

North Dakota University System Office - Budget No. 215
House Bill No. 1003
Base Level Funding Changes

	Executive Budget Recommendation				House Version				House Changes to Executive Budget Increase (Decrease) - Executive Budget			
	FTE Positions	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total
2023-25 Biennium Base Level	158.83	\$116,898,476	\$25,757,035	\$142,655,511	158.83	\$116,898,476	\$25,757,035	\$142,655,511	0.00	\$0	\$0	\$0
2023-25 Ongoing Funding Changes												
Base payroll changes	4.00	\$211,768	\$82,198	\$293,966	4.00	\$211,768	\$82,198	\$293,966				\$0
Salary increase		1,940,770	723,804	2,664,574		1,439,734	542,026	1,981,760		(\$501,036)	(\$181,778)	(682,814)
Health insurance increase		496,486	242,398	738,884		507,907	247,974	755,881		11,421	5,576	16,997
Adds funding for financial aid staff				0		125,000		125,000		125,000		125,000
Increases funding for the academic and CTE scholarship programs to provide a total of \$17,216,749		1,000,000		1,000,000		1,000,000		1,000,000				0
Increases funding for the Native American scholarship program to provide a total of \$1 million		444,677		444,677		444,677		444,677				0
Removes funding for the dual-credit tuition scholarship			(1,500,000)	(1,500,000)				0			1,500,000	1,500,000
Increases funding for the veterans assistance program to provide a total of \$454,875		177,000		177,000		177,000		177,000				0
Adds funding for tribal college grants to provide a total of \$2 million				0		1,000,000		1,000,000		1,000,000		1,000,000
Adds funding for student financial assistance grants to provide a total of \$35.9 million				0		12,000,000		12,000,000		12,000,000		12,000,000
Adds funding for maintenance of a new financial aid system		273,180		273,180		273,180		273,180				0
Adds funding for software costs and a security operations center		2,500,000		2,500,000		4,500,000		4,500,000		2,000,000		2,000,000
Adds funding for the general fund Capitol space rent model		143,625		143,625		143,625		143,625				0
Reduces funding for capital bond payments		(2,187,368)		(2,187,368)		(2,187,368)		(2,187,368)				0
Adds funding to limit tuition increases				0		939,310		939,310		939,310		939,310
Total ongoing funding changes	4.00	\$5,000,138	(\$451,600)	\$4,548,538	4.00	\$20,574,833	\$872,198	\$21,447,031	0.00	\$15,574,695	\$1,323,798	\$16,898,493
One-Time Funding Items												
Adds funding for the higher education challenge grant program			\$50,000,000	\$50,000,000		\$36,000,000		\$36,000,000		\$36,000,000	(\$50,000,000)	(\$14,000,000)
Adds funding for the behavioral health initiative		\$3,640,624		3,640,624				0		(3,640,624)		(3,640,624)
Adds funding for a new financial aid software system		1,554,354		1,554,354		1,554,354		1,554,354				0
Adds funding to continue the Dakota Digital Academy		450,000		450,000		450,000		450,000				0
Adds funding from the legacy earnings fund for energy workforce education scholarships			10,000,000	10,000,000				0			(10,000,000)	(10,000,000)
Adds funding for workforce education innovation grants		10,000,000		10,000,000		10,000,000		10,000,000				0
Adds funding for support of single parents				0		4,500,000		4,500,000		4,500,000		4,500,000
Adds funding for passthrough grants				0		20,100,000		20,100,000		20,100,000		20,100,000
Total one-time funding changes	0.00	\$15,644,978	\$60,000,000	\$75,644,978	0.00	\$72,604,354	\$0	\$72,604,354	0.00	\$56,959,376	(\$60,000,000)	(\$3,040,624)

