



ACCESS. INNOVATION. EXCELLENCE.

**SENATE APPROPRIATIONS  
EDUCATION AND ENVIRONMENT DIVISION  
2025 SENATE BILL 2003**

**NDUS SYSTEM OFFICE  
JANUARY 15, 2025**

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# NDUS Statutory Authority and Mission

## **Agency Statutory Authority**

ND Constitution Article VIII, Section 6; North Dakota Century Code Chapter 15-10.

## **Agency Mission Statement**

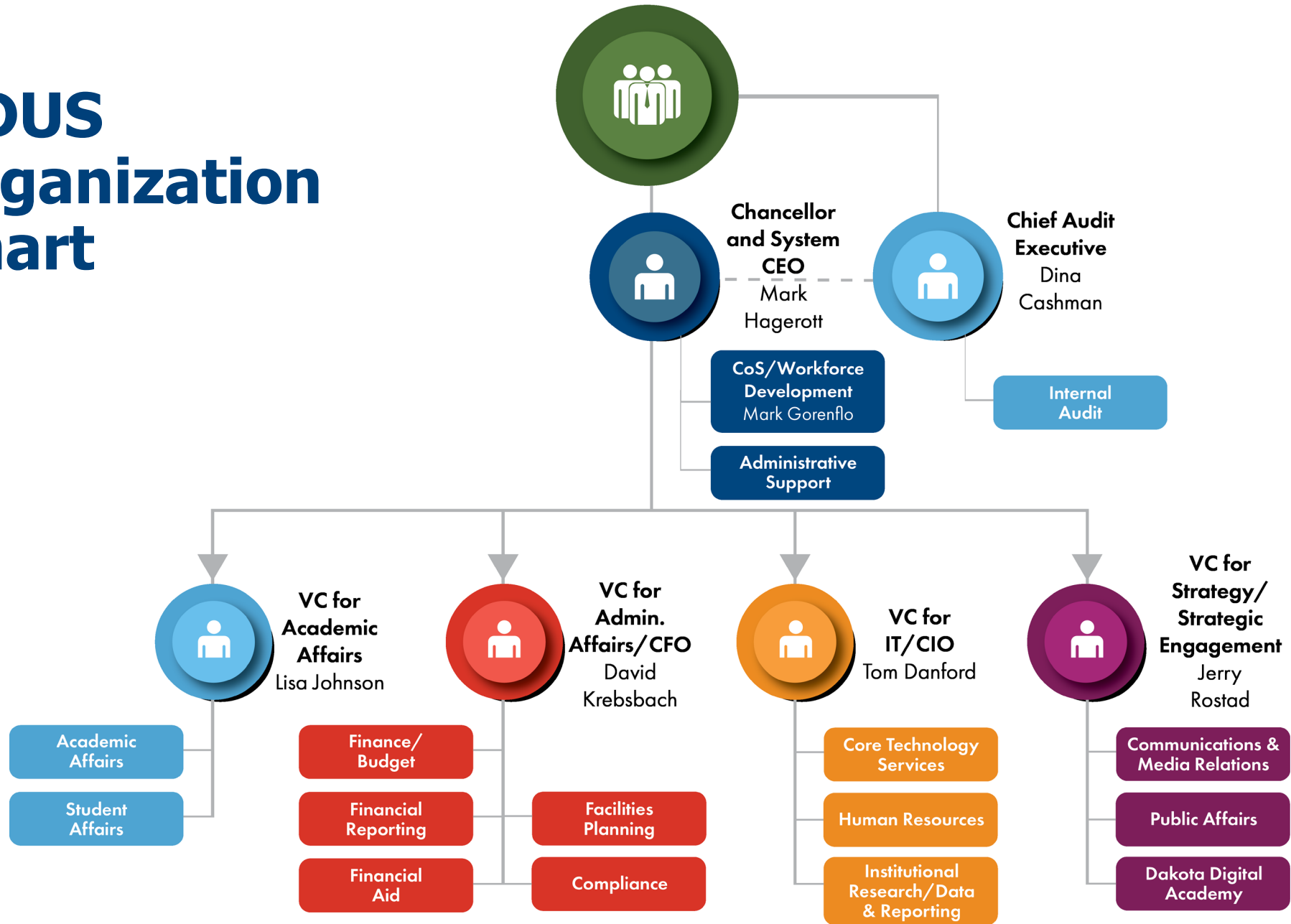
The mission of the NDUS is to enhance economic growth, social vitality, and quality of life for North Dakota through the discovery, sharing, and application of knowledge. The Chancellor's Office supports the SBHE in developing public policy for the governance of the NDUS and in advocating on behalf of the System.

## **Agency Description**

The North Dakota State Board of Higher Education (SBHE), established in 1939 by the voters of North Dakota, is the governing body for the state's 11 publicly funded institutions which comprise the North Dakota University System (NDUS). The SBHE carries out its constitutional responsibilities through a comprehensive set of policies. The Chancellor serves as the NDUS' chief executive officer. The Chancellor and the system office staff support the SBHE in developing public policy for the NDUS, in advocating on its behalf, and fostering shared leadership throughout the system.

North Dakota State Board of Higher Education

# NDUS Organization Chart

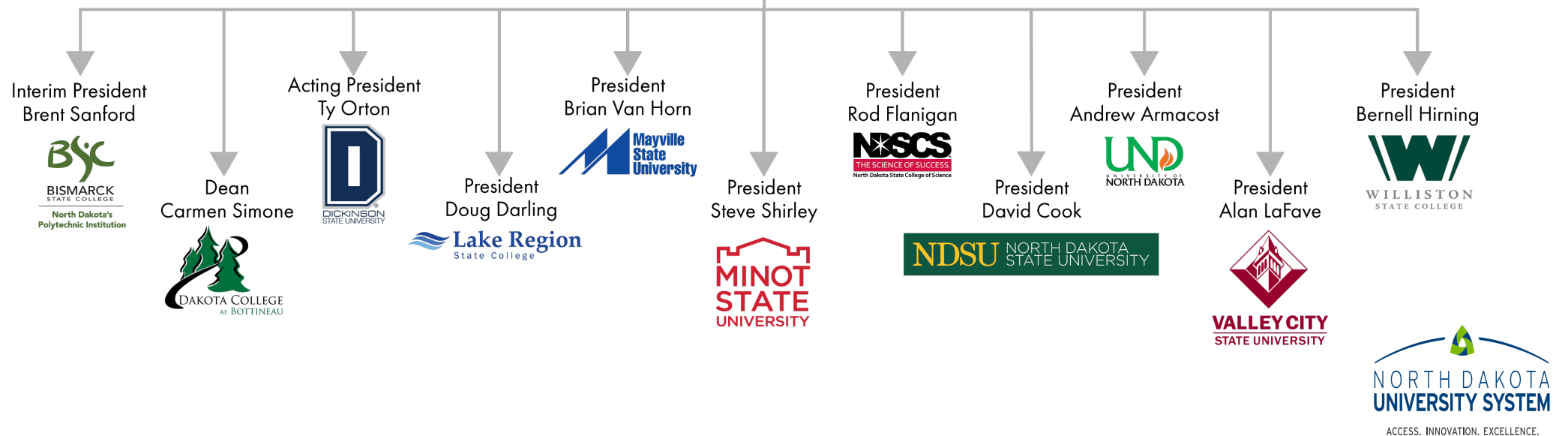


# NDUS by Institution

North Dakota State Board of  
Higher Education

NDUS Presidents

Chancellor  
and System CEO  
Mark  
Hagerott



# Agency Major Accomplishments

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1. Developed strategic initiatives through Envision 2035, wherein nine study groups focused on the long-term future of their topical areas to create a plan for higher education to meet the needs of both students and North Dakota's workforce in the next decade.
2. Funded at \$6.8 million, the ND Career Builders Scholarship & Loan Repayment Program has produced 435 ND workers in in-demand occupations since inception. There have been 171 unique private sector donors committing to the required match, totaling \$2.4 million. This program boasts a retention rate near 90 percent. Eighty-seven percent of scholarship recipients are currently either in a qualifying program that leads to an in-demand occupation or currently working in an in-demand occupation within North Dakota. Eighty-nine percent of loan repayment recipients are currently working in in-demand occupations within North Dakota.
3. Nineteen percent increase in appropriation for state financial aid programs, including a 25 percent increase to the need-based State Grant.
4. Challenge Grant funded at \$20M. The Challenge Grant was established by the state legislature to match private donations made to state college foundations.
5. NDUS institutions during the 2022-2023 academic year issued \$131.9 million to students in scholarships, grants, and waivers.
6. Since July 2021, the SBHE Academic and Student Affairs Committee has approved 210 new academic programs for NDUS institutions, with 142 of these being in-demand certificate programs.
7. This fall, systemwide enrollment increased by 3.6% and NDUS achieved a 75% retention rate.

