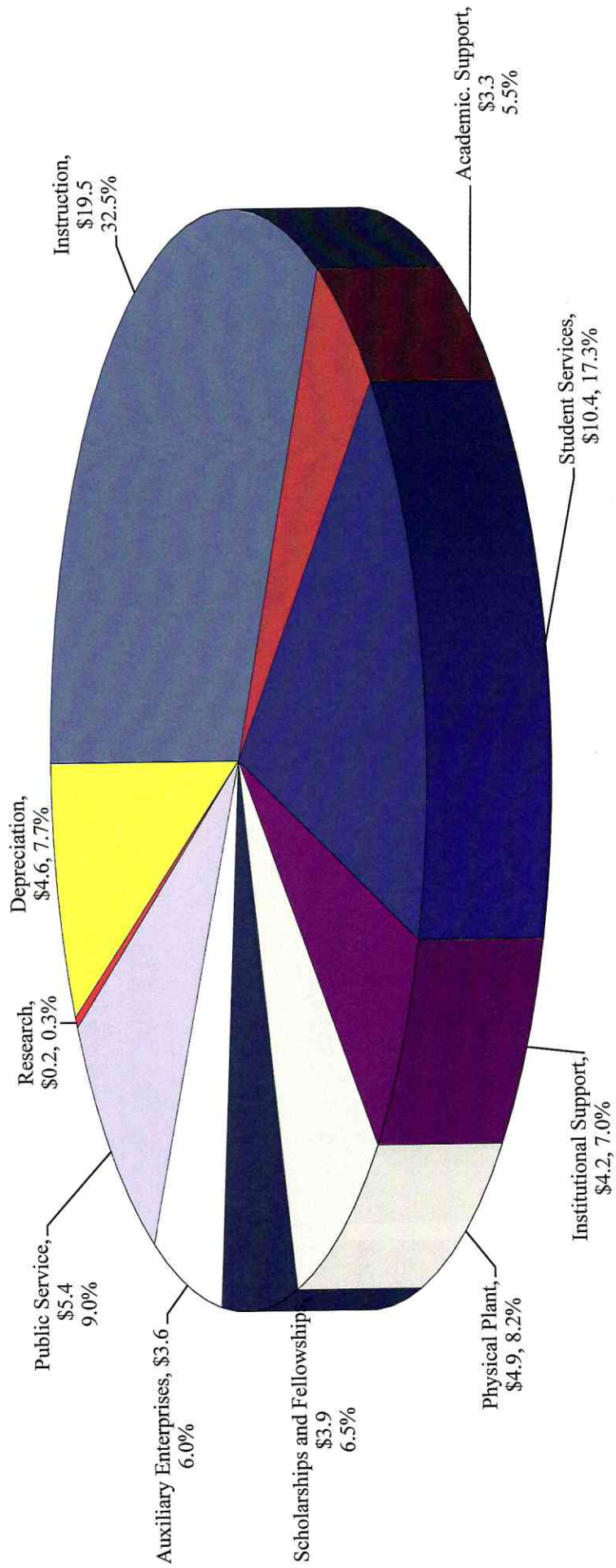
# Minot State University Total Revenue, Excluding Capital Fiscal Year 2022

(\$ in millions)  
Total Revenue \$59.6 million



**Minot State University**  
**Operating Expenses by Function**  
 (excluding capital items and other nonoperating expenses)  
 Fiscal Year 2022