Total Changes to Base Level Funding	4.00	\$20,645,116	\$59,548,400	\$80,193,516	4.00	\$93,179,187	\$872,198	\$94,051,385	0.00	\$72,534,071	(\$58,676,202)	\$13,857,869
2023-25 Total Funding	162.83	\$137,543,592	\$85,305,435	\$222,849,027	162.83	\$210,077,663	\$26,629,233	\$236,706,896	0.00	\$72,534,071	(\$58,676,202)	\$13,857,869
<i>Federal funds included in other funds</i>			\$0				\$0				\$0	
<i>Total ongoing changes as a percentage of base level</i>	2.5%	4.3%	(1.8%)	3.2%	2.5%	17.6%	3.4%	15.0%				
<i>Total changes as a percentage of base level</i>	2.5%	17.7%	231.2%	56.2%	2.5%	79.7%	3.4%	65.9%				

Other Sections in North Dakota University System Office - Budget No. 215

	<u>Executive Budget Recommendation</u>	<u>House Version</u>
Additional funds appropriation authority	Section 9 would appropriate any additional other funds received by entities under the control of the State Board of Higher Education to the respective entities.	Section 3 appropriates any additional other funds received by entities under the control of the State Board of Higher Education to the respective entities.
MaSU Old Main renovation		Section 4 appropriates \$49,970,100 from SIIF for the renovation of Old Main at MaSU.
Extraordinary repairs matching funds	Section 14 would require institutions to match state extraordinary repairs funding on a \$2 to \$1 basis using operations or other funding.	Section 5 requires institutions to match state extraordinary repairs funding on a \$1 to \$1 basis using operations or other funding, except for UND and NDSU, which must match \$2 to \$1.
Strategic investment and improvements fund	Section 20 would identify \$9,624,100 for capital projects, including the LRSC wind turbine replacement, DSU agriculture and technical education building, MaSU Old Main renovation, MISU Dakota Hall demolition, and DCB Old Main renovation, is from SIIF.	Section 6 identifies \$293,290,000 for various institution capital projects is from SIIF.
NDSU workforce education		Section 7 identifies \$4.8 million appropriated from the general fund to NDSU is for creating or expanding programs and enrollment initiatives to address workforce needs.
Support for single parents		Section 8 identifies \$4.5 million appropriated from the general fund to the University System office is for support for single mothers.
Severance agreement transfer		Section 9 provides for the transfer of \$367,000 from University System office carryover to NDSU for the cost of a severance agreement entered into with the previous President of NDSU. Section 19 provides for future severance agreements to be paid from the University System office budget, subject to Emergency Commission and Budget Section approval.
Dual-credit tuition scholarships		Section 10 provides for a transfer of \$1.5 million from Bank of North Dakota profits to the University System office for dual-credit tuition scholarships.
Career builders		Sections 11 and 12 provide for transfers totaling \$15 million from Bank profits to the career builders program. Sections 23 through 25 amend language to continue and expand the program.
Capital building fund program	Sections 15 and 16 would provide for the continuation of the capital building fund program, including a transfer of \$19 million from SIIF to the University System capital building fund and the authorization to use money in the fund for new capital projects.	Sections 13 and 14 provide for the continuation of the capital building fund program, including a transfer of \$29 million from SIIF to the University System capital building fund and the authorization to use money in the fund for new capital projects. Section 34 restricts the use of capital building fund money for deferred maintenance and extraordinary repairs projects to academic and student housing facilities.
Capital projects requests - Restriction		Section 15 restricts the State Board of Higher Education from requesting state funds for capital projects from the 69th Legislative Assembly.

