

**North Dakota University System Office  
Budget 215  
Senate Bill No. 2003; House Bill No. 1394**

	<b>FTE Positions</b>	<b>General Fund</b>	<b>Other Funds</b>	<b>Total</b>
2009-11 legislative appropriation	21.30	\$86,508,682	\$4,748,958	\$91,257,640
2007-09 legislative appropriation	<u>20.00</u>	<u>68,601,118</u>	<u>6,117,530</u>	<u>74,718,648</u>
2009-11 appropriation increase (decrease) to 2007-09 appropriation	1.30	\$17,907,564	(\$1,368,572)	\$16,538,992

**NOTE:** The 2009-11 legislative general fund appropriation amounts have been reduced for the following funding allocations made to institutions:

- \$750,000 security and emergency preparedness funding pool appropriated to the University System office.
- \$1.5 million science, technology, engineering, and mathematics (STEM) education funding pool appropriated to the University System office.

**Item Description**

**System information technology services** - The Legislative Assembly provided \$30,230,038, of which \$29,209,438 is from the general fund and \$1,020,600 is from the student loan trust fund, for support of the Higher Education Computer Network, the Interactive Video Network (IVN), the On-line Dakota Information Network (ODIN), and other related technology initiatives. The funding includes an increase of \$2,306,255 for parity, \$1,220,000 for increased bandwidth costs, and \$1,020,600 for ConnectND support positions.

**Student financial assistance grants** - The Legislative Assembly provided \$19,374,022, of which \$19,025,594 is from the general fund and \$348,428 from federal funds, for student financial assistance grants during the 2009-11 biennium. The 2009-11 legislative appropriation of \$19,374,022 is \$13,386,525 more than the 2007-09 biennium appropriation of \$5,987,497.

**Professional student exchange program** - The Legislative Assembly provided \$3,337,100, of which \$2,346,130 is from the general fund and \$990,970 is from the student loan trust fund, for the professional student exchange program. The \$3,337,100 is \$614,154 more than the 2007-09 appropriation of \$2,722,946. The Legislative Assembly increased funding from the student loan trust fund to continue the existing students in the Kansas State University veterinary medical education program and add five additional freshmen in each year of the 2009-11 biennium.

**Education incentive programs** - The Legislative Assembly provided \$3,176,344 from the general fund for education incentive programs, an increase of \$1,436,030 from the 2007-09 biennium appropriation of \$1,740,314. Section 21 of Senate Bill No. 2003 provides that the funding of \$3,176,344 may be allocated to education incentive programs as determined by the State Board of Higher Education. The board may determine the

**Status/Result**

The State Board of Higher Education has allocated the system information technology services funding as follows:

	<b>Fiscal Year 2010</b>	<b>Fiscal Year 2011</b>	<b>Total</b>
University of North Dakota	\$2,041,333	\$2,126,064	\$4,167,397
North Dakota State University	12,530,291	13,152,848	25,683,139
University System office	141,840	237,662	379,502
<b>Total</b>	<b>\$14,713,464</b>	<b>\$15,516,574</b>	<b>\$30,230,038</b>

During the 2009-10 academic year, 7,715 students are estimated to receive student financial assistance grants of \$1,200. During the 2008-09 academic year, 3,857 students received student financial assistance grants of \$800.

For the 2009-10 academic year, the Kansas State University veterinary medical education program accepted three new freshman students and provided one additional student with a deferred enrollment. The University System anticipates an additional five students will be funded for the 2010-11 academic year.

Including unspent 2007-09 biennium education incentive appropriation authority of \$79,344, the total amount of education incentive funding available for the 2009-11 biennium is \$3,255,688. The following table summarizes estimated program costs for the 2009-11 biennium:

appropriate number of years of program eligibility for each education incentive program. Section 29 of Senate Bill No. 2003 provides legislative intent that the University System ensure the technology occupations loan forgiveness program is able to support the same amount of students in the future without additional funding from the Legislative Assembly. Section 36 provides statutory changes to expand the existing technology occupations loan forgiveness program to include students pursuing studies in science, engineering, and mathematics.

**Unspent 2007-09 general fund appropriations** - Section 25 of Senate Bill No. 2003 requires the State Board of Higher Education to use \$200,000 of University System office unspent 2007-09 biennium general fund appropriation authorized to continue under North Dakota Century Code Section 54-44.1-11 for student retention and marketing efforts at Valley City State University.