# Agency Major Accomplishments

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8. Meeting a strategic priority for the SBHE, 24 percent of all new transfers during the 2023-24 academic year were students who transferred from one NDUS institution to another institution within the NDUS to complete or continue their studies within North Dakota.
9. In 2022, the University System's student loan indebtedness was lower than the national average.
10. Dakota Digital Academy reported that 69 cyber science programs are currently being offered among NDUS institutions with more being added next year.
11. Continue to set record numbers of high school students enrolled in NDUS college courses , with 5,600 enrolled in Fall 2024 semester. High Schools students account for 5% of total NDUS credits.
12. The NDUS experienced its highest systemwide graduation rate at 57 percent, which is an 8 percent increase over the past decade. NDUS 2-year colleges had a combined graduation rate of 48 percent while the 4-year universities had a 61 percent combined graduation rate. Both of those were higher than the national averages for public institutions, which were 31 percent for 2-year colleges and 59 percent for 4-year universities.
13. Implemented digital literacy graduation requirements of all associate and baccalaureate-level applicants entering the fall semester of 2024.
14. Legislative funds supporting shared services were used to host the 2024 Statewide OER Conference. Distributed a total of \$111,500 to institutions during 2023 to support OER expansion.
15. The U.S. National Science Foundation awarded a \$15 million grant to a team led by North Dakota State University and several other partners, including the North Dakota Tribal College System. The grant has the potential of totaling \$160 million over 10 years.

# Agency Major Accomplishments

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16. The NDUS is part of a regional clean energy project that received a federal funding award for up to \$925 million. The University of North Dakota will partner with the Heartland Hydrogen Hub to produce low-carbon hydrogen, decarbonize regional supply chains, and create clean energy jobs across Minnesota, Montana, North Dakota, South Dakota, and Wisconsin.
17. NDInsights continues to be the state's official source for information about public education. This is a collaborative project with the state's ND Information Technology Department and the Department of Public Instruction.
18. NDUS Institutions and Core Technology Services of the NDUS completed a 9-month ERP market analysis on the present ERP system called PeopleSoft (finance system, human capital management system, and student information system). The analysis included a consultant-led "Current State" assessment, open discussions/interviews with other universities and higher education systems that have or are in the process of implementing an ERP change, and vendor value assessments designed to evaluate and communicate the benefits and value that a specific software solution can bring to NDUS. The ERP Market Analysis Governance committee agreed that NDUS should modernize its ERP and transfer to the cloud by 2035. The recommendation was made to both the Chancellor's Cabinet and the SBHE. The recommendation was included in Envision 2035.
19. CTS has integrated MS Fabric & Databricks workspaces to create data models for dashboard and analysis. Using AI in these space, CTS has also developed an AI Policy Assistant to help students, faculty and staff find relevant policies, a Daily AI Newsfeed to identify daily news mentions of NDUS institutions and is piloting an AI Legislative Bill Tracking system to assist system office staff in tracking NDUS-related bills.

# NDUS Plans, Goals, and Challenges

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The NDUS has continued to offer regionally-competitive tuition rates, affordable student housing, and reduced student textbook costs through increased availability of Open Educational Resources. Through the implementation of additional types of inter-campus and system-wide shared services, operations have and will continue to become more cost effective toward the goal of providing a quality education for students.

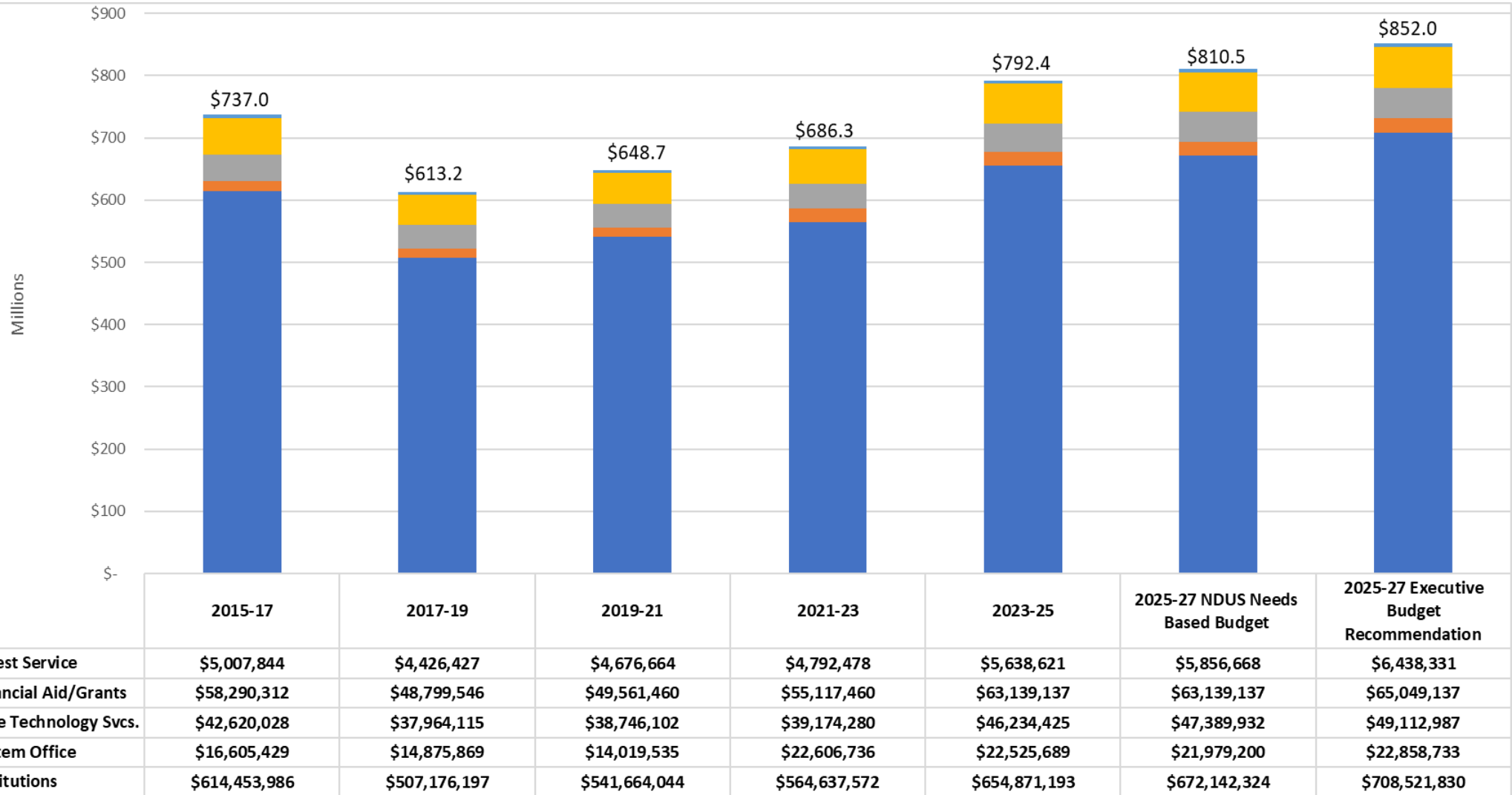
Critical issues related to those goals are:

Understanding and adapting to the AI/intelligent machine transformation that is reshaping teaching and learning

- Maintain and manage both digital and physical infrastructure
- Meeting student course delivery needs by implementing a dynamic enrollment environment;
- Maintaining and increasing enrollment and retention through new programs and educational pathways;
- Addressing challenges in talent recruitment and retention for faculty and staff in changing inflationary conditions;
- Continuing to address the near- and long-term workforce needs of the state;
- Furthering development and access to IT capabilities to maximize student success and system-wide collaboration;
- Sustaining and increasing efforts to consolidate IT systems and business services that are cost effective and provide value;
- Responding to behavioral health needs of the students to promote vibrant, healthy campuses with increased retention and graduation rates.



