MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION
SFN 2053 (2/85) 5M

ROLL NUMBER

DESCRIPTION

2003

2005 SENATE APPROPRIATIONS

SB 2003

2005 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. 2003

Senate Appropriations Committee

☐ Conference Committee

Hearing Date January 17, 2005

Tape Number	Side A	Side B	Meter #
1	A	B	
2	A		
Committee Clerk Signature			

Minutes:

Roll call was taken, all were present.

Senator Holmberg opened the hearings on SB 2003 with a few announcements. He distributed an e-mail from the Department of Health regarding the IT costs for SB 2004. He indicated the plans for the subcommittees to meet will be at 11:15 am on Thursday, January 20 at which. If Senators not on a specific subcommittee are interested in a specific topic, they can express those concerns to a specific subcommittee and that information will be brought back to the Appropriations Committee in the subcommittee report.

Robert Potts, Chancellor, ND University Systems, presented an overview of the budget needs after he introduced a few people attending the hearing and those who would be testifying today. He announced that he had visited all of the college and university campuses and indicated there was such a good cooperation and partnership within the organization. He continued by introducing the first testifier.

Bruce Christianson, CEO of Magic City Finance Group, Minot. President, State Board of Higher Education, announced the other members of the State Board of Higher Education including the Senators who serve on the round table for higher education Senators Holmberg, Flakoll, Grindberg, Kringstad, Hacker, Nething, and Lindaas. Bruce Christianson (meter 874) gave supportive testimony for **SB 2003** as he gave an overview of the Round Table of Higher Education, reviewed the recent accomplishments, as detailed in the book "Linking North Dakota and its University System, expectations and strategies for the future, results of a survey of round table members.

Questions were raised regarding senators inclusion on the round table board,

Chancellor Potts, presented a power point testimony in **support of SB 2003**, a copy of which is in the distributed handouts. He discussed (meter 2090) some of the public and private partnerships in the University system, some of the challenges it faces, what is being done about them and made an appeal to invest additional dollars beyond executive budget recommendations. He commended the State Board of Higher Education and the governance they give the University system. Priority is the establishment of a system wide international recruitment initiative and long-term financing of the plan, the challenge of recruitment and maintenance of staff, investment in technology, and to keep tuition costs at reasonable rates.

Questions were raised about the ongoing review of peer institutions, general funding levels of higher education, the amount of general fund money per capita compared to other states, and the movement of monies appropriated during recent biennium.

Dennis Hill, representative, North Dakota Association of Rural Electric Cooperatives, private sector member, Roundtable, distributed a copy of his testimony in **support of SB 2003**. He

reviewed (meter 4375) the role of the Roundtable and urged this committee to keep that forum alive and it is a living strategy.

Don Morton, member, Roundtable, Representative, Assistant to Microsoft senior vice-president, presented testimony in **support of SB 2003**. As a Microsoft representative, Microsoft supports higher education, enforce laws around property. (Meter 4900) Wants to see the Roundtable moved from Interim committee status to permanent establishment and statute, its development of comprehensive and long-term strategy, highly supports the Centers of Excellence, the empowerment of individual campuses.

Mike Hellman, Vice Chairman, Student Affairs, ND University System, provided testimony in **support of SB 2003** under Accountability in handout. He discussed (Tape 1 Side B meter 97) the performance on nationally recognized exams, the pass rates for certification and licensing exams, survey results from employers relating to qualifications of graduates, the NDSU partnership and joint ventures, recruitment of nontraditional students, and access to education.

Questions were raised relating to students leaving the state and what may be lacking in our system, whether graduate information is broken down per college.

Edwin Dunn, ND University System, provided testimony in **support of SB 2003** as printed in the handout. The accountability report is a that is tied to the accountability measures that the Roundtable asked higher education to track according to the six cornerstones of the Roundtable report. Edwin Dunn commented on the development and satisfaction of the workforce training segment.

Laura Glatt, ND University System, provided testimony in **support of SB 2003** as printed in the handout. She discussed the fiscal accounting measures focusing on several areas; level of

research expenditures in the University system, research grants, general fund appropriations, restricted and unrestricted resources, major capital projects with one project going over budget, the overview of the long-term finance plan, student tuition ratio, executive budget analysis, changes in the Governor's budget analysis, child care program, and salary increase necessity. Questions were raised regarding the general fund resources and how that compares regionally and nationally, the per capita basis for higher education, the frequency of the benchmark reviews, the changes in peer status reviewed, ability of schools to survive, enrollment in schools, how schools do so well on so little (tape 2 side A 55), deferred maintenance, when will we see benefits of technology monies. Additional questions and discussion took place on peer benchmark support per institution and performance outcome measurements, construction and maintenance costs, child care program and decrease in federal fund support.

Dr. John Peterson, President, Council on College Faculty, Mayville State College, presented testimony in **support of SB 2003**. He reviewed (Tape 2 meter 3100) a copy of the employees compensation report and the most recent survey of faculty. He highly supports the Roundtable, the Governor's budget proposal. His main concerns are the welfare and morale of the faculty staff and asks your support in salary increases.

Dr. Anne Burnett, Mayville State College, faculty representative on State Board of Higher Education, presented testimony in **support of SB 2003**. She discussed the educators concerns of (meter 3611) the staff discouragement, high work load, about 62 hours a week, and low morale and urged support of the Appropriations Committee and Legislature to fund SB 2003.

Lucas Larson, Student Lobbyist, ND Students Association, testified on behalf of the **support of SB 2003.** He discussed the student support of (Meter 4639) the tuition increases and the need to

to keep tuition costs down and bring more students into the state, the need to support retaining qualified staff, the need to support the child care program to enable all students the opportunity for higher education, and the Connect ND program. Ended with a quote "The way you judge how advanced a civilization is isn't how much money or wealth it has, but how advanced and educated its people are."

Robert Potts, summarized the budget overview, the great job that is being done in North Dakota and the need for additional funding. Consider the outstanding record of the past two years of the University System.

Chairman Holmberg closed the morning session and will resume in the afternoon.

Chairman Holmberg opened the afternoon session.

Dr. Potts, Chancellor, ND University System introduced **Peggy Wipp, Director of Financial Service Office** who is in support of **SB 2003.** Ms. Whipp addressed questions regarding Child Assistance Loans.

Vice Chancellor Laura Glatt appeared in support **of SB 2003.** Ms. Glatt provided the committee with written testimony, this is the green sheets in the white binder included with minutes. Ms. Glautt's testimony is in regards to proposed amendments to **SB 2003.** Questions were asked of Ms. Glatt regarding foundation funding and bonding, and how these loans are paid back.

Kathy McDonald, Director of Finance ND University System appeared in support of **SB 2003,** Ms. McDonald also testified on specific appropriations, these are located as red and white tabs in the large white binder attached to these minutes. Questions were again raised regarding bonding.

Ms. McDonald stated to the committee that they were now lowering the requirement for technology occupations student loan program from a 3.0 GPA to a 2.5 GPA.

Dr. Peter Alfonso, Vice President for Research UND ESPCoR appeared in support of SB 2003. Mr. Alfonso provide the committee with written testimony (power point), this is located as the pink sheets in the large white binder.

Dr. Philip Boudjouk, Vice President for Research, Creative Activities and Technology transfer NDSU also appeared in support of SB 2003. Dr. Boudjouk also testified from the previous power point (pink sheets) testimony. Questions were raised regarding the salary of researchers, the cost of patens and the payment of royalties regarding patens.

Chairman Holmberg closed the meeting on SB 2003.

2005 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. 2003

Senate Appropriations Committee

❑ Conference Committee

Hearing Date January 18, 2005

Tape Number	Side A	Side B	Meter #
1	A	B	
2	A	B	
3	A		
4	A	B	
5	A	B	
6	A		178
Committee Clerk Signature			

Minutes:

Roll call was taken, all were present.

Senator Holmberg opened the hearings on SB 2003.

Charles E. Kupchella, President, University of North Dakota (UND), appeared in **support of SB 2003** and distributed a copy of his testimony which was presented as a power point presentation. He discussed the history of UND, how UND has used funding in the past, what the projections are for the future, capital projects, and compensation. He introduced Jordon Schuetzle, UND Student body, H. David Wilson, MD, Vice President, UND School of Medicine, Alice Brekke, Budget Director, Phil Harmonson, and Joshua Wynne, MD, UND School of Medicine.

Jordon Schuetzle, President Student Body, UND, presented testimony in **support of SB 2003**. He discussed students at UND and the investment the state makes in higher education.

Charles E. Kupchella, continued his discussion (meter 4682) on the Centers of Excellence, UND Foundation development and plans as well as strategic planning at UND. He indicated for every dollar spent, $4 is generated.

Questions were raised (Meter 5464) regarding salaries, where additional monies would be designated, grant monies, promotions of staff, carryover of general fund money, peer institution qualifications,

Alice Brekke responded to the carryover monies and indicated the monies are committed to Connect ND and other projects.

Chairman Holmberg indicated the **subcommittee** will consist of **Chairman Holmberg, Senator Kringstad, and Senator Robinson.**

H. David Wilson, Dean, UND School of Medicine and Health Sciences, presented written testimony and testified in support of SB 2003. He indicated 52 percent of physicians in North Dakota are UND School of Medicine graduates, the Center for Rural Health is rated number one of the top five in the nation. He further discussed the mission of the School of Medicine, rural practices, funding sources, tuition, the introduction of a new bill increasing reimbursement for rural physicians, building projects and other areas as indicated in printed testimony.

Questions were raised regarding salaries, tuition and fees, state morgue, construction projects, fetal alcohol syndrome, technology impact, grants, decline in family practitioners.

Joe McCann, President, Williston State College and **Brenda Wigness, Chief Financial Officer, Williston State College**, distributed printed testimony in **support of SB 2003**. Joe

McCann discussed the WSC status report as of the fall of 2004, WSC program, student enrollment and trends, the key performance indicators, economic impact, workforce training, accomplishments, Rural Community College Initiative, the strategic plans, capital requests and salaries.

Brenda Wigness discussed the budget and fiscal affairs.

Questions were discussed regarding private monies raised, oil patch training, Connect ND, and funding carryover at UND. A further breakdown of carryover funds will be provided by UND.

Sharon Etemad, President, Lake Region State College, distributed printed testimony in **support of SB 2003**. She discussed the current enrollments, the economic impact of Lake Region State College, increased student counts, program updates, peace officer training, Native American studies, distance education, dual credit program, workforce training, Centers of Excellence, capital projects and salaries.

Questions were discussed regarding distance education, and high school students earning college credit.

Chancellor Potts discussed the questions of budget carryover. (Tape 2 B 1468).

Chairman Holmberg closed the morning hearings and announced that hearings will resume after the general session concludes.

Chairman Holmberg opened the afternoon meeting on SB 2003.

Lee Vickers, Ph.D, President, Dickinson State University appeared in support of SB 2003. (Tape 3 70) Mr. Vickers provided the committee with written testimony. Mr. Vickers gave the committee an overview of his testimony. He spoke of major accomplishment of the university. Questions were raised regarding enrollment and when the growth of the university would cause a

major change. Mr. Vickers indicated the general rule of thumb is 5,000 students will case a change in the way a college is run.

Alvin Binstock, Vice President for Business Affairs, DSU appeared in support of SB 2003. Mr. Binstock provided the committee with written testimony. Mr. Binstock spoke of budget issues and major capital projects for DSU. No questions were asked of Mr. Binstock.

Pamela Balch, President, Mayville State University appeared in support of SB 200.. Ms. Balch provided the committee with written testimony. Ms. Balch spoke of major accomplishments, current enrollment status and future plans for Mayville State University. Mr. Balch noted to the committee that Maville State University is the first tablet PC campus ion the nation, and in the fall of 2004 the campus went wireless. Ms. Balch also noted that their enrollment has gone up do to out of state recruiting, new athletic programing and adding new majors.

Steve Benson, Vice President for Business Affairs, Mayville State University appeared in support of SB 2003. Mr. Benson provided the committee with written testimony. Mr. Benson spoke of the budget and funding for the replacing the roof of the "Old Main" building roof. Mr. Benson noted that the roof is beyond repair, faculty cannot use their offices because mold is growing do to the faulty roof. The roof is the highest maintenance priority.

Ellen-Earle Chaffee, Ph. D., President Valley City State University appeared in support of SB 2003. Mr. Chaffe introduced **Bill Amith, Controller for VCSU.** Mr. Amith provided the committee with written testimony along with a Power Point presentations, see the maroon booklet "green sheets

Ken Behrendt, President and CEO of Eagle Creek Software Services appeared in support of SB 2003. Mr. Behrendt provided the committee with a power point presentation as well as a printed version of his presentation, see the yellow sheets provided in the maroon folder.

David Fulller, President of Minot State University appeared in support of SB 2003. Mr. Fuller provided an overview and accomplishments of MiSU. He also discussed recruitment efforts and Diversity of students on campus.

Bruce Haskens, Vice President of Finance MiSU appeared in support of SB 2003. Written testimony was provided. Mr. Haskens spoke of the budget and using funds to remodel dorm rooms and other student housing facilities.

Ken Grosz, Campus Dean, MiSU Bottineau appeared in support of SB. Mr. Bottineau provided written testimony. He spoke of enrollment, achievements and other activities. Mr. Grosz also spoke of the 200 year old building, and the need for a new building all together. Pictures of this building are attached.

Jim Burkowski, Director of Business Affairs MiSU Bottineau appeared in support of SB 2003. He spoke of the budget of MiSU.

Lucas Larson also spoke in support to the testimony of both Mr. Gosz and Mr. Burkowski.

Chairman Holmberg closed the meeting on SB 2003.

2005 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. 2003

Senate Appropriations Committee

☐ Conference Committee

Hearing Date January 19, 2003

Tape Number	Side A	Side B	Meter #
1	A	B	
2	A	B	
3	A		
Committee Clerk Signature			

Minutes:

Chairman Holmberg opened the hearings with the roll call. All were present. He then made a few announcements about upcoming hearings.

Joseph A. Chapman, President, ND State University (NDSU), presented written testimony in **support of SB 2003**. He discussed an overview of NDSU, Original Land Grant, NDSU accomplishments, initiatives, the need for additional resources, national and international exposure, collaborative efforts, Centers of Excellence, and Research foundation.

Paul Drzaic, PhD, Vice President, Advanced Development Programs, Alien Technology Corporation provided (written testimony will be mailed at a later date) testimony in **support of SB 2003**. He described Alien Technologies role in its association with NDSU, reasons for moving to Fargo, the physical structure, the opportunities within Fargo, the projected growth plan, (Meter 3165), the Fargo workforce and their support of NDSU. He then distributed a sample of the product manufactured in Fargo.

Questions raised involved the Centers of Excellence what happens in the event businesses change their interest or something happens in a specific industry and the degree of partnership with NDSU.

Graig Kilber, Senior Student in Accounting, representing student body of NDSU, supplied written testimony in **support of SB 2003**. He indicated how closely the NDSU administration works with the students in keeping them informed, getting them involved in different areas, and the importance of support in funding.

Donna S. Thigpin, PhD, President, Bismarck State College (BSC) introduced others that would be speaking.

Ron Harper, CEO, Basin Electric Power Cooperative, provided written testimony in **support of SB 2003.** (Tape 1 side B Meter 261) He discussed the background of Basin Electric, the gassification plant, the power plant technology program, Basin's support of the Centers of Excellence, and support of funding to BSC.

David E. Farnsworoth, Power generation leader, Coal Creek Station, Great River Energy, provided written testimony in **support of SB 2003** and the Centers of Excellence. He indicated his concerns regarding the changing workforce and the plans necessary to prepare for the retirements. Great River Energy has pledged money to help build programs at BSC. He discussed the construction of a flexcrete plant, the close alliance with other utility companies and BSC in looking at skills needed to determine curriculum needs indicating they support BSC's efforts to become a National Center of Excellence..

Questions were raised about the actual job opportunities available when students finish their training, the continued use of lignite coal in North Dakota, potential of byproduct usage, the need for new conduit.

Dr. Donna Thigpin, introduced BSC representatives and presented written testimony in **support of SB 2003.** She discussed the vision statement, enrollment counts, breakdown, long-term enrollment plans, program development, space needs, the Horizon Building, faculty retention and salaries. She reported on the request of the legislature to be entrepreneurial, which they have. She requested support of the long-term finance plan and highlighted what would be done with the money if approved

Senator Krauter requested that a report of capped programs be submitted to this committee.

Dr. Donna Thigpin indicated it would be submitted this week.

Dave Clark, Executive Vice President, BSC, provided written testimony on the capital projects; the career and technical Institute, National Energy Center, Work Force Training, residence hall. He then discussed the budget requesting support of SB 2003.

Sharon Y. Hart, PhD, President, ND School of Science (NDSCS) , provided written and power point demonstration on her testimony in **support of SB 2003**. She discussed the contributions to the success of NDSCS, the workforce training program, referred to the President's Report (Meter 4370) supplied in handouts, pledges, budget overview, highlighting shortages, the strategic plan and six cornerstones (Meter 5455).

Senator Robinson asked what percentage of the pledges are individual or businesses.

Dr. Sharon Hart they are 100 percent individual.

John Richman, PhD, Vice President of Academic Affairs, NDSCS, provided written testimony in **support of SB 2003**. He discussed the academic philosophy, programming, professional exams, student tracking, enrollment patterns, distance education, the high cost of career and technical programming, methods of offsetting the high cost of programming..

Senator Robinson requested a spreadsheet providing information on capped programs.

Harvey Link, Vice President, Institutional Advancement in Government Relations, NDSCS, provided written testimony in **support of SB 2003**. He discussed the strategic goals, their implementation, major activities, Centers of Excellence, Accomplishments, three congressionally directed funding, grant applications, and challenges of the future.

Mike Renk, Vice President for Administrative Affairs, NDSCS, provided written testimony in **support of SB 2003**. He discussed the priorities, the need for increased salaries, extraordinary repairs and capitol improvements.

Testimony of SB 2003 concluded.

Chairman Holmberg opened meeting on SB 2003, for the afternoon.

Larry Kotchman, State Forester, ND Forest Service appeared in support of SB2003, he provided the committee with written testimony. Mr. Kotchman spoke of budget needs for 05-07 biennium. Questions were raised regarding original tree claims and capital project funds.

2005 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. 2003

Senate Appropriations Committee

☐ Conference Committee

Hearing Date January 20, 2003

Tape Number	Side A	Side B	Meter #
3		x	
Committee Clerk Signature			

Minutes: SUB COMMITTEE PRE-DISCUSSION

Chairman Holmberg called meeting to order on subcommittee work of SB 2003, higher Ed.

How is the 21% arrived at? **Celeste** walked them through it. See attached for testimony.

Sen. Tallackson: "What is the percent over the last 20 years?"

Sen. Robinson: "Including extension and research?"

Chairman Holmberg : "No. All budgets in the 200 numbers are higher ed."

2005 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. 2003

Senate Appropriations Committee

☐ Conference Committee

Hearing Date January 26, 2005

Tape Number	Side A	Side B	Meter #
1	a		
Committee Clerk Signature			

Minutes: SUB COMMITTEE PRE-DISCUSSION

Chairman Holmberg opened the sub committee discussion on SB 2003.

The subcommittee members include **Senator Robinson, Senator Kringstad, and Senator Holmberg.**

Senator Mathern would like the committee to look at the equity in compensation compared to peer institutions.

Senator Grindberg indicated he asked the council to prepare a spreadsheet provided for the committee to view the parity and equity of each institution to help determine if we are making progress on equity at this point. Are we making progress on equity at this point.

Senator Christmann expressed concerns about the premise of the round table and at what point do we violate intentions of round table and start guiding them.

Chairman Holmberg asked about the bill being introduced by Senator Brown.

Senator Bowman indicated Senator Christmann has a point. We have a board of higher education that works with the round table. We have given them the flexibility that they wanted to move money around and to create the environment for learning that they want and at the same time, they are not addressing issues. They think we are going to come in and give them money any time they want it. What is the answer to bring equity under control?

Senator Christmann indicated the question is the accountability issues in the round table. What is the answer as to why the three institutions are under funded compared to others?

Senator Andrist indicated the budget has been put together by the Chancellor together with the Board of Higher Education, why isn't that equity in there to start with?

Chairman Holmberg indicated that there will be those that will argue that it is taken care of and that will be one of the points of discussion. My understanding is that there will be a bill to amend the bill directing campuses to do some things and will ask the round table to consider that as one of the measures. The board has a formula of 10 million to building and 2 million in parity.

Senator Bowman questions the maintenance of the buildings and those that have not been taken care of . Need to perhaps look at the bonding situation so that ½ of bond goes to new construction and ½ goes to maintenance until we catch up. Maintenance will be a major impact over the next 30-40 years.

Senator Holmberg indicated the bonding committee will look at the bonds.

Senator Robinson indicated it would be valuable to have more time on some major issues, but don't. It could take a lot more money for deferred maintenance and maybe we need to direct the board to come back with more of a response as to a plan of action. I have been concerned about

the formula used to determine what campuses can ask for. We need to know the scope of needs of the campuses.

Senator Bowman raised the question of what foreign students pay towards upkeep of colleges. Senator Holmberg indicated there are set fees established; ND students pay tuition, international students pay 2 times the amount.

Senator Bowman asked is it wrong to set aside $5 or $10 out of the tuition to help maintain the facilities. This would be a user fee and it goes to keep campus nice.

Senator Kilzer spoke with the Chancellor a few days ago and he is going to supply additional information. There are 42,500 students in the system and we loose money on out of state students. At the same time presidents in colleges are glowing at increases in enrollment and indication that solution to financial problems would be recruit foreign students. The financial restriction is a concern to me.

Senator Lindaas had two points -- a classroom not filled is not profitable -- wear/tear is not just students, some is depreciation and in need of maintenance on regular basis.

Senator Krauter would like subcommittee to look at cost of tuition/fees/room board of each campus.

Senator Holmberg indicated the University System could put this together in one report.

Senator Thane indicated that by nature the smaller institutions don't have the flexibility the larger ones do. Recently saw a sheet that indicates we have to cap certain programs when we could pick up another 200 or more students. I'd like to see the subcommittee look at this to give the smaller institutions some wiggle room.

Chairman Holmberg indicated that OMB break down the numbers provided so that can be looked at.

Senator Robinson has there been a discussion in the round table of the pros and cons of the round table. Are we in a position to review this and fine tune it.

Chairman Holmberg indicated that is whey 2003 is a two year bill so the legislature could keep an eye on it. It does have to be reevaluated every two years.

Senator Robinson discussed the past tour groups of campuses so we were a better prepared when this comes up.

Senator Thane commented on the tour concept because it was a distinct advantage for the Appropriations Committee to be well-informed.

Senator Tallackson asked if we have gone far enough to design a mission at each campus.

Senator Fischer asked if a more extensive report could be presented from those visiting campuses.

Senator Robinson indicated the Round Table emphasized each campus do their own thing with , tuition, so the pressure on enrollments is intense.

Senator Grindberg indicated one of the college Presidents indicated of the Round Table "That's what you said to do." Just a comment, its quality or quantity.

Senator Thane commented about higher education decisions of the round table. The round table decisions have kind of taken the leg out of the policy making mode. The Higher Ed division was not elected, they are appointed. It is up to the legislators to be making those decisions currently not being made by us.

2005 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. 2003

Senate Appropriations Committee

☐ Conference Committee

Hearing Date February 15, 2005

Tape Number	Side A	Side B	Meter #
2		b	600
Committee Clerk Signature	Janet Pinke for Jenny Bierck		

Minutes:

Chairman Holmberg called the hearing to order on SB 2003. He made announcements that first of all the amendments from the subcommittee would be reviewed. He described the total proposed changes to be made, indicating the higher ed bills would be broken down in operations by campus rather then in one bulk number at the board office. The total reduction in general funds is $1.85 million in new programs. Nothing in the bill touches the campuses. He then discussed the detail of senate changes to the general fund. The two areas that funding was removed from are management systems, and the child care grant program but money was returned to the university system and to student financial assistant grants and gave board authority to use that money for child care needs based method.

Roxanne was asked to walk through all of the other financial changes to the bill.

Senator Bowman asked where the money for operating costs of the Level three Bio laboratory is located. Do we have the money for maintenance and upkeep.

Chancellor Potts responded to this question indicating that most will not come to pass until federal money is allocated.

Senator Mathern questioned the increases to the American Indian Center.

Chairman Holmberg further discussed the amendments by section.

Senator Andrist questioned the charitable gifting for construction and lease back options.

Senator Grindberg questioned the parking and fees which are paying for the facility.

Senator Robinson moved approval of the amendments, Senator Tallackson seconded. Further discussion took place. A verbal vote took place with understanding Chancellor Potts was coming back with responses to some questions. Motion carried.

Senator Christmann introduced another amendment to SB 2003 which calls for a performance audit on the School of Medicine allowing the auditing department to assess the School of Medicine for the cost of the audit.

Chairman Holmberg indicated this was brought about by concerns of the Family Practice transfers and leases.

Senator Mathern objected to the amendment. He felt that legislators on the board should assess what is going on.

Senator Andrist supports the amendment.

Senator Kilzer indicated he would like more detail of what the performance audit means. All medical schools are licensed American Association of Medical Colleges and they get a renewal of national license dependent on the review.

Senator Grindberg indicated an independent study would help to clear the air of various issues, rather then a peer review.

Further discussion took place on the idea of an audit and peer reviews, whether the medical school approved of this, the reason for the audit. There was no further discussion.

A verbal vote was taken on the motion in favor of the amendment adoption. The numbers were questioned. **A recorded vote** was taken amendment 0103. There were 8 yes and 7 no, 0 absent. **The amendment carried.**

Laura Glatt responded to the questions asked regarding financing O'Kelly hall and a fact sheet was distributed.

Discussion took place about the funding, borrowing authority or lack of it and spending authority.

Senator Krauter raised concerns about parity and equity.

Senator Krauter moved the amendment 0104 be approved, seconded by Senator Mathern.

Discussion took place.

Senator Bowman expressed concerns about budget shortages and what areas will be cut or the option to raise taxes.

Senator Grindberg expressed disappointment in system requesting $10 million with nothing to sponsor the amendment.

Senator Mathern concerns about parity and equity with peers.

Senator Thane discussed revenue forecast and anyway that this amendment could be drafted to trigger it in when that takes place.

A roll call vote was taken on amendment 0104. The amendment did not pass with 7 yes and 8 no.

Senator Robinson moved a do pass as amended with 0103 and 0107. The motion was seconded. 15 yeas 0 no 0 absent. **The motion carried**. Senator Bowman will carry the bill.

There being no further discussion, **Chairman Holmberg closed the hearing.**

FISCAL NOTE

Requested by Legislative Council
02/17/2005

Amendment to: SB 2003

1A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2003-2005 Biennium		2005-2007 Biennium		2007-2009 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues			$0		$0	
Expenditures			$0		$0	
Appropriations			$0		$0	

1B. **County, city, and school district fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

2003-2005 Biennium			2005-2007 Biennium			2007-2009 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

2. **Narrative:** *Identify the aspects of the measure which cause fiscal impact and include any comments relevant to your analysis.*

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*
   A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

   B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

   C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, of the effect on the biennial appropriation for each agency and fund affected and any amounts included in the executive budget. Indicate the relationship between the amounts shown for expenditures and appropriations.*

Name:	Laura Glatt	**Agency:**	NDUS
Phone Number:	328-4116	**Date Prepared:**	02/18/2005

FISCAL NOTE

Requested by Legislative Council
12/27/2004

Bill/Resolution No.: SB 2003

1A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2003-2005 Biennium		2005-2007 Biennium		2007-2009 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues			$0		$0	
Expenditures			$52,750		$52,750	
Appropriations			$52,750		$52,750	

1B. **County, city, and school district fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

2003-2005 Biennium			2005-2007 Biennium			2007-2009 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

2. **Narrative:** *Identify the aspects of the measure which cause fiscal impact and include any comments relevant to your analysis.*

It is anticipated that a half-time position would be required to establish and administer this new program in the NDUS Office. The NDUS Office does not currently administer any similar programs. The cost reflected is needed to cover salary and wages and related operating costs.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*
   A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

   B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

   C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, of the effect on the biennial appropriation for each agency and fund affected and any amounts included in the executive budget. Indicate the relationship between the amounts shown for expenditures and appropriations.*

Name:	Laura Glatt	**Agency:**	NDUS
Phone Number:	328-4116	**Date Prepared:**	01/06/2005

NORTH DAKOTA UNIVERSITY SYSTEM
PROPOSED AMENDMENTS TO SENATE BILL NO. 2003
Presented to Senate Appropriations, January 17, 2005

Page 6, line 18, replace "(30,830,582)" with "(1,262,136)"

Page 6, line 19, replace "($115,388,708)" with "(85,820,262)"

Page 6, line 20, replace "(28,468,446)" with "1,100,000"

Page 8, line 6, replace "(209,663)" with "3,290,337"

Page 8, line 7, replace "general fund" with "all funds" and replace "($4,312,519)" with "(812,519)"

Page 8, after line 7, insert:

"Less estimated income – Adjustments/enhancements	3,500,000
Total general fund – Adjustments/enhancements	(4,312,519)"

Page 8, line 20, replace "$745,776" with "$51,856,722"

Page 8, line 21, replace "$27,442,425" with "$78,553,371"

Page 10, line 2, replace "$24,831,554" with "$54,400,000"

Page 10, line 3, replace "$24,831,554" with "$54,400,000"

Page 10, after line 25, insert:

"MINOT STATE UNIVERSITY – BOTTINEAU

Capital assets	$3,500,000
Total special funds appropriation	$3,500,000"

Page 11, line 2, replace "111,292,551" with "162,403,497"

Page 11, line 3, replace "499,530,618" with "550,641,564"

Page 13, line 23, replace "$1,800,000" with "$2,617,500"

Page 13, line 24, replace "1,500,000" with "2,100,000"

Page 13, line 25, replace "12,000,000" with "19,000,000"

Page 13, line 26, replace "16,000,000" with "20,000,000"

Page 13, after line 28, insert:

"Minot state university – Crane hall renovation 5,000,000

Bismarck state college may obtain and utilize special funds to assist in the construction of a new residence hall. There is appropriated to Bismarck state college the sum of $625,000, or so much as may be necessary, from any other funds that may become available for this project, for the biennium beginning July 1, 2005 and ending June 30, 2007."

Page 13, line 29, replace "$65,300,000" with "$83,342,500"

Page 14, line 2, after "foundation" insert "or other private entity"

Page 14, after line 4, insert:

"SECTION 17. MINOT STATE UNIVERSITY – CRANE HALL RENOVATION. The state board of higher education may enter into an agreement or agreements with a private vendor and do all things necessary and proper to authorize renovation and operation of Crane Hall on the Minot state university campus as a residence hall, using auxiliary revenues."

SUMMARY OF PURPOSE OF AMENDMENT

BSC Construction of New Residence Hall

Amendment increases project authorization from $3,585,000 to $5,027,500 and increases revenue bond authority by an additional $817,500. The revenue bond authority would increase from $3,585,000 to $4,402,500 (of which $1,785,000 was authorized in 2003-05 plus $2,617,500 new bonding authority). Other funds, from auxiliary and parking reserves, would also be used to fund the project.

	State	Other	Revenue Bonds	Total
2003-05 Appropriation			$1,785,000	$1,785,000
Original budget request (student apartments)			$1,800,000	$1,800,000
TOTAL ORIGINAL			**$3,585,000**	**$3,585,000**
Continuation of 2003-05 Appropriation			$1,785,000	$1,785,000
Amended budget request		$625,000	$2,617,500	$3,242,500
TOTAL AMENDED		**$625,000**	**$4,402,500**	**$5,027,500**

UND O'Kelly Hall and Ireland Lab Renovation

If this project is not funded with state general fund resources, this amendment adds special fund authority of $3,500,000 to allow the University to proceed with the renovation in 2005-07, if they are able to identify adequate alternative funding sources.

	State	Other	Revenue Bonds	Total
Amended budget request		$3,500,000		$3,500,000

UND College of Nursing Research Facility Construction

Amendment adds $3,900,000 in special fund authority from federal funds for the construction of a new nursing research facility.

	State	Other	Revenue Bonds	Total
Amended budget request		$3,900,000		$3,900,000

UND Regional Bio-Containment Laboratory Construction

Amendment adds $31,000,000 in special fund authority from federal and other funds for the construction of a new bio-containment laboratory.

	State	Other	Revenue Bonds	Total
Amended budget request		$31,000,000		$31,000,000

UND Parking Ramp Construction

Amendment increases revenue bond authority from $12,000,000 to $19,000,000 for the construction of a new parking ramp, change subject to final approval by the BHE.

	State	Other	Revenue Bonds	Total
Original budget request			$12,000,000	$12,000,000
Amended budget request			$19,000,000	$19,000,000

UND Energy Improvement Projects

Removes $2,331,554 in special fund authority for UND energy improvement projects since these are appropriated in the major capital project bonding bill (SB2023)

UND Housing Replacement

Amendment increases revenue bond authority from $16,000,000 to $20,000,000 for the construction of housing, change subject to final approval by the SBHE.

	State	Other	Revenue Bonds	Total
Original budget request			$16,000,000	$16,000,000
Amended budget request			$20,000,000	$20,000,000

UND Dining Center Renovation
Amendment increases revenue bond authority from $1,500,000 to $2,100,000 for the renovation of either Squires or Wilkerson dining centers, change subject to final approval by the SBHE.

	State	Other	Revenue Bonds	Total
Original budget request			$1,500,000	$1,500,000
Amended budget request			$2,100,000	$2,100,000

UND American Indian Center
Removes $3.5 million in other fund appropriation authority from the bill. The 2003 legislative assembly provided $3.5 million in appropriation authority and the Budget Section, during the interim, provided another $500,000 in authority for the project. The project is currently underway.

UND Carnegie Library Renovation
Removes $3.0 million in other fund appropriation authority from the bill. The 2003 legislative assembly provided $3.3 million in appropriation authority for the project. The project is currently underway.

NDSU College of Business
Further clarifies that the facility could be constructed by the NDSU foundation or other private entity.

MiSU Crane Hall Renovation
Amendment changes purpose of renovation of Crane Hall from a Center for Applied Professional Education to continued use as a residence hall, increases the project amount from $3,535,000 to $5,000,000, adds revenue bond authority of $5,000,000 and also adds a section of legislative intent which provides the campus flexibility to enter into a contract/lease arrangement for the renovation and operation of the facility, if feasible.

Amendments also adds $3,535,000 in other fund authority for the construction of a Center for Applied Professional Education from other institutional and private resources.

Construction of New Center for Applied Professional Education

	State	Other	Revenue Bonds	Total
Original budget request		$3,535,000		$3,535,000

Crane Hall-Renovated Residence Hall

Amended budget request			$5,000,000	$5,000,000

MiSU-BC Entrepeneurial Center for Horticulture Construction

Amendment adds $3,500,000 in special fund authority from federal funds for the construction of a new entrepeneurial center for horticulture.

	State	Other	Revenue Bonds	Total
Amended budget request		$3,500,000		$3,500,000

G:\laura\wpdocs\legislature\SB2003 amendments senate appropriations

58003.0104
Title.

DID NOT PASS

Prepared by the Legislative Council staff for
Senator Krauter
February 11, 2005

PROPOSED AMENDMENTS TO SENATE BILL NO. 2003

Page 15, after line 19, insert:

"**SECTION 19. APPROPRIATION - PARITY AND EQUITY FUNDING.** The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, to the various higher education institutions to fully fund parity and provide incremental equity adjustments, for the biennium beginning July 1, 2005, and ending June 30, 2007.

AGENCY OR INSTITUTION	PARITY	EQUITY	TOTAL
Bismarck state college	$335,202	$1,839,938	$2,175,140
Lake region state college	85,509	973,987	1,059,496
Williston state college	99,351		99,351
University of North Dakota	1,681,706		1,681,706
University of North Dakota school of medicine and health sciences	468,117		468,117
North Dakota state university	1,414,335	1,567,352	2,981,687
State college of science	398,405		398,405
Dickinson state university	286,466		286,466
Mayville state university	150,621		150,621
Minot state university	441,554		441,554
Valley city state university	188,700		188,700
Minot state university - Bottineau	68,757		68,757
Total	$5,618,723	$4,381,277	$10,000,000"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

This amendment adds a new section to the bill to appropriate $10 million of funding from the general fund to fully fund parity and provide incremental equity adjustments.

Did Not PASS

Date 2-15-04
Roll Call Vote #: 2

2005 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. SB 2003

Senate SENATE APPROPRIATIONS Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number for Amendment 01004

Action Taken

Motion Made By Seconded By

Senators	Yes	No	Senators	Yes	No
CHAIRMAN HOLMBERG		–	SENATOR KRAUTER	–	
VICE CHAIRMAN BOWMAN		–	SENATOR LINDAAS	–	
VICE CHAIRMAN GRINDBERG	–		SENATOR MATHERN	–	
SENATOR ANDRIST		–	SENATOR ROBINSON	–	
SENATOR CHRISTMANN		–	SEN. TALLACKSON	–	
SENATOR FISCHER		–			
SENATOR KILZER		–			
SENATOR KRINGSTAD		–			
SENATOR SCHOBINGER		–			
SENATOR THANE	–				

Total (Yes) 7 No 8

Absent

Floor Assignment

If the vote is on an amendment, briefly indicate intent:

58003.0103 Amendment passed
Title.

Prepared by the Legislative Council staff for
Senate Appropriations
February 11, 2005

PROPOSED AMENDMENTS TO SENATE BILL NO. 2003

Page 1, line 3, after the second semicolon insert "to provide for a performance audit of the university of North Dakota school of medicine and health sciences;"

Page 15, after line 19, insert:

"**SECTION 19. UNIVERSITY OF NORTH DAKOTA SCHOOL OF MEDICINE AND HEALTH SCIENCES - PERFORMANCE AUDIT.** The state auditor shall conduct a performance audit of the university of North Dakota school of medicine and health sciences during the biennium beginning July 1, 2005, and ending June 30, 2007. The results of the performance audit must be presented to the legislative audit and fiscal review committee and to the appropriations committees of the sixtieth legislative assembly. Subject to the provisions of subsection 4 of section 54-10-01, the university of North Dakota school of medicine and health sciences shall pay for the cost of any consultant approved for the audit."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

This amendment adds a new section to the bill to provide for a performance audit of the University of North Dakota School of Medicine and Health Sciences.

Date 2-15-05
Roll Call Vote #: 1

2005 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. SB 2003

Senate SENATE APPROPRIATIONS Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number for Amendment # .0103

Action Taken

Motion Made By Seconded By

Senators	Yes	No	Senators	Yes	No
CHAIRMAN HOLMBERG		✓	SENATOR KRAUTER	✓	
VICE CHAIRMAN BOWMAN	✓		SENATOR LINDAAS		✓
VICE CHAIRMAN GRINDBERG	✓		SENATOR MATHERN		✓
SENATOR ANDRIST	✓		SENATOR ROBINSON	✓	
SENATOR CHRISTMANN	✓		SEN. TALLACKSON		✓
SENATOR FISCHER	✓				
SENATOR KILZER		✓			
SENATOR KRINGSTAD		✓			
SENATOR SCHOBINGER		✓			
SENATOR THANE	✓	✓			

Total (Yes) 8 No 7

Absent

Floor Assignment

If the vote is on an amendment, briefly indicate intent:

Amendment Carriered

58003.0107
Title.
Fiscal No. 2

Prepared by the Legislative Council staff for
Senator Holmberg
February 14, 2005

PROPOSED AMENDMENTS TO SENATE BILL NO. 2003

Page 1, line 3, replace "to amend and reenact sections" with "to provide for a report to the budget section;"

Page 1, remove lines 4 and 5

Page 1, line 6, remove "appropriations; and unexpended appropriations;"

Page 5, replace lines 1 through 31 with:

"**SECTION 2. FUNDING ADJUSTMENTS OR ENHANCEMENTS INFORMATION.** The amounts identified in this section represent the funding adjustments or enhancements to the base funding level for the North Dakota university system office and to the various entities and institutions under the supervision of the board of higher education which are included in the appropriation in section 3 of this Act as follows:

Subdivision 1.
NORTH DAKOTA UNIVERSITY SYSTEM OFFICE AND INSTITUTIONS

Capital assets	$1,487,452
Competitive research program	440,000
Centers for excellence	(1,550,000)
Board initiatives	1,130,634
System governance	1,047,862
Common information services	(4,115,556)
Contingency and capital emergency	(1,315,844)
Professional liability insurance	(500,000)
Student financial assistance grants	1,846,073
Professional student exchange program	35,480
Scholars program	45,709
Native American scholarships	47,902
Education incentive programs	397,902
Total all funds - Adjustments/enhancements	($1,002,386)
Less estimated income - Adjustments/enhancements	(1,518,231)
Total general fund - Adjustments/enhancements	$515,845

Subdivision 2.
BISMARCK STATE COLLEGE

Operations	$769,695
Capital assets	(1,288,719)
Total all funds - Adjustments/enhancements	($519,024)
Less estimated income - Adjustments/enhancements	(1,282,200)
Total general fund - Adjustments/enhancements	$763,176

Subdivision 3.
LAKE REGION STATE COLLEGE

Operations	$361,425
Capital assets	(32,294)
Total all funds - Adjustments/enhancements	$329,131
Less estimated income - Adjustments/enhancements	(375,000)
Total general fund - Adjustments/enhancements	$704,131

Subdivision 4.

WILLISTON STATE COLLEGE

Operations	$371,523
Capital assets	6,907,685
Total all funds - Adjustments/enhancements	$7,279,208
Less estimated income - Adjustments/enhancements	6,910,000
Total general fund - Adjustments/enhancements	$369,208

Subdivision 5.

UNIVERSITY OF NORTH DAKOTA

Operations	$8,070,453
Capital assets	1,038,409
Total all funds - Adjustments/enhancements	$9,108,862
Less estimated income - Adjustments/enhancements	1,100,000
Total general fund - Adjustments/enhancements	$8,008,862

Subdivision 6.

NORTH DAKOTA STATE UNIVERSITY

Operations	$8,290,440
Capital assets	(26,045,305)
Total all funds - Adjustments/enhancements	($17,754,865)
Less estimated income - Adjustments/enhancements	(26,000,000)
Total general fund - Adjustments/enhancements	$8,245,135

Subdivision 7.

NORTH DAKOTA STATE COLLEGE OF SCIENCE

Operations	$1,072,000
Capital assets	(3,320,168)
Total all funds - Adjustments/enhancements	($2,248,168)
Less estimated income - Adjustments/enhancements	(3,300,000)
Total general fund - Adjustments/enhancements	$1,051,832

Subdivision 8.

DICKINSON STATE UNIVERSITY

Operations	$1,006,685
Capital assets	(5,892,319)
Total all funds - Adjustments/enhancements	($4,885,634)
Less estimated income - Adjustments/enhancements	(5,882,047)
Total general fund - Adjustments/enhancements	$996,413

Subdivision 9.

MAYVILLE STATE UNIVERSITY

Operations	$409,157
Capital assets	(4,060,595)
Total all funds - Adjustments/enhancements	($3,651,438)
Less estimated income - Adjustments/enhancements	(4,005,000)
Total general fund - Adjustments/enhancements	$353,562

Subdivision 10.

MINOT STATE UNIVERSITY

Operations	$1,469,553
Capital assets	3,519,020
Total all funds - Adjustments/enhancements	$4,988,573
Less estimated income - Adjustments/enhancements	3,535,000
Total general fund - Adjustments/enhancements	$1,453,573

Subdivision 11.

VALLEY CITY STATE UNIVERSITY

Operations	$512,599
Capital assets	(3,810,218)

Total all funds - Adjustments/enhancements	($3,297,619)
Less estimated income - Adjustments/enhancements	(4,053,300)
Total general fund - Adjustments/enhancements	$755,681

Subdivision 12.

MINOT STATE UNIVERSITY - BOTTINEAU

Operations	$235,629
Capital assets	3,400,062
Total all funds - Adjustments/enhancements	$3,635,691
Less estimate income - Adjustments/enhancements	3,500,000
Total general fund - Adjustments/enhancements	$135,691

Subdivision 13.

UNIVERSITY OF NORTH DAKOTA SCHOOL OF MEDICINE AND HEALTH SCIENCES

Operations	$1,209,963
Total general fund - Adjustments/enhancements	$1,209,963

Subdivision 14.

NORTH DAKOTA FOREST SERVICE

Capital assets	($44,423)
Operations	213,000
Total all funds - Adjustments/enhancements	$168,577
Less estimated income - Adjustments/enhancements	(115,000)
Total general fund - Adjustments/enhancements	$283,577
Total general fund - Section 2	$24,846,649
Total estimated income - Section 2	($31,485,778)
Total all funds - Section 2	($6,639,129)"

SECTION 3. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the North Dakota university system office and the various entities and institutions under the supervision of the board of higher education for the purpose of defraying the expenses of those entities and institutions, for the biennium beginning July 1, 2005, and ending June 30, 2007, as follows:

Subdivision 1.

NORTH DAKOTA UNIVERSITY SYSTEM OFFICE AND INSTITUTIONS

Capital assets	$14,278,141
Competitive research program	5,190,000
Board initiatives	1,615,940
System governance	5,520,712
Title II	695,600
Common information services	20,974,083
Operations pool	578,417
Contingency and capital emergency	436,923
Professional liability insurance	1,350,000
Student financial assistance grants	4,776,288
Professional student exchange program	1,713,780
Scholars program	862,077
Native American scholarships	251,988
Education incentive programs	1,227,902
Total all funds	$59,471,851
Less estimated income	2,337,276
Total general fund appropriation	$57,134,575

Subdivision 2.

BISMARCK STATE COLLEGE

Operations	$16,882,022
Capital assets	746,281
Total all funds	$17,628,303
Less estimated income	502,800
Total general fund appropriation	$17,125,503

Subdivision 3.

LAKE REGION STATE COLLEGE

Operations	$5,394,107
Capital assets	387,537
Total general fund appropriation	$5,781,644

Subdivision 4.

WILLISTON STATE COLLEGE

Operations	$5,758,894
Capital assets	6,996,475
Total all funds	$12,755,369
Less estimated income	6,910,000
Total general fund appropriation	$5,845,369

Subdivision 5.

UNIVERSITY OF NORTH DAKOTA

Operations	$92,628,579
Capital assets	56,700,545
Total all funds	$149,329,124
Less estimated income	54,400,000
Total general fund appropriation	$94,929,124

Subdivision 6.

NORTH DAKOTA STATE UNIVERSITY

Operations	$75,867,399
Capital assets	1,692,226
Total general fund appropriation	$77,559,625

Subdivision 7.

NORTH DAKOTA STATE COLLEGE OF SCIENCE

Operations	$25,008,824
Capital assets	1,122,252
Total all funds	$26,131,076
Less estimated income	368,920
Total general fund appropriation	$25,762,156

Subdivision 8.

DICKINSON STATE UNIVERSITY

Operations	$14,605,516
Capital assets	5,383,690
Total all funds	$19,989,206
Less estimated income	5,000,000
Total general fund appropriation	$14,989,206

Subdivision 9.

MAYVILLE STATE UNIVERSITY

Operations	$9,011,492
Capital assets	1,708,994
Total all funds	$10,720,486
Less estimated income	1,500,000
Total general fund appropriation	$9,220,486

Subdivision 10.

MINOT STATE UNIVERSITY

Operations	$27,239,131
Capital assets	4,131,870
Total all funds	$31,371,001
Less estimated income	3,535,000
Total general fund appropriation	$27,836,001

Subdivision 11.

VALLEY CITY STATE UNIVERSITY

Operations	$11,817,271
Capital assets	540,416
Total all funds	$12,357,687
Less estimated income	32,000
Total general fund appropriation	$12,325,687

Subdivision 12.

MINOT STATE UNIVERSITY - BOTTINEAU

Operations	$4,338,485
Capital assets	3,609,725
Total all funds	$7,948,210
Less estimated income	3,500,000
Total general fund appropriation	$4,448,210

Subdivision 13.

UNIVERSITY OF NORTH DAKOTA SCHOOL OF MEDICINE AND HEALTH SCIENCES

Operations	$31,375,828
Total general fund appropriation	$31,375,828

Subdivision 14.

NORTH DAKOTA FOREST SERVICE

Capital assets	$101,638
Operations	2,928,016
Total all funds	$3,029,654
Less estimated income	975,001
Total general fund appropriation	$2,054,653
Total general fund appropriation - Section 3	$386,388,067
Total estimated income appropriation - Section 3	$79,060,997
Total all funds appropriation - Section 3	$465,449,064
Grand total general fund appropriation - S.B. 2003	$386,388,067
Grand total estimated income appropriation - S.B. 2003	$162,403,497
Grand total all funds appropriation - S.B. 2003	$548,791,564*

Page 6, remove lines 1 through 30

Page 7, remove lines 1 through 31

Page 8, remove lines 1 through 30

Page 9, remove lines 1 through 31

Page 10, remove lines 1 through 31

Page 11, remove lines 1 through 3

Page 11, line 4, replace "$915,940" with "$1,615,940"

Page 11, remove lines 13 through 23

Page 11, line 28, replace "$21,924,083" with "$20,974,083"

Page 12, line 6, remove ", **EXTRAORDINARY REPAIRS,**"

Page 12, line 7, replace "$7,114,339" with "$436,923"

Page 12, line 8, remove ", extraordinary repairs,"

Page 12, line 9, remove "for ongoing campus extraordinary repairs and"

Page 12, line 11, remove "No less than $6,677,417 of the sum must be allocated to support"

Page 12, remove line 12

Page 12, replace lines 13 through 16 with:

"**SECTION 9. STUDENT FINANCIAL ASSISTANCE GRANTS.** The funding appropriated for student financial assistance grants in subdivision 1 of section 3 of this Act may be allocated for the student financial assistance grant program and a child care grant program as determined by the state board of higher education. The board shall consider applicants demonstrating the greatest unmet financial need in making the allocations."

Page 13, line 23, replace "1,800,000" with "2,617,500"

Page 13, line 24, replace "1,500,000" with "2,100,000"

Page 13, line 25, replace "12,000,000" with "19,000,000"

Page 13, line 26, replace "16,000,000" with "20,000,000"

Page 13, line 28, replace "22,000,000" with "22,000,000"

Page 13, after line 28, insert:

"Minot state university - Crane hall renovation 5,000,000

Bismarck state college may obtain and utilize special funds to assist in the construction of a new residence hall. There is appropriated to Bismarck State College the sum of $625,000, or so much of the sum as may be necessary, from any other funds that may become available for this project, for the biennium beginning July 1, 2005, and ending June 30, 2007."

Page 13, line 29, replace "65,300,000" with "83,342,500"

Page 14, line 2, after "foundation" insert "or other private entity"

Page 14, after line 4, insert:

"**SECTION 16. MINOT STATE UNIVERSITY - CRANE HALL RENOVATION.** The state board of higher education may enter into an agreement or agreements with a private vendor and do all things necessary and proper to authorize renovation and operation of crane hall on the Minot state university campus as a residence hall using auxiliary revenues.

SECTION 17. LEGISLATIVE INTENT - LONG-TERM FINANCE PLAN REVIEW - REPORT TO THE BUDGET SECTION. It is the intent of the fifty-ninth 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 within the plan, during the 2005-06 interim. A representative of the board shall periodically report to the appropriate committee of the legislative council and the budget section on the status of the review during the 2005-06 interim.

SECTION 18. LEGISLATIVE INTENT - NORTH DAKOTA UNIVERSITY SYSTEM - EXECUTIVE BUDGET RECOMMENDATION. It is the intent of the fifty-ninth legislative assembly that the office of the budget submit for introduction to the sixtieth legislative assembly the North Dakota university system appropriations bill for the 2007-09 biennium in the same format as approved by the fifty-ninth legislative assembly."

Page 15, remove lines 20 through 31

Page 16, remove lines 1 through 31

Page 17, remove lines 1 through 31

Page 18, remove lines 1 through 31

Page 19, remove lines 1 through 31

Page 20, remove lines 1 through 31

Page 21, remove lines 1 through 30

Page 22, remove lines 1 through 31

Page 23, remove lines 1 through 31

Page 24, remove lines 1 through 30

Page 25, remove lines 1 and 2

Page 25, line 3, remove ", extraordinary"

Page 25, line 4, remove "repairs,", after "sections" insert "14,", and remove "16,"

Page 25, line 5, replace "17" with "19"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2003 - Summary of Senate Action

	EXECUTIVE BUDGET	SENATE CHANGES	SENATE VERSION
University System office			
Total all funds	$387,926,815	($328,454,964)	$59,471,851
Less estimated income	2,337,276		2,337,276
General fund	$385,589,539	($328,454,964)	$57,134,575
Bismarck State College			
Total all funds	$2,302,800	$18,568,003	$20,870,803
Less estimated income	2,302,800	1,442,500	3,745,300
General fund	$0	$17,125,503	$17,125,503
Lake Region State College			
Total all funds	$343,875	$5,437,769	$5,781,644
Less estimated income			
General fund	$343,875	$5,437,769	$5,781,644
Williston State College			
Total all funds	$6,910,000	$5,845,369	$12,755,369
Less estimated income	6,910,000		6,910,000
General fund	$0	$5,845,369	$5,845,369
University of North Dakota			
Total all funds	$54,331,554	$136,097,570	$190,429,124
Less estimated income	54,331,554	41,168,446	95,500,000
General fund	$0	$94,929,124	$94,929,124
UND Medical Center			
Total all funds	$0	$31,375,828	$31,375,828
Less estimated income			
General fund	$0	$31,375,828	$31,375,828
North Dakota State University			
Total all funds	$34,000,000	$77,559,625	$111,559,625
Less estimated income	34,000,000		34,000,000
General fund	$0	$77,559,625	$77,559,625
State College of Science			
Total all funds	$368,920	$25,762,156	$26,131,076
Less estimated income	368,920		368,920
General fund	$0	$25,762,156	$25,762,156
Dickinson State University			
Total all funds	$5,000,000	$14,989,206	$19,989,206
Less estimated income	5,000,000		5,000,000
General fund	$0	$14,989,206	$14,989,206
Mayville State University			
Total all funds	$1,500,000	$9,220,486	$10,720,486
Less estimated income	1,500,000		1,500,000
General fund	$0	$9,220,486	$9,220,486
Minot State University			
Total all funds	$3,535,000	$32,836,001	$36,371,001
Less estimated income	3,535,000	5,000,000	8,535,000

General fund	$0	$27,836,001	$27,836,001
Valley City State University			
Total all funds	$282,000	$12,075,687	$12,357,687
Less estimated income	32,000		32,000
General fund	$250,000	$12,075,687	$12,325,687
Minot State University - Bottineau			
Total all funds	$0	$7,948,210	$7,948,210
Less estimated income		3,500,000	3,500,000
General fund	$0	$4,448,210	$4,448,210
Forest Service			
Total all funds	$3,029,654	$0	$3,029,654
Less estimated income	975,001		975,001
General fund	$2,054,653	$0	$2,054,653
Bill Total			
Total all funds	$499,530,618	$49,260,946	$548,791,564
Less estimated income	111,292,551	51,110,946	162,403,497
General fund	$388,238,067	($1,850,000)	$386,388,067

Senate ~~House~~ Bill No. 2003 - General Fund Summary

	EXECUTIVE BUDGET	SENATE CHANGES	SENATE VERSION
University System office	$385,589,539	($328,454,964)	$57,134,575
Bismarck State College		17,125,503	17,125,503
Lake Region State College	343,875	5,437,769	5,781,644
Williston State College		5,845,369	5,845,369
University of North Dakota		94,929,124	94,929,124
UND Medical Center		31,375,828	32,375,828
North Dakota State University		77,559,625	77,559,625
State College of Science		25,762,156	25,762,156
Dickinson State University		14,989,206	14,989,206
Mayville State University		9,220,486	9,220,486
Minot State University		27,836,001	27,836,001
Valley City State University	250,000	12,075,687	12,325,687
Minot State University - Bottineau		4,448,210	4,448,210
Forest Service	2,054,653		2,054,653
Total general fund	$388,238,067	($1,850,000)	$386,388,067

Detail of Senate Changes to the General Fund

	ALLOCATES FUNDING FOR CAMPUS OPERATIONS [1]	ALLOCATES FUNDING FOR CAMPUS EXTRAORDINARY REPAIRS [2]	REMOVES FUNDING FOR CAMPUS ENERGY IMPROVEMENT PROJECTS [3]	ADJUSTS FUNDING FOR MAJOR CAPITAL PROJECTS [4]	REMOVES FUNDING FOR THE LEARNING MANAGEMENT SYSTEM [5]	REMOVES FUNDING FOR THE CHILD CARE GRANT PROGRAM [6]
University System office	($319,927,548)	($8,677,416)			($950,000)	($2,000,000)
Bismarck State College	16,882,022	243,481				
Lake Region State College	5,394,107	43,662				
Williston State College	5,758,894	86,475				
University of North Dakota	92,628,579	2,300,545				
UND Medical Center	31,375,828					
North Dakota State University	75,867,399	1,692,226				
State College of Science	25,008,824	753,332				
Dickinson State University	14,605,516	383,690				
Mayville State University	9,011,492	208,994				
Minot State University	27,239,131	596,870				
Valley City State University	11,817,271	258,416				
Minot State University - Bottineau	4,338,485	109,725				
Forest Service						
Total general fund	$0	$0	$0	$0	($950,000)	($2,000,000)

	PROVIDES ADDITIONAL FUNDING FOR STUDENT FINANCIAL ASSISTANCE GRANTS [7]	INCREASES FUNDING FOR BOARD INITIATIVES [8]	TOTAL GENERAL FUND CHANGES
University System office	$400,000	$700,000	($328,454,964)
Bismarck State College			17,125,503
Lake Region State College			5,437,769
Williston State College			5,845,369
University of North Dakota			94,929,124
UND Medical Center			31,375,828
North Dakota State University			77,559,625
State College of Science			25,762,156
Dickinson State University			14,989,206
Mayville State University			9,220,486
Minot State University			27,836,001

Valley City State University			12,075,687
Minot State University - Bottineau			4,448,210
Forest Service			
Total general fund	$400,000	$700,000	($1,850,000)

Senate Bill No. 2003 - Other Funds Summary

	EXECUTIVE BUDGET	SENATE CHANGES	SENATE VERSION
University System office	$2,337,276		$2,337,276
Bismarck State College	2,302,800	$1,442,500	3,745,300
Lake Region State College			
Williston State College	6,910,000		6,910,000
University of North Dakota	54,331,554	41,168,446	95,500,000
UND Medical Center			
North Dakota State University	34,000,000		34,000,000
State College of Science	368,920		368,920
Dickinson State University	5,000,000		5,000,000
Mayville State University	1,500,000		1,500,000
Minot State University	3,535,000	5,000,000	8,535,000
Valley City State University	32,000		32,000
Minot State University - Bottineau		3,500,000	3,500,000
Forest Service	975,001		975,001
Total other funds	$111,292,551	$51,110,946	$162,403,497

Detail of Senate Changes to Other Funds

	ALLOCATES FUNDING FOR CAMPUS OPERATIONS [1]	ALLOCATES FUNDING FOR CAMPUS EXTRAORDINARY REPAIRS [2]	REMOVES FUNDING FOR CAMPUS ENERGY IMPROVEMENT PROJECTS [3]	ADJUSTS FUNDING FOR MAJOR CAPITAL PROJECTS [4]	REMOVES FUNDING FOR THE LEARNING MANAGEMENT SYSTEM [5]	REMOVES FUNDING FOR THE CHILD CARE GRANT PROGRAM [6]
University System office						
Bismarck State College				$1,442,500		
Lake Region State College						
Williston State College						
University of North Dakota			($2,331,554)	43,500,000		
UND Medical Center						
North Dakota State University						
State College of Science						
Dickinson State University						
Mayville State University						
Minot State University				5,000,000		
Valley City State University						
Minot State University - Bottineau				3,500,000		
Forest Service						
Total other funds	$0	$0	($2,331,554)	$53,442,500	$0	$0

	PROVIDES ADDITIONAL FUNDING FOR STUDENT FINANCIAL ASSISTANCE GRANTS [7]	INCREASES FUNDING FOR BOARD INITIATIVES [8]	TOTAL OTHER FUNDS CHANGES
University System office			
Bismarck State College			$1,442,500
Lake Region State College			
Williston State College			
University of North Dakota			41,168,446
UND Medical Center			
North Dakota State University			
State College of Science			
Dickinson State University			
Mayville State University			
Minot State University			5,000,000
Valley City State University			
Minot State University - Bottineau			3,500,000
Forest Service			
Total other funds	$0	$0	$51,110,946

Senate Bill No. 2003 - All Funds Summary

	EXECUTIVE BUDGET	SENATE CHANGES	SENATE VERSION
University System office	$387,926,815	($328,454,964)	$59,471,851
Bismarck State College	2,302,800	18,568,003	20,870,803
Lake Region State College	343,875	5,437,769	5,781,644

Williston State College	6,910,000	5,845,369	12,755,369
University of North Dakota	54,331,554	136,097,570	190,429,124
UND Medical Center		31,375,828	31,375,828
North Dakota State University	34,000,000	77,559,625	111,559,625
State College of Science	368,920	25,762,156	26,131,076
Dickinson State University	5,000,000	14,989,206	19,989,206
Mayville State University	1,500,000	9,220,486	10,720,486
Minot State University	3,535,000	32,836,001	36,371,001
Valley City State University	282,000	12,075,687	12,357,687
Minot State University - Bottineau		7,948,210	7,948,210
Forest Service	3,029,654		3,029,654
Total all funds	$499,530,618	$49,260,946	$548,791,564
FTE	2196.67	0.00	2196.67

Detail of Senate Changes to All Funds

	ALLOCATES FUNDING FOR CAMPUS OPERATIONS [1]	ALLOCATES FUNDING FOR CAMPUS EXTRAORDINARY REPAIRS [2]	REMOVES FUNDING FOR CAMPUS ENERGY IMPROVEMENT PROJECTS [3]	ADJUSTS FUNDING FOR MAJOR CAPITAL PROJECTS [4]	REMOVES FUNDING FOR THE LEARNING MANAGEMENT SYSTEM [5]	REMOVES FUNDING FOR THE CHILD CARE GRANT PROGRAM [6]
University System office	($319,927,548)	($6,677,416)			($950,000)	($2,000,000)
Bismarck State College	16,882,022	243,481		$1,442,500		
Lake Region State College	5,394,107	43,662				
Williston State College	5,758,894	86,475				
University of North Dakota	92,628,579	2,300,545	($2,331,554)	43,500,000		
UND Medical Center	31,375,828					
North Dakota State University	75,867,399	1,692,226				
State College of Science	25,008,824	753,332				
Dickinson State University	14,605,516	383,690				
Mayville State University	9,011,492	208,994				
Minot State University	27,239,131	596,870		5,000,000		
Valley City State University	11,817,271	258,416				
Minot State University - Bottineau	4,338,485	109,725		3,500,000		
Forest Service						
Total all funds	$0	$0	($2,331,554)	$53,442,500	($950,000)	($2,000,000)
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	PROVIDES ADDITIONAL FUNDING FOR STUDENT FINANCIAL ASSISTANCE GRANTS [7]	INCREASES FUNDING FOR BOARD INITIATIVES [8]	TOTAL ALL FUNDS CHANGES
University System office	$400,000	$700,000	($328,454,964)
Bismarck State College			18,568,003
Lake Region State College			5,437,769
Williston State College			5,845,369
University of North Dakota			136,097,570
UND Medical Center			31,375,828
North Dakota State University			77,559,625
State College of Science			25,762,156
Dickinson State University			14,989,206
Mayville State University			9,220,486
Minot State University			32,836,001
Valley City State University			12,075,687
Minot State University - Bottineau			7,948,210
Forest Service			
Total all funds	$400,000	$700,000	$49,260,946
FTE	0.00	0.00	0.00

[1] The executive budget recommendation consolidates the funding for support of the operations of the higher education institutions in the University System office line item campus operations. This amendment allocates the funding of $319,927,548 from the general fund provided in the University System office campus operations line item to the individual higher education institutions.

[2] The executive budget recommendation for the University System office contingency, extraordinary repairs, and capital emergency line item includes funding of $6,677,416 from the general fund for campus extraordinary repairs. This amendment allocates the funding to individual higher education institutions.

[3] The executive budget recommendation includes funding of $2,331,554 from bonding proceeds for energy improvement projects at the University of North Dakota. The funding for these projects is inadvertently included in both Senate Bill No. 2003 and Senate Bill No. 2023; therefore, this amendment removes the funding included for the projects from Senate Bill No. 2003.

[4] This amendment adjusts funding for major capital projects as follows:

	EXECUTIVE BUDGET			SENATE VERSION		
	SPECIAL FUNDS	REVENUE BOND PROCEEDS	TOTAL	SPECIAL FUNDS	REVENUE BOND PROCEEDS	TOTAL
BSC - New residence hall		$1,800,000	$1,800,000	$625,000	$2,617,500	$3,242,500
UND - O'Kelly Hall				3,500,000		3,500,000
UND - New nursing facility				3,900,000		3,900,000
UND - Bio-containment laboratory				31,000,000		31,000,000
UND - American Indian Center	$3,500,000		3,500,000			
UND - Cameige Library renovation	3,000,000		3,000,000			
UND - Parking ramp construction		12,000,000	12,000,000		19,000,000	19,000,000
UND - Housing replacement project		16,000,000	16,000,000		20,000,000	20,000,000
UND - Dining center renovation		1,500,000	1,500,000		2,100,000	2,100,000
MiSU - Crane Hall renovation	3,500,000		3,500,000		5,000,000	5,000,000
MiSU - Center for applied professional education				3,500,000		3,500,000
MiSU - Bottineau - Entreprenuerial center for horticulture				3,500,000		3,500,000
Total	$10,000,000	$31,300,000	$41,300,000	$46,025,000	$48,717,500	$94,742,500

	INCREASE (DECREASE) FROM SENATE VERSION TO EXECUTIVE BUDGET
BSC - New residence hall	$1,442,500
UND - O'Kelly Hall	3,500,000
UND - New nursing facility	3,900,000
UND - Bio-containment laboratory	31,000,000
UND - American Indian Center	(3,500,000)
UND - Cameige Library renovation	(3,000,000)
UND - Parking ramp construction	7,000,000
UND - Housing replacement project	4,000,000
UND - Dining center renovation	600,000
MiSU - Crane Hall renovation	1,500,000
MiSU - Center for applied professional education	3,500,000
MiSU - Bottineau - Entreprenuerial center for horticulture	3,500,000
Total	$53,442,500

This amendment changes the purpose of the Governor's recommended special funds appropriation of $3,535,000 for Minot State University from renovation to Crane Hall to construction of a Center for Applied Professional Education from other institutional and private resources. The amendment also adds bonding authority of $5,000,000 for Minot State University for renovation of Crane Hall and adds a new section to the bill to allow Minot State University to enter into a contract/lease arrangement for the renovation and operation of the hall.

5 This amendment reduces funding for common information services by $950,000, from $21,924,083 to $20,974,083, to remove funding associated with the implementation of a new learning management system.

6 This amendment removes funding of $2,000,000 from the general fund for the recommended child care component of student financial assistance grant program.

7 This amendment adds funding of $400,000 from the general fund for the student financial assistance grant program. The amendment also changes Section 10 of the bill as introduced to provide that the funding in the student financial assistance grant line item may be allocated for the student financial assistance grant program and a child care grant program as determined by the State Board of Higher Education. The board is to consider applicants demonstrating the greatest unmet financial need in making the allocations.

8 This amendment increases funding for the board initiatives line item by $700,000 from the general fund from $915,940 to $1,615,940.

Senate Bill No. 2003 - Other Changes - Senate Action

This amendment also:

- Removes Sections 19, 20, 21, and 22 of the bill as introduced relating to the continuation of statutory provisions relating to continuing appropriation authority for higher education institutions' special revenue funds, budget requests and block grant appropriations, and unexpended general fund appropriations as these provisions were included in Senate Bill Nos. 2034, 2035, and 2036.
- Amends Section 16 of the bill as introduced to clarify that North Dakota State University's College of Business Building could be constructed by the North Dakota State University Foundation or other private entity.
- Adds a section providing that the State Board of Higher Education is to 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 equity within the plan, during the 2005-06 interim. The board is to report periodically to the appropriate committee of the Legislative Council and the Budget Section on the status of the review during the 2005-06 interim.

- Adds a section of legislative intent providing that the Office of Management and Budget shall submit the appropriations bill for the North Dakota University System for the 2007-09 biennium for introduction to the 60th Legislative Assembly in the same format as approved by the 59th Legislative Assembly.

Date 2-15-05
Roll Call Vote #: 3

2005 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. SB 2003

Senate SENATE APPROPRIATIONS Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken DPass as A Amendment # .0103 & .0107

Motion Made By R Seconded By _____

Senators	Yes	No	Senators	Yes	No
CHAIRMAN HOLMBERG	✓		SENATOR KRAUTER	✓	
VICE CHAIRMAN BOWMAN	✓		SENATOR LINDAAS	✓	
VICE CHAIRMAN GRINDBERG	✓		SENATOR MATHERN	✓	
SENATOR ANDRIST	✓		SENATOR ROBINSON	✓	
SENATOR CHRISTMANN	✓		SEN. TALLACKSON	✓	
SENATOR FISCHER	✓				
SENATOR KILZER	✓				
SENATOR KRINGSTAD	✓				
SENATOR SCHOBINGER	✓				
SENATOR THANE	✓				

Total (Yes) 15 No 0

Absent 0

Floor Assignment Holmberg Bowman

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE

SB 2003: Appropriations Committee (Sen. Holmberg, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (15 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2003 was placed on the Sixth order on the calendar.

Page 1, line 3, replace "amend and reenact sections" with "provide for a report to the budget section; to provide for a performance audit of the university of North Dakota school of medicine and health sciences"

Page 1, remove lines 4 and 5

Page 1, line 6, remove "appropriations, and unexpended appropriations"

Page 5, replace lines 1 through 31 with:

"**SECTION 2. FUNDING ADJUSTMENTS OR ENHANCEMENTS INFORMATION.** The amounts identified in this section represent the funding adjustments or enhancements to the base funding level for the North Dakota university system office and to the various entities and institutions under the supervision of the board of higher education which are included in the appropriation in section 3 of this Act as follows:

Subdivision 1.
NORTH DAKOTA UNIVERSITY SYSTEM OFFICE AND INSTITUTIONS

Capital assets	$1,487,452
Competitive research program	440,000
Centers for excellence	(1,550,000)
Board initiatives	1,130,634
System governance	1,047,862
Common information services	(4,115,556)
Contingency and capital emergency	(1,315,844)
Professional liability insurance	(500,000)
Student financial assistance grants	1,846,073
Professional student exchange program	35,480
Scholars program	45,709
Native American scholarships	47,902
Education incentive programs	397,902
Total all funds - Adjustments/enhancements	($1,002,386)
Less estimated income - Adjustments/enhancements	(1,518,231)
Total general fund - Adjustments/enhancements	$515,845

Subdivision 2.
BISMARCK STATE COLLEGE

Operations	$769,695
Capital assets	(1,288,719)
Total all funds - Adjustments/enhancements	($519,024)
Less estimated income - Adjustments/enhancements	(1,282,200)
Total general fund - Adjustments/enhancements	$763,176

Subdivision 3.
LAKE REGION STATE COLLEGE

Operations	$361,425
Capital assets	(32,294)
Total all funds - Adjustments/enhancements	$329,131
Less estimated income - Adjustments/enhancements	(375,000)
Total general fund - Adjustments/enhancements	$704,131

Subdivision 4.

WILLISTON STATE COLLEGE

Operations	$371,523
Capital assets	6,907,685
Total all funds - Adjustments/enhancements	$7,279,208
Less estimated income - Adjustments/enhancements	6,910,000
Total general fund - Adjustments/enhancements	$369,208

Subdivision 5.

UNIVERSITY OF NORTH DAKOTA

Operations	$8,070,453
Capital assets	1,038,409
Total all funds - Adjustments/enhancements	$9,108,862
Less estimated income - Adjustments/enhancements	1,100,000
Total general fund - Adjustments/enhancements	$8,008,862

Subdivision 6.

NORTH DAKOTA STATE UNIVERSITY

Operations	$8,290,440
Capital assets	(26,045,305)
Total all funds - Adjustments/enhancements	($17,754,865)
Less estimated income - Adjustments/enhancements	(26,000,000)
Total general fund - Adjustments/enhancements	$8,245,135

Subdivision 7.

NORTH DAKOTA STATE COLLEGE OF SCIENCE

Operations	$1,072,000
Capital assets	(3,320,168)
Total all funds - Adjustments/enhancements	($2,248,168)
Less estimated income - Adjustments/enhancements	(3,300,000)
Total general fund - Adjustments/enhancements	$1,051,832

Subdivision 8.

DICKINSON STATE UNIVERSITY

Operations	$1,006,685
Capital assets	(5,892,319)
Total all funds - Adjustments/enhancements	($4,885,634)
Less estimated income - Adjustments/enhancements	(5,882,047)
Total general fund - Adjustments/enhancements	$996,413

Subdivision 9.

MAYVILLE STATE UNIVERSITY

Operations	$409,157
Capital assets	(4,060,595)
Total all funds - Adjustments/enhancements	($3,651,438)
Less estimated income - Adjustments/enhancements	(4,005,000)
Total general fund - Adjustments/enhancements	$353,562

Subdivision 10.

MINOT STATE UNIVERSITY

Operations	$1,469,553
Capital assets	3,519,020
Total all funds - Adjustments/enhancements	$4,988,573
Less estimated income - Adjustments/enhancements	3,535,000
Total general fund - Adjustments/enhancements	$1,453,573

Subdivision 11.

VALLEY CITY STATE UNIVERSITY

Operations	$512,599
Capital assets	(3,810,218)
Total all funds - Adjustments/enhancements	($3,297,619)
Less estimated income - Adjustments/enhancements	(4,053,300)
Total general fund - Adjustments/enhancements	$755,681

Subdivision 12.

MINOT STATE UNIVERSITY - BOTTINEAU

Operations	$235,629
Capital assets	3,400,062
Total all funds - Adjustments/enhancements	$3,635,691
Less estimate income - Adjustments/enhancements	3,500,000
Total general fund - Adjustments/enhancements	$135,691

Subdivision 13.

UNIVERSITY OF NORTH DAKOTA SCHOOL OF MEDICINE AND HEALTH SCIENCES

Operations	$1,209,963
Total general fund - Adjustments/enhancements	$1,209,963

Subdivision 14.

NORTH DAKOTA FOREST SERVICE

Capital assets	($44,423)
Operations	213,000
Total all funds - Adjustments/enhancements	$168,577
Less estimated income - Adjustments/enhancements	(115,000)
Total general fund - Adjustments/enhancements	$283,577
Total general fund - Section 2	$24,846,649
Total estimated income - Section 2	($31,485,778)
Total all funds - Section 2	($6,639,129)"

SECTION 3. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the North Dakota university system office and the various entities and institutions under the supervision of the board of higher education for the purpose of defraying the expenses of those entities and institutions, for the biennium beginning July 1, 2005, and ending June 30, 2007, as follows:

Subdivision 1.

NORTH DAKOTA UNIVERSITY SYSTEM OFFICE AND INSTITUTIONS

Capital assets	$14,278,141
Competitive research program	5,190,000
Board initiatives	1,615,940
System governance	5,520,712
Title II	695,600
Common information services	20,974,083
Operations pool	578,417
Contingency and capital emergency	436,923
Professional liability insurance	1,350,000
Student financial assistance grants	4,776,288
Professional student exchange program	1,713,780
Scholars program	862,077
Native American scholarships	251,988

Education incentive programs	1,227,902
Total all funds	$59,471,851
Less estimated income	2,337,276
Total general fund appropriation	$57,134,575

Subdivision 2.

BISMARCK STATE COLLEGE

Operations	$16,882,022
Capital assets	746,281
Total all funds	$17,628,303
Less estimated income	502,800
Total general fund appropriation	$17,125,503

Subdivision 3.

LAKE REGION STATE COLLEGE

Operations	$5,394,107
Capital assets	387,537
Total general fund appropriation	$5,781,644

Subdivision 4.

WILLISTON STATE COLLEGE

Operations	$5,758,894
Capital assets	6,996,475
Total all funds	$12,755,369
Less estimated income	6,910,000
Total general fund appropriation	$5,845,369

Subdivision 5.

UNIVERSITY OF NORTH DAKOTA

Operations	$92,628,579
Capital assets	56,700,545
Total all funds	$149,329,124
Less estimated income	54,400,000
Total general fund appropriation	$94,929,124

Subdivision 6.

NORTH DAKOTA STATE UNIVERSITY

Operations	$75,867,399
Capital assets	1,692,226
Total general fund appropriation	$77,559,625

Subdivision 7.

NORTH DAKOTA STATE COLLEGE OF SCIENCE

Operations	$25,008,824
Capital assets	1,122,252
Total all funds	$26,131,076
Less estimated income	368,920
Total general fund appropriation	$25,762,156

Subdivision 8.

DICKINSON STATE UNIVERSITY

Operations	$14,605,516
Capital assets	5,383,690
Total all funds	$19,989,206
Less estimated income	5,000,000
Total general fund appropriation	$14,989,206

Subdivision 9.

MAYVILLE STATE UNIVERSITY

Operations	$9,011,492
Capital assets	1,708,994
Total all funds	$10,720,486
Less estimated income	1,500,000
Total general fund appropriation	$9,220,486

Subdivision 10.

MINOT STATE UNIVERSITY

Operations	$27,239,131
Capital assets	4,131,870
Total all funds	$31,371,001
Less estimated income	3,535,000
Total general fund appropriation	$27,836,001

Subdivision 11.

VALLEY CITY STATE UNIVERSITY

Operations	$11,817,271
Capital assets	540,416
Total all funds	$12,357,687
Less estimated income	32,000
Total general fund appropriation	$12,325,687

Subdivision 12.

MINOT STATE UNIVERSITY - BOTTINEAU

Operations	$4,338,485
Capital assets	3,609,725
Total all funds	$7,948,210
Less estimated income	3,500,000
Total general fund appropriation	$4,448,210

Subdivision 13.

UNIVERSITY OF NORTH DAKOTA SCHOOL OF MEDICINE AND HEALTH SCIENCES

Operations	$31,375,828
Total general fund appropriation	$31,375,828

Subdivision 14.

NORTH DAKOTA FOREST SERVICE

Capital assets	$101,638
Operations	2,928,016
Total all funds	$3,029,654
Less estimated income	975,001
Total general fund appropriation	$2,054,653
Total general fund appropriation - Section 3	$386,388,067
Total estimated income appropriation - Section 3	$79,060,997
Total all funds appropriation - Section 3	$465,449,064
Grand total general fund appropriation - S.B. 2003	$386,388,067
Grand total estimated income appropriation - S.B. 2003	$162,403,497
Grand total all funds appropriation - S.B. 2003	$548,791,564"

Page 6, remove lines 1 through 30

Page 7, remove lines 1 through 31

Page 8, remove lines 1 through 30

Page 9, remove lines 1 through 31

Page 10, remove lines 1 through 31

Page 11, remove lines 1 through 3

Page 11, line 4, replace "$915,940" with "$1,615,940"

Page 11, remove lines 13 through 23

Page 11, line 28, replace "$21,924,083" with "$20,974,083"

Page 12, line 6, remove "**, EXTRAORDINARY REPAIRS,**"

Page 12, line 7, replace "$7,114,339" with "$436,923"

Page 12, line 8, remove ", extraordinary repairs,"

Page 12, line 9, remove "for ongoing campus extraordinary repairs and"

Page 12, line 11, remove "No less than $6,677,417 of the sum must be allocated to support"

Page 12, remove line 12

Page 12, replace lines 13 through 16 with:

"**SECTION 9. STUDENT FINANCIAL ASSISTANCE GRANTS.** The funding appropriated for student financial assistance grants in subdivision 1 of section 3 of this Act may be allocated for the student financial assistance grant program and a child care grant program as determined by the state board of higher education. The board shall consider applicants demonstrating the greatest unmet financial need in making the allocations."

Page 13, line 23, replace "1,800,000" with "2,617,500"

Page 13, line 24, replace "1,500,000" with "2,100,000"

Page 13, line 25, replace "12,000,000" with "19,000,000"

Page 13, line 26, replace "16,000,000" with "20,000,000"

Page 13, line 28, replace "22,000,000" with "22,000,000"

Page 13, after line 28, insert:

"Minot state university - Crane hall renovation 5,000,000

Bismarck state college may obtain and utilize special funds to assist in the construction of a new residence hall. There is appropriated to Bismarck state college the sum of $625,000, or so much of the sum as may be necessary, from any other funds that may become available for this project, for the biennium beginning July 1, 2005, and ending June 30, 2007."

Page 13, line 29, replace "65,300,000" with "83,342,500"

Page 14, line 2, after "foundation" insert "or other private entity"

Page 14, after line 4, insert:

"**SECTION 16. MINOT STATE UNIVERSITY - CRANE HALL RENOVATION.** The state board of higher education may enter into an agreement or agreements with a private vendor and do all things necessary and proper to authorize renovation and operation of crane hall on the Minot state university campus as a residence hall using auxiliary revenues.

SECTION 17. LEGISLATIVE INTENT - LONG-TERM FINANCE PLAN REVIEW - REPORT TO THE BUDGET SECTION. It is the intent of the fifty-ninth 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 within the plan, during the 2005-06 interim. A representative of the board shall periodically report to the appropriate committee of the legislative council and the budget section on the status of the review during the 2005-06 interim.

SECTION 18. LEGISLATIVE INTENT - NORTH DAKOTA UNIVERSITY SYSTEM - EXECUTIVE BUDGET RECOMMENDATION. It is the intent of the fifty-ninth legislative assembly that the office of the budget submit for introduction to the sixtieth legislative assembly the North Dakota university system appropriations bill for the 2007-09 biennium in the same format as approved by the fifty-ninth legislative assembly."

SECTION 19. UNIVERSITY OF NORTH DAKOTA SCHOOL OF MEDICINE AND HEALTH SCIENCES - PERFORMANCE AUDIT. The state auditor shall conduct a performance audit of the university of North Dakota school of medicine and health sciences during the biennium beginning July 1, 2005, and ending June 30, 2007. The results of the performance audit must be presented to the legislative audit and fiscal review committee and to the appropriations committees of the sixtieth legislative assembly. Subject to the provisions of subsection 4 of section 54-10-01, the university of North Dakota school of medicine and health sciences shall pay for the cost of any consultant approved for the audit."

Page 15, remove lines 20 through 31

Page 16, remove lines 1 through 31

Page 17, remove lines 1 through 31

Page 18, remove lines 1 through 31

Page 19, remove lines 1 through 31

Page 20, remove lines 1 through 31

Page 21, remove lines 1 through 30

Page 22, remove lines 1 through 31

Page 23, remove lines 1 through 31

Page 24, remove lines 1 through 30

Page 25, remove lines 1 and 2

Page 25, line 3, remove ", extraordinary"

Page 25, line 4, remove "repairs,", after "sections" insert "14,", and remove "16,"

Page 25, line 5, replace "17" with "20"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2003 - Summary of Senate Action

	EXECUTIVE BUDGET	SENATE CHANGES	SENATE VERSION
University System office			
Total all funds	$387,926,815	($328,454,964)	$59,471,851
Less estimated income	2,337,276		2,337,276
General fund	$385,589,539	($328,454,964)	$57,134,575
Bismarck State College			
Total all funds	$2,302,800	$18,568,003	$20,870,803
Less estimated income	2,302,800	1,442,500	3,745,300
General fund	$0	$17,125,503	$17,125,503
Lake Region State College			
Total all funds	$343,875	$5,437,769	$5,781,644
Less estimated income			
General fund	$343,875	$5,437,769	$5,781,644
Williston State College			
Total all funds	$6,910,000	$5,845,369	$12,755,369
Less estimated income	6,910,000		6,910,000
General fund	$0	$5,845,369	$5,845,369
University of North Dakota			
Total all funds	$54,331,554	$136,097,570	$190,429,124
Less estimated income	54,331,554	41,168,446	95,500,000
General fund	$0	$94,929,124	$94,929,124
UND Medical Center			
Total all funds	$0	$31,375,828	$31,375,828
Less estimated income			
General fund	$0	$31,375,828	$31,375,828
North Dakota State University			
Total all funds	$34,000,000	$77,559,625	$111,559,625
Less estimated income	34,000,000		34,000,000
General fund	$0	$77,559,625	$77,559,625
State College of Science			
Total all funds	$368,920	$25,762,156	$26,131,076
Less estimated income	368,920		368,920
General fund	$0	$25,762,156	$25,762,156
Dickinson State University			
Total all funds	$5,000,000	$14,989,206	$19,989,206
Less estimated income	5,000,000		5,000,000
General fund	$0	$14,989,206	$14,989,206
Mayville State University			
Total all funds	$1,500,000	$9,220,486	$10,720,486
Less estimated income	1,500,000		1,500,000
General fund	$0	$9,220,486	$9,220,486
Minot State University			
Total all funds	$3,535,000	$32,836,001	$36,371,001
Less estimated income	3,535,000	5,000,000	8,535,000
General fund	$0	$27,836,001	$27,836,001
Valley City State University			
Total all funds	$282,000	$12,075,687	$12,357,687
Less estimated income	32,000		32,000
General fund	$250,000	$12,075,687	$12,325,687
Minot State University - Bottineau			
Total all funds	$0	$7,948,210	$7,948,210
Less estimated income		3,500,000	3,500,000
General fund	$0	$4,448,210	$4,448,210
Forest Service			

Total all funds	$3,029,654	$0	$3,029,654
Less estimated income	975,001		975,001
General fund	$2,054,653	$0	$2,054,653
Bill Total			
Total all funds	$499,530,618	$49,260,946	$548,791,564
Less estimated income	111,292,551	51,110,946	162,403,497
General fund	$388,238,067	($1,850,000)	$386,388,067

Senate Bill No. 2003 - General Fund Summary

	EXECUTIVE BUDGET	SENATE CHANGES	SENATE VERSION
University System office	$385,589,539	($328,454,964)	$57,134,575
Bismarck State College		17,125,503	17,125,503
Lake Region State College	343,875	5,437,769	5,781,644
Williston State College		5,845,369	5,845,369
University of North Dakota		94,929,124	94,929,124
UND Medical Center		31,375,828	32,375,828
North Dakota State University		77,559,625	77,559,625
State College of Science		25,762,156	25,762,156
Dickinson State University		14,989,206	14,989,206
Mayville State University		9,220,486	9,220,486
Minot State University		27,836,001	27,836,001
Valley City State University	250,000	12,075,687	12,325,687
Minot State University - Bottineau		4,448,210	4,448,210
Forest Service	2,054,653		2,054,653
Total general fund	$388,238,067	($1,850,000)	$386,388,067

Detail of Senate Changes to the General Fund

	ALLOCATES FUNDING FOR CAMPUS OPERATIONS [1]	ALLOCATES FUNDING FOR CAMPUS EXTRAORDINARY REPAIRS [2]	REMOVES FUNDING FOR CAMPUS ENERGY IMPROVEMENT PROJECTS [3]	ADJUSTS FUNDING FOR MAJOR CAPITAL PROJECTS [4]	REMOVES FUNDING FOR THE LEARNING MANAGEMENT SYSTEM [5]	REMOVES FUNDING FOR THE CHILD CARE GRANT PROGRAM [6]
University System office	($319,927,548)	($6,677,416)			($950,000)	($2,000,000)
Bismarck State College	16,882,022	243,481				
Lake Region State College	5,394,107	43,662				
Williston State College	5,758,894	86,475				
University of North Dakota	92,628,579	2,300,545				
UND Medical Center	31,375,828					
North Dakota State University	75,867,399	1,692,226				
State College of Science	25,008,824	753,332				
Dickinson State University	14,605,516	383,690				
Mayville State University	9,011,492	208,994				
Minot State University	27,239,131	596,870				
Valley City State University	11,817,271	258,416				
Minot State University - Bottineau	4,338,485	109,725				
Forest Service						
Total general fund	$0	$0	$0	$0	($950,000)	($2,000,000)

	PROVIDES ADDITIONAL FUNDING FOR STUDENT FINANCIAL ASSISTANCE GRANTS [7]	INCREASES FUNDING FOR BOARD INITIATIVES [8]	TOTAL GENERAL FUND CHANGES
University System office	$400,000	$700,000	($328,454,964)
Bismarck State College			17,125,503
Lake Region State College			5,437,769
Williston State College			5,845,369
University of North Dakota			94,929,124
UND Medical Center			31,375,828
North Dakota State University			77,559,625
State College of Science			25,762,156
Dickinson State University			14,989,206
Mayville State University			9,220,486
Minot State University			27,836,001
Valley City State University			12,075,687
Minot State University -			4,448,210

Bottineau			
Forest Service			
Total general fund	$400,000	$700,000	($1,850,000)

Senate Bill No. 2003 - Other Funds Summary

	EXECUTIVE BUDGET	SENATE CHANGES	SENATE VERSION
University System office	$2,337,276		$2,337,276
Bismarck State College	2,302,800	$1,442,500	3,745,300
Lake Region State College			
Williston State College	6,910,000		6,910,000
University of North Dakota	54,331,554	41,168,446	95,500,000
UND Medical Center			
North Dakota State University	34,000,000		34,000,000
State College of Science	368,920		368,920
Dickinson State University	5,000,000		5,000,000
Mayville State University	1,500,000		1,500,000
Minot State University	3,535,000	5,000,000	8,535,000
Valley City State University	32,000		32,000
Minot State University - Bottineau		3,500,000	3,500,000
Forest Service	975,001		975,001
Total other funds	$111,292,551	$51,110,946	$162,403,497

Detail of Senate Changes to Other Funds

	ALLOCATES FUNDING FOR CAMPUS OPERATIONS [1]	ALLOCATES FUNDING FOR CAMPUS EXTRAORDINARY REPAIRS [2]	REMOVES FUNDING FOR CAMPUS ENERGY IMPROVEMENT PROJECTS [3]	ADJUSTS FUNDING FOR MAJOR CAPITAL PROJECTS [4]	REMOVES FUNDING FOR THE LEARNING MANAGEMENT SYSTEM [5]	REMOVES FUNDING FOR THE CHILD CARE GRANT PROGRAM [6]
University System office						
Bismarck State College				$1,442,500		
Lake Region State College						
Williston State College						
University of North Dakota			($2,331,554)	43,500,000		
UND Medical Center						
North Dakota State University						
State College of Science						
Dickinson State University						
Mayville State University						
Minot State University				5,000,000		
Valley City State University						
Minot State University - Bottineau				3,500,000		
Forest Service						
Total other funds	$0	$0	($2,331,554)	$53,442,500	$0	$0

	PROVIDES ADDITIONAL FUNDING FOR STUDENT FINANCIAL ASSISTANCE GRANTS [7]	INCREASES FUNDING FOR BOARD INITIATIVES [8]	TOTAL OTHER FUNDS CHANGES
University System office			
Bismarck State College			$1,442,500
Lake Region State College			
Williston State College			
University of North Dakota			41,168,446
UND Medical Center			
North Dakota State University			
State College of Science			
Dickinson State University			
Mayville State University			
Minot State University			5,000,000
Valley City State University			
Minot State University - Bottineau			3,500,000
Forest Service			
Total other funds	$0	$0	$51,110,946

Senate Bill No. 2003 - All Funds Summary

	EXECUTIVE BUDGET	SENATE CHANGES	SENATE VERSION
University System office	$387,926,815	($328,454,964)	$59,471,851
Bismarck State College	2,302,800	18,568,003	20,870,803
Lake Region State College	343,875	5,437,769	5,781,644
Williston State College	6,910,000	5,845,369	12,755,369
University of North Dakota	54,331,554	136,097,570	190,429,124
UND Medical Center		31,375,828	31,375,828
North Dakota State University	34,000,000	77,559,625	111,559,625
State College of Science	368,920	25,762,156	26,131,076
Dickinson State University	5,000,000	14,989,206	19,989,206
Mayville State University	1,500,000	9,220,486	10,720,486
Minot State University	3,535,000	32,836,001	36,371,001
Valley City State University	282,000	12,075,687	12,357,687
Minot State University - Bottineau		7,948,210	7,948,210
Forest Service	3,029,654		3,029,654
Total all funds	$499,530,618	$49,260,946	$548,791,564
FTE	2196.67	0.00	2196.67

Detail of Senate Changes to All Funds

	ALLOCATES FUNDING FOR CAMPUS OPERATIONS [1]	ALLOCATES FUNDING FOR CAMPUS EXTRAORDINARY REPAIRS [2]	REMOVES FUNDING FOR CAMPUS ENERGY IMPROVEMENT PROJECTS [3]	ADJUSTS FUNDING FOR MAJOR CAPITAL PROJECTS [4]	REMOVES FUNDING FOR THE LEARNING MANAGEMENT SYSTEM [5]	REMOVES FUNDING FOR THE CHILD CARE GRANT PROGRAM [6]
University System office	($319,927,548)	($6,677,416)			($950,000)	($2,000,000)
Bismarck State College	16,882,022	243,481		$1,442,500		
Lake Region State College	5,394,107	43,662				
Williston State College	5,758,894	86,475				
University of North Dakota	92,628,579	2,300,545	($2,331,554)	43,500,000		
UND Medical Center	31,375,828					
North Dakota State University	75,867,399	1,692,226				
State College of Science	25,008,824	753,332				
Dickinson State University	14,605,516	383,690				
Mayville State University	9,011,492	208,994				
Minot State University	27,239,131	596,870		5,000,000		
Valley City State University	11,817,271	258,416				
Minot State University - Bottineau	4,338,485	109,725		3,500,000		
Forest Service						
Total all funds	$0	$0	($2,331,554)	$53,442,500	($950,000)	($2,000,000)
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	PROVIDES ADDITIONAL FUNDING FOR STUDENT FINANCIAL ASSISTANCE GRANTS [7]	INCREASES FUNDING FOR BOARD INITIATIVES [8]	TOTAL ALL FUNDS CHANGES
University System office	$400,000	$700,000	($328,454,964)
Bismarck State College			18,568,003
Lake Region State College			5,437,769
Williston State College			5,845,369
University of North Dakota			136,097,570
UND Medical Center			31,375,828
North Dakota State University			77,559,625
State College of Science			25,762,156
Dickinson State University			14,989,206
Mayville State University			9,220,486
Minot State University			32,836,001
Valley City State University			12,075,687
Minot State University - Bottineau			7,948,210
Forest Service			
Total all funds	$400,000	$700,000	$49,260,946
FTE	0.00	0.00	0.00

[1] The executive budget recommendation consolidates the funding for support of the operations of the higher education institutions in the University System office line item campus operations. This amendment allocates the funding of $319,927,548 from the general fund provided in the University System office campus operations line item to the individual higher education institutions.

2 The executive budget recommendation for the University System office contingency, extraordinary repairs, and capital emergency line item includes funding of $6,677,416 from the general fund for campus extraordinary repairs. This amendment allocates the funding to individual higher education institutions.

3 The executive budget recommendation includes funding of $2,331,554 from bonding proceeds for energy improvement projects at the University of North Dakota. The funding for these projects is inadvertently included in both Senate Bill No. 2003 and Senate Bill No. 2023; therefore, this amendment removes the funding included for the projects from Senate Bill No. 2003.

4 This amendment adjusts funding for major capital projects as follows:

	EXECUTIVE BUDGET			SENATE VERSION		
	SPECIAL FUNDS	REVENUE BOND PROCEEDS	TOTAL	SPECIAL FUNDS	REVENUE BOND PROCEEDS	TOTAL
BSC - New residence hall		$1,800,000	$1,800,000	$625,000	$2,617,500	$3,242,500
UND - O'Kelly Hall				3,500,000		3,500,000
UND - New nursing facility				3,900,000		3,900,000
UND - Bio-containment laboratory				31,000,000		31,000,000
UND - American Indian Center	$3,500,000		3,500,000			
UND - Carnelge Library renovation	3,000,000		3,000,000			
UND - Parking ramp construction		12,000,000	12,000,000		19,000,000	19,000,000
UND - Housing replacement project		16,000,000	16,000,000		20,000,000	20,000,000
UND - Dining center renovation		1,500,000	1,500,000		2,100,000	2,100,000
MiSU - Crane Hall renovation	3,500,000		3,500,000		5,000,000	5,000,000
MiSU - Center for applied professional education				3,500,000		3,500,000
MiSU - Bottineau - Entreprenuerial center for horticulture				3,500,000		3,500,000
Total	$10,000,000	$31,300,000	$41,300,000	$46,025,000	$48,717,500	$94,742,500

	INCREASE (DECREASE) FROM SENATE VERSION TO EXECUTIVE BUDGET
BSC - New residence hall	$1,442,500
UND - O'Kelly Hall	3,500,000
UND - New nursing facility	3,900,000
UND - Bio-containment laboratory	31,000,000
UND - American Indian Center	(3,500,000)
UND - Carnelge Library renovation	(3,000,000)
UND - Parking ramp construction	7,000,000
UND - Housing replacement project	4,000,000
UND - Dining center renovation	600,000
MiSU - Crane Hall renovation	1,500,000
MiSU - Center for applied professional education	3,500,000
MiSU - Bottineau - Entreprenuerial center for horticulture	3,500,000
Total	$53,442,500

This amendment changes the purpose of the Governor's recommended special funds appropriation of $3,535,000 for Minot State University from renovation to Crane Hall to construction of a Center for Applied Professional Education from other institutional and private resources. The amendment also adds bonding authority of $5,000,000 for Minot State University for renovation of Crane Hall and adds a new section to the bill to allow Minot State University to enter into a contract/lease arrangement for the renovation and operation of the hall.

5 This amendment reduces funding for common information services by $950,000, from $21,924,083 to $20,974,083, to remove funding associated with the implementation of a new learning management system.

6 This amendment removes funding of $2,000,000 from the general fund for the recommended child care component of student financial assistance grant program.

7 This amendment adds funding of $400,000 from the general fund for the student financial assistance grant program. The amendment also changes Section 10 of the bill as introduced to provide that the funding in the student financial assistance grant line item may be allocated for the student financial assistance grant program and a child care grant program as determined by the State Board of Higher Education. The board is to consider applicants demonstrating the greatest unmet financial need in making the allocations.

8 This amendment increases funding for the board initiatives line item by $700,000 from the general fund from $915,940 to $1,615,940.

Senate Bill No. 2003 - Other Changes - Senate Action

This amendment also:

- Removes Sections 19, 20, 21, and 22 of the bill as introduced relating to the continuation of statutory provisions relating to continuing appropriation authority for higher education institutions' special revenue funds, budget requests and block grant appropriations, and unexpended general fund appropriations as these provisions were included in Senate Bill Nos. 2034, 2035, and 2036.

- Amends Section 16 of the bill as introduced to clarify that North Dakota State University's College of Business Building could be constructed by the North Dakota State University Foundation or other private entity.

- Adds a section providing that the State Board of Higher Education is to 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 equity within the plan, during the 2005-06 interim. The board is to report periodically to the appropriate committee of the Legislative Council and the Budget Section on the status of the review during the 2005-06 interim.

- Adds a section of legislative intent providing that the Office of Management and Budget shall submit the appropriations bill for the North Dakota University System for the 2007-09 biennium for introduction to the 60th Legislative Assembly in the same format as approved by the 59th Legislative Assembly.

- Adds a section to the bill to provide for a performance audit of the University of North Dakota School of Medicine and Health Sciences.

2005 HOUSE APPROPRIATIONS

SB 2003

These agency overviews minutes are also on the as a complete set

General Discussion

- ☐ Committee on Committees
- ☐ Rules Committee
- ☐ Confirmation Hearings
- ☐ Delayed Bills Committee
- ☑ House Appropriations
- ☐ Senate Appropriations
- ☐ Other

Date February 23, 2005			
Tape Number	Side A	B Side	Meter #
1	X	X	#0 - # end
2	X	X	#0 - # end
3	X	X	#0 - #1.9, Side B
Committee Clerk Signature	Rose W. Tamberon/ Chris Alexander		

Minutes:

Rep. Ken Svedjan, Chairman opened the discussion on the Agency Overviews and roll call was taken.

Ms. Laura Glatt from the North Dakota University System spoke and distributed handout #33-1 (attached). Ms. Glatt mentioned that she had added a column on the handout for Adjusted Appropriations to show where the moneys were funneled through the system. Ms. Glatt continued to review the handout regarding the variances between the 2003-05 budget and the 2005-07 budget.

2003

With regard to p. 1 and "campus operations," **Rep. Francis J. Wald** asked if the $319 million was a combination of all of those numbers in the various campuses that were moved into the pool and the Senate moved it back out.

Ms. Glatt confirmed, but she said some of the numbers that are blended in represent adjustments which are difficult to see when looking at the aggregate because the numbers don't match up evenly. She referred the Committee to page 10 for an overview of the total budget. (tape #1, side A, meter #8.0)

Ms. Glatt continued her review pointing out the changes made in the Senate. HB1012

Regarding "Common Information Services" p. 11, **Rep. Mike Timm, Vice Chairman** asked why the Senate took out the $950,000. **Ms. Glatt** answered that it was unclear to her why this was done other than possibly just to reduce the budget. Ms. Glatt continued her review and defining "parity" as the cost it would take to continue at the same level we are now.

With regard to the 4th & 5th columns, under the line "Child Care Grant Program" on p. 11, **Rep. Ken Svedjan, Chairman** said that he thought the Senate added $300,000. **Ms. Glatt** explained that in the Governor's budget, there was an increase of $2 million for the Child Care Grant Program for Human Service clients. That $200 million got put into the financial aid program line item and it came out of that $28.8 million of the Higher Ed budget. Two million went into that financial aid program, but with other earmarked for child care grants. The Senate took that $2 million out of the Child Care Grant Program, and then they added back $400,000 back to the financial aid line item. From that it was down $1.6 million. They added language that said that the Board could allocate the funding either to need-based financial aid or the Child Care Grant Program. **Rep. Francis J. Wald** asked what funds made up the child care (tape #1, side A,

meter #21.4) **Ms. Glatt** answered that it was all in the general funds. She said she understood there is a comparable program in the Department of Human Services budget. **Rep. Jeff Delzer** commented with regard to Human Services that this is not a required match.

Rep. David Monson asked who benefits from this child care. **Ms. Celeste Kubasta** from OMB answered that this was put in the Board office so it could be designated to students who needed child care. If it had gone to Human Services it would have to follow federal guidelines as to how it is distributed and it would have had to go to only the individuals in need that weren't necessarily students.

Ms. Glatt continued. SB 2023

With regard to the line item regarding bonding on p. 11, **Rep. Pam Gulleson** asked about the bonding bill SB2023. **Ms. Glatt** said that they have asked for bonding for all capital projects. For two of smaller projects, the Governor appropriated general funds and that appropriation is in SB 2003. Several other projects are bonded in SB 2023. A schedule of the capital projects from both bills is attached to the end of the testimony (See p. 19-20).

Ms. Glatt continued her review.

Rep. David Monson commented that she had stated earlier that there should be 80% parity and the 20% equity. He referred to the figures under BSC which indicate a figure a lot higher than 20% for equity. He asked if this means the whole pool is 80/20. (tape #1, side A, meter #27.1)

2003 **Ms. Glatt** answered the rules apply to the total new dollars that apply to the University System as a whole. No less than 80, no more than 20. Some campuses are further behind their equity benchmark than are others. As a result, they get more of the equity pool. Some campuses didn't get any equity funding because they may be close or at their benchmark already.

Ms. Glatt explained that most of the changes made by the Senate were in the University System office budget; by and large, on the general fund side, there were no adjustments made on the campus budgets. Ms. Glatt continued to review these changes per campus.

Rep. Francis J. Wald asked if she would return to the issue of benchmarks and whether or not that was peer institutions. **Ms. Glatt** confirmed that these are peer benchmarks. Each campus has a group of eight institutions that are similar in size, program type, etc. They take the average of those eight institutions and that becomes the benchmark. The goal is to move to 85% of that benchmark in six years and 95% of that benchmark in 12 years. **Rep. Francis J. Wald** asked if there was any problem with folks out of state setting standards for comparison. **Ms. Glatt** explained and said that the system's benchmarks are very conservative.

Rep. Mike Timm, Vice Chairman asked if all the institutions were listed on pages 16-18. **Ms. Glatt** explained that pages 17 and 18 were switched around but all the institutions were listed.

Rep. Bob Skarphol asked if the comparisons used just the salaries or if they considered the entire compensation package. **Ms. Glatt** explained that the comparisons included more than just salaries; it also included complete spending.

Rep. Ole Aarsvold asked if the Senate allocated the pools listed on pages 17-18. **Ms. Glatt** answered yes. The numbers in columns 2 & 3 in the Governor's Budget came out of the campus budgets and went into the System Office. The Senate then took them out of the System Office and put them back in the campuses. They're really not changes, just movements between different sections of the bill. **Rep. Ole Aarsvold** asked if the allocations were done on a priority basis as established by the Board. **Ms. Glatt** answered that the allocations in column 3 are base

budgets, minus an overall reduction across the 11 campuses of $1.2 million, which is what the Governor reduced extraordinary repairs funding by. The amount was then reallocated on that same basis.

Ms. Glatt reviewed pages 19 and 20 of the handout regarding SB2003 and SB2023 and explained that the changes made by the Senate versus the Governor's recommendations were shaded, but that the shading didn't Xerox well so the best way to recognize them is to go to p. 5, under footnote #9. This identifies changes in the projects.

Rep. Bob Martinson asked about the Bio Tech lab and whether or not it required a $7.5 million state match. **Ms. Glatt** answered that she was not aware of any match requirement **Chairman Svedjan** asked if there wasn't a requirement that there had to be a percentage of a state match in order to proceed with that. **DR. Robert Potts**, chancellor of NDUS, commented that the grant had not been approved yet, but that there was a required match for the Bio Tech Lab in this grant. If that occurred, there would be an attempt to seek other sources of revenue. (tape #1, side A, meter #39.5)

Rep. Francis J. Wald asked if the parking ramp was in the Centers of Excellence. **Dr. Potts** answered no and that this is the Bio Containment facility.

Ms. Glatt continued.

Rep. Ken Svedjan, Chairman, commented that if you look closely, you can see the shadings on the report.

Rep. Blare Thoreson asked how large the parking ramp was that it would cost $19 million. **Ms. Glatt** answered that it was a high-rise parking ramp. **Rep. Blare Thoreson** commented that a

ramp like this was built in Fargo recently for $3 million to $5 million. **Ms. Glatt** answered that if the project can be done for less, the University System would only bond for the necessary cost. **Rep. David Monson** asked about the O'Kelly Hall and the Ireland Lab. **Ms. Glatt** said that O'Kelly Hall and the Ireland Lab are part of the original medical school building before they moved. It's been renovated into a classroom facility. They need the infrastructure replaced. Then UND would step in after that and fund the interior renovation.

Rep. Bob Skarphol asked about the auxiliary funds on pages 5-6 and asked for a report to be brought to the subcommittee hearing regarding the breakdown of the funds used there.

Rep. Al Carlson asked if he could get a total on the bonding. **Ms. Glatt** referred the Committee to p. 20, column 5, which represents the engrossed version of the bonding bill. Column 4 is the revenue bond authority. **Rep. Al Carlson** asked how the authority on the bonding worked. **Ms. Glatt** answered that they only bond what is authorized by the legislature. **Rep. Al Carlson** asked if these fall within bonding limits and the criteria established at the state level. **Ms. Glatt** said the revenue bonds do not. Only those projects that have a state obligation, the state bonded projects. **Rep. Al Carlson** observed that he thought the legislature had reached its limit as far as bonding capability, but there is $15.7 million worth of state bonding. **Chairman Svedjan** affirmed. **Ms. Glatt** said there are other projects in the bonding bill beyond that. She said that Arlene has an updated schedule that is within the current cap. **Rep. Carlson** asked if there were $97 million worth of bonding in this budget and **Ms. Glatt** said yes if you combined revenue and state bonds. **Rep. Skarphol** referred to pp. 5-6 and p. 20, and asked her to identify those that are revenue bonds. **Ms. Glatt** referred the Committee to pp. 19-20 where Column #4 indicates revenue bonds, but the system repays those from their own revenues. Column #5 is state bonding where

there is a state obligation. As she mentioned earlier, when the new money comes in, the first part of that pays for those state projects that have been bonded in the past.

Rep. Bob Skarphol asked about the "Energy Improvement Program," mid-page 19, and whether or not that was a lease situation where the savings pay the lease cost. He asked if she could provide documentation that this is actually happening. **Ms. Glatt** said she was glad he caught that and went on to explain that even though it's called state bonding, and it is because the state issues the bonds, the money to repay that bond will have to come out of the utility savings at UND, out of their current appropriation. She said that's the only one in that column like that.

Rep. Al Carlson asked if there were any IT projects that were bonded. **Ms. Glatt** answered no.

Rep. Mike Timm, Vice Chairman, noted that the projects with revenue bonds have to pay for themselves. With regard to the expensive parking lot, is there a plan which shows how that will be paid off. (meter Tape #1, side A, #51.9) **Ms. Glatt** answered yes. There has to be a revenue stream to pay for it, whether it's parking fees or room fees. She stated that as long as she's been with the system, they have not been in a position where they couldn't pay off the bond.

Rep. Mike Timm, Vice Chairman, asked if revenues to pay the parking bond are behind, do they raise fees. **Ms. Glatt** said the revenues don't always match up, so the campus looks at auxiliary operations as a total operation. Money which comes in for one residence hall might end up getting used in another.

(Tape 1, Side B)

Rep. Francis J. Wald asked about continuing appropriations and **Ms. Glatt** said each campus that appears before the subcommittee will include information about continuing appropriations.

Rep. Wald asked if there were a composite with this information. **Ms. Glatt** said she would provide that.

Rep. Ken Svedjan, Chairman asked Mr. Jim Smith, Legislative Council, about the energy improvements bonds, which are different than a state-issued bond, and whether or not those bonds come under the ceiling that has been set. **Mr. Jim Smith** said he'd have to look at SB 2023 to see how it's worded. He suspects that they do not.

Rep. Ole Aarsvold asked what happens to the funds once the projects were paid off. **Ms. Glatt** said that on the auxiliary operations, using a residence hall as an example, the rent from the rooms will pay the bonds. By the time the bonds are paid off, the facilities are pretty old, so the revenues are invested in renovating the facilities. Same thing applies to parking lots. Over the winter a lot may develop holes, so some of those revenues are used to fix the parking lots. **Rep. Ole Aarsvold** asked if an individual account is ever closed out because there wouldn't be a need to continue. **Ms. Glatt** answered that nothing gets closed unless the operation is shut down. Then moneys would be redistributed to other needed auxiliaries.

Rep. David Monson asked with regard to the Energy Improvement Programs, how they know that they are actually receiving energy cost savings. **Ms. Glatt** answered that there were 2 factors to take into account when estimating savings: consumption changes and price changes. **Rep. Monson** asked if they are actually paying for themselves and **Ms. Glatt** said their experience has been very positive and that information will be provided.

Rep. Bob Skarphol asked if a cost/benefit analysis is done on projects like the parking ramp. **Ms. Glatt** said that as UND gets closer to that project, they'll have to come back to the Board of Higher Ed, and get the authority to proceed on that project. At that point, they will sort out all

those details. **Rep. Bob Skarphol** asked if the Board requires that it be funded 100% in theory at the outset. **Ms. Glatt** said the board requires this to be self-funded through a revenue stream. **DR Potts** said he'd was involved in a parking lot project. He said that the bonding underwriters require a detailed statement and they examine the source of the revenue for repayment and they also give a bond rating. This backs up what the Board or campus does to make sure these are sound projects. Specific to the parking project, done several years ago, in a different part of the country, 500-700 spaces cost about $9.45 million dollars. Fifteen hundred spaces or so cost $20 million. (tape #1, side B, meter #4.3)

Rep. Jeff Delzer warned the subcommittee, who will consider these things, to make sure there is money in hand.

Rep. Al Carlson asked about the 21% figure and where that came from originally. **Ms. Glatt** explained that the roundtable report said that the Higher Ed budget could grow at the same rate of growth as the State's economy. Higher Ed prospers when the State prospers and visa versa. It made no mention of a percentage. The Round Table did put a substantial responsibility on Higher Ed to help stimulate economic growth in the State. The Governor gave the Board a request to prepare a budget and that that budget should be at 21% of the State's budget. This biennium they are not asking 21%, nor have they for a while. It's gone backwards. That's how they arrived at $28.8 million. When the Governor's budget came out, it was close to the 21% of the State's recurring revenue, but it's actually less than 21% of the State's overall budget. If you consider the first option, the budget before the Committee should increase $4.5 million. If the budget were to be at 21% of the State's budget next biennium, the budget would have to increase $30 million.

Rep. Al Carlson commented that it would be easier if we established numbers for all the agencies.

Rep. Jeff Delzer commented that the overall spending should be within our overall revenue.

Ms. Celeste Kubasta, OMB, said the Round Table was trying establish a concept of revenue growth. If the revenue is expanding, Higher Ed is helping the economy to expand. That's why reoccurring revenues are used rather than one-time revenues like the federal funds received last time. Try and match up the growth of Higher Ed with the growth of the economy.

Rep. Al Carlson said he was just recalling a couple of speeches presented at the beginning of the session which highlighted that 21% was supposed to go to higher education.

Ms. Glatt continued her review and distributed a second handout (handout #33-2, attached.)

Rep. Ron Carlisle asked about the Beef Center of Excellence. If NDSU didn't come up with their match, why the legislature should enhance it. He asked how it will happen if it didn't happen the last biennium. **Ms. Glatt** couldn't really answer the question. **Chairman Svedjan** said they would consider the details later. **Rep. Bob Martinson** asked what the status was on the $800,000 and whether it's carried over or turned back. **Ms. Glatt** said she assumes the money is still in the EARP Fund, because this project, once off the ground, will need continuing funding.

Rep. Ken Svedjan, Chairman asked **Ms. Kubasta, OMB,** where the money is now. **Ms. Kubasta** answered that it is still in the EARP fund. **Rep. Bob Martinson** asked if it will stay there until it is reallocated. **Ms. Kubasta** answered yes.

(tape #1, side B, meter #15.2) Referring to Item #5, p. 2, **Rep. Francis J. Wald** asked about the $14.7 million increase in income as to whether it was the sale of livestock, grain, or oil. **Ms.**

Glatt said it would be a combination of all of those mentioned. That information will be provided in detail later.

Mr. Ken Grafton, Dean of the Agriculture, requested and was given permission to speak. He told the Committee with regard to the $800,000 for the Beef Systems Center of Excellence, it is their understanding that if they do not come up with a private partner and obtain a $1 million match to release that funding, then that money goes back into the general fund. With respect to the $14 million that Rep. Wald asked about, that is not only sale of beef and livestock, but also increased funding from competitive grants.

Rep. Ken Svedjan, Chairman, commented that this conflicts with the answer from OMB. **Mr. Grafton** answered that is their understanding that if the money is not matched, it goes back to the general fund. That's why the Senate asked for a reauthorization of that funding.

Mr. Jim Smith, Legislative Council, explained that this project was funded last session through the Ag PACE fund, not the EARP fund. **Ms. Glatt** read what the Senate amendment which adds $400,000 on top of what the Governor recommended:

> This amendment adds funding for 2 FTE positions...The beef systems center of excellence positions may not be filled until state board of agricultural research and education enters into business partnership agreement for the beef systems center of excellence. (See footnote #2, p. 6, 580202.0107)

Rep. Ken Svedjan, Chairman, said what they needed to know was the status of the $800,000 if the program doesn't fly. **Ms. Glatt** said the intent is that the $800,000 transferred from Ag PACE is a continuation of funding authority for the Beef Systems Center authorized in 2003.

Ms. Glatt finishes her testimony and there are no further questions.

(tape 1, side B, meter #20.6)

2005 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB2003

House Appropriations Committee
Education and Environment Division

☐ Check here for Conference Committee

Hearing Date February 28, 2005

Tape Number	Side A	Side B	Meter #
1	X		0-52.0
1		X	0-50.4
2	X		0-54.1
2		X	3.5-17.7
3	X		0-54.2
3		X	3.4-5.8
Committee Clerk Signature			

Minutes: Chairman Martinson opened hearing on SB2003.

Bismarck State College - Donna Thigpen, President (See attached written testimony A-SB2003) Little information about our Strategic Plan integrated with Roundtable Cornerstone goals. Strategic Plan also demonstrates we have met accountability measures and that has been reflected in the accountability measures to the system. It was done in conjunction with University System requirements for campus Alignment Plan. We have also worked really hard to link our Strategic Plan to BSC's Learning First Strategic directions. It was a process we started on campus about three years ago. As we make decisions on campus, we ask two questions primarily - how does this decision impact learning and how do we know? If it doesn't impact learning we shouldn't be doing it and if we can't measure it we probably shouldn't be doing it. Long-term enrollment plans - BSC has been growing at an incredible rate. Use external environmental

scanning and strategic planning to determine new programs. For example, in the Bismarck, we are the medical center for the western half of North Dakota. There were very few health programs here in terms of Allied health type things. So we have worked hard to start a number of those to meet the needs of the community. We continue to develop new programs based on community and industry needs. The anticipated growth in online learning, especially with our energy programs - the goal for that program alone is 4,000 students by the year 2010. New programs on the drawing board. We look for programs where there will be a partnership with a business or an agency in the community. Changes in technology and emergence of new occupations demand that BSC respond quickly to industry needs. Programs being developed that need further study and startup funds - 1) Fire technology 2) Industrial maintenance 3) Instrumentation and Control 3) Transportation and Supply Chain Management. Brief overview of enrollment - head count enrollment this fall 3,546, increase of 53% since fall '95. FTE enrollment, which really tells the story of any college - full time equivalent is 2,625, an increase of 46% since fall '95. These numbers do not include 835 students on campus, a lot belong to Dickinson, through collaborative programs, which we provide the facilities for which really puts a strain on already strained facilities. (See graph page 2 of handout). Other enrollment information (page 3 of handout) - five energy education programs: 354 students from 46 states. 46 states sending us their money - a win win situation. Other online programs - Criminal Justice, Information Processing Specialist, Human Services, General Education Classes. Online enrollment continues to grow - the fastest aspect at our college. Corporate and Continuing Education - nearly 28,000 people served in 2004. 98% satisfaction rate with the training we have done. People generally need one year of college every three years to keep up. Employees need to

be trained and retrained. Three-pronged approach to implementing the vision statement (See handout page 4) 1) Transfer 2) Technical 3) Corporate and continuing education. Some campus initiatives we need to accomplish our goals is space related to our growth. Last year we rented space in the Horizon building and have along term agreement with the owners of that building to eventually own it through the BSC Foundation. We moved several campus division to this leased space and we have greatly benefited from this move. We approached by the city commission about renting space in the old Workforce Safety building. We will be moving all our Allied Health program to this remodeled downtown site. It's location close the medical facilities is a great benefit.

Rep. Gulleson What building is that?

Donna Thigpen Across the street from Fiesta Villa. City Nursing will occupy half and we will have the other half.

Rep. Wald South of the Peacock.

Donna Thigpen Also the city of Mandan asked us to bring some classes to Mandan. Working with this partnership we are providing a number of courses, math - communication, evening classes. Our greatest needs are a need for money and a huge challenge, more space. We will need more space or have to cap enrollment.

Dave Clark, Executive Vice President, BSC explained summary of changes from 2003-05 legislative appropriation to executive recommendation, engrossed SB2003 and requested house version. See attached handout A-SB2003 pages 6-7. Parity funding of $910,569. Equity funding of $359,125. Estimated tuition increases in 2005-07 of 4-6% if the college does not receive new equity funding in this legislative session. Capital projects, priority #1 - Career and Technology

Institute. Funding sources include business and industry donations, and federal, state and local grant funds, resulting in cash and pledges of over $8.9 million to date. To do what we need to do, we still have a gap in funding. Three components of this project are #1 National Energy Center - BSC's Center of Excellence; #2 Higher Education Center and #3 Workforce Training Center. I would like to touch on our student housing project and support the amendments that came over in SB2003 that were added by the Senate. We are now looking at a total budget authority on this housing project of just over $5 million, $4.4 million of revenue bonds, and $600,000 of auxiliary reserves. Our debt service is being paid off on our two housing projects that we currently utilized on campus. Warner Hall men's dorm is 40 years old and does not provide very good living environment. On next page is detail of 2001-03 General Fund Carryover and report of continuing appropriations.

Rep. Wald Going back to priority #2 - would you demolish Warner Hall and build on the same location?

Dave Clark Not at this point and time. Warner Hall would be used for overflow. We do think we can maintain Warner Hall as a housing residence for a short time. Our master plan does show it being converted into an administrative support function facility. But it would require a significant amount of money. Page 10 is the 2001-03 General Fund Carryover. We have expended $371,700 of those funds and they are listed. Report of Continuing Appropriations on page 10 and 11. Starts with 1999-01 biennium and continues through 2005-07 biennium.

Rep. Aarsvold The auxiliary service you mentioned, are those uncommitted funds essentially?

Dave Clark Those are unrestricted funds. We are looking to use approximately $600,000 for this housing project.

Rep. Gulleson Regards to tuition collection. You went to a per credit payment in what year?

Dave Clark I believe it was in 2001.

Rep. Gulleson What percentage wise have you seen as an increase per student?

Dave Clark It depends on load of student. Those students taking 12 or fewer, you did not see an increase but rather a decrease in the charge per credit. An average full time student, 15-16 credits, they went up 5-7% with a change in the model. That happened in 2001. This past biennium, because we did see a decline in state support, we increase tuition pretty significantly in double digit fashion in the last two years of the biennium. That wasn't related to the per credit model.

Rep. Gulleson So initialing it was about a 5% increase.

Dave Clark The thing about that is you have to anticipated what's going to happen with your enrollment and those loads. We expected some decline and that did not happen.

Rep. Gulleson You have a lot of part-time students, especially with the energy programs.

Dave Clark Yes, we do. The next schedule I'd like to touch on is entitled North Dakota University System Recommended House Appropriation Investment Plan. This is restoration of funds allowable. This is the schedule we would like you to follow. It's predicated on 21% of the State's reoccurring revenues. That would add about $4.6 million to over University budget. You can see how those dollars would be broke down. About $1.5 million would be used for equity funding at BSC, Lake Region and NODS. $2.6 million would be utilized for those costs to continue, which is parity and $500,000 would be used for system wide international student programs. We also have included in your packets some accomplishments based on the Roundtable by Cornerstone.

Chairman Martinson Did the Senate cut any money out of your budget?

Dave Clark They did not.

Rep. Gulleson What is the status of your nursing program? Did you get the approval from the board of nursing?

Dave Clark I'll have Vice President Wayne Boekes answer that.

Rep. Gulleson Have you enrolled students yet?

Wayne Boekes Yes, we have started that program. It is a collaborative effort between four community colleges with this specific program. That is Williston State College, Minot State Bottineau, Lake Region and Bismarck.

Rep. Wald Is that a 2 year RN program?

Wayne Boekes Yes, it's a 2 year associate degree in nursing leaning towards a registered nurse.

Chairman Martinson What to ask about the correlation between tuition and unduplicated student count and what the difference has been now that you are allowed to keep you tuition. Trying to get a handle on if the student enrollment count is really accurate or how much is duplicated. Thinking about asking for a 2000-2001 and each year the total amount of tuition generated versus the unduplicated enrollment count. Does that make sense?

Dave Clark One thing to keep in mind is tuition and what it generates related to head count enrollment is really dependent upon your mix of students. We have a number of part-time students. Some school has more full-time students. Full time students are going to generate more tuition revenue. You are going to see a variable campus by campus relative to tuition dollars as compared to per student. I know what you are getting at. In our case we probably have 200

collaborative students on campus this spring. Those are students dually enrolled, so they are generating tuition dollars for both campus's.

Chairman Martinson I attended a roundtable a few months ago and a lot of the time was spent on the declining enrollment. My comment was "How can we talk about declining enrollment when virtually every college talks about record enrollment?" Something doesn't work.

Dave Clark In our respect regarding that, online education - the convenience, the access. We have over 1200 students this spring taking at least one online class. Over 600 of them are strictly online. Has a really positive impact on all schools enrollment. That is pushing some of the numbers. We are all being proactive in meeting the needs of business and industry for new programs.

Chairman Martinson If more students are online why do we need more buildings?

Dave Clark You still do have significant support issues with online students. Still have a faculty member developing cirriculum, still have business and financial office functions.

Donna Thigpen Focus on the FTEs, that will give you something easier to compare, campus to campus.

North Dakota State College Of Science **Sharon Hart, President** (See attached written testimony B-SB2003). NDSCS continues to be a two-year community college that is focused on the statewide program needs here in North Dakota. Are students come not only from the surrounding area but also statewide. Primarily because of the number of programs we offer. In many cases we are the only college that offers that program in the state. Page three contains our Vision Statement. North Dakota is rated almost dead last in the country is responsiveness to 25-44 yr old students. That is an area that is really growing for us. Campus accomplishments are

included in the attached 2004 President's Report. Page three and four of handout reviews highlights included in the 2004 President's Report. Non credit side of college is continuing to boom. We have reached out to over 3000 business employees alone. Really focusing on the workforce student. Also focusing on Distance education, in one year 37% growth in this arena. Right now we have students coming to us from 25 different states. 20% of students from outside of state. Page five, six, seven and eight... Campus 2004-2005 Strategic Plan Supports Roundtable. Six Cornerstones listed in handout - 1) Economic Development Connections 2) Education Excellence - must keep looking for ways of keeping our technology up to date. If it wasn't for business and industry helping us we would be in a very difficult situation. 3) Flexible and Responsive System 4) Accessible System - recently received a $1.8 million Title 3 Grant that let's us focus on working with under served population, 24-44 age group. 5) Funding and Rewards - at the federal level, earmarked appropriations, we have been successful with a $200,000 pharmacy tech federal earmarked dollars, another $200,000 for continued funded and $200,000 for nanoscience. 6) Sustaining the Vision.

Rep. Aarsvold What impact is a competitive and aggressive program in Minnesota having on your enrollment?

Sharon Hart Very aggressive but at the same time we are looking at ways to partner. Minnesota community and technology colleges are our biggest competitor in Minnesota. We have built a wonderful working relationship - now working on welding program and also with nanoscience. Number of opportunities to work with them. To be success along the border we need to work together with their community colleges.

Rep. Wald One comment I hear a lot is the lack of trained plumber and carpenters. What emphasis do you have on the tradesmen occupations? Dire shortage.

Sharon Hart Our trade areas is still one of our major areas of emphasis. Unfortunately we have about 3.8 employers waiting for every graduate. We would love to take more again we have facility issues to be concerned about, the high cost of many of these programs.

Vice Chairman Brusegaard Competition in Minnesota - how do you compare price wise and how do out of state students choose NDSCS? Is it a mix of programs and price? Do you have any surveys as to what they consider most important?

Sharon Hart Yes we do. We survey our students every two years and it is pretty consistent. Our students say the number one reason they come to NDSCS is the price. Number two is for the teaching excellence they receive in the classroom. I would also like to say that it is the unique campus environment. Look at Minnesota, they are all commuter colleges. Students can come to us and live on campus and have that "university experience".

Rep. Aarsvold Transfer credits have always been a concern to legislators. What's been your experience with your people transferring to a four year campus, in state and out?

Sharon Hart. We do a wonderful job with our transfer credits. Our students are successful at wherever they want to transfer. We will work with them to make sure the course they take will articulate with the four year university.

John Richman, Vice President for Academic Affairs Draw attention to page eight and then move to page nine of handout. Academic philosophy - #1 Open enrollment - we take any student at any academic level. #2 Excellent educational environment that is strongly committed to the developed of students. #3 We have extremely high standards and refuse to lower them. On page

ten you can see how well we are doing meeting those standards. Pages ten and eleven addresses, again, why students come to NDSCS.

Rep. Gulleson With regards to staff - how are you competing with private sector in terms of dollars you can offer for an instructor?

John Richman It's a challenge. Being a border institution we not only compete for enrollment we also compete for faculty. One of our partners, John Deere, is looking at a different program than we offer and they are looking at starting that in Moorehead, Minnesota because they can pay their faculty more than we can. It is a major concern. Page 11 where do students go after graduation? They stay in the state. Page 12 is another reference as to what we do with our students. 79% of students that enter our technical programs stay in North Dakota for their first employment. Average graduate last spring had 3.8 jobs to choose from. Page 13 is enrollment stats. Three components to enrollment plan. How can we stay stable in enrollment when high school graduates is declining? Our marketing experts and trend we see in 24-44 years olds going back to school. Page 15 is the second component is to attract the out of state students. Third area is through the distance ed. Page 16 explains our academic program. What makes career and technical programing such a high cost? Bottom of page 16 explains the high costs.. Page 17 shows the nine programs we had to cap. We are not meeting all these needs. We bring in over $4 million in our efforts through building partnerships with business and industry. Page 17 has a list of some of the partnerships.

Chairman Martinson We had asked for a list of eight specific things. You've given us a lot of what you presented to the Senate. We are running short of time so I hope you will address the areas we specifically wanted info on.

Mike Renk, Vice President for Administrative Affairs. Look at page 19, we came out of the Senate and we are very pleased with what we got. Additional $188,000 added to budget. Extraordinary repairs - $753,000 in budget now, we've already committed $291,000 over the next two years. Going to page 21 it shows some of the extraordinary repairs we took out of our budget in 2003-05. Total general funds - carry over from FY 2001-03 is $0; total capital improvements funds carry-over from FY 2001-03 is $1671. Tuition increase about 4% to 6% depending on what is done in this legislature. Capital improvements on page 22 include Claire T. Blikre Activities Center Addition project, this is third time brought forward. The last capital improvement project is new, the football and track field. Page 23, 24 and 25 explains the stadiums deterioration. We are asking for $1.7 million, permission to go out and raise that money. Have to fix it or close it down.

Chairman Martinson How much would a 4% tuition increase give you in addition income?

Mike Renk I'm going to say about $200,000.

Chairman Martinson What would you use that money for

Mike Renk Operating dollars and probably salaries.

Chairman Martinson The basis of my question is, if we are going to provide you will salary raises of 3% and 4% and provide the money for your medical, I'm wondering what you need the extra money for?

Mike Renk This is only 73% of our budget. We have to come up with the rest of it with that 3% or 4% tuition. Does not cover entire salary increase or health insurance. We have to make up that difference of 27%.

Rep. Gulleson Because of the additional cost per student related to technical trade why isn't science included in the proposed pool of money that would raise, equity? Why wouldn't it be include in that portion?

Mike Renk The way the peer study came out. Our peers show us at 85% of their funding, peers that was given us. Bismarck is at 44% of their peers. Strictly how the peers came out is how the funding came out.

Rep. Gulleson I know but in terms of the peers. How many other peers are there like you in the nation?

Mike Renk I don't believe there are any. That's the problem.

Chairman Martinson Wouldn't that make you 100%?

Mike Renk No, more like 25%.

Lake Region State College, Sharon Etemad, president (See handout C-SB2003; Appendix three through ten) To begin with I'd like to talk a little about the value of the college to the state and our community. Economic impact was $27.3 million for our region, direct impact. That comes out of our salaries and the money you appropriate to us. (page 2). We are at about 65% of our enrollment are in the technical areas and complete those types of degrees. Enrollment - this last year we served 2,737 unduplicated students and 947 unduplicated noncredit students.

Rep. Gulleson How does that convert to FTEs?

Sharon Etemand Don't know but I'll get that to you. For a number of years we have know that at Lake Region, if we were going to be viable, and also serve our area, we could not just look at those high school graduates. We really tried to look at serving a number of students not just those high school graduates.

Rep. Wald How many students have physical contact with your campus and how many are distance learners?

Sharon Etemand We have around 700 or 800 on campus at a semester and a lot of distance students. We have a large program on the Grand Forks Airforce Base with around 700 or 800 students there. We have another 400, 500 or 600 that are off campus through distance delivery methods such as interactive video or Internet. As we look long term one of the things we know we have to do is to provide quality programing. It's a challenge. We have developed a program to measure the success of students and make sure they are covering the material they need. We need to be creative. Some things we do off campus, for example our peace officer training program.. We saw a great need in Fargo, the Fargo PD came to us and said what can you do for us? We can't get all our POT spots filled - could you bring your program here? Now we do that each summer. We have had three summer session and almost 100 students graduate out of that program. Those student, Rep. Wald, aren't really on our campus but they are our student. Equity - as we have grown the equity has not come with our growth. Has we have had more flexibility in maintaining our tuition we could respond more quickly and not have to go through a process. The difficult side has been while we are growing our tuition levels because of the number of students has grown and we also added more tuition because we raised tuition, we become more dependent on tuition and we need the state match to be able to provide the services. We are 42% of our peer bench mark. Last biennium we were 48% and with a loss of $9 million. We slipped further down.

Chairman Martinson What page are you on?

Sharon Etemand Appendix five in the very back.

Rep. Aarsvold One concern here is the selection of Peer groups and what's your assessment of the peers place that you had?

Sharon Etemand We were pleased with it. It looked at very rural campus, campuses that have the same amount of enrollment, the same mix of program. Tuition (appendix 6 & 7) - we are showing we are at 42% of our budget was tuition and now almost 50% of budget in tuition. Here is where the stress comes in. I can't hire enough people and can't pay the people I have adequately because we are generating our own dollars and need more help from the state.

Chairman Martinson What are your anticipated tuition increases?

Sharon Etemand 5%-9% depending on what happens with the session.

Vice Chairman Brusegaard When you say tuition is 50% of total revenue, that's tuition and fees?

Sharon Etemand Yes

Vice Chairman Brusegaard Your next slide (appendix 8) talks about the comparison with the national average. It is a significant difference, much higher than national average. Is there something in the slide you have not talked about? It seems backwards.

Sharon Etemand No, that is actually how it is. We have tried to reduce that gap but now we really need some equity funding because the gap is growing again. It's backwards - we have to charge more tuition to make up the difference.

Vice Chairman Brusegaard Of the nationally average two year institution, how many of those receive significant amount of dollars locally?

Sharon Etemand Some do, actually, receive quite a bit. That might make up some of the difference. They might get an state appropriation and a mill levy from their local districts.

Williston State College, Joe MaCann, president (See attached handout D-SB2003) Our enrollment for Spring of '04-'05 was 965 head count. Increase of 47% since the Spring of '01. Follows our strategy of serving the place bound individuals with distance education and also increasing the number of career and technology students. Take a look at the Status Report in handout. One of the first two or three community colleges in the nation to have an online Entrepreneurship program. Third page of handout - focus attention on Credit Student Enrollment Information.

Vice Chairman Brusegaard 41% E-Learning number. Is there a break down of how many students on campus or in Williston? I'm assuming that people taking E-Learning classes are also taking the more traditional classes also.

Joe MaCann That's true. It is difficult to plot. For example, our online medical transcriptionist program. We have about 80 students there and about ¾ of those are all online. About a ¼ of those take some campus courses but they may take those at other colleges across the state. About four out of every nine students are taking a distance ed course of some kind.

Vice Chairman Brusegaard The reason I asked is that there is a tendency to think that E-Learning would decrease the need for capital assets on campus. Just because a student is learning on the Internet it doesn't mean that they aren't utilizing the campus in more traditional form. It's is important that the committee and legislators know that.

Joe MaCann Our average age in almost 27. Next page is a summary of the Workforce Training in 2003-2004. Williston State College is partnering with 59 representatives of business and industry, community organizations, economic development, and education in the Ford Foundation sponsored Rural Community College Initiative. This focuses on distressed rural

areas. (See attached handout DD-SB2003), Six initiatives that our team is taking action on include: Entrepreneurship, Oil Field Training, Out Migration of Youth, Quality of Life, Rural Development Center, Value-added Agriculture. Also attached with the handout is a summary of our project that was put out by the Ford Foundation. Next is strategy. We now have partnerships with the schools in our district. When economic developers meet, they are us to be there. We now have partnerships with other universities and colleges, multiply partnerships. We are trying to improve the quality of life by beefing up the humanities, trying to make Williston State a focal point for our area. We are a center of education for more than 100 miles in any direction. Major capital requests in relationship to those strategies. (see attached handout DDD-SB2003). Energy and Transportation Training Center addition to the Crighton Building. We have also found a need to build an oil field training field. Rural Development Center would fill in the gap in agriculture, entrepreneurship, Workforce training and a number of other areas. Both projects are in the budget but we will have to fund with local dollars and grant funding.

Brenda Wigness, financial officer What we are proposing currently is a 6% increase. See Summary of Changes from 2003-05 Legislative Appropriation to Executive Recommendation and engrossed bill (See handout DDDD-SB2003) Some of our needs: Three faculty positions opened. Struggle to get applicants. Market is such that we really have to negotiate salaries to get people in. We are finding ourselves in the position of paying new staff almost the same as staff that have been with us a while and are doing a good job at a hire level. Overall needs in our staffing. Increase in part-time students, and they are transaction heavy so we have needs in that area to service these people. Most departments have not seen an increase in operating. We know that the cost of items have gone up so their purchasing power has gone done. We need more

dollars in there. Equipment needs - need more dollars in that department. Deferred maintenance - used full amount to repair roof. Another section also needs to be repaired.

Rep. Wald Noticed in the budget that there is $6,910,000 of non state funded projects funded by local funding sources. Is the $6 million realistically within your reach to raise locally? What kind of a funding plan do you have in place?

Joe MaCann We did build a health science and sports complex and were able, through your help $1.5 million from the state, raised the rest through four years of hard work. On the $6 million rural development center we have a pledge from on of our federal delegations for about 1/3 of that. We do feel that we can leverage our rural community college initiative participation to get the eye of some large foundation to get dollars in from the outside.

Rep. Aarsvold With the additional oil field activity, do you find that a problem for you competing with those kinds of salaries? Is the more attractive salaries in the oil fields contributing to that?

Joe MaCann We have not lost any employees to that yet. It has also affected our male dominated programs. That is one of the reasons we have 71% women this semester.

Rep. Rennerfeldt The Canadian dollar has really seen a decrease compared to the US dollar. Have you seen an increase in Canadian students?

Joe MaCann Improved somewhat. There is some opportunity there. Our focus has been primarily on providing programs that we need in our region and will bring other students in from out of our region. We just talked about the long term funding plan briefly. The long term funding plan is going to help us immensely down the road. Our major change has been from primarily on campus students and full time students and academic transfer students to an even mix of

academic transfer and career and tech students. The career and technology students generally cost quite a bit more to educate. The distance ed students and the part time student cost more per FTE because you take more time with every FTE you produce and pay for. In the normal cycle of the long term funding plan we will reexamine our peer college and I anticipate we will come up with a different mix that reflect the program mix that we have. Another thing is that is focuses on the percentage of the state and students should bear. We have kept that in mind at Williston State and have keep our tuition increases as low as possible because of the long term funding plan and the competition in Montana. We can get dollars earmarked for specific purposes. What we need are some additional dollars for operations. Please support the 21% ed budget in the state budget.

Rep. Gulleson Did you go to the per credit?

Joe MaCann Yes, we did.

Rep. Gulleson What year was that?

Joe MaCann That was Fall of '02.

Rep. Gulleson Have all but the universities gone to that?

Joe MaCann No, Bottineau or Lake Region have not. In our case, the revenue increase was less than 1%. We tried to keep it very close to being revenue neutral. We were doing it primarily to be more fair to the part time students. At Williston State 70% of our students get some kind of, either Pell Grant, federal support and/support from our foundation through scholarships.

Rep. Aarsvold You mentioned Pell Grants, it is my understanding that the federal budget is suggesting significant reductions in that. How will this impact your enrollment?

Joe MaCann I believe because our foundation has been successful in getting additional dollars and some significant dollar it should have a small impact on it. The availability of employment in the oil fields will probably have a much more negative effect.

Minot State University - Bottineau, Ken Gross, Dean (See handout E-SB2003) Most information in handout is self explanatory. Today I would like to focus on page three which discusses our enrollment. Pages six and seven which covers our programing and our mission. Also pages five and six which focuses on our capital needs that I have. Brief overview - we will be celebrating out Centennial in the summer of 2006, 100 years old at that time. We are the sixth oldest school in the University System. We were founded as the North Dakota School of Forestry in 1906. Our mission as a community college is pretty traditional. We provide two-year programing for students who are interested in transferring, we do workforce training and have one-year vocational training programs. Page three of handout provides ten year enrollment history. Would like to point out our consistency in the enrollment from out-of-state and out of county. Every county in the state is represented and every state in the country except Rhode Island and Delaware. Many students from that distance are attracted to our unique style of programing. We have a lot of programing, one of a kind programing in the natural resource areas. Pages six and seven contain a list of our college majors/programs of study. Our goal is to increase our enrollment by attracting the right students. On our campus, the right student are those who have affinity for the special offerings that we have. We feel there is a great market for our online programing. We are beginning this fall a program entirely online called Recreation Management. In putting this program together we discovered only one or two other schools in the nation that had a similar two-year program deliverable entirely on line. An initiative that we have

undertaken that corresponds with the special programing in Greenhouse, Horticulture, Landscape area is Entrepreneurial Center for Horticulture on our campus. It is the effort to provide the infrastructure needed in North Dakota to make the vegetable production industry grow in the state. It was a suggestion brought to us by representatives of Senator Dorgan's office in the summer of 2003 indicating that we should put together a proposal and submit to his office for federal funding. We did that about a month and half ago and it is now in the Senator's office and we need to tracking it and make sure it bears fruit. (See page 16 of handout E-SB2003) It is a $3.5 million project and we hope to hear something about it in October of this year.

Chairman Martinson Do you have some information about that in handout?

Ken Gross Yes, page 16 contains a brief overview. Next area I'd like to visit with you is a capital project you can find on pages five and six of handout. When the college was established in 1906 everything was conducted in Old Main. That building has served us well over the last one hundred years however the building is in difficult shape. Just to keep the building going for the next ten to fifteen years will take $1 million infusion. As a result we have choose to propose an addition to Thatcher Hall on our campus. This will provided accessibility for Thatcher Hall and also for students who are now taking classes in Old Main. (See page six of handout E-SB2003)

Vice Chairman Brusegaard The proposal would be to add an addition to Thatcher Hall and demolish Old Main?