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Project management oversight	Section 10 would require capital projects authorized by the State Board of Higher Education to have adequate project oversight by an institution official or representative of an external entity.	Section 16 requires capital projects authorized by the State Board of Higher Education to have adequate project oversight by an institution official or representative of an external entity.
UND School of Medicine and Health Sciences funding	Section 11 would authorize the transfer of funds between UND and the UND School of Medicine and Health Sciences based on the recommendation of the Commissioner of Higher Education.	Section 17 authorizes the transfer of funds between UND and the UND School of Medicine and Health Sciences based on the recommendation of the Commissioner of Higher Education.
Higher education trends - Report		Section 18 provides for the Chancellor of the University System to provide an annual report to the Budget Section regarding higher education trends.
Academic program approval		Section 20 requires the State Board of Higher Education to approve institution requests for new academic programs within 30 days.
Disclosure of financial condition		Section 21 requires the State Board of Higher Education to provide a disclosure of financial condition to qualified applicants designated as finalists for the position of president.
Campus policies and procedures		Section 22 provides the president of an institution may adopt policies, procedures, and directives for the institution without the approval of faculty and others through shared governance.
Higher education challenge grants	Sections 3 and 5 would adjust the higher education challenge grant statutory language and provide for the distribution of up to \$50 million of grant funds to eligible institutions. Section 4 would eliminate the allocation of higher education challenge grant funds for the UND School of Law.	Sections 26 through 28 adjust the higher education challenge grant statutory language and provide for the distribution of up to \$36 million of grant funds to eligible institutions. Section 38 eliminates the allocation of higher education challenge grant funds for the UND School of Law; however, funding would still be made available under the UND allocation. Section 38 also eliminates the definition of "projects dedicated exclusively to the advancement of academics" to allow the matching grants to be used as the donor and institution choose.
Workforce Development Council		Section 29 provides for the Workforce Development Council to replace the Workforce Education Advisory Council, which is eliminated in Section 38.
Capital project requests - Matching funds		Section 30 requires institutions to identify matching funds for future capital project requests for state funds.
Higher education funding formula	Section 6 would adjust the base credit-hour funding rates of the higher education funding formula. Section 7 would restore the 96 percent minimum amount payable provision in the higher education funding formula.	Section 31 provides for all CTE credits to receive a weighting factor of 5 in the higher education funding formula. Section 32 adjusts the base credit-hour funding rates of the higher education funding formula. Section 33 restores the 96 percent minimum amount payable provision in the higher education funding formula.
Student financial assistance grants		Section 35 increases the maximum award amounts for the needs-based student financial assistance grant program. Section 46 declares Section 35 to be an emergency measure.
Digitization of Theodore Roosevelt documents		Section 36 removes the requirement for DSU to establish an endowment for the digitization of documents relating to Theodore Roosevelt.

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Carryover authority	Section 8 would continue the authorization through July 31, 2025, for institutions under the control of the State Board of Higher Education to continue unexpended appropriations at the end of a biennium.	Section 37 continues the authorization through July 31, 2025, for institutions under the control of the State Board of Higher Education to continue unexpended appropriations at the end of a biennium.
Transfer authority	Section 12 would provide that the State Board of Higher Education may transfer funds from an institution's operations line item to the institution's capital assets line item if the board determines that additional funds are needed for capital assets.	Section 39 provides that the State Board of Higher Education may transfer funds from an institution's operations line item to the institution's capital assets line item if the board determines that additional funds are needed for capital assets.
FTE positions	Section 13 would authorize the State Board of Higher Education to adjust FTE positions as needed, subject to the availability of funds, for institutions and entities under its control.	Section 40 authorizes the State Board of Higher Education to adjust FTE positions as needed, subject to the availability of funds, for institutions and entities under its control.
Capital building fund - Matching funds exemption		Section 41 provides an exemption to allow LRSC to use money in its capital building fund allocation for the wind turbine gear box replacement without providing matching funds.
Capital projects carryover	Sections 17 and 21 through 28 would provide exemptions for institutions to continue appropriation authority for various capital projects.	Sections 42 and 43 provide exemptions for institutions to continue appropriation authority for various capital projects.
Tuition rate increase limitation		Section 44 provides for a tuition freeze, excluding certain high-cost programs which are limited to a tuition rate increase of 1 percent per year.
Dental hygienist credits		Section 45 provides legislative intent that dental hygienist program courses be transferred to the CTE instructional program classification factor in the higher education funding formula.
Legacy earnings fund	Sections 18 and 19 would identify \$60 million, including \$50 million for higher education challenge grants and \$10 million for energy workforce education scholarships, is from the legacy earnings fund.	