# NDUS State General Fund Appropriations (Ongoing)



# Budget Comparison: Needs-Based to Executive Recommendation(Cont.)

- Reflects statutory formula production, bond payment changes, and cost to continue 2023-25 target market equity salary and retirement increases

North Dakota University System				
2025-27 Needs-Based Budget				
<i>In Millions</i>				
	General Fund	Tuition	Other Funds	Total
2023-25 Base	\$ 792.4	\$ 695.6	\$ 1,329.6	\$ 2,817.6
Formula Production	\$ (0.6)	\$ -	\$ -	\$ (0.6)
Bond Payments	\$ (0.9)	\$ -	\$ -	\$ (0.9)
Cost to Continue 2023-25 target equity & retirement increases	\$ 19.2	\$ 2.7	\$ 0.0	\$ 21.8
NDIT Rate Adjustments	\$ 0.2	\$ 0.5	\$ 0.0	\$ 0.7
<b>2025-27 Needs-Based Budget</b>	<b>\$ 810.4</b>	<b>\$ 698.8</b>	<b>\$ 1,329.7</b>	<b>\$ 2,838.7</b>
\$ Change	\$ 17.9	\$ 3.2	\$ 0.1	\$ 21.0
% Change	2.3%	0.5%	0.0%	0.7%

# Budget Comparison: Needs-Based to Executive Recommendation(Cont.)

North Dakota University System					
2025-27 Governor's Budget Recommendation					
<i>In Millions</i>					
	General Fund	Tuition	Other Funds	Total	
<b>2023-25 Base</b>	\$ 792.4	\$ 695.6	\$ 1,329.6	\$ 2,817.6	
<b>Formula Production</b>	\$ (0.6)	\$ -	\$ -	\$ (0.6)	
<b>Bond Payments</b>	\$ (0.9)	\$ -	\$ -	\$ (0.9)	
<b>Cost to Continue 2023-25 target equity &amp; retirement increases (NDUSO/CTS/Forest Service)</b>	\$ 1.5	\$ -	\$ 0.0	\$ 1.5	
<b>NDIT Rate Adjustments</b>	\$ 0.2	\$ 0.0	\$ 0.0	\$ 0.3	
<b>Student Financial Assistance Grants</b>	\$ 1.0	\$ -	\$ -	\$ 1.0	
<b>Working Parent Credit</b>	\$ 0.9	\$ -	\$ -	\$ 0.9	
<b>2025-27 Exec Compensation Package</b>	\$ 2.7	\$ -	\$ 0.9	\$ 3.7	
<b>2025-27 Exec Funding Formula 10%</b>				\$ -	
Compensation Package	\$ 32.9			\$ 32.9	
Health Insurance Adjustment	\$ 12.3			\$ 12.3	
Institution Cost to Continue 2023-25 target equity & retirement increases	\$ 17.7	\$ 2.7	\$ -	\$ 20.4	
NDIT Rate Adjustments at Institutions	\$ 0.1	\$ 0.4	\$ -	\$ 0.5	
Remove Minimum Amount Payable	\$ (8.9)	\$ -	\$ -	\$ (8.9)	
2-yr Credits at 4-yr Institutions	\$ (0.0)	\$ -	\$ -	\$ (0.0)	
4-yr Credits at 2-yr Institutions	\$ 0.1	\$ -	\$ -	\$ 0.1	
<b>Student Financial Aid Software</b>	\$ 0.3	\$ -	\$ -	\$ 0.3	
<b>Forest Service Inflation</b>	\$ 0.2	\$ -	\$ -	\$ 0.2	
<b>2025-27 Governor Budget Guidelines</b>	\$ 852.0	\$ 698.8	\$ 1,330.6	\$ 2,881.3	
<b>\$ Change</b>	\$ 59.5	\$ 3.2	\$ 1.0	\$ 63.7	
<b>% Change</b>	7.5%	0.5%	0.1%	2.3%	

# 2025-27 Investment Opportunities - Optional Adjustment Requests

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	North Dakota University System	SBHE Request	Governor's Executive Budget Recommendation	Variance from NDUS Request	Notes
Tab	Systemwide Projects / initiatives	General Fund	General Fund or *SIIF		
1	Nursing Education Consortium (ENVISION - CRITICAL)	\$ 2,049,000	\$ 1,100,000	\$ (949,000)	GF One-time funding
2	Artificial Intelligence (AI) and Machine Learning (ML) (ENVISION - IMPORTANT)	3,000,000	0	(3,000,000)	
3	Planned Obsolescence of Technical Infrastructure – Core IT Infrastructure (ENVISION)	2,600,000	0	(2,600,000)	
4	High Demand Workforce Development (ENVISION)	3,000,000	0	(3,000,000)	
5	High Performance Computing NTN - UND/NDSU (ENVISION)	8,000,000	4,000,000	(4,000,000)	GF One-time funding
6	Inflation Factor increase (ENVISION)	22,080,670	175,700	(21,904,970)	Forest Service - GF Ongoing Funds
7	Dakota Digital Academy (ENVISION) (2023-25 ONE-TIME FUNDS) [NDUSO]	450,000	450,000	0	GF One-time funding
8	Financial Aid Enhancement/Title IV Course Auditor [CTS]	1,100,000	900,000	(200,000)	GF One-time funding
	WSC Healthcare programs start up funding	0	1,490,000	1,490,000	GF One-time funding
	Funding Formula Rate Averaging 75% adj.	0	2,627,241	2,627,241	GF One-time funding
	Emerald Ash Borer Initiative - Forest Service	0	950,000	950,000	GF One-time funding
18	Challenge Grant	0	30,000,000	30,000,000	SIIF One-time
19	Capital Building Fund (Tier II/III)	0	20,000,000	20,000,000	SIIF One-time
25	Enterprise Resource Planning (ERP) - Cloud Readiness for PeopleSoft Replacement	0	10,000,000	10,000,000	SIIF One-time
	Compensation Package 4%/3% Salary/FB/Health Insurance (NDUSO/CTS/Forest Service)	0	2,735,371	2,735,371	GF Ongoing funding
	Funding Formula Inflation (10%) (Includes: Compensation package, target market equity, Employer Retirement Contribution, NDIT rate adjustments)	0	54,230,781	54,230,781	GF Ongoing funding
	Working Parent Credit - Employee child care reimbursement program(HHS)	0	910,000	910,000	GF Ongoing funding

# 2025-27 Investment Opportunities - Optional Adjustment Requests

Tab	North Dakota University System	SBHE Request	Governor's Executive Budget Recommendation	Variance from NDUS Request	Notes
<b>NDUSO - System Governance</b>					
9	Student Financial Aid System [NDUSO]	273,180	273,180	0	GF Ongoing funding
10	Increase Shared Services [NDUSO]	200,000	0	(200,000)	
11	Internal Audit Software [NDUSO]	143,000	0	(143,000)	
<b>NDUSO - Student Grants</b>					
12	Professional Exchange Program (PSEP) [NDUSO]	1,500,000	1,500,000	0	GF One-time funding
13	North Dakota State Grant [NDUSO]	1,000,000	1,000,000	0	GF Ongoing funding
14	Dual Credit Scholarship (2023-25 ONE-TIME FUNDS) [NDUSO]	1,500,000	1,500,000	0	GF One-time funding
15	North Dakota State Grant - remove ND HS Graduate requirement (ENVISION) [NDUSO]	1,000,000	0	(1,000,000)	
<b>Total</b>		<b>\$ 47,895,850</b>	<b>\$ 133,842,273</b>	<b>\$ 85,946,423</b>	

<b>NDUS Executive Recommendation Capital Projects</b>					
16	MaSU - Old Main Capital Project - SIIF	\$ 34,924,814	\$ 34,924,814		SIIF