Ken Gross We are working with individuals in our community to preserve Old Main. What we have told them we think that the best thing for student and the community is an addition to

Thatcher Hall. Let's get through this project and then we will work with you to preserve Old Main.

Jim Borkowski, Director of Financial Affairs for MSU Bottineau Turn you attention to page eight of the handout. Status of the current appropriation for 2003-2005, totals about $6 million. Approximate 27% of our budget remains. General fund carry over of $98,518. Page 11 of the handout addresses the 2005-2007 budget requests. The primary changes I would like to focus on is campus parity and campus equity. Campus parity was recommended by the Executive recommendation to our campus of $186,778 that was adopted by the Senate as well. Campus parity was designed to cover costs like inflation, salary and health insurance increases - total cost for our campus is $340,000. That leaves a balance of $154,000 that our students will cover with tuition increases. Our students are looking at 6% to 9%. Page 12 is a summary of our capital projects for 2003-2005 and 2005-2007. (See page 12 of handout E-SB2003) A total capital asset funding request is $6,109,725 which is the highest capital project budget for our campus I've seen. I mentioned briefly our $98,000 carry over. On page 18 of handout you'll see what the carry over was used for. $40,000 is being used to continue the startup of the new Environmental Technology program. An addition $58,518 is being used to fund additional payroll and travel expenses associated with the ConnectND project which is still on going.

Rep. Wald Your capital requests - that would be general funds money, no revenue bonds involved?

Jim Borkowski No, SB2023 is a state bonding request but general funds would pay for it. $2.5 million for the Thatcher Hall project. The $3.5 million for the horticulture center is federal grant funds.

Rep. Wald Both those projects are in the bonding bill?

Jim Borkowski No, SB2003 has the funding, the $3.5 million, that is not bonding item but grant funds from the federal government.

Rep. Wald But the $2.5 million would be in SB2023.

Minot State University, David Fuller I will cover a few of the items you requested. The handout provided you gives an overview of accomplishments, directions and enrollment. (See handout F-SB2003) Page one of handout is dealing with enrollment overview. Gives a good sense of the breakdown of our enrollment. Increase in head count due to enrollment in online classes and graduate students. Number of Canadian students increased 14% due to change in Canadian dollar and proximity and programs we provide. We are pleased that our online enrollment is increasing but we are having decreases in our full time students coming to our campus. My goal is to maintain a good balance between online and full time students coming to campus as well as serving part time students and transfers. This will require we do a few things. We want to continue to focus on our local and rural communities. Any type of enrollment strategy we have is going to be based on attending to our region and the people in the area that has sustained us well. Number of students in the feeder counties that support MSU are decreasing. Another goal is to bring more full time and part time students to our campus. That will require us to look for new markets. South Dakota and Montana, which we have relied on, number of students has been dropping. It is important for us to look at those particular markets. We are looking at a pilot program to recruit students for Minneapolis and we do recruit a number of student for Minnesota - great potential. Need a focus on graduate education directly to increase our enrollment. Native American community colleges - attempting to establish more

partnerships. Important to our college to maintain good relationships with Native American community colleges to track those students. Looking at need to enhance our recruiting services. On page two of handout is the Academic Overview. Want to emphasis part of our mission. We are responsible for serving our region and our community, maintaining a strong campus vitality as well as service to the community and academic excellence. (See page two of handout F-SB2003) We have created a number of programs in response to new needs and directions. Page three of handout details some of the economic development projects. We have been very aggressive in this area. Universities have to contribute to regional development. We have a targeted industries study for the Minot Area Development Corporation which we are targeting Stanley and Bottineau to assist them in developing targeted industries. (See page 3 of handout) Page four contains on overview of external support. We have been very aggressive and successful in seeking external grants. One of those is we secured a Title 3 grant to underwrite and support a new online program through our centers of excellence. We've also done a number of other things - our INBRE Grant from our Job Corps executive management program. (See pages four and five of handout F-SB2003) This past year we have secured $7.7 million in grants. We recognize the need to seek additional support and we are being very aggressive in that area. The next page, page six contains a collaboration overview. We are proud of the number of collaborations and partnerships we have. Page nine includes athletics highlights. (See page nine handout F-SB2003) The need for our parity support and equity support remains a big need for us. Faculty salaries are lower than they should be and our retention rate on faculty is very poor. My goal is to put a real focus on getting the salaries up so we are competitive and bring in the strong faculty that we need.

Rep. Aarsvold The collaborative overview you have on page six, you identify several relationships you have with several institutions. Do you share credit for those projects? BSC, for example, do they get some credit for the resources they donate to the total program as well as you?

David Fuller Yes, our sharing is resource sharing but we do not split credits. When students enroll in that particular program, they'll enroll at BSC's degree credit.

Rep. Aarsvold Do both campus', are their contributions acknowledged to the University System office and the citizens as a consequence?

David Fuller People are very much aware of it.

Rep. Gulleson Are the students Burdick Job Center are they enrolled as students on your campus?

David Fuller No. Clearly we have a good partnership with them. The Job Corp Management Program that you looked at are students who are coming in as graduate students to take courses online as well as summer program to train to be managers and leaders of the Job Corp. Those students are our students but as far as the actual students at the Job Corp, they don't matriculate directly with us.

Bruce Haskins, Vice President for Administration and Finance, MSU I'm going to start on page ten of handout. It shows the status of our 2003-2005 budget. Next page shows our 2003-2003 appropriation, how much of that we budgeted in last fiscal year and this fiscal year. Also shows our tuition estimates for this year and last year. Towards the bottom of the page is our budget $20.8 million including the general fund and tuition amount. (See page eleven of handout F-SB2003). We spent about $20.6 so we are in good shape with our overall budget last

year even though our tuition collections were less than estimated. Tuition increases for 2005-2007 will depend on the funds we receive from the legislature, from the general fund. Right now we are listing a general range of 6% to 9% increases a year for the next two years. Page 12 talks a little about our residence hall occupancy. (See page 12 of handout F-SB2003) Schedule is in here to bring attention to Crane Hall, which is below occupancy because of the poor living conditions. We are asking in SB2003 for $5 million of revenue bond or private financing authority to allow us to renovate Crane Hall into a modern living hall with suite living arrangements. A detailed summary of Crane Hall renovation can be found on page 14. Our Capital Improvement Projects are listed on page 13 of the handout. Page 15 is our number one priority for state funded projects - Swain Hall addition/renovation. Was not on the State Board's list of top seven priorities this biennium but it is very important to us. This continues to be a priority to us but not to anything pertaining to legislation. Pages 16 and 17 are the required reports on carryover and the continuing appropriation.

Vice Chairman Brusegaard Page 17 on the continuing appropriation summary - what is other unrestricted funds?

Bruce Haskins Activity fees go into unrestricted funds, includes a number of funds, student publications, art galleries. On our campus we probably have about 200-400 funds.

Chairman Martinson That is OK, we will get the all from you later. Some members of the committee think that is a pot of gold, a slush fund for everybody.

Bruce Haskins It does say other unrestricted but some of those balances may not be in cash. For instance, under auxiliary service - that includes the bookstore inventory. The funds may be unrestricted but they are not unobligated.

Dickinson State University, Lee Vickers, President (See attached handout 1-SB2003) I will be talking about section one - the Campus Overview. As you requested I will be talking about enrollment, programs and special initiatives. Please notice on page three of the campus overview, I'll walk thru some of our enrollment and give you some idea of the projects for the future. We have a very positive trend - we've had an increase in nine consecutive years. 23% increase over last five years and project 2% for the next two year. Page four has spring enrollment - 3.4% increase. Page five is a picture of enrollment in the sense of North Dakota students. Again a positive trend. Pages six, seven and eight on the enrollment trends from South Dakota, Montana and Wyoming because we do spend a lot time recruiting students from those particular states around us. Page nine in the International students enrolled. A couple of things to note here. Note we have an all time high 121 international student from 31 countries. Certainly the appropriations you gave us two years ago for scholarships for international students was very helpful in this regard. We see this as an area we can continue to grow. Page ten is a break down of full time and part time students. Page 11 is enrollment for extended campus - by and large it is talking about adult students in Dickinson, Bismarck and Williston. Page 12 & 13 is a couple of specifics we are now offering here in Bismarck in cooperation with DSC is a degree in accounting and elementary education.

Chairman Martinson Who counts the students if they are at BSC in the Dickinson program and how is the tuition dollars split?

Lee Vickers In most cases, they have taken all the classes they can take at BSC and now they are a student at Dickinson State University. By working with them, our teachers go into their

classrooms for the first few years. If however, a student is taking classes in both places, then he or she is counted both places.

Chairman Martinson So would that person be counted as record enrollment at both places?

Lee Vickers That person would be counted as part of the enrollment at both places.

Chairman Martinson Who teaches them and what is the split of the tuition dollars?

Lee Vickers We hire the faculty to teach those classes. Sometime they are BSC staff and we hire them adjuncts. We pay their full salary and we keep the tuition.

Chairman Martinson You keep 100% of the tuition?

Lee Vickers Yes.

Chairman Martinson You don't pay any rent or anything?

Lee Vickers There is an agreement so that when you are sending programs back and forth, the host institution gets a share of that. Page 14 is the nursing program. Page 15 deals with placement. 98.4% of students are placed or continuing education. Page 17 in the retention rates. Page 18 lists the enrollment factors. It is our goal to increase our market share in the number of students graduating 150 miles from our campus. Increase the number of student from adjunct state. Initiative to try and attract more student from California, Washinton and Oregon because they have thousands of students who can not get into a four-schools there. We plan to increase the number of international students and to find a niche here in Bismarck working with BSC or Williston to meet the needs in those two major cities. Increase the number of students online. Retention, already talked about. Quality of programs is more and more important. Facilities is a major part of trying to recruit. Murphy Hall, phase one complete now phase two with bonding. Scholarship money very important to be competitive.

Rep. Aarsvold Your retention data, what are your parameters?

Lee Vickers Retention data of entering freshmen through sophomore year.

Alvin Binstock, Vice President of Business Affairs at DSU Section tabbed Budget in handout 1-SB2003. Page two is the General Fund Allocation/State Bonding. Projected tuition revenue 2003-2005 is on page three. Tuition rates are located on page four. From fiscal year '03 to fiscal year '05 we have had a 38% increase in tuition rates. On page five see that tuition increases were needed in support of quality programs, providing essential enhancements, fostering institutional growth. Page six you'll find the State/Student Share of Operating Budget. Page seven is the building and infrastructure inventory.

Vice Chairman Brusegaard What do you consider your cost of educating students in '04?

Alvin Binstock Approximately $8500. On page eight you'll find the institution's information as it enters into a performance contract. This biennium the contract amount was a little over $2.2 million. The rate on the contract is 4.09% to be paid off in ten years. Page nine is the Long-Term Finance Plan Base Operating Funds - funding in support of core campus functions: Parity and Equity. Page ten is Long-Term Financing Plan Capital Asset Funds. Page 11 you'll find North Dakota University System Recommended House Appropriation Investment Plan. Provides funding, at a minimum, of 21% of the state's recurring revenues, as suggested by Gov. Hoeven. This would result in an addition $4.657 million over Engrossed SB2003. Page 12 is Summary of Changes from 2003-05 Legislative Appropriation to Executive Recommendation. Base adjustment of $70,702 is for a psychiatric nursing training program that was included in UND's budget in past but has been brought back to institutions with nursing components. Page 13 deals with estimated tuition increase 2005-2007. Annual tuition increases range from 9.5% - 9.9%.

Vice Chairman Brusegaard When you put on a tuition increase, how is that split between residence students, resoprocity students and non residence students? Does it go up the same percent?

Alvin Binstock That's correct. Those percentages will be applied across the board.

Vice Chairman Brusegaard Tuition increases would be one of the things, Connect ND implementation. That counting student fees, too? Is Connect ND done through student fees?

Alvin Binstock Connect ND is funded in a combination of ways. What I'm referring to here is these dollars would be needed to support the full time positions that were added in support of Connect ND.

Rep. Aarsvold Looking at performance contracting, the first four there seen to be a fairly good return. The water consumption fixtures - what is the payback on that?

Alvin Binstock They were in that 8 to 9 year payback. Next tab is the Major Capital Projects - we are asking for reauthorization of $5 million projected project in support Whitney Stadium renovation/addition. Following page is the architect's rendition of Whitney Stadium, project objectives follows that page. In the tabbed section Appendix is the General Fund Carryover schedule and the continuing appropriations.

Chairman Martinson How do you split tuition between BSC and Dickinson?

Alvin Binstock The tuition is split on the basis of the program. There is a 60/20/20 ratio that is set up. 60% of the tuition goes to the designated home campus, 20% of the tuition goes to the institution actually funding the program. 20% also goes back to the facility.

Vice Chairman Brusegaard Reauthorization of the athletic field, have you started raising money for it?

Alvin Binstock Yes, we have.

Mayville State University, Pamela Balch (See handout 2-SB2003) Enrollment on page three of handout. Mayville State is very proud of its increased enrollment, 21% in the past two years. Spring enrollment of 2005 is up 11%. Bottom of page four, we are working very hard on diversity growth. Large percentage increases here. We are also up in our enrollment with distance ed and non traditional student on page five. Students by residence - North Dakota students still largest number. Page six in enrollment by major and strategic enrollment management goals. How are we going to do this? Page seven is the strategic planning for enrollment development. Mayville State was the national's first Tablet PC campus and we try to market that. We have a partnership with Gateway. Page ten we have our Mission, Vision & Purpose. See attached booklet. "Baselines", that is our strategic plan. Who does what and how are we going to do it is in this booklet. Page 12 lists our Strategic Goals. I won't go over all of those but just highlight a few. The first one is to reach the goal of over 1000 students, expand our distance programs and offer new programs. Then I'll jump down to fund and friend raising. We do need to really work on our additional funding raising for Mayville State. Refer to page 13 Campus initiatives needed to accomplish strategic goals. Mayville State's salaries are the lowest in the system. Highest salary is $48,000 for a PHD'd instructor that has been there forever. One of our goals before we get into the renovation projects, is to raise faculty and staff salaries. Hopefully that 4% will help that. Classroom space is another goal - we are growing and have no where to put our students. Student housing is another issue - renovation of West Hall (See page 13 on handout 2-SB2003).

Rep. Wald Last biennium we gave you about $1 million for your steam line. Has that project been completed?

Pamela Balch Yes, it has been and it's wonderful. Mayville State's collaborative ventures are on page 14. Following page shows how Mayville State is reaching out to students. Last few pages shows the collaboration with Lake Region.

Rep. Wald When you move people to Lake Region, Alvin Binstock mentioned an 60/20/20 split. Is that set by the board or is that negotiate between campus's?

Pamela Balch That is a board process. Most of our students there have finished their two year and become ours, taking their classes from us now. Really have not had to much to do with sharing those kinds of costs. It's a win win situation because they get the students for two years and we get them for two years.

Steve Bensen, Vice President of Business Affairs for Mayville State Turn to page 27 and we will continue with the budget. This page contains the format that we are using from the University system. That starts at the top with the state funds on the inside column, the General Fund appropriation for 2003-05 and then the impact that we have experienced through the legislative session. There is a significant concern about utilities. Mayville State is one of the few to use #2 fuel - don't have natural gas or coal in our area. Our budget has increased 46% in what we pay of fuel oil from this year to last year.

Rep. Wald Was your campus ever on coal?

Steve Bensen They might have, way back in the horse and buggy days.

Rep. Aarsvold I think 1950s or 1960s they burned coal.

Steve Bensen Extraordinary repairs on page 28. Our campus building has a replacement value of about $26 million. We have special assessments. So with our extraordinary repair budget of $208,994 we pay $94,970 is special assessments. The impact I can have on repairing windows,

floors, roofs, etc. Is greatly diminished now that I have special assessments to pay. That was street and water improvements. Pages 29 and 30, one of the concerns that is funded through extraordinary repairs, is Main building roof replacement. This is something we will pursue further. On page 31 is the major capital projects. We are not in the bonding bill at this time. These projects are special funded projects. We do have fund raising projects through our foundation. On page 32 we talk about tuition. We are looking at ranges between 8-9.5%. The increases that Mayville imposed on our student in the last two years was 17%. We are on the 70-30 match. 70% of our dollars come from the state coffers. Page 34 is the report of continuing appropriations and page 35 is the carry over reporting 2001-2003.

Rep. Aarsvold Old Main, the roof project, that is one of the oldest in the University System - 1895 and 1904. Hundred years old and very difficult roof to maintain and repair. It is a huge problem for the campus and the folks who have offices there.

Chairman Martinson adjourned hearing on SB2003.

2005 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB2003

House Appropriations Committee
Education and Environment Division

☐ Check here for Conference Committee

Hearing Date March 1, 2005

Tape Number	Side A	Side B	Meter #
1	X		0-50.3
1		X	3.2-53.2
2	X		0-12.2
2		X	0-54.3
3	X		0-21.8
Committee Clerk Signature	Roxi Pursley		

Minutes: Chairman Martinson Reopened hearing on SB2003.

Joseph Chapman, President, NDSU Land Grant Heritage - Morrill Act land grant institution that is based on three factors - education teaching, research and service. (See page two of handout 5-SB2003). It's on that mandate that we built the theme for the institution "It's about people". Mission statement "With energy and momentum, North Dakota State University addresses the needs and aspirations of people in a changing world by building on our land-grant foundation." Five themes for the institution and in those five themes we laid out a series of goals. Virtually all of those goals were met. Focusing on what it means to be qualitative action of what it means to be major land grant university. Unity of purpose - all aspects of NDSU are all together on goals. Enrollment did surpass 12,000 this year. Freshman numbers fairly stable. Our target has been graduate students, transfer students and students from other states and international, where the

vast majority of growth is in. In terms of economic impact, new activity at NDSU would be in terms of our budget and tax revenue, almost $1 billion dollars. We remain focused on our students. 94% of our students are gaining employment. Of those 94%, 68% stayed in North Dakota - a 10% increase. See attached brochure on our graduate programs. 1500 graduate students with 500 being doctoral - about half are North Dakotans. We are in the middle of a capital campaign - $75 million campaign we will be announcing. Just under $50 million as of this last week in revenue we have raised towards that. We are continuing to build business partnerships. In terms of infrastructure, I've listed some projects there. (See page six of handout 5-SB2003). In terms of Stature we are extremely excited about where we are going. We are moving towards being a research extensive university. That will happen. We hit a $102 million in research expenditures. This will put us in the top 100 research universities. In terms of collaborative efforts, we've given you a list on page eight of some of the programs we have. The Technology Park on page nine is a significant tool in North Dakota's economic development. I have reviewed carefully all the budget material and I am very supportive of that.

Dick Rail, NDSU Vice President for Business and Finance I'm going to go through some of the budget numbers. First schedule on page 11 is the summary of changes. (See page 11 of handout 5-SB2003). Next chart is on page 12 - combination of general funds and tuition. Growth in student enrollment has put a great strain on a number of areas. One is faculty, we have a higher than normal student to faculty ratio - higher than what we would want. Not very competitive salary wise. Facilities is another big issue. Opened a downtown facilities that eliminate some temporary structure we've had since 1948. Need additional faculty. We hire faculty and instructors to keep class sizes down. Funding source (See page 12). Our students are

paying $14 million more for their education than state support. The goal we have is the state would pay 60% and our student would pay 40%. Our students supported an 18% increase in tuition but had to questions. Where does the money go? How can we explain what happens to the money? What would the anticipated tuition increase be this year? Class sections and facilities is primary where the students money is going.

Chairman Martinson How does your general fund ratio compare to your peer group?

Dick Rail I don't have that.

Rep. Aarsvold With the current reduction of Pell Grants, do you see any impact at your campus of the ability of students to meet tuition needs?

Dick Rail Any reduction of Pell Grants, which go to the poorer students, will have a dramatic affect. Whether we lose students or not, I can't say. Page 14 is a comparison of regional and peer. Peer institutions - every state funds education differently. We are higher that almost all of our peers. State support per student in North Dakota is one of the lowest, per capita it is very high.

Rep. Aarsvold Looking at the tuition rates and comparing them to other institutions, are we talking apples to apples here? Are we talking about similar programing?

Dick Rail This would not include the additional for medical school.

Rep. Wald What's the number of kids taking some kind of remedial program enrolled in NDSU?

Vice President of Academic Affairs The only remedial program we have is math and there are about 400 students.

Rep. Wald Do they come from primarily smaller high schools or across the board?

Vice President of Academic Affairs Across the board. It is quite surprising because in the eighth grade, North Dakota scores really high - somewhere between top five and six in nation

Rep. Wald 400 of your freshman class would be about 25%?

Vice President of Academic Affairs Yes

Dick Rail The rest of the handout details the general fund and other carryover funds, the report of continuing appropriation and the capital project requests.

Rep. Gulleson We had gotten a memo from the Legislative Council outlining the lease agreement on the Research Park - Research 1 and Research 2. Bottom line was at the end of the lease, NDSU would not own those buildings?

Dick Rail That's correct. The research park is not insured the bonds. They rent the facilities to NDSU what it would take to pay for bonds. Major renovation would have to take place to those facilities when done with bonds. Buildings will not be that functional.

Rep. Gulleson Is that a unique situation? Do you have that agreement with any other buildings?

Dick Rail We have a number of buildings like that. The criminal justice building, which we rent. The downtown facility - which we rent. Equine center we rent. These are facilities that without the foundation stepping in to build the facilities to rent them from we would not be able to sustain what we are doing now.

Rep. Gulleson But they are on your property, except for the downtown building?

Dick Rail Downtown building and Equine Center are not on our property and the criminal justice is not on our property and lease property for the research buildings.

North Dakota Forest Service, Larry Kotchman, State Forester (See attached handout 6-SB2003) Title of presentation today is "Building sustainable communities through forestry".

Going to highlight some of our programs. The mission, on page two, is to care for, protect and improve forest and natural resources to enhance the quality of life for present and future generations. We are proud to be part of the land-grant institution, we support the NDSU land-grant mission in public service. In terms of funding sources, we rely on general funds and income from our tree operations. On page four is a description of our public service programs. We have six coordination areas that we provide assistance through. (See page 4 of handout 6-SB2003) We provide, not only technical assistance but also financial assistance. Financial assistance is in terms of cost share programs and every year we put out about $220,000 worth of cost to eligible communities for tree planting projects and other forestry development projects. (See page five of handout 6-SB2003) Fire management on page six and there we work to administer and help train and organize and equip North Dakota's 376 rural volunteer and 12 career fire departments. Cooperative Fire Protection Assistance provides assistance in organizing, training, planning, purchasing or repairing equipment. (See page six of handout 6-SB2003) Third coordination area is Forest Resource Management described on page seven. Here our focus is on rural or privately owned forests. Rural forestry service are delivered through local soil conservation districts. Primary partner along with NDSU Extension Service. We offer cost share incentives to help land owners manage their properties. Our fourth program is information and education on page eight. Here we work to provide information and educational services to raise public awareness about natural resources value. It's important that we work with young people. We have a program called Project Learning Tree, that is a conservation education program aimed at teachers and youth k-12. Fifth coordination area is Sustainable Forestry on page nine. This particular area has been growing in terms of private, community and state forest

because of their extreme value to the citizens of North Dakota. (See page nine of handout 6-SB2003) We are facing some tremendous challenges in terms of increasing pressures at our forest lands and it is in our best interests to encourage wise use and proper conservation efforts. Financial and technical assistance here as well. We have three financial assistance sources, the most popular being the Living Snow Fence Grants. Forest health is another area that we do under sustainable forests, monitoring of forest insects and diseases. Threat from invasive species is very critical. Page 11 is Tree Production, last coordination area. Towner State Nursery is a 160-acre facility - it involves production of 1.2 million seedlings for distribution for conservation purposes. (See page 11 handout 6-SB2003) In terms of some additional things I wanted to point out, turn to page 14, you'll see our capital assets. (See pages 14 and 15 of handout 6-SB2003). We have two lines in our budget - one is authorization, the other is capital assets. In terms of capital assets, we are responsible for maintaining four separate field and nursery facilities located at Bottineau, Lisbon, Towner and Walhalla. There is a Seed Processing facility project for $65,000 also under the capital asset budget. Page 21 is the summary of. In terms of the Forest Service budget, it consists of general funds and other funds. Other funds are nursery income. It includes the executive and Senate recommendation. The Senate did not make any adjustments to the executive recommendation. Page 23 is the disclosure of continuing appropriations.

Rep. Wald Go back to page 14, paragraph three, where you talk about 38 office, shop, storage and recreational buildings. What kind of recreational buildings are you maintaining?

Larry Kotchman The recreational buildings are primarily outdoor restroom facilities. We have five state forests and three recreational areas. Primarily primitive recreational areas and primitive outdoor facilities - restrooms with no running water.

Rep. Aarsvold Interested is what appears to be an oxymoron - vegetative fire breaks.

Larry Kotchman The concept behind vegetative fire break consists of three zones. The outside zone is a cultivated bare strip associated with that. The inner zone that has short grass associated with that and finally the tree planting for the inner zone.

University of North Dakota, Chuck Kupchella, President (See handout 7-SB2003)

Enrollment - we have had a steady increase in the last five years, just over 13,000 students. Serve about 20,000 through continued education.

Vice Chairman Brusegaard Talking about targeted state on slide 14 - how do these match up with your peer institutions? I'm curious what the differential in those seven states and our tuition rate - the difference between resident and non resident because none of these state we have resoprocity with.

Dr. Kupchella The thing those states have in common that are on our target list is they have a lot more students than they have schools.

Vice Chairman Brusegaard We talk about the cheapness of a North Dakota college education. In these state in particular, do you have any numbers saying we are competitive drawing students from these states?

Dr. Kupchella Yes, we are competitive with those states.

Rep. Aarsvold Recruitment - are we wasting resources in this state competing with each other?

Dr. Kupchella We are all following enrollment management plans. We have no interest in growth just for growths sake. We look at the capacity of our campus to serve students and trying to match capacity. We are recruiting more out of state then inside. Commitment to excellence - slides 16 through 22 Partnerships - 27 current partnership with other NDUS institutions. And 113

with external agencies. (See slides 23 through 28) Research and sponsored programs - we have set a goal for ourselves to achieve $100 million in annual funding by 2006. Nearly $200 million goes out the door in proposals on an annual basis. Nearly all our dollars is federal money. Will continue to build on our foundation of excellence, build on our pillars. One is Energy and Environmental Research Center, others are aviation, medicine, next engineering and quite a few programs after that. Public service - the most important way that we serve is through education programs that we offer, many at a distance. We offer about 14 degrees online now and they are available worldwide.

Chairman Martinson Are you talking totally online - can get the complete degree online?

Dr. Kupchella In some cases its mostly online. Engineering, is an example, students must spend part of summer on campus but during the year courses are available online. About ten of those course are Internet and correspondence.

Chairman Martinson How do you know that the person you are giving the degree to is the same person who took the exam or took the courses?

Dr. Kupchella We have authentication of authenticating. Have someone at the distance site vouching for the person taking the test. It's not unique problem to distance learning but I think we have a lock on it.

Vice Chairman Brusegaard Aeronautics - is there discussions or a long term plan for utilizing the Grand Forks Airforce base if things should take a turn for the worst?

Dr. Kupchella We have not had an open discussions about that. Quietly we have, but not openly or publicly. Economic Development (See slide 45 through 52). Deep into this as a result of the Higher Educational Roundtable and meshed it nicely with other elements of our admission.

UND's emerging research, technology, and commercialization complex (See slide 48). There are multiple components of economic development. (See slide 49) On the things on this list are components of economic development. Hired our first Intellectual Property Specialist, Dr. James Petell and now we will see a large increase in patenting and licensing activity at UND as part of our strategic plan. Slide 52 shows the economic impact of all of this. The $83 million in external support that we bring in, our economist tells is has an impact of $135 million in spending in North Dakota, 1436 jobs in North Dakota and considerable amount of state and local tax revenues. Our physical plant is in great shape. (See slides 53 through 71) Of course, could use more money for extraordinary repairs and maintenance. Have done a good job of taking care of them but actually building them with money that comes from other than the states treasury. We are in the process of developing Bronson property now, ¼ section of land that had been given to UND in the 1930s. Until the Englstad Arena, Barnes and Noble Bookstore and other things were built there not much happened on that property. Today it is being fully development as a University asset. We project that the revenue from this development will be $1 million for the year. Current capital projects - now finished School of Medicine's Neuroscience facility, we will be acting on a new American Indian Center, steel is going up for a Wellness Center. We are renovating the Carneige Building and just opened and celebrated the Ina Mae Rude Entrepreneur Center. Our 2005 capital request items are on slide 75, this is one plea I will make. O'Kelly Hall is at the top of the list. This is the fifth session asking for about $3.5 million to renovate and remodel and each year it is left off the list.

Vice Chairman Brusegaard You touched on the fact that there have been ways to raise money to build, has there ever been a discussion on your part to say we are tired of waiting for the state to pony up the funds and we are going to raise private funds to do it?

Dr. Kupchella Exactly what we have been doing, though not tired - we understand the process - we just finding alternatives.

Vice Chairman Brusegaard O'Kelly Hall?

Dr. Kupchella O'Kelly Hall is tough, that is stuff you can't see and donors tend not to be interested in fixing up something old but they will build a new one. It was an effort to raise money to renovate Carneige Hall.

Rep. Gulleson On that entire list of capital projects, do you have a sheet for us that shows how you are going to generate the fees or the dollars to pay for that?

Dr. Kupchella Yes, there have been proposals approved by the State Board of Higher on all of those projects and they have also been presented here. It came to the budget section before the legislative session started.

Rep. Gulleson The funding sources and how are you going to generate those fees, those revenues to pay for them. Some of these are new on the Senate side, they were just added on, quite a few. I'm specifically interested in those and the parking ramp. It jumped from $12 million to $19 million. What required that additional $7 million and how are your going to pay for that?

Dr. Kupchella I have about a page and a half brief on that and I'll give that to you. We do have the details but I'm not sure where they were presented.

Kathy We are in the process of putting together that detailed list for you.

Rep. Gulleson You have a lot of new additions to your campus that are primarily private - the shopping mall. Is there revues specifically - do you receive revenues or some portion of proceeds?

Dr. Kupchella Yes, we lease agreements based on gong rates. In the packet, in the back is a list of all the projects and what the partnership is.

Chairman Martinson Does that also show where the revenue goes?

Dr. Kupchella The lease revenue goes to local funds and used for general purposes of the university.

Chairman Martinson So you put those in category of unrestricted uses?

Dr. Kupchella Yes, the dollars would be unrestricted in terms of what we can use them for when they come to the University.

Chairman Martinson Remember last session, the stink we had the $100 million in unrestricted from the bookstore, cafeteria and those things. Would this money show up like that?

Dr. Kupchella It would not show up as an unrestricted net asset unless is was not spent.

Chairman Martinson What would you use this for?

Dr. Kupchella Everyday expenses - whatever rises to the top of our pending needs list, which is very long.

Chairman Martinson Is that listed in here somewhere? We will want to know how much money that is.

Dr. Kupchella It is not in the packet because it changes daily. I get updates to what the current revenue is.

Chairman Martinson Specifically talking about lease agreements with these businesses and you would know what that is annually and I suppose you have an overage if it reaches a certain growth.

Dr. Kupchella Yes, in a few cases. Slide 77 is our prioritized budget request, goes back to original board submission. We are currently $1 million below what would have come to the university if we had reached priority one. Given what has happened with the governor and the Senate we are $1 million below what that would be. Next slide shows strategic investments made. (See attached handout 7-SB2003 slides 78 through 80) Slide 81 is long-term financing. UND resource base is slide 82 with slide 83 containing the salary comparison: UND to AAUP faculty salaries. This is the largest disparity for any institution in the state. Tuition is on slides 84 through 86, we are somewhat below the national average. Centers of Excellence - we have two that would be great candidates for Centers of Excellence. One is to build on to the National Center for Hydrogen Technology and Center for Suborbital Atmospheric Science, this is NASA. The third example is Biocontainment/Border Security. Slides 88 through 90 are the financial aspects of the centers. Slide 91 shows how we spent what you gave us for the IDA Mae Rude Entrepreneur Center. As you can see, with the $800,000 you provided we were able to build a $4 million building. Working on the Red River Valley Research Corridor. One of the big steps in our strategic planning is going to be private fund raising, we are going to take it up a couple of notches because we think we have to. (See handout 6-SB2003) Strategic Plan - UND is within the top 100 doctoral research universities in the USA. Vision without resources to carry out it nuts, that is why we are here today to make a case for additional resources.

Chairman Martinson Did the Senate make any changes to your budget?

Dr. Kupchella No, not directly. I don't think so.

Jordan Schuetzle, representing UND students spoke on behalf of UND student body. Know that you have our support and we thank you for your service.

UND School of Medicine, H. David Wilson, Dean (See handout 8-SB2003) It is the 100 Anniversary of the School of Medicine. (See page two of handout) Nearly 50% of doctors in North Dakota are graduates of UND School of Medicine. UND School of Medicine is a resource to the state of North Dakota. School continues to supply a place for bright students to become doctor. We partner with virtually all of the doctors across the state to help us train our students. Without their volunteer services we could not afford a medical schools. We now bring in over $25 million from outside sources to do research. We have the best curriculum for medical education in the country. We do what we call "patient centered learning" were out students get contact with patients really early on. Page three contains our mission statement, in summary really, to produce good doctors for North Dakota. Page four is the academic programs, all are listed. One of the things that has been a bit of a burden for the medical is the fact that we now teach 1600 undergraduate students at the medical school that are going to be nurses, biology teachers and others that come to do courses at the medical school. Trying to work out a way to share tuition with UND so it is not such a burden to faculty.

Chairman Martinson You don't receive any tuition support for those classes?

H. David Wilson We do not at present. The president gave me some support for a faculty member in biochemistry a few years ago. Page five is our academic programs. All our programs are fully accredited by their various agencies. The Medical School is up for reaccrediation in the March of 2006. The report of accountability measures is next, page 6. Our pass rate is one or two

points off of the national average everywhere and sometimes above it. Page seven looks at where our student go. Almost 21% stay within the state to do their residency. Those who train elsewhere, more and more are coming back to the state. Our clinic teaching sites are on page eight. Next is the various physicians-in-training (residency) programs. Next slide, everybody is concerned about getting more and more of our physician to practice in small town North Dakota. We continue to work on that everyday. Page ten shows the UND trained physicians establishing rural practices in the last four years. The Health Dept. and the ND Medical Association have introduced a bill to increase the debt repayment for physicians to go into rural areas, now it is about $40,000 for a four year commitment. Raising that to a total of $90,000 for a three year commitment - that's a combination of state funds and local funds. That will make a big difference in moving physicians in small towns. Page 11 looks at our budget. One thing I'm concerned about is 13% of the budget comes from tuition. I'm trying to do everything I can to keep it reasonable but our debt to our students is about $100,000. That's less than the national average of about $115,000. Next (page 12 of handout) is the appropriations from last biennium and you can see everything is the same except we were able to generate $8.2 million more than we thought from our grants and contracts.

Vice Chairman Brusegaard The pie chart - 25% of the budget comes from local funds? Can you expand on that?

H David Wilson That is our earnings from our residency programs, that's any money we can generate from our ability to make money.

Vice Chairman Brusegaard You talked about residency programs and you have a transitional program that's a one year program in Fargo?

H David Wilson It's a one year program for people going into dermatology and a few of the specialties where they require one year rotating internship. Page 13 we look at our source of funding. Your investment in the School of Medicine has been relatively flat for about ten years. We are proud of the fact that you supply about ¼ and we earn the other ¾. We would like to see more invested, if you invest a bit more in us we will deliver a great return. Next looks at our salary improvements - we've made great progress but have to pay what the going rate is or people will not stay. Tuition and fees are next, page 15. Our tuition currently is $18,326 and for the first time is past ten years our tuition is higher than South Dakota. We are still very competitive. Page 16 is our grants and contract awards history, which I am very proud.

Chairman Martinson When you receive a grant, so much of that has to go to, 30% - can that be used for salaries?

H. David Wilson 75% of the money in grants really goes to, for salaries, technicians and supplies and the like. Yes, part of that money is used for salaries.

Chairman Martinson What is the other part used for?

H David Wilson The other 30% is used for expendables - supplies, materials, petrii dishes and those sorts of things.

Chairman Martinson Do you include, when you talk about your salaries, that additional salary money in your salary report?

H. David Wilson Absolutely. In fact, we couldn't pay the competitive salaries if we didn't have the grant support.

Rep. Gulleson Does a portion of those grants go to the college for overhead?

H. David Wilson Yes, certainly indirect cost return for those and we share those with the university but the president has be good enough to allow me to invest a lot of that money back into the Medical School.

Chairman Martinson You received a huge grant a few years ago, about $16 million and part of that was going to be shared with the other 4-year schools?

H. David Wilson That was the IMBRE grant, first the Bren grant then the IMBRE grant. A good deal of that money has been spread around the federal colleges and other colleges. Only a small portion of that came to the Medical School. The IMBRE grant, about $16 million, probably about $4 of that will be spent in the medical school over a 5-year period of time. Page 17 is the Board of Education priorities Obviously priority one and two keep us stable. On page 18 are some of the other ways the School of Medicine contributes to the economic vitality of North Dakota. Page 19 is the new Center for Family Medicine campus in Minot. Next is a picture of our Neuroscience Research Facility. On page 21 - really need an Allied Health building. Hoping the federal government will be able to supply that for us. One of the things I'm concerned about is our lack of occupational therapy space - still housed is the gymnasium. Just went through accreditation and one of the concerns was the facility. Classrooms and offices are very inadequate. I worry if we don't do something about that soon, the program could be in jeopardy. The Bio-defense lab - if the state and city could come up with the matching funds for that, that would be a real boom for the eastern part of the state.

Vice Chairman Brusegaard How much is that match?

H. David Wilson That's a 3 to 1 match.

Vice Chairman Brusegaard $29 million, that's the total cost?

H. David Wilson That's total cost - $29 - $30 million it varies and construction wouldn't start on that for about a year and half.

Rep. Gulleson Is there a request for that match in the budget somewhere?

H. David Wilson No, we were hoping it would be in the Center of Excellence money that the Governor may make available, that's where it is located.

Rep. Gulleson In the Commerce bill?

H. David Wilson Yes.

Rep. Aarsvold On page 22 there is a section on obesity and tobacco use. How do you implement that program?

H. David Wilson This is the area we really need to make an investment in. I have one faculty member devoting herself to this program. Don't have resource to have an impact in this area. Need to hire two or three more faculty. Page 23 I look at fetal alcohol syndrome. Dr. Larry Bird currently gets $20,000 a year from the state. He has been able to secure from the federal government $509,000. Those are grants that are probably going to go away. If we prevent one case a year, we will save $500,000 a year. Lifetime cost of taking care of an individual with fetal alcohol syndrome is $2.9 million. On page 24, desperately need two more faculty members in the microbiology and immunology field. Centers for Rural Health has done a fabulous job. Would love to see additional funded positions in that field. Finally, in investment in technology on page 27, computer and distance education is continuing to be expensive but vital to the things that we need to do for students scattered around the state of North Dakota. Strengths and challenges are listed on pages 29 and 30.

Rep. Aarsvold I noticed in the amended Senate bill, there is discussion about a performance audit on the Medical School and it says that the Medical School will pay for that. On top of that, you had an accreditation crew coming in to visit next year? What impact does that have on you financially?

H. David Wilson Obviously it takes money and time to do two performance evaluations. I'm happy to do the performance evaluation for the state, even though I think it's redundant. I'm happy to answer any additional questions anyone might have about our operations and justify all of those. My only concern is it takes a lot of time and takes money away from the things we should be doing for our students and the state of North Dakota.

Rep. Aarsvold Do you have an estimate of what that performance audit might cost you in terms of dollars and time?

H. David Wilson I have no idea what it would cost. I suspect that depends on who does it. I suspect if you tally it up, about $1 million or more.

Rep. Aarsvold Some discussion in the press about PeopleSoft software and particularly how it affects grants management and some other housekeeping things like salaries. Have you seen any of that in the Medical School?

H. David Wilson It's a major concern we have. We are struggling to see if PeopleSoft is going to deliver the kind of data we need. It has taken a lot of time and money from everybody to tool up to do this. It certainly has been extremely expensive in terms of personal time and cost.

Rep. Aarsvold Are you finding support for your efforts to bring the program online and match it up with your operation?

H. David Wilson Oh, yes. Are people are working very hard to get that done. I make tough decisions with my faculty and my staff. I think I am frugal and prudent with the states' money and try to make it go as far as it can. Sometimes that mean making tough decisions. I take full credit or responsibility for those.

Chairman Martinson Since you brought up the audit, Rep. Aarsvold, I would entertain a motion to delete that from the bill.

Rep. Aarsvold I move that we delete the audit in 2003 for the medical school.

Rep. Gulleson Second.

Voice vote carried. Amendment passed.

Upper Great Plains Transportation Institute, Gene Griffin, Director (See handout 9-SB2003) Talk briefly about future direction we will be taking and about an issue of the reauthorization of the Search and Transportation program that can have a very positive impact on the Institute but will require an increase in our regularly budgeted funds. Working with BSC to develop a associate degree. Actively engaged in developing a joint military logistics and transportation graduate program. We will be submitting a new proposal to the Pentagon to establish this masters degree. Also working on developing a regional center freight mobility with the University of Washington and Washington State University. We are also redeveloping our old TEL8 system into the Transportation Learning Network working with several state DOTs and four universities, including NDSU as the lead. Another effort we have going is the development of the School Bus Routing Program providing assistance to school districts on a fee basis and cooperatively with North Dakota DOTs. Finally, working with NDSU as part of the Centers of Excellence program of developing a business logistics research and support center. (See page

six-seven of handout 9-SB2003) We really have leveraged the funding that you have provided us over the years. (See page seven) Presently before Congress is the Surface Transportation program, the reauthorization of T21 in the house bill there is a provision stating increase funding for the regional university transportation centers from $1 million to $3.5 million a year. Also an increase in the amount of regularly budgeted funds that will be required to qualify for that program from $250,000 to $400,000 per year.

Vice Chairman Brusegaard There will an increase of $150,000 in general funds that we'd have to have regularly budget. Would it make any sense to do a contingency line item?

Gene Griffin I think that would be an excellent idea.

Rep. Aarsvold I believe in the DPI budget there was a $30,000 line item in for a transportation study or services. Are you aware of that?

Gene Griffin No, we are not aware of that and it does not appear in the budget. We've had brief discussions with them on the school bus routing program but only briefly.

Tom Archbold, Chairman <u>State Board Agriculture Research and Extension</u> When you created this board, nine specific duties were requested. Of those nine, three are of importance. You asked us to research what are the adverse conditions across North Dakota for the production of crops and livestock. You asked us to come up with a plan to try to fix it and thirdly you asked us to act upon that as far as funding is concerned. That is why we are here today. Our committee is truly a production orientated group, membership from producers across the state of North Dakota in all locations. In the past year, two central themes - #1 21st Century Agriculture and #2 Economic Development and Community Vitality. Asked us to administer the Gas Tax Refund for research. In the year 2004 $468,000 was collected in gas tax refunds. That funded 55 research

projects. Since the gas tax refund was initiated, 345 research projects have been initiate from that measure. Needs for agriculture #1 was costing of continuing in the Senate budget #2 Beef Center of Excellence - that's the study of livestock from conception to the plate. #3 Western Malting Barley - truly a 21st century agriculture project and economic development and community vitality. #4 Potato geneticist. Next items are all based on infrastructure of research at all of the centers at NDSU. Since 2001 we have lost 10 FTEs in extension service and we are down 31 positions in the Experiment Stations. Operating equipment is vintage 1970. If we don't invest in the infrastructure some of the grants and contracts are going to be impossible to get. As far as the research center itself, 52% of it's funding is from outside sources and they do look at that equipment. Extension service, 26% from outside grants. The Senate gave us nothing for infrastructure needs. We had two bonding bills - we asked for $9 million for the greenhouse in Fargo, $4 million in bonding for that, we got $2 million in bonding and the authorization to seek $5 million in addition to that. Also the headquarters at Streeter, we asked for $310,000, the grant was for $350,000 but that was an offset of $200,000 that came from the pesticide building in Fargo. This really is an investment in the producers across North Dakota. I think what you've ask SBARE (State Board of Agriculture Research and Extension) to do is the three primary duties - to listen, to understand and to act.

Vice Chairman Brusegaard Curious about bonding for the Greenhouse project. The request of $4 million and cut to $2 million, and the ability to raise $5 million from outside sources, what does that do to the project? Are we able to still come out with a good project?

Tom Archbold That will streamline it quiet a bit. Remember, the $9 million was for phase one. So this is half of phase one and there are three phases. We appreciate what we have been given but yet this will hamper this project very much.

North Dakota Ag Experiment Station, Ken Grafton, Director and Dean of College of Agriculture, Food Systems and Natural Resources. North Dakota Ag Experiment Station is part of the land grant institution, NDSU. Its mission is disseminate technology important to the production and utilization of food, feed, fiber and fuel from crop and livestock enterprises. The research must provide for an enhancement of the quality of life, sustain ability of production and protection of the environment. (See handout 10-SB2003) We have a number of scientist at the North Dakota State University and North Dakota Ag Experiment Station that conduct both basic and applied research hoping to solve the problems of the agriculture producers in our state. Pages five - seven gives you an indication of the reinvestment that incurred 2003-2005. If you recall we had a 5% budget cut but we were given $1.245 million to reinvest in critical areas. The critical areas were Beefline, biofuels and cereal production constraints, including the Western Malting Barley Initiative. (See pages five, six, seven of handout) In biofuels, not only biofuels, but bioproducts, we feel this is an area that North Dakota will eventually become a major player in and what to focus our resources on in the future. Cereal production constraints are very important, as is beefline traits. Western Malting Barley Initiative - finally making some progress in this long term research effort. We've released a new six-row malting barley variety named Stellar. On page eight we have the NDSU Beef Systems Center of Excellence which was funded in the 2003-2005 session. This allowed us to have $800,000 in general fund money provided that the ND Ag Experiment Station and the Animal & Range Sciences Department collected an

additional $2 million. They have been able to obtain $1.2 million in funding. Still working on getting $500,000. Looking for private partner that will give us the opportunity to use their marketing arm for development of a beef product that could be beneficial to North Dakota. On page nine is the Dickinson Research Extension headquarters building. This is a $1.4 million project and all of the money has been obtained. We requested minor language modification to use additional oil revenues to complete project. Money all in hand and waiting for authorization from this party to start construction. Page 11 is the 2005-07 executive recommendation. We did have some opportunities for some initiatives, two positions in the Beef System Center of Excellence program, one time funding of $200,000 from the Environmental and Rangeland Protection Fund and $100,000 in general funds. There were some capital improvement projects - one being a greenhouse at the main station, which phase one would have been $9 million. That would have given us the opportunity to expand our research. We asked for $4 million in bonding and we were able to obtain from the Senate $2 million in bonding. The needs based budget that was identified over a period of a year in on page 13 through 16. This is an extensive list - not a wish list - what we feel is necessary based on the Board of Higher Education's guidelines of the 20% needs based budget. Our #1 ranked priority is costs to continue. #2 Beef Centers of Excellence. #3 Western Malting Barley Project. Each of those were identified in the Senate action.

Rep. Wald If you don't find a business partner for the Beef Centers of Excellence how much longer can we carry that program on the books before it loses impotence and remains a viable project?

Ken Grafton I firmly believe we will find a private partner that will meet our needs of education and research. It does take time to work with a major company. This is a very important project to

the livestock industry in the state. This would allows us an opportunity to market our livestock in a much more timely manner to increase the revenues in the state.

Rep. Wald Mentioned Central Grassland there is an office building not in the recommendation - is that right?

Ken Grafton Yes, that's right. The Executive Recommendation did not include a bonding authority for the request for an office headquarters renovation and it was a request for $310,000. The Governor's budget did not include that but the Senate acted on that by $350,000.

Chairman Martinson That Beef Center of Excellence had a tough sell last time and there have been a number of legislators that have asked about it - my thought to you - if something doesn't happen with that quickly we might want to consider another use for the $900,000 or you may lose it all.

Ken Grafton Thank you very much for your comments. We feel that we are moving very quickly on this. The head of the Animal and Range science department is working tirelessly trying to find a private partner. We were very close to having a private partner but at the last minute the company decided to reorganize and we were no longer part of the mix.

Chairman Martinson We will have a subcommittee on this. Vice Chairman Brusegaard will be in charge of that.

Ken Grafton Wanted to re-emphasis the Western Malting Barley that the Senate identified at $288,000, that did include a redistribution in the funding from the main station and their research extension centers. The main station was out almost $60,000 and we would like to have some of that funding restored.

Chairman Martinson Are you going to go through the Senate changes to your budgets?

Ken Grafton Amendments are on page 91. (See handout 10-SB2003) The Executive Recommendation and the Senate are very close with the exception of the headquarters for the Central Grasslands and also the Western Malting Barley. The Senate added more money to Western Malting Barley then the Executive Recommendation. The Senate also added some positions in the Beef Systems Center of Excellence and trigger those positions upon successful completion of signing an agreement with a private partner. $400,000, for those positions triggered with finding a private partner. The Senate also continued the $800,000 in Ag PACE, which is the Centers of Excellence money. Again that can not be released until we find a private partner. Those are essentially the only difference between the Executive Recommendation and the Senate budget.

Vice Chairman Brusegaard Can you go over one more time what they did with Western Malting Barley as far as they increased the Governor's recommendation and did they take money from the main research station? Was all that money at the main research station and they split it up?

Ken Grafton In the past we have received $288,000 for Western Malting Barley project. That has been handled through the SBARE funding system on a grants basis. This year essentially all of the money was removed from the Western Malting Barley project - the $288,000 was removed from the Governor's executive budget. $59,799 was added using Dickinson oil revenues. That was for exclusively on malting barley ethanol production. So Western Malting Barley was essential zeroed out in Governor's budget. $59,799 was added. The Senate added $228,201. The $228,201 plus the $59,799 adds to $288,000 but the $59,799 is staying at Dickinson and there was a redistribution of moneys such that the research extension centers received their

complement from what they received in the previous session but the main station was reduced by $59,799.

Vice Chairman Brusegaard The $100,000 for soil conservation district?

Ken Grafton Mr. Hauck will be talking about that.

Timothy Faller, Director of NDSU Research and Extension Center at Hettinger I am representing all the research extension centers and agronomy seed farm. (See handout 11-SB2003) General vision of the research extension center held by the people that work there is "It's a peoples place" thus our mission is "To do peoples work". The members of SBARE spend a tremendous amount of time prioritizing the needs of research and extension. Examples of unfunded activities that have happened that draw on our operating funds. The ITD costs are a big gulp for us. A bill comes every month for $900, that's about $20,000 per biennium for each center. Increased allowances for travel but they don't come with funding, so funds come out of our operating funds. When motor pool rates are increased our operating funds for travel are essentially decreased. Labor is the largest, single category at all of the research centers. To reach the mandate of 95% budget in the last session we had to greatly reduce time slip labor and in many case some long term employees had to be removed to meet that mandate. We have lost efficiency because of that. Not asking for FTEs but support in the form of increasing salaries. About three biennium ago funds for repairs and maintenance of facilities was decreased dramatically and the impact is showing at the main station and our-state REC's alike. We each have about $10,000 for repairs and maintenance. The research extension centers work well together. Some examples of interactive work: All centers are gearing up for a new initiative utilizing bio-mas productions as a cash crop intended for potential ethanol production. (See

handout 11-SB2003) At Hettinger we have fed Central Grassland calves and Dickinson calves, going on to Carrington to be finished with carcassing at the Main Station. All the centers have facilities needs. Recognizing that only a minimum request would come before you this year, we collectively said that we would support the center at Central Grasslands for their special needs.

Duane Hauck, Director of the NDSU Extension Service Share some accomplishments and our request for ongoing budget support. Focus on creating learning partnerships that help both youth and adults enhance their lives and communities. Strength lies with staff, we don't own facilities or tractors and combines. We are basically an organization of people dedicated to the educational process to help people better their lives and communities. Strengths - maintaining a strong mix of county based and state based specialist extension staff. County agents continue to be foundation of extension work. Work of extension is not just accomplished by extension staff but also by the strong partnership with many other groups and agencies. Most significant is with North Dakota Agriculture Experiment Station. Our county, state and federal partnerships from a funding standpoint is very important. Here in North Dakota county government continues to provide strong fiscal support for county extension programs. Provide 50% of salaries for county extension agents and all of the operating costs associated with managing and conducting their programs at local level. Support from North Dakota State Legislature is key. It's the money we able to use to leverage the support we get from county government as well as the support we get from our federal partner, the USDA. The Extension Service started the '03 session at a 95% budget. This resulted in about a $750,000 reduction in fiscal support for the Extension service. We were given $255,000 of that amount back thanks to the work of the Legislature to reinvest in critical areas. On pages 65-67 of your book (See handout 10-SB2003) we identified where we

reinvested those funds. One of the key areas is currently focused on is community, leadership and economic development. We used $145,000 of those funds to reinvest and enhance our work in community economic development and leadership. Some accomplishments: development of a Rural Leadership North Dakota program; E-Business training delivered to more than 100 small business owners; intensive leadership development training program in six communities; assisted a number of committees with strategic planning efforts; involved some 439 young people in 30 hours of entrepreneurship; gotten actively involved in ag-tourism. The investment of $145,000 in our community economic development and leadership program area was leveraged into $1,050,000 that we were able to get through the competitive granting process. We also focused on bio-fuel education. Also reinvested in Beefline, phase two. Developed Feedlot MBA program - a program which represents about 134,000 head of feedlot cattle. Also in that program, we continue to conduct cattle feeding management schools that have trained over 150 farmers and cattlemen on professional cattle feeding methods. Finally, the last area that we reinvested in is the 5% reduction that the North Dakota State Soil Conservation Committee would have taken. I would point you to page 77 through 85, eight major program areas for your review. Need you to turn to page 69 to go over the budget detail, from the Executive Recommendation. Extension Service very please to have as #1 SBARE priority, our cost to continue, included in the Executive .Recommendation. That along with the salary package and the health insurance were basically what included for the Extension Service in the Executive Recommendation. Then if you will turn to page 91 which includes the Senate amendments. There was one amendment that pertained to the Extension Service was the $100,000 additional appropriation identified for the North Dakota State Soil Conservation Committee. They have a budget line in our budget of $780,000 for the

biennium, they used $150,000 to support staff of the committee. The balance of that money is being used to award grants out to the local soil conservation districts for during conservation work at the local level. On pages 71-73 are listed the needs-based budget as compiled by extension and ranked by SBARE in order of priority.

Rep. Gulleson Could you provide the subcommittee with a chart of FTEs for the last few biennium?

Duane Hauck We today, our county extension FTEs are right around 100. That includes our county agents, our family and consumer science extension agents and our food and nutrition program people, which are funded by federal money. Around about 100. The extension took a significant reduction in FTEs in field operation in the mid 1990s. We were around 120 FTEs.

Rep. Wald I have a question for Dr. Grafton. Bottom line is about $88 million in grants and revenue and about $55 million in general funds. My question is of the $88 million how much is federal and how much is private industry?

Ken Grafton I don't have that information but do have opportunities to get that information. The amount of competitive money from the federal government as well as federal earmarked approaches about $10 million.

Rep. Wald $10 million of the $88 million per year?

Ken Grafton Yes, per year.

Rep. Wald So about $20 million for the biennium?

Ken Grafton Yes. Our commodity groups have been very generous in supporting more applied research. Industry grants have been diminishing.

Keith Bartholomay, Chairman of the North Dakota State Soil Conservation Committee.

(See written testimony 14-SB2003)

Pat Berglund, Director Northern Crops Institute (See handout 15-SB2003) In North Dakota agricultural exports account for about 30% of all exported goods and services. NCI not only focuses on market development activities in form of educational programs and technical services for exported commodities but also for those used here in the United States. I would like to begin on page four. Our accomplishments are on pages four through six. Over the last few years we have had people from 46 countries participated in our short courses and trade programs. Countries are listed on page eight and course details are on pages eight through 13. We continue to offer courses in partnership with many organizations. In addition we add value to crops through our technical services in the form of processing, providing consulting and processing solutions. (See pages 14 through 15) Additionally we process feed and continue to process complete feed supplements and custom feed mixes at our feed production center. We conducted a recent strategic plan and have identified four areas to focus on for the next five years: Recognized Leadership, Enhanced Programs, Effective Partnerships, and Leverage Support. We have an excellent council, the Northern Crops Council. Additionally we have an Industry Advisory Board from the four state agricultural supply and processing industry and grain trade that provide regional support, advice, lecturers, tours, and resources. Move to budget items - start on page 20. Our first priority was the cost to continue that was funded in the Governor's budget. Two additions to that and they both address the developing market of diverse crops. In the Governor's budget, the second item listed on page 21 was funded and that was Linking Crops to ND Livestock Development. That was unfunded in the Senate amendment. On page 20 the Crop

Quality Promotion Specialist was funded in the Senate amendment, for $120,000 in general funding and $39,605 in special funds. I would ask you to support that. Return to page 16, that has a summary of the amendments. On page 17 it has the Executive Recommendation, the Senate changes and the Senate version for both general funds and special funds. On page 18 is the details of those changes and amendments.

Brian Kaae, Chairman, Northern Crops Council (See written testimony 16-SB2003)

Chairman Martinson adjourned hearing on SB2003.

2005 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB2003

House Appropriations Committee
Education and Environment Division

☐ Check here for Conference Committee

Hearing Date March 2, 2005

Tape Number	Side A	Side B	Meter #
1	X		0-54.5
1		X	3.3 -54.1
2	X		0- 8.9
Committee Clerk Signature	Robin Pursley		

Minutes: Chairman Martinson reopened the hearing on SB2003.

Valley City State University, Dr. Ellen Chaffee, President (See attached handout 17-SB2003) Vision statement that is guiding our strategic initiatives at this time. There are three key elements #1 Attracting and retaining talented individuals #2 Advance quality learning opportunities and economic growth #3 Technology and innovation. Next page is strategic directions - Strategic niche; Business/Employment development; Education development - approval for masters program and technology education; Innovative Delivery - customized learning is the blend of online and live. Enrollment goals - 1500 FTEs plus 1000 per year in customized learning. Technology education curriculum was developed with a $1.7 million federal grant. Enrollment strategies on the next slide ND students, out of state students, customized learning, business institute, master's degree. Initiatives to achieve these results is on the next page, with partnership initiatives for results following on the next page.

Rep. Aarsvold Master's degree you are putting together now - is that a teaching degree or does it have multiple facets in terms of educational service?

Ellen Chaffee It is primarily oriented to in service teachers, there may end up be a pre-service component. Very focused master's degree - masters in teaching and technology or technology education.

Rep. Wald What's your enrollment today?

Ellen Chaffee Little over 1000. FTE is about 900.

Rep. Wald Why would there be a desire to get a Master's degree at Valley City instead of UND or NDSU?

Ellen Chaffee Those who can and want to, of course, do. North Dakota remains last in the nation with percentage of teachers with master's degrees. Why teachers in North Dakota don't have masters degrees is cost and convenience. We have 35 school districts in region of Valley City State and only 19% of those teachers have masters degrees. Next sheet is the cover slide for 2005-2007 Senate budget highlights and priorities. The following sheet shows our adjusted appropriation is $11,570,000. As it came out of the Executive Budget we had a net increase of $250,000. The number of changes are small. At the bottom a parity increase of $89,000 in the restoration request. That would not be an equity increase because we are not below the threshold that has been determined for equity. Never the less we are below are peers. Next slide is capital needs. The board and executive branch have approved new bleachers for the field house - $250,000 from bonding. Future requests include steam lines, partial, Vangstad auditorium renovation, library addition. Estimated tuition increases - next slide identifies why it is difficult to discussion tuition numbers. Amount that ends up in our budget is the critical factor. Valley

City States needs list is another variable in determining tuition. Options for continued allocation, access to alternative funding sources are some other initiatives. Conversion to per credit tuition will be a factor - hard to calculate conversion factor, may be some loss of revenue.

Chairman Martinson Could you e-mail the board and give us a range on tuition raises at Valley City?

Ellen Chaffee Do our best to keep it under 10%. If we were to have an increase of $701,000 in general funds, which is not currently on the table - $560,000 or something like that, then in order to fund the unfunded state share and the state share of parity we would have to raise tuition by 6.7% at a bare minimum.

Chairman Martinson Between 6.7% and 10%.

Rep. Wald Under new product, new markets you say fish and wildlife - what kind of curriculum is that and would you compete with Bottineau?

Ellen Chaffee Initially it is more or less Bottineau's idea. It is in concert with Bottineau. Many of their graduates are going to South Dakota for baccalaureate degree and they would like a campus in North Dakota to go to, so we have the fisheries there and great deal of outdoor life. Our science faculty has been working with the Bottineau folks to develop articulated program that would work for those who want a bachelors degree.

Rep. Wald So you'd be offer a bachelors program?

Ellen Chaffee That's right.

Rep. Gulleson Do you still conduct the Kathryn Center?

Ellen Chaffee the Kathryn Center has become a for profit enterprise called Corporate Adventures. We were the incubation center for a private business. We do collaborate with them but the campus has no financial or other responsibility for it.

Larry Robinson, Senator from District 24 spoke in support of budget of Valley City State. Tremendous institution with lots of energy and morale. Please support the budget.

North Dakota State University System Office, Kathy McDonald, Director of Finance (See attached handout 19-SB2003) Several schedules in handout. The first one is a comparison of the engrossed SB2003 compared to the 2003-05 adjusted appropriation. Our office has several line items unlike the campuses. Page two is a schedule that shows the comparison of our budget request to the executive recommendation and engrossed SB2003. If you look at lines 4 through 17 and 21, 23, 28 and 30, those are all the lines that relate to the NDUS office budget. Following that page is a form that starts with the original appropriation, goes to the adjusted appropriation and the gives you all the adjustments to the Executive Recommendation and then the Senate adjustments about midway down the page coming then to what's in engrossed SB2003. Then restoration request at the bottom. One of the major changes in that was that the Executive Recommendation included the pooling for campus operations and capital assets. Pages 4 through 18 is more detail on the student financial grant programs. On page 19 is more information on the EPSCoR program in terms of what your investment has generated for the state. Following that page is more detail on the CIS priorities that were funded in both the Executive Budget and the Senate Bill with the exception of the $950,000 for the LMS. The last page is information on the 2001-03 carry over as is required in the bill. So if you go back to the first page, I'll briefly go through what adjustments were made line by line. (See page one of handout) Under system

governance which relates to the operations of the board. The under the Student Grant Programs we have the State Grant Program, the Scholars Program, Indian Scholarship Program, PSEP and the Education Incentive Programs. Under System Grant Programs, which are really the money that comes into the build ops and the gets allocated to campuses for various system wide services and programs. Under System Projects, these are appropriations that benefit the entire University System. (See page one and two of handout 19-SB2003) Shaded areas are the difference in the General Fund appropriations from the '03-'05 adjusted appropriation to the engrossed bill.

Rep. Gulleson Can you provide the committee with guidelines for the state grant programs for be able to qualify to we can see how that fits with child care?

Kathy McDonald Included in the materials that you have, starting on page five, is information on each one of those programs. Some information on what those qualifications are. The State Grant Program also includes a maintenance of effort requirement which requires us to have a certain amount of matching funds in order to get access to federal funds. We have included in our request and what was funded was a $28,000 decrease in that so that the federal fund appropriations that's associated with the State Grant program is $172,000. (See page four of handout) On page five we provided some information on the State Grant Program. Page seven is the North Dakota Scholars Program information.

Rep. Aarsvold Is there any follow up to the students who turn down the Scholars Program, did they do it for other reasons obviously they had more attractive opportunities other places?

Kathy McDonald Yes, these are the best and brightest students and are heavily recruited out of state universities with much better incentives they can offer. Page nine is the Indian Scholarship Program. Page 11, 12 and 13 gives information on the PSEP program.

Laura Glatt On the Minnesota reciprocity agreement and our ability to place ND students in vet medicine and dentistry, we are currently in negotiations with Minnesota and reciprocity, in all likelihood we will lose or significantly reduce that benefit in the renegotiated agreement. No longer available beginning fall of 2006 classes.

Chairman Martinson Kansas is interested in our vet students. Are we looking for other options - time to get out of WICHE?

Laura Glatt Want to go to WICHE institutions. Try to place students in Iowa and WICHE institutions to maximize the number of students to go.

Chairman Martinson What options are you looking at with dentistry students?

Laura Glatt WICHE is the only option with dentistry if we lose Minnesota.

Chairman Martinson Are you looking at options of giving residence fee plus something?

Laura Glatt We have just sent them a counter proposal and have not heard yet.

Chairman Martinson If we pay a sir charge could we get more spots?

Laura Glatt Maybe will have some state support fee.

Rep. Aarsvold What about Minnesota students who come here to our professional schools or other opportunities under reciprocity?

Laura Glatt Under current agreement all programs are open to reciprocity. All professional programs would be pulled on both side under new agreement.

Kathy McDonald On pages 15 through 18 relate to Education Incentive Grants. Basically three programs, Technology Occupations Student Loan Program, Teacher Shortage Loan Forgiveness Program and Doctoral Programs. Back to page one, the System Grant Program - EPSCoR -

$440,000 increase included in Executive Recommendation and the Senate version. National Foundation requires a one to one match. (See page one of handout)

Rep. Aarsvold Would student teachers be covered under that Professional Liability Insurance?

Kathy McDonald It would only be students involved in clinic experience. Page 21 provides more information on CIS priorities. (see pages one and two of handout) On the bottom of page three is the Restoration Request for an increase of $500,000 for Board Initiative Funds and I would call on him to do that.

Chairman Martinson Do you have another form? The Senate took about $1.8 million our of ...Do you have one simple form that says they took it out here and there?

Kathy McDonald On page three. About 2/3's down the page it says Senate Adjustments, there you will see the removals.

Rep. Gulleson Regarding PeopleSoft - real hitch in software regards to payroll. In addition to support from PeopleSoft, they have had to hire additional experts at a considerable rate to come in and help figure out and implement it and get it running. Have campus asked for additional support for what was not appropriated?

Laura Glatt The campus's have absorbed that within their current operating budget. Something will have to be worked out on that.

Rep. Gulleson Helpful if we knew.

Rep. Aarsvold University System Office was part of the pilot project - did you experience additional requires or financial needs?

Laura Glatt We didn't but our office function is very different that campus's.

Rep. Wald Review rational - pool of money in board office of $319.9 million and Senate broke that out to each campus. Was that in keeping with the roundtable?

Laura Glatt Not sure why OMB did that.

Rep. Wald As the money was delegated to a specific campus, the method that was used was based on a formula so no campus got shorted?

Laura Glatt That was the benchmark - what came out was put back in.

Rep. Wald House request version - explain that.

Laura Glatt What we've included is that if there is additional funds available, an additional $500,000 should be added.

Robert Potts, NDUS Chancellor I would like to discussion our International program. Projected decline of graduating high school students of about 30% in the next ten years. We should look at the number of international students in North Dakota and perhaps propose a statewide recruiting program to help address the problem we will face and to share in lucrative market for undergraduate students who basically become five year tourists. We have about 1500 students in all our campus's, about 500 of them are Canadian. Have no accredited ESL programs on campus's and three or four campus's doing any international recruitment. For us to recruit internationally, we need to target countries we want to deal with, second have to participate in international recruiting fair. ESL is a money making program that provides support to other parts of program. Will incorporate our program with the programs that are already working. Give us some money in the Board Initiative bonding to allow us to start this program up.

Bruce Christianson, President State Board of Higher Education (see attached handout 20-SB2003)

Chairman Martinson In the Senate there was a bill that would provide additional support for BSC, Lake Region and NDSU and now there is some talk in the House to take existing money away from the other schools to add additional money to those schools. What is the boards' policy?

Bruce Christianson Board has a specific plan in dealing with parity and equity. That was agree to by the Board by the recommendation of the Chancellor's cabinet, which is all the presidents. The funding which brings us to 21% of recurring revenues, addresses parity and a little equity. The plan to allocate the funds that we receive, first addresses those campus's that were less than 55%. I think Devils Lake was the first one, then Lake Region, BSC and NDSU. That was the plan agreed to. There was a bill offered to by pass that plan and go directly to those three campus's because they were low on the scale. That upset the whole plan.

Chairman Martinson Is the Board of Higher Education firmly against taking money from the existing schools budget to add additional funding to those schools?

Bruce Christianson From other campus's? Yes, that would be a very difficult thing to do - reallocate.

Chancellor Potts (See handout 21-SB2003) Cost of higher education is not an expense but an investment. Site some examples in Georgia, North Carolina and state of Virginia have made tremendous investments in their education system. One of the two states held as an example of successful way to align the need of the states and the higher education system in a uniform way. Every dollar invested in education brings back about $3 in direct revenue from the campus'. Bring the University System's appropriation back to what the Governor recommended as far as his statement to the Legislature - 21% of recurring revenues. That would take about another $4.7

dollars. I have attached is my written statement of how we would use it. (See handout 21-SB2003)

Chairman Martinson closed hearing on SB2003.

2005 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB2003

House Appropriations Committee
Education and Environment Division

☐ Check here for Conference Committee

Hearing Date March 15, 2005

Tape Number	Side A	Side B	Meter #
1	X		0-5.1
Committee Clerk Signature	Robin Puseley		

Minutes: Chairman Martinson opened discussion on SB2003. Everybody is aware of the situation with Higher Ed. I think that maybe we need to help diffuse that situation a little bit. Maybe it is time to stand up and be counted as a Higher Ed committee. I've handed you a document that shows if we were to amend SB2003 and add an additional $6,510,123 it would move the Higher Ed budget to 21% level, which has been the goal all along. On one side of the paper you see some possibilities of equity and parity per institution. That would leave us, our committee meaning us, an extra couple of million dollars to determine how we might like to appropriate that. Whether it be to special projects at schools or put it into parity and equity. I know Rep. Wald is interested in an amendment to Dickinson - they neglected to put a custodian at Murphy Hall and I think we should look at that, and utilities. But what I'm wondering, if the committee might be interested in, at least to start the process, and move an amendment where we

add an additional $6,510,123 into the Higher Ed budget. Then we can start discussions tomorrow in our subcommittees on how to appropriate that out.

Rep. Wald Let me understand this, Bob. We are putting at DSC $369,00 additional new money?

Chairman Martinson Right.

Rep. Wald And NDSU $971,000?

Chairman Martinson In equity.

Rep. Wald UND would get another $795,000?

Chairman Martinson That's right, under parity.

Rep. Wald Nobody is cut?

Chairman Martinson Everybody receives an increase. BSC, Lake Region and NDSU receive a bigger part of the equity.

Rep. Wald Is there some kind of a formula here?

Chairman Martinson Yes. They may not be particularly happy with that, thinking it is enough. But I think we need to kind of diffuse the situation out there. If we are going money to higher education we just as well do it now. If we approve this expenditure, then our subcommittee will meet tomorrow at 10 and we will talk about - if the motion is to put in the additional money, let's not make it contingent on the figures that you see on that sheet, let our subcommittee work on that. I would say that it wouldn't be any less than that.

Rep. Wald One of the budgets I had concerns about was Lake Region. I really think she's down to a bare bones operation. Could we round that off to $200,000?

Chairman Martinson If this group will adopt an amendment to put the extra $6.5 million in, then you, Rep. Aarsvold and I will meet tomorrow to start that process to see how we want to

divide that up. My intent today is, if we want to amend it, let's amend it and then you and Ole and I can meet tomorrow and we'll start, you know you are all welcome, we'll meet at 10 if you want to come in and have any suggestions on how we should do it.

Rep. Wald What's the $500,000 in the board office?

Chairman Martinson That's what they set aside for board initiatives. Again, we can talk about that, too. What I'd just like to do is get a sense of the committee, if we want to put the extra money in.

Rep. Gulleson I'm pretty comfortable with this. I've watched this play out in the press the last couple of days, and I'm like you, concerned about where we are going now. Sort of a battle between the presidents, it's not what any of us is feeling very comfortable with. I think this is probably the right place to start. I don't know where the funds are. You've heard my concerns with regards to the peer study itself - I think in many cases it is flawed, but I wouldn't want to penalize anybody for us trying to move some of those colleges ahead. I didn't like the proposal where we would be penalizing a lot of the other colleges that did not fare to well in that peer study. This is a better solution, I'm pretty comfortable with this.

Chairman Martinson Would someone care to make a motion?

Rep. Wald I would move that, obviously there is going to be a lot of heavy discussion, not only in our section, but in the full committee also, I would make that motion to amend the bill as per the handout.

Rep. Gulleson Second.

ROLL CALL VOTE ON AMENDMENT: 5 YES 0 NO 1 Absent not voting. Amendment passes.

2005 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB2003

House Appropriations Committee
Education and Environment Division

☐ Check here for Conference Committee

Hearing Date March 17, 2005

Tape Number	Side A	Side B	Meter #
1	X		0-1.9
Committee Clerk Signature	Robin Pursley		

Minutes: Chairman Martinson opened meeting on SB2003.

Rep. Wald I move that we reconsider our actions whereby we amended SB2003.

Chairman Martinson Just on the money issue?

Rep. Wald Right.

Vice Chairman Brusegaard Second.

Rep. Aarsvold I hope we resist the reconsider motion. We did the right thing on Tuesday, I think. This does puts us closer to the 21% target we've been striving for. It's going to slow the tuition increases that we've been dealing with for the last four biennium, at least. It does address the foreign student initiative, that I think all of us had some good feeling about. It had the potential to address increased utility costs that every campus is experiencing, there are some extraordinary repairs out there that are in need of work. There are certainly salary needs, every campus has come to us and indicates that they have trouble recruiting and maintaining faculty

and other staff positions. And it does move us towards equity, even though not as much as some campus's would like but it does make a significant move towards equity. Certainly all the years of 95% budget have taken a toll on our campus, there is no getting around that. Now when we have the opportunity with some resources that are new, in terms of the state's ability to meet those needs, I would hope that we would resist the reconsideration.

VOTE ON AMENDMENT: 4 YES 2 NO and 0 Not Absent and Not Voting.

AMENDMENT PASSED.

Chairman Maartinson, Vice Chairman Brusegaard, Rep. Rennerfeldt and Rep. Wald voted yes; with Rep. Aarsvold and Rep. Gulleson voting no.

2005 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB2003

House Government Performance Division

☐ Conference Committee

Hearing Date March 22, 2005

Tape Number	Side A	Side B	Meter #
2	X		2210-End
		X	1-End
3	X		1-1375
Committee Clerk Signature Stephanie N Thomas			

Minutes:**Chair Carlson** opened hearing on SB 2003.

Chancellor Robert Potts: Overview of accountability measures. **(SEE ACCOUNTABILITY MEASURES REPORT)**

Rep. Skarphol: Let's just talk briefly about the cornerstone. On the first page, it talks about research has grown more than 50%, and other than a financial benefit to the institutions, what does that mean to the citizens of ND?

Chancellor: That means that money is used in employment opportunities, it also forms the basis for the commercialization of research, it provides direct jobs for researchers, assistants, technicians, and others directly involved. Then hopefully it results in patents that become property of the State of ND.

Rep. Skarphol: In hard dollars, can we put a number on how much commercialization there's been of the research?

Chancellor: It's pretty early, that's a fairly complex process, but I think your beginning to see it with the companies that are coming in that help exploit that.

Rep. Skarphol: Why is it taking so long to see this happen?

Chancellor: Basically, the American Higher Education System has been a generator of basic funded research. As university systems in various states have grown, they have gotten more involved in that. One of the missions of our education institution is research teaching in public service, and research is designed not only to create economic activity, but to increase the basic knowledge of human kind.

Rep. Skarphol: What do you expect to achieve? Can you give us a perspective on what you expect to achieve, and on what timeframe, and would you in fact be willing to make some long term predictions about that?

Chancellor: We currently have in the ND University System, under contract, over a half a million dollars in grants and contracts. What I'm seeing is a real effort on the part of the campuses now that we've got this as a cornerstone, and as a goal to do their part to create economic impact that's here.

Rep. Monson: When you said 250 million growing from approximately 100 million now, or are you seeing that as spended?

Chancellor: I pulled that out of the air. I said that I don't think it would be within the next 4 or 5 years, because right now NDSU is telling us that they're going to go over the 100 million of expenditures in funded research and contracts within this year or the next year.

Rep. Skarphol: From my perspective, I've never been a big advocate of the roundtable. I really have not seen the results that were predicted to happen because of it. What's going to happen?

Were are we going to go? Are we going to develop a strategic plan, are we going to pick projections, are we going to accomplish those projections? Give me some idea.

Chancellor: One of the reasons why I wanted to come to ND was because of the strategic plan that was developed out of that roundtable, which we have now, which sets out goals and objectives. We've tried to take that roundtable report to make us more accountable, but also make more of an entrepreneurial effort of the part of the campuses.

Rep. Skarphol: How comfortable are you and your staff if a performance audit of these accountability measures was done, that they would substantiate the benefits that have accrued to the State of ND?

Chancellor: I believe that you would find a pretty good report. If you look at these things their suggesting, we've already done most of them in ND.

Rep. Skarphol: I don't think that there are any of us interested in micro-managing. Just as an example, the technology issue. In order to be able to understand the complexity of it, you have to take some time to really get to know it. Unless we can understand and get real data and real information that we can relate to as legislatures on a relatively short period of time, it's difficult for us to make that assessment. I'm not sure that this document provides me with the information that is of value to me.

Chancellor: We're responding specifically to the legislature. You've already put 26 of these on us, we're responding specifically to those. I share your frustration, it's hard for us to really comprehend what's going on with software implementation. I've never been more frustrated then when I came and found I need to find 4 million dollars somewhere to continue the

implementation of this system, and then have to rely, except for the work I was able to do with the contracts part, on basically hearsay information.

Chair Carlson: I was one of those on the roundtable. I quit going to the meetings, because there was a mindset that wasn't very flexible. I'm not going to argue with any of the measures you have in place. I just don't think they hit the target for what we're looking for from our side.

Chancellor: What we're responding to is what you said was important by enacting in the law. We'll work with you if you want to change those. What we do need are objective measures, and outcomes that we can measure. The subjective things that you take from the survey are a little less compelling to me, and I think they would be to you as a legislator, but if you feel we should go in a different direction, we'll take the recommendations. One of the precepts of the roundtable was that we felt if you'll do your part and help us grow this economy in this state, we'll do our part and let you enjoy some of the growth of that economy.

Rep. Glassheim: One, in terms of performance measures, who is helping to define the questions? Second, there is a committee with more than 4 people on it that have been doing this for 4 years. The fact that we don't know what it's about is not necessarily their fault or anybody's fault, because other people have been doing this for a long time, and they have some knowledge in the field. They've been involved in shaping the measures and they know what they are looking for. If you let me go, I might write them into goal statements. Some are a little bit fuzzy. We could phrase it a little differently to compare it, a goal statement.

Eddy Dunn: Many of the questions that are being raised here today were being raised in multiples prior to 1999, and in fact it came to a level of frustration on part of the legislature that they wanted an interim study of Higher Ed, and that came the formation of the roundtable to

address, do a study of Higher Education. So, the roundtable was formed, and in the process spent time really looking at what the high priority needs of ND. In that process, that group decided that there were really 6 foundation pieces to what it is they were looking for in the future. On the top of that list was the Economic Development connection, basically saying our Higher Education system needs to be better connected to contributing to the economy in ND. They broke out then and formed 6 task forces under each one of those, a task force under economic development and higher education. Each one of those task forces were made up of individuals represented from the private sector, from Higher Education, and from the legislature. In the original roundtable we had 21 legislatures from the House and the Senate Appropriations committee who were a part of that process, and were involved in it. One of the key things that these individuals did, for example under the economic development cornerstone, once they got through talking about what it is they expected, they then identified specific accountability measures they wanted to have us track and report back on. Those are listed in the roundtable report under each of those sections. Once we did that, the list was fairly long, and we went back to them and said to many, identify the high priority ones. They went back and did that, so if you look at your report, the accountability measures under each of those cornerstones that have an asteric beside them are the ones that are ranked the highest. When it was all said and done, that group identified a series of more than 39 that they felt were important. We came into the 2001 legislative session, the legislatures looked at those, and they paired them down to the 39 the Chancellor has talked about, saying here's what we are going to hold you accountable under each of these. We're very anxious to capture any accountability measures that will be even more meaningful to the legislators, and see if we can't merge those into future accountability measures. I would call the

first go at these as establishing the benchmark, here's where we are. The State Board of Higher Education took the roundtable and developed it's strategic plan. We then revised those accountability measures from 39 to 28, and then those were approved by the board and included in SB 2003.

Chair Carlson: Let's talk about performance measurements, when it comes to the issue of funding and rewards. If you look at the accountability measures, and you look at the data, what's going on? How are we moving with these measures towards equity? My understanding was that we set that forward to you to address equity when the roundtable was established.

Laura Glott: Equity has been around a long time. It even predates the 1999 session, but if you go back starting in the early 90's there were three different occasions when the legislature specifically appropriated money to address equity. What was interesting about that is some of the institutions that got that money in the early mid 90's are still on the list today, some aren't. If you remember pre-1999, there was a different measure of the equity gap. All of that got to the frustrating level for everyone in 1999, and that's when the legislature said we're going to have a study of Higher Ed. One of the pieces of that study was that we have to develop a funding plan, but the funding plan has to be linked to a clear set of expectations. So, over 60 meetings it took us to develop the long term finance plan. That was adopted in November of 2001, so the first time the legislature really saw the implementation of that long term finance plan was when we submitted our 2003/05 budget request. So, what I want to clarify is that the equity issue has been around for many years in different shades of gray, but the equity issue we're talking about today is related to the long term finance plan, and the pair benchmark comparisons. That's only been an issue since the 03/05 biennium. Given the financial condition of the state in preparing the

03/05 biennium, what you really ended up doing was reverting to the historical base of institutions for appropriation purposes. So, even thought the request came in consistent with the long term finance plan, resources were in short supply, and as a result, you went back and used the old historical base where arguably the inequities were as the funding mechanism for the current biennium's appropriations. Not only did we take a cut, but if you go back and use the old historical basis for those decisions, we just kept perpetuating more of the same.

Rep. Monson: You did take a cut last time from a legislative appropriation, but you also raised tuition at all these campuses. When you factor that in, the extra revenue from the tuition increases, how did you fair then?

Laura: In terms of actual numbers, I guess we would have to go back and run those out, but certainly tuition didn't fill the whole gap of the state cut. The other side of that though, is if you recall one of the components of our long term finance plan says we have this pure benchmark, but we're not asking the state to pay 100% of that, the students have to pay part of it to. What we're saying is the state should pay for 75%, the student 25%. At the two research universities the state should pay for 60%, the students 40%. As we shift more to the students, we move further away from those target goals, so instead of it being 60/40 at UND, for example, we've got the reverse going on. How much of the cost should we ask students to pick up? That's really a policy issue.

Rep. Monson: There's more money than just student tuition and state appropriated dollars. Where does the federal money, grant money, and other sources fit in here?

Laura: When we're looking at the benchmark numbers we talk about, your right, that's only a general fund and tuition revenues. What we do is take all of that other revenue, and we

essentially take it off the table for that discussion for two reasons. One, we want to provide an incentive to the campuses to generate more of their own revenue. Second, federal grants and contracts are just that. They are a contract to perform a service. They are not contracts and money we get to hire faculty in the classroom, or to buy equipment for the computer lab. They're contracting with faculty members and researchers to provide a service, and that money has to be used for that specific purpose.

Rep. Monson: Some of that grant money can be used for equipment or whatever.

Laura: Your exactly right. Obviously, campuses do get indirect cost recovery, because they're occurring some administrative expense, and those dollars are allocated a number of ways. A lot of the presidents will reinvest a portion of those indirect dollars to create more research, so that's the only way a president can go to the 100 million dollar goal he has is if he can take some of that indirect cost and reinvest it into more research activities to create more dollars.

Rep. Skarphol: What are we actually funding with general fund dollars?

Laura: This is total expenditures, so you won't get the revenue source breakdown, and here inlays part of our dilemma that you might be able to help us solve. For most of the fiscal measures that are in this report, we committed to using audited financial statement information, because we thought it was a reliable source that the legislature would see as reliable. Well, when you look at the audited financial statements, you don't get a breakdown of functions and activities by funding source.

Rep. Skarphol: To me, the accountability measures that you have here, they're fine, but they don't quite finish the job for those of us on appropriations. I think there are some different types

of measures that need to be found that reflect what it is that we need to have to make that evaluation. There's something missing in this link that needs to be there.

Laura: We appreciate that. We're not opposed to giving you what you want, we just need to find a way to reach agreement among everybody what it is you want. This is no small task, and no small cost to do these.

Rep. Swedjan: When you look at the target shares, what rational do you use to divide that?

Laura: There isn't any great magic. There was a lot of thought that went into what are reasonable differentials between the types of institutions.

Rep. Skarphol: who decided on these numbers?

Laura: The Board of Higher Ed determined what they were, and no they haven't changed since they were adopted.

Chair Carlson: Let's go back to the performance measures that deal with funding. How do those measures that you've established get us there, besides the simple solution of saying if you give us more money it will be easier to fix?

Rep. Glassheim: It seems to me that they made a plan for how to get there, but it did depend on maintaining the campuses at one level.

Rep. Skarphol: I'm assuming that when you developed your plan you made some basic assumptions. Have you reevaluated those assumptions to ensure that they were correct?

Laura: One of the things that our long term finance plan that we adopted in 2001 says is that it should be revisited no less than every 6 years. So, last year as the board established it's work plan for this coming year, we said, OK we've already built the 07/09 biennium budget, but by the time we build the 09/11 budget, we're going to be bumping up against that 6 years, so we need to

revisit it. So, the board basically told us it's time to revisit the plan. So, last month we actually formed a subcommittee to start review of that plan, and so we've already kicked that effort off in terms of the review process. Now, we anticipate having that done by the end of this calendar year, because as you might imagine, we have to start building our next biannual budget request early next year.

Rep. Swedjan: Some of the critics of the measures that you have indicated to me that they are written such that it just has to show the need for more money, and in some respects its hard not to look at some of these that way. For us sitting on appropriations, if we're looking at page 46, and we see that an institution is 20% below the target, it only tells us that money will solve it.

Laura: On page 51 there is a chart of per capita spending, but you're right, it doesn't necessarily put that in the context of how we rank among other states, but you're exactly right. The dilemma for us is that we rank near or at the top in per capita, but you look at per student spending, we're near the bottom.

Rep. Monson: The bottom line to me is yes, we don't spend as much maybe per student, we spend a lot per capita, but do you have any data that shows what effect that has on the quality of the education that we're delivering here in ND?

Laura: I'm not aware that we have, because obviously it's hard to predict with any degree of accuracy what might be the effect. I think ND benefits from several things. One, I think part of our performance is based upon our history in the state, and the work ethic of the people. I think we can look at some things on the horizon that I tell you cause us real concern. Let's use salaries. We've been fortunate that we've been able to hire some pretty good people and retain them at the salary levels we've been willing to pay, but you look at two factors. One is the

retirement rate we're facing in Higher Education, and then you also look at the projections of the number of students that are going faculty into teaching. The pool is shrinking. So, we're going to be fighting to replace a bunch of members from a shrinking pool, with salaries that are 51st in the country.

Rep. Skarphol: You talked about number of students in the state that we educate per capita. What's the number of resident versus nonresident student?

Laura: It varies significantly by campus. I would say if I had to guess 65% to 35%.

Rep. Skarphol: If we do projections of revenue versus expenditures for our legislative process, and we take a look at the net results of those projections based on past trends, we're looking at 160 million shortfall next biennium. In Higher Education, do you folks in your planning process do that type of thing where you make projections based on trend lines to see what's going to happen in the event of dollar shifts or lack of dollars?

Laura: It is a point well taken. One of the principles of the roundtable basically said that Higher Ed has to help generate and stimulate more economic growth in the state. If you do that you share in it. We need to be prepared for the flipside of that, and perhaps we need to do a better job looking at that long term, in terms of what the state might be facing and how that might impact us. We are certainly sensitive to the issue and realize that the state is not going to be able to fund all of our demands.

Chair Carlson: Let's get back to this section on funding and rewards, which has got us to where we are at, and why we are looking at this today. I want to know is we understand what the problem is, and we understand there is some inequity between whether it's perceived or real between the campuses in terms of funding, it's still there. It's the responsibility of the board, I

believe, when you want to be autonomous you also want to be responsible, and we don't want to have to say the roundtable was a bad idea, and we should throw it all out. How do we resolve this little problem without saying the only solution is more money?

Robert: I'm looking at this with a little bit of a fresh approach. I cannot see in any way how the legislature can expect the board to handle this matter where the appropriations have not followed the roundtable's recommendation to be appropriated to the board, but they are appropriated to each campus. We cannot by law transfer money from one campus to another when you appropriate by line item. That's the way the Senate immediately did it, even though the Governor recommended it in a lump sum. It's now appropriated to each campus by line item. We cannot transfer between line item, so either the legislature has to do that between the line items and make those decisions, or you have to give us the authority to do it with a lump sum. Now what you have is a situation where it's impossible for 11 campuses to continue on with the cost of inflation and the other things that we call parody, at the level that's in SB 2003 now.

Chair Carlson: How do you seek out better ways to do things, less expensive ways to do things, the efficiencies?

Laura: Students graduating in 4 years, those are outcome measures. Those are the right measures for all of us to be looking at. A lot of them are outcome, but a lot of them still focus on the inputs. If what we can really get to is clear results and outcome measures, and leave the inputs and how to manage the inputs and only hold folks accountable for the outcomes, I think you get the efficiencies and the money spent the right way, because that's the only way your going to achieve the goals.

Eddy: I'd like to address the comment that said it appears that it is going to take increased money to address the accountability measures. That is true, but I think the rest of the story is that this is precisely one of the fundamental principals of the roundtable, which than says that Higher Education should have the responsibility to grow the economy, then generate that revenue that would come back and provide it. So, it's not adding it on top, it's generating it, and than allowing Higher Education to have its share of it, and that's where it ends up with some kind of a percent of the growth in economy.

Mike Hill: You did touch on a lot of my areas related to the quality. I did want to turn you attention to page 11, that compares our graduates test scores with those nationally, and also for licensing exams on page 13. As you can see, a lot of our programs have 100% of their graduates that pass the National exams, and that's not true across the board nationally. So, there's a lot that you have to be proud of here, in terms of the quality of the education that your university system, and campuses provide. The point I want to make is if you take this quality piece right here, and if you take a look at what we already know, we have the lowest faculty salaries in the country. If you look at our peer institution comparisons, it shows how much lower funded we are compared to institutions in other states. I think we are very close to being able to say that in ND we produce more quality credit hours per state dollar invested than any state in the country. I don't know that your goal should be at the bottom of that. That means that at your research institutions your faculty spend 8 hours a week more in teaching and not in supporting research or economic development. If you want more support, the funding will follow it.

Rep. Skarphol: You talked about the national ranking that we had in that publication that you showed us, and that we're pretty well respected nationwide with the efforts we've made. Were we not one of the very first states to develop the roundtable concept?

Robert: Absolutely. I think probably Kentucky and North Dakota have done it better than any place in the country that I know of, and there are a lot of other states that have tried to do this, and they have just not been able to pull it off.

Closed Hearing on SB 2003.

2005 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB2003

House Appropriations Committee
Education and Environment Division

❑ Check here for Conference Committee

Hearing Date March 28, 2005

Tape Number	Side A	Side B	Meter #
1	X		0-10.9
Committee Clerk Signature	Robin Pursley		

Minutes: Chairman Martinson opened hearing on SB2003. We have the amendments to SB2003 before us. Everybody has had an opportunity to review them with Roxanne.

Vice Chairman Brusegaard I move amendments .0211.

Rep. Aarsvold Second.

VOICE VOTE on amendments passed.

Chairman Martinson Would someone consider further amending the bill? Our majority leader would like the equity pool to not take effect until the second year of the biennium. I don't think - as long as they get the money, it does not matter to me if they get it the first year or second year. It's not worth a fight. That is the only thing he talked to Ken about in this bill.

Vice Chairman Brusegaard I move the amendment.

Rep. Wald Second.

Rep. Aarsvold I'm going to oppose the amendment. Was there a reason given for the adjustment?

Chairman Martinson This is the way I understand it. He would very much to only go to three schools. We have finally convinced him that is not a fight he can win. It will go to all of them and the board should decide who gets the money. It is his thinking, that if he backs off from that position, that if the board has a year to think about it, maybe that will change. I think we, when I say "we" as a Republican on this, I think we are winning a lot more than we are giving up and I think he finally realized that was a battle he was not going to win. Laura, is it a big deal whether they get the equity money till the second year of the biennium in the equity pool?

Laura Glatt, ND University System Certainly those campus' would be appreciative of whenever they got the money. The question is, would they spend it all in the second year or would they spend some of it and carry the balance over? The nice thing about getting in the first year is that they could spend it over two years of the biennium. I'm sure they wouldn't turn it back if it came in the second year.

Chairman Martinson The other option we have is we can wait and see how things go. We have a meeting in a little bit, we could always see how that goes and come back down. There is some advantages of knowing right off the bat?

Laura Glatt, ND University System You have a full two years to utilize the dollars rather than just the last year of the biennium.

Chairman Martinson It you know it is coming you can borrow from Peter to pay Paul, right?

Laura Glatt, ND University System We generally don't like to do that too much, because it is frowned upon. It all depends on what the campus' want to use it for.

Celeste OMB If the money is received the second year of the biennium, would that second year amount be used to calculate the base for '07-'09? Typically we have a consistent base, would it elevate?

Laura Glatt, ND University System When we do the equity comparisons, we use the biennial funding dates. We have to start preparing our budget early next calendar year and OMB traditionally locks the base in for preparing the budget about March or April. If the funds for those three campus's are allocated after that point in time, it would not be reflected in their funding base as we begin to prepare the next biennial budget.

Chairman Martinson If you would withdraw that motion, let's wait on this and see how it goes at our 11:00 meeting.

Laura Glatt, ND University System One item I could mention because I think one of the sections in this bill probably has far reaching consequences that may not be intended.

Chairman Martinson It's out of there.

Laura Glatt, ND University System We received an earlier amendment that added some language dealing specifically with National Guard members that get tuition assistance from the National Guard. The language was intended to suggest that the money the National Guard is giving Guard members not be counted as a resource when they are getting other forms of federal financial aide but the language wasn't written restrictively enough and had it been left in it would have been in violating of federal financial aid law which would have resulted in jeopardizing all of our federal financial aid dollars for all students.

Vice Chairman Brusegaard I would suggest time to move this and get it out of full committee and get it on the floor.

Chairman Martinson Are you withdrawing your motion?

Vice Chairman Brusegaard I will if it won't pass.

Chairman Martinson I don't think we want to be in a position to give them extra money and not include it in the base line. What do you think?

Rep. Wald If they need the money, would that have an impact on the amount of tuition they might raise?

Laura Glatt, ND University System It could, to the extend, with some of the institutions you're talking about, they are having significant enrollment growth. The money is certainly needed to help respond to that enrollment growth. If they don't get addition state money, the only way to hire more faculty and add more class sections for enrollment growth is to go to the students for a tuition raise. Certainly there is a relationship.

Rep. Wald Wasn't quite sure about Celeste's comment about the base and when you figure '07-'09 biennium budget, it could tend to spike that alittle bit?

Laura Glatt, ND University System Not necessarily spike it. We start building our next biennially budget requests early next year, about February. About March or April OMB will lock in our current base appropriations. If that $2 million isn't in the base when they lock the base in, when we come to you next session, it is not going to look like those campus' got that $2 million in equity because it will not be in that base but added after the fact.

Chairman Martinson How about we compromise and say six months? I think his point was, and he did not talk to me about this, to allow the board some opportunity to see if that is how they want to allocate that money.

Rep. Aarsvold This is not a partisan position on my part, I'm concerned about the system as a whole. I think the board and the chancellor have met and hashed this over more than adequately over the last several weeks and I'm content with the out come of their discussion and the plan that was struck. To delay that in hopes of the board adjusting their position I don't think is time or money well spent. I would vote against the amendment.

Chairman Martinson What kind of a time frame do you deal with on a situation like this - where we put $2 million into a equity pool?

Laura Glatt, ND University System It varies, but typically we are already starting to develop annual budget guidelines. The first meeting of the board is early May. Could do it as soon as May but nothing requires them to do it at any specific time.

Vice Chairman Brusegaard I would like to withdraw my motion to amend.

Rep. Wald Second.

Vice Chairman Brusegaard I move we further amend SB2003 by stating that the equity pool be distributed not before January 1, 2006.

Chairman Martinson Motion dies for lack of second.

Rep. Wald I move a Do Pass As Amended.

Rep. Aarsvold Second.

Vice Chairman Brusegaard The original discussion was, if we are not going to do that amendment that we would wait until our meeting at 11:00.

Chairman Martinson I agree with your comment about let's move this and if something needs to be done, it can be done in the full committee.

VOTE 5 YES 0 NO with 1 absent and not voting. DO PASS AS AMENDED. Rep. Wald will carry to full committee.

2005 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB2003

House Appropriations Committee
Education and Environment Division

☐ Check here for Conference Committee

Hearing Date March 29, 2005

Tape Number	Side A	Side B	Meter #
1	X		0-7.6
Committee Clerk Signature	Robin Bursley		

Minutes: Chairman Martinson opened hearing on SB2003

Vice Chairman Brusegaard I move to reconsider our actions by where we amended SB2003.

Rep. Wald Second.

VOICE VOTE motion passed to reconsider actions.

Vice Chairman Brusegaard I would make a motion to further amend SB2003 with amendment .0214.

Chairman Martinson I did not want to bring this back for amendments but council said if we amend it all into one, it would save us a day. There are two proposed amendments and we will vote on those each separately. Did you make a motion, Vice Chairman Brusegaard?

Vice Chairman Brusegaard I moved to further amend SB2003 with amendment .0214. I withdraw previous motion. I move to further amend SB2033 with amendment .0214, section nine on page five which deals with equity pool being distributed by the board as so desired after

January, 2006 and provides for a report to the budget section regarding the allocation of the equity pool.

Rep. Aarsvold What was the rationale behind the amendment?

Vice Chairman Brusegaard Theory was to give them the money to do what they want to do but also give them time to think about what they wanted to do. Members of leadership wanted to give them time to think about how to distribute.

Chairman Martinson Would you like a roll call vote on the amendment?

Rep. Gulleson Yes.

VOTE 5 YES and 1 NO with 0 absent and not voting. Amendment passed.

Vice Chairman Brusegaard I would further amend SB2003 with amendment .0214 page six, sections 22, 23, 24.

Rep. Wald Second.

Vice Chairman Brusegaard explained amendment .0214 sections, 22, 23 and 24, page 6. (See attachment #1-2003)

Chairman Martinson It's really necessary to have a non biased study of our funding situation and a review of the Roundtable to see if that process is working. Enough flexibility in the language that council can study it, $175,000 appropriated to have a consultant or two. We need to see where we are over the interim of we will be back here with the same problems again.

Rep. Aarsvold Would that be part of the traditional higher ed interim committee or a separate program here?

Chairman Martinson Separate, but interim high ed committee would follow it, review it - kind of a guiding light. The majority leader wants it even to be somebody not within the state and no

connection to any institution. We should try to figure out how to fund our education within North Dakota and not compare to other institutions. Peer groups have not changed since they started them, they just keep putting money in, so it's not working.

Celeste OMB Would study look at appropriateness of 21% that has become the goal?

Chairman Martinson Certainly part of it.

Rep. Wald Parameters are broad enough to encompass what you eluded to.

VOICE VOTE on amendments passed.

Vice Chairman Brusegaard I move a Do Pass As Amended.

Rep. Wald Second.

VOTE 6 YES and 0 NO with 0 absent and not voting. Vice Chairman Brusegaard will carry to full committee.

2005 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB2003
North Dakota University System

House Appropriations Full Committee

☐ Conference Committee

Hearing Date March 30, 2005

Tape Number	Side A	Side B	Meter #
1		X	#37.1 - # end
2	X		#0 - #10.4
Committee Clerk Signature	Chris Alexander		

Minutes:

Rep. Ken Svedjan, Chairman opened the discussion on SB2003.

Rep. Bob Martinson moved to adopt amendment #0214 to SB2003

Rep. Francis J. Wald seconded

Rep. Bob Martinson explained that the committee added approximately $719,000 over the Senate. We are still about $1.1 million less than the Governor's recommendation. We created an equity pool of $2 million for the board of higher education to administer as they see fit. That money cannot be allocated until January 1, 2006 and they are to report to the budget section on how that money was appropriated. We added a section 21 regarding the Bismarck State College Technical Institute which is the same language that is in the current bill as passed by the Senate that relates to a facility at North Dakota State University. Section 22 on the legislative intent on the student exchange program was added to encourage the selection of students who are interested in the study of large animals in the Wichie program and the reciprocity program with

the University of Minnesota. Section 23 is the legislative council study that looks at how higher education is funded again to see if it is still working. Section 24 appropriates $175,000 for this study. We also state in code that 25% of the student grant moneys should go to private schools. On page 11 we decreased funding in the operating pool by $189,000 and Common Information Services by $ 400,000. Rep Martinson reviewed the changes listed on pages 11 and 12 of amendment #0214.

Rep. Al Carlson asked why the committee removed the performance audit

Rep. Bob Martinson answered that this audit was unnecessary and would have been an undo burden and cost to the medical school. This is the year they need to go through their accreditation period and this would have been too much.

Rep. Al Carlson asked if there has ever been a performance audit on this system

Rep. Bob Martinson answered no.

Rep. Al Carlson asked about the funding to private institutions.

Rep. Bob Martinson explained that in the past we have designated a percentage of grant moneys to go to the private schools. Last time it was 22% and this time we raised it to 25%. The University of Mary has now created a doctoral program so we took $150,000 out of the doctoral incentives of the public schools and allocated that to the private schools. This doctoral change is a new program based on the new degree program at University of Mary.

Rep. Ken Svedjan, Chairman called for a voice vote on the motion to adopt amendment #0214 to SB2003. Motion carried.

Rep. Ole Aarsvold moved to further amend with amendment #0212.

Rep. Eliot Glassheim seconded

Rep. Ole Aarsvold explained that there was a request that came in from the board office for unanticipated expenses regarding the Connect ND system. These expenses were not the fault of the campuses but because the Budget Section did not reimburse the board office for these expenses, the cost was shifted to the campuses. The amount needed is $346,000 to reimburse these campuses for these expenses. The statement of purpose on page 3 lists the campuses included and the moneys spent by each. (meter Tape #1, side B, #49.1)

Rep. Ken Svedjan, Chairman clarified that this relates to the action that took place before the session began where higher education came to the contingency fund and was granted $150,000 and the remaining costs were given to the campuses.

Rep. Francis J. Wald asked if there was a deficiency appropriation related to this issue.

Rep. Ken Svedjan, Chairman explained that there was an additional deficiency appropriation authorized for this to pay for further consulting fees related to the delay in implementing Connect ND to a couple of their campuses. This was a $670,000 appropriation.

Rep. Ron Carlisle asked if this is a result of more problems

Rep. Ken Svedjan, Chairman further explained that this would be a restoration of funds drawn from the campuses before the session began. The authorized amount was $150,000 and the remainder of over $400,000 was paid by the campuses. Now the campuses are asking for this money to be restored but the amount has decreased to $ 346,000.

Rep. Mike Timm, Vice Chairman asked what the effect to the colleges would be if this was not passed.

Rep. Ole Aarsvold answered that the campuses would be responsible for generating these funds which would more than likely be done through tuition increases.

Rep. Jeff Delzer commented that the budget section had reasons for not giving them this money then and there is no reason to give them money now for something that they should have already taken care of. (meter Tape #2, side A, #2.3)

Rep. Ken Svedjan, Chairman commented that the emergency commission granted the $150,000 in good faith the additional funds could be found in the campuses.

Rep. Ole Aarsvold explained that these expenditures are a result of decisions made outside of the campuses so they should not have to carry the costs of those decisions.

Rep. Bob Martinson asked if these were the additional charges that came after the budget section met.

Rep. Ken Svedjan, Chairman explained that these were the costs incurred before the session. The additional costs after the budget section met that you are referring to were covered under the deficiency appropriation. Rep Svedjan called for a voice vote on the motion to further amend SB2003 with amendment #0212. Voice vote was unclear. A roll call vote was called. Motion failed with a vote of 10 yeas, 13 neas, and 0 absences.

Rep. Pam Gulleson moved to further amend SB2003 with amendment #0213.

Rep. Eliot Glassheim seconded

Rep. Pam Gulleson explained that this would amend section 4 by adding parity funding of $2.157 million. This money would be distributed to each of the campuses based upon the formula that the system board has identified. The funding source is the permanent oil tax trust fund. This is to address the increased costs of operating and try to hold down the rising costs of tuition on the campuses. The March forecast has given us the opportunity to make adjustments as we try to hold down tuition increases.

Rep. Ken Svedjan, Chairman clarified that this would be in addition to the $1.7 that has now been amended through amendment #0214. For a total of $3.857.

Rep. Tom Brusegaard commented that even if this were addressed here, tuition rates would probably still increase by action of the board and not by action of the legislature.

Rep. Al Carlson asked about the difference between parity and equity

Rep. Pam Gulleson explained that parity is the cost to continue within the system, and equity is to address the peer study, comparing this university system to others of its kind.

Rep. Ken Svedjan, Chairman called for a voice vote on the motion to further amend SB2003 with amendment #0213. Motion failed.

Rep. Bob Martinson moved a Do Pass As Amended motion to SB2003.

Rep. Francis J. Wald seconded

Rep. Ken Svedjan, Chairman called for a roll call vote on the Do Pass As Amended motion for SB2003. Motion carried with a vote of 19 yeas, 4 neas and 0 absences. Rep Wald will carry the bill to the house floor.

Rep. Ken Svedjan, Chairman closed the discussion on SB2003. (meter Tape #2, side A, #10.5)

Rep. Bob Martinson moved to reconsider the committee's action on SB2003

Rep. Ole Aarsvold seconded.

Rep. Ken Svedjan, Chairman called for a voice vote on the motion to reconsider SB2003. Motion carried. Rep Svedjan reopened discussion on SB2003.

Rep. Bob Martinson explained that an emergency clause needed to be added to the Wichie in SB2003. Rep Martinson moved to adopt the emergency clause for the $151,000 for the Wichie program and that it be designated for Colorado State University Veterinary program.

Rep. Tom Brusegaard seconded.

Rep. Ken Svedjan, Chairman called for a voice vote on the motion to adopt the emergency clause to SB2003. Motion carried.

Rep. Bob Martinson moved a Do Pass As Amended motion for SB2003.

Rep. Ole Aarsvold seconded.

Rep. Ken Svedjan, Chairman called for a roll call vote on the Do Pass As Amended motion for SB2003. Motion carried with a vote of 19 yeas, 3 neas and 1 absences. Rep Wald will carry the bill to the house floor. Rep Svedjan adjourned the meeting.

NOTE: It was determined after the meeting that the emergency clause was already in the bill as it was passed earlier and so amendment #0214 is still effective. Rep Martinson still wants the record to show that it was the legislative intent that these funds be used for Colorado State University.

Date: 3/15/05
Roll Call Vote #:

2005 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO.

House Appropriations Education and Environment

☐ Check here for Conference Committee

Legislative Council Amendment Number

Action Taken do pass amendment to SB 2003

Motion Made By F. Wald Seconded By P. Gulleson

Representatives	Yes	No	Representatives	Yes	No
Chairman Martinson	✓		Rep. Aarsvold	✓	
Vice Chairman Brusegaard	absent		Rep. Gulleson	✓	
Rep. Rennerfeldt	✓				
Rep. Wald	✓				

Total 6 (Yes) 5 No 0

Absent 1

Floor Assignment

If the vote is on an amendment, briefly indicate intent:

Amendment to Add $6.5 million to Higher Ed.

Date: 3.17.05
Roll Call Vote #: _____

2005 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. SB2003

House Appropriations Education and Environment

☐ Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken Reconsidered action to amend SB2003

Motion Made By Rep. Wald Seconded By Rep. Brusegaard

Representatives	Yes	No	Representatives	Yes	No
Chairman Martinson	✓		Rep. Aarsvold		✓
Vice Chairman Brusegaard	✓		Rep. Gulleson		✓
Rep. Rennerfeldt	✓				
Rep. Wald	✓				

Total 6 (Yes) 4 No 2

Absent 0

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent:

* removed amendment to SB2003 to add $6.5 Million

58003.0211
Title.
Fiscal No. 1

Prepared by the Legislative Council staff for
Representative Martinson
March 25, 2005

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2003

Page 1, line 4, replace "provide for a performance audit of the university of North Dakota school of medicine" with "to amend and reenact section 15-62.2-01 of the North Dakota Century Code, relating to student financial assistance grants"

Page 1, line 5, remove "and health sciences"

Page 5, line 11, replace "1,130,634" with "1,214,694"

Page 5, line 12, replace "1,047,862" with "1,045,572"

Page 5, line 13, replace "(4,115,556)" with "(4,526,546)"

Page 5, after line 13, insert:

"Operations pool	(189,858)
Equity pool	2,000,000"

Page 5, line 16, replace "1,846,073" with "574,187"

Page 5, line 17, replace "35,480" with "186,480"

Page 5, line 21, replace "($1,002,386)" with "($642,350)"

Page 5, line 23, replace "515,845" with "875,881"

Page 5, line 26, replace "769,695" with "753,221"

Page 5, line 28, replace "($519,024)" with "($535,498)"

Page 5, line 30, replace "763,176" with "746,702"

Page 6, line 2, replace "361,425" with "357,307"

Page 6, line 4, replace "329,131" with "325,013"

Page 6, line 6, replace "704,131" with "700,013"

Page 6, line 9, replace "371,523" with "365,626"

Page 6, line 10, replace "6,907,685" with "8,047,685"

Page 6, line 11, replace "7,279,208" with "8,413,311"

Page 6, line 12, replace "6,910,000" with "7,960,000"

Page 6, line 13, replace "369,208" with "453,311"

Page 6, line 16, replace "8,070,453" with "8,178,476"

Page 6, line 18, replace "9,108,862" with "9,216,885"

Page 6, line 20, replace "8,008,862" with "8,116,885"

Page 6, line 23, replace "8,290,440" with "8,227,691"

Page 6, line 25, replace "($17,754,865)" with "($17,817,614)"

Page 6, line 27, replace "8,245,135" with "8,182,386"

Page 6, line 30, replace "1,072,000" with "1,050,004"

Page 6, line 31, replace "(3,320,168)" with "(1,620,168)"

Page 7, line 1, replace "($2,248,168)" with "($570,164)"

Page 7, line 2, replace "(3,300,000)" with "(1,600,000)"

Page 7, line 3, replace "1,051,832" with "1,029,836"

Page 7, line 6, replace "1,006,685" with "1,112,796"

Page 7, line 8, replace "($4,885,634)" with "($4,779,523)"

Page 7, line 10, replace "996,413" with "1,102,524"

Page 7, line 13, replace "409,157" with "401,295"

Page 7, line 14, replace "(4,060,595)" with "(3,910,595)"

Page 7, line 15, replace "($3,651,438)" with "($3,509,300)"

Page 7, line 17, replace "353,562" with "495,700"

Page 7, line 20, replace "1,469,553" with "1,446,271"

Page 7, line 21, replace "3,519,020" with "3,599,020"

Page 7, line 22, replace "4,988,573" with "5,045,291"

Page 7, line 24, replace "1,453,573" with "1,510,291"

Page 7, line 27, replace "512,599" with "501,854"

Page 7, line 29, replace "($3,297,619)" with "($3,308,364)"

Page 7, line 31, replace "755,681" with "744,936"

Page 8, line 3, replace "235,629" with "231,604"

Page 8, line 5, replace "3,635,691" with "3,631,666"

Page 8, line 7, replace "135,691" with "131,666"

Page 8, line 10, replace "1,209,963" with "1,195,137"

Page 8, line 11, replace "1,209,963" with "1,195,137"

Page 8, line 15, replace "213,000" with "210,630"

Page 8, line 16, replace "168,577" with "166,207"

Page 8, line 18, replace "283,577" with "281,207"

Page 8, line 19, replace "24,846,649" with "25,566,475"

Page 8, line 20, replace "($31,485,778)" with "($28,735,778)"

Page 8, line 21, replace "($6,639,129)" with "($3,169,303)"

Page 9, line 3, after "initiatives" insert "- New" and replace "1,615,940" with "1,700,000"

Page 9, line 4, replace "5,520,712" with "5,518,422"

Page 9, line 6, replace "20,974,083" with "20,563,093"

Page 9, line 7, replace "578,417" with "388,559"

Page 9, after line 7, insert:

"Equity pool 2,000,000"

Page 9, line 10, replace "4,776,288" with "3,504,402"

Page 9, line 11, replace "1,713,780" with "1,864,780"

Page 9, line 15, replace "59,471,851" with "59,831,887"

Page 9, line 17, replace "57,134,575" with "57,494,611"

Page 9, line 20, replace "16,882,022" with "16,865,548"

Page 9, line 22, replace "17,628,303" with "17,611,829"

Page 9, line 24, replace "17,125,503" with "17,109,029"

Page 9, line 27, replace "5,394,107" with "5,389,989"

Page 9, line 29, replace "5,781,644" with "5,777,526"

Page 10, line 1, replace "5,758,894" with "5,752,997"

Page 10, line 2, replace "6,996,475" with "8,136,475"

Page 10, line 3, replace "12,755,369" with "13,889,472"

Page 10, line 4, replace "6,910,000" with "7,960,000"

Page 10, line 5, replace "5,845,369" with "5,929,472"

Page 10, line 8, replace "92,628,579" with "92,736,602"

Page 10, line 10, replace "149,329,124" with "149,437,147"

Page 10, line 12, replace "94,929,124" with "95,037,147"

Page 10, line 15, replace "75,867,399" with "75,804,650"

Page 10, line 17, replace "77,559,625" with "77,496,876"

Page 10, line 20, replace "25,008,824" with "24,986,828"

Page 10, line 21, replace "1,122,252" with "2,822,252"

Page 10, line 22, replace "26,131,076" with "27,809,080"

Page 10, line 23, replace "368,920" with "2,068,920"

Page 10, line 24, replace "25,762,156" with "25,740,160"

Page 10, line 27, replace "14,605,516" with "14,711,627"

Page 10, line 29, replace "19,989,206" with "20,095,317"

Page 10, line 31, replace "14,989,206" with "15,095,317"

Page 11, line 3, replace "9,011,492" with "9,003,630"

Page 11, line 4, replace "1,708,994" with "1,858,994"

Page 11, line 5, replace "10,720,486" with "10,862,624"

Page 11, line 7, replace "9,220,486" with "9,362,624"

Page 11, line 10, replace "27,239,131" with "27,215,849"

Page 11, line 11, replace "4,131,870" with "4,211,870"

Page 11, line 12, replace "31,371,001" with "31,427,719"

Page 11, line 14, replace "27,836,001" with "27,892,719"

Page 11, line 17, replace "11,817,271" with "11,806,526"

Page 11, line 19, replace "12,357,687" with "12,346,942"

Page 11, line 21, replace "12,325,687" with "12,314,942"

Page 11, line 24, replace "4,338,485" with "4,334,460"

Page 11, line 26, replace "7,948,210" with "7,944,185"

Page 11, line 28, replace "4,448,210" with "4,444,185"

Page 12, line 1, replace "31,375,828" with "31,361,002"

Page 12, line 2, replace "31,375,828" with "31,361,002"

Page 12, line 6, replace "2,928,016" with "2,925,646"

Page 12, line 7, replace "3,029,654" with "3,027,284"

Page 12, line 9, replace "2,054,653" with "2,052,283"

Page 12, line 10, replace "386,388,067" with "387,107,893"

Page 12, line 11, replace "79,060,997" with "81,810,997"

Page 12, line 12, replace "465,449,064" with "468,918,890"

Page 12, line 13, replace "386,388,067" with "387,107,893"

Page 12, line 14, replace "162,403,497" with "165,153,497"

Page 12, line 15, replace "548,791,564" with "552,261,390"

Page 12, line 16, after "**INITIATIVES**" insert "**- NEW**" and replace "$1,615,940" with "$1,700,000"

Page 13, replace lines 12 through 16 with:

"**SECTION 9. EQUITY POOL.** The sum of $2,000,000, or so much of the sum as may be necessary, included in the equity pool line item in subdivision 1 of section 3 of this Act, must be used to address equity at higher education institutions as determined by the state board of higher education. Funding allocations may be used as determined by the institutions but the allocations must be considered equity for budgetary purposes."

Page 13, line 17, after "The" insert "sum of $150,000 of the"

Page 13, line 18, replace the comma with "must be allocated to private baccalaureate degree-granting institutions offering doctorate programs for doctoral incentives. The remainder of the funding"

Page 13, line 31, after the period insert "Twenty-five percent of the additional funds must be used for student financial assistance grants for students at private baccalaureate degree-granting institutions."

Page 15, remove lines 26 through 31

Page 16, remove lines 1 and 2

Page 17, after line 17, insert:

"**SECTION 21. BISMARCK STATE COLLEGE CAREER AND TECHNOLOGY INSTITUTE.** The state board of higher education may enter into an agreement or agreements with the Bismarck state college foundation or other private entity and do all things necessary and proper to authorize construction by the foundation or other private entity of a building on the Bismarck state college campus, using state funds, federal funds, donations, gifts, or other private funds.

SECTION 22. AMENDMENT. Section 15-62.2-01 of the North Dakota Century Code is amended and reenacted as follows:

15-62.2-01. Student financial assistance and scholars programs - Establishment - Administrative responsibility. The North Dakota student financial assistance and scholars programs are established to provide grants or scholarships, or both, to assist the following students:

1. Resident undergraduate students pursuant to section 15-10-19.1.

2. North Dakota resident students who have attended and graduated from a high school in a bordering state pursuant to section 15-40.2-10, who are attending qualified institutions of postsecondary education within North Dakota.

3. North Dakota resident students who, because of physical or mental handicap as certified by a physician, are attending postsecondary institutions out of state due to the lack of special services or facilities, or both, necessary to meet the postsecondary educational needs of the handicapped students within North Dakota.

4. Scholars who qualify and are selected for scholarships pursuant to sections 15-62.2-00.1 and 15-62.2-03.1 through 15-62.2-03.5.

A student must be in substantial need of financial assistance to receive grants under the student financial assistance program. The state board of higher education shall administer the student financial assistance program and the scholars program. At least twenty-five percent of the funds appropriated for the student financial assistance program must be allocated to students at private baccalaureate degree-granting institutions with the remaining funds allocated to students at public and American Indian institutions."

Page 17, line 19, replace "20" with "19"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2003 - Summary of House Action

	EXECUTIVE BUDGET	SENATE VERSION	HOUSE CHANGES	HOUSE VERSION
University System office				
Total all funds	$387,926,815	$59,471,851	$360,036	$59,831,887
Less estimated income	2,337,276	2,337,276		2,337,276
General fund	$385,589,539	$57,134,575	$360,036	$57,494,611
Bismarck State College				
Total all funds	$2,302,800	$20,870,803	($16,474)	$20,854,329
Less estimated income	2,302,800	3,745,300		3,745,300
General fund	$0	$17,125,503	($16,474)	$17,109,029

Lake Region State College				
Total all funds	$343,875	$5,781,644	($4,118)	$5,777,526
Less estimated income				
General fund	$343,875	$5,781,644	($4,118)	$5,777,526
Williston State College				
Total all funds	$6,910,000	$12,755,369	$1,134,103	$13,889,472
Less estimated income	6,910,000	6,910,000	1,050,000	7,960,000
General fund	$0	$5,845,369	$84,103	$5,929,472
University of North Dakota				
Total all funds	$54,331,554	$190,429,124	$108,023	$190,537,147
Less estimated income	54,331,554	95,500,000		95,500,000
General fund	$0	$94,929,124	$108,023	$95,037,147
UND Medical Center				
Total all funds	$0	$31,375,828	($14,826)	$31,361,002
Less estimated income				
General fund	$0	$31,375,828	($14,826)	$31,361,002
North Dakota State University				
Total all funds	$34,000,000	$111,559,625	($62,749)	$111,496,876
Less estimated income	34,000,000	34,000,000		34,000,000
General fund	$0	$77,559,625	($62,749)	$77,496,876
State College of Science				
Total all funds	$368,920	$26,131,076	$1,678,004	$27,809,080
Less estimated income	368,920	368,920	1,700,000	2,068,920
General fund	$0	$25,762,156	($21,996)	$25,740,160
Dickinson State University				
Total all funds	$5,000,000	$19,989,206	$106,111	$20,095,317
Less estimated income	5,000,000	5,000,000		5,000,000
General fund	$0	$14,989,206	$106,111	$15,095,317
Mayville State University				
Total all funds	$1,500,000	$10,720,486	$142,138	$10,862,624
Less estimated income	1,500,000	1,500,000		1,500,000
General fund	$0	$9,220,486	$142,138	$9,362,624
Minot State University				
Total all funds	$3,535,000	$36,371,001	$56,718	$36,427,719
Less estimated income	3,535,000	8,535,000		8,535,000
General fund	$0	$27,836,001	$56,718	$27,892,719
Valley City State University				
Total all funds	$282,000	$12,357,687	($10,745)	$12,346,942
Less estimated income	32,000	32,000		32,000
General fund	$250,000	$12,325,687	($10,745)	$12,314,942
Minot State University - Bottineau				
Total all funds	$0	$7,948,210	($4,025)	$7,944,185
Less estimated income		3,500,000		3,500,000
General fund	$0	$4,448,210	($4,025)	$4,444,185
Forest Service				
Total all funds	$3,029,654	$3,029,654	($2,370)	$3,027,284
Less estimated income	975,001	975,001		975,001
General fund	$2,054,653	$2,054,653	($2,370)	$2,052,283
Bill Total				
Total all funds	$499,530,618	$548,791,564	$3,469,826	$552,261,390
Less estimated income	111,292,551	162,403,497	2,750,000	165,153,497
General fund	$388,238,067	$386,388,067	$719,826	$387,107,893

Senate Bill No. 2003 - General Fund Summary

	EXECUTIVE BUDGET	SENATE VERSION	HOUSE CHANGES	HOUSE VERSION
University System office	$385,589,539	$57,134,575	$360,036	$57,494,611
Bismarck State College		17,125,503	(16,474)	17,109,029
Lake Region State College	343,875	5,781,644	(4,118)	5,777,526
Williston State College		5,845,369	84,103	5,929,472
University of North Dakota		94,929,124	108,023	95,037,147
UND Medical Center		31,375,828	(14,826)	31,361,002
North Dakota State University		77,559,625	(62,749)	77,496,876
State College of Science		25,762,156	(21,996)	25,740,160
Dickinson State University		14,989,206	106,111	15,095,317
Mayville State University		9,220,486	142,138	9,362,624
Minot State University		27,836,001	56,718	27,892,719
Valley City State University	250,000	12,325,687	(10,745)	12,314,942
Minot State University - Bottineau		4,448,210	(4,025)	4,444,185
Forest Service	2,054,653	2,054,653	(2,370)	2,052,283
Total general fund	$388,238,067	$386,388,067	$719,826	$387,107,893

Detail of House Changes to the General Fund

	REDUCES RECOMMENDED FUNDING FOR HEALTH INSURANCE	REALLOCATES FUNDING FOR BOARD INITIATIVES [1]	INCREASES FUNDING FOR BOARD INITIATIVES	DECREASES FUNDING FOR COMMON INFORMATION SERVICES	DECREASES FUNDING FOR OPERATIONS POOL	DECREASES FUNDING FOR STUDENT FINANCIAL ASSISTANCE GRANTS
University System office	($13,280)	($185,000)	$269,060	($400,000)	($189,858)	($1,271,886)
Bismarck State College	(16,474)					
Lake Region State College	(4,118)					
Williston State College	(5,897)					
University of North Dakota	(76,977)	185,000				
UND Medical Center	(14,826)					
North Dakota State University	(62,749)					
State College of Science	(21,996)					
Dickinson State University	(13,715)					
Mayville State University	(7,862)					
Minot State University	(23,282)					
Valley City State University	(10,745)					
Minot State University - Bottineau	(4,025)					
Forest Service	(2,370)					
Total general fund	($278,316)	$0	$269,060	($400,000)	($189,858)	($1,271,886)

	INCREASES FUNDING FOR FOR PROFESSIONAL STUDENT EXCHANGE PROGRAM [2]	PROVIDES FUNDING FOR AN EQUITY POOL [3]	INCREASES FUNDING FOR OPERATIONS [4]	PROVIDES FUNDING FOR EXTRAORDINARY REPAIRS [5]	PROVIDES FUNDING FOR A MAJOR CAPITAL PROJECT [6]	TOTAL GENERAL FUND CHANGES
University System office	$151,000	$2,000,000				$360,036
Bismarck State College						(16,474)
Lake Region State College						(4,118)
Williston State College				$90,000		84,103
University of North Dakota						108,023
UND Medical Center						(14,826)
North Dakota State University						(62,749)
State College of Science						(21,996)
Dickinson State University			$119,826			106,111
Mayville State University				150,000		142,138
Minot State University				80,000		56,718
Valley City State University						(10,745)
Minot State University - Bottineau						(4,025)
Forest Service						(2,370)
Total general fund	$151,000	$2,000,000	$119,826	$320,000	$0	$719,826

Senate Bill No. 2003 - Other Funds Summary

	EXECUTIVE BUDGET	SENATE VERSION	HOUSE CHANGES	HOUSE VERSION
University System office	$2,337,276	$2,337,276		$2,337,276
Bismarck State College	2,302,800	3,745,300		3,745,300
Lake Region State College				
Williston State College	6,910,000	6,910,000	$1,050,000	7,960,000
University of North Dakota	54,331,554	95,500,000		95,500,000
UND Medical Center				
North Dakota State University	34,000,000	34,000,000		34,000,000
State College of Science	368,920	368,920	1,700,000	2,068,920
Dickinson State University	5,000,000	5,000,000		5,000,000
Mayville State University	1,500,000	1,500,000		1,500,000
Minot State University	3,535,000	8,535,000		8,535,000
Valley City State University	32,000	32,000		32,000
Minot State University - Bottineau		3,500,000		3,500,000
Forest Service	975,001	975,001		975,001
Total other funds	$111,292,551	$162,403,497	$2,750,000	$165,153,497

Detail of House Changes to Other Funds

	REDUCES RECOMMENDED FUNDING FOR HEALTH INSURANCE	REALLOCATES FUNDING FOR BOARD INITIATIVES [1]	INCREASES FUNDING FOR BOARD INITIATIVES	DECREASES FUNDING FOR COMMON INFORMATION SERVICES	DECREASES FUNDING FOR OPERATIONS POOL	DECREASES FUNDING FOR STUDENT FINANCIAL ASSISTANCE GRANTS
University System office						
Bismarck State College						
Lake Region State College						
Williston State College						
University of North Dakota						
UND Medical Center						
North Dakota State University						

State College of Science						
Dickinson State University						
Mayville State University						
Minot State University						
Valley City State University						
Minot State University - Bottineau						
Forest Service						
Total other funds	$0	$0	$0	$0	$0	$0

	INCREASES FUNDING FOR THE PROFESSIONAL STUDENT EXCHANGE PROGRAM [2]	PROVIDES FUNDING FOR AN EQUITY POOL[3]	INCREASES FUNDING FOR OPERATIONS [4]	PROVIDES FUNDING FOR EXTRAORDINARY REPAIRS [5]	PROVIDES FUNDING FOR A MAJOR CAPITAL PROJECT [6]	TOTAL OTHER FUNDS CHANGES
University System office						
Bismarck State College						
Lake Region State College						
Williston State College					$1,050,000	$1,050,000
University of North Dakota						
UND Medical Center						
North Dakota State University						
State College of Science					1,700,000	1,700,000
Dickinson State University						
Mayville State University						
Minot State University						
Valley City State University						
Minot State University - Bottineau						
Forest Service						
Total other funds	$0	$0	$0	$0	$2,750,000	$2,750,000

Senate Bill No. 2003 - All Funds Summary

	EXECUTIVE BUDGET	SENATE VERSION	HOUSE CHANGES	HOUSE VERSION
University System office	$387,926,815	$59,471,851	$360,036	$59,831,887
Bismarck State College	2,302,800	20,870,803	(16,474)	20,854,329
Lake Region State College	343,875	5,781,644	(4,118)	5,777,526
Williston State College	6,910,000	12,755,369	1,134,103	13,889,472
University of North Dakota	54,331,554	190,429,124	108,023	190,537,147
UND Medical Center		31,375,828	(14,826)	31,361,002
North Dakota State University	34,000,000	11,559,625	(62,749)	111,496,876
State College of Science	368,920	26,131,076	1,678,004	27,809,080
Dickinson State University	5,000,000	19,989,206	106,111	20,095,317
Mayville State University	1,500,000	10,720,486	142,138	10,862,624
Minot State University	3,535,000	36,371,001	56,718	36,427,719
Valley City State University	282,000	12,357,687	(10,745)	12,346,942
Minot State University - Bottineau		7,948,210	(4,025)	7,944,185
Forest Service	3,029,654	3,029,654	(2,370)	3,027,284
Total all funds	$499,530,618	$548,791,564	$3,469,826	$552,261,390
FTE	2196.67	2196.67	1.00	2197.67

Detail of House Changes to All Funds

	REDUCES RECOMMENDED FUNDING FOR HEALTH INSURANCE	REALLOCATES FUNDING FOR BOARD INITIATIVES [1]	INCREASES FUNDING FOR BOARD INITIATIVES	DECREASES FUNDING FOR COMMON INFORMATION SERVICES	DECREASES FUNDING FOR OPERATIONS POOL	DECREASES FUNDING FOR STUDENT FINANCIAL ASSISTANCE GRANTS
University System office	($13,280)	($185,000)	$269,060	($400,000)	($189,858)	($1,271,886)
Bismarck State College	(16,474)					
Lake Region State College	(4,118)					
Williston State College	(5,897)					
University of North Dakota	(76,977)	185,000				
UND Medical Center	(14,826)					
North Dakota State University	(62,749)					
State College of Science	(21,996)					
Dickinson State University	(13,715)					
Mayville State University	(7,862)					
Minot State University	(23,282)					
Valley City State University	(10,745)					
Minot State University - Bottineau	(4,025)					
Forest Service	(2,370)					
Total all funds	($278,316)	$0	$269,060	($400,000)	($189,858)	($1,271,886)
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	INCREASES FUNDING FOR THE PROFESSIONAL STUDENT EXCHANGE PROGRAM [2]	PROVIDES FUNDING FOR AN EQUITY POOL [3]	INCREASES FUNDING FOR OPERATIONS [4]	PROVIDES FUNDING FOR EXTRAORDINARY REPAIRS [5]	PROVIDES FUNDING FOR A MAJOR CAPITAL PROJECT [6]	TOTAL ALL FUNDS CHANGES
University System office	$151,000	$2,000,000				$360,036
Bismarck State College						(16,474)
Lake Region State College						(4,118)
Williston State College				$90,000	$1,050,000	1,134,103
University of North Dakota						108,023
UND Medical Center						(14,826)
North Dakota State University						(62,749)
State College of Science					1,700,000	1,678,004
Dickinson State University			$119,826			106,111
Mayville State University				150,000		142,138
Minot State University				80,000		56,718
Valley City State University						(10,745)
Minot State University - Bottineau						(4,025)
Forest Service						(2,370)
Total all funds	$151,000	$2,000,000	$119,826	$320,000	$2,750,000	$3,469,826
FTE	0.00	0.00	1.00	0.00	0.00	1.00

1 This amendment reduces the board initiatives line item by $185,000 and increases the University of North Dakota's operations line by $185,000 relating to the North Dakota University System's Arts and Humanities Summit ($10,000) and Alcohol Consortium ($175,000) which the University of North Dakota acts as the fiscal agent.

2 This amendment increases funding for the professional student exchange program by $151,000 from the general fund to fund 3 additional veterinary medicine slots.

3 This amendment provides a $2,000,000 general fund appropriation for an equity pool to be allocated to higher education institutions by the State Board of Higher Education.

4 This amendment increases funding for the operations of Dickinson State University by $119,826 from the general fund and authorizes 1 FTE position for custodial services and utility costs associated with the addition to Murphy Hall.

5 Williston State College - This amendment provides funding of $90,000 from the general fund for extraordinary repair needs in Stevens Hall.

Mayville State University - This amendment provides funding of $150,000 from the general fund for extraordinary repair needs in Old Main.

Minot State University - This amendment provides funding of $80,000 from the general fund for extraordinary repair needs in the student union ballroom

6 Williston State College - This amendment provides Williston State College with a $1,050,000 special funds appropriation for an oil well training site on campus.

State College of Science - This amendment increases the capital assets line item for the State College of Science by $1.7 million from special funds for renovating the college's football stadium and track.

Senate Bill No. 2003 - Other Changes - House Action

This amendment also:

- Removes Section 9 of the engrossed bill relating to student financial assistance grants.
- Provides for $150,000 of the funding appropriated for education incentive programs to be provided to private baccalaureate degree-granting institutions for doctoral incentives.
- Removes Section 19 of the engrossed bill providing for a performance audit of the University of North Dakota School of Medicine and Health Sciences.
- Adds a new section relating to the Career and Technology Institute at Bismarck State College.
- Adds a new section amending North Dakota Century Code Section 15-62.2-01 to provide for the allocation of funding appropriated for the student financial assistance program.

Date: 3.28.05
Roll Call Vote #:

2005 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. SB2003

House Appropriations Education and Environment

☐ Check here for Conference Committee

Legislative Council Amendment Number 58003.0211

Action Taken Do Pass As Amended

Motion Made By Rep. Wald Seconded By Rep. Aarsvold

Representatives	Yes	No	Representatives	Yes	No
Chairman Martinson	✓		Rep. Aarsvold	✓	
Vice Chairman Brusegaard	✓		Rep. Gulleson	absent	
Rep. Rennerfeldt	✓				
Rep. Wald	✓				
.					

Total 6 (Yes) 5 No 0

Absent 1

Floor Assignment Rep. Wald

If the vote is on an amendment, briefly indicate intent:

58003.0214
Title.
Fiscal No. 3

#1-2003

Prepared by the Legislative Council staff for
Representative Martinson
March 29, 2005

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2003

Page 1, line 3, replace "a report" with "reports"

Page 1, line 4, replace "provide for a performance audit of the university of North Dakota school of medicine" with "to provide for a legislative council study; to amend and reenact section 15-62.2-01 of the North Dakota Century Code, relating to student financial assistance grants"

Page 1, line 5, remove "and health sciences"

Page 5, line 11, replace "1,130,634" with "1,214,694"

Page 5, line 12, replace "1,047,862" with "1,045,572"

Page 5, line 13, replace "(4,115,556)" with "(4,526,546)"

Page 5, after line 13, insert:

"Operations pool	(189,858)
Equity pool	2,000,000"

Page 5, line 16, replace "1,846,073" with "574,187"

Page 5, line 17, replace "35,480" with "186,480"

Page 5, line 21, replace "($1,002,386)" with "($642,350)"

Page 5, line 23, replace "515,845" with "875,881"

Page 5, line 26, replace "769,695" with "753,221"

Page 5, line 28, replace "($519,024)" with "($535,498)"

Page 5, line 30, replace "763,176" with "746,702"

Page 6, line 2, replace "361,425" with "357,307"

Page 6, line 4, replace "329,131" with "325,013"

Page 6, line 6, replace "704,131" with "700,013"

Page 6, line 9, replace "371,523" with "365,626"

Page 6, line 10, replace "6,907,685" with "8,047,685"

Page 6, line 11, replace "7,279,208" with "8,413,311"

Page 6, line 12, replace "6,910,000" with "7,960,000"

Page 6, line 13, replace "369,208" with "453,311"

Page 6, line 16, replace "8,070,453" with "8,178,476"

Page 6, line 18, replace "9,108,862" with "9,216,885"

Page 6, line 20, replace "8,008,862" with "8,116,885"

Page 6, line 23, replace "8,290,440" with "8,227,691"

Page 6, line 25, replace "($17,754,865)" with "($17,817,614)"

Page 6, line 27, replace "8,245,135" with "8,182,386"

Page 6, line 30, replace "1,072,000" with "1,050,004"

Page 6, line 31, replace "(3,320,168)" with "(1,620,168)"

Page 7, line 1, replace "($2,248,168)" with "($570,164)"

Page 7, line 2, replace "(3,300,000)" with "(1,600,000)"

Page 7, line 3, replace "1,051,832" with "1,029,836"

Page 7, line 6, replace "1,006,685" with "1,112,796"

Page 7, line 8, replace "($4,885,634)" with "($4,779,523)"

Page 7, line 10, replace "996,413" with "1,102,524"

Page 7, line 13, replace "409,157" with "401,295"

Page 7, line 14, replace "(4,060,595)" with "(3,910,595)"

Page 7, line 15, replace "($3,651,438)" with "($3,509,300)"

Page 7, line 17, replace "353,562" with "495,700"

Page 7, line 20, replace "1,469,553" with "1,446,271"

Page 7, line 21, replace "3,519,020" with "3,599,020"

Page 7, line 22, replace "4,988,573" with "5,045,291"

Page 7, line 24, replace "1,453,573" with "1,510,291"

Page 7, line 27, replace "512,599" with "501,854"

Page 7, line 29, replace "($3,297,619)" with "($3,308,364)"

Page 7, line 31, replace "755,681" with "744,936"

Page 8, line 3, replace "235,629" with "231,604"

Page 8, line 5, replace "3,635,691" with "3,631,666"

Page 8, line 7, replace "135,691" with "131,666"

Page 8, line 10, replace "1,209,963" with "1,195,137"

Page 8, line 11, replace "1,209,963" with "1,195,137"

Page 8, line 15, replace "213,000" with "210,630"

Page 8, line 16, replace "168,577" with "166,207"

Page 8, line 18, replace "283,577" with "281,207"

Page 8, line 19, replace "24,846,649" with "25,566,475"

Page 8, line 20, replace "($31,485,778)" with "($28,735,778)"

Page 8, line 21, replace "($6,639,129)" with "($3,169,303)"

Page 9, line 3, after "initiatives" insert "- New" and replace "1,615,940" with "1,700,000"

Page 9, line 4, replace "5,520,712" with "5,518,422"

Page 9, line 6, replace "20,974,083" with "20,563,093"

Page 9, line 7, replace "578,417" with "388,559"

Page 9, after line 7, insert:

"Equity pool 2,000,000"

Page 9, line 10, replace "4,776,288" with "3,504,402"

Page 9, line 11, replace "1,713,780" with "1,864,780"

Page 9, line 15, replace "59,471,851" with "59,831,887"

Page 9, line 17, replace "57,134,575" with "57,494,611"

Page 9, line 20, replace "16,882,022" with "16,865,548"

Page 9, line 22, replace "17,628,303" with "17,611,829"

Page 9, line 24, replace "17,125,503" with "17,109,029"

Page 9, line 27, replace "5,394,107" with "5,389,989"

Page 9, line 29, replace "5,781,644" with "5,777,526"

Page 10, line 1, replace "5,758,894" with "5,752,997"

Page 10, line 2, replace "6,996,475" with "8,136,475"

Page 10, line 3, replace "12,755,369" with "13,889,472"

Page 10, line 4, replace "6,910,000" with "7,960,000"

Page 10, line 5, replace "5,845,369" with "5,929,472"

Page 10, line 8, replace "92,628,579" with "92,736,602"

Page 10, line 10, replace "149,329,124" with "149,437,147"

Page 10, line 12, replace "94,929,124" with "95,037,147"

Page 10, line 15, replace "75,867,399" with "75,804,650"

Page 10, line 17, replace "77,559,625" with "77,496,876"

Page 10, line 20, replace "25,008,824" with "24,986,828"

Page 10, line 21, replace "1,122,252" with "2,822,252"

Page 10, line 22, replace "26,131,076" with "27,809,080"

Page 10, line 23, replace "368,920" with "2,068,920"

Page 10, line 24, replace "25,762,156" with "25,740,160"

Page 10, line 27, replace "14,605,516" with "14,711,627"

Page 10, line 29, replace "19,989,206" with "20,095,317"

Page 10, line 31, replace "14,989,206" with "15,095,317"

Page 11, line 3, replace "9,011,492" with "9,003,630"

Page 11, line 4, replace "1,708,994" with "1,858,994"

Page 11, line 5, replace "10,720,486" with "10,862,624"

Page 11, line 7, replace "9,220,486" with "9,362,624"

Page 11, line 10, replace "27,239,131" with "27,215,849"

Page 11, line 11, replace "4,131,870" with "4,211,870"

Page 11, line 12, replace "31,371,001" with "31,427,719"

Page 11, line 14, replace "27,836,001" with "27,892,719"

Page 11, line 17, replace "11,817,271" with "11,806,526"

Page 11, line 19, replace "12,357,687" with "12,346,942"

Page 11, line 21, replace "12,325,687" with "12,314,942"

Page 11, line 24, replace "4,338,485" with "4,334,460"

Page 11, line 26, replace "7,948,210" with "7,944,185"

Page 11, line 28, replace "4,448,210" with "4,444,185"

Page 12, line 1, replace "31,375,828" with "31,361,002"

Page 12, line 2, replace "31,375,828" with "31,361,002"

Page 12, line 6, replace "2,928,016" with "2,925,646"

Page 12, line 7, replace "3,029,654" with "3,027,284"

Page 12, line 9, replace "2,054,653" with "2,052,283"

Page 12, line 10, replace "386,388,067" with "387,107,893"

Page 12, line 11, replace "79,060,997" with "81,810,997"

Page 12, line 12, replace "465,449,064" with "468,918,890"

Page 12, line 13, replace "386,388,067" with "387,282,893"

Page 12, line 14, replace "162,403,497" with "165,153,497"

Page 12, line 15, replace "548,791,564" with "552,436,390"

Page 12, line 16, after "**INITIATIVES**" insert "**- NEW**" and replace "$1,615,940" with "$1,700,000"

Page 13, replace lines 12 through 16 with:

"**SECTION 9. EQUITY POOL - REPORT TO THE BUDGET SECTION.** The sum of $2,000,000, or so much of the sum as may be necessary, included in the equity pool line item in subdivision 1 of section 3 of this Act, must be used to address equity at higher education institutions as determined by the state board of higher education. The state board of higher education may not select a formula for distributing the funding or distribute the funding until January 1, 2006. A representative of the board shall provide a report to the budget section regarding the allocation of the equity pool. Funding allocations may be used as determined by the institutions but the allocations must be considered equity for budgetary purposes."

