

Date: January 29, 2025

Re: UND SMHS Summary of Budget Requests & other priorities in 2025-27 biennium

Below is the summary of UND SMHS budget requests based on SBHE budget guidelines.

/1	General Fund, funding formula	\$83,024,344	
/1	General Fund, HWI	\$10,676,150	
/3	<b>General Fund Total</b>		<b>\$93,700,494</b>
/1, 4	Special Fund, One Mill Levy		\$12,125,026
/1, 5	Additional GF Request, SIM-ND	\$2,000,000	
/2, 6	Additional GF Request, MMRC	\$254,976	
	Additional GF Request Total		<u>\$2,254,976</u>
	State Fund Total + Additional Requests		<u><u>\$108,080,496</u></u>

Capital Project: UND SMHS supports the Health Profession Addition (**SB2286**, \$95M = State \$55M + UND \$40M).

Non-budgetary Update: UND SMHS will transfer HBOT project fund balance (~\$250,000) to OMB in FY25.

UND SMHS supports below SBHE budget priorities.

- Full needs-based budget based on the Higher Ed funding formula.
- Commitment to equity pay and retirement benefits.
- Adding an inflation factor to the Higher Ed funding formula.
- Funding State and Federal mandates, including ADA digital accessibility compliance.
- Increase of challenge grant fund.
- Increase of Economic Diversification Research Fund (EDRF).
- Nursing Education Consortium.
- National Security Crossroads (NDUS-wide).
- High-Performance Computing & Northern Tier Network.
- EERC's designation as State Energy Research Center.
- State-wide AI initiative.
- Native American Repatriation Fund.
- Emergency Notification System modernization.

Footnotes

/1 Presented to OMB (Oct 2024) and Senate Appropriation E&E Committee (Jan 2025).

/2 Presented to OMB (Oct 2024).

/3 Governor Armstrong's Executive Recommendation is \$96,041,467 (See the **Appendix**).

/4 One mill levy estimate based on 6% annual increase. In 1948, North Dakota voters approved a constitutional amendment (Article X, Section 10) establishing a one-mill property tax levy to support the UND SMHS. **HCR 3012**, introduced on January 29, 2025, proposes repealing this amendment. If the legislature approves, the governor signs, and voters concur in the 2026 general election, UND SMHS would lose \$12.1M in biennial funding (approximately 5% of its budget). This loss will have a long-lasting and detrimental impact on SMHS's ability to train healthcare workers for North Dakota.

/5 Operating support for the SIM-ND mobile simulation program, alongside a \$1.3 million grant awarded by the Economic Development Administration (EDA). The goals of SIM-ND include: (1) training the healthcare workforce, (2) strengthening resilience, and (3) supporting economic development, by delivering emergency medical simulation education throughout the state, with a particular focus on the western counties and all Critical Access Hospitals (CAH) in rural areas.

/6 Operating support for the Maternal Mortality Review Committee (MMRC, established based on NDCC 23-51).