<b>Appropriation Authority for Capital Projects - Special Funds</b>					
16	NDSU - Practice Wrestling Facility	13,000,000	13,000,000		Donations
16	DSU - Woods Hall Renovation	5,000,000	5,000,000		Revenue Bonds
16	MiSU - Student Center Renovation	3,100,000	3,100,000		Revenue Bonds

\*Strategic Investment and Improvements Fund(SIIF)

# 2025-27 Investment Opportunities - Optional Systemwide Initiatives

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- SBHE supports Governor and Legislative Assembly providing state employees annual salary increases for each year of the biennium.
- SBHE supports funding general and other fund related costs for the Actuarially Determined Employer Contribution (ADEC) and employee contribution increases related to the NDPERS Defined Benefit closure.(Tab 17)
- SBHE supports Challenge Grant Program continuation and funding up to \$50 million as proposed by the Governor last legislative session.(Tab 18)
  - Supports a reduced match for smaller institutions and flexibility in program uses.
- SBHE supports the Capital Building Funds Program and funding at current (\$24M) or higher levels in tier II and tier III funds for 2025-27 biennium(Tab 19)
- SBHE supports an Economic Diversification Research funding stream– A permanent research funding stream (possibly using Legacy funds) - \$25 million(Tab 21)
- Funding formula enhancements (Tab 24)
- Enterprise Resource Planning initiative - \$10M (Tab 25)

# 2025-27 Investment Opportunities - Optional Systemwide Initiatives

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- SBHE supports legislative action to create a Higher Education Stabilization Fund
  - Higher Education Stabilization Fund would provide resources to limit base general fund reductions due to State of ND revenue fluctuations similar to K-12's "Foundation Aid Stabilization Fund" eliminating the need for a budget allotment (NDCC 54-44.1-12)
  - Support program resilience, faculty, staff, and student success during state funding shortfalls
  - K-12 Stabilization mechanisms (Foundation Aid Stabilization Fund) has proven highly beneficial in a commodity-based economy
- SBHE supports funding the Workforce Education Innovation Program introduced by Rep. Schreiber-Beck and passed by the 68th Legislative Assembly - \$24 million (Tab 20)
  - \$10M 2-year colleges; \$8M 4-year regional universities; \$6M NDUS research universities
  - Start-up funds for institutions to establish innovative high-demand programs to meet North Dakota workforce needs
    - Provides curriculum development, purchase of equipment and technology to train or certify new and existing instructors and to promote programs to respond to workforce needs of the state

# Other sections for Agency Appropriation Bill (in Governor's recommended budget)

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- Extend carryover authority for unexpended appropriations with the effective dates updated to July 31, 2027 (2023 HB1003, Section 36), and all capital projects authorized in 2023 HB1003, Section 2 & 5.
  - Extend carryover authority for BSC's capital projects authorized during the special Legislative Session in 2023 HB1543, Section 2 & 3.
- Update effective dates to extend to June 30, 2027, to allow the funds to remain at BND yet we still have access versus us drawing all down on 6/30/2025 and negatively affecting BND's reserves. (2023 HB1003, Section 7, 8, and 9)
- Update subsection 1 of section N.D.C.C. 15-10-48 to reflect new allocations for Challenge Grant awards to Institutions (2023 HB1003, Section 24, 25, and 26)
- Adjustment to funding formula rates in 2023 HB1003, Section 31 to included the 2023 target market equity and retirement contributions. (Special Session SB2393, sections 14 & 17)
- Continue to provide NDUS operational authorities, update effective dates for 2023 HB1003, Sections 3, 15, 38, & 29
  - Additional Federal, Private, and Other Fund – Appropriation exemption
  - Campus Capital Projects – Project Management
  - Exemption – Transfer Authority – Transfer between Operating and Capital Asset lines
  - Exemption – Full-Time Equivalent Position Adjustments
- Provide authority language for repayment of any BND borrowed funds for the MaSU Old Main renovation. (2023 HB1003, Section 13)
- Provide the ability to continue to use the obligated federal state fiscal recovery funds for Institutions (2023 HB1003, Section 42)
- Provide bonding language for the DSU (Woods Hall) and MiSU (Student Center Renovation) special funds projects proposed to be paid for by bonds. Similar language can be found in Special Session HB1543 section 3 for BSC's project.



# Other Bills with Budget Impact

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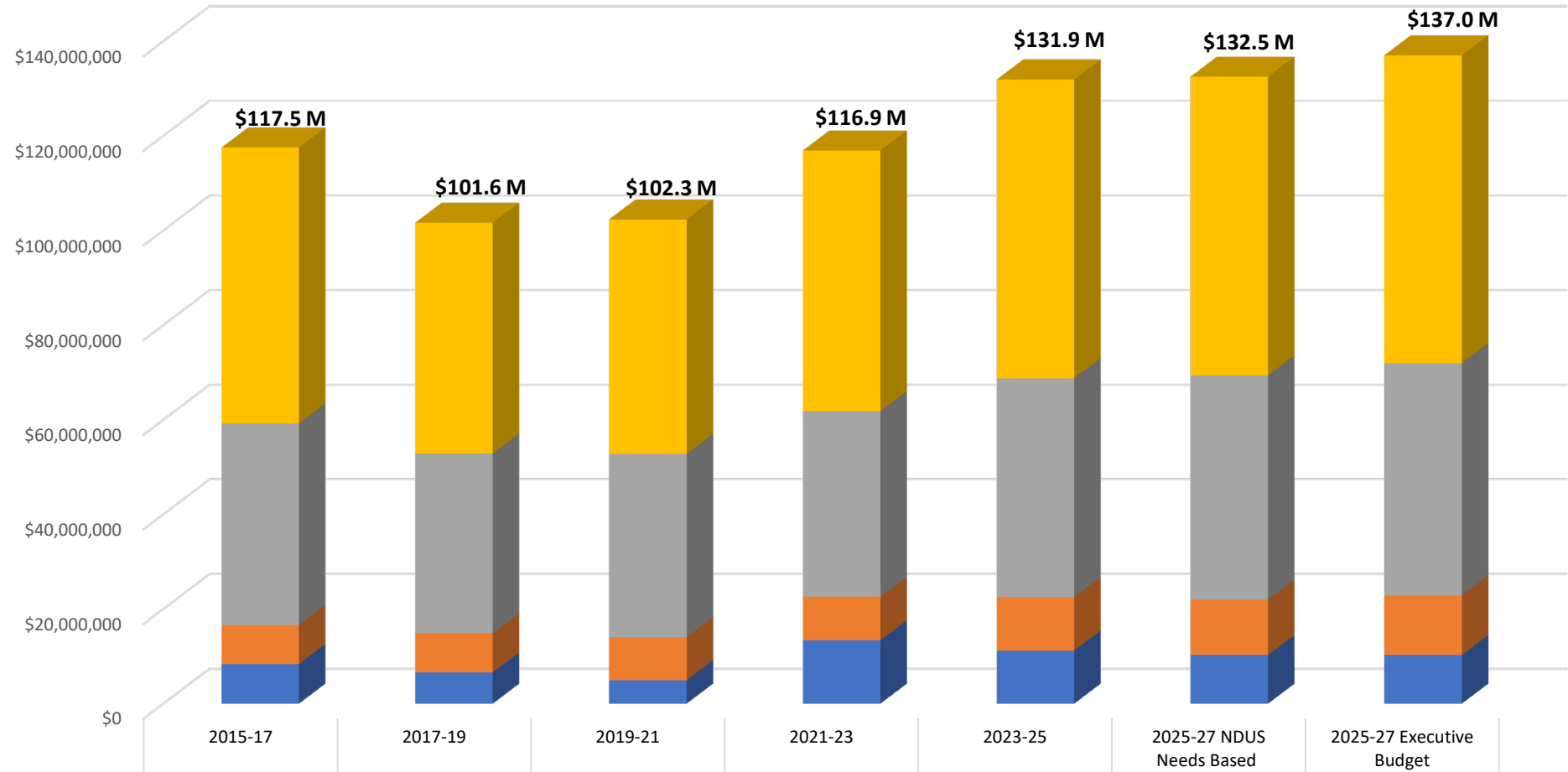
- HB1098 – Changes to ND Scholar program
- HB1129 – Provides appropriation to DPI to contract with UND research team
- HB1161 – Vacancy FTE Pool for Higher Education
- HB1171 – Law Enforcement Family Scholarship program
- HB1179 – Faculty Annual Leave
- HB1404 – ND Scholars Program Eligibility
- SB2013 – Provides appropriation to State Institutions per State Constitution article IX
- SB2034 – Funding Formula Changes
- SB2143 – State Energy Research Center Fund
- SB2147 – North Dakota Career Builders Appropriation
- SB2170 – Armed Forces Scholarship