Page 13, line 17, after "The" insert "sum of $150,000 of the"

Page 13, line 18, replace the comma with "must be allocated to private baccalaureate degree-granting institutions offering doctorate programs for doctoral incentives. The remainder of the funding"

Page 13, line 31, after the period insert "Twenty-five percent of the additional funds must be used for student financial assistance grants for students at private baccalaureate degree-granting institutions."

Page 15, remove lines 26 through 31

Page 16, remove lines 1 and 2

Page 17, after line 17, insert:

"SECTION 21. BISMARCK STATE COLLEGE CAREER AND TECHNOLOGY INSTITUTE. The state board of higher education may enter into an agreement or agreements with the Bismarck state college foundation or other private entity and do all things necessary and proper to authorize construction by the foundation or other private entity of a building on the Bismarck state college campus, using state funds, federal funds, donations, gifts, or other private funds.

SECTION 22. LEGISLATIVE INTENT - STUDENT EXCHANGE PROGRAMS. It is the intent of the fifty-ninth legislative assembly that the state board of higher education consider allowing related faculty members and practicing professionals in the related fields in the state to assist in the selection of students awarded funding through the student exchange program and consider investigating options of entering contracts with other higher education institutions for providing opportunities for students to complete professional fields of study not offered through the North Dakota university system, specifically other institutions granting professional degrees targeting critical shortages in large animal veterinary practice.

SECTION 23. LEGISLATIVE COUNCIL STUDY OF HIGHER EDUCATION FUNDING AND ACCOUNTABILITY. The legislative council shall consider studying higher education funding and accountability during the 2005-06 interim. If conducted, the study should include a review of the progress made in implementing the higher education roundtable recommendations relating to the university system meeting the state's expectations and needs, the funding methodology needed to meet these expectations and needs, and the appropriate accountability and reporting system for the North Dakota university system. The review should include an independent consultant's evaluation of:

1. The roundtable recommendations and the goals and objectives of the North Dakota university system;

2. The long-term financing plan for the North Dakota university system, including a review of the peer institutions selected and updated funding comparisons;

3. The North Dakota university system's prioritization of higher education funding, including the resource allocation mechanism addressing equity funding issues and the funding for initiatives at North Dakota's colleges and universities; and

4. The accountability mechanisms.

The study should be conducted and the consultant selected with input from the state board of higher education. The independent consultant selected to do the evaluation shall possess a national reputation and experience in higher education governance and funding and management in multicampus public university systems.

The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixtieth legislative assembly.

SECTION 24. APPROPRIATION. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of $175,000 or so much of the sum as may be necessary, to the legislative council for the purpose of conducting the higher education study as provided for in this Act, for the biennium beginning July 1, 2005, and ending June 30, 2007. The legislative council may receive any other funds available for conducting the study and such funds are hereby appropriated.

SECTION 25. AMENDMENT. Section 15-62.2-01 of the North Dakota Century Code is amended and reenacted as follows:

15-62.2-01. Student financial assistance and scholars programs - Establishment - Administrative responsibility. The North Dakota student financial assistance and scholars programs are established to provide grants or scholarships, or both, to assist the following students:

1. Resident undergraduate students pursuant to section 15-10-19.1.

2. North Dakota resident students who have attended and graduated from a high school in a bordering state pursuant to section 15-40.2-10, who are attending qualified institutions of postsecondary education within North Dakota.

3. North Dakota resident students who, because of physical or mental handicap as certified by a physician, are attending postsecondary institutions out of state due to the lack of special services or facilities, or both, necessary to meet the postsecondary educational needs of the handicapped students within North Dakota.

4. Scholars who qualify and are selected for scholarships pursuant to sections 15-62.2-00.1 and 15-62.2-03.1 through 15-62.2-03.5.

A student must be in substantial need of financial assistance to receive grants under the student financial assistance program. The state board of higher education shall administer the student financial assistance program and the scholars program. At least twenty-five percent of the funds appropriated for the student financial assistance program must be allocated to students at private baccalaureate degree-granting institutions with the remaining funds allocated to students at public and American Indian institutions."

Page 17, line 18, after "assets" insert ", professional student exchange program,"

Page 17, line 19, replace "20" with "19"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2003 - Summary of House Action

	EXECUTIVE BUDGET	SENATE VERSION	HOUSE CHANGES	HOUSE VERSION
Legislative Council				
Total all funds	$0	$0	$175,000	$175,000
Less estimated income	$0	$0	$175,000	$175,000
General fund				
University System office				
Total all funds	$387,926,815	$59,471,851	$360,036	$59,831,887
Less estimated income	2,337,276	2,337,276		2,337,276
General fund	$385,589,539	$57,134,575	$360,036	$57,494,611
Bismarck State College				
Total all funds	$2,302,800	$20,870,803	($16,474)	$20,854,329
Less estimated income	2,302,800	3,745,300		3,745,300
General fund	$0	$17,125,503	($16,474)	$17,109,029
Lake Region State College				
Total all funds	$343,875	$5,781,644	($4,118)	$5,777,526
Less estimated income	$343,875	$5,781,644	($4,118)	$5,777,526
General fund				
Williston State College				
Total all funds	$6,910,000	$12,755,369	$1,134,103	$13,889,472
Less estimated income	6,910,000	6,910,000	1,050,000	7,960,000
General fund	$0	$5,845,369	$84,103	$5,929,472
University of North Dakota				
Total all funds	$54,331,554	$190,429,124	$108,023	$190,537,147
Less estimated income	54,331,554	95,500,000		95,500,000
General fund	$0	$94,929,124	$108,023	$95,037,147

UND Medical Center				
Total all funds	$0	$31,375,828	($14,826)	$31,361,002
Less estimated income				
General fund	$0	$31,375,828	($14,826)	$31,361,002
North Dakota State University				
Total all funds	$34,000,000	$111,559,625	($62,749)	$111,496,876
Less estimated income	34,000,000	34,000,000		34,000,000
General fund	$0	$77,559,625	($62,749)	$77,496,876
State College of Science				
Total all funds	$368,920	$26,131,076	$1,678,004	$27,809,080
Less estimated income	368,920	368,920	1,700,000	2,068,920
General fund	$0	$25,762,156	($21,996)	$25,740,160
Dickinson State University				
Total all funds	$5,000,000	$19,989,206	$106,111	$20,095,317
Less estimated income	5,000,000	5,000,000		5,000,000
General fund	$0	$14,989,206	$106,111	$15,095,317
Mayville State University				
Total all funds	$1,500,000	$10,720,486	$142,138	$10,862,624
Less estimated income	1,500,000	1,500,000		1,500,000
General fund	$0	$9,220,486	$142,138	$9,362,624
Minot State University				
Total all funds	$3,535,000	$36,371,001	$56,718	$36,427,719
Less estimated income	3,535,000	8,535,000		8,535,000
General fund	$0	$27,836,001	$56,718	$27,892,719
Valley City State University				
Total all funds	$282,000	$12,357,687	($10,745)	$12,346,942
Less estimated income	32,000	32,000		32,000
General fund	$250,000	$12,325,687	($10,745)	$12,314,942
Minot State University - Bottineau				
Total all funds	$0	$7,948,210	($4,025)	$7,944,185
Less estimated income		3,500,000		3,500,000
General fund	$0	$4,448,210	($4,025)	$4,444,185
Forest Service				
Total all funds	$3,029,654	$3,029,654	($2,370)	$3,027,284
Less estimated income	975,001	975,001		975,001
General fund	$2,054,653	$2,054,653	($2,370)	$2,052,283
Bill Total				
Total all funds	$499,530,618	$548,791,564	$3,644,826	$552,436,390
Less estimated income	111,292,551	162,403,497	2,750,000	165,153,497
General fund	$388,238,067	$386,388,067	$894,826	$387,282,893

Senate Bill No. 2003 - Legislative Council - House Action

	EXECUTIVE BUDGET	SENATE VERSION	HOUSE CHANGES	HOUSE VERSION
Operating expenses			$175,000	$175,000
Total all funds	$0	$0	$175,000	$175,000
Less estimated income				
General fund	$0	$0	$175,000	$175,000
FTE	0.00	0.00	0.00	0.00

Dept. 160 - Legislative Council - Detail of House Changes

	PROVIDES FUNDING FOR A HIGHER EDUCATION STUDY [1]	TOTAL HOUSE CHANGES
Operating expenses	$175,000	$175,000
Total all funds	$175,000	$175,000
Less estimated income		
General fund	$175,000	$175,000
FTE	0.00	0.00

1 This amendment provides for a Legislative Council study of higher education funding and accountability and provides a $175,000 general fund appropriation to the Legislative Council for the purpose of conducting the study.

Senate Bill No. 2003 - General Fund Summary

	EXECUTIVE BUDGET	SENATE VERSION	HOUSE CHANGES	HOUSE VERSION
University System office	$385,589,539	$57,134,575	$360,036	$57,494,611
Bismarck State College		17,125,503	(16,474)	17,109,029
Lake Region State College	343,875	5,781,644	(4,118)	5,777,526
Williston State College		5,845,369	84,103	5,929,472
University of North Dakota		94,929,124	108,023	95,037,147
UND Medical Center		31,375,828	(14,826)	31,361,002
North Dakota State University		77,559,625	(62,749)	77,496,876
State College of Science		25,762,156	(21,996)	25,740,160
Dickinson State University		14,989,206	106,111	15,095,317
Mayville State University		9,220,486	142,138	9,362,624
Minot State University		27,836,001	56,718	27,892,719
Valley City State University	250,000	12,325,687	(10,745)	12,314,942
Minot State University - Bottineau		4,448,210	(4,025)	4,444,185
Forest Service	2,054,653	2,054,653	(2,370)	2,052,283
Total general fund	$388,238,067	$386,388,067	$719,826	$387,107,893

Detail of House Changes to the General Fund

	REDUCES RECOMMENDED FUNDING FOR HEALTH INSURANCE	REALLOCATES FUNDING FOR BOARD INITIATIVES [1]	INCREASES FUNDING FOR BOARD INITIATIVES	DECREASES FUNDING FOR COMMON INFORMATION SERVICES	DECREASES FUNDING FOR OPERATIONS POOL	DECREASES FUNDING FOR STUDENT FINANCIAL ASSISTANCE GRANTS
University System office	($13,280)	($185,000)	$269,060	($400,000)	($189,858)	($1,271,886)
Bismarck State College	(16,474)					
Lake Region State College	(4,118)					
Williston State College	(5,897)					
University of North Dakota	(76,977)	185,000				
UND Medical Center	(14,826)					
North Dakota State University	(62,749)					
State College of Science	(21,996)					
Dickinson State University	(13,715)					
Mayville State University	(7,862)					
Minot State University	(23,282)					
Valley City State University	(10,745)					
Minot State University - Bottineau	(4,025)					
Forest Service	(2,370)					
Total general fund	($278,316)	$0	$269,060	($400,000)	($189,858)	($1,271,886)

	INCREASES FUNDING FOR FOR PROFESSIONAL STUDENT EXCHANGE PROGRAM [2]	PROVIDES FUNDING FOR AN EQUITY POOL [3]	INCREASES FUNDING FOR OPERATIONS [4]	PROVIDES FUNDING FOR EXTRAORDINARY REPAIRS [5]	PROVIDES FUNDING FOR A MAJOR CAPITAL PROJECT [6]	TOTAL GENERAL FUND CHANGES
University System office	$151,000	$2,000,000				$360,036
Bismarck State College						(16,474)
Lake Region State College						(4,118)
Williston State College				$90,000		84,103
University of North Dakota						108,023
UND Medical Center						(14,826)
North Dakota State University						(62,749)
State College of Science						(21,996)
Dickinson State University			$119,826			106,111
Mayville State University				150,000		142,138
Minot State University				80,000		56,718
Valley City State University						(10,745)
Minot State University - Bottineau						(4,025)
Forest Service						(2,370)
Total general fund	$151,000	$2,000,000	$119,826	$320,000	$0	$719,826

Senate Bill No. 2003 - Other Funds Summary

	EXECUTIVE BUDGET	SENATE VERSION	HOUSE CHANGES	HOUSE VERSION
University System office	$2,337,276	$2,337,276		$2,337,276
Bismarck State College	2,302,800	3,745,300		3,745,300
Lake Region State College				
Williston State College	6,910,000	6,910,000	$1,050,000	7,960,000
University of North Dakota	54,331,554	95,500,000		95,500,000
UND Medical Center				
North Dakota State University	34,000,000	34,000,000		34,000,000
State College of Science	368,920	368,920	1,700,000	2,068,920
Dickinson State University	5,000,000	5,000,000		5,000,000
Mayville State University	1,500,000	1,500,000		1,500,000
Minot State University	3,535,000	8,535,000		8,535,000

Valley City State University	32,000	32,000		32,000
Minot State University - Bottineau		3,500,000		3,500,000
Forest Service	975,001	975,001		975,001
Total other funds	$111,292,551	$162,403,497	$2,750,000	$165,153,497

Detail of House Changes to Other Funds

	REDUCES RECOMMENDED FUNDING FOR HEALTH INSURANCE	REALLOCATES FUNDING FOR BOARD INITIATIVES [1]	INCREASES FUNDING FOR BOARD INITIATIVES	DECREASES FUNDING FOR COMMON INFORMATION SERVICES	DECREASES FUNDING FOR OPERATIONS POOL	DECREASES FUNDING FOR STUDENT FINANCIAL ASSISTANCE GRANTS
University System office						
Bismarck State College						
Lake Region State College						
Williston State College						
University of North Dakota						
UND Medical Center						
North Dakota State University						
State College of Science						
Dickinson State University						
Mayville State University						
Minot State University						
Valley City State University						
Minot State University - Bottineau						
Forest Service						
Total other funds	$0	$0	$0	$0	$0	$0

	INCREASES FUNDING FOR THE PROFESSIONAL STUDENT EXCHANGE PROGRAM [2]	PROVIDES FUNDING FOR AN EQUITY POOL [3]	INCREASES FUNDING FOR OPERATIONS [4]	PROVIDES FUNDING FOR EXTRAORDINARY REPAIRS [5]	PROVIDES FUNDING FOR A MAJOR CAPITAL PROJECT [6]	TOTAL OTHER FUNDS CHANGES
University System office						
Bismarck State College						
Lake Region State College					$1,050,000	$1,050,000
Williston State College						
University of North Dakota						
UND Medical Center						
North Dakota State University					1,700,000	1,700,000
State College of Science						
Dickinson State University						
Mayville State University						
Minot State University						
Valley City State University						
Minot State University - Bottineau						
Forest Service						
Total other funds	$0	$0	$0	$0	$2,750,000	$2,750,000

Senate Bill No. 2003 - All Funds Summary

	EXECUTIVE BUDGET	SENATE VERSION	HOUSE CHANGES	HOUSE VERSION
University System office	$387,926,815	$59,471,851	$360,036	$59,831,887
Bismarck State College	2,302,800	20,870,803	(16,474)	20,854,329
Lake Region State College	343,875	5,781,644	(4,118)	5,777,526
Williston State College	6,910,000	12,755,369	1,134,103	13,889,472
University of North Dakota	54,331,554	190,429,124	108,023	190,537,147
UND Medical Center		31,375,828	(14,826)	31,361,002
North Dakota State University	34,000,000	11,559,625	(62,749)	111,496,876
State College of Science	368,920	26,131,076	1,678,004	27,809,080
Dickinson State University	5,000,000	19,989,206	106,111	20,095,317
Mayville State University	1,500,000	10,720,486	142,138	10,862,624
Minot State University	3,535,000	36,371,001	56,718	36,427,719
Valley City State University	282,000	12,357,687	(10,745)	12,346,942
Minot State University - Bottineau		7,948,210	(4,025)	7,944,185
Forest Service	3,029,654	3,029,654	(2,370)	3,027,284
Total all funds	$499,530,618	$548,791,564	$3,469,826	$552,261,390
FTE	2196.67	2196.67	1.00	2197.67

Detail of House Changes to All Funds

	REDUCES RECOMMENDED FUNDING FOR HEALTH INSURANCE	REALLOCATES FUNDING FOR BOARD INITIATIVES [1]	INCREASES FUNDING FOR BOARD INITIATIVES	DECREASES FUNDING FOR COMMON INFORMATION SERVICES	DECREASES FUNDING FOR OPERATIONS POOL	DECREASES FUNDING FOR STUDENT FINANCIAL ASSISTANCE GRANTS
University System office	($13,280)	($185,000)	$269,060	($400,000)	($189,858)	($1,271,886)
Bismarck State College	(16,474)					
Lake Region State College	(4,118)					
Williston State College	(5,897)					
University of North Dakota	(76,977)	185,000				
UND Medical Center	(14,826)					
North Dakota State University	(62,749)					
State College of Science	(21,996)					
Dickinson State University	(13,715)					
Mayville State University	(7,862)					
Minot State University	(23,282)					
Valley City State University	(10,745)					
Minot State University - Bottineau	(4,025)					
Forest Service	(2,370)					
Total all funds	($278,316)	$0	$269,060	($400,000)	($189,858)	($1,271,886)
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	INCREASES FUNDING FOR THE PROFESSIONAL STUDENT EXCHANGE PROGRAM [2]	PROVIDES FUNDING FOR AN EQUITY POOL [3]	INCREASES FUNDING FOR OPERATIONS [4]	PROVIDES FUNDING FOR EXTRAORDINARY REPAIRS [5]	PROVIDES FUNDING FOR A MAJOR CAPITAL PROJECT [6]	TOTAL ALL FUNDS CHANGES
University System office	$151,000	$2,000,000				$360,036
Bismarck State College						(16,474)
Lake Region State College						(4,118)
Williston State College				$90,000	$1,050,000	1,134,103
University of North Dakota						108,023
UND Medical Center						(14,826)
North Dakota State University						(62,749)
State College of Science					1,700,000	1,678,004
Dickinson State University			$119,826			106,111
Mayville State University				150,000		142,138
Minot State University				80,000		56,718
Valley City State University						(10,745)
Minot State University - Bottineau						(4,025)
Forest Service						(2,370)
Total all funds	$151,000	$2,000,000	$119,826	$320,000	$2,750,000	$3,469,826
FTE	0.00	0.00	1.00	0.00	0.00	1.00

1 This amendment reduces the board initiatives line item by $185,000 and increases the University of North Dakota's operations line by $185,000 relating to the North Dakota University System's Arts and Humanities Summit ($10,000) and Alcohol Consortium ($175,000) which the University of North Dakota acts as the fiscal agent.

2 This amendment increases funding for the professional student exchange program by $151,000 from the general fund to fund 3 additional veterinary medicine slots.

3 This amendment provides a $2,000,000 general fund appropriation for an equity pool to be allocated to higher education institutions by the State Board of Higher Education. The State Board of Higher Education may not select a formula for distributing the funding or distribute the funding until January 1, 2006. A representative of the board shall provide a report to the Budget Section regarding the allocation of the equity pool.

4 This amendment increases funding for the operations of Dickinson State University by $119,826 from the general fund and authorizes 1 FTE position for custodial services and utility costs associated with the addition to Murphy Hall.

5 Williston State College - This amendment provides funding of $90,000 from the general fund for extraordinary repair needs in Stevens Hall.

Mayville State University - This amendment provides funding of $150,000 from the general fund for extraordinary repair needs in Old Main.

Minot State University - This amendment provides funding of $80,000 from the general fund for extraordinary repair needs in the student union ballroom

6 Williston State College - This amendment provides Williston State College with a $1,050,000 special funds appropriation for an oil well training site on campus.

State College of Science - This amendment increases the capital assets line item for the State College of Science by $1.7 million from special funds for renovating the college's football stadium and track.

Senate Bill No. 2003 - Other Changes - House Action

This amendment also:

- Removes Section 9 of the engrossed bill relating to student financial assistance grants.

- Provides for $150,000 of the funding appropriated for education incentive programs to be provided to private baccalaureate degree-granting institutions for doctoral incentives.
- Removes Section 19 of the engrossed bill providing for a performance audit of the University of North Dakota School of Medicine and Health Sciences.
- Adds a new section relating to the Career and Technology Institute at Bismarck State College.
- Adds a new section relating to student exchange programs.
- Adds a new section amending North Dakota Century Code Section 15-62.2-01 to provide for the allocation of funding appropriated for the student financial assistance program.

Date: 3.29.05
Roll Call Vote #: #1

2005 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. SB2003 Amendment

House Appropriations Education and Environment

☐ Check here for Conference Committee

Legislative Council Amendment Number 58003.0214 Sect. 9; pg 5

Action Taken Do Pass

Motion Made By Rep. Brusegaard Seconded By Rep. Wald

Representatives	Yes	No	Representatives	Yes	No
Chairman Martinson	L		Rep. Aarsvold	L	
Vice Chairman Brusegaard	L		Rep. Gulleson		L
Rep. Rennerfeldt	L				
Rep. Wald	L				
.					

Total 6 (Yes) 5 No 1

Absent 0

Floor Assignment

If the vote is on an amendment, briefly indicate intent:

Section 9, pg 5 of Amendment 58003.0214

Date: 3.29.05
Roll Call Vote #: #2

2005 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. SB 2003

House Appropriations Education and Environment

☐ Check here for Conference Committee

Legislative Council Amendment Number 58003.0214

Action Taken Do Pass As Amended

Motion Made By Rep. Brusegaard Seconded By Rep. Wald

Representatives	Yes	No	Representatives	Yes	No
Chairman Martinson	✓		Rep. Aarsvold	✓	
Vice Chairman Brusegaard	✓		Rep. Gulleson	✓	
Rep. Rennerfeldt	✓				
Rep. Wald	✓				
.					

Total 6 (Yes) 6 No 0

Absent 0

Floor Assignment Rep. Brusegaard

If the vote is on an amendment, briefly indicate intent:

Date: **March 30, 2005**
Roll Call Vote #: **1**

2005 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. SB2003

House Appropriations - Full Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number 58003.0214

Action Taken **DO PASS AS AMENDED**

Motion Made By **Rep Martinson** Seconded By **Rep Wald**

Representatives	Yes	No	Representatives	Yes	No
Rep. Ken Svedjan, Chairman	X		Rep. Bob Skarphol		X
Rep. Mike Timm, Vice Chairman	X		Rep. David Monson	X	
Rep. Bob Martinson	X		Rep. Eliot Glassheim	X	
Rep. Tom Brusegaard	X		Rep. Jeff Delzer		X
Rep. Earl Rennerfeldt	X		Rep. Chet Pollert	X	
Rep. Francis J. Wald	X		Rep. Larry Bellew		X
Rep. Ole Aarsvold	X		Rep. Alon C. Wieland	X	
Rep. Pam Gulleson	X		Rep. James Kerzman	X	
Rep. Ron Carlisle	X		Rep. Ralph Metcalf	X	
Rep. Keith Kempenich	X				
Rep. Blair Thoreson	X				
Rep. Joe Kroeber	X				
Rep. Clark Williams	X				
Rep. Al Carlson		X			

Total Yes **19** No **4**

Absent **0**

Floor Assignment **Rep Wald**

If the vote is on an amendment, briefly indicate intent:

This bill was reconsidered on the same day to add an emergancy clause, but it was unnecessary since it was already in the #0214 amendment. It was just requested that the legislative intent for the money to go to the Colorado institution be entered into the minutes.

REPORT OF STANDING COMMITTEE

SB 2003, as engrossed: Appropriations Committee (Rep. Svedjan, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (19 YEAS, 4 NAYS, 0 ABSENT AND NOT VOTING). Engrossed SB 2003 was placed on the Sixth order on the calendar.

Page 1, line 3, replace "a report" with "reports"

Page 1, line 4, replace "performance audit of the university of North Dakota school of medicine" with "legislative council study; to amend and reenact section 15-62.2-01 of the North Dakota Century Code, relating to student financial assistance grants"

Page 1, line 5, remove "and health sciences"

Page 5, line 11, replace "1,130,634" with "1,214,694"

Page 5, line 12, replace "1,047,862" with "1,045,572"

Page 5, line 13, replace "(4,115,556)" with "(4,526,546)"

Page 5, after line 13, insert:

"Operations pool	(189,858)
Equity pool	2,000,000"

Page 5, line 16, replace "1,846,073" with "574,187"

Page 5, line 17, replace "35,480" with "186,480"

Page 5, line 21, replace "($1,002,386)" with "($642,350)"

Page 5, line 23, replace "515,845" with "875,881"

Page 5, line 26, replace "769,695" with "753,221"

Page 5, line 28, replace "($519,024)" with "($535,498)"

Page 5, line 30, replace "763,176" with "746,702"

Page 6, line 2, replace "361,425" with "357,307"

Page 6, line 4, replace "329,131" with "325,013"

Page 6, line 6, replace "704,131" with "700,013"

Page 6, line 9, replace "371,523" with "365,626"

Page 6, line 10, replace "6,907,685" with "8,047,685"

Page 6, line 11, replace "7,279,208" with "8,413,311"

Page 6, line 12, replace "6,910,000" with "7,960,000"

Page 6, line 13, replace "369,208" with "453,311"

Page 6, line 16, replace "8,070,453" with "8,178,476"

Page 6, line 18, replace "9,108,862" with "9,216,885"

Page 6, line 20, replace "8,008,862" with "8,116,885"

Page 6, line 23, replace "8,290,440" with "8,227,691"

Page 6, line 25, replace "($17,754,865)" with "($17,817,614)"

Page 6, line 27, replace "8,245,135" with "8,182,386"

Page 6, line 30, replace "1,072,000" with "1,050,004"

Page 6, line 31, replace "(3,320,168)" with "(1,620,168)"

Page 7, line 1, replace "($2,248,168)" with "($570,164)"

Page 7, line 2, replace "(3,300,000)" with "(1,600,000)"

Page 7, line 3, replace "1,051,832" with "1,029,836"

Page 7, line 6, replace "1,006,685" with "1,112,796"

Page 7, line 8, replace "($4,885,634)" with "($4,779,523)"

Page 7, line 10, replace "996,413" with "1,102,524"

Page 7, line 13, replace "409,157" with "401,295"

Page 7, line 14, replace "(4,060,595)" with "(3,910,595)"

Page 7, line 15, replace "($3,651,438)" with "($3,509,300)"

Page 7, line 17, replace "353,562" with "495,700"

Page 7, line 20, replace "1,469,553" with "1,446,271"

Page 7, line 21, replace "3,519,020" with "3,599,020"

Page 7, line 22, replace "4,988,573" with "5,045,291"

Page 7, line 24, replace "1,453,573" with "1,510,291"

Page 7, line 27, replace "512,599" with "501,854"

Page 7, line 29, replace "($3,297,619)" with "($3,308,364)"

Page 7, line 31, replace "755,681" with "744,936"

Page 8, line 3, replace "235,629" with "231,604"

Page 8, line 5, replace "3,635,691" with "3,631,666"

Page 8, line 7, replace "135,691" with "131,666"

Page 8, line 10, replace "1,209,963" with "1,195,137"

Page 8, line 11, replace "1,209,963" with "1,195,137"

Page 8, line 15, replace "213,000" with "210,630"

Page 8, line 16, replace "168,577" with "166,207"

Page 8, line 18, replace "283,577" with "281,207"

Page 8, line 19, replace "24,846,649" with "25,566,475"

Page 8, line 20, replace "($31,485,778)" with "($28,735,778)"

Page 8, line 21, replace "($6,639,129)" with "($3,169,303)"

Page 9, line 3, after "initiatives" insert "- New" and replace "1,615,940" with "1,700,000"

Page 9, line 4, replace "5,520,712" with "5,518,422"

Page 9, line 6, replace "20,974,083" with "20,563,093"

Page 9, line 7, replace "578,417" with "388,559"

Page 9, after line 7, insert:
"Equity pool 2,000,000"

Page 9, line 10, replace "4,776,288" with "3,504,402"

Page 9, line 11, replace "1,713,780" with "1,864,780"

Page 9, line 15, replace "59,471,851" with "59,831,887"

Page 9, line 17, replace "57,134,575" with "57,494,611"

Page 9, line 20, replace "16,882,022" with "16,865,548"

Page 9, line 22, replace "17,628,303" with "17,611,829"

Page 9, line 24, replace "17,125,503" with "17,109,029"

Page 9, line 27, replace "5,394,107" with "5,389,989"

Page 9, line 29, replace "5,781,644" with "5,777,526"

Page 10, line 1, replace "5,758,894" with "5,752,997"

Page 10, line 2, replace "6,996,475" with "8,136,475"

Page 10, line 3, replace "12,755,369" with "13,889,472"

Page 10, line 4, replace "6,910,000" with "7,960,000"

Page 10, line 5, replace "5,845,369" with "5,929,472"

Page 10, line 8, replace "92,628,579" with "92,736,602"

Page 10, line 10, replace "149,329,124" with "149,437,147"

Page 10, line 12, replace "94,929,124" with "95,037,147"

Page 10, line 15, replace "75,867,399" with "75,804,650"

Page 10, line 17, replace "77,559,625" with "77,496,876"

Page 10, line 20, replace "25,008,824" with "24,986,828"

Page 10, line 21, replace "1,122,252" with "2,822,252"

Page 10, line 22, replace "26,131,076" with "27,809,080"

Page 10, line 23, replace "368,920" with "2,068,920"

Page 10, line 24, replace "25,762,156" with "25,740,160"

Page 10, line 27, replace "14,605,516" with "14,711,627"

Page 10, line 29, replace "19,989,206" with "20,095,317"

Page 10, line 31, replace "14,989,206" with "15,095,317"

Page 11, line 3, replace "9,011,492" with "9,003,630"

Page 11, line 4, replace "1,708,994" with "1,858,994"

Page 11, line 5, replace "10,720,486" with "10,862,624"

Page 11, line 7, replace "9,220,486" with "9,362,624"

Page 11, line 10, replace "27,239,131" with "27,215,849"

Page 11, line 11, replace "4,131,870" with "4,211,870"

Page 11, line 12, replace "31,371,001" with "31,427,719"

Page 11, line 14, replace "27,836,001" with "27,892,719"

Page 11, line 17, replace "11,817,271" with "11,806,526"

Page 11, line 19, replace "12,357,687" with "12,346,942"

Page 11, line 21, replace "12,325,687" with "12,314,942"

Page 11, line 24, replace "4,338,485" with "4,334,460"

Page 11, line 26, replace "7,948,210" with "7,944,185"

Page 11, line 28, replace "4,448,210" with "4,444,185"

Page 12, line 1, replace "31,375,828" with "31,361,002"

Page 12, line 2, replace "31,375,828" with "31,361,002"

Page 12, line 6, replace "2,928,016" with "2,925,646"

Page 12, line 7, replace "3,029,654" with "3,027,284"

Page 12, line 9, replace "2,054,653" with "2,052,283"

Page 12, line 10, replace "386,388,067" with "387,107,893"

Page 12, line 11, replace "79,060,997" with "81,810,997"

Page 12, line 12, replace "465,449,064" with "468,918,890"

Page 12, line 13, replace "386,388,067" with "387,282,893"

Page 12, line 14, replace "162,403,497" with "165,153,497"

Page 12, line 15, replace "548,791,564" with "552,436,390"

Page 12, line 16, after "**INITIATIVES**" insert "**- NEW**" and replace "$1,615,940" with "$1,700,000"

Page 13, replace lines 12 through 16 with:

"**SECTION 9. EQUITY POOL - REPORT TO THE BUDGET SECTION.** The sum of $2,000,000, or so much of the sum as may be necessary, included in the equity pool line item in subdivision 1 of section 3 of this Act, must be used to address equity at higher education institutions as determined by the state board of higher education. The state board of higher education may not select a formula for distributing the funding or distribute the funding until January 1, 2006. A representative of the board shall provide a report to the budget section regarding the allocation of the equity pool. Funding allocations may be used as determined by the institutions but the allocations must be considered equity for budgetary purposes."

Page 13, line 17, after "The" insert "sum of $150,000 of the"

Page 13, line 18, replace the comma with "must be allocated to private baccalaureate degree-granting institutions offering doctorate programs for doctoral incentives. The remainder of the funding"

Page 13, line 31, after the period insert "Twenty-five percent of the additional funds must be used for student financial assistance grants for students at private baccalaureate degree-granting institutions."

Page 15, remove lines 26 through 31

Page 16, remove lines 1 and 2

Page 17, after line 17, insert:

"**SECTION 21. BISMARCK STATE COLLEGE CAREER AND TECHNOLOGY INSTITUTE.** The state board of higher education may enter into an agreement or agreements with the Bismarck state college foundation or other private entity and do all things necessary and proper to authorize construction by the foundation or other private entity of a building on the Bismarck state college campus, using state funds, federal funds, donations, gifts, or other private funds.

SECTION 22. LEGISLATIVE INTENT - STUDENT EXCHANGE PROGRAMS. It is the intent of the fifty-ninth legislative assembly that the state board of higher education consider allowing related faculty members and practicing professionals in the related fields in the state to assist in the selection of students awarded funding through the student exchange program and consider investigating options of entering contracts with other higher education institutions for providing opportunities for students to

complete professional fields of study not offered through the North Dakota university system, specifically other institutions granting professional degrees targeting critical shortages in large animal veterinary practice.

SECTION 23. LEGISLATIVE COUNCIL STUDY OF HIGHER EDUCATION FUNDING AND ACCOUNTABILITY. The legislative council shall consider studying higher education funding and accountability during the 2005-06 interim. If conducted, the study should include a review of the progress made in implementing the higher education roundtable recommendations relating to the university system meeting the state's expectations and needs, the funding methodology needed to meet these expectations and needs, and the appropriate accountability and reporting system for the North Dakota university system. The review should include an independent consultant's evaluation of:

1. The roundtable recommendations and the goals and objectives of the North Dakota university system;

2. The long-term financing plan for the North Dakota university system, including a review of the peer institutions selected and updated funding comparisons;

3. The North Dakota university system's prioritization of higher education funding, including the resource allocation mechanism addressing equity funding issues and the funding for initiatives at North Dakota's colleges and universities; and

4. The accountability mechanisms.

The study should be conducted and the consultant selected with input from the state board of higher education. The independent consultant selected to do the evaluation shall possess a national reputation and experience in higher education governance and funding and management in multicampus public university systems.

The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixtieth legislative assembly.

SECTION 24. APPROPRIATION. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of $175,000 or so much of the sum as may be necessary, to the legislative council for the purpose of conducting the higher education study as provided for in this Act, for the biennium beginning July 1, 2005, and ending June 30, 2007. The legislative council may receive any other funds available for conducting the study and such funds are hereby appropriated.

SECTION 25. AMENDMENT. Section 15-62.2-01 of the North Dakota Century Code is amended and reenacted as follows:

15-62.2-01. Student financial assistance and scholars programs - Establishment - Administrative responsibility. The North Dakota student financial assistance and scholars programs are established to provide grants or scholarships, or both, to assist the following students:

1. Resident undergraduate students pursuant to section 15-10-19.1.

2. North Dakota resident students who have attended and graduated from a high school in a bordering state pursuant to section 15-40.2-10, who are

attending qualified institutions of postsecondary education within North Dakota.

3. North Dakota resident students who, because of physical or mental handicap as certified by a physician, are attending postsecondary institutions out of state due to the lack of special services or facilities, or both, necessary to meet the postsecondary educational needs of the handicapped students within North Dakota.

4. Scholars who qualify and are selected for scholarships pursuant to sections 15-62.2-00.1 and 15-62.2-03.1 through 15-62.2-03.5.

A student must be in substantial need of financial assistance to receive grants under the student financial assistance program. The state board of higher education shall administer the student financial assistance program and the scholars program. At least twenty-five percent of the funds appropriated for the student financial assistance program must be allocated to students at private baccalaureate degree-granting institutions with the remaining funds allocated to students at public and American Indian institutions."

Page 17, line 18, after "assets" insert ", professional student exchange program,"

Page 17, line 19, replace "20" with "19"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2003 - Summary of House Action

	EXECUTIVE BUDGET	SENATE VERSION	HOUSE CHANGES	HOUSE VERSION
Legislative Council				
Total all funds	$0	$0	$175,000	$175,000
Less estimated income				
General fund	$0	$0	$175,000	$175,000
University System office				
Total all funds	$387,926,815	$59,471,851	$360,036	$59,831,887
Less estimated income	2,337,276	2,337,276		2,337,276
General fund	$385,589,539	$57,134,575	$360,036	$57,494,611
Bismarck State College				
Total all funds	$2,302,800	$20,870,803	($16,474)	$20,854,329
Less estimated income	2,302,800	3,745,300		3,745,300
General fund	$0	$17,125,503	($16,474)	$17,109,029
Lake Region State College				
Total all funds	$343,875	$5,781,644	($4,118)	$5,777,526
Less estimated income				
General fund	$343,875	$5,781,644	($4,118)	$5,777,526
Williston State College				
Total all funds	$6,910,000	$12,755,369	$1,134,103	$13,889,472
Less estimated income	6,910,000	6,910,000	1,050,000	7,960,000
General fund	$0	$5,845,369	$84,103	$5,929,472
University of North Dakota				
Total all funds	$54,331,554	$190,429,124	$108,023	$190,537,147
Less estimated income	54,331,554	95,500,000		95,500,000
General fund	$0	$94,929,124	$108,023	$95,037,147
UND Medical Center				
Total all funds	$0	$31,375,828	($14,826)	$31,361,002
Less estimated income				
General fund	$0	$31,375,828	($14,826)	$31,361,002
North Dakota State University				
Total all funds	$34,000,000	$111,559,625	($62,749)	$111,496,876

Less estimated income	34,000,000	34,000,000		34,000,000
General fund	$0	$77,559,625	($62,749)	$77,496,876
State College of Science				
Total all funds	$368,920	$26,131,076	$1,678,004	$27,809,080
Less estimated income	368,920	368,920	1,700,000	2,068,920
General fund	$0	$25,762,156	($21,996)	$25,740,160
Dickinson State University				
Total all funds	$5,000,000	$19,989,206	$106,111	$20,095,317
Less estimated income	5,000,000	5,000,000		5,000,000
General fund	$0	$14,989,206	$106,111	$15,095,317
Mayville State University				
Total all funds	$1,500,000	$10,720,486	$142,138	$10,862,624
Less estimated income	1,500,000	1,500,000		1,500,000
General fund	$0	$9,220,486	$142,138	$9,362,624
Minot State University				
Total all funds	$3,535,000	$36,371,001	$56,718	$36,427,719
Less estimated income	3,535,000	8,535,000		8,535,000
General fund	$0	$27,836,001	$56,718	$27,892,719
Valley City State University				
Total all funds	$282,000	$12,357,687	($10,745)	$12,346,942
Less estimated income	32,000	32,000		32,000
General fund	$250,000	$12,325,687	($10,745)	$12,314,942
Minot State University - Bottineau				
Total all funds	$0	$7,948,210	($4,025)	$7,944,185
Less estimated income		3,500,000		3,500,000
General fund	$0	$4,448,210	($4,025)	$4,444,185
Forest Service				
Total all funds	$3,029,654	$3,029,654	($2,370)	$3,027,284
Less estimated income	975,001	975,001		975,001
General fund	$2,054,653	$2,054,653	($2,370)	$2,052,283
Bill Total				
Total all funds	$499,530,618	$548,791,564	$3,644,826	$552,436,390
Less estimated income	111,292,551	162,403,497	2,750,000	165,153,497
General fund	$388,238,067	$386,388,067	$894,826	$387,282,893

Senate Bill No. 2003 - Legislative Council - House Action

	EXECUTIVE BUDGET	SENATE VERSION	HOUSE CHANGES	HOUSE VERSION
Operating expenses			$175,000	$175,000
Total all funds	$0	$0	$175,000	$175,000
Less estimated income				
General fund	$0	$0	$175,000	$175,000
FTE	0.00	0.00	0.00	0.00

Dept. 160 - Legislative Council - Detail of House Changes

	PROVIDES FUNDING FOR A HIGHER EDUCATION STUDY [1]	TOTAL HOUSE CHANGES
Operating expenses	$175,000	$175,000
Total all funds	$175,000	$175,000
Less estimated income		
General fund	$175,000	$175,000
FTE	0.00	0.00

[1] This amendment provides for a Legislative Council study of higher education funding and accountability and provides a $175,000 general fund appropriation to the Legislative Council for the purpose of conducting the study.

Senate Bill No. 2003 - General Fund Summary

	EXECUTIVE BUDGET	SENATE VERSION	HOUSE CHANGES	HOUSE VERSION
University System office	$385,589,539	$57,134,575	$360,036	$57,494,611
Bismarck State College		17,125,503	(16,474)	17,109,029
Lake Region State College	343,875	5,781,644	(4,118)	5,777,526
Williston State College		5,845,369	84,103	5,929,472
University of North Dakota		94,929,124	108,023	95,037,147
UND Medical Center		31,375,828	(14,826)	31,361,002
North Dakota State University		77,559,625	(62,749)	77,496,876
State College of Science		25,762,156	(21,996)	25,740,160
Dickinson State University		14,989,206	106,111	15,095,317
Mayville State University		9,220,486	142,138	9,362,624
Minot State University		27,836,001	56,718	27,892,719
Valley City State University	250,000	12,325,687	(10,745)	12,314,942
Minot State University - Bottineau		4,448,210	(4,025)	4,444,185
Forest Service	2,054,653	2,054,653	(2,370)	2,052,283
Total general fund	$388,238,067	$386,388,067	$719,826	$387,107,893

Detail of House Changes to the General Fund

	REDUCES RECOMMENDED FUNDING FOR HEALTH INSURANCE	REALLOCATES FUNDING FOR BOARD INITIATIVES [1]	INCREASES FUNDING FOR BOARD INITIATIVES	DECREASES FUNDING FOR COMMON INFORMATION SERVICES	DECREASES FUNDING FOR OPERATIONS POOL	DECREASES FUNDING FOR STUDENT FINANCIAL ASSISTANCE GRANTS
University System office	($13,280)	($185,000)	$269,060	($400,000)	($189,858)	($1,271,886)
Bismarck State College	(16,474)					
Lake Region State College	(4,118)					
Williston State College	(5,897)					
University of North Dakota	(76,977)	185,000				
UND Medical Center	(14,826)					
North Dakota State University	(62,749)					
State College of Science	(21,996)					
Dickinson State University	(13,715)					
Mayville State University	(7,862)					
Minot State University	(23,282)					
Valley City State University	(10,745)					
Minot State University - Bottineau	(4,025)					
Forest Service	(2,370)					
Total general fund	($278,316)	$0	$269,060	($400,000)	($189,858)	($1,271,886)

	INCREASES FUNDING FOR FOR PROFESSIONAL STUDENT EXCHANGE PROGRAM [2]	PROVIDES FUNDING FOR AN EQUITY POOL [3]	INCREASES FUNDING FOR OPERATIONS [4]	PROVIDES FUNDING FOR EXTRAORDINARY REPAIRS [5]	PROVIDES FUNDING FOR A MAJOR CAPITAL PROJECT [6]	TOTAL GENERAL FUND CHANGES
University System office	$151,000	$2,000,000				$360,036
Bismarck State College						(16,474)
Lake Region State College						(4,118)
Williston State College				$90,000		84,103
University of North Dakota						108,023
UND Medical Center						(14,826)
North Dakota State University						(62,749)
State College of Science						(21,996)
Dickinson State University			$119,826			106,111
Mayville State University				150,000		142,138
Minot State University				80,000		56,718
Valley City State University						(10,745)
Minot State University - Bottineau						(4,025)
Forest Service						(2,370)
Total general fund	$151,000	$2,000,000	$119,826	$320,000	$0	$719,826

Senate Bill No. 2003 - Other Funds Summary

	EXECUTIVE BUDGET	SENATE VERSION	HOUSE CHANGES	HOUSE VERSION
University System office	$2,337,276	$2,337,276		$2,337,276
Bismarck State College	2,302,800	3,745,300		3,745,300
Lake Region State College				
Williston State College	6,910,000	6,910,000	$1,050,000	7,960,000

University of North Dakota	54,331,554	95,500,000		95,500,000
UND Medical Center				
North Dakota State University	34,000,000	34,000,000		34,000,000
State College of Science	368,920	368,920	1,700,000	2,068,920
Dickinson State University	5,000,000	5,000,000		5,000,000
Mayville State University	1,500,000	1,500,000		1,500,000
Minot State University	3,535,000	8,535,000		8,535,000
Valley City State University	32,000	32,000		32,000
Minot State University - Bottineau		3,500,000		3,500,000
Forest Service	975,001	975,001		975,001
Total other funds	$111,292,551	$162,403,497	$2,750,000	$165,153,497

Detail of House Changes to Other Funds

	REDUCES RECOMMENDED FUNDING FOR HEALTH INSURANCE	REALLOCATES FUNDING FOR BOARD INITIATIVES [1]	INCREASES FUNDING FOR BOARD INITIATIVES	DECREASES FUNDING FOR COMMON INFORMATION SERVICES	DECREASES FUNDING FOR OPERATIONS POOL	DECREASES FUNDING FOR STUDENT FINANCIAL ASSISTANCE GRANTS
University System office						
Bismarck State College						
Lake Region State College						
Williston State College						
University of North Dakota						
UND Medical Center						
North Dakota State University						
State College of Science						
Dickinson State University						
Mayville State University						
Minot State University						
Valley City State University						
Minot State University - Bottineau						
Forest Service						
Total other funds	$0	$0	$0	$0	$0	$0

	INCREASES FUNDING FOR THE PROFESSIONAL STUDENT EXCHANGE PROGRAM [2]	PROVIDES FUNDING FOR AN EQUITY POOL [3]	INCREASES FUNDING FOR OPERATIONS [4]	PROVIDES FUNDING FOR EXTRAORDINARY REPAIRS [5]	PROVIDES FUNDING FOR A MAJOR CAPITAL PROJECT [6]	TOTAL OTHER FUNDS CHANGES
University System office						
Bismarck State College						
Lake Region State College						
Williston State College					$1,050,000	$1,050,000
University of North Dakota						
UND Medical Center						
North Dakota State University						
State College of Science					1,700,000	1,700,000
Dickinson State University						
Mayville State University						
Minot State University						
Valley City State University						
Minot State University - Bottineau						
Forest Service						
Total other funds	$0	$0	$0	$0	$2,750,000	$2,750,000

Senate Bill No. 2003 - All Funds Summary

	EXECUTIVE BUDGET	SENATE VERSION	HOUSE CHANGES	HOUSE VERSION
University System office	$387,926,815	$59,471,851	$360,036	$59,831,887
Bismarck State College	2,302,800	20,870,803	(16,474)	20,854,329
Lake Region State College	343,875	5,781,644	(4,118)	5,777,526
Williston State College	6,910,000	12,755,369	1,134,103	13,889,472
University of North Dakota	54,331,554	190,429,124	108,023	190,537,147
UND Medical Center		31,375,828	(14,826)	31,361,002
North Dakota State University	34,000,000	11,559,625	(62,749)	111,496,876
State College of Science	368,920	26,131,076	1,678,004	27,809,080
Dickinson State University	5,000,000	19,989,206	106,111	20,095,317
Mayville State University	1,500,000	10,720,486	142,138	10,862,624
Minot State University	3,535,000	36,371,001	56,718	36,427,719

Valley City State University	282,000	12,357,687	(10,745)	12,346,942
Minot State University - Bottineau		7,948,210	(4,025)	7,944,185
Forest Service	3,029,654	3,029,654	(2,370)	3,027,284
Total all funds	$499,530,618	$548,791,564	$3,469,826	$552,261,390
FTE	2196.67	2196.67	1.00	2197.67

Detail of House Changes to All Funds

	REDUCES RECOMMENDED FUNDING FOR HEALTH INSURANCE	REALLOCATES FUNDING FOR BOARD INITIATIVES [1]	INCREASES FUNDING FOR BOARD INITIATIVES	DECREASES FUNDING FOR COMMON INFORMATION SERVICES	DECREASES FUNDING FOR OPERATIONS POOL	DECREASES FUNDING FOR STUDENT FINANCIAL ASSISTANCE GRANTS
University System office	($13,280)	($185,000)	$269,060	($400,000)	($189,858)	($1,271,886)
Bismarck State College	(16,474)					
Lake Region State College	(4,118)					
Williston State College	(5,897)					
University of North Dakota	(76,977)	185,000				
UND Medical Center	(14,826)					
North Dakota State University	(62,749)					
State College of Science	(21,996)					
Dickinson State University	(13,715)					
Mayville State University	(7,862)					
Minot State University	(23,282)					
Valley City State University	(10,745)					
Minot State University - Bottineau	(4,025)					
Forest Service	(2,370)					
Total all funds	($278,316)	$0	$269,060	($400,000)	($189,858)	($1,271,886)
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	INCREASES FUNDING FOR THE PROFESSIONAL STUDENT EXCHANGE PROGRAM [2]	PROVIDES FUNDING FOR AN EQUITY POOL [3]	INCREASES FUNDING FOR OPERATIONS [4]	PROVIDES FUNDING FOR EXTRAORDINARY REPAIRS [5]	PROVIDES FUNDING FOR A MAJOR CAPITAL PROJECT [6]	TOTAL ALL FUNDS CHANGES
University System office	$151,000	$2,000,000				$360,036
Bismarck State College						(16,474)
Lake Region State College						(4,118)
Williston State College				$90,000	$1,050,000	1,134,103
University of North Dakota						108,023
UND Medical Center						(14,826)
North Dakota State University						(62,749)
State College of Science					1,700,000	1,678,004
Dickinson State University			$119,826			106,111
Mayville State University				150,000		142,138
Minot State University				80,000		56,718
Valley City State University						(10,745)
Minot State University - Bottineau						(4,025)
Forest Service						(2,370)
Total all funds	$151,000	$2,000,000	$119,826	$320,000	$2,750,000	$3,469,826
FTE	0.00	0.00	1.00	0.00	0.00	1.00

[1] This amendment reduces the board initiatives line item by $185,000 and increases the University of North Dakota's operations line by $185,000 relating to the North Dakota University System's Arts and Humanities Summit ($10,000) and Alcohol Consortium ($175,000) which the University of North Dakota acts as the fiscal agent.

[2] This amendment increases funding for the professional student exchange program by $151,000 from the general fund to fund 3 additional veterinary medicine slots.

[3] This amendment provides a $2,000,000 general fund appropriation for an equity pool to be allocated to higher education institutions by the State Board of Higher Education. The State Board of Higher Education may not select a formula for distributing the funding or distribute the funding until January 1, 2006. A representative of the board shall provide a report to the Budget Section regarding the allocation of the equity pool.

[4] This amendment increases funding for the operations of Dickinson State University by $119,826 from the general fund and authorizes 1 FTE position for custodial services and utility costs associated with the addition to Murphy Hall.

[5] Williston State College - This amendment provides funding of $90,000 from the general fund for extraordinary repair needs in Stevens Hall.

Mayville State University - This amendment provides funding of $150,000 from the general fund for extraordinary repair needs in Old Main.

Minot State University - This amendment provides funding of $80,000 from the general fund for extraordinary repair needs in the student union ballroom

Williston State College - This amendment provides Williston State College with a $1,050,000 special funds appropriation for an oil well training site on campus.

State College of Science - This amendment increases the capital assets line item for the State College of Science by $1.7 million from special funds for renovating the college's football stadium and track.

Senate Bill No. 2003 - Other Changes - House Action

This amendment also:

- Removes Section 9 of the engrossed bill relating to student financial assistance grants.
- Provides for $150,000 of the funding appropriated for education incentive programs to be provided to private baccalaureate degree-granting institutions for doctoral incentives.
- Removes Section 19 of the engrossed bill providing for a performance audit of the University of North Dakota School of Medicine and Health Sciences.
- Adds a new section relating to the Career and Technology Institute at Bismarck State College.
- Adds a new section relating to student exchange programs.
- Adds a new section amending North Dakota Century Code Section 15-62.2-01 to provide for the allocation of funding appropriated for the student financial assistance program.

2005 SENATE APPROPRIATIONS

CONFERENCE COMMMITTEE

SB 2003

2005 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. 2003

Senate Appropriations Committee

☑ Conference Committee

Hearing Date April 7, 2005

Tape Number	Side A	Side B	Meter #
1	a		0 - 64
Committee Clerk Signature			

Minutes:

Conference Committee members include Senators Holmberg, Kringstad, Robinson, Representatives Martinson, Wald, and Aarsvold.

Senator Holmberg opened the SB 2003 conference committee discussion with roll call. He asked the House to discussion their amendment.

Representative Martinson abstained from presenting at this time.

Senator Holmberg closed the discussion.

2005 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. 2003

Senate Appropriations Committee

☑ Conference Committee

Hearing Date April 8, 2005

Tape Number	Side A	Side B	Meter #
1	a		0 -2411
Committee Clerk Signature			

Minutes:

Conference Committee Members include Senators Holmberg, Kringstad, Robinson, Representatives Martinson, Wald and Aarsvold.

Senator Holmberg opened the conference committee discussion with roll call and asking **Representative Martinson** to discuss the House changes.

Representative Martinson discussed the changes the House made indicating they had cut $894,826 from the budget leaving the budget $900,000 below the Governors Budget. He reviewed page 11 which includes all of the final amendments. He reviewed the cuts in the information services, operations pool, the initiative item, arts and humanities, He reviewed the additions to the budget in the veterinary medicine school slots for Colorado State, an equity pool, for the Board of Higher Education, Dickinson State College for custodian and utilities, Williston repairs to Stevens Hall, Mayville repairs at Old Main, Student Union at Minot State and allowing Williston to raise money for an oil training site on campus.

Senator Holmberg asked if Stevens Hall was the building with all of the glass and do we typically get involved in student unions. The response was yes.

Representative Martinson continued his discussion indicating page 5 referenced the equity pool, page 6 allows BSC to raise money and enter into negotiations to build their energy center and section 22 which discusses large animal veterinary medicine selection process. Section 23 and 24 requires a legislative council study of accountability and funding for the study. The House members would proposed another amendment to the higher ed budget requiring a performance audit of the athletic department of NDSU with emphasis on NDSU going to Division One.

Senator Holmberg asked if there was any language in our reciprocity agreement that might give the state problems. We might want to take a close look at that. The response was yes we would do that.

Senator Holmberg indicated that since 1989 we have had a higher education round table which works with the higher education interim committee and we do not have the language in legislation that continues that and secondly he would like a provision that states when hiring a consultant, he cannot have worked with University System during the past five years. The reasons for this is we need fresh eyes to look at this. Senator Holmberg will have that amendment drafted.

Senator Kringstad questioned the education incentive program.

Representative Martinson indicated in the past a student grant program had been provided for the private schools. This year the House is suggesting 25% be provided to help in their doctoral degree. Corrective language will be placed in the bill.

Senator Holmberg discussed the change in the student grant financial assistance, the shift in money and the funding of the equity pool. The response was the assumption was correct.

Senator Robinson asked that the formula be explained on arriving at the figures in the equity pool.

Representative Martinson indicated they arrived at the $2 million because that was the funds available. He then discussed the round table plan and by doing that Devils Lake and Bismarck State would basically get all of the $2 million. They then looked at the three lowest and finally determined to let the board handle it. The presidents have recommended the money be split between all eleven colleges.

Senator Holmberg applauded the House in making this mechanism about the board making the decisions. The news media had made it sound like the Legislature was going to solve the problem. Higher ed as I understand would like the dollar amount to be more and I have heard there is a concern about the date of January 1, 2006 and we might want to think about that. Other discussion took place about the peer comparisons, the percentages used at the colleges, BSC being behind by a large sum of money and have not caught up, the proposed study, the use of schools being more comparable in the study, whether the budgeted amount for the study is enough, how data in study can be prone to misuse.

Senator Holmberg adjourned the conference committee on SB 2003.

2005 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. **SB 2003**

Senate Appropriations Committee

☒ Conference Committee

Hearing Date **04-12-05**

Tape Number	Side A	Side B	Meter #
1	x		3049-5521
Committee Clerk Signature			

Minutes: **Chairman Holmberg** opened the hearing on SB 2003

Roll was taken, all members were present.

Chairman Holmberg: Today lets talk about section 24 of the House amendments. Chairman Holmberg went on to mention the appropriation for the Legislative Council study, stating that he had visited with Chancellor Potts and there is enough money there. He also raised a question regarding the fiscal impact of the performance audit of the med. school. This was 2% of their budget.

Laura Glatt, ND University System, spoke regarding the Vet medicine slots in section 22. Stating that his encourages participation of selection of the students to the facility. The WITCHE program does not promote any external participation.

Chairman Holmberg: The language then the board should consider, under the current agreement with the university that offers WITCHE you cannot do it. Another big issues is the

equity pool. In section 9 on page five in the House amendments, the House added 2 million and put it in this pool for the board to distribute.

Chancellor Potts (3735): It has been postponed due to some new amendments, Chairman Holmberg.

Rep. Martinson: It said in the amendment that the money should be split according to the round table. We should think about the possibility of bonding for the repair projects, if we do that it would free up 1 million dollars.

Chairman Holmberg: What is the total of all of those items, repairs.

Rep. Martinson went on to give the amount of money for each project in every college in ND.

Chairman Holmberg: Thank you, we will take a look at this information.

Rep. Martinson: Just to clarify, 1 million dollars will be available even if they do the expansion at the Heritage Center.

Chairman Holmberg adjoined due to time constraints.

2005 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. 2003

Senate Appropriations Committee

Conference Committee

Hearing Date April 14, 2005

Tape Number	Side A	Side B	Meter #
1	a		4,001 - 4769
Committee Clerk Signature			

Minutes:

Senator Holmberg called the conference committee to order on SB 2003 with roll call. He indicated he was asked to do additional research on the budget and gather some data and I have not completed that yet and will bring that information to you when I have it. It will involve looking at the all of the discretionary funds, all of the earmarks added by the House, by the Senate and see what numbers could be considered for discussion. The question was there has been a lot of discussion about equity among the various campuses and there doesn't seem to be a willingness to add additional money into this budget from the Senate side and I can't speak for the House Is there a way to have additional focus on equity leaving all campuses pool from what was passed by the House.

There were questions raised about possibly looking at bonding some of the items.

Senator Holmberg indicated we know that the $1.63 million fits within the bonding caps and we do not know what we are doing with the Heritage Center as yet . The session closed.

2005 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. 2003

Senate Appropriations Committee

☑ Conference Committee

Hearing Date April 18, 2005

Tape Number	Side A	Side B	Meter #
3	a		3,510- 5474
Committee Clerk Signature			

Minutes:

Chairman Holmberg opened the conference committee n SB 2003 with roll call. He indicated that at the last meeting there were ideas put on the table and he felt it important to have amendments prepared for discussion. He reviewed what had transpired to date on the bill and as it relates to the equity issue. Roxanne distributed copies of some changes to the bill and she and **Senator Holmberg** discussed the changes. They changed some of the recommendations the House made and added $1 million into equity and restored the student grant fund. The study in the bill allowed for $175,000 and this reduces that by $50,000. On page 3 the funding for board initiatives was reduced by $1 million, the funding for common information services, operations pools remained as the House recommended, $1 million was added back to student grants, the equity pool was increased, the capital construction projects show no changes, all of the items on specific institutions were removed and they are footnoted on the back pages, the career and

technology unit remains, the student exchange language was altered, the student aid funding was dropped. The net effect of the changes is 0.

Representative Monson discussed the changes, the equity funding and the special projects at Devils Lake and Valley City and that those should also be dropped.

Senator Kringstad moved to adopt the proposed amendments. There was no second.

Senator Robinson indicated we should come back tomorrow to further discuss these. He expressed concerns that the students are taking a real hit in tuition increases. He also indicated we had talked about the possibility of bonding some projects and he didn't know where that was at. The other issue is are we to assume there is no support for increasing the budget in any way shape or form even by ½ million.

Senator Holmberg indicated the increase in budget by ½ million would be a tough sell in the Senate. He urged other committee members to come forward with any amendments they may have. He then closed the discussion.

2005 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. 2003

Senate Appropriations Committee

☑ Conference Committee

Hearing Date April 20, 2005

Tape Number	Side A	Side B	Meter #
1	a		1,788
Committee Clerk Signature			

Minutes:

Senator Holmberg called the conference committee to order on SB 2003 with roll call.

Representative Martinson made a proposal indicating we should bond the capital improvement projects we have identified, take the $1 million freed up in general fund money from the bonding and put that in a special equity pool for those who are most behind their peers. If there were another project or two that needed capital improvements, I would be amenable to include another school or two.

Discussion took place about capital improvement projects, SB 2023, the input of other schools, the potential of full-time lobbyists next session from more then one school, the study of new methods to determine equity, the concept of peer studies, BSC shortage that has not gotten caught up since it was part of the Bismarck School System, the growth of the schools and a concern that tuition rates cannot be raised enough to compensate, the inequity of the funding strategy and the curve in funding, the challenges and direction of the Round Table.

Representative Martinson asked about the Interim Committee and as Senator Holmberg was on that committee he wanted his opinion as to what their plans were.

Senator Holmberg indicated he didn't know if he would be on that committee, but he felt the committee would have a few challenges, one would be to continue to explore and come up with concrete suggestions for the university system and the private sector and government to continue the growth in the system. Last year, the suggestions that came from the private sector on soft skills being more important then other things coming out of the schools. Equity was another thing that did come up at the meetings and that the sharing of the pie was an issue that needed to be resolved. There was a disquiet feeling that the current system is not really good. Bringing in a pair of outside eyes to look at the system of equity and how we handle it is a step in the right direction and getting the feedback from the round table. The round table is the phrase for all of those people but it is an interim higher education committee because the final decisions legislatively are made by that group and their recommendations. There is a lot to be done but when look back, the system has changed a lot over the last ten years. They are much more unified but progress has been made and once we get a handle on how we measure equity.

Senator Kringstad added that BSC is the only school without a health and physical education area that doesn't have a full time instructor. It was the first area to go, they have all part time people.

Senator Holmberg indicated the bill would not be resolved today but he distributed a rough draft of a proposal regarding all of the remarks and he asked for direction from the committee on both sides if he should be pursuing this. It was from the handout on April 18.

Senator Kringstad moved that it be opened for discussion, Senator Robinson seconded.

Discussion followed.

Senator Holmberg asked for a show of hands as to how many wanted to proceed down this area. Only two raised their hands.

Senator Holmberg adjourned the conference committee

2005 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. 2003

Senate Appropriations Committee

☑ Conference Committee

Hearing Date April 20, 2005

Tape Number	Side A	Side B	Meter #
1		b	-4,465
Committee Clerk Signature			

Minutes:

Senator Holmberg opened the conference committee meeting on SB 2003 with roll call.

Representative Martinson indicated he ran the idea of bonding back before the House and was in a minority. He then proposed doing an amendment covering the areas that have been in contention.

Senator Robinson presented an amendment regarding flight simulator which was a Lake Region. The equipment was used in teaching students to repair equipment. He indicated this past summer the simulator at Lake Region was called back by the government after 9/1/1 and they are now in the process of bringing it back to Lake region. Senator Syverson has asked that this amendment be brought to this committee.

Senator Holmberg indicated the biggest issue on this amendment is why is it coming in on April 20. A committee meeting will be scheduled for later tomorrow with the hope the amendments will be in for this. The committee meeting on SB 2003 adjourned for the day.

2005 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. **SB 2003**

Senate Appropriations Committee

☑ Conference Committee

Hearing Date **04-21-05**

Tape Number	Side A	Side B	Meter #
3			1007-2617
Committee Clerk Signature			

Minutes: **Chairman Holmberg** opened the Conference Committee on SB 2003.

Roll was taken, all members were present. Please note that Rep. Brusgaard, will replace Rep. Wald.

Sen. Syverson appeared to provide information on SB 2003, and amendment number .0220. He stated that this is a request for an appropriation for moving a simulator in order to replace one at Lake Region College, which was reclaimed by the Air Force shortly after the tragedy of 9/11. The Air Force decided to keep the airplane that was previously to be retired, as a result to reclaim the simulator. I have been working on this for several months, but only in the past week have I been able to make serious movement in attempting to locate a simulator that would be appropriate for them Or that a company that would be willing to either grant or loan to the college. This comes from a company that is a subsidiary of nations largest air craft builder this company is world wide. Simulators are not often decommissioned but they indicated that they may have a digital on that may be appropriate for the college. They also have an older analog

one, that the US Navy has. There is a company that will decommission, disable, pack, ship, and reassemble, and decommission for $120,000. This would require at least two semi's and technicians to follow it that is why we need the $120,000. We would like to see this program at Lake Region College, so they can continue to produce students who specialize in simulator maintenance The students that have graduated from there have been in high demand. I would like to emphasize that this is not in any way in competition with the simulator at UND. That simulator is used to train pilots, the simulator at Lake Region is used to train technicians. UND hire technicians to maintain their simulators. I think we can find no better purpose for this money other than move the simulator to Lake Region College. Also it could establish an interim program where student from Lake Region could work with their companies during the summer months.

Rep. Aarsvold: Is this gifted or granted, what is the state of the simulator?

Sen. Syverson: That has not been determined as of yet. I would work on a grant, it would be up to the company to determine. I would like to say that it would be never taken back like the Air Force simulator was.

Sen. Traynor, also appeared to discuss the amendment for the simulator. He stated that the original simulator program was brought to Lake Region State College when it was granted to the University by president Clifford. It was a very successful program, there is a high demand for it. I would encourage the committee to grant Sen. Syverson's request.

Rep. Martinson moved that the House RECEDE form its amendments on SB 2003 and further amend, seconded by Rep. Aarsvold.

Rep. Martinson, spoke of the proposed changes. He stated that the first change would be on the back page of the amendment .0220. That provides that the State board of Higher Education may allocate funding of $150,000 of the funding appropriated for education incentive programs for providing doctoral incentives to students at private baccalaureate degree-granting institutions. The House provide that $150,000 of the funding appropriated for education incentive programs must be provided to private baccalaureate degree-granting institutions for doctoral incentives. The next bullet point removes section 19 of the engrossed bill providing for a performance audit of the University of North Dakota School of Medicine and Health Sciences and adds a section providing that the State Auditor may not conduct a performance audit of the University of North Dakota School of Medicine Health Sciences until the school has completed its accreditation process and then only if the school fails the accreditation process. The House had removed the section providing for a performance audit of the school. The next change is to the bills is that it adds a new section to the bill amending NDCC section 15-62.2-01 to provide that 23.5 percent of the funding appropriated for the student financial assistance program must be allocated to private baccalaureate degree-granting institutions. The House added a section providing that 25 percent of the funding appropriated for the student financial assistance program be allocated to private baccalaureate degree-granting institutions. The next one revises section 4 of the engrossed bill relating to board initiative to provide that $200,000 of the funding appropriated must be allocated for a grant to the space grant consortium. The board is also to consider using a substantial amount of funding for an international student initiative. This change was not made by the House. **That is a program that I really believe in, I had it originally in the amendment that 1.5 million dollars would go to the international student initiative. This is a program that**

Dr. Potts spoke to Sen. Holmberg and myself about. I reviewed these amendments with the Chancellor, and he asked me not to do that. I put it in there any way. I asked Roxanne to take it out, because I didn't want to put the Chancellor in a position that the board might think that it was coming from him when it was not. That initiative is strongly supported by me and I believe that Chairman Holmberg too. It is not something that has come from the Chancellor.

Chairman Holmberg Chancellor Potts did not want it in there, it is not coming form him I echo Rep. Martinson's comments. I am very supportive of this.

Rep. Martinson: On page 7, section 26, it is new what it does is say that the state board of higher education shall use $250,000 of North Dakota university system office unspent 2003-05 biennium general fund appropriation authorized to continue under section 54-44.1-11 for capital asset needs at Valley City State University in the sum of $150,000 and for internships at the North Dakota trade office in the sum of $100,000 for the biennium beginning July 1, 2005, and ending June 30, 2007. Another set of amendments will be specified in there that states that $108,000 of that goes to brick tuck pointing. $32,000 of that goes to the bleacher project and $10,000 goes to the sound system. Then $100,000 of that additional money to go to internships at ND trade office. These are the only changes I am recommended.

Chairman Holmberg: I have an amendment for the Legislative Council Study regarding reviewing the Higher Ed system. I would like different language, ' the study may include the use of a higher education round table format."

Rep. Martinson: I would include that in my motion.

Rep. Martinson motioned again, seconded by Rep. Brusgaard.

Roll cal vote was taken, motion passed.

Rep. Martinson made a DO PASS AS AMENDED motion, seconded by Rep. Brusgaard.

Chairman Holmberg: Was there any though of that other thing, right now the budget that we have just passed is a zero net sum, from the House version. To pass this would add money to the budget, that would be a tough sell. Is there anything is this bill that would preclude the board to look at this as a project that would make sense.

Roll call vote was taken, motion passed.

Chairman Holmberg: Keep in mind that this bill has change, it has $2 million in an equity pool for the board to distribute to schools that are further behind according to the current measurement of equity.

Chairman Holmberg closed the conference committee meeting.

2005 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. 2003

Senate Appropriations Committee

☑ Conference Committee

Hearing Date April 22, 2005

Tape Number	Side A	Side B	Meter #
1	A		5475 -5799
Committee Clerk Signature			

Minutes:

Senator Holmberg opened the conference committee discussion on SB 2003 with roll call.

Representative Brusegaard moved the conference committee report be amended by removing the section that deals with the auditing of the University of North Medical School. Representative Aarsvold seconded.

Representative Brusegaard indicated that as he listened to the chamber debate the bill, he noted the concern amid people and knows there has been contention for the past six years. However, we are at a point in legislation that if this causes a big problem, we are going to take it out. It is incumbent upon the leadership of both houses to talk to Laprosy and if there is a problem at the University of North Dakota Medical School then I want specific recommendations that it needs to be audited and not a blanket recommendation. The information relating to problems needs to be documented to Laprosy. There was no further discussion.

A voice vote was taken on the amendment. The motion carried.

Representative Martinson moved a DO PASS AS AMENDED, Representative Aarsvold seconded. No discussion was made. A roll call vote was made resulting in 6 yes. The motion carried.

Senator Holmberg closed the conference committee on SB 2003.

Prepared by the Legislative Council staff for
Representative Martinson
April 21, 2005

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2003

That the House recede from its amendments as printed on pages 1247-1256 of the Senate Journal and pages 1471-1480 of the House Journal and that Engrossed Senate Bill No. 2003 be amended as follows:

Page 1, line 3, replace "a report" with "reports"

Page 1, line 4, replace "performance audit of the university of North Dakota school of medicine" with "legislative council study; to amend and reenact section 15-62.2-01 of the North Dakota Century Code, relating to student financial assistance grants"

Page 1, line 5, remove "and health sciences"

Page 5, line 11, replace "1,130,634" with "1,399,694"

Page 5, line 12, replace "1,047,862" with "1,045,572"

Page 5, line 13, replace "(4,115,556)" with "(4,526,546)"

Page 5, after line 13, insert:

"Operations pool	(189,858)
Equity pool	2,000,000"

Page 5, line 16, replace "1,846,073" with "574,187"

Page 5, line 17, replace "35,480" with "186,480"

Page 5, line 21, replace "($1,002,386)" with "($457,350)"

Page 5, line 23, replace "515,845" with "1,060,881"

Page 5, line 26, replace "769,695" with "753,221"

Page 5, line 28, replace "($519,024)" with "($535,498)"

Page 5, line 30, replace "763,176" with "746,702"

Page 6, line 2, replace "361,425" with "357,307"

Page 6, line 4, replace "329,131" with "325,013"

Page 6, line 6, replace "704,131" with "700,013"

Page 6, line 9, replace "371,523" with "365,626"

Page 6, line 10, replace "6,907,685" with "8,047,685"

Page 6, line 11, replace "7,279,208" with "8,413,311"

Page 6, line 12, replace "6,910,000" with "7,960,000"

Page 6, line 13, replace "369,208" with "453,311"

Page 6, line 16, replace "8,070,453" with "7,993,476"

Page 6, line 18, replace "9,108,862" with "9,031,885"

Page 6, line 20, replace "8,008,862" with "7,931,885"

Page 6, line 23, replace "8,290,440" with "8,227,691"

Page 6, line 25, replace "($17,754,865)" with "($17,817,614)"

Page 6, line 27, replace "8,245,135" with "8,182,386"

Page 6, line 30, replace "1,072,000" with "1,050,004"

Page 6, line 31, replace "(3,320,168)" with "(1,620,168)"

Page 7, line 1, replace "($2,248,168)" with "($570,164)"

Page 7, line 2, replace "(3,300,000)" with "(1,600,000)"

Page 7, line 3, replace "1,051,832" with "1,029,836"

Page 7, line 6, replace "1,006,685" with "1,112,796"

Page 7, line 8, replace "($4,885,634)" with "($4,779,523)"

Page 7, line 10, replace "996,413" with "1,102,524"

Page 7, line 13, replace "409,157" with "401,295"

Page 7, line 14, replace "(4,060,595)" with "(3,910,595)"

Page 7, line 15, replace "($3,651,438)" with "($3,509,300)"

Page 7, line 17, replace "353,562" with "495,700"

Page 7, line 20, replace "1,469,553" with "1,446,271"

Page 7, line 21, replace "3,519,020" with "3,599,020"

Page 7, line 22, replace "4,988,573" with "5,045,291"

Page 7, line 24, replace "1,453,573" with "1,510,291"

Page 7, line 27, replace "512,599" with "501,854"

Page 7, line 29, replace "($3,297,619)" with "($3,308,364)"

Page 7, line 31, replace "755,681" with "744,936"

Page 8, line 3, replace "235,629" with "231,604"

Page 8, line 5, replace "3,635,691" with "3,631,666"

Page 8, line 7, replace "135,691" with "131,666"

Page 8, line 10, replace "1,209,963" with "1,195,137"

Page 8, line 11, replace "1,209,963" with "1,195,137"

Page 8, line 15, replace "213,000" with "210,630"

Page 8, line 16, replace "168,577" with "166,207"

Page 8, line 18, replace "283,577" with "281,207"

Page 8, line 19, replace "24,846,649" with "25,566,475"

Page 8, line 20, replace "($31,485,778)" with "($28,735,778)"

Page 8, line 21, replace "($6,639,129)" with "($3,169,303)"

Page 9, line 3, replace "1,615,940" with "1,885,000"

Page 9, line 4, replace "5,520,712" with "5,518,422"

Page 9, line 6, replace "20,974,083" with "20,563,093"

Page 9, line 7, replace "578,417" with "388,559"

Page 9, after line 7, insert:

"Equity pool 2,000,000"

Page 9, line 10, replace "4,776,288" with "3,504,402"

Page 9, line 11, replace "1,713,780" with "1,864,780"

Page 9, line 15, replace "59,471,851" with "60,016,887"

Page 9, line 17, replace "57,134,575" with "57,679,611"

Page 9, line 20, replace "16,882,022" with "16,865,548"

Page 9, line 22, replace "17,628,303" with "17,611,829"

Page 9, line 24, replace "17,125,503" with "17,109,029"

Page 9, line 27, replace "5,394,107" with "5,389,989"

Page 9, line 29, replace "5,781,644" with "5,777,526"

Page 10, line 1, replace "5,758,894" with "5,752,997"

Page 10, line 2, replace "6,996,475" with "8,136,475"

Page 10, line 3, replace "12,755,369" with "13,889,472"

Page 10, line 4, replace "6,910,000" with "7,960,000"

Page 10, line 5, replace "5,845,369" with "5,929,472"

Page 10, line 8, replace "92,628,579" with "92,551,602"

Page 10, line 10, replace "149,329,124" with "149,252,147"

Page 10, line 12, replace "94,929,124" with "94,852,147"

Page 10, line 15, replace "75,867,399" with "75,804,650"

Page 10, line 17, replace "77,559,625" with "77,496,876"

Page 10, line 20, replace "25,008,824" with "24,986,828"

Page 10, line 21, replace "1,122,252" with "2,822,252"

Page 10, line 22, replace "26,131,076" with "27,809,080"

Page 10, line 23, replace "368,920" with "2,068,920"

Page 10, line 24, replace "25,762,156" with "25,740,160"

Page 10, line 27, replace "14,605,516" with "14,711,627"

Page 10, line 29, replace "19,989,206" with "20,095,317"

Page 10, line 31, replace "14,989,206" with "15,095,317"

Page 11, line 3, replace "9,011,492" with "9,003,630"

Page 11, line 4, replace "1,708,994" with "1,858,994"

Page 11, line 5, replace "10,720,486" with "10,862,624"

Page 11, line 7, replace "9,220,486" with "9,362,624"

Page 11, line 10, replace "27,239,131" with "27,215,849"

Page 11, line 11, replace "4,131,870" with "4,211,870"

Page 11, line 12, replace "31,371,001" with "31,427,719"

Page 11, line 14, replace "27,836,001" with "27,892,719"

Page 11, line 17, replace "11,817,271" with "11,806,526"

Page 11, line 19, replace "12,357,687" with "12,346,942"

Page 11, line 21, replace "12,325,687" with "12,314,942"

Page 11, line 24, replace "4,338,485" with "4,334,460"

Page 11, line 26, replace "7,948,210" with "7,944,185"

Page 11, line 28, replace "4,448,210" with "4,444,185"

Page 12, line 1, replace "31,375,828" with "31,361,002"

Page 12, line 2, replace "31,375,828" with "31,361,002"

Page 12, line 6, replace "2,928,016" with "2,925,646"

Page 12, line 7, replace "3,029,654" with "3,027,284"

Page 12, line 9, replace "2,054,653" with "2,052,283"

Page 12, line 10, replace "386,388,067" with "387,107,893"

Page 12, line 11, replace "79,060,997" with "81,810,997"

Page 12, line 12, replace "465,449,064" with "468,918,890"

Page 12, line 13, replace "386,388,067" with "387,282,893"

Page 12, line 14, replace "162,403,497" with "165,153,497"

Page 12, line 15, replace "548,791,564" with "552,436,390"

Page 12, line 16, replace "$1,615,940, or so much of the sum as" with "$200,000 of the funding"

Page 12, line 17, remove "may be necessary,"

Page 12, line 18, after "used" insert "for a grant to the space grant consortium to match federal funds and the remainder of the funding may be used"

Page 12, line 20, after the period insert "The board shall consider using a substantial amount of funding for an international student initiative."

Page 12, line 25, replace "$578,417" with "$388,559"

Page 12, line 29, replace "$20,974,083" with "$20,563,093"

Page 13, replace lines 12 through 16 with:

"**SECTION 9. EQUITY POOL - REPORT TO THE BUDGET SECTION.** The sum of $2,000,000, or so much of the sum as may be necessary, included in the equity pool line item in subdivision 1 of section 3 of this Act, must be used to address equity at higher education institutions and other campus needs as determined by the state board of higher education. The state board of higher education may not select a formula for distributing the equity funding until January 1, 2006. A representative of the board shall provide a report to the budget section regarding the allocation of the equity pool. Equity or parity funding allocations must be considered in the campus equity position for budgeting purposes."

Page 13, line 22, after the period insert "The board may allocate up to $150,000 of the funding for providing doctoral incentives to students at private baccalaureate degree-granting institutions."

Page 13, line 31, after the period insert "Twenty-three and one-half percent of the additional funds must be used for student financial assistance grants for students at private baccalaureate degree-granting institutions."

Page 15, remove lines 26 through 31

Page 16, remove lines 1 and 2

Page 17, after line 17, insert:

"**SECTION 21. BISMARCK STATE COLLEGE CAREER AND TECHNOLOGY INSTITUTE.** The state board of higher education may enter into an agreement or agreements with the Bismarck state college foundation or other private entity and do all things necessary and proper to authorize construction by the foundation or other private entity of a building on the Bismarck state college campus, using state funds, federal funds, donations, gifts, or other private funds.

SECTION 22. LEGISLATIVE INTENT - STUDENT EXCHANGE PROGRAMS. It is the intent of the fifty-ninth legislative assembly that the state board of higher education consider allowing related faculty members and practicing professionals in the related fields in the state to assist in the selection of students awarded funding through the student exchange program and consider investigating options of entering contracts with other higher education institutions for providing opportunities for students to complete professional fields of study not offered through the North Dakota university system, specifically other institutions granting professional degrees targeting critical shortages in large animal veterinary practice.

SECTION 23. LEGISLATIVE COUNCIL STUDY OF HIGHER EDUCATION FUNDING AND ACCOUNTABILITY. The legislative council shall consider studying higher education funding and accountability during the 2005-06 interim. If conducted, the study should include a review of the progress made in implementing the higher education roundtable recommendations relating to the university system meeting the state's expectations and needs, the funding methodology needed to meet these expectations and needs, and the appropriate accountability and reporting system for the North Dakota university system. The review should include an independent consultant's evaluation of:

1. The roundtable recommendations and the goals and objectives of the North Dakota university system;

2. The long-term financing plan for the North Dakota university system, including a review of the peer institutions selected and updated funding comparisons;

3. The North Dakota university system's prioritization of higher education funding, including the resource allocation mechanism addressing equity funding issues and the funding for initiatives at North Dakota's colleges and universities; and

4. The accountability mechanisms.

The study should be conducted and the consultant selected with input from the state board of higher education. The independent consultant selected to do the evaluation shall possess a national reputation and experience in higher education governance and funding and management in multicampus public university systems.

The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixtieth legislative assembly.

SECTION 24. APPROPRIATION. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of $175,000, or so much of the sum as may be necessary, to the legislative council for the purpose of conducting the higher education study as provided for in this Act, for the biennium beginning July 1, 2005, and ending June 30, 2007. The legislative council may receive any other funds available for conducting the study and such funds are hereby appropriated.

SECTION 25. UNIVERSITY OF NORTH DAKOTA SCHOOL OF MEDICINE AND HEALTH SCIENCES - PERFORMANCE AUDIT. Notwithstanding North Dakota Century Code section 54-10-01, the state auditor shall not conduct a performance audit of the university of North Dakota school of medicine and health sciences until the completion of the school's accreditation process and then only if the school fails the accreditation process.

SECTION 26. USE OF UNSPENT 2003-05 GENERAL FUND APPROPRIATIONS. The state board of higher education shall use $250,000 of North Dakota university system office unspent 2003-05 biennium general fund appropriation authorized to continue under section 54-44.1-11 for capital asset needs at Valley City State University in the sum of $150,000 and for internships at the North Dakota trade office in the sum of $100,000 for the biennium beginning July 1, 2005, and ending June 30, 2007.

SECTION 27. AMENDMENT. Section 15-62.2-01 of the North Dakota Century Code is amended and reenacted as follows:

15-62.2-01. Student financial assistance and scholars programs - Establishment - Administrative responsibility. The North Dakota student financial assistance and scholars programs are established to provide grants or scholarships, or both, to assist the following students:

1. Resident undergraduate students pursuant to section 15-10-19.1.
2. North Dakota resident students who have attended and graduated from a high school in a bordering state pursuant to section 15-40.2-10, who are attending qualified institutions of postsecondary education within North Dakota.
3. North Dakota resident students who, because of physical or mental handicap as certified by a physician, are attending postsecondary institutions out of state due to the lack of special services or facilities, or both, necessary to meet the postsecondary educational needs of the handicapped students within North Dakota.
4. Scholars who qualify and are selected for scholarships pursuant to sections 15-62.2-00.1 and 15-62.2-03.1 through 15-62.2-03.5.

A student must be in substantial need of financial assistance to receive grants under the student financial assistance program. The state board of higher education shall administer the student financial assistance program and the scholars program. At least twenty-three and one-half percent of the funds appropriated for the student financial assistance program must be allocated to students at private baccalaureate degree-granting institutions with the remaining funds allocated to students at public and American Indian institutions."

Page 17, line 18, after "assets" insert ", professional student exchange program,"

Page 17, line 19, replace "20" with "19"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2003 - Summary of Conference Committee Action

	EXECUTIVE BUDGET	SENATE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	HOUSE VERSION	COMPARISON TO HOUSE
Legislative Council						
Total all funds	$0	$0	$175,000	$175,000	$175,000	$0
Less estimated income	$0	$0	$175,000	$175,000	$175,000	$0
General fund						
University System office						
Total all funds	$387,926,815	$59,471,851	$545,036	$60,016,887	$59,831,887	$185,000
Less estimated income	2,337,276	2,337,276		2,337,276	2,337,276	
General fund	$385,589,539	$57,134,575	$545,036	$57,679,611	$57,494,611	$185,000
Bismarck State College						
Total all funds	$2,302,800	$20,870,803	($16,474)	$20,854,329	$20,854,329	$0
Less estimated income	2,302,800	3,745,300		3,745,300	3,745,300	
General fund	$0	$17,125,503	($16,474)	$17,109,029	$17,109,029	$0
Lake Region State College						
Total all funds	$343,875	$5,781,644	($4,118)	$5,777,526	$5,777,526	$0
Less estimated income						
General fund	$343,875	$5,781,644	($4,118)	$5,777,526	$5,777,526	$0
Williston State College						
Total all funds	$6,910,000	$12,755,369	$1,134,103	$13,889,472	$13,889,472	$0
Less estimated income	6,910,000	6,910,000	1,050,000	7,960,000	7,960,000	
General fund	$0	$5,845,369	$84,103	$5,929,472	$5,929,472	$0
University of North Dakota						
Total all funds	$54,331,554	$190,429,124	($76,977)	$190,352,147	$190,537,147	($185,000)
Less estimated income	54,331,554	95,500,000		95,500,000	95,500,000	
General fund	$0	$94,929,124	($76,977)	$94,852,147	$95,037,147	($185,000)
UND Medical Center						
Total all funds	$0	$31,375,828	($14,826)	$31,361,002	$31,361,002	$0
Less estimated income						
General fund	$0	$31,375,828	($14,826)	$31,361,002	$31,361,002	$0
North Dakota State University						
Total all funds	$34,000,000	$111,559,625	($62,749)	$111,496,876	$111,496,876	$0
Less estimated income	34,000,000	34,000,000		34,000,000	34,000,000	
General fund	$0	$77,559,625	($62,749)	$77,496,876	$77,496,876	$0
State College of Science						
Total all funds	$368,920	$26,131,076	$1,678,004	$27,809,080	$27,809,080	$0
Less estimated income	368,920	368,920	1,700,000	2,068,920	2,068,920	
General fund	$0	$25,762,156	($21,996)	$25,740,160	$25,740,160	$0
Dickinson State University						
Total all funds	$5,000,000	$19,989,206	$106,111	$20,095,317	$20,095,317	$0
Less estimated income	5,000,000	5,000,000		5,000,000	5,000,000	
General fund	$0	$14,989,206	$106,111	$15,095,317	$15,095,317	$0
Mayville State University						
Total all funds	$1,500,000	$10,720,486	$142,138	$10,862,624	$10,862,624	$0
Less estimated income	1,500,000	1,500,000		1,500,000	1,500,000	
General fund	$0	$9,220,486	$142,138	$9,362,624	$9,362,624	$0
Minot State University						
Total all funds	$3,535,000	$36,371,001	$56,718	$36,427,719	$36,427,719	$0
Less estimated income	3,535,000	8,535,000		8,535,000	8,535,000	
General fund	$0	$27,836,001	$56,718	$27,892,719	$27,892,719	$0
Valley City State University						
Total all funds	$282,000	$12,357,687	($10,745)	$12,346,942	$12,346,942	$0
Less estimated income	32,000	32,000		32,000	32,000	
General fund	$250,000	$12,325,687	($10,745)	$12,314,942	$12,314,942	$0
Minot State University - Bottineau						
Total all funds	$0	$7,948,210	($4,025)	$7,944,185	$7,944,185	$0
Less estimated income		3,500,000		3,500,000	3,500,000	
General fund	$0	$4,448,210	($4,025)	$4,444,185	$4,444,185	$0
Forest Service						
Total all funds	$3,029,654	$3,029,654	($2,370)	$3,027,284	$3,027,284	$0
Less estimated income	975,001	975,001		975,001	975,001	
General fund	$2,054,653	$2,054,653	($2,370)	$2,052,283	$2,052,283	$0

Bill Total						
Total all funds	$499,530,618	$548,791,564	$3,644,826	$552,436,390	$552,436,390	$0
Less estimated income	111,292,551	162,403,497	2,750,000	165,153,497	165,153,497	
General fund	$388,238,067	$386,388,067	$894,826	$387,282,893	$387,282,893	$0

Senate Bill No. 2003 - Legislative Council - Conference Committee Action

	EXECUTIVE BUDGET	SENATE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	HOUSE VERSION	COMPARISON TO HOUSE
Operating expenses			$175,000	$175,000	$175,000	
Total all funds	$0	$0	$175,000	$175,000	$175,000	$0
Less estimated income						
General fund	$0	$0	$175,000	$175,000	$175,000	$0
FTE	0.00	0.00	0.00	0.00	0.00	0.00

Dept. 160 - Legislative Council - Detail of Conference Committee Changes

	PROVIDES FUNDING FOR A HIGHER EDUCATION STUDY [1]	TOTAL CONFERENCE COMMITTEE CHANGES
Operating expenses	$175,000	$175,000
Total all funds	$175,000	$175,000
Less estimated income		
General fund	$175,000	$175,000
FTE	0.00	0.00

[1] This amendment provides a $175,000 general fund appropriation to the Legislative Council for the purpose of conducting a higher education study, the same amount as provided by the House.

Senate Bill No. 2003 - General Fund Summary

	EXECUTIVE BUDGET	SENATE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	HOUSE VERSION	COMPARISON TO HOUSE
University System office	$385,589,539	$57,134,575	$545,036	$57,679,611	$57,494,611	$185,000
Bismarck State College		17,125,503	(16,474)	17,109,029	17,109,029	
Lake Region State College	343,875	5,781,644	(4,118)	5,777,526	5,777,526	
Williston State College		5,845,369	84,103	5,929,472	5,929,472	
University of North Dakota		94,929,124	(76,977)	94,852,147	95,037,147	(185,000)
UND Medical Center		31,375,828	(14,826)	31,361,002	31,361,002	
North Dakota State University		77,559,625	(62,749)	77,496,876	77,496,876	
State College of Science		25,762,156	(21,996)	25,740,160	25,740,160	
Dickinson State University		14,989,206	106,111	15,095,317	15,095,317	
Mayville State University		9,220,486	142,138	9,362,624	9,362,624	
Minot State University		27,836,001	56,718	27,892,719	27,892,719	
Valley City State University	250,000	12,325,687	(10,745)	12,314,942	12,314,942	
Minot State University - Bottineau		4,448,210	(4,025)	4,444,185	4,444,185	
Forest Service	2,054,653	2,054,653	(2,370)	2,052,283	2,052,283	
Total general fund	$388,238,067	$386,388,067	$719,826	$387,107,893	$387,107,893	$0

Detail of Conference Committee Changes to the General Fund

	REDUCES RECOMMENDED FUNDING FOR HEALTH INSURANCE	INCREASES FUNDING FOR BOARD INITIATIVES	DECREASES FUNDING FOR COMMON INFORMATION SERVICES	DECREASES FUNDING FOR OPERATIONS POOL	DECREASES FUNDING FOR STUDENT FINANCIAL ASSISTANCE GRANTS	INCREASES FUNDING FOR THE PROFESSIONAL STUDENT EXCHANGE PROGRAM [1]
University System office	($13,280)	$269,060	($400,000)	($189,858)	($1,271,886)	$151,000
Bismarck State College	(16,474)					
Lake Region State College	(4,118)					
Williston State College	(5,897)					
University of North Dakota	(76,977)					
UND Medical Center	(14,826)					
North Dakota State University	(62,749)					
State College of Science	(21,996)					
Dickinson State University	(13,715)					
Mayville State University	(7,862)					
Minot State University	(23,282)					
Valley City State University	(10,745)					
Minot State University - Bottineau	(4,025)					
Forest Service	(2,370)					

Total general fund	($278,316)	$269,060	($400,000)	($189,858)	($1,271,886)	$151,000

	PROVIDES FUNDING FOR AN EQUITY POOL [2]	INCREASES FUNDING FOR OPERATIONS [3]	PROVIDES FUNDING FOR EXTRAORDINARY REPAIRS [4]	PROVIDES FUNDING FOR A MAJOR CAPITAL PROJECT [5]	TOTAL GENERAL FUND CHANGES
University System office	$2,000,000				$545,036
Bismarck State College					(16,474)
Lake Region State College					(4,118)
Williston State College			$90,000		84,103
University of North Dakota					(76,977)
UND Medical Center					(14,826)
North Dakota State University					(62,749)
State College of Science					(21,996)
Dickinson State University		$119,826			106,111
Mayville State University			150,000		142,138
Minot State University			80,000		56,718
Valley City State University					(10,745)
Minot State University - Bottineau					(4,025)
Forest Service					(2,370)
Total general fund	$2,000,000	$119,826	$320,000	$0	$719,826

Senate Bill No. 2003 - Other Funds Summary

	EXECUTIVE BUDGET	SENATE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	HOUSE VERSION	COMPARISON TO HOUSE
University System office	$2,337,276	$2,337,276		$2,337,276	$2,337,276	
Bismarck State College	2,302,800	3,745,300		3,745,300	3,745,300	
Lake Region State College						
Williston State College	6,910,000	6,910,000	$1,050,000	7,960,000	7,960,000	
University of North Dakota	54,331,554	95,500,000		95,500,000	95,500,000	
UND Medical Center						
North Dakota State University	34,000,000	34,000,000		34,000,000	34,000,000	
State College of Science	368,920	368,920	1,700,000	2,068,920	2,068,920	
Dickinson State University	5,000,000	5,000,000		5,000,000	5,000,000	
Mayville State University	1,500,000	1,500,000		1,500,000	1,500,000	
Minot State University	3,535,000	8,535,000		8,535,000	8,535,000	
Valley City State University	32,000	32,000		32,000	32,000	
Minot State University - Bottineau		3,500,000		3,500,000	3,500,000	
Forest Service	975,001	975,001		975,001	975,001	
Total other funds	$111,292,551	$162,403,497	$2,750,000	$165,153,497	$165,153,497	$0

Detail of Conference Committee Changes to Other Funds

	REDUCES RECOMMENDED FUNDING FOR HEALTH INSURANCE	INCREASES FUNDING FOR BOARD INITIATIVES	DECREASES FUNDING FOR COMMON INFORMATION SERVICES	DECREASES FUNDING FOR OPERATIONS POOL	DECREASES FUNDING FOR STUDENT FINANCIAL ASSISTANCE GRANTS	INCREASES FUNDING FOR THE PROFESSIONAL STUDENT EXCHANGE PROGRAM [1]
University System office						
Bismarck State College						
Lake Region State College						
Williston State College						
University of North Dakota						
UND Medical Center						
North Dakota State University						
State College of Science						
Dickinson State University						
Mayville State University						
Minot State University						
Valley City State University						
Minot State University - Bottineau						
Forest Service						
Total other funds	$0	$0	$0	$0	$0	$0

	PROVIDES FUNDING FOR AN EQUITY POOL [2]	INCREASES FUNDING FOR OPERATIONS [3]	PROVIDES FUNDING FOR EXTRAORDINARY REPAIRS [4]	PROVIDES FUNDING FOR A MAJOR CAPITAL PROJECT [5]	TOTAL OTHER FUNDS CHANGES
University System office					
Bismarck State College					
Lake Region State College					
Williston State College				$1,050,000	$1,050,000

University of North Dakota					
UND Medical Center					
North Dakota State University					
State College of Science				1,700,000	1,700,000
Dickinson State University					
Mayville State University					
Minot State University					
Valley City State University					
Minot State University - Bottineau					
Forest Service					
Total other funds	$0	$0	$0	$2,750,000	$2,750,000

Senate Bill No. 2003 - All Funds Summary

	EXECUTIVE BUDGET	SENATE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	HOUSE VERSION	COMPARISON TO HOUSE
University System office	$387,926,815	$59,471,851	$545,036	$60,016,887	$59,831,887	$185,000
Bismarck State College	2,302,800	20,870,803	(16,474)	20,854,329	20,854,329	
Lake Region State College	343,875	5,781,644	(4,118)	5,777,526	5,777,526	
Williston State College	6,910,000	12,755,369	1,134,103	13,889,472	13,889,472	
University of North Dakota	54,331,554	190,429,124	(76,977)	190,352,147	190,537,147	(185,000)
UND Medical Center		31,375,828	(14,826)	31,361,002	31,361,002	
North Dakota State University	34,000,000	11,559,625	(62,749)	111,496,876	111,496,876	
State College of Science	368,920	26,131,076	1,678,004	27,809,080	27,809,080	
Dickinson State University	5,000,000	19,989,206	106,111	20,095,317	20,095,317	
Mayville State University	1,500,000	10,720,486	142,138	10,862,624	10,862,624	
Minot State University	3,535,000	36,371,001	56,718	36,427,719	36,427,719	
Valley City State University	282,000	12,357,687	(10,745)	12,346,942	12,346,942	
Minot State University - Bottineau		7,948,210	(4,025)	7,944,185	7,944,185	
Forest Service	3,029,654	3,029,654	(2,370)	3,027,284	3,027,284	
Total all funds	$499,530,618	$548,791,564	$3,469,826	$552,261,390	$552,261,390	$0
FTE	2196.67	2196.67	1.00	2197.67	2197.67	0.00

Detail of Conference Committee Changes to All Funds

	REDUCES RECOMMENDED FUNDING FOR HEALTH INSURANCE	INCREASES FUNDING FOR BOARD INITIATIVES	DECREASES FUNDING FOR COMMON INFORMATION SERVICES	DECREASES FUNDING FOR OPERATIONS POOL	DECREASES FUNDING FOR STUDENT FINANCIAL ASSISTANCE GRANTS	INCREASES FUNDING FOR THE PROFESSIONAL STUDENT EXCHANGE PROGRAM [1]
University System office	($13,280)	$269,060	($400,000)	($189,858)	($1,271,886)	$151,000
Bismarck State College	(16,474)					
Lake Region State College	(4,118)					
Williston State College	(5,897)					
University of North Dakota	(76,977)					
UND Medical Center	(14,826)					
North Dakota State University	(62,749)					
State College of Science	(21,996)					
Dickinson State University	(13,715)					
Mayville State University	(7,862)					
Minot State University	(23,282)					
Valley City State University	(10,745)					
Minot State University - Bottineau	(4,025)					
Forest Service	(2,370)					
Total all funds	($278,316)	$269,060	($400,000)	($189,858)	($1,271,886)	$151,000
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	PROVIDES FUNDING FOR AN EQUITY POOL [2]	INCREASES FUNDING FOR OPERATIONS [3]	PROVIDES FUNDING FOR EXTRAORDINARY REPAIRS [4]	PROVIDES FUNDING FOR A MAJOR CAPITOL PROJECT [5]	TOTAL ALL FUNDS CHANGES
University System office	$200,000				$545,036
Bismarck State College					(16,474)
Lake Region State College					(4,118)
Williston State College			$90,000	$1,050,000	1,134,103
University of North Dakota					(76,977)
UND Medical Center					(14,826)
North Dakota State University					(62,749)
State College of Science				1,700,000	1,678,004
Dickinson State University		$119,826			106,111
Mayville State University			150,000		142,138
Minot State University			80,000		56,718
Valley City State University					(10,745)
Minot State University - Bottineau					(4,025)
Forest Service					(2,370)

Total all funds	$2,000,000	$119,826	$320,000	$2,750,000	$3,469,826
FTE	0.00	1.00	0.00	0.00	1.00

1 This amendment increases funding for the professional student exchange program by $151,000 from the general fund to fund 3 additional veterinary medicine slots. This change was also made by the House.

2 This amendment provides a $2,000,000 general fund appropriation for an equity pool to be allocated to higher education institutions by the State Board of Higher Education. The State Board of Higher Education may not select a formula for distributing the equity funding until January 1, 2006. A representative of the board shall provide a report to the Budget Section regarding the allocation of the equity pool. This funding was also provided by the House.

3 This amendment increases funding for the operations of Dickinson State University by $119,826 from the general fund and authorizes 1 FTE position for custodial services and utility costs associated with the addition to Murphy Hall. This change was also made by the House.

4 Williston State College - This amendment provides funding of $90,000 from the general fund for extraordinary repair needs in Stevens Hall.

Mayville State University - This amendment provides funding of $150,000 from the general fund for extraordinary repair needs in Old Main.

Minot State University - This amendment provides funding of $80,000 from the general fund for extraordinary repair needs in the student union ballroom.

These changes were also made by the House.

5 Williston State College - This amendment provides Williston State College with a $1,050,000 special funds appropriation for an oil well training site on campus.

State College of Science - This amendment increases the capital assets line item for the State College of Science by $1.7 million from special funds for renovating the college's football stadium and track.

These changes were also made by the House.

Senate Bill No. 2003 - Other Changes - Conference Committee Action

This amendment also:

- Removes Section 9 of the engrossed bill relating to student financial assistance grants. This change was also made by the House.
- Provides that the State Board of Higher Education may allocate funding of $150,000 of the funding appropriated for education incentive programs for providing doctoral incentives to students at private baccalaureate degree-granting institutions. The House provided that $150,000 of the funding appropriated for education incentive programs must be provided to private baccalaureate degree-granting institutions for doctoral incentives.
- Removes Section 19 of the engrossed bill providing for a performance audit of the University of North Dakota School of Medicine and Health Sciences and adds a section providing that the State Auditor may not conduct a performance audit of the University of North Dakota School of Medicine and Health Sciences until the school has completed its accreditation process and then only if the school fails the accreditation process. The House had removed the section providing for a performance audit of the school.
- Adds a new section relating to the Career and Technology Institute at Bismarck State College. This section was also added by the House.
- Adds a new section relating to student exchange programs. This section was also added by the House.
- Adds a new section to the bill amending North Dakota Century Code Section 15-62.2-01 to provide that 23.5 percent of the funding appropriated for the student financial assistance program must be allocated to private baccalaureate degree-granting institutions. The House added a section providing that 25 percent of the funding appropriated for the student financial assistance program be allocated to private baccalaureate degree-granting institutions.
- Revises Section 4 of the engrossed bill relating to board initiatives to provide that $200,000 of the funding appropriated must be allocated for a grant to the space grant consortium. The board is also to consider using a substantial amount of funding for an international student initiative. This change was not made by the House.
- Adds a section providing for the use of unspent 2003-05 general fund appropriations. This change was not made by the House.

REPORT OF CONFERENCE COMMITTEE

SB 2003, as engrossed: Your conference committee (Sens. Holmberg, Kringstad, Robinson and Reps. Martinson, Brusegaard, Aarsvold) recommends that the **HOUSE RECEDE** from the House amendments on SJ pages 1247-1256, adopt amendments as follows, and place SB 2003 on the Seventh order:

That the House recede from its amendments as printed on pages 1247-1256 of the Senate Journal and pages 1471-1480 of the House Journal and that Engrossed Senate Bill No. 2003 be amended as follows:

Page 1, line 3, replace "a report" with "reports"

Page 1, line 4, replace "performance audit of the university of North Dakota school of medicine" with "legislative council study; to amend and reenact section 15-62.2-01 of the North Dakota Century Code, relating to student financial assistance grants"

Page 1, line 5, remove "and health sciences"

Page 5, line 11, replace "1,130,634" with "1,399,694"

Page 5, line 12, replace "1,047,862" with "1,045,572"

Page 5, line 13, replace "(4,115,556)" with "(4,526,546)"

Page 5, after line 13, insert:

"Operations pool	(189,858)
Equity pool	2,000,000"

Page 5, line 16, replace "1,846,073" with "574,187"

Page 5, line 17, replace "35,480" with "186,480"

Page 5, line 21, replace "($1,002,386)" with "($457,350)"

Page 5, line 23, replace "515,845" with "1,060,881"

Page 5, line 26, replace "769,695" with "753,221"

Page 5, line 28, replace "($519,024)" with "($535,498)"

Page 5, line 30, replace "763,176" with "746,702"

Page 6, line 2, replace "361,425" with "357,307"

Page 6, line 4, replace "329,131" with "325,013"

Page 6, line 6, replace "704,131" with "700,013"

Page 6, line 9, replace "371,523" with "365,626"

Page 6, line 10, replace "6,907,685" with "8,047,685"

Page 6, line 11, replace "7,279,208" with "8,413,311"

Page 6, line 12, replace "6,910,000" with "7,960,000"

Page 6, line 13, replace "369,208" with "453,311"

Page 6, line 16, replace "8,070,453" with "7,993,476"

Page 6, line 18, replace "9,108,862" with "9,031,885"

Page 6, line 20, replace "8,008,862" with "7,931,885"

Page 6, line 23, replace "8,290,440" with "8,227,691"

Page 6, line 25, replace "($17,754,865)" with "($17,817,614)"

Page 6, line 27, replace "8,245,135" with "8,182,386"

Page 6, line 30, replace "1,072,000" with "1,050,004"

Page 6, line 31, replace "(3,320,168)" with "(1,620,168)"

Page 7, line 1, replace "($2,248,168)" with "($570,164)"

Page 7, line 2, replace "(3,300,000)" with "(1,600,000)"

Page 7, line 3, replace "1,051,832" with "1,029,836"

Page 7, line 6, replace "1,006,685" with "1,112,796"

Page 7, line 8, replace "($4,885,634)" with "($4,779,523)"

Page 7, line 10, replace "996,413" with "1,102,524"

Page 7, line 13, replace "409,157" with "401,295"

Page 7, line 14, replace "(4,060,595)" with "(3,910,595)"

Page 7, line 15, replace "($3,651,438)" with "($3,509,300)"

Page 7, line 17, replace "353,562" with "495,700"

Page 7, line 20, replace "1,469,553" with "1,446,271"

Page 7, line 21, replace "3,519,020" with "3,599,020"

Page 7, line 22, replace "4,988,573" with "5,045,291"

Page 7, line 24, replace "1,453,573" with "1,510,291"

Page 7, line 27, replace "512,599" with "501,854"

Page 7, line 28, replace "(3,810,218)" with "(3,842,218)"

Page 7, line 29, replace "($3,297,619)" with "($3,340,364)"

Page 7, line 30, replace "(4,053,300) with "(4,085,300)"

Page 7, line 31, replace "755,681" with "744,936"

Page 8, line 3, replace "235,629" with "231,604"

Page 8, line 5, replace "3,635,691" with "3,631,666"

Page 8, line 7, replace "135,691" with "131,666"

Page 8, line 10, replace "1,209,963" with "1,195,137"

Page 8, line 11, replace "1,209,963" with "1,195,137"

Page 8, line 15, replace "213,000" with "210,630"

Page 8, line 16, replace "168,577" with "166,207"

Page 8, line 18, replace "283,577" with "281,207"

Page 8, line 19, replace "24,846,649" with "25,566,475"

Page 8, line 20, replace "($31,485,778)" with "($28,767,778)"

Page 8, line 21, replace "($6,639,129)" with "($3,201,303)"

Page 9, line 3, replace "1,615,940" with "1,885,000"

Page 9, line 4, replace "5,520,712" with "5,518,422"

Page 9, line 6, replace "20,974,083" with "20,563,093"

Page 9, line 7, replace "578,417" with "388,559"

Page 9, after line 7, insert:
"Equity pool 2,000,000"

Page 9, line 10, replace "4,776,288" with "3,504,402"

Page 9, line 11, replace "1,713,780" with "1,864,780"

Page 9, line 15, replace "59,471,851" with "60,016,887"

Page 9, line 17, replace "57,134,575" with "57,679,611"

Page 9, line 20, replace "16,882,022" with "16,865,548"

Page 9, line 22, replace "17,628,303" with "17,611,829"

Page 9, line 24, replace "17,125,503" with "17,109,029"

Page 9, line 27, replace "5,394,107" with "5,389,989"

Page 9, line 29, replace "5,781,644" with "5,777,526"

Page 10, line 1, replace "5,758,894" with "5,752,997"

Page 10, line 2, replace "6,996,475" with "8,136,475"

Page 10, line 3, replace "12,755,369" with "13,889,472"

Page 10, line 4, replace "6,910,000" with "7,960,000"

Page 10, line 5, replace "5,845,369" with "5,929,472"

Page 10, line 8, replace "92,628,579" with "92,551,602"

Page 10, line 10, replace "149,329,124" with "149,252,147"

Page 10, line 12, replace "94,929,124" with "94,852,147"

Page 10, line 15, replace "75,867,399" with "75,804,650"

Page 10, line 17, replace "77,559,625" with "77,496,876"

Page 10, line 20, replace "25,008,824" with "24,986,828"

Page 10, line 21, replace "1,122,252" with "2,822,252"

Page 10, line 22, replace "26,131,076" with "27,809,080"

Page 10, line 23, replace "368,920" with "2,068,920"

Page 10, line 24, replace "25,762,156" with "25,740,160"

Page 10, line 27, replace "14,605,516" with "14,711,627"

Page 10, line 29, replace "19,989,206" with "20,095,317"

Page 10, line 31, replace "14,989,206" with "15,095,317"

Page 11, line 3, replace "9,011,492" with "9,003,630"

Page 11, line 4, replace "1,708,994" with "1,858,994"

Page 11, line 5, replace "10,720,486" with "10,862,624"

Page 11, line 7, replace "9,220,486" with "9,362,624"

Page 11, line 10, replace "27,239,131" with "27,215,849"

Page 11, line 11, replace "4,131,870" with "4,211,870"

Page 11, line 12, replace "31,371,001" with "31,427,719"

Page 11, line 14, replace "27,836,001" with "27,892,719"

Page 11, line 17, replace "11,817,271" with "11,806,526"

Page 11, line 18, replace "540,416" with "508,416"

Page 11, line 19, replace "all funds" with "general fund appropriation" and replace "12,357,687" with "12,314,942"

Page 11, remove lines 20 and 21

Page 11, line 24, replace "4,338,485" with "4,334,460"

Page 11, line 26, replace "7,948,210" with "7,944,185"

Page 11, line 28, replace "4,448,210" with "4,444,185"

Page 12, line 1, replace "31,375,828" with "31,361,002"

Page 12, line 2, replace "31,375,828" with "31,361,002"

Page 12, line 6, replace "2,928,016" with "2,925,646"

Page 12, line 7, replace "3,029,654" with "3,027,284"

Page 12, line 9, replace "2,054,653" with "2,052,283"

Page 12, line 10, replace "386,388,067" with "387,107,893"

Page 12, line 11, replace "79,060,997" with "81,778,997"

Page 12, line 12, replace "465,449,064" with "468,886,890"

Page 12, line 13, replace "386,388,067" with "387,282,893"

Page 12, line 14, replace "162,403,497" with "165,121,497"

Page 12, line 15, replace "548,791,564" with "552,404,390"

Page 12, line 16, replace "$1,615,940, or so much of the sum as" with "$200,000 of the funding"

Page 12, line 17, remove "may be necessary"

Page 12, line 18, after "used" insert "for a grant to the space grant consortium to match federal funds and the remainder of the funding may be used"

Page 12, line 20, after the period insert "The board shall consider using a substantial amount of funding for an international student initiative."

Page 12, line 25, replace "$578,417" with "$388,559"

Page 12, line 29, replace "$20,974,083" with "$20,563,093"

Page 13, replace lines 12 through 16 with:

"**SECTION 9. EQUITY POOL - REPORT TO THE BUDGET SECTION.** The sum of $2,000,000, or so much of the sum as may be necessary, included in the equity pool line item in subdivision 1 of section 3 of this Act, must be used to address equity at higher education institutions and other campus needs as determined by the state board of higher education. The state board of higher education may not select a formula for distributing the equity funding until January 1, 2006. A representative of the board shall provide a report to the budget section regarding the allocation of the equity pool. Equity or parity funding allocations must be considered in the campus equity position for budgeting purposes."

Page 13, line 22, after the period insert "The board may allocate up to $150,000 of the funding for providing doctoral incentives to students at private baccalaureate degree-granting institutions."

Page 13, line 31, after the period insert "Twenty-three and one-half percent of the additional funds must be used for student financial assistance grants for students at private baccalaureate degree-granting institutions."

Page 15, remove lines 26 through 31

Page 16, remove lines 1 and 2

Page 17, after line 17, insert:

"**SECTION 21. BISMARCK STATE COLLEGE CAREER AND TECHNOLOGY INSTITUTE.** The state board of higher education may enter an agreement or agreements with the Bismarck state college foundation or other private entity and do all things necessary and proper to authorize construction by the foundation or other private entity of a building on the Bismarck state college campus, using state funds, federal funds, donations, gifts, or other private funds.

SECTION 22. LEGISLATIVE INTENT - STUDENT EXCHANGE PROGRAMS. It is the intent of the fifty-ninth legislative assembly that the state board of higher education consider allowing related faculty members and practicing professionals in the related fields in the state to assist in the selection of students awarded funding through the student exchange program and consider investigating options of entering contracts with other higher education institutions for providing opportunities for students to complete professional fields of study not offered through the North Dakota university system, specifically other institutions granting professional degrees targeting critical shortages in large animal veterinary practice.

SECTION 23. LEGISLATIVE COUNCIL STUDY OF HIGHER EDUCATION FUNDING AND ACCOUNTABILITY. The legislative council shall consider studying, during the 2005-06 interim, higher education funding and accountability. If conducted, the study should include a review of the progress made in implementing the higher education roundtable recommendations relating to the university system meeting the state's expectations and needs, the funding methodology needed to meet these expectations and needs, and the appropriate accountability and reporting system for the North Dakota university system. The review should include an independent consultant's evaluation of:

1. The roundtable recommendations and the goals and objectives of the North Dakota university system;

2. The long-term financing plan for the North Dakota university system, including a review of the peer institutions selected and updated funding comparisons;

3. The North Dakota university system's prioritization of higher education funding, including the resource allocation mechanism addressing equity funding issues and the funding for initiatives at North Dakota's colleges and universities; and

4. The accountability mechanisms.

The study should be conducted and the consultant selected with input from the state board of higher education. The independent consultant selected to do the evaluation must possess a national reputation and experience in higher education governance and funding and management in multicampus public university systems and may not have been under contract with the state board of higher education during the previous five years.

The study may include the use of a higher education roundtable format.

The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixtieth legislative assembly.

SECTION 24. APPROPRIATION. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of $175,000, or so much of the sum as may be necessary, to the legislative council for the purpose of conducting the higher education study as provided for in this Act, for the biennium beginning July 1, 2005, and ending June 30, 2007. The legislative council may receive any other funds available for conducting the study and those funds are hereby appropriated.

SECTION 25. UNIVERSITY OF NORTH DAKOTA SCHOOL OF MEDICINE AND HEALTH SCIENCES - PERFORMANCE AUDIT. Notwithstanding North Dakota Century Code section 54-10-01, the state auditor may not conduct a performance audit of the university of North Dakota school of medicine and health sciences until the completion of the school's accreditation process and then only if the school fails the accreditation process.

SECTION 26. USE OF UNSPENT 2003-05 GENERAL FUND APPROPRIATIONS. The state board of higher education shall use $250,000 of North Dakota university system office unspent 2003-05 biennium general fund appropriation authorized to continue under section 54-44.1-11 for capital asset needs at Valley City State University in the sum of $150,000, including $108,000 for brick tuck-pointing, $10,000 for a sound system, and $32,000 to replace special funds for the W. E. Osmon bleacher replacement project, and for internships at the North Dakota trade office in the sum of $100,000 for the biennium beginning July 1, 2005, and ending June 30, 2007.

SECTION 27. AMENDMENT. Section 15-62.2-01 of the North Dakota Century Code is amended and reenacted as follows:

15-62.2-01. Student financial assistance and scholars programs - Establishment - Administrative responsibility. The North Dakota student financial assistance and scholars programs are established to provide grants or scholarships, or both, to assist the following students:

1. Resident undergraduate students pursuant to section 15-10-19.1.

2. North Dakota resident students who have attended and graduated from a high school in a bordering state pursuant to section 15-40.2-10, who are attending qualified institutions of postsecondary education within North Dakota.

3. North Dakota resident students who, because of physical or mental handicap as certified by a physician, are attending postsecondary institutions out of state due to the lack of special services or facilities, or both, necessary to meet the postsecondary educational needs of the handicapped students within North Dakota.

4. Scholars who qualify and are selected for scholarships pursuant to sections 15-62.2-00.1 and 15-62.2-03.1 through 15-62.2-03.5.

A student must be in substantial need of financial assistance to receive grants under the student financial assistance program. The state board of higher education shall

administer the student financial assistance program and the scholars program. At least twenty-three and one-half percent of the funds appropriated for the student financial assistance program must be allocated to students at private baccalaureate degree-granting institutions with the remaining funds allocated to students at public and American Indian institutions."

Page 17, line 18, after "assets" insert ", professional student exchange program,"

Page 17, line 19, replace "20" with "19"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2003 - Summary of Conference Committee Action

	EXECUTIVE BUDGET	SENATE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	HOUSE VERSION	COMPARISON TO HOUSE
Legislative Council						
Total all funds	$0	$0	$175,000	$175,000	$175,000	$0
Less estimated income						
General fund	$0	$0	$175,000	$175,000	$175,000	$0
University System office						
Total all funds	$387,926,815	$59,471,851	$545,036	$60,016,887	$59,831,887	$185,000
Less estimated income	2,337,276	2,337,276		2,337,276	2,337,276	
General fund	$385,589,539	$57,134,575	$545,036	$57,679,611	$57,494,611	$185,000
Bismarck State College						
Total all funds	$2,302,800	$20,870,803	($16,474)	$20,854,329	$20,854,329	$0
Less estimated income	2,302,800	3,745,300		3,745,300	3,745,300	
General fund	$0	$17,125,503	($16,474)	$17,109,029	$17,109,029	$0
Lake Region State College						
Total all funds	$343,875	$5,781,644	($4,118)	$5,777,526	$5,777,526	$0
Less estimated income						
General fund	$343,875	$5,781,644	($4,118)	$5,777,526	$5,777,526	$0
Williston State College						
Total all funds	$6,910,000	$12,755,369	$1,134,103	$13,889,472	$13,889,472	$0
Less estimated income	6,910,000	6,910,000	1,050,000	7,960,000	7,960,000	
General fund	$0	$5,845,369	$84,103	$5,929,472	$5,929,472	$0
University of North Dakota						
Total all funds	$54,331,554	$190,429,124	($76,977)	$190,352,147	$190,537,147	($185,000)
Less estimated income	54,331,554	95,500,000		95,500,000	95,500,000	
General fund	$0	$94,929,124	($76,977)	$94,852,147	$95,037,147	($185,000)
UND Medical Center						
Total all funds	$0	$31,375,828	($14,826)	$31,361,002	$31,361,002	$0
Less estimated income						
General fund	$0	$31,375,828	($14,826)	$31,361,002	$31,361,002	$0
North Dakota State University						
Total all funds	$34,000,000	$111,559,625	($62,749)	$111,496,876	$111,496,876	$0
Less estimated income	34,000,000	34,000,000		34,000,000	34,000,000	
General fund	$0	$77,559,625	($62,749)	$77,496,876	$77,496,876	$0
State College of Science						
Total all funds	$368,920	$26,131,076	$1,678,004	$27,809,080	$27,809,080	$0
Less estimated income	368,920	368,920	1,700,000	2,068,920	2,068,920	
General fund	$0	$25,762,156	($21,996)	$25,740,160	$25,740,160	$0
Dickinson State University						
Total all funds	$5,000,000	$19,989,206	$106,111	$20,095,317	$20,095,317	$0
Less estimated income	5,000,000	5,000,000		5,000,000	5,000,000	
General fund	$0	$14,989,206	$106,111	$15,095,317	$15,095,317	$0
Mayville State University						
Total all funds	$1,500,000	$10,720,486	$142,138	$10,862,624	$10,862,624	$0
Less estimated income	1,500,000	1,500,000		1,500,000	1,500,000	
General fund	$0	$9,220,486	$142,138	$9,362,624	$9,362,624	$0
Minot State University						
Total all funds	$3,535,000	$36,371,001	$56,718	$36,427,719	$36,427,719	$0
Less estimated income	3,535,000	8,535,000		8,535,000	8,535,000	

General fund	$0	$27,836,001	$56,718	$27,892,719	$27,892,719	$0
Valley City State University						
Total all funds	$282,000	$12,357,687	($42,745)	$12,314,942	$12,346,942	($32,000)
Less estimated income	32,000	32,000	(32,000)		32,000	(32,000)
General fund	$250,000	$12,325,687	($10,745)	$12,314,942	$12,314,942	$0
Minot State University - Bottineau						
Total all funds	$0	$7,948,210	($4,025)	$7,944,185	$7,944,185	$0
Less estimated income		3,500,000		3,500,000	3,500,000	
General fund	$0	$4,448,210	($4,025)	$4,444,185	$4,444,185	$0
Forest Service						
Total all funds	$3,029,654	$3,029,654	($2,370)	$3,027,284	$3,027,284	$0
Less estimated income	975,001	975,001		975,001	975,001	
General fund	$2,054,653	$2,054,653	($2,370)	$2,052,283	$2,052,283	$0
Bill Total						
Total all funds	$499,530,618	$548,791,564	$3,612,826	$552,404,390	$552,436,390	($32,000)
Less estimated income	111,292,551	162,403,497	2,718,000	165,121,497	165,153,497	(32,000)
General fund	$388,238,067	$386,388,067	$894,826	$387,282,893	$387,282,893	$0

Senate Bill No. 2003 - Legislative Council - Conference Committee Action

	EXECUTIVE BUDGET	SENATE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	HOUSE VERSION	COMPARISON TO HOUSE
Operating expenses			$175,000	$175,000	$175,000	
Total all funds	$0	$0	$175,000	$175,000	$175,000	$0
Less estimated income						
General fund	$0	$0	$175,000	$175,000	$175,000	$0
FTE	0.00	0.00	0.00	0.00	0.00	0.00

Dept. 160 - Legislative Council - Detail of Conference Committee Changes

	PROVIDES FUNDING FOR A HIGHER EDUCATION STUDY [1]	TOTAL CONFERENCE COMMITTEE CHANGES
Operating expenses	$175,000	$175,000
Total all funds	$175,000	$175,000
Less estimated income		
General fund	$175,000	$175,000
FTE	0.00	0.00

[1] This amendment provides a $175,000 general fund appropriation to the Legislative Council for the purpose of conducting a higher education study, the same amount as provided by the House.

Senate Bill No. 2003 - General Fund Summary

	EXECUTIVE BUDGET	SENATE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	HOUSE VERSION	COMPARISON TO HOUSE
University System office	$385,589,539	$57,134,575	$545,036	$57,679,611	$57,494,611	$185,000
Bismarck State College		17,125,503	(16,474)	17,109,029	17,109,029	
Lake Region State College	343,875	5,781,644	(4,118)	5,777,526	5,777,526	
Williston State College		5,845,369	84,103	5,929,472	5,929,472	
University of North Dakota		94,929,124	(76,977)	94,852,147	95,037,147	(185,000)
UND Medical Center		31,375,828	(14,826)	31,361,002	31,361,002	
North Dakota State University		77,559,625	(62,749)	77,496,876	77,496,876	
State College of Science		25,762,156	(21,996)	25,740,160	25,740,160	
Dickinson State University		14,989,206	106,111	15,095,317	15,095,317	
Mayville State University		9,220,486	142,138	9,362,624	9,362,624	

Minot State University		27,836,001	56,718	27,892,719	27,892,719	
Valley City State University	250,000	12,325,687	(10,745)	12,314,942	12,314,942	
Minot State University - Bottineau		4,448,210	(4,025)	4,444,185	4,444,185	
Forest Service	2,054,653	2,054,653	(2,370)	2,052,283	2,052,283	
Total general fund	$388,238,067	$386,388,067	$719,826	$387,107,893	$387,107,893	$0

Detail of Conference Committee Changes to the General Fund

	REDUCES RECOMMENDED FUNDING FOR HEALTH INSURANCE	INCREASES FUNDING FOR BOARD INITIATIVES	DECREASES FUNDING FOR COMMON INFORMATION SERVICES	DECREASES FUNDING FOR OPERATIONS POOL	DECREASES FUNDING FOR STUDENT FINANCIAL ASSISTANCE GRANTS	INCREASES FUNDING FOR THE PROFESSIONAL STUDENT EXCHANGE PROGRAM [1]
University System office	($13,280)	$269,060	($400,000)	($189,858)	($1,271,886)	$151,000
Bismarck State College	(16,474)					
Lake Region State College	(4,118)					
Williston State College	(5,897)					
University of North Dakota	(76,977)					
UND Medical Center	(14,826)					
North Dakota State University	(62,749)					
State College of Science	(21,996)					
Dickinson State University	(13,715)					
Mayville State University	(7,862)					
Minot State University	(23,282)					
Valley City State University	(10,745)					
Minot State University - Bottineau	(4,025)					
Forest Service	(2,370)					
Total general fund	($278,316)	$269,060	($400,000)	($189,858)	($1,271,886)	$151,000

	PROVIDES FUNDING FOR AN EQUITY POOL [2]	INCREASES FUNDING FOR OPERATIONS [3]	PROVIDES FUNDING FOR EXTRAORDINARY REPAIRS [4]	ADJUSTS FUNDING FOR A MAJOR CAPITAL PROJECT [5]	TOTAL GENERAL FUND CHANGES
University System office	$2,000,000				$545,036
Bismarck State College					(16,474)
Lake Region State College					(4,118)
Williston State College			$90,000		84,103
University of North Dakota					(76,977)
UND Medical Center					(14,826)
North Dakota State University					(62,749)
State College of Science					(21,996)
Dickinson State University		$119,826			106,111
Mayville State University			150,000		142,138
Minot State University			80,000		56,718
Valley City State University					(10,745)
Minot State University - Bottineau					(4,025)
Forest Service					(2,370)
Total general fund	$2,000,000	$119,826	$320,000	$0	$719,826

Senate Bill No. 2003 - Other Funds Summary

	EXECUTIVE BUDGET	SENATE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	HOUSE VERSION	COMPARISON TO HOUSE
University System office	$2,337,276	$2,337,276		$2,337,276	$2,337,276	
Bismarck State College	2,302,800	3,745,300		3,745,300	3,745,300	
Lake Region State College						
Williston State College	6,910,000	6,910,000	$1,050,000	7,960,000	7,960,000	
University of North Dakota	54,331,554	95,500,000		95,500,000	95,500,000	
UND Medical Center						
North Dakota State University	34,000,000	34,000,000		34,000,000	34,000,000	
State College of Science	368,920	368,920	1,700,000	2,068,920	2,068,920	
Dickinson State University	5,000,000	5,000,000		5,000,000	5,000,000	
Mayville State University	1,500,000	1,500,000		1,500,000	1,500,000	
Minot State University	3,535,000	8,535,000		8,535,000	8,535,000	
Valley City State University	32,000	32,000	(32,000)		32,000	($32,000)
Minot State University - Bottineau		3,500,000		3,500,000	3,500,000	
Forest Service	975,001	975,001		975,001	975,001	

Total other funds	$111,292,551	$162,403,497	$2,718,000	$165,128,497	$165,153,497	($32,000)

Detail of Conference Committee Changes to Other Funds

	REDUCES RECOMMENDED FUNDING FOR HEALTH INSURANCE	INCREASES FUNDING FOR BOARD INITIATIVES	DECREASES FUNDING FOR COMMON INFORMATION SERVICES	DECREASES FUNDING FOR OPERATIONS POOL	DECREASES FUNDING FOR STUDENT FINANCIAL ASSISTANCE GRANTS	INCREASES FUNDING FOR THE PROFESSIONAL STUDENT EXCHANGE PROGRAM [1]
University System office						
Bismarck State College						
Lake Region State College						
Williston State College						
University of North Dakota						
UND Medical Center						
North Dakota State University						
State College of Science						
Dickinson State University						
Mayville State University						
Minot State University						
Valley City State University						
Minot State University - Bottineau						
Forest Service						
Total other funds	$0	$0	$0	$0	$0	$0

	PROVIDES FUNDING FOR AN EQUITY POOL [2]	INCREASES FUNDING FOR OPERATIONS [3]	PROVIDES FUNDING FOR EXTRAORDINARY REPAIRS [4]	ADJUSTS FUNDING FOR A MAJOR CAPITAL PROJECT [5]	TOTAL OTHER FUNDS CHANGES
University System office					
Bismarck State College					
Lake Region State College					
Williston State College				$1,050,000	$1,050,000
University of North Dakota					
UND Medical Center					
North Dakota State University					
State College of Science				1,700,000	1,700,000
Dickinson State University					
Mayville State University					
Minot State University					
Valley City State University				(32,000)	(32,000)
Minot State University - Bottineau					
Forest Service					
Total other funds	$0	$0	$0	$2,718,000	$2,718,000

Senate Bill No. 2003 - All Funds Summary

	EXECUTIVE BUDGET	SENATE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	HOUSE VERSION	COMPARISON TO HOUSE
University System office	$387,926,815	$59,471,851	$545,036	$60,016,887	$59,831,887	$185,000
Bismarck State College	2,302,800	20,870,803	(16,474)	20,854,329	20,854,329	
Lake Region State College	343,875	5,781,644	(4,118)	5,777,526	5,777,526	
Williston State College	6,910,000	12,755,369	1,134,103	13,889,472	13,889,472	
University of North Dakota	54,331,554	190,429,124	(76,977)	190,352,147	190,537,147	(185,000)
UND Medical Center		31,375,828	(14,826)	31,361,002	31,361,002	
North Dakota State University	34,000,000	11,559,625	(62,749)	111,496,876	111,496,876	
State College of Science	368,920	26,131,076	1,678,004	27,809,080	27,809,080	
Dickinson State University	5,000,000	19,989,206	106,111	20,095,317	20,095,317	
Mayville State University	1,500,000	10,720,486	142,138	10,862,624	10,862,624	
Minot State University	3,535,000	36,371,001	56,718	36,427,719	36,427,719	
Valley City State University	282,000	12,357,687	(42,745)	12,314,942	12,346,942	(32,000)
Minot State University - Bottineau		7,948,210	(4,025)	7,944,185	7,944,185	
Forest Service	3,029,654	3,029,654	(2,370)	3,027,284	3,027,284	
Total all funds	$499,530,618	$548,791,564	$3,437,826	$552,229,390	$552,261,390	($32,000)
FTE	2196.67	2196.67	1.00	2197.67	2197.67	0.00

Detail of Conference Committee Changes to All Funds

	REDUCES RECOMMENDED FUNDING FOR HEALTH INSURANCE	INCREASES FUNDING FOR BOARD INITIATIVES	DECREASES FUNDING FOR COMMON INFORMATION SERVICES	DECREASES FUNDING FOR OPERATIONS POOL	DECREASES FUNDING FOR STUDENT FINANCIAL ASSISTANCE GRANTS	INCREASES FUNDING FOR THE PROFESSIONAL STUDENT EXCHANGE PROGRAM [1]
University System office	($13,280)	$269,060	($400,000)	($189,858)	($1,271,886)	$151,000
Bismarck State College	(16,474)					
Lake Region State College	(4,118)					
Williston State College	(5,897)					
University of North Dakota	(76,977)					
UND Medical Center	(14,826)					
North Dakota State University	(62,749)					
State College of Science	(21,996)					
Dickinson State University	(13,715)					
Mayville State University	(7,862)					
Minot State University	(23,282)					
Valley City State University	(10,745)					
Minot State University - Bottineau	(4,025)					
Forest Service	(2,370)					
Total all funds	($278,316)	$269,060	($400,000)	($189,858)	($1,271,886)	$151,000
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	PROVIDES FUNDING FOR AN EQUITY POOL [2]	INCREASES FUNDING FOR OPERATIONS [3]	PROVIDES FUNDING FOR EXTRAORDINARY REPAIRS [4]	ADJUSTS FUNDING FOR A MAJOR CAPITAL PROJECT [5]	TOTAL ALL FUNDS CHANGES
University System office	$2,000,000				$545,036
Bismarck State College					(16,474)
Lake Region State College					(4,118)
Williston State College			$90,000	$1,050,000	1,134,103
University of North Dakota					(76,977)
UND Medical Center					(14,826)
North Dakota State University					(62,749)
State College of Science				1,700,000	1,678,004
Dickinson State University		$119,826			106,111
Mayville State University			150,000		142,138
Minot State University			80,000		56,718
Valley City State University				(32,000)	(42,745)
Minot State University - Bottineau					(4,025)
Forest Service					(2,370)
Total all funds	$2,000,000	$119,826	$320,000	$2,718,000	$3,437,826
FTE	0.00	1.00	0.00	0.00	1.00

[1] This amendment increases funding for the professional student exchange program by $151,000 from the general fund to fund 3 additional veterinary medicine slots. This change was also made by the House.

[2] This amendment provides a $2,000,000 general fund appropriation for an equity pool to be allocated to higher education institutions by the State Board of Higher Education. The State Board of Higher Education may not select a formula for distributing the equity funding until January 1, 2006. A representative of the board shall provide a report to the Budget Section regarding the allocation of the equity pool. This funding was also provided by the House.

[3] This amendment increases funding for the operations of Dickinson State University by $119,826 from the general fund and authorizes 1 FTE position for custodial services and utility costs associated with the addition to Murphy Hall. This change was also made by the House.

[4] Williston State College - This amendment provides funding of $90,000 from the general fund for extraordinary repair needs in Stevens Hall.

Mayville State University - This amendment provides funding of $150,000 from the general fund for extraordinary repair needs in Old Main.

Minot State University - This amendment provides funding of $80,000 from the general fund for extraordinary repair needs in the student union ballroom.

These changes were also made by the House.

[5] Williston State College - This amendment provides Williston State College with a $1,050,000 special funds appropriation for an oil well training site on campus. This change was also made by the House.

State College of Science - This amendment increases the capital assets line item for the State College of Science by $1.7 million from special funds for renovating the college's football stadium and track. This change was also made by the House.

Valley City State University - This amendment removes $32,000 of special funds for the W. E. Osmon bleacher replacement project and provides the university will receive $32,000 from North Dakota University System office unspent 2003-05 general fund appropriations to complete the $282,000 project.

Senate Bill No. 2003 - Other Changes - Conference Committee Action

This amendment also:

- Removes Section 9 of the engrossed bill relating to student financial assistance grants. This change was also made by the House.

- Provides that the State Board of Higher Education may allocate funding of $150,000 of the funding appropriated for education incentive programs for providing doctoral incentives to students at private baccalaureate degree-granting institutions. The House provided that $150,000 of the funding appropriated for education incentive programs must be provided to private baccalaureate degree-granting institutions for doctoral incentives.

- Removes Section 19 of the engrossed bill providing for a performance audit of the University of North Dakota School of Medicine and Health Sciences and adds a section providing that the State Auditor may not conduct a performance audit of the University of North Dakota School of Medicine and Health Sciences until the school has completed its accreditation process and then only if the school fails the accreditation process. The House had removed the section providing for a performance audit of the school.

- Adds a new section relating to the Career and Technology Institute at Bismarck State College. This section was also added by the House.

- Adds a new section relating to student exchange programs. This section was also added by the House.

- Adds a new section to the bill amending North Dakota Century Code Section 15-62.2-01 to provide that 23.5 percent of the funding appropriated for the student financial assistance program must be allocated to private baccalaureate degree-granting institutions. The House added a section providing that 25 percent of the funding appropriated for the student financial assistance program be allocated to private baccalaureate degree-granting institutions.

- Revises Section 4 of the engrossed bill relating to board initiatives to provide that $200,000 of the funding appropriated must be allocated for a grant to the space grant consortium. The board is also to consider using a substantial amount of funding for an international student initiative. This change was not made by the House.

- Adds a section providing for the use of unspent 2003-05 general fund appropriations. This change was not made by the House.

Engrossed SB 2003 was placed on the Seventh order of business on the calendar.

REPORT OF CONFERENCE COMMITTEE

SB 2003, as engrossed: Your conference committee (Sens. Holmberg, Kringstad, Robinson and Reps. Aarsvold, Brusegaard, Martinson) recommends that the **HOUSE RECEDE** from the House amendments on SJ pages 1247-1256, adopt amendments as follows, and place SB 2003 on the Seventh order:

That the House recede from its amendments as printed on pages 1247-1256 of the Senate Journal and pages 1471-1480 of the House Journal and that Engrossed Senate Bill No. 2003 be amended as follows:

Page 1, line 3, replace "a report" with "reports"

Page 1, line 4, replace "performance audit of the university of North Dakota school of medicine" with "legislative council study; to amend and reenact section 15-62.2-01 of the North Dakota Century Code, relating to student financial assistance grants"

Page 1, line 5, remove "and health sciences"

Page 5, line 11, replace "1,130,634" with "1,399,694"

Page 5, line 12, replace "1,047,862" with "1,045,572"

Page 5, line 13, replace "(4,115,556)" with "(4,526,546)"

Page 5, after line 13, insert:

"Operations pool	(189,858)
Equity pool	2,000,000"

Page 5, line 16, replace "1,846,073" with "574,187"

Page 5, line 17, replace "35,480" with "186,480"

Page 5, line 21, replace "($1,002,386)" with "($457,350)"

Page 5, line 23, replace "515,845" with "1,060,881"

Page 5, line 26, replace "769,695" with "753,221"

Page 5, line 28, replace "($519,024)" with "($535,498)"

Page 5, line 30, replace "763,176" with "746,702"

Page 6, line 2, replace "361,425" with "357,307"

Page 6, line 4, replace "329,131" with "325,013"

Page 6, line 6, replace "704,131" with "700,013"

Page 6, line 9, replace "371,523" with "365,626"

Page 6, line 10, replace "6,907,685" with "8,047,685"

Page 6, line 11, replace "7,279,208" with "8,413,311"

Page 6, line 12, replace "6,910,000" with "7,960,000"

Page 6, line 13, replace "369,208" with "453,311"

Page 6, line 16, replace "8,070,453" with "7,993,476"

Page 6, line 18, replace "9,108,862" with "9,031,885"

Page 6, line 20, replace "8,008,862" with "7,931,885"

Page 6, line 23, replace "8,290,440" with "8,227,691"

Page 6, line 25, replace "($17,754,865)" with "($17,817,614)"

Page 6, line 27, replace "8,245,135" with "8,182,386"

Page 6, line 30, replace "1,072,000" with "1,050,004"

Page 6, line 31, replace "(3,320,168)" with "(1,620,168)"

Page 7, line 1, replace "($2,248,168)" with "($570,164)"

Page 7, line 2, replace "(3,300,000)" with "(1,600,000)"

Page 7, line 3, replace "1,051,832" with "1,029,836"

Page 7, line 6, replace "1,006,685" with "1,112,796"

Page 7, line 8, replace "($4,885,634)" with "($4,779,523)"

Page 7, line 10, replace "996,413" with "1,102,524"

Page 7, line 13, replace "409,157" with "401,295"

Page 7, line 14, replace "(4,060,595)" with "(3,910,595)"

Page 7, line 15, replace "($3,651,438)" with "($3,509,300)"

Page 7, line 17, replace "353,562" with "495,700"

Page 7, line 20, replace "1,469,553" with "1,446,271"

Page 7, line 21, replace "3,519,020" with "3,599,020"

Page 7, line 22, replace "4,988,573" with "5,045,291"

Page 7, line 24, replace "1,453,573" with "1,510,291"

Page 7, line 27, replace "512,599" with "501,854"

Page 7, line 28, replace "(3,810,218)" with "(3,842,218)"

Page 7, line 29, replace "($3,297,619)" with "($3,340,364)"

Page 7, line 30, replace "(4,053,300) with "(4,085,300)"

Page 7, line 31, replace "755,681" with "744,936"

Page 8, line 3, replace "235,629" with "231,604"

Page 8, line 5, replace "3,635,691" with "3,631,666"

Page 8, line 7, replace "135,691" with "131,666"

Page 8, line 10, replace "1,209,963" with "1,195,137"

Page 8, line 11, replace "1,209,963" with "1,195,137"

Page 8, line 15, replace "213,000" with "210,630"

Page 8, line 16, replace "168,577" with "166,207"

Page 8, line 18, replace "283,577" with "281,207"

Page 8, line 19, replace "24,846,649" with "25,566,475"

Page 8, line 20, replace "($31,485,778)" with "($28,767,778)"

Page 8, line 21, replace "($6,639,129)" with "($3,201,303)"

Page 9, line 3, replace "1,615,940" with "1,885,000"

Page 9, line 4, replace "5,520,712" with "5,518,422"

Page 9, line 6, replace "20,974,083" with "20,563,093"

Page 9, line 7, replace "578,417" with "388,559"

Page 9, after line 7, insert:
"Equity pool 2,000,000"

Page 9, line 10, replace "4,776,288" with "3,504,402"

Page 9, line 11, replace "1,713,780" with "1,864,780"

Page 9, line 15, replace "59,471,851" with "60,016,887"

Page 9, line 17, replace "57,134,575" with "57,679,611"

Page 9, line 20, replace "16,882,022" with "16,865,548"

Page 9, line 22, replace "17,628,303" with "17,611,829"

Page 9, line 24, replace "17,125,503" with "17,109,029"

Page 9, line 27, replace "5,394,107" with "5,389,989"

Page 9, line 29, replace "5,781,644" with "5,777,526"

Page 10, line 1, replace "5,758,894" with "5,752,997"

Page 10, line 2, replace "6,996,475" with "8,136,475"

Page 10, line 3, replace "12,755,369" with "13,889,472"

Page 10, line 4, replace "6,910,000" with "7,960,000"

Page 10, line 5, replace "5,845,369" with "5,929,472"

Page 10, line 8, replace "92,628,579" with "92,551,602"

Page 10, line 10, replace "149,329,124" with "149,252,147"

Page 10, line 12, replace "94,929,124" with "94,852,147"

Page 10, line 15, replace "75,867,399" with "75,804,650"

Page 10, line 17, replace "77,559,625" with "77,496,876"

Page 10, line 20, replace "25,008,824" with "24,986,828"

Page 10, line 21, replace "1,122,252" with "2,822,252"

Page 10, line 22, replace "26,131,076" with "27,809,080"

Page 10, line 23, replace "368,920" with "2,068,920"

Page 10, line 24, replace "25,762,156" with "25,740,160"

Page 10, line 27, replace "14,605,516" with "14,711,627"

Page 10, line 29, replace "19,989,206" with "20,095,317"

Page 10, line 31, replace "14,989,206" with "15,095,317"

Page 11, line 3, replace "9,011,492" with "9,003,630"

Page 11, line 4, replace "1,708,994" with "1,858,994"

Page 11, line 5, replace "10,720,486" with "10,862,624"

Page 11, line 7, replace "9,220,486" with "9,362,624"

Page 11, line 10, replace "27,239,131" with "27,215,849"

Page 11, line 11, replace "4,131,870" with "4,211,870"

Page 11, line 12, replace "31,371,001" with "31,427,719"

Page 11, line 14, replace "27,836,001" with "27,892,719"

Page 11, line 17, replace "11,817,271" with "11,806,526"

Page 11, line 18, replace "540,416" with "508,416"

Page 11, line 19, replace "all funds" with "general fund appropriation" and replace "12,357,687" with "12,314,942"

Page 11, remove lines 20 and 21

Page 11, line 24, replace "4,338,485" with "4,334,460"

Page 11, line 26, replace "7,948,210" with "7,944,185"

Page 11, line 28, replace "4,448,210" with "4,444,185"

Page 12, line 1, replace "31,375,828" with "31,361,002"

Page 12, line 2, replace "31,375,828" with "31,361,002"

Page 12, line 6, replace "2,928,016" with "2,925,646"

Page 12, line 7, replace "3,029,654" with "3,027,284"

Page 12, line 9, replace "2,054,653" with "2,052,283"

Page 12, line 10, replace "386,388,067" with "387,107,893"

Page 12, line 11, replace "79,060,997" with "81,778,997"

Page 12, line 12, replace "465,449,064" with "468,886,890"

Page 12, line 13, replace "386,388,067" with "387,282,893"

Page 12, line 14, replace "162,403,497" with "165,121,497"

Page 12, line 15, replace "548,791,564" with "552,404,390"

Page 12, line 16, replace "$1,615,940, or so much of the sum as" with "$200,000 of the funding"

Page 12, line 17, remove "may be necessary,"

Page 12, line 18, after "used" insert "for a grant to the space grant consortium to match federal funds and the remainder of the funding may be used"

Page 12, line 20, after the period insert "The board shall consider using a substantial amount of funding for an international student initiative."