**Total Operating Expenses: \$60.0 million**



## Minot State University

### Comparison of 2021-23 Base Budget, Needs-Based Request and 2023-25 HB 1003 Engrossed

	2021-23 Base Level	2023-25 SBHE Needs-Based Budget	2023-25 HB 1003 Engrossed	HB 1003 Difference from 2021-23 Base Level
Campus Operations	\$ 104,154,777	\$ 105,070,241	\$ 113,814,501	\$ 9,659,724
Capital Assets	\$ 1,099,620	\$ 2,820,760	\$ 12,964,620	\$ 11,865,000
Behavioral Hlth Initiative		\$ 170,000	\$ 170,000	\$ 170,000
<b>Total Appropriation</b>	<b>\$ 105,254,397</b>	<b>\$ 108,061,001</b>	<b>\$ 126,949,121</b>	<b>\$ 21,694,724</b>
General Fund	\$ 41,206,630	\$ 43,680,994	\$ 47,396,793	\$ 6,190,163
Special Funds	\$ 64,047,767	\$ 64,380,007	\$ 79,552,328	\$ 15,504,561
<b>Total Funding Sources</b>	<b>\$ 105,254,397</b>	<b>\$ 108,061,001</b>	<b>\$ 126,949,121</b>	<b>\$ 21,694,724</b>





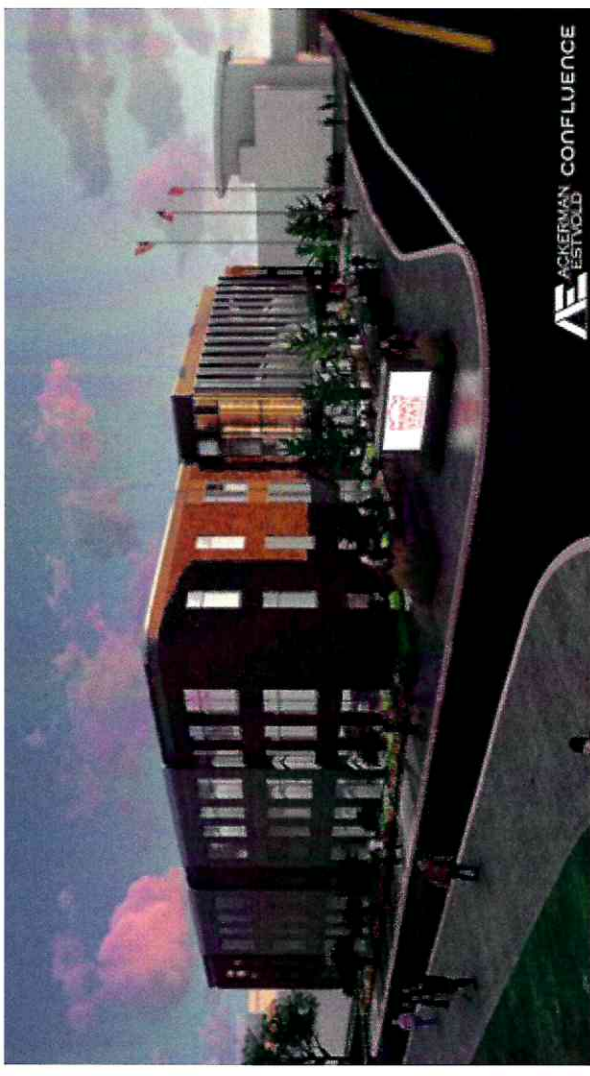
**MINOT STATE UNIVERSITY**  
 2023-2025 General Funds Budgets Comparison

	SBHE Request	HB 1003 Engrossed
2021-2023 General Fund Base Budget	\$ 41,206,630	\$ 41,206,630
Base Budget Request		
- Funding Formula increase	\$ 1,342,514	\$ 1,342,514
- Salary continuation adjustment	\$ 196,850	\$ 196,850
- Salary Increase		\$ 2,944,280
- Health Insurance Increase		\$ 1,536,519
- Behavioral Health Initiative	\$ 170,000	\$ 170,000
Total Base General Fund Request	\$ 1,709,364	\$ 6,190,163
2023-2025 General Fund Base Budget	<u>\$ 42,915,994</u>	<u>\$ 47,396,793</u>
One-Time Capital Funding		
Dakota Hall Renovation	\$ 765,000	\$ 765,000 (SIIF)
Academic Buildings Renovations		\$ 7,600,000 (SIIF)



## **UPDATE - NOV. '21 SPECIAL SESSION APPROPRIATION**

- \$25M appropriation for Hartnett Hall
- Construction underway – environmental/asbestos remediation completed last spring and renovation began last summer
- Scheduled for completion in Dec. '23 / Jan. '24
- THANK YOU!

