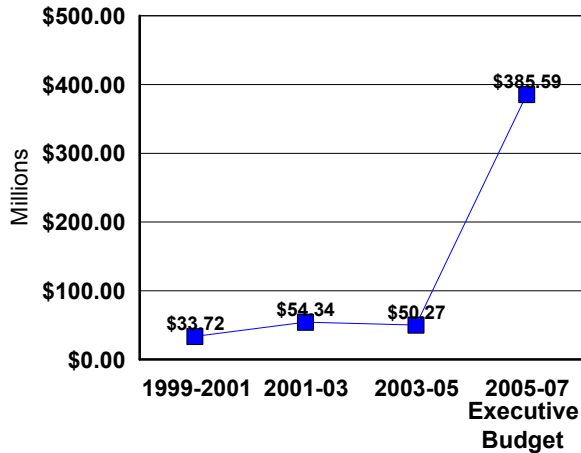


**Department 215 - North Dakota University System Office**  
**Senate Bill Nos. 2003 and 2323**

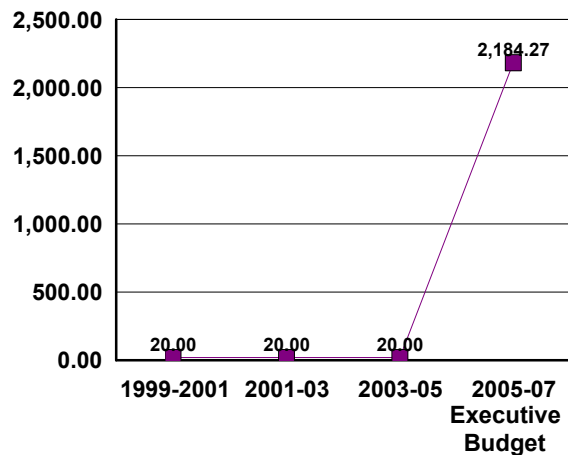
	<b>FTE Positions</b>	<b>General Fund</b>	<b>Other Funds</b>	<b>Total</b>
2005-07 Executive Budget	2,184.27	\$385,589,539	\$2,337,276	\$387,926,815
2003-05 Legislative Appropriations	20.00	50,273,529	3,855,507	54,129,036 <sup>1</sup>
Increase (Decrease)	2,164.27	\$335,316,010	(\$1,518,231)	\$333,797,779

<sup>1</sup>The 2003-05 appropriation amounts reflect general fund allocations of \$6,533,856 from the technology pool and \$30,000 from the board initiatives funding to other higher education institutions and a transfer of \$218,655 from the State College of Science to the North Dakota University System office relating to expenses associated with the FTE position responsible for articulation and transfer agreements. The 2003-05 appropriation amounts do not reflect \$1,279,477 of general fund carryover from the 2001-03 biennium.

**Agency Funding - General Fund**



**FTE Positions**



**First House Action**

Attached is a summary of the first house changes.

**Executive Budget Highlights  
(With First House Changes Noted)**

	<b>General Fund</b>	<b>Other Funds</b>	<b>Total</b>
1. Consolidates operations and extraordinary repair funding for higher education institutions into two line items in the University System budget--campus operations and contingency, extraordinary repairs, and capital emergency. The Senate appropriated funding to each of the higher education institutions.			
2. Increases the number of FTE positions for the University System office from 20 to 2,184.27 to account for the number of higher education institution FTE positions supported by the general fund			
3. Adjusts funding for <b>system governance</b> by \$545,737, from the 2003-05 adjusted appropriation of \$4,974,975, of which \$4,813,642 was from the general fund, to \$5,520,712, of which \$5,330,786 is from the general fund, to:			
a. Increase funding to replace carryover funding used during the 2003-05 biennium	\$205,694	\$64,482	\$270,176
b. Provide funding for ConnectND "backfill" positions		\$75,000	\$75,000
c. Decrease funding from special funds		(\$122,345)	(\$122,345)
d. Provide funding for a 3 percent per year salary increase	\$133,181	\$6,316	\$139,497
e. Provide funding for health insurance premium increases	\$57,169	\$5,140	\$62,309