Page 12, line 25, replace "$578,417" with "$388,559"

Page 12, line 29, replace "$20,974,083" with "$20,563,093"

Page 13, replace lines 12 through 16 with:

"**SECTION 9. EQUITY POOL - REPORT TO THE BUDGET SECTION.** The sum of $2,000,000, or so much of the sum as may be necessary, included in the equity pool line item in subdivision 1 of section 3 of this Act, must be used to address equity at higher education institutions and other campus needs as determined by the state board of higher education. The state board of higher education may not select a formula for distributing the equity funding until January 1, 2006. A representative of the board shall provide a report to the budget section regarding the allocation of the equity pool. Equity or parity funding allocations must be considered in the campus equity position for budgeting purposes."

Page 13, line 22, after the period insert "The board may allocate up to $150,000 of the funding for providing doctoral incentives to students at private baccalaureate degree-granting institutions."

Page 13, line 31, after the period insert "Twenty-three and one-half percent of the additional funds must be used for student financial assistance grants for students at private baccalaureate degree-granting institutions."

Page 15, remove lines 26 through 31

Page 16, remove lines 1 and 2

Page 17, after line 17, insert:

"**SECTION 21. BISMARCK STATE COLLEGE CAREER AND TECHNOLOGY INSTITUTE.** The state board of higher education may enter into an agreement or agreements with the Bismarck state college foundation or other private entity and do all things necessary and proper to authorize construction by the foundation or other private entity of a building on the Bismarck state college campus, using state funds, federal funds, donations, gifts, or other private funds.

SECTION 22. LEGISLATIVE INTENT - STUDENT EXCHANGE PROGRAMS. It is the intent of the fifty-ninth legislative assembly that the state board of higher education consider allowing related faculty members and practicing professionals in the related fields in the state to assist in the selection of students awarded funding through the student exchange program and consider investigating options of entering contracts with other higher education institutions for providing opportunities for students to complete professional fields of study not offered through the North Dakota university system, specifically other institutions granting professional degrees targeting critical shortages in large animal veterinary practice.

SECTION 23. LEGISLATIVE COUNCIL STUDY OF HIGHER EDUCATION FUNDING AND ACCOUNTABILITY. The legislative council shall consider studying higher education funding and accountability during the 2005-06 interim. If conducted, the study should include a review of the progress made in implementing the higher education roundtable recommendations relating to the university system meeting the state's expectations and needs, the funding methodology needed to meet these expectations and needs, and the appropriate accountability and reporting system for the North Dakota university system. The review should include an independent consultant's evaluation of:

1. The roundtable recommendations and the goals and objectives of the North Dakota university system;

2. The long-term financing plan for the North Dakota university system, including a review of the peer institutions selected and updated funding comparisons;

3. The North Dakota university system's prioritization of higher education funding, including the resource allocation mechanism addressing equity funding issues and the funding for initiatives at North Dakota's colleges and universities; and

4. The accountability mechanisms.

The study should be conducted and the consultant selected with input from the state board of higher education. The independent consultant selected to do the evaluation shall possess a national reputation and experience in higher education governance and funding and management in multicampus public university systems and shall not have been under contract with the state board of higher education during the previous five years.

The study may include the use of a higher education roundtable format.

The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixtieth legislative assembly.

SECTION 24. APPROPRIATION. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of $175,000, or so much of the sum as may be necessary, to the legislative council for the purpose of conducting the higher education study as provided for in this Act, for the biennium beginning July 1, 2005, and ending June 30, 2007. The legislative council may receive any other funds available for conducting the study and such funds are hereby appropriated.

SECTION 25. USE OF UNSPENT 2003-05 GENERAL FUND APPROPRIATIONS. The state board of higher education shall use $250,000 of North Dakota university system office unspent 2003-05 biennium general fund appropriation authorized to continue under section 54-44.1-11 for capital asset needs at Valley City State University in the sum of $150,000, including $108,000 for brick tuck-pointing, $10,000 for a sound system, and $32,000 to replace special funds for the W. E. Osmon bleacher replacement project, and for internships at the North Dakota trade office in the sum of $100,000 for the biennium beginning July 1, 2005, and ending June 30, 2007.

SECTION 26. AMENDMENT. Section 15-62.2-01 of the North Dakota Century Code is amended and reenacted as follows:

15-62.2-01. Student financial assistance and scholars programs - Establishment - Administrative responsibility. The North Dakota student financial assistance and scholars programs are established to provide grants or scholarships, or both, to assist the following students:

1. Resident undergraduate students pursuant to section 15-10-19.1.

2. North Dakota resident students who have attended and graduated from a high school in a bordering state pursuant to section 15-40.2-10, who are attending qualified institutions of postsecondary education within North Dakota.

3. North Dakota resident students who, because of physical or mental handicap as certified by a physician, are attending postsecondary institutions out of state due to the lack of special services or facilities, or both, necessary to meet the postsecondary educational needs of the handicapped students within North Dakota.

4. Scholars who qualify and are selected for scholarships pursuant to sections 15-62.2-00.1 and 15-62.2-03.1 through 15-62.2-03.5.

A student must be in substantial need of financial assistance to receive grants under the student financial assistance program. The state board of higher education shall administer the student financial assistance program and the scholars program. At least twenty-three and one-half percent of the funds appropriated for the student financial assistance program must be allocated to students at private baccalaureate degree-granting institutions with the remaining funds allocated to students at public and American Indian institutions."

Page 17, line 18, after "assets" insert ", professional student exchange program,"

Page 17, line 19, replace "20" with "19"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2003 - Summary of Conference Committee Action

	EXECUTIVE BUDGET	SENATE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	HOUSE VERSION	COMPARISON TO HOUSE
Legislative Council						
Total all funds	$0	$0	$175,000	$175,000	$175,000	$0
Less estimated income						
General fund	$0	$0	$175,000	$175,000	$175,000	$0
University System office						
Total all funds	$387,926,815	$59,471,851	$545,036	$60,016,887	$59,831,887	$185,000
Less estimated income	2,337,276	2,337,276		2,337,276	2,337,276	
General fund	$385,589,539	$57,134,575	$545,036	$57,679,611	$57,494,611	$185,000
Bismarck State College						
Total all funds	$2,302,800	$20,870,803	($16,474)	$20,854,329	$20,854,329	$0
Less estimated income	2,302,800	3,745,300		3,745,300	3,745,300	
General fund	$0	$17,125,503	($16,474)	$17,109,029	$17,109,029	$0
Lake Region State College						
Total all funds	$343,875	$5,781,644	($4,118)	$5,777,526	$5,777,526	$0
Less estimated income						
General fund	$343,875	$5,781,644	($4,118)	$5,777,526	$5,777,526	$0
Williston State College						
Total all funds	$6,910,000	$12,755,369	$1,134,103	$13,889,472	$13,889,472	$0
Less estimated income	6,910,000	6,910,000	1,050,000	7,960,000	7,960,000	
General fund	$0	$5,845,369	$84,103	$5,929,472	$5,929,472	$0
University of North Dakota						
Total all funds	$54,331,554	$190,429,124	($76,977)	$190,352,147	$190,537,147	($185,000)
Less estimated income	54,331,554	95,500,000		95,500,000	95,500,000	
General fund	$0	$94,929,124	($76,977)	$94,852,147	$95,037,147	($185,000)
UND Medical Center						
Total all funds	$0	$31,375,828	($14,826)	$31,361,002	$31,361,002	$0
Less estimated income						
General fund	$0	$31,375,828	($14,826)	$31,361,002	$31,361,002	$0
North Dakota State University						
Total all funds	$34,000,000	$111,559,625	($62,749)	$111,496,876	$111,496,876	$0
Less estimated income	34,000,000	34,000,000		34,000,000	34,000,000	
General fund	$0	$77,559,625	($62,749)	$77,496,876	$77,496,876	$0
State College of Science						
Total all funds	$368,920	$26,131,076	$1,678,004	$27,809,080	$27,809,080	$0
Less estimated income	368,920	368,920	1,700,000	2,068,920	2,068,920	
General fund	$0	$25,762,156	($21,996)	$25,740,160	$25,740,160	$0
Dickinson State University						
Total all funds	$5,000,000	$19,989,206	$106,111	$20,095,317	$20,095,317	$0
Less estimated income	5,000,000	5,000,000		5,000,000	5,000,000	
General fund	$0	$14,989,206	$106,111	$15,095,317	$15,095,317	$0
Mayville State University						
Total all funds	$1,500,000	$10,720,486	$142,138	$10,862,624	$10,862,624	$0
Less estimated income	1,500,000	1,500,000		1,500,000	1,500,000	
General fund	$0	$9,220,486	$142,138	$9,362,624	$9,362,624	$0
Minot State University						
Total all funds	$3,535,000	$36,371,001	$56,718	$36,427,719	$36,427,719	$0
Less estimated income	3,535,000	8,535,000		8,535,000	8,535,000	
General fund	$0	$27,836,001	$56,718	$27,892,719	$27,892,719	$0
Valley City State University						
Total all funds	$282,000	$12,357,687	($42,745)	$12,314,942	$12,346,942	($32,000)
Less estimated income	32,000	32,000	(32,000)		32,000	(32,000)
General fund	$250,000	$12,325,687	($10,745)	$12,314,942	$12,314,942	$0
Minot State University - Bottineau						
Total all funds	$0	$7,948,210	($4,025)	$7,944,185	$7,944,185	$0
Less estimated income		3,500,000		3,500,000	3,500,000	

General fund	$0	$4,448,210	($4,025)	$4,444,185	$4,444,185	$0
Forest Service						
Total all funds	$3,029,654	$3,029,654	($2,370)	$3,027,284	$3,027,284	$0
Less estimated income	975,001	975,001		975,001	975,001	
General fund	$2,054,653	$2,054,653	($2,370)	$2,052,283	$2,052,283	$0
Bill Total						
Total all funds	$499,530,618	$548,791,564	$3,612,826	$552,404,390	$552,436,390	($32,000)
Less estimated income	111,292,551	162,403,497	2,718,000	165,121,497	165,153,497	(32,000)
General fund	$388,238,067	$386,388,067	$894,826	$387,282,893	$387,282,893	$0

Senate Bill No. 2003 - Legislative Council - Conference Committee Action

	EXECUTIVE BUDGET	SENATE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	HOUSE VERSION	COMPARISON TO HOUSE
Operating expenses			$175,000	$175,000	$175,000	
Total all funds	$0	$0	$175,000	$175,000	$175,000	$0
Less estimated income						
General fund	$0	$0	$175,000	$175,000	$175,000	$0
FTE	0.00	0.00	0.00	0.00	0.00	0.00

Dept. 160 - Legislative Council - Detail of Conference Committee Changes

	PROVIDES FUNDING FOR A HIGHER EDUCATION STUDY [1]	TOTAL CONFERENCE COMMITTEE CHANGES
Operating expenses	$175,000	$175,000
Total all funds	$175,000	$175,000
Less estimated income		
General fund	$175,000	$175,000
FTE	0.00	0.00

[1] This amendment provides a $175,000 general fund appropriation to the Legislative Council for the purpose of conducting a higher education study, the same amount as provided by the House.

Senate Bill No. 2003 - General Fund Summary

	EXECUTIVE BUDGET	SENATE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	HOUSE VERSION	COMPARISON TO HOUSE
University System office	$385,589,539	$57,134,575	$545,036	$57,679,611	$57,494,611	$185,000
Bismarck State College		17,125,503	(16,474)	17,109,029	17,109,029	
Lake Region State College	343,875	5,781,644	(4,118)	5,777,526	5,777,526	
Williston State College		5,845,369	84,103	5,929,472	5,929,472	
University of North Dakota		94,929,124	(76,977)	94,852,147	95,037,147	(185,000)
UND Medical Center		31,375,828	(14,826)	31,361,002	31,361,002	
North Dakota State University		77,559,625	(62,749)	77,496,876	77,496,876	
State College of Science		25,762,156	(21,996)	25,740,160	25,740,160	
Dickinson State University		14,989,206	106,111	15,095,317	15,095,317	
Mayville State University		9,220,486	142,138	9,362,624	9,362,624	
Minot State University		27,836,001	56,718	27,892,719	27,892,719	
Valley City State University	250,000	12,325,687	(10,745)	12,314,942	12,314,942	
Minot State University - Bottineau		4,448,210	(4,025)	4,444,185	4,444,185	
Forest Service	2,054,653	2,054,653	(2,370)	2,052,283	2,052,283	
Total general fund	$388,238,067	$386,388,067	$719,826	$387,107,893	$387,107,893	$0

Detail of Conference Committee Changes to the General Fund

	REDUCES RECOMMENDED FUNDING FOR HEALTH INSURANCE	INCREASES FUNDING FOR BOARD INITIATIVES	DECREASES FUNDING FOR COMMON INFORMATION SERVICES	DECREASES FUNDING FOR OPERATIONS POOL	DECREASES FUNDING FOR STUDENT FINANCIAL ASSISTANCE GRANTS	INCREASES FUNDING FOR THE PROFESSIONAL STUDENT EXCHANGE PROGRAM [1]
University System office	($13,280)	$269,060	($400,000)	($189,858)	($1,271,886)	$151,000
Bismarck State College	(16,474)					
Lake Region State College	(4,118)					
Williston State College	(5,897)					
University of North Dakota	(76,977)					
UND Medical Center	(14,826)					
North Dakota State University	(62,749)					
State College of Science	(21,996)					
Dickinson State University	(13,715)					
Mayville State University	(7,862)					
Minot State University	(23,282)					
Valley City State University	(10,745)					
Minot State University - Bottineau	(4,025)					
Forest Service	(2,370)					
Total general fund	($278,316)	$269,060	($400,000)	($189,858)	($1,271,886)	$151,000

	PROVIDES FUNDING FOR AN EQUITY POOL [2]	INCREASES FUNDING FOR OPERATIONS [3]	PROVIDES FUNDING FOR EXTRAORDINARY REPAIRS [4]	ADJUSTS FUNDING FOR A MAJOR CAPITAL PROJECT [5]	TOTAL GENERAL FUND CHANGES
University System office	$2,000,000				$545,036
Bismarck State College					(16,474)
Lake Region State College					(4,118)
Williston State College			$90,000		84,103
University of North Dakota					(76,977)
UND Medical Center					(14,826)
North Dakota State University					(62,749)
State College of Science					(21,996)
Dickinson State University		$119,826			106,111
Mayville State University			150,000		142,138
Minot State University			80,000		56,718
Valley City State University					(10,745)
Minot State University - Bottineau					(4,025)
Forest Service					(2,370)
Total general fund	$2,000,000	$119,826	$320,000	$0	$719,826

Senate Bill No. 2003 - Other Funds Summary

	EXECUTIVE BUDGET	SENATE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	HOUSE VERSION	COMPARISON TO HOUSE
University System office	$2,337,276	$2,337,276		$2,337,276	$2,337,276	
Bismarck State College	2,302,800	3,745,300		3,745,300	3,745,300	
Lake Region State College						
Williston State College	6,910,000	6,910,000	$1,050,000	7,960,000	7,960,000	
University of North Dakota	54,331,554	95,500,000		95,500,000	95,500,000	
UND Medical Center						
North Dakota State University	34,000,000	34,000,000		34,000,000	34,000,000	
State College of Science	368,920	368,920	1,700,000	2,068,920	2,068,920	
Dickinson State University	5,000,000	5,000,000		5,000,000	5,000,000	
Mayville State University	1,500,000	1,500,000		1,500,000	1,500,000	
Minot State University	3,535,000	8,535,000		8,535,000	8,535,000	
Valley City State University	32,000	32,000	(32,000)		32,000	($32,000)
Minot State University - Bottineau		3,500,000		3,500,000	3,500,000	
Forest Service	975,001	975,001		975,001	975,001	
Total other funds	$111,292,551	$162,403,497	$2,718,000	$165,128,497	$165,153,497	($32,000)

Detail of Conference Committee Changes to Other Funds

	REDUCES RECOMMENDED FUNDING FOR HEALTH INSURANCE	INCREASES FUNDING FOR BOARD INITIATIVES	DECREASES FUNDING FOR COMMON INFORMATION SERVICES	DECREASES FUNDING FOR OPERATIONS POOL	DECREASES FUNDING FOR STUDENT FINANCIAL ASSISTANCE GRANTS	INCREASES FUNDING FOR THE PROFESSIONAL STUDENT EXCHANGE PROGRAM [1]
University System office						
Bismarck State College						
Lake Region State College						
Williston State College						
University of North Dakota						
UND Medical Center						
North Dakota State University						
State College of Science						
Dickinson State University						
Mayville State University						
Minot State University						
Valley City State University						
Minot State University - Bottineau						
Forest Service						
Total other funds	$0	$0	$0	$0	$0	$0

	PROVIDES FUNDING FOR AN EQUITY POOL [2]	INCREASES FUNDING FOR OPERATIONS [3]	PROVIDES FUNDING FOR EXTRAORDINARY REPAIRS [4]	ADJUSTS FUNDING FOR A MAJOR CAPITAL PROJECT [5]	TOTAL OTHER FUNDS CHANGES
University System office					
Bismarck State College					
Lake Region State College					
Williston State College				$1,050,000	$1,050,000
University of North Dakota					
UND Medical Center					
North Dakota State University					
State College of Science				1,700,000	1,700,000
Dickinson State University					
Mayville State University					
Minot State University					
Valley City State University				(32,000)	(32,000)
Minot State University - Bottineau					
Forest Service					
Total other funds	$0	$0	$0	$2,718,000	$2,718,000

Senate Bill No. 2003 - All Funds Summary

	EXECUTIVE BUDGET	SENATE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	HOUSE VERSION	COMPARISON TO HOUSE
University System office	$387,926,815	$59,471,851	$545,036	$60,016,887	$59,831,887	$185,000
Bismarck State College	2,302,800	20,870,803	(16,474)	20,854,329	20,854,329	
Lake Region State College	343,875	5,781,644	(4,118)	5,777,526	5,777,526	
Williston State College	6,910,000	12,755,369	1,134,103	13,889,472	13,889,472	
University of North Dakota	54,331,554	190,429,124	(76,977)	190,352,147	190,537,147	(185,000)
UND Medical Center		31,375,828	(14,826)	31,361,002	31,361,002	
North Dakota State University	34,000,000	11,559,625	(62,749)	111,496,876	111,496,876	
State College of Science	368,920	26,131,076	1,678,004	27,809,080	27,809,080	
Dickinson State University	5,000,000	19,989,206	106,111	20,095,317	20,095,317	
Mayville State University	1,500,000	10,720,486	142,138	10,862,624	10,862,624	
Minot State University	3,535,000	36,371,001	56,718	36,427,719	36,427,719	
Valley City State University	282,000	12,357,687	(42,745)	12,314,942	12,346,942	(32,000)
Minot State University - Bottineau		7,948,210	(4,025)	7,944,185	7,944,185	
Forest Service	3,029,654	3,029,654	(2,370)	3,027,284	3,027,284	
Total all funds	$499,530,618	$548,791,564	$3,437,826	$552,229,390	$552,261,390	($32,000)
FTE	2196.67	2196.67	1.00	2197.67	2197.67	0.00

Detail of Conference Committee Changes to All Funds

	REDUCES RECOMMENDED	INCREASES	DECREASES FUNDING FOR	DECREASES	DECREASES FUNDING FOR STUDENT	INCREASES FUNDING FOR THE PROFESSIONAL

	FUNDING FOR HEALTH INSURANCE	FUNDING FOR BOARD INITIATIVES	COMMON INFORMATION SERVICES	FUNDING FOR OPERATIONS POOL	FINANCIAL ASSISTANCE GRANTS	STUDENT EXCHANGE PROGRAM [1]
University System office	($13,280)	$269,060	($400,000)	($189,858)	($1,271,886)	$151,000
Bismarck State College	(16,474)					
Lake Region State College	(4,118)					
Williston State College	(5,897)					
University of North Dakota	(76,977)					
UND Medical Center	(14,826)					
North Dakota State University	(62,749)					
State College of Science	(21,996)					
Dickinson State University	(13,715)					
Mayville State University	(7,862)					
Minot State University	(23,282)					
Valley City State University	(10,745)					
Minot State University - Bottineau	(4,025)					
Forest Service	(2,370)					
Total all funds	($278,316)	$269,060	($400,000)	($189,858)	($1,271,886)	$151,000
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	PROVIDES FUNDING FOR AN EQUITY POOL [2]	INCREASES FUNDING FOR OPERATIONS [3]	PROVIDES FUNDING FOR EXTRAORDINARY REPAIRS [4]	ADJUSTS FUNDING FOR A MAJOR CAPITAL PROJECT [5]	TOTAL ALL FUNDS CHANGES
University System office	$2,000,000				$545,036
Bismarck State College					(16,474)
Lake Region State College					(4,118)
Williston State College			$90,000	$1,050,000	1,134,103
University of North Dakota					(76,977)
UND Medical Center					(14,826)
North Dakota State University					(62,749)
State College of Science				1,700,000	1,678,004
Dickinson State University		$119,826			106,111
Mayville State University			150,000		142,138
Minot State University			80,000		56,718
Valley City State University				(32,000)	(42,745)
Minot State University - Bottineau					(4,025)
Forest Service					(2,370)
Total all funds	$2,000,000	$119,826	$320,000	$2,718,000	$3,437,826
FTE	0.00	1.00	0.00	0.00	1.00

1 This amendment increases funding for the professional student exchange program by $151,000 from the general fund to fund 3 additional veterinary medicine slots. This change was also made by the House.

2 This amendment provides a $2,000,000 general fund appropriation for an equity pool to be allocated to higher education institutions by the State Board of Higher Education. The State Board of Higher Education may not select a formula for distributing the equity funding until January 1, 2006. A representative of the board shall provide a report to the Budget Section regarding the allocation of the equity pool. This funding was also provided by the House.

3 This amendment increases funding for the operations of Dickinson State University by $119,826 from the general fund and authorizes 1 FTE position for custodial services and utility costs associated with the addition to Murphy Hall. This change was also made by the House.

4 Williston State College - This amendment provides funding of $90,000 from the general fund for extraordinary repair needs in Stevens Hall.

Mayville State University - This amendment provides funding of $150,000 from the general fund for extraordinary repair needs in Old Main.

Minot State University - This amendment provides funding of $80,000 from the general fund for extraordinary repair needs in the student union ballroom.

These changes were also made by the House.

5 Williston State College - This amendment provides Williston State College with a $1,050,000 special funds appropriation for an oil well training site on campus. This change was also made by the House.

State College of Science - This amendment increases the capital assets line item for the State College of Science by $1.7 million from special funds for renovating the college's football stadium and track. This change was also made by the House.

Valley City State University - This amendment removes $32,000 of special funds for the W. E. Osmon bleacher replacement project and provides the university will receive $32,000 from North Dakota University System office unspent 2003-05 general fund appropriations to complete the $282,000 project.

Senate Bill No. 2003 - Other Changes - Conference Committee Action

This amendment also:

- Removes Section 9 of the engrossed bill relating to student financial assistance grants. This change was also made by the House.

- Provides that the State Board of Higher Education may allocate funding of $150,000 of the funding appropriated for education incentive programs for providing doctoral incentives to students at private baccalaureate degree-granting institutions. The House provided that $150,000 of the funding appropriated for education incentive programs must be provided to private baccalaureate degree-granting institutions for doctoral incentives.

- Removes Section 19 of the engrossed bill providing for a performance audit of the University of North Dakota School of Medicine and Health Sciences. This change was also made by the House.

- Adds a new section relating to the Career and Technology Institute at Bismarck State College. This section was also added by the House.

- Adds a new section relating to student exchange programs. This section was also added by the House.

- Adds a new section to the bill amending North Dakota Century Code Section 15-62.2-01 to provide that 23.5 percent of the funding appropriated for the student financial assistance program must be allocated to private baccalaureate degree-granting institutions. The House added a section providing that 25 percent of the funding appropriated for the student financial assistance program be allocated to private baccalaureate degree-granting institutions.

- Revises Section 4 of the engrossed bill relating to board initiatives to provide that $200,000 of the funding appropriated must be allocated for a grant to the space grant consortium. The board is also to consider using a substantial amount of funding for an international student initiative. This change was not made by the House.

- Adds a section providing for the use of unspent 2003-05 general fund appropriations. This change was not made by the House.

Engrossed SB 2003 was placed on the Seventh order of business on the calendar.

Prepared by the North Dakota Legislative Council staff for Conference Committee
April 2005

HIGHER EDUCATION - CAPITAL IMPROVEMENT PROJECTS

The following is a summary of capital improvement projects for the North Dakota University System under consideration for funding with state bonding proceeds:

Institution	Project Description	Project Cost
Lake Region State College	Science lab renovation	$343,875[1]
Valley City State University	W. E. Osmon bleacher replacement	250,000[1,2]
Williston State College	Stevens Hall - Extraordinary repair needs	90,000[1]
Mayville State University	Old Main - Extraordinary repair needs	150,000[1]
Minot State University	Student Union ballroom - Extraordinary repair needs	80,000[1]
Valley City State University	Extraordinary repair needs (tuckpointing)	150,000
Total		$1,063,875[3]

[1]This project is funded from the general fund in Engrossed Senate Bill No. 2003 with House amendments.

[2]The total project cost for the W. E. Osmon bleacher replacement project is $282,000, $250,000 from the general fund and $32,000 of other funds.

[3]According to the staff of the Industrial Commission, the state may bond for $30,027,525 of capital improvement projects and keep the bond payments for the 2007-09 biennium within the statutory limit of 10 percent of 1 percent of sales tax. Senate Bill No. 2023 with House amendments includes $23,078,248 of bonding. The conference committee on Senate Bill No. 2023 has tentatively agreed to include $270,000 of bonding for a project at the Central Grasslands Research Extension Center, increasing the level of bonding to $23,348,248, resulting in an available additional bonding level of $6,679,277. If the conference committee on Senate Bill No. 2023 agrees to include bonding of $5.5 million for an addition to the Heritage Center, the level of bonding would increase to $28,848,248, resulting in an available additional bonding level of $1,179,277.

Prepared by the Legislative Council
staff for Senator Holmberg
April 18, 2005

SENATE BILL NO. 2003 – PROPOSED CONFERENCE COMMITTEE CHANGES

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2003 - Summary of Conference Committee Action

	Executive Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
Legislative Council						
Total all funds	$0	$0	$125,000	$125,000	$175,000	($50,000)
Less estimated income	0	0	0	0	0	0
General fund	$0	$0	$125,000	$125,000	$175,000	($50,000)
University System office						
Total all funds	$387,926,815	$59,471,851	$1,034,862	$60,506,713	$59,831,887	$674,826
Less estimated income	2,337,276	2,337,276	0	2,337,276	2,337,276	0
General fund	$385,589,539	$57,134,575	$1,034,862	$58,169,437	$57,494,611	$674,826
Bismarck State College						
Total all funds	$2,302,800	$20,870,803	($16,474)	$20,854,329	$20,854,329	$0
Less estimated income	2,302,800	3,745,300	0	3,745,300	3,745,300	0
General fund	$0	$17,125,503	($16,474)	$17,109,029	$17,109,029	$0
Lake Region State College						
Total all funds	$343,875	$5,781,644	($4,118)	$5,777,526	$5,777,526	$0
Less estimated income	0	0	0	0	0	0
General fund	$343,875	$5,781,644	($4,118)	$5,777,526	$5,777,526	$0
Williston State College						
Total all funds	$6,910,000	$12,755,369	$1,044,103	$13,799,472	$13,889,472	($90,000)
Less estimated income	6,910,000	6,910,000	1,050,000	7,960,000	7,960,000	0
General fund	$0	$5,845,369	($5,897)	$5,839,472	$5,929,472	($90,000)
University of North Dakota						
Total all funds	$54,331,554	$190,429,124	($76,977)	$190,352,147	$190,537,147	($185,000)
Less estimated income	54,331,554	95,500,000	0	95,500,000	95,500,000	0
General fund	$0	$94,929,124	($76,977)	$94,852,147	$95,037,147	($185,000)
UND Medical Center						
Total all funds	$0	$31,375,828	($14,826)	$31,361,002	$31,361,002	$0
Less estimated income	0	0	0	0	0	0
General fund	$0	$31,375,828	($14,826)	$31,361,002	$31,361,002	$0
North Dakota State University						
Total all funds	$34,000,000	$111,559,625	($62,749)	$111,496,876	$111,496,876	$0
Less estimated income	34,000,000	34,000,000	0	34,000,000	34,000,000	0
General fund	$0	$77,559,625	($62,749)	$77,496,876	$77,496,876	$0
State College of Science						
Total all funds	$368,920	$26,131,076	$1,678,004	$27,809,080	$27,809,080	$0
Less estimated income	368,920	368,920	1,700,000	2,068,920	2,068,920	0
General fund	$0	$25,762,156	($21,996)	$25,740,160	$25,740,160	$0
Dickinson State University						
Total all funds	$5,000,000	$19,989,206	($13,715)	$19,975,491	$20,095,317	($119,826)
Less estimated income	5,000,000	5,000,000	0	5,000,000	5,000,000	0
General fund	$0	$14,989,206	($13,715)	$14,975,491	$15,095,317	($119,826)
Mayville State University						
Total all funds	$1,500,000	$10,720,486	($7,862)	$10,712,624	$10,862,624	($150,000)
Less estimated income	1,500,000	1,500,000	0	1,500,000	1,500,000	0
General fund	$0	$9,220,486	($7,862)	$9,212,624	$9,362,624	($150,000)
Minot State University						
Total all funds	$3,535,000	$36,371,001	($23,282)	$36,347,719	$36,427,719	($80,000)

Less estimated income	3,535,000	8,535,000	0	8,535,000	8,535,000	0
General fund	$0	$27,836,001	($23,282)	$27,812,719	$27,892,719	($80,000)
Valley City State University						
Total all funds	$282,000	$12,357,687	($10,745)	$12,346,942	$12,346,942	--
Less estimated income	32,000	32,000	0	32,000	32,000	0
General fund	$250,000	$12,325,687	($10,745)	$12,314,942	$12,314,942	$0
Minot State University - Bottineau						
Total all funds	$0	$7,948,210	($4,025)	$7,944,185	$7,944,185	$0
Less estimated income	0	3,500,000	0	3,500,000	3,500,000	0
General fund	$0	$4,448,210	($4,025)	$4,444,185	$4,444,185	$0
Forest Service						
Total all funds	$3,029,654	$3,029,654	($2,370)	$3,027,284	$3,027,284	$0
Less estimated income	975,001	975,001	0	975,001	975,001	0
General fund	$2,054,653	$2,054,653	($2,370)	$2,052,283	$2,052,283	$0
Bill total						
Total all funds	$499,530,618	$548,791,564	$3,644,826	$552,436,390	$552,436,390	$0
Less estimated income	111,292,551	162,403,497	2,750,000	165,153,497	165,153,497	0
General fund	$388,238,067	$386,388,067	$894,826	$387,282,893	$387,282,893	$0

Senate Bill No. 2003 - Legislative Council - Conference Committee Action

	Executive Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
Operating expenses			$125,000	$125,000	$175,000	($50,000)
Total all funds	$0	$0	$125,000	$125,000	$175,000	($50,000)
Less estimated income	0	0	0	0	0	0
General fund	$0	$0	$125,000	$125,000	$175,000	($50,000)
FTE	0.00	0.00	0.00	0.00	0.00	0.00

Department No. 160 - Legislative Council - Detail of Conference Committee Changes

	Provides Funding for a Higher Education Study[1]	Total Conference Committee Changes
Operating expenses	$125,000	$125,000
Total all funds	$125,000	$125,000
Less estimated income	0	0
General fund	$125,000	$125,000
FTE	0.00	0.00

[1] This amendment provides a $125,000 general fund appropriation to the Legislative Council for the purpose of conducting a higher education study. The House provided a $175,000 general fund appropriation for the study.

Senate Bill No. 2003 - General Fund Summary

	Executive Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
University System office	385,589,539	57,134,575	1,034,862	58,169,437	57,494,611	674,826
Bismarck State College		17,125,503	(16,474)	17,109,029	17,109,029	
Lake Region State College	343,875	5,781,644	(4,118)	5,777,526	5,777,526	
Williston State College		5,845,369	(5,897)	5,839,472	5,929,472	(90,000)
University of North Dakota		94,929,124	(76,977)	94,852,147	95,037,147	(185,000)
UND Medical Center		31,375,828	(14,826)	31,361,002	31,361,002	
North Dakota State University		77,559,625	(62,749)	77,496,876	77,496,876	
State College of Science		25,762,156	(21,996)	25,740,160	25,740,160	
Dickinson State University		14,989,206	(13,715)	14,975,491	15,095,317	(119,826)
Mayville State University		9,220,486	(7,862)	9,212,624	9,362,624	(150,000)
Minot State University		27,836,001	(23,282)	27,812,719	27,892,719	(80,000)
Valley City State University	250,000	12,325,687	(10,745)	12,314,942	12,314,942	
Minot State University - Bottineau		4,448,210	(4,025)	4,444,185	4,444,185	
Forest Service	2,054,653	2,054,653	(2,370)	2,052,283	2,052,283	
Total general fund	$388,238,067	$386,388,067	$769,826	$387,157,893	$387,107,893	$50,000

Detail of Conference Committee Changes to the General Fund

	Reduces Recommended Funding for Health Insurance	Decreases Funding for Board Initiatives[1]	Decreases Funding for Common Information Services[2]	Decreases Funding for Operations Pool[3]	Decreases Funding for Student Financial Assistance Grants[4]	Provides Funding for an Equity Pool[5]
University System office	($13,280)	($1,090,114)	($400,000)	($189,858)	($271,886)	$3,000,000
Bismarck State College	(16,474)					
Lake Region State College	(4,118)					
Williston State College	(5,897)					
University of North Dakota	(76,977)					
UND Medical Center	(14,826)					
North Dakota State University	(62,749)					
State College of Science	(21,996)					
Dickinson State University	(13,715)					
Mayville State University	(7,862)					
Minot State University	(23,282)					
Valley City State University	(10,745)					
Minot State University - Bottineau	(4,025)					
Forest Service	(2,370)					
Total general fund	($278,316)	($1,090,114)	($400,000)	($189,858)	($271,886)	$3,000,000

	Provides Funding for a Major Capital Project[6]	Total General Fund Changes
University System office		$1,034,862
Bismarck State College		(16,474)
Lake Region State College		(4,118)
Williston State College		(5,897)
University of North Dakota		(76,977)
UND Medical Center		(14,826)
North Dakota State University		(62,749)
State College of Science		(21,996)
Dickinson State University		(13,715)
Mayville State University		(7,862)
Minot State University		(23,282)
Valley City State University		(10,745)
Minot State University - Bottineau		(4,025)
Forest Service		(2,370)
Total general fund	$0	$769,826

Senate Bill No. 2003 - Other Funds Summary

	Executive Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
University System office	2,337,276	2,337,276		2,337,276	2,337,276	
Bismarck State College	2,302,800	3,745,300		3,745,300	3,745,300	
Lake Region State College						
Williston State College	6,910,000	6,910,000	1,050,000	7,960,000	7,960,000	
University of North Dakota	54,331,554	95,500,000		95,500,000	95,500,000	
UND Medical Center						
North Dakota State University	34,000,000	34,000,000		34,000,000	34,000,000	
State College of Science	368,920	368,920	1,700,000	2,068,920	2,068,920	
Dickinson State University	5,000,000	5,000,000		5,000,000	5,000,000	
Mayville State University	1,500,000	1,500,000		1,500,000	1,500,000	
Minot State University	3,535,000	8,535,000		8,535,000	8,535,000	
Valley City State University	32,000	32,000		32,000	32,000	
Minot State University - Bottineau		3,500,000		3,500,000	3,500,000	
Forest Service	975,001	975,001		975,001	975,001	
Total other funds	$111,292,551	$162,403,497	$2,750,000	$165,153,497	$165,153,497	

Detail of Conference Committee Changes to Other Funds

	Reduces Recommended Funding for Health Insurance	Decreases Funding for Board Initiatives[1]	Decreases Funding for Common Information Services[2]	Decreases Funding for Operations Pool[3]	Decreases Funding for Student Financial Assistance Grants[4]	Provides Funding for an Equity Pool[5]
University System office						
Bismarck State College						
Lake Region State College						
Williston State College						
University of North Dakota						
UND Medical Center						
North Dakota State University						
State College of Science						
Dickinson State University						
Mayville State University						
Minot State University						
Valley City State University						
Minot State University - Bottineau						
Forest Service						
Total other funds	$0	$0	$0	$0	$0	$0

	Provides Funding for a Major Capital Project[6]	Total Other Funds Changes
University System office		
Bismarck State College		
Lake Region State College		
Williston State College	1,050,000	1,050,000
University of North Dakota		
UND Medical Center		
North Dakota State University		
State College of Science	1,700,000	1,700,000
Dickinson State University		
Mayville State University		
Minot State University		
Valley City State University		
Minot State University - Bottineau		
Forest Service		
Total other funds	$2,750,000	$2,750,000

Senate Bill No. 2003 - All Funds Summary

	Executive Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
University System office	387,926,815	59,471,851	1,034,862	60,506,713	59,831,887	674,826
Bismarck State College	2,302,800	20,870,803	(16,474)	20,854,329	20,854,329	
Lake Region State College	343,875	5,781,644	(4,118)	5,777,526	5,777,526	
Williston State College	6,910,000	12,755,369	1,044,103	13,799,472	13,889,472	(90,000)
University of North Dakota	54,331,554	190,429,124	(76,977)	190,352,147	190,537,147	(185,000)
UND Medical Center		31,375,828	(14,826)	31,361,002	31,361,002	
North Dakota State University	34,000,000	111,559,625	(62,749)	111,496,876	111,496,876	
State College of Science	368,920	26,131,076	1,678,004	27,809,080	27,809,080	
Dickinson State University	5,000,000	19,989,206	(13,715)	19,975,491	20,095,317	(119,826)
Mayville State University	1,500,000	10,720,486	(7,862)	10,712,624	10,862,624	(150,000)
Minot State University	3,535,000	36,371,001	(23,282)	36,347,719	36,427,719	(80,000)
Valley City State University	282,000	12,357,687	(10,745)	12,346,942	12,346,942	
Minot State University - Bottineau		7,948,210	(4,025)	7,944,185	7,944,185	
Forest Service	3,029,654	3,029,654	(2,370)	3,027,284	3,027,284	
Total all funds	$499,530,618	$548,791,564	$3,519,826	$552,311,390	$552,261,390	$50,000
FTE	2196.67	2196.67	0.00	2196.67	2197.67	(1.00)

Detail of Conference Committee Changes to All Funds

	Reduces Recommended Funding for Health Insurance	Decreases Funding for Board Initiatives[1]	Decreases Funding for Common Information Services[2]	Decreases Funding for Operations Pool[3]	Decreases Funding for Student Financial Assistance Grants[4]	Provides Funding for an Equity Pool[5]
University System office	($13,280)	($1,090,114)	($400,000)	($189,858)	($271,886)	$3,000,000
Bismarck State College	(16,474)					
Lake Region State College	(4,118)					
Williston State College	(5,897)					
University of North Dakota	(76,977)					
UND Medical Center	(14,826)					
North Dakota State University	(62,749)					
State College of Science	(21,996)					
Dickinson State University	(13,715)					
Mayville State University	(7,862)					
Minot State University	(23,282)					
Valley City State University	(10,745)					
Minot State University - Bottineau	(4,025)					
Forest Service	(2,370)					
Total all funds	($278,316)	($1,090,114)	($400,000)	($189,858)	($271,886)	$3,000,000
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	Provides Funding for a Major Capital Project[6]	Total All Funds Changes
University System office		$1,034,862
Bismarck State College		(16,474)
Lake Region State College		(4,118)
Williston State College	1,050,000	1,044,103
University of North Dakota		(76,977)
UND Medical Center		(14,826)
North Dakota State University		(62,749)
State College of Science	1,700,000	1,678,004
Dickinson State University		(13,715)
Mayville State University		(7,862)
Minot State University		(23,282)
Valley City State University		(10,745)
Minot State University - Bottineau		(4,025)
Forest Service		(2,370)
Total all funds	$2,750,000	$3,519,826
FTE	0.00	0.00

[1] This amendment decreases funding for board initiatives by $1,090,114 from the general fund to provide funding of $525,826 for board initiatives for the 2005-07 biennium. The following is a comparison of funding for board initiatives:

Executive Budget	$915,940
Senate Version	$1,615,940
House Version	$1,700,000
Conference Committee Version	$525,826

[2] This amendment reduces funding for the common information services line item by $400,000 from the general fund, the same reduction provided by the House.

[3] This amendment reduces funding for the operations pool line item by $189,858 from the general fund, the same reduction provided by the House.

[4] This amendment decreases funding for student financial assistance grants by $271,886 to provide funding of $4,504,402 for student financial assistance grants for the 2005-07 biennium. The following is a comparison of funding for student financial assistance grants:

Executive Budget	$6,376,288
Senate Version	$4,776,288
House Version	$3,504,402
Conference Committee Version	$4,504,402

[5] This amendment provides a $3 million general fund appropriation for an equity pool to be allocated to higher education institutions by the State Board of Higher Education. The House provided a $2 million general fund appropriation for an equity pool.

The State Board of Higher Education may not select a formula for distributing the funding or distribute the funding until January 1, 2006. A representative of the board shall provide a report to the Budget Section regarding the allocation of the equity pool.

Williston State College - This amendment provides Williston State College with a $1,050,000 special funds appropriation for an oil well training site on campus, the same amount as provided by the House.

State College of Science - This amendment increases the capital assets line item for the State College of Science by $1.7 million from special funds for renovating the college's football stadium and track, the same amount as provided by the House.

Senate Bill No. 2003 - Other Changes - Conference Committee Action

This amendment:

- Does not include funding of $151,000 from the general fund added by the House for the professional student exchange program to fund 3 additional veterinary medicine slots.
- Does not reallocate funding of $185,000 from the board initiatives line item in the North Dakota University System office to the University of North Dakota relating to the North Dakota University System's Arts and Humanities Summit ($10,000) and Alcohol Consortium ($175,000). This change was made by the House.
- Does not include funding of $119,826 from the general fund added by the House for the operations of Dickinson State University for custodial services and utility costs associated with the addition to Murphy Hall.
- Does not include funding of $320,000 from the general fund added by the House for extraordinary repairs at Williston State College ($90,000), Mayville State University ($150,000), and Minot State University ($80,000).
- Removes Section 9 of the engrossed bill relating to student financial assistance grants. This change was also made by the House.
- Does not include the requirement that $150,000 of the funding appropriated for education incentive programs to be provided to private baccalaureate degree-granting institutions for doctoral incentives. This requirement was made by the House.
- Removes Section 19 of the engrossed bill providing for a performance audit of the University of North Dakota School of Medicine and Health Sciences. This change was also made by the House.
- Adds a new section relating to the Career and Technology Institute at Bismarck State College. This section was also added by the House.
- Does not include a section of legislative intent relating to student exchange programs, such a section was added by the House.
- Adds a new section to the bill amending North Dakota Century Code Section 15-62.2-01 to provide that at least 22 percent of funding appropriated for the student financial assistance program must be allocated to private baccalaureate degree-granting institutions. The House added a similar section providing that at least 25 percent of funding appropriated for the student financial assistance program must be allocated to private baccalaureate degree-granting institutions.

2005 TESTIMONY

SB 2003

NORTH DAKOTA
UNIVERSITY SYSTEM

The Vital Link to a Brighter Future

December 2004

Dear Reader:

Thank you for your interest in the North Dakota University System!

We hope you will find the NDUS Resource Guide a valuable tool for exploring the system and learning more about how it carries out the NDUS vision statement as *the vital link to a brighter future* for our citizens and our state.

Since the first institution of higher education was established in 1883, our state's public colleges and universities have provided education, intellectual capital and economic stimulation for the state. Now, in the 21st century, the University System is a key player in shaping the destiny of North Dakota.

We pledge our continued commitment to meeting the expectations of the Roundtable on Higher Education and to serving North Dakotans to our fullest potential.

Best regards,

Bruce I. Christianson, President
State Board of Higher Education

Robert L. Potts, Chancellor
North Dakota University System

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The North Dakota University System is governed by the State Board of Higher Education and includes: Bismarck State College • Dickinson State University • Lake Region State College • Mayville State University • Minot State University • Minot State University-Bottineau Campus • North Dakota State College of Science • North Dakota State University • University of North Dakota • Valley City State University • Williston State College.

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NORTH DAKOTA
UNIVERSITY SYSTEM

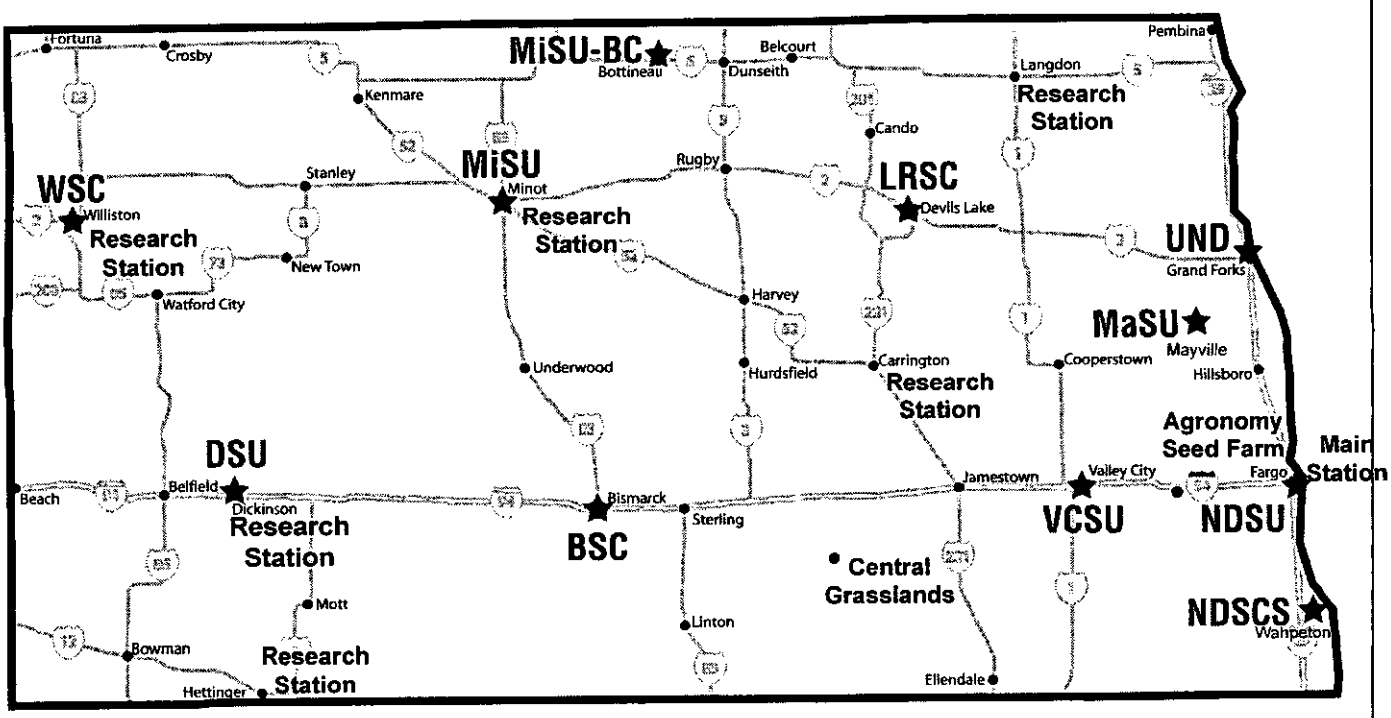
Introduction

December 2004

Location of Institutions and Entities

The NDUS is composed of two doctoral universities, one master's degree-granting university, three universities that offer bachelor's degrees and five two-year colleges that offer associate and trade/technical degrees. Each institution is unique in its mission to serve the people of North Dakota.

NORTH DAKOTA UNIVERSITY SYSTEM
Location of Institutions and Entities



Type of Institution:	
Doctoral:	UND, NDSU
Master's:	MiSU
Bachelor's:	DSU, MaSU, VCSU
Associate and trade/technical:	BSC, LRSC, MiSU-BC, NDSCS, WSC
Research Extension Centers:	Agronomy Seed Farm-Casselton, Carrington, Central Grasslands-Streeter, Dickinson, Hettinger, Langdon, North Central-Minot, and Williston

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NORTH DAKOTA
UNIVERSITY SYSTEM

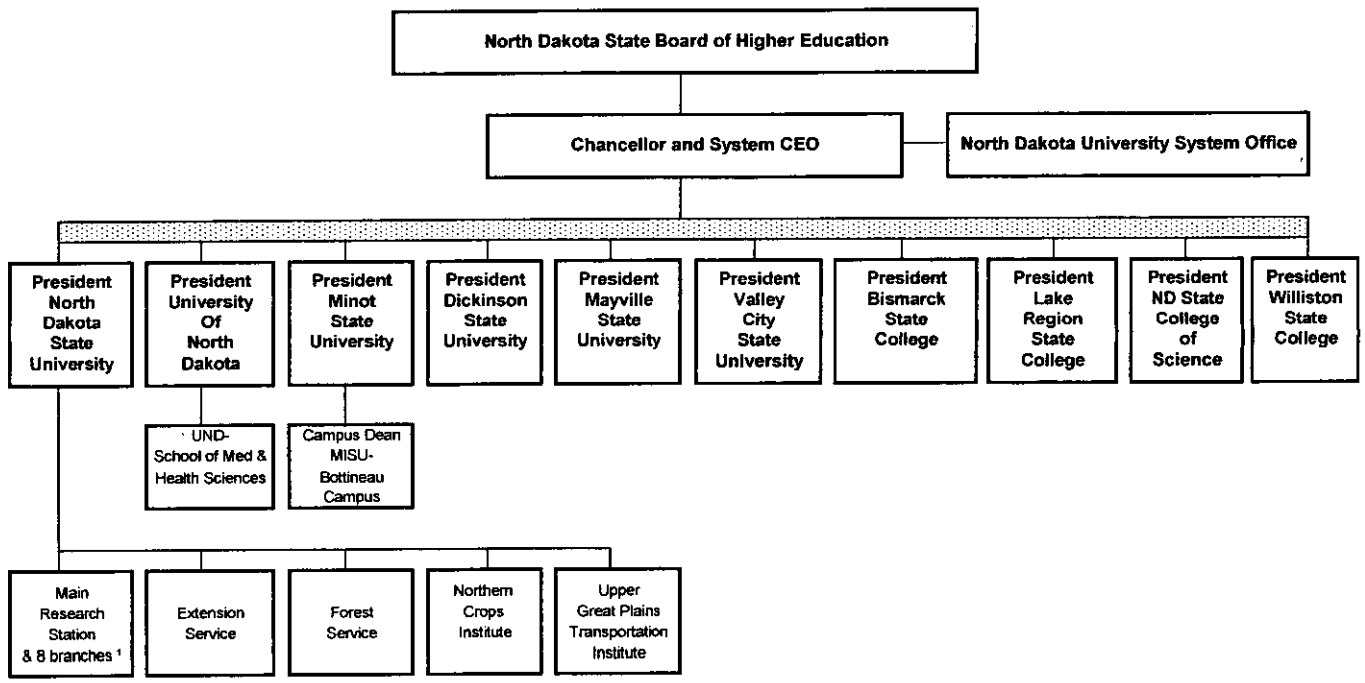
Leadership and Organizational Structure

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Organization of NDUS

The North Dakota State Board of Higher Education (SBHE) is the governing body for North Dakota's 11 publicly supported colleges and universities. In addition to the 11 campuses, the SBHE also oversees the Agricultural Research Stations, North Dakota Cooperative Extension Service, Northern Crops Institute, State Forest Service and the Upper Great Plains Transportation Institute.

ORGANIZATIONAL CHART OF THE NORTH DAKOTA UNIVERSITY SYSTEM



[1] Eight branch research stations: Agronomy Seed Farm-Casselton, Carrington, Central Grasslands, Dickinson, Hettinger, Langdon, North Central and Williston.

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Organization of NDUS (cont.)

- The State Board of Higher Education (SBHE) consists of seven citizen members, one student member and one faculty advisor. The governor appoints the voting citizen members to four-year terms. These appointments require the consent of the majority of the North Dakota Senate. The governor also appoints the voting student member to a one-year term on the board from a list of names submitted by the North Dakota Student Association. The Council of College Faculties annually selects a non-voting faculty advisor to serve on the board.

- The SBHE is the policy-setting and advocacy body for the North Dakota University System. Decisions on issues with system-wide implications are made by the board and chancellor in consultation with the chancellor's cabinet (composed of the chancellor, presidents, executive dean and vice-chancellors). The CEOs of the institutions retain authority in managing campus affairs.

- The chancellor's office supports the SBHE in developing public policy for the system's governance and in advocating on its behalf.

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NORTH DAKOTA
UNIVERSITY SYSTEM

Leadership and Organizational Structure

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State Board of Higher Education

Member	Term Expires	City
Bruce I. Christianson, President	2007	Minot
Pam Kostelecky, Vice President	2005	Dickinson
Sue Andrews	2006	Mapleton
Beverly Clayburgh	2007	Grand Forks
Kayla Effertz	2005	Grand Forks
Ralph Kingsbury	2005	Grafton
Dr. Richard Kunkel	2006	Devils Lake
John Q. Paulsen	2008	Fargo
Dr. Ann Burnett, Faculty Advisor (non-voting)	2005	Fargo

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State Board of Higher Education (cont.)

Bruce I. Christianson, Member 2001-07, President 2004-2005

Bruce I. Christianson, a Minot, N.D, businessman, was appointed to the State Board of Higher Education (SBHE) in November 2001. He completed the term of John Korsmo who resigned from the board in July 2001 and was appointed to a four-year term, which began in July 2003.

Christianson is chief executive officer and general manager of the Magic City Financial Group in Minot. He is a certified property manager and a licensed real estate broker. Christianson served on the Minot City Council from 1980 to 2000 and has been active in professional and civic groups. He has received several honors, including recognition as the Outstanding Young Man in North Dakota in 1980 and the North Dakota Community Leadership Award from the Greater North Dakota Association.

Christianson earned a bachelor's degree in economics from Minot State University (MiSU) in 1973. He is past president of the MiSU Development Foundation and past chairman of the MiSU Board of Regents.

Pam Kostelecky, Member, 2002-05, Vice President 2004-2005

Pamela J. Kostelecky was appointed to a four-year term on the State Board of Higher Education in 2002.

A native of Dickinson, N.D., Kostelecky graduated from Dickinson High School and attended UCLA; the University of the Seven Seas, an international shipboard education program sponsored by Chapman College in Orange, Calif.; and Dickinson State College.

Kostelecky is president and general manager of Sax Motor Co. in Dickinson, N.D., and Sax Motor Co. Southwest in Bowman, N.D. She is president of General Investment Corporation, a real estate and leasing company also located in Dickinson, N.D.

Kostelecky currently is a member of the board of directors for the North Dakota Auto Dealers Association, Dickinson State University Foundation and Dickinson Industries. She is a member of the advisory council for Consolidated Telcom in Dickinson, N.D., and a member of the Greater North Dakota Association, Stark Development Corporation, Rotary International and the National Auto Dealers Association. She is a past member of the board of directors for the Dickinson Public School Foundation, Trinity School Foundation, Dickinson Public Library Foundation and Norwest Bank in Dickinson, N.D.

Kostelecky's son Christian lives in Dickinson, N.D, and is involved in the family automobile business. Her daughter Randi lives in Savage, Minn., and is a paralegal.

Sue Andrews, Member, 2002-06

Susan Ferguson Andrews was appointed to a four-year term on the State Board of Higher Education in 2002.

State Board of Higher Education (cont.)

Andrews was born and raised in Fargo, N.D., and graduated from Fargo South High School. She attended UND and earned a bachelor's degree in home economics from NDSU in 1974.

Andrews is the executive director of the YMCA of NDSU. She currently serves on the North Dakota Education Fact Finding Commission, the Fargo Public Schools Foundation and the Fargo-Moorhead Area Foundation.

Andrews was a member of the Fargo Board of Education from 1991 to 1998 and served as president of the board and chaired the negotiations and facilities committees. She has served as a member of the board of directors for the North Dakota Education Standards and Practices Board, Fargo-Moorhead Junior League, Village Family Service, Prairie Public Broadcasting, Fargo and West Fargo Teacher Center/Learning Bank, the Governor's Council on the Status of Women and the Fargo Youth Commission.

Andrews and her husband Mark live in Mapleton, N.D.

Beverly Clayburgh, Member 1996-2007

Beverly Clayburgh was appointed to a seven-year term on the State Board of Higher Education in 1996 and re-appointed to a four year term in 2003.

Beverly Clayburgh, Grand Forks, N.D., currently serves as 3rd district legislative representative for the North Dakota State Medical Association. She owned and managed Moorhead Plumbing & Heating Inc. for seven years and later managed F & C Supply, a wholesale plumbing firm, in Fargo, N.D. Clayburgh was appointed to a seven-year term on the board in 1996 and has been re-appointed to a four-year term, which will begin July 2003.

Kayla Effertz, Member 2004-05

Kayla M. Effertz was appointed by Gov. John Hoeven to a one-year term as the student member of the State Board of Higher Education, serving from July 2004 through June 2005.

A senior majoring in communication and marketing at the University of North Dakota, Effertz is a native of Velva, N.D. She is active in many student activities, including student government,

University Senate, the North Dakota Student Association, Telesis and a diversity advisory committee.

Effertz served as the director of the UND Emerging Leaders Program and was named the 2004 UND student government person of the year and a 2004 UND Who's Who recipient. She is a state and national coordinator for the STOP the Violence program and is a member of the North Dakota DUI and Traffic Safety Committee and the North Dakota State Juvenile Justice Committee.

State Board of Higher Education (cont.)

Ralph Kingsbury, Member 2001-05

Ralph D. Kingsbury was appointed to a four-year term on the State Board of Higher Education in 2001.

Kingsbury is a native of Grafton, N.D. He received a bachelor's degree in business administration in 1965 and a master's degree in economics in 1968, both from the University of North Dakota.

Kingsbury served in the U.S. Army in Korea from 1968 to 1970. He was an economics instructor at the University of Maryland Far East Division and the University of North Dakota prior to becoming director of institutional research at UND in 1971.

Kingsbury left UND in 1975 to farm near Grafton, N.D. In 2004, he retired from farming because of health problems. He now owns Kingsbury Applied Economics, a business consulting and research firm.

Kingsbury was director of the North Dakota Board of Public School Education and the North Dakota Board for Vocational School Education from 1981 to 1985. He has served as director of the Nash Public School District, North Valley Vocational Center, Walsh County Farm Bureau, Nash Grain and Trading Company, Grafton Area Chamber of Commerce, Red River Valley Potato Marketing Association and the Red River Valley Sugarbeet Growers Association.

Kingsbury also has served as chairman of the Republican Party in the 16th and 11th districts.

Dr. Richard Kunkel, Member 1999-2006

Dr. Richard Kunkel was appointed to serve on the State Board of Higher Education in 1999.

Kunkel received a bachelor's degree in business education and administration from Minot State University, a master's degree in school administration from the University of North Dakota and a doctorate of administration from the University of North Dakota.

Kunkel was superintendent of Devils Lake Public Schools from 1970 to 1990 after being a high school teacher and principal, a professor of education at the University of North Dakota and acting president of Lake Region Community College. He served as a state representative from 1990 to 1998 and was a member of the House Education and Appropriations Committees. He became an SBHE member in 1999 and was re-appointed to a second term, which began July 1, 2002.

John Q. Paulsen, Member 2004-08

John Q. Paulsen was appointed to a four-year term on the State Board of Higher Education in 2004.

A native of Fargo, N. D., Paulsen earned a bachelor's degree from North Dakota State University.

State Board of Higher Education (cont.)

He retired in 1994 as executive vice president of MeritCare Medical Group. He is a past president of the American College of Medical Practice Executives. He was named a distinguished fellow by that organization in 1995 and was named group practice administrator of the year by the American Group Practice Association in the same year.

Paulsen has been a member and officer of state and national medical practice associations and has been very active in Fargo-area civic and cultural activities, including nine years as a member of the Fargo Board of Education. He is a past president and chair of the NDSU Development Foundation and was an NDSU Alumni Association board member. Paulsen was awarded an honorary doctor of laws degree by NDSU in 2003. He was named Fargo's outstanding young man in 1964.

His wife Margo died in 1996 and son John died in 2003. Paulsen's other son James lives in Kansas City, Mo., and his daughter Jean resides in Minneapolis.

Dr. Ann Burnett, Faculty Advisor, SBHE, 2003-05

Dr. Ann Burnett was named faculty advisor to the State Board of Higher Education by the Council of College Faculties (CCF) and began a one-year term in July 2003. She was reappointed to a second term by CCF in 2004.

A native of Colorado Springs, Colo., Burnett is an associate professor of communication at North Dakota State University and director of NDSU's Women's Studies Program. She is a member of CCF, the National Communication Association, the Central Communication Association, the North Dakota Speech and Theatre Association and the National Women's Studies Association. She has been a member of the NDSU University Senate, the senate's executive board and a faculty representative on the North Dakota University System's Academic Affairs Council. She also is a member of the National Communication Association's legislative council.

Burnett earned a bachelor's degree in economics from Colorado College, a master's degree in communication from the University of Northern Colorado and a doctorate in communication from the University of Utah. She also completed one year of law school at the University of Nebraska.

She is married to Dr. Mark Meister who also is an associate professor of communication at NDSU. They have one daughter, Carolina, and two dogs.

NORTH DAKOTA
UNIVERSITY SYSTEM

Leadership and Organizational Structure

December 2004

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NDUS Office (cont.)

Robert L. Potts, Chancellor

Robert L. Potts became chancellor of the North Dakota University System on July 1, 2004. He is CEO of the NDUS, which includes 11 colleges and universities and serves about 42,000 students. Potts had served for 14 and one-half years as president of the University of North Alabama and for six years as general counsel of the University of Alabama System.

Potts is a commissioner for the Western Interstate Commission on Higher Education and a member of the North Dakota Commerce Cabinet. He was appointed by Gov. John Hoeven to serve on the Midwestern Higher Education Commission. Potts currently serves on the board of directors of the American Association of State Colleges and Universities and is immediate past chair of the Alabama Council of College and University Presidents. He previously served on the boards of trustees at Alabama State University and Oakwood College in Alabama. He has taught at Boston University, the University of Alabama and UNA.

Potts attended Newbold College in England and graduated cum laude from Southern Adventist University in Tennessee. He received a juris doctor degree from the University of Alabama School of Law. After clerking for the U.S. District Court chief judge for the Northern District of Alabama, Potts received a master of laws degree from Harvard University. Before entering higher education on a full-time basis in 1984, Potts practiced law in Florence, Ala., where educational issues were a significant part of his practice. He has lectured widely on legal and education topics and is the author of several published articles.

Eddie Dunn, Vice Chancellor for Strategic Planning and Executive Director of the College Technical Education Council

Eddie Dunn is vice chancellor for strategic planning for the North Dakota University System. He is also executive director of the College Technical Education Council (CTEC), a position he has held since January 1993. As vice chancellor, Dunn serves as the primary staff person in the strategic planning area. As executive director of CTEC, his primary responsibilities are to strengthen the capacity of the two-year colleges to respond to the workforce training needs of business and industry and to increase the capability of the two-year colleges in delivering relevant and up-to-date vocational technical educational programs.

Dunn is a native of LaMoure, North Dakota. He earned bachelor's and master's degrees from North Dakota State University where he later became an associate professor of agricultural economics and also was coordinator of the university's Faculty Development Institute. He later served as an economic development specialist with the Cooperative Extension Service and the Agricultural Experiment Station at North Dakota State University. In 1980 and 81, he served as program leader for economic development with the Federal Extension Service of the U.S. Department of Agriculture in Washington, D.C. Prior to joining the University System, Dunn was vice president for programs and economic development for the Greater North Dakota Association.

Dunn is active in Toastmasters International. He has held offices at all levels of the organization including serving on the board of directors and the executive committee. He was the

NDUS Office (cont.)

organization's international president in 1983 and 1984. Toastmasters is a communication and leadership organization with more than 200,000 members in more than 60 countries.

Laura Glatt, Vice Chancellor for Administrative Affairs

Laura Glatt is the chief financial and administrative officer for the NDUS and is responsible for developing policy and coordinating services for financial planning and budgeting, system human resource services, capital planning, budgeting and reporting, retirement and disability programs, interstate reciprocity agreements, purchasing, state financial aid programs, information management and computer technology and auditing.

Prior to assuming her current position, she served as the University System's director of finance, was a management and fiscal analyst for the Office of Management and Budget, and was a controller for the State Treasurer's office. Glatt is a certified public accountant and holds a master's in management from the University of Mary in Bismarck.

Michel Hillman, Vice Chancellor for Academic and Student Affairs

Dr. Michel Hillman has been the vice chancellor for academic affairs since June 1996 and assumed responsibility for student affairs in December 2002. As such, he is the chief academic and student affairs officer and chairs both University System councils. He is an ex-officio member of the *ConnectND* executive steering committee.

Before joining the University System, Hillman was director of academic affairs for the South Dakota Board of Regents. He received a bachelor's degree in psychology from Slippery Rock State College in Pennsylvania, a master's degree in experimental psychology from Indiana University of Pennsylvania and a Ph.D. in experimental psychology from the University of South Dakota in Vermillion, S.D.

NORTH DAKOTA
UNIVERSITY SYSTEM

Leadership and Organizational Structure

December 2004

Campus Directory

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Campus Directory (cont.)

Bismarck State College – Donna Thigpen

Dr. Donna S. Thigpen was appointed the fifth president of Bismarck State College by the State Board of Higher Education and began her duties at the college on July 1, 1995.

During President Thigpen's tenure at BSC, the college has developed fifteen new programs, as well as several baccalaureate programs available on campus through collaboration with other institutions. Since 1995, the college's total credit enrollment has increased 55 percent, from 2,300 to more than 3,500 students. BSC is a national leader in online education and in training for the energy industry. Currently, about 1,200 students are taking online courses, with about a third enrolled in online energy technology programs.

She has been the driving force behind enhancement of student services, which has resulted in increased retention. Under her leadership, the college has received more than $6 million in grants, and the BSC Foundation's assets have grown from under $5 million to $15 million.

Thigpen received her doctorate from North Carolina State University. Prior to her appointment to Bismarck State College, Thigpen served at Trident Technical College in Charleston, SC, and at James Sprunt Community College in Kenansville, NC.

Thigpen served two three-year terms on the ND Workforce Development Council. She served as a member of the steering committee of the GNDA Task Force that developed a plan for workforce training in North Dakota. Thigpen serves on the Executive Committee and is chair-elect of the Bismarck-Mandan Development Association. She is a member of the Bismarck Rotary Club and is active with United Way and the Women's Leadership Circle in Bismarck.

Dickinson State University – Lee Vickers

Dr. Lee A. Vickers was named the ninth president of Dickinson State University by the North Dakota State Board of Higher Education in April of 1999 and began his duties at the University June 1, 1999.

Prior to his appointment to Dickinson State University, Vickers served as president of Francis Marion University, Florence, S.C. from 1994-1999. He has also served as president at Lewis-Clark State College in Lewiston, Idaho from 1978-1994. Other administrative posts include executive vice president, vice president for academic affairs, and dean of academic affairs and administration at Lewis-Clark State College.

A native of Laramie, WY, Vickers received his bachelor of arts degree and master's degree from Adams State College, CO. He earned his doctorate from the University of Wyoming, Laramie.

Vickers has served in leadership roles in a number of professional organizations, including the American Association of State College and Universities. He served three years as chair of the Committee on Alternatives and Innovations in Higher Education and in 1998-99, he served as chair of the Committee on Access and Inclusion. In 1982, he led an AASCU delegation of university presidents on an education mission to Taiwan. In 1991, he served as Chair of the

Campus Directory (cont.)

National Association for Intercollegiate Athletics (NAIA) President's Council. Presently, Vickers serves on the Consolidated Business Advisory Council, Destiny Dickinson Strategic Planning Committee, Southwest North Dakota Manufacturer's Round Table, Roughrider Roundup Committee, the St. Joseph's Hospital & Health Center Board of Directors, the REAP Board of Directors, NAIA President's Council, the Consortium for North American Higher Education Collaboration, the AASCU Presidential Steering Committee for the Global Access Project sponsored by the U.S. Department of State, the AASCU Committee on International Education, and Rotary. He is the Dickinson Recreation Building Authority Chairman, Chair of the Higher Education Task Force on Centers of Excellence for Economic Development, Chair of the DAC-10 Athletic Conference, and Chair of the ConnectND Steering Committee. He also serves as the Board Liaison for the Cultural Diversity Council.

Lake Region State College – Sharon Etemad

Dr. Sharon Etemad served Lake Region State College (formerly UND-Lake Region) as Executive Dean from 1987 until July 1,1999, when she became the President. She also served as the Interim Vice Chancellor of Academic Affairs for the North Dakota University System for one year. She received her bachelors from Jamestown College, masters from Minnesota State University - Moorhead, doctorate from the University of North Dakota.

Etemad has extensive support for the humanities serving on the North Dakota State Humanities Council for six years. Currently she is a member of the American Association of Community Colleges, a member of the American Association Community Colleges Rural Policy Roundtable, a Charter Member of the Board of Directors and past president of the American Association of Community Colleges National Council, State Coordinating Committee, Two-Year Faculty Development Grant, Bush Foundation, and the North Dakota State University System Diversity Council.

Mayville State University – Pamela Balch

Dr. Pamela Balch was named the 14th president of Mayville State University by the North Dakota State Board of Higher Education in March 2003.

Balch received her bachelor's degree from West Virginia Wesleyan College and her master's and doctoral degrees from West Virginia University. She has done postgraduate work in two Harvard University programs.

Balch has served as Vice President for Academic Affairs and Dean of the Faculty at Bethany College, WV; Vice Provost for Academic Planning at California State University, Chico; Associate Dean for Academic Affairs at San Diego State University, Imperial Valley Campus; Director of Teacher Education (San Diego State University); and Director of Graduate Programs at West Virginia Wesleyan College.

While in California, she was selected as the only administrator in the 23-campus system to become an Executive Fellow for a two-year administrative internship in the Chancellor's Office.

Campus Directory (cont.)

Experiences included system-wide strategic and technological planning, experience in the Washington DC Federal Relations Office and in the Sacramento Governmental Affairs Office, and a year as an American Council on Education Fellow.

She has written and directed a 1.6 million dollar Title III grant directed toward assisting non-traditional students. She has also had success as a fund raiser for Bethany College.

Balch is the author of many refereed journal articles and has presented numerous papers at national conferences.

Minot State University – David Fuller

Dr. David Fuller became the eighth president of Minot State University in July 2004, coming to the university from Wayne State College, Wayne, Nebraska, where he had been vice president for academic affairs since 2000. He earned his bachelor's degree in English at Hastings College, Hastings, Nebraska. He studied at the University of Nebraska at Kearney where he matriculated with a master's of science in English and earned his doctorate in English from the University of Iowa in Iowa City, Iowa.

Fuller is a member of the Minot Chamber of Commerce Board of Directors, the Minot Area Development Corporation Board of Directors, and the Minot Rotary Club. He has served as a member of the Corp of Chairs of Consultant Evaluator Teams for The Higher Learning Commission since 2001, is a member of the Accreditation Review Council (ARC) for The Higher Learning Commission and presently is a consultant-evaluator for the Commission on Institutions of Higher Education of the North Central Association of Colleges and Schools. Fuller is also an active member of the American Association of State Colleges and Universities.

Minot State University – Bottineau Campus – Ken Grosz

A native of Kulm, ND, Dr. Ken Grosz was named campus dean of Minot State University-Bottineau Campus in April 2001. Prior to this appointment, he was the Associate Dean for Student Affairs and has been at MiSU-Bottineau Campus since 1975.

Grosz graduated from the University of South Dakota with a Doctorate in higher education administration. He also earned a Master of Science degree in guidance and counseling from North Dakota State University and a Bachelor of Arts in psychology and history from Jamestown College. He began his career as a school counselor in Walhalla, ND, in 1971.

Throughout his professional career, he has been active in community affairs and professional organizations: Chamber of Commerce, St. Andrews Health Center Board of Directors, MSU-Bottineau Foundation, Home Rule Charter Commission, Economic Development Corporation, NDUS Student Affairs Council, ND Association of Registrars and Admissions Officers, ND College Personnel Association, and Center of North American Coalition.

Campus Directory (cont.)

North Dakota State College of Science – Sharon Hart

Sharon Y. Hart, Ph.D., the eighth president of North Dakota State College of Science in Wahpeton, joined NDSCS in July 2000 after being selected by the North Dakota State Board of Higher Education that April. She brings to NDSCS more than 20 years of education experience that includes teaching, consulting and administrative expertise.

Before coming to NDSCS, she was president of Middlesex Community College, Middletown, Conn., for three years, vice president for academic affairs and student services at North Central Technical College, Wausau, Wis., for two, and administrative dean at Madison Area Technical College, Madison, Wis., for five years. Her other higher education experiences were at the University of Illinois, City College of Chicago, and the Indiana Vocational and Technical College in Terra Haute.

She received a Ph.D. degree in vocational and technical education from the University of Illinois, her M.S. degree in family and consumer economics from Indiana State University, and her B.S. degree in vocational home economics, agriculture, and natural resources from Michigan State University. She serves as a commissioner with both the American Council on Education and the American Association of Community Colleges. She is a member of the American Technical Education Association, American Association of Women in Community Colleges, Phi U Honor Society, Omicron Tau Theta, and Epsilon Pi Tau.

Hart resides in Wahpeton with her husband Dan Bintz and their three children, Gavin, Danielle and Micah.

North Dakota State University – Joseph Chapman

Dr. Joseph A. Chapman took over his duties as North Dakota State University's 13th president in June 1999. Noted for his ability to coordinate collaborative efforts and his commitment to enhance and integrate research programs, Chapman has challenged the university to advance to the level of doctoral and research university-extensive in the Carnegie Classification System. This requires the graduation of 50 or more doctorates in at least 15 academic disciplines per year. Another priority for Chapman is the new NDSU Research and Technology Park, which integrates educational applications into research and practical applications with business and industry.

Before coming to NDSU, Chapman served as senior vice president and provost at Montana State University, Bozeman, where he also served as a professor of biology. Among his responsibilities were a wide array of statewide initiatives, including a system of academic and outreach programs at Montana's two-year and four-year campuses. Prior to joining Montana State in 1996, he was dean of the College of Natural Resources at Utah State University. From 1969 to 1983, he worked at the University of Maryland, College Park, advancing to head the Appalachian Environmental Laboratory. He also was a wildlife biologist for the U.S. Fish and Wildlife Service from 1965 to 1967. President Chapman is a fellow of the Institute of Biology, London.

Campus Directory (cont.)

Chapman earned his bachelor's degree, master's degree and doctorate from Oregon State University, Corvallis. He lists 11 books and editorships, eight monographs, 31 book chapters and symposia proceedings, 67 journal publications and more than 100 reports and popular articles.

University of North Dakota – Charles Kupchella

Dr. Charles E. Kupchella is the 10th president of the largest institution of higher education in the Dakotas, Montana, Wyoming and western Minnesota. He came to the University on July 1, 1999, from Southeast Missouri State University, where he was Provost and Professor of Biology.

At UND, Kupchella has been a proponent of strategic planning, the results of which are already evident on a number of fronts, including, among others, enrollment management, expansion of the graduate school, and growth in external research funding.

Kupchella began his career in 1968 as a biology faculty member at Bellarmine College in Louisville, Ky. From 1973 to 1979 he was an associate professor of oncology at the University of Louisville and served as associate director of its Cancer Research Center. From 1979 to 1985 he was chair of the Department of Biology at Murray State University. He was dean of the Ogden College of Science, Technology and Health at Western Kentucky until 1993, when he joined Southeast Missouri State University.

A native of Natny Glo, Penn., Kupchella received his B.S. ED. in biology from Indiana University of Pennsylvania (1964) and his Ph.D. in physiology and microbiology from St. Bonaventure University (1968). He did post-doctoral research at the University of Illinois in 1969.

Kupchella is a widely published researcher and author whose output includes more than 50 scientific articles, 100 scientific presentations, and three books. He is past president of the American Association for Cancer Education.

Valley City State University – Ellen Earle Chaffee

Dr. Ellen-Earle Chaffee has been president of Valley City State University since 1993. From then until 2002, she was also president of Mayville State University, a unique arrangement that won the administrative leadership award from the American Association of University Administrators. The universities were among the first in the nation to integrate information technologies into the teaching and learning processes, in part by providing notebook computers to all students and faculty. The universities have been featured in three national studies of instructional innovation and three national feature stories (*New York Times, EDUCAUSE Quarterly*, and *Computerworld*), won three national awards, and received a number of highly competitive federal and foundation grants. In 2001, *Computerworld* named Chaffee one of its Premier 100 IT Leaders and the Information Technology Council of North Dakota presented her with its first Pioneer in Education Award. In 2002, she received the Educator Award from the Greater North Dakota Association, the Hi-Liner Award from the Valley City Chamber of Commerce, and the Legacy Award from Preservation North Dakota. VCSU has been recognized in the America's Best Colleges 2005 edition of U.S. News & World Report as one of the Top 5 Public Comprehensive Colleges in the

Campus Directory (cont.)

Midwest. This marks the seventh year in a row that VCSU has been recognized by U.S. News, and is the latest recognition the university has received for academic excellence.

Chaffee has been national president of two major higher education associations (the Association for Institutional Research and the Association for the Study of Higher Education) and served nine years on the national accrediting board for pharmacy education. Her previous positions were in research, state system academic affairs, student affairs, and equal opportunity. She has written five books and many articles on strategic management, quality, innovation, and leadership. She is frequently an invited speaker at local, regional, and national events. Her community service focuses on rural economic development. She earned a Ph.D. in higher education administration and policy analysis at Stanford University.

Williston State College – Joe McCann

Dr. Joseph E. McCann assumed his duties as president of Williston State College on July 1, 2000. Dr. McCann obtained his Bachelor of Science in Education degree from the University of South Dakota at Springfield in 1967, his Master's Degree from Purdue University, West Lafayette, IN in 1972, and his Doctorate degree from the University of Nebraska at Lincoln in 1989.

McCann has 15 years of administrative experience, having worked at Western Nebraska Community College in Sidney, NE; Highland Community College in Highland, KS, and Tomball College in Houston, TX. He was a teacher for 20 years, 13 of those years at community colleges in Minnesota and Nebraska and seven years as a high school teacher in South Dakota and Iowa.

He has experience in a large urban multi-college district that has grown dramatically as well as in rural community colleges. His experience includes partnerships, high-tech programs start-up, liberal education, business & industry training and college advancement.

NORTH DAKOTA
UNIVERSITY SYSTEM

Highlights

December 2004

2003 and 2004 SBHE Major Accomplishments

In 2003 and 2004, the State Board of Higher Education (SBHE):

- Hired a new NDUS chancellor and two new campus presidents: Dr. Robert L. Potts became chancellor July 1, 2004; Dr. Pamela M. Balch became president of Mayville State University July 1, 2003; and Dr. David G. Fuller became president of Minot State University July 1, 2004.
- Completed implementation of phase two of the workforce training legislation regarding expansion to additional rural communities and smaller businesses in the state
- Continued system-wide implementation of *ConnectND*, a comprehensive financial, human and student resource management software system, with three primary modules (student records, finance and human resources) "live" on seven campuses and the NDUS Office by September 2004 and the remaining implementations scheduled for January 2005
- Implemented a faculty expertise database to enhance the University System's ability to partner with the private sector and to identify possible public and private grant opportunities
- Partnered with the governor's office and several state agencies in the development of a statewide student internship program
- Contributed to the development of campus and community initiatives to prevent alcohol and drug abuse through the NDUS Alcohol and Drug Abuse Prevention Consortium
- Focused the SBHE objectives and work plan on recommendations outlined in the *Roundtable Report* and priorities identified at the Oct. 21, 2003, and June 15, 2004, Roundtable on Higher Education meetings
- Requested and approved campus alignment plans which describe what the campuses are doing, and intend to do, to implement recommendations included in the six cornerstones of the *Roundtable Report*
- Sought input on strengthening relationships and increasing collaboration with business and community leaders around the state in conjunction with SBHE meetings
- Published annual performance and financial accountability measures reports as required by the Legislative Assembly in conjunction with the roundtable-recommended "flexibility with accountability" legislation

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SBHE Major Accomplishments (cont.)

- Continued responding to rapidly changing educational needs by taking action on 71 requests to eliminate existing programs and offer new programs between July 1, 2003, and June 30, 2004
- Clarified the roles and responsibilities of the board, the chancellor and the campus presidents in line with the new model of flexibility with accountability and empowerment proposed by the roundtable; revised five key board policies as a result of this process
- Developed an NDUS legislative agenda for the 2005 Legislative Session based on *Roundtable Report* recommendations and priorities identified at the June 15, 2004, roundtable meeting
- Implemented a board member laptop computer initiative, thus simplifying receipt and use of large volumes of meeting materials and reducing mailing costs; based on responses to a 2003 national survey of higher education offices, the SBHE may be the first higher education governing body to launch a comprehensive electronic initiative of this nature.
- Co-hosted meetings with Gov. Hoeven on each of the 11 NDUS campuses to help identify needs and opportunities for potential centers of excellence aimed at enhancing the economy of the regions and the state
- Continued to support the Red River Valley Research Corridor led by U.S. Sen. Dorgan and designed to draw federal research dollars to North Dakota and help create jobs and economic growth throughout the state
- Took action affirming the importance of campus collaboration and directed the NDUS to develop a service region concept as recommended by the Clarifying Campus Missions Task Force; approved a series of recommendations related to improving communication among campuses about courses and programs offered through distance education and emphasizing the importance of fair and accurate advertising
- Adopted a policy to require students to take the ACT writing essay as part of the college application process; this policy was adopted to encourage more emphasis on writing skills at the high-school level and to assist NDUS campuses with placement of students in appropriate courses
- Continued to receive recognition as a result of the Roundtable on Higher Education. In October 2004, *Business Week* magazine included an article titled, "Should Public Universities Behave Like Private Colleges?" This article included a discussion of the changing relationships between public higher education and state funding and cited North Dakota as an example of entrepreneurial behavior. In November 2004, Dennis Jones, president of the National Center for Higher Education Management Systems (NCHEMS), credited the roundtable for its role in creating a brighter future for the citizens and state of North Dakota. In comments at a meeting of the Western Interstate Commission on Higher Education (WICHE), Jones referred to two states, North Dakota and Kentucky, as "getting it right" in regard to linking their higher education agendas with those of the public and private sectors.

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December 2004

2004 NDUS Campus Highlights

Fundamental changes are taking place on the 11 campuses that make up the North Dakota University System. These changes demonstrate the system's commitment to attaining the goals of the Roundtable Report *and to meeting the expectations of SB 2003. Highlights of 2004 accomplishments follow.*

Bismarck State College

- BSC received two grants from the National Science Foundation in the spring of 2004 to support curriculum development in its energy technology programs. A grant of $750,000 will help further develop online courses for the Nuclear Power Technology program, and another grant of $70,500 will assist with development of a product to deliver laboratory experiences to online students.

- In March 2004, BSC received a national merit award for a 100 percent pass rate among graduates who took the national certification examination in surgical technology. This is the second consecutive year BSC students have met this standard of the Liaison Council on Certification for the Surgical Technologist.

- During 2004, BSC coordinated training for 2,358 people from 246 businesses in the Southwest Workforce Training Region. Of the businesses served, 98 percent reported that they were "satisfied" or "very satisfied" with the training and responsiveness of BSC. Forty businesses served in 2003 requested and received additional training.

- Through collaborative and cooperative programs with five other NDUS institutions, BSC helps provide accessible education for North Dakota citizens. In 2004, more than 400 students were enrolled in higher education classes on the BSC campus through these collaborative programs.

- BSC received a $1.5 million grant from the U.S. Department of Commerce's Economic Development Administration for the college's Career & Technology Institute. Received in October 2004, the grant brings the college closer to its capital campaign goal of $10 million for the institute.

Dickinson State University

- DSU officials announced the ninth consecutive year of record-breaking enrollment following the release of official Fall 2004 enrollment numbers. The university now has reached an enrollment of 2,480 students. An increase in the popularity of extended campus programs in Bismarck and Dickinson was credited with helping to set the new record.

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NDUS Campuses Highlights (cont.)

- DSU will partner with the University of Portland to provide a nationally acclaimed entrepreneurship program to students. The program stresses entrepreneurship across the curriculum and provides opportunities for students to learn business principles regardless of their majors. The program will build upon DSU's already strong foundation of promoting entrepreneurship in the region.

- DSU now is offering a bachelor of science in education with a major in elementary education in Bismarck via a cooperative agreement with Bismarck State College. The new program is added to the bachelor of university studies, bachelor of applied science in technology and accounting degree options already offered on the BSC campus.

- The DSU Foundation established several new benchmarks this past year, receiving in excess of $2.1 million and recording a total income of $2.8 million over the 2003-04 fiscal year. The university received $2,113,447 in gifts last year, the first time the total has surpassed the $2 million mark. That amount was achieved through the receipt of 5,108 gifts from 3,012 donors. The number of gifts also was the highest in foundation history.

- DSU and Nizhniy Novgorod State Agricultural Academy signed a faculty/student exchange and research agreement that enabled the university to position a homepage on the Russian national Web site to help attract Russian students. Nine DSU students traveled to Russia last summer, and three Russian students enrolled in classes at DSU this past fall as a result of the agreement.

Lake Region State College

- A third consecutive summer police-training academy was conducted in Fargo, thanks to a partnership between LRSC and the Fargo Police Department. Since the partnership was formed in 2002, 66 police officers have graduated from the academy, and about one-third of those graduates are working as police officers in the Fargo area.

- LRSC and other colleges in the Dakota Nursing Program (BSC, MiSU-Bottineau and WSC) - collaborated on development of a curriculum and the joint offering of a one-year practical nurse program (PN) beginning in Fall 2004 and an associate degree nursing program (two-year registered nurse) that will begin in Fall 2005. The North Dakota Board of Nursing approved the curricula for the programs earlier this year.

- This spring, LRSC celebrated its first student who completed a degree online. Abrunderlon Beary started at LRSC when her husband was stationed at Grand Forks Air Force Base, but his transfer to another base didn't stop her from completing a degree. This spring, Beary, her husband and mother flew to Devils Lake from Charleston, S.C., so she could walk across the stage and receive her diploma.

- LRSC and the Community College Foundation held a grand opening celebration for the Leevers Welcome Center April 21 to 24. The center is the first stop for most campus visitors and is the final chapter in the auditorium renovation initiative. The entire welcome center project was funded with private donations.

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NDUS Campuses Highlights (cont.)

Mayville State University

- In the summer of 2004, MaSU became the first Tablet PC campus in the nation. This is one of the ways the university is enhancing learning experiences for students by providing opportunities to use cutting-edge technology. In addition, the campus now is wireless, which provides advantages for MaSU students, faculty and staff by making the latest technology more accessible and convenient. Access to the Internet and the campus network are available without having to plug into hard-wired, electrical connections.

- Addition of a wellness center, which is the second phase of the Lewy Lee Fieldhouse renovation and expansion project, was completed in November 2004. The project was funded through the joint efforts of Mayville and Portland, N.D., residents and MaSU students. On April 29, 2003, Mayville and Portland voters approved a 1 percent city sales tax by an overwhelming margin, and the MaSU Student Senate approved a $100 per year student fee to be used toward the fieldhouse project and other facilities improvements. Renovation work on the Lewy Lee Fieldhouse was completed in 2003.

- Men's and women's soccer debuted as a new intercollegiate sport at MaSU in Fall 2004. This activity has brought a number of students from all over the world to the MaSU campus. Addition of the soccer program contributed to the university's second-highest enrollment of 904 in Fall 2004. MaSU has had a 21 percent increase in enrollment in the past two years.

- MaSU coordinates the activities of the Heart of the Valley Interactive Video Network Consortium, a collaboration made up of MaSU, 19 high schools and one vocational center. The consortium covers an eight-county area and more than 12,000 square miles. By using state-of-the-art telecommunications technology and a common schedule, students can enroll in classes offered by other schools. MaSU provides opportunities for high school students to take dual-credit classes in English and mathematics.

- MaSU will receive nearly $1 million during the next five years through a National Institutes of Health (NIH) grant. MaSU is one of six NDUS institutions and one tribal college partnering in a $16.3 million IDeA Network for Biomedical Research Excellence (INBRE) program aimed at making the state more competitive in attracting federal funds for biomedical research. MaSU's focus will be on biomedical applications of fluorescence spectroscopy. Laboratory space has been renovated and updated, and full-time staff will work with students to provide research opportunities.

Minot State University

- David G. Fuller, Ph.D., became MiSU's eighth president July 1, 2004. The selection was based on Fuller's demonstrated abilities in leadership, strategic planning, and managing and supporting systemic change.

- MiSU's College of Business continued its pivotal role promoting economic development efforts in northwest North Dakota. In 2003 – 04, it partnered with the state Department of Commerce to convene the International Business Conference and with U.S. Sen. Byron Dorgan to offer

NDUS Campuses Highlights (cont.)

the Summit on Value-added Agricultural Food Processing. In addition, the college hosted a federal procurement conference. All of these events were created to provide hands-on, practical experience and to help participants link with information sources and potential clients.

- Restoration of MiSU's historic performance hall was completed when the 1932 Kimball pipe organ was re-installed in October. Private funding of $340,000 was raised to restore and enhance the instrument. MiSU will begin offering organ classes in Spring 2005. There is a shortage of trained organists throughout the country.

- MiSU continues to develop new academic programs based on the needs of its constituents. Programs added in 2003 – 04 include a bachelor of fine arts in art, a bachelor of science in virtual business, a master of science in information systems and minors in fraud examination and gender-women's studies.

- The Rural Crime and Justice Center at MiSU continues to develop programs that assist and train rural law enforcement agencies nationwide. This fall, $1.75 million in federal funding was awarded to expand the Rural Methamphetamine Education Project and to launch the Mentor Communities Project. The focus of these programs is to inform the public how methamphetamine use and production affects their communities and to help law enforcement create effective counter-measures.

MiSU-Bottineau Campus

- MiSU-Bottineau hosted a Turtle Mountain Birding Festival May 21 to 23. Bottineau is located in one of the best prairie and wetland birding regions in the Great Plains. Birders from Kansas, Minnesota, Oregon, Washington and North Dakota registered for the festival. This inaugural event fits with one of the college's objectives, which is to use the region's natural assets to stimulate economic development.

- MiSU-Bottineau added four majors to its online program inventory in Fall 2004. During the past two years, the campus worked to supplement face-to-face program delivery with distance delivery of the following programs: administrative assistant, accounting technology, reception services and urban forestry. Students now may earn degrees in these majors entirely online.

- In response to the need for high-level information technology skills, MiSU-Bottineau developed four new options in its Network Engineering Department, including network security, database technology, operating systems technology and computer systems technology.

- On June 1 and 2, MiSU-Bottineau held its first tech summit. Twenty-six students representing 11 high schools in Bottineau, Rolette, Ward, Barnes, Wells, Morton, Towner, Pierce and McHenry counties attended the two-day program. The college secured a grant that covered the cost of the event and provided each student a $50 stipend.

NDUS Campuses Highlights (cont.)

- On September 25, the MiSU-Bottineau Foundation hosted its 21st annual *EVERGREEN* dinner/auction. A record 305 participants attended the event, and a record $27,500 was raised. The dinner/auction has raised $450,000 for academic scholarships in its 21-year history.

North Dakota State College of Science

- NDSCS has been awarded a U.S. Department of Education grant worth an expected $1.825 million over the next five years. The college will use the Strengthening Institutions Program grant to make five academic options available to students in remote areas through distance education delivery methods. Several pilot classes have been completed in architectural drafting and estimating, which is the first of the five academic options.

- NDSCS received $200,000 in continued federal funding to train telepharmacy technicians and another new $200,000 grant for the development of a nanoscience technician curriculum. The telepharmacy program, operated by the NDSU College of Pharmacy, helps meet pharmacy needs in North Dakota's smaller communities. The nanoscience concept ties NDSCS to another Red River Valley Research Corridor initiative.

- During FY 2004, the NDSCS College Outreach Division facilitated workforce training opportunities for 812 businesses in the state's southeastern region. This includes 3,741 individual enrollments, a 24.5 percent increase over the previous fiscal year. In addition, the Related Studies Program coordinated 1,658 course experiences for adult learners in North Dakota and 15 other states.

- The NDSCS Practical Nursing Department received a continued eight-year accreditation from the National League for Nursing Accrediting Commission. NLNAC evaluators found NDSCS's program in compliance with all seven of the organization's accreditation standards.

- The Higher Learning Commission accepted an NDSCS report on general education. Among their comments, reviewers pointed out an NDSCS philosophy that recognizes the importance of credit and non-credit experiences, minimum general education core requirements and a revised general education assessment plan that includes learning outcomes and methods of measuring them.

North Dakota State University

- As NDSU continues a dramatic period of growth, 2004 marked the first time the university exceeded $100 million in research expenditures and saw its enrollment surpass 12,000 students.

- The innovative NDSU Downtown was dedicated September 17. The $10 million, five-story facility houses the university's Visual Arts Department, major components of the Architecture and Landscape Architecture Department and the Tri-College University office. Formerly the Northern School Supply building, the structure includes studios, classrooms, a wood shop, digital media room, gallery and sculpture area.

NDUS Campuses Highlights (cont.)

- The NDSU Research and Technology Park's Research 2 building was dedicated October 23. The $17 million facility includes sophisticated cleanroom research space and state-of-the-art research equipment and houses the Center for Nanoscale Science and Engineering (CNSE). The center engages in pioneering, interdisciplinary research and technology development on materials at the atomic-molecular level.

- The National Institutes of Health awarded a five-year, $8.9 million grant to establish a Center for Biomedical Research Excellence (COBRE) for visual neuroscience at NDSU. Researchers will examine aspects of the neural mechanisms and functional significance of visual perception, cognition and action. Part of Minard Hall will be remodeled to accommodate two EEG laboratories to conduct electrical brain-imaging experiments.

- NDSU researchers work to protect the nation's food supply through a biosecurity, disease surveillance and food safety collaboration with DSU and research extension centers at Dickinson and Hettinger and as a partner institution in a $15 million, three-year grant received by the University of Minnesota to become a U.S. Department of Homeland Security Center of Excellence.

University of North Dakota

- Overall enrollment at UND grew for the sixth straight year, reaching a record 13,187 in Fall 2004.

- Enrollment in the graduate school grew to 2,045, maintaining its rank as the second largest in the region of North Dakota, South Dakota, Minnesota and Montana. The number of students pursuing Ph.D. and Ed.D. degrees rose by 136 students to 516.

- The dollar value of new external grants rose for the seventh straight year to $82.7 from $71 million the previous year.

- Additional progress was made in improving faculty salaries. The gap between UND's average pay and the national average has been cut in half since 1998.

- The Higher Learning Commission of the North Central Association of Colleges and Schools renewed UND's accreditation for another 10 years.

Valley City State University

- VCSU professor and U.S. Army reservist Joan Aus created an opportunity for soldiers in North Dakota's 141st Engineer Combat Battalion to continue their education while serving in Kuwait and Iraq. The student-soldiers who enroll in Aus's classes earn college credit toward degrees they are pursuing at VCSU and other NDUS campuses.
- VCSU launched a nationally recognized online technology education program backed by $150,000 in funding from the Valley City/Barnes County Development Corporation. Other VCSU online education initiatives launched during 2004 include professional communications, teaching English language learners and library media.

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NDUS Campuses Highlights (cont.)

- VCSU was awarded a five-year, $1.9 million grant by the National Institutes of Health as part of the IDeA Network for Biomedical Research Excellence (INBRE) program that helps build research infrastructure and increase capacity to conduct biomedical and behavioral research. VCSU plans to use the funding for continued development of its health sciences research program.

- Final Fall 2004 enrollment figures show headcount enrollment increased 4 percent when compared to the previous year, and full-time equivalent (FTE) enrollment increased 9 percent. The increases are being attributed to flexible learning opportunities, personalized service to students and very high satisfaction levels.

- Eagle Creek Software Services, a national software services provider, agreed to establish a technology center in Valley City that is expected to house about 100 employees by the end of 2006. VCSU played a central role in this decision, reflecting its position of serving as an economic engine for the region.

Williston State College

- WSC was one of 20 community colleges selected for the L-SITEs (Learning through Simulated Information Technology Enterprises) project. L-SITEs improves the technical and business skills of information technology and other students at community and technical colleges. It also helps hone "soft skills," such as communication and teamwork.

- WSC celebrated the grand opening of its new Health Science and Sports Complex January 14. More than 3,000 people attended the day's activities.

- WSC was selected to be a Cisco Blended Distant Learning Academy pilot. Beginning Fall 2004, WSC was one of 25 pilot academies in the world to offer Cisco Certified Network Associate (CCNA) training through a blended distance-learning model.

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NORTH DAKOTA
UNIVERSITY SYSTEM

Roundtable Rec. & Board Objectives

December 2004

Summary of Roundtable Report

A summary of the key components *A North Dakota University System for the 21st Century*, more commonly known as the *Roundtable Report*, follows:

Steps must be taken to ensure:
- **North Dakota's future is not an extension of the trends of the past,**
- **All of North Dakota must benefit from a stronger economy, and**
- **The economic vitality of North Dakota is closely linked to the North Dakota University System.**

Those were the three fundamental conclusions arrived at by a group of 61 state leaders who spent seven months studying global forces and projections, examining North Dakota's economic and demographic trends, and developing recommendations for creating a North Dakota University System for the 21st century.

I. Legislative Initiative

The 1999 North Dakota Legislative Assembly passed a resolution directing a study of the North Dakota University System to specifically address:

1. The expectations of the NDUS in meeting the State's needs in the 21st century
2. Funding methodology needed to meet those expectations
3. Accountability system and reporting methodology

II. Roundtable Formed

A roundtable was formed consisting of 61 state leaders – 21 legislators and an additional 40 leaders from the private sector, government, and education – to assist the Interim Committee on Higher Education in conducting the study. (See attachment for a list of members).

III. The Challenge

Expectations. The roundtable members were challenged by chairman, Senator David Nething, to look to the future, think outside the box, be bold but also realistic, be non-parochial, and bring forth a clear set of expectations to serve as the cornerstones upon which the North Dakota University System for the future should be built.

Accountability. The roundtable was also asked to identify and agree upon a reasonable number of accountability measures for the University System to replace the extensive, and often conflicting, accountability measures currently being applied. The accountability measures identified were to be consistent with the expectations for creating a University System for the 21st century; i.e., high quality, responsive, entrepreneurial, flexible, and accessible. The desired result, as stated by the roundtable, is a University System characterized by: "*flexibility with accountability.*"

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Summary of Roundtable Report (cont.)

IV. Goal of the Roundtable

The goal developed and agreed upon by the roundtable is:

"To enhance the economic vitality of North Dakota and the quality of life of its citizens through a high quality, more responsive, equitable, flexible, accessible, entrepreneurial, and accountable University System."

V. Cornerstones

The roundtable identified six key cornerstones on which to build a university system for the future. Those cornerstones are:

1. **Economic Development Connection-**
   Increase the direct connections and contributions of the University System to the economic growth and social vitality of North Dakota.
2. **Education Excellence-**
   Provide high quality education and skill development opportunities which prepare students to be personally and professionally successful, readily able to advance and change careers, be life-long learners, good citizens, leaders, and knowledgeable contributing members of an increasingly global and multi-cultural society.
3. **Flexible and Responsive System-**
   Create a University System environment which is responsive to the needs of its various clients and is flexible, empowering, competitive, entrepreneurial, and rewarding.
4. **Accessible System-**
   Create a University System which is proactively accessible to all areas of North Dakota and seeks students and customers from outside the state. It provides students, business, industry, communities, and citizens with access to educational programs, workforce training opportunities, and technology access and transfer – and does so with the same performance characteristics as described in the "Flexible and Responsive System" goal.
5. **Funding and Rewards-**
   Develop a system of funding, resource allocation, and rewards which assures quality and is linked to the expressed high priority needs and expectations of the University System – assures achievement of the expectations envisioned.
6. **Sustaining the Vision-**
   Develop a structure and process which assures the University System for the 21st century, as described by these goals, remains connected, understood, relevant, and accountable to the present and future research, education, and public service needs of the state and its citizens – sustaining the vision.

VI. Summary of Recommendations

The roundtable, through the task forces for the six cornerstones, developed a total of 92 specific recommendations to implement the intentions and expectations called for in the six cornerstones. The 92 recommendations were condensed into 27 summary recommendations.

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Summary of Roundtable Report (cont.)

The main thrusts of the collective set of recommendations of the roundtable, by assigned responsibility, are:

State Board of Higher Education

1. Take the leadership in ensuring key steps required for implementation of the roundtable are taken, specifically to develop and recommend (to the legislative and executive branches):
   - A long-term plan for the financing of the NDUS.
   - A resource allocation mechanism.
   - Accountability mechanisms, both performance and fiscal.
2. Change policies and procedures to empower campus presidents; grant to the campuses the same conditions being sought for the NDUS – flexibility with accountability.
3. Develop a University System which has intellectual capacity and programs aligned with the needs of the State.
4. Develop a delivery system capable of making the capacities of the NDUS accessible to all of North Dakota.
   - Learning centers.
   - Distance delivery.
   - Collaborative delivery.
   - Duplicated programs where appropriate.
5. Cooperate with other participants in collectively moving the agenda forward.

Executive Branch

1. Assume the leadership in ensuring the necessary technology infrastructure is extended throughout North Dakota.
2. Work with the SBHE and the legislature in devising funding and accountability mechanisms and then:
   - Revise and simplify the budget process in conformance with these agreements.
   - Modify accountability mechanisms – both performance and fiscal – to make them consistent with those of the other key actors.
3. Be a full participant in efforts to communicate to the public and other audiences the message emerging from the roundtable and to move the agenda forward.

Legislature

1. Work with the executive branch to ensure the necessary technology infrastructure is extended throughout North Dakota
2. Work with the SBHE and the executive branch to create agreed-upon funding and accountability mechanisms and then:
   - Modify budget and appropriation processes so they are consistent with the directions and expectations of the roundtable.
   - Utilize the agreed-upon accountability process.
   - Bring the audit function into conformance with the intent of the roundtable.
3. Take steps to ensure actions of the legislature and its staff reflect a relationship with NDUS which grants flexibility with accountability.

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Summary of Roundtable Report (cont.)

4. Participate with other entities in communicating the agenda which has emerged from the roundtable and in continuing the process in future years.

The NDUS

1. The NDUS take steps to ensure the collective capacity of its campuses – intellectual assets and programs – are aligned with the needs of the State and its citizens. In this regard, find ways to utilize the strengths of tribal colleges, private institutions, and other providers to expand the educational asset base available to the citizens of North Dakota.
2. Expand the definition of institutional clients to include non-traditional students, employers, and other groups in addition to the traditional student body which has been the hallmark of the NDUS.
3. Create a delivery system which can make these intellectual assets accessible to citizens throughout the state.
   - Learning centers
   - Technology
4. Provide the staff leadership necessary to create new financing, resource allocation, and accountability mechanisms.
5. Create a culture, policies, and practices which support and reward entrepreneurial behavior and responsiveness to clients on the part of campus leaders and staff.
6. Develop the information systems and processes to ensure accountability can be (and is) demonstrated in accordance with the agreed-upon measures.

Campuses

1. Create unique, high quality institutional strengths – capacities which serve to make the NDUS, as a system, a stronger enterprise and one which is aligned with the needs of the state and its citizens.
2. Collaborate with others in utilizing these strengths in ways which serve the identified needs of clients throughout the state. Minimize the barriers to accessing these assets.
3. Develop internal values, policies, and behaviors which encourage and reward entrepreneurship and responsiveness to the needs of clients.
4. Strengthen ties to clients, engaging them in meaningful relationships and developing mutually rewarding partnerships. Become engaged campuses.
5. Develop academic programs which help students understand the application of their knowledge at places of employment and in the larger society.
6. Put in place those mechanisms to ensure their end of the "flexibility for accountability" agreement is upheld.

Private Sector

1. Work with institutions to ensure educational providers understand expectations regarding skills and knowledge of college graduates.
2. Collaborate with institutions in ensuring students gain an appreciation for application of their learning – internships, mentorships, etc.
3. Participate in statewide efforts to expand and diversify the economy of the state.

Summary of Roundtable Report (cont.)

The roundtable also identified a total of 84 potential accountability measures for which the University System would be accountable. Those 84 were condensed into 34 accountability measures for the six cornerstones and are presented in the *Roundtable Report*.

Results of the roundtable study, including the cornerstones, specific recommendations and accountability measures, are published in a report titled, *A North Dakota University System for the 21st Century*, May 25, 2000. Contact the North Dakota Legislative Council, the University System Office or an NDUS campus for a copy of the report, which also is available on the Web at: www.ndus.nodak.edu

FOR MORE INFORMATION CONTACT:
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Summary of Roundtable Report (cont.)

Current Members of the Roundtable on Higher Education

Yr. Added	Name	Title	Organization	Address
1999 charter	Aarsvold, Ole	State Representative		RR 2 Box 12, Blanchard ND 58009-9513
1999 charter	Aasand, Hardin	Professor of English	Dickinson State University	291 Campus Dr, Dickinson ND 58601-4896
2002	Andrews, Sue	Member SBHE		3358 165th Ave SE, Mapleton ND 58059-9746
2003	Botsford, John	Relationship Manager	Alerus Financial	PO Box 6001, Grand Forks ND 58206-6001
2003	Brusegaard, Thomas	State Representative		PO Box 217, Gilby ND 58235-0217
2003	Burnett, Ann	Faculty Advisor/SBHE	North Dakota State University	PO Box 5075, Fargo ND 58105-5075
2002	Butts, Linda	Dir/Econ Dev & Finance	Department of Commerce	Inside Mail,
1999 charter	Chapman, Joseph	President	North Dakota State University	PO Box 5167, Fargo ND 58105-5167
2001	Christianson, Bruce I	President/SBHE		1421 15th St SW, Minot ND 58701-5796
1999 charter	Clayburgh, Beverly	Member/SBHE		1626 Belmont Rd, Grand Forks ND 58201-7310
2003	DesLauriers, Blaine	President	First International Bank & Trust	PO Box 1967, Minot ND 58702-1967
2004	Effertz, Kayla	Member/SBHE		4297 5th Ave N Apt 105A, Grand Forks ND 58203-1901
1999 charter	Feist, Jennifer	Executive Director	Valley City Barnes County Development Corp	PO Box 724, Valley City ND 58072-0724
1999 charter	Flakoll, Tim	State Senator		1350 2nd St N, Fargo ND 58102-2725
1999 charter	Furness, Bruce	Mayor	City of Fargo	200 3rd St N, Fargo ND 58102-4809
1999 charter	Goetz, Bill	Chief of Staff	Governor's Office	Inside Mail,
2003	Grande, Bette	State Representative		3510 42nd Ave SW, Fargo ND 58104-6669
1999 charter	Grindberg, Tony	State Senator		2832 39 1/2 Ave SW, Fargo ND 58104-7014
2003	Hacker, Nicholas	State Senator		2027 2nd Ave N, Grand Forks ND 58203-3311
1999 charter	Hagen, Gary	VP for Academic Affairs	Mayville State University	330 3rd St NE, Mayville ND 58257-1299
2003	Hawken, Kathy	State Representative		503 Southwood Dr, Fargo ND 58103-6033
1999 charter	Hedger, Don	CEO	Killdeer Mountain Manufacturing	PO Box 450, Killdeer ND 58640-0450
1999 charter	Hill, Dennis	Executive VP/General Manager	ND Assoc of Rural Electric Coop	PO Box 727, Mandan ND 58554-0727
1999 charter	Holmberg, Ray	State Senator		621 High Plains Ct, Grand Forks ND 58201-7717

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Summary of Roundtable Report (cont.)

Yr. Added	Name	Title	Organization	Address
1999 charter	Jensen, Jensen	Chairman	Trinity Medical Center Board	PO Box 2189, Minot ND 58702-2189
2004	Johnson, Chad	President	ND Student Association	703 University Ave W Apt 3, Minot ND 58703-2248
1999 charter	Johnson, Dennis	Chairman	TMI Systems Design	50 S 3rd Ave W, Dickinson ND 58601-3545
1999 charter	Johnson, Nancy	State Representative		1308-A Empire Rd, Dickinson ND 58601-3615
1999 charter	Kemnitz, David	President	AFL-CIO	1323 E Front Ave, Bismarck ND 58504-6061
2001	Kingsbury, Ralph	Member/SBHE		14361 72nd St NE, Grafton ND 58237-9042
1999 charter	Knutson, Dale	College Outreach Director	ND State College of Science	800 6th St N, Wahpeton ND 58076-0002
2002	Kostelecky, Pam	Vice Pres/SBHE		312 W Villard Ave, Dickinson ND 58601-5025
1999 charter	Kringstad, Ed	State Senator		1807 N 7th St, Bismarck ND 58501-1807
1999 charter	Kunkel, Richard	Member/SBHE		1312 6th St, Devils Lake ND 58301-2812
1999 charter	Kupchella, Charles	President	University of North Dakota	PO Box 8193, Grand Forks ND 58202-8193
2001	Kutzer, Wayne	Director	Dept of Career & Technical Education	Inside Mail,
1999 charter	Lindaas, Elroy	State Senator		RR 2 Box 91, Mayville ND 58257-9673
2001	Lokken, Gloria	President	ND Education Association	PO Box 5005, Bismarck ND 58501-4049
1999 charter	Monette, Gerald	President	Turtle Mountain Comm College	PO Box 340, Belcourt ND 58316-0340
2002	Morton, Don	Senior Staff	Microsoft Great Plains Business Solutions	1 Lone Tree Rd, Fargo ND 58104-3911
1999 charter	Nething, David	State Senator		PO Box 1059, Jamestown ND 58402-1059
2003	Nicholas, Eugene	State Representative		214 14th St, Cando ND 58324-6609
2003	Nottestad, Darrell	State Representative		2110 Westward Dr, Grand Forks ND 58201-4167
2004	Paulsen, John Q	Member/SBHE		PO Box 3247, Fargo ND 58108-3247
1999 charter	Pitts, Ryn			1302 9th St S, Fargo ND 58103-4106
2004	Potts, Robert	Chancellor Officio/non-voting	North Dakota University System	Inside Mail,
1999 charter	Quamme, Ken	Director for Vocational Education	Williston State College	PO Box 1326, Williston ND 58802-1326
1999 charter	Reierson, Roger	President	Flint Communications Inc	PO Box 2012, Fargo ND 58107-2012
2002	Robinson, Warren	Exec VP/Treas & CEO	Montana Dakota Utilities Group Inc	PO Box 5650, Bismarck ND 58506-5650

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Summary of Roundtable Report (cont.)

Yr. Added	Name	Title	Organization	Address
2003	Roers, Jim	President	Roers Construction and Development Inc	4445 2nd Ave SW, Fargo ND 58103-0906
1999 charter	Sanstead, Wayne	Superintendent	Public Instruction Department	Inside Mail,
2003	Shorma, Tom	CEO/President	WCCO Belting Inc	PO Box 1205, Wahpeton ND 58074-1205
1999 charter	Thigpen, Donna	President	Bismarck State College	PO Box 5587, Bismarck ND 58506-5587
2004	Vickers, Lee	President	Dickinson State University	291 Campus Dr, Dickinson ND 58601-4896
1999 charter	Welder, Sr. Thomas	President	University of Mary	7500 University Dr, Bismarck ND 58504-9652
2001	Wolfe, Curt	Chief Information Officer Officio/non-voting	Information Technology Dept - State of ND	Inside Mail,
2003	Zaiser, Steve	State Representative		802 7th St S, Fargo ND 58103-2706
2003	Zimmerman, Delore	President	CEO Praxis	100 N 3rd ST, Grand Forks ND 58203-3716

Summary of Roundtable Report (cont.)

Past Members of the Roundtable on Higher Education

Name	Title	Organization	Dates Served
Andreasen, Bethany	Member/SBHE		1999/Charter to June 30, 2000
Askvig, Josh	Member/SBHE		2002 to 2003
Bernhardt, Jason	Member/SBHE		2000-2001
Bernstein, Ryan	Member/SBHE		1999/Charter to June 30, 2000
Carlson, Al	Representative	State of North Dakota	1999/Charter to 2001
Caspers, Craig	Member/SBHE		1999/Charter to 8/3/2002
Christenson, Linda	Senator	State of North Dakota	2001 to 2003
Clemens, Maggie	Student		Charter to 2001
Dalrymple, Jack	Representative (currently Lt. Gov.)	State of North Dakota	Charter to 2001
Disrud, Rachel	Representative	State of North Dakota	2001 to 2002
Dosch, Vern	General Manager	North Central Data Coop	1999/Charter to 2003
Frost, Chris	NDSA President		2002 to 2003
Geurts, Red	Plant Manager	Cargill (ProGold LLC)	1999/Charter to 2003
Glassheim, Eliot	Representative	State of North Dakota	1999/Charter to 2003
Grijalva, James	Faculty Rep/SBHE		2001 to 2003
Grosz, Michael	Representative	State of North Dakota	2001 to 2003
Gulleson, Pam	Representative	State of North Dakota	2001 to 2003
Henke, Bruce	Publisher	Jamestown Sun	1999/charter to 2003
Hillman, Michel	Interim Chancellor Officio/non-voting	ND University System	2003 to 2004
Hoeven, John	President (currently Governor)	Bank of North Dakota (State of North Dakota)	1999/Charter to December 2001
Isaacson, William	Member/SBHE		Charter to June 30, 2002
Isaak, Larry	Chancellor Officio/non-voting	ND University System	1999/charter to 2003
Jensen, Roxanne	Representative	State of North Dakota	2001 to 2002
Johnson, Marlowe	Vice President	Otter Tail Power Co.	Charter to 2002
Kibler, Robert	Faculty Rep/SBHE		2000-2001
Klein, James	NDSA President		2003 to 2004
Koppang, Myron	Representative	State of North Dakota	Charter to 2002
Korsmo, John	Member/SBHE		Charter to July 10, 2001
Laird, Max	President	NDEA	Charter to 2002
Larson, Craig	President/CEO	First Southwest Bank	2001 to 2003
Lee, Heather	Member/SBHE		2001-2002
Leitner, Philip	NDSA President		2001-2002
Lloyd, Edward	Representative	State of North Dakota	Charter to 2001
Maragos, Andrew	Representative	State of North Dakota	Charter to 2001
Mathern, Joe	NDSA President		May to July 2004
Metcalf, Ralph	Representative	State of North Dakota	2001 to 2003
Olson, Mel	State Director	Vocational & Technical Education	Charter to 2001
Peltier, Joe	Member/SBHE		Charter to June 30, 2000
Peterson, Lee	Commissioner	Dept of Commerce	2001 to 2002

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Summary of Roundtable Report (cont.)

Name	Title	Organization	Dates Served
Pietsch, Bill	Representative	State of North Dakota	2001 to 2002
Pietsch, Vonnie	Representative	State of North Dakota	2002 to 2003
Satrom, Jeanette	Member/SBHE		Charter to June 30, 2001
Shaar, H. Erik	President	Minot State University	1999/Charter to 2004
Solberg, Ken	Senator	State of North Dakota	1999/Charter to 2001
St. Aubyn, Rod	Senator	State of North Dakota	Charter to 2001
Stefonowicz, Bob	Representative	State of North Dakota	Charter to 2001
Stroup, Chuck	Member/SBHE		1999/Charter to 2004
Sveen, Gerald	Representative	State of North Dakota	Charter to 2001
Tomac, Steven	Senator	State of North Dakota	Charter to 2001
Uecker-Rust, Jodi	Group Vice President	Great Plains Software	Charter to 2002
Wardner, Rich	Senator	State of North Dakota	1999/Charter to 2003
Wentz, Janet	Representative	State of North Dakota	1999/Charter to 2003
Winrich, Lonny	Representative	State of North Dakota	2001 to 2003

NORTH DAKOTA
UNIVERSITY SYSTEM

Roundtable Rec. & Board Objectives

December 2004 State Board of Higher Education Objectives

FOR 2004-05

Approved by the State Board of Higher Education – September 16, 2004

NOTE: The proposed objectives are organized according to the five long-range goals adopted by the Board and included in the NDUS Strategic Plan.

Long-Range Goal 1:
Take the leadership in ensuring key steps required for implementation of the Roundtable are taken, specifically to develop and recommend (to the legislative and executive branches): (a) a long-term plan for the financing of the NDUS; (b) a resource allocation mechanism; and (c) accountability mechanisms, both performance and fiscal.

Objective 1-1: Develop and carry out a legislative agenda (including and with emphasis on long-term finance plan, maintaining the Roundtable concept of flexibility with accountability, and economic development centers of excellence). *(Potts, Glatt and Dunn)*

Long-Range Goal 2:
Change policies and procedures to empower campus presidents; grant to the campuses the same conditions being sought for the NDUS.

Objective 2-1: Streamline system procedures/operations (i.e., recommend where NDUS office and board procedures and operations can be streamlined to improve service to campuses, continue and increase board efficiency and reduce system time-demands on board, presidents and staff members). *(Potts)*

Long-Range Goal 3:
Develop a University System which has intellectual capacity and programs aligned with the needs of the State.

Objective 3-1: Implement state-wide needs assessment initiative, including serving the needs of career and technical programs across the state and addressing the issue of "soft skills" emphasized by the Roundtable. *(Dunn)*

Objective 3-2: Complete the development and implementation of state-wide internship program in cooperation with the Governor's office and other state agencies (in compliance with language included in HB-1003). *(Dunn)*

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State Board of Higher Ed. Objectives (cont.)

Long-Range Goal 4:
Develop a delivery system capable of making the capacities of the NDUS accessible to all of North Dakota: (a) learning centers; (b) distance delivery; (c) collaborative delivery; and (d) duplicated programs where appropriate.

Objective 4-1: Complete campus mission clarification and refine program approval process. *(Hillman)*

Objective 4-2: Develop and implement incentives for collaboration among campuses. (Hillman and Glatt)

Long-Range Goal 5:
Cooperate with other participants in collectively moving the agenda of the Roundtable forward – Sustain the vision.

Objective 5-1: Sustain the momentum of the Roundtable with special focus on private sector involvement and continued ownership. *(Potts and Dunn)*

Objective 5-2: Ensure successful and timely implementation of ConnectND at all campuses. *(Potts, Glatt and Hillman)*

Objective 5-3: Update and implement NDUS communications plan. *(Anderson)*

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NORTH DAKOTA
UNIVERSITY SYSTEM

Education Excellence - Students

December 2004

Admission Requirements

In 1990, the State Board of Higher Education (SBHE) adopted admission requirements for its four-year institutions. The policy became effective for students entering North Dakota University System baccalaureate institutions in the summer of 1993. The SBHE recognized that success in college was strongly dependent upon academic preparation in high school in certain areas of study. Because of its commitment to students, the SBHE instituted a policy that all high school students graduating in 1993 and thereafter need to have completed the following high school courses (or core curriculum) and have taken the ACT including the writing component in order to be admitted to a four-year institution:

- 4 units of English including written and oral communication skills
- 3 units of mathematics, algebra I and above
- 3 units of laboratory science, including at least 2 in biology, chemistry, physics, or physical science
- 3 units of social studies, excluding consumer education, cooperative marketing, orientation to social sciences, and marriage/family

In addition to the above core curriculum, the board also strongly encourages students to complete Algebra II and two units of a single classical or modern language. The Board reviewed this policy in 1999 and decided to keep the admission requirements enacted previously.

Students who have completed the core curriculum show a 67 percent college success rate compared to 56 percent for those who did not complete the core curriculum. As high school GPAs and ACT scores increase, the greater the likelihood of an above-average university GPA.

Students who have not had the required courses are encouraged to enroll in any of the state's two-year colleges. Upon successful completion of 24 transferable semester credits at these campuses, students are eligible for transfer to four-year universities.

FOR MORE INFORMATION CONTACT:
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NORTH DAKOTA
UNIVERSITY SYSTEM

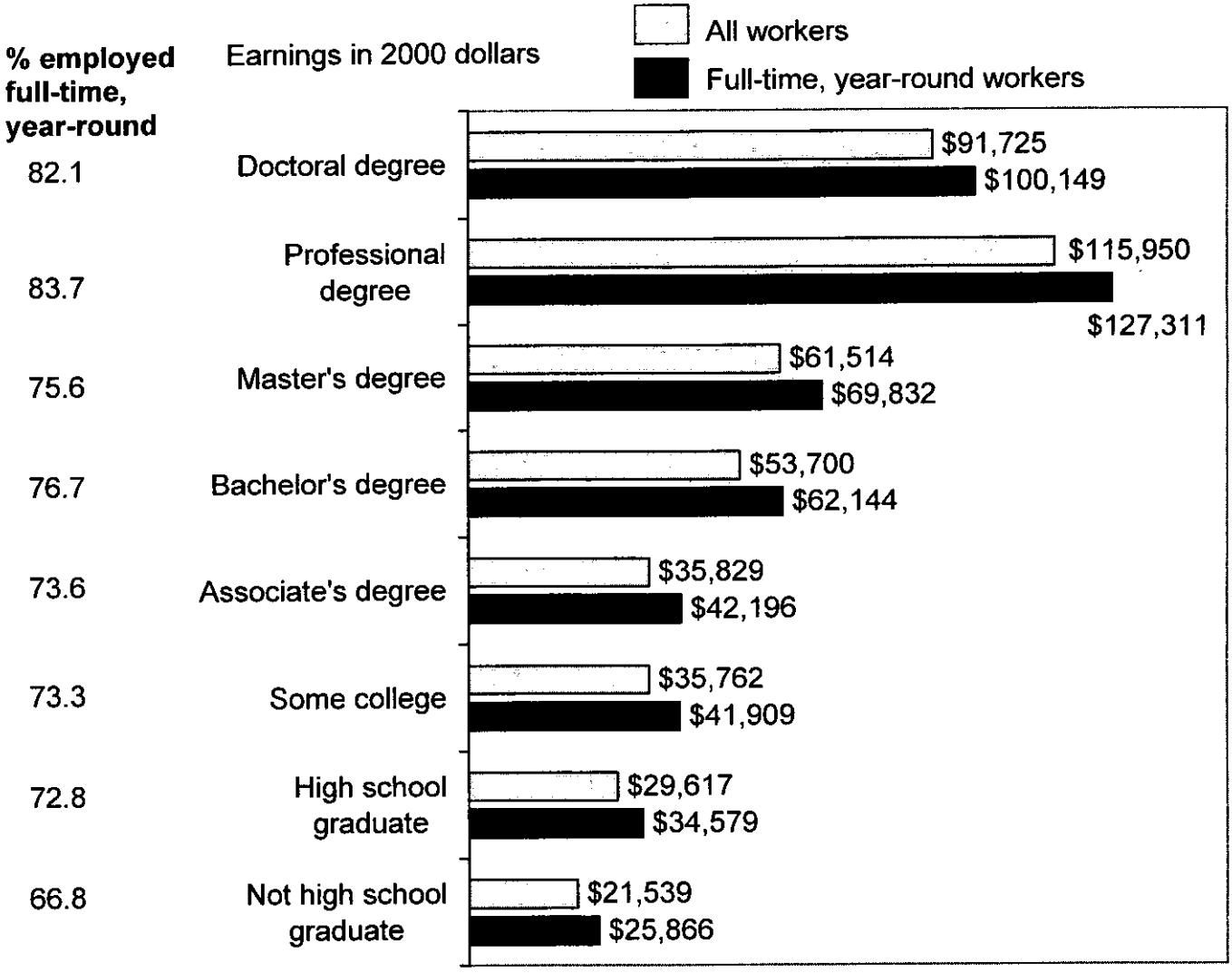
Education Excellence - Students

December 2004

Education and Earnings

Students who continue their education past high school earn higher salaries than those who go to work right after graduating.

Work Experience and Average Annual Earnings of Workers Age 25-64 by Educational Attainment: 2002



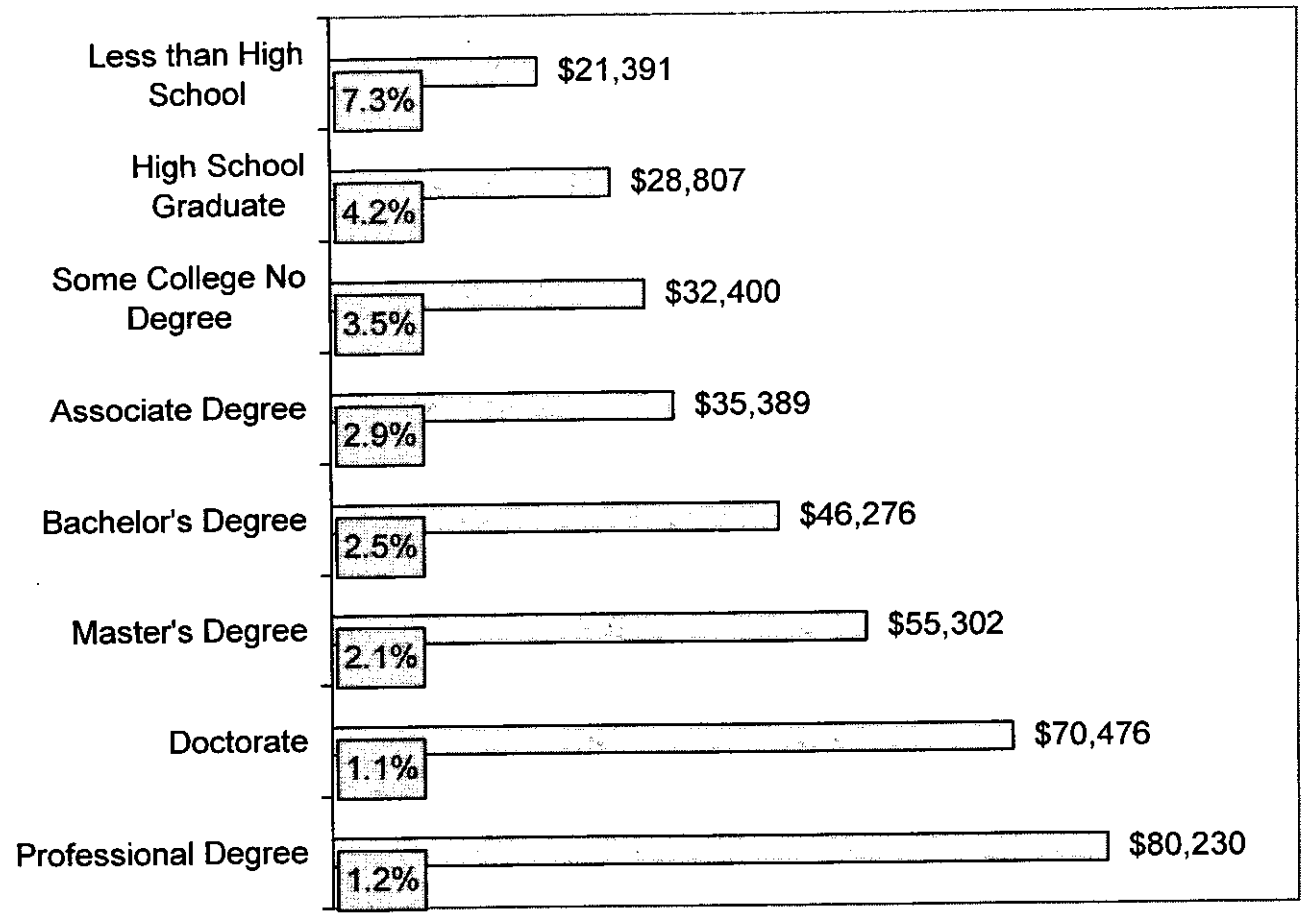
Source: U.S. Census Bureau, release date June 29, 2004.

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Education and Earnings (cont.)

The likelihood of obtaining and keeping a job greatly improves with the level of education achieved.

2001 Unemployment Rate by Education Age 25 and Over



Source: Postsecondary Education Opportunity.

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Education Excellence - Students

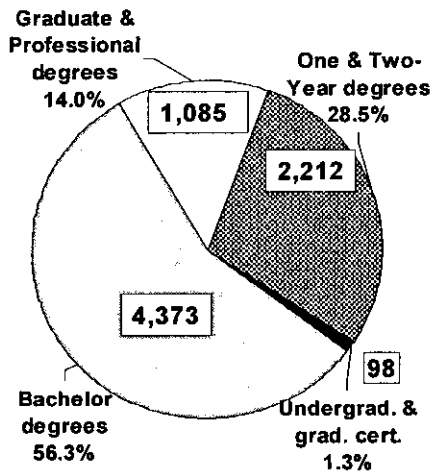
December 2004

Program Completers

Listed below are charts from the 2003-04 NDUS Programs Offered and Programs Completed at North Dakota Institutions of Postsecondary Education publication.

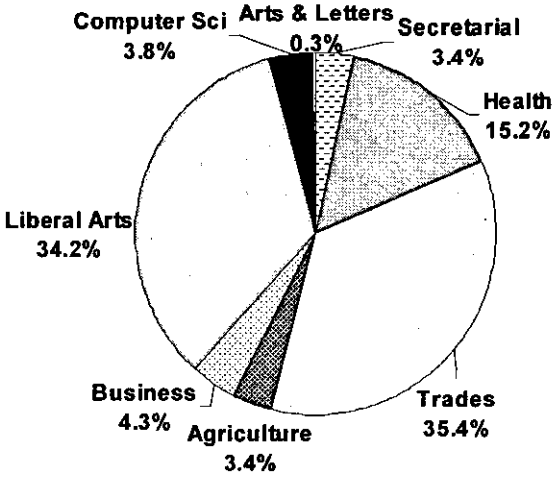
NDUS Program Completers by Level of Award
Academic Year 2003-04

One & Two-Year	
Cert.	338
Dipl	64
Assoc	1,810
Sub-total	**2,212**
Bachelor	**4,373**
Graduate cert.	68
Undergrad cert.	30
Sub-total	**98**
Graduate & Professional	
Masters	802
Sp.	9
Ed.D & Ph.D.	93
Prof.	181
Sub-total	**1,085**
TOTAL	**7,768**



NDUS One & Two Year Degrees by Discipline
Academic Year 2003-04

Agriculture	76
Arts & Letters	6
Business	95
Computer Science	84
Health	337
Liberal Arts	756
Secretarial	75
Trades	783
Total	**2,212**

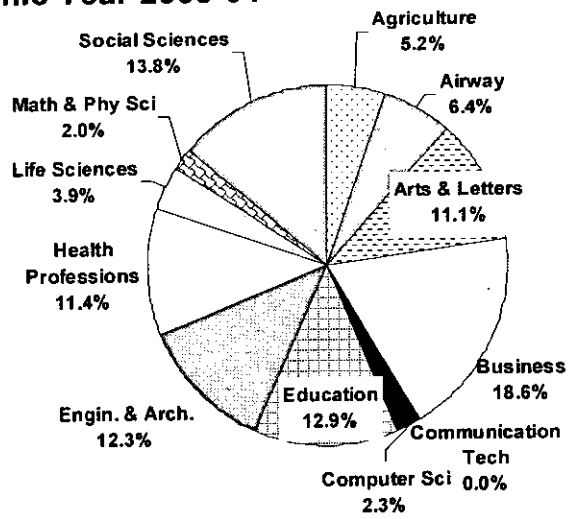


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Program Completers (cont.)

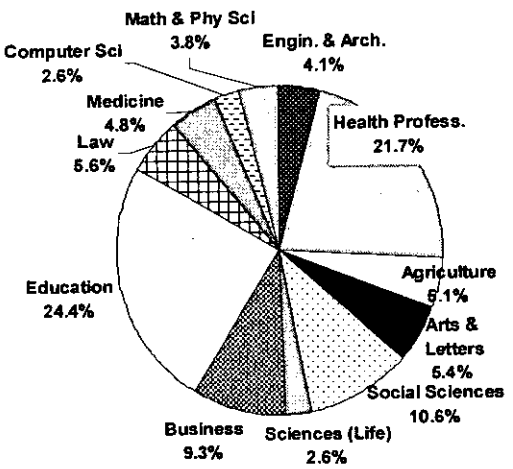
NDUS Bachelor Degrees by Discipline
Academic Year 2003-04

Agriculture	231
Airway	285
Arts & Letters	494
Business	828
Communication Technologies	2
Computer Sci	102
Education	571
Engin. & Arch.	547
Health Professions	505
Life Sciences	172
Math & Phy Sci	90
Social Sciences	614
Total	**4,441**



NDUS Graduate and Professional Degrees by Discipline
Academic Year 2003-04

Agriculture	57
Arts & Letters	60
Business	104
Computer Sci	29
Education	272
Engin. & Arch.	46
Health Profess.	242
Law	62
Math & Phy Sci	42
Medicine	54
Sciences (Life)	29
Social Sciences	118
Total	**1,115**



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NORTH DAKOTA
UNIVERSITY SYSTEM

Education Excellence - Students

December 2004

Program Matrix

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	BSC	DSU	LRSC	MaSU	MiSU	MiSU-BC	NDSCS	NDSU	UND	VCSU	WSC
AGRICULTURE AND NATURAL RESOURCES											
Agricultural Business & Management	2		1-2				p	4			p
Agricultural Economics	p		p			p	p	4G			p
Agricultural Production/Farm & Ranch Management		1-2	1-2			p	2				p
Agricultural Science, General	p	4	p	p		p		4			2
Agricultural Systems Management	p		p			p		4G			p
Agriculture Sales & Service		2									p
Animal & Range Sciences	p		p			p	p	4G			p
Cereal Science							p	G			
Crop & Weed Sciences	p		p			p	p	4			p
Environmental & Conservation Science								G			
Equine Studies		p						C,4			
Flowershop & Greenhouse Technology						1					
Food Science								4			p
Geology					4		p	4G	4G		p
Golf Course Grounds Technology						1					
Horticulture								4G			
Floral Design						2					
Greenhouse Technology						2					
Landscape Design						2					
Turf Management						2		4			
John Deere Ag Technology							2				
John Deere Ag Parts Marketing & Management							2				
Natural Resources Management						1-2		4G			p
Plant Protection								4			
Plant Science								G			
Soil Science								4G			
Urban Forestry Technology						1-2					
Veterinary Technology	p		p	p	p		p	4			p
Water Quality Technology						1-2					
Wildlife & Fisheries Technology					p	2					
ALLIED HEALTH											
Addiction Studies					4						p
Administrative Assistant/Health Information Management											1-2
Athletic Training/Corporate Fitness	p		p	p	4	p	p	4	4		p
Clinical Laboratory Science/Management	p		p		4		p	4	C,4G		
Clinical Laboratory Technician	2						p				
Communication Sciences & Disorders									4G		
Cytotechnology									4		
Dental Assisting							1				p
Dental Hygiene					p		2				p
EMT – Paramedic Technology	1-2							G			
Health Information Technician							2				
Medical Assistant						1-2					
Medical Secretary	2				2*	2					

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	BSC	DSU	LRSC	MaSU	MiSU	MiSU-BC	NDSCS	NDSU	UND	VCSU	WSC
Mental Health Care Associate							2, p				
Occupational Therapy					p				4G	p	p
Occupational Therapy Assistant							2				
Pharmacy Technician							1-2				
Phlebotomy Technician	1-2										
Physical Therapy				p					4G	p	p
Physical Therapy Assistant											2
Radiologic Technology/Sciences	p				4			4			1
Rehabilitation & Human Services									4		
Respiratory Care	p							4			p
ARCHITECTURE, ENGINEERING, AND RELATED											
Air Conditioning, Heating & Refrigeration	1-2						1-2				
Applied Physics			p						4		
Architectural Drafting & Estimating Technology							2				
Architecture								4G			
Construction Technology	p						2	4			
Electrical Technology	1-2						2				
Electrical Transmission Systems Technology	1-2										
Engineering Construction/Management	p							4			
Engineering & Management, Industrial	p							4G			
Engineering Technician	2										
Engineering, Agriculture and Biosystems	p							4G			
Engineering, Chemical	p								4G		p
Engineering, Civil	p							4G	4G		
Engineering, Computer								4			
Engineering, Electrical	p							4G	4G		
Engineering, Environmental								G			
Engineering, General	p		p	p	p		p	G		p	
Engineering, Geological									4		
Engineering, Manufacturing								4G			
Engineering, Mechanical	p							4G	4G	p	
Engineering and Surveying Technology, Civil							2				
Environmental Design								4			
Environmental Geoscience									4		
Environmental Technology						2					
Environmental Technology/Geographic Information Systems						1-2					
Environmental Technology/Laboratory and Field Technician						1-2					
Environmental Technology/Water Management						1-2					
Industrial Technology	p								4G		
Interior Design								4			
Landscape Architecture								4			
Mechanical Drafting & Design							2				
Occupational Safety & Environmental Health									4		
Power Plant Technology	1-2										
Process Plant Technology	1-2										
BUSINESS (ADMINISTRATIVE SUPPORT)											
Accounting & Computing			2			2					p
Administrative Assistant	1-2	2	1-2	2		2	1-2				1-2
Legal	1-2		1-2								
Medical	1-2				2*	2					
Digital Enterprise								C			

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Program Matrix (cont.)

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	BSC	DSU	LRSC	MaSU	MiSU	MiSU-BC	NDSCS	NDSU	UND	VCSU	WSC
Information Processing	1-2		1-2		2*	1-2					p
Office Supervision & Management		2	2	4			1-2			4	p
BUSINESS, MARKETING AND DISTRIBUTION, AND COMPUTERS											
Accountancy								4+	4		
Accounting	p	4	2, p		4	p		4	4G		p
Advertising & Marketing						1-2					
Application Software Specialists					C						
Banking & Finance	p		p		4	p	2	C	4		p
Business & Management, General	2			2	4G	p	2		4		p
Business Administration & Management	4*	4	2	4	G	p	p	4G	G	4	
Entrepreneurship									4		1-2
Family Financial Planning								C			
Hotel/Restaurant Management	1-2							4			
Human Resources Development								G		4	
Instructional Technology										4	
International Business					4						
Management Information Systems/Information Tech	p		1-2, p		4	p		4	4		p
Marketing Management	p		p		4				4		1-2
Public Administration	p		p						4G		p
Technology for Managers					C						
Virtual Business					4						
COMMUNICATIONS, MEDIA, AND PRINTING											
Art, Commercial	1-2										
Broadcasting					4						p
Communications, General/Mass		4			4			4G	4G	4	p
COMPUTER & INFORMATION SCIENCES											
Administrative Assistant, Computer Applications	1										
Computer Information Systems	p		2, p	4			1-2			4	
Computer Science/Programming	p	4			C,4	p		4G	4G		
Computer Support Specialist	1-2										2
Desktop & Web Publishing					C						
Information Processing Technician											1-2
Information Systems					G						
Information Technology				C		1-2					
Software Engineering								C,G			
Webmaster/Web Designer						1-2					
CONSTRUCTION, ELECTRONICS, AND REPAIR											
Auto Body Repair	1-2						1-2				
Automotive Technology	1-2		1-2				1-2				1-2
Building Construction Technology							2				
Carpentry, Residential	1-2										
Caterpillar Dealer Service							2				
Cooling/Heating Service	1-2						1-2				
Diesel Technology			1-2				1-2				1-2
Electrical Technology							2				
Electronics/Telecommunications Technology	1-2										
Electronic Technology							2				
Lineworker, Electrical	1-2										
Machinist & Tool Maker							1-2				
Mechanics, Automotive	1-2		1-2				2				2
Mechanics, Small Engine							1-2				

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Program Matrix (cont.)