# System Office Budget





# NDUSO State General Fund Appropriations (Ongoing)



Financial Aid/Grants	\$58,290,312	\$48,799,546	\$49,561,460	55,117,460	63,139,137	63,139,137	\$65,049,137
Core Technology Svcs.	\$42,620,028	\$37,964,115	\$38,746,102	39,174,280	46,234,425	47,389,932	\$49,112,987
System Office	\$8,236,593	\$8,270,543	\$9,060,087	\$9,221,472	\$11,327,793	\$11,717,825	\$12,597,358
Capital Bond Payments	\$8,368,836	\$6,605,326	\$4,959,448	\$13,385,264	\$11,197,896	\$10,261,375	\$10,261,375

# 2025-27 System Office Request & Executive Recommended Base General Fund Budget

Appropriation Line	2023-25 General Fund Base	2025-27 Needs-Based Request	Financial Aid Grants & System Maintenance/ Operations, Dakota NEC, Shared Services	Envision Dakota Digital Academy, Remove ND High School Requirement, Inflation	Internal Audit Workpaper Software, & Financial Aid Enhancement/ Title IV Course Auditor	2025-27 SBHE NDUS Budget Request	Burgum Executive Budget Adjustments	Employee Compensation 4%/3% and Health Insurance	2025-27 Total Burgum Executive Budget
<b>Student Grants (State Financial Aid)</b>									
Student Financial Assistance Grants	\$ 29,917,306	\$ 29,917,306	\$ 1,000,000	\$ 1,000,000		\$ 31,917,306	\$ (1,000,000)		\$ 30,917,306
Academic and Tech Ed. Scholarship	17,216,749	17,216,749				17,216,749			17,216,749
Student Exchange Program	3,699,342	3,699,342	1,500,000			5,199,342	(1,500,000)		3,699,342
ND Scholars Program	1,807,115	1,807,115				1,807,115			1,807,115
Tribal Community College Grants	1,400,000	1,400,000				1,400,000			1,400,000
Native American Scholarship	1,000,000	1,000,000				1,000,000			1,000,000
Dual Credit Scholarship		-	1,500,000			1,500,000	(1,500,000)		-
<b>Subtotal</b>	<b>55,040,512</b>	<b>55,040,512</b>	<b>4,000,000</b>	<b>1,000,000</b>	<b>-</b>	<b>60,040,512</b>	<b>(4,000,000)</b>	<b>-</b>	<b>56,040,512</b>
<b>Systemwide Projects / Initiatives</b>									
Capital Bond Payments	11,197,896	10,261,375				10,261,375			10,261,375
Competitive Research Program	5,685,750	5,685,750				5,685,750			5,685,750
NASA EPSCOR	342,000	342,000				342,000			342,000
Dakota Nursing Consortium	1,356,000	1,356,000	2,049,000			3,405,000	(2,049,000)		1,356,000
Veterans Assistance Programs	454,875	454,875				454,875			454,875
Education Incentive Programs	260,000	260,000				260,000			260,000
Working Parent Credit						-	910,000		910,000
Shared Campus Services	800,000	800,000	200,000			1,000,000	(200,000)		800,000
Student Mental Health	284,400	284,400				284,400			284,400
Dakota Digital Academy	-	-		450,000		450,000	(450,000)		-
<b>Subtotal</b>	<b>20,380,921</b>	<b>19,444,400</b>	<b>2,249,000</b>	<b>450,000</b>	<b>-</b>	<b>22,143,400</b>	<b>(1,789,000)</b>	<b>0</b>	<b>20,354,400</b>
<b>NDUS Operations</b>									
Core Technology Services (CTS)	46,234,425	47,389,932		1,421,698	200,000	49,011,630	(1,621,698)	1,723,055	49,112,987
System Governance - System Office	10,243,393	10,633,425	273,180	319,003	143,000	11,368,608	(462,003)	606,353	11,512,958
<b>Subtotal</b>	<b>56,477,818</b>	<b>58,023,357</b>	<b>273,180</b>	<b>1,740,701</b>	<b>343,000</b>	<b>60,380,238</b>	<b>(2,083,701)</b>	<b>2,329,408</b>	<b>60,625,945</b>
<b>Total</b>	<b>\$ 131,899,251</b>	<b>\$ 132,508,269</b>	<b>\$ 6,522,180</b>	<b>\$ 3,190,701</b>	<b>\$ 343,000</b>	<b>\$ 142,564,150</b>	<b>\$ (7,872,701)</b>	<b>\$ 2,329,408</b>	<b>\$ 137,020,857</b>

# 2025-27 System Office Request & Executive Recommended One-Time General Funds & FTEs

One Time Funding - General	NDIT Security Solutions & Financial Aid Enhancement/ Title IV Course Auditor			Burgum Executive Budget Adjustments	2025-27 Total Burgum Executive Budget
	Envision IT initiatives	2025-27 SBHE NDUS Budget Request			
Obsolescence of Technical Infrastructure	2,600,000	2,600,000		(2,600,000)	-
High Demand Workforce Development	3,000,000	3,000,000		(3,000,000)	-
Artificial Intelligence/Machine Learning	3,000,000	3,000,000		(3,000,000)	-
NDIT Security Solution		5,146,200	5,146,200	(5,146,200)	-
Dakota Digital Academy			-	450,000	450,000
Financial Aid Enhancement/Title IV Course Auditor		900,000	900,000		900,000
Dual Credit Scholarship			-	1,500,000	1,500,000
Student Exchange Program			-	1,500,000	1,500,000
Dakota Nursing Consortium			-	1,100,000	1,100,000
WSC Healthcare programs start up funding			-	1,490,000	1,490,000
Funding Formula Rate Averaging 75% adj.			-	2,627,241	2,627,241
Emerald Ash Borer Initiative - Forest Service			-	950,000	950,000
High Performance Computing NTN - UND/NDSU			-	4,000,000	4,000,000
<b>Total One Time General Fund</b>	<b>8,600,000</b>	<b>6,046,200</b>	<b>14,646,200</b>	<b>-128,959</b>	<b>14,517,241</b>

	2023-25 Legislatively Authorized FTE	Increase (Decrease)	2025-27 Executive Recommendation & SBHE Requested
CTS	138.83	5.00	143.83
NDUSO	24.00	1.00	25.00
<b>Total</b>	<b>162.83</b>	<b>6.00</b>	<b>168.83</b>

# 2025-27 Other Funds

- 2025-27 Executive Recommended One-Time Other Funds

One Time Funding - Other	2025-27 Total Burgum Executive Budget
Education Challenge Grants	30,000,000
Tier II & III Capital Building Fund	20,000,000
Enterprise Resource Planning (ERP) - Cloud Readiness for PeopleSoft Replacement	10,000,000
<b>Total One-Time SIIF</b>	<b>\$ 60,000,000</b>

# System Office Audit Findings

2022 Operational audit concluded with no findings.



 Office of the State Auditor

**REPORT HIGHLIGHTS**  
**North Dakota University System Office**  
Audit Report for the Two-Year Period Ended June 30, 2022 | Client Code 215

### WHAT WE LOOKED AT AND WHY

North Dakota state law requires that our team perform an audit once every two years. This includes a review of financial transactions and determining that expenses are correct. Our audit reports any errors, internal control weaknesses or potential violations of law identified in significant or high-risk functions of the agency.

### WHAT WE FOUND

This audit did not identify any areas of concern.

