

UNIVERSITY OF NORTH DAKOTA LEGISLATIVE PRIORITIES

69th North Dakota Legislative Assembly (2025-27 Biennium)

University of North Dakota Funding Priorities

Statutory Funding Formula Base Budget:

Increase of \$329K for UND and \$8.1M for SMHS

General fund share of additional operating expenses

Market Equity Funding from 23-25 biennium	\$6.81M GF share of \$6.81M total cost
CTC 23-25 salary increases	\$2.34M GF share of \$10.35M total cost
15.23% Health Insurance increase	\$4.34M GF share of \$16.34M total cost
Increase in employer share of NDPERS DB plan	\$1.26M GF share of \$5.77M total cost
NDIRF rate increases and specified operating increases	\$2.23M GF share of \$9.79M total cost
4%/3% salary increase	\$8.56M GF share of \$31.25M total cost
Total Cost Increases	\$25.54M GF share of \$80.31M total cost

One-time funding to for Complying with ADA Mandates

\$TBD – impacts all state agencies

University of North Dakota Additional Requests and Bills of Interest

STEM Complex (Phase II):

\$55.6M State / \$24M Local

Health Professions Collaborative Facilities (SB 2286):

\$55M State / \$40M Local

North Dakota Center for Aerospace Medicine (HB 1612):

\$500K

University of North Dakota Non-Funding Priorities

Approval to Sell Land

- Sell or lease approximately 20 acres of land owned by UND in the NW corner of campus for development to benefit the university
- Sell approximately 3 acres on the west corner of DeMer's Avenue and 42nd St N to enable the NDDOT to complete the 42nd St underpass project

Support the NDUS Initiatives, Including the Following Suggested Funding Levels

Challenge Grant Fund:

Increase to \$50M

Economic Diversification Research Fund:

Increase to \$25M

National Security Crossroads:

\$36M

Nursing Education Consortium:

Increase by \$2M

High-Performance Computing & Northern Tier Network:

Increase by \$8M
(Split between UND and NDSU)

An important note about State and Federal Agency mandates: Health insurance increases, NDPERS retirement conversion, property insurance increase, 2025-27 merit increases, continuation of the 2023-25 market equity adjustments, and other expenses significantly burden all eleven schools.

Under the option of a 10% flat rate increase to the funding formula, the funding rate would increase by \$7.32 per credit and tuition would need to increase by 5.96% to cover these expenses.

Under the option of a 9% flat rate increase to the funding formula, the funding rate would increase by \$6.58 per credit and tuition would need to increase by 6.38% to cover these expenses.

We encourage the E&E committee to carefully weigh the right combination of formula increases and tuition increases that would balance the burden of these additional expenses between the general fund and tuition revenue.

An estimate of annual tuition rate increases based on different funding levels by the state are shown on the following pages.

Tuition Impact Based on Funding Formula Options

Funding Source	Option 1	Option 2	Option 3
General Fund Share	\$20.73M	\$25.56M	\$28.99M
Tuition Share	\$33.03M	\$28.21M	\$24.76M
Other Funding	\$26.55M	\$26.54M	\$26.55M
Total	\$80.31M	\$80.31M	\$80.31M
UND tuition increase % needed	6.76%	5.96%	5.46%
SMHS tuition increase needed	7.41%	4.90%	2.58%

Option 1: Base funding with increased personnel expenses, 4%/3% salary increase and market equity only.

Option 2: 10% flat rate increase per governor's recommendation.

Option 3: Base funding + increased Personnel Expenses + 2% Inflation.

**NDUS Institutions Comparison of SBHE
General and Special Funds Budget
Request Engrossed HB1003**

University of North Dakota

	SBHE 2025-27 GF Budget Request	Burgum Executive Recommendation	Armstrong Executive Recommendation	Executive Budget Over (Under) Budget Request
2023-25 Adjusted General Fund Appropriation	\$ 179,204,139	\$ 179,204,139	\$ 179,204,139	\$ -
Base Adjustments - Funding Formula	329,005	329,005	329,005	-
IT Rate Adjustment	39,532	39,532	39,532	-
Employer Retirement Contribution	100,821	100,821	100,821	-
Target Market Equity	4,850,420	4,850,420	4,850,420	-
3% Budget Reduction	(5,535,718)			5,535,718
Restore 3% Budget Reduction	5,535,718			(5,535,718)
Inflation Factor Increase	5,535,718			(5,535,718)
High Performance Computing NTN	4,000,000			(4,000,000)
2023-25 Adjusted General Fund Appropriation, Net of Base Adjustments	194,059,635	184,523,917	184,523,917	\$ (9,535,718)
Executive Recommendation Base Increases (Decreases):				-
2025-27 Adjustments:				-
2023-25 Formula Rate Averaging 75% Adjustment (one-time)				-
2025-27 Governor Adjustment - Burgum 10% Netted/Armstrong 9% Netted (10%/9% gross adjustment includes IT Rate Adjustment, Employer Retirement Contribution, Target Market Equity, Health Insurance, Remove Minimum Amount Payable, Adjustment for 2-year credits at 4-year Institutions and 4-year credits at 2-year Institutions)		9,621,862	7,830,959	7,830,959
Health Insurance		3,102,806	3,102,806	3,102,806
High Performance Computing NTN (one-time)		2,000,000	-	-
Total Adjustments	-	14,724,668	10,933,765	10,933,765
Total Base General Fund Request & Recommendation	\$ 194,059,635	\$ 199,248,585	\$ 195,457,682	\$ 1,398,047
		\$ -		
2023-25 Original Other Fund Appropriation	\$ 789,961,608	\$ 789,961,608	\$ 789,961,608	\$ -
Employer Retirement Contribution	520,248	520,248	520,248	-
Target Market Equity	-	-	-	-
IT Rate Adjustment	193,009	193,009	193,009	-
2023-25 Adjusted Other Fund Appropriation	\$ 790,674,865	\$ 790,674,865	\$ 790,674,865	\$ -
Executive Recommendation Base Increases (Decreases):				
2025-27 - Burgum 4%/3% Salary & Fringe Benefits		18,769,237	18,769,237	\$ 18,769,237
Health Insurance increases		10,164,100	10,164,100	10,164,100
Total Adjustments	-	28,933,337	28,933,337	28,933,337
2025-27 Total Base Special Fund Request and Executive Recommendation - Other Funds	\$ 790,674,865	\$ 819,608,202	\$ 819,608,202	\$ 28,933,337
		-	-	
Total All funds	984,734,500	1,018,856,787	1,015,065,884	30,331,384