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	BSC	DSU	LRSC	MaSU	MiSU	MiSU-BC	NDSCS	NDSU	UND	VCSU	WSC
Plumbing							1				
Welding	1-2		1				1-2				
CRIMINAL JUSTICE, LAW, AND RELATED											
Criminal Justice/Studies	2-4*		p	p	4G			G	4G		p
Emergency Management								4G			
Fire Technology	1-2										
Forensic Science									4		
Law (J.D.)			p	p	p	p	p		G		p
Law Enforcement			2				p				p
Legal Assistant			2				p				
Peace Officer			1								
Police Management & Investigation					C						
Private Security Officer			1								
EDUCATION ADMINISTRATION, COUNSELING, AND SPECIAL EDUCATION											
Administration/Leadership, Educational								G	G		
Communication Disorders/Sciences and Disorders					4G				4		
Counseling and Guidance								G	G		
Developmental Disabilities					2,4						
Education, Deaf					4						
Education, General Studies	p				4G	p	p	G	G		p
Education, Mental Retardation					4						
Special Education					G	p			G		p
FAMILY AND CONSUMER SCIENCES AND RELATED											
Apparel & Textiles								4G			
Culinary Arts							1-2				
Child Development & Family Science								4G			
Dietetics									4		p
Facility Management								4			
Couple and Family Therapy						p		4G			p
Food & Nutrition/Community Nutrition								4G	4		p
Food Safety								4G			
FOREIGN LANGUAGES, AREA AND ETHNIC STUDIES											
Language, Foreign & Classical [1]	p	4	p		4			4	4	4	p
Interpretive Certification Training Program			1								
Studies, Indian									4		
Studies, International								4	4		
Studies, Women's								4			
HEALTH SCIENCES											
Behavioral Statistics								4			
Gerontology								C			
Massage Therapy											1-2
Medical Transcription											1-2
Medicine (Physicians)	p		p	p	p	p	p		G		p
Nurse Assistant			1								
Nurse Practitioner	p						p	G	G		
Nursing Administration									G		
Nursing, Practical	2	2	2				2				2
Nursing, Registered	p	4	p	p	4	p	p	4G	4G	p	p
Pharmaceutical Sciences								4G			
Pharmacy Doctorate	p		p	p	p	p		G		p	p
Physician Assistant Studies									C,G		

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	BSC	DSU	LRSC	MaSU	MiSU	MiSU-BC	NDSCS	NDSU	UND	VCSU	WSC
Psychology	p	4	p	4	4	p	p	4G	4G	4	p
Psychology, Clinical									G		p
Psychology, Counseling					G				G		p
School Psychology					G						
Speech-Language Pathology					4G				G		p
Speech-Language Pathology Assistant											2
MATHEMATICS, LIFE AND PHYSICAL SCIENCES											
Anatomy									G		
Atmospheric Sciences/Studies									4G		
Biochemistry	p							G	G		
Biology	p	4	p	4	4	p	p	4G	4G	4	p
Biology, Cell & Molecular								G			
Biology, Fisheries & Wildlife				p		p	p		4		
Biotechnology							p	4			
Botany								4G			p
Chemistry	p	4	p	4	4	p	p	4G	4G	4	p
Earth/Environmental Science								4			p
Entomology								4G			
Forensic Science									4		
Genomics								G			
Geology					4			4G	4G		
Mathematics	p	4	p	4	4	p	p	4G	4G	4	p
Microbiology								4G	G		
Molecular Pathogenisis								G	G		
Pharmacology, Physiology & Therapeutics									G		
Physical Science	p				4		p		4		p
Physics	p				4			4G	4G		p
Plant Pathology								4G			
Polymers & Coatings Sciences								G			
Science, General	p		p		G	p	p	4			p
Statistics					p			4G			
Zoology								4G			
PARKS, RECREATION, LEISURE & FITNESS STUDIES											
Exercise Science and Leisure Studies										4	
Recreation Management								4	4		
SOCIAL SCIENCES & INTERDISCIPLINARY STUDIES											
Anthropology								4	4		p
Economics/Applied Economics			p		4			4	4G		p
English	p	4	p	4	4	p	p	4G	4G	4	p
General Studies	p	4	p	4	4	p	p	4	4	4	p
General & Technical Studies	p		2				1-2				1-2
Geography					p			4	4G		p
History	p	4	p		4	p		4G	4G	4	p
Human Services	2										
Humanities					p			4G			p
Linguistics									G		
Philosophy and Religion	p				p				4		p
Political Science	p	4	p			p		4	4		p
Social Science	p	4	p	4	4	p		4G	4	4	p
Social Work	G*		p	p	4				4G		p
Sociology	p		p		4	p		4G	4G		p
Speech, Debate & Forensics	p	4						4G			p

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	BSC	DSU	LRSC	MaSU	MiSU	MiSU-BC	NDSCS	NDSU	UND	VCSU	WSC
TEACHER EDUCATION AND RELATED											
Autistic Spectrum Disorder									C		
Education					G			4G	4G		
Education, Ag	p		p			p	p	4G			p
Education, Art	p	4	p		4				4	4	p
Education, Business	p	4	p	4	4	p	p		4G	4	p
Education, Career & Technical										4	
Education, Communications	p				4		p	4			p
Education, Composite Science	p		p				p	4		4	p
Education, Early Childhood			1-2	2, 4					4G		p
Education, Elementary	p	4	p	4	4	p	p	4*	4G	4	p
Education, English	p	4	p	4	4G	p		4		4	p
Education, Family & Consumer Sciences								4G			p
Education, Foreign Language	p	4			4			4		4	p
Education, Health	p		p	4	p	p	p			4	p
Education, History	p	4	p		4	p	p	4		4	p
Education, Industrial Arts/Technology	p		p						4	4	p
Education, Life & Physical Sciences	p	4	p	4	4G	p	p	4	4	4	p
Education, Mathematics	p	4	p	4	4G	p	p	4	4	4	p
Education, Middle/High Level	p		p			p	p		4		p
Education, Music	p	4	p		4G	p	p	4		4	p
Education, Physical	p	4	p	4	4	p	p	4	4	4	p
Education, Reading									G		
Education, Social Science/Social Studies	p	4	p	4	4	p	p	4	4	4	p
Education, Speech and Theater		4	p						4		p
Education, Vocational Marketing	p		p				p		4		p
Education, Vocational-Technical	p		p				p			4	
Paraeducation	1-2		1-2			1-2	1-2				1-2
Teaching & Learning									G		
TRANSFER											
Transfer/Pre-Professional/University Parallel	2	2	2			2	2				2
TRANSPORTATION AND VEHICLE OPERATION											
Aeronautics [2]									4		
Airport/Aviation Management									4		
Aviation									G		
Simulator Maintenance Technology			2								
Transportation and Logistics								G			
VISUAL AND PERFORMING ARTS											
Art	p	4	p		4	p		4		4	
Arts, Visual	p								4G		
Music	p	4			4	p	p	4G	4G	4	p
Theater Arts	p	4			p			4G	4G		

[1] French, German, Spanish, Latin, and Norwegian. Not all languages offered on each campus.

[2] Air Transport, Air Traffic Control, Aviation Systems Management, Commercial Aviation, and Flight Education.

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NORTH DAKOTA
UNIVERSITY SYSTEM

Education Excellence-Faculty & Staff

December 2004

Employees

The North Dakota University System employs about 14,000 people. This number includes more than 2,400 faculty and more than 4,000 staff who provide services in areas such as student housing, food services, counseling and maintenance/physical plant. The remaining positions are temporary employees who fill a variety of short-term campus functions in both instructional and non-instructional roles. The University System also employs more than 4,300 students, providing them funding for their college education, as well as on-the-job training.

North Dakota University System
Employee Count
October 2004

Campus	FACULTY		CLASSIFIED		OTHER NON-CLASSIFIED		TEMPORARY		Students	Total
	Full-Time	Part-Time	Full-Time	Part-Time	Full-Time	Part-Time	Instructional	Non-Instructional		
BSC[1]	102	4	109	4	20	0	88	51	88	**466**
DSU[1]	77	8	94	6	11	0	86	15	212	**509**
LRSC[1]	27	9	39	7	5	1	60	24	48	**220**
MaSU[1]	43	2	94	8	5	0	8	26	141	**327**
MiSU	177	13	183	24	14	0	66	31	278	**786**
MiSU-BC	25	0	30	3	3	0	13	8	41	**123**
NDSCS[1]	125	7	163	11	19	1	49	61	249	**685**
NDSU	830	58	1,215	97	60	4	832	305	1,193	**4,594**
UND	701	107	1,627	142	142	5	726	388	1,872	**5,710**
VCSU[1]	61	0	81	9	4	0	27	13	164	**359**
WSC[1]	30	6	32	1	4	0	33	9	30	**145**
TOTALS	**2,198**	**214**	**3,667**	**312**	**287**	**11**	**1,988**	**931**	**4,316**	**13,924**

[1]Employee count as of October 2003. Comparable current information is not available for October 2004 since these campuses are utilizing *ConnectND*.

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For other page 7 section see individual topped sections

Flexible and Responsive

December 2004

North Dakota/Minnesota Reciprocity

The North Dakota/Minnesota reciprocity program is a program of student exchange that has existed since 1975.

The purposes of the program are: (1) to continue to improve postsecondary education opportunities for North Dakota and Minnesota residents and (2) to achieve improved effectiveness and economy in meeting the postsecondary education needs of those residents through cooperative efforts by the two neighboring states.

Benefits:

- Provides greater availability and accessibility to programs. North Dakota students interested in programs not offered in the state are provided access at a reasonable cost and location (including the professional programs of dentistry and optometry).
- Eliminates the need for North Dakota's public institutions to be all things to all people. Access is provided to programs not offered here, thereby foregoing program start-up and on-going costs.
- Provides the University System an opportunity to spread fixed costs over a much larger student base.
- Adds diversity to the student body.
- Attracts permanent North Dakota residents. Some reciprocity students stay to live and work in North Dakota after graduation. For example, 28.5 percent of Minnesota students who graduated from University System campuses in 2002 were still in North Dakota one year after graduation.

How the Payment Works:

Students generally pay the higher of the two states' tuition rates. Currently, North Dakota students who attend Minnesota campuses pay the Minnesota rate. While Minnesota students attending UND and NDSU pay the Minnesota rate, which is higher than the North Dakota rate.

For the 2004-05 academic year, Minnesota students who attend North Dakota campuses pay the following rates:

- Minnesota students who attend UND and NDSU pay the average Minnesota State University System resident graduate and undergraduate rate.
- Minnesota students who attend MiSU pay 112 percent of the North Dakota resident undergraduate tuition rate for undergraduate programs, and the average Minnesota State University System graduate resident rate for graduate programs.
- Minnesota students who attend DSU, MaSU and VCSU pay 112 percent of the North Dakota resident undergraduate tuition rate.

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701.328.4116 Laura.Glatt@ndus.nodak.edu

ND/MN Reciprocity (cont.)

- Minnesota students who attend two-year campuses pay the average of the Minnesota community/technical/consolidated colleges resident rate.

During the 2002-03 academic year, for every 100 Minnesota students attending North Dakota campuses there were 84 North Dakota students attending a Minnesota campus.

Number of Students Using Reciprocity (full-time equivalent)			
Year	**MN in ND**	**ND in MN**	**ND to MN Ratio**
1990-91	5,346	4,570	.85
1991-92	5,217	4,413	.85
1992-93	5,416	4,119	.76
1993-94	5,563	4,043	.73
1994-95	5,619	3,796	.68
1995-96	5,681	3,715	.65
1996-97	5,666	3,821	.67
1997-98	5,586	3,714	.66
1998-99	5,710	4,298	.76
1999-00	5,769	4,736	.82
2000-01	6,064	5,066	.84
2001-02	6,280	5,298	.84
2002-03	6,565	5,523	.84
2003-04	Unavailable		

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Summary of Added/Deleted Programs

Academic programs are added and terminated each year based on market demand, expectations of the *Roundtable Report* and campus alignment plans. In academic year 2003-04, NDUS institutions added 63 new academic programs while terminating 14.

North Dakota University System
Summary of
Added Programs by Campus
(1998-99, 1999-00, 2000-01, 2001-02, 2002-03)

	Programs Added					
Institution	**1998-99**	**1999-00**	**2000-01**	**2001-02**	**2002-2003**	**Total**
BSC	1	0	3	3	1	8
DSU	0	4	0	1	15	20
LRSC	0	0	2	0	2	4
MaSU	0	2	2	4	3	11
MiSU	0	2	5	3	6	16
MiSU-BC	3	0	0	0	4	7
NDSCS	0	1	1	0	1	3
NDSU	0	7	7	22	11	47
UND	5	1	10	7	11	34
VCSU	0	0	0	3	5	8
WSC	1	1	6	0	1	9
GRAND TOTALS	**10**	**18**	**36**	**43**	**60**	**167**

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Summary of Added/Deleted Programs (cont.)

North Dakota University System

Summary of

Terminated Programs by Campus

(1998-99, 1999-00, 2000-01, 2001-02, 2002-03)

	Programs Terminated					
Institution	**1998-99**	**1999-00**	**2000-01**	**2001-02**	**2002-03**	**Total**
BSC	0	0	1	0	0	1
DSU	1	3	0	0	0	4
LRSC	0	0	0	0	0	0
MaSU	0	0	0	0	5	5
MiSU	0	2	0	1	1	4
MiSU-BC	1	0	0	0	0	1
NDSCS	1	0	0	0	3	4
NDSU	0	0	1	1	0	2
UND	5	0	8	0	5	18
VCSU	0	1	0	0	0	1
WSC	0	0	4	0	0	4
GRAND TOTALS	**8**	**6**	**14**	**2**	**14**	**44**

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For other pages in Section 8 see individual tabbed entries

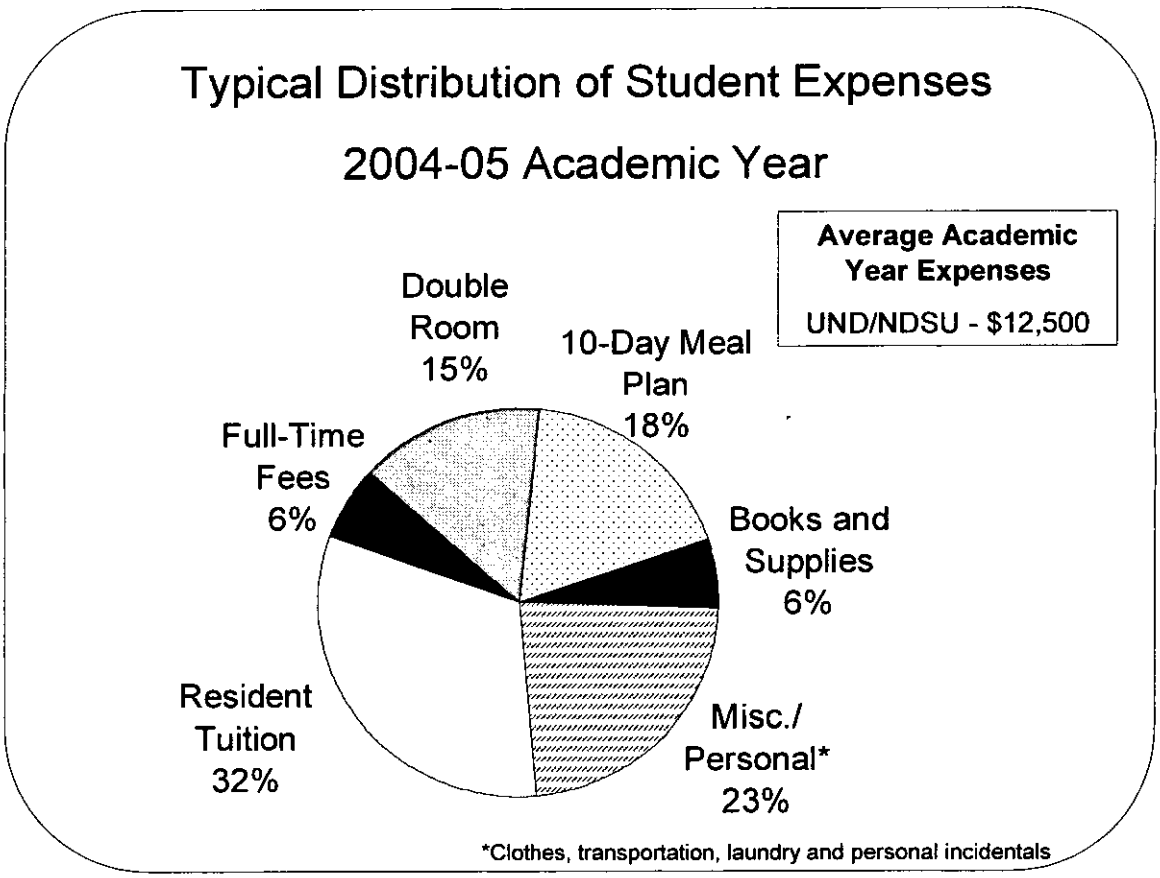
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Student Cost of Education

Student expenses include tuition and fees, room and board, books and supplies, and miscellaneous expenses.

For academic year 2004-05, the breakdown of educational costs for a typical resident student living on campus includes 38 percent for tuition and fees, 33 percent for room and board, and 29 percent for books and supplies and miscellaneous expenses.



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Types of Financial Aid

The two primary categories of financial aid are merit-based and need-based aid.

Merit-based aid is generally given to students in recognition of special skills or academic ability. Need-based aid constitutes the major portion of assistance available for postsecondary education. Within the category of need-based aid, there are two types of financial aid:

- Grant aid, which does not have to be repaid.
- Self-help aid, which includes loans and/or part-time employment through a work-study program.

About 75 percent of North Dakota students applied for some form of financial aid during 2003-04. This percentage has remained fairly constant for the past eight years.

Federal financial aid dollars (Federal Pell Grant, Federal Supplemental Educational Opportunity Grant, Federal Perkins Loan and Federal Work-Study) available to a North Dakota student pursuing an undergraduate degree increased 42.6 percent from 1999-00 to 2003-04. A breakdown of 2003-04 federal financial aid dollars awarded per North Dakota recipient follows:

- The average Federal Pell Grant of $2,425 was provided to about 15,112 students.
- The average Federal Supplemental Educational Opportunity Grant of $785 was provided to about 4,700 students.
- The average Federal Perkins Loan of $1,634 was provided to about 5,600 students.
- The average Federal Work-Study Grant of $1,082 was provided to about 3,600 students.

The average student loan debt for a North Dakota student who receives a four-year degree at a public or private institution in the state is between $15,000 and $20,000.

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Technology Occupations Student Loan Program

The 2001 North Dakota Legislature appropriated $400,000 to the North Dakota University System (NDUS) for the purpose of administering a technology occupation student loan forgiveness program. The intent of this program is to reduce student loan indebtedness for individuals who have: (1) graduated in technology-related fields, (2) completed internships for businesses located in North Dakota and (3) been employed in technology occupations in the state for one year.

Funding recipients are eligible to receive $1,000 per year in continued loan forgiveness for each consecutive year they are employed in an approved technology occupation in North Dakota, up to a maximum of three years or $3,000. The Bank of North Dakota is responsible for applying loan forgiveness payments for funded recipients. An eligible recipient must have a student loan from the Bank of North Dakota or other participating lender. Individuals must apply or re-apply annually for new or continued funding.

- For academic year 2003-04, a total of 126 applications were received. Of the 126 applicants, 107 new and continuing applicants were funded.
- The average student loan indebtedness of funded applicants, as reported on their applications, was $8,442.
- A breakdown of funded 2003-04 applicants by program area follows:

Program Areas of Funded Applications for 2003-04	# of Applicants Funded
Agricultural Engineering	7
Architectural Engineering Technology/Technician	3
Biology, General	1
Business Computer Programming/Programmer	10
Business Systems Networking (LAN/WAN) and Telecommunications	4
Chemistry, General	1
Civil Engineering, General	1
Civil Engineering/Technician	1
Computer and Information Sciences, General	18
Electrical, Electronic and Communications Engineering Technology/Technician	4
Electrical, Electronics and Communications Engineering	3
Emergency Medical Technology/Technician	2
Industrial Engineering	2
Management Information Systems and Business Data Processing Services, General	18
Mechanical Engineering	4
Medical Laboratory Technician	1

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Technology Occupations (cont.)

Program Areas of Funded Applications for 2003-04	# of Applicants Funded
Medical Radiologic Technology/Technician	13
Medical Technology	5
Respiratory Therapy Technician	5
Surgical/Operating Room Technician	2
Transportation and Highway Engineering	1
TOTAL	**107**

- A breakdown of funded 2003-04 applicants by technology job occupations follows:

Technology Job Occupations of Funded Applicants for 2003-2004	# of Applicants Funded
Agricultural Engineers	4
Chemists and Materials Scientists	1
Civil Engineering Technicians	1
Civil Engineers	2
Clinical Laboratory Technologists and Technicians	6
Computer and Mathematical Occupations	2
Computer Control Programmers and Operators	1
Computer Programmers	17
Computer Software Engineers	7
Computer Specialists	3
Computer Support Specialists	8
Computer Systems Analysts	2
Database Administrators	1
Diagnostic Related Technologists and Technicians	13
Electrical and Electronic Installers and Repairers, Transportation Equipment	1
Electrical and Electronic Repairers, Commercial and Industrial Equipment	2
Electrical and Electronics Engineers	3
Electrical and Electronics Repairers, Powerhouse, Substation and Relay	1
Emergency Medical Technicians and Paramedics	2
Engineering Technicians, Except Drafters, All Other	3
Engineers	5
Forest and Conservation Technicians	1
Industrial Engineers, Including Health and Safety	2
Mechanical Engineering Technicians	1
Miscellaneous Computer Specialists	1
Miscellaneous Engineers	1
Network and Computer Systems Administrators	7
Network Systems and Data Communications Analysts	1
Respiratory Therapy Technicians	5
Surgical Technologists	2
TOTAL	**107**

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December 2004

Teacher Shortage Loan Forgiveness Program

The 2001 North Dakota Legislature appropriated $250,000 to the North Dakota University System (NDUS) for the purpose of administering a student loan forgiveness program. The intent of this program is to reduce student loan indebtedness for teaching in North Dakota at grade levels and/or in content areas identified by the Department of Public Instruction as having a teacher shortage.

Funding recipients are eligible to receive $1,000 in loan forgiveness for each consecutive year they teach in a teacher-shortage area, up to a maximum of three years or $3,000. The Bank of North Dakota is responsible for applying and/or forwarding loan forgiveness payments for funded recipients.

- For academic year 2003-04, a total of 248 applications were received. Of the 248 applicants, 175 new and continuing applicants were funded.
- The average student loan indebtedness of funded applicants, as reported on their applications, was $11,180.
- A breakdown of funded 2003-04 applicants by defined shortage areas follows:

Defined Shortage Areas of Funded Applicants for 2003-2004	**# of Applicants Funded**
Agriculture	6
Art	3
Computer Education	18
English Language Arts	18
Health	4
Languages	4
Mathematics	19
Music	11
Science	24
Social Studies	18
Special Education Programming	50
TOTAL	**175**

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Doctoral Programs

In the 2001-03 and 2003-05 bienniums, the North Dakota Legislature appropriated $60,000 each to the North Dakota University System to provide incentives for more students to obtain doctoral degrees in North Dakota. In both bienniums, the State Board of Higher Education (SBHE) authorized allocation of $30,000 each to the University of North Dakota (UND) and North Dakota State University (NDSU) to enhance existing doctoral stipends. Also, during the 2003-05 biennium, the SBHE authorized from the Education Incentive Program line item an additional $100,000 to each UND and NDSU to expand doctoral programs and graduates.

At UND, the funds have/are being used as follows:

- To support a summer Research Professorship Program. Last summer's funding of eight summer professorships provided 27 doctoral students with research advisors through the summer.
- To hire a doctoral program coordinator to spearhead marketing of the doctoral programs and recruitment initiatives and to work with doctoral program directors on assessment of their doctoral programs. The coordinator will ensure that the doctoral programs are high quality and nationally competitive.
- To fund a doctoral program capacity analysis. This analysis will guide the development of new and the expansion of existing doctoral programs.
- To support the development of a new interdisciplinary doctoral program track in neuroscience.
- To assist in the development of a new doctoral program in space studies that will build upon the success of UND's masters' program in that field.
- To support the development of a cooperative agreement between UND and the University of Buea in Camaroon. This agreement could become a model for developing several other exchange opportunities for their doctoral students.

At NDSU, the funds have/are being used as follows:

- To form stronger relationships with baccalaureate-granting institutions in North Dakota. These relationships will foster the goal of increasing the number of students who come to NDSU for graduate education.
- To enhance Internet access to graduate program information and allow prospective students to apply for graduate programs online.
- To expand the development of graduate courses/programs through distance delivery.
- To form stronger relationships with other baccalaureate-granting institutions in the region with the intent of tapping these sources of future graduate students.
- To develop a Users Guide to Fargo. The guide would be a companion document to a student handbook being developed for masters' and doctoral students that provides information about the Fargo area.

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Tuition Waiver Summary

Through statute, the North Dakota Legislature has mandated tuition waivers for National Guard members, State Industrial School residents, dependents of POW/MIAs and veterans, and dependents of firefighters and peace officers. The State Board of Higher Education and NDUS campuses also waive tuition for selected students, including some graduate assistants, employees, foreign and culturally diverse students, WICHE and senior citizens.

Academic Year 2003-2004 Tuition Waiver Information

	Board						Statutory/ Board	Statutory			
	Grad Assistant	Staff Waiver	Foreign Student	WICHE	Sr Citizen	Other Cult. Diver.	Misc*	National Guard	Instit. Waiver	POW/MIA Vets Dep Waiver	Instit. Total
BSC # of Students	0	40	7	0	0	39	0	45	0	23	154
Dollars	$0	$12,813	$28,808	$0	$0	$56,856	$0	$13,257	$0	$31,727	$143,461
DSU # of Students	0	93[1]	126	0	1	117	0	12	4	0	353
Dollars	$0	$101,792	$482,170	$0	$213	$363,834	$0	$4,736	$3,313	$0	$956,058
LRSC # of Students	0	11	33	0	1	22	0	24	0	2	93
Dollars	$0	$4,499	$50,340	$0	$510	$16,320	$0	$6,571	$0	$3,680	$81,920
MaSU # of Students	0	45[1]	18	0	1	36	0	0	43[3]	3	146
Dollars	$0	$25,829	$67,385	$0	$751	$91,032	$0	$0	$72,512	$3,735	$261,244
MiSU # of Students	0	55	23	0	0	97	20	24	420	14	653
Dollars	$0	$38,291	$61,204	$0	$0	$130,913	$3,342	$11,261	$496,835	$28,210	$770,056
MiSU-BC # of Students	0	8	0	0	1	12	0	1	19	0	41
Dollars	$0	$2,808	$0	$0	$128	$12,221	$0	$255	$28,472	$0	$43,884
NDSCS # of Students	0	74	9	0	0	24	406	31	34	6	584
Dollars	$0	$41,542	$36,690	$0	$0	$12,800	$322,031	$11,607	$6,691	$11,821	$443,182
NDSU # of Students	796	285	42	0	1	381	190	145	1,761[1]	29	3,630
Dollars	$4,187,564	$288,577	$178,597	$0	$422	$648,446	$302,945	$82,872	$1,283,622	$86,555	$7,059,600
UND # of Students	741	332	43	6	4	274	241	140	382	20	2,183
Dollars	$2,945,851	$313,655	$203,358	$102,910	$1,577	$744,261	$567,275	$88,746	$1,194,852	$55,431	$6,217,916
VSCU # of Students	0	95[1]	22	0	0	34	1	16	24	2	194
Dollars	$0	$42,353	$79,356	$0	$0	$56,280	$2,652	$5,003	$57,220	$2,652	$245,516
WSC*** # of Students	0	27[1]	13	0	0	19	0	3	1	1	64
Dollars	$0	$11,964	$23,150	$0	$0	$25,673	$0	$665	$500	$1,329	$63,281
Total # of Students	1,537	1,065	336	6	9	1,055	858	441	2,688	100	8,095
Dollars	$7,133,415	$884,123	$1,211,058	$102,910	$3,601	$2,158,636	$1,198,245	$224,973	$3,144,017	$225,140	$16,286,118

[1]WSC, of the 27 students and $11,964 reported, 13 were for employees dependent waives for a total of $9,157.
VCSU, of the 95 students and $42,353 reported, 24 were for employee spouse/dependent waivers for a total of $21,443.
MaSU, of the 45 students and $25,829 reported, 31 were for employee dependent waivers for a total of $19,198.
DSU, of the 93 students and $101,792 reported, 73 were for employee dependent waivers for a total of $91,633.
NDSU, of the 1,761 students and $1,283,622 reported, 263 were for employee spouse/dependent waivers for a total of $366,148.
[2]Misc. includes waivers for Board of Higher Ed student member, dependents of firefighters and peace officers, and other institutional waivers.
[3]MaSU includes waivers of out-of-state tuition based on academic criteria.

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NDUS Tuition, Fee, Room and Board Schedule

2004-05 Academic Year

		TUITION								FEES*		ROOM[2]		BOARD	
		Resident		Nonresident		SD, MT, Saskatchewan, and Manitoba		Minnesota							
Institution	Key*	Full Time	Part Time[1]	Full Time	Part Time[1]	Full Time	Part Time[1]	Full Time	Part Time[1]	Full Time	Part Time[1]	Double	Single	5 Day	7 Day
BSC*	a	(6)	87.63	(6)	233.97	(6)	109.54	(6)	113.00	499.82	19.63	1,345 [3]	1,977 [3]	2,003-10 meals 2,113-15 meals	N/A
DSU*	a	3,040	126.67	8,117	338.20	3,800	158.33	3,406	141.92	758.72	31.61	1,260	1,785	2,080-10 meals (inc. $200 flex cash) 2,080-15 meals	$2,258-19 meals
LRSC	a	2,328	97.00	2,328	97.00	2,328	97.00	3,404	141.83	736.72	24.35 [4]	1,440	1,860	2,050-10 meals 2,200-15 meals 1,940-10 meals (brkfst & lunch)	Add'l $375 for Sat/Sun brunch (plus 5-day plan)
MaSU	a	3,014	125.58	8,047	335.31	3,768	156.98	3,376	140.67	1,468.92 [5]	61.21	1,452	1,934	N/A	1,934-10 meals 2,056-14 meals 2,182-19 meals
MiSU*	a	3,160	131.67	8,437	351.55	3,950	164.58	3,540	147.50	552.00	23.00	1,298 [3]	1,946 [3]	1,834-10 meals	1,926-10 meals
	a	4,180	174.15	11,160	464.99	6,270	261.23	5,494	228.92	552.00	23.00			2,034-15 meals	2,128-15 meals
	b														2,152-19 meals
MiSU-BC	a	2,362	98.42	6,307	262.77	SD&MT 2,953	123.02	3,404	141.83	575.72	23.99	1,290	1,790	1,992-15 meals	N/A
				All Canadian Provinces →		2,362	98.42			575.72	23.99				
SCS*	a	(7)	89.00	(7)	237.63	(7)	111.25	(7)	113.00	404.00	16.83	1,325	1,845	N/A	1,790-10 meals
	g	(7)	89.00	(7)	133.50	(7)	89.00	(7)	113.00	404.00	16.83				1,840-15 meals
	h	(7)	89.00	(7)	89.00	(7)	89.00	(7)	113.00	404.00	16.83				2,325-19 meals
NDSU*	a (8) Fall	1,991	165.88	5,315	442.88	2,986	248.83	2,238	186.50	375.86 [8]	31.32	1,882	2,282	N/A	2,225-10 meals
	a (8) Spring	1,991	165.88	5,315	442.88	2,986	248.83	2,238	186.50	417.86 [8]	34.82				2,495-15 meals
	b (8) Fall	2,135	177.88	5,700	474.96	3,202	266.83	2,747	228.92	375.86 [8]	31.32				2,845-20 meals
	b (8) Spring	2,135	177.88	5,700	474.96	3,202	266.83	2,747	228.92	417.86 [8]	34.82				
UND*	a	4,009	167.03	10,703	445.95	6,013	250.53	4,476	186.50	819.22	34.13	1,825	2,480	N/A	2,478-10 meals
	b	4,313	179.70	11,519	479.95	6,471	269.62	5,494	228.92	819.22	34.13				2,572-14 meals
	c	4,713	196.37	12,581	524.20	7,069	294.53	5,494	228.92	819.22	34.13				2,630-19 meals
	d	17,507	729.45	46,741	1,947.53			19,608	817.00	819.22	34.13				
	e	8,091	337.12	11,195	466.45	11,195	466.45	8,091	337.12	819.22	34.13				
	f	7,385	307.70	10,339	430.78	9,157	381.53	7,385	307.70	819.22	34.13				
VCSU	a	3,130	130.42	8,357	348.21	3,913	163.02	3,506	146.08	1,428.47 [5]	59.52	1,275	1,800	1,854-10 meals 2,104-15 meals	N/A
WSC	a	(9)	79.76	(9)	119.64	(9)	79.76	(9)	113.00	506.72	19.90	1,020	1,520	1,140, 1,440 or 1,740	N/A

* Additional fees are charged for a number of specific programs at BSC, DSU, MiSU, NDSCS, NDSU and UND. These program fees are not included in the tuition and/or fee amounts in this schedule.

** Key: a=undergraduate, b=graduate, c=law, d=medicine, e=physical therapy, f=occupational therapy, g=special rates given to NDSCS nonresident and contiguous state/province students who live on campus with a meal plan, h=NDSCS business & industry ptsp programs (with formal signed contracts) which serve multi-state areas

(Note: This schedule does not include tuition rates for all programs, but covers the major programs offered.
In addition to the rates listed in this table, other special rates exist for other student categories such as WICHE/WUE students and non-resident dependents and spouses of NDUS campus graduates.)

(1) Per credit hour for less than 12 hours per semester, except at BSC, LRSC, NDSCS and WSC (see footnotes 4, 6, 7 & 9).

(2) Other living arrangements such as married and family housing, hi-rises, mobile home parks, and 3-4 person apartments are also available on the campuses.

(3) The rates listed for BSC and MiSU represents the average single and double room rates of the dormitories. These campuses charge different rates for different dormitories.

(4) The part-time rate for fees at LRSC is based on 16 credit hours per semester, except the "Connect ND" & "NDSA" fees, which are capped at 12 credit hours per semester.

(5) Includes $854 notebook computer fee at MaSU and $901.75 at VCSU.

(6) BSC charges the per credit (part-time) tuition rate for all credit hours. Fees are capped at 13 credit hours per semester, except the "Connect ND" & "NDSA" fees which are capped at 12 credit hours per semester.

(7) NDSCS charges the per credit (part-time) tuition rate for all credit hours except for the 17th and 18th credits, which are at no charge. Fees are capped at 12 credit hours per semester.

*(8) NDSU's tuition and fee amounts are listed at the semester (rather than annualized) rates. Room and board are listed at the **annualized** rates, however.*

(9) WSC charges the per credit (part-time) tuition rate for all credit hours except for the 14th, 15th and 16th credits, which are at no charge. Fees are capped at 13 credit hours per semester, except the "Connect ND" & "NDSA" fees which are capped at 12 credit hours per semester.

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Enrollment

The NDUS Fall 2004 headcount enrollment of 42,503 is an increase of 2.1 percent compared to Fall 2003. The total system FTE (full-time equivalent) enrollment of 34,148 is a 1.9 percent increase when compared to Fall 2003. Both the two-year and four-year institutions had combined net enrollment gains. 21 percent of the students were enrolled at two-year colleges, and 79 percent were enrolled at four-year universities. Of the 42,503 enrollments, 64.7 percent are North Dakota residents.

Number of Headcount and Full-time Equivalency Enrollments Fall 2004

Institution	Headcount[1]	Full-Time Equivalency[2]
BSC	3,546	2,625
DSU	2,479	1,907
LRSC	1,464	692
MaSU	897	713
MiSU	3,851	2,844
MiSU-BC	602	419
NDSCS	2,481	2,129
NDSU	12,026	10,073
UND	13,187	11,185
VCSU	1,033	896
WSC	937	665
TOTAL	**42,503**	**34,148**

[1] Number of students enrolled, regardless of the number of credits taken.
[2] The equivalent to full-time status based upon a formula using total student credit hours enrolled.

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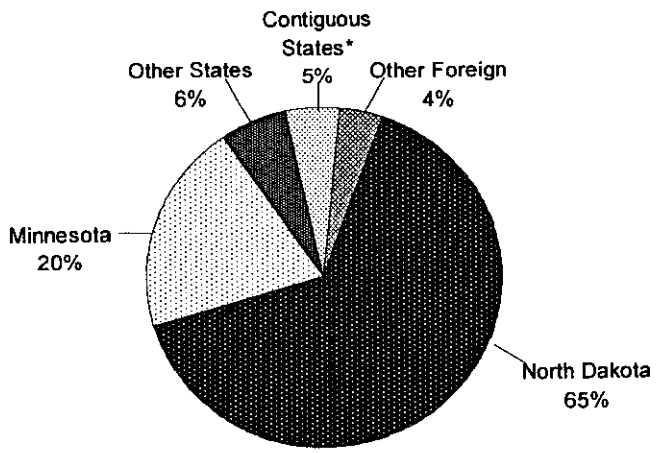
Enrollment (cont.)

Headcount Enrollment by Tuition Residency Status
Fall 2004

	BSC	DSU	LRSC	MaSU	MiSU	MiSU-BC	NDSCS	NDSU	UND	VCSU	WSC	TOTALS	% of TOTAL
RESIDENT													
North Dakota	3,116	1,770	1,336	622	2,650	481	1,681	6,446	7,189	772	745	26,808	63%
ND-Military	0	0	0	0	592	36		3	51		0	682	2%
Subtotal	3,116	1,770	1,336	622	3,242	517	1,681	6,449	7,240	709	745	27,427	65%
NON-RESIDENT													
Manitoba	0	0	1	12	42	12	1	7	88	22	2	187	0%
Minnesota	42	18	44	127	21	3	525	4,022	3,503	66	6	8,377	20%
Other MHEC States	50	19	8	11	14	3	14	23	75	5	10	232	1%
Montana	33	308	3	14	133	16	71	67	179	13	127	964	2%
Saskatchewan	0	3	0	1	151	6	0	1	17	7	8	194	0%
South Dakota	27	84	4	2	13	4	144	360	239	22	10	909	2%
Other WICHE States	86	164	14	64	94	12	12	75	596	53	6	1,176	3%
Other	192	113	54	44	141	29	33	1,022	1,250	47	23	2,948	7%
Subtotal	430	709	128	275	609	85	800	5,577	5,947	235	192	14,987	35%
TOTALS	3,546	2,479	1,464	897	3,851	602	2,481	12,026	13,187	944	937	42,414	100%

Note: Information includes students in extended degree programs and students jointly enrolled through collaborative program arrangements.

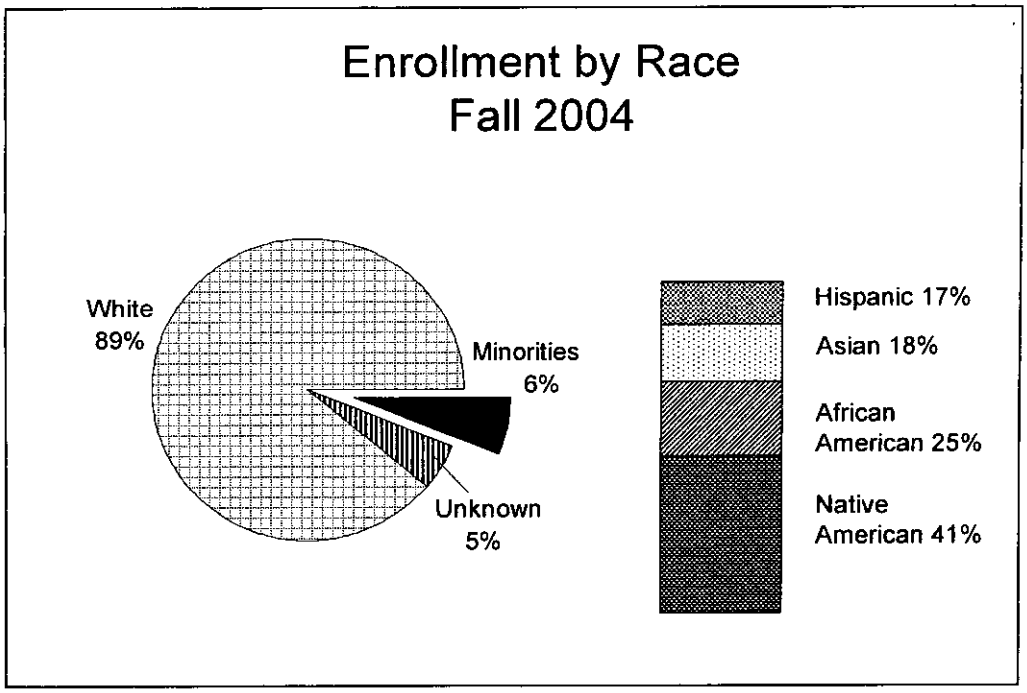
Enrollment by Tuition Residency
Fall 2004



*SD, MT
Note: Percentages are rounded

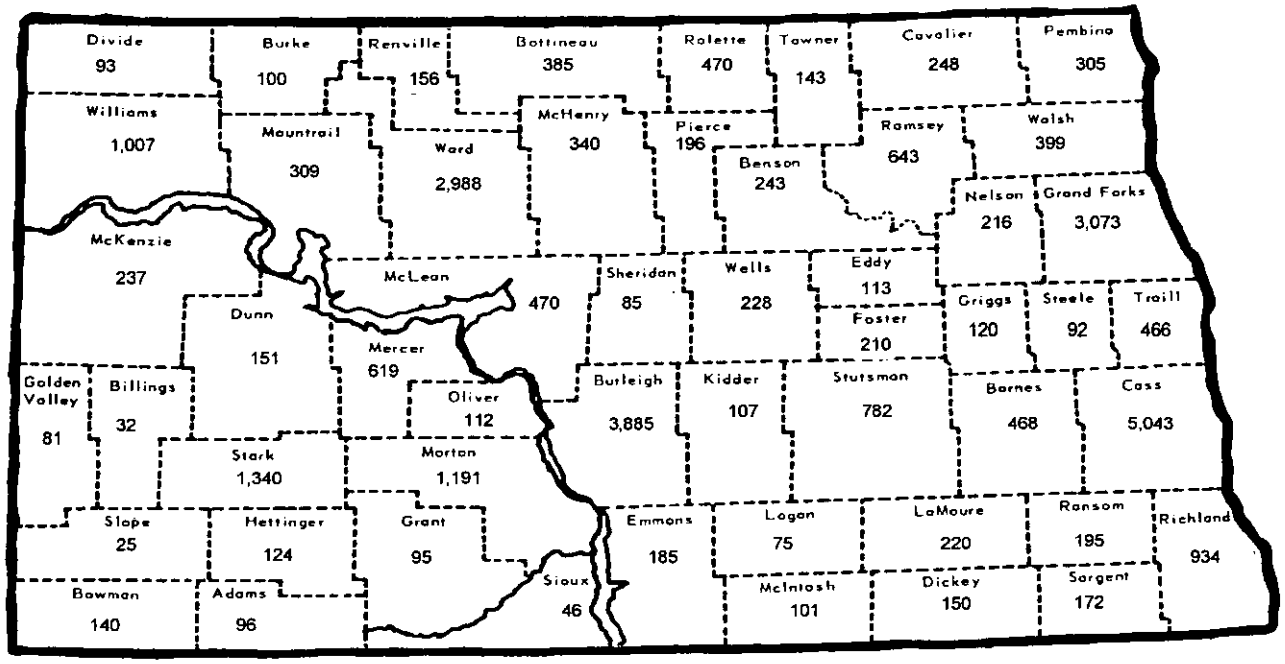
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Enrollment (cont.)



IN-STATE ENROLLMENT BY COUNTY OF ORIGIN

Fall 2004



Total Headcount = 29,704

Total includes Jamestown College and the University of Mary

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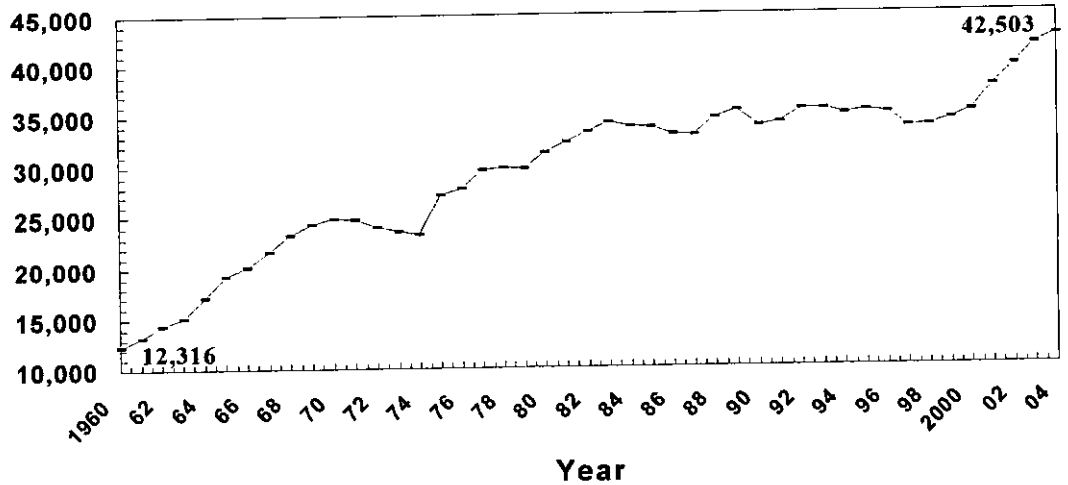
701.328.4136 Julie.Schepp@ndus.nodak.edu

Enrollment (cont.)

Headcount Enrollment by Age – Fall 2004 Traditional and Non-Traditional		
Institution	Traditional Age 24 and under	Non-Traditional Age 25 and above
BSC	68%	32%
DSU	78%	23%
LRSC	70%	30%
MaSU	80%	20%
MiSU	65%	35%
MiSU-BC	67%	32%
NDSCS	79%	21%
NDSU	81%	19%
UND	77%	23%
VCSU	76%	24%
WSC	62%	38%
System Overall	76%	24%

Note: Information includes students in extended degree programs and students jointly enrolled through collaborative program arrangements.

North Dakota University System
Headcount Enrollment
1960 through 2004



* Under Enrollment Policy 440 adopted by the State Board of Higher Education in April of 2001, all degree credit enrollments are included in this report. The new policy is consistent with National IPEDS enrollment reporting. It is estimated that no more than 1,300 additional headcount enrollments were added to the Fall 2001 Enrollment Report as a result of the policy change. Since most of these students were only enrolled in one course, the policy change does not have a major impact on full-time equivalent enrollments.

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Enrollment (cont.)

Degree Credit Headcount by Distance Delivery Methods Fall 2004

Institution	Face-to-Face Off Campus	Correspondence	E-Learning[1]	Duplicated DE Total[2]	Unduplicated DE Total[3]
BSC	337	0	1,123	1,460	1,418
DSU	119	83	293	495	424
LRSC	428	0	635	1,063	1,039
MaSU	83	0	187	270	256
MiSU	466	134	1,059	1,659	1,508
MiSU-BC	48	0	200	248	244
NDSCS	206	1	318	525	495
NDSU	601	10	370	981	955
UND	91	342	743	1,176	1,148
VCSU	132	1	509	642	630
WSC	46	0	363	409	388
Total	**2,557**	**571**	**5,800**	**8,928**	**8,505**

[1] E-learning categories are listed in more detail below.
[2] Reflects enrollments in each distance education delivery method.
[3] Reflects unduplicated headcount enrollment for total distance education.

Breakdown of Degree Credit Headcount by E-Learning Delivery Method Fall 2004

	Video		TV Broadcast		Prerecorded		Audio		Internet					
Institution	1-Way	2-Way	Live	Pre-recorded	Video	Audio	1-Way	2-Way	Synch	A-Synch	CD ROM	Combo <50%	E-Learning Duplicated Total	E-Learning Unduplicated Campus Total
BSC	0	95	0	0	0	0	0	0	0	1,031	0	0	1,126	1,123
DSU	0	77	0	0	0	0	0	0	0	249	0	0	326	293
LRSC	0	160	0	0	0	0	0	0	0	159	0	403	722	635
MaSU	0	102	0	0	0	0	0	0	10	49	0	0	161	187
MiSU	0	88	0	0	0	0	0	0	0	997	0	0	1,085	1,059
MiSU-BC	0	80	0	0	0	0	0	0	0	129	0	0	209	200
NDSCS	0	102	0	0	0	0	0	0	0	214	0	0	316	318
NDSU	0	0	0	0	0	0	0	0	0	370	0	0	370	370
UND	0	295	0	0	0	0	0	0	159	252	0	98	804	743
VCSU	0	8	0	0	0	0	0	0	0	97	0	434	539	509
WSC	0	111	0	0	0	0	0	0	0	270	0	0	381	363
Total	**0**	**1,118**	**0**	**0**	**0**	**0**	**0**	**0**	**169**	**3,817**	**0**	**935**	**6,039**	**5,800***

* Reflects unduplicated headcount enrollment for e-learning delivery methods. For example, if a student is taking a video course and an Internet course, the student is counted once in the unduplicated e-learning total.

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TABLE 1

North Dakota University System

Annual Degree Credit Headcount By All Delivery Methods

Academic Year 2003-2004

(Summer 2003, Fall 2003 and Spring 2004)

	DISTANCE EDUCATION							
INSTITUTION	FACE-TO-FACE OFF CAMPUS	CORRESPONDENCE	E-LEARNING[1]	DUPLICATED DE TOTAL[2]	UNDUPLICATED DE TOTAL[3]	FACE-TO-FACE UNDUPLICATED ON CAMPUS	DE & ON CAMPUS DUPLICATED TOTAL[4]	UNDUPLICATED DE & ON CAMPUS TOTAL[5]
	A	B	C	D =A+B+C	E	F	G =E+F	H
BSC	158	0	1,829	1,987	1,961	3,380	5,341	4,483
DSU	542	0	290	832	742	2,264	3,006	2,786
LRSC	1,639	0	491	2,130	1,922	825	2,747	2,482
MASU	71	4	249	324	311	937	1,248	970
MISU	932	384	1,785	3,101	2,623	3,527	6,150	4,726
MISU-B	228	38	363	629	518	336	854	803
NDSCS	110	0	388	498	461	2,580	3,041	2,840
NDSU	791	78	425	1,294	1,255	12,661	13,916	12,843
UND	132	1,833	1,259	3,224	3,026	13,658	16,684	15,192
VCSU	44	7	353	404	386	1,275	1,661	1,296
WSC	60	26	503	589	529	858	1,387	1,164
Duplicated NDUS Total	4,707	2,370	7,935	15,012	13,734	42,301	56,035	49,585
Unduplicated NDUS Total	4,607	2,326	7,416	14,349	13,002	40,963	53,965	47,430

[1] E-learning categories are listed in more detail on Table 1A.

[2] Reflects enrollments in each distance education delivery method. If, for example, a student is taking both a correspondence course and an e-learning course, this same student would be reported twice in the duplicated enrollment total.

[3] Reflects unduplicated headcount enrollment for total distance education. If, for example, a student is taking both a correspondence and e-learning course, this student would be counted only once in the unduplicated distance education total.

[4] E & F are each individually unduplicated. However, together they are duplicated.

[5] This is a conservative count of students known to be counted only once by a campus or the system for the system total. The actual unduplicated counts are probably higher for campuses with students with insufficent identification information. Every student with insufficient identification information is assumed to be a duplicate enrollment at the system level and is therefore not counted in the system total. Across the NDUS 534 students provided insufficient identification information to determine if they were duplicate enrollments in the distance education and on campus system unduplicated total.

December 2004

Dual Credit

Dual-credit college courses, through which students receive both high school and college credit, are authorized by the North Dakota Century Code. Any North Dakota student enrolled in grade 11 or 12 who has received permission from the high school administration is eligible for enrollment in an NDUS dual-credit course. Dual-credit students pay the university or college application fees when they apply to take dual-credit courses. Students also pay the current tuition rate along with pro-rated fees similar to those charged to other part-time students.

The college course section taught in the high school must meet the content and academic standards of the course sections taught on campus. In other words, from the NDUS perspective, the dual-credit course taught in the high school is a college course that also offers high school credit.

Full-time college faculty or adjunct instructors may teach dual-credit courses. High school instructors who teach dual-credit courses in the high schools are considered adjunct instructors of the sponsoring NDUS college or university and must meet the same criteria used to hire on-campus instructors.

Dual-credit students registered for college credit are categorized according to the way they have enrolled. Most students enroll in college courses taught by adjunct college faculty face-to-face, off-campus. Dual-credit students are included in the official semester enrollment counts.

Many dual-credit students continue their education at the campus from which they receive dual credit. For example, of the 1,113 dual-credit students enrolled at DSU from 1996 through Spring 2002, 319 (29 percent) enrolled at DSU following high school graduation. DSU found that dual-credit students tend to be good college students with correspondingly high grade-point averages (3.27 GPA).

DUAL CREDIT HEADCOUNT ENROLLMENTS
FALL 1998 – FALL 2003

Institutions	Fall 1998	Fall 1999	Fall 2000	Fall 2001	Fall 2002	Fall 2003
BSC	24	33	69	90	93	87
DSU	194	181	235	297	287	319
LRSC	198	363	339	428	475	416
MaSU	4	5	7	7	34	85
MiSU	12	36	56	30	23	42
MiSU-BC	7	16	11	10	26	41
NDSCS	35	8	172	16	52	154
NDSU	9	16	5	6	2	0
UND	5	3	1	1	3	2
VCSU	0	53	31	23	18	17
WSC	18	25	59	87	76	67
Totals	**506**	**739**	**985**	**995**	**1,089**	**1,232**

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Access - General

December 2004

Access – Other

Although correspondence study (course materials exchanged through the mail) and the extended campus (face-to-face instruction, off-campus) have been identified in the past as distance education initiatives, they are not delivered via an electronic technology. These two delivery models continue to meet the needs of the life-long learner and the place-bound student.

With 4,607 students in FY2004, the extended campus model continues to thrive as a valid mechanism for increasing student access. Correspondence study also continues to be a vital component of distance education with 2,326 enrollments in FY2004.

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NORTH DAKOTA
UNIVERSITY SYSTEM

Funding and Rewards

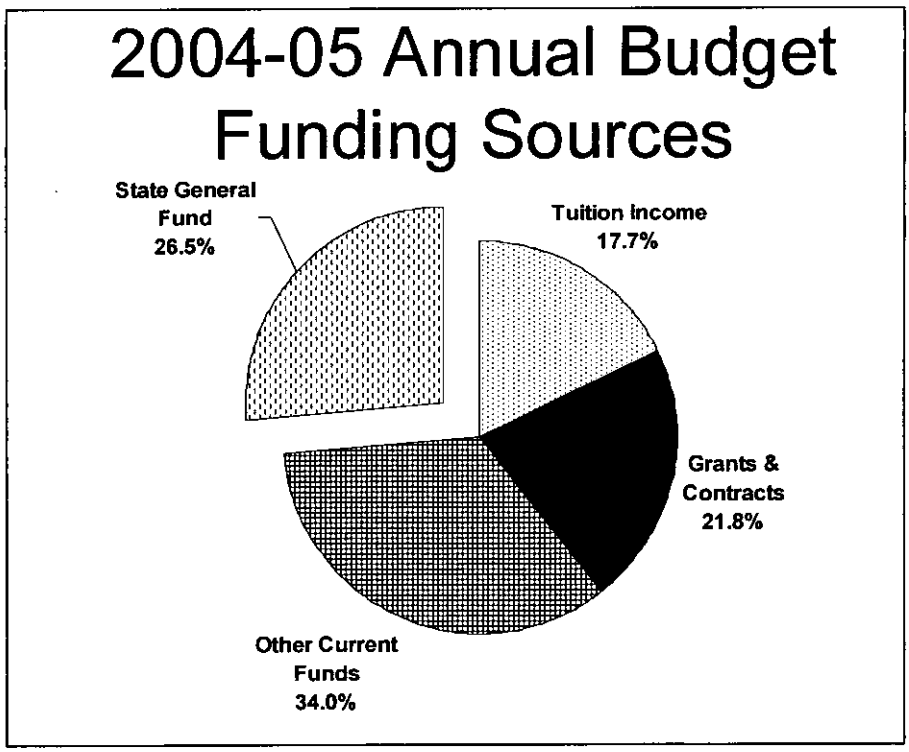
September 2004

2004-05 Annual Budget

The 2004-05 North Dakota University System operating budgets total about $760 million. About 26.5 percent of operations are supported by the state general fund. The remainder of NDUS operations are self-supporting through tuition and fees, room and board charges paid by students, and private and federal research grant and contract collections.

2004-05 Operating Budget Supported by:		
Tuition Income	$134.2 million	17.7%
Grants and Contracts	165.6 million	21.8%
Other Current Funds	258.3 million	34.0%
Subtotal	$558.1 million	73.5%
State General Fund	201.5 million	26.5%
TOTAL	$759.6 million [1/]	100.0%

[1/] Does not include $124.8 million in capital improvements (including 01-03 carryover) and capital projects for 2004-05.



Section 9 is with "Common IT Services"

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NORTH DAKOTA
UNIVERSITY SYSTEM

Funding and Rewards

December 2004

Summary of Facilities

The plant value of the 11 North Dakota University System campuses totals more than $1.4 billion, consisting of more than 13 million sq. ft. in over 500 buildings.

NORTH DAKOTA UNIVERSITY SYSTEM

2005-07 FACILITIES DATA

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
		Replacement Value					Gross Square Footage			
	# Bldgs	Type I	Type II	Infrastruc-ture	Subtotal (1) - (3)	Type III	Total (1) - (5)	Type I	Type II	Type III	Total
BSC	11	$29,499,300	$3,257,700	$6,661,642	$39,418,642	$3,367,000	$42,785,642	332,881	38,896	43,568	415,345
LRSC	11	10,349,645	3,077,115	2,626,284	16,053,044	$4,109,955	$20,162,999	126,301	41,801	52,140	220,242
WSC	13	15,551,200	775,580	4,854,573	21,181,353	$2,000,345	$23,181,698	171,001	15,084	29,035	215,120
UND	246	175,965,770	188,376,325	79,753,000	444,095,095	$158,959,700	$603,054,795	1,593,447	1,624,524	2,016,325	5,234,296
NDSU	87	167,073,567	46,354,617	54,380,406	267,808,590	$88,359,354	$356,167,944	1,927,884	375,442	1,121,272	3,424,598
NDSCS	34	48,616,495	22,518,190	19,324,530	90,459,215	$33,196,560	$123,655,775	637,658	146,955	470,136	1,254,749
DSU	29	26,197,229	12,601,291	4,766,541	43,565,061	$14,131,326	$57,696,387	255,402	150,019	171,023	576,444
MASU	25	15,014,995	4,113,335	5,070,535	24,198,865	$6,925,155	$31,124,020	205,937	54,818	115,630	376,385
MISU	27	56,656,386	15,236,650	12,481,594	84,374,630	$16,738,355	$101,112,985	662,538	122,274	223,532	1,008,344
VCSU	29	20,793,820	8,556,395	4,105,224	33,455,439	$9,932,085	$43,387,524	258,857	101,412	144,870	505,139
MiSU-BC	15	8,596,945	1,147,941	1,746,138	11,491,024	$4,823,364	$16,314,388	131,919	11,563	66,564	210,046
TOTAL	**627**	**$574,315,352**	**$306,015,139**	**$195,770,467**	**$1,076,100,958**	**$342,543,199**	**$1,418,644,157**	**6,303,825**	**2,682,788**	**4,454,095**	**13,440,708**

Definitions:
Type I & II - Academic and other administrative buildings
Type III - Auxiliary buildings (i.e. residence halls, food services, etc.)
This data is per the 2005-07 facilities data and infrastructure formula worksheets prepared Spring 2004 and is based upon the insured replacement values at that time. The 2005-07 capital budget request was based upon these values. The buildings at MiSU were subsequently appraised at about $111.2 million (excluding infrastructure) or $22.6 million higher than the values in this table.

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December 2004

Major Capital Project Priority List

2005-07 Major Capital Project Priority List
Approved by the State Board of Higher Education

Priority Rank	Campus/ Entity	Project Description	Source of Funding			
			State	Other	Total	Other Source
New Construction/Renovation/Addition/Infrastructure						
Ranked State Funded Projects for the 11 Campuses						
1	NDSU	Hazardous Material Handling/Storage New Construction	$3,500,000		$3,500,000	
2	DSU	Murphy Hall Renovation-Phase II	$4,100,557		$4,100,557	
3	VCSU	WE Osman Bleacher Replacement	$250,000	$32,000	$282,000	Private
4	MiSU-BC	Thatcher Hall Addition	$2,500,000		$2,500,000	
5	LRSC	Science Lab Renovation & Multi-Use Classroom Addition	$343,875		$343,875	
6*	UND	O'Kelly Hall Renovation-Ireland Lab Renovation	$3,500,000		$3,500,000	
7	NDSCS	Electrical Distribution-Phase II of IV	$736,000		$736,000	
Total Ranked State-Funded Projects			**$14,930,432**	**$32,000**	**$14,962,432**	
***If the O'Kelly Hall-Ireland Lab Renovation is not state funded, UND requests authority to proceed with the project with non-state (local) funding. This project is also included in the "Non-State Funded Projects for the 11 Campuses" below**						
Non-State Funded Projects for the 11 Campuses						
	BSC	Student Apartments New Construction		$1,800,000	$1,800,000	Aux./ Other
	BSC	Plant Services Building New Construction		$502,800	$502,800	Local
	WSC	Energy and Transportation Training Center Addition		$910,000	$910,000	Private
	WSC	Rural Development Center New Construction		$6,000,000	$6,000,000	Private/ Grants/ Local
*	UND	O'Kelly Hall-Ireland Laboratory Renovation		$3,500,000	$3,500,000	Local
	UND	SOMHS Allied Health Facility New Construction		$7,500,000	$7,500,000	Private/ Grants
	UND	SOMHS Laboratory Renovation		$2,500,000	$2,500,000	Grant
	UND	Indoor Track Facility New Construciton		$6,000,000	$6,000,000	Private
	UND	Dining Center Renovation (Wilkerson and/or Squires)		$1,500,000	$1,500,000	Aux.
	UND	Parking Ramp Structure New Construction		$12,000,000	$12,000,000	Aux.

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Major Capital Projects (cont.)

Priority Rank	Campus/ Entity	Project Description	Source of Funding			
			State	Other	Total	Other Source
	UND	University Housing Replacement New Construction		$16,000,000	$16,000,000	Aux.
	UND	Carnegie Library Renovation		$3,000,000	$3,000,000	Private
	UND	American Indian Center New Construction		$3,500,000	$3,500,000	Private
	NDSU	Memorial Union Renovation and Addition (Addition/Renovation)		$22,000,000	$22,000,000	Aux.
	NDSU	Wellness Center Addition		$12,000,000	$12,000,000	Fees
	NDSCS	Blikre Activities Center Addition		$368,920	$368,920	Private
	DSU	Whitney Stadium Addition/Renovation		$5,000,000	$5,000,000	Private/ Local
	MaSU	Fieldhouse Entrance, Concession and Restroom Expansion		$1,000,000	$1,000,000	Private/ Local
	MaSU	Outdoor Athletic Complex New Construction		$500,000	$500,000	Private/ Local
	MiSU	Crane Hall Renovation		$3,535,000	$3,535,000	Private/ Local
Total Non-State Funded Projects			**$0**	**$109,116,720**	**$109,116,720**	
Ranked State Funded Projects for the Experiment Stations and Forest Service						
1	Exp Sta	Research Greenhouse Complex – Main Station New Construction/Renovation	$4,000,000	$5,000,000	$9,000,000	Private/ Grants
2	Forest Service	Seed Processing Facilities Renovation	$65,000		$65,000	
3	Exp Sta	Central Grasslands Headquarters Office Addition	$250,000	$60,000	$310,000	Private/ Grants
Total Ranked State-Funded Projects			**$4,315,000**	**$5,060,000**	**$9,375,000**	
Non-State Funded Project for the Experiment Stations and Forest Service						
	Exp Sta	North Central Agronomy Lab and Greenhouse New Construction		$750,000	$750,000	Private/ Grants
Total Non-State Funded Projects			**$0**	**$750,000**	**$750,000**	

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Funding and Rewards

December 2004

Deferred Maintenance

North Dakota University System
Deferred Maintenance – State Appropriated Facilities Only
2005-07 Campus Master Plans
(as of May 2004)

Name	Health & Safety	ADA Handicap Accessibility	Networking	Major Repairs/ Remodeling	TOTAL
BSC	$267,672	$110,000	$0	$1,398,971	**$1,776,643**
DSU	1,463,084	538,294	7,201,366	1,232,615	**10,435,359**
LRSC	33,066	24,328	39,756	118,347	**215,497**
MaSU	608,900	1,094,200	26,500	7,696,960	**9,426,560**
MiSU	486,400	523,600	129,500	7,124,300	**8,263,800**
MiSU-BC	9,138	519,877	0	1,200,833	**1,729,848**
NDSCS	1,554,929	0	0	3,956,852	**5,511,781**
NDSU	766,023	1,549,882	386,500	26,081,558	**28,783,963**
UND	1,406,349	2,008,165	4,276,381	25,364,477	**33,055,372**
VCSU	897,500	570,000	30,000	6,934,417	**8,431,917**
WSC	40,000	22,438	60,000	1,420,500	**1,542,938**
ND Forest Service	51,000	44,000	0	193,000	**288,000**
Experiment Stations	211,600	18,105	0	1,545,555	**1,775,260**
*** TOTAL**	**$7,795,661**	**$7,022,889**	**$12,150,003**	**$84,268,385**	**$111,236,938**

Notes: Major repairs consist of roofs, streets, sidewalks, parking lots, curb, gutter, mechanical systems, HVAC and electrical projects.
* Deferred maintenance outstanding for all other facilities totals $55.3 million.

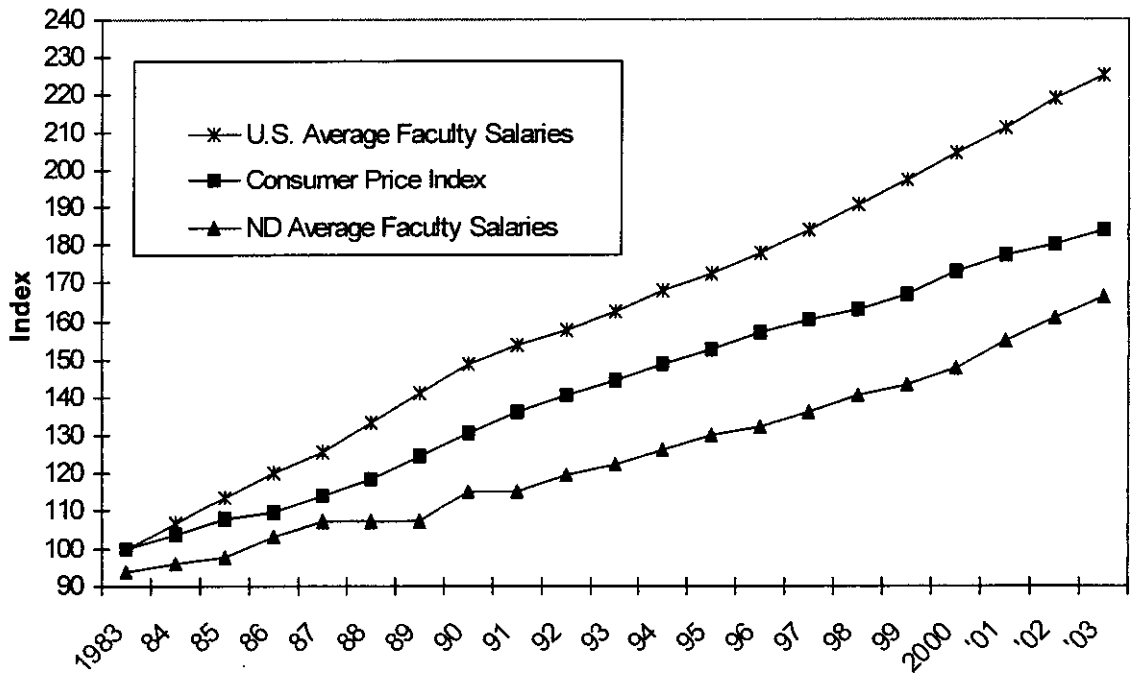
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Funding and Rewards

Salary Levels

While the average North Dakota University System faculty salary has increased at a rate greater than that of the consumer price index (CPI) and national average the last four years, it has not offset the significant gap that developed prior to that time. Holding all things equal since 1983, the national average faculty salary has more than doubled; the CPI has nearly doubled, while North Dakota salaries have increased only about 77 percent. This shows that North Dakota's average faculty salary has not kept pace with and remains well below the national average, illustrating the lost purchasing power of faculty since 1983.

Average Faculty Salary Trends and the Cost of Living



Data Sources: American Association of University Professors, *Academe*, Annual Reports
U.S. Department of Labor Consumer Price Index: July 1983 = 100

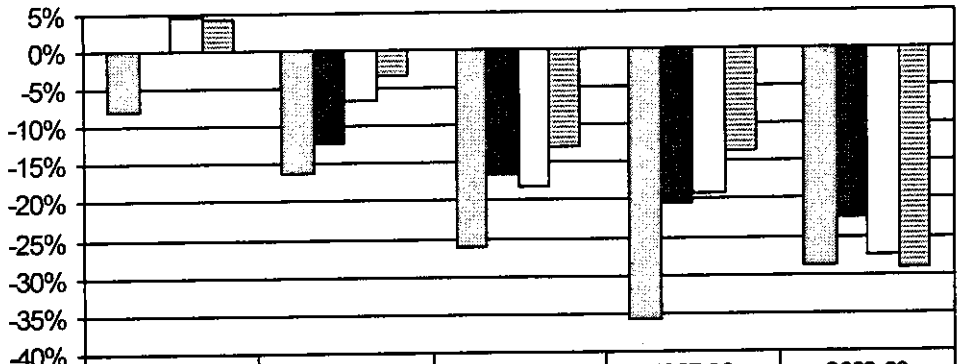
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Salary Levels (cont.)

Market Comparison

The gap between North Dakota and U.S. and regional average faculty salaries has widened significantly during the last 10 years. North Dakota faculty salaries currently lag behind their regional counterparts by 22 – 29 percent.

Average North Dakota Faculty Salaries Compared to Regional Markets 1982-83 through 2002-03



	1982-83	1987-88	1992-93	1997-98	2002-03
Doctoral	-7.8%	-16.0%	-26.4%	-35.9%	-28.8%
Masters	0.0%	-12.5%	-16.8%	-20.4%	-22.3%
Baccal.	4.5%	-6.8%	-18.2%	-19.4%	-27.3%
Two-Yr.	4.3%	-3.4%	-13.1%	-13.5%	-29.2%

Source: Information from American Association of University Professionals published in *Academe*, Annual Reports. States included: Colorado, Iowa, Kansas, Minnesota, Missouri, Montana, North Dakota, Nebraska, Oklahoma, South Dakota, Wisconsin and Wyoming.

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Salary Levels (cont.)

In 2003, the average NDUS administrative and professional staff salaries continued to lag behind the market at all four types of institutions by up to 30 percent. Also, all broadband categories (i.e., bands 4000 – 7000) lag behind the market with average salary variances ranging from 2.3 percent to 11.6 percent (crafts/trades band).

Average Broadband Staff Salaries Compared to Job Market

		2003		
		Weighted Avg. NDUS Salary	Weighted Market Salary	NDUS % Variance to market rate
Band #	**Job Family**	**Doctoral (NDSU, UND)**		
1000	Administrative/Managerial	$64,707	$67,804	-4.8%
3000	Professional	39,041	41,084	-5.2%
4000	Technical & Paraprofessional	27,369	28,306	-3.4%
5000	Office Support	24,568	24,285	0.0%
6000	Crafts/Trades	31,678	34,549	-9.1%
7000	Services	19,707	20,969	-6.4%
	Weighted Average	**$30,573**	**$31,834**	**-4.1%**
Band #	**Job Family**	**Masters (MiSU)**		
1000	Administrative/Managerial	$42,905	$52,300	-21.9%
3000	Professional	33,462	43,418	-29.8%
4000	Technical & Paraprofessional	23,092	25,456	-10.2%
5000	Office Support	19,951	25,421	-27.4%
6000	Crafts/Trades	23,576	29,383	-24.6%
7000	Services	17,753	20,413	-15.0%
	Weighted Average	**$25,714**	**$31,688**	**-23.2%**
Band #	**Job Family**	**4-year (DSC, MaSU, VCSU)**		
1000	Administrative/Managerial	$40,691	$48,370	-18.9%
3000	Professional	28,877	36,719	-27.2%
4000	Technical & Paraprofessional	20,587	22,846	-11.0%
5000	Office Support	19,703	21,663	-9.9%
6000	Crafts/Trades	24,089	30,705	-27.5%
7000	Services	16,152	18,509	-14.6%
	Weighted Average	**$24,162**	**$28,669**	**-18.7%**
Band #	**Job Family**	**2-year (BSC, LRSC, MISU-B, NDSCS, WSC)**		
1000	Administrative/Managerial	$42,714	$44,397	-3.9%
3000	Professional	34,323	38,846	-13.2%
4000	Technical & Paraprofessional	23,885	27,026	-13.2%
5000	Office Support	20,041	22,688	-13.2%
6000	Crafts/Trades	26,374	28,574	-8.3%
7000	Services	17,783	19,923	-12.0%
	Weighted Average	**$24,850**	**$27,938**	**-12.4%**

Data Source: NDUS Dec. 2003 payroll records; North Dakota Job Service, 2003; Fargo Moorhead Human Resource Administration, 2002; College & University Professional Association, Human Resources Administrative Survey, 2000 and Human Resources Mid-Level Survey, 2000; Blue Cross Blue Sheild of North Dakota Information Technology Survey, 2001; National Association of State Foresters Survey, 2000; Bjorkland Survey, 2001. Data from all surveys prior to 2003 were inflation-adjusted to 2003 with the annual change(s) in the Consumer Price Index.

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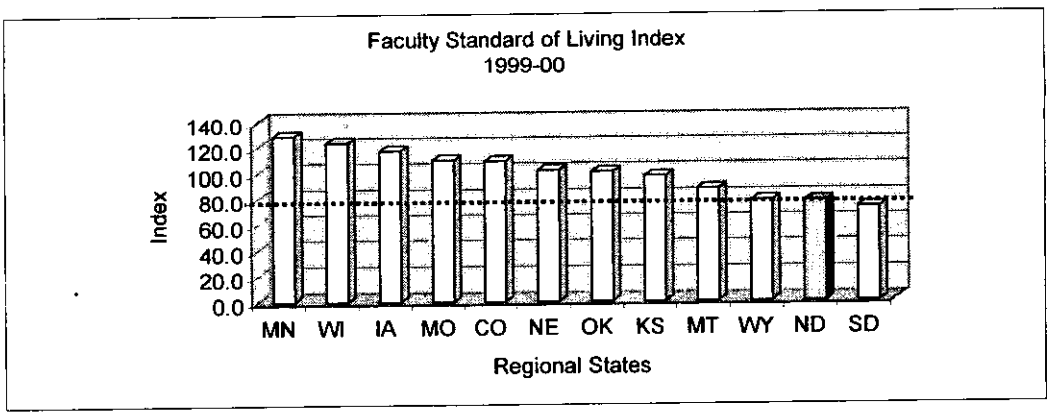
Salary Levels (cont.)

Cost of Living

Based on regional average faculty salaries, North Dakota faculty have a standard-of-living index of 77.5, compared to a regional average of 100.0. This indicates that the real purchasing power of NDUS faculty is substantially lower than the real purchasing power of faculty in other states in our region. The standard-of-living index takes into account the average faculty salary and the cost-of-living index.

Regional Standard of Living - Faculty

		Regional Avg. Faculty Salary Factor (1999-00)[1]	National Composite Cost of Living Index (Third Qtr 2003)[2]	Regional Composite Cost of Living Factor (Third Qtr 2003)[3]	Regional Standard of Living Index[4]	Std. of Living Rank
Minnesota	MN	129.5	95.6	101.0	128.3	1
Wisconsin	WI	127.9	98.3	103.8	123.2	2
Iowa	IA	114.0	92.3	97.5	116.9	3
Missouri	MO	106.8	92.3	97.5	109.6	4
Colorado	CO	109.0	95.0	100.3	108.6	5
Nebraska	NE	100.7	93.7	99.0	101.8	6
Oklahoma	OK	95.6	90.3	95.4	100.2	7
Kansas	KS	95.2	92.9	98.1	97.1	8
Montana	MT	88.2	95.8	101.2	87.1	9
Wyoming	WY	85.7	104.0	109.8	78.0	10
North Dakota	ND	75.8	92.6	97.8	77.5	11
South Dakota	SD	71.7	93.5	98.7	72.6	12
Average		100.0	94.7	100.0	100.0	



[1] **Regional Avg. Faculty Salary Factor**
Indicates how the state's average faculty salary compares to the region as a whole. The regional figure is represented by the number 100.0. A factor higher than 100 indicates the state's average faculty salary is higher than average and vice versa.
Data Source: 1999-00 regional average faculty salaries for public universities from the *Chronicle of Higher Education*, 2003

[2] **National Composite Cost of Living Factor**
Indicates how the state's living expenses (housing, food, etc.) compare to the nation as a whole. All states are combined to develop the national average, which is represented by the number 100.0. A factor higher than 100 indicates the state's cost of living is higher than average and vice versa.
Data Source: Third quarter, 2003 MERIC Compositie Cost of Living Index (www.ded.mo.gov/business/researchandplanning/indicators)

[3] **Regional Composite Cost of Living Factor (composite cost of living index ÷ avg regional composite cost of living index)**
Compares each state's composite cost of living index to the average composite cost of living index for the region. The regional average is then represented by an index of 100.0. An index of less than 100.0 indicates the state's cost of living is lower than the average for the region.

[4] **Standard of Living Index**(Reg. Avg. Fac. Salary Factor ÷ Reg. Composite Cost of Living Factor)
Compares regional cost of living to average faculty salary to derive a state's relative standard of living for the average faculty member. An index number less than 100.0 indicates real purchasing power is lower than the regional average purchasing power. Presumably, the standard of living is relatively lower for in these states and vice versa for an index number greater than 100.0.

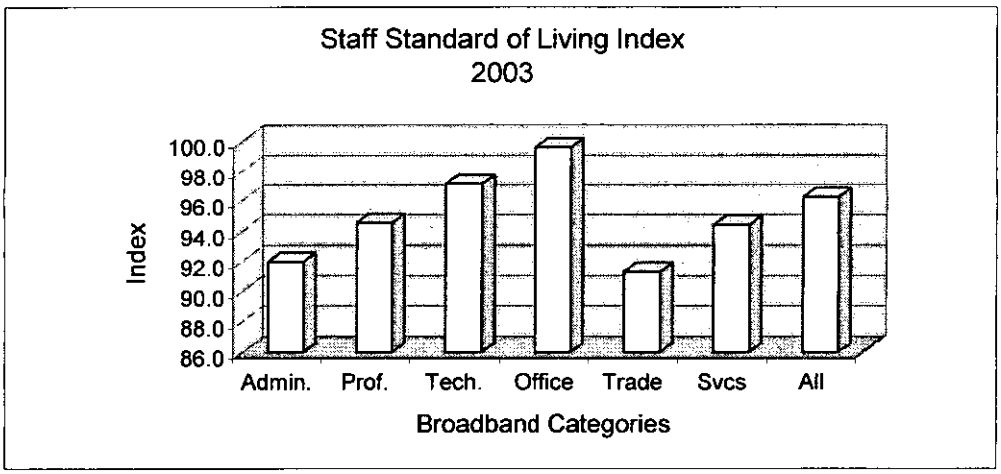
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Salary Levels (cont.)

The NDUS standard of living is derived by comparing the NDUS average salary to the average cost of living in the region (Minnesota, North Dakota, South Dakota, Montana) for similar occupations. A factor of less than 100 indicates the NDUS average staff salary is lower than the regional average for similar occupations. All NDUS staff positions have a standard of living index of less than 100. The real purchasing power of NDUS staff is lower than the real purchasing power of other comparable positions in North Dakota and the surrounding three states.

Regional Standard of Living - Staff

Broadband Category	Regional Avg. Salary Factor[1]	Regional Composite Cost of Living Factor (Third Qtr 2003)[2]	Standard of Living Index[3]
Admin./Managerial	90.3	98.1	92.0
Professional	92.8	98.1	94.5
Tech/Paraprofessional	95.3	98.1	97.1
Office Support	97.7	98.1	99.6
Crafts/Trades	89.6	98.1	91.3
Services	92.6	98.1	94.4
Average All Bands	94.5	98.1	96.3



[1] **Regional Avg Salary Factor**
Indicates how the NDUS average staff salary compares to ND, MN, MT and SD as a whole for similar occupations. The regional figure is represented by the number 100.0. An index number less than 100.0 indicates the average salary for NDUS staff is lower than the regional average salary for similar occupations.
Data Sources: NDUS Dec. 2003 payroll records; ND Job Service, 2003; Fargo Moorhead Human Resource Administration, 2002; College & University Professional Association, Human Resources Administrative Survey-2000 and Human Resources Mid-Level Survey, 2000; Blue Cross Blue Shild of ND Information Technology Survey, 2001; National Association of State Foresters Survey, 2000; Bjorkland Survey-2001. Data from all surveys prior to 2003 were inflation adjusted to 2003 with the annual change(s) in the Consumer Price Index.

[2] **Regional Composite Cost of Living Factor** (ND composite cost of living index ÷ avg regional composite cost of living index)
Compares North Dakota's composite cost-of-living index to the average composite cost-of-living index for ND, MN, SD and MT. The regional average is then represented by an index of 100.0. An index of less than 100.0 indicates North Dakota's cost of living is lower than the average for the regional area.

[3] **Standard of Living Index** (Regional Avg. Salary Factor ÷ Regional Composite Cost of Living Factor)
Compares regional composite cost of living to average staff salary to derive relative standard of living for NDUS staff compared to the regional average. An index number less than 100.0 indicates real purchasing power is lower than the regional average purchasing power for similar occupations. Presumably, standard of living is relatively lower for NDUS staff.

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Salary Levels (cont.)

Fringe Benefits

The state of North Dakota offers a comprehensive benefit package to NDUS employees, as do other states. Using the 2003 Central States Compensation Association survey data (and normalizing average salaries), North Dakota ranks eighth in the 12-state region in the value of total benefits provided (Exhibit I). In fact, the value of the North Dakota benefit package ($9.79 per hour) is slightly below the average for the region ($10.43 per hour). Through deductibles, coinsurance and copayments in 2002, NDUS employees covered by a family health insurance plan paid about 23 percent of the total cost of health benefits. Through payment of monthly premiums, the state's contribution was 77 percent. North Dakota's benefit package continues to be an important recruitment and retention tool, but it does not offset the significant salary differentials for faculty and staff salaries when compared to market rates.

Regional Faculty Benefit Analysis
January 2003

State	Salary Rank[4]	Average Faculty Salary (9 months)	Hourly Faculty Salary (9 months)	Benefits Per Hour								Benefits Rank
				Holidays[2]	Health Insurance[1]	Life Insurance[1]	Dental Insurance[1]	Retirement[3]	Social Security	Medicare	Total Benefits	
Wyoming	10	$50,452	32.34	1.31	3.07	0.013	0.00	4.25	2.34	0.57	11.54	1
Missouri	5	$62,883	40.31	1.74	2.63	0.080	0.00	3.33	2.34	0.57	10.68	2
Oklahoma	7	$56,268	36.07	1.45	2.45	0.040	0.00	3.77	2.34	0.57	10.63	3
Kansas	8	$56,090	35.96	1.45	3.76	0.147	0.21	1.58	2.34	0.57	10.06	4
South Dakota	12	$42,233	27.07	1.67	3.07	0.040	0.00	2.26	2.34	0.57	9.95	5
Iowa	3	$67,108	43.02	1.60	3.08	0.013	0.13	2.17	2.34	0.57	9.90	6
Montana	9	$51,913	33.28	1.52	2.55	0.027	0.23	2.60	2.34	0.57	9.84	7
North Dakota	(11)	$44,658	28.63	1.52	1.77	0.002	0.00	3.59	2.34	0.57	9.79	(8)
Wisconsin	2	$75,303	48.27	1.81	2.77	0.240	0.00	2.00	2.34	0.57	9.74	9
Colorado	4	$64,173	41.14	1.45	1.20	0.013	0.12	3.69	2.34	0.57	9.38	10
Nebraska	6	$59,306	38.02	1.74	1.77	0.013	0.00	2.55	2.34	0.57	8.98	11
Minnesota	1	$76,264	48.89	1.60	2.33	0.000	0.23	1.51	2.34	0.57	8.57	12
Average		**$58,888**	**$37.75**	**$2.10**	**$2.54**	**$0.03**	**$0.08**	**$2.77**	**$2.34**	**$0.57**	**$10.43**	

Data Sources:
2003 Central States Compensation Association - Benefit Survey:
[1]Employer paid benefits for employee-only coverage. Based on 1,560 hrs.
[2]Based on regional average hourly salary (to normalize the data) and 1,560 hours.
[3]Employer paid. Based on regional average hourly salary and 1,560 hours.
Chronicle of Higher Education, 2003 Almanac:
[4]Salary rank of 9 and 10 month faculty of public higher ed institutions - 1999-00.

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NORTH DAKOTA
UNIVERSITY SYSTEM

Economic Development Connection

December 2004

Graduation Employment and Retention

Some of the questions most often asked of the North Dakota University System (NDUS) relate to the status of graduates and program completers of system institutions. A consortium of several state agencies known as FINDET – or Follow-up Information on North Dakota Education and Training – was formed to provide answers to those questions.

The 2004 FINDET report describes the employment status of academic year 2002 graduates one year after graduation. A total of 51.5 percent of all 2002 graduates who were located by FINDET were either employed in North Dakota or re-enrolled in North Dakota institutions one year after graduation. Based on weighted data, however, the total number of graduates remaining in the state one year after graduation increases to 56.7 percent.[1] This statistic dispels the myth that a majority of NDUS graduates leave the state after graduation.

As expected, a higher proportion of residents (defined as students who graduated from North Dakota high schools) remain in the state after graduation than non-residents. FINDET determined that 61.7 percent of 2002 resident graduates remained in the state. Again, using weighted data, the total North Dakota resident retention rate rises to 67.9 percent.[2]

In addition to North Dakota residents who graduated from NDUS institutions, a significant proportion of 2002 graduates from surrounding states also remained in North Dakota after graduation. FINDET located 36.3 percent of South Dakota residents, 28.5 percent of Minnesota residents and 26.9 percent of Montana residents in the state one year after graduation. When adjusted for jobs not in the state's employment database, North Dakota retains 39.9 percent of South Dakota students, 31.4 percent of Minnesota students and 29.6 percent of Montana students.

[1] According to the North Dakota Department of Labor, at any time, between 6 and 15 percent of the state workforce is employed in jobs not reported in the state's employment databases. This group includes railroad employees and some people who are self-employed, including farmers. Job Service North Dakota estimates about 10 percent of the workforce is not currently reported. This report assumes the 51.5 percent of graduates located by FINDET represent only 90 percent of the graduates who stay in the state with the remaining 10 percent employed in jobs not included in the state's employment database.

[2] This report assumes the 61.7 percent of the North Dakota residents accounted for by FINDET represent only 90 percent of North Dakota residents who stay in the state one year after graduation with the remaining 10 percent employed in jobs not included in the state's employment database.

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Graduation Employment and Retention (cont.)

North Dakota University System
Status of Academic Year 2002 Graduates
One Year After Graduation by State of Residency

State of Residency	Graduates	Total Retained in North Dakota [1/]		Employed in North Dakota Only [2/]		Re-enrolled in NDUS Only [3/]		Both Employed in ND & Re-enrolled in NDUS	
		Number	Percent	Number	Percent	Number	Percent	Number	Percent
North Dakota [4/]	4,517	2,789	61.7%	2,115	46.8%	288	6.4%	386	8.5%
Minnesota	1,128	321	28.5%	216	19.1%	59	5.2%	46	4.1%
Montana	175	47	26.9%	30	17.1%	4	2.3%	13	7.4%
South Dakota	135	49	36.3%	39	28.9%	4	3.0%	6	4.4%
Other States	410	86	21.0%	41	10.0%	31	7.6%	14	3.4%
State Unknown	83	29	34.9%	27	32.5%	1	1.2%	1	1.2%
Total	**6,448** [5/]	**3,321**	**51.5%**	**2,468**	**38.3%**	**387**	**6.0%**	**466**	**7.2%**

1/ Does not account for graduates who were in North Dakota but unemployed, employed in jobs not covered by unemployment insurance, or attending private colleges.
2/ Total graduates employed in ND = "Employed in ND Only" + "Both Employed in ND and Re-enrolled in the NDUS."
3/ Total graduates re-enrolled in NDUS = "Re-enrolled in NDUS Only" + "Both Employed in ND and Re-enrolled the NDUS."
4/ Includes military personnel stationed in North Dakota.
5/ Excludes 45 graduates for whom invalid social security numbers were reported.

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December 2004

Summary of Workforce Training System

I. **Situation – Changes Urgently Needed:** In 1998, a task force of 31 state leaders (see page 2.2) representing business, education and government spent six months examining North Dakota's workforce training system. Based on the examination and research results, the group concluded North Dakota's workforce training system was fragmented, underdeveloped, duplicative and incapable of meeting the current and rapidly changing workforce training needs of businesses in the state. The group also concluded major changes were urgently needed for business and industry in all regions of the state, as well as individual communities, to remain viable and competitive. A workforce training plan was developed by the Workforce Training Task Force and enacted into law by the 1999 Legislature.

II. **Origin and Purpose:** The purpose of the task force plan and the resulting legislation was to develop a responsive and effective system for the delivery of workforce training in North Dakota. At the core of the system is an infrastructure comprised of workforce training professionals (workforce training directors and managers) who contact business and industry, develop trusting and effective working relationships, conduct needs assessments and arrange training in the respective regions. The training directors and managers also work closely with other public and private higher education institutions, local development organizations, private sector trainers, vocational centers, high schools with training programs, tribal colleges, and other state and local agencies involved in workforce training in the community, region and state.

III. **Goal of Workforce Development and Training Task Force:**
To provide business and industry in North Dakota with the most competitive workforce in the nation.

IV. **Key Components of Workforce Training System:**

1. **Designated Service Regions** – Four workforce training regions (quadrants) were established and are defined by the boundaries of the state planning regions.

2. **Primary Responsibility** – The following two-year colleges were assigned primary responsibility for workforce training in each of the four regions:
   - NW Region (State Planning Regions 1 & 2) - Williston State College
   - SW Region (State Planning Regions 7 & 8) - Bismarck State College
   - NE Region (State Planning Regions 3 & 4) - Lake Region State College
   - SE Region (State Planning Regions 5 & 6) - North Dakota State College of Science

3. **Special Unit** – A workforce training division within each of these four colleges has been created specifically to serve the needs of business and industry. The training divisions

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Summary of Workforce Training System (cont.)

have primary responsibility for assuring employers in all areas of North Dakota have access to high-quality training that meets or exceeds their needs and expectations.

4. **Local Advisory Boards**
   The workforce training divisions are locally-driven through private-sector local advisory boards for each designated region.

5. **Financial Support**
   The funding mechanism for the workforce training system consists of: (1) fees from training, (2) state funds, and (3) institution in-kind support.

6. **Collaborative Relationships**
   Partnerships with various local and state agencies involved in workforce training, with public and private education institution(s) and with private-sector training providers are an essential component of the workforce training system.

V. **Results:** The number of businesses that received training through the workforce training system increased from 518 in FY 2000 to 1,430 in FY 2004, a 176 percent increase. The number of employees who received training increased from 7,463 in FY 2000 to 7,958 in FY 2004, a 7 percent increase.

Direct training revenue paid by businesses that contracted for training through the workforce training system totaled $1,751,687 in FY 2004. Nearly 28 percent of the businesses that contracted for training in FY 2004 requested repeat or additional training.

The level of satisfaction with training events by businesses that contracted for training was 99.3 percent. Satisfaction by employees who received training was 98.8 percent.

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Summary of Workforce Training System (cont.)

TASK FORCE ON WORKFORCE DEVELOPMENT AND TRAINING

1998 to 2001

Customized Training Network, Network Support Team:

Verlyn Fick*	Director, Outreach & Customized Training, NDSCS
Don Roloff*	Supervisor of Trade, Industry, Tech. Ed., & Custom Training, SBVTE
Eddie Dunn*	Executive Director, College Technical Education Council, NDUS

State Agencies Involved in Workforce Training:

Larry Isaak	Chancellor, North Dakota University System
Mel Olson*	State Director, State Board for Vocational Technical Education
Jennifer Gladden*	Executive Director, Job Service North Dakota
Kevin Cramer	State Director, Dept. Economic Development & Finance
Randy Schwartz*	Deputy Director, State Department of Economic Development & Finance
Carol Olson	State Director, Department of Human Services

Workforce Development Council:

Fraine Zeitler*	Director, North Dakota Workforce Development Council
Dennis Johnson	President, TMI & Chairman, ND Workforce Development Council
Jodi Uecker-Rust	Group Vice President, Great Plains Software Inc., & Member, NDWFDC

Private Sector:

Dale Anderson*	President, Greater ND Assn., State Chamber of Commerce
Roger Reierson	President, Flint Communications & Chairman of the Board, GNDA
Dave MacIver	President, Bism-Mandan Area Chamber & BSC Bus. Advisory Council
Russ Staiger*	President, Bismarck-Mandan Development Association
John Campbell*	President, Fargo-Moorhead Chamber of Commerce

(Also represented in other categories: Dennis Johnson, Jodi Uecker-Rust, Bill Marcil, Gary Nelson, John Dorso, Tim Mathern, Merle Boucher, Tony Grindberg, Mike Gustafson, Jack Hoeven and Craig Caspers)

Governor's Office:

Bill Goetz*	Chief of Staff, Governor's Office

Legislative Leadership:

Gary Nelson	Senate Majority Leader, ND Legislature
Tim Mathern*	Senate Minority Leader, ND Legislature
John Dorso*	House Majority Leader, ND Legislature
Merle Boucher	House Minority Leader

Vision-2000:

Bill Marcil	Forum Publisher & Past Chairman, Vision-2000 Committee

(Also represented in other categories: Dennis Johnson, & Dale Anderson)

Board of Higher Education:

Jack Hoeven	Chairman-elect, North Dakota Board of Higher Education
Craig Caspers*	Member, North Dakota Board of Higher Education
Mike Hillman*	Vice Chancellor, Academic Affairs, ND University System
Laura Glatt	Vice Chancellor, Administrative Affairs, NDUS

Campus Presidents:

Donna Thigpen*	President, Bismarck State College, Two-Year College
Ellen Chaffee	President, Valley City State Univ. & Mayville State Univ., Four-Year College

Skills Training & Technology Center:

Tony Grindberg*	Senator, & Loaned Executive, Skills Training & Tech. Ctr.
Mike Gustafson	Director, Cass County Rural Electric Cooperative

(Also represented in other categories: Larry Isaak, Mel Olson, & Jennifer Gladden)

==========

*Participated in the site visit to Cedar Rapids, Iowa, and Kirkwood Community College May 13, 1998.

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Summary of Workforce Training System (cont.)

PERFORMANCE ON ACCOUNTABILITY MEASURES FOR WORKFORCE TRAINING – FY2004		
Accountability Measure		
Number and percent of businesses in the region receiving training	#	1,430
	%	5.6%
Number of employees receiving training	#	7,958
Number and percent of businesses requesting repeat or additional training	#	256
	%	27.9%
Levels of satisfaction with training events based on results provided by employers and employees receiving training	Businesses	99.3%
	Participants	98.8%
Level of satisfaction of companies with responsiveness of training provided	Businesses	99.5%
Number of referrals for training and results of those referrals (both referrals made to other sources and referrals received)	Referred	19
	Received	9
Revenue generated from training fees	$	$1,751,687

Source: Workforce Training Quadrants, Year-End Reports, September 2004.

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NORTH DAKOTA
UNIVERSITY SYSTEM

Sustaining the Vision

December 2004

Summary of SBHE Strategic Plan

Foundation for the SBHE Strategic Plan

In the mid-1990s, many stakeholders had opinions about what higher education should be and do for the state of North Dakota. Unfortunately, those views were not in sync. There was no common vision, a clear set of expectations, or agreed-upon accountability measures.

As a result, the number one priority expressed by the college and university system presidents at the chancellor's cabinet retreat in 1998 was the need for a "common vision" and a clear set of expectations for higher education in North Dakota. There was also agreement that the major stakeholders of higher education needed to be involved in that process. The North Dakota State Board of Higher Education concurred with the priority expressed by the presidents.

The legislative leadership also came to the same conclusion; a common vision and clear set of expectations for higher education in North Dakota were needed. Subsequently, the 1999 North Dakota Legislative Assembly passed a resolution directing a study to: *"... address the expectations of the North Dakota University System in meeting the state's needs in the 21st century, the funding methodology needed to meet these expectations and needs, and an accountability system and reporting methodology for the University System."*

Twenty-one legislators were selected to be members of an interim Committee on Higher Education. This group was expanded to 61 to provide for stakeholder input and included 40 leaders from the private sector, higher education, tribal colleges, K-12 education and other state agencies, becoming what is known as the Roundtable on Higher Education.

New Strategic Plan

Implementation of the goal and recommendations of the roundtable is now a top priority for the State Board of Higher Education, the 11 campuses and the University System Office. The new strategic plan for the University System is directly linked to the goal and recommendations of the roundtable. In turn, the campuses each develop campus alignment plans annually which are specifically designed to meet the expectations expressed in each of the six cornerstones of the *Roundtable Report*. The major components of the new strategic plan include:

I. Vision

"The North Dakota University system is the vital link to a brighter future."

A brighter future for:

- Our students
- The citizens of North Dakota
- All those we serve

FOR MORE INFORMATION CONTACT:
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Summary of SBHE Strategic Plan (cont.)

A brighter future through:

- A University System where students have the opportunity to receive the education necessary to be professionally and personally successful;
- High quality, innovative learning opportunities tailored to the needs of students and other clients and readily accessible to all learners in the state;
- The creation of strategic alliances with economic entities in the state and being a major player and primary engine in impacting the economic and demographic trends;
- A University System which is a solid investment for the state and is seen as such by its citizens.

II. Mission

"To enhance the quality of life for all those we serve and the economic and social vitality of North Dakota through the discovery, sharing and application of knowledge."

III. Beliefs and Core Values of the NDUS

In fulfilling the mission and vision, the State Board of Higher Education will govern the institutions in the North Dakota University System in accordance with the North Dakota Constitution and state statutes and will be guided by the following beliefs and core values.

Beliefs of North Dakota University System

- We believe the most valuable asset of any state is its human capital: well-educated and highly skilled citizens, employees, business owners, community leaders, and contributing members of society.
- We believe a brighter future for North Dakota is directly linked to and dependent upon its University System. Likewise, a brighter future for the University System is linked to the economy of North Dakota.
- We believe the University System, in conjunction with the elected and private sector leadership in North Dakota, can and should take positive steps to enhance the economy of North Dakota.
- We believe depopulation is a major threat to the overall viability of North Dakota and if not addressed, with urgency, the infrastructure, quality of life, and services available to the citizens of the state will diminish.
- We believe faculty are the foundation of the North Dakota University System.
- We believe performance of the University System will be enhanced in an environment which is conducive to innovation, creativity, and flexibility – coupled with appropriate accountability.
- We believe in the implementation of education programs and curriculums to meet the needs of a culturally diverse student population and to prepare students to interact in an increasing pluralistic society.

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Summary of SBHE Strategic Plan (cont.)

- We believe the citizens and the legislature created and expect the University System to function as a system; i.e., to collaborate, whenever appropriate and feasible, in offering programs, serving students and citizens, and in providing administrative services.

- We believe the benefits of the University System can and should be available to all of North Dakota, geographically and demographically.

- We believe it is important for all the key stakeholders of the University System to adopt and apply the same set of expectations and accountability measures which were identified and agreed to by the 1999 roundtable.

- We believe it is possible to create a University System for the 21st century, as envisioned by the roundtable and further believe making it a reality will require all entities to do their part as described in the Roundtable Report.

Core Values of North Dakota University System

The core values are to be reflected in how the SBHE and all personnel of the University System carry out responsibilities on a daily basis:

- High integrity
- Open, honest, forthright and mutually respectful in discussion and actions
- Trustworthy
- Accountable
- Cooperative valued partner with other state agencies and entities
- Responsible stewards of state investment in the University System
- Scholarship and the pursuit of excellence in the discovery, sharing, and application of knowledge
- Support and embrace diversity

IV. Long-Range Goals of the SBHE

Goal 1: Take the leadership in ensuring key steps required for implementation of the *Roundtable Report* are taken, specifically to develop and recommend (to the legislative and executive branches): (a) a long-term plan for the financing of the NDUS; (b) a resource allocation mechanism; and (c) accountability mechanisms, both performance and fiscal.

Goal 2: Change policies and procedures to empower campus presidents; grant to the campuses the same conditions being sought for the NDUS.

Goal 3: Develop a University System which has intellectual capacity and programs aligned with the needs of the state.

Goal 4: Develop a delivery system capable of making the capacities of the NDUS accessible to all of North Dakota: (a) learning centers; (b) distance delivery; (c) collaborative delivery; and (d) duplicated programs where appropriate.

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Summary of SBHE Strategic Plan (cont.)

Goal 5: Cooperate with other participants in collectively moving the agenda of the roundtable forward.

V. Objectives

The specific objectives for achieving each of the long-range goals are listed in Section 4, page 2-3, under State Board of Higher Education Objectives for 2004-05.

VI. Campus Alignment Plans

The campuses annually develop campus alignment plans directly linked to the six cornerstones of the *Roundtable Report*:

a. Economic Development Connection
b. Education Excellence
c. Flexible and Responsive System
d. Accessible System
e. Funding and Rewards
f. Sustaining the Vision

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NORTH DAKOTA
UNIVERSITY SYSTEM

Sustaining the Vision

December 2004

Communication Plan

A North Dakota University System for the 21st Century

In 2001, a North Dakota University System (NDUS) communication plan was prepared in accordance with the Roundtable Report *and approved by the State Board of Higher Education (SBHE). Development of this document was directed by roundtable Cornerstone Six: Sustaining the Vision.*

THE NDUS communication plan was updated in 2004 with special emphasis on sustaining the roundtable momentum and communicating the board and system's 2005 legislative agenda.

One component of this plan was development of the following six key messages that are fundamental to achieving the University System's mission:

- The North Dakota University System is essential to enhancing the economy of North Dakota.
- Flexibility with accountability has unleashed the tremendous capacity of the University System; strategic investments will be needed to further realize the system's full potential.
- Public/private partnerships and collaborations are shaping North Dakota's future; continued strengthening of these relationships will benefit all of North Dakota.
- Student learning and research are integral to economic development.
- Funding the Long-Term Finance Plan is critical to the University System's core functions of student learning, research and public service.
- Funding high-quality, accessible higher education is a shared responsibility; funding sources include the state, the students and campus-generated income.

The 2004 NDUS communication plan also includes a series of desired outcomes and action steps for SBHE members, the chancellor's cabinet and the NDUS Office. It was prepared by the NDUS Public Affairs Council.

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Sustaining the Vision

December 2004

Project Vital Link

Project Vital Link *was launched by the State Board of Higher Education in November 2002 to attract more high school students to North Dakota University System (NDUS) colleges and universities.*

This initiative was developed to supplement campus recruitment efforts by mailing information about the University System directly to high school students at their homes and by providing other information to students through their middle and high school counselors.

A publication commonly referred to as *The Viewbook* is mailed to high school juniors and seniors. This brochure provides a brief introduction to the 11 NDUS campuses, a comprehensive matrix of programs of study and key facts about enrollment, admission, the cost of college, financial aid and other important topics.

A second publication titled *Consider Your Options* is distributed to high school sophomores through their school counselors. This publication helps students plan and prepare for college and encourages them to consider educational opportunities available at the 11 NDUS institutions.

A third publication titled *Design Your Future* is distributed to eighth-grade students through their school counselors. It was created to help them make successful transitions to high school and to begin looking at college and career options. It also includes a college financial planning guide for parents. *Design Your Future* is produced in collaboration with the Department of Career and Technical Education, the Department of Public Instruction and Student Loans of North Dakota.

All three *Project Vital Link* publications are available on the NDUS Web site at *www.ndus.edu.*

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Sustaining the Vision

December 2004

Annual Roundtable Meeting

In its May 25, 2000, report, the Roundtable on Higher Education concluded, "It takes time to build trust and confidence." The report also said, "An opportunity needs to be created to allow understanding and trusting relationships to be built and consensus to be reached on how the University System can serve as a powerful force in helping shape the desired future for North Dakota." It was recommended that an annual roundtable meeting should be held as one of the mechanisms for sustaining the vision. The specific expectations and recommendations are presented in this section of the Resource Guide.

EXPECTATIONS/RECOMMENDATIONS

Establish a mechanism for sustaining the work and implementing the recommendations contained in this report through an annual roundtable meeting(s) for the purposes of:

- Broadening and sustaining the engagement of leaders from the private sector as well as from education and state government in addressing key issues facing North Dakota and its higher education system.
- Annually reviewing progress on the overall state of implementation of the recommendations presented in this report and subsequent roundtable meetings, and helping ensure all participants assume their share of the responsibility for implementing recommendations arising out of the roundtable.
- Providing an avenue for coordination among those parties responsible for the ongoing implementation of the intent and recommendations of the roundtable.
- Providing an on-going opportunity for the State Board of Higher Education to gather information from its various client groups about the priority needs of North Dakota and the expectations of these groups for the North Dakota University System. The dialogue at these meetings may lead to a consensus that the priority needs and expectations should be revised in agreed-upon ways.
- Developing consensus on the key accountability measures to be used in evaluating progress of the NDUS toward the high-priority expectations. It is the intent these accountability measures, as agreed upon, replace the accountability factors and expectations being developed independently by various entities.
- Keeping alive – and passing on to newcomers – the philosophy and commitment engendered at the roundtable to making North Dakota a state with a stronger economy and an improved quality of life.

IT IS FURTHER RECOMMENDED:

- Participants at the annual higher education roundtable meeting(s) be selected in such a way that they represent the diversity of stakeholders and perspectives brought together for the 2000 roundtable.

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Annual Roundtable Meeting (cont.)

- The responsibility for ensuring the roundtable meetings are held and the necessary staff work be assigned to the SBHE.
- The roundtable meetings be held in locations and with facility settings that are neutral to all participants.
- Each institution within the NDUS systematically review its mission and strategic initiatives and take steps to align them with the vision and expectations agreed upon by the roundtable participants. The vision and expectations should serve as a "driving force" at each level of the University System.

ROUNDTABLE RECOMMENDATIONS

June 15, 2004, Meeting

Following is a summary of the recommendations from the June 15, 2004, roundtable meeting. The extent of agreement by the roundtable members on each recommendation (on a scale of one to five) is included in parenthesis:

1. Review the higher education accountability measures and make changes as necessary. (4.6)
2. Identify "soft skills" needed by the private sector and incorporate the teaching of those skills into the curriculum for academic programming and into training. (4.2)
3. Develop a uniform student internship program that benefits both students and the employer and provides incentives for students & faculty. (4.3)
4. Provide funding to the SBHE to encourage and reward collaboration among higher education institutions. (4.3)
5. Continue to promote higher education centers of excellence. (4.6)
6. Market the benefits of the roundtable to the general public. (4.3)
7. Continue to provide for investments in higher education (investments which will continue to move North Dakota forward and significantly Increase the economic competitiveness of the state). (4.8)
8. Continue to emphasize the building of trusting relationships. (4.7)
9. Review the state's process regarding legislative requests for information. (4.2)
10. Integrate the vision of the roundtable into all levels of the NDUS and the general public. (4.5)
11. Continue the roundtable concept by convening a roundtable (at least the private sector) meeting before the 2005 legislative session. (4.4)
12. Continue the roundtable concept by having two meetings per year with a half-day orientation session for new members. (4.5)
13. Increase faculty representation on the roundtable by including, at a minimum, the president of the NDUS Council of College Faculties. (3.9)
14. Continue the budgetary flexibility granted to the higher education institutions by the Legislative Assembly. (4.7)
15. Allow new or expanding businesses to access the statewide information technology network for a limited period and to deliver workforce training to the more rural areas of the state. (4.2)

NORTH DAKOTA UNIVERSITY SYSTEM

Testimony to Senate Appropriations Committee on SB 2003

BRUCE I. CHRISTIANSON, PRESIDENT

State Board of Higher Education

January 17, 2005

Thank you, Chancellor Potts. It is a real pleasure working with you and your staff. Mr. Chairman, members of the committee, I am Bruce I. Christianson, president of the State Board of Higher Education, from Minot, N.D.

The chancellor has acknowledged members of the State Board of Higher Education, the campus presidents and other system people who are here today. I would like to recognize another group of people who are helping the North Dakota University System become the vital link to a brighter future for our citizens and our state. They are the senators who serve on the Roundtable on Higher Education, including Sen. Ray Holmberg, chair; Sen. Tim Flakoll; Sen. Tony Grindberg; Sen. Nicholas Hacker; Sen. Ed Kringstad; Sen. Elroy Lindaas and Sen. David Nething.

As you may know, the Roundtable on Higher Education includes about 60 representatives from the executive and legislative branches, the private sector, the University System and other partners of higher education. In 1999, this group of leaders looked into the future and saw the challenges and opportunities facing North Dakota that they believed required immediate action. They committed to taking bold steps. It is the broad expectation that the University System will be academically competitive, engaged at every level, and accessible and responsible to all citizens of the state. The vision for the University System is, by the year 2010, to have become a major player and primary engine in reversing the economic and demographic trends of the 1990s, to have high-quality, innovative learning opportunities that meet the needs and are accessible to all, and to have proven to be a solid investment and to be seen as such by our fellow citizens.

These leaders believed the North Dakota University System could be an integral part of expanding and diversifying the state's economy and enhancing the quality of life for all of North Dakota. As a result of the work of the roundtable, profound changes have and are taking place, many of which reflect the growing relationships between the NDUS and its many public and private partners. We believe we have a stronger, more trusting relationship with you, our state's legislators, and with other key stakeholders of higher education. We hope you feel the same way.

There is a publication in the *Resource Guide* binder you have in front of you that sums up these changes quite well. I encourage you to take a closer look at the 2003 document titled "Linking North Dakota and Its University System." This publication is included under the roundtable tab. The document takes a before-and-after snapshot; it makes comparisons about the University System and its relationship with the state since the roundtable began.

For example, before the roundtable came into existence, there were multiple and conflicting expectations by stakeholders of higher education. Through the work of this group, the University System now has a clear set of expectations that have been agreed upon by the key stakeholders, as well as a set of accountability measures to track progress toward those expectations.

Before the roundtable, the University System was viewed as a financial burden to the taxpayers. It now is viewed as an economic engine. Before the roundtable, the public and private sectors worked, at times, in isolation of one another. We now have a substantial increase in private/public partnerships. Before the roundtable, there were separate agendas for each NDUS institution. Now we have a system-wide agenda that is directed at creating a brighter future for the state and its citizens.

One could talk at some length about how the University System has been shaped by the Roundtable on Higher Education. Let me sum it up by saying the roundtable has re-directed and re-energized the system; it has enabled the campuses, the board and the system office to be more nimble, more responsive and more entrepreneurial. Most importantly, it has allowed the system to be drawn by a vision, rather than driven by a budget.

Now five years into the roundtable process, Senator Holmberg recently requested a survey of current roundtable members to assess their perspectives on the progress of the group and to determine whether or not they believe the central goal of the roundtable is still relevant. The results of this survey are interesting and very encouraging. Roundtable members said the central goal of the roundtable should continue to serve as the basis for legislative and non-legislative action relating to creating a university system for the 21st century. They also said they believe all of the basic assumptions and potential legislative actions to be of high importance. Feedback from the survey, as well as the June 15, 2004, roundtable meeting, has been important to development of the University System's 2005 legislative agenda.

A lot has been said about creating a university system for the 21st century. After a meeting last week, someone asked how the University System is responding to this mandate. Since you may be asking the same question, let me provide just a few examples of the board and system's recent accomplishments. In recent months, we have:

- Implemented a faculty expertise database to identify possible public and private grant opportunities and to enhance the University System's ability to partner with the private sector

- Continued responding to rapidly changing educational needs by taking action on 71 requests to eliminate existing programs and offer new programs
- Completed implementation of phase two of the workforce training legislation regarding expansion to additional rural communities and smaller businesses in the state
- Requested and approved campus alignment plans which describe what the campuses are doing, and intend to do, to implement recommendations included in the six cornerstones of the *Roundtable Report*
- Co-hosted meetings with Gov. Hoeven on each of the 11 NDUS campuses to help identify needs and opportunities for potential centers of excellence aimed at enhancing the economy of the regions and the state. We think these centers hold great potential; Chancellor Potts recently testified before your committee about our support for this initiative.
- Continued to support the Red River Valley Research Corridor designed to draw federal research dollars to North Dakota and help create jobs and economic growth throughout the state
- Obtained input on strengthening relationships and increasing collaboration with business and community leaders around the state in conjunction with SBHE meetings
- Continued to receive recognition as a result of the Roundtable on Higher Education. In October 2004, *Business Week* magazine included an article titled, "Should Public Universities Behave Like Private Colleges?" This article included a discussion of the changing relationships between public higher education and state funding and cited North Dakota as an example of entrepreneurial behavior. In November 2004, at a meeting of the Western Interstate Commission on Higher Education (WICHE), the roundtable was credited for its role in creating a brighter future for the citizens and state of North Dakota. Two states, North Dakota and Kentucky, were referred to as "getting it right" in regard to linking their higher education agendas with those of the public and private sectors.

Now, more than ever before, University System campuses are partnering to serve the state in many ways. Just a few examples from the field of medicine include:

- In response to a growing demand for nurses, BSC, LRSC, WSC and MiSU-B will collaborate in offering an associate degree in registered nursing beginning in Fall 2005.
- DSU, MaSU, MiSU, NDSU, UND, VCSU and Turtle Mountain Community College are partnering on a $16.3 million, five-year National Institutes of Health (NIH) grant to conduct biomedical research.
- In cooperation with the NDSU College of Pharmacy, NDSCS will train telepharmacy technicians to extend pharmacy services to rural areas.

As identified by the Roundtable on Higher Education, another measure of the University System's success is its contribution to the state's demographic growth. We're pleased to report that the most recent FINDET Report – which stands for Follow-up Information on North Dakota Education and Training – shows that about 56.7 percent of all 2002 graduates remained in the state one year after graduation. In addition, nearly 28 percent of all out-of-state students who graduated from one of our colleges or universities remained in the state, thus providing solid evidence of the system's positive impact on state demographics.

In summary, I hope I've clearly demonstrated that the North Dakota University System is essential to enhancing the economy of North Dakota. I'm proud to be associated with the system during this time of great promise, change and potential. We value and appreciate the good working relationship the board and system have with you as legislators.

Before I turn the podium over to Chancellor Potts, I want to emphasize that, in order to better serve students and the state, the board's #1 priority during this legislative session is making progress on the system's Long-Term Finance Plan developed at the request of the roundtable, including legislative members. I urge you to consider and then take action on our need to make significant progress on this plan. There is no better time than now! You will hear more about the finance plan later on our agenda, but I believe it's important for you to know how deeply the board is committed to its implementation. It will take a lot of teamwork and vision to bring it to reality, but – in the end – all of North Dakota will benefit.

As you may have noticed, I could talk at length about the good things happening in the University System. However, I will turn the microphone back to Chancellor Potts to discuss some additional accomplishments, some of the challenges we face, how we intend to address them and what you can do to help us. Thank you for allowing us this time to address you today.

20 SB2003

NORTH DAKOTA UNIVERSITY SYSTEM

SB 2003 Testimony to House Appropriations, Education and Environmental Division

BRUCE I. CHRISTIANSON, PRESIDENT

State Board of Higher Education

March 2, 2005

Mr. Chairman, members of the committee, I am Bruce I. Christianson, president of the State Board of Higher Education, from Minot, N.D.

Before I begin my testimony, I would like to acknowledge members of the State Board of Higher Education, the campus presidents and other system people who are here today. I also would like to recognize another group of people who are helping the North Dakota University System become *the vital link to a brighter future* for our citizens and our state. They are the House members who serve on the Roundtable on Higher Education, including Rep. Bob Martinson (co-chair), and Reps. Ole Aarsvold, Tom Brusegaard, Bette Grande, Kathy Hawken, Nancy Johnson, Eugene Nicholas, Darrell Nottestad and Steve Zaiser.

As you may know, the Roundtable on Higher Education includes about 60 representatives from the executive and legislative branches, the private sector, the University System and other partners of higher education. In 1999, this group of leaders looked into the future and saw the challenges and opportunities facing North Dakota that they believed required immediate action. They committed to taking bold steps. The roundtable's vision for the University System is, by the year 2010, to have become a major player and primary engine in reversing the economic and demographic trends of the 1990s, to have high-quality, innovative learning opportunities that meet the needs and are accessible to all, and to have proven to be a solid investment and to be seen as such by our fellow citizens.

These leaders believed the North Dakota University System could be an integral part of expanding and diversifying the state's economy and enhancing the quality of life for all of North Dakota. As a result of the work of the roundtable, profound changes have taken and are taking place, many of which reflect the growing relationships between the NDUS and its many public and private partners. We believe we have a stronger, more trusting relationship with you, our state's legislators, and with other key stakeholders of higher education. We hope you feel the same way.

These growing relationships certainly are gaining the attention of other states. When I attend national meetings, I'm frequently asked about the work of the roundtable. I am very proud to report to you that what you have created is nationally recognized as a "top shelf" initiative.

There is a publication in the *Resource Guide* binder that is one of the reference materials placed here in your committee room that sums up these changes quite well. I encourage you to take a closer look at the 2003 document titled "Linking North Dakota and Its University System." This publication is included under the roundtable tab. The document takes a before-and-after snapshot; it makes comparisons about the University System and its relationship with the state since the roundtable began.

For example, before the roundtable came into existence, there were multiple and conflicting expectations by stakeholders of higher education. Through the work of this group, the University System now has a clear set of expectations that have been agreed upon by the key stakeholders, as well as a set of accountability measures to track progress toward those expectations.

Before the roundtable, the University System was viewed as a financial burden to the taxpayers. It now is viewed as an economic engine. Before the roundtable, the public and private sectors worked, at times, in isolation of one another. We now have a substantial increase in private/public partnerships. Before the roundtable, there were separate agendas for each NDUS institution. Now we have a system-wide agenda that is directed at creating a brighter future for the state and its citizens.

One could talk at some length about how the University System has been shaped by the Roundtable on Higher Education. Let me sum it up by saying the roundtable has re-directed and re-energized the system; it has enabled the campuses, the board and the system office to be more nimble, more responsive and more entrepreneurial. Most importantly, it has allowed the system to be drawn by a vision, rather than driven by a budget.

In the 1990s, prior to the roundtable, the environment for higher education in North Dakota was less than favorable. A number of newspaper articles published at that time said the system lacked responsiveness and questioned the legislature's role in system governance. For example, newspaper comments included statements such as, "Basic governance of higher education needs an overhaul." It was also stated, "We have witnessed a breakdown in confidence." In a 1998 article, NDSU President Plough was quoted as saying, "I'm not in the market to move, but the future of higher education in North Dakota is not terribly encouraging right now." This environment was not conducive to entrepreneurial behavior by the campuses, nor did it encourage the University System to take a more active role in enhancing the economy of North Dakota.

Members of the committee, I urge you to contrast those examples with the sampling of 2003 – 04 media coverage included in the University System media scrapbook, which was distributed to you prior to the NDUS Showcase last Thursday. Literally hundreds of recent headlines provide a dramatically contrasting image of the University System and

the State Board of Higher Education. Credit for this remarkable turnaround falls solidly on the shoulders of the Roundtable on Higher Education.

Now five years into the roundtable process, Senator Holmberg, roundtable chair, recently requested a survey of current roundtable members to assess their perspectives on the progress of the group and to determine whether or not they believe the central goal of the roundtable is still relevant. The results of this survey are interesting and very encouraging. Roundtable members said the central goal of the roundtable should continue to serve as the basis for legislative and non-legislative action relating to creating a university system for the 21st century. They also said they believe all of the basic assumptions and potential legislative actions to be of high importance. Feedback from the survey, as well as the June 15, 2004, roundtable meeting, has been important to development of the University System's 2005 legislative agenda.

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changing relationships between public higher education and state funding and cited North Dakota as an example of entrepreneurial behavior. In November 2004, at a meeting of the Western Interstate Commission on Higher Education (WICHE), the roundtable was credited for its role in creating a brighter future for the citizens and state of North Dakota. Two states, North Dakota and Kentucky, were referred to as "getting it right" in regard to linking their higher education agendas with those of the public and private sectors.

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As identified by the Roundtable on Higher Education, another measure of the University System's success is its contribution to the state's demographic growth. We're pleased to report that the most recent FINDET Report – which stands for Follow-up Information on North Dakota Education and Training – shows that about 56.7 percent of all 2002 graduates remained in the state one year after graduation. In addition, nearly 28 percent of all out-of-state students who graduated from one of our colleges or universities remained in the state, thus providing solid evidence of the system's positive impact on state demographics.

In summary, I hope I've clearly demonstrated that the North Dakota University System is essential to enhancing the economy of North Dakota. I'm proud to be associated with the system during this time of great promise, change and potential. We value and appreciate the good working relationship the board and system have with you as legislators.

Before I turn the podium over to Chancellor Potts, I want to emphasize that, in order to better serve students and the state, the board's #1 priority is to make progress on additional parity, equity and capital funding for our campuses. I urge you to support SB 2003, and, additionally, at a minimum, the $4.7 million restoration plan Chancellor Potts will describe in more detail shortly. Finally, on behalf of the State Board of Higher Education, I thank you for your public service in the Legislature and for your support of public higher education in North Dakota.

Thank you for allowing me to discuss the board's perspective on SB 2003. Chancellor Potts now will provide an overview of the importance of making a solid investment in the University System.

North Dakota University System

Testimony to
Senate Appropriations Committee
Chancellor Robert L. Potts

Jan. 17, 2005

Partnerships & Collaboration

Maximizing the Impact of Limited Resources

Partnerships & Collaboration

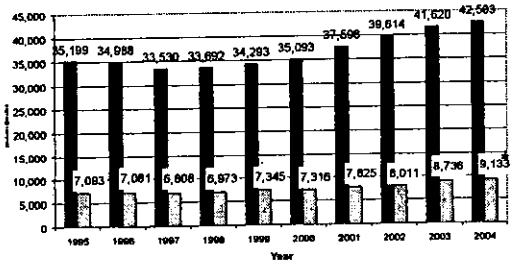
Examples include:

- **Heart of the Valley Consortium**
- **Police Training Academy**
- **A + Schools Program**
- **Alien Technology**
- **Caterpillar/Butler**
- **Energy Providers Coalition for Education**
- **NASA**

Responding to Demographic Challenges



Enrollment Trends

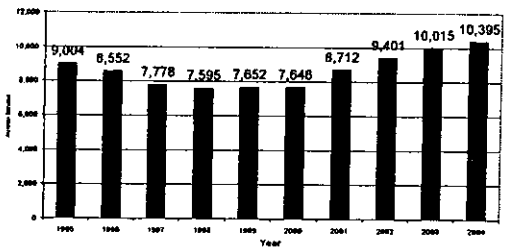


* The new administrative system reports enrollment by admission type of beginning freshmen, dual credit and early entry students. A total of 7,945 beginning freshmen were reported across all 11 campuses. In addition, the seven campuses on ConnectVD reported an additional 1,161 new dual credit students and 27 early entry students.

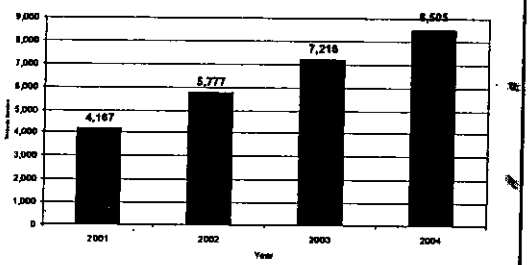
Recruitment of Non-Resident Students

- **Recruit more students from states that have a surplus of students**
  (California and Florida)
- **Establish a first-class system-wide international recruitment initiative**
  (Possibly the first of its kind in the nation)

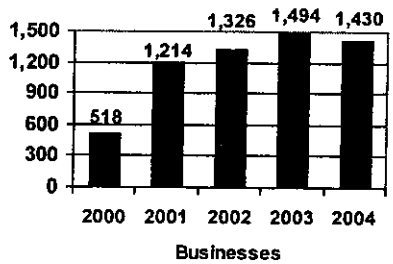
Increased Enrollment of Non-Traditional Students



Expansion of Distance Education



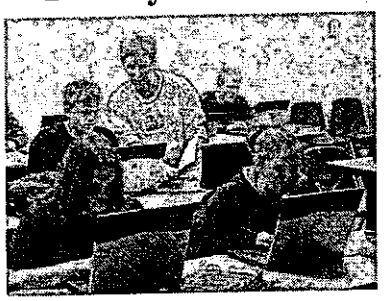
Delivery of Workforce Training



NDUS Students Stay in State

- About 56.7 percent of all 2002 graduates remained in the state one year after graduation.
- About 28 percent of out-of-state graduates remained in the state.
- About 30 to 40 percent of the non-resident graduates from Minnesota, Montana and South Dakota stayed in North Dakota.

Recruiting and Retaining Faculty and Staff



Low Salaries & an Aging Workforce

- Nearly 30 percent of NDUS faculty and staff are over age 56 and will be retiring in the next 5 to 10 years.
- Faculty salaries lag behind regional averages by 22 to 29 percent and staff salaries lag by 4 to 23 percent.
- The Aug. 27, 2004, edition of *The Chronicle of Higher Education* showed North Dakota 50th among the 50 states in average pay of full-time faculty members

State Assistance Needed

- In addition to funds provided by the Legislature and tuition revenues, campuses have reallocated funds to help address salary disparities under the flexibility given to them by the Legislature.
- Additional state general funds must be acquired to address this problem adequately.

Investing in Technology



ConnectND

- First project of this type in the nation
- Tremendous effort by the implementation team
- Support from Emergency Commission appreciated
- Additional support of $617,520 now requested through a deficiency appropriation for unanticipated, but necessary post-implementation support and training

The Competitive Edge

- Continue to invest in technology to remain competitive and to prepare students adequately for the job market
- Continue to look for ways to partner and share resources on technology projects
- Ask your support for technology enhancements in the executive budget

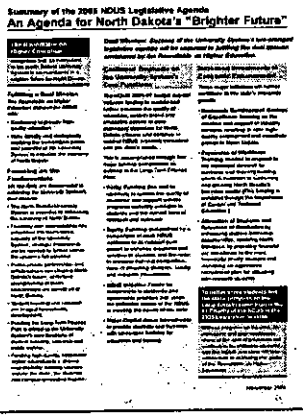
Holding Down Tuition Increases



Tuition: A Shared Concern

- North Dakota tuition and fees are less than their regional and national counterparts, except at the two-year campuses
- A significant state investment will help to minimize the rate of increase in 2005-07.
- Undergraduate students in North Dakota borrowed on average $2,793 in 2003, the lowest average in the nation. – Measuring Up 2004

An Agenda to Create a Brighter Future


Summary of the 2005 NDUS Legislative Agenda
An Agenda for North Dakota's "Brighter Future"

A Legislative Agenda Driven by the Roundtable

An Investment in the NDUS is an Investment in a Brighter Future for North Dakota.

- Continual emphasis on NDUS core functions of educational excellence and research
- Increased investments in economic enhancement
- Progress on Long-Term Finance Plan

Funding to Achieve the Vision

- Need substantial addition to executive budget recommendation
- Would take $15.8 million more than the executive recommendation to address the board's funding priorities, including parity needs and funding to bring all institutions up to at least 55 percent of their peer institution benchmarks
- Please help!

21-SB2003

House Appropriations, Education and Environmental Division

SB 2003 Testimony by: Robert L. Potts, NDUS Chancellor

March 2, 2005

Meeting and Exceeding Expectations

The State Board of Higher Education and the North Dakota University System firmly believe North Dakota's best hope for a brighter future is its university system. As a result, an investment in the NDUS is an investment in the future of our state. The University System impacts our state in two critically important areas.

Academic Excellence

- NDUS students earned 7,617 degrees in AY 2004, thus preparing for successful lives and careers. Recent data shows that about 57 percent of all 2002 graduates remained in the state one year after graduation, evidence that the NDUS positively impacts state demographics.
- Responsiveness to the state's workforce training initiative provides a primary example of how the University System is responding to previously unmet needs. In FY 2004 alone, 1,430 businesses and 7,958 employees benefited from the workforce training system.
- In Fall Semester 2004, the NDUS served 8,505 students who enrolled in courses for credit through non-traditional delivery methods, such as online, Internet learning.
- NDUS students meet or exceed the national average on most nationally recognized exams.

Economic Impact

- In FY 2004, the system's estimated economic impact on the state was $2.2 billion. During the same time period, the state's investment in the University System was about $221 million. For every dollar the state invests in higher education, the NDUS generates nearly three additional dollars annually.
- Involvement in cutting-edge research grew 100 percent between 1999 and 2004; in fact, 2004 research expenditures at NDSU and UND reported to the National Science Foundation totaled nearly $152 million, and multi-year NDUS grants and contracts outstanding greatly exceeded this figure.
- Research activities are resulting in public/private partnerships and collaborations, such as Meridian Environmental Technology at UND, Alien Technology at NDSU and Eagle Creek Software at VCSU.

Investing in North Dakota

An additional investment will address campus needs so that the University System can maintain its aggressive pursuit of academic excellence and economic enhancement. This funding will be used to:

- Improve faculty and staff salaries. Faculty salaries are ranked 50th in the nation, and staff salaries are well below regional averages. This situation portends serious problems as aging faculty and staff retire, and NDUS campuses will compete for replacements in a national market
- Address significant facility repair needs; the system's deferred maintenance backlog is $111 million.
- Make progress on the University System's Long-Term Finance Plan, a "blueprint" for investing in the system (including making progress on equity differences) as envisioned by the Roundtable on Higher Education
- Offer new programs demanded by business and industry
- Provide ever-changing technology to prepare students for the workplace
- Provide start-up money for an aggressive system-wide foreign student recruiting initiative

Seizing Opportunities

Additional funding would help offset cuts of $10.7 million (Attachment A) to the NDUS budget for the 2003 – 05 biennium, the only major state entity to receive a funding cut for the biennium. Additional funding would:

- Strengthen the state's investment in the NDUS and acknowledge that NDUS campuses have produced tremendous economic benefits for the state as envisioned by the Roundtable on Higher Education
- Provide funding consistent with Gov. Hoeven's recommended 21 percent of the state's recurring revenues (based on the roundtable recommendation that the NDUS budget should grow at the same rate as the state's economy) by adding $4.65 million dollars to meet State Board of Higher Education priorities and expectations for parity, equity and board initiatives, as more fully shown on Attachments B and C
- Be used to address deferred maintenance needs if additional funding potentially resulting from an increased March 2005 revenue forecast is allocated to the NDUS on at least the same 21 percent basis
- Help reduce tuition rate increases expected in 2005 – 07
- Demonstrate important progress in addressing equity funding differentials compared to peer benchmarks at BSC, LRSC and NDSU, the three campuses currently furthest behind their peer benchmarks

Listening to the Private Sector

See the statement for Don Morton of Microsoft (Attachment D)

North Dakota University System
Summary of General Fund Decreases
2003-05 Legislative Appropriation

	(1) Campuses, Med School, Forest Service & NDUS Office (HB1003)	(2) UGPTI, NCI, Extension & Research (HB 1021)	(3) Total
2001-03 Original General Fund Appropriation, Including Major Capital Projects	$ 366,953,836	$ 51,742,895	$ 418,696,731
Adjustments to Original Appropriation:			
General fund carryover	3,269,407	180,533	3,449,940
Flood appropriation carryover-NDSU	1,111,760		1,111,760
Apply back emergency clause-NDSCS	(239,730)		(239,730)
2001-03 Adjusted General Fund Appropriation, Including Major Capital Projects and General Fund Carryover	371,095,273	51,923,428	423,018,701
2003-05 Legislative Appropriation	361,541,418	50,766,966	412,308,384
Change From Original General Fund Appropriation:			
Decrease	**$ (5,412,418)**	**$ (975,929)**	**$ (6,388,347)**
Percent Decrease	**-1.47%**	**-1.89%**	**-1.53%**
Change From Adj General Fund Appropriation:			
Decrease	**$ (9,553,855)**	**$ (1,156,462)**	**$ (10,710,317)**
Percent Decrease	**-2.57%**	**-2.23%**	**-2.53%**

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Attachment A

North Dakota University System
Recommended House Appropriation Investment Plan—The NDUS an Investment in the Future of the State of North Dakota
February 24, 2005

Provide funding, at a minimum, of 21% of the state's recurring revenues, as suggested by Gov. Hoeven. This would result in an additional $4.657 million over Engrossed SB2003.	$4,657,000
Core Functions	
Investment needed to address "critical" equity funding needs at BSC, LRSC and NDSU identified through comparison to their peer campus funding benchmark.	$1,500,000
Investment needed to address part of the remaining unfunded state costs of campus on-going operations to address salary and health insurance increases, and operating and utility increases required to reduce overall potential tuition increases.	$2,657,000
Economic Enhancement	
Investment needed to launch system-wide international student program required to maximize campus utilization, enhance diversity, and stimulate economic growth through additional new revenues and population growth.	$500,000
	$4,657,000

In addition, at least a 21% portion of any additional state revenues resulting from the potentially improved March revenue forecast be allocated to the NDUS and used to address deferred maintenance (i.e. extraordinary repairs) needs at campuses.

OTHER NDUS HIGH PRIORITY INVESTMENTS

Core Functions	
UND O'Kelly Hall/Ireland Renovation (Engrossed SB2023-state bonding)	$3,500,000
Economic Enhancement	
Expansion of Workforce Training Delivery System (Engrossed SB2019)	$600,000
Centers of Excellence (Engrossed SB2018)	$50,000,000

Attachment B

NDUS Proposed Restoration Plan

$1.5 Million Equity Distributed to BSC, LRSC and NDSU, Based on Total Needed to Reach Same % of Peer as UND

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	Engrossed SB2003 + Restoration			2005-07 Engrossed SB 2003			Change from Engrossed SB2003		
	Parity Funds 85.8% State Share	Equity	Total	Parity Funds 73.1% State Share	Equity	Total	Parity Adj	Equity Adj	Total Adj
BSC	$ 1,069,080	$ 728,637	$ 1,797,718	$ 910,569	$ 359,125	$ 1,269,694	$ 158,511	$ 369,513	$ 528,024
LRSC	272,721	288,071	560,792	232,285	129,140	361,425	40,436	158,931	199,367
WSC	316,867	52,031	368,898	269,886	52,031	321,917	46,982	-	46,982
UND	5,363,614	1,197,686	6,561,300	4,568,356	1,197,686	5,766,042	795,257	-	795,257
Med School	1,492,948	333,373	1,826,320	1,271,590	333,373	1,604,963	221,358	-	221,358
NDSU	4,510,825	2,302,881	6,813,705	3,842,009	1,331,324	5,173,333	668,815	971,557	1,640,373
NDSCS	1,270,655	57,137	1,327,791	1,082,256	57,137	1,139,393	188,399	-	188,399
DSU	913,644	157,804	1,071,448	778,179	157,804	935,983	135,465	-	135,465
MaSU	480,383	-	480,383	409,157	-	409,157	71,226	-	71,226
MiSU	1,408,276	149,314	1,557,589	1,199,472	149,314	1,348,785	208,804	-	208,804
VCSU	601,832	-	601,832	512,599	-	512,599	89,233	-	89,233
MiSU-BC	219,292	48,851	268,143	186,778	48,851	235,629	32,514	-	32,514
	$ 17,920,136	**$ 8,197,061**	**$ 23,235,920**	**$ 15,263,136**	**$ 3,815,784**	**$ 19,078,920**	**$ 2,657,000**	**$ 1,500,000**	**$ 4,157,000**

Note: Equity adjustments move BSC, LRSC and NDSU to 49.5%, 46.8% and 53.3% of their peers, respectively.

g:\cathy\excelfil\2005-07 House\Restoration Options $1.5M Equity\Parity-Equity Distrib

Attachment C

Attached is written testimony submitted by Don Morton of Microsoft, who is a private sector member of the roundtable. Don offered to appear before your committee, as did Tom Shorma, president of WCCO Belting in Wahpeton, who also is a private sector member of the roundtable.

We informed both Mr. Morton and Mr. Shorma that members of the committee had a solid understanding of what the campuses were accomplishing and that the committee preferred to focus on campus presentations rather than receive testimony from others. Mr. Morton and Mr. Shorma respect the wishes of the committee.

North Dakota University System

Creating a University System for the 21st Century

CONTACT UNIVERSITY SYSTEM OFFICE OR LEGISLATIVE COUNCIL LIBRARY FOR A COPY OF THIS REPORT.

4th Annual Accountability Measures Report

December 2004

NORTH DAKOTA
UNIVERSITY SYSTEM
The Vital Link to a Brighter Future

NORTH DAKOTA
UNIVERSITY SYSTEM

The Vital Link to a Brighter Future

The Roundtable on Higher Education
Impact on NDUS Colleges and Universities

Partnerships and Collaboration: Building a Stronger North Dakota

The North Dakota University System and the State Board of Higher Education continue to strengthen relationships with private and public sector partners to meet the needs and expectations of students and the state and to maximize limited resources. The following list illustrates some of the many partnership success stories.

Connecting with Other Public Entities

ConnectND

ConnectND is a major collaborative effort between the North Dakota University System and state government. This initiative provides state-of-the-art integrated software systems that will enhance services to students, employees, policy makers and North Dakota taxpayers. North Dakota is the only state in the nation to cooperatively implement a comprehensive software system such as this. Through *ConnectND*, higher education will provide enhanced student, finance and human resource management systems.

INBRE Grant

North Dakota will receive $16.3 million over five years during the second phase of a National Institutes of Health (NIH) program aimed at making the state more competitive in attracting federal funds for biomedical research. The IDeA (Institutional Development Awards) Networks for Biomedical Research Excellence - or INBRE - is the result of a joint effort between the University of North Dakota, North Dakota State University, Minot State University, Mayville State University, Dickinson State University, Valley City State University and Turtle Mountain Community College.

The grant's objective is to develop an infrastructure that supports biomedical research and, in turn, creates opportunities for students to pursue careers in biomedical research and assists researchers in becoming more competitive for NIH funding. While the UND School of Medicine and NDSU will administer the grant, one-half of the budget is directed for support of research projects at the five undergraduate institutions. Under a subcontract with INBRE, the North Dakota Association of Tribal Colleges in Bismarck will invest more than $1.2 million in science outreach programs at the five tribal colleges in the state.

Heart of the Valley Consortium

Mayville State University was a key player in establishing the Heart of the Valley Interactive Television (HOV-ITV) network consortium, a K-12 consortium of 19 high schools, one vocational center and MaSU. By utilizing state-of-the-art telecommunications technology and a common schedule, students can enroll in classes offered by other schools. MaSU provides opportunities for secondary students to take dual-credit classes in English and mathematics. The consortium covers an eight-county area of more than 12,000 square miles. During the 2003–04 academic year, 36 courses were delivered to 336 students via the network.

Rural Community College Initiative

Williston State College is partnering with 59 representatives of business and industry, community organizations, economic development and education in the Ford Foundation-sponsored Rural Community College Initiative (RCCI). WSC, along with 15 other rural community colleges in distressed geographic areas of the United States, is now in the action stage of the RCCI "Vision to Action" process. The vision of the Williston team is "building our region one dream at a time," and identified initiatives include entrepreneurship, oil field training, reduced outmigration of youth, quality of life, a rural development center and value-added agriculture.

Clinical Practice/Transition to Teaching Program

The Clinical Practice/Transition to Teaching Program is a partnership between Valley City State University, the North Dakota Department of Career and Technical Education, local school districts, and public and private colleges and universities in North Dakota. The program is designed to retain new teachers in North Dakota by focusing on success in the classroom and working closely with more experienced educators. The program grew from 12 students in the fall of 2003 to 48 students this year.

Police Training Academy

Three police training academies have been conducted in Fargo through a partnership between Lake Region State College and the Fargo Police Department. Since the

partnership was formed in 2002, 66 police officers have graduated from the academy, with about one-third of the graduates working as police officers in the Fargo area. These summer session partnerships address the critical shortage of police officers in the region and state and meet recruiting and training needs in the Fargo area. LRSC's Police Officer Training Program has been offered since August 1987; the curriculum is approved by the North Dakota Peace Officer Standards and Training (POST) Board.

Entrepreneurship Partnership

Dickinson State University has signed a partnership agreement to become a sister institution with the University of Portland (Ore.). The affiliation enables DSU to contract with the award-winning Center for Entrepreneurship and significantly enhance the entrepreneur development curriculum and programming offered by DSU. The University of Portland program has been named a top-tier program for teaching entrepreneurship in each of the last two annual surveys by Entrepreneur magazine. DSU will benefit from full access to the program's curriculum and model.

