

SB 2003
1/8/25



**NORTH DAKOTA
UNIVERSITY SYSTEM**

ACCESS. INNOVATION. EXCELLENCE.

SENATE APPROPRIATIONS SB 2003 TESTIMONY

Tim Mihalick, Chair

State Board of Higher Education

STRATEGIC PLAN

1. Optimize student affordability while maintaining campus financial health
2. Provide access to programs people want, where and when they need them
3. Prepare students for success
4. Maximize the strengths of a unified system
5. Research excellence
6. Workforce development

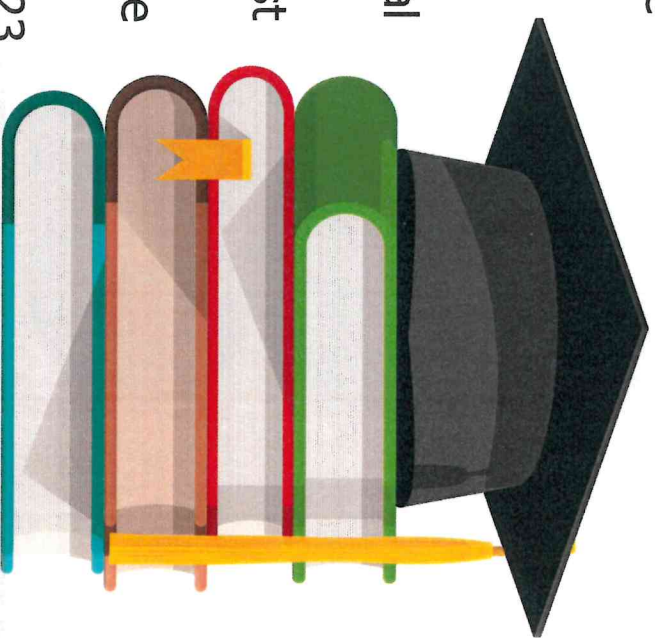


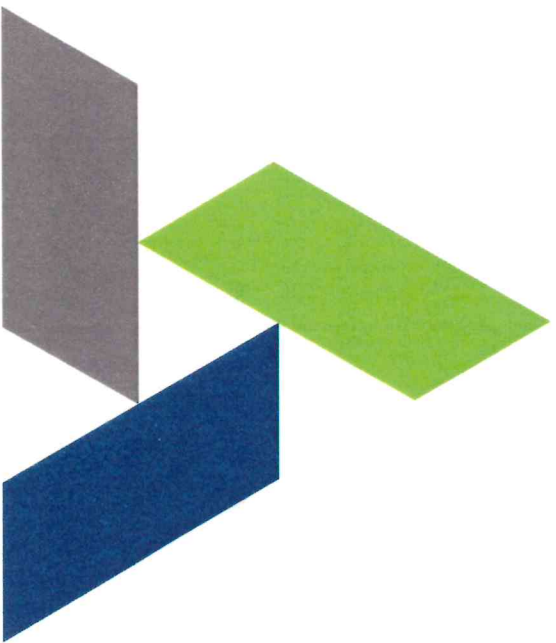
LEGISLATIVE, EXECUTIVE BRANCH SUPPORT

- Workforce is Job One...more than 45,800 students in workforce pipeline
- Attract more than 13,000 out-of-state, in-person students, all potential ND workers
- TrainND customized training
- Senior and community enrichment opportunities
- High school students enrolled in college courses – nearly half of ND high school graduates took a dual credit course with NDUS while in high school
- Community vitality thru recreation and entertainment (theater, music, rodeos, and athletics)
- Support Tribal Colleges, underserved Rural Areas (e.g., DDA, online)

Enrollment Successes

- NDUS Fall 2024 Undergraduate enrollment increase (**+4%**) is beating the national average (+3%)
- Freshman Fall 2024 enrollment up **+10%** beating the national decline of -5%
- Successfully confronted Free Application for Federal Student Aid (FAFSA) challenges
- Fall 2024 headcount = **45,806 students** – highest since Fall 2018
- Fall 2024 FTEs = **37,001 students** – highest since Fall 2019
- Total credit hours increased by **4.2%** from Fall 2023
- COVID recovery – Systemwide have beat national averages over last several years





RUN-ND

retool and upskill now
for North Dakota

STUDENT VITALITY

- Clear minds: learn how to learn
- Strong Bodies: addiction free
- Resilient spirit: ND civic values
- Enrollment: Lumina 2.0