End

Appendix. SBHE Budget Request vs. Executive Recommendation

NDUS Institutions Comparison of SBHE General and Special Funds Budget Request Engrossed HB1003	UND SMHS				
	SBHE 2025-27 GF Budget Request	Burgum Executive Recommendation	Variance from NDUS Request	Armstrong	
				Executive Recommendation	Variance from NDUS Request
2023-25 Adjusted General Fund Appropriation	80,865,916	80,865,916	-	80,865,916	-
Base Adjustments - Funding Formula	8,130,500	8,130,500	-	8,130,500	-
IT Rate Adjustment	9,577	9,577	-	9,577	-
Employer Retirement Contribution	38,691	38,691	-	38,691	-
Target Market Equity	1,926,669	1,926,669	-	1,926,669	-
3% Budget Reduction	(2,408,856)	-	2,408,856	-	2,408,856
Restore 3% Budget Reduction	2,408,856	-	(2,408,856)	-	(2,408,856)
Inflation Factor Increase	2,729,141	-	(2,729,141)	-	(2,729,141)
<b>2023-25 Adjusted General Fund Appropriation, Net of Base Adjustments</b>	<b>93,700,494</b>	<b>90,971,353</b>	<b>(2,729,141)</b>	<b>90,971,353</b>	<b>(2,729,141)</b>
<b>Executive Recommendation Base Increases (Decreases):</b>					
<b>2025-27 Adjustments:</b>					
2023-25 Formula Rate Averaging 75% Adjustment (one-time)	-	4,622,011	4,622,011	3,829,708	3,829,708
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)	-	1,240,406	1,240,406	1,240,406	1,240,406
Health Insurance	-	-	-	-	-
High Performance Computing NTN (one-time)	-	-	-	-	-
<b>Total Adjustments</b>	<b>-</b>	<b>5,862,417</b>	<b>5,862,417</b>	<b>5,070,114</b>	<b>5,070,114</b>
<b>Total Base General Fund Request &amp; Recommendation</b>	<b>93,700,494</b>	<b>96,833,770</b>	<b>3,133,276</b>	<b>96,041,467</b>	<b>2,340,973</b>
2023-25 Original Other Fund Appropriation	167,914,111	167,914,111	-	167,914,111	-
Employer Retirement Contribution	68,304	68,304	-	68,304	-
Target Market Equity	259,427	259,427	-	259,427	-
IT Rate Adjustment	20,351	20,351	-	20,351	-
<b>168,262,193</b>	<b>168,262,193</b>	<b>-</b>	<b>168,262,193</b>	<b>-</b>	
2023-25 Adjusted Other Fund Appropriation					
<b>Executive Recommendation Base Increases (Decreases):</b>					
2025-27 - Burgum 4%/3% Salary & Fringe Benefits	-	3,922,043	3,922,043	3,922,043	3,922,043
Health Insurance increases	-	1,834,080	1,834,080	1,834,080	1,834,080
<b>Total Adjustments</b>	<b>-</b>	<b>5,756,123</b>	<b>5,756,123</b>	<b>5,756,123</b>	<b>5,756,123</b>
<b>2025-27 Total Base Special Fund Request and Executive Recommendation - Other Funds</b>	<b>168,262,193</b>	<b>174,018,316</b>	<b>5,756,123</b>	<b>174,018,316</b>	<b>5,756,123</b>
<b>Total All funds</b>	<b>261,962,687</b>	<b>270,852,086</b>	<b>8,889,399</b>	<b>270,059,783</b>	<b>8,097,096</b>

Note: OMB Calculation for Burgum Executive Recommendation 10% funding formula increase was calculated as follows: 2023-25 per credit rate was increased by 10%. Recalculated adjusted weighted student credit hours (SCH) times the new per credit rate without adjustments for 4-year credits at 2-year instructions and 2-year credits at 4-year institutions and removed minimum amount payable.

Note: OMB Calculation for Armstrong Executive Recommendation 10% funding formula increase was calculated as follows: 2023-25 per credit rate was increased by 9%. Recalculated adjusted weighted student credit hours (SCH) times the new per credit rate without adjusting the rate changes for 4-year credits at 2-year instructions and 2-year credits at 4-year institutions and removed minimum amount payable.