Clinical Experience

With the start of its practical nurse program this fall, Minot State University-Bottineau has formed valuable partnerships with local health care facilities. Two Bottineau facilities, St. Andrews Health Center and Bottineau Good Samaritan Center, are providing clinical settings where nursing students apply their skills.

Operation Enduring Friendship

The University of North Dakota has partnered with the city of Grand Forks and Grand Forks Air Force Base to create Operation Enduring Friendship, which provides military personnel free admission to athletic and cultural events at the university and in the city. Similarly, the Athletic Department at Minot State University provides free family passes for all men's and women's basketball games to active duty personnel at Minot Air Force Base.

A+ Schools Program

Dickinson State University is partnering with the North Dakota Council on the Arts and Roosevelt Elementary School in Bismarck to participate in the national A+ Schools Program, an approach to teaching and learning grounded in the belief that the arts play a central role in how children learn. Through this program, the arts are woven into every aspect of a child's learning. In addition to this partnership, Dickinson State University also serves as the host to the North Dakota Arts Alliance.

Partnering with the Private Sector

Alien Technology

The strong partnership between Alien Technology Corp. and North Dakota State University goes back to more than four years ago when work began on a U.S. Department of Defense-sponsored program for wireless sensors. The firm's pairing with researchers at the university's Center for Nanoscale Science and Technology proved a great match. Alien now plans to build a research and manufacturing facility at NDSU's Research and Technology Park. The Morgan Hill, Calif., company is a leader in the development of Radio Frequency Identification (RFID) tags, tiny transmitters that can be used to track retail products.

Caterpillar/Butler

North Dakota State College of Science partners with Caterpillar, Peoria, Ill., and its North and South Dakota franchisee Butler Machinery to offer the Caterpillar Dealer Service Technician Program. The NDSCS program is one of nine in the nation. Caterpillar and Butler provide scholarships for students, funding for faculty development and equipment valued at about $1.25 million for use in NDSCS labs. The machinery also is available for use by NDSCS students enrolled in diesel technology. Butler provides on-site student work experiences in their facilities located throughout the Dakotas.

Eide Bailly

A partnership between North Dakota State College of Science and Eide Bailly has created a program to train medical transcriptionists. Within the last year, NDSCS developed a medical transcription curriculum that can be completed entirely through Internet-based coursework. Eide Bailly provides NDSCS its industry-specific, proprietary software and a server to host it. A place-bound student can complete the degree where he or she resides, and the firm can start developing relationships with students who may be future employees. Eide Bailly hopes to hire up to 100 transcriptionists, then up to 300 in a second phase. The company has proposed hiring home transcriptionists as employees with benefits.

Energy Providers Coalition for Education

Bismarck State College provides two energy education online programs through partnerships with energy providers, associations and labor groups.

The Electric Power Technology Program was co-developed in partnership with the Energy Providers Coalition for Education (EPCE), a non-profit organization. This unique collaboration is addressing the industry's looming retirement bubble by training new hires and upgrading incumbent workers. About 40 students will have

graduated from this program by December 2004. Another 100 students from throughout the United States currently are enrolled.

Because of the success of the Electric Power Technology Program, BSC was approached through EPCE by the nuclear industry to provide nuclear power technology training online. Thirty-two students are currently enrolled in the program. EPCE also helped BSC obtain a $750,000 grant from the National Science Foundation to further develop the program.

Alion Science and Technology Corp.

The University of North Dakota School of Engineering and Mines is teaming up with Virginia-based Alion Science and Technology Corp., which specializes in research and development for the U.S. Department of Defense, to develop new surfaces and coatings that will result in longer life for military aircraft and vehicle engine parts.

NASA

The University of North Dakota has deepened its partnership with NASA. Some of the benefits: NASA has awarded control of its premier DC-8 research aircraft to the Upper Midwest Aerospace Consortium (UMAC) at UND. The university will receive about $4 million per year from NASA to house and maintain the laboratory, along with up to $2.5 million per year for individual missions. During one of the next space shuttle launches, UND's AgCam will be placed on the International Space Station, allowing better observation of crops and fields and monitoring of the weather. The School of Engineering and Mines and John D. Odegard School of Aerospace Sciences are partnering with NASA to design the spacesuit of the future, providing educational and research opportunities for students and the possibility of spin-off companies.

Working within the University System

Responding to State Legislative Nursing Mandate

As part of the Dakota Nursing Program, four NDUS colleges - Lake Region State College, Bismarck State College, Minot State University-Bottineau and Williston State College - started an 11-month certificate practical nursing (LPN) program this fall. A two-year associate's degree nursing program resulting in certification as a registered nurse (RN) is planned for launch Fall 2005. The one-year practical nurse and two-year registered nurse programs are the result of a change in education requirements for nurses. The 2003 Legislature enacted legislation allowing a two-year education format for

The Roundtable on Higher Education: Yielding Benefits for the System and the State

The Roundtable on Higher Education provides an adaptable framework that encourages cooperation and collaboration among institutions in using their collective assets to serve the state and people of North Dakota.

The *Roundtable Report* encourages entrepreneurial behavior and risk-taking in an environment based on the premise of "flexibility with accountability." This has resulted in cultural changes within the North Dakota University System and dynamic new relationships with the legislative and executive branches, and the private sector.

Just a few examples of how the roundtable recommendations and the flexibility provided by the North Dakota Legislative Assembly and the State Board of Higher Education is being used by the University System follow:

- Campus leaders have more latitude in making decisions on both revenue and spending as they consider short and long-term goals and address high-priority needs. They now have the flexibility to allocate resources for development of start-up programs or increasing faculty and staff salaries.
- New programs have resulted in increased enrollment of in- and out-of-state students. Many of these programs have been developed in partnership with business and industry to respond to statewide, regional and national needs. Income created by increased enrollment can be used to fund campus needs and priorities, and each dollar of campus income generates a local economic impact of $2.80.
- Funding sources have been expanded through a much more aggressive focus on seeking federal grants and private donations. As a result of the new "flexibility with accountability" relationship between the NDUS and the Legislative Assembly, campuses do not risk losing state appropriations by raising additional revenues.
- Some institutions have used the increased flexibility to provide waivers and/or discounts to students from other states and countries, increasing the number of students from outside of North Dakota and expanding cultural and ethnic diversity on the campuses. According to a recent study, about 28 percent of non-residents students remain in the state one year after graduation.
- Collaboration is much more than a buzzword on University System campuses. Collaboration among campuses, with private and tribal colleges, and with public and private partners is resulting in targeted program development, expanded research and improved services to students and the state.
- Propelled by roundtable recommendations, NDUS institutions are embracing an enhanced role as engines of economic development. In addition to the core function of educating and training a diverse workforce, NDUS colleges and universities are directly creating new jobs and working with other institutions, state and federal agencies, and the private sector to create an environment that will help nurture a new economic future for North Dakota.

becoming a registered nurse. Prior to this legislation, North Dakota was the only state requiring a registered nurse to hold a four-year bachelor's degree in nursing. The colleges' history of close-knit collaboration allowed them to meet the needs of new requirements in a responsive, efficient manner.

The four colleges share nursing instructors by offering classes over the Interactive Video Network (IVN) and share one nursing director for the practical nursing program and one director for the associate degree nursing program. By engaging in this collaboration, each of the colleges is able to reduce its individual program costs, share resources and expertise, use technology to offer nursing education to surrounding communities and offer students seamless transferability in nursing programs within the North Dakota University System.

Responding to Protect the Region's Food Supply in a Post-911 World

The Biosecurity, Disease Surveillance and Food Safety Project is a collaboration of North Dakota State University, Dickinson State University and Research Extension Centers at Dickinson and Hettinger. The aim of the federally-funded project is to be alert for the possibility of contamination to the nation's food supply. In the event of a biological threat to the region's livestock or harvest crops, rapid response field teams relay information to NDSU for diagnostic lab analysis via the Agrosecurity Center at DSU. The center features the latest in Global Positioning Satellite/Geographic Information System (GPS/GIS) equipment and mapping software. The project also partners with state and federal veterinarians and the state Department of Health.

Responding to Federal No Child Left Behind Requirements

The five two-year colleges — Bismarck State College, Lake Region State College, Minot State University-Bottineau, North Dakota State College of Science and Williston State College — are collaborating to provide a Paraeducation Program. The program provides an option for paraprofessionals and teacher's aides to meet federal No Child Left Behind Act personnel requirements and Department of Public Instruction certificate of completion requirements. The degree can be completed via distance learning with the option of taking some courses on campus. Individuals can identify a home campus and then take courses from multiple campuses. The agreement also provides eligibility for financial aid and the generation of a single billing and academic record from the home campus.

Providing Courses, Programs and Degrees Cooperatively

- More than 400 students were enrolled in higher education courses offered by or in conjunction with other University System institutions on the BSC campus in 2003–04. Several cooperative four-year programs are provided at BSC by Dickinson State University and Minot State University, and several master's degree and doctoral programs are offered by the University of North Dakota. In addition, BSC collaborates with MiSU-Bottineau to provide a medical assistant program at BSC and with Williston State College to provide a massage therapy program at BSC.
- Based on need, Minot State University will deliver two full-degree programs - social work and psychology - at BSC beginning in Spring 2005.
- North Dakota State University has a cooperative agreement with the Dickinson State University agriculture department. For example, a DSU student may enroll in NDSU courses to complete a DSU bachelor's degree. Through IVN and the Web, NDSU faculty members teach classes in the areas of cooperatives, agriculture sales, agriculture law and animal science.
- Through cooperation, Valley City State University offers classes in elementary education to students on the NDSU campus. This collaboration offers students convenience and flexibility while designing their degree programs.
- Minot State University-Bottineau's partnership with its parent campus allows the two-year school to provide vocational/technical degrees on the campus of Minot State. MiSU-B currently offers six two-year degrees to the residents of Minot and the surrounding area.
- Mayville State University has launched its business administration program in Devils Lake, in cooperation with Lake Region State College. Through this collaborative effort, a bachelor's degree in business administration can be earned in a non-traditional format. Place-bound students benefit by being able to remain in their current location and maintain current employment.
- The University of North Dakota and Minot State University partner to provide a doctorate in criminal justice. While retaining a traditional core of research and study on national and international issues in the administration of criminal justice systems, this program places special emphasis on the operation and administration of criminal justice agencies and systems in rural and American Indian Tribal jurisdictions. The two universities deliver classes via IVN, and faculty members from both campuses share their expertise.
- North Dakota State College of Science and North Dakota State University together provide a transfer option for agriculture students. Students start at NDSCS with a foundation of physical sciences, engineering technology and machinery systems. The 34 NDSCS credits include 12 in diesel technology. Students then can choose to complete a bachelor's degree in agricultural systems management with 16 credits of specialization from NDSU.

Senate Appropriations Committee Testimony

Don Morton

January, 17, 2005

Same given to the House

Higher Education Round Table

- Chairman Holmberg and committee members – My name is Don Morton and I am here today representing Microsoft and Microsoft's commitment to the higher education Round Table.

- My objective today is to present private sector perspective and feedback on the potential of the University System that has been unleashed by the Round Table.

    - One of my objectives today is to be a part of the process that moves the Round Table from interim committee status to permanent establishment in statute.

- Senator Holmberg in his role as Chairman of the Round Table has done an exceptional job of getting the private sector engaged in the process.
    - Speaking on behalf of my private sector colleagues we appreciate Senator Holmberg meeting our request to review the University System legislative agenda this past summer.

    - Microsoft was pleased to host a meeting on our Fargo campus which was well attended – Senator Holmberg, Representative Martinson, Chancellor Potts, Chairman Bruce Christianson, Eddie Dunn and the Fargo private sector.

    - The discussion was lively, intense, and relevant.

- Speaking at a high level here are some thoughts as to the reasons for the strong commitment to the Round Table from the business community.
    - The empowerment of the individual campus is a big win for the private sector.
        - The reason we have 11 institutions of higher learning is for geographic access
        - Each part of the state faces different issues and the university or community college in each region can be responsive and relevant.
            - Example, NDSU – Software Engineering

        - Microsoft the largest software company in the world comes to Fargo.
    - The 11 CEO's within the university system are allowed to make the big bets for their campus
        - The successful campus leader fully realizes that in making the big bet "we are better together"
            - The campus community, the university system, state/federal government, and the private sector

- The Round Table has been able to develop a comprehensive and long term strategy for higher education with buy in from all the major stakeholders within our state. This strategy has 3 components:

    - **Focus** -Framing a view of the future that looks beyond 5 years. What is the long term direction of the university system
        - Align around a common view of the long term future
        - Without a common view of the long term future the university system becomes reactive

    - **Acceleration** – The time frame compresses to six to twelve months
        - What can be done in the next six to twelve months to move even faster toward the long term direction?
        - Requires strategic direction along with tactical and operational expertise.

    - **Review** – Same six to twelve month timeframe.
        - Higher ed leaders seek to identify major organizational roadblocks.

Equity Issue

- Speaking on behalf of Microsoft our excitement about and commitment to the Round Table is extremely high.

- Speaking on behalf of Microsoft let me share this thought around the equity issue that impacts 3 of our institutions very negatively.
- At Microsoft we have a positive relationship with all 11 campus's and we have team members from all 11. We respect the work of each one.

- At Microsoft the institutions that have the biggest impact on our long term growth and viability in North Dakota are the two research universities.
    - Their programs in Computer Science, Management Information Systems, Business Administration, and Electrical Engineering are mission critical for Microsoft.

    - When one of our research universities is under funded it impacts the Microsoft Fargo campus in a negative way.

    - The equity issue has to be addressed and fixed.

Conclusion:

- Higher education in the U.S. is being asked to play a new game. The new game is all about flexibility, change, accountability and relevance.

    - **"Our options are to learn this new game, the rules, the roles of the participants and how the rewards are distributed, or to continue practicing our present skills and become the best players in a game that is no longer being played"**

- While it is true that every improvement is the result of change, not every change is an improvement.
    - The past has value, and it will continue to have value. At the same time, the past shouldn't have a veto.

    - You need to take the best from the past and best from the future to forge your way into the 21st century.

- The Round Table in partnership with the campus leadership is establishing the framework for success for our state and region.

The Roundtable on Higher Education • October 2003

The Roundtable on Higher Education

Linking North Dakota and Its University System

In 1999, North Dakota leaders looked into the future and saw challenges and opportunities that required immediate action. They committed to taking the bold steps needed to improve the state's economic and demographic picture.

These leaders believed the North Dakota University System to be an integral part of expanding and diversifying the state's economy and enhancing the quality of life for all North Dakotans. As a result, profound changes are taking place, many of which reflect the growing relationships between the NDUS and its many public and private partners.

As members of the Roundtable on Higher Education, these leaders are helping to carve out a brighter future for the state of North Dakota. This publication focuses on the success of this remarkable initiative and the rewards of maintaining its momentum.

The Roundtable on Higher Education: Before and After

640,000 visions of what a university system should be and do for the state	One common vision for the NDUS
Multiple and conflicting expectations by stakeholders of higher education	A clear set of expectations agreed to and expressed through fiscal and performance accountability measures
The NDUS not connected to the state's public agenda	The NDUS closely aligned with the future needs and opportunities of students and the state
A risk-adverse environment	Responsive, entrepreneurial, risk-taking campuses
The NDUS viewed as a financial burden to the state of North Dakota	The NDUS viewed as an economic engine for the state
The NDUS seen as individual campuses providing regional benefits	The NDUS seen as collectively benefiting all of North Dakota
Public and private sectors working, at times, in isolation of one another	An increase in private/public partnerships
Legislative focus on funding	Bold legislative action to provide "flexibility with accountability" for the NDUS
The NDUS driven by a budget	The NDUS drawn by a vision
A tendency to apply the "gotcha" mentality	Relationships built on mutual trust and common purpose
A study of the state's higher education system about every 10 years	An ongoing study of the state's higher education system with the roundtable process keeping it alive
An agenda for each NDUS institution	A system-wide agenda to create a brighter future for the state and its citizens

Public and private sector representatives share their thoughts on the power and potential of the Roundtable on Higher Education.


Larry Isaak


Gov. John Hoeven


Dr. Richard Kunkel

Larry Isaak

Chancellor, North Dakota University System

In 1999, 61 leaders from government, education and the private sector came together to envision what a university system for the 21st century should look like and how it could contribute to growing our state's economy.

Now, four years later, examples of the impact of empowering North Dakota University System campuses are bountiful. Here are just a few:

- Universities are delivering bachelor's degrees in cities where there are community colleges, and community colleges are delivering technical training in cities that are home to our universities.
- Research activities have increased dramatically, as have partnerships between the private sector and the campuses; new technology and research partnerships are nurturing budding entrepreneurs and providing services to international companies.
- Campuses now can retain revenues from attracting additional students, contracts and research to improve responsiveness to students and the private sector.
- The NDUS has implemented an accountability system that supports all six cornerstones of the *Roundtable Report*.
- Campuses are collaborating to provide LPN training via distance delivery to rural areas.
- Online classes provide "one click" access from anywhere in the state – or the world.
- Campuses are placing an increased emphasis on articulation agreements to ease student transition between institutions.
- In partnership with the state, the NDUS is implementing a new administrative system (*ConnectND*), which will result in increased efficiency, service and responsiveness to student and state needs.
- NDUS institutions are reaching out to students in other countries to expand diversity, cultural experiences and international connections to our campuses and state.

Members of the roundtable, the North Dakota University System listened to what you had to say, and we got the message! You laid the groundwork for providing flexibility with accountability, and, as a result, have re-energized the entrepreneurial and risk-taking spirit on our campuses. With your expert guidance and steadfast support, the University System will continue to push the envelope and help create an environment in which the state, the system, our students and all those we serve will be successful.

It has been my pleasure to play a role in this landmark initiative.

John Hoeven

Governor, State of North Dakota
1999–2000 State Government Roundtable Representative

The Roundtable on Higher Education has redefined the role of our universities in the public and economic life of North Dakota, garnering great benefits for our citizens and national honors for our state. By granting our colleges and universities greater flexibility and asking them to be more accountable, we have unleashed the entrepreneurial spirit of North Dakota's best and brightest. We have made edu-cation a genuine force for economic development in the new century.

I was privileged to be among those who served on the inaugural roundtable in 1999, so I know firsthand the excitement of working with a team to forge a clear, unified vision for our campuses. I also know firsthand the satisfaction of seeing that vision realized in some of the practical achievements of our state. Today, as governor, I take great pride in seeing the launch of dynamic new programs and projects that grew out of our work with the roundtable – programs like centers of excellence and projects like Alien Technology's new manufacturing plant at NDSU.

Centers of excellence, to take one example, embody the roundtable's commitment to make education a driving force for our economic development efforts. As hubs of research, scholarship and business on our campuses, they combine education with economic development to create new business opportunities and higher-paying jobs for North Dakota citizens. That is the focus of our administration.

But the work of the roundtable moves on. Our campuses remain rich with potential to help us build our future in North Dakota, and now you have an opportunity to tap those riches. I wish all of you the best as you embark on your roundtable experience, and I also wish you the same successes we've enjoyed beginning with the first roundtable.

Dr. Richard Kunkel

2003–04 President, State Board of Higher Education

As president of the State Board of Higher Education, I am amazed at the synergy created by linking the intellectual capacity of the North Dakota University System with the ingenuity and resources of the private sector.

As a board, we are committed to sustaining the momentum of the Roundtable on Higher Education. Accordingly, we have developed a strategic plan that is connected to and supported by campus alignment plans. This strategic plan is based upon the needs and opportunities of the state and the citizens we serve. The foundation upon which this plan was built is the *Roundtable Report*. That connection is evident in every page of the strategic plan.

Roundtable members have provided the vision and expectations; the board and system have focused on bringing both to reality. As a board, we work hard to operate at the policy level while providing the structure and environment that enable NDUS campuses to be successful and deliver peak performances.

As North Dakota's public and private sector leaders, all of us are being challenged to rethink the way we do business and to look for shared economies. But, by working together, we can explore possibilities only dreamed of when working as separate sectors of society. For this reason, I truly believe the Roundtable on Higher Education can – and will – change the destiny of North Dakota.



Sen. David Nething



Gov. Ray Holmberg



Roger Reierson

David Nething

1999–2002 Chairman, Roundtable on Higher Education

I have been delighted to participate in this journey of discovery called the Roundtable on Higher Education. As roundtable members, we have explored the conditions and trends which will impact our state and concluded the North Dakota University System is our best chance for a brighter tomorrow.

Through this public/private partnership based upon mutual trust and common purpose, I truly believe we can build a North Dakota for the future – a future in which all regions of the state will prosper and grow.

In 2001, the interim Committee on Higher Education had the pleasure of visiting several University System campuses where we witnessed first-hand the remarkable changes taking place as a result of this initiative and the passage of landmark legislation. We saw how granting the University System flexibility with accountability had begun to reap significant benefits for our state. Since then, we have seen multiple examples of what is being accomplished by unleashing the power and potential of the University System.

But the work of the Roundtable on Higher Education has just begun. Roundtable members, it will take the best effort of all of us to sustain this momentum and effectiveness, but the beauty of this relationship is that each of us will benefit from its success. Together, we can continue to build a statewide agenda for economic and demographic growth, and we can continue to serve as a national model of empowerment and success.

Ray Holmberg

2003 Chairman, Roundtable on Higher Education

Four years ago, we embarked on a change in focus and direction for higher education, unparalleled since the 1930s and probably unattainable until present day. That is the legacy of the Roundtable on Higher Education, now into its fifth year of existence.

The overall goal of the roundtable was to create a university system that meets the rapidly changing needs and opportunities of students and the state, is entrepreneurial in its thinking and action, and where responsible risk-taking and failure are expected and accepted.

Collectively, through the roundtable and subsequent legislation in both 2001 and 2003, we decided that higher education needed to take a greater and more visible role in our state's economic future in order to grow and prosper. To accomplish that task, a new relationship between the legislature, the executive branch, the private sector and the University System was established. Under the leadership of Sen. Nething, Gov. Hoeven, the State Board of Higher Education, the private sector and other stakeholders, the roundtable concept is the law of the land.

Now, the challenge is to sustain the vision. But even more to the point, our goal during the upcoming interim is not only to sustain that vision, but to embed the tenets of the roundtable in a new culture. A culture where the basic behavior patterns have been agreed upon and are followed. Where the power and potential of the University System and the needs and opportunities of the state are recognized and accepted as the way to do business.

As members of the 2003-04 roundtable, you are critical to making the roundtable an integral part of the North Dakota culture. Thank you for making a difference.

Roger Reierson

Chairman, New Economy Initiative
Private Sector Roundtable Representative

The new knowledge-based economy presents both a challenge and opportunity for states like North Dakota. If we, as a state, utilize the strength of our top-quality higher education system, we have the ability to excel in the knowledge economy. The work of the roundtable opened the door for that to happen.

Our higher education system addresses two issues: attracting new talent and creating new opportunities. Our colleges and universities are a magnet for talent and a key to future development and prosperity. Successful communities across the nation are placing a high value on their colleges and universities, and those investing in them are reaping great rewards.

Business has a high degree of dependence on higher education, and, as we move forward, we will rely on them even more. Through the work of the roundtable, North Dakota's higher education system has awoken to help meet the challenges facing the state and our business growth. This new direction as set forth can be described in one word: engaged.

The roundtable empowered our colleges and universities to actively contribute to the solutions to our state's challenges. The University System has accepted this direction energetically and has expanded its mission beyond providing high-quality education. The results to date have been exciting.

New partnerships between business and higher education institutions have emerged. The campuses have become proactive in working with business to define new career paths and emerging opportunities. The University System has stepped up to the plate to be a major player in economic development.

But our work is not done. We have only tapped the surface in uncovering the true value of this resource. We need to continue to explore ways in which higher education can engage with the private sector and support the new economy emerging in our state.

Roundtable Members: Building a Solid Foundation for Public and Private Partnerships

Current and former roundtable members were invited to respond to the question, "What are the most important changes that have come about as a result of the Roundtable on Higher Education?" In their own words, members describe the dynamic relationships between the University System and its many public and private partners.

Communication between higher education and the private sector has improved significantly. This has resulted in enhanced economic development opportunities in our state as both entities work together more closely.

Don Hedger, Killdeer Mountain Manufacturing

The Roundtable on Higher Education has brought many changes and important improvements for North Dakota. It has provided direction and a road map for the future and established several targets, goals and cornerstones.

It has brought about a change in attitude, a realization of the dependency between the NDUS and the state and that all parties need to work together to grow together. It brought leaders together from the public, private and higher education sectors who took it upon themselves to rethink higher education and started a change in the way in which the system and state government carry out their responsibilities. The change is constant and must continue.

It has helped develop an understanding that the best method of delivering higher education in North Dakota is as a system, not a collection of 11 campuses. Great strides have been made because of the roundtable in making the system flexible, accountable and responsive.

Flexible, accountable, responsive, empowering – all important changes as a result of the roundtable.

Bruce I. Christianson, SBHE member, 2001–2007



Sen. Tim Flakoll and Fargo Mayor Bruce Furness, 2002 roundtable meeting

I think the most important change that has come from the 2000 Roundtable on Higher education is two-fold.

First, the *Roundtable Report* created a better awareness on the part of the legislature of the goals and needs of the University System. This was an important change.

Second, the flexibility for the universities as is evident in the funding and curricular offerings is an important and substantive change that I believe was the product of the roundtable.

Ryan Bernstein, student SBHE member, 1999–2000

By far the most important accomplishment and change was getting the governor, the legislature and the board of higher education on the same page with a jointly developed shared vision for higher education in North Dakota and a plan to achieve future goals. We did not have this before.

The roundtable also moved the campuses to a more unified system of higher education than previously.

The other important change was the delegation of responsibility to the campus presidents for managing their own institutions including financial allocations. There still needs to be a realistic accountability for meeting board expectations.

Bill Isaacson, SBHE member, 1998–2002

I think the most important changes that have come about as a result of the roundtable involve governance and better understanding of who plays what role.

Prior to the roundtable, there were too many temptations for legislators, board members, campus presidents and others to get involved in each others' jobs. This resulted in duplication of efforts.

The system approach to the universities in North Dakota is supposed to generate unified thinking. The legislators, the board, the presidents and the faculty are supposed to envision a system that best serves North Dakota's students. The roundtable has helped bring all the players to the table to refine what it means to be a system, rather than a collection of colleges and universities. The roundtable can play that role well into the future.

It's often said that the devil is in the details. The roundtable can help provide a forum to examine how the details are being worked out as we continue to build a university system for North Dakota.

In addition, the roundtable has helped clarify that the University System can be an engine for economic development in the state. Those are the benefits I've seen from the roundtable discussions and activities.

Dennis Hill, North Dakota Association of Rural Electric Cooperatives



Roger Reierson presents the Bellwether Award to Sen. Dave Nething, 2002 roundtable meeting



(Left to right) Wayne Kutzer, Department of Career and Technical Education; Curt Wolfe, Information Technology Department; Sen. Ken Solberg, 2002 roundtable meeting



Bill Goetz, Gov. Hoeven's chief of staff, 2002 roundtable meeting



Bev Clayburgh, SBHE member; Phil Leitner, 2001-02 North Dakota Student Association president, 2002 roundtable meeting



Chuck Stroup, 2002–03 SBHE president, 2002 roundtable meeting

I think the most significant change which has come from the Roundtable on Higher Education has been the start of a change of attitude from the legislature. The legislature is starting to recognize the need for flexibility within the higher education system. However, an important component of that change includes accountability. Time will tell whether there is a continuation of trust of the higher education system by the legislature. Any significant accountability issue that should arise in the near future could change the tide back to the "micro-management" environment that existed before the roundtable.

Another key component that must continue is the open and frank communications between the higher education system and legislators. Legislators must feel that they are key stakeholders of the system. Legitimate and measurable accountability measures must be maintained and modified as needed. If these are agreed upon by legislators, the necessary flexibility component will remain in place. The roundtable is an innovative approach, but is only a road map for continued success for the higher education system.

Rod St. Aubyn, former Senate member

The most important changes that have come about as a result of the Roundtable on Higher Education are centers of excellence, entrepreneurship, defined missions, fewer barriers to growth and a cohesive legislative message. It has been an honor and a pleasure to be part of bringing this about under the leadership of John Hoeven.

Jack Dalrymple, Lt.Gov., State of North Dakota

To me, the most important change that has come about due to the Roundtable on Higher Education is the increased authority that the University System has for making decisions and appropriating money. The legislature will always have a key role to play in the spending of taxpayer dollars, but university officials know best what is needed to make our colleges and universities the best they can be.

In addition, the roundtable has opened important doors between the education community and the business community. Ultimately, many of the graduates of the University System will be seeking jobs in the private sector, and the interaction between these two groups will help the University System equip its students for the next chapter in their lives – that of seeking employment upon graduation.

I have appreciated the opportunity to be a part of the roundtable and wish all the participants the best of luck in the future!

Craig Larson, Starion Financial

I believe that giving universities greater flexibility in financial matters and in program development that is regionally accessible was a major step in creating responsive universities. While the dialogue generated by the roundtable forced the state and the legislature to rethink the University System and its operations, I still believe that the state remains ambivalent about how to enact the full array of recommendations offered by the roundtable. To do so, the state will need to become more trusting of system campuses and more committed to generating revenue to meet the expectations the public may have for the University System.

Hardin Aasand, faculty representative to the roundtable, 1999--present

Private sector input is critical to strategically position and strengthen the University System to respond to companies' needs and allows or enhances their ability to be competitive globally. Private sector involvement will help shape the goals, objectives, capacity building, etc. that the University System needs for it to be an engine for growth and to shape the future of North Dakota.

Strategic planning should be system-wide, but campus-based, to implement the vision. Legislative thought and action must allow and enhance the University System to respond.

Jennifer Feist, Valley City - Barnes County Development Corporation

As a direct result of the roundtable sessions, in my opinion, there is a far better realization, understanding and appreciation of what higher education means to North Dakota in relationship to economic development in the state. It was refreshing to meet with representatives of the executive and legislative branches of government, as well as community leaders, together with those in higher education and to see a "coming together" of these groups as we all realized there is one common goal for the future, and, that in order to achieve that goal, we need to work together as partners. There was a strong emphasis on the importance of higher education as the engine of growth for the state, almost to the point where there may have been some who have expected more of higher education than it is possible to deliver. The roundtable, I believe, inspired all and emphasized the importance of good cooperation among all stakeholders.

I am very pleased that we can look forward to another gathering of the roundtable participants, and, with that meeting, a new burst of energy.

Bev Clayburgh, SHBE member, 1996–2007

The Roundtable on Higher Education has brought a fundamental shift in public policy in regard to the influence higher education has on the economic and social vitality of North Dakota. This shift has been felt by SBHE members, college presidents, faculty, staff, students and community leaders alike. Expectations remain high. Achievement will come from bold and patient leadership and innovators and visionaries who truly believe a difference can be made.

Chuck Stroup, SBHE member, 2000–04



(Left to right) Ryn Pitts, private sector representative; Sen. Tony Grindberg; Dale Knutson, University System faculty representative; Jennifer Feist, private sector representative; Heather Lee, 2001–02 student SBHE member, 2002 roundtable meeting



Sen. Rich Wardner, 2002 roundtable meeting

The legislature's awareness of the contributions of the NDUS to the state has increased, as has financial flexibility. The system's contribution to economic development, while a laudable goal, has overshadowed the importance of the traditional purposes served by higher education. Amid these developments, NDUS institutions are dealing with increased expectations and accountability without a corresponding increase in support.

Bethany Andreasen, faculty advisor to the SBHE, 1999–2000

While there are numerous changes that have come about since implementation of the roundtable, one seems to stand out more than the others. The most important change was to open communication lines among business leaders, state agencies and higher education institutions (including administration, faculty and staff). By understanding that communication is the key to a successful environment, I believe the roundtable opened the doors to allow a more innovative strategy to start emerging throughout each sector of business in the state. People started working together instead of against each other. Within higher education, institutions started developing relationships and working together for the students. The roundtable is proving to be a catalyst for innovative solutions to problems that existed for many years, and, as a result, businesses understand more now than ever that educational institutions are a key to their success.

Heather Lee, student SBHE member, 2001–02



Sen. David Nething and Rep. Nancy Johnson, 2001 roundtable meeting



Rep. Janet Wentz, 2002 roundtable meeting



Sen. Elroy Lindaas; Craig Larson, private sector representative; Rep. Pam Gulleson, 2002 roundtable meeting

NDUS Campuses: Where the Rubber Hits the Road

Here's what NDUS campus presidents have to say about the impact of the Roundtable on Higher Education.

The Roundtable on Higher Education has created our roadmap for the future – depicting our direction as a University System. With development and implementation of the six cornerstones, all 11 colleges and universities are now focused and moving in one unified and energetic manner, especially through our annual strategic planning efforts. For example, at North Dakota State College of Science, our success as an institution is now based on our ability to accomplish our goals, which are defined via these six cornerstones. Thus, the roundtable has helped to elevate these great North Dakota higher education institutions to ones that are, in fact, being recognized as the vital link to a brighter future for the state of North Dakota.

Dr. Sharon Y. Hart
North Dakota State College of Science

Universities have become more nimble and far better able to deal with challenges and opportunities. More public, education and civic leaders have come to see an important role for universities in creating a new future for the state both in terms of the traditional role of universities and in our expanded, direct involvement in economic development.

Dr. Charles Kupchella
University of North Dakota

A major benefit of the Roundtable on Higher Education can be seen at the NDSU Research and Technology Park. The roundtable was the basis for the flexibility and empowerment needed to attract Alien Technology and make the park the site of the world's first mass-scale radio frequency identification tag plant. In a single step, North Dakota created more than 300 new high-paying jobs and positioned itself to be an international leader in this emerging technology. This success resulted from the empowerment of NDSU to leverage the state's investment.

Dr. Joseph Chapman
North Dakota State University

The Roundtable on Higher Education changed our focus from a campus that acts in a self-directed, non-aligned manner to a campus that is part of a system working toward a compelling purpose and vision. The roundtable provides a framework that encourages cooperation and collaboration among institutions in order to serve the state's needs, rather than an arrangement whereby a group of independent entities compete against one another.

Dr. Ken Grosz
Campus Dean, MiSU-Bottineau Campus

The Roundtable on Higher Education is providing a shared vision for the University System. This is partly accomplished by all campuses applying the roundtable's cornerstones to our strategic plans.

The legislation that gave us more flexibility at the campus level came out of the roundtable's recommendations. That flexibility has been invaluable in helping the campuses respond quickly to rapidly changing needs of business and industry in North Dakota.

An improved climate for appropriate risk-taking is another benefit. We have to be more entrepreneurial to compete in a global economy. The roundtable realized this and provided the permission to think and act competitively.

Dr. Donna Thigpen
Bismarck State College

As a recent candidate for the presidency at Mayville State University, I found the work of the Roundtable on Higher Education to be extremely valuable. The *Roundtable Report* laid out the vision and expectations of higher education very clearly. The direction set forth with each of the six cornerstones was enormously impressive. The roundtable has provided a well-organized road map for strategic planning that will help our campus move forward with innovative flexibility and thoughtful vision.

Dr. Pamela Balch
Mayville State University

Thanks to the roundtable, many of the key players in all relevant circles and levels of responsibility have similar goals and expectations for higher education. Shared goals are an important foundation for success as institutions and as a state, and shared accountability indicators ensure that everyone is on the right track. Increased financial flexibility has been a vitally important institutional tool for dealing with increasingly scarce resources.

Dr.Ellen Chaffee
Valley City State University

A major benefit of the Roundtable on Higher Education for Williston State College has been flexibility. It enables the college to make curricular changes to meet student needs, expand delivery modes to increase student access and respond to community development needs. The roundtable provides a vision of unification for the University System, encouraging campuses to jointly develop and deliver programs.

Dr. Joseph McCann
Williston State College

The most immediate value of the Roundtable on Higher Education for Lake Region State College has been the flexibility in budget management, which has allowed the college to be more creative in its programming and offerings. It has been extremely helpful to have a one line-item budget and to be able to retain and carry over funds. This has encouraged greater partnership and risk taking in programming, such as the collaborative practical nursing program. Carryover has allowed the creation of a pool of funds to be invested in the development of additional programs as needed. This has allowed the college to increase accessibility in dual-credit and other off-campus delivery.

The greatest impact of the roundtable has been bringing together the colleges, state government, the private sector and the general population in a common higher education agenda.

Dr. Sharon Etemad
Lake Region State College

The NDUS, as well as individual colleges and universities, is more engaged in enhancing economic development as a result of the Roundtable on Higher Education. Human capital and innovation are critical factors in today's economy, and NDUS institutions are clearly doing a better job of developing human capital and participating in innovative program delivery and research.

The single factor with the greatest power to explain differences in per capita income between states is the percentage of college graduates. Since implementation of the roundtable, the number of graduates has increased, as well as enrollment and the quality of programs and services. Partnerships with business, government and the non-profit sector have also increased.

Dr. Lee Vickers
Dickinson State University

Flexibility with accountability has been particularly valuable to Minot State University. Flexibility in the use of tuition dollars has allowed the university to be more responsive to new initiatives and more entrepreneurial in the development of centers of excellence. The accountability measures have focused assessment efforts on key indicators of high-quality programs and provide critical information for the long-term growth and development of the university.

The goals of the roundtable have provided a vehicle for the development of partnerships with business and industry. These partnerships benefit students in internships, field experiences and, ultimately, employment. They directly benefit faculty in conducting research.

Dr. Erik Shaar
Minot State University

The Eyes of the Nation Are Upon Us...



Dennis Jones, President,
National Center for Higher Education Management Systems (NCHEMS), Boulder, Colo.

The formulation of state-level public policy toward higher education is changing in critically important ways. While there are many dimensions to the evolving set of relationships between state government and colleges and universities, the key elements are:

- A greater emphasis on the role of institutions in helping to address the priority needs of the state and its citizens and less attention to the creation of a system of higher education as an end unto itself.
- More emphasis on accomplishment and performance accompanied by more autonomy being granted to institutions regarding how these agreed-upon ends are to be accomplished.

In this arena, North Dakota is recognized as one of only two or three states that are "getting it right" – that have adopted an integrated set of policies directed at achieving a clearly delineated set of state goals. Specifically, North Dakota has:

- Developed goals that focus on improving the economy and quality of life for North Dakota – the cornerstones in the *Roundtable Report*.
- Formalized a new relationship between government and higher education – autonomy with accountability.
- Made explicit, in statute, those things for which the system of higher education will be held accountable.
- Devised and agreed upon a long-term financing plan tied to this new vision.
- Put in place a mechanism to review and discuss, on a yearly basis, the goals and the progress being made – the annual roundtable meetings.

North Dakota is to be commended for the leadership it has exhibited in this important area of policymaking. The challenge now is to stay the course and avoid sliding backwards into old ways of doing business. Those old ways may be more comfortable, but they will serve the citizens of North Dakota less well.

Congratulations on a job well done – and thank you for providing a model of good practice which I can point out to other states.

2002 Bellwether Award

Roundtable on Higher Education

"Clearly, North Dakota's leadership and partnership in bringing together representatives from the private sector, from the legislature, from public schools, from the community – everyone pulling together to meet the common goal and vision of how to transform education and improve the quality of life for the state of North Dakota and citizens – is truly worthy of replication."

Dale F. Campbell, founder of the Community College Futures Assembly, Bellwether Award presentation, a meeting of the Roundtable on Higher Education, June 2002

2002 Council of State Governments Innovations Award

Roundtable on Higher Education

"At a time when states and territories are facing extremely difficult fiscal constraints, innovative ways to perform state-government functions are even more critical... In a real sense, everyone wins when states vigorously pursue better, more cost-effective ways to provide services to citizens."

Dan Sprague, executive director of the Council of State Governments, *State Government News*, November/December 2002, announcement of 2002 Innovations Awards winners

The Goal of the Roundtable

To enhance the economic vitality of North Dakota and the quality of life of its citizens through a high quality, more responsive, equitable, flexible, accessible, entrepreneurial, and accountable University System.

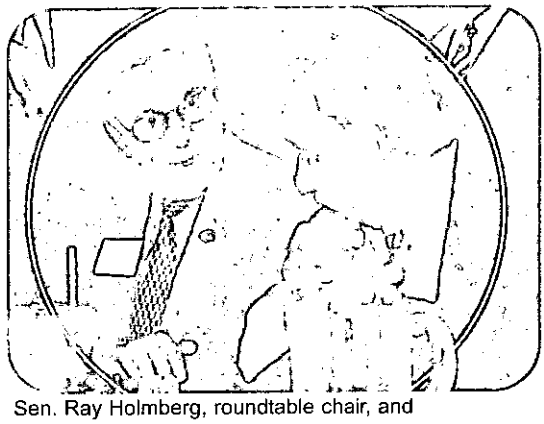
The Roundtable on Higher Education
Linking North Dakota and Its University System

June 2004 Meeting Highlights

Taking The Roundtable to the Next Level

Citing the need to reach consensus about how to take the Roundtable on Higher Education to the next level, Sen. Ray Holmberg, roundtable chairman, said the roundtable has reinvigorated North Dakota University System campuses and said roundtable members should challenge themselves to keep the agenda moving forward.

Holmberg's comments were part of the June 15, 2004, Roundtable on Higher Education meeting kick-off.



Sen. Ray Holmberg, roundtable chair, and Rep. Bob Martinson, co-chair

"We've found new excitement and resolve to move forward on the campuses," he said in describing Interim Higher Education Committee visits to the state's colleges and universities. "Each of the campuses have their own challenges, but each of them is working hard to face those challenges and move forward."

Rather than focusing on past accomplishments, Holmberg emphasized the importance of moving the roundtable forward and maintaining its leadership role.

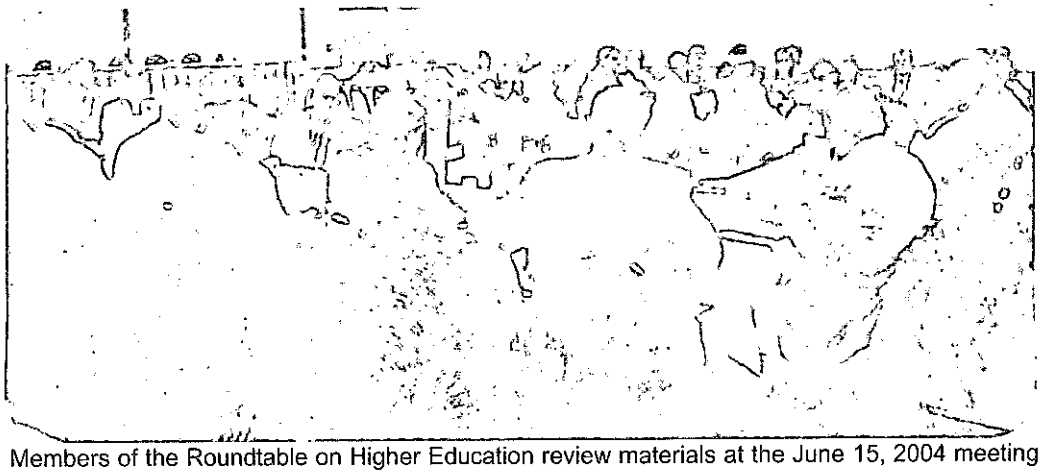
"As a group, I believe we want to be challenged, particularly by the private sector," he said. "We want you to ask questions, challenge, probe and help determine the next steps.

The main takeaway from today's session may be potential action by the legislature, executive branch, higher education and the private sector that could push North Dakota further out front in demonstrating the powerful potential of the public/private higher education partnership," he said.

Holmberg's introductory comments were followed by a panel of private sector representatives, a panel of NDUS presidents and comments by Dennis Jones, president of the National Center for Higher Education Management Systems.

Roundtable members then broke into six small groups to make recommendations based on the day's discussions. In summing up the group reports, Holmberg commented on the commonality and consensus of the feedback and told roundtable members their input would help drive the interim committee's 2005 legislative agenda.

A summary of these recommendations is provided on Pages 3-4.

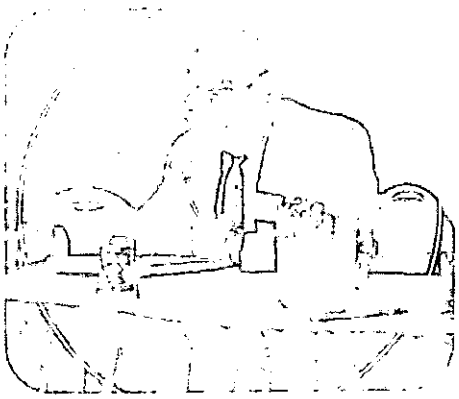


Members of the Roundtable on Higher Education review materials at the June 15, 2004 meeting.

An Agenda for the Future of the State

The Roundtable on Higher Education is a public agenda, not focused solely on the future of higher education, but, more accurately, focused broadly on the future of North Dakota, according to Dennis Jones, president of the National Center for Higher Education Management Systems.

In comments at the June 15, 2004, meeting of the Roundtable on Higher Education, Jones said five years ago North Dakota was the leading state in the nation in terms of linking the power and potential of its higher education system to the state's economic and demographic growth. Now, Jones said, nine other states have the same mindset. He urged roundtable members to look worldwide for examples of success and told the group, "It's time to ramp it up."



Dennis Jones, president of NCHEMS

In terms of actions needed to do so, Jones said it is important that all University system employees understand the roundtable and that it is woven into campus culture. He encouraged roundtable members to more fully explore the six cornerstones of the Roundtable Report and how to define their success.

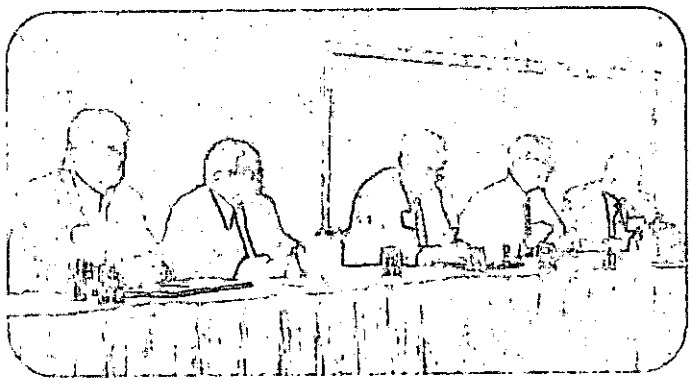
Jones emphasized the importance of aligning the state's fiscal policy with investment in the state's public agenda. A key indicator of whether or not the state is ready to "walk the talk" will be if the Long-Term Finance Plan garners legislative support during the 2005 legislative session, he said.

Jones said it is time to reevaluate the University System's accountability measures provided as part of the "flexibility with accountability" legislation. These measures should be used as a feedback loop to gauge how successfully the system is doing business, he said. He also underscored the importance of the NDUS functioning as a true system. While flexibility has made NDUS institutions more competitive, there also is a need to be more collaborative, Jones said.

In spite of these challenges, Jones said he is optimistic about the potential of linking the University System to the state's public agenda.

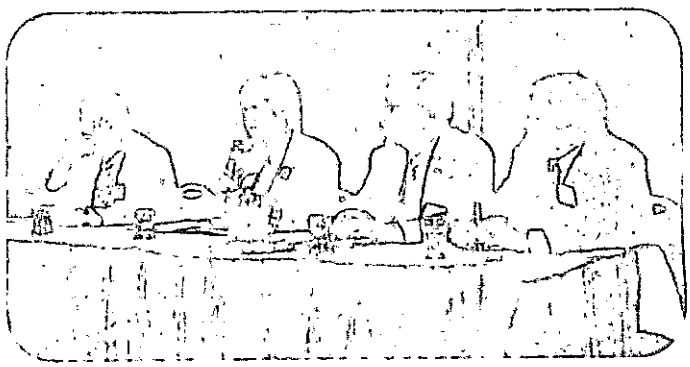
"North Dakota has the best chance of pulling this off," he said. "You have all the pieces in place. You just need to keep it moving."

Listening to Private Sector and University System Voices



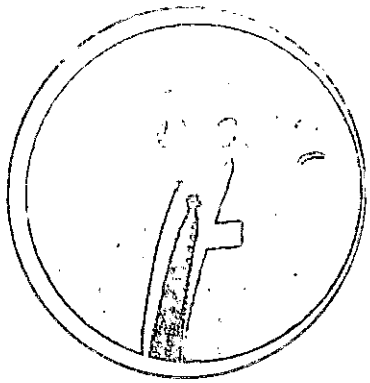
Private sector input is integral to the development of new relationships based on mutual trust and the common purpose of creating a brighter future for the citizens and state of North Dakota. June 15, 2004, private sector discussion group members encouraged broader geographic recruitment of students, an academic focus on "soft skills," such as time management and problem solving; more emphasis on career track selection, increased efforts to draw native North Dakotans back to the state, concentration on assisting existing businesses and increased private sector access to the statewide information technology network. Panel members included at left: Tom Shorma, private sector representative; Don Hedger, private sector representative; Don Morton, private sector representative; Randy Eisenhardt, Alien Technology; and Roger Reierson, private sector member and discussion facilitator.

The impact and benefits of the Roundtable on Higher Education have changed the way North Dakota University System colleges and universities do business. Members of the NDUS discussion group said the roundtable has resulted in increased enrollment, economic growth, shared goals and objectives, and a common vision for the University System. The flexibility provided by the Legislative Assembly has allowed the 11 institutions to be more responsive. The roundtable has resulted in a higher level of trust among all stakeholders, and the state now has a better understanding of higher education. NDUS panel members included at right: Dr. Erik Shaar, Dr. Donna Thigpen, Dr. Joseph Chapman and Roger Reierson, private sector member and discussion facilitator.



Group 4

- Continue to provide for investments in higher education
- Continue to emphasize the building of trusting relationships
- Review other states' processes for completing legislative requests for information
- Integrate the vision of the roundtable into all levels of the North Dakota University System and the general public
- Review the higher education accountability measures and make changes as necessary



Sen. Tony Grindberg

integrated into all levels of the University System, the public and the state of North Dakota?

Group 5

- Provide assistance to the private sector related to access to broadband telecommunications services
- Provide higher education funding equal to 21 percent of the total state budget utilizing the long-term finance plan adopted by the State Board of Higher Education
- Develop a structured and uniform student internship program through a task force consisting of higher education and private sector members

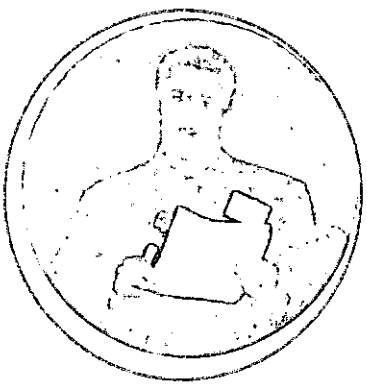


Rep. Bette Grande

Communication is a two-way process between higher education and the private sector.

Group 6

- Continue the roundtable concept by convening a roundtable meeting before the 2005 legislative session
- Continue the budgetary flexibility granted to the higher education institutions by the Legislative Assembly
- Review the higher education accountability measures and make changes as needed
- Provide funding to the State Board of Higher Education to encourage and reward collaboration between higher education institutions
- Conduct a study of the remedial needs of higher education students
- Allow new or expanding businesses in small communities to access the statewide information technology network for a limited period of time and allow other businesses in small communities to access the network to receive workforce training
- Develop academic programs that respond quickly to the state's needs
- Identify "soft skills" needed by the private sector and incorporate the teaching of those skills into the curriculum for academic programs
- Communicate the results of a survey about job skills needed by employees being conducted by Job Service North Dakota
- Provide higher education funding equal to 21 percent of the total state budget

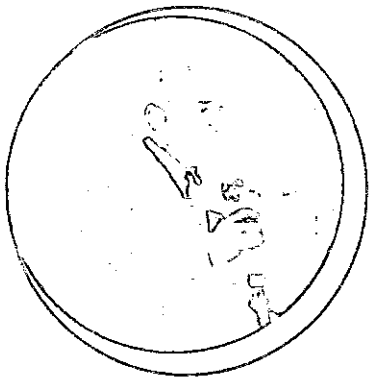


Nicholas Hacker
student representative

We encourage the State Board of Higher Education to advance the Long-Term Finance Plan encouraging a increase in funding for higher education.

The Discussion Group Recommendations

[redacted] to [redacted] the [redacted] area of accountability measures with the idea that less is more.

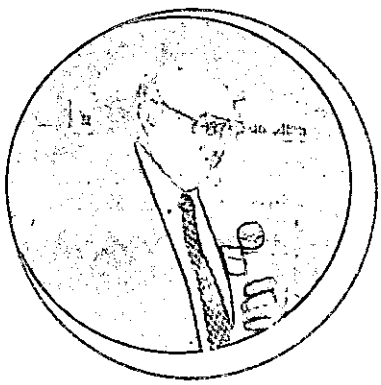


Dennis Hill
private sector representative

Group 1

- Conduct an evaluation of the higher education accountability measures to determine usefulness of the measures in developing public policy and making campus-level management decisions
- Continue the roundtable concept by having two meetings per year with a half-day orientation session for new members
- Identify "soft skills" needed by the private sector and incorporate the teaching of those skills into the curriculum for academic programs
- Increase faculty representation on the roundtable by including, at a minimum, the president of the North Dakota University System Council of College Faculties

Our goal is to make internships a "win [redacted] situation – [redacted]n for the student and a win for the employer.



Sen. Dave Nething

Group 2

- Identify "soft skills" needed by the private sector, incorporate the teaching of those skills into the curriculum for academic programs and inform students of the skills they should possess
- Develop a uniform student internship program that benefits both students and the private sector
- Review the higher education accountability measures and make changes as needed
- Review the provision of distance education programs by higher education institutions, including the partnership sharing of revenue generated by distance education programs
- Explain the goals, objectives, benefits and impacts of the roundtable to potential beneficiaries

The State Board of Higher Education should identify what "soft skills" are and help bring those soft skills to the [redacted] education.



Jim Roers
private sector representative

Group 3

- Provide funding to the State Board of Higher Education to encourage and reward collaboration between higher education institutions
- Provide incentives to students and faculty related to student internships
- Continue to promote higher education centers of excellence
- Allow Work Force 2000 funding to be utilized by employers for providing "soft skills" training to employees
- Market the benefits of the roundtable to the general public
- Interface with the federal government wherever possible
- Identify "soft skills" needed by the private sector and incorporate the teaching of those skills into the curriculum for academic programs

Survey Results
Roundtable on Higher Education Recommendations and Potential Legislative Agenda for the North Dakota University System

Prepared by the
North Dakota University System
at the Request of
Senator Holmberg, Chair
Roundtable on Higher Education

December 2004

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Executive Summary

Fifteen recommendations were developed by the Roundtable on Higher Education during the group's annual meeting June 15, 2004. Following the meeting, a survey was sent to the roundtable members to determine the extent of agreement with each of the recommendations. Survey results showed a high level of agreement among roundtable members on all 15 recommendations.

The State Board of Higher Education (SBHE) developed a draft legislative agenda based on the May 25, 2000, Report of the Roundtable, the SBHE strategic plan and the major recommendations from the June 15, 2004, roundtable meeting. The draft agenda was distributed to roundtable members to obtain their input on the level of importance concerning the assumptions and potential components.

Roundtable members agreed that all of the basic assumptions and potential legislative action items were of high importance. Specifically, all 13 basic assumptions and/or potential components of the draft legislative agenda rated above four on a five-point scale. Assumptions and components that scored the highest overall, based on the average of all stakeholder groups, include:

- The central goal of the roundtable is still relevant and should continue to serve as the basis for legislative and non-legislative action relating to creating a university system in North Dakota for the 21st century;
- Continue the concept of flexibility with accountability in budgeting and in reporting requirements to further unleash the potential of the University System;
- Review the higher education accountability measures and change as needed;
- Provide funding for the creation of economic development centers of excellence which are focused on expanding the state's economy and creating employment in high-priority industry growth clusters;
- Provide funding to the University System consistent with the Long-Term Finance Plan, which was developed as a legislative request and in cooperation with the roundtable.

Some variation in the ratings are evident among the stakeholder groups. However, all stakeholder groups assigned a relatively high level of importance to all 13 basic assumptions and potential legislative action items.

Two meetings of the private sector roundtable members were held to review potential legislation related to the recommendations from the June 15 roundtable meeting. Views expressed at these meetings were consistent with the survey responses.

The State Board of Higher Education used both the survey results and feedback from the private sector meetings to revise and finalize the 2005 legislative agenda for the North Dakota University System. A copy of the legislative agenda is included on Page 10 of this report.

Survey Results
Roundtable on Higher Education
Recommendations and Potential Legislative Agenda for the North Dakota University System

December 2004

I. Roundtable Meeting:

The Roundtable on Higher Education used several sources at its June 15, 2004, meeting to examine the progress and impact of their work on higher education and on North Dakota. The sources used included: a panel comprised of private sector members of the roundtable; a panel involving the presidents of the colleges and universities on the roundtable; a competitive analysis of North Dakota in relation to other states provided by consultant Dennis Jones, president, North Central Higher Education Management Systems, and; discussion sessions involving six breakout groups.

Fifteen recommendations were developed by the six breakout groups for consideration by the full roundtable. A survey was sent to the roundtable members on October 6, 2004, to determine the extent of agreement with each of the 15 recommendations. Survey results showed a high level of agreement among the roundtable members on the 15 recommendations developed. Specifically, all 15 recommendations scored well above the midpoint of 2.5 on a 5-point scale (see Appendix for survey results).

The State Board of Higher Education (SBHE) developed a draft legislative agenda based on the May 25, 2000, Report of the Roundtable, the SBHE strategic plan and the major recommendations from the June 15, 2004, roundtable meeting. The draft agenda was distributed to the roundtable members to obtain their input on the level of importance concerning the assumptions and potential components.

II. Private Sector Meetings:

At the June 15, 2004, roundtable meeting, the private sector members of the roundtable expressed an interest in meeting again prior to the 2005 Legislative Session to review potential legislation relating to the recommendations in the Report of the Roundtable and the recommendations from the June 15 meeting. Senator Raymond Holmberg, chair of the Roundtable on Higher Education and chair of the Interim Committee on Higher Education, arranged for two meetings involving the private sector members. One meeting was held in Bismarck on October 19, 2004, for those located in the western part of North Dakota. A second meeting was held in Fargo on October 20, 2004, for those in the eastern part of the state. The dinner meetings were hosted by Microsoft Business Solutions and the Greater North Dakota Chamber of Commerce (GNDCC).

The primary purpose of the meetings was "to give the private sector members an opportunity to review and discuss the major legislation being considered for the 2005 Legislative Session which relates to the overall goal and expectations of the roundtable." Eleven of the 14 private sector members attended the meetings along with Senator Holmberg, Interim Committee Vice Chairman Bob Martinson, SBHE President Bruce Christianson, NDUS Chancellor Robert Potts, NDUS Vice Chancellor Eddie Dunn, GNDCC President Dave MacIver, GNDCC Vice President of Governmental Affairs

David Straley and North Dakota Legislative Council Budget Analyst and Auditor Jim Smith.

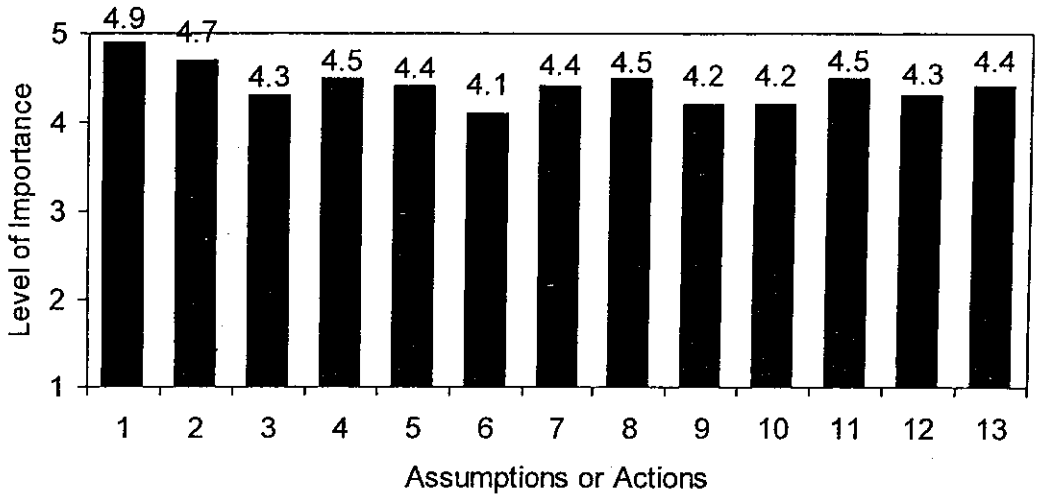
The private sector members reviewed the survey results and discussed the potential legislative agenda developed by the Interim Committee on Higher Education and by the SBHE. The views expressed at the meetings were consistent with the responses provided earlier by private sector members on the survey described below and in the Appendix. The one major exception relates to the definition and criteria for economic development centers of excellence. There is strong support for the concept of economic development centers of excellence. However, the private sector members hold the view that the term "excellence" should be reserved for centers that have distinguished themselves nationally and/or globally. It was suggested there be two categories of centers, particularly for funding purposes: one with standards and expectations for centers which are appropriate to the research institutions in North Dakota and the second appropriate to the creation of centers which may not be recognized nationally or internationally but which are critical to addressing the economic enhancement needs and opportunities of the respective regions of the state where the institutions are located.

III. Draft Legislative Agenda:

As indicated in the following graph, the roundtable members consider all of the basic assumptions and potential legislative action items to be of high importance. Specifically, all 13 basic assumptions and/or potential components of the draft legislative agenda scored above four on a five-point scale regarding level of importance. The assumptions and components that scored the highest overall, based on the average of all stakeholder groups, include:

- **Item #1:** The central goal of the roundtable is still relevant and should continue to serve as the basis for legislative and non-legislative action relating to creating a university system in North Dakota for the 21st century. This item scored 4.9 out of a possible 5, which is equivalent to 98 percent;
- **Item #2:** Continue the concept of flexibility with accountability in budgeting and in reporting requirements to further unleash the potential of the University System (score of 4.7 out of a possible 5, which is equivalent to 94 percent);
- **Item #4:** Review the higher education accountability measures and change as needed (score of 4.5 out of a possible 5, which is equivalent to 90 percent);
- **Item #8:** Provide funding for the creation of economic development centers of excellence which are focused on expanding the state's economy and creating employment in high-priority industry growth clusters (score of 4.5 out of a possible 5, or 90 percent);
- **Item #11:** Provide funding to the University System consistent with the Long-Term Finance Plan, which was developed as a legislative request and in cooperation with the roundtable (score of 4.5 out of a possible 5, or 90 percent).

Basic Assumptions and Potential Legislative Actions
Average of All Stakeholder Categories



1. The central goal of the roundtable is still relevant and should continue to serve as the basis for legislative & non-legislative action relating to creating a University System in ND for the 21st Century.
2. Continue the concept of "flexibility with accountability" in budgeting and in reporting requirements to further unleash the potential of the University System.
3. Use the two-pronged approach to funding the NDUS.
4. Review the higher education accountability measures and change as needed.
5. Continue to use the agreed-upon accountability measures in place of different or additional accountability measures for the University System.
6. Review and possibly revise the process regarding legislative requests for information.
7. Develop a statewide and uniform student internship program that benefits both students and employers and provides incentives for students and faculty.
8. Provide funding for the creation of economic development centers of excellence that are focused on expanding the state's economy and creating employment in high-priority industry growth clusters.
9. Increase emphasis on identifying and responding to education and training needs, including those in the soft-skills area, for business and industry.
10. Invest and engage in more aggressive recruitment of out-of-state and international students.
11. Provide funding to the University System consistent with the Long-Term Finance Plan that was developed as a legislative request and in cooperation with the roundtable.
12. Provide funding to the State Board of Higher Education to support and reward collaboration among higher education institutions.
13. Expand the workforce training system to allow the system to meet the increasing demands for training by business and industry.

Key - Level of importance: 5 = high, 4 = medium high, 3 = medium, 2 = low, 1 = very low

IV. Level of Importance by Roundtable Category:

Overall: The basic assumptions and potential action items which rated the highest overall (the five listed on page 2) tend to be those where there also is a relatively high level of agreement among the stakeholder groups represented on the Roundtable on Higher Education; i.e., among legislators, private sector members, the State Board of Higher Education, campus presidents and those in the "all others" category. Conversely, the basic assumptions and potential action items that scored lower overall tend to be those where there also is a wider range in agreement among the stakeholder groups. The graphs starting on page 6 illustrate the ranges in agreement among the various stakeholder groups concerning each of the basic assumptions and potential legislative action items.

Legislators: The assumptions/legislative action items which legislators rated the highest regarding level of importance include:

- **Item #1** – The central goal of the roundtable is still relevant and should continue to serve as the basis for legislative and non-legislative action (4.5 out of 5)
- **Item #13** – Expand the workforce training system to allow the system to meet the increasing demands for training (4.5 out of 5)
- **Item #5** – Continue to use the agreed-upon accountability measures in place of different or additional accountability measures (4.3 out of 5)
- **Item #7** – Develop a statewide and uniform student internship program (4.3 out of 5)

Private Sector: The assumptions/legislative action items the private sector members rated the highest regarding level of importance include:

- **Item #1** – The central goal of the roundtable is still relevant and should continue to serve as the basis for legislative and non-legislative action (4.9 out of 5)
- **Item #2** – Continue the concept of flexibility with accountability in budgeting and in reporting requirements (4.9 out of 5)
- **Item #4** – Review the higher education accountability measures and change as needed (4.7 out of 5)
- **Item #3** – Use the two-pronged approach to funding the NDUS with one prong focused on the core functions and the second on enhancing the economy of North Dakota (4.6 out of 5)
- **Item #8** – Provide funding for the creation of economic development centers of excellence (4.6 out of 5)

SBHE: The SBHE assigned the highest ratings to:

- **Item #12** – Provide funding to the SBHE to support and reward collaboration among higher education institutions (5 out of 5)
- **Item #1** - The central goal of the roundtable is still relevant and should continue to serve as the basis for legislative and non-legislative action (4.9 out of 5)
- **Item #2** – Continue the concept of flexibility with accountability in budgeting and in reporting requirements (4.9 out of 5)

Presidents: Campus presidents considered the following assumptions/legislative action items to be the most important:

- **Item #1** – The central goal of the roundtable is still relevant and should continue to serve as the basis for legislative and non-legislative action (5 out of 5)
- **Item #2** – Continue the concept of flexibility with accountability in budgeting and in reporting requirements (5 out of 5)
- **Item #6** – Review and possibly revise the process regarding legislative requests for information (5 out of 5)
- **Item #11** – Provide funding to the University System consistent with the Long-Term Finance Plan (to bring funding of all NDUS campuses to within 85 percent of their peer institutions in other states within six years and to within 95 percent in 12 years) (5 out of 5)

All Others: Roundtable members in the "all others" category rated the following assumptions/legislative action items the highest:

- **Item #1** – The central goal of the roundtable is still relevant and should continue to serve as the basis for legislative and non-legislative action (4.9 out of 5)
- **Item #2** – Continue the concept of flexibility with accountability in budgeting and in reporting requirements (4.7 out of 5)
- **Item #4** – Review the higher education accountability measures and change as needed (4.5 out of 5)
- **Item #7** – Develop a statewide and uniform student internship program (4.5 out of 5)
- **Item #8** – Provide funding for the creation of economic development centers of excellence (4.5 out of 5)
- **Item #10** – Invest and engage in more aggressive recruitment of out-of-state and international students (4.5 out of 5)
- **Item 11** – Provide funding to the University System consistent with the Long-Term Finance Plan (to bring funding of all NDUS campuses to within 85 percent of their peer institutions in other states within six years and to within 95 percent in 12 years) (4.5 out of 5)

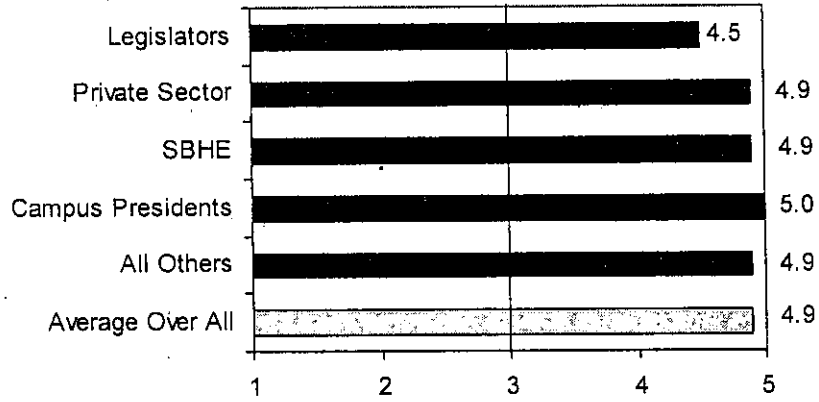
V. 2005 NDUS Legislative Agenda:

The State Board of Higher Education used the survey results to revise and finalize the 2005 legislative agenda for the North Dakota University System. See copy on Page 10.

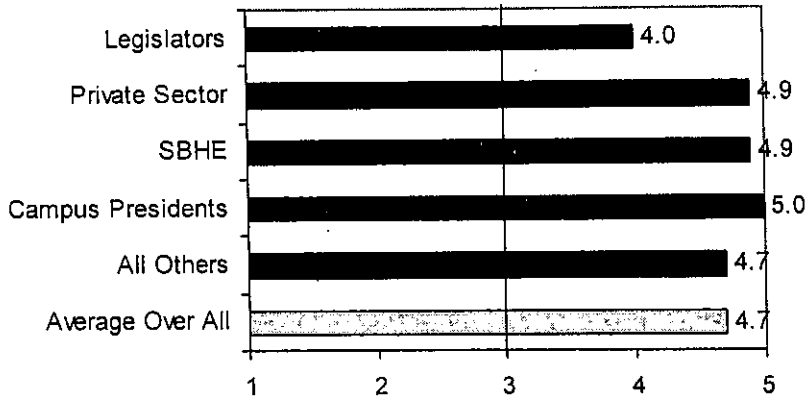
Basic Assumptions and Potential Legislative Actions

Results of Survey of Roundtable Members October 6, 2004

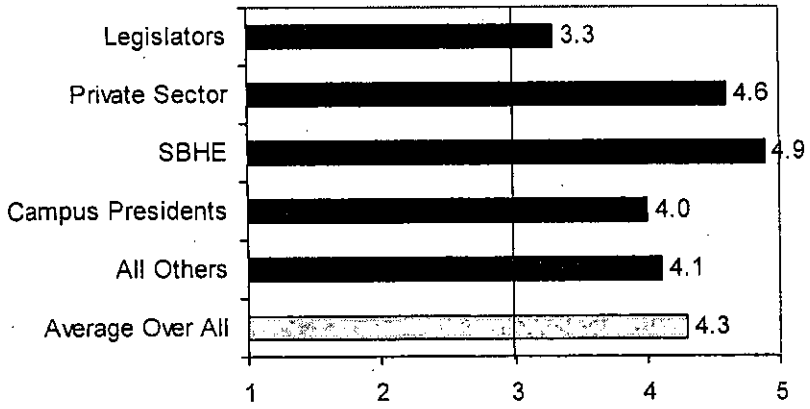
1. The central goal of the Roundtable is still relevant and should continue to serve as the basis for legis. and non-legis. action relating to creating a University System in ND for the 21st Century.



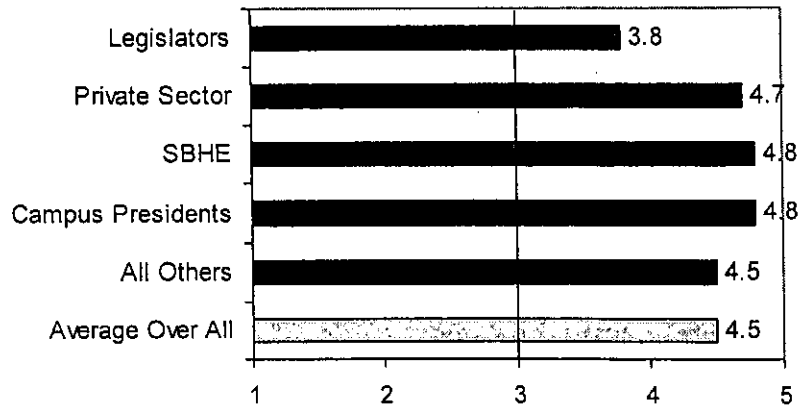
2. Continue the concept of "flexibility with accountability" in budgeting and in reporting requirements to further unleash the potential of the University System.



3. Use the two-pronged approach to funding the NDUS

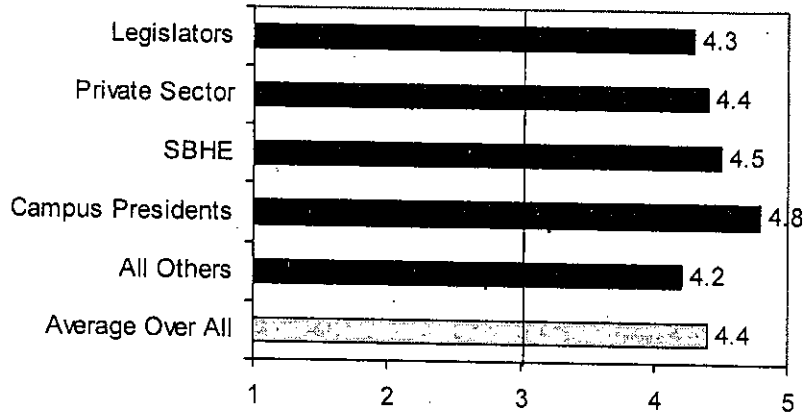


4: Review the higher ed. accountability measures & change as needed

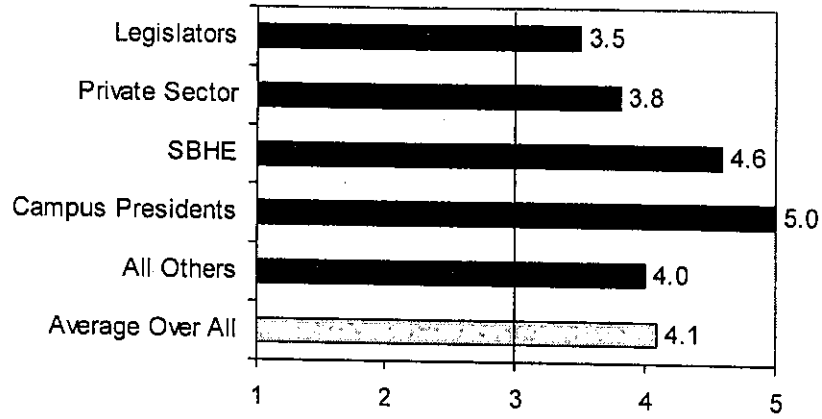


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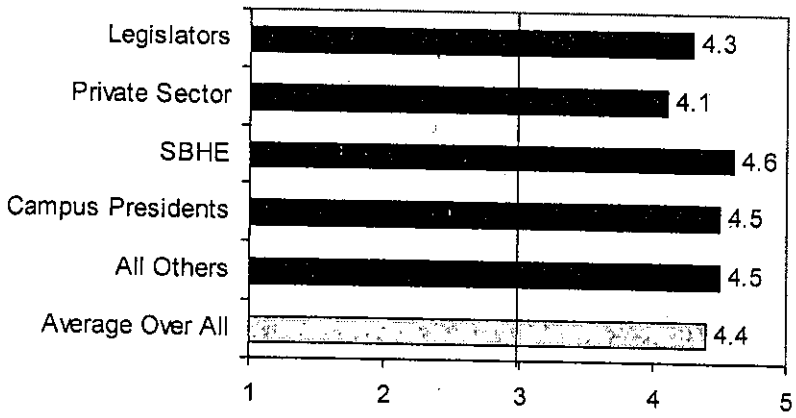
5. Continue to use the agreed-upon accountability measures in place of different or additional accountability measures for the University System.



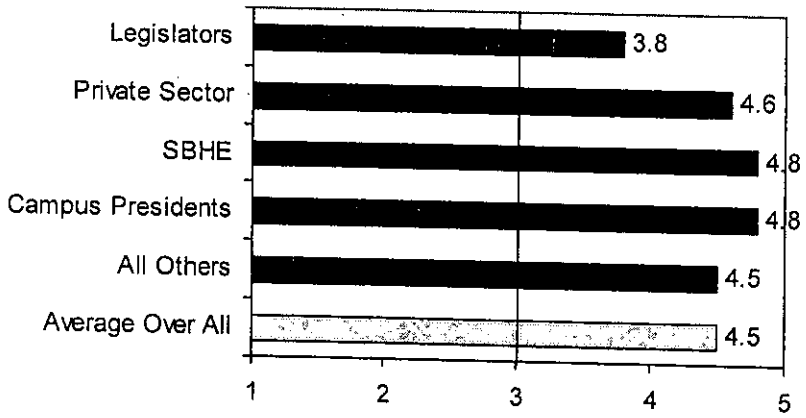
6. Review and possibly revise the process regarding legislative requests for information.



7. Develop a state-wide and uniform student internship program that benefits both students & employers & provides incentives for students & faculty.

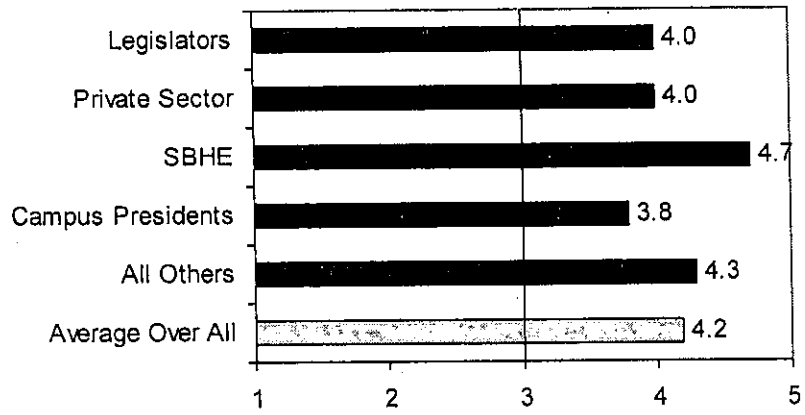


8. Provide funding for the creation of economic development centers of excellence which are focused on expanding the state's economy and creating employment in high-priority industry growth clusters.

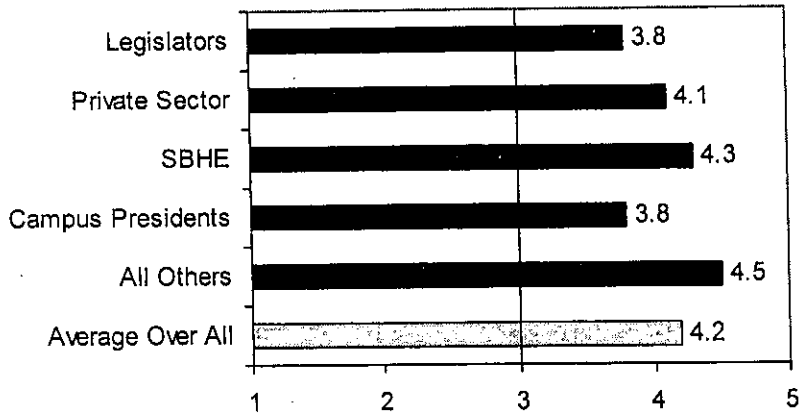


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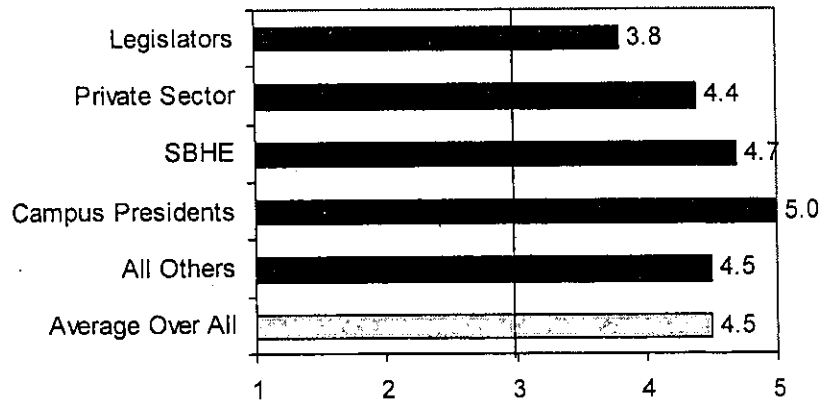
9. Increase emphasis on identifying and responding to education and training needs, including those in the soft-skills area, for business & industry



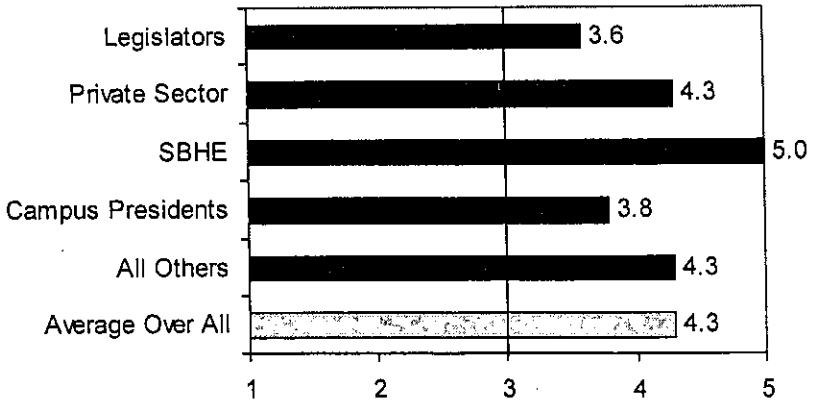
10. Invest and engage in more aggressive recruitment of out-of-state and international students.



11. Provide funding to the University System consistent with the Long-Term Finance Plan which was developed as a legislative request and in cooperation with the roundtable.

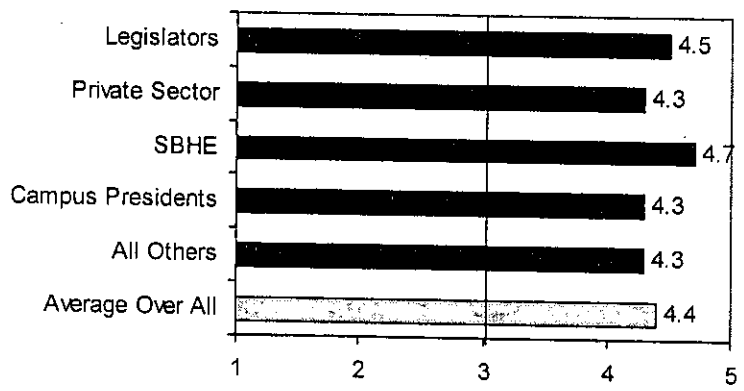


12. Provide funding to the State Board of Higher Education to support and reward collaboration among higher education institutions.



Key - Level of importance: 5 = high, 4 = medium high, 3 = medium, 2 = low, 1 = very low

13. Expand the workforce training system to allow the system to meet the increasing demands for training by business and industry.



Key - Level of importance: 5 = high, 4 = medium high, 3 = medium, 2 = low, 1 = very low

Summary of the 2005 NDUS Legislative Agenda
An Agenda for North Dakota's "Brighter Future"

The Roundtable on Higher Education

recognizes that an investment in the North Dakota University System is an investment in a brighter future for North Dakota.

Fulfilling a Dual Mission

The Roundtable on Higher Education charged the NDUS with:

- Continuing to provide high-quality education
- More directly and strategically applying the tremendous power and potential of the University System to enhance the economy of North Dakota

Focusing on the Fundamentals

Six key facts are fundamental to achieving the University System's dual mission:

- The North Dakota University System is essential to enhancing the economy of North Dakota.
- Flexibility with accountability has unleashed the tremendous capacity of the University System; strategic investments will be needed to further realize the system's full potential.
- Public/private partnerships and collaborations are shaping North Dakota's future; continued strengthening of these relationships will benefit all of North Dakota.
- Student learning and research are integral to economic development.
- Funding the Long-Term Finance Plan is critical to the University System's core functions of student learning, research and public service.
- Funding high-quality, accessible higher education is a shared responsibility; funding sources include the state, the students and campus-generated income.

Dual Mission: *Success of the University System's two-pronged legislative agenda will be essential to fulfilling the dual mission envisioned by the Roundtable on Higher Education.*

Continued Emphasis on the University System's Core Functions

The NDUS 2005-07 budget request includes funding to sustain and further enhance the quality of education, sustain broad and affordable access to post-secondary education for North Dakota citizens and continue to expand NDUS research consistent with the state's needs.

This is accomplished through four major funding components as outlined in the Long-Term Finance Plan:

- **Parity Funding** (the cost to continue) to sustain the quality of academic and support service programs currently available to students and the current level of research and outreach
- **Equity Funding** (determined by a comparison of each NDUS institution to its national peer group) to enhance programs and services to students and the state; to increase national competitiveness in attracting students, faculty and research investments
- **SBHE Initiative Funds** for investments in statewide and systemwide priorities that utilize the collective assets of the NDUS in meeting the needs of the state
- **Major Capital Asset Investments** to provide students and business with up-to-date facilities for education and training

Increased Investments in Economic Enhancement

Three major initiatives will further contribute to the state's economic growth:

- **Economic Development Centers of Excellence** focusing on the creation and support of industry clusters, resulting in new, high-quality employment and economic growth in North Dakota
- **Expansion of Workforce Training** needed to respond to the increased demand for business and industry training, which is essential to sustaining and growing North Dakota's business sector (This funding is provided through the Department of Career and Technical Education.)
- **Attraction of Students and Retention of Graduates** by enhancing student internship opportunities, retaining North Dakotans by providing financial aid assistance to the most financially needy students and launching an aggressive recruitment plan for attracting non-resident students

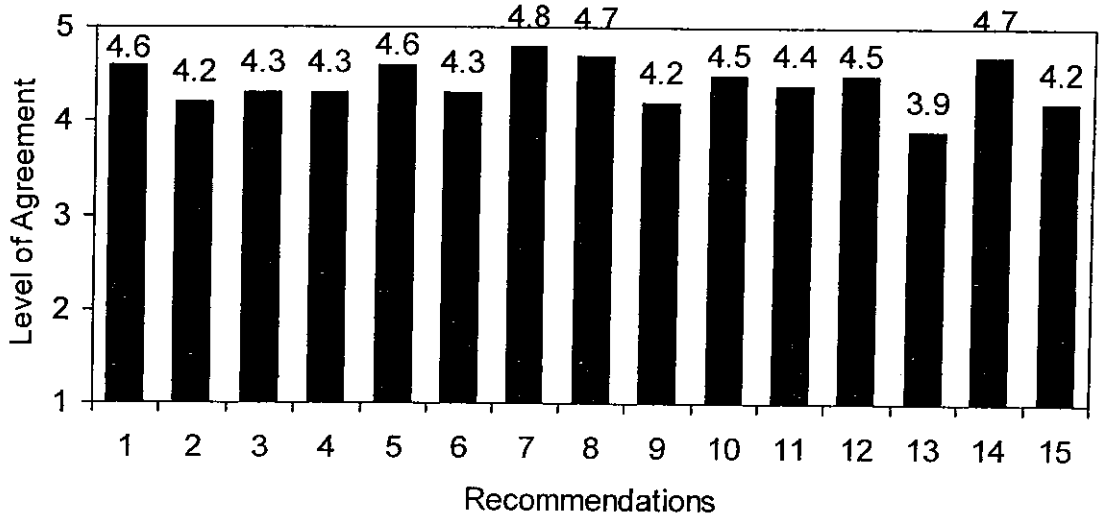
To better serve students and the state, progress on the Long-Term Finance Plan is the #1 Priority of the NDUS in the 2005 Legislative Session.

Without progress on the plan, an increasing and disproportionate share of the cost of education will continue to be shifted to students, and the NDUS and state will lose momentum in achieving the goals of the Roundtable on Higher Education.

November 2004

APPENDIX

Roundtable Discussion Group Recommendations



Average of all Stakeholder Categories

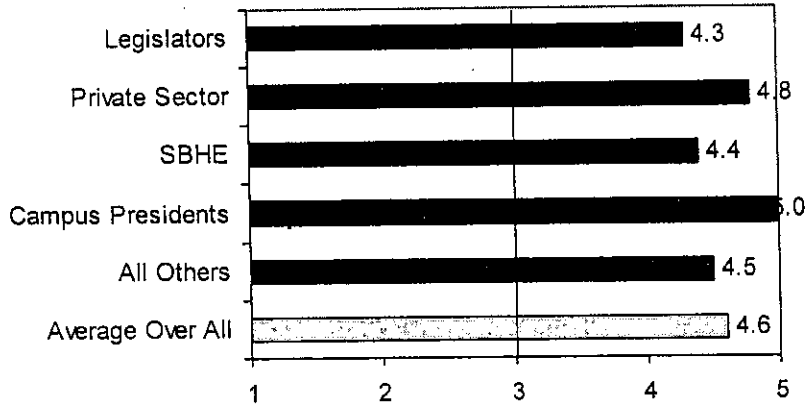
1. Review the higher education accountability measures and make changes as necessary
2. Identify "soft skills" needed by the private sector & incorporate the teaching of those skills into the curriculum for academic programs and into training.
3. Develop a uniform student internship program that benefits both students and the employer and provides incentives for students and faculty.
4. Provide funding to the SBHE to encourage and reward collaboration among higher education institutions.
5. Continue to promote higher education centers of excellence.
6. Market the benefits of the Roundtable to the general public.
7. Continue to provide for investments in higher education (investments which will continue to move ND forward and significantly Increase the economic competitiveness of the state).
8. Continue to emphasize the building of trusting relationships.
9. Review the state's process regarding legislative requests for information.
10. Integrate the vision of the roundtable into all levels of the NDUS and the general public.
11. Continue the roundtable concept by convening a roundtable (at least the private sector) meeting before the 2005 legislative session.
12. Continue the roundtable concept by having two meetings per year with a half-day orientation session for new members.
13. Increase faculty representation on the roundtable by including, at a minimum, the president of the NDUS CCF.
14. Continue the budgetary flexibility granted to the higher education institutions by the Legislative Assembly.
15. Allow new or expanding businesses to access the statewide information technology network for a limited period and to deliver workforce training to the more rural areas of the state.

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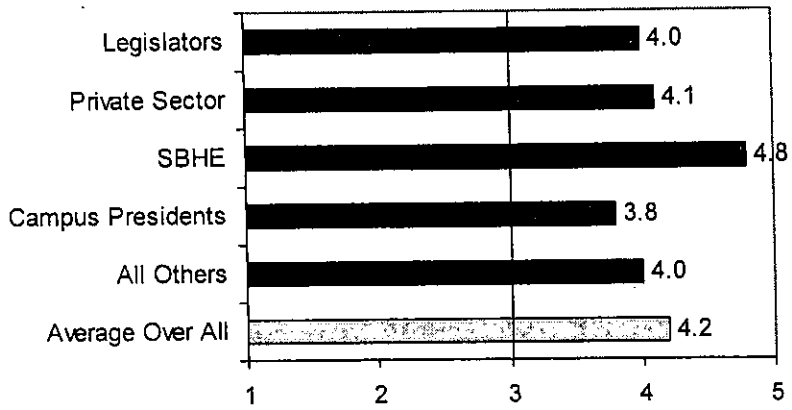
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Roundtable Discussion Group Recommendations
From the June 15, 2004 Meeting
Results of Survey of Roundtable Members October 6, 2004

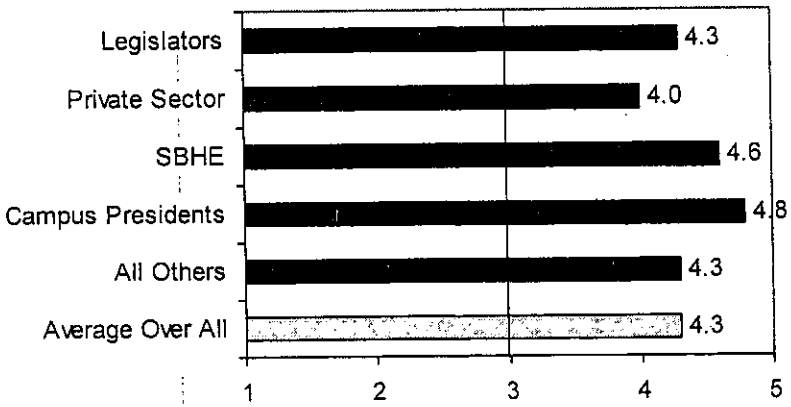
1: Review the higher ed accountability measures & make changes as necessary



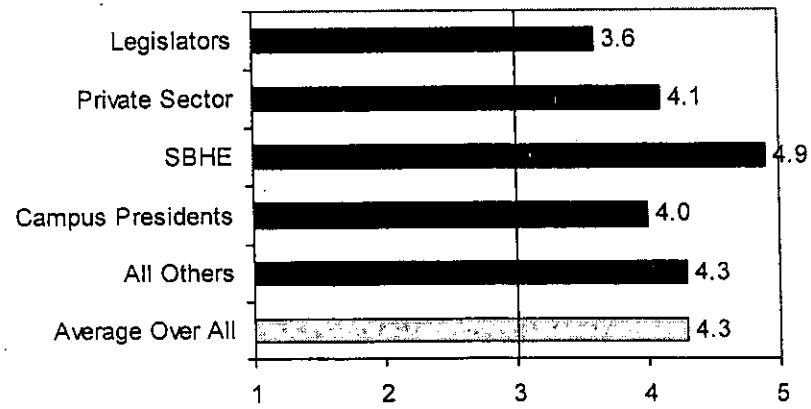
2: Identify "soft skills" needed by the private sector & incorporate the teaching of those skills into the curriculum for academic programs and into training



3: Develop a uniform student internship program that benefits both students & the employer & provides incentives for students & faculty.

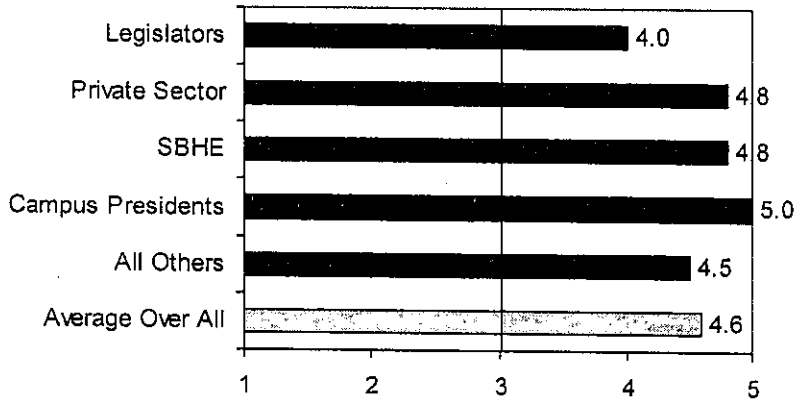


4: Provide funding to the SBHE to encourage & reward collaboration among higher education institutions

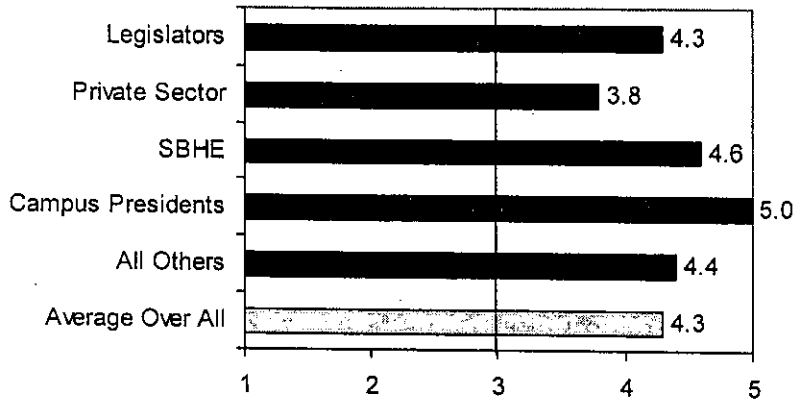


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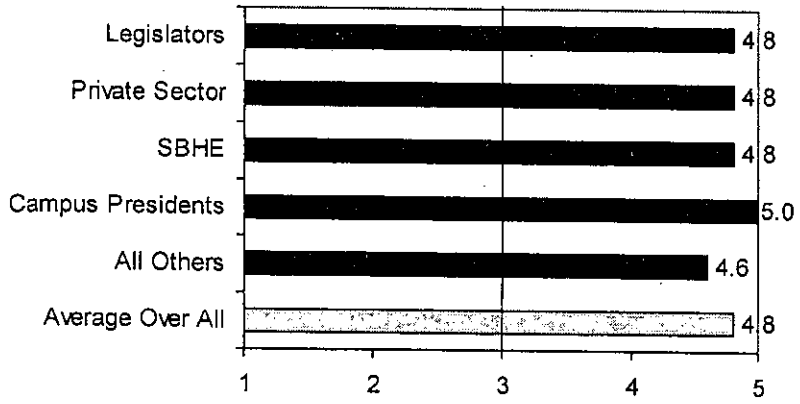
5: Continue to promote higher education centers of excellence



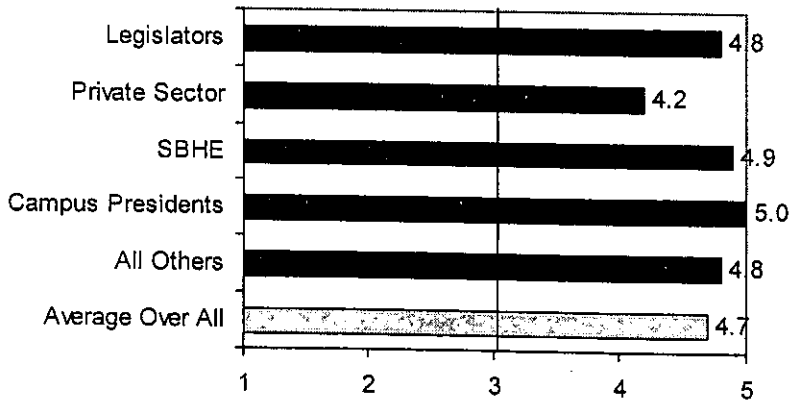
6: Market the benefits of the roundtable to the general public



7: Continue to provide for investments in higher education (investments which will continue to move ND forward & significantly increase the economic competitiveness of the state)

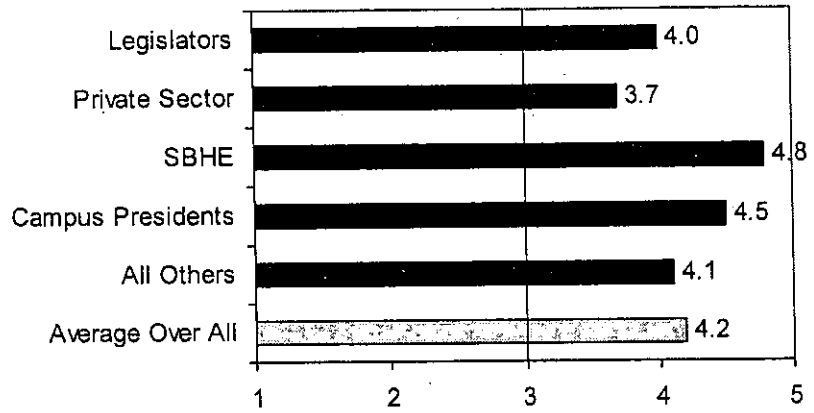


8: Continue to emphasize the building of trusting relationships

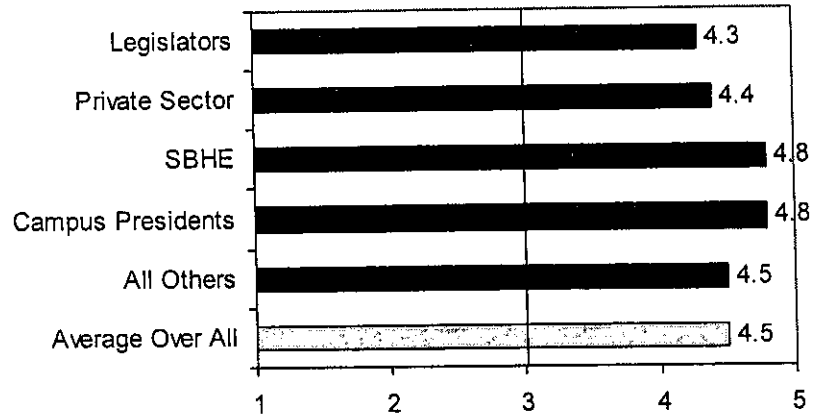


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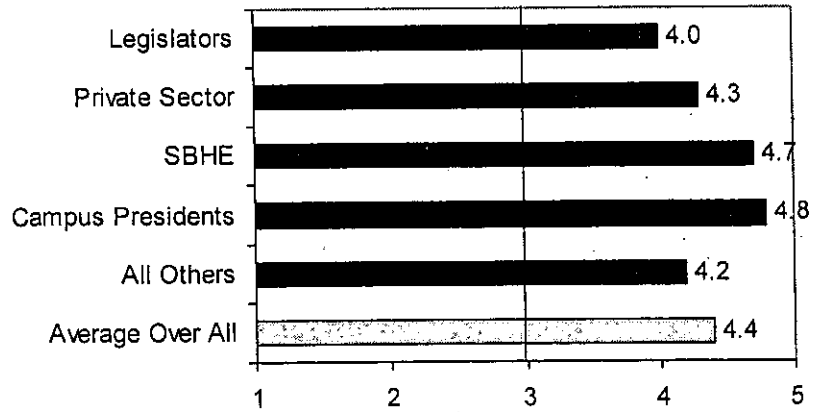
9: Review the state's process regarding legislative requests for information



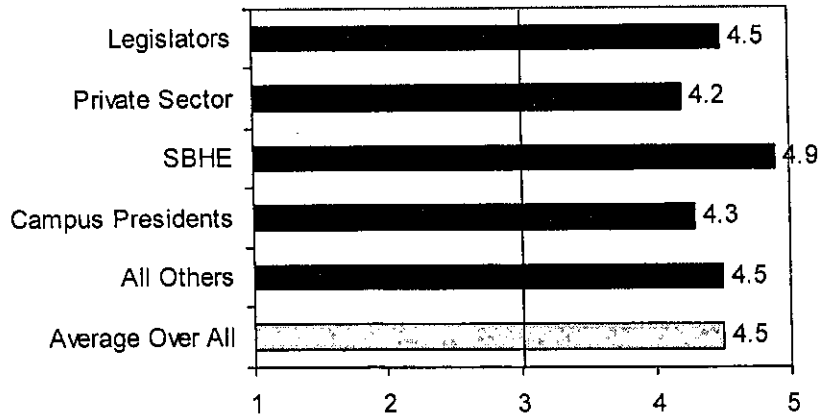
10: Integrate the vision of the roundtable into all levels of the NDUS and the general public



11: Continue the roundtable concept by convening a meeting (at least the private sector) before the 2005 legislative session

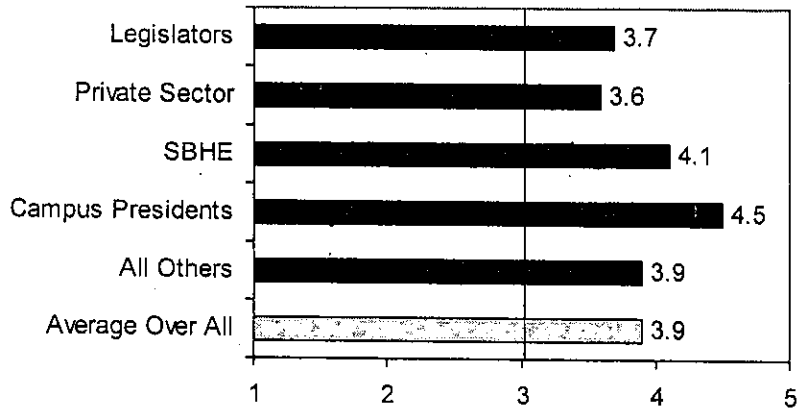


12: Continue the roundtable concept by having two meetings per year with a half-day orientation session for new members

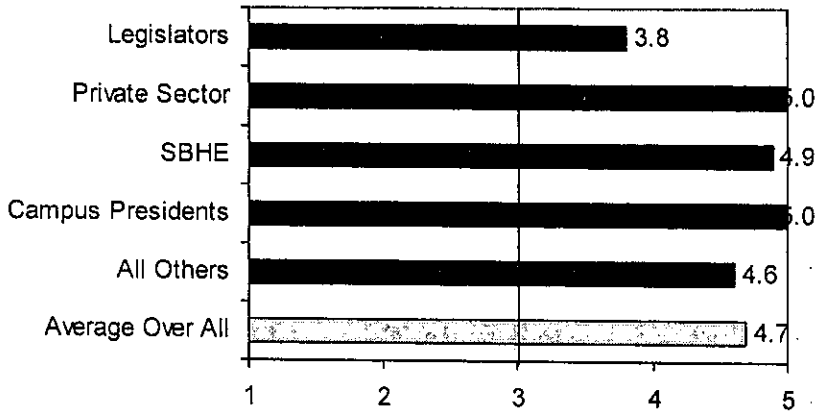


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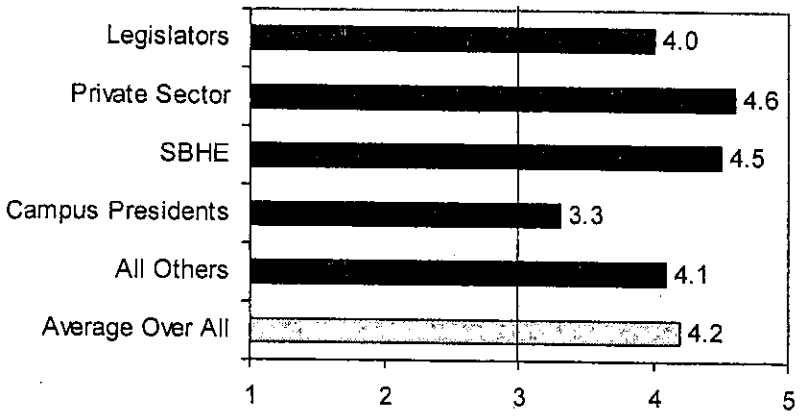
13: Increase faculty representation on the roundtable by including, at a minimum, the president of the NDUS CCF



14: Continue the budgetary flexibility granted to the higher education institutions by the Legislative Assembly



15: Allow new or expanding businesses to access the statewide information technology network for a limited period and to deliver workforce training to the more rural areas of the state



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Additional Comments or Suggestions From Survey of Roundtable Members
October 6, 2004

- There is a direct relationship between North Dakota's future and support of the Legislative Roundtable.
- I would prefer we not spend a lot of time and energy attempting to reduce or change accountability measures. Put energy into more proactive efforts (Re: Basic Assumption and Legislative Action item #10)
- Continue the concept of "flexibility with accountability." This should take precedence over the two-pronged approach to funding the NDUS (Re: Basic Assumptions and Legislative Action item #3)
- The Higher Education Roundtable cornerstones need to remain the core of public higher education policy in ND and implemented to the fullest extent possible
- Helping achieve implementation of Long-Term Finance Plan needs to be a high priority (Re: Basic Assumptions and Potential Legislative Action item #11)
- Centers of Excellence are not well defined. Need a better definition or guidance on that from either Gov's office or legislature (Re: Discussion Group Recommendation #5)
- Recruitment of International Students depends on the costs (Re: Basic Assumption and Legislative Action item #10)
- Fund the Long-Term Plan as adopted in 2002 (Re: Basic Assumption and Legislative Action item #11)
- Provide equity funding to institutions below 55 percent of their peers (Re: Basic Assumption and Legislative action #11)
- My hope is that the Roundtable dialogues will remain viable and conducive to review as stakeholders come to see their implications for higher education and economic growth. Clearly, faculty skepticism and disregard should be addressed in order that universities and colleges will find that all constituents share in this enterprise (Re: Discussion Group Recommendation #10)
- The Centers of Excellence initiative needs to be more clearly defined (Re: Discussion Group Recommendation #5)
- Provide single appropriation to the SBHE (Re: Discussion Group Recommendation #14)
- Concerning orientation for RT members, at least one like the orientation for new board members (Re: Discussion Group Recommendation #12)
- Support the Long-Term Finance Plan called for in the Roundtable Report
- Promote more state agency and service provider collaboration (Re: Basic Assumption and Legislative action #12)
- Do recruitment of out of state and international students through a state-wide collaborative effort (Re: Potential Legislative Action item #10)
- Prepare for international students before recruiting (Re: Potential Legislative Action item #10)
- Examine peer review (Re: Potential Legislative action #11)
- I think support should be provided, however, reward should not be expected; collaboration should be expected. (Re: Potential Legislative action #12).

- UND has a great program for interns. Look at the Kauffman internship program. I highly recommend a meeting for the private sector members along with some legislators who can make it after the Nov 2nd election and before the session begins. This meeting will ensure the roundtable continues to be proactive and give input especially considering the next session is almost here (Re: Basic Assumption and Legislative Action item #7)
- I am bothered by the term, "soft" skills; while I think students need help with interpersonal and group communication skills, can we work toward a label that doesn't sound unimportant? (Re: Basic Assumption and Legislative Action item #9)
- Funding is not the problem with support and reward collaboration among higher education institutions (Re: Basic Assumption and Legislative Action item #12)
- Continue to promote centers of excellence, as redefined -- redefined to reflect excellence in relation to national and/or global markets (Re: Discussion Group Recommendation #5)
- Increase equity funding

Testimony, Paul Drzaic, Alien Technology Corporation
North Dakota State Senate Committee
19 January 2005

Thanks for opportunity to provide an update on Alien Technology Corporation's activities within North Dakota.

Alien is in the business of developing and manufacturing radio frequency identification hardware products and services, providing training and related services to customers. Our products are designed to meet the mandates for RFID adoption set by companies like Wal*Mart and the US Department of Defense.

Our company headquarters are in Morgan Hill CA, at the southern tip of silicon valley. We currently have 190 employees (up from about 130 a year ago), and are manufacturing about 2 million RFID devices a week there.

We recognized early on that we would need to expand our manufacturing capabilities outside of California. I'll get to our reasons for selecting Fargo in a minute, but let me give you a snapshot of our current status.

We've had operations in Fargo for over 7 months now, in a rented facility. We've moved portions of Alien's manufacturing process to Fargo, and currently employ about 22 people in Fargo. We continue to expand our operations in the facility, and recently doubled the production capability there. In February, we'll begin to install the world's fastest RFID tag assembly machine, designed specifically for Alien, in Fargo. This machine will be able to manufacture 10 RFID tags per second.

Our VP of manufacturing, Glenn Gengel, splits his time between Morgan Hill and Fargo, and his family has moved from California to Horace.

We have signed a long-term building lease for a facility in the NDSU Research and Technology Park. The building design is in its final stages, and we plan to break ground

in April for our high volume manufacturing facility. While we're still finalizing the building design, we expect it to be around 47,000 sq feet for our first phase. The plant should begin operation Q2 CY06, and will have an eventual capacity of 20B RFID devices per year. That's over 600 devices per second.

While that seems like a big number, here's a data point for demand. The Wal*Mart and DoD mandates between them, when fully implemented around 2008, will consume over 6 B RFID tags/year just between these two organizations. These numbers are only for cartons and cases, not individual items. Additional demand will come from other companies that have announced RFID initiatives (such as Target and Best Buy), but also from new initiatives. For example, the US Food and Drug Administration is studying RFID to help protect the nations pharmaceutical supply chain, and the Transportation Safety Agency and the airline industry is studying RFID for both security protocols and for luggage tracking. Potential demand is huge, although no one knows the exact timing of many of these new implementations.

The first operations that will go into the new facility are our semiconductor fab processes. These will be highly trained positions, involving clean room operations. We'll be expanding our capabilities to include other aspects of RFID manufacture over time. The exact timetable for expansion will depend on market conditions, but we anticipate that our employment in Fargo in 2006 will likely be in the range of 50-70 people, and growing from there.

We've been extremely satisfied with our experience in North Dakota to date. When we were considering where our manufacturing expansion would occur, there were many candidates, both inside and outside the US, that were worthy candidates. We chose North Dakota for several reasons:

* We had an existing relationship with North Dakota State University in a DoD program sponsored by Senator Dorgan. Through this program we developed a strong partnership with NDSU, encouraged from many levels of the University. In particular I'd like to acknowledge the contributions of President Chapman and Vice President Boudjouk, whose interest and support for our project convinced us of the benefits of a long-term

relationship with NDSU. We believe that by placing our plant in proximity to the NDSU campus that Alien will benefit from continued R&D activities, as well as exposure to highly-trained graduates.

* Alien received strong support from all levels of government, at the local, state, and federal levels. In particular, the financial support package put together by the state, with the leadership of Governor Hoeven, was an important factor in our decision.
* We also found support from the local business community. There is a friendly business climate in North Dakota.
* We find the Fargo workforce to be easy to train, highly motivated, and productive. We have been extremely satisfied with the quality of the workforce we have found in Fargo to date.

As legislators, you have the ability to protect and further develop these resources. These include support for the university infrastructure, which started this whole process, to maintaining a business-friendly climate in North Dakota. We look forward to a long association with your state.

Testimony of
Dennis Hill, executive vice president
North Dakota Association of Rural Electric Cooperatives
RE: SB 2003, before the Senate Appropriations Committee
January 17, 2005

Chairman Holmberg and members of the committee,

My name is Dennis Hill, and I represent the North Dakota Association of Rural Electric Cooperatives. I'm appearing today to voice my support for SB 2003 and the work of the Roundtable on Higher Education.

I've been honored to serve as a private sector representative on the Roundtable since it began in 1999. The rural electric cooperative network, which I represent, is one of the state's largest business enterprises (with some $800 million invested in retail distribution facilities and nearly $5 billion invested in coal conversion facilities). As such, we care deeply about the university system because we depend so much on its products and services. We need the well educated and trained students it graduates, we depend upon and use its research, and we need the system's "economic development engine" to run on all cylinders, as our business grows as the economy grows.

In the few minutes I have here this morning, let me reinforce the need for a strong university system and my view that the Roundtable should continue.

I just mentioned that we need well-educated and well-trained workers in our industry. That need is going to intensify, as a wave of baby boomers in our program prepares to retire within the next decade. Our National Rural Electric Cooperative Association estimates 60,000 persons are employed by some 1,000 electric cooperatives across the country. Their data shows that 30%--or about 18,000 workers--will be eligible to retire within a decade. These are lineworkers, accountants, IT workers, managers,

engineers and power plant operators. Our workforce mirrors the national trend, with some 30% of our 2,500 or so employees already 50 or older. While it's impossible to say if each and every one of these positions will be re-hired, it's very possible to say

That's one of the reasons we partner with the University System to operate a lineworkers school; it's one of the reasons our G&T members, Basin Electric, Great River Energy and Minnkota Power, work closely with BSC on enhancing its power plant technician program; and it's one of the reasons Basin Electric announced a $2 million grant last year to support BSC's proposed new energy center. This is a perfect example of how the private sector can partner with the university system to create win/wins--the kind of partnerships I believe the Roundtable envisioned when it produced its first report.

I would also urge this legislature to keep the Roundtable alive. While much has been done to create a university system for the 21st century, there is much more to do. In my view, the Roundtable is the best forum we have to keep moving forward.

When I think about the work of the Roundtable, I'm reminded of some recent work that's starting to show up in the association management profession. The new idea or process folks are talking about in my profession is called "living strategy." One of the authors of this concept says this: "Living strategy is emerging and continuously evolving from the collective knowledge of the community and from ongoing dialogue among all members of the community." Put another way, it means that every time organizations get together, the leaders and stakeholders of organizations and institutions should be thinking strategically about their futures.

This new way of looking at the future makes a lot of sense to me. I have been involved in many strategic planning exercises in my career. In every case, these exercises

created a nice report, with lots of pages, that immediately went into somebody's desk drawer. The Roundtable, on the other hand, has so far followed this "living strategy" model. It has created a forum where strategy continues to emerge and evolve from the best thinking of the private sector, the board of higher education, legislators, campus leaders and educators, students and a host of other stakeholders. So far, we've thought strategically each time we've been called together. We've had meetings of the entire Roundtable; we've had additional meetings of the private sector which Chairman Holmberg called, (which I much appreciated, Sen. Holmberg), and I know there have been other meetings of smaller groups within the roundtable as well.

This is all evidence to me that the Roundtable is alive, and I believe it should stay that way.

On the other hand, if we leave this legislative session with no plan for the Roundtable's future, then I fear all the good work that's gone before us, will too, end up in a desk drawer.

In closing, let me again say that we believe in a strong university system, and that the Roundtable is our best chance of creating and keeping it that way.

North Dakota University System

Creating

a University System

for the 21st Century

Report of the State Board of Higher Education's Committee on Employee Compensation

April 2004

NORTH DAKOTA
UNIVERSITY SYSTEM

The Vital Link to a Brighter Future

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Report of the State Board of Higher Education's Committee on Employee Compensation

Submitted March 2004

Purpose

The North Dakota University System (NDUS) Compensation Committee was created by the Chancellor to develop recommendations and a long-term strategic plan concerning salary and compensation for NDUS faculty and staff.

Members

Faculty Compensation Committee, Council of College Faculties:

- Lee Kruger, Chair, VCSU
- Amy Helgeson, BSC
- John La Duke, UND
- Mary Drewes, UND
- John Pederson, MaSU
- Ann Burnett, NDSU

Human Resources Council; Rita Lindgren, Chair

* Staff and technical support provided by the NDUS System Office

EXECUTIVE SUMMARY

Causes for Optimism

Employee turnover has declined from 8.2 percent and 9.9 percent for faculty and staff, respectively in 1996-97 to 6.7 percent and 6.5 percent, respectively in 2002-03 (Exhibit A).

For the third quarter of 2003, the composite cost of living index for North Dakota is 92.6. This is very close to the cost of living in other states in the Midwest and indicates it is less expensive on average to live in ND than in other areas of the US (Exhibit D1).

Salary increase percentages to faculty and staff, in the last four years, have been above the percentage increase in the Consumer Price Index (CPI) and above the national average increase (Exhibit E).

Causes for Concern

In 2002, 67 percent of staff and 55 percent of faculty leaving the NDUS have had less than five years of experience (Exhibit B). In 2002, over 50 percent of departing employees reported that low salary greatly influenced or somewhat influenced their decision to leave the NDUS.

In 2002-03, nearly one-half of all faculty and over one-third of staff were age 50 or over. Twelve percent and 5 percent, respectively, were over the age of 60 (Exhibit C). The NDUS will have a significant number of faculty and staff positions to fill over the next ten years.

ND Standard of Living Index continues to rank below the regional average (Exhibit D1 and D2). The real purchasing power of NDUS wages remains below the average real purchasing power for the region.

To increase faculty salaries to regional average, one-time increases of between 22.3 percent and 29.2 percent would be needed (Exhibit G1-G3). To increase staff salaries to market averages, one-time average increases of between 4.1 percent and 23.2 percent would be needed (Exhibit F1-F2). ND's average faculty and staff salaries have not kept pace with and continue to be well below their respective market averages.

ND ranks 8th in the 12-state region in the value of total benefits provided (Exhibit I). The value of our benefit package is slightly below the average for our region and while it is an important recruitment and retention tool, it does not offset the salary differential.

Conclusion

The combination of North Dakota's lower standard of living and non-competitive salary and benefits makes it increasingly difficult to recruit and retain the best and the brightest staff and faculty.

Since 1998, campuses have been internally reallocating funding to provide salary increases to staff and faculty above that provided by the legislature. Internal reallocation is not a sustainable long-term solution without severe program and service reductions and/or tuition increases.

Maintaining benefits and increasing salaries is critical to sustaining high quality education and entrepreneurial research activities. In order to continue making progress toward market rates, the NDUS and state must partner together in addressing employee compensation.

Recommendations

- The State continues to fund 100 percent of employee health insurance premiums with no changes in deductibles or co-payments.

- At a minimum, provide a salary adjustment based on the annual change in the Consumer Price Index that allows faculty and staff to maintain purchasing power and an additional market maintenance adjustment that prevents NDUS salaries from falling further behind the market. A total combined increase of at least 4.2 percent for each year of the 2005-07 biennium is recommended.

- Recommend that the College Council of Faculties convene a task force, with the help and membership of appropriate partners, to determine by December 2004 the feasibility, cost, and possible mechanisms of bringing salaries to 85% of regional averages within the next six years, and within 95% of regional averages by 2017, as is consistent with the NDUS strategic plan.

Creating a University System for the 21st Century

The Roundtable on Higher Education's 2000 report boldly declared a refusal to accept the future of ND based on the disquieting trends of population loss and declining per capita income that have gripped our state. Bold steps are needed to change the future of North Dakota and the Roundtable expects the NDUS to be a full partner in helping to reverse these trends, specifically stating: "The state absolutely needs a strong university system contributing to solutions to the state's problems." Achieving these goals is not the responsibility of the NDUS alone – the state and NDUS must work together. If the NDUS is to be "academically competitive, nationally and internationally; engaged at every level with the needs and problems of the state and its citizens; and accessible and responsive to all citizens of the state," we must be able to attract and retain the best and the brightest faculty and staff at our institutions. As a result, providing competitive compensation must become our number one priority if we are to achieve this prosperous and progressive future.

Causes for Optimism

Turnover

Employee turnover has declined from 8.2 percent and 9.9 percent for faculty and staff in 1996-97, respectively, to 6.7 percent and 6.5 percent in 2002-03, respectively (Exhibit A). While there are no national data available on turnover rates among all tenured faculty members, the American Association of University Professors (AAUP) collects institutional-level information on the number of continuing faculty members year to year from which a turnover rate can be computed. In the *Academe* 2002-03 Annual Report, the AAUP reported the turnover rate for associate professors for the period 1996-97 through 2001-02 increased from 7.6 percent to 9.8 percent.

Former NDUS employees responding to an exit interview survey indicated that low salary is less of a factor in their decision to leave the NDUS than it was three years ago – 57 percent in 2002 as opposed to 71 percent in 1999 (Exhibit B).

Cost of Living

The cost of living factor measures the difference in living expenses (e.g. food, utilities, housing costs, etc.) between cities across the US and the nation as a whole. The composite cost of living factor (CCLF) for a state is derived from the cost of living factors for a state's cities. A CCLF of greater than 100 indicates it is more expensive than average to live in that state. A CCLF of less than 100 indicates it is less expensive than average to live in that state. For the third quarter of 2003, the composite cost of living index for North Dakota was 92.6. This is very close to the cost of living in other states in the Midwest (Exhibit D1) and indicates it is less expensive on average to live in ND than in other areas of the US.

Causes for Concern

Turnover

While overall average NDUS faculty and staff turnover rates have declined or remained relatively stable in most recent years, with the exception of faculty turnover rates in 2000-01, the largest loss continues to be employees with less than five years of service (Exhibit B). In 2002, 67 percent of all staff and 55 percent of all faculty leaving the NDUS have had less than five years of experience. This suggests we are able to initially recruit faculty and staff; however, after receiving training and experience they can quickly move on for higher salaries elsewhere. **Institutions invest considerable time, effort and capital in hiring and training new faculty and staff, only to watch many of them leave within five years.**

Low salary continues to be the top reason why faculty and staff leave the NDUS. In 2002, nearly 60 percent of departing employees who responded to an exit survey reported low salary either greatly influenced or somewhat influenced their decision to leave the NDUS (Exhibit B). Over 30% of respondents also indicated workload and inadequate fringe benefits influenced their decision.

In addition, in 2003, nearly one-half of NDUS faculty and over one-third of NDUS staff were over the age of 50, and about 12 percent and 5 percent, respectively, were over the age of 60 (Exhibit C). The aging of the workforce is a nationwide issue as the baby boomer population moves into traditional retirement age. This becomes a double-edged sword for the NDUS as younger faculty and staff will have more employment options with better compensation as a result of nationwide turnover. **Significant turnover of experienced faculty and staff will occur within the next 5 to 10 years.**

Standard of Living

While the cost of living factor suggests it is less expensive to live in ND, the standard of living for faculty continues to lag behind the regional average (Exhibit D1). The standard of living index compares cost of living (how expensive it is to live in a state) to average salary (how much we have to spend) to derive a state's relative standard of living (real purchasing power). Based on regional average faculty salaries, ND faculty have a standard of living index of 77.5, compared to a regional average standard of living index of 100.0. **This indicates that the real purchasing power of NDUS faculty is substantially lower than the real purchasing power of faculty in other states in our region.**

The comparison of the purchasing power of NDUS staff to that of individuals in similar occupations within the four-state regional area (ND, MN, MT, SD) is included in Exhibit D2. The 2003 average staff salaries for the six broadband categories divided by the regional market salary for similar occupations provides an average salary factor for each broadband category. Using the composite cost of living factor for the four-state region from Exhibit D1, we can calculate an average regional composite cost of living index for ND. Comparing the NDUS average salary to the average cost of living in the region, we derive the NDUS standard of living relative to similar occupations in the region. A factor of less than 100 indicates the NDUS average staff salary is lower than the regional average for similar occupations. All broadband categories have a standard of living index of less than 100. The average standard of living index of all broadbands combined is 96.3. **The real purchasing power of NDUS staff is lower than the real purchasing power of other comparable positions in ND and the surrounding three states.**

Compensation

In 1998, the State Board of Higher Education approved a six-year salary plan to help address low faculty and staff salaries. By 2004, campuses were to internally reallocate within their total budget an amount equal to five percent of their salary and wage line for additional salary increases (nearly $10 million). Despite state funding challenges over the last several biennia, several campuses have already met that goal and far exceeded it, while others are on track to meet the target by 2004. We recognize the SBHE and campus leaderships' efforts in recent years to find or generate the resources needed for compensation adjustments in the absence of state-funded salary increases.

This effort by the campuses is evident in that percentage increases in salary for faculty and staff in the last four years have been above the percentage increase in the Consumer Price Index (CPI) and above the national average increase. To show how North Dakota's average faculty salaries have faired over the years compared to faculty salaries in other states and to changes in the cost of living, Exhibit E compares annual changes in the average North Dakota faculty salary to annual changes in the Consumer Price Index and annual changes in the national average faculty salary using 1983 as the base year (i.e. 1983 index equals 100). The average faculty salary index for North Dakota increased by 16.3 percent from 1998-99 to 2002-03; whereas, the CPI and national indexes increased by only 10.3 percent and 14.1 percent, respectively, for the same time period.

While the average ND faculty salary has increased at a rate greater than that of the CPI and national average the last four years, it has not offset the significant gap that developed prior to that time (Exhibit E). Holding all things equal since 1983, the national average faculty salary has more than doubled; CPI has nearly doubled, while North Dakota salaries have only increased about 77 percent. **This indicates that ND's average faculty salary has not kept pace with and remains well below the national average and highlights the lost purchasing power of faculty since 1983.**

In fact, the gap between ND and US and regional average faculty salaries has widened significantly over the last ten years as evidenced in Exhibits G1-G3. An excerpt from Exhibit G3 is presented below. In 1993, doctoral institutions were significantly farther behind the regional average than the other three types of institutions. Since then, the other institutions have "caught up" in falling further behind their regional averages. The table below indicates the increases that were needed to bring faculty salaries at North Dakota institutions to regional average in 1993 compared to 2003.

	Regional Salary Lag	
	1993	2003
Doctoral Institutions	26.4%	28.8%
Master's Institutions	16.8%	22.3%
Baccalaureate Institutions	18.2%	27.3%
Two-Year Institutions	13.1%	29.2%

Average 9/10-month faculty compensation at all North Dakota campuses continues to rank at or near the bottom of the fifty states and twelve regional states, for similar types of campuses. The most recent comprehensive data available is from 1999-2000 (Exhibits H1-H3).

Type of Institution	National Rank	Regional Rank
Public University	49th	11th
Public Four-Year Institution	50th	11th
Public Two-Year Institution	45th	9th

In 2003, average NDUS staff salaries also continued to lag the market (Exhibits F1-F2). Average staff salaries at all four types of institutions are below the average market salary. MiSU has the largest variance from market at 23.2 percent (masters institution). Additionally, all broadband categories lag the market, with the average salary variances ranging from 2.3 percent to 11.6 percent (crafts/trades band). An article in *USA Today* on February 25, 2004, entitled "Big Cities Lure Away North Dakota Youth," cites non-competitive salaries as one reason young people leave the state. A citation from the article states "... professional jobs pay 20 percent to 50 percent less than elsewhere. Computer programmers, for example, make $20,500 less than the $63,690 national average." **ND average staff salaries have not kept pace with and remain below the average market salary.**

The state of ND offers a comprehensive benefit package to NDUS employees, as do other states. Using 2003 Central States Compensation Association survey data (and normalizing average salary), ND ranks 8th in the 12-state region in the value of total benefits provided (Exhibit I). In fact, the value of our benefit package is slightly below the average for the region. In 2002, through deductibles, coinsurance and copayments, NDUS employees under a family plan paid about 23 percent of the total cost of health benefits. The state's contribution through payment of monthly premiums was 77 percent. **While ND's benefit package is an important recruitment and retention tool, it does not offset the salary differential.**

Conclusion

Total compensation is both an investment and a cost to the NDUS; but it is at the same time a living income to the employee. A decision regarding total compensation must balance the economic concern of both the NDUS and the employees.

Since 1998, campuses have been internally reallocating funding to provide salary increases to staff and faculty above that provided by the legislature. This has helped reduce the outflow of faculty and staff as evident in turnover rates and exit survey results. With stable or decreased state funding, tuition increases have been significant in order to generate resources for salary increases and to continue operations. Internal reallocation and significant tuition increases are not sustainable long-term solutions.

In order to continue to make progress and move NDUS average salaries toward market rates, the NDUS and state must partner together to address employee compensation. To stave off the loss of trained faculty and staff, and in order to recruit highly qualified faculty and staff for positions that will occur through normal attrition and significant future retirements, there must be an investment of state general funds in the NDUS long-term finance plan. Within this funding, campuses will allocate resources to priority areas, including salary increases.

Recommendations

- **The State continues to fund 100 percent of employee health insurance premiums with no changes in deductibles or co-payments.** While the value of the State's benefit package does not offset the salary differentials, without 100 percent state paid benefits, the total compensation gap between the NDUS and regional and national averages would be even more pronounced. It remains a critical recruitment and retention tool.

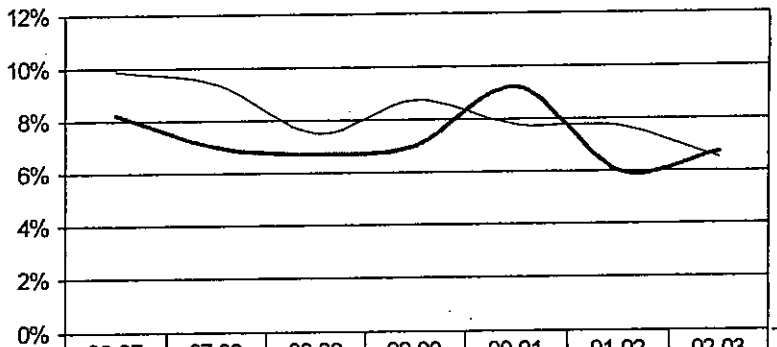
- **At a minimum, provide a salary adjustment based on the annual change in the Consumer Price Index that allows faculty and staff to maintain purchasing power and an additional market maintenance adjustment that prevents NDUS salaries from falling further behind the market. A total combined increase of at least 4.2 percent is recommended for each year of the 2005-07 biennium:**
  - 2.2 percent – estimated inflation
  - 2.0 percent – market maintenance adjustment
  - 4.2 percent – total annual increase

- **Recommend that the College Council of Faculties convene a task force, with the help and membership of appropriate partners, to determine by December 2004 the feasibility, cost, and possible mechanisms of bringing salaries to 85% of regional averages within the next six years, and within 95% of regional averages by 2017, as is consistent with the NDUS strategic plan.**

Exhibit A

North Dakota University System
Employee Turnover Statistics
1997 through 2003

An average of 7.3 percent of faculty and 8.2 percent of benefited staff have left their NDUS job per year since 1997.



	96-97	97-98	98-99	99-00	00-01	01-02	02-03	7-yr avg
—Faculty Turnover	8.2%	7.0%	6.7%	7.0%	9.2%	6.0%	6.7%	7.3%
—Staff Turnover	9.9%	9.4%	7.5%	8.7%	7.8%	7.7%	6.5%	8.2%

	1997 Turnover		1998 Turnover		1999 Turnover		2000 Turnover		2001 Turnover		2002 Turnover		2003 Turnover	
	#	Ratio	#	Ratio	#	Ratio	#	Ratio	#	Ratio	#	Ratio	#	Ratio
BSC														
Faculty	0	0.0%	4	4.4%	3	3.3%	5	5.0%	4	4.0%	1	0.9%	10	9.4%
Staff	3	3.1%	10	9.0%	6	5.4%	16	12.9%	8	6.5%	18	13.4%	13	9.7%
DSU														
Faculty	9	12.9%	6	8.3%	8	11.1%	5	6.8%	9	12.3%	0	0.0%	8	10.7%
Staff	11	12.1%	11	11.7%	12	12.8%	15	13.5%	13	11.7%	3	2.7%	7	6.2%
LRSC														
Faculty	2	6.3%	2	6.3%	0	0.0%	3	9.4%	3	9.4%	3	8.3%	0	0.0%
Staff	2	4.7%	4	8.9%	4	8.9%	5	10.4%	3	6.3%	7	13.7%	3	5.9%
MaSU														
Faculty	3	6.1%	6	13.0%	1	2.2%	5	11.1%	5	11.1%	5	11.1%	1	2.2%
Staff	9	10.5%	22	24.7%	3	3.4%	10	10.5%	8	8.4%	9	8.5%	2	1.9%
MiSU*														
Faculty	30	13.3%	28	12.8%	17	7.8%	20	9.6%	20	9.6%	17	8.0%	21	9.9%
Staff	13	6.0%	8	3.7%	8	3.7%	9	4.1%	11	5.0%	6	2.3%	12	4.6%
NDSCS														
Faculty	8	5.3%	12	8.1%	5	3.4%	14	9.9%	9	6.3%	13	10.3%	10	7.9%
Staff	9	4.5%	19	9.0%	22	10.4%	17	8.1%	16	7.7%	21	11.0%	26	13.6%
NDSU														
Faculty	47	5.6%	39	4.8%	61	7.6%	45	5.5%	69	8.4%	55	6.2%	54	6.1%
Staff	98	8.8%	125	10.6%	98	8.3%	114	9.1%	109	8.7%	86	6.4%	78	5.8%
UND**														
Faculty	81	11.3%	15	2.3%	72	10.8%	NA	NA	79	10.9%	43	5.5%	48	6.1%
Staff	219	12.4%	42	2.6%	205	12.5%	NA	NA	131	7.5%	165	8.9%	126	6.8%
VCSU														
Faculty	3	5.4%	2	3.3%	8	13.3%	7	11.5%	8	13.1%	4	6.6%	2	3.3%
Staff	4	4.5%	4	4.2%	6	6.3%	2	2.0%	6	6.1%	5	5.3%	4	4.3%
WSC														
Faculty	Included w/UND		Included w/UND		3	7.9%	2	5.9%	1	2.9%	1	2.9%	4	11.4%
Staff	Included w/UND		Included w/UND		1	3.7%	2	5.0%	4	10.0%	1	2.7%	2	5.4%
Sub Totals														
Faculty	183	8.2%	114	7.0%	178	6.7%	106	7.0%	207	9.2%	142	6.0%	158	6.7%
Staff	368	9.9%	245	9.4%	365	7.5%	190	8.7%	309	7.8%	321	7.7%	273	6.5%
GRAND TOTAL	**551**	**9.3%**	**359**	**8.6%**	**543**	**7.3%**	**296**	**8.0%**	**516**	**8.3%**	**463**	**7.1%**	**431**	**6.6%**

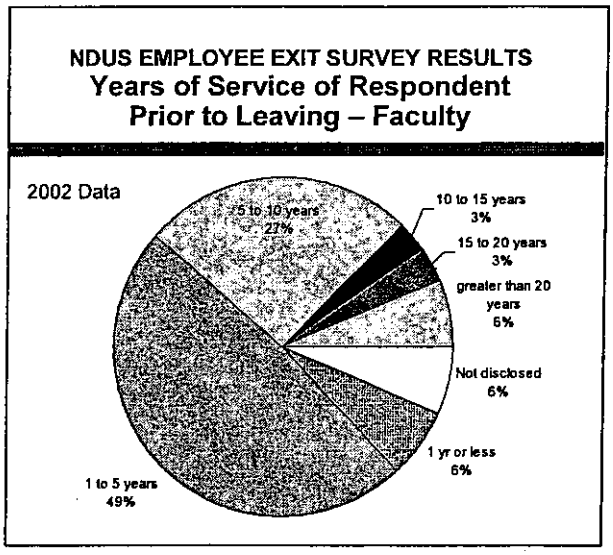
* Includes MiSU-Bottineau Campus

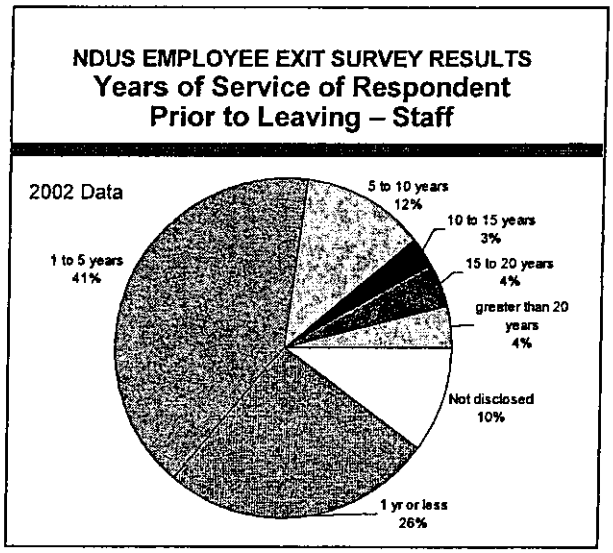
** Includes UND-Williston for 1996-1998

Source: NDUS payroll records

Over one-half of faculty and over two-thirds of staff leaving the NDUS in 2002 were employed less than five years prior to leaving.

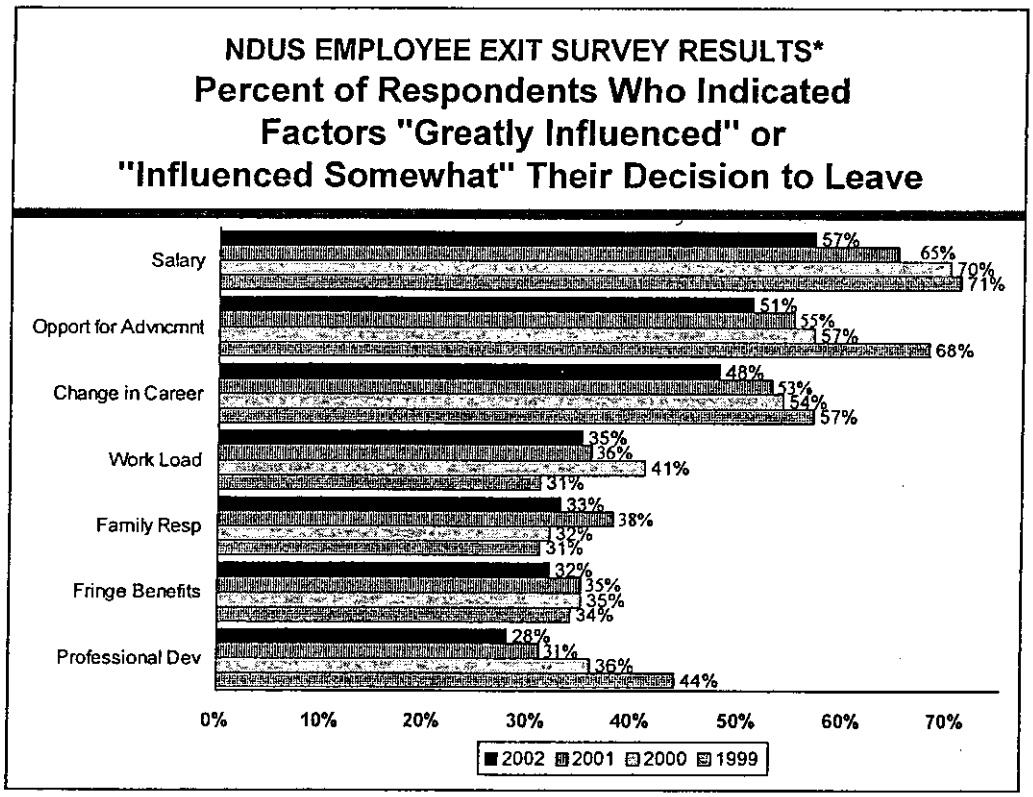
Exhibit B





Source: NDUS Exit Interviews

Over the past four years, faculty and staff have identified low salary as the major factor influencing their decision to leave the NDUS.