WORKFORCE

- More Productive
- Urban-Rural; Energy; Ag; Health; Defense

INTELLIGENT MACHINES

- Make AI a tool for all Dakotans
- Robotics
- Increase productivity

INFRASTRUCTURE

- Digital
- Physical

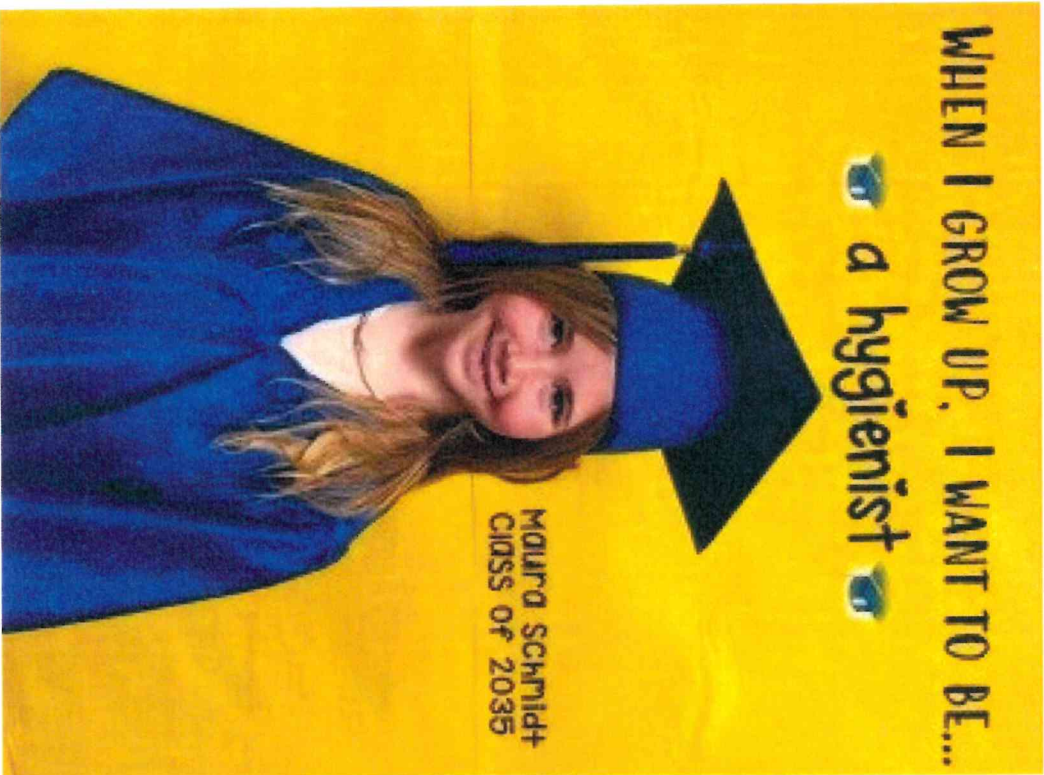


North Dakota Student Association (NDSA) 2025 Legislative Priorities

- Maintain affordable tuition
- Offer scholarship opportunities for students
- Student wellness
- Provide comfortable and accessible residence halls

ENVISION

2035



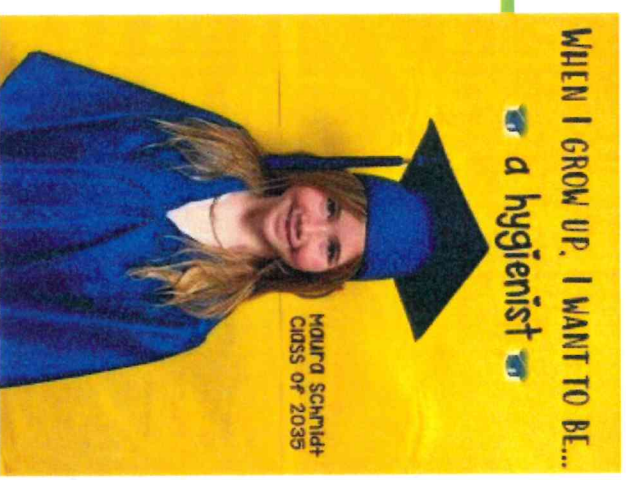
TRENDS IN HIGHER ED

9 Study Groups

- Agriculture of the Future
- Energy of the Future
- Healthcare of the Future
- Digital Sciences of the Future
- Student of the Future
- Teacher of the Future
- Infrastructure of the Future
- Human Capital of the Future
- Values/Civics of the Future