**Tuition increase limit** - Section 30 of Senate Bill No. 2003 provides that the State Board of Higher Education limit any annual tuition increase for students attending institutions under its control for the 2009-10 and 2010-11 academic years to no more than 4 percent for each year unless the board receives prior Budget Section approval.

**Financial assistance to tribally controlled community colleges** - House Bill No. 1394 provides a \$700,000 special funds appropriation from the permanent oil tax trust fund to the State Board of Higher Education for providing grant assistance payments to tribally controlled community colleges to defray the costs of education associated with enrollment of nonbeneficiary students.

**Scholars program** - The Legislative Assembly provided funding of \$2,113,584 from the general fund for the scholars program. The \$2,113,584 is \$635,018 more than the 2007-09 biennium appropriation of \$1,478,566. The funding is sufficient to continue existing students in the program and provide 53 new freshman awards in each year of the 2009-11 biennium.

**Career and technical education and academic scholarships** - The Legislative Assembly provided \$3 million from the general fund for career and technical education and academic scholarships as outlined in 2009 House Bill No. 1400. The funding will provide scholarships of up to \$1,500 per year, up to a maximum of \$6,000 per student, to residents of the state who attend a North Dakota higher education institution and meet program criteria.

Education incentive funding available		\$3,255,688
Estimated allocations		
Teacher shortage loan forgiveness program	\$965,000	
Technology occupation student loan forgiveness program	1,879,500	
Doctoral graduate program	260,000	
Total allocations		3,104,500
Education incentive funding estimated to be available for the 2011-13 biennium		\$151,188

The University System office has distributed the \$200,000 to Valley City State University for student retention and marketing efforts.

All University System four-year campuses increased tuition by 3.5 percent for the 2009-10 academic year and all two-year campuses did not increase tuition rates. All four-year institutions plan to increase tuition by 3.5 percent for the 2010-11 academic year and two-year campuses do not plan to raise tuition rates.

The State Board of Higher Education established a program to distribute funds to North Dakota tribal colleges for nonbeneficiary students. The University System allocated \$350,000 to tribal colleges for fiscal year 2010. The remaining \$350,000 will be distributed to colleges in fiscal year 2011.

For the 2009-10 academic year, the University System provided 55 scholars program scholarships to new freshmen, an increase of 12 new freshman scholarships from in the 2008-09 academic year. The University System anticipates providing 65 scholarships to new freshmen for the 2010-11 academic year.

The University System, Department of Public Instruction, and Department of Career and Technical Education have developed a program to distribute the scholarships to 2009-10 graduating high school students based on the following timeline:

- June 7, 2010 - Deadline for accepting scholarship applications.
- June 30, 2010 - Notification of scholarship eligibility sent to students.
- July 15, 2010 - Deadline for student to indicate acceptance of the scholarship.

- August 2010 - List of awardees provided to the University System from the Department of Public Instruction and scholarship funds distributed to the appropriate higher education institution.

The security and emergency preparedness funding was allocated to institutions as follows:

Bismarck State College	\$61,412
Lake Region State College	61,412
Williston State College	61,412
University of North Dakota	61,412
North Dakota State University	97,460
State College of Science	97,460
Dickinson State University	61,412
Mayville State University	61,412
Minot State University	61,412
Valley City State University	63,784
Dakota College at Bottineau	61,412
<b>Total</b>	<b>\$750,000</b>

The STEM teacher education enhancement funding was allocated to institutions as follows:

Dickinson State University	\$250,000
Mayville State University	250,000
Minot State University	250,000
University of North Dakota	250,000
North Dakota State University	250,000
Valley City State University	250,000
<b>Total</b>	<b>\$1,500,000</b>

The University System developed a marketing and awareness program for two-year colleges and related occupations. A media campaign began in February 2010 and three additional media campaign activities are expected to be developed through July 2011.

**Security and emergency preparedness funding** - Section 19 of Senate Bill No. 2003 provides that \$750,000 appropriated to the University System office for security and emergency preparedness is to be used for the benefit of higher education institutions.

**Science, technology, engineering, and mathematics teacher education enhancement** - Section 28 of Senate Bill No. 2003 provides that funding of \$1.5 million designated for STEM teacher education is to be used for the benefit of institutions under the control of the State Board of Higher Education.

**Two-year college marketing and awareness** - The Legislative Assembly provided an \$800,000 appropriation for increasing the awareness of two-year colleges and related occupations.