

**University of North Dakota  
House Bill No. 1003**

|   | <b>FTE Positions</b> | <b>General Fund</b> | <b>Other Funds</b> | <b>Total</b>                   |
|---|----------------------|---------------------|--------------------|--------------------------------|
| 2003-05 executive budget (bills as introduced)            | 0.00                 | \$0                 | \$0                | \$0                            |
| <b>2003-05 legislative appropriations</b>                 | <b>706.74</b>        | <b>86,920,262</b>   | <b>53,300,000</b>  | <b>140,220,262<sup>1</sup></b> |
| Legislative increase (decrease) to executive budget       | 706.74               | \$86,920,262        | \$53,300,000       | \$140,220,262                  |
| Legislative increase (decrease) to 2001-03 appropriations | (210.43)             | (\$2,182,210)       | \$34,458,215       | \$32,276,005                   |

<sup>1</sup> The Legislative Assembly approved separate 2003-05 biennium appropriations within House Bill No. 1003 for the University of North Dakota and the University of North Dakota School of Medicine and Health Sciences.

**SUMMARY OF LEGISLATIVE CHANGES TO THE EXECUTIVE BUDGET AND MAJOR FUNDING ITEMS**

**Salaries and Wages**

The Legislative Assembly approved the executive recommendation to not provide higher education institutions specific funding for salary or health insurance increases. The increases are to be provided from the funding available to the University System.

|   | <b>Major Items<br/>FTE Positions</b> | <b>General Fund</b> | <b>Other Funds</b>  | <b>Total</b>         |
|---|--------------------------------------|---------------------|---------------------|----------------------|
| The legislative action:   |                                      |                     |                     |                      |
| Allocated funding from the recommended University System office campus operations line item to individual higher education institutions | 706.74                               | \$86,345,626        |                     | \$86,345,626         |
| Allocated funding from the recommended University System office capital assets line item to individual higher education institutions    |                                      | 2,362,136           | \$53,300,000        | 55,662,136           |
| Reduced funding for campus operations   |                                      | (1,685,683)         |                     | (1,685,683)          |
| Reduced funding for information technology; however, the reduction is not limited to information technology                             |                                      | (101,817)           |                     | (101,817)            |
| <b>Total</b>  | <b>706.74</b>                        | <b>\$86,920,262</b> | <b>\$53,300,000</b> | <b>\$140,220,262</b> |

**FTE Changes**

The Legislative Assembly did not change the executive recommendation which included funding for 706.74 FTE positions, a decrease of 210.43 FTE positions from the authorized number of FTE positions for the 2001-03 biennium. The decrease in FTE positions reflects agency reductions and adjusts the number of FTE positions to the level supported by the general fund. Pursuant to Section 10 of House Bill No. 1003, the State Board of Higher Education is authorized to adjust FTE positions as needed for institutions of higher education. Any FTE adjustment must be reported to the Office of Management and Budget prior to submission of the 2005-07 budget request.

### Other income

The Legislative Assembly approved the executive recommendation, as provided in Sections 7 and 34 of House Bill No. 1003, to appropriate on a continuing basis (through June 30, 2005) all other funds received by the institutions of higher education during the 2003-05 biennium. Consequently, the legislative appropriation for the University of North Dakota does not include a specific appropriation of other funds, except for capital projects.

### Capital Improvements

The Legislative Assembly authorized the following projects:

|  | General Fund | Other Funds  | Total        |
|--|--------------|--------------|--------------|
| Neuroscience research facility - Phase I (HB 1003)       |              | \$17,000,000 | \$17,000,000 |
| Carnegie Library renovation (HB 1003)                    |              | 3,300,000    | 3,300,000    |
| Native American Center (HB 1003)                         |              | 3,500,000    | 3,500,000    |
| Squires dining center renovation (HB 1003)               |              | 1,500,000    | 1,500,000    |
| Wellness Center and athletic complex (HB 1003) (Bonding) |              | 21,000,000   | 21,000,000   |
| Airline security building (HB 1003)                      |              | 5,000,000    | 5,000,000    |
| Airport hanger (HB 1003) (Bonding)                       |              | 2,000,000    | 2,000,000    |
| Extraordinary repairs (HB 1003)                          | \$2,362,136  |              | 2,362,136    |
| Total  | \$2,362,136  | \$53,300,000 | \$55,662,136 |

### Winter Sports Facility

The Legislative Assembly authorized in Section 25 of House Bill No. 1003, the State Board of Higher Education to approve amendments to terms of the agreement entered under chapter 159 of the 1999 Session Laws relating to construction of a winter sports facility (basketball arena) on the site authorized under that legislation for the University of North Dakota to be financed with private funds.

### Purchase of Hotel

Section 26 of House Bill No. 1003 provides for the State Board of Higher Education to authorize the University of North Dakota to purchase a hotel and land upon which the hotel is located within the city of Grand Forks for use as a student residence facility for a sum not to exceed \$1.2 million. The University of North Dakota may utilize available housing reserve funds for the purchase.

### Water Development Trust Fund

The Legislative Assembly appropriated \$1,193,146 from the water development trust fund for repayment during the 2003-05 biennium of 2001-03 biennium loans used for the state's matching share of federal flood disaster relief funding, the same as the executive recommendation.

### Centers of Excellence

House Bill No. 1019 provides for the State Board of Higher Education to establish a centers of excellence program relating to economic development. The Department of Commerce will provide an \$800,000 grant from the development fund to the University of North Dakota Center for Innovation on October 1, 2003. In addition, the Legislative Assembly appropriated in Section 21 of House Bill No. 1003, \$1,150,000 to the North Dakota University System for the John D. Odegard Center for Aerospace Science - Center of Excellence in Multimedia Technology. Of the \$1,150,000, \$206,000 is for the Expanded Air Service Enterprise - Upper Great Plains Air Taxi Service. Federal matching funding relating to the Expanded Air Service Enterprise - Upper Great Plains Air Taxi Service must be available before June 30, 2004, or the funding is to be made available to other centers of excellence.

### Competitive Research Initiatives

Section 20 of House Bill No. 1003 provides \$100,000 from the competitive research line item under the North Dakota University System appropriation to be used for public private partnership for establishment of a design center at the University of North Dakota. Federal and private matching funds totaling \$300,000 must be available prior to June 30, 2004, or the funding is to be made available to other competitive research initiatives.

### **Related Legislation**

**City flood control special assessment exemption** - Senate Bill No. 2052 provides that the city flood control special assessment exemption for state property does not apply to any privately owned structure, fixture, or improvement located on state-owned land unless it is used primarily for athletic or educational purposes at a state institution of higher education.

**Ralph Engelstad Arena** - House Bill No. 1393 provides that the hockey arena constructed on the campus of the University of North Dakota which was constructed with funds donated by Ralph and Betty Engelstad is officially named the Ralph Engelstad Arena.