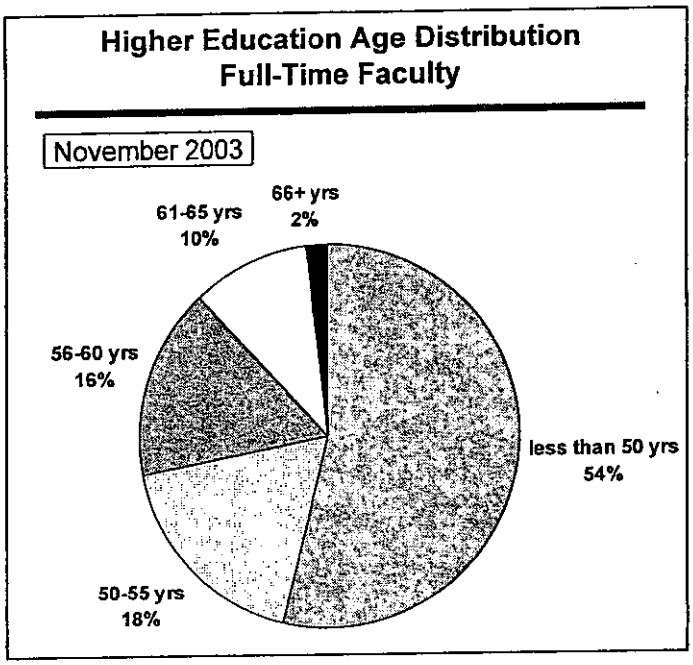


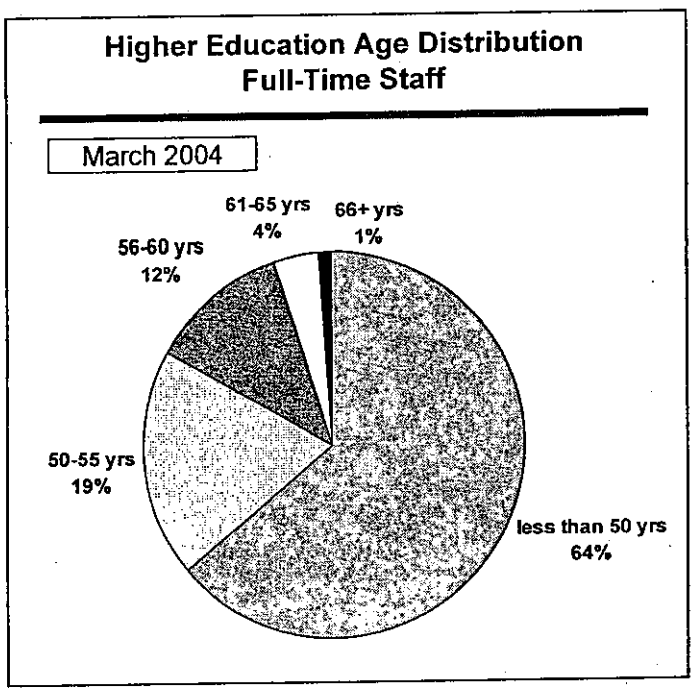
Source: NDUS Exit Interviews

* Other reasons include facilities, pursue education, funding, equipment, spouse, library resources, poor health/disability and other.

Exhibit C

About 46 percent of NDUS faculty members and 36 percent of staff are over 50 years of age. Twelve percent of faculty and 5 percent of staff are older than 60 years of age. The high percentage of younger faculty and staff leaving their institutions suggests fewer and fewer faculty and staff will be available to follow veteran employees into seniority.





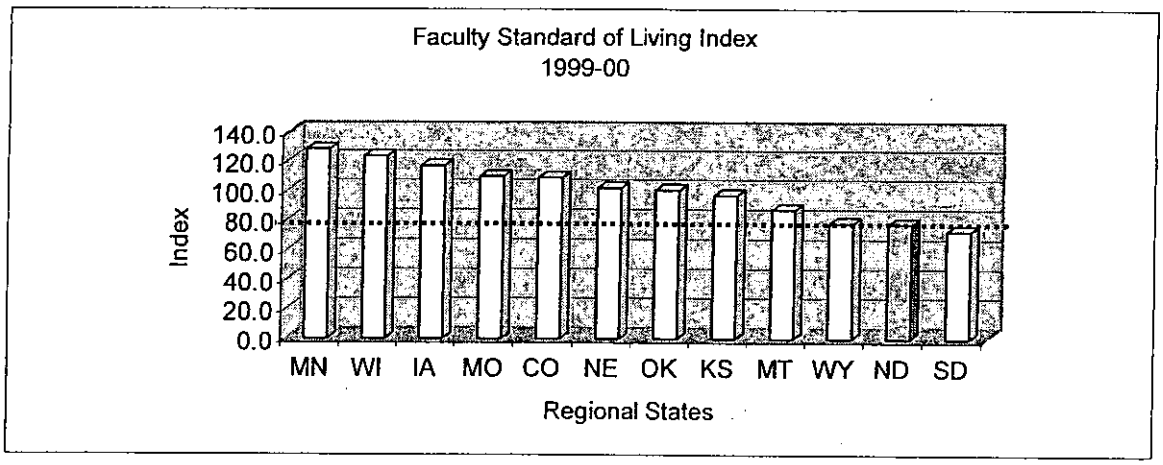
Source: NDUS Payroll Records

North Dakota's average standard of living, as measured by the Cost of Living Factor and Average Faculty Salary Factor, is below the average standard of living for the region.

Exhibit D1

Regional Standard of Living - Faculty

	Regional Avg. Faculty Salary Factor (1999-00)[1]	National Composite Cost of Living Index (Third Qtr 2003)[2]	Regional Composite Cost of Living Factor (Third Qtr 2003)[3]	Regional Standard of Living Index[4]	Std of Living Rank
Minnesota	129.5	95.6	101.0	128.3	1
Wisconsin	127.9	98.3	103.8	123.2	2
Iowa	114.0	92.3	97.5	116.9	3
Missouri	106.8	92.3	97.5	109.6	4
Colorado	109.0	95.0	100.3	108.6	5
Nebraska	100.7	93.7	99.0	101.8	6
Oklahoma	95.6	90.3	95.4	100.2	7
Kansas	95.2	92.9	98.1	97.1	8
Montana	88.2	95.8	101.2	87.1	9
Wyoming	85.7	104.0	109.8	78.0	10
North Dakota	75.8	92.6	97.8	77.5	11
South Dakota	71.7	93.5	98.7	72.6	12
Average	100.0	94.7	100.0	100.0	



[1] **Regional Avg. Faculty Salary Factor**
Indicates how the state's average faculty salary compares to the region as a whole. The regional figure is represented by the number 100.0. A factor higher than 100 indicates the state's average faculty salary is higher than average, and vice versa.
Data Source: 1999-00 regional average faculty salaries for public universities from Chronicle of Higher Education, 2003 Almanac.

[2] **National Composite Cost of Living Factor**
Indicates how the state's living expenses (housing, food, etc.) compare to the nation as a whole. All states are combined to develop the national average, which is represented by the number 100.0. A factor higher than 100 indicates the state's cost of living is higher than average, and vice versa.
Data Source: Third quarter, 2003 MERIC Compositie Cost of Living Index (www.ded.mo.gov/business/researchandplanning/indicators)

[3] **Regional Composite Cost of Living Factor (composite cost of living index ÷ avg regional composite cost of living index)**
Compares each state's composite cost of living index to the average composite cost of living index for the region. The regional average is then represented by an index of 100.0. An index of less than 100.0 indicates the state's cost of living is lower than the average for the region.

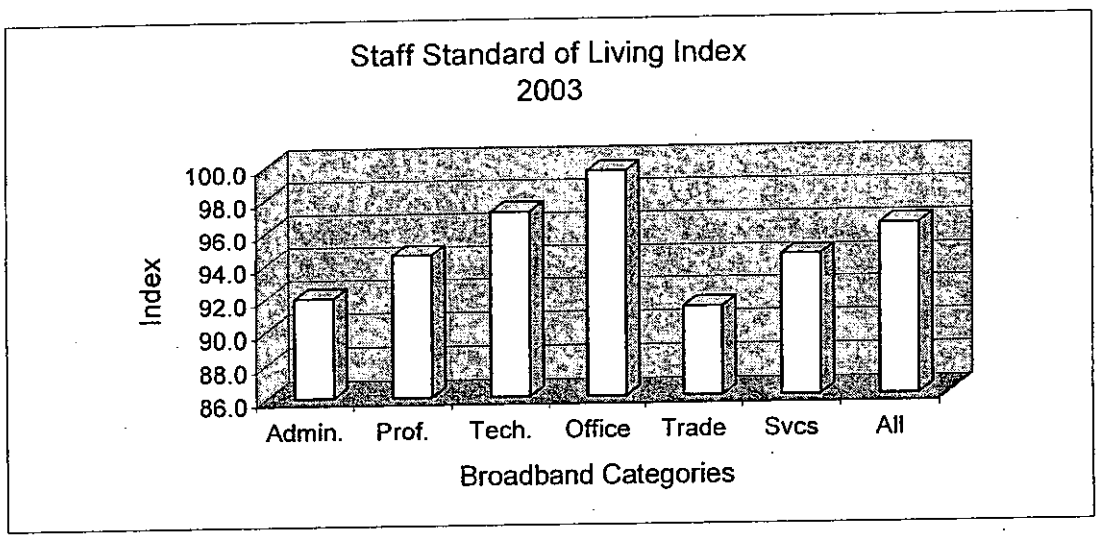
[4] **Standard of Living Index** (Reg. Avg. Fac. Salary Factor + Reg. Composite Cost of Living Factor)
Compares regional cost of living to average faculty salary to derive a state's relative standard of living for the average faculty member. An index number less than 100.0 indicates real purchasing power is lower than the regional average purchasing power. Presumably, standard of living is relatively lower for faculty in these states. And vice, versa for an index number greater than 100.0.

The real purchasing power of NDUS staff wages is lower than the real purchasing power of comparable positions in the four-state region (ND, MN, MT, SD).

Exhibit D2

Regional Standard of Living – Staff

Broadband Category	Regional Avg Salary Factor[1]	Regional Composite Cost of Living Factor (Third Qtr 2003)[2]	Standard of Living Index[3]
Admin./Managerial	90.3	98.1	92.0
Professional	92.8	98.1	94.5
Tech/Paraprofessional	95.3	98.1	97.1
Office Support	97.7	98.1	99.6
Crafts/Trades	89.6	98.1	91.3
Services	92.6	98.1	94.4
Average All Bands	94.5	98.1	96.3



[1] **Regional Avg Salary Factor**
Indicates how the NDUS average staff salary compares to ND, MN, MT and SD as a whole for similar occupations. The regional figure is represented by the number 100.0. An index number less than 100.0 indicates the average salary for NDUS staff is lower than the regional average salary for similar occupations.
Data Sources: NDUS Dec. 2003 payroll records; ND Job Service-2003; Fargo Moorhead Human Resource Administration-2002; College & University Professional Association, Human Resources Administrative Survey-2000 and Human Resources Mid-Level Survey-2000; Blue Cross Blue Shild of ND Information Technology Survey-2001; National Association of State Foresters Survey-2000; Bjorkland Survey-2001. Data from all surveys prior to 2003 were inflation adjusted to 2003 with the annual change(s) in the Consumer Price Index.

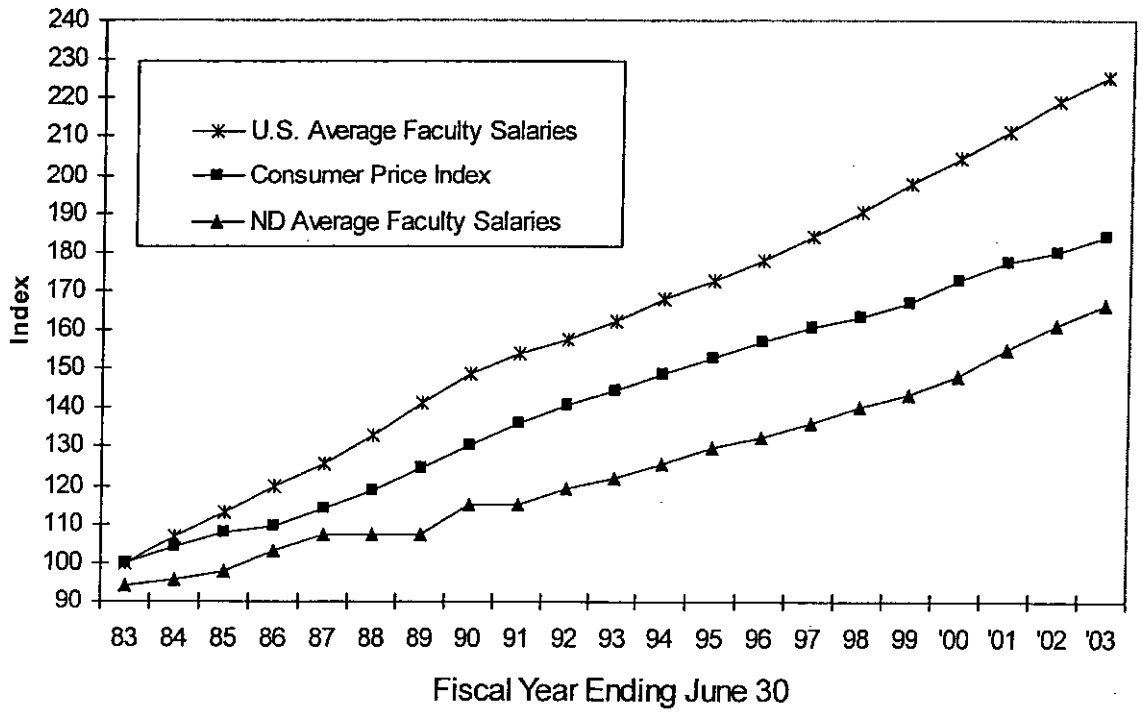
[2] **Regional Composite Cost of Living Factor** (ND composite cost of living index ÷ avg regional composite cost of living index)
Compares ND's composite cost of living index to the average composite cost of living index for ND, MN, SD and MT. The regional average is then represented by an index of 100.0. An index of less than 100.0 indicates ND's cost of living is lower than the average for the regional area.

[3] **Standard of Living Index** (Regional Avg. Salary Factor ÷ Regional Composite Cost of Living Factor)
Compares regional composite cost of living to average staff salary to derive NDUS staff's relative standard of living compared to the regional area . An index number less than 100.0 indicates real purchasing power is lower than the regional average purchasing power for similar occupations. Presumably, standard of living is relatively lower for NDUS staff.

Average faculty salary trends in the NDUS have not kept pace with changes in U.S. average faculty salaries or changes in the consumer price index.

Exhibit E

Average Faculty Salary Trends and the Cost of Living



Data Sources: American Association of University Professors, *Academe*, Annual Reports
U.S. Department of Labor Consumer Price Index: July 1983 = 100

Average staff salaries at all four types of institutions are below the average market salary. MiSU has the largest variance from market at 23.2 percent.

Exhibit F1

Average Broadband Staff Salaries Compared to Job Market

Band #	Job Family	2003 Weighted Avg. NDUS Salary	2003 Weighted Market Salary	2003 % Variance
		Doctoral (NDSU, UND)		
1000	Administrative/Managerial	$64,707	$67,804	4.8%
3000	Professional	39,041	41,084	5.2%
4000	Technical & Paraprofessional	27,369	28,306	3.4%
5000	Office Support	24,568	24,285	0.0%
6000	Crafts/Trades	31,678	34,549	9.1%
7000	Services	19,707	20,969	6.4%
	Weighted Average	**$30,573**	**$31,834**	**4.1%**
		Masters (MiSU)		
1000	Administrative/Managerial	$42,905	$52,300	21.9%
3000	Professional	33,462	43,418	29.8%
4000	Technical & Paraprofessional	23,092	25,456	10.2%
5000	Office Support	19,951	25,421	27.4%
6000	Crafts/Trades	23,576	29,383	24.6%
7000	Services	17,753	20,413	15.0%
	Weighted Average	**$25,714**	**$31,688**	**23.2%**
		4-year (DSC, MaSU, VCSU)		
1000	Administrative/Managerial	$40,691	$48,370	18.9%
3000	Professional	28,877	36,719	27.2%
4000	Technical & Paraprofessional	20,587	22,846	11.0%
5000	Office Support	19,703	21,663	9.9%
6000	Crafts/Trades	24,089	30,705	27.5%
7000	Services	16,152	18,509	14.6%
	Weighted Average	**$24,162**	**$28,669**	**18.7%**
		2-year (BSC, LRSC, MISU-B, NDSCS, WSC)		
1000	Administrative/Managerial	$42,714	$44,397	3.9%
3000	Professional	34,323	38,846	13.2%
4000	Technical & Paraprofessional	23,885	27,026	13.2%
5000	Office Support	20,041	22,688	13.2%
6000	Crafts/Trades	26,374	28,574	8.3%
7000	Services	17,783	19,923	12.0%
	Weighted Average	**$24,850**	**$27,938**	**12.4%**

Data Source: NDUS Dec. 2003 payroll records; ND Job Service-2003; Fargo Moorhead Human Resource Administration-2002; College & University Professional Association, Human Resources Administrative Survey-2000 and Human Resources Mid-Level Survey-2000; Blue Cross Blue Shild of ND Information Technology Survey-2001; National Association of State Foresters Survey-2000; Bjorkland Survey-2001. Data from all surveys prior to 2003 were inflation adjusted to 2003 with the annual change(s) in the Consumer Price Index.

Exhibit F2

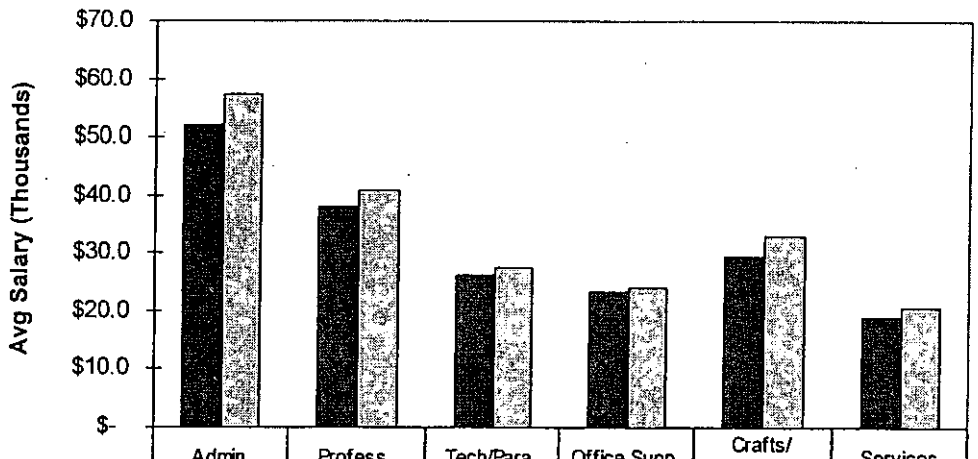
2003 NDUS Weighted Broadband Staff Salaries Compared to Regional Job Market By Type of Institution



	Doctoral	Masters	4-Year	2-Year
Avg NDUS Salary	$30.6	$25.7	$24.2	$24.9
Avg Market Salary	$31.8	$31.7	$28.7	$27.9
% Variance	-4.1%	-23.2%	-18.7%	-12.4%

All broadband categories lag the four-state regional job market, with the average salary variances ranging from 2.3 percent to 11.6 percent

2003 NDUS Weighted Broadband Staff Salaries Compared to Regional Job Market By Broadband Category



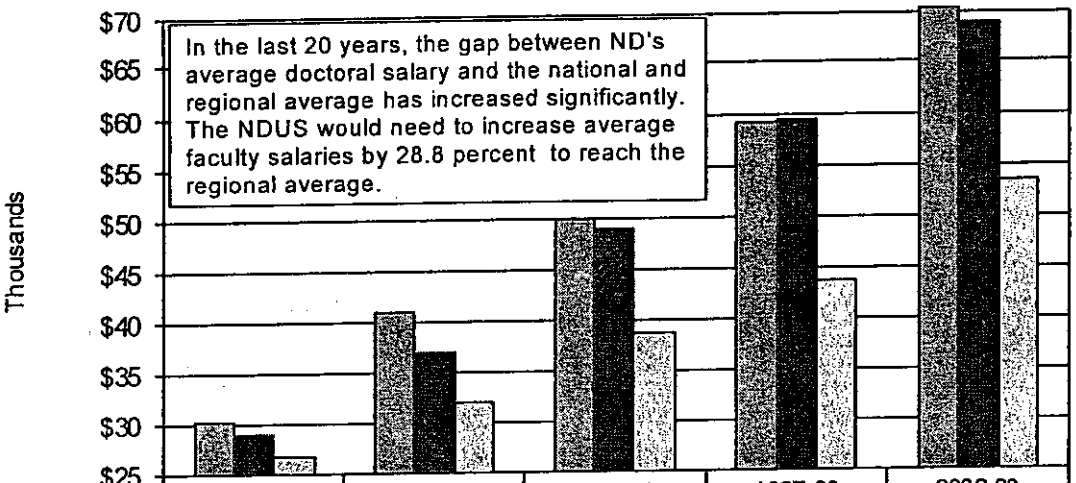
	Admin	Profess.	Tech/Para.	Office Supp.	Crafts/ Trades	Services
Avg NDUS Salary	$51.8	$37.9	$26.4	$23.5	$29.4	$19.1
Avg Market Salary	$57.3	$40.8	$27.7	$24.1	$32.8	$20.6
% Variance	-10.8%	-7.8%	-4.9%	-2.3%	-11.6%	-8.0%

Data Sources: See Exhibit F1

Exhibit G1

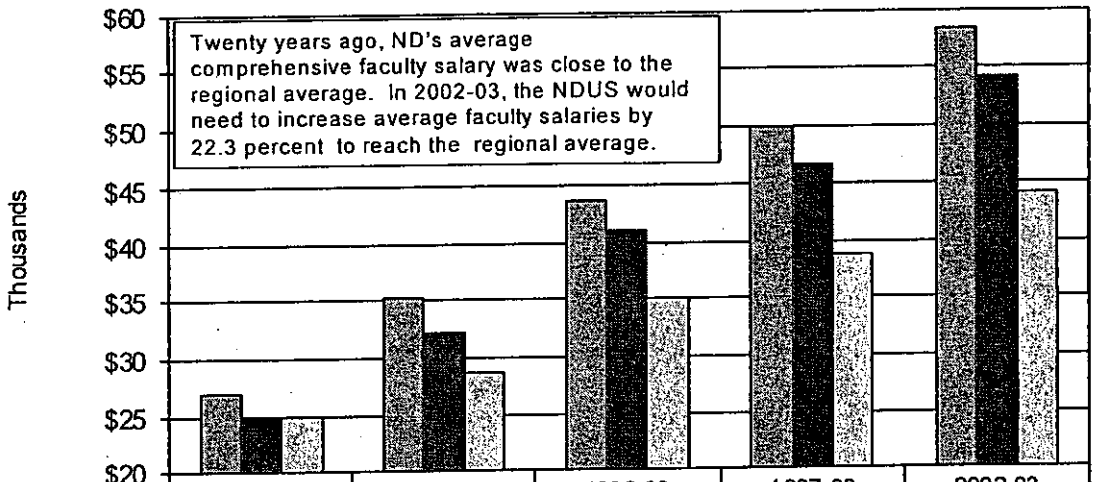
Average Faculty Salaries By Type of Institution (U.S., Regional and NDUS)

Doctoral Institutions (NDSU, UND)



	1982-83	1987-88	1992-93	1997-98	2002-03
U.S.	$30.2	$41.0	$50.0	$59.1	$70.4
Regional	$28.9	$37.0	$48.9	$59.4	$68.8
N.D.	$26.8	$31.9	$38.7	$43.7	$53.4

Comprehensive (Masters) Institutions (MiSU)



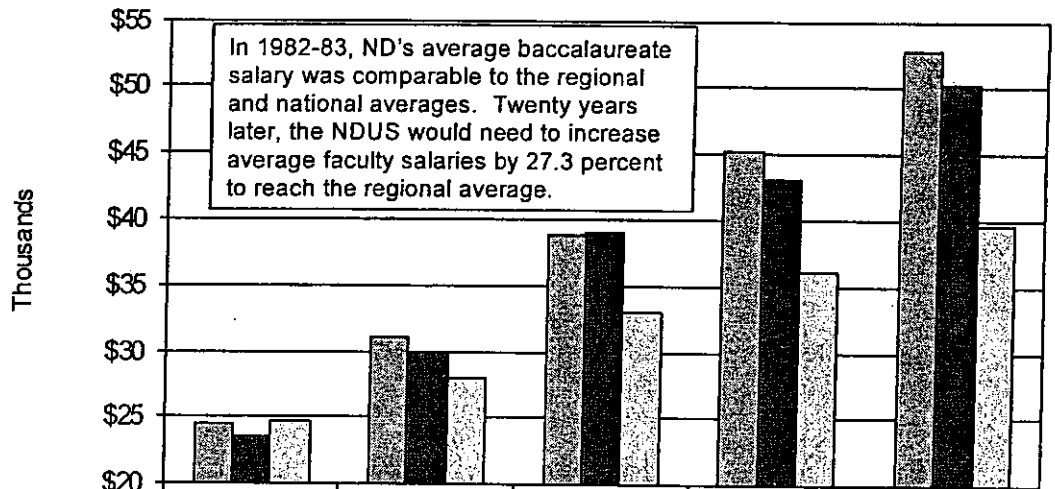
	1982-83	1987-88	1992-93	1997-98	2002-03
U.S.	$26.9	$35.3	$43.8	$49.9	$58.4
Regional	$24.8	$32.3	$41.1	$46.7	$54.2
N.D.	$24.8	$28.7	$35.2	$38.8	$44.3

Source: AAUP, *Academe,* Annual Reports
Regional states include: CO, IA, KS, MN, MO, MT, ND, NE, OK, SD, WI and WY.

Exhibit G2

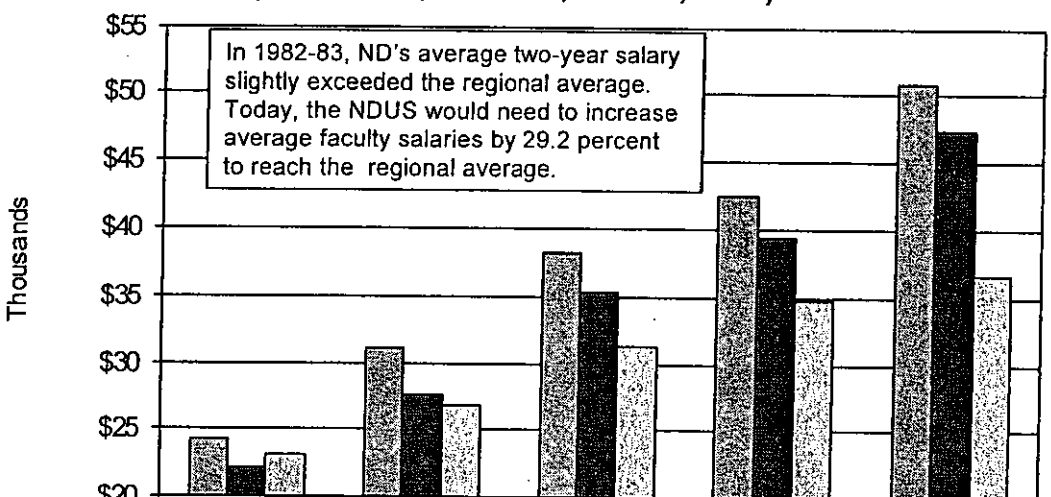
Average Faculty Salaries By Type of Institution (U.S., Regional and NDUS)

Baccaleaureate Institutions (DSU, MaSU, VCSU)



	1982-83	1987-88	1992-93	1997-98	2002-03
U.S.	$24.5	$31.1	$38.9	$45.2	$52.8
Regional	$23.6	$29.9	$39.0	$43.1	$50.3
N.D.	$24.7	$28.0	$33.0	$36.1	$39.5

Two-Year Institutions (BSC, LRSC, MiSU-BC, NDSCS, WSC)



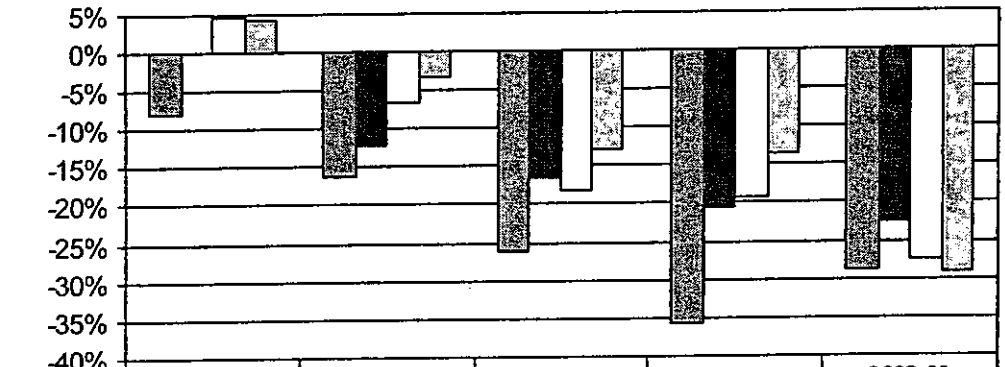
	1982-83	1987-88	1992-93	1997-98	2002-03
U.S.	$24.2	$31.1	$38.3	$42.6	$50.8
Regional	$22.2	$27.7	$35.3	$39.4	$47.4
N.D.	$23.2	$26.8	$31.2	$34.7	$36.7

Source: AAUP, *Academe,* Annual Reports
Regional states include: CO, IA, KS, MN, MO, MT, ND, NE, OK, SD, WI and WY.

The gap between ND average faculty salaries and regional average faculty salaries has widened significantly over the last 20 years.

Exhibit G3

Average ND Faculty Salaries Compared to Regional Averages By Type of Institution



	1982-83	1987-88	1992-93	1997-98	2002-03
Doctoral	-7.8%	-16.0%	-26.4%	-35.9%	-28.8%
Masters	0.0%	-12.5%	-16.8%	-20.4%	-22.3%
Baccal.	4.5%	-6.8%	-18.2%	-19.4%	-27.3%
Two-Yr.	4.3%	-3.4%	-13.1%	-13.5%	-29.2%

Source: AAUP, *Academe*, Annual Reports
Regional states include: CO, IA, KS, MN, MO, MT, ND, NE, OK, SD, WI and WY.

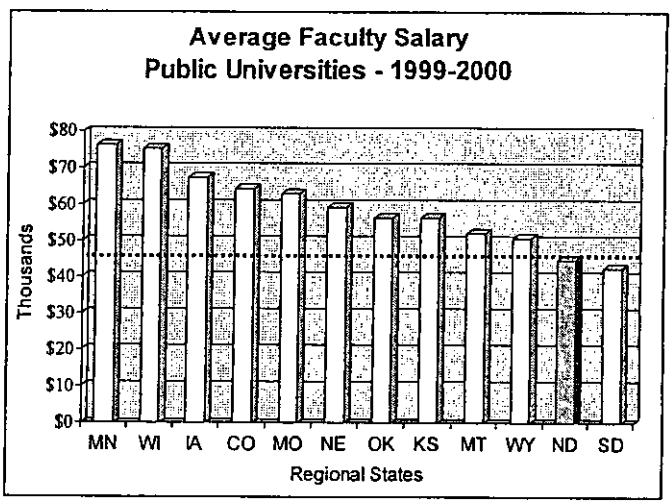
Exhibit H1

Listing of States by Rank of Average Salary for 9/10 Month Faculty of Public Higher Education Institutions in 50 States and DC

Public Universities, 1999-2000

In 1999-2000, ND ranked 49th nationally and 11th regionally in salaries among 9/10 month faculty at public universities.

State	99-00 Data (2003 Almanac) Avg Salary	Rank	98-99 Rank	97-98 Rank
California	$89,615	1	1	1
New Jersey	$77,369	2	2	3
Minnesota*	$76,264	3	3	4
Wisconsin*	$75,303	4	5	6
Connecticut	$75,251	5	4	2
Michigan	$70,412	6	6	7
Massachusetts	$69,955	7	8	5
North Carolina	$69,369	8	9	9
Delaware	$68,887	9	7	8
Pennsylvania	$68,311	10	10	10
New York	$67,431	11	11	12
Iowa*	$67,108	12	12	11
Maryland	$66,678	13	15	14
Rhode Island	$66,482	14	14	13
Nevada	$66,168	15	13	15
Virginia	$65,691	16	18	20
Arizona	$65,598	17	20	19
Georgia	$65,581	18	17	21
Colorado*	$64,173	19	19	18
Illinois	$63,195	20	23	23
Florida	$62,921	21	22	22
Missouri*	$62,883	22	21	17
Hawaii	$62,776	23	16	16
Ohio	$61,704	24	24	24
South Carolina	$61,573	25	28	31
Texas	$61,358	26	26	27
Washington	$61,257	27	27	26
Tennessee	$60,338	28	25	29
Kentucky	$59,423	29	29	30
Nebraska*	$59,306	30	30	28
Indiana	$59,247	31	31	32
Utah	$56,851	32	33	39
Oklahoma*	$56,268	33	34	34
Kansas*	$56,090	34	38	36
New Hampshire	$56,018	35	32	25
Arkansas	$55,945	36	42	42
Alabama	$55,670	37	35	44
West Virginia	$55,107	38	41	38
New Mexico	$54,400	39	43	43
Vermont	$54,365	40	36	37
Mississippi	$53,967	41	47	48
Louisiana	$53,708	42	45	33
Alaska	$53,624	43	37	35
Idaho	$53,061	44	44	45
Oregon	$52,997	45	40	40
Maine	$52,098	46	39	41
Montana*	$51,913	47	46	46
Wyoming*	$50,452	48	48	47
North Dakota*	$44,658	49	50	49
South Dakota*	$42,233	50	49	50
Dist. Of Columbia	n/a	n/a	n/a	n/a
U.S.	**$63,595**			



* Regional States
Source: Chronicle of Higher Education, Annual Almanacs

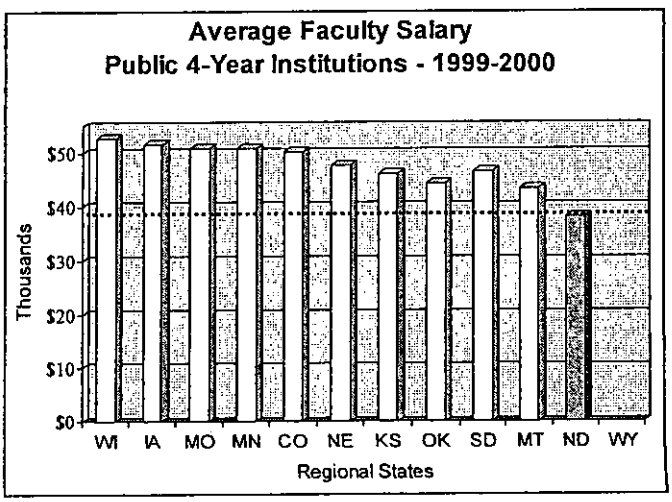
Exhibit H2

Listing of States by Rank of Average Salary for 9/10 Month Faculty of Public Higher Education Institutions in 50 States and DC

Public 4-Year Institutions, 1999-2000

In 1999-2000, ND ranked 50th nationally and 11th regionally in salaries among 9/10 month faculty at four-year institutions.

State	99-00 Data (2003 Almanac) Avg Salary	Rank	98-99 Rank	97-98 Rank
California	$67,562	1	2	1
New Jersey	$66,306	2	1	2
New York	$60,456	3	5	4
Connecticut	$59,240	4	3	3
Nevada	$59,180	5	4	6
Pennsylvania	$58,094	6	6	7
Virginia	$56,877	7	8	9
Massachusetts	$56,580	8	7	5
Michigan	$55,105	9	9	8
Dist. Of Columbia	$54,594	10	11	23
Georgia	$54,201	11	10	11
Maryland	$53,462	12	14	15
Delaware	$53,414	13	21	17
Florida	$53,373	14	13	10
Ohio	$53,184	15	12	14
Wisconsin*	$52,817	16	19	16
Illinois	$52,609	17	20	21
North Carolina	$52,322	18	23	18
Rhode Island	$52,031	19	17	22
Arizona	$51,942	20	24	26
Iowa*	$51,823	21	16	12
Alaska	$51,768	22	15	13
Missouri*	$51,116	23	22	20
Minnesota*	$51,113	24	18	25
Colorado*	$50,417	25	27	24
New Hampshire	$50,412	26	26	27
Hawaii	$49,422	27	25	19
Tennessee	$49,304	28	32	28
Indiana	$49,252	29	28	29
Washington	$48,685	30	29	30
Texas	$48,301	31	36	33
Nebraska*	$47,749	32	33	31
Kentucky	$47,621	33	31	32
Alabama	$47,264	34	34	40
Oregon	$46,832	35	35	35
Mississippi	$46,702	36	38	38
Idaho	$46,647	37	37	37
Maine	$46,640	38	30	34
Kansas*	$46,244	39	40	41
South Carolina	$46,004	40	39	36
Arkansas	$44,668	41	41	42
Louisiana	$44,430	42	44	39
Oklahoma*	$44,351	43	43	43
New Mexico	$44,251	44	46	47
Utah	$43,761	45	42	44
South Dakota*	$43,594	46	48	50
West Virginia	$43,413	47	47	46
Montana*	$43,395	48	45	45
Vermont	$39,699	49	49	48
North Dakota*	$38,260	50	50	49
Wyoming*	n/a	n/a	n/a	n/a
U.S.	**$54,255**			



* Regional States
Source: Chronicle of Higher Education, Annual Almanacs

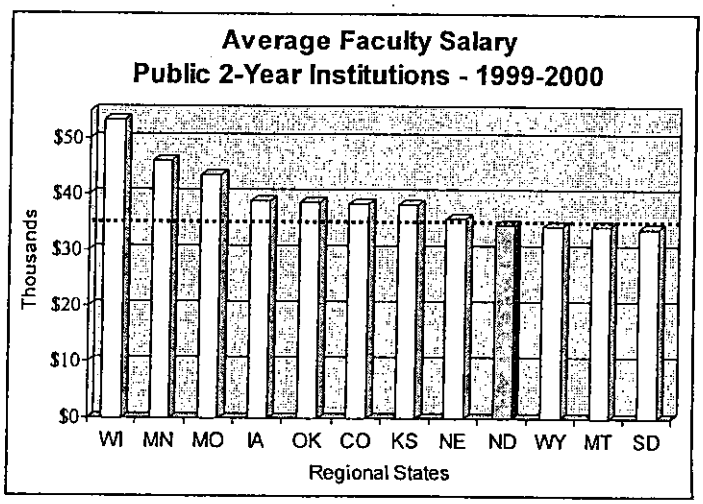
Exhibit H3

Listing of States by Rank of Average Salary for 9/10 Month Faculty of Public Higher Education Institutions in 50 States and DC

Public 2-Year Colleges, 1999-2000

In 1999-2000, ND ranked 45th nationally and 9th regionally in salaries among 9/10 month faculty at two-year institutions.

State	99-00 Data (2003 Almanac) Avg Salary	Rank	98-99 Rank	97-98 Rank
Alaska	$61,613	1	1	1
Michigan	$59,511	2	3	4
California	$59,219	3	2	2
New Jersey	$58,191	4	4	3
New York	$56,149	5	5	5
Connecticut	$54,557	6	7	7
Illinois	$53,905	7	6	6
Arizona	$53,558	8	9	8
Wisconsin*	$53,355	9	8	9
Pennsylvania	$51,663	10	10	10
Maryland	$49,832	11	11	11
Ohio	$47,999	12	15	17
Delaware	$47,803	13	16	16
Nevada	$47,187	14	14	12
Hawaii	$47,096	15	12	13
Oregon	$46,343	16	17	15
Rhode Island	$46,205	17	18	18
Minnesota*	$45,968	18	13	14
Florida	$44,573	19	19	19
Virginia	$44,077	20	21	23
Missouri*	$43,485	21	20	22
Texas	$43,101	22	25	21
Massachusetts	$42,560	23	22	20
Alabama	$42,509	24	23	27
Washington	$42,334	25	26	24
Georgia	$41,858	26	24	25
Mississippi	$41,773	27	29	26
Kentucky	$41,196	28	28	33
West Virginia	$39,482	29	36	39
Idaho	$39,188	30	30	29
Iowa*	$38,950	31	32	30
Oklahoma*	$38,707	32	35	32
Utah	$38,592	33	33	31
Colorado*	$38,565	34	31	28
Kansas*	$38,166	35	34	34
Maine	$37,919	36	27	35
New Hampshire	$37,874	37	37	38
Indiana	$37,290	38	39	37
Tennessee	$37,019	39	38	36
South Carolina	$36,935	40	42	42
Louisiana	$36,699	41	41	41
New Mexico	$36,162	42	43	46
Nebraska*	$35,756	43	40	40
Arkansas	$35,108	44	45	45
North Dakota*	$34,720	45	44	43
North Carolina	$34,516	46	49	48
Wyoming*	$34,283	47	46	44
Montana*	$34,265	48	47	49
South Dakota*	$34,017	49	48	47
Dist. Of Columbia	n/a	n/a	n/a	n/a
Vermont	n/a	n/a	n/a	n/a
U.S.	**$48,240**			



* Regional States

Source: Chronicle of Higher Education, Annual Almanacs

The state of North Dakota offers a comprehensive benefit package to NDUS employees. According to the Central States Compensation Association (CSCA), the value of North Dakota's benefit package ranks 8th among the 12 states in our region.

Exhibit I

Regional Faculty Benefits Analysis
January 2003

State	Salary Rank[4]	Average Faculty Salary (9 months)	Hourly Faculty Salary (9 months)	Benefits Per Hour: Holidays[2]	Health Insurance[1]	Life Insurance[1]	Dental Insurance[1]	Retirement[3]	Social Security	Medicare	Total Benefits	Benefits Rank
Wyoming	10	$50,452	32.34	1.31	3.07	0.013	0.00	4.25	2.34	0.57	11.54	1
Missouri	5	$62,883	40.31	1.74	2.63	0.080	0.00	3.33	2.34	0.57	10.68	2
Oklahoma	7	$56,268	36.07	1.45	2.45	0.040	0.00	3.77	2.34	0.57	10.63	3
Kansas	8	$56,090	35.96	1.45	3.76	0.147	0.21	1.58	2.34	0.57	10.06	4
South Dakota	12	$42,233	27.07	1.67	3.07	0.040	0.00	2.26	2.34	0.57	9.95	5
Iowa	3	$67,108	43.02	1.60	3.08	0.013	0.13	2.17	2.34	0.57	9.90	6
Montana	9	$51,913	33.28	1.52	2.55	0.027	0.23	2.60	2.34	0.57	9.84	7
North Dakota	(11)	$44,658	28.63	1.52	1.77	0.002	0.00	3.59	2.34	0.57	9.79	(8)
Wisconsin	2	$75,303	48.27	1.81	2.77	0.240	0.00	2.00	2.34	0.57	9.74	9
Colorado	4	$64,173	41.14	1.45	1.20	0.013	0.12	3.69	2.34	0.57	9.38	10
Nebraska	6	$59,306	38.02	1.74	1.77	0.013	0.00	2.55	2.34	0.57	8.98	11
Minnesota	1	$76,264	48.89	1.60	2.33	0.000	0.23	1.51	2.34	0.57	8.57	12
Average		**$58,888**	**$37.75**	**$2.10**	**$2.54**	**$0.03**	**$0.08**	**$2.77**	**$2.34**	**$0.57**	**$10.43**	

Data Sources:
2003 Central States Compensation Association - Benefit Survey:
[1]Employer paid benefits for employee-only coverage. Based on 1,560 hrs.
[2]Based on regional average hourly salary (to normalize the data) and 1,560 hours.
[3]Employer paid. Based on regional average hourly salary and 1,560 hours.
Chronicle of Higher Education, 2003 Almanac:
[4]Salary rank of 9/10 mth faculty of public higher ed institutions – 1999-00.

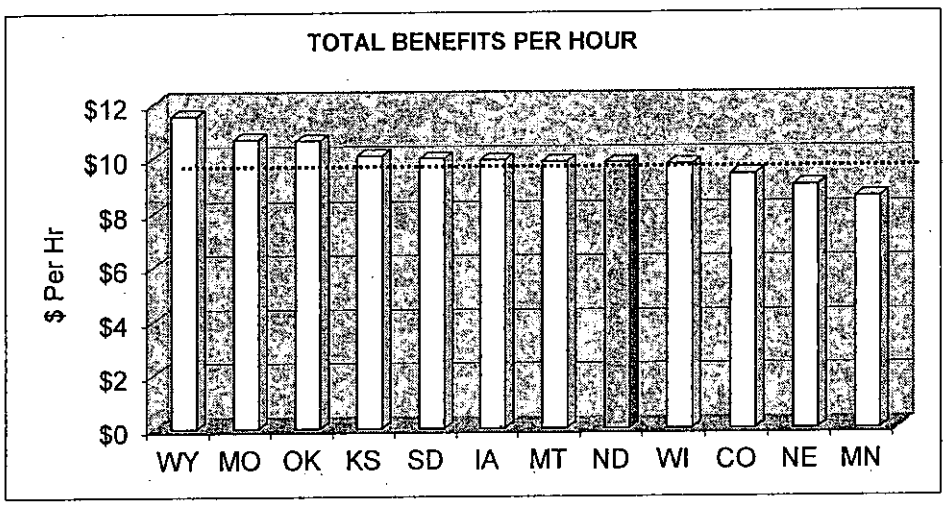


Exhibit J

North Dakota University System
Estimated Cost of Salary Increase Recommendation

(In Millions)

	Estimated Cost of Salary Increases	
	4.2% Per Year	Each Additional 1% Per Year
UND/NDSU*	$ 26.7	$ 6.4
MiSU	2.6	0.7
4-Year Campuses	2.9	0.8
2-Year Campuses	4.9	1.1
Subtotal - Campuses	37.1	9.0
NDUS Office	0.2	
UND Med School	5.0	1.2
Forest Service	0.2	
UGPTI	0.3	0.1
Northern Crops Institute	0.1	
Extension Service	1.6	0.4
Research	3.0	0.8
Subtotal - Others	10.4	2.5
Total - NDUS	$ 47.5	$ 11.5
Funding Source, Based on 2003-04 Annual Budgets:		
General Fund	$ 18.4	$ 4.4
Tuition	10.3	2.5
Other Funds	18.8	4.6
Total Funding Sources	$ 47.5	$ 11.5

*UND/NDSU includes HECN, IVN and ODIN employees.

Note: The estimated increases on this schedule were computed, utilizing the 2003-04 annual budgets as the base.

G:\ANNA\700\799\employee compensation report 2004.doc

Council of College Faculties (CCF) Address to Senate Appropriations Committee

Dr. John Pederson, Mayville State, CCF President

Dr. Ann Burnett, NDSU, CCF representative to the SBHE

Mr. Chairman, members of the Senate Appropriations Committee, I am John Pederson, from Mayville State University, and President of the Council of College Faculties, which represents the faculty from all eleven institutions of higher education in the North Dakota University System. This is Ann Burnett, from North Dakota State University, and the faculty representative on the State Board of Higher Education. Thank you for the opportunity to appear before your committee to provide comments at this hearing.

We come here in support of the Roundtable, particularly the Educational Excellence cornerstone, as we believe our primary duty is to provide quality instruction to North Dakota's students. We are also in full support of the State Board of Higher Education's position on Governor Hoeven's budget proposal; we respectfully request that you provided the resources requested in the Board's budget request, and that you provide additional funds for the long range finance plan as specified in the Roundtable report. Our main concern is the same concern as you have heard in years past: we are concerned about faculty welfare and morale and hope that you will fully fund salary increases by funding the budget requested by the Board.

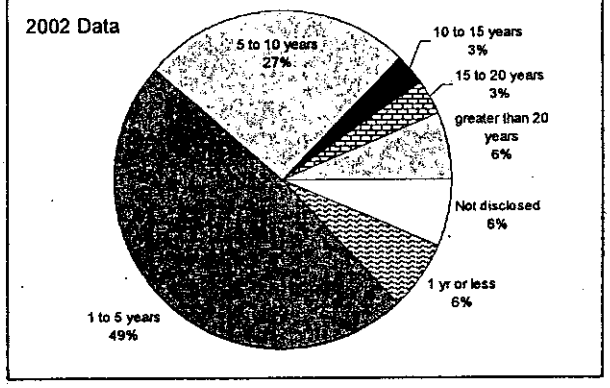
Some recent data on North Dakota faculty from the Higher Education Research Institute suggest that the stress and strain of the job are becoming increasingly apparent. These individuals go on to conclude that the lower level of pay and the high work load demands are beginning to take an increasing toll on faculty in this state. As a result, faculty leave, and students suffer because high quality professors are gone, the revolving door doesn't insure any consistency, and it's more difficult to attract new, high quality professors to North Dakota.

In the 2004 Employee Compensation Report, the authors found that of those faculty and staff members who left the North Dakota University System, more than half had been here for five years or less. Exhibit B from the Employee Compensation Report shows the low rate of retention in our system. Furthermore, this exhibit demonstrates that the primary reason for leaving the state was low salaries.

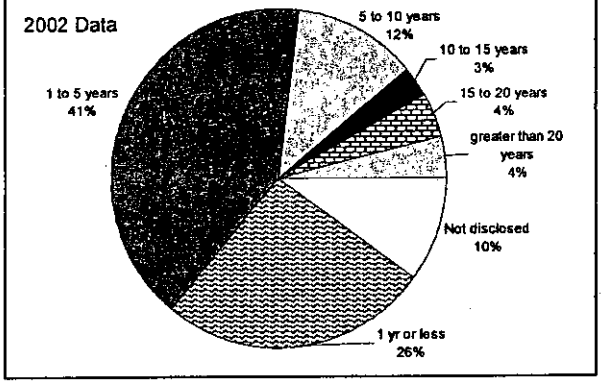
Over one-half of faculty and over two-thirds of staff leaving the NDUS in 2002 were employed less than five years prior to leaving.

Exhibit B

NDUS EMPLOYEE EXIT SURVEY RESULTS
Years of Service of Respondent Prior to Leaving – Faculty

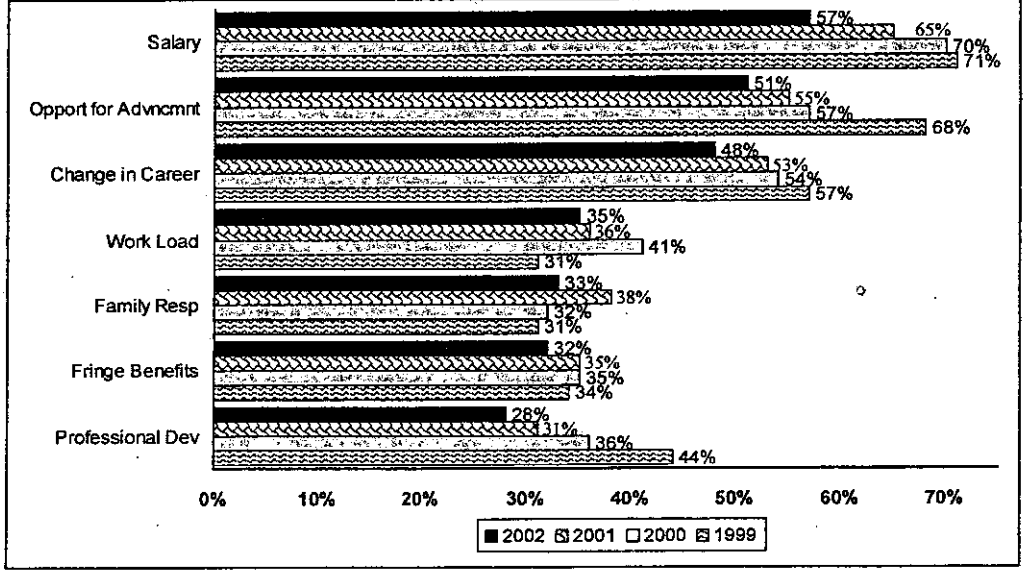


NDUS EMPLOYEE EXIT SURVEY RESULTS
Years of Service of Respondent Prior to Leaving – Staff



Over the past four years, faculty and staff have identified low salary as the major factor influencing their decision to leave the NDUS.

NDUS EMPLOYEE EXIT SURVEY RESULTS*
Percent of Respondents Who Indicated Factors "Greatly Influenced" or "Influenced Somewhat" Their Decision to Leave



* Other reasons include facilities, pursue education, funding, equipment, spouse, library resources, poor health/disability and other.

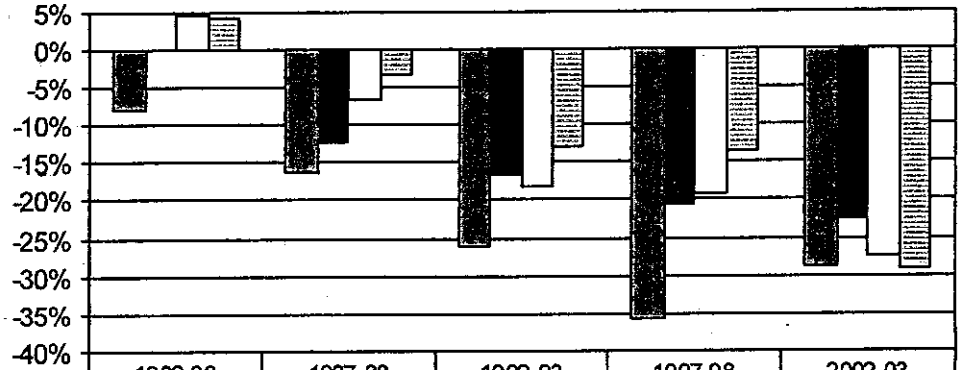
The problem of retention is complicated by the fact that a large number of our faculty will be retiring in the next several years. The same document indicates that "About 46 percent of NDUS faculty members and 36 percent of staff are over 50 years of age. Twelve percent of faculty and 5 percent of staff are older than 60 years of age. The high percentage of younger faculty and staff leaving their institutions suggests fewer and fewer faculty and staff will be available to follow veteran employees into seniority." For those who remain behind and are at the mid career level, salary compression is a factor that affects morale and retention.

The problem of low compensation is a serious one. The report finds that North Dakotans already rank 11th out of 12 states in the region in terms of cost of living. Despite the wage increase from the last biennium, faculty raises were still not enough to meet cost of living demands. In fact, exhibit D1 from the report demonstrates that North Dakota faculty are nearly 30% behind the regional salary average. Exhibit H1-3 show North Dakota as second to last in salaries. We don't expect to be #1 among the states in salary, but even being 48th would entail a substantial improvement for many faculty. Exhibit H1 shows that if UND & NDSU faculty salaries were increased to match the 48th ranked state, Montana, it would require a 12.9% increase. Exhibit H2 shows that if faculty salaries at 4 year institutions in North Dakota were raised to match the levels of the 48th ranking, it would require a 13.4% raise.

With this knowledge, no wonder faculty are discouraged and are leaving. For those who may be place-bound, these data do nothing but feed already-poor morale and create a potentially negative reputation of how the state treats its faculty in higher education.

Exhibit D1

Average ND Faculty Salaries Compared to Regional Averages By Type of Institution



	1982-83	1987-88	1992-93	1997-98	2002-03
Doctoral	-7.8%	-16.0%	-26.4%	-35.9%	-28.8%
Masters	0.0%	-12.5%	-16.8%	-20.4%	-22.3%
Baccal.	4.5%	-6.8%	-18.2%	-19.4%	-27.3%
Two-Yr.	4.3%	-3.4%	-13.1%	-13.5%	-29.2%

Source: AAUP, *Academe*, Annual Reports
Regional states include: CO, IA, KS, MN, MO, MT, ND, NE, OK, SD, WI and WY.

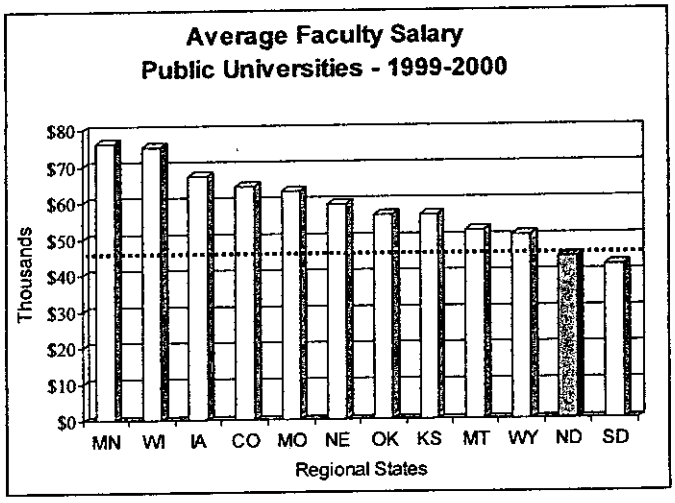
Exhibit H1

Listing of States by Rank of Average Salary for 9/10 Month Faculty of Public Higher Education Institutions in 50 States and DC

Public Universities, 1999-2000

In 1999-2000, ND ranked 49th nationally and 11th regionally in salaries among 9/10 month faculty at public universities.

State	99-00 Data (2003 Almanac) Avg Salary	Rank	98-99 Rank	97-98 Rank
California	$89,615	1	1	1
New Jersey	$77,369	2	2	3
Minnesota*	$76,264	3	3	4
Wisconsin*	$75,303	4	5	6
Connecticut	$75,251	5	4	2
Michigan	$70,412	6	6	7
Massachusetts	$69,955	7	8	5
North Carolina	$69,369	8	9	9
Delaware	$68,887	9	7	8
Pennsylvania	$68,311	10	10	10
New York	$67,431	11	11	12
Iowa*	$67,108	12	12	11
Maryland	$66,678	13	15	14
Rhode Island	$66,482	14	14	13
Nevada	$66,168	15	13	15
Virginia	$65,691	16	18	20
Arizona	$65,598	17	20	19
Georgia	$65,581	18	17	21
Colorado*	$64,173	19	19	18
Illinois	$63,195	20	23	23
Florida	$62,921	21	22	22
Missouri*	$62,883	22	21	17
Hawaii	$62,776	23	16	16
Ohio	$61,704	24	24	24
South Carolina	$61,573	25	28	31
Texas	$61,358	26	26	27
Washington	$61,257	27	27	26
Tennessee	$60,338	28	25	29
Kentucky	$59,423	29	29	30
Nebraska*	$59,306	30	30	28
Indiana	$59,247	31	31	32
Utah	$56,851	32	33	39
Oklahoma*	$56,268	33	34	34
Kansas*	$56,090	34	38	36
New Hampshire	$56,018	35	32	25
Arkansas	$55,945	36	42	42
Alabama	$55,670	37	35	44
West Virginia	$55,107	38	41	38
New Mexico	$54,400	39	43	43
Vermont	$54,365	40	36	37
Mississippi	$53,967	41	47	48
Louisiana	$53,708	42	45	33
Alaska	$53,624	43	37	35
Idaho	$53,061	44	44	45
Oregon	$52,997	45	40	40
Maine	$52,098	46	39	41
Montana*	$51,913	47	46	46
Wyoming*	$50,452	48	48	47
North Dakota*	**$44,658**	49	50	49
South Dakota*	$42,233	50	49	50
Dist. Of Columbia	n/a	n/a	n/a	n/a
U.S.	**$63,595**			



* Regional States
Source: Chronicle of Higher Education, Annual Almanacs

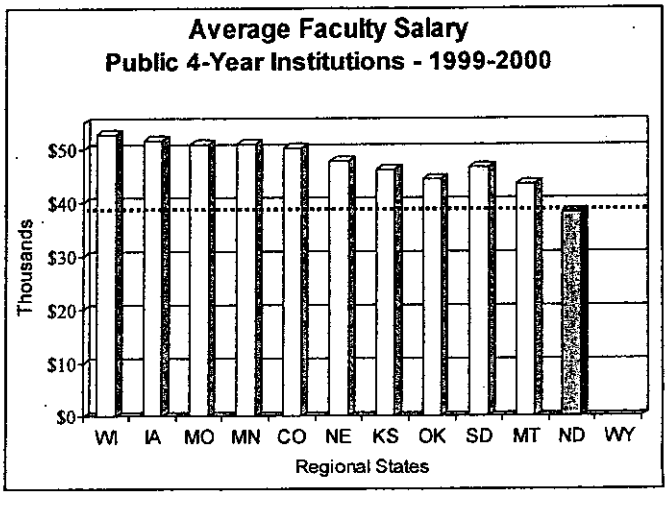
Exhibit H2

Listing of States by Rank of Average Salary for 9/10 Month Faculty of Public Higher Education Institutions in 50 States and DC

Public 4-Year Institutions, 1999-2000

In 1999-2000, ND ranked 50th nationally and 11th regionally in salaries among 9/10 month faculty at four-year institutions.

State	99-00 Data (2003 Almanac) Avg Salary	Rank	98-99 Rank	97-98 Rank
California	$67,562	1	2	1
New Jersey	$66,306	2	1	2
New York	$60,456	3	5	4
Connecticut	$59,240	4	3	3
Nevada	$59,180	5	4	6
Pennsylvania	$58,094	6	6	7
Virginia	$56,877	7	8	9
Massachusetts	$56,580	8	7	5
Michigan	$55,105	9	9	8
Dist. Of Columbia	$54,594	10	11	23
Georgia	$54,201	11	10	11
Maryland	$53,462	12	14	15
Delaware	$53,414	13	21	17
Florida	$53,373	14	13	10
Ohio	$53,184	15	12	14
Wisconsin*	$52,817	16	19	16
Illinois	$52,609	17	20	21
North Carolina	$52,322	18	23	18
Rhode Island	$52,031	19	17	22
Arizona	$51,942	20	24	26
Iowa*	$51,823	21	16	12
Alaska	$51,768	22	15	13
Missouri*	$51,116	23	22	20
Minnesota*	$51,113	24	18	25
Colorado*	$50,417	25	27	24
New Hampshire	$50,412	26	26	27
Hawaii	$49,422	27	25	19
Tennessee	$49,304	28	32	28
Indiana	$49,252	29	28	29
Washington	$48,685	30	29	30
Texas	$48,301	31	36	33
Nebraska*	$47,749	32	33	31
Kentucky	$47,621	33	31	32
Alabama	$47,264	34	34	40
Oregon	$46,832	35	35	35
Mississippi	$46,702	36	38	38
Idaho	$46,647	37	37	37
Maine	$46,640	38	30	34
Kansas*	$46,244	39	40	41
South Carolina	$46,004	40	39	36
Arkansas	$44,668	41	41	42
Louisiana	$44,430	42	44	39
Oklahoma*	$44,351	43	43	43
New Mexico	$44,251	44	46	47
Utah	$43,761	45	42	44
South Dakota*	$43,594	46	48	50
West Virginia	$43,413	47	47	46
Montana*	$43,395	48	45	45
Vermont	$39,699	49	49	48
North Dakota*	**$38,260**	50	50	49
Wyoming*	n/a	n/a	n/a	n/a
U.S.	**$54,255**			



* Regional States

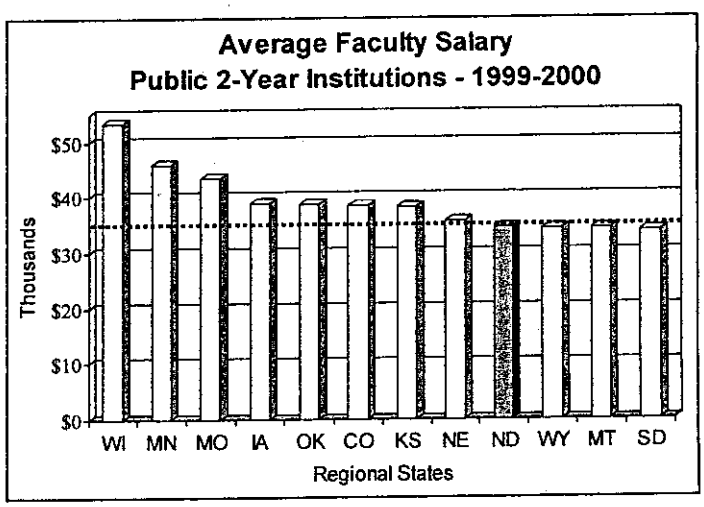
Source: Chronicle of Higher Education, Annual Almanacs

Listing of States by Rank of Average Salary for 9/10 Month Faculty of Public Higher Education Institutions in 50 States and DC

Public 2-Year Colleges, 1999-2000

In 1999-2000, ND ranked 45th nationally and 9th regionally in salaries among 9/10 month faculty at two-year institutions.

State	99-00 Data (2003 Almanac) Avg Salary	Rank	98-99 Rank	97-98 Rank
Alaska	$61,613	1	1	1
Michigan	$59,511	2	3	4
California	$59,219	3	2	2
New Jersey	$58,191	4	4	3
New York	$56,149	5	5	5
Connecticut	$54,557	6	7	7
Illinois	$53,905	7	6	6
Arizona	$53,558	8	9	8
Wisconsin*	$53,355	9	8	9
Pennsylvania	$51,663	10	10	10
Maryland	$49,832	11	11	11
Ohio	$47,999	12	15	17
Delaware	$47,803	13	16	16
Nevada	$47,187	14	14	12
Hawaii	$47,096	15	12	13
Oregon	$46,343	16	17	15
Rhode Island	$46,205	17	18	18
Minnesota*	$45,968	18	13	14
Florida	$44,573	19	19	19
Virginia	$44,077	20	21	23
Missouri*	$43,485	21	20	22
Texas	$43,101	22	25	21
Massachusetts	$42,560	23	22	20
Alabama	$42,509	24	23	27
Washington	$42,334	25	26	24
Georgia	$41,858	26	24	25
Mississippi	$41,773	27	29	26
Kentucky	$41,196	28	28	33
West Virginia	$39,482	29	36	39
Idaho	$39,188	30	30	29
Iowa*	$38,950	31	32	30
Oklahoma*	$38,707	32	35	32
Utah	$38,592	33	33	31
Colorado*	$38,565	34	31	28
Kansas*	$38,166	35	34	34
Maine	$37,919	36	27	35
New Hampshire	$37,874	37	37	38
Indiana	$37,290	38	39	37
Tennessee	$37,019	39	38	36
South Carolina	$36,935	40	42	42
Louisiana	$36,699	41	41	41
New Mexico	$36,162	42	43	46
Nebraska*	$35,756	43	40	40
Arkansas	$35,108	44	45	45
North Dakota*	**$34,720**	45	44	43
North Carolina	$34,516	46	49	48
Wyoming*	$34,283	47	46	44
Montana*	$34,265	48	47	49
South Dakota*	$34,017	49	48	47
Dist. Of Columbia	n/a	n/a	n/a	n/a
Vermont	n/a	n/a	n/a	n/a
U.S.	**$48,240**			



* Regional States
Source: Chronicle of Higher Education, Annual Almanacs

In fact, Table 13 from the 2002 HERI report shows that faculty satisfaction is low. The authors of the report conclude: "Of particular significance was the fact that while faculty satisfaction with salary and fringe benefits was not very high nationwide, the satisfaction of faculty at North Dakota institutions was considerably below the national comparison. Only 31.1 percent of the faculty at North Dakota doctorate institutions, 20.9 percent of faculty at North Dakota four-year institutions, and 28.4 percent of faculty at North Dakota two-year institutions were satisfied with their salaries, compared to national figures of 46.1 percent, 46.6 percent and 54.8 percent, respectively." These data provide demonstrative evidence that morale and negative feelings on the part of faculty can be largely attributed to a stressful work load and low salaries.

Table 13
Percent Noting that Aspects of Job were Very Satisfactory or Satisfactory

	Doctoral		Four-year		Two-year	
Aspect of job*	NDUS %	National %	NDUS %	National %	NDUS %	National %
Salary and fringe benefits	31.1	46.1	20.09	46.6	28.4	54.8
Opportunity for scholarly pursuits	58.8	67.9	40.5	70.5	57.7	56.3
Teaching load	52.1	61.0	47.9	62.5	47.9	55.3
Quality students	50.8	50.6	43.2	44.0	52.8	33.7
Working conditions (hours and location)	62.7	62.6	66.2	61.4	60.9	58.8
Autonomy and independence	84.0	87.7	76.3	88.4	53.6	85.9
Professional relations with other faculty	74.8	73.8	75.0	72.4	86.1	82.7
Social relations with other faculty	62.8	61.2	65.5	57.1	73.1	68.3
Competency of colleagues	72.1	73.1	70.9	72.1	75.6	74.7
Visibility for jobs at other institutions/organizations	35.7	48.1	35.8	49.5	39.8	41.3
Job security	76.6	76.3	61.5	80.0	70.7	79.9
Relationships with administration	58.0	57.9	50.0	57.1	55.3	61.4
Overall job satisfaction	68.9	74.0	62.1	73.6	69.1	80.7
Opportunity to develop new ideas	73.7	78.6	61.5	79.6	71.5	76.3
Availability of childcare	33.8	28.7	12.8	31.7	18.6	52.4

*Respondents marking "Not applicable" are not included in these results.

We also want you to know how hard working our faculty is, and how responsive to the Roundtable they have been. The Higher Education Research Institute Report indicates that faculty spends an average of 62 hours per week at work, with a large portion of that time devoted to class preparation, grading, and teaching. Former Chancellor Larry Isaak, in the Linking North Dakota and Its University System brochure, October 2003, reported that, in response to the Roundtable,

- Universities are delivering bachelor's degrees in cities where there are community colleges, and community colleges are delivering technical training in cities that are home to our universities;
- Research activities have increased dramatically, as have partnerships between the private sector and the campuses;
- New technology and research partnerships are nurturing budding entrepreneurs and providing services to international companies.
- Campuses now can retain revenues from attracting additional students, contracts and research to improve responsiveness to students and the private sector.
- Campuses are collaborating to provide LPN training via distance delivery to rural areas.
- Online classes provide "one click" access from anywhere in the state – or the world.
- Campuses are placing an increased emphasis on articulation agreements to ease student transition between institutions.
- In partnership with the state, the NDUS is implementing a new administrative system (ConnectND), which will result in increased efficiency, service and responsiveness to student and state needs.

We both can provide examples of North Dakota institutions responding to the Roundtable, including the Traill County Technology Center and the new research park at NDSU, which boasts its partnership with Alien Technologies and its work with nanoscale engineering.

Faculty are increasingly aware of and responding to the Roundtable, and the University System and private sector are carrying out the recommendations of the Roundtable. Governor Hoeven has asked you for funding to meet the Roundtable goals. We think our efforts merit continued, strong legislative support for the University System. As Governor Hoeven stated at the October 2003 Roundtable meeting, "It is important that we all work together to increase our economic development opportunities and leverage our resources at all levels. The governor's office, the state legislature, the congressional delegation, the University System, economic developers and the private sector all need to work cooperatively to sustain our strategic focus and collaboration efforts."

So we are here today to try our best to paint a picture of hard working, dedicated, yet discouraged faculty who are asking for your help. We thank you for listening to a concern that you probably have already heard before. We both know excellent faculty who have left our institutions for higher paying jobs, and their absence is truly felt. We know faculty and staff who

have taken second jobs just to make ends meet. We both know faculty who are discouraged and who are questioning their decision to become a professor.

Given the challenges the system confronts, overall job satisfaction as reported in the HERI survey might be considered surprisingly high. A concerted effort by the State in this time of surplus to address these issues has the potential to greatly strengthen faculty morale and the higher education system. With the momentum of the Roundtable, we can only work together to continue that great progress.

We ask that you strongly consider the State Board of Higher Education's request to fund our system at 21% and to supplement that budget to meet the goals of the long range finance plan. Thank you.

North Dakota University System

Creating a University System for the 21st Century

Higher Education Research Institute (HERI)

2001-02 Faculty Survey

July 2003

exec. Summary only follows

NORTH DAKOTA UNIVERSITY SYSTEM

The Vital Link to a Brighter Future

Executive Summary

An overview, the major findings and conclusions of the 2001-02 HERI Faculty Survey are summarized as follows:

Purpose: This is the second comprehensive effort to collect information on faculty members from the doctorate-granting, four-year, and two-year institutions within the North Dakota University System.

Broad Research Questions: What are the general characteristics of faculty in North Dakota's 11 public institutions of higher education? Do faculty differ by type of institution? How do North Dakota faculty compare to faculty at similar institutions across the United States?

Methodology: Faculty from North Dakota's 11 public institutions participated in the national survey of college and university faculty conducted by the University of California Los Angeles Higher Education Research Institute (HERI) in the spring of 2002. Of 1,601 questionnaires mailed to North Dakota University System (NDUS) faculty, 788 returns were processed for a total response rate of 49.2 percent.

Findings:

- North Dakota's doctorate-granting institutions had higher percentages of male faculty and lower percentages of female faculty than four-year, two-year or national doctoral institutions.
- The majority of North Dakota faculty held the rank of assistant professor.
- Doctorate institutions reported higher percentages of tenured status than two-year or four-year institutions. NDUS two-year institutions recorded the lowest percentages of tenured status.
- The aging of North Dakota faculty is demonstrated by the results: the majority of all faculty are 45 or older (compared to 35 in 1998).
- North Dakota faculty at all institutions reflected their peers at four-year, doctorate institutions and nationally in regard to age, with average age ranges from 45 to 54.
- NDUS faculty members spent eight hours less on research and creative activities than their colleagues nationwide.
- Generally, NDUS institutions recorded lower percentages of diverse racial backgrounds than their national peers.
- North Dakota faculty overwhelmingly rated teaching as their principal activity.
- North Dakota faculty spent the majority of their time on teaching, including preparation and advising.
- Autonomy and independence were most noted as a very satisfactory or satisfactory aspect of the job by NDUS doctorate and four-year faculty. For two-year faculty, professional relationships with other faculty was the most satisfactory aspect.

Craig Kilber
NDSU Student Body President
Senate Appropriations Committee
January 19, 2005

Mr, Chairman, members of the Committee, Thank You...

Students Are Paramount:

-There is a stronger than normal relationship between the students and administration, based on open communication

-The financial responsibility of student fees is entrusted to the students

-The number of students involved with university committees

Tuition:

-Students approved the increase of 18% last year to allow programs to continue

-NDSU students are paying a higher percentage compared to other peer institutions / needs to be fair / need the increase in equity to bring us to 55%
- Need to be at 55% of peer institutions / ~~needs to be fair~~
~~-Increases the stress on students who need to take out loans~~

~~Goals:~~

~~-Address salary compression~~

-Lower student to faculty ratio from 19/1 to 15/1

Jordan Thomas Schuetzle
On behalf of the Students of the
University of North Dakota

Good morning Senators, I am pleased to be with you this morning and I bring "warm" greetings from Grand Forks.

As I listened to President Kupchella speak about all that has been happening at UND over the last few years I was reminded of just how fortunate I am to represent the over 13,000 students that make up the University of North Dakota. As Student Body President, I have had the privilege of serving such an amazing group of students. Students of all ages, all backgrounds, from all around the nation and the world, students such as the ones joining me today. These students are leaders on our campus; from the Student Senate, the residence halls, and the Greek system. On behalf of these students, and those they represent, thank you for all the support you have shown in the past. We are very excited to be here today.

You know, it truly is a good day to be a student at UND! With all of the academic programs and all the extra-curricular opportunities available for students, I believe that UND can provide one of the best educational experiences dollar for dollar as any University in the nation. But we must not take that for granted! More needs to be done to ensure that the best and brightest youth stay in North Dakota!

In my experience this past year I have had the opportunity to visit with countless students and have heard many personal stories, some of trouble and some of triumph. Students like Sheri from Rugby ND, who is earning her accounting degree but is forced to work full time to make rent, pay car insurance, buy books, and feed her young daughter. Or Chris, a third generation farmer from Oriska, who struggles to maintain a balance between school and helping his family with chores on the farm.

These stories are all too common. Now, more then ever before, students are forced to commit more time to working and less time to school, preventing them from receiving the full benefits of a college education. As loans and student's indebtedness piles up, the benefits of college become less attractive...current students and high school seniors will look to other paths in life, thus hindering them from reaching their fullest potential.

Right now, Economic Development is of prime importance in North Dakota, and I would ask, what better investment in Economic Development is there than investing in students; the future teachers, entrepreneurs, accountants, doctors, scientists...the future leaders and job creators in our state.

It has been proven over the years that higher education is a vital part of Economic Development. Many have graduated from UND and gone on to make huge investments in North Dakota. Take for instance businessman Leon Osbourne of Meridian Environmental Technologies, Governor Ed Schaefer, and real estate mogul Ralph Engelstad, whose donations back to the community have provided an unimaginable boost to the economy of North Dakota. These graduates often credited their success to the education they received while at UND.

One need not wait until graduation to see the impact UND students have on North Dakota. Kayla Effertz, in her senior year at UND, has already assumed prominent leadership roles in our state, serving on multiple task forces and the State Board of Higher Education. Mike, an aviation major, has began production on a special lighting device used by pilots around the country. Kevin Harrison, a doctoral

student, has recently completed an intensive research project resulting in a comprehensive green energy proposal for the University. One can only imagine what effect these students, and the countless others like them, will bring to our state.

Senators, an investment in higher education at UND is an investment in the future of North Dakota's businesses, North Dakota's families, North Dakota's industry, and North Dakota's leadership. Please remember the University of North Dakota, and the students mentioned here today when making your decisions this session.

It has been an honor to visit with you this morning, I thank you for your continued service to the citizens of this state.

(some last names ommitted at students' request)

North Dakota Student Association
Senate Appropriations, January 17, 2005

Hello Mr. Chairman, members of the Committee, my name is Lucas Larson and I am the lobbyist for the North Dakota Student Association (NDSA). I've had the pleasure to meet many of you and look forward to meeting everyone else. I am taking the semester off of school to be the first full-time NDSA student lobbyist here in Bismarck and offer you any information I can give.

First off, I want to thank all of you for taking the time to listen to me today and hearing the students' side, it really means a lot to us. I also want to thank everyone who has been so kind in helping me learn how things work. I greatly appreciate all the help and advice I've gotten from so many people.

The big story with the students this year and last year has of course been the larger than normal tuition increases. I'm sure you've heard there were increases of up to 18% at some institutions. Students didn't like these tuition increases but with the funding given there were no other options to keep quality faculty, staff, and programs at their institutions.

We are asking for 21% of the general fund to help keep things like tuition increases reasonable. This would help to stay aligned with the long term finance plan established through the Legislative Council and interim Higher Education Committee by the 1999 Legislative Assembly. It would be a big step in moving towards the 2007-09 goal of 85% peer-benchmark institution funding level for all NDUS campuses.

We know tuition in North Dakota is lower than some states. We feel this is an advantage for us. It helps draw people to our universities and state that contribute to our economy.

Another issue in the news has been the Child Care Assistance program. We like this program because it helps students who are parents get an education and some day better provide for their children. An education should be an option for anyone in any situation. Money for this program has been given to the university system, we are asking that it be funded from new dollars outside the NDUS budget. Reallocating money to fund this program would hurt all NDUS students.

We have also been supporters of Centers of Excellence. NDSA feels we already have eleven outstanding universities. This would be an opportunity for them to better themselves and in doing so the communities that depend on them. However we would like to see that all colleges get an opportunity to compete for that funding.

I wouldn't be able to show my face in public if I came here without mentioning CND. The students have been paying a fee for this and most are just now finding out what it is. The students didn't ask for this change but are anxiously waiting to see its benefits. Please don't let it be another burden for students to carry. We ask that this infrastructure change be funded the same way it is for other state agencies thereby eliminating the fee.

It seems like today much of higher education is looked on as a business in and of it self. It is true that the colleges can and do contribute to the state, but I would like to remind people it is a business of educating people first.

"The way you judge how advanced a civilization is, is by looking at how educated its people are."

A Proposed Plan for Using the Collective Assets of the North Dakota University System to Attract More International Students to North Dakota

October 14, 2004

On September 1, 2004, the North Dakota University System chancellor and staff issued a short report describing international student programs existing on the campuses in the system and giving statistics on the number of international students enrolled at U.S. colleges and universities. In addition, the paper discussed the demographic challenge facing North Dakota public higher education institutions with high school graduates in the state expected to drop by more than 30 percent within the next 10 to 15 years. Moreover, the important economic, academic and social benefits of enrolling significantly more international students throughout the system were noted, including the long-term relationships and contacts that will be created between North Dakota and the international students as many return to their countries to establish careers in business and government positions. It is these relationships that create opportunities for economic development partnerships long-term.

This paper proposes a plan to use the collective assets of the system, with start-up funding provided by the North Dakota Legislature for the 2005-07 biennium, to increase greatly the numbers of international students enrolled in North Dakota, thus addressing aggressively the demographic challenge to the 11 campuses in the system with an eventually self-funding and profitable new initiative.

Why a System-wide Approach to International Student Recruiting?

A logical question is why should North Dakota adopt a system-wide international student recruitment plan when most international programs are handled on a campus-by-campus basis? The answer lies in the size of our campuses and the economies of scale.

Two of the primary methods of international student recruiting are: (1) attendance by recruiters at international student fairs held in specific countries or regions and (2) the use of reputable native agents who head organizations that specialize in dealing with students and their families and facilitating their enrollment in universities and colleges in the English-speaking world.

The North Dakota University System has 11 campuses that this fall collectively enroll 42,414 students, which convert to a full-time equivalent enrollment of 34,090. In the Fall of 2003, the NDUS campuses collectively enrolled 1,492 international students. There are several individual public research institutions in other states with approximately the same number or more students than in our entire system, e.g., University of Minnesota-Twin Cities with 49,474, and the University of Wisconsin-Madison with 40,879, which are actively engaged in international student recruitment. Both these institutions in the Fall of 2003 had more than twice the number of international students than in our system, University of Wisconsin-Madison with 3,563 and the University of Minnesota-Twin Cities with 3,731. To compete effectively with these larger

campuses for significant numbers of international students, it will be necessary to establish a state of the art international recruiting and retention infrastructure in North Dakota.

Although individual campuses may choose to continue existing campus-specific recruiting efforts under this plan, it would be cost-prohibitive and a waste of precious institutional resources for each of our 11 campuses to mount a first-rate international recruiting program. As you will see from the proposed budget attached to this paper, international recruiting and retention is an expensive endeavor. To do it right, each campus would need to replicate the staff and English as a Second Language (ESL) infrastructure suggested below. Why should we send 11 North Dakota representatives to a Chinese recruiting fair, or have multiple calls be made by North Dakota representatives at the U.S. Embassy in Beijing regarding visa applications? Why should we establish relationships with 11 agents in China? A high-quality recruiter (or recruiters) representing all of North Dakota's colleges and universities can keep costs down while giving foreign students the option of choosing from among more than 800 programs at 11 North Dakota institutions. The system-wide approach is the only practical way to mount a truly competitive international student recruiting program that benefits all North Dakota University System campuses.

Overview of System-wide International Student Recruitment Plan

In order to be successful, and to attract consistently the best and brightest students from targeted countries and elsewhere, an aggressive and successful system-wide international student recruitment and retention program that supplements existing NDUS international programs should have the following essential elements:

- An accredited, effective, self-sustaining ESL program through which all international students without fluent English skills will pass through on their way to becoming regular, full-time students in academic or technical programs on system campuses, unless they come specifically and only for the ESL program;

- Adequate housing and basic student support services at each campus enrolling international students;

- An international program staff (hosted at the location where the ESL program is located) of sufficient size and with the responsibility to:

    1. Establish agency relationships and recruit aggressively for all NDUS campuses in selected countries at recruiting fairs and through reputable agents;

    2. Establish and maintain close and effective relationships with U.S. consular officials who grant visas in the respective targeted countries;

    3. Provide expert support and advice for international students and NDUS campuses regarding visa issues, Student and Exchange Visitor Information (SEVIS) issues and other issues uniquely relevant to international students;

4. Oversee the ESL program;

5. Assist the campuses in quickly meeting other needs of international students;

6. Coordinate with campus international program staff to complement existing international programs and foster success of both system and campus programs;

7. Support the recruiting team when they go abroad; and

8. React quickly, efficiently and with flexibility to challenges or problems arising in the international program throughout the system.

- Adequate base state funding for staff salaries and benefits, accreditation of ESL program, ESL program start-up expenses, travel, equipment, advertising, hostage insurance, vaccinations, professional dues and other operating expenses pending such time as the program becomes self-supporting.

How the Program Will Work

Generally, non-English speaking international students recruited to North Dakota will enroll in the NDUS ESL program, probably hosted on an NDUS campus, for a minimum of one term or until they can achieve an acceptable TOEFL (Teaching of English As A Foreign Language) test score. These ESL students would pay a market rate ESL fee. In addition, they would be required to pay a special international student fee of at least $500 per year. The combined revenues, while they are enrolled in the ESL program, would be used to cover the costs of the NDUS ESL program and the staff and operating costs for the NDUS program staff. After successful completion of the ESL program, the students will generally transfer to and enroll in an academic or technical program on one of the NDUS campuses. The campus will collect tuition at a rate higher than the resident rate and campus fees while the student is enrolled on its campus, with the international student fee revenue being used to support ongoing NDUS System international program expenses. As pointed out earlier, the student and his or her family will also spend significantly more resources in the local community while they are enrolled. Assuming each student spends a total of $15,000 per year while enrolled in North Dakota, it is generally accepted that this will turn over in the economy 2.8 times. Thus, each 100 new foreign students recruited to North Dakota will have an economic impact of at least $4.2 million each year they remain in the state.

The Time Line

If a program like this is to be implemented in North Dakota, it needs to be done sooner rather than later. Currently, several of our campuses are feeling the pinch of declining high school graduates in North Dakota. Consistent with the Roundtable principles of being flexible and responsive, the NDUS campuses have expanded their outreach through distance learning and dual credit high school enrollments. The campuses are to be applauded for their proactive efforts; however, these enrollments do not significantly assist in growing our full-time on-campus

student enrollments. The demographic outlook is already creating visible signs of increased competitiveness for student enrollment which creates disincentives to adoption of appropriate admission standards at four-year institutions, and incentives to discount tuition for out-of-state and foreign students. The problem will only get worse if it is not addressed aggressively now. Even with adequate resources, it will take at least two years for the proposed international program to begin to place significant numbers of new students in North Dakota, since the key contacts and relationships in foreign countries will take time to develop.

Additionally, other states in the region that are also facing enrollment declines are searching for a strategy to address the situation. It is highly likely if North Dakota does not get this program started in the next biennium, our state will lose a competitive advantage. North Dakota will be the first state in the region, if not in the United States, to offer foreign students a system-wide ESL program with access to more than 800 undergraduate and graduate programs from a wide array of sizes and types of institutions, with the entire state higher education system's backing and prestige. This will be an attractive selling point to prospective international students.

If start-up funding is obtained in the 2005 Legislative Session, then the senior staff could be hired in July 2005. Other staff could be hired soon thereafter, and immediately begin recruiting with a view to beginning the ESL program and bringing in the first cohort of students in the Summer of 2006, and another group for the Fall of 2006. By the end of the 2005-07 biennium, it would not be unrealistic to expect 100 to 300 students per year to be added to the program, with additional increases after that. A goal would be that within five years, a minimum of 500 more international students would be attracted to North Dakota each year, thereby more than doubling the international student enrollments in the System. The number could be much larger. It would be expected that once the program is fully operational, each student would spend at least $12,000 per academic year (e.g. room, board, tuition, fees) on the campus selected, and more in the surrounding community. The economic impact on North Dakota in the future could easily exceed $100 million per year.

Staffing Needs

To be successful, this program needs to be run almost like a small business. The person responsible for this program needs to be a high-level leader at the vice chancellor level with a substantial and successful track record in the international student recruiting and ESL business. The person should already have key contacts in a number of other countries that immediately could be tapped to bring substantial numbers of international students to North Dakota institutions.

The key to the success of the program will be in selecting the right person for this position. That person will need to be hands on and engage in a great deal of international travel to establish the necessary relationships in the various countries targeted by North Dakota. To support this position, additional staff will be needed. At a minimum, this will include an administrative assistant, a director of international recruiting, two international recruiters and a secretary.

The ESL staff will be hired on yearly contracts based on the number of students in the program and performance as judged by outcome measures such as TOEFL scores improvement.

After three to four years, the staff salaries and other expenses would hopefully be supported entirely from revenues from the ESL program and an international student fee.

One Time Start Up Money

How much start up money will be needed to begin this program and give it the opportunity for quick success? A preliminary budget for the first year is attached hereto. About $1 million per year will be needed for the first two years. It is anticipated that amount could be reduced by one-half for the next two years. The program should become self-supporting after four years. Thereafter, this initial investment should return millions of dollars to the system campuses and in economic impact for the state each year. It should address in a significant way the college-age population decline the state will face over the next 15 years. If funding is obtained, it would be the intention of the NDUS to convene a task force with representatives from each campus to recommend the details of program implementation.

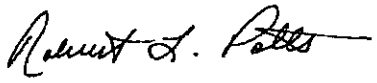
Conclusion

Thus, the issue we face as leaders of the North Dakota University System and in the state of North Dakota is whether or not we are willing to embrace a bold program that will address the urgent demographic challenge that faces us. Is there another viable option to address this problem? If so, what is it? True, there are risks that the plan will not be as successful as projected. It is harder to recruit and obtain visas for foreign students post 9/11, but many individual institutions in other states are successfully doing it. With the proper leadership in the program, it can be done in North Dakota.

Could we start a system international program with less initial expenditures? Certainly, we could if the payback period for the operation to become self-supporting is significantly extended; however, some substantial base investment is required to create and sustain the momentum both short-term and long-term.

Our top priority as a University System is and must be making progress on the Long-Term Finance Plan, particularly in the equity area. But, an additional $2.0 million dollars in the 2005-07 biennium for a state-of-the-art international recruitment program, funded within the economic enhancement component of the budget, has great potential for the future of the state of North Dakota.

Respectfully submitted,



Robert L. Potts
Chancellor, NDUS

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North Dakota University System
International Student Recruitment Initiative
Annual Budget Projection 2005-07

Salaries and Wages	$460,000
(includes 6 FTE positions including: (1) VC For Enrollment Growth, (1) Director of International Recruiting, (2) International Recuiters, and (2) staff support positions)	
Operating Expenses/ Non-Capitalized Equipment	$540,000
(includes funding for accreditation of ESL program, ESL program start-up expenses, travel, equipment, advertising, hostage insurance, vaccinations, professional dues and other operating expenses)	
Estimated Annual Budget Expenditures	**$1,000,000**

Note: Additional new revenues may be available in 2005-07 from tuition in the ESL program, and the international student fee, depending on the level of enrollment. These revenues would supplement the state funds in support of the program.

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NORTH DAKOTA
UNIVERSITY SYSTEM

The Vital Link to a Brighter Future

TO: Sen. Ray Holmberg
Sen. Ed Kringstad
Sen. Larry Robinson

FROM: Laura Glatt

DATE: February 7, 2005

RE: Follow-up Information

Enclosed is a report on capped academic programs by NDUS campuses as you requested. You will note at the end of the report there are various reasons for capping programs at the campus level, including: limited lab space, limited equipment, limited clinical sites, and limited faculty.

Also, during our recent committee discussions on SB2003 you asked for additional information on special assessments by campus. Column (1) of the attached spreadsheet is the 2005-07 special assessment payment estimate by campus. These special assessments will be paid from the extraordinary repairs funds earmarked in the executive budget, outlined in Column (2). Column (3) is the extraordinary repairs funding balance which remains for other repairs and maintenance for the two-year period, after the payment of special assessments.

Please feel free to contact Dr. Michel Hillman at 328-2965 if you have any questions on the capped enrollment programs or me at 328-4116 on the special assessments.

Enclosure
Cc: Robert L. Potts

State Capitol - 600 E. Boulevard Ave., Dept. 215, Bismarck, ND 58505-0230
Phone: 701.328.2960 • Fax: 701.328.2961
E-mail: NDUS.office@ndus.nodak.edu • Web: www.ndus.nodak.edu

The North Dakota University System is governed by the State Board of Higher Education and includes:
Bismarck State College • Dickinson State University • Lake Region State College • Mayville State University •
Minot State University • Minot State University-Bottineau Campus • North Dakota State College of Science • .
North Dakota State University • University of North Dakota • Valley City State University • Williston State College.

North Dakota University System
Academic Programs with Enrollment Caps
Academic Year 2004-2005
February 4, 2005

BISMARCK STATE COLLEGE

Capped programs	15

Air Conditioning, Heating and Refrigeration
* Auto-Collision
* Auto-Technology
* Residential Carpentry
* Commercial Art
Electronics-Telecommunications
Hotel-Restaurant Management
* Lineworker
* Power Plant Tech
* Process Plant Tech
* Welding
Clinical Lab Tech
Phlebotomy
LPN
Surgical Tech

No. of Programs with Inadequate Capacity = 8

DICKINSON STATE UNIVERSITY

Capped Programs	2

* Practical Nursing
Bachelor of Science Nursing

No. of Programs with Inadequate Capacity = 2

LAKE REGION STATE COLLEGE

Capped Programs	7

Auto Technology
Diesel Technology
Simulator Maintenance Tech
* Nursing
Peace Officer Training
Legal Assistant
* Speech Language Pathology Assistant

No. of Programs with Inadequate Capacity = 2

MAYVILLE STATE UNIVERSITY

No Capped Programs

MINOT STATE UNIVERSITY

Capped Programs	1

Nursing

No. of Programs with Inadequate Capacity = 1

MINOT STATE UNIVERSITY- BOTTINEAU

Capped Programs	1

Practical Nursing

No. of Programs with Inadequate Capacity = 0

North Dakota University System
Academic Programs with Enrollment Caps
Academic Year 2004-2005
February 4, 2005

NORTH DAKOTA STATE COLLEGE OF SCIENCE

Capped Programs	9
* Auto Body	
Building Construction Tech	
* Dental Assisting	
* Dental Hygiene	
Diesel	
* Electrical Tech	
* Plumbing	
* Practical Nursing	
* Rec Engines	

No. of Programs with Inadequate Capacity = 7

NORTH DAKOTA STATE UNIVERSITY

Capped Programs	5
* Pharmacy	
* Nursing	
* Architecture	
* Landscape Architecture	
* Veterinary Tech	

No. of Programs with Inadequate Capacity = 5

UNIVERSITY OF NORTH DAKOTA

Capped Programs	1
* Nursing	

No. of Programs with Inadequate Capacity = 1

VALLEY CITY STATE UNIVERSITY

No Capped Programs

WILLISTON STATE COLLEGE

Capped Programs	7
Automotive Technology	
Diesel Technology	
* Massage Therapy	
* Associate Practical Nursing	
* Certificate Practical Nursing	
Physical Therapist Assistant	
* Speech Language Therapist Assistant	

No. of Programs with Inadequate Capacity = 4

* Program with inadequate capacity

Inadequate capacity means all qualified students are not admitted. Some of these students may be on a waiting list.

The State Board of Higher Education has not established either campus or program based enrollment caps. Reasons stated for the need for campus determined enrollment caps include: limited lab space; limited equipment; limited clinical sites; and limited faculty. Nursing programs are the most frequently capped programs. These programs are most commonly capped bacause of state licensing requirements related clinical sites and student to faculty ratios.

North Dakota University System
2005-07 SB2003
Common Information Services (CIS) Appropriation

2003-05 General Fund Appropriation		**$ 25,089,639**
Less permanent transfers for UND and NDSU campus centers from CIS pool:		
UND	(2,713,829)	
NDSU	(3,820,027)	
		(6,533,856)
Plus increases included in executive recommendation:		
Parity	1,018,300	
Network Growth	825,000	
Virus Sorftware License	175,000	
ODIN Service Librarian	100,000	
Learning Management System	950,000	
IVN Equipment Refurbishment	300,000	
		3,368,300
SB2003 - Line 7 (Section 3, Page 9)		**$ 21,924,083**

g:\cathy\excelfil\2005-07 Exec Recom\NDUS Office Hearing-Senate\Line 7

CIS Priorities - The following increases, totaling $3,368,300, were included in the budget request and executive recommendation for CIS priorities:

- $1,018,300 for "parity" (2.2% annual operating inflation, 7% annual increase in NDUS employee health insurance and 4% and 3% compensation increases for 2005-06 and 2006-07, consistent with that funded for all other state agencies in the executive recommendation). This is consistent with the parity calculation under the long term finance plan. Without additional state funding to cover these needs, services will be cut or costs for services will have to be passed along to the campuses. CIS will face significant pressure to provide specific targeted salary increases in areas where staff have dramatic increases in marketable skill sets (e.g. ConnectND), as well as broader job responsibilities; otherwise turnover is likely to increase dramatically.

- $825,000 for network growth. The cost of bandwidth required to support the communication, distance education, on-line service activities, and perhaps internet telephony for the NDUS will continue to grow. An additional **$825,000 ongoing** is requested to support this growth. This would see each campus upgraded to a full DS-3 (45Mb), with the two research campuses moving to full OC-3 (135Mb) support. These upgrades represent the last significant change to this network architecture before a new StageNet architecture is proposed by ITD. Without this upgrade most campuses will face network charge-backs from HECN, or increasingly poor network performance through the biennium.

- $175,000 for virus software license. Every institution in the NDUS needs to have virus protection software installed on all computers hooked to the campus network. It is economically beneficial to the NDUS to provide the software through HECN-S. The cost of such software, under the current licensing arrangement, is about **$175,000 ongoing**. If this is not funded centrally we will need to continue (as of July 2004) charging the costs back to campuses.

- $100,000 for ODIN service librarian. This person would be responsible for dealing with database licensing issues, implementing connections via SFX/MetaLib to databases and other information resources, coordinating implementation issues with ODIN and other libraries an similar tasks. **$90,000-$100,000 ongoing.** Not adding this position will result in taking a longer time to realize the benefits of our new software because of lengthening service response times.

- $950,000 for Learning Management System (LMS). For a system-wide learning management system to be attractive, it will need to be centrally funded and supported. Understanding that the evaluation committee is several months from a final decision, we provide pending inclusion here and a cost estimate for software licensing and hardware purchase and installation and course migration of: **$650,000 initial, $350,000 ongoing.** This estimate assumes that none of the budget campuses are currently spending in this area would be recovered for this initiative. Without ongoing funding (some of which can be provided in the NDUS-O budget), state-wide cooperation is much less likely.

  With the advent of a system-wide learning management system, many more traditional students will use on-line courses. We will need to move to full 24x7 help desk support using fully trained staff, rather than piecing together coverage as best we can. For this to be accepted by campuses we will need to offer a quality product. if a system-wide LMS is implemented. **$300,000 ongoing**. Alternatively, we face continued restricted hours of operation.

- $300,000 for IVN equipment refurbishment. In the 01-03 biennium significant funding was put into the state network. One of the beneficiaries of this funding was IVN. Because long-term funding for equipment replacement was not included in that budget the equipment is now increasingly in need of replacement. To annualize an equipment replacement schedule we would need **$300,000 ongoing** for NDUS share of the equipment replacement. We will expect K-12 and state government to contribute appropriate funding to refurbish their equipment as required, and will begin discussion with them on this matter within the next month. If we cannot fund this item, it increases our deferred maintenance pool, which will certainly affect IVN's reliability (and therefore reputation) by the end of the budget period.

CIS Priorities - The following increases, totaling $3,368,300, were included in the budget request and executive recommendation for CIS priorities. All, except $950,000 for the LMS (last bullet) were funded in Engrossed SB2003.

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North Dakota University System
Technology Pool Allocation
2003-05 Biennium

	(1) 2001-03 Base	(2) 2003-05 Base 1/	(3) Approved Allocation for 2003-04	(4) Approved Allocation for 2004-05	(5) Total 2003-05 Allocation
UND:					
Campus Computer Center	$ 2,826,905	$ 2,713,829	$ 2,713,829	-	2,713,829
HECN North	7,865,247	7,701,765	3,850,883	3,850,883	7,701,765
Subtotal-HECN North & Campus Computer Center	10,692,152	10,415,594	6,564,712	3,850,883	10,415,594
IVN	2,833,444	2,577,520	1,333,760	1,243,760	2,577,520
ODIN	1,032,914	1,023,860	511,930	511,930	1,023,860
Total UND	14,558,510	14,016,974	8,410,402	5,606,573	14,016,974
NDSU:					
Campus Computer Center	3,979,195	3,820,027	3,820,027	-	3,820,027
HECN South	7,099,243	6,940,288	3,470,144	3,470,144	6,940,288
Subtotal-HECN South & Campus Computer Center	11,078,438	10,760,315	7,290,171	3,470,144	10,760,315
MiSU:					
NDUS-O	498,200	312,350	156,175	156,175	312,350
Grand Total	$ 26,135,148	$ 25,089,639	$ 15,856,748	$ 9,232,892	$ 25,089,639

1/ The 2003-05 base amount consists of the amounts allocated from the technology pool in 2001-03, less targeted reductions to fund the legislative cuts, the cost to continue FY03 salary increases, 03-04 health insurance increases and 2% annual salary increases in 2003-05.

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December 2004

Higher Education Computer Network (HECN)

The Higher Education Computer Network (HECN) is a collaborative service consortium that provides core information technology services to the 11 North Dakota University System (NDUS) institutions. North Dakota is one of very few states where all higher education institutions share an IT service infrastructure. It has proven to be a very successful model because it provides a significant level of computing and networking capabilities and support for NDUS students, faculty and staff while holding down costs. HECN also coordinates with the Information Technology Department (ITD) of North Dakota state government in use of the state network. Among other joint initiatives, HECN is working collaboratively toward a shared NDUS, state government and K-12 enterprise resource planning initiative (ConnectND).

HECN services are provided at host sites located at North Dakota State University (NDSU) and the University of North Dakota (UND). A number of committees involving NDUS staff and users meet regularly to guide HECN services and support. Services and support areas include:

- *ConnectND* applications, based on PeopleSoft software, are provided through Web services. All campuses will be using the student, finance and human resource management systems by August 2005. These components include:
  - **Student Systems:** Admissions, recruitment, student finance, student records, financial aid, campus community, portal and graduation audit
  - **Finance:** Grants and contracts, general ledger, accounts payable, purchasing, asset management and commitment control
  - **Human Resource Management Systems:** Core human resources, base benefits, payroll, recruit workforce, commitment accounting
  - **Ancillary Systems:** Facilities management, parking and housing
- Directory and e-mail service for more than 25,000 user accounts
- Domain name service for nodak.edu and other NDUS domains
- Legacy administrative financial and student systems support, which will be shut down in 2005 following completion of the transition to *ConnectND.*
- Help desk services for *Connect ND* support and general questions, problem tracking and resolutions. This is a cooperative effort between NDSU and UND to provide services to all NDUS campuses.
- High-performance computing for research and instructional use
- Hosting and maintenance of servers for research and instructional use

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Higher Education Computer Network (cont.)

- Internet2 high-bandwidth network access for research and education network use
- K-12's EduTech program administration
- Legislative Bill Tracking System development and support
- LISTSERV ™ e-mail list management services
- NDUS IT security officer coordination of security development and response with campus IT security officers and handling of DMCA (copyright) violation complaints
- Site license software program coordination for all campuses and K-12, saving about $400,000 per year
- Staff resources for special academic and/or administrative projects such as distance learning
- Training for faculty and staff in new software applications
- Virus protection software for all NDUS faculty, staff and students
- Wide-area network service coordination and planning in cooperation with ITD
- Web server for *www.nodak.edu*

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September 2004

Interactive Video Network (IVN)

The North Dakota Interactive Video Network (IVN) provides videoconferencing services beyond the North Dakota University System, including K-12 schools, state government and political subdivisions.

Site growth and network usage continue to increase steadily. Currently, there are about 325 video endpoints on the state-wide network. During the past year, IVN supported nearly 18,000 videoconferences involving more than 59,000 room connections. On any given day, IVN actively supports an average of 100 videoconferences involving more than 300 endpoint connections.

IVN also expanded the state's conferencing capabilities by adding audio conferencing (telephone) and streaming services during the past year. With audio conferencing, IVN can accommodate any number of concurrent conferences involving up to 46 lines. IVN is averaging nearly 100 audio conferences a month involving about 10 callers per session. With IVN's streaming services, any interactive conference can be delivered as streamed media over the Internet, greatly increasing the potential reach of an electronic conference.

In addition to higher education's uses (see Page 9.1 for more information), IVN serves a variety of purposes:

- **Secondary Education:** The state's secondary schools account for 151 sites on the network spread across 10 different video consortia and the North Dakota Division of Independent Study. These consortia used IVN technology to deliver 359 classes to 5,378 students.

- **Meetings and Training Programs:** Meetings are a staple of the network. IVN logged an average of 50 meetings per month during the past year, greatly increasing collaboration among remote colleagues while reducing travel time and expenses. State agencies and political subdivisions are quickly implementing videoconferencing technologies, accounting for about one-half of the 68 new sites added to IVN during the past year.

- **Interstate Conferences and Non-Profit Organizations:** IVN has the capability to connect to a variety of videoconferencing delivery platforms and offers global connectivity services. This year, educational classes reached beyond North Dakota to other states and as far away as China. Non-profit organizations and groups continue to use the network to conduct meetings and educational workshops.

Success Stories

Statistical information alone does not provide the complete picture when it comes to assessing the impact video and audio conferencing provides college students, secondary students, adult learners and public sector employees across the state. These examples are just a few of the many stories that highlight the benefits of conferencing technologies:

- Videoconference equipment has become as important as beakers and test tubes in science labs at the state's five tribal colleges. Through a collaborative effort with the North Dakota University System, IVN is providing tribal college students an expanded range of science expertise, practices

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Interactive Video Network (cont.)

and knowledge. The goal of this broadened learning community is to increase student interest in science and biomedical research.

- Valley City State University and the state's K-12 music educators partnered with the Cleveland (Ohio) Institute of Music for the state's first-ever national symposium on music instruction. Conference participants returned to their communities armed with new teaching and curriculum ideas for local fine arts programs.

- Job searches for the University System chancellor, a university president and countless faculty and staff positions all relied heavily on IVN for initial interviews and follow-ups. Videoconference technologies allowed screening of candidates from as far away as Australia, providing the state with the capability of interviewing the best possible applicants worldwide.

- NASA's first Native American astronaut took time from his busy schedule to visit with North Dakota Native American middle school students in Belcourt. Extraordinary opportunities like this help maturing minds realize their potential to reach for the stars.

- The Institute of History and Art in Albany, N.Y., used IVN to deliver a series of mini-conferences aimed at improving K-12 teaching models and technologies. The sessions helped educators sort through the constantly changing landscape of classroom technology tools.

- The state's judicial system, in cooperation with the North Dakota State Hospital in Jamestown, is using IVN to conduct court testimony, hearings and medical analysis without the need for patient or staff travel. The application of video technology in this arena increases patient safety and streamlines the legal process.

Network Operations

IVN's core responsibilities encompass video and audio scheduling, bridging and endpoint support for users.

- **Technical Support** – IVN owns and maintains a cadre of university system classrooms and works closely with the state Information and Technology Department (ITD) and local coordinators to implement new videoconferencing units. IVN provides help desk and level II troubleshooting support for all certified and registered videoconferencing systems on STAGEnet. When necessary, IVN collaborates with ITD to identify and correct network problems. IVN also cooperates with Edutech to provide technical support for K-12 schools.

- **Scheduling and Bridging** – IVN uses a videoconferencing scheduling software package and five multi-point control units (bridges) to schedule multi-point video and audio events. The network currently supports 272 connection ports spread across the five bridges.

- **Training and Communication** – IVN offers a broad range of training programs and communication materials for video and audio conferencing users. The curriculum ranges from technical button-pushing to scheduling training and faculty consultations. Periodic brown-bag sessions allow for the sharing of videoconferencing ideas.

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October 2004

On-Line Dakota Information Network (ODIN)

The On-Line Dakota Information Network (ODIN) provides a computer-based library catalog system for North Dakota University System libraries and other libraries in the state. Operated by the NDUS and headquartered on the University of North Dakota campus, ODIN has been online since 1989. Currently, 88 libraries and branches are members of ODIN, which also is part of a regional network linking with Minnesota and South Dakota.

Expanded Services: Access to five million items provides an important service to students and others throughout the state. Increased usage of ODIN demonstrates its success and importance to students.

Collection Sharing: The single database can be accessed in one efficient search, which greatly enhances loaning of books between NDUS libraries and other participating libraries. Books can be ordered electronically without re-typing any information.

Enhanced Library Hours: Library collections can be searched even when libraries are closed. Online databases, often containing the complete text of magazine and journal articles, also can be used even when libraries are closed. This greatly extends library services and hours.

Ease of Searches: The ease of accessing the entire database in a single search provides an effective way for libraries to purchase material without duplication. Each library can see what other libraries own, and, in many cases, what other libraries have ordered. The addition of a Web browser interface also has made searching much easier for the novice library user.

Electronic Library Reserves: ODIN provides a single point of management for an electronic reserve system that serves multiple NDUS libraries.

EBooks: Since the summer of 2000, North Dakota, South Dakota and Minnesota have cooperatively purchased and made available electronic books (eBooks) to the three-state region.

Single Site: ODIN provides for the administration and operation of a single resource site to serve each NDUS campus, which is more cost effective than each campus purchasing and operating its own software and hardware. However, the system also allows each library to make its own rules regarding the loaning of books and other library functions.

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ODIN (cont.)

Joint Database Purchases: Since 1992, ODIN libraries have jointly purchased databases of magazine and journal articles. These databases include articles about the arts, business, education, general interest, humanities, psychology, social sciences and health. ODIN libraries have continuously updated and expanded these subscriptions.

Electric Library: ODIN has negotiated a license to provide all North Dakota libraries, including K-12 school libraries, access to a collection called Electric Library. This collection has a large number of magazines, newspapers, maps, television and radio transcripts, photograph collections and other similar materials. Funding for a subscription to this service was provided by the North Dakota Legislature.

ODIN Software Nears Completion: Since 1989, ODIN has used software called PALS (Project for Automated Library Services), which was developed and supported by the Minnesota State College and University System (MnSCU) at Mankato State University. PALS provided online library services to NDUS libraries and other North Dakota libraries. However, a statewide library initiative is placing all Minnesota libraries under one system vendor, and MnSCU is discontinuing development and support of the PALS software. ODIN libraries have selected an Ex Libris program to provide the replacement software that will enable library operations to continue uninterrupted. ODIN is nearing completion of the change from PALS to the new software. Users will enjoy a state-of-the-art integrated online library system with a number of significant enhancements including improved Internet capability, user-defined view of data, the search of multiple external library catalogs and text databases, enhanced interlibrary loans, improved graphics capability and saved searches that will report new materials added to the catalog.

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December 2004

Technology-Based Access

Distance education is a form of instruction where the student and teacher are separated by time and/or place.

Access provided via technology (IVN, satellite, Internet, etc.) provides learning opportunities for students unable to take residential classes because jobs, family or other obligations make on-campus education difficult, if not impossible.

Traditional correspondence is a form of distance education, but since it is not delivered electronically, it is not classified as technology-based distance education. This form of distance education also does not include off-campus programs or courses delivered by a faculty member who travels to a classroom away from a specific campus.

Programs and courses are delivered off site using electronic technologies such as:

- Internet
- Two-way video
- Satellite
- Video and audio tape
- Telephone
- Radio
- Television
- Desktop conferencing

The choice of a delivery mode is based upon instructional effectiveness, cost of transmission and reception, and the availability of resources to support its development, maintenance and growth. Currently, the principal electronic delivery technologies used in the NDUS are IVN, the Internet, satellite and videotape. In many cases, technologies are blended to provide multi-delivery learning environments. One example of this blending is the Space Studies Program offered via videotape and the Internet. Other programs and courses offered primarily via IVN or satellite also use the Internet for increased interactivity. A brief description of the NDUS application of the principal technologies named above follows.

Interactive Video Network (IVN): The North Dakota University System provides almost 100 IVN rooms at the 11 campuses, the University System Office, NDSU research extension centers, UND medical education centers and various outreach sites throughout the state. In 2004, nearly 4,000 students participated in 187 academic classes. (For more information about other services available through IVN, see Page 9.2.)

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Technology-Based Access (cont.)

NDUSO: The North Dakota University System Online (NDUSO) is an Internet-based system-wide collaboration for the delivery of collaborative courses, certificates and programs. From the initial associate in arts degree in 2001, there are now two endorsements, 24 certificates, four certificates of completion, 33 two-year degrees, 15 four-year programs and four graduate programs. In addition, there are more than 500 online courses. Enrollment has grown at the rate of 30 percent each year, up from 350 in 1997 to the projected duplicated enrollment of more than 20,000 in 2004-05.

Through this collaboration of the 11 NDUS campuses, a student can take courses from multiple campuses during the same semester, receive financial aid for all courses, have a single academic record and receive a single bill. NDUSO provides access to educational opportunities for the citizens of North Dakota, as well as others around the world who have access to the Internet. The NDUSO Web site provides complete information for prospective students at *http://www.nduso.org*.

ACCESS: An Internet search engine, ACCESS locates distance education opportunities throughout the University System and links to campus-specific sites for more information. In a one-year period, there were hits on ACCESS from 19 countries. ACCESS is available at *http://www.access.ndus.edu*.

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Technology-Based Access (cont.)

Programs Delivered Using Distance Education Technologies		
Certificate Degree Programs		
Administrative Assistant	Online	Williston State College
Administrative Assistant/Health Information	Online	Williston State College
Administrative Assistant/Information Processing	Online	Williston State College
Administrative Assistant/Medical Coding/Billing	Online	Williston State College
Advanced Medical Transcription	Online	Minot State University - Bottineau
Application Software Specialist	Online	Minot State University
Assistive Technology	Online	North Dakota State University
Assistive Technology Administrator	Online	North Dakota State University
Autistic Spectrum Disorders	Online	University of North Dakota
Basic Grounds Worker Skills	Online	Minot State University - Bottineau
CIS – Web Design	Online	North Dakota State College of Science
Electric Power Technology	Online	Bismarck State College
Electric Transmission Systems Technology	Online	Bismarck State College
Entrepreneurship	Online	Williston State College
Health Information Technician – Medical Coding	Online	North Dakota State College of Science
Information Processing Specialist	Online	Bismarck State College
Medical Assistant	Online	Minot State University - Bottineau
Medical Assistant	IVN	Minot State University - Bottineau
Medical Coding and Insurance Specialist	Online	Bismarck State College
Medical Transcription	Online	Williston State College
Nuclear Power Technology	Online	Bismarck State College
Office Administration – Medical Transcription	Online	North Dakota State College of Science
Office Administration – Office Assistant	Online	North Dakota State College of Science
Office Administration – Administrative Assistant	Online	North Dakota State College of Science
Office Education	IVN	Minot State University - Bottineau
Paraeducator	Online	Lake Region State College Williston State College
Power Plant Technology	Online	Bismarck State College
Process Plant Technology	Online	Bismarck State College
Reception Services	Online	Minot State University - Bottineau
Technology for Managers	Online	Minot State University
Web and Desktop Publication	Online	Minot State University
Associate Degree Programs		
Administrative Assistant	Online	Williston State College
Administrative Assistant – Accounting	Online	Williston State College
Administrative Assistant – Health Information	Online	Williston State College
Administrative Assistant – Information Processing	Online	Williston State College
Agricultural Sales and Services, Equine Management	Online	Dickinson State College
Architectural Drafting and Estimating	Online	North Dakota State College of Science

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Technology-Based Access (cont.)

Programs Delivered Using Distance Education Technologies		
Technology Computer and Software Requirements		
Associate in Arts	Online	Bismarck State College Dickinson State University Lake Region State College Minot State University – Bottineau North Dakota State College of Science Williston State College
Criminal Justice	Online	Bismarck State College
Developmental Disabilities	Online	Minot State University
Early Childhood	IVN	Mayville State University
Electric Power Technology	Online	Bismarck State College
Electric Transmission Systems Technology	Online	Bismarck State College
Entrepreneurship	Online	Williston State College
Health Information Technician	Online	North Dakota State College of Science
Human Services	Online	Bismarck State College
Information Management – Accounting Technician	Online	Minot State University - Bottineau
Information Management – Administrative Assistant	Online	Minot State University - Bottineau
Information Management – Medical Secretary	Online	Minot State University - Bottineau
Information Processing	IVN	Minot State University - Bottineau
Medical Assistant	IVN	Minot State University - Bottineau
Medical Assistant	Online	Minot State University - Bottineau
Law Enforcement	Online	Lake Region State College
Legal Assistant	IVN	Lake Region State College
Medical Administrative Assistant	Online	North Dakota State College of Science
Medical Secretary	IVN	Minot State University - Bottineau
Medical Transcription	Online	Williston State College
Message Therapy	IVN	Williston State College
Nuclear Power Technology	Online	Bismarck State College
Paraeducator	Online	Minot State University - Bottineau North Dakota State College of Science Williston State College
Practical Nursing	IVN	Dickinson State University
Power Plant Technology	Online	Bismarck State College
Process Plant Technology	Online	Bismarck State College
Bachelor Degree Programs		
Accounting	IVN	Dickinson State University
Applied Science	Online	Dickinson State University Minot State University
Applied Science in Technology	IVN	Dickinson State University
Business Administration	Online	Mayville State University
Business Administration	IVN	Dickinson State University Mayville State University
Chemical Engineering	Online/F2F	University of North Dakota
Civil Engineering	Online/F2F	University of North Dakota
Education Degree in Technology	IVN	Dickinson State University

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Technology-Based Access (cont.)

Programs Delivered Using Distance Education Technologies		
Electrical Engineering	Online/F2F	University of North Dakota
English	IVN	Dickinson State University
Mechanical Engineering	Online/F2F	University of North Dakota
Computer Information Systems	Online	Mayville State University
General Studies	Online	Minot State University
Information Systems	Online	University of North Dakota
Management	Online	Minot State University
Management Information Systems	Online	Minot State University
Nursing	IVN	Minot State University - Bottineau
Professional Communication	Online	Valley City State University
RN/BSN	Online	University of North Dakota
Social Science (composite)	IVN	Dickinson State University
Technology Teacher Education	Online	Valley City State University
University Studies	IVN	Dickinson State University
Virtual Business	Online	Minot State University
Graduate Degree Programs		
Counselor Education	IVN	North Dakota State University
Educational Leadership	IVN	UND/NDSU
Gerontology and Family Financial Planning	Online	North Dakota State University
Management	Online	Minot State University
Space Studies	Online/Video	University of North Dakota
Special Education	IVN	University of North Dakota
Technology Education	Online	University of North Dakota

Projections

The NDUS has an action plan to increase access to technology-based educational opportunities. This plan includes:

- Continue to expand collaborative course and program offering available through the NDUSO
- Implement a single learning management system for NDUS campuses
- Monitor emerging e-learning standards in the global market
- Increase awareness and utilization of reusable learning objects
- Work to enhance online-delivered workforce training opportunities
- Assess general education programs delivered via multiple institutions
- Develop partnerships with K-12 for expanding online offerings in advanced placement and dual-credit courses
- Sponsor faculty development activities and plan for increased online course/program development
- Address student services offered via online delivery
- Increase opportunities for collaborative students in the NDUS
- Begin discussions with surrounding states and regions on collaborative efforts

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December 2004

CONNECT ND

Statewide Implementation of PeopleSoft ERP Systems

A joint project between the North Dakota University System (NDUS) and state government, ConnectND *is the implementation of PeopleSoft Enterprise Resource Planning software to replace academic and administrative computer functions, including student administration on the campuses and finance and human resource management systems throughout the University System and state government.*

Project Status: Much of the project has been successfully implemented and the rest soon will be in place. The University System pilot sites – Mayville State University, Valley City State University and the NDUS Office – began implementing parts of *ConnectND* in October 2002 and April 2003. The main portion of the *ConnectND* implementation was completed on five additional campuses (Bismarck State College, Dickinson State University, Lake Region State College, North Dakota State College of Science and Williston State College) last summer. Human resource management systems and financial systems will be implemented in early 2005 at Minot State University, Minot State University-Bottineau, North Dakota State University and the University of North Dakota. Student systems on those four campuses are being phased in. That process has begun and the admissions/recruitment functions are now in place. Financial aid, student records and student financial systems will be added over the next few months.

Project Background: Higher education's current academic and administrative computer systems (CICS) were created in the late 1970s. *ConnectND* is replacing those outdated operations and expanding services for all students and employees. Recognizing that aging computer systems are a liability, the 2001 Legislature approved *ConnectND* as a joint effort between the NDUS and state government. The higher education portion of the project is financed, in part, by student fees.

The NDUS chancellor's cabinet established an executive steering committee to oversee the project. Personnel from throughout the North Dakota University System form the *ConnectND* project module teams. These teams are assisted by Maximus, an implementation company. Local implementation teams help individual campuses implement the administrative computer system changes and enhancements. *ConnectND* benefits students, employees, customers and constituency groups.

Next Steps: A 90-day post-production period will follow implementation. Later, upgrades, additional functions and self-service features will be added. NDUS committees are guiding efforts to implement related ancillary systems to bolster management of facilities, parking and housing.

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SCHEDULE 4

North Dakota University System
Student Grant Programs By Funding Source
Engrossed SB2003

	(1) State Grant Program	(2) Scholars Program	(3) PSEP	(4) ND Indian Scholarship Program	(5) Education Incentive Programs	(6) Child Care Grant Program	(7) Total
General Fund:							
2003-05 Adjusted Appropriation	$ 2,904,288	$ 862,077	$ 1,713,780	$ 204,488	$ 1,227,902	$ -	$ 6,912,535
Increase (Decrease)	1,300,000	-	-	47,500	-	2,000,000	3,347,500
2005-07 Executive Recommendation	4,204,288	862,077	1,713,780	251,988	1,227,902	2,000,000	$ 10,260,035
Senate Adjustments	400,000					(2,000,000)	(1,600,000)
2005-07 Engrossed SB2003	4,604,288	862,077	1,713,780	251,988	1,227,902	-	8,660,035
% Increase (Decrease)	58.5%	0.0%	0.0%	23.2%	0.0%	0.0%	25.3%
Other Funds: 2/							
2003-05 Adjusted Appropriation	$ 500,000	$ 50,000					$ 550,000
Increase (Decrease)	(500,000)	(50,000)					(550,000)
2005-07 Engrossed SB2003	-	-					$ -
% Increase (Decrease)	-100.0%	-100.0%					-100.0%
Federal Funds:							
2003-05 Adjusted Appropriation	$ 200,000						$ 200,000
Increase (Decrease)	(28,000)						(28,000)
2005-07 Engrossed SB2003	172,000						$ 172,000
% Increase (Decrease)	-14.0%						-14.0%
Total Funds:							
2003-05 Adjusted Appropriation	$ 3,604,288	$ 912,077	$ 1,713,780	$ 204,488	$ 1,227,902	$ -	$ 7,662,535
Increase (Decrease)	772,000	(50,000)	-	47,500	-	2,000,000	2,769,500
2005-07 Executive Recommendation	$ 4,376,288	$ 862,077	$ 1,713,780	$ 251,988	$ 1,227,902	$ 2,000,000	$ 10,432,035
Senate Adjustments	400,000					(2,000,000)	$ (1,600,000)
2005-07 Engrossed SB2003	$ 4,776,288	$ 862,077	$ 1,713,780	$ 251,988	$ 1,227,902	$ -	$ 8,832,035
% Increase (Decrease)	32.5%	-5.5%	0.0%	23.2%	0.0%	0.0%	15.3%

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Access - General

December 2004

State Grant Program

The North Dakota Student Financial Assistance Program (State Grant) provides $600 non-repayable grants each year to North Dakota residents pursuing undergraduate degrees at North Dakota's public, private (not-for-profit) and tribal colleges. The purpose of this need-based grant is to assist students with the cost of attending a North Dakota postsecondary institution. A State Grant also reduces the amount of money a student needs to borrow for his or her education.

- More than 30,000 North Dakota students applied for a state grant in 2003-04. The State Grant Program was able to fund 2,424 needy students or roughly 8 percent of the eligible students. For 2003-04, the greatest unmet need of a State Grant Program recipient was $9,826 while the average unmet need was $4,843. Unmet need for this program is calculated as follows: cost of education minus parent/student expected contribution, minus the Federal Pell Grant, minus other resources (such as veterans' benefits) equals unmet need. For academic year 2003-04, State Grant dollars were exhausted at an unmet need figure of $5,937. In other words, those students demonstrating an unmet need of $5,937 or less did not receive State Grant support.
- State funding to support the State Grant Program is equivalent to 1.2 percent of annual tuition collections.

Students Receiving State Grants Awarded by Institution Type

	Public Institution	Private Non-Profit 4-Year Colleges & Hospital School of Nursing	Native American Community Colleges	Total
2004-2005 School Year (est.)				
# Applying 29,257				
# of Students Receiving Awards	2,045	570	102	2,717
$ Awarded	$1,221,900	$340,100	$61,200	$1,623,200
% of Total $ Awarded	75%	21%	4%	100%
% of all ND Students Attending College	86.7%	8.7%	4.6%	100%
2003-2004 School Year				
# Applying 30,255				
# of Students Receiving Awards	1,842	473	109	2,424
$ Awarded	$1,020,747	$267,949	$57,300	$1,345,996
% of Total $ Awarded	76%	20%	4%	100%
% of all ND Students Attending College	86.7%	8.7%	4.6%	100%

2005-07:
Funds included in Engrossed SB2003 would fund 4,100 - 4,200 grants/yr, of $600 each

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State Grant Program (cont.)

The State Grant Program has a maintenance of effort (MOE) requirement. Under federal law, states are required to meet or exceed the maintenance of effort requirement to ensure continued federal funding. The MOE requirement is the average expenditure of non-federal dollars for the past three years. To maintain the MOE requirement for the 2005-07 biennium, an estimated $2.8 million in non-federal dollars is needed for the biennium.

FOR MORE INFORMATION CONTACT:
***Peggy Wipf**, Director of Financial Aid and Federal Relations Coordinator*
701.328.4114 Pegg.Wipf@ndus.nodak.edu

North Dakota University System
2005-07 SB2003
Student Financial Assistance Grants Appropriation

State Grant Program		$ 4,376,288
State Grant Program Funding Sources:		
General Fund	4,204,288	
Other Funds	172,000	
	4,376,288	
Child Care Grant Program (General Fund)		2,000,000
SB2003 - Line 11 (Section 3, Page 9)		**$6,376,288**

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North Dakota University System
Student Grant Programs By Funding Source
Per 2005-07 Executive Recommendation

	(1) State Grant Program	(2) Scholars Program	(3) PSEP	(4) ND Indian Scholarship Program	(5) Education Incentive Programs	(6) Child Care Grant Program	(7) Total
General Fund:							
2003-05 Adjusted Appropriation	$ 2,904,288	$ 862,077	$ 1,713,780	$ 204,488	$ 1,227,902	$ -	$ 6,912,535
Increase (Decrease)	1,300,000	-	-	47,500	-	2,000,000	3,347,500
2005-07 Executive Recommendation	4,204,288	862,077	1,713,780	251,988	1,227,902	2,000,000	$ 10,260,035
% Increase (Decrease)	44.8%	0.0%	0.0%	23.2%	100.0%	100.0%	48.4%
Other Funds: 2/							
2003-05 Adjusted Appropriation	$ 500,000	$ 50,000					$ 550,000
Increase (Decrease)	(500,000)	(50,000)					(550,000)
2005-07 Executive Recommendation	-	-					$ -
% Increase (Decrease)	-100.0%	-100.0%					-100.0%
Federal Funds:							
2003-05 Adjusted Appropriation	$ 200,000						$ 200,000
Increase (Decrease)	(28,000)						(28,000)
2005-07 Executive Recommendation	172,000						$ 172,000
% Increase (Decrease)	-14.0%						-14.0%
Total Funds:							
2003-05 Adjusted Appropriation	$ 3,604,288	$ 912,077	$ 1,713,780	$ 204,488	$ 1,227,902	$ -	$ 7,662,535
Increase (Decrease)	772,000	(50,000)	-	47,500	-	2,000,000	2,769,500
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% Increase (Decrease)	21.4%	-5.5%	0.0%	23.2%	0.0%	100.0%	36.1%

SB2003 - Line 11 (Section 3, Page 9)

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ND UNIVERSITY SYSTEM

Agency 215

Statutory Authority
North Dakota Constitution, Article VIII, Section 6; North Dakota Century Code Chapter 15-10.

Agency Description
The North Dakota State Board of Higher Education (SBHE), established in 1939 by the voters of North Dakota, is the governing body for the state's 11 publicly funded institutions, which comprise the ND University System (NDUS). The SBHE carries out its constitutional responsibilities through a comprehensive set of policies. The Chancellor serves as the System's chief executive officer. The Chancellor and the System Office staff support the SBHE in developing public policy for the NDUS, in advocating on its behalf, and fostering shared leadership throughout the System.

Major Accomplishments
1. Transformed the recommendations of the Roundtable report into long-range NDUS goals, included the goals in a new strategic plan, and developed a vision statement that reflects roundtable expectations while requiring campuses to identify what they are doing in relationship to each of the cornerstones of the *Roundtable Report*.
2. Responded to rapidly changing market needs by eliminating existing programs, offering new programs and providing programs via distance education in over 300 areas.
3. Increased NDUS campuses emphasis on entrepreneurship with 45 entrepreneurial courses and two entrepreneurial programs for new businesses.
4. Provided campuses discretion to grant tuition waivers. Increased program access by joining the Midwest Higher Education Compact student exchange program, which allows North Dakota students to attend selected programs out-of-state at a reduced tuition rate.
5. Developed an enrollment reporting model for comprehensive student enrollment information.
6. Continued the system wide collaboration for ND University System Online (NDUSO), to deliver online education. NDUSO now provides on-line courses that lead to four master's degrees, 13 bachelor's degrees, 32 associate's degrees and 22 certificates and more than 500 individual courses.
7. Streamlined operational authority and responsibilities to the chancellor and campus presidents to increase SBHE focus on policy-level decisions.
8. Produced the first annual fiscal and non-fiscal accountability measures report in 2001. The 2003 report represents completion of the first full cycle of accountability measures reporting.
9. Included all five tribal colleges in common course numbering, making transfer easier for students.
10. Established the SBHE research corridor council and the NDUS centers of excellence task force to work with Sen. Dorgan's Red River Valley Research Corridor advisory committee and Gov. Hoeven's Centers of Excellence.
11. Developed a long-term enrollment management/service plan, including Project Vital link, to attract students and help keep high school graduates in the state. Record enrollments in Spring 2004 at NDUS colleges and universities reached a high of 39,440 students (headcount enrollment).

Executive Budget Recommendation
- Provides operating and extraordinary repair funding for the campus budgets.
- Creates a $2.0 million Student Financial Assistance Grant - Child Care component.
- Provides $1.3 million additional general fund monies for Student Financial Assistance Grants.
- Maximizes federal matching for ESPCoR with a $440,000 general fund increase.

NORTH DAKOTA
UNIVERSITY SYSTEM

Access - General

December 2004

North Dakota Scholars Program

The North Dakota Scholars Program, a merit-based scholarship, was first funded by the Legislature in 1987 to provide scholarships to North Dakota's best and brightest high school graduates to encourage them to remain in North Dakota for postsecondary education.

A high school junior must take the ACT Assessment between October and June of his or her junior year and score in the upper 5 percent of all North Dakota ACT test takers. The numeric sum of the English, Math, reading and science reasoning scores will be used as a second selection criteria. Student class rank at the end of the junior year will be used as a selection criteria if a tie-breaker is needed.

- The scholarship is renewable for up to three years if the recipient maintains a cumulative 3.5 grade-point average.
- The scholarship is a full-tuition scholarship for students who attend North Dakota's public and tribal colleges and a tuition scholarship equal to North Dakota State University and the University of North Dakota's tuition for students who attend North Dakota's private institutions.

	1999-2000	2000-01	2001-02	2002-03	2003-04	2004-05
# of candidates meeting 5% ACT requirement	455	413	505	548	484	394
# of candidates also meeting high school rank requirement	376	347	403	427	398	339
Offers made	87	62	107	113	46	36
Offers accepted	39	25	49	46	17	12
% of those offered and accepted	44%	40%	46%	41%	37%	33%

2005-07:
Engrossed SB 2003 would allow for 25-29 new freshmen scholarships, per year, plus continuation of all upperclassmen.

FOR MORE INFORMATION CONTACT:
Peggy Wipf, *Director of Financial Aid and Federal Relations Coordinator*
701.328.4114 Peggy.Wipf@ndus.nodak.edu
www.ndus.nodak.edu

8 North Dakota Scholars Program (cont.)

The North Dakota University System had sufficient funding to support the following number of North Dakota scholars by class and year:

North Dakota Scholars by class, by year						
	1999-2000	2000-01	2001-02	2002-03	2003-04	2004-05
Freshmen	39	25	48	46	17	12
Sophomores	42	33	21.5	42	44	17
Juniors	44	40	28	22	40	43
Seniors	22	40	39.5	29	22	37
Total	**147**	**138**	**137**	**139**	**123**	**109**

- North Dakota students who qualify for this program are high academic achievers. These students are heavily recruited by out-of-state colleges and universities that also offer financial incentives to attract them to their campus. This is demonstrated by the fact that in 2004-05 in order to fund 12 new freshmen students, 36 offers were made, an acceptance rate of 33 percent. The other 24 students more than likely attended other out-of-state institutions.

FOR MORE INFORMATION CONTACT:
Peggy Wipf, Director of Financial Aid and Federal Relations Coordinator
701.328.4114 Peggy.Wipf@ndus.nodak.edu

North Dakota University System
Student Grant Programs By Funding Source
Per 2005-07 Executive Recommendation

	(1) State Grant Program	(2) Scholars Program	(3) PSEP	(4) ND Indian Scholarship Program	(5) Education Incentive Programs	(6) Child Care Grant Program	(7) Total
General Fund:							
2003-05 Adjusted Appropriation	$ 2,904,288	$ 862,077	$ 1,713,780	$ 204,488	$ 1,227,902	$ -	$ 6,912,535
Increase (Decrease)	1,300,000	-	-	47,500	-	2,000,000	3,347,500
2005-07 Executive Recommendation	4,204,288	862,077	1,713,780	251,988	1,227,902	2,000,000	$ 10,260,035
% Increase (Decrease)	44.8%	0.0%	0.0%	23.2%	100.0%	100.0%	48.4%
Other Funds: 2/							
2003-05 Adjusted Appropriation	$ 500,000	$ 50,000					$ 550,000
Increase (Decrease)	(500,000)	(50,000)					(550,000)
2005-07 Executive Recommendation	-	-					$ -
% Increase (Decrease)	-100.0%	-100.0%					-100.0%
Federal Funds:							
2003-05 Adjusted Appropriation	$ 200,000						$ 200,000
Increase (Decrease)	(28,000)						(28,000)
2005-07 Executive Recommendation	172,000						$ 172,000
% Increase (Decrease)	-14.0%						-14.0%
Total Funds:							
2003-05 Adjusted Appropriation	$ 3,604,288	$ 912,077	$ 1,713,780	$ 204,488	$ 1,227,902	$ -	$ 7,662,535
Increase (Decrease)	772,000	(50,000)	-	47,500	-	2,000,000	2,769,500
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% Increase (Decrease)	21.4%	-5.5%	0.0%	23.2%	0.0%	100.0%	36.1%

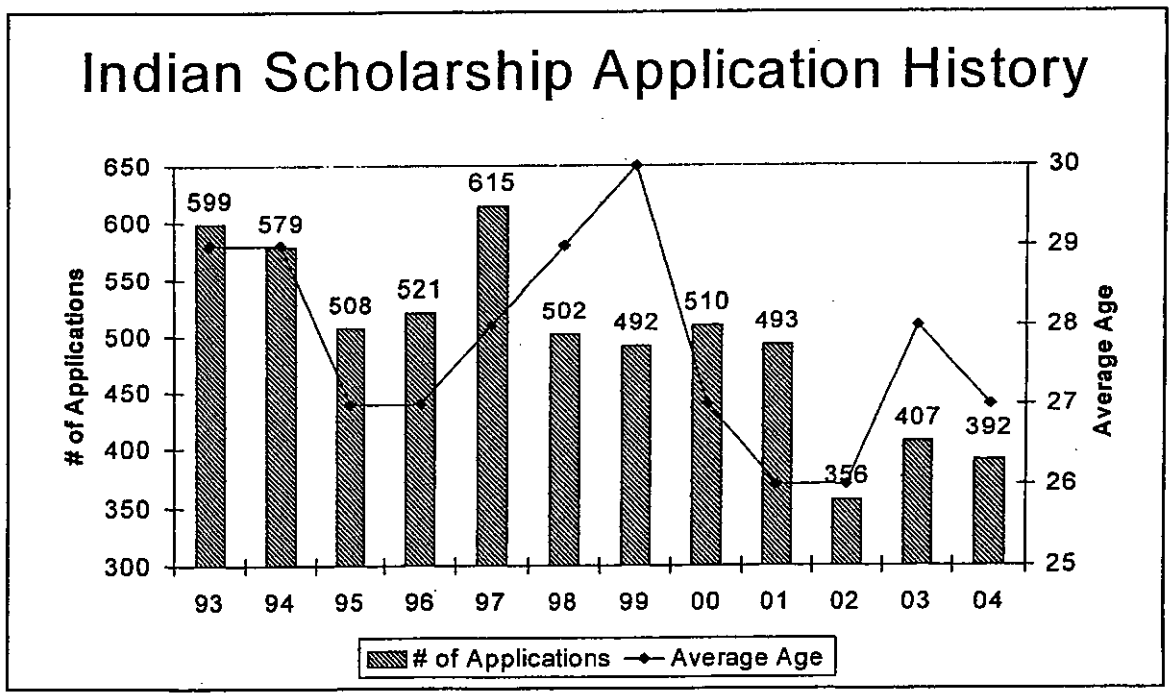
SB2003 - Line 13 (Section 3, Page 9)

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September 2004

Indian Scholarship Program

- The Indian Scholarship Program assists American Indian students in obtaining college education by providing grants based upon scholastic ability and financial need. By limiting scholarship awards to $500, the Indian Scholarship Board has been able to make scholarship awards to about 200 eligible applicants each year, 98 percent of whom show financial need. About 30 program participants graduate each year.
- The qualifications for eligibility for the North Dakota Indian Scholarship Program are as follows:
  - An applicant must either be a resident of North Dakota who is one-quarter Native American or an enrolled member of any tribe who now resides in North Dakota. Residency for each student will be determined by the institution the student plans to attend.
  - All applicants must have been accepted for admission at an institution of higher learning or a state vocational education program within North Dakota.
  - Scholarship recipients must be enrolled full-time and may not have a grade-point average below 2.0.
  - A student who participates in an internship, student teaching, teaching assistance or cooperative education program may be eligible for scholarship awards only if participation in that program is required for the degree and only if tuition must be paid for the credits earned.



FOR MORE INFORMATION CONTACT:
Rhonda Schauer, *State Approving Agency Director/Coordinator of Multicultural Education*
701.328.9661 Rhonda.Schauer@ndus.nodak.edu

10 Indian Scholarship Program (cont.)

History of Native American Scholarship Program

Biennium	Full-time Native American Students Attending College*	Native American Scholarships Awarded	State General Funds Appropriated	% of Full-time Students Receiving Funding
1973-75	1,366	50	$45,000	3.7%
1975-77	1,935	82	$75,000	4.2%
1977-79	2,258	89	$85,000	3.9%
1979-81	2,278	101	$85,000	4.4%
1981-83	1,964	173	$147,742	8.8%
1983-85	2,051	272	$175,000	13.3%
1985-87	2,729	276	$175,000	10.1%
1987-89	2,812	293	$175,000	10.4%
1989-91	2,699	246	$170,700	9.1%
1991-93	3,260	237	$200,000	7.3%
1993-95	2,669	300	$200,000	11.2%
1995-97	3,207	289	$204,000	9.0%
1997-99	4,367	292	$204,000	6.7%
1999-01	4,733	295	$204,082	6.2%
2001-03	4,899	294	$204,082	6.0%
2003-05	6,260	375	$204,086	5.0%

*Includes the following schools: Bismarck State College, Dickinson State University, Fort Berthold Community College, Jamestown College, Lake Region State College, Little Hoop Community College, University of Mary, Mayville State University, Minot State University, Minot State University-Bottineau Campus, North Dakota State University, Standing Rock College, North Dakota State College of Science, Turtle Mountain Community College, University of North Dakota, Valley City State University, and Williston State College.

2005-07:

. Engrossed SB2003 would fund approximately 800 grants/yr @ $700.

FOR MORE INFORMATION CONTACT:
Rhonda Schauer, State Approving Agency Director/Coordinator of Multicultural Education
701.328.9661 Rhonda.Schauer@ndus.nodak.edu

North Dakota University System
Student Grant Programs By Funding Source
Per 2005-07 Executive Recommendation

	(1) State Grant Program	(2) Scholars Program	(3) PSEP	(4) ND Indian Scholarship Program	(5) Education Incentive Programs	(6) Child Care Grant Program	(7) Total
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Other Funds: 2/							
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Increase (Decrease)	(500,000)	(50,000)					(550,000)
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Federal Funds:							
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SB2003 - Line 14 (Section 3, Page 9)

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NORTH DAKOTA
UNIVERSITY SYSTEM

Flexible and Responsive

December 2004

Professional Student Exchange Program (PSEP)

The Professional Student Exchange Program (PSEP) offered through WICHE provides North Dakota students access to veterinary medicine, optometry and dentistry programs not offered in the state.

- In exchange for admitting qualified North Dakota students into their programs, out-of-state institutions receive a pre-determined support fee from the state. As a participant in a program, the student pays resident tuition rates to a public out-of-state institution or reduced tuition to a private institution. The support fee paid by North Dakota provides guaranteed access to these programs assuming that students are academically prepared.

History of WICHE PSEP Support Fee Per Student Paid by North Dakota 2001-02 – 2006-07

Field	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07
Veterinary Medicine	$21,700	$22,600	$23,500	$24,400	$24,900	$25,400
Optometry	$9,900	$10,300	$10,700	$11,100	$13,300	$13,600
Dentistry	$15,200	$15,900	$16,500	$17,200	$19,500	$19,900

- The North Dakota University System has two additional contractual agreements that provide programmatic access for North Dakota students interested in veterinary medicine and dentistry. Since 1991-92, Iowa State has agreed to accept up to 10 North Dakota students per year into their veterinary medicine program at about $6,000-$7,000 less per student per year than required through the WICHE program. Under the current agreement with Iowa State's College of Veterinary Medicine, North Dakota students who matriculate at Iowa State will be guaranteed enrollment for the duration of their program.