# Senate Appropriations Education and Environment Testimony

February 7, 2025

Dr. Marjorie R. Jenkins

VP for Health Affairs and Dean of the School of Medicine & Health Sciences

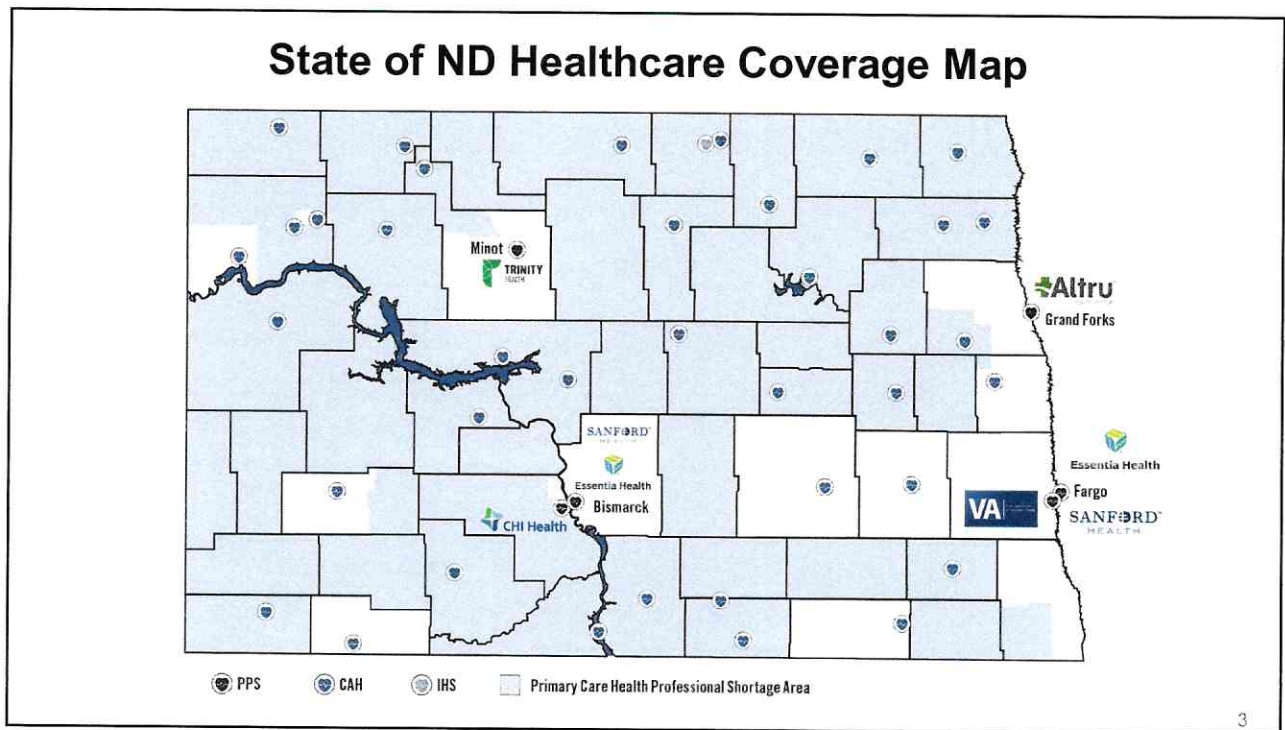


A large green arrow-shaped graphic pointing to the right. Inside the arrow, the text "SMHS" is centered at the top in a large, bold, white font. Below it, "Lean Model Large Footprint" is centered in a slightly smaller, bold, white font. At the bottom of the arrow, the logo for the University of North Dakota School of Medicine & Health Sciences is displayed in white. The logo consists of the letters "UND" in a stylized font, followed by "SCHOOL OF MEDICINE & HEALTH SCIENCES" in a smaller font, and "UNIVERSITY OF NORTH DAKOTA" in the smallest font at the bottom. To the right of the text is a white caduceus symbol.

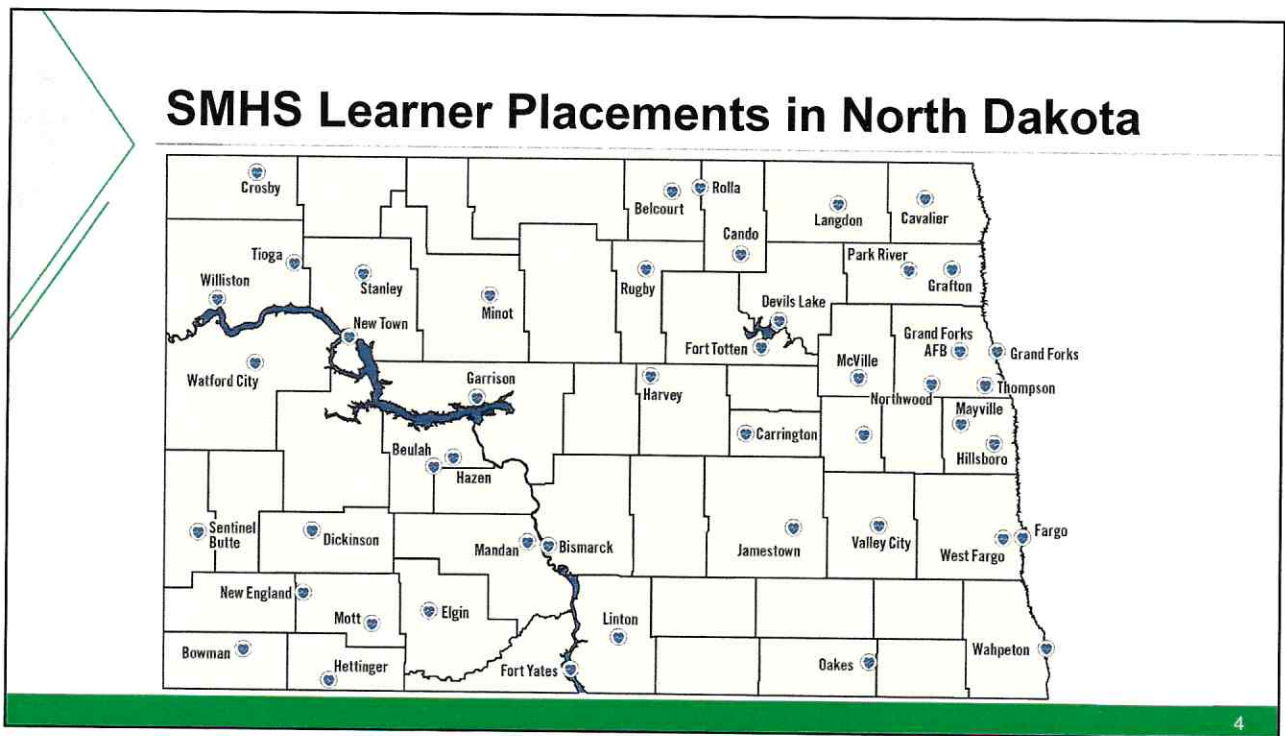
**SMHS**  
**Lean Model Large Footprint**