f. Provide funding for a 2.2 percent operating inflationary adjustment	\$18,900		\$18,900
g. Provide funding for increases in FINDET of \$75,200 from \$43,704 to \$118,905 and increases in dues for the Western Interstate Commission on Higher Education of \$12,000 from \$208,000 to \$220,000 and the Midwestern Higher Education Compact of \$15,000 from \$165,000 to \$180,000	\$102,200		\$102,200
Total	\$517,144	\$28,593	\$545,737
4. Adjusts funding for the <b>student financial assistance grant program</b> from \$2,930,215, of which \$2,730,215 was from the general fund, to \$6,376,288, of which \$6,204,288 is from the general fund, to:			
a. Increase funding to replace carryover funding used during the 2003-05 biennium	\$174,073	\$500,000	\$674,073
b. Remove funding from the North Dakota/Minnesota reciprocity agreement		(\$500,000)	(\$500,000)
c. Decrease federal funding		(\$28,000)	(\$28,000)
d. Increase funding from the general fund. The Senate increased funding for the program by \$400,000 from the general fund.	\$1,300,000		\$1,300,000
e. Provide funding for a child care component. The Senate removed funding from the general fund for a child care component.	\$2,000,000		\$2,000,000
Total	\$3,474,073	(\$28,000)	\$3,446,073
5. Adjusts funding for the <b>professional student exchange program</b> from \$1,678,300, to \$1,713,780 to increase funding to replace carryover funding used during the 2003-05 biennium	\$35,480		\$35,480
6. Adjusts funding for the <b>scholars program</b> from \$816,368 to \$862,077 to increase funding to replace carryover funding used during the 2003-05 biennium	\$45,709		\$45,709
7. Adjusts funding for the <b>Native American scholarship program</b> from \$204,086 to \$251,988 to increase funding to replace carryover funding used during the 2003-05 biennium (\$402) and to provide an increase in funding from the general fund (\$47,500)	\$47,902		\$47,902
8. Adjusts funding for the <b>education incentive programs</b> from \$830,000 to \$1,227,902 to increase funding to replace carryover funding used during the 2003-05 biennium	\$397,902		\$397,902
9. Decreases funding for <b>professional liability insurance</b> from \$1,850,000 to \$1,350,000	(\$500,000)		(\$500,000)
10. Adjusts funding for <b>board initiatives</b> by \$744,104, from the 2003-05 adjusted appropriation of \$171,836 to \$915,940, to:			
a. Increase funding to replace carryover funding used during the 2003-05 biennium	\$294,306		\$294,306
b. Provide funding for an economic enhancement initiative	\$449,798		\$449,798
Total - The Senate increased funding for board initiatives by \$700,000 from the general fund.	\$744,104		\$744,104
11. Increases funding for <b>competitive research</b> by \$440,000 from \$4,750,000 to \$5,190,000	\$440,000		\$440,000
12. Removes funding provided in the 2003-05 biennium for <b>centers of excellence</b>	(\$1,550,000)		(\$1,550,000)
13. Increases funding for the <b>common information services</b> pool by \$3,368,300, from the 2003-05 adjusted appropriation of \$18,555,783 to \$21,924,083, to provide funding for the following information technology priorities:			
a. Parity, including 3 percent per year salary increases, health insurance increase, and a 2.2 percent operating expense inflationary adjustment	\$1,018,300		\$1,018,300
b. Network growth	\$825,000		\$825,000
c. Antivirus software licenses	\$175,000		\$175,000
d. An On-line Dakota Information Network system service librarian	\$100,000		\$100,000
e. A systemwide learning management system. The Senate removed the funding provided for a learning management system.	\$950,000		\$950,000
f. Interactive Video Network equipment refurbishment	\$300,000		\$300,000
Total	\$3,368,300		\$3,368,300

14. Increases funding for <b>contingency, extraordinary repair, and capital emergency</b> by \$5,361,572, from \$1,752,767 to \$7,114,339, to:			
a. Increase funding to replace carryover funding used during the 2003-05 biennium	\$125,911		\$125,911
b. Remove one-time funding provided for the 2003-05 biennium from the water development trust fund		(\$1,456,074)	(\$1,456,074)
c. An increase in funding from the general fund	\$14,318		\$14,318
d. Funding for higher education institutions' extraordinary repairs consolidated from individual higher education institution budgets. The Senate allocated the funding pooled for campus extraordinary repairs to individual higher education institutions.	\$6,677,417		\$6,677,417
Total	\$6,817,646	(\$1,456,074)	\$5,361,572
15. Adjusts funding for <b>capital assets</b> by \$1,487,452, from \$12,790,689 to \$14,278,141 to properly account for bond payments for the 2005-07 biennium	\$1,550,202	(\$62,750)	\$1,487,452
16. Provides funding for the operations of all higher education institutions in one line item-- <b>campus operations</b> . The Senate allocated the funding pooled for campus operations to the individual higher education institutions.	\$319,927,548		\$319,927,548