Full report can be found at <https://www.nd.gov/auditor/2022-university-system-office-north-dakota>

# Capital Budget





# 2025-27 Investment Opportunities – Capital Funding Request

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- \$244.4 million Total Request
  - \$217.3 million general fund
  - \$27.1 million non-general fund
- Projects address life/health/safety issues, deferred maintenance, and program driven needs. \$129.3 million in combined deferred maintenance and life/health/safety issues

# 2025-27 Investment Opportunities – Capital Funding Request

HB1003 Section 47 Legislative Intent Capital Projects during the 68th Legislative Assembly approved by the SBHE for inclusion in the Governor’s 2025-27 Budget

Institution	Institution Priority	SBHE Priority	Project Title	Project Total	Funding Source		Project Type	% DM/L S	% PED	% Local S	Amount DM/L S S
					General Funds	Other Funds					
UND	1	1	Science, Technology, Engineering, and Math Building	79,500,000	55,640,000	23,860,000	New Construction	N/A	N/A	N/A	N/A
MiSU	1	1	Academic Building	8,132,000	8,132,000		Renovation	N/A	N/A	N/A	N/A
MaSU	**	**	Old Main Renovation or Loan Repayment	34,924,814	34,924,814		Major renovation to existing facility.	N/A	N/A	N/A	N/A
<b>State General Fund Projects</b>				<b>122,556,814</b>	<b>98,696,814</b>	<b>23,860,000</b>					

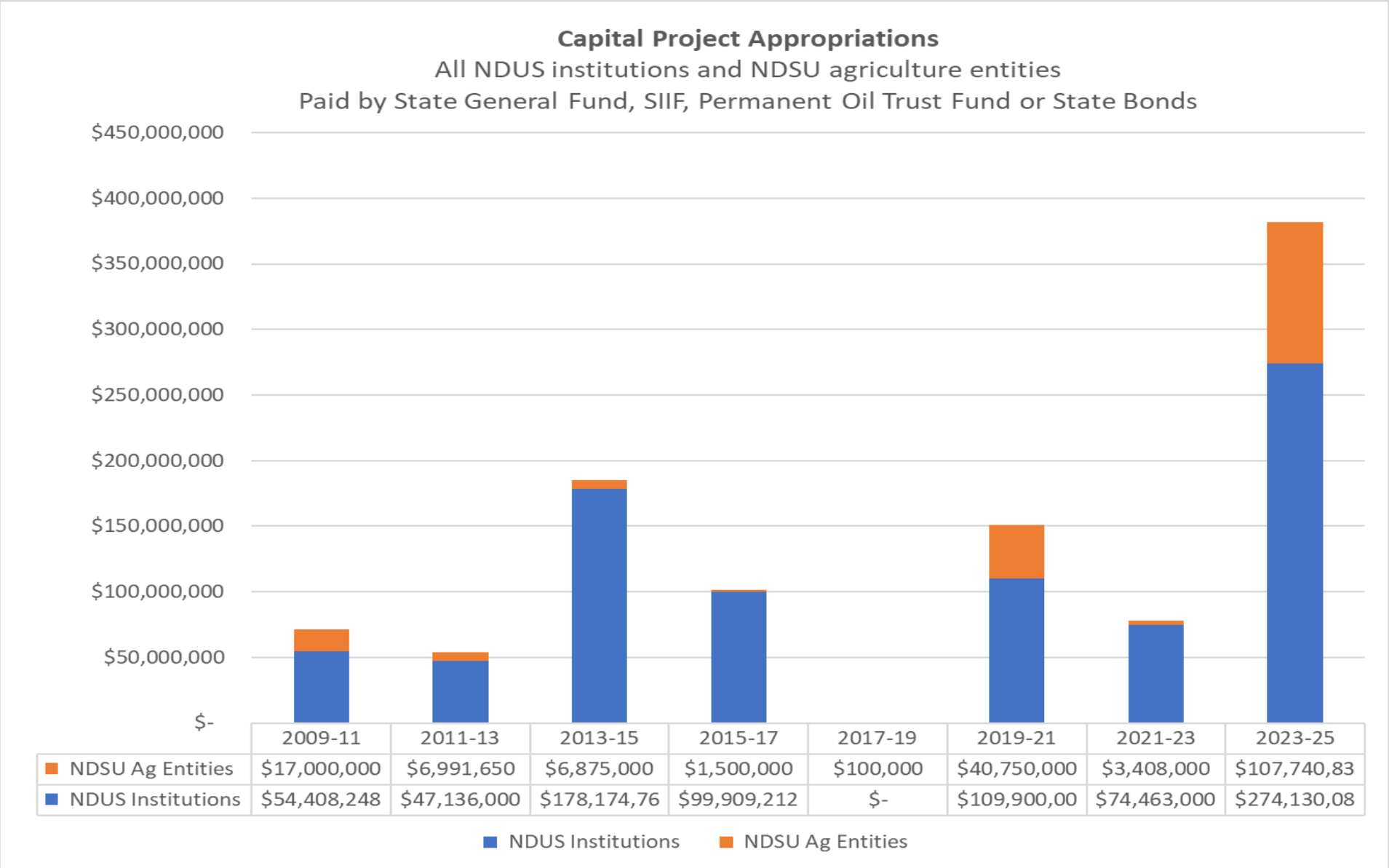
# 2025-27 Investment Opportunities – SBHE approved Capital Funding Request

Institution	Institution Priority	Project Title	Project Total	Funding Source		Project Type	% PED	% DM	% LS	Amount DM/LS S
				General Funds	Other Funds					
MiSU	1	Regional Health Sciences Institute – PHASE ONE	13,000,000	12,350,000	650,000	Lease Purchase Renovation / Other	90%		10%	1,300,000
DSU	1	Education Innovation & Academic Excellence Center	48,500,000	48,500,000	-	Major renovation to existing facility.	45%	25%	30%	48,400,000
DCB	1	Modernizing the Living & Learning Environment for Students	875,000	875,000	-	Demolition	20%	50%	30%	22,600,000
NDSCS	1	Revitalization of Johnson Educational Innovation Center	24,759,730	23,521,744	1,237,987	Major renovation to existing facilities	10%	75%	15%	22,283,757
MaSU	1	Campus Security: Lights, Cameras, and Card Access	1,311,630	1,311,630		Major renovation to existing facility.			100%	1,311,630
VCSU	1	McFarland Deferred Maintenance and Energy Project	27,300,000	25,935,000	1,365,000	Renovation		80%	20%	27,300,000
LRSC	1	Campus Infrastructure Repairs/Upgrades	6,087,341	6,087,341		Repairs, new construction, upgrades.		100%		6,087,341
<b>State General Fund Projects</b>			<b>121,833,701</b>	<b>118,580,715</b>	<b>3,252,987</b>					<b>129,282,728</b>

# 2025-27 Investment Opportunities – Capital Funding Request – SBHE approved non-General Fund Projects

INSTITUTION	PROJECT	COST	SOURCE OF FUNDS
NDSU	Practice Wrestling Facility	13,000,000	Donations
DSU	Woods Hall	5,000,000	Self Liquidating Revenue Bond
MiSU	Student Center Renovation	3,100,000	Self Liquidating Revenue Bond

# Capital Project History – State Funded





ACCESS. INNOVATION. EXCELLENCE.