**UND** SCHOOL OF MEDICINE  
& HEALTH SCIENCES  
UNIVERSITY OF NORTH DAKOTA

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## Faculty for MD program 2024-25 (School)

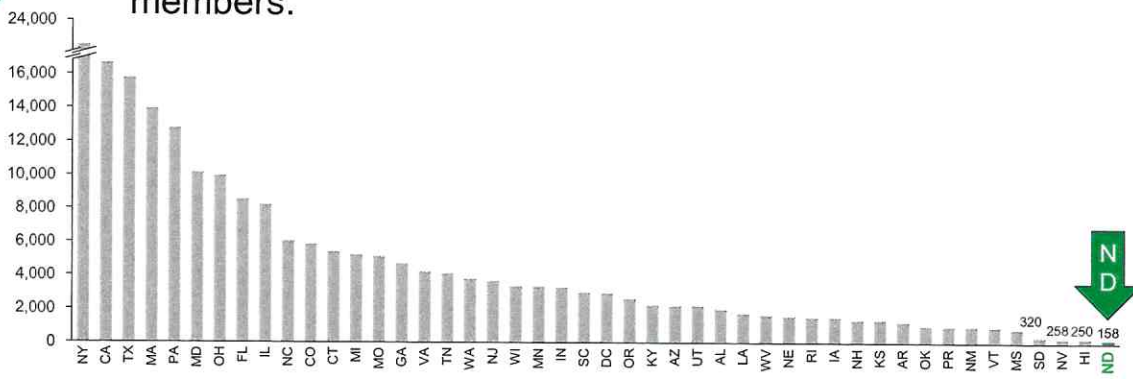
- In 2024-25, the UND SMHS reported a faculty count of 158 to the AAMC, resulting in a ranking of 144th out of 159 member schools.



Source: U.S. Medical School Faculty 2024, AAMC (Counting full-time benefit-eligible faculty in MD program only)

## Faculty for MD program 2024-25 (State)

- Compared to other states, North Dakota reported the lowest faculty count to the AAMC in 2024-25, with only 158 faculty members.



Source: U.S. Medical School Faculty 2024, AAMC (Counting full-time benefit-eligible faculty in MD program only)



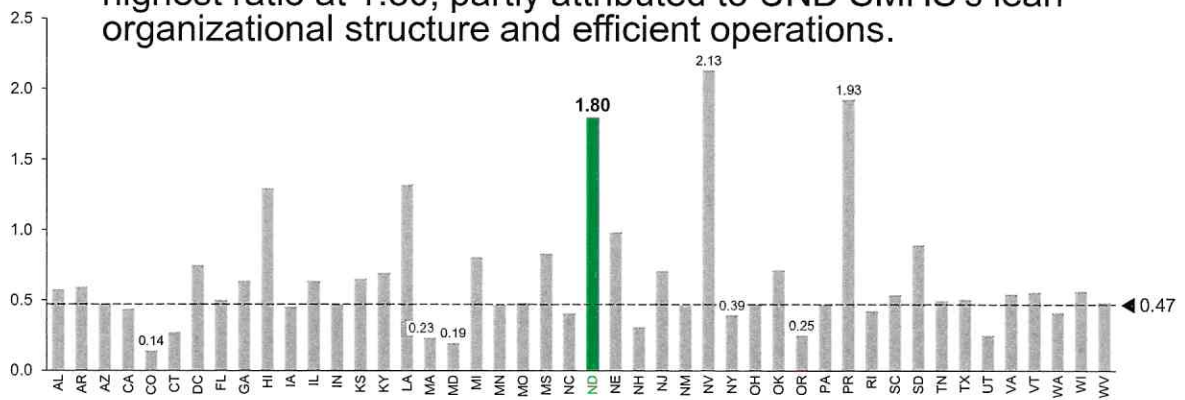
## Student per Faculty Ratio 2024-25 (School)