DRIVERS OF CHANGE

- AI and digitization
- Energy
- Inflation
- Human capital crisis
 - Career long productivity
- Student behavioral issues
- National Security Crisis

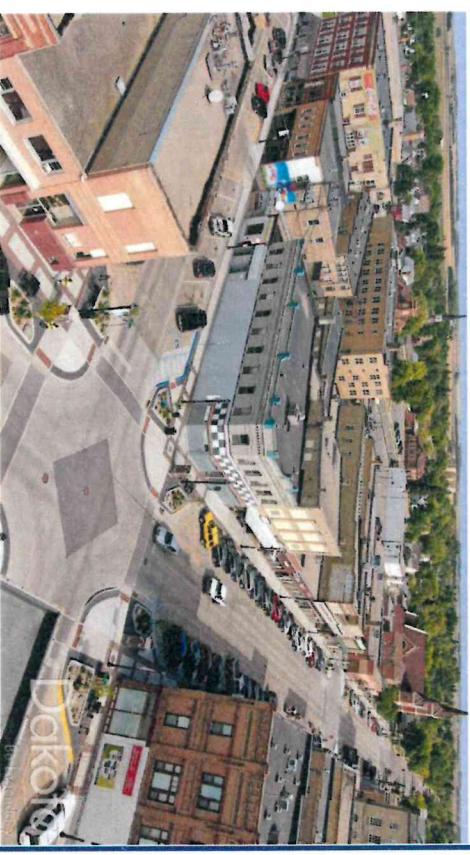


2025-27 SBHE ENVISION REQUESTS



Initiatives to Support:

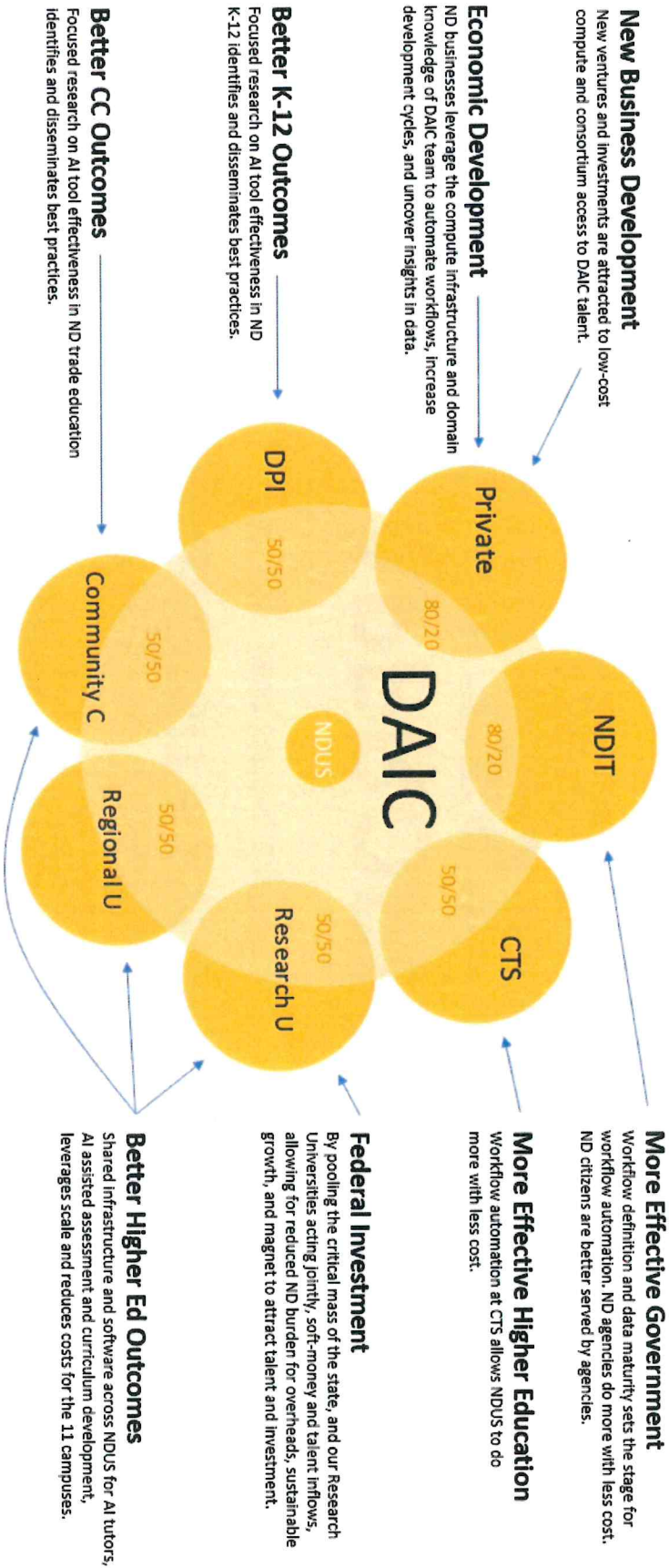
1. Annual salary increases
2. Challenge grant program
3. Workforce education innovation program
(Rep Schreiber-Beck supports)
4. Economic diversification research fund
5. Higher ed stabilization fund
6. SIM-ND mobile simulation program
7. Dakota Humanities Academy