### Major Related Legislation

**Senate Bill No. 2003 - Student financial assistance grants** - Section 9 of Engrossed Senate Bill No. 2003 provides that the funding appropriated for student financial assistance grants be allocated for the student financial assistance grant program and a child care program. The State Board of Higher Education is to consider applicants demonstrating the greatest unmet financial need in making the allocations.

**Senate Bill No. 2003 - Long-term finance plan review** - Section 17 of Engrossed Senate Bill No. 2003 provides that it is the intent of the Legislative Assembly that the State Board of Higher Education conduct a review of the long-term finance plan, including a review of peer institutions and a review of the allocation of funds between equity and parity.

**Senate Bill No. 2003 - 2007-09 executive budget recommendation** - Section 19 of Engrossed Senate Bill No. 2003 provides legislative intent that the Office of Management and Budget submit the North Dakota University System appropriations bill for the 2007-09 biennium to the 60th Legislative Assembly in the same format as approved by the 59th Legislative Assembly.

**Senate Bill No. 2003 - Accountability measures** - Section 21 of Engrossed Senate Bill No. 2003 requires the University System performance and accountability report to include an executive summary and specific information regarding education excellence, economic development, student access, student affordability, and financial operations.

**Senate Bill No. 2023 - Major capital projects** - This bill authorizes the issuance of bonds by the Building Authority for higher education major capital projects, including a hazardous material handling and storage facility at North Dakota State University (\$3,300,000), an electrical distribution project at the State College of Science (\$736,000), Murphy Hall renovation and addition (Phase II) at Dickinson State University (\$4,100,557), and Thatcher Hall addition at Minot State University - Bottineau (\$2,500,000). The bill also authorizes the Building Authority to issue bonds totaling \$2,331,554 for energy improvement projects at the University of North Dakota.

**Senate Bill No. 2034 - Special revenue funds** - This bill provides for the continuation of the continuing appropriation authority for higher education institutions' special revenue funds, including tuition, through June 30, 2007.

**Senate Bill No. 2035 - Budget requests and appropriations** - This bill provides for the continuation of the requirements that the budget request for the North Dakota University System include budget estimates for block grants for a base funding component and for an initiative funding component and a budget estimate for an asset funding component and the requirement that the appropriation for the North Dakota University system include block grants for a base funding appropriation and for an initiative funding appropriation and an appropriation for asset funding through June 30, 2007.

**Senate Bill No. 2036 - Unspent general fund appropriations** - This bill provides for the continuation of the North Dakota University System's authority to carry over at the end of the biennium unspent general fund appropriations through June 30, 2007.

**Senate Bill No. 2037 - Higher education information technology** - This bill provides that the State Board of Higher Education is responsible for managing and regulating information technology planning and services for institutions under its control.

**Senate Bill No. 2076 - Resident student** - This bill redefines resident student for tuition purposes to add all members of the National Guard, spouses and children of active duty military personnel, and spouses and children of disabled veterans or veterans killed in action.

**Senate Bill No. 2077 - Student financial assistance grant program** - This bill increases the maximum amount for student financial assistance program grants from \$600 to \$1,000.

**Senate Bill No. 2078 and House Bill No. 1387 - Education incentive programs** - These bills change the eligibility for the technology occupations student loan program and the teacher shortages loan forgiveness program.

**Senate Bill No. 2323 - Cancer detection or treatment grant** - This bill provides a \$1 million general fund appropriation to the State Board of Higher Education for awarding a cancer detection or treatment grant.

**House Bill No. 1397 - Veterinary medicine** - This bill provides that the State Board of Higher Education may contract with Kansas State University to provide an opportunity for up to 10 eligible students to enroll in the veterinary medicine education program at Kansas State University.

**Senate Concurrent Resolution No. 4002 - Performance and accountability report** - This resolution directs the Legislative Council to study the State Board of Higher Education performance and accountability measures included in the report required by North Dakota Century Code Section 15-10-14.2.