

**North Dakota University System Office
Budget 215
House Bill No. 1003; Senate Bill Nos. 2013, 2015**

	FTE Positions	General Fund	Other Funds	Total
2011-13 legislative appropriation	23.30	\$101,239,245	\$2,754,718	\$103,993,963
2009-11 legislative appropriation	<u>21.30</u>	<u>86,508,682</u>	<u>4,748,958</u>	<u>91,257,640</u>
2011-13 appropriation increase (decrease) to 2009-11 appropriation	2.00	\$14,730,563	(\$1,994,240)	\$12,736,323

NOTE: The 2011-13 legislative general fund appropriations amounts have been reduced for the following funding allocations made to institutions:

- \$15,240,565 equity and student affordability funding pool appropriated to the North Dakota University System office.
- \$150,000 for educational leadership program funding appropriated to the University System office.

Item Description

Equity and student affordability funding pool - The Legislative Assembly appropriated \$15,240,565 from the general fund to the University System office for an equity and student affordability funding pool to be allocated to institutions as determined by the State Board of Higher Education. Section 6 of 2011 House Bill No. 1003 authorizes the State Board of Higher Education to transfer funding from the pool to higher education institutions.

Status/Result

The State Board of Higher Education allocated the equity and student affordability funding to institutions as follows:

Bismarck State College	\$1,168,227
Lake Region State College	384,371
Williston State College	348,788
University of North Dakota (UND)	3,788,692
UND School of Medicine and Health Sciences	1,064,950
North Dakota State University (NDSU)	6,005,607
North Dakota State College of Science	705,863
Dickinson State University	477,163
Mayville State University	190,965
Minot State University	567,621
Valley City State University	289,003
Dakota College at Bottineau	249,315
Total	\$15,240,565

Total scholarship funding provided during the 2011-12 academic year was \$2,891,473. The University System estimates providing \$4,464,000 of scholarships funding the 2011-13 academic year.

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

	Fiscal Year 2012	Fiscal Year 2013	Total
UND	\$2,184,750	\$2,245,403	\$4,430,153
NDSU	15,699,908	15,480,736	31,180,644
University System office	197,935	197,935	395,870
Total	\$18,082,593	\$17,924,074	\$36,006,667

System information technology services - The Legislative Assembly provided \$36,006,667, of which \$35,467,230 is from the general fund and \$539,437 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 from the general fund includes an increase of \$1,249,509 for parity, \$3,527,000 for technology maintenance, \$616,000 for a ConnectND database upgrade, and \$590,000 to replace reduced revenue from the student loan trust fund.

Joint information technology building project - The Legislative Assembly provided \$12.5 million from the general fund for the joint University System/UND information technology building project. Section 7 of 2011 House Bill No. 1003 allows the University System to spend an additional \$5 million on the project from funds resulting in one-time information technology funding savings or efficiencies realized at UND, NDSU, or the University System office. The Legislative Assembly also appropriated an additional \$8 million of other funds to allow a research facility to be constructed in conjunction with the information technology building project.

Career and technical education and academic scholarships - The Legislative Assembly appropriated \$10 million from the general fund for career and technical education and academic scholarships, an increase of \$7 million from the 2009-11 biennium appropriation of \$3 million.

Tribal college assistance grants - The Legislative Assembly appropriated \$1 million from the general fund for grants to tribal colleges for expenses related to the enrollment of nonbeneficiary students. This funding level represents an increase of \$300,000 from the 2009-11 biennium appropriation from the permanent oil tax trust fund of \$700,000.

Educational leadership programs - The Legislative Assembly appropriated \$150,000 from the general fund to the University System office for educational leadership programs at UND and NDSU.

Student fee information requirements - Senate Bill No. 2351 (2011) requires the State Board of Higher Education to display information on the University System website.

The State Board of Higher Education authorized, and the Budget Section subsequently approved, the renovation of an existing building for a data center and the construction of a new building for office space. The project is expected to cost \$15.5 million, of which \$12.5 million is from the general fund and \$3 million is from one-time information technology savings and cost efficiencies.

The University System did not receive a federal grant to construct a research facility in conjunction with the information technology building.

A total of 1,968 scholarships were awarded during the fall 2011 semester to 2010 and 2011 high school graduates. The following schedule details the institution attended by the scholarship recipients:

Institutions Attended by Scholarship Recipients - Fall 2011 Semester (Includes 2010 and 2011 High School Graduates)					
	Two-Year Public or Tribal Institution	Public Four-Year Institution	Public Research Institution	Private Institution	Total
Academic scholarship recipients	130	191	921	168	1,410
Career and technical education scholarship recipients	172	102	234	50	558
Total	302	293	1,155	218	1,968

Total scholarship funding provided during the 2011-12 academic year was \$2,891,473. The University System estimates providing \$4,464,000 of scholarships during the 2012-13 academic year.

The State Board of Higher Education made a distribution of \$500,000 to tribal colleges for expenses of 125.7 FTE nonbeneficiary students enrolled at the colleges during the 2011-12 academic year. Each institution received \$3,977 for each nonbeneficiary FTE student enrolled at the institution. This represents an increase of \$1,467 from the 2010-11 academic year allocation of \$2,510 for each FTE nonbeneficiary student. At total of 139.4 FTE nonbeneficiary students were enrolled at tribal colleges during the 2010-11 academic year.

The State Board of Higher Education allocated \$75,000 each to UND and NDSU for educational leadership programs.

The University System developed a website that provides detailed information regarding student fees charged at each University System institution. The website can be accessed at fees.ndus.edu.

Student financial assistance grants - The Legislative Assembly provided \$19,374,022, of which \$19,025,594 is from the general fund and \$348,428 is from federal funds, for student financial assistance grants during the 2011-13 biennium. This is the same level of funding as provided during the 2009-11 biennium.

Scholars program - The Legislative Assembly provided \$2,113,584 from the general fund for the scholars program during the 2011-13 biennium. This is the same level of funding as provided during the 2009-11 biennium.

Education incentive programs - The Legislative Assembly provided \$3,176,344 from the general fund for education incentive programs during the 2011-13 biennium. This is the same level of funding as provided during the 2009-11 biennium.

Internal auditor - The State Board of Higher Education approved a plan to establish a University System internal audit function at the system level.

During the 2011-12 academic year, \$9,439,226 of funding was used to provide 7,238 students with student financial assistance grants of \$1,500. The University System anticipates providing 8,100 grants during the 2012-13 academic year.

For the 2011-12 academic year, the University System used \$1,124,262 of funding to provide 46 scholars program scholarships to new freshmen. The University System anticipates providing 44 scholarships to new freshmen for the 2012-13 academic year.

Including unspent 2009-11 biennium education incentive appropriation authority of \$396,996, the total amount of education incentive funding available for the 2011-13 biennium is \$3,573,340. The following table summarized estimated programs costs for the 2011-13 biennium:

Education incentive funding available		\$3,573,340
Estimated allocations		
Teacher shortage loan forgiveness program	\$787,000	
Technology occupation student loan forgiveness program	2,472,000	
Doctoral graduate program	260,000	
Total allocations		\$3,519,000
Education incentive funding estimated to be available for the 2013-15 biennium		\$54,340

The University System hired a director of Internal Audit and Risk Assessment in February 2011. Each University System institution pays an assessment to provide funding for the cost of the position. The State Board of Higher Education is reviewing options to increase the number of internal audit staff.