ARTIFICIAL INTELLIGENCE AND ND

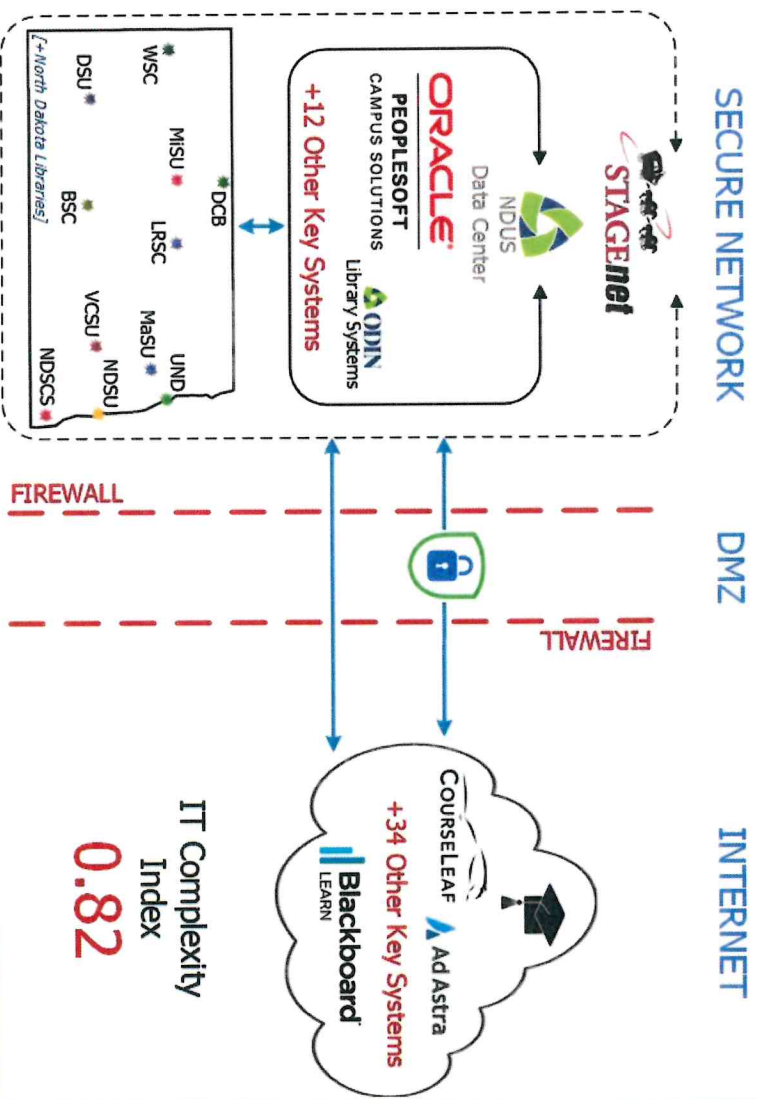
- Address the Workforce Crisis
- Transform Education
- Keep Compute and Data in the State
- Turn the State's Compute Advantages Into a Magnet
- Keep AI aligned to ND Values

COLLABORATIVE MODEL



Unlocking Synergies, Driving Efficiency & Strengthening NDLIT/NDUS Collaboration

- Economies of Scale (Cost efficiencies in purchasing, staffing, etc.)
- Enhanced Cybersecurity & Risk Mitigation (Security Operations Center)
- Improved Interoperability and Data Sharing
- Streamlined IT Service Delivery and Support
- Strategic Alignment & Innovation
- Force Multiplier (Talent management and expertise)





**NORTH DAKOTA
UNIVERSITY SYSTEM**

ACCESS. INNOVATION. EXCELLENCE.