- In 2024-25, UND SMHS's Student-to-Faculty ratio (1.80) ranked 22nd among 158 medical schools, exceeding the national average of 0.47. This may reflect UND SMHS's lean and efficient model.
- We may be small, but we deliver results.



## Student per Faculty Ratio 2024-25 (State)

- In 2024-25, the national average Student-to-Faculty ratio at the state level was 0.47. North Dakota reported the third-highest ratio at 1.80, partly attributed to UND SMHS's lean organizational structure and efficient operations.



Source: U.S. Medical School Faculty 2024, AAMC (Counting full-time benefit-eligible faculty in MD program only)  
2024 FACTS Enrollment, Graduates, and MD-PhD Data By Institution, AAMC

# Healthcare Workforce Training Programs

## Medicine


- Doctor of Medicine (MD)
- Post-MD Residency Programs
  - Family Medicine (with rural tracks)
  - Internal Medicine
  - Medical Oncology
  - Neurology
  - Geriatrics
  - Surgery (with rural track)
  - Orthopedic Surgery
  - Psychiatry (with Telepsychiatry)
  - Transitional Year
  - Pediatrics
  - Forensic Pathology

## Health Sciences/Related

- Physical Therapy (D)
- Occupational Therapy (D)
- Medical Laboratory Science (U and M)
- Master of Public Health (M)
- Physician Assistant Studies (M)
- Sports Medicine/Athletic Training (M)
- Graduate Programs:
  - Biomedical Sciences (D and M)
  - Clinical & Translational Science (D and M)
  - Indigenous Health (D)

D = Doctorate  
 M = Master  
 U = Undergraduate

## Who We Are

<p><b>~300</b> Medical Students</p>	<p><b>550+</b> Health Sciences Students All levels</p>	
<p><b>50+</b> Master/Doctoral Students</p>	<p><b>1,000+</b> Undergraduates served (biochemistry, anatomy, pre-nursing, forensic science, etc.)</p>	