# Thank You

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David Krebsbach, Vice Chancellor Administrative Affairs & CFO

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# Appendix – NDUS Line-Item Descriptions

## Student Grants (State Financial Aid)

- **Student Financial Assistance Program:** Known as the ND State Grant, this award provides non-repayable need-based grants to ND resident undergraduate students. Students who have already earned a bachelor's degree and graduate students do not qualify. Recipients must attend qualifying post-secondary institutions within the state. North Dakota residents who, because of physical or mental disabilities must attend an out-of-state institution due to lack of special services in ND, may also qualify. The maximum award is \$1,375 per semester or \$917 per quarter. Grants may be awarded for up to the equivalent of 8 full-time semesters and are awarded to students with the highest financial need based on FAFSA results. Students enrolled on a part-time basis may qualify for a pro-rated award amount. Awardees must maintain academic progress at their institution to qualify and be Title IV aid eligible. The application is the Free Application for Federal Student Aid (FAFSA).
- **North Dakota Academic, Career & Technical Education (CTE) and North Dakota Scholarships:** These scholarships are designed to encourage and reward high school students for taking challenging coursework in preparation for attending an accredited North Dakota public, private or tribal college or university, or a ND registered apprenticeship program. Recipients have up to 6 years following high school graduation to utilize the scholarship. The award amount is limited to \$750 per semester, \$500 per quarter or clock-hour term, or \$500 per apprenticeship term. The total award may not exceed \$6,000. Recipients must maintain a 2.75 grade point average for renewal. Disbursement requires that the student be enrolled full-time and be making degree progress. The full-time enrollment requirement may be waived if the student is in their term to graduate. This exception applies only once in this program. Awards may be provided for certificate, undergraduate, graduate, or professional studies. The 2021 Legislative Assembly made changes to eligibility criteria wherein the Academic and CTE are being phased out. Beginning in 2025, students will only be able to earn the award through the North Dakota scholarship requirements. Students who previously earned the Academic or CTE Scholarship will be paid out through 2030.

# Appendix – NDUS Line-Item Descriptions

## Student Grants (State Financial Aid)

- **Professional Student Exchange Program (PSEP):** PSEP provides access and support to North Dakota resident students seeking professional training in veterinary medicine, dentistry, and optometry at out of state institutions. Since these professional programs do not exist within the state, the slots secured in the out of state programs provide the opportunity for ND resident students to enroll in highly competitive programs. North Dakota currently secures admission slots through the Western Interstate Commission for Higher Education (WICHE) in the content areas of veterinary medicine, dentistry, and optometry; University of Minnesota in veterinary medicine and dentistry; Iowa State University in veterinary medicine; and Kansas State University in veterinary medicine. Applicants must apply through the North Dakota University System by October 15 preceding the first year of professional studies for priority consideration. The awards support a portion of the student’s tuition cost in these professional areas of study.
- **North Dakota Scholars Program:** This program provides full regular undergraduate tuition scholarships to the top-ranked high school graduates based on ACT or SAT scores. The program encourages the best and brightest of ND high school graduates to remain in North Dakota to obtain an undergraduate education. North Dakota residents who, because of physical or mental disabilities must attend an out-of-state institution due to lack of special services in ND, may also qualify. ND resident high school juniors who score a 30 composite on the ACT, or 1,370 on the SAT will receive consideration for the award. The national placement test must be taken prior to July 1 in the calendar year preceding the student’s full-time enrollment in college (junior year in high school). Recipients must be attending an eligible institution of higher education within the state of ND, be enrolled as a fulltime student and maintain a 3.50 grade point average. Recipients are eligible for a maximum of 8 semesters or the attainment of a bachelor’s degree, whichever occurs first.
- **Tribal College Assistance Grants:** These grants are awarded to tribal colleges within the state of North Dakota based on non-beneficiary student enrollment. An application from each tribal college is due annually.



# Appendix – NDUS Line-Item Descriptions

## Student Grants (State Financial Aid)

- **Native American Scholarship:** This program awards ND resident students who are enrolled members of a federally recognized Indian Tribe a scholarship to attain a college education in North Dakota. The scholarship provides awards not to exceed \$2,000 per academic year to full-time students who attend an eligible institution of higher education in the state of ND. The annual award amount may be reduced to accommodate eligible applications received. Awards are either merit (3.50 GPA or higher) or need-based. The Free Application for Federal Student Aid (FAFSA) is required for need-based awards. An overall minimum GPA of 2.00 is required for consideration. Students apply through the North Dakota University System annually for consideration. The priority deadline for application is July 15.
- **Dual Credit Tuition Scholarship** This scholarship rewards college students for taking college coursework for credit as a high school student. The student must have successfully completed at least one dual credit course provided by an accredited public, private or tribal institution with a physical presence in the state. Students must be enrolled at a North Dakota state public, private or tribal college and have completed at least one term of study. Lifetime award amounts are \$250 for successful completion of one qualifying dual credit course, \$500 for two, and \$750 for three. Funding is provided through Bank of North Dakota profits.

# Appendix – NDUS Line-Item Descriptions

## Student Grants (State Financial Aid)

- **Skilled Workforce Scholarship and Skilled Workforce Loan Repayment** This workforce development program is known as ND Career Builders. This program is either a scholarship for students while enrolled in a qualifying program of study, or student loan repayment for new hires, or a combination of both. The high-need occupations in the state determine eligibility. ND Workforce Development Council and Job Service ND establish a list of the State’s high-need and emerging occupations annually. Individuals enrolled in ND programs of study relating to a high-need occupation or those who are employed in a high-need occupation may qualify. The program is designed as a partnership and requires a private-sector funding match for each dollar of state funding provided. Scholarship recipients must enroll in an eligible certificate or degree program within ND. They also sign a Scholarship Award Agreement, obligating them to live within ND and work in a high-demand or emerging occupation within ND for at least 3 years following program completion. Loan Repayment recipients must have earned a certificate or degree and must live within ND and work within ND in a high-demand or emerging occupation. The maximum award is \$17,000 per student, which is a combination of private-sector and state dollars. Funding is provided through the Bank of North Dakota profits.

# Appendix – NDUS Line-Item Descriptions

## Statewide Projects/Initiatives

- **Capital Bond Payments:** Base funding of \$10,261,375 is included in the budget request for capital bond payments, which was provided by the Industrial Commission and is the actual payments scheduled for the 2025-27 biennium. To provide payments for ND general obligation bond indebtedness for state bonded capital projects on the campuses of the NDUS.

This appropriation provides payments for ND general obligation bond indebtedness for the campuses. Outstanding bond indebtedness for the 2025-27 biennium is \$6.6 million principal and \$7.4 million interest on the 2020 bond issues. Bond maturity dates do not exceed 12/1/2040.

# Appendix – NDUS Line-Item Descriptions

## Statewide Projects/Initiatives

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□ **Competitive Research Program (EPSCoR ) and NASA EPSCoR:** The 2025-27 general fund base request is \$5,685,750 for the EPSCoR (Established Program to Stimulate Competitive Research) Program and \$342,000 for the NASA EPSCoR Program, which is unchanged from current funding level. Accessing the federal EPSCoR funds requires a cash match from the state and appropriate human infrastructure in place to oversee all the administrative, education and workforce, and outreach requirements of the federal awards. UND and NDSU receive the federal funds directly and the federal funds are not included in the NDUS Office budget request.

EPSCoR's purpose is to improve research in states that have historically fared poorly in their efforts to attain federal funding. Funded through federal-state-private sector partnerships, ND EPSCoR manages a comprehensive research development plan that involves Infrastructure Improvement Programs, Science Outreach and Recruitment Programs, Technology Transfer and Commercialization Programs, and Tribal Colleges Programs.

ND EPSCoR has been able to develop, implement and administer programming to increase STEM literacy and broaden research capacity in ND. Partnering with STEM stakeholders ND EPSCoR works to expand scientific discovery, innovation, learning, and knowledge-based prosperity for ND. Forty-five unique STEM lessons plans have been developed and are available for use by ND educators on the ND EPSCoR website and more than 4,000 students have been impacted by these lesson plans. The Students in Technology Transfer and Research Program (STARR) supports ND companies provide internship opportunities for college students by providing funds to help cover the cost of wages. During the summer of 2023, 26 ND college students interned at companies throughout ND. Support was provided to institutions in ND for equipment purchases, support for undergraduate research opportunities and enhancement of research competitiveness and sustainability in alignment with institutional strategic goals. The most recent public numbers (in FY 22) put UND at \$147.7M and NDSU at \$174.9M. Reduction in state funding commitment would result in ineligibility for applying for federal funds and the reduction of a number of key infrastructure programs. Additional details can be found at <https://www.ndepscor.ndus.edu/>

The effectiveness of the ND EPSCOR development plan is best indicated by the ability of EPSCOR-supported researchers to compete for external awards:

- The 2021-23 general fund investment of \$5.686M ND EPSCOR [via NDUS] has resulted in \$15.104M to date in extramural principal investigator grants.
- Over the life of ND EPSCOR, 1985-2023, the state's investment of \$74.9M has resulted in over \$465.9M in merit-based extramural grants—a 6.42:1 **Return on Investment**.\*
- ND EPSCOR has provided research opportunities for 4,332 K-12 students, 1,076 post-secondary students, and 649 faculty since 2014. Many of the students report that these "hands-on" experiences made them more "job ready," as well as more competitive for positions after graduation.
- Six federal agencies have EPSCOR funding programs available for faculty: NSF, NIH (via the sister IDeA program), NASA, USDA, DOE, and DoD.