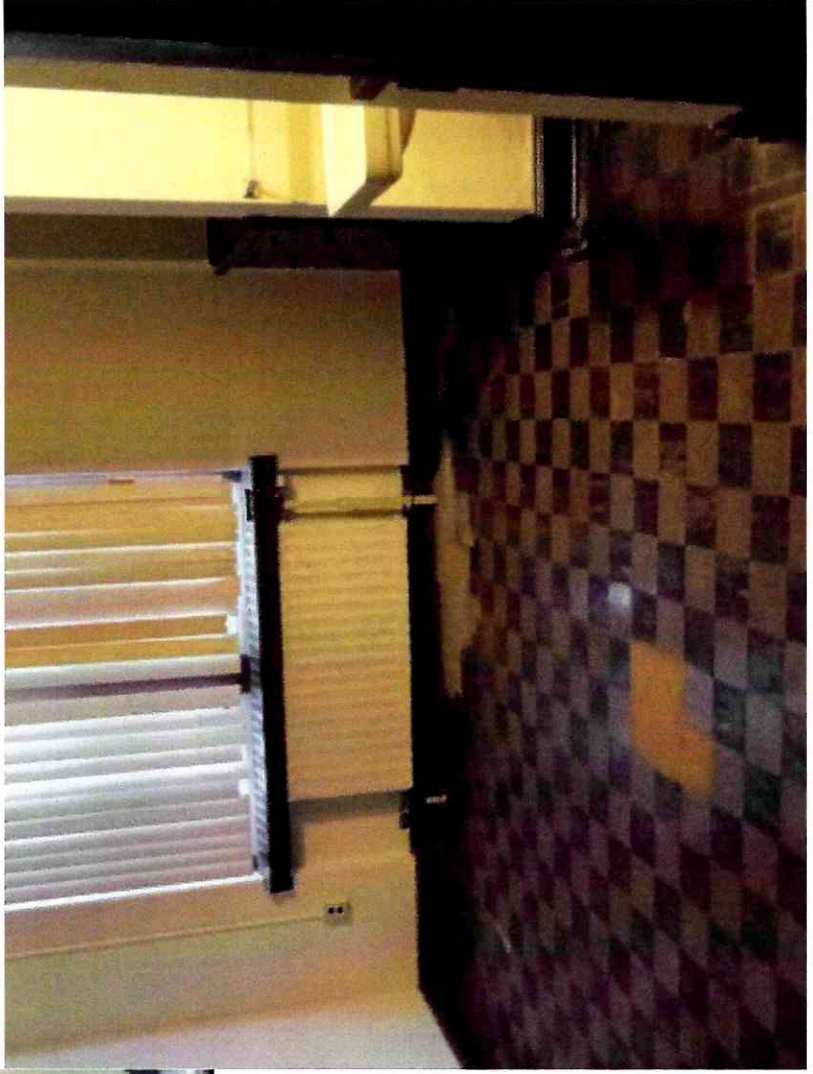


## **ONE-TIME FUNDING - DAKOTA HALL DEMOLITION**

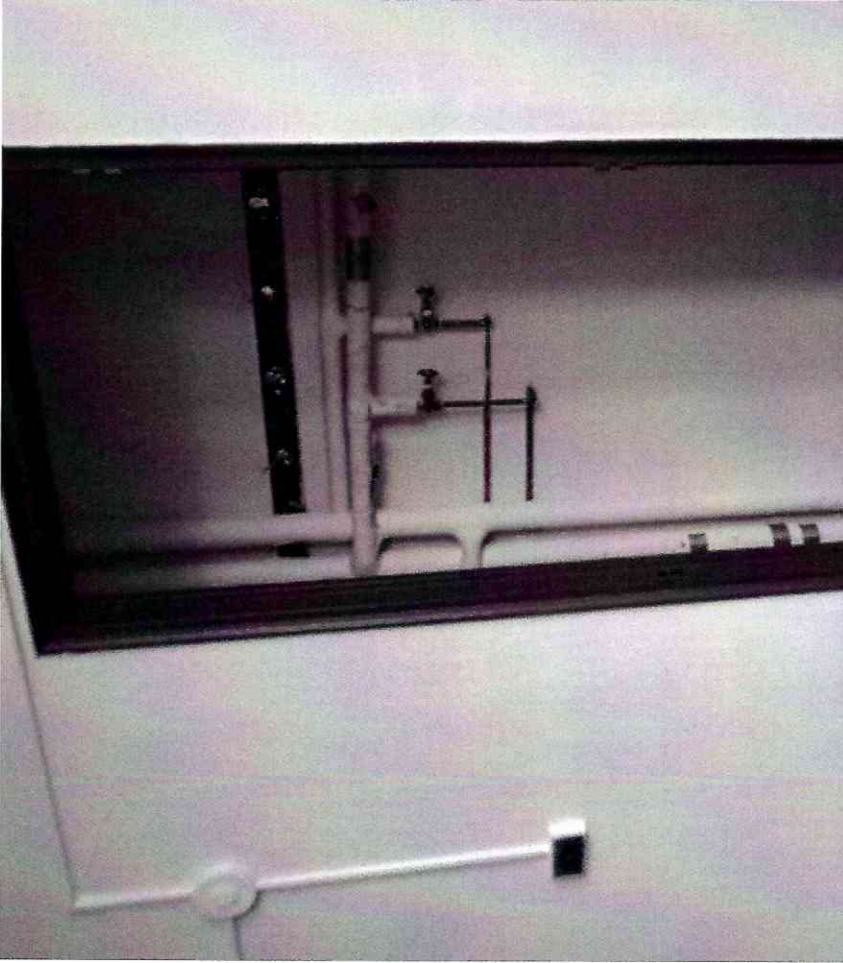
- \$765,000 demolition; 29,736 square foot building
- Residence Hall built in 1931; poor quality housing - mostly vacant – no current student occupants; (Daycare on 1<sup>st</sup> floor)
- Ranked in 1st group by SBHE among campus capital projects
- Full renovation estimated at \$6.5M+; asbestos, new room layouts, full plumbing replacement, new fire suppression, elevator, flooring, new roof, electrical upgrades.
- Non-competitive - old-style residence hall. Plenty of other modern, suite-style apartment options on/near campus
- Demolition would save steam loop heating, electricity, insurance, maintenance; approximately \$50,000/annually



# ONE-TIME FUNDING - DAKOTA HALL DEMOLITION



**ONE-TIME FUNDING - DAKOTA HALL DEMOLITION**



**ONE-TIME FUNDING - \$8M IN HOUSE HB1003 -**  
**FOR ACADEMIC SPACE RENOVATIONS**

- Nursing Program Expansion
- Hoffman Science Auditorium renovation
- Biology Greenhouse Replacement
- Restore Scope Reductions to Hartnett Hall project
- Classroom updates and modernizations
- Model Hall renovations
  - Computer Science/Cybersecurity modernization
  - Math



**SPECIAL FUNDS AUTHORITY –**  
**MSU STUDENT CENTER 2<sup>ND</sup> FLOOR**  
**RENOVATION**

- Students voted in March 2022 to self-fund a renovation of the 2<sup>nd</sup> Floor of the Student Center
- Expands student gathering and activity spaces in the Center
- \$3.1 million renovation
- Seeking special funds Legislative authority for bond financing
  - funded from a new student fee (\$87.12/student/semester)
  - no state funding required



## **MINOT STATE UNIVERSITY SUPPORTS:**

- The HB 1003 House increases for the compensation package
- A construction inflation adjustment for ARPA-funded projects
- Behavioral/Mental Health Initiative funding in HB1003
- Continued support/increases to the Challenge Fund
  - The Higher Ed Challenge Fund has been a MAJOR boost with donor philanthropy to grow scholarships





**THANK YOU FOR YOUR TIME TODAY AND  
YOUR SERVICE TO NORTH DAKOTA**

**QUESTIONS?**