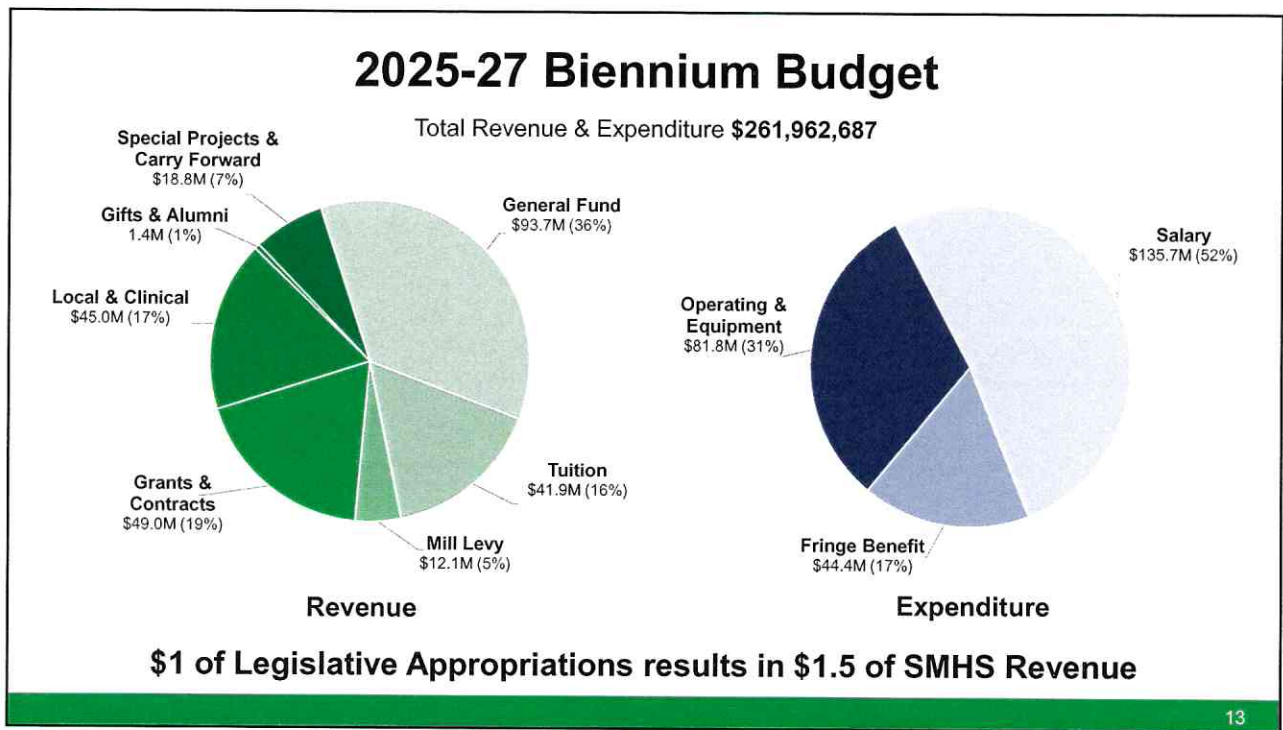
## SMHS Faculty, Staff, and Clinical Faculty Paid by SMHS

Type	Number
<b>Benefitted Faculty (MD +HS)</b>	192
<b>Benefitted Staff</b>	302
<b>Total Benefitted</b>	494
<b>Non-Benefitted Faculty</b>	95
<b>Non-Benefitted Staff</b>	88
<b>Total Non-Benefitted</b>	226
<b>Medical Residents and Fellows</b>	179
<b>Clinical Faculty, paid and volunteer *</b>	1,350 +

\* Clinical Faculty: Approximately 20% are compensated, and 80% are contributing as volunteer faculty.



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## Biennial Budget Increases

	2023-25 Base Level	Requested Adjustments		2025-27 SBHE Needs-Based Budget
Campus Operations	\$ 240,396,968	\$ 10,889,569	\$	251,286,537
Health Care Workforce	\$ 10,676,150	-	\$	10,676,150
<b>Total Appropriation</b>	<b>\$ 251,073,118</b>	<b>\$ 10,889,569</b>	<b>\$</b>	<b>261,962,687</b>
General Fund	\$ 82,831,276	\$ 10,869,218	\$	93,700,494
Special Funds	\$ 168,241,842	\$ 20,351	\$	168,262,193
<b>Total Funding Sources</b>	<b>\$ 251,073,118</b>	<b>\$ 10,889,569</b>	<b>\$</b>	<b>261,962,687</b>

### Drivers of Increased Funding Needs

Increased student  
enrollment and credit  
hour production

Rising costs due to  
inflation

	Adjustment **
Formula increase due to credit production	\$ 8,130,500
Inflation factor increase	\$ 2,729,141
Special funds authorization increase	\$ 20,351
IT rate adjustments	\$ 9,577
	<b>\$ 10,889,569</b>

\*\* Based on NDUS budget comparison table.



## Simulation in Motion-North Dakota (SIM-ND)



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## SIM-ND Budget Consideration

- The current funding model for SIM-ND, which relies on contributions from UND SMHS and healthcare partners (Altru, Sanford, Essentia, Trinity Health), is becoming unsustainable.
- Financial pressures are leading partner hospitals to reduce their financial and resource commitments, jeopardizing the program's stability and its ability to meet the increasing demand for on-site medical simulation training across North Dakota.
- To address this challenge, UND SMHS requests ongoing operating support of **\$2 million** starting in the 2025-2027 biennium.


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## SIM-ND Budget Consideration



SIM-ND Budget Items	Per Biennium
Salary/Fringe Benefits	\$1,300,000
Travel	\$125,000
IT Equipment	\$18,000
Professional Development	\$50,000
Service Contracts	\$100,000
Other Operating Expense	\$407,000
<b>Total</b>	<b>\$2,000,000</b>

- The proposed budget includes six additional staff FTEs
- These FTEs will staff 4 new simulation vans funded by a \$1.3M Economic Development Administration federal grant (2025).