SENATE APPROPRIATIONS SB 2003 TESTIMONY

Lisa Johnson, Vice Chancellor for Academic and Student Affairs
North Dakota University System



Student Financial Assistance Programs

2023-25 Base Appropriation - \$63.3 million

- Student Financial Assistance Grants - \$29,917,306
- ND Academic/CTE/ND Scholarship - \$17,216,749
- Scholars Program - \$1,807,115
- Dual Credit Scholarship - \$1,500,000
- Native American Scholarship - \$1,000,000
- Professional Student Exchange Program - \$3,699,342
- ND Career Builders Scholarship \$3,400,000
- ND Career Builders Loan Repayment \$3,400,000
- Tribally Controlled Colleges Assistance Grant - \$1,400,000

NDUS State General Fund Appropriations (nominal dollars)



2025-27 Base General Fund Budget Request

North Dakota University System

2025-27 Needs-Based Budget Request Comparison to Executive Recommendation

Base Budget - Needs-Based	Total NDUS Request	Executive Recommendation	Variance from NDUS Request
2023-25 Needs-Based Budget	\$ 792,409,065	\$ 792,409,065	\$0
Cost to Continue 2023-25 Target Market Equity & DB Retirement	1,532,333	1,532,333	0
NDIT IT Rate Adjustment	231,253	231,253	0
State Bond Payments	(936,521)	(936,521)	0
Funding Formula - SCH Production Changes including MAP	(588,009)	(588,009)	0
Compensation Package(4%/3% Salary/FB/Health Insurance(Excludes Institutions)	0	2,735,371	2,735,371
Funding Formula Inflation of 10% for Institutions: Includes:			
Compensation Package(4%/3% Salary/FB)	0	32,882,977	32,882,977
Health Insurance adjustment	0	12,269,682	12,269,682
Cost to Continue Market Equity funding	17,320,937	17,320,937	0
Cost to Continue DB Retirement funding	420,191	420,191	0
NDIT IT Rate Adjustment	118,012	118,012	0
2-yr credits at 4-yr campus	0	(14,065)	(14,065)
4-yr credits at 2-yr campus	0	147,531	147,531
Minimum Amount Payable	0	(8,906,619)	(8,906,619)
Student Financial Aid System	273,180	273,180	0
Student Financial Assistance Grants	1,000,000	1,000,000	0
Forest Service - Inflation	175,700	175,700	0
Working Parent Credit - Employee child care reimbursement program	0	910,000	910,000
2025-27 Needs-Based Budget	\$ 811,956,141	\$ 851,981,018	\$ 40,024,877
Dollar Change from 2023-25 Base	\$ 19,547,076	\$ 59,571,953	
Percentage Change from 2023-25 base	2.5%	7.5%	

2025-27 Optional General Fund Budget Requests

North Dakota University System		SBHE Request	Governor's Executive Budget Recommendation	Variance from NDUS Request	Notes
Tab	General Fund	General Fund or *SILF			
NDUSO - System Governance					
10	Increase Shared Services [NDUSO]	200,000	0	(200,000)	
11	Internal Audit Software [NDUSO]	143,000	0	(143,000)	
NDUSO - Student Grants					
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 (ENVISSION) [NDUSO]	1,000,000	0	(1,000,000)	
	Total	\$ 47,446,970	\$ 75,517,241	\$ 28,070,271	
NDUS Executive Recommendation Capital Projects					
16	MASU - Old Main Capital Project - SILF	\$ 34,924,814	\$ 34,924,814		*SILF
Appropriation Authority for Capital Projects - Special Funds					
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(SILF)					



2025-27 Investment Opportunities – Capital Funding Request

- \$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 – SBHE approved Capital Funding Request

Institution	Institution Priority	Project Title	Project Total	Funding Source		Project Type	% PED	% DMI	% LS	Amount DM/LS
				General Funds	Other Funds					
MfSU	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
NDS CS	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
		State General Fund Projects	121,833,701	118,580,715	3,252,987					129,282,728

Capital Project History – State Funded

Capital Project Appropriations
 All NDUS institutions and NDSU agriculture entities
 Paid by State General Fund, SIF, Permanent Oil Trust Fund or State Bonds