\*To maintain consistency from prior years reporting, ROI is reported as the amount of new funding received from external sources divided by the investment by legislature.

# Appendix – NDUS Line-Item Descriptions

## Statewide Projects/Initiatives

□ **Dakota Nursing Consortium:** The nursing consortium was established to support nursing programs in ND to advance nursing programs at all universities across the state with funding provided for simulator equipment and adequate faculty. Since 2009, the Nursing Education Consortium has received funding to support high virtual simulation technology across all nursing programs in ND. This support has been instrumental to increasing student's ability to practice critical nursing skills. The total 2025-27 base budget request is \$1,356,000. The 2025-27 budget request includes an additional base budget request of \$2,049,000 to expand the support of the Nursing Education Consortium through additional simulation equipment and operational costs. The nursing consortium funding supports 13 universities in ND. Among the 13 universities there are 381 practical nursing students, 1634 registered nursing students, and 54 certified registered nurse anesthetists.

□ **Veterans Assistance Program:** The 25-27 biennium base budget request totals \$454,875. The Veterans Educational Training (VET) was support by the 63rd Legislative Assembly through HB1289. Funds were appropriated to the NDUS to assist veterans who are enrolled or are in the process of enrolling at institutions in this state or an institution located in an adjacent state with a ND course exchange program.

Over the four most recent biennia, the VET program has directly assisted 636 ND veterans to prepare for and manage the ongoing challenges of college through the NDSU and UND VET program sites. Of those, 72% have completed or are still actively pursuing an undergraduate or graduate degree (as of Feb 2024).

□ **Education Incentive Programs:** The education incentive programs provide funding for doctoral programs at the University of North Dakota and North Dakota State University. These institutions are each awarded \$130,000 per biennium to promulgate additional doctoral level graduates and programs within the state.

# Appendix – NDUS Line-Item Descriptions

## Statewide Projects/Initiatives

□ **Shared Campus Services:** The 2025-27 base budget request for NDUS Shared Campus Services is \$800,000, this funding provides \$600,000 for membership dues for the Western Interstate Commission for Higher Education (WICHE) and the Midwestern Higher Education Compact (MHEC) with remaining funds to campuses for open educational resources and other shared services. The 2025-27 budget request includes an additional base budget request of \$200,000 to continue the support of share services between institutions.

□ **Student Mental Health (SMH) Initiative:** The 2025-27 general fund base request is \$284,400. This funding is used to provide the NDUS institutions SMH Services. The budget priorities for SMH is the Mental Health First Aid (MHFA) program, providing 211/988 after hours crisis prevention, funding internship opportunities, substance misuse prevention and outreach, responding to federal compliance, and sexual assault prevention, training for staff, and outreach.

The Mental Health Task Force (MHTF) is a sub-committee of the Student Affairs Council and identified areas that the System Office can provide support, including, after hours crisis intervention and emergency services, education and training, support for Behavioral Intervention Teams (BITs), and psychiatric/medication management services.

Mental Health First Aid (MHFA) program has trained five facilitators and provides an average of 10-15 MHFA trainings each year for students, faculty, and staff. Telemental health services are provided to all students through our partner Northern Prairie Community Clinic in Grand Forks. Crisis intervention on each NDUS institution is available through a Behavioral Intervention Team. A standing contract with FirstLink (211/988) provides after-hours crisis prevention for the institutions. Internship opportunities to counselors and supervision costs for newly licensed counselors is provided.

Substance Misuse Prevention and Outreach has an online education module called Electronic CHECKUP TO GO (eCHUG), an evidence based, best practice tool to address alcohol misuse. A biennial systemwide survey assesses students' use and perceptions regarding alcohol, tobacco, and other drugs; mental health, sexual assault; and general health and well-being. Sexual Assault Prevention and Outreach provides training to all Title IX staff regarding trauma-informed investigation strategies and how to best provide outreach and mental health resources to those impacted by sexual assault.

# Appendix – NDUS Line-Item Descriptions

## Statewide Projects/Initiatives

- **Dakota Digital Academy:** The Dakota Digital Academy focuses on transformational digital technologies that are impacting higher education, primarily artificial intelligence (AI) and cybersecurity/digital sciences.

The demand for training and upskilling in the areas of cybersecurity, digital technologies, and digital analytics cuts across all academic program areas. Concurrently, the social and ethical implications of a digitized society and AI continues to emerge. The DDA is coordinating existing talent across the North Dakota University System to help bring to scale opportunities for the entire state of North Dakota.

In response, the DDA supported the development of a certificate program in the ethics of artificial intelligence. This program will be offered as part of the nascent emergence of the Dakota Humanities Academy. In addition, the DDA supported the production of the Dakota Digital Review, a magazine with articles that focus on the social and ethical implications of a digitized society. The DDA also supported various cyber-related conferences and symposia across the NDUS.

# Appendix – NDUS Line-Item Descriptions

## NDUS Operations

□ **Core Technology Services (CTS):** CTS delivers technology-based resources and services to NDUS institutions, students, faculty, and staff. CTS implements, maintains, and improves over 50 consolidated technical solutions used by all NDUS institutions. These solutions include student information systems, learning management systems, comprehensive human capital management systems, comprehensive financial management systems, and information security systems. CTS goals and objectives are to support ND University System infrastructure needs, improve NDUS information technology-enabled business processes and services, and improve and enhance NDUS student learning and user's focus.

The total 2025-27 base budget request for CTS equals \$70,833,307. General fund is \$45,968,235 and \$24,865,072 is from special funds. The budget supports salaries and fringe benefits support for 143.83 FTE. Other special fund sources include: ConnectND fees; charges to campuses and non-NDUS entities for IT services; and charges to ODIN libraries for maintenance and enhancement of ODIN and access to electronic databases and subscriptions. The 2025-27 budget request includes additional base budget request of \$1,421,698 for inflation increases, \$3,000,000 for Artificial Intelligence and Machine Learning, \$5,146,200 for NDIT Security Solutions that support the NDUS, and \$1,100,000 for Financial Aid Enhancement/Title IV Course Auditor software.



# Appendix – NDUS Line-Item Descriptions

## NDUS Operations

□ **System Governance:** The SBHE is responsible for the overall management and control of the institutions and entities of the ND University System. The System Governance appropriation program provides funding for the expenses/operations of the SBHE and System Office functions needed to carry out the SBHE's constitutional and statutory responsibilities to include approval of new programs, state authorization and renewal, cost saving initiatives, the administration of surveys and data collection, and coordinated statewide training.

The NDUS Office Provides advice to the SBHE and campuses on system policy development and administration, including institutional missions, program offerings, student affairs, personnel and fiscal operations, budget development, computing, capital construction, financial aid, and all other administrative and academic functions; acts as representatives of the NDUS to governmental bodies and the general public and monitors legal issues applicable to higher education. Core Technology Services implements, maintains, and improves over 50 consolidated technical solutions used by all NDUS institutions and administers student and system grant programs.

NDUS Office budget supports the state funded salaries, operating and equipment expenses. The salary budget includes the operating expenses and per diem reimbursement for State Board of Higher Education members. The 2025-27 base budget request totals \$10,314,421, of which salaries and benefits comprise \$9,199,678, or 89.2%. The 2025-27 request supports 25 FTE. Travel, dues and professional development, professional services, and specific ongoing projects, including accountability surveys and reports are the major components of the 2025-27 \$1,114,743 operating expense budget. The 2025-27 budget request includes \$319,003 for inflation increases; \$273,180 Financial Aid system licensing and maintenance; and \$143,000 for an Internal Audit Software.