**Maternal Mortality Review Committee**  
Budget Proposal for 2025-27 Biennium

October 2024



UND SCHOOL OF MEDICINE  
& HEALTH SCIENCES  
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# **Maternal Mortality Review Committee (MMRC)**

- Established based on ND Century Code Chapter 23-51
- MMR Goals
  - Identify trends and risk factors
  - Develop recommendations

# MMRC Chair & Members

- MMRC Chair – **Dennis Lutz, MD**  
Professor & Chair, Department of  
Obstetrics & Gynecology, UND SMHS
- MMRC Members (25)
  - Professional expertise
  - Geographical representation
  - State and local health organization  
participation
  - At risk population perspective/input
  - Ad Hoc community consultants/advisors  
as needed
  - Public member

## Challenges

- Increasing number of deaths related to mental health (national trend)
- Suicides/Homicides
- Drug overdoses, accidental vs. intentional
- Obtaining information on deaths: Often inaccurate
- Data accuracy: ND Division of Vital Records is enhancing screening capacity to improve data accuracy
- Lack of stable MMRC funding

**\$250,000  
Budget  
per  
Biennium**

MMRC budget to be separate from General Fund for UND SMHS.

Social Worker: A key success factor for MMRC

- Liaison to the ND American Indian Health Care Group, ND Perinatal Quality Collaborative, UND Center for Rural Health, & ND Healthcare Worker Initiatives

Other Budget Items: Data analysis, Conferences, meetings, and travels



## MMRC Estimated Budget

Budget	FY26	FY27	Total
<b>Staff Salary: Social Worker</b>	\$ 75,000	\$ 77,250	\$ 152,250
Staff Fringe	35,526	35,996	71,522
Data Analysis	10,000	10,000	20,000
Conference	4,000	4,000	8,000
Meetings	1,602	1,602	3,204
<b>Estimated Total</b>	<b>\$ 126,128</b>	<b>\$ 128,848</b>	<b>\$ 254,976</b>

- Approximately 12,000 deliveries each year in North Dakota
- Propose \$10 per delivery per year for MMRC activities

# Hyperbaric Oxygen Therapy (HBOT)



Sigma 36 Hyperbaric Chamber, Perry Biomedical  
<https://perrybiomedical.com/products>

## Hyperbaric Oxygen Therapy (HBOT) Budget

Account	Budget	Expenditure			Estimated Balance	Description
		6/30/2024	6/30/2025	Total		
Salary & Fringes	\$27,358	\$15,269	\$12,089	\$27,358	\$0	
Operating	\$1,381,491	\$80,250	\$1,051,241	\$1,131,491	\$250,000	Including \$250,000 Hospital Support per Chamber
HBOT Chambers	\$695,272	\$625,745	\$69,527	\$695,272	\$0	5 HBOT Chambers, cost locked in 2022
<b>Total</b>	<b>\$2,104,121</b>	<b>\$721,264</b>	<b>\$1,132,857</b>	<b>\$1,854,121</b>	<b>\$250,000</b>	

- |   |  |
|---|--|
| <ul style="list-style-type: none"> <li>• Fargo – Essentia: 2 chambers (contract executed)</li> <li>• Minot - Trinity: 2 chambers (pending contract)</li> <li>• Grand Forks – Altru: Research collaboration (2 clinical chambers)</li> </ul> | <ul style="list-style-type: none"> <li>• Uncommitted: 1 chamber (&amp; \$250,000) available to expand the HBOT consortium</li> </ul> |
|---|--|

## HBOT Asset & Risk Management

- **Current Situation:** UND owns HBOT chambers, while participating hospitals sign agreements waiving UND from operational risks.
- **Ongoing Risk:** Despite these agreements, the state and UND remain exposed to potential legal liabilities and future costs.
- **Applicable NDCC:** NDCC § 54-44-04.6 addresses the transfer or sale of surplus properties, but the HBOT project would not qualify.
- **Legislative Request:** UND SMHS requests the Legislature's support for transferring ownership of the HBOT chambers, including associated liabilities, to participating hospitals during the 2025-2027 biennium.

*To serve North Dakota  
For the benefit of its people  
To enhance the quality of their lives*