- The second agreement is with the University of Minnesota-Twin Cities, which extends reciprocity rates to North Dakota students enrolled in their professional programs of veterinary medicine and dentistry under the Minnesota/North Dakota reciprocity agreement. Under the current agreement, North Dakota students pay the Minnesota professional program resident rate while attending the University of Minnesota-Twin Cities. The current reciprocity agreement has resulted in significant savings to the PSEP program. The state incurs no cost for students who attend a Minnesota campus veterinary medicine or dentistry program. For academic year 2004-05, there are 44 North Dakota students enrolled in dentistry at the University of Minnesota and 10 in their veterinary medicine program.

FOR MORE INFORMATION CONTACT:
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701.328.4114 Peggy.Wipf@ndus.nodak.edu

12 PSEP (cont.)

During the 2003-05 biennium, a total of 112 students, freshmen through seniors, will receive support through this program with a state general fund appropriation of $1,713,780.

Number of Freshmen PSEP Slots Funded by Year

	Veterinary Medicine	Dentistry	Optometry
1995-1996	9	3	5
1996-1997	7*(1)	1*(1)	5
1997-1998	9*(0)	1*(9)	8
1998-1999	5 *(3)	2* (7)	8
1999-2000	7 *(2)	1*(8)	7
2000-2001	7 *(1)	1*(7)	7
2001-2002	6 *(0)	4 *(5)	6
2002-2003	4 *(4)	4* (8)	6
2003-2004	4 *(5)	4*(17)	5
2004-2005	4 *(1)	4*(15)	4
2005-2006 Est	3-4	3-4	3-4
2006-2007 Est	3-4	3-4	3-4

* Number of freshmen North Dakota students enrolled at U. of Minnesota – veterinary medicine & dentistry.

Beginning in 1996-97, students attending vet med or dentistry at the University of Minnesota pay the resident rate. No state support is necessary for these slots. For example, in 2004-05, a total of 44 ND students will attend the University of Minnesota-School of Dentistry and 10 ND students will attend the University of Minnesota-School of Veterinary Medicine, at no cost to the state of ND. Theses students are reflected in "()" in the figures in the table.

NOTE: 2005-07 request assumes the carryover of unspent 2003-05 general fund appropriation of approximately $109,891.

- Applicant numbers for the Professional Student Exchange Program totaled 85 for academic year 2004-05, including 16 in veterinary medicine, 33 in dentistry and 36 in optometry.

- 2002 data suggests that about 65 percent of the total number of PSEP students (69 percent in dentistry, 45 percent in optometry and 70 percent in veterinary medicine) who receive state support through this program return to the state to practice in their given profession after graduation.

FOR MORE INFORMATION CONTACT:
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PSEP (cont.)

- North Dakota also participates in WICHE as a receiving state for physical and occupational therapy, medicine and pharmacy programs.

Number of Students North Dakota Receives through PSEP Fall 2003					
Sending State	**Physical Therapy**	**Occup. Therapy**	**Medicine**	**Pharmacy**	**TOTAL**
Alaska					0
Arizona					0
Hawaii	3				3
Idaho					0
Montana		1	1		2
Nevada					0
New Mexico					0
Oregon	1				1
Wyoming	9		3		12
TOTAL	**13**	**1**	**4**	**0**	**18**

FOR MORE INFORMATION CONTACT:
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701.328.4114 Peggy.Wipf@ndus.nodak.edu

North Dakota University System
Student Grant Programs By Funding Source
Per 2005-07 Executive Recommendation

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Other Funds: 2/							
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SB2003 - Line 12 (Section 3, Page 9)

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SB 2003

SENATE APPROPRIATIONS COMMITTEE

Good Afternoon Mr. Chairman and Members of the Committee.

My name is Nancy Kopp

I represent the North Dakota Optometric Association and the North Dakota Veterinary Medical Association and currently serve as Executive for both groups.

Both groups strongly support the portion of SB 2003 that provides the funding for the Professional Student Exchange Program.

North Dakota students pursuing a career in Optometry or Veterinary Medicine are finding it increasingly more difficult to make the choice to obtain professional training in these fields for a number of reasons:

(1) North Dakota does not provide access to these programs in state. I was told that the approximate annual cost to operate a vet school runs about $40 million.

(2) The high cost of out of state tuition. Optometry runs approximately $21,000 at Pacific per year and vet med about $26,000 at Iowa State.

(3) The potential annual income upon graduation and licensure in North Dakota, is much less than other states. The average starting salary is approximately $50,000, all while trying to retire a professional education debt of $125,000 plus and perhaps starting a family at the same time.

(Over)

(4) Is there a shortage of optometrists or veterinarians in North Dakota? Yes, in the rural areas, no in the urban areas. In the very near future, we will experience a minimal supply of large animal practioners for veterinary medicine.

Note: Members of the NDOA provide optometric services in 23 satellite clinics to serve, primarily the aging population of those rural communities. They travel and practice there 2-3 days per week. This is in addition to their urban practice. The NDVMA members provide veterinary services up to a 150 mile radius of their main clinic.

(5) Are our North Dakota students coming back to North Dakota to practice?

For the most part, we think so. From 2000 to the present, NDOA reports that 23 graduates have found employment and NDVMA reports 27 new veterinarians.

For these main reasons, I would ask for your favorable consideration to continue North Dakotas obligation and provide funding for the Professional Student Exchange Program at the very least, current levels.

January19, 2004

Testimony before Senate Appropriations Committee
Harvest Room
Senator Raymond Holmberg, Chairman
Senate Bill 2003-ND University System's Budget-Professional Student Exchange Program.

My name is Joe Cichy, and I am the Executive Director of the North Dakota Dental Association. The North Dakota Dental Association supports the Professional Student Exchange Program as it gives North Dakota students an opportunity to access dental education as North Dakota does not have a dental school.

The PSEP program helps to sustain an adequate number of dentists in North Dakota as approximately 70% of the dental students who benefit from this program return to North Dakota to practice. Access to oral health care services is a problem for many North Dakotans and a critical issue for many low-income families in North Dakota. The dentist shortage has lessened somewhat in the past few years with the assistance of the Legislature's dental loan repayment program and the fact that there are more North Dakota students graduating from dental schools, many of whom return to the state. There is still a problem in rural areas which we all are working on to find solutions.

North Dakota Dental Association has developed a number of programs to encourage young people to pursue careers in dentistry and to encourage these new dentists to return to the state and these efforts appear to be working. The North Dakota Dental Association has worked with and will continue to work with NDUS to encourage students to apply for WICHE funding and to return to North Dakota.

The Professional Student exchange program is an intregal part of the strategy to provide opportunities for our young people as wll as help ameliorate the dentist shortage. The NDDA asks for your support of this portion of the University Systems budget which funds four Dental WICHE slots.

ecember 2004

Midwest Higher Education Commission (MHEC)

he Midwestern Higher Education Commission (MHEC) is an interstate compact established in 991. The purpose of MHEC is to advance higher education through interstate cooperation and source sharing.

HEC member states are Illinois, Indiana, Kansas, Michigan, Minnesota, Missouri, Nebraska, orth Dakota, Ohio and Wisconsin.

MHEC follows six major goals in carrying out its compact mission. They are to enhance productivity through reductions in administrative costs; to encourage student access, completion and affordability; to facilitate public policy analysis and information exchange; to foster regional academic cooperation and services; to promote quality educational programs; and to encourage innovation in the delivery of educational services.

Currently, North Dakota has representation on the following MHEC committees:

(1) Information Technology Committee
(2) Midwest Student Exchange Council
(3) Package Policy Initiative
(4) Policy Research Advisory Committee
(5) Risk Management Committee
(6) SHEEO's Committee

The North Dakota University System Office has included $180,000 in its budget request to support its membership in MHEC for the 2005-07 biennium. This membership would provide expanded educational opportunities for North Dakota students and administrative alignments with other midwestern higher education institutions.

TOTAL 2005-07 $180.000
2003-05 165.000
INCREASE $ 15.000

Cost savings realized by North Dakota in 2003-05 through participation in MHEC programs is estimated to be about $460,320. When the amount paid by North Dakota for dues in fiscal year 2003-05 is offset, the net savings is estimated to be $280,320.

OR MORE INFORMATION CONTACT:
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NORTH DAKOTA
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Midwest Student Exchange Program (MSEP)

Offered by the Midwest Higher Education Commission, the Midwest Student Exchange Program (MSEP) enables students to enroll in out-of-state colleges and universities at no more than 150 percent of the institution's resident tuition rate. Each participating institution determines which degree programs it will make available to students, the number of students it will admit and its admission requirements. The program now includes six participating states: Kansas, Michigan, Minnesota, Missouri, Nebraska and North Dakota.

- All North Dakota University System institutions participate in the MSEP program and open all academic programs on a space-available basis, except the upper division architecture, nursing and pharmacy at NDSU; and the B.S. in occupational and physical therapy at UND.
- The 2003-04 academic year was the third year North Dakota participated in the MSEP program. Under this exchange program, 169 students from other states were enrolled at North Dakota institutions while 13 North Dakota students were enrolled elsewhere in the region at no more than 150 percent of the institution's resident tuition rate. The majority of MSEP students from other states major in such North Dakota University System programs as: (1) power plant technology, (2) elementary education, (3) psychology, (4) engineering, (5) business administration, (6) mathematics, (7) aviation and (8) technology education.

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Western Undergraduate Exchange (WUE)

The Western Undergraduate Exchange (WUE) offered through WICHE is a program through which students in 15 participating states (Alaska, Arizona, Colorado, Hawaii, Idaho, Montana, Nevada, New Mexico, North Dakota, Oregon, South Dakota, Utah, Washington and Wyoming) may enroll in designated two-year and four-year institutions and programs in other participating states at reduced tuition levels. California accepts WICHE students only at the California Maritime Academy.

- Tuition for WUE students in all WUE states is 150 percent of regular in-state tuition at designated two-year and four-year public institutions and programs.

- All North Dakota University System institutions participate in the WUE Program and open all academic programs except the A.S. in dental hygiene at NDSCS; the A.A.S. in practical nursing and the B.S. in nursing completion at DSU; upper division architecture, nursing and pharmacy at NDSU; and the B.S. in occupational therapy and B.S. in physical therapy at UND. Some states limit access to certain programs as well.

- In Fall 2004, 1,797 students from other states were enrolled at North Dakota institutions while 483 North Dakota students enrolled elsewhere in the region under this exchange program at 150 percent of the North Dakota resident rate (see details by state on the following page). The majority of WUE students from other states major in such North Dakota University System programs as: (1) electric power technology, (2) liberal studies, (3) general architecture, (4) pre-pharmacy, (5) commercial aviation, (6) pre-aviation, and (7) pre-business administration. North Dakota students enrolled elsewhere in the region under the WUE agreement major in programs such as: (1) nursing, (2) engineering (civil, computers, electrical), (3) elementary education, (4) composite business education, and (5) cell biology & neuroscience.

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WUE (cont.)

Western Undergraduate Exchange
Fall 2004 Enrollment Summary

	State of Residence															
State of Attendance (# of inst. enrolling WUE students)	**AK**	**AZ**	**CA**	**CO**	**HI**	**ID**	**MT**	**NV**	**NM**	**ND**	**OR**	**SD**	**UT**	**WA**	**WY**	**Attend. Totals**
AK (4)	X	11	67	32	13	13	19	4	10	4	45	7	12	77	14	328
AZ (18)	204	X	195	304	38	50	56	235	214	8	131	20	206	156	53	1,870
CA (1)	19	2	X	3	39	0	0	1	0	0	12	0	0	36	0	112
CO (24)	153	200	6	X	178	78	77	62	336	50	125	153	133	103	275	1,929
HI (2)	108	70	1019	199	X	69	39	35	30	9	187	26	23	286	21	2,121
ID (6)	160	13	2	38	8	X	186	79	9	3	302	11	38	489	65	1,403
MT (11)	129	13	7	133	26	262	X	17	13	71	154	71	51	257	267	1,471
NV (7)	408	189	18	299	688	129	75	X	133	29	257	34	145	341	61	2,806
NM (9)	8	32	55	3	3	5	2	6	X	0	4	1	6	9	4	138
ND (11)	90	59	194	157	32	50	189	42	12	X	53	549	24	218	128	1,797
OR (6)	190	22	1	50	189	95	62	57	15	4	X	7	24	475	19	1,210
SD (6)	27	27	133	137	5	15	130	13	8	255	18	X	17	26	497	1,308
UT (9)	65	49	0	107	16	235	30	158	26	3	59	11	X	71	114	944
WA (5)	108	15	64	21	61	147	87	16	8	5	134	1	10	X	13	690
WY (8)*	39	22	81	667	2	89	447	27	12	42	29	271	145	65	X	1,938
2-Yr.	217	79	249	478	36	215	504	303	239	58	149	179	413	216	127	3,462
4-Yr.	1,491	645	1,593	1,672	1,262	1,022	895	449	587	425	1,361	983	421	2,393	1404	16,603
Grand Total (127)	1,708	724	1,842	2,150	1,298	1,237	1,399	752	826	483	1,510	1,162	834	2,609	1,531	20,065

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Western Regional Graduate Programs (WRGP)

The Western Regional Graduate Program (WRGP) offered through WICHE began in 1981. The primary purpose of WRGP is to permit students from the various WICHE states (Alaska, Arizona, Colorado, Hawaii, Idaho, Montana, Nevada, New Mexico, North Dakota, Oregon, South Dakota, Utah, Washington, Wyoming) to enroll in more than 100 distinctive graduate programs within the compact.

- Students who participate in the WRGP Program pay the resident tuition rates at the public institution attended rather than the much higher non-resident rates. No additional state payment is required to support this program.

- During academic year 2003-04, no North Dakota students took advantage of this program. During this same time period, North Dakota received four students under this program.

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December 2004

Western Interstate Commission on Higher Education (WICHE)

The Western Interstate Commission on Higher Education (WICHE) is a non-profit, regional organization established by interstate compact. It helps 15 western states work together to provide high quality, cost-effective programs to meet the educational and workforce needs of the western region.

- The 15 western states that are part of the compact include: Alaska, Arizona, California, Colorado, Hawaii, Idaho, Montana, Nevada, New Mexico, North Dakota, South Dakota, Oregon, Utah, Washington and Wyoming.

- Each participating state pays dues to support WICHE. North Dakota's yearly dues for fiscal year 2006 and fiscal year 2007 will be $108,000 and $112,000 respectively.

- North Dakota's involvement in various WICHE Interstate Cooperative Programs has eliminated the start-up of costly professional programs and has allowed North Dakota residents to participate at reduced tuition rates in programs not offered in-state at reduced tuition rates.

- North Dakota's involvement in WICHE includes participation in the Professional Student Exchange Program, the Western Undergraduate Exchange Program, the Western Regional Graduate Program, and the Western Cooperative Telecommunications Cooperative. *(See Students and Employees section for details about specific programs.)*

- A central mission of WICHE is to help policymakers develop innovative, effective responses to a range of issues affecting higher education.

- WICHE's policy analysis and information focuses on higher education in the western states, including:
  - student cost issues, such as annual tuition and fee data and state financial aid policies;
  - state support for higher education; and
  - the number of high school students graduating in every state and projections to alert education planners to changing state needs.

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North Dakota University System
2005-07 SB2003
Competitive Research Program (EPSCoR) Appropriation

2003-05 Adjusted Appropriation	$ 4,750,000
Increase	440,000
SB2003 - Line 3 (Section 3, Page 9)	**$ 5,190,000**

The National Science Foundation requires a dollar for dollar state match on all federal funds. The state funds are passed through to UND and NDSU to provide the match. UND and NDSU now receive the federal funds directly and therefore, the federal funds are not included in the NDUS Office budget request. This level of funding will generate an estimated $14.85 million in federal and private funds, and will maximize anticipated matching potential.

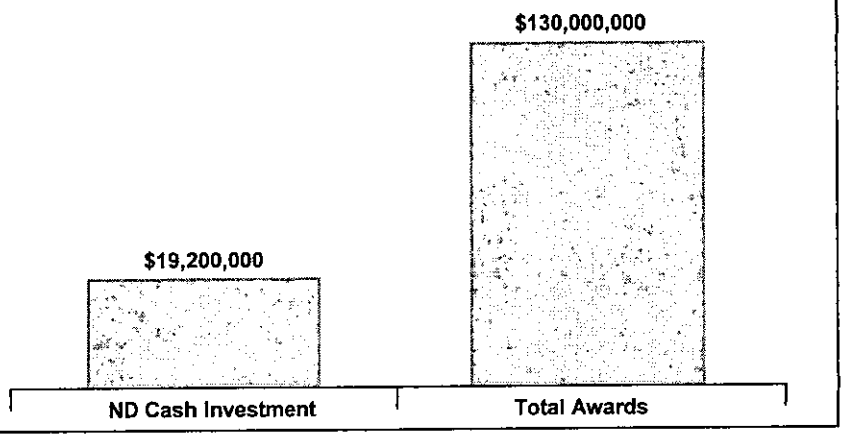
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December 2004

North Dakota Experimental Program to Stimulate Competitive Research (ND EPSCoR)

With state support, the North Dakota Experimental Program to Stimulate Competitive Research (ND EPSCoR) has allowed NDUS researchers to increase their success rate in obtaining merit-based grants in science, engineering and mathematics. The state's $19.2 million investment from 1986 to 2004 resulted in more than $130 million in external cash awards from federal, state and private sources.

The state's $19.2 million investment has resulted in more than $130 million in external awards to EPSCoR- supported researchers, representing a return on investment of 6.8.



ND EPSCoR programs have increased the state's capacity for science, engineering and mathematics research, contributing to the education and training of students as well as to the transfer of technology from the NDUS to the private sector. Highlights of these activities include the following:

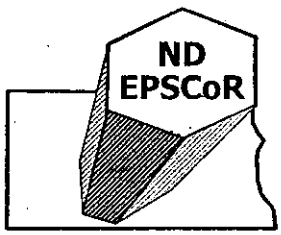
- From 1986 to the present, total academic research expenditures have increased 166 percent.
- In 2003, North Dakota was ranked seventh in the nation for university R&D per $1,000 of gross state product.
- ND EPSCoR has facilitated the recruitment of more than 100 new faculty researchers to the state.
- More than 550 graduate students and 675 undergraduate students have received research education through ND EPSCoR programs.
- Faculty and students at the state's baccalaureate institutions and tribal colleges have broadened their capabilities in science, engineering and mathematics.
- More than 185 students and 13 faculty members have worked on solving technology problems for 72 companies across the state through the Students in Technology Transfer And Research (STTAR) and Faculty In Technology Transfer (FITT) programs.
- Eighteen patents have been issued for EPSCoR-supported research discoveries and inventions.

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2005 ND EPSCoR Legislative Briefing

Experimental Program to Stimulate Competitive Research

Strengthening North Dakota's Science & Technology Infrastructure



Advancing
Science
Excellence in
North
Dakota

Dr. Philip Boudjouk

Vice President for Research, Creative Activities & Technology Transfer
North Dakota State University

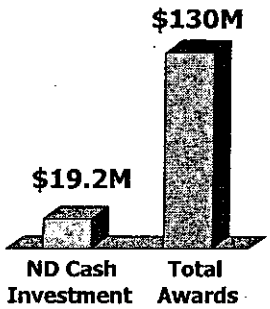
Dr. Peter Alfonso

Vice President for Research
University of North Dakota

Return on Investment

- The state's $19.2 million investment has resulted in more than $130 million in external awards to EPSCoR-supported researchers from federal, state, and private sources, representing a **Return on Investment of 6.8.**

Return on Investment
1986-2004



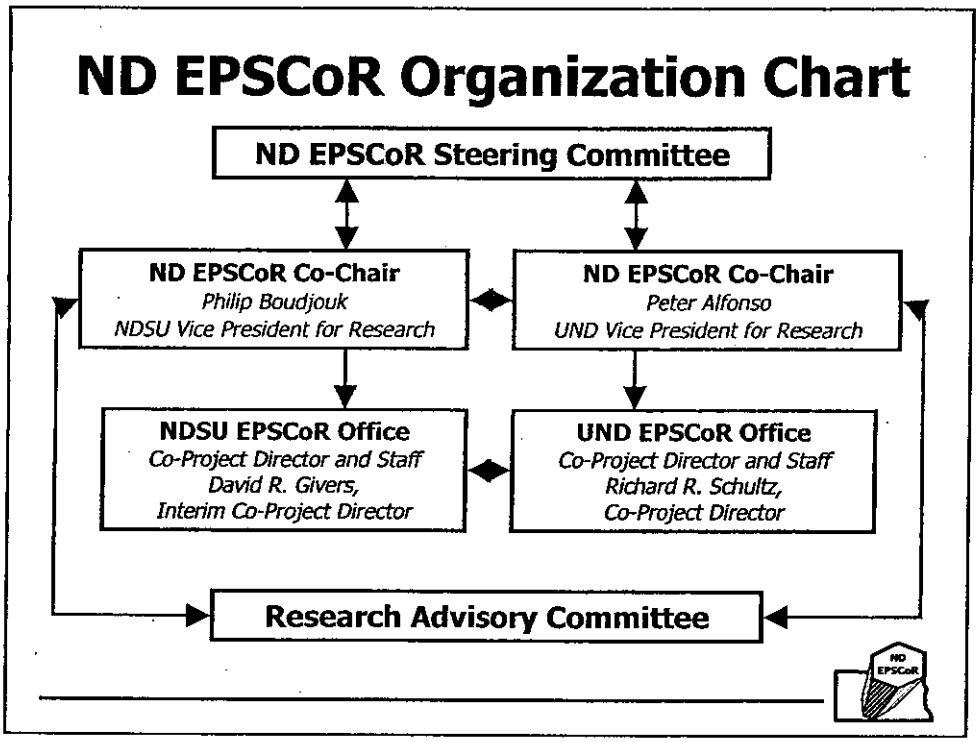
Successes

- North Dakota now ranked 7th for University R&D per $1,000 Gross State Product.
- The state's *per capita* ranking in NSF funding increased from 52nd in 1986 to 29th today, representing the greatest improvement of all EPSCoR states ranked in 1986.
- North Dakota consistently places in the top five funding *per capita* at USDA, DOE, and EPA.
- ND EPSCoR has facilitated hiring more than 100 researchers in North Dakota.
- ND EPSCoR's programs have supported faculty and students in **ALL** 11 NDUS institutions and the state's 5 Tribal Colleges.
- Over **550 graduate students** and over **675 undergraduates** have received research education through ND EPSCoR.
- Over **185 students** and **13 faculty members** have worked on solving technology problems for **72 companies** across the state.
- **18 patents** have been issued for EPSCoR-supported research discoveries and inventions.

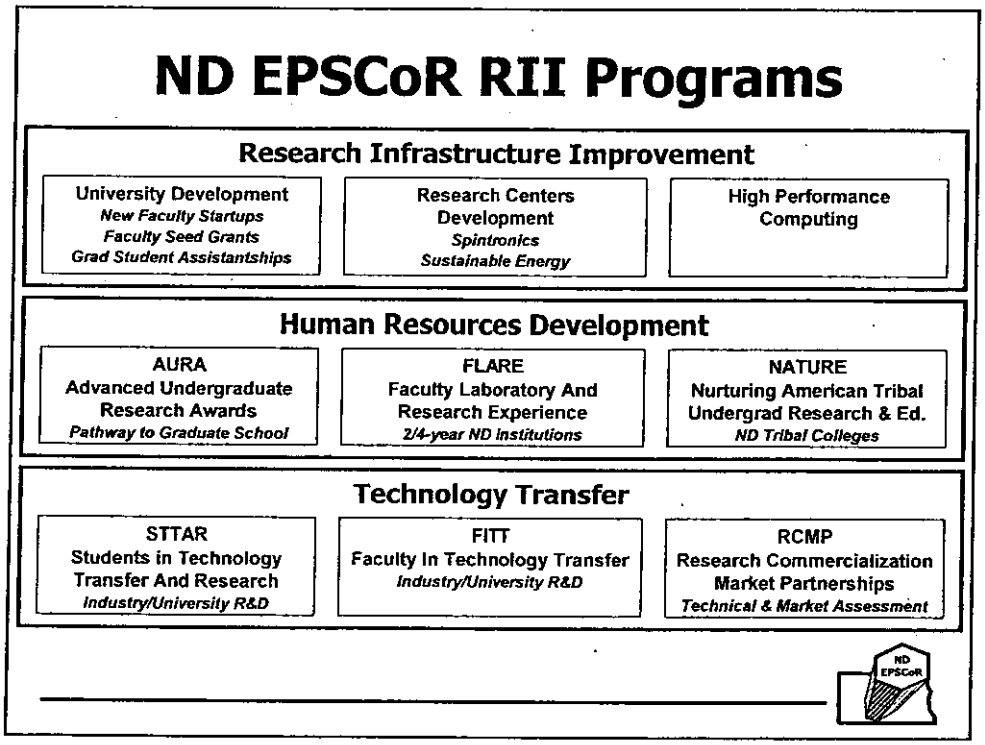
ND EPSCoR Partners

- **State of North Dakota**
- Federal Research Agencies
  - NSF, NIH, EPA, NASA, DoD, DOE, USDA
- Federal Program Grants:
  - NSF EPSCoR
  - NIH IDeA/ INBRE
    - Institutional Development Award/ IDeA Networks of Biomedical Research Excellence
  - EPA EPSCoR
  - NASA EPSCoR
- Regional Businesses

ND EPSCoR Organization Chart



ND EPSCoR RII Programs



ND EPSCoR
Research Centers Development

- **SPIN – Spintronics Printing Integrated Networks**
  - Next generation electronics:
    - Utilizes spin of electrons, rather than their flow, to implement computer logic
    - New way to manufacture computer circuits, using ink-jet printing technology
  - Potentially a $100B industry
  - ND DOC Industry Clusters:
    - Advanced Manufacturing & Technology



ND EPSCoR
Research Centers Development

- **SUNRISE – SUstainable eNergy Research Infrastructure and Supporting Education**
  - Research to reduce the U.S. dependence on foreign oil:
    - Clean coal technologies
    - Ag-based biofuels
    - Hydrogen storage and transport to support a hydrogen-based fuel economy
  - ND DOC Industry Clusters:
    - Energy, Technology & Value-Added Agriculture



Student Research & Tech Transfer Successes

- *"The AURA program was a wonderful experience that contributed greatly to my career ."* – Dr. Vicki Gelling, from Forest River. Research Assistant Professor, NDSU.
- *"The AURA program provided me with my first research experience and helped motivate me to a career in science."* – Dr. Sarah Cousineau, from Grand Forks. High Energy Research Physicist, Oak Ridge National Laboratory.
- *"STTAR: A Great Program."* – Corey Isaak, from West Fargo. In 2000, student researcher with Crary Corporation. Hired by Case New Holland, Fargo, on graduation.



A Shared Commitment

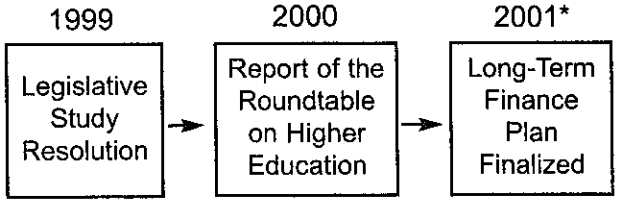
Funding the NDUS is a shared responsibility. Dollars needed to cover parity and equity costs come from two sources, state general funds and net student tuition revenues.

Since the cost of education varies by the type of institution, the targeted ratio, or percentage of funds to be provided by each source of funding under this plan, varies by the type of institution as follows:

Campus	State Share	Student Share
UND, NDSU	60%	40%
MiSU	65%	35%
DSU, MaSU, VCSU	70%	30%
Two-Year Campuses	75%	25%

NDUS colleges and universities also contribute to covering parity and equity costs by managing operations efficiently as defined by the Long-Term Finance Plan. In addition, campuses generate other revenues, which are retained by the campuses to support the core functions of teaching, research and public service.

Long-Term Finance Plan Timeline



*The Long-Term Finance Plan continues to be used by the State Board of Higher Education as a basis for budget requests.

The Driving Principles

The Long-Term Finance Plan:

- Provides adequate funding to maintain campus capacity to support core functions
- Recognizes the unique mission of each campus
- Provides resources needed to protect the state's investment in facilities and infrastructure
- Encourages collaboration among campuses and with the private sector
- Maintains flexibility to respond to changing system and state needs
- Is used only for allocation of additional state general fund appropriations, not reallocation of existing state general funds

There is a mutual dependency between the NDUS and the state. The state absolutely needs a strong university system contributing to solutions to the state's problems. At the same time, the NDUS needs resources which can come only from an expanding economic and population base.

Roundtable Report, *May 2000*

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THE NDUS Long-Term Finance Plan

Advancing the Vision of the Roundtable on Higher Education

NORTH DAKOTA UNIVERSITY SYSTEM

The Vital Link to a Brighter Future

May 2004

The Big Picture

What Is the Long-Term Finance Plan?

This plan is a fiscally sound mechanism for financing the state's public higher education system to accomplish the goal and expectations of the Roundtable on Higher Education.

The Long-Term Finance Plan:

- Provides clear, long-term funding targets for each of the 11 North Dakota University System institutions
- Provides the NDUS increased flexibility with accountability
- Compares funding levels of NDUS institutions to similar institutions nationwide, rather than to one another
- Allows the NDUS to be drawn by a vision rather than driven by a budget

Why Was this Plan Developed?

The 1999 Legislative Assembly, through the Legislative Council, asked the interim Higher Education Committee to define a clear, agreed-upon set of expectations and to develop the tools needed to meet those expectations, including a long-term finance plan.

Who Developed the Plan?

As envisioned by the 1999 Legislative Assembly, the Long-Term Finance Plan and its key components were developed at the direction of the Roundtable on Higher Education, a collaboration including representatives of the executive and legislative branches of government, the private sector and the North Dakota University System.

Details of this plan were ironed out with input from and consideration for all 11 NDUS campuses with the assistance of an external consultant specializing in higher education management; it was approved by the State Board of Higher Education in 2001.

Who Will Benefit?

The Roundtable on Higher Education called upon the University System to develop a dual mission, that of continuing to provide access to high-quality education while playing a stronger role in enhancing the economy of North Dakota. Both functions are essential to creating a brighter future for the state and its citizens. As a result, an investment in the University System is an investment in the future of all North Dakotans.

The Long-Term Finance Plan: Three Key Components

Component	Application	Goal
• **Base Operating Funds: Support core campus functions, such as instruction, research and public service. This funding forms the foundation upon which campuses leverage other resources.**	**Parity:** Funds needed to continue current programs and services, including salaries, benefits and inflationary cost increases **Equity:** Funds needed to move each campus closer to the "benchmark" or average funding level of its national peer institutions, which are defined by criteria such as enrollment size and mix, program mix, degree types, research expenditures, etc.; all NDUS institutions now are funded at less than their benchmarks	Allocates no more than 80 percent of all new funding to parity and no less than 20 percent to equity Moves campuses currently funded at less than 85 percent of peer institution funding, which includes general funds and net tuition revenues, to 85 percent within six years (by 2007-09) and all campuses to 95 percent within 12 years (by 2013-15)
• **Capital Asset Funds: Function as a system-wide funding model for repair and replacement of facilities based on age, replacement value and the deferred maintenance backlog at each campus.**	**Current Repair and Replacement:** Funds needed to cover current repair and replacement of facilities and infrastructure (not including major capital projects funded through state bonding) **Deferred Maintenance:** Funds needed to address deferred maintenance of facilities and infrastructure, including health and safety concerns, ADA compliance, computer networking and other major repairs	Moves campuses to 100 percent of the building and infrastructure formula over a 10-year period (by 2011-13) and addresses deferred maintenance over a 14-year period (by 2015-17)
• **Incentive Funds: Provide the State Board of Higher Education flexibility to finance special initiatives that support state and system priorities consistent with the goals of the Roundtable on Higher Education.**	**Purpose:** Funds used to provide incentives for collaboration, increasing access to education, incorporating entrepreneurial behavior, demonstrating accountability and/or exemplifying other actions envisioned by the Roundtable on Higher Education	Dedicates 2 percent of the NDUS state appropriation to special initiatives by the 2007-09 biennium

Funding and Rewards

December 2004

Long-Term Finance Plan

I. Principles

In November 2001, the State Board of Higher Education (SBHE), adopted the following statements as the board's beliefs and principles, which serve as the foundation of the Long-Term Finance Plan and resource allocation model:

We believe the:

1. Funding for higher education should be a shared responsibility of the state – through state general fund appropriations, students – through tuition, and campuses – through efficiency and generating other revenues.
2. Campuses should be encouraged to generate additional revenues.
3. Campuses should be encouraged to diversify their revenue sources.
4. Campuses, faculty and staff should be rewarded and recognized for behavior consistent with the roundtable principles (i.e. flexible, responsive, entrepreneurial, accountable and collaborative).
5. Campuses should be given the flexibility to set prices; however, the SBHE should continue to be accountable for maintaining affordability for North Dakota citizens. The board will continue to approve a base tuition rate for each campus, with campuses given additional flexibility to charge additional tuition for targeted courses/programs (e.g. high demand, high cost, etc...) and to establish tuition discounting policies.
6. Campuses should retain their current state general fund appropriations as base operating funds; and biennial appropriations should be provided to address parity or inflationary operating cost increases (i.e., cost to continue salary increases from previous biennium, operating and utility inflation, and new compensation and benefits adjustments).
7. Equity differentials, based on peer comparators, should be regularly addressed in appropriations based on agreed-upon targets (i.e. benchmark, state/student share, phased approach to reaching benchmarks) outlined in the finance plan.
8. State should make a specific investment in activities that support statewide priorities through separate initiative appropriations to the SBHE. Funds should be allocated from the board initiative appropriation to encourage and reward collaboration between campuses.
9. Campuses should be held accountable for the outcomes of the goals and objectives outlined in their campus strategic plans and roundtable campus alignment plans.

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Long-Term Finance Plan (cont.)

10. Campuses' unique missions should be recognized in establishing base operating funding, and adequate funds should be provided to maintain institutional capacity to deliver their mission.
11. Campuses should be given the flexibility to allocate resources consistent with the priorities established in their campus strategic plan.
12. The SBHE should request and the Legislature should provide dedicated appropriations for the maintenance and replacement of state assets (facilities and infrastructure).

II. Policies

A. Operating Budget

1. A biennial appropriation request will be made by the board, and appropriations will be made by the Legislative Assembly comprised of the following components in accordance with state statute approved by the 2001 Legislative Assembly in SB2003: (1) base operating budget (2) capital asset funding (3) special initiative funding.
2. Operating fund benchmarks will be established for determining funding requests and legislative appropriations for each institution using data from peer comparator institutions.
   a. These operating benchmarks will be established on the basis of comparing unrestricted revenues: state appropriations and net tuition revenues.
   b. The benchmarks will be established using the most recently available national Integrated Postsecondary Education Data Systems (IPEDS) data and re-established, at a minimum, every six years. In the intervening years, the benchmark numbers should be adjusted by a percentage equivalent to the changes in the national Consumer Price Index (CPI). The NDUS numbers will be adjusted for actual biennial changes in appropriations.
   c. The following criteria were used for the selection of the peer comparators:
      - Public institutions only (deviated from this criteria for MaSU and VCSU due to the limited number of public peer comparators)
      - City size (deviated from this criteria due to the difficulty of application)
      - Carnegie classification of institutions
      - Land grant or medical school
      - Total FTE students
      - Total headcount enrollment
      - Percent part-time headcount
      - Type of degrees awarded (certif., assoc., baccalaureate, master's, etc.)
      - Degree program mix (natural science, education, business, engineering, humanities, etc...)
      - Research expenditures

Long-Term Finance Plan (cont.)

Based on these criteria, the SBHE adopted the operating benchmarks (combined state appropriation and net tuition revenues) for each institution to be used by the board in developing biennial budget requests and by the Legislature in developing the final legislative appropriations below:

	Benchmarks[1] established in 2001	Benchmarks[2] utilized in development of 05-07 budget request
NDSU, excluding Ag Extension and Experiment	$10,500	$11,903
UND, including Medical School	$13,250	$15,020
DSU	$7,500	$8,502
MaSU	$9,000	$10,202
MiSU	$8,500	$9,635
VCSU	$9,000	$10,202
BSC	$7,750	$8,785
MiSU-BC	$9,000	$10,202
NDSCS	$8,500	$9,635
LRSC	$9,250	$10,486
WSC	$7,500	$8,502

[1] Based on 1998-99 IPEDS data
[2] Updated based on average annual change in CPI for 1999-00 through 2004-05

3. Funding of institutions reflect a shared responsibility among the various stakeholders. Targets were established based on the following factors: ensuring regional access, enrollment size of campus, program type (undergraduate vs. graduate programs) and historical tiered tuition-rate structure. Recommended targets to be used in determining state general fund budget requests and legislative appropriations are as follows:

	% state	**% student**
UND/NDSU	60	40
MiSU	65	35
MaSU/VCSU/DSU	70	30
Two-year	75	25

4. Budget requests and legislative appropriations should be developed to first move all institutions currently below 85 percent of their peer benchmarks to 85 percent within six years and next to move all campuses below 95 percent of their peer benchmarks to 95 percent in 12 years.
5. Base funding requests and legislative appropriations should be based on the following:
   a. Base funding continues to be provided to all 11 institutions and also should include biennial operating fund increases to address parity.
   b. Current general fund appropriations should not be reallocated among campuses.

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Long-Term Finance Plan (cont.)

c. A portion of increased state general fund appropriations will be allocated on a biennial basis to fund parity and to resolve equity differentials. Funding parity is the first priority. However, no more than 80 percent of all new funding should be allocated to parity, and no less than 20 percent of new funds should be allocated to equity.

d. Equity funds will be distributed based on a weighted average of each campus's gap differential to its peers and the agreed-upon phased approach to reaching benchmark targets (i.e., 85 percent in six years).

e. State general fund appropriations for any campus should not be reduced below that of the previous biennium until such time the campus exceeds 105 percent of its peer benchmark, or enrollment declines are significant enough to cause a re-evaluation of the peer institutions and establishment of a new peer benchmark.

6. The SBHE will continue to approve the base tuition rate at each campus; however, institutions should be given discretion to establish additional tuition rate charges for targeted programs and discounting policies.

B. Capital Asset Funding

1. The NDUS, in developing its budget request, and the legislature, in setting appropriations, shall continue to utilize the OMB building formula based on 2 percent of building replacement value for all buildings five years old or older, and 0 percent for buildings less than five years old.
2. The NDUS, in developing its budget request, and the legislature, in setting appropriations, shall continue to utilize the current OMB infrastructure formula.
3. Deferred maintenance will be factored into the new capital assets funding formula along with the revised building formula and the current infrastructure formula.
4. The use of the pool of dollars generated by this new combined formula will be left to the discretion of the institution (with appropriate approvals by the SBHE where required for projects greater than $100,000). Campuses would be given the authority to allocate funds for repair and replacement priorities for both deferred maintenance and regular repair and replacement projects as determined by the campus.
5. The SBHE will continue the major capital project priority process for establishing funding priorities for major new construction and major renovation/remodeling projects.
6. The board and legislature shall phase-in the capital assets funding model to reach full funding of the buildings and infrastructure formula over a 10-year period in 2013-15 and to address the deferred maintenance backlog that currently exists over 14 years in 2017-19.
7. Campuses will be allowed to continue carrying over unspent capital asset funding from one biennium to the next in order to complete projects started in one biennium but not completed until the next and/or to accumulate funds to complete large projects that require multi-year funding.

Long-Term Finance Plan (cont.)

8. Institutions will be required to demonstrate they have expended funds in amounts at least as large as appropriations or place funds in escrow for larger renewal projects.
9. At the time full funding is achieved, campuses will cease requiring additional capital renewal/replacement funds beyond this level except for deferred maintenance.
10. The new capital asset funding model will be applied to new state buildings built on campus, but no new operating funds will be added to the base operating budget for operating costs if the operating base is already at the benchmark target.

C. State Priority

Appropriation requests and legislative appropriations for incentive/special initiatives provided to the SBHE to support state priorities will be made equivalent to 2 percent of the total NDUS state general fund appropriation, phased-in over six years.

FOR MORE INFORMATION CONTACT:
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NORTH DAKOTA UNIVERSITY SYSTEM
LONG-TERM FINANCE PEER INSTITUTIONS, BY CAMPUS

Campus	City/State
Bismarck State College	**Bismarck ND**
Abraham Baldwin Agricultural College	Tifton GA
Central Lakes College-Brainerd	Brainerd MN
East Central Community College	Decater MS
Hawkeye Community College	Waterloo IA
Iowa Valley Community College District	Marshalltown IA
North Idaho College	Coeur D'Alene ID
Northwest Shoals Community College-Muscle Shoals	Muscle Shoals AL
Ridgewater College	Willmar MN
Suny College of Technology at Canton	Canton NY
Lake Region State College	**Devils Lake ND**
Brunswick Community College	Supply NC
Carteret Community College	Morehead City NC
Cecil Community College	North East MD
Clatsop Community College	Astoria OR
Kirtland Community College	Roscommon MI
Paul D Camp Community College	Franklin VA
Sampson Community College	Clinton NC
West Shore Community College	Scottsville MI
Williston State College	**Williston ND**
East Central Community College	Union, MO
Feather River Community College District	Quincy CA
Iowa Valley Comminty College District	Marshaltown, IA
Lurleen B Wallace JR College	Andalusia AL
McDowell Technical Community College	Marion, NC
Miles Community College	Miles City MT
Northwest Community College	Powell WY
Petit Jean College	Morrilton AR
West Shore Community College	Scottville MI
University of North Dakota, including Medical School	**Grand Forks ND**
Ohio University-Main Campus [1]	Athens OH
Southern Illinois University-Carbondale [1]	Carbondale IL
Suny at Buffalo [1]	Buffalo NY
University of Louisville [1]	Louisville KY
University of Missouri-Kansas City [1]	Kansas City MO
University of Nevada-Reno [1, 2]	Reno NV
University of South Carolina at Columbia [1]	Columbia SC
West Virginia University [1, 2]	Morgantown WV
Wright State University-Main Campus [1]	Dayton OH

[1] Includes a medical school
[2] Land grant campus
[3] Private/non-profit campus

NORTH DAKOTA UNIVERSITY SYSTEM
LONG-TERM FINANCE PEER INSTITUTIONS, BY CAMPUS

Campus	City/State
North Dakota State University, excluding Agricultural entities [2]	**Fargo ND**
Clemson University [2]	Clemson SC
Kansas State University [1, 2]	Manhattan KS
New Mexico State University-Main Campus [2]	LasCruces NM
Oregon State University [1, 2]	Corvallis OR
University of Alaska Fairbanks [2]	Fairbanks AK
University of Arkansas at Fayetteville [2]	Fayetteville AR
University of Idaho [2]	Moscow ID
University of Wyoming [2]	Laramie WY
Utah State University [2]	Logan UT
North Dakota State College of Science	**Wahpeton ND**
Central Carolina Technical College	Sumter SC
Indian Hills Community College	Ottumwa IA
North Idaho College	Coeur D'Alene ID
Northwest Technical College-Bemidji	Bemidji MN
Oklahoma State University-Okmulgee	Okmulgee OK
St Paul Technical College	St Paul MN
SUNY College of Technology at Alfred	Alfred NY
SUNY College of Technology at Canton	Canton NY
Texas State Technical College-Harlingen	Harlingen TX
Dickinson State University	**Dickinson ND**
Dakota State University	Madison SD
Glenville State College	Glenville WV
Indiana University-East	Richmond IN
Lewis-Clark State College	Lewiston ID
Shawnee State University	Portsmouth OH
University of Arkansas at Monticello	Monticello AR
University of Maine at Farmington	Farmington ME
University of South Carolina at Aiken	Aiken SC
West Liberty State College	West Liberty WV
Mayville State University	**Mayville ND**
Bluffton College [3]	Bluffton OH
Concordia University [3]	Irvine CA
Dakota State University	Madison SD
Greensboro College [3]	Greensboro NC
Houghton College [3]	Houghton NY
Lyndon State College	Lyndonville VT
Oklahoma Panhandle State University	Goodwell OK
University of Maine at Presque Isle	Presque Isle ME
University of Montana-Western, The	Dillon MT

[1] Includes a medical school
[2] Land grant campus
[3] Private/non-profit campus

NORTH DAKOTA UNIVERSITY SYSTEM
LONG-TERM FINANCE PEER INSTITUTIONS, BY CAMPUS

Campus	City/State
Valley City State University	**Valley City ND**
Bluffton College [3]	Bluffton OH
Concordia University [3]	Irvine CA
Dakota State University	Madison SD
Greensboro College [3]	Greensboro NC
Houghton College [3]	Houghton NY
Lyndon State College	Lyndonville VT
Oklahoma Panhandle State University	Goodwell OK
University of Maine at Presque Isle	Presque Isle ME
University of Montana-Western, The	Dillon MT
Minot State University	**Minot ND**
Albany State University	Albany GA
Delta State University	Cleveland MS
East Central University	Ada OK
Eastern New Mexico University-Main Campus	Portales NM
Mansfield University of Pennsylvania	Mansfield PA
Midwestern State University	Wichita Falls TX
Southwestern Oklahoma State University	Weatherford OK
University of Michigan-Flint	Flint MI
University of Montevallo	Montevallo AL
Minot State University-Bottineau Campus	**Bottineau ND**
Clarendon College	Clarendon TX
Feather River Community College District	Quincy CA
Garrett Community College	McHenry MD
Martin Community College	Williamston NC
Miles Community College	Miles MT
Ozarka College	Melbourne AR
Rich Mountain Community College	Mena AR
University of Pittsburgh-Titusville	Titusville PA
Warren County Community College	Washington NJ

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[1] Includes a medical school
[2] Land grant campus
[3] Private/non-profit campus

North Dakota University System
2005-07 SB2003
Board Initiatives Appropriation

2003-05 Adjusted Appropriation	$	466,142
Increase		449,798
SB2003 - Line 4 (Section 3, Page 9)	**$**	**915,940**

The 2005-07 SBHE Legislative Funding Plan includes a request for an additional $2,750,202 ($500,000 in priority 3 and $2,250,202 in priority 4) to achieve an amount equal to two percent of the NDUS general fund appropriation over six years in 2007-09, consistent with the goals of the NDUS long-term finance plan.

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NORTH DAKOTA UNIVERSITY SYSTEM
2003-05 BOARD INITIATIVE BLOCK GRANT STATUS
January 17, 2004

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Sources

03-05 Appropriation	$ 485,306	
01-03 Carryover	294,306	$ 779,612

Uses

Description	Purpose	Amount		
Base Funding:				
Community of Science	Cost to continue license fee for two years of the biennium 1/	77,600		
Accountability Surveys	Cost to continue--complete implementation of required survey cycles	170,870		
Community College Consortium	Cost to continue	30,000		
Research and Development Summit	Funding support for summit to be held every other year	15,000		
Alcohol Consortium	Support staff position & associated operating costs for system-wide coordination	150,000		
Arts and Humanities	Hosting expensies	10,000		
Project Vital Link	Additional preparation costs of system-wide student recruiting materials	20,000		
TOTAL Base Funding			473,470	
One-Time Funding:				
Diversity Initiative	Balance to complete Phases I-III of MCARI training	21,375		
NDUS Web Site Revisions	ADA compliant and workforce training updates	13,500		
Financial Statement Consolidation	Financial statement consolidation	15,000		
Chancellor Search Costs	Chancellor search costs	72,093		
SBHE laptop initiative	Computer lease, software, and support costs	8,000		
Collaboration Incentives	Joint two-year associate nursing degree program	150,000		
Native Americans into Aviation	Matching funds for new UND program	25,000		
TOTAL One-Time Funding			304,968	
TOTAL Allocations/Commitments to Date				778,438
Uncommitted Balance				$ 1,174

1/ Assumes no funding contribution from EPSCoR ($55,000) and Dept. of Commerce ($15,000) in 03-05. Also does not include additional cost for "public view". This would be an additional $10,000-24,000 per campus per year.

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North Dakota University System Office
2001-03 Carryover

	General Fund	Federal Fund	Special Fund	Total Funds
System Governance Carryover	205,694.48	17,137.08	47,345.20	270,176.76
Expended in 2003-04				
Salary	(43,628.10)			(43,628.10)
Operating	(43,462.66)			(43,462.66)
Equipment	(3,264.35)			(3,264.35)
Total Expended 2003-04	(90,355.11)	0.00	0.00	(90,355.11)
Available for 2004-05	115,339.37	17,137.08	47,345.20	179,821.65
Expended in 2004-05 to date				
Salary				0.00
Operating	(5,830.31)			(5,830.31)
Equipment	(21,926.33)			(21,926.33)
Total Expended 2004-05 to date	(27,756.64)	0.00	0.00	(27,756.64)
Still available for 2004-05	87,582.73	17,137.08	47,345.20	152,065.01
Student Financial Assist Grants	174,072.51		500,000.00 *	674,072.51
Contingency & Capital Emergency	125,911.14			125,911.14
Scholars Program	45,708.61		50,000.00 *	95,708.61
Native American Scholarships	402.10			402.10
Education Incentive	397,901.97			397,901.97
Professional Student Exchange	35,480.18			35,480.18
Board Initiatives	294,306.00			294,306.00
Other 2001-03 Carryover	1,073,782.51	0.00	550,000.00	1,623,782.51
Total 2001-03 Carryover	**1,279,476.99**	**17,137.08**	**597,345.20**	**1,893,959.27**

* Limiting our request to that indicated

North Dakota University System Office
2001-03 Carryover

	General Fund	Federal Fund	Special Fund	Total Funds
Student Financial Assist Grants	$ 174,073		$ 500,000 *	$ 674,073
Scholars Program	45,709		50,000 *	95,709
Native American Scholarships	402			402
Education Incentive	397,902			397,902
Professional Student Exchange	35,480			35,480
NDUS Operations	205,694	17,137	47,345	270,177
Contingency & Capital Emergency	125,911			125,911
Board Initiatives	294,306			294,306
Total 2001-03 Carryover	**$ 1,279,477**	**$ 17,137**	**$ 597,345**	**$ 1,893,959**

*Special funds carryover for Student Financial Assistance Grants and the Scholars Program was funding **authority**, not cash.

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What Are Short-Term Uses of These Funds?

Short-term uses include supplementing state general fund appropriations that support the core campus functions of teaching, research and public service and providing day-to-day cash flow for the campus functions that generate income. For example, a campus bookstore purchases books throughout the summer to sell during the fall semester. It uses previously generated revenues to make these purchases and to provide working capital to support operations during months when cash flow is limited due to the cyclical nature of operations.

Are Year-End Balances in These Funds Readily Accessible?

While fiscal year-end balances include some cash, these fund balances include other assets not easily converted to cash, such as investments, accounts receivable, notes receivable and inventories. Operating cycles create significant balance fluctuations during the fiscal year. As a result, although some funds are not yet expended as of the end of the fiscal year, they are generally designated for specific uses.

Can These Funds Be Substituted for General Fund Appropriations?

No, doing so may breach state and federal grant and financial aid regulations, bond covenants, donor agreements and other restrictions and commitments.

Many funds that fall into the category of continuing appropriations legally can be used only for the purposes designated by the donor, grantor or bond agreement. For example, research funding can be used only for the designated research, and student fees pledged specifically for the payment of principal and interest on bonds incurred for construction of student housing must be used for that purpose.

Some funds are not restricted by an external source, but are designated for the purpose for which the revenue was generated. For example, student lab fees are used to purchase materials and supplies for the particular lab for which the fee was collected.

How Is the NDUS Held Accountable for These Funds?

The NDUS financial statements, including continuing appropriations fund balances, are audited annually by the Office of the State Auditor. Fiscal year-end continuing appropriations fund balances are reported on the financial statements in several categories of net assets, including unrestricted, restricted and investment in capital assets.

The unrestricted net assets category includes, by accounting standards' definition, fund balances not restricted by an external source. But, as outlined in this brochure, continuing appropriations fund balances included in this net assets category are designated for specific purposes by funding source or campus management.

This brochure was prepared, in part, in suport of the continuing appropriations reporting requirement of Senate Bill 2015, Section 34 enacted by the 58th Legislative Assembly in 2003.

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NDUS Continuing Appropriations

A Key Component of Higher Education Funding

NORTH DAKOTA
UNIVERSITY SYSTEM

The Vital Link to a Brighter Future

May 2004

Continuing Appropriations: Moving the NDUS Down the Road to a Brighter Future

Financing the North Dakota University System is a lot like buying a car. State general fund appropriations pay for the engine and the transmission. Funds from other sources add the body and the wheels.

Without these funds, the car wouldn't make it down the road. In other words, continuing appropriations are essential to the basic function of NDUS colleges and universities.

What Does the Term "Continuing Appropriations" Mean?

Continuing appropriations describes all non-general fund dollars generated by the North Dakota University System.

Unlike general funds, which the Legislative Assembly appropriates by line item and dollar amount in the NDUS budget bill, non-general fund dollars (other than those specifically appropriated for capital projects) are appropriated in a broad legislative statement referred to as a continuing appropriations clause. This clause gives the State Board of Higher Education authority to generate and spend these funds each biennium.

Examples of funds included in continuing appropriations authority are room and board charges, tuition, student fees, bookstore and food service revenues, grants, gifts and contracts.

Why Are Continuing Appropriations Allocated This Way?

The Legislative Assembly has recognized the importance of providing this authority to the SBHE consistent with the *Roundtable Report* recommendation to grant the University System "flexibility with accountability."

Continuing Appropriations: Overview of Funds

Fund Group	Purpose	Source of Funds (Examples)	Uses of Funds (Examples)	Net Assets ■ Restricted by ♦ Designated For
Auxiliary Services	Provide services such as housing, dining and bookstore to students and constituents	• Room and board charges • Book/supply sales • Parking permits • Facility rental fees	• Daily operations • Debt service • Facility repair & replacement	■ Bond covenants ♦ Working capital ♦ Emergency reserves ♦ Major repairs ♦ Building additions
Tuition Collections	Support campus operations	• Student tuition	• Core campus operations • Capital improvements	♦ Core campus mission
Other Institutional Funds	Fund self-supporting programs or supplement programs partially funded from the general fund or tuition collections	• Student fees • Indirect cost recovery • Continuing ed fees • Ticket sales • Service centers • Interest income	• Student activities • Instructional programs • Marketing/recruitment • Seed money for new grants • Debt service	■ Bond covenants ♦ Working capital ♦ Emergency reserves ♦ Major repairs ♦ Student groups ♦ Self-support programs
Scholarships & Fellowships	Provide funding for needs-based and merit-based financial aid	• Donors • Other institutional funds • Foundations	• Scholarships • Fellowships • Financial Aid	■ Donor terms ♦ Students
Grants & Contracts	Perform contracted services to advance research, teaching and service programs	• Federal • State • Private	• Research • Training • Program development	■ Grant terms
Loan Funds	Provide financing to students to assist with college costs	• Federal • State • Interest income	• Loans to students • Loan center operations	■ Federal/state policies ♦ Students
Plant Funds	Provide funds for repair and replacement projects and capital asset debt service	• Donors • Other institutional funds • Student fees • Interest income	• Construction projects • Debt service • Repair and replace capital assets	■ Donor terms ■ Bond covenants ■ Grant terms
Endowment Funds	Hold principal and expend earnings of gifts	• Donors • Investment Earnings	• Scholarships • Academic programs	■ Donor terms ♦ Core campus mission

How Are Continuing Appropriations Used?

From each campus's instructional mission grows the need to provide additional services not covered by general funds, such as housing, food services and bookstores.

Other funds are generated to enhance instruction and to support campus research and public service, the three-pronged campus mission. Continuing appropriations are essential to the total educational experience.

What Are Long-Term Uses of These Funds?

Long-term uses of these funds include repair and replacement of state and non-state-funded capital assets.

Also, it is sound business practice to maintain a reserve balance equal to several months of operating expenses, and proof of an adequate balance is required for the credit rating review needed to secure long-term financing. To maintain a sound credit rating, the institution must maintain adequate reserves to fund repair and replacement costs, daily operations and debt service requirements.

North Dakota University System

Creating a University System for the 21st Century

Analysis of 2005-2007 Executive Budget Recommendation and SBHE Legislative Funding Plan

December 2004

NORTH DAKOTA
UNIVERSITY SYSTEM

The Vital Link to a Brighter Future

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North Dakota University System (NDUS)
Analysis of the 2005-07 Executive Budget Recommendation and SBHE Legislative Funding Plan
SB's 2003, 2020 and 2023

The 2005-07 state general fund executive recommendation (including general fund major capital projects) is $388.2 million for the eleven campuses, UND School of Medicine and Health Sciences, Forest Service and North Dakota University System Office, which is an increase of $28.8 million or 8% from the 2003-05 adjusted appropriation. This increase includes $2.0 million for a child-care grant program for Human Service clients.

The general fund executive recommendation (including major capital projects) for the Upper Great Plains Transportation Institute (UGPTI), Northern Crops Institute (NCI), Extension Service and Research Stations, for the 2005-07 biennium, is $54.5 million, an increase of $3.7 million or 7.34% from the 2003-05 adjusted appropriation. The executive recommendation includes a $3.3 million general fund increase for salary and benefit adjustments for these entities, leaving a $.4 million operations increase.

Thus, the total recommended state general fund appropriation for all entities of the North Dakota University System (including major capital projects) for the 2005-07 biennium, is $442.7 million, an increase of $32.5 million or 7.9% more than the 2003-05 adjusted appropriation, including the $2.0 million child-care grant program.

This report includes schedules that detail the executive recommendation, and others that compare the executive recommendation to the State Board of Higher Education's (SBHE) prioritized legislative funding plan.

Highlights of the 2005-07 Executive Recommendation

Campuses, Med School, Forest Service and NDUS Office:

- The executive recommendation includes a general fund increase of $28,759,170 (or 8%) over the 2003-05 adjusted appropriation, including a $2 million increase for the child care grant program for human service clients. This total general fund increase is the same as that included in the 2005-07 "state-linked" budget request, although the allocation of funds varies from the request in some areas. The requested increase was based on the increase needed to reach 21% of the *estimated* total state budget of approximately $1.849 billion (including 2.5% growth).
- Excluding the $2.0 million child care grant program and the Agricultural Extension and Experiment Stations, the Executive Recommendation provides $386.2 million in state general funds for the NDUS,. This is equivalent to roughly 20.7% of the state's recurring revenues of $1.869 billion (recurring revenues excludes one-time transfer funding and beginning cash balance). This budget level is $6.2 million less than full funding at 21% of the state's recurring revenues. If the $1.350 million state general fund workforce training appropriation in the Career and Technical Education budget is taken into account the gap differential is $4.8 million
- The $28,759,170 increase is designated for the following in the executive recommendation ***(differences between the executive recommendation and request are noted)***:
    - Capital Bond Payments $1,550,202
    - Common Information Services (CIS), $3,368,300:
        - Parity $1,018,300
        - Network Growth $825,000
        - Virus License Software $175,000
        - ODIN Service Librarian $100,000
        - Learning Management System (LMS) $950,000
        - IVN Equipment Refurbishment $300,000
    - NDUS Office Budget $311,450:
        - Parity $209,250
        - WICHE/MHEC Dues Increases $27,000
        - FINDET Increase $75,200
    - Forest Service (Parity plus 3% increase) $213,000
    - Board Initiative Block Grant $449,798
    - EPSCoR $440,000

- ND Indian Scholarship Program $47,500
- State Grant Program $1,300,000 ***(+) $1million***
- Capital Assets Decrease ($158,875) ***(-) $1,158,875***
- Campus Parity and Equity $19,078,820 ***(-) $2 million (Decreased parity $1.6 million and equity $.4 million, consistent with the long-term finance plan that indicates that no more than 80% of new funding be allocated to parity.)***
- Increases (decreases), included in the executive recommendation, that were **not** included in the NDUS 2005-07 budget requests:
  - Child Care Grant Program ***(+) $2 million***
  - Major Capital Projects at LRSC ($343,875 Science lab renovation and multi-use classroom addition); VCSU ($250,000 WE Osman bleacher replacement); and Forest Service ($65,000 Seed procession facilities) ***(+) $658,875 (State bonding was included in the budget request, rather than general fund)***
  - Professional Liability Insurance Decrease ***(-) $500,000***

- The campus parity increase will fund approximately 73% of the state's share, compared to 80.7%, had it been funded at the level included in the budget request. *Parity* includes 2.2% annual operating inflation, estimated utility costs of new buildings coming online in 2005-07, 7% annual increase in NDUS employee health insurance and 4% and 3% compensation increases for 2005-06 and 2006-07, respectively. This compensation package is consistent with that funded for all other state agencies, in the executive recommendation.
- Funding for campus extraordinary repairs, totaling $6,677,417, has been moved from the individual campuses to the NDUS Office. This amount is equal to the total requested by the individual campuses, less $1,158,175.
- Funding for campus operations, totaling $319,927,548, has been moved from the individual campuses and Med School to the NDUS Office. This amount is equal to the total requested by the individual campuses and Med School, less $2 million.
- The executive recommendation includes $10,668,111 state bonding for the following projects:
  - NDSU – Hazardous Material Handling/Storage $3.5 million (SBHE #1 priority)
  - DSU - Murphy Hall Renovation $4,100,557 (SBHE #2 priority)
  - NDSCS – Electrical Distribution Phase II of IV $736,000 (SBHE #7 priority)
  - UND energy improvement projects, totaling $2,331,554, are included in the executive recommendation. These were not included in the budget request, but were recommended for inclusion by the Office of Governmental Assistance, in compliance with SB 2312, which was passed during the 56th legislative session. Energy cost savings will be used to pay back the project costs

- The executive recommendation includes special fund authority for all other major capital projects that were included in the budget request, except for the $3.5 million O'Kelly Hall-Ireland laboratory renovation at UND and the $2.5 million Thatcher Hall addition at MiSU-BC. These two projects were not funded in the executive recommendation.

Centers of Excellence – $50 million state borrowing from the Bank of North Dakota and $5 million general funds (in the Department of Commerce) are included in the executive recommendation for Centers of Excellence. The $50 million state borrowing will require at 2:1 match, bringing the total potential funding to $150 million for Centers of Excellence.

Upper Great Plains Transportation Institute, Northern Crops Institute, Extension Service, Research Stations and Agronomy Seed Farm:

- The executive recommendation includes a general fund increase of $3,725,204 (or 7.34%) over the 2003-05 adjusted appropriation. This increase will fund the following:
  - $2,665,349 for 4% and 3% salary increases for 2005-06 and 2006-07, respectively
  - $660,485 for 7% annual increase in employee health insurance
  - $273,004 for 2.2% annual operating inflation
  - $326,366 for the following initiatives: Main Research Center - $301,897 for 2 FTE for beef initiative (one-time funding for 2005-07 only); NCI - $24,469 for linking crops to livestock development
  - $200,000 decrease to general fund base operations, which will be replaced with other "ERP" funds for one biennium only
- The executive recommendation includes $59,799 other fund authority for an ethanol and malting barley initiative at the Dickinson Research Center, to be funded with Dickinson oil revenues.
- The executive recommendation includes funding authority for the following capital projects:
  - $4.5 million Research Greenhouse Complex for the Main Research Station, including $2 million state bonding, $2 million federal funds and $500,000 other funds ***(This was half of what was requested for each of the funding sources. The request was for a $9 million project).***
  - $1,320,000 North Central Agronomy Lab and Greenhouse, including $440,000 state bonding and $880,000 other funds ***(Increase of $570,000 over the request of $750,000 other funds)***
  - The Central Grasslands headquarters office addition ($250,000 state bonding and $60,000 other funds) was not included in the executive recommendation.

North Dakota University System
2005-07 Executive Budget Recommendation By Funding Source, Including Major Capital Projects
(In Millions of Dollars)

	2005-07 Executive Recommendation			2003-05 Adjusted Appropriation, Net of One-Time Base Adjustments			Recommended Change to 2003-05		
	General Fund	*Other Funds*	*Total*	*General Fund*	*Other Funds*	*Total*	*General Fund*	*Other Funds*	*Total*
11 Campuses, Medical School and NDUS Office/Grants	$386.2	$118.6	$504.8	$357.7	$156.0	$513.7	$28.5 (+7.9%)	$-37.4 (-24.0%)	$-8.9 (-1.7%)
Forest Service	2.0	1.0	3.0	1.7	1.3	3.0	.3 (+16.0%)	-.3 (-23.0%)	.0 (-%)
Subtotal	**$388.2**	**$119.6**	**$507.8**	**$359.4**	**$157.3**	**$516.7**	**$28.8 (+8.0%)**	**$-37.7 (-24.0%)**	**$-8.9 (-1.7%)**
UGPTI, NCI, Extension & Research	54.5	94.1	148.6	50.8	74.5	125.3	3.7 (+7.3%)	19.6 (+26.3%)	23.3 (+18.6%)
TOTAL	**$442.7**	**$213.7**	**$656.4**	**$410.2**	**$231.8**	**$642.0**	**$32.5 (+7.9%)**	**$-18.1 (-7.8%)**	**$14.4 (+2.2%)**

DESCRIPTION OF SIGNIFICANT ITEMS INCLUDED IN THE EXECUTIVE RECOMMENDATION

Campus Operations/Capital Assets:

The executive recommendation merged the campus and Medical School budgets into two lines in the NDUS Office budget, to be allocated by the SBHE. All operating funds (including salaries, operating and equipment) of the campuses and Medical School, totaling $319,927,548, were removed from their respective budgets and included in the "campus operations" line in the NDUS Office budget. The executive recommendation included an increase of $19.1 million for campus operations, which includes $15.3 million for parity and $3.8 million for equity. *Parity* includes 2.2% annual operating inflation, estimated utility costs of new buildings coming online in 2005-07, 7% annual increase in NDUS employee health insurance and 4% and 3% compensation increases for 2005-06 and 2006-07, respectively. This compensation package is consistent with that funded for all other state agencies, in the executive recommendation. The campus parity increase will fund approximately 73% of the state's share of parity.

The extraordinary repairs (capital assets) funds of the campuses, totaling $6,677,417, were moved from the individual campus budgets to the "contingency, extraordinary repairs and capital emergency" line in the NDUS Office budget. The $6.7 million is approximately $159,000 less than what was funded in the 2003-05 biennium, and would provide an average funding level of .31% of plant and infrastructure value per year for the campuses. It provides a 264-year replacement cycle for all state facilities located on the campuses, excluding infrastructure. The goals of the NDUS capital assets plan is to reach 100% of OMB building and infrastructure formulas phased in over 10 years (in 2013-15) and 100% of outstanding deferred maintenance phased in over 14 years (in 2017-19). In order to meet these goals, an additional $13.7 million would be needed in the 2005-07 biennium.

The capital assets line that remained in the campus budgets in the executive recommendation consists only of major capital assets. A detailed schedule is provided on pages 37-38.

Income:
All revenue, including tuition and local funds, has been excluded from the budgets of the campuses and Medical School in the 2005-07 executive recommendation. This is consistent with the recommendations of the Higher Ed Roundtable and continues the practice started in 2001-03. The only revenue that has been included in the campus budgets relates to major capital projects.

The budgets for the Forest Service, Upper Great Plains Transportation Institute, Northern Crops Institute, Extension/Research continue to include appropriated revenue amounts for grants, contracts and miscellaneous other revenue.

North Dakota University System Office:
The 2005-07 executive recommendation includes total recommended funding of $387,926,815 ($385,589,539 general funds and $2,337,276 other funds).

System Governance - The 2005-07 executive budget recommendation includes $5,520,712 for system governance. This will fund the salaries, operating and equipment needs of the Board, NDUS office staff, the College Technical Administration (CTEC) and the State Approving Agency ($189,926 federal funds), and includes the following increases: $209,250 for parity (2.2% annual operating inflation, 7% annual increase in NDUS employee health insurance and 4% and 3% compensation increases for 2005-06 and 2006-07, respectively); $27,000 for WICHE/MHEC dues increases; and $75,200 for an increase in FINDET funding. The $75,200 increase for FINDET in the NDUS Office budget will provide an actual increase in the FINDET budget of approximately $5,600, or 3%, for the 2005-07 biennium. The remaining $69,600 offsets the loss of funding previously received from the Department of Human Services, the Department of Commerce (ED&F) and "School to Work" grants. With the $75,200 increase in the NDUS Office budget, the FINDET budget would total approximately $192,800 for 2005-07, and would be included in the following agency budgets: NDUS Office $118,904 general fund (Base $43,704 + $75,200 increase); Department of Public Instruction $33,117 general fund; Job Service of North Dakota $20,729 federal funds; and Department of Career and Technical Education $20,000 federal funds. FINDET is the primary entity that agencies turn to for accountability measure information on State funded training programs and NDUS graduate retention.

Student Grant Programs - The executive recommendation includes funding for the following student grant programs (a detailed schedule is also included on page 34):

- *Student Financial Assistance Grants ($4,376,288, consisting of $4,204,288 general funds and $172,000 federal funds)* – This includes an increase of $1.3 million general funds, and would fund approximately 3,600-3,700 grants per year, of $600 each, assuming an additional $160,000 in estimated general fund carryover.
- *Scholars Program ($862,077 general funds)* – This is the same level of funding as 2003-05, and the appropriation will allow for approximately 22-25 new freshmen scholarships per year in FY 2006 and FY 2007, and the continuation of all upper-classmen.
- *ND Indian Scholarship Program ($251,988 general funds)* – This includes an increase of $47,500 over the 2003-05 general fund appropriation, and would fund approximately 180 grants per year, @ $700, or 9 more than were funded in 2003-04. However, if the number of continuing students and merit scholars continues at 2004-05 levels (204 students), the amount of the award may need to be decreased to less than $700, in order to fund continuing students.

- *Professional Student Exchange Program [PSEP] ($1,713,780 general funds)* – This is the same level of funding as the 2003-05 adjusted appropriation, and it would fund approximately 3-4 new slots per year in the veterinary, dentistry and optometry programs, plus continuing students. This also assumes the availability of an additional $97,500 in estimated carryover.
- *Education Incentive Programs ($1,227,902 general funds)* - This level of funding is equivalent to the 2003-05 adjusted appropriation, and would provide funding for the teacher shortage loan forgiveness program, technology occupations loan forgiveness program and doctoral graduate program.
- *Child Care Grant Program ($2 million general funds)* – This was not included in the 2005-07 budget request, but a child care grant program for Human Service clients was included in the executive recommendation. Details are not available regarding the specific qualifications and administration of the program.

System Grant Programs – Separate line items are provided for the following system-wide programs, totaling $356,779,987 ($356,084,387 general funds and $695,600 other funds):

- *EPSCoR ($5,190,000 general funds)* – This includes an increase of $440,000 over the 2003-05 adjusted appropriation. The National Science Foundation requires a dollar for dollar state match on all federal funds. The state funds are passed through to UND and NDSU to provide the match. UND and NDSU now receive the federal funds directly and therefore, the federal funds are not included in the NDUS Office budget request. This level of funding will generate an estimated $14.85 million in federal and private funds, and will maximize anticipated matching potential.
- *Title II Grant ($695,600 federal funds)* – Federal funding is projected to be stable for the Title II Program, and federal fund authority was included at the same level as 2003-05 in the executive recommendation. This funding is distributed on a competitive basis to institutions of higher education and organizations to provide services to elementary and secondary teachers to improve the teaching-learning process in mathematics and science.
- *Professional Liability Insurance ($1,350,000 general funds)* - The executive recommendation is $500,000 less than what was provided in 2003-05 for medical malpractice coverage premiums and continued coverage for student internship programs, and is based on actual projected premiums, as determined by State Risk Management.
- *Operations Pool ($578,417 general funds)* – This is the same level of funding that was provided in 2003-05. During 2003-05, the BHE approved the allocation of these funds to support the ConnectND project, which benefited all campuses. Funding proposals/needs will be reevaluated during the 2005-07 biennium, and the funds will be allocated based upon Board priorities.

- *Contingency, Extraordinary Repairs and Capital Emergency Fund ($7,114,339 general funds)* –The 2005-07 executive recommendation includes an increase of $6,691,735, of which $6,677,417 represents the extraordinary repairs that were removed from the individual campus appropriations and merged into this line of the NDUS Office budget. The remaining balance, of $436,922, will be used to address unforeseen needs.
- *Common Information Services [CIS] ($21,924,083 general funds)* - This pool includes base funding for the Chief Information Officer, IVN, ODIN, HECN and NDUS Online, as well as increases ($3,368,300) for the following: Parity $1,018,300; Network Growth $825,000; Virus License Software $175,000; ODIN Service Librarian $100,000; Learning Management System (LMS) $950,000; and IVN Equipment Refurbishment $300,000.
- *Campus Operations ($319,927,548 general funds)* - This will be allocated by the SBHE to fund the salaries, operating and equipment needs of the campuses and Medical School.

Board Initiatives – This general fund block grant, totaling $915,940, will be used to address SBHE and statewide priorities, consistent with the recommendations of the Roundtable, and includes an increase of $449,798 over the 2003-05 adjusted general fund appropriation.

Capital Bond Payments - The NDUS budget includes $14,278,141 ($12,998,391 general funds and $1,279,750 other funds) for capital construction bond payments. This level of funding is based upon estimates provided by the Industrial Commission.

Upper Great Plains Transportation Institute, Northern Crops Institute, Extension Service and Research Stations
The executive recommendation for UGPTI, NCI, Extension/Research includes a general fund increase of $3,725,204 over the 2003-05 adjusted general fund appropriation. Details of the increase can be found on pages 4 and 31.

Deficiency Appropriation:
The executive recommendation includes deficiency appropriations in HB 1024, totaling $1,871,000, for the following: $371,000 at UND for 1997 flood expenditures and $1.5 million at NDSU for 2000 flood expenditures.

Workforce Training and Development:
The executive recommendation includes $1,350,000 in general funds, in SB2019, to the State Board for Vocational and Technical Education for the purpose of contracting with BSC, LRSC, WSC and NDSCS, for workforce training.

SBHE Prioritized Legislative Funding Plan

The State Board of Higher Education (SBHE) has established the following funding priorities for legislative consideration:

The NDUS **first priority** is full funding of the priorities set forth in the SBHE "state-linked" budget request, which is detailed on page 14. This requires the following proposed changes to the executive budget recommendation:

- Restore $2.0 million reduction in "operations" pool or campus parity and equity.
- Restore $1,158,875 reduction in "extraordinary repair" pool for campus repair and replacement

The **second priority** is full funding equivalent to at least 21% of the state's recurring revenues. This will require an additional $2,998,000, above and beyond priority one amounts, and would be allocated to parity and equity funding. Additional parity and equity funding will help to minimize the amount of tuition increases required next biennium.

The **third priority** includes additional funding ($27.2 million) needed to begin making progress on the goals of the long-term finance plan, including steps to address the funding gap differentials between NDUS campuses and their individual peer benchmark and to begin to bring appropriate balance to the agreed-upon state/student shares. Amounts reflected here would be in addition to those increases reflected in priority one and two above:

• Fund 100% state share of parity	$1,620,323
• Increase compensation increase from 4/3% to 4.2% per year	$2,162,144
• Board initiative funding increase	$ 500,000
• Capital assets funding increase	$1,000,000
• Equity funding to bring all campuses to 45% of peer benchmark in 2007-09 (LRSC)	$ 11,438
• Equity funding to bring all campuses to 50% of peer benchmark in 2007-09 (BSC $530,304; LRSC $298,972)	$ 829,276
• Equity funding to bring all campuses to 55% of peer benchmark in 2007-09 (BSC $878,967; LRSC $298,972; NDSU $2,962,523)	$4,140,462

- Equity funding to bring all campuses to 60% of peer benchmark in 2007-09 (BSC $878,967; LRSC $298,972; UND $2,391,733; NDSU $3,635,422; DSU $4,118; MiSU-BC $20,216) $7,229,428
- 10% increase for Extension, Research Centers, NCI & UGPTI $4,677,327
- Equity funding to bring all campuses to 62.3% of peer benchmark in 2007-09 (BSC $409,883; LRSC $139,418; UND $2,434,234; NDSU $1,695,284; DSU $273,500; MiSU-BC $82,900) $5,035,219

The **fourth priority** allows the NDUS to achieve the SBHE's "needs-based" budget request. The additional funding of $72.8 million is consistent with the SBHE's constitutional responsibility to present a budget that addresses the needs of the campuses. This funding would continue to address the goals of the long-term finance plan, providing campuses the incremental funding necessary to reach the 85th percentile of their peer benchmark by the end of the 2007-09 biennium and the longer term capital asset funding goals.

- Equity funding to bring all campuses to 85% of peer benchmark in 2007-09 $ 53,763,368
- Capital assets funding increase $ 11,569,582
- SBHE Initiative Funding increase $ 2,250,202
- Funding increase for Forest Service, Extension, Research Centers, NCI & UGPTI $ 5,251,511

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NORTH DAKOTA UNIVERSITY SYSTEM
HISTORY OF LEGISLATIVE APPROPRIATIONS
Excludes Major Capital Projects & Capital Bond Payments
(In millions of dollars)

		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
		NDUS Office/Grants, Eleven Campuses & Medical School			Extension and Experiment			Other Entities 1/			Total All Entities		
	Years	General Fund	Income 3/	Total	General Fund	Income	Total	General Fund	Income	Total	General Fund	Income	Total
A.	2005-07 Executive Recommendation 2/	$372.59	$1.06	$373.65	$54.49	$88.29	$142.78	$1.99	$0.97	$2.96	$429.07	$90.32	$519.39
B.	2005-07 Needs-Based Budget Request 2/	$483.89	$2.34	$486.23	$60.92	$85.67	$146.59	$2.24	$0.97	$3.21	$547.05	$88.98	$636.03
C.	2005-07 State-Linked Budget Request 2/	$386.25	$2.34	$388.59	$50.77	$85.47	$136.24	$1.99	$0.97	$2.96	$439.01	$88.78	$527.79
D.	2003-05 Adjusted Appropriation 2/	$361.93	$3.20	$365.13	$50.81	$72.01	$122.82	$1.80	$0.97	$2.77	$414.54	$76.18	$490.72
E.	2001-03 Adjusted Appropriation 2/	$354.08	$17.76	$371.84	$51.62	$61.28	$112.90	$1.85	$1.18	$3.03	$407.55	$80.22	$487.77
F.	1999-01 Adjusted Appropriation 2/	$321.35	$170.39	$491.74	$47.27	$49.34	$96.61	$1.70	$0.90	$2.60	$370.32	$220.63	$590.95
G.	1997-99 Adjusted Appropriation 2/	$301.25	$203.23	$504.48	$44.08	$44.62	$88.70	$1.64	$0.81	$2.45	$346.97	$248.66	$595.63
H.	1995-97 Adjusted Appropriation 2/	$266.45	$188.29	$454.74	$39.47	$38.96	$78.43	$1.34	$0.82	$2.16	$307.26	$228.07	$535.33

NOTES:

1/ Other Entities includes Forest Service and, prior to 1995-97, the UND-Rehab. Hospital. Does not include the State Toxicologist.

2/ The amounts do not include major capital projects and capital bond payments. Major capital projects included in the 2005-07 budget request total $130.7 million other funds. The 2005-07 executive recommendation includes $122.8 million for major capital projects ($658,875 general fund and $122.1 million other funds). In addition, the budget request and executive recommendation include $12,998,391 general fund and $1,279,750 other funds for capital bond payments.

3/ All income from the campuses and Medical School are excluded, beginning with the 2001-03 biennium and thereafter.

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North Dakota University System
Summary of General Fund Increases
Per 2005-07 Executive Recommendation
(SB 2003 and 2020)

	(1) Campuses, Med School, Forest Service & NDUS Office (SB2003)	(2) UGPTI, NCI, Extension & Research (SB 2020)	(3) Total
2003-05 Adjusted General Fund Appropriation	$ 363,727,546	$ 50,810,462	$ 414,538,008
Less OMB Adjustments:			
2001-03 Capital Asset Carryover	(906,651)	(43,496)	(950,147)
2003-05 "One-time" Legislative Funding	(3,342,000)		(3,342,000)
Total Base Adjustments	(4,248,651)	(43,496)	(4,292,147)
2003-05 Adjusted Appropriation, Less Base Adjustments	359,478,895	50,766,966	410,245,861
2005-07 Executive Recommendation	388,238,067	54,492,170	442,730,237
Increase (Decrease)	**$ 28,759,172**	**$ 3,725,204**	**$ 32,484,376**
Percent Increase (Decrease)	**8.00%**	**7.34%**	**7.92%**

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North Dakota University System

Comparison of 2005-07 State-linked Budget Request to Executive Recommendation (SB 2003)

	2005-07 Budget Request	Executive Recommendation	Exec Recom Adjustments	Comments
Increase in Capital Bond Payments	$ 1,550,202	$ 1,550,202	$ -	
Common Information Services (CIS) Priorities:				
Parity	1,018,300	1,018,300		
Network Growth	825,000	825,000		
Virus Sorftware License	175,000	175,000		
ODIN Service Librarian	100,000	100,000		
Learning Management System	950,000	950,000		
IVN Equipment Refurbishment	300,000	300,000		
Subtotal - CIS	3,368,300	3,368,300	-	
Student Financial Aid Increase				
State grant increase of $300,000 and $47,500 increase for ND Indian Scholarship Program included in request	347,500	1,347,500		
	347,500	1,347,500	1,000,000	Additional $1 million designated for state grant program
EPSCOR	440,000	440,000	-	
NDUS Office Budget				
Parity	209,250	209,250		
WICHE/MHEC dues increase	27,000	27,000		
FINDET increase, assuming $33,100 DPI funding in base	75,200	75,200		
	311,450	311,450	-	
Forest Service				
Parity	160,000	160,000		
3% Increase	53,000	53,000		
	213,000	213,000	-	
Board Initiative Block Grant	449,798	449,798	-	
Capital Assets or Contingency Fund Increase	1,000,000	(158,875)	(1,158,875)	Current 2003-05 extraordinary repairs base is reduced by $158,875
Balance to Parity and Equity:				
80% to Parity	16,863,136	15,263,136	(1,600,000)	
20% to Equity	4,215,784	3,815,784	(400,000)	
Subtotal - Parity and Equity	21,078,920	19,078,920	(2,000,000)	
Child Care Grant Program		2,000,000	2,000,000	New program
General Fund Capital Projects (State Bonding Requested)		658,875	658,875	LRSC-$343,875 Science Lab Renovation; VCSU-$250,000 Bleacher Replacement; Forest Service-$65,000 Seed Processing Facilities
Decrease to Professional Liability Insurance		(500,000)	(500,000)	
Total General Fund Increase-21% Budget Request	$ 28,759,170	$ 28,759,170	$ -	

Estimated State Budget, Including 2.5% Growth	**1,848,752,690**
21% of Est 05-07 Budget	**388,238,065**
Adjusted 03-05 General Fund Base, Excluding Extension/Experiment, NCI & UGPTI	**359,478,895**
Increase In NDUS GF Budget	**28,759,170**

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North Dakota University System

Campuses, Medical School, Forest Service & NDUS Office

Comparison of SBHE Prioritized Legislative Funding Plan to Executive Recommendation (SB 2003)

(Including Requested Restoration & Increases Over Executive Recommendation)

	Total		
	SBHE 2005-07 Prioritized Budget Request	Executive Recommendation	Restoration Request & Increases Over Executive Recommendation
2003-05 Original General Fund Appropriation	**$ 361,541,418**	**$ 361,541,418**	
Base Adjustments	**(2,062,523)**	**(2,062,523)**	
2003-05 Adjusted General Fund Appropriation, Plus (Minus) Base Adjustments	**359,478,895**	**359,478,895**	
Priority One - State-Linked Budget Priorities*	28,759,170	28,759,170	3,158,875
Priority Two - Reach funding equivalent to at least 21% of 2005-07 recurring state revenues*	2,998,000	-	2,998,000
Priority Three - Additional increases to make progress on goals of long-range finance plan*	22,513,973	-	22,513,973
Priority Four - To achieve needs-based budget request level approved by the SBHE*	67,757,967	-	67,757,967
Total General Fund Needs Based Budget Request	**$ 481,508,005**	**$ 388,238,065**	**$ 96,428,815**

***Note - Details regarding priorities one through four are provided (for campuses, Forest Service and NDUS Office) on the following pages.**

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NDUS Campuses and Medical School
Comparison of SBHE Prioritized Legislative Funding Plan to Executive Recommendation
(Including Requested Restoration & Increases Over Executive Recommendation)

	BSC		
	SBHE 2005-07 Prioritized Budget Request	Executive Recommendation	Restoration Request & Increases Over Executive Recommendation
2003-05 Original General Fund Appropriation	$ 16,362,327	$ 16,362,327	
Base Adjustments	(500,000)	(500,000)	
2003-05 Adjusted General Fund Appropriation, Plus (Minus) Base Adjustments	15,862,327	15,862,327	
Priority One - State-Linked Budget Priorities:			
Capital Assets Base Increase (Decrease)	29,724	(6,519)	36,243
Campus Parity (80%) - Revised	1,006,022	910,569	95,453
Campus Equity (20%) - Revised	396,771	359,125	37,646
Subtotal	1,432,517	1,263,175	169,342
Transfer to NDUS "operations" pool		(16,882,021)	16,882,021
Transfer to NDUS "contingency/extraordinary repairs" pool		(243,481)	243,481
Capital Projects Funded			-
Total-Priority One Increases	1,432,517	(15,862,327)	17,294,844
Subtotal 2003-05 Base, Plus Priority 1	17,294,844	(0)	17,294,844
Priority Two - Reach funding equivalent to at least 21% of 2005-07 recurring state revenues:			
Campus Parity (80%)	143,084		143,084
Campus Equity (20%)	56,432		56,432
Total-Priority Two Increases	199,516	-	199,516
Subtotal 2003-05 Base, Plus Priorities 1 & 2	17,494,360	(0)	17,494,360
Priority Three - Additional increases to make progress on goals of long-range finance plan			
Fund 100% state share of parity	96,665		96,665
Increase 2005-07 salary increases to 4.2% per year	118,001		118,001
Board initiative funding increase			-
Capital assets funding increase	29,724		29,724
Equity funding to bring all campuses to 45% of peer benchmark in 2007-09			-
Equity funding to bring all campuses to 50% of peer benchmark in 2007-09	530,304		530,304
Equity funding to bring all campuses to 55% of peer benchmark in 2007-09	878,967		878,967
Equity funding to bring all campuses to 60% of peer benchmark in 2007-09	878,967		878,967
Equity funding to bring all campuses to 62.3% of peer benchmark in 2007-09	409,883		409,883
Total-Priority Three Increases	2,942,511	-	2,942,511
Subtotal 2003-05 Base, Plus Priorities 1, 2 & 3	20,436,871	(0)	20,436,871
Priority Four - To achieve needs-based budget request level approved by the SBHE			
Equity funding to bring all campuses to 85% of peer benchmark in 2007-09	3,984,952		3,984,952
Capital assets funding increases	348,887		348,887
Board initiative funding increase			-
Total-Priority Four Increases	4,333,839	-	4,333,839
Total General Fund Needs Based Budget Request	$ 24,770,710	$ (0)	$ 24,770,710

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Campus-Med GF

NDUS Campuses and Medical School
Summary of Changes from 2003-05 Legislative Appropriation to Executive Recommendation, Engrossed SB2003 and Requested House Version

	BSC		
	General Fund	Other Funds	Total
2003-05 Original Appropriation	$ 16,362,327	$ 1,785,000	$ 18,147,327
Base Adjustments	(500,000)	(1,785,000)	(2,285,000)
2003-05 Adjusted Appropriation (Net of Base Adj)	15,862,327	-	15,862,327
Executive Recommendation Adjustments:			
Decrease Extraordinary Repairs Base Funding	(6,518)		(6,518)
Campus Parity and Equity:			
Campus Parity (73.1% of State Share)	910,569		910,569
Campus Equity	359,125		359,125
Subtotal Campus Parity and Equity	1,269,694	-	1,269,694
Allocation to NDUS Campus Operations Pool	(16,882,022)		(16,882,022)
Allocation to NDUS Conting/Extraordinary Repairs Pool	(243,481)		(243,481)
Capital Projects Funded		2,302,800	2,302,800
Subtotal-Adjustments per Executive Recommendation	(15,862,327)	2,302,800	(13,559,527)
Executive Budget Recommendation	-	2,302,800	2,302,800
Senate Adjustments:			
Allocation from NDUS Campus Operations Pool	16,882,022		16,882,022
Allocation from NDUS Conting/Extraordinary Repairs Pool	243,481		243,481
Adjust Funding for Major Capital Projects		1,442,500	1,442,500
Subtotal-Senate Adjustments	17,125,503	1,442,500	18,568,003
Engrossed SB 2003	17,125,503	3,745,300	20,870,803
Engrossed SB 2003 Compared to 2003-05 Adj Approp	1,263,176	3,745,300	5,008,476
Restoration Request:			
Additional Parity (Increases state share to 85.8%)	158,511		158,511
Additional Equity	369,513		369,513
Subtotal-Restoration Request	528,024	-	528,024
House Requested Version*	$ 17,653,527	$ 3,745,300	$ 21,398,827

*In addition, it is requested that at least a 21% portion of any additional state revenues, resulting from the potentially improved March revenue forecasts, be allocated to the NDUS and used to address deferred maintenance (i.e. extraordinary repairs) needs at the campuses.

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NDUS Campuses and Medical School
Comparison of SBHE Prioritized Legislative Funding Plan to Executive Recommendation
(Including Requested Restoration & Increases Over Executive Recommendation)

	LRSC		
	SBHE 2005-07 Prioritized Budget Request	Executive Recommendation	Restoration Request & Increases Over Executive Recommendation
2003-05 Original General Fund Appropriation	$ 5,077,513	$ 5,077,513	
Base Adjustments	-	-	
2003-05 Adjusted General Fund Appropriation, Plus (Minus) Base Adjustments	5,077,513	5,077,513	
Priority One - State-Linked Budget Priorities:			
Capital Assets Base Increase (Decrease)	14,328	(1,169)	15,497
Campus Parity (80%) - Revised	256,634	232,285	24,350
Campus Equity (20%) - Revised	142,678	129,140	13,537
Subtotal	413,640	360,256	53,384
Transfer to NDUS "operations" pool		(5,394,107)	5,394,107
Transfer to NDUS "contingency/extraordinary repairs" pool		(43,662)	43,662
Capital Projects Funded		343,875	-
Total-Priority One Increases	413,640	(4,733,638)	5,491,153
Subtotal 2003-05 Base, Plus Priority 1	5,491,153	343,875	5,491,153
Priority Two - Reach funding equivalent to at least 21% of 2005-07 recurring state revenues:			
Campus Parity (80%)	36,500		36,500
Campus Equity (20%)	20,293		20,293
Total-Priority Two Increases	56,793		56,793
Subtotal 2003-05 Base, Plus Priorities 1 & 2	5,547,946	343,875	5,547,947
Priority Three - Additional increases to make progress on goals of long-range finance plan			
Fund 100% state share of parity	24,659		24,659
Increase 2005-07 salary increases to 4.2% per year	30,591		30,591
Board initiative funding increase			-
Capital assets funding increase	14,328		14,328
Equity funding to bring all campuses to 45% of peer benchmark in 2007-09	11,438		11,438
Equity funding to bring all campuses to 50% of peer benchmark in 2007-09	298,972		298,972
Equity funding to bring all campuses to 55% of peer benchmark in 2007-09	298,972		298,972
Equity funding to bring all campuses to 60% of peer benchmark in 2007-09	298,972		298,972
Equity funding to bring all campuses to 62.3% of peer benchmark in 2007-09	139,418		139,418
Total-Priority Three Increases	1,117,350		1,117,350
Subtotal 2003-05 Base, Plus Priorities 1, 2 & 3	6,665,297	343,875	6,665,297
Priority Four - To achieve needs-based budget request level approved by the SBHE			
Equity funding to bring all campuses to 85% of peer benchmark in 2007-09	1,355,443		1,355,443
Capital assets funding increases	168,175		168,175
Board initiative funding increase			-
Total-Priority Four Increases	1,523,618		1,523,618
Total General Fund Needs Based Budget Request	$ 8,188,915	$ 343,875	$ 8,188,915

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NDUS Campuses and Medical School
Summary of Changes from 2003-05 Legislative Appropriation to Executive Recommendation, Engrossed SB2003 and Requested House Version

	LRSC Other Funds	Total
2003-05 Original Appropriation	**$ 375,000**	**$ 5,452,513**
Base Adjustments	**(375,000)**	**(375,000)**
2003-05 Adjusted Appropriation (Net of Base Adj)	**-**	**5,077,513**
Executive Recommendation Adjustments:		
Decrease Extraordinary Repairs Base Funding		(1,169)
Campus Parity and Equity:		
Campus Parity (73.1% of State Share)		232,285
Campus Equity		129,140
Subtotal Campus Parity and Equity	-	361,425
Allocation to NDUS Campus Operations Pool		(5,394,107)
Allocation to NDUS Conting/Extraordinary Repairs Pool		(43,662)
[illegible]ital Projects Funded	-	343,875
[illegible]btotal-Adjustments per Executive Recommendation	**-**	**(4,733,638)**
Executive Budget Recommendation	**-**	**343,875**
Senate Adjustments:		
Allocation from NDUS Campus Operations Pool		5,394,107
Allocation from NDUS Conting/Extraordinary Repairs Pool		43,662
Adjust Funding for Major Capital Projects		-
Subtotal-Senate Adjustments	-	5,437,769
Engrossed SB 2003	-	5,781,644
Engrossed SB 2003 Compared to 2003-05 Adj Approp	**-**	**704,131**
Restoration Request:		
Additional Parity (Increases state share to 85.8%)		40,436
Additional Equity		158,931
Subtotal-Restoration Request	-	199,367
House Requested Version*	**$ -**	**$ 5,981,011**

NDUS Campuses and Medical School
Summary of Changes from 2003-05 Legislative Appropriation to Executive Recommendation, Engrossed SB2003 and Requested House Version

	LRSC	
	Other Funds	Total

*In addition, it is requested that any additional state revenues resulting from the potentially improved March revenue forecasts be allocated to the NDUS on at least the same basis and be used for addressing deferred maintenance needs at the campuses.

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NDUS Campuses and Medical School
Comparison of SBHE Prioritized Legislative Funding Plan to Executive Recommendation
(Including Requested Restoration & Increases Over Executive Recommendation)

	WSC		
	SBHE 2005-07 Prioritized Budget Request	Executive Recommendation	Restoration Request & Increases Over Executive Recommendation
2003-05 Original General Fund Appropriation	$ 5,476,161	$ 5,476,161	
Base Adjustments	49,606	49,606	
2003-05 Adjusted General Fund Appropriation, Plus (Minus) Base Adjustments	5,525,767	5,525,767	
Priority One - State-Linked Budget Priorities:			
Capital Assets Base Increase (Decrease)	22,288	(2,315)	24,603
Campus Parity (80%) - Revised	298,177	269,886	28,292
Campus Equity (20%) - Revised	57,485	52,031	5,454
Subtotal	377,950	319,602	58,349
Transfer to NDUS "operations" pool		(5,758,894)	5,758,894
Transfer to NDUS "contingency/extraordinary repairs" pool		(86,475)	86,475
Capital Projects Funded			-
Total-Priority One Increases	377,950	(5,525,767)	5,903,718
Subtotal 2003-05 Base, Plus Priority 1	5,903,717	(0)	5,903,718
Priority Two - Reach funding equivalent to at least 21% of 2005-07 recurring state revenues:			
Campus Parity (80%)	42,409		42,409
Campus Equity (20%)	8,176		8,176
Total-Priority Two Increases	50,585		50,585
Subtotal 2003-05 Base, Plus Priorities 1 & 2	5,954,302		5,954,303
Priority Three - Additional increases to make progress on goals of long-range finance plan			
Fund 100% state share of parity	28,651		28,651
Increase 2005-07 salary increases to 4.2% per year	36,015		36,015
Board initiative funding increase			-
Capital assets funding increase	22,288		22,288
Equity funding to bring all campuses to 45% of peer benchmark in 2007-09			-
Equity funding to bring all campuses to 50% of peer benchmark in 2007-09			-
Equity funding to bring all campuses to 55% of peer benchmark in 2007-09			-
Equity funding to bring all campuses to 60% of peer benchmark in 2007-09			-
Equity funding to bring all campuses to 62.3% of peer benchmark in 2007-09			-
Total-Priority Three Increases	86,954		86,954
Subtotal 2003-05 Base, Plus Priorities 1, 2 & 3	6,041,256		6,041,257
Priority Four - To achieve needs-based budget request level approved by the SBHE			
Equity funding to bring all campuses to 85% of peer benchmark in 2007-09	968,262		968,262
Capital assets funding increases	261,611		261,611
Board initiative funding increase			-
Total-Priority Four Increases	1,229,873		1,229,873
Total General Fund Needs Based Budget Request	$ 7,271,129	$	7,271,129

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NDUS Campuses and Medical School
Summary of Changes from 2003-05 Legislative Appropriation to Executive Recommendation, Engrossed SB2003 and Requested House Version

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	WSC		
	General Fund	Other Funds	Total
2003-05 Original Appropriation	$ 5,476,161	$ -	$ 5,476,161
Base Adjustments	49,606		49,606
2003-05 Adjusted Appropriation (Net of Base Adj)	5,525,767	-	5,525,767
Executive Recommendation Adjustments:			
Decrease Extraordinary Repairs Base Funding	(2,315)		(2,315)
Campus Parity and Equity:			
Campus Parity (73.1% of State Share)	269,886		269,886
Campus Equity	52,031		52,031
Subtotal Campus Parity and Equity	321,917	-	321,917
Allocation to NDUS Campus Operations Pool	(5,758,894)		(5,758,894)
Allocation to NDUS Conting/Extraordinary Repairs Pool	(86,475)		(86,475)
Capital Projects Funded		6,910,000	6,910,000
Subtotal-Adjustments per Executive Recommendation	(5,525,767)	6,910,000	1,384,233
Executive Budget Recommendation	-	6,910,000	6,910,000
Senate Adjustments:			
Allocation from NDUS Campus Operations Pool	5,758,894		5,758,894
Allocation from NDUS Conting/Extraordinary Repairs Pool	86,475		86,475
Adjust Funding for Major Capital Projects			-
Subtotal-Senate Adjustments	5,845,369	-	5,845,369
Engrossed SB 2003	5,845,369	6,910,000	12,755,369
Engrossed SB 2003 Compared to 2003-05 Adj Approp	319,602	6,910,000	7,229,602
Restoration Request:			
Additional Parity (Increases state share to 85.8%)	46,982		46,982
Additional Equity			-
Subtotal-Restoration Request	46,982	-	46,982
House Requested Version*	$ 5,892,351	$ 6,910,000	$ 12,802,351

*In addition, it is requested that at least a 21% portion of any additional state revenues, resulting from the potentially improved March revenue forecasts, be allocated to the NDUS and used to address deferred maintenance (i.e. extraordinary repairs) needs at the campuses.

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NDUS Campuses and Medical School Comparison of SBHE Prioritized Legislative Funding Plan to Executive Recommendation

(Including Requested Restoration & Increases Over Executive Recommendation)

	UND		
	SBHE 2005-07 Prioritized Budget Request	Executive Recommendation	Restoration Request & Increases Over Executive Recommendation
2003-05 Original General Fund Appropriation	$ 86,920,262	$ 86,920,262	
Base Adjustments	2,304,411	2,304,411	
2003-05 Adjusted General Fund Appropriation, Plus (Minus) Base Adjustments	89,224,673	89,224,673	
Priority One - State-Linked Budget Priorities:			
Capital Assets Base Increase (Decrease)	413,049	(61,591)	474,640
Campus Parity (80%) - Revised	5,047,247	4,568,356	478,890
Campus Equity (20%) - Revised	1,323,236	1,197,686	125,551
Subtotal	6,783,532	5,704,451	1,079,081
Transfer to NDUS "operations" pool		(92,628,579)	92,628,579
Transfer to NDUS "contingency/extraordinary repairs" pool		(2,300,545)	2,300,545
Capital Projects Funded			-
Total-Priority One Increases	6,783,532	(89,224,673)	96,008,205
Subtotal 2003-05 Base, Plus Priority 1	96,008,205	-	96,008,205
Priority Two - Reach funding equivalent to at least 21% of 2005-07 recurring state revenues:			
Campus Parity (80%)	717,857		717,857
Campus Equity (20%)	188,200		188,200
Total-Priority Two Increases	906,057		906,057
Subtotal 2003-05 Base, Plus Priorities 1 & 2	96,914,262		96,914,262
Priority Three - Additional increases to make progress on goals of long-range finance plan			
Fund 100% state share of parity	484,973		484,973
Increase 2005-07 salary increases to 4.2% per year	639,877		639,877
Board initiative funding increase			-
Capital assets funding increase	413,049		413,049
Equity funding to bring all campuses to 45% of peer benchmark in 2007-09			-
Equity funding to bring all campuses to 50% of peer benchmark in 2007-09			-
Equity funding to bring all campuses to 55% of peer benchmark in 2007-09			-
Equity funding to bring all campuses to 60% of peer benchmark in 2007-09	1,870,957		1,870,957
Equity funding to bring all campuses to 62.3% of peer benchmark in 2007-09	1,904,204		1,904,204
Total-Priority Three Increases	5,313,060		5,313,060
Subtotal 2003-05 Base, Plus Priorities 1, 2 & 3	102,227,323		102,227,323
Priority Four - To achieve needs-based budget request level approved by the SBHE			
Equity funding to bring all campuses to 85% of peer benchmark in 2007-09	18,512,970		18,512,970
Capital assets funding increases	4,848,223		4,848,223
Board initiative funding increase			-
Total-Priority Four Increases	23,361,193		23,361,193
Total General Fund Needs Based Budget Request	$ 125,588,515		$ 125,588,515

NDUS Campuses and Medical School
Summary of Changes from 2003-05 Legislative Appropriation to Executive Recommendation, Engrossed SB2003 and Requested House Version

	UND		
	General Fund	Other Funds	Total
2003-05 Original Appropriation	$ 86,920,262	$ 53,300,000	$140,220,262
Base Adjustments	2,304,411	(53,300,000)	(50,995,589)
2003-05 Adjusted Appropriation (Net of Base Adj)	**89,224,673**	**-**	**89,224,673**
Executive Recommendation Adjustments:			
Decrease Extraordinary Repairs Base Funding	(61,591)		(61,591)
Campus Parity and Equity:			
Campus Parity (73.1% of State Share)	4,568,356		4,568,356
Campus Equity	1,197,686		1,197,686
Subtotal Campus Parity and Equity	5,766,042	-	5,766,042
Allocation to NDUS Campus Operations Pool	(92,628,579)		(92,628,579)
Allocation to NDUS Conting/Extraordinary Repairs Pool	(2,300,545)		(2,300,545)
Capital Projects Funded		54,331,554	54,331,554
Subtotal-Adjustments per Executive Recommendation	**(89,224,673)**	**54,331,554**	**(34,893,119)**
Executive Budget Recommendation	**-**	**54,331,554**	**54,331,554**
Senate Adjustments:			
Allocation from NDUS Campus Operations Pool	92,628,579		92,628,579
Allocation from NDUS Conting/Extraordinary Repairs Pool	2,300,545		2,300,545
Adjust Funding for Major Capital Projects		41,168,446	41,168,446
Subtotal-Senate Adjustments	94,929,124	41,168,446	136,097,570
Engrossed SB 2003	94,929,124	95,500,000	190,429,124
Engrossed SB 2003 Compared to 2003-05 Adj Approp	**5,704,451**	**95,500,000**	**101,204,451**
Restoration Request:			
Additional Parity (Increases state share to 85.8%)	795,257		795,257
Additional Equity			-
Subtotal-Restoration Request	795,257	-	795,257
House Requested Version*	$ 95,724,381	$ 95,500,000	$191,224,381

*In addition, it is requested that at least a 21% portion of any additional state revenues, resulting from the potentially improved March revenue forecasts, be allocated to the NDUS and used to address deferred maintenance (i.e. extraordinary repairs) needs at the campuses.

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NDUS Campuses and Medical School
Comparison of SBHE Prioritized Legislative Funding Plan to Executive Recommendation
(Including Requested Restoration & Increases Over Executive Recommendation)

	NDSU		
	SBHE 2005-07 Prioritized Budget Request	Executive Recommendation	Restoration Request & Increases Over Executive Recommendation
2003-05 Original General Fund Appropriation	**$ 69,314,490**	**$ 69,314,490**	
Base Adjustments	**3,117,107**	**3,117,107**	
2003-05 Adjusted General Fund Appropriation, Plus (Minus) Base Adjustments	**72,431,597**	**72,431,597**	
Priority One - State-Linked Budget Priorities:			
Capital Assets Base Increase (Decrease)	247,516	(45,305)	292,821
Campus Parity (80%) - Revised	4,244,758	3,842,009	402,749
Campus Equity (20%) - Revised	1,470,884	1,331,324	139,560
Subtotal	5,963,158	5,128,028	835,130
Transfer to NDUS "operations" pool		(75,867,399)	75,867,399
Transfer to NDUS "contingency/extraordinary repairs" pool		(1,692,226)	1,692,226
Capital Projects Funded			-
Total-Priority One Increases	**5,963,158**	**(72,431,597)**	**78,394,755**
Subtotal 2003-05 Base, Plus Priority 1	**78,394,755**	**-**	**78,394,755**
Priority Two - Reach funding equivalent to at least 21% of 2005-07 recurring state revenues:			
Campus Parity (80%)	603,721		603,721
Campus Equity (20%)	209,200		209,200
Total-Priority Two Increases	**812,921**		**812,921**
Subtotal 2003-05 Base, Plus Priorities 1 & 2	**79,207,676**		**79,207,676**
Priority Three - Additional increases to make progress on goals of long-range finance plan			
Fund 100% state share of parity	407,865		407,865
Increase 2005-07 salary increases to 4.2% per year	511,060		511,060
Board initiative funding increase			-
Capital assets funding increase	247,516		247,516
Equity funding to bring all campuses to 45% of peer benchmark in 2007-09			-
Equity funding to bring all campuses to 50% of peer benchmark in 2007-09			-
Equity funding to bring all campuses to 55% of peer benchmark in 2007-09	2,962,523		2,962,523
Equity funding to bring all campuses to 60% of peer benchmark in 2007-09	3,635,422		3,635,422
Equity funding to bring all campuses to 62.3% of peer benchmark in 2007-09	1,695,284		1,695,284
Total-Priority Three Increases	**9,459,670**		**9,459,670**
Subtotal 2003-05 Base, Plus Priorities 1, 2 & 3	**88,667,346**		**88,667,346**
Priority Four - To achieve needs-based budget request level approved by the SBHE			
Equity funding to bring all campuses to 85% of peer benchmark in 2007-09	16,481,825		16,481,825
Capital assets funding increases	2,905,252		2,905,252
Board initiative funding increase			-
Total-Priority Four Increases	**19,387,077**		**19,387,077**
Total General Fund Needs Based Budget Request	**$ 108,054,423**		**$ 108,054,423**

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NDUS Campuses and Medical School
Summary of Changes from 2003-05 Legislative Appropriation to Executive Recommendation, Engrossed SB2003 and Requested House Version

	NDSU		
	General Fund	Other Funds	Total
2003-05 Original Appropriation	$ 69,314,490	$ 26,000,000	$ 95,314,490
Base Adjustments	3,117,107	(26,000,000)	(22,882,893)
2003-05 Adjusted Appropriation (Net of Base Adj)	72,431,597	-	72,431,597
Executive Recommendation Adjustments:			
Decrease Extraordinary Repairs Base Funding	(45,305)		(45,305)
Campus Parity and Equity:			
Campus Parity (73.1% of State Share)	3,842,009		3,842,009
Campus Equity	1,331,324		1,331,324
Subtotal Campus Parity and Equity	5,173,333	-	5,173,333
Allocation to NDUS Campus Operations Pool	(75,867,399)		(75,867,399)
Allocation to NDUS Conting/Extraordinary Repairs Pool	(1,692,226)		(1,692,226)
Capital Projects Funded		34,000,000	34,000,000
Subtotal-Adjustments per Executive Recommendation	(72,431,597)	34,000,000	(38,431,597)
Executive Budget Recommendation	-	34,000,000	34,000,000
Senate Adjustments:			
Allocation from NDUS Campus Operations Pool	75,867,399		75,867,399
Allocation from NDUS Conting/Extraordinary Repairs Pool	1,692,226		1,692,226
Adjust Funding for Major Capital Projects			-
Subtotal-Senate Adjustments	77,559,625	-	77,559,625
Engrossed SB 2003	77,559,625	34,000,000	111,559,625
Engrossed SB 2003 Compared to 2003-05 Adj Approp	5,128,028	34,000,000	39,128,028
Restoration Request:			
Additional Parity (Increases state share to 85.8%)	668,815		668,815
Additional Equity	971,556		971,556
Subtotal-Restoration Request	1,640,371	-	1,640,371
House Requested Version*	$ 79,199,996	$ 34,000,000	$ 113,199,996

*In addition, it is requested that at least a 21% portion of any additional state revenues, resulting from the potentially improved March revenue forecasts, be allocated to the NDUS and used to address deferred maintenance (i.e. extraordinary repairs) needs at the campuses.

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NDUS Campuses and Medical School
Comparison of SBHE Prioritized Legislative Funding Plan to Executive Recommendation
(Including Requested Restoration & Increases Over Executive Recommendation)

	MaSU		
	SBHE 2005-07 Prioritized Budget Request	Executive Recommendation	Restoration Request & Increases Over Executive Recommendation
2003-05 Original General Fund Appropriation	$ 8,866,924	$ 8,866,924	
Base Adjustments	(50,000)	(50,000)	
2003-05 Adjusted General Fund Appropriation, Plus (Minus) Base Adjustments	8,816,924	8,816,924	
Priority One - State-Linked Budget Priorities:			
Capital Assets Base Increase (Decrease)	38,409	(5,595)	44,004
Campus Parity (80%) - Revised	452,048	409,157	42,891
Campus Equity (20%) - Revised		-	-
Subtotal	490,457	403,562	86,895
Transfer to NDUS "operations" pool		(9,011,492)	9,011,492
Transfer to NDUS "contingency/extraordinary repairs" pool		(208,994)	208,994
Capital Projects Funded			-
Total-Priority One Increases	490,457	(8,816,924)	9,307,381
Subtotal 2003-05 Base, Plus Priority 1	9,307,381	-	9,307,381
Priority Two - Reach funding equivalent to at least 21% of 2005-07 recurring state revenues:			
Campus Parity (80%)	64,294		64,294
Campus Equity (20%)			-
Total-Priority Two Increases	64,294		64,294
Subtotal 2003-05 Base, Plus Priorities 1 & 2	9,371,675		9,371,675
Priority Three - Additional increases to make progress on goals of long-range finance plan			
Fund 100% state share of parity	43,436		43,436
Increase 2005-07 salary increases to 4.2% per year	51,459		51,459
Board initiative funding increase			-
Capital assets funding increase	38,409		38,409
Equity funding to bring all campuses to 45% of peer benchmark in 2007-09			-
Equity funding to bring all campuses to 50% of peer benchmark in 2007-09			-
Equity funding to bring all campuses to 55% of peer benchmark in 2007-09			-
Equity funding to bring all campuses to 60% of peer benchmark in 2007-09			-
Equity funding to bring all campuses to 62.3% of peer benchmark in 2007-09			-
Total-Priority Three Increases	133,304		133,304
Subtotal 2003-05 Base, Plus Priorities 1, 2 & 3	9,504,979		9,504,979
Priority Four - To achieve needs-based budget request level approved by the SBHE			
Equity funding to bring all campuses to 85% of peer benchmark in 2007-09			-
Capital assets funding increases	450,836		450,836
Board initiative funding increase			-
Total-Priority Four Increases	450,836		450,836
Total General Fund Needs Based Budget Request	$ 9,955,815		$ 9,955,815

NDUS Campuses and Medical School
Comparison of SBHE Prioritized Legislative Funding Plan to Executive Recommendation
(Including Requested Restoration & Increases Over Executive Recommendation)

	DSU		
	SBHE 2005-07 Prioritized Budget Request	Executive Recommendation	Restoration Request & Increases Over Executive Recommendation
2003-05 Original General Fund Appropriation	$ 13,992,793	$ 13,992,793	
Base Adjustments	70,702	70,702	
2003-05 Adjusted General Fund Appropriation, Plus (Minus) Base Adjustments	14,063,495	14,063,495	
Priority One - State-Linked Budget Priorities:			
Capital Assets Base Increase (Decrease)	44,083	(10,272)	54,355
Campus Parity (80%) - Revised	859,754	778,179	81,575
Campus Equity (20%) - Revised	174,346	157,804	16,542
Subtotal	1,078,183	925,711	152,472
Transfer to NDUS "operations" pool		(14,605,516)	14,605,516
Transfer to NDUS "contingency/extraordinary repairs" pool		(383,690)	383,690
Capital Projects Funded			-
Total-Priority One Increases	1,078,183	(14,063,495)	15,141,678
Subtotal 2003-05 Base, Plus Priority 1	15,141,678	-	15,141,678
Priority Two - Reach funding equivalent to at least 21% of 2005-07 recurring state revenues:			
Campus Parity (80%)	122,281		122,281
Campus Equity (20%)	24,797		24,797
Total-Priority Two Increases	147,077		147,077
Subtotal 2003-05 Base, Plus Priorities 1 & 2	15,288,755		15,288,755
Priority Three - Additional increases to make progress on goals of long-range finance plan			
Fund 100% state share of parity	82,611		82,611
Increase 2005-07 salary increases to 4.2% per year	98,019		98,019
Board initiative funding increase			-
Capital assets funding increase	44,083		44,083
Equity funding to bring all campuses to 45% of peer benchmark in 2007-09			-
Equity funding to bring all campuses to 50% of peer benchmark in 2007-09			-
Equity funding to bring all campuses to 55% of peer benchmark in 2007-09			-
Equity funding to bring all campuses to 60% of peer benchmark in 2007-09	4,118		4,118
Equity funding to bring all campuses to 62.3% of peer benchmark in 2007-09	273,500		273,500
Total-Priority Three Increases	502,331		502,331
Subtotal 2003-05 Base, Plus Priorities 1, 2 & 3	15,791,086		15,791,086
Priority Four - To achieve needs-based budget request level approved by the SBHE			
Equity funding to bring all campuses to 85% of peer benchmark in 2007-09	2,659,011		2,659,011
Capital assets funding increases	517,424		517,424
Board initiative funding increase			-
Total-Priority Four Increases	3,176,435		3,176,435
Total General Fund Needs Based Budget Request	$ 18,967,522		$ 18,967,522

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NDUS Campuses and Medical School
Comparison of SBHE Prioritized Legislative Funding Plan to Executive Recommendation
(Including Requested Restoration & Increases Over Executive Recommendation)

	MiSU		
	SBHE 2005-07 Prioritized Budget Request	Executive Recommendation	Restoration Request & Increases Over Executive Recommendation
2003-05 Original General Fund Appropriation	$ 26,382,428	$ 26,382,428	
Base Adjustments	120,768	120,768	
2003-05 Adjusted General Fund Appropriation, Plus (Minus) Base Adjustments	26,503,196	26,503,196	
Priority One - State-Linked Budget Priorities:			
Capital Assets Base Increase (Decrease)	58,514	(15,980)	74,494
Campus Parity (80%) - Revised	1,325,210	1,199,472	125,738
Campus Equity (20%) - Revised	164,966	149,314	15,652
Subtotal	1,548,690	1,332,805	215,884
Transfer to NDUS "operations" pool		(27,239,131)	27,239,131
Transfer to NDUS "contingency/extraordinary repairs" pool		(596,870)	596,870
Capital Projects Funded			-
Total-Priority One Increases	1,548,690	(26,503,196)	28,051,886
Subtotal 2003-05 Base, Plus Priority 1	28,051,886	-	28,051,886
Priority Two - Reach funding equivalent to at least 21% of 2005-07 recurring state revenues:			
Campus Parity (80%)	188,481		188,481
Campus Equity (20%)	23,463		23,463
Total-Priority Two Increases	211,944		211,944
Subtotal 2003-05 Base, Plus Priorities 1 & 2	28,263,829		28,263,829
Priority Three - Additional increases to make progress on goals of long-range finance plan			
Fund 100% state share of parity	127,335		127,335
Increase 2005-07 salary increases to 4.2% per year	171,782		171,782
Board initiative funding increase			-
Capital assets funding increase	58,514		58,514
Equity funding to bring all campuses to 45% of peer benchmark in 2007-09			-
Equity funding to bring all campuses to 50% of peer benchmark in 2007-09			-
Equity funding to bring all campuses to 55% of peer benchmark in 2007-09			-
Equity funding to bring all campuses to 60% of peer benchmark in 2007-09			-
Equity funding to bring all campuses to 62.3% of peer benchmark in 2007-09			-
Total-Priority Three Increases	357,631		357,631
Subtotal 2003-05 Base, Plus Priorities 1, 2 & 3	28,621,460		28,621,460
Priority Four - To achieve needs-based budget request level approved by the SBHE			
Equity funding to bring all campuses to 85% of peer benchmark in 2007-09	2,778,625		2,778,625
Capital assets funding increases	686,821		686,821
Board initiative funding increase			-
Total-Priority Four Increases	3,465,446		3,465,446
Total General Fund Needs Based Budget Request	$ 32,086,906		$ 32,086,906

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NDUS Campuses and Medical School
Comparison of SBHE Prioritized Legislative Funding Plan to Executive Recommendation
(Including Requested Restoration & Increases Over Executive Recommendation)

VCSU

	SBHE 2005-07 Prioritized Budget Request	Executive Recommendation	Restoration Request & Increases Over Executive Recommendation
2003-05 Original General Fund Appropriation	$ 11,570,006	$ 11,570,006	
Base Adjustments	-	-	
2003-05 Adjusted General Fund Appropriation, Plus (Minus) Base Adjustments	11,570,006	11,570,006	
Priority One - State-Linked Budget Priorities:			
Capital Assets Base Increase (Decrease)	40,253	(6,918)	47,171
Campus Parity (80%) - Revised	566,334	512,599	53,735
Campus Equity (20%) - Revised		-	-
Subtotal	606,587	505,681	100,906
Transfer to NDUS "operations" pool		(11,817,271)	11,817,271
Transfer to NDUS "contingency/extraordinary repairs" pool		(258,416)	258,416
Capital Projects Funded		250,000	-
Total-Priority One Increases	606,587	(11,320,006)	12,176,593
Subtotal 2003-05 Base, Plus Priority 1	12,176,593	250,000	12,176,593
Priority Two - Reach funding equivalent to at least 21% of 2005-07 recurring state revenues:			
Campus Parity (80%)	80,548		80,548
Campus Equity (20%)			-
Total-Priority Two Increases	80,548		80,548
Subtotal 2003-05 Base, Plus Priorities 1 & 2	12,257,141	250,000	12,257,141
Priority Three - Additional increases to make progress on goals of long-range finance plan			
Fund 100% state share of parity	54,417		54,417
Increase 2005-07 salary increases to 4.2% per year	68,855		68,855
Board initiative funding increase			-
Capital assets funding increase	40,253		40,253
Equity funding to bring all campuses to 45% of peer benchmark in 2007-09			-
Equity funding to bring all campuses to 50% of peer benchmark in 2007-09			-
Equity funding to bring all campuses to 55% of peer benchmark in 2007-09			-
Equity funding to bring all campuses to 60% of peer benchmark in 2007-09			-
Equity funding to bring all campuses to 62.3% of peer benchmark in 2007-09			-
Total-Priority Three Increases	163,525		163,525
Subtotal 2003-05 Base, Plus Priorities 1, 2 & 3	12,420,666	250,000	12,420,666
Priority Four - To achieve needs-based budget request level approved by the SBHE			
Equity funding to bring all campuses to 85% of peer benchmark in 2007-09			-
Capital assets funding increases	472,479		472,479
Board initiative funding increase			-
Total-Priority Four Increases	472,479		472,479
Total General Fund Needs Based Budget Request	$ 12,893,145	$ 250,000	$ 12,893,145

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NDUS Campuses and Medical School
Comparison of SBHE Prioritized Legislative Funding Plan to Executive Recommendation
(Including Requested Restoration & Increases Over Executive Recommendation)

	MiSU-BC		
	SBHE 2005-07 Prioritized Budget Request	Executive Recommendation	Restoration Request & Increases Over Executive Recommendation
2003-05 Original General Fund Appropriation	$ 4,312,519	$ 4,312,519	
Base Adjustments	(97,000)	(97,000)	
2003-05 Adjusted General Fund Appropriation, Plus (Minus) Base Adjustments	4,215,519	4,215,519	
Priority One - State-Linked Budget Priorities:			
Capital Assets Base Increase (Decrease)	9,138	(2,938)	12,076
Campus Parity (80%) - Revised	206,357	186,778	19,579
Campus Equity (20%) - Revised	53,972	48,851	5,121
Subtotal	269,467	232,691	36,776
Transfer to NDUS "operations" pool		(4,338,485)	4,338,485
Transfer to NDUS "contingency/extraordinary repairs" pool		(109,725)	109,725
Capital Projects Funded			-
Total-Priority One Increases	269,467	(4,215,519)	4,484,986
Subtotal 2003-05 Base, Plus Priority 1	4,484,986	-	4,484,986
Priority Two - Reach funding equivalent to at least 21% of 2005-07 recurring state revenues:			
Campus Parity (80%)	29,350		29,350
Campus Equity (20%)	7,676		7,676
Total-Priority Two Increases	37,026		37,026
Subtotal 2003-05 Base, Plus Priorities 1 & 2	4,522,012		4,522,012
Priority Three - Additional increases to make progress on goals of long-range finance plan			
Fund 100% state share of parity	19,828		19,828
Increase 2005-07 salary increases to 4.2% per year	24,880		24,880
Board initiative funding increase			-
Capital assets funding increase	9,138		9,138
Equity funding to bring all campuses to 45% of peer benchmark in 2007-09			-
Equity funding to bring all campuses to 50% of peer benchmark in 2007-09			-
Equity funding to bring all campuses to 55% of peer benchmark in 2007-09			-
Equity funding to bring all campuses to 60% of peer benchmark in 2007-09	20,216		20,216
Equity funding to bring all campuses to 62.3% of peer benchmark in 2007-09	82,900		82,900
Total-Priority Three Increases	156,962		156,962
Subtotal 2003-05 Base, Plus Priorities 1, 2 & 3	4,678,974		4,678,974
Priority Four - To achieve needs-based budget request level approved by the SBHE			
Equity funding to bring all campuses to 85% of peer benchmark in 2007-09	805,971		805,971
Capital assets funding increases	107,255		107,255
Board initiative funding increase			-
Total-Priority Four Increases	913,226		913,226
Total General Fund Needs Based Budget Request	$ 5,592,201		$ 5,592,201

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NDUS Campuses and Medical School
Comparison of SBHE Prioritized Legislative Funding Plan to Executive Recommendation
(Including Requested Restoration & Increases Over Executive Recommendation)

	Medical School		
	SBHE 2005-07 Prioritized Budget Request	Executive Recommendation	Restoration Request & Increases Over Executive Recommendation
2003-05 Original General Fund Appropriation	$ 30,165,865	$ 30,165,865	
Base Adjustments	(395,000)	(395,000)	
2003-05 Adjusted General Fund Appropriation, Plus (Minus) Base Adjustments	29,770,865	29,770,865	
Priority One - State-Linked Budget Priorities:		-	-
Capital Assets Base Increase (Decrease)	1,404,888	1,271,590	133,298
Campus Parity (80%) - Revised	368,319	333,373	34,947
Campus Equity (20%) - Revised	1,773,207	1,604,963	168,245
Subtotal		(31,375,828)	31,375,828
Transfer to NDUS "operations" pool		-	-
Transfer to NDUS "contingency/extraordinary repairs" pool			-
Capital Projects Funded	1,773,207	(29,770,865)	31,544,072
Total-Priority One Increases			
Subtotal 2003-05 Base, Plus Priority 1	31,544,072	-	31,544,072
Priority Two - Reach funding equivalent to at least 21% of 2005-07 recurring state revenues:			
Campus Parity (80%)	199,814		199,814
Campus Equity (20%)	52,385		52,385
Total-Priority Two Increases	252,199		252,199
Subtotal 2003-05 Base, Plus Priorities 1 & 2	31,796,271		31,796,271
Priority Three - Additional increases to make progress on goals of long-range finance plan			
Fund 100% state share of parity	134,991		134,991
Increase 2005-07 salary increases to 4.2% per year	194,728		194,728
Board initiative funding increase			-
Capital assets funding increase			-
Equity funding to bring all campuses to 45% of peer benchmark in 2007-09			-
Equity funding to bring all campuses to 50% of peer benchmark in 2007-09			-
Equity funding to bring all campuses to 55% of peer benchmark in 2007-09			-
Equity funding to bring all campuses to 60% of peer benchmark in 2007-09	520,776		520,776
Equity funding to bring all campuses to 62.3% of peer benchmark in 2007-09	530,030		530,030
Total-Priority Three Increases	1,380,525		1,380,525
Subtotal 2003-05 Base, Plus Priorities 1, 2 & 3	33,176,796		33,176,796
Priority Four - To achieve needs-based budget request level approved by the SBHE			
Equity funding to bring all campuses to 85% of peer benchmark in 2007-09	5,153,036		5,153,036
Capital assets funding increases			-
Board initiative funding increase			-
Total-Priority Four Increases	5,153,036		5,153,036
Total General Fund Needs Based Budget Request	$ 38,329,832		$ 38,329,832

NDUS Campuses and Medical School
Summary of Changes from 2003-05 Legislative Appropriation to Executive Recommendation, Engrossed SB2003 and Requested House Version

Medical School

	General Fund	Other Funds	Total
2003-05 Original Appropriation	$ 30,165,865	$ -	$ 30,165,865
Base Adjustments	(395,000)		(395,000)
2003-05 Adjusted Appropriation (Net of Base Adj)	**29,770,865**	**-**	**29,770,865**
Executive Recommendation Adjustments:			
Decrease Extraordinary Repairs Base Funding			-
Campus Parity and Equity:			
Campus Parity (73.1% of State Share)	1,271,590		1,271,590
Campus Equity	333,373		333,373
Subtotal Campus Parity and Equity	1,604,963	-	1,604,963
Allocation to NDUS Campus Operations Pool	(31,375,828)		(31,375,828)
Allocation to NDUS Conting/Extraordinary Repairs Pool	-		-
Capital Projects Funded			-
Subtotal-Adjustments per Executive Recommendation	**(29,770,865)**	**-**	**(29,770,865)**
Executive Budget Recommendation	**-**	**-**	**-**
Senate Adjustments:			
Allocation from NDUS Campus Operations Pool	31,375,828		31,375,828
Allocation from NDUS Conting/Extraordinary Repairs Pool			-
Adjust Funding for Major Capital Projects			-
Subtotal-Senate Adjustments	31,375,828	-	31,375,828
Engrossed SB 2003	31,375,828	-	31,375,828
Engrossed SB 2003 Compared to 2003-05 Adj Approp	**1,604,963**	**-**	**1,604,963**
Restoration Request:			
Additional Parity (Increases state share to 85.8%)	221,358		221,358
Additional Equity			-
Subtotal-Restoration Request	221,358	-	221,358
House Requested Version*	$ 31,597,186	$ -	$ 31,597,186

*In addition, it is requested that at least a 21% portion of any additional state revenues, resulting from the potentially improved March revenue forecasts, be allocated to the NDUS and used to address deferred maintenance (i.e. extraordinary repairs) needs at the campuses.

NDUS Campuses and Medical School
Comparison of SBHE Prioritized Legislative Funding Plan to Executive Recommendation
(Including Requested Restoration & Increases Over Executive Recommendation)

	Total Campuses and Medical School		
	SBHE 2005-07 Prioritized Budget Request	Executive Recommendation	Restoration Request & Increases Over Executive Recommendation
2003-05 Original General Fund Appropriation	**$ 303,151,612**	**$ 303,151,612**	
Base Adjustments	**4,553,201**	**4,553,201**	
2003-05 Adjusted General Fund Appropriation, Plus (Minus) Base Adjustments	**307,704,813**	**307,704,813**	
Priority One - State-Linked Budget Priorities:			
Capital Assets Base Increase (Decrease)	980,105	(178,770)	1,158,875
Campus Parity (80%) - Revised	16,863,136	15,263,136	1,600,000
Campus Equity (20%) - Revised	4,215,784	3,815,784	400,000
Subtotal	22,059,025	18,900,150	3,158,875
Transfer to NDUS "operations" pool		(319,927,548)	319,927,548
Transfer to NDUS "contingency/extraordinary repairs" pool		(6,677,416)	6,677,416
Capital Projects Funded		593,875	-
Total-Priority One Increases	**22,059,025**	**(307,110,939)**	**329,763,839**
Subtotal 2003-05 Base, Plus Priority 1	**329,763,838**	**593,874**	**329,763,839**
Priority Two - Reach funding equivalent to at least 21% of 2005-07 recurring state revenues:			
Campus Parity (80%)	2,398,400		2,398,400
Campus Equity (20%)	599,600		599,600
Total-Priority Two Increases	**2,998,000**		**2,998,000**
Subtotal 2003-05 Base, Plus Priorities 1 & 2	**332,761,838**	**593,874**	**332,761,839**
Priority Three - Additional increases to make progress on goals of long-range finance plan			
Fund 100% state share of parity	1,620,323		1,620,323
Increase 2005-07 salary increases to 4.2% per year	2,086,601		2,086,601
Board initiative funding increase	-		-
Capital assets funding increase	980,106		980,106
Equity funding to bring all campuses to 45% of peer benchmark in 2007-09	11,438		11,438
Equity funding to bring all campuses to 50% of peer benchmark in 2007-09	829,276		829,276
Equity funding to bring all campuses to 55% of peer benchmark in 2007-09	4,140,462		4,140,462
Equity funding to bring all campuses to 60% of peer benchmark in 2007-09	7,229,428		7,229,428
Equity funding to bring all campuses to 62.3% of peer benchmark in 2007-09	5,035,219		5,035,219
Total-Priority Three Increases	**21,932,853**		**21,932,853**
Subtotal 2003-05 Base, Plus Priorities 1, 2 & 3	**354,694,691**	**593,874**	**354,694,692**
Priority Four - To achieve needs-based budget request level approved by the SBHE			
Equity funding to bring all campuses to 85% of peer benchmark in 2007-09	53,763,368		53,763,368
Capital assets funding increases	11,504,128		11,504,128
Board initiative funding increase	-		-
Total-Priority Four Increases	**65,267,496**		**65,267,496**
Total General Fund Needs Based Budget Request	**$ 419,962,187**	**$ 593,874**	**$ 419,962,188**

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NDUS Office

Comparison of SBHE Prioritized Legislative Funding Plan to Executive Recommendation

(Including Requested Restoration & Increases Over Executive Recommendation)

	NDUS Office		
	SBHE 2005-07 Prioritized Budget Request	Executive Recommendation	Restoration Request & Increases Over Executive Recommendation
2003-05 Original General Fund Appropriation	**$ 56,618,730**	**$ 56,618,730**	
Base Adjustments	**(6,615,724)**	**(6,615,724)**	
2003-05 Adjusted General Fund Appropriation, Plus (Minus) Base Adjustments	**50,003,006**	**50,003,006**	
Priority One - State-Linked Budget Priorities:			
Increase in Capital Bond Payments	1,550,202	1,550,202	
Common Information Services (CIS) Priorities:			
Parity	1,018,300	1,018,300	
Network Growth	825,000	825,000	
Virus Sorftware License	175,000	175,000	
ODIN Service Librarian	100,000	100,000	
Learning Management System	950,000	950,000	
IVN Equipment Refurbishment	300,000	300,000	
Subtotal - CIS	3,368,300	3,368,300	
State Grant Increase	300,000	1,300,000	
ND Indian Scholarship Program Increase	47,500	47,500	
Subtotal-Student Financial Aid	347,500	1,347,500	
EPSCOR	440,000	440,000	
NDUS Office Parity	209,250	209,250	
WICHE/MHEC dues increase	27,000	27,000	
FINDET increase, assumes $33,100 DPI funding in base	75,200	75,200	
Board Initiative Block Grant	449,798	449,798	
Capital Assets or Contingency Fund Increase	14,318	14,318	
Transfer of Campus Operations Pool		319,927,548	(319,927,548)
Transfer of Campus Base Extraordinary Repairs		6,677,416	(6,677,416)
Child Care Grant Program		2,000,000	
Professional Liability Insurance		(500,000)	
Subtotal-Priority One Increases	**6,481,568**	**335,586,532**	**(326,604,964)**
Subtotal 2003-05 Base, Plus Priority 1	**56,484,574**	**385,589,538**	**(326,604,964)**
Priority Two - Reach funding equivalent to at least 21% of 2005-07 recurring state revenues:	-	-	-
Subtotal 2003-05 Base, Plus Priorities 1 & 2	**56,484,574**	**385,589,538**	**(326,604,964)**
Priority Three - Additional increases to make progress on goals of long-range finance plan			
Increase 2005-07 salary increases to 4.2% per year	69,013		69,013
Board initiative funding increase	500,000		500,000
Subtotal-Priority Three Increases	**569,013**	-	**569,013**
Subtotal 2003-05 Base, Plus Priorities 1, 2 & 3	**57,053,587**	**385,589,538**	**(326,035,951)**
Priority Four - To achieve needs-based budget request level approved by the SBHE			
Board initiative funding increase	2,250,202		2,250,202
Subtotal-Priority Four Increases	**2,250,202**	-	**2,250,202**
Total General Fund Needs Based Budget Request	**$ 59,303,789**	**$ 385,589,538**	**$ (323,785,749)**

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NDUS Office

Forest Service
Comparison of SBHE Prioritized Legislative Funding Plan to Executive Recommendation
(Including Requested Restoration & Increases Over Executive Recommendation)

	Forest Service		
	SBHE 2005-07 Prioritized Budget Request	Executive Recommendation	Restoration Request & Increases Over Executive Recommendation
2003-05 Original General Fund Appropriation	**$ 1,771,076**	**$ 1,771,076**	
Base Adjustments	-	-	
2003-05 Adjusted General Fund Appropriation, Plus (Minus) Base Adjustments	**1,771,076**	**1,771,076**	
Priority One - State-Linked Budget Priorities:			
Forest Service Parity	160,000	160,000	
Forest Service 3% Increase	53,000	53,000	
Capital Assets or Contingency Fund Increase	5,577	5,577	
Capital Projects Funded		65,000	
Subtotal-Priority One Increases	**218,577**	**283,577**	
Subtotal 2003-05 Base, Plus Priority 1	**1,989,653**	**2,054,653**	
Priority Two - Reach funding equivalent to at least 21% of 2005-07 recurring state revenues:	-	-	-
Subtotal 2003-05 Base, Plus Priorities 1 & 2	**1,989,653**	**2,054,653**	-
Priority Three - Additional increases to make progress on goals of long-range finance plan			
Increase 2005-07 salary increases to 4.2% per year	6,530		6,530
Capital assets funding increase	5,577		5,577
Subtotal-Priority Three Increases	**12,107**	-	**12,107**
Subtotal 2003-05 Base, Plus Priorities 1, 2 & 3	**2,001,760**	**2,054,653**	**12,107**
Priority Four - To achieve needs-based budget request level approved by the SBHE			
Capital assets funding increases	65,454		65,454
Balance to achieve needs-based request	174,815		174,815
Subtotal-Priority Four Increases	**240,269**	-	**240,269**
Total General Fund Needs Based Budget Request	**$ 2,242,029**	**$ 2,054,653**	**$ 252,376**

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Forest Service

North Dakota University System

UGPTI, Extension Service, Main & Branch Research Centers and NCI

Reconciliation of 2003-05 Original General Fund Appropriation to Executive Recommendation and Additional Priorities from SBHE Legislative Funding Plan (SB 2020)

	(1) UGPTI	(2) Extension Service	(3) Main Research Center	(4) Branch Research Centers	(5) NCI	(6) Total
2003-05 Original General Fund Appropriation	$ 483,099	$ 13,859,446	$ 28,210,740	$ 7,467,679	$ 746,002	$ 50,766,966
Base Adjustments:						
Transfer from Main Research Center to Extension Service and Branch Research Centers		255,000	(492,408)	237,408		-
2003-05 Adjusted General Fund Appropriation	483,099	14,114,446	27,718,332	7,705,087	746,002	50,766,966
Executive Recommendation Increases (Decreases):						
Compensation package (4%-FY06 & 3%-FY07)	15,828	837,570	1,467,507	313,578	30,866	2,665,349
Health insurance and EAP increases	2,118	174,056	366,472	111,063	6,776	660,485
Operating inflation		114,990	107,754	45,529	4,731	273,004
Initiatives 1/			301,897		24,469	326,366
GF Operating Reduction (Offsetting Incr to Other Funds)			(200,000)			(200,000)
Total Increases (Decreases)	17,946	1,126,616	2,043,630	470,170	66,842	3,725,204
2005-07 Executive Recommendation - General Fund	**501,045**	**15,241,062**	**29,761,962**	**8,175,257**	**812,844**	**54,492,170**
Increase (Decrease) From 2003-05 Adjusted Appropriation	**$ 17,946**	**$ 1,126,616**	**$ 2,043,630**	**$ 470,170**	**$ 66,842**	**$ 3,725,204**
Additional Request Included in SBHE Prioritized Funding Plan:						
Priority Three - Additional funding to reach 10% increase over 2003-05 general fund appropriation 2/	**$ 48,310**		**$ 4,583,617**		**$ 45,400**	**$ 4,677,327**
Priority Four - Balance to reach 2005-07 needs based budget request 2/	**48,310**		**4,953,786**		**74,600**	**5,076,696**
Total Requested Increase, Including Executive Recommendation	**$ 114,566**	**$ 1,126,616**	**$ 11,581,033**	**$ 470,170**	**$ 186,842**	**$ 13,479,227**

1/ Initiatives (general fund) include the following: Main Research Center - $301,897 for 2 FTE for beef initiative (one time funding for 2005-07 only); NCI - $24,469 for linking crops to livestock development.

2/ The amounts included in SBHE's priorities three and four (in column 3) would be allocated to the Extension Service and Main and Branch Research Centers by the State Board of Agricultural Research and Education (SBARE)

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North Dakota University System
UGPTI, Extension Service, Main & Branch Research Centers, NCI and Agronomy Seed Farm
Reconciliation of 2003-05 Original Other Fund Appropriation to Executive Recommendation (SB 2020)

	(1) UGPTI	(2) Extension Service	(3) Main Research Center	(4) Branch Research Centers	(5) NCI	(6) Agronomy Seed Farm	(16) Total
2003-05 Original Other Fund Appropriation	$ 10,361,651	$ 20,486,830	$ 32,306,474	$ 8,967,403	$ 777,345	$ 1,166,604	$ 74,066,307
Increases (decreases) included in budget request:							
2003-05 Capital projects			(1,120,000)	(1,400,000)			(2,520,000)
2005-07 Capital projects			9,000,000	1,060,000			10,060,000
One-time funding for Centers for Excellence			(800,000)				(800,000)
Other increases in estimated income	4,464,155	1,581,419	5,212,364	3,309,194	144,453	9,868	14,721,453
2005-07 Budget Request	14,825,806	22,068,249	44,598,838	11,936,597	921,798	1,176,472	95,527,760
Executive Recommendation Increases (Decreases):							
Compensation package (4%-FY06 & 3%-FY07)	355,486	584,896	760,384	105,213	22,167	18,131	1,846,277
Health insurance and EAP increases	81,736	336,083	250,996	30,925	6,776	5,082	711,598
Initiatives 1/				59,799			59,799
ERP One-time Operating Funding (Offset to GF Reduction)			200,000				200,000
Increase (decrease) capital projects-State Bonding 2/			(2,000,000)	190,000			(1,810,000)
Increase (decrease) capital projects-Other Funds 3/			(2,500,000)	70,000			(2,430,000)
Total Increases (Decreases)	437,222	920,979	(3,288,620)	455,937	28,943	23,213	(1,422,326)
2005-07 Executive Recommendation - Other Funds	**$ 15,263,028**	**$ 22,989,228**	**$ 41,310,218**	**$ 12,392,534**	**$ 950,741**	**$ 1,199,685**	**$ 94,105,434**

1/ Initiatives (other funds-Dickinson oil revenues) include $59,799 for an ethanol and malting barley initiative at the Dickinson Research Center.
2/ State bonding - Decreased $2 million for Research Greenhouse Complex; increased $440,000 for North Central Agronomy Lab and Greenhouse; and eliminated $250,000 Central Grasslands Headquarters Office Addition.
3/ Other funds - Decreased $2 million federal funding and $500,000 other funding for Research Greenhouse Complex; increased $130,000 other funds for North Central Agronomy Lab and Greenhouse; and eliminated $60,000 Central Grasslands Headquarters Office Addition.

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North Dakota University System
Branch Research Centers
Reconciliation of 2003-05 Original Appropriation to Executive Recommendation (SB 2020)

	(1) Dickinson	(2) Central Grasslands	(3) Hettinger	(4) Langdon	(5) North Central	(6) Williston	(7) Carrington	(8) Total
General Fund:								
2003-05 Original General Fund Appropriation	$ 1,601,257	$ 911,996	$ 868,573	$ 911,413	$ 856,960	$ 913,010	$ 1,404,470	$ 7,467,679
Base Adjustments:								
Reallocation of revolving equipment pool	88,333	(88,334)		(88,333)	(88,333)	88,334	88,333	-
Transfer from Main Research Center to Extension Service and Branch Research Centers	963	19,382	10,965	18,381	25,381	964	161,372	237,408
2003-05 Adjusted General Fund Appropriation	1,690,553	843,044	879,538	841,461	794,008	1,002,308	1,654,175	7,705,087
Executive Recommendation Increases (Decreases):								
Compensation package (4%-FY06 & 3%-FY07)	71,160	35,137	32,329	35,484	35,276	39,189	65,003	313,578
Health insurance increases	24,703	11,646	11,581	10,462	17,943	13,552	21,176	111,063
Operating inflation	5,320	5,347	8,830	5,188	3,115	6,184	11,545	45,529
Initiatives								-
Total Increases (Decreases)	101,183	52,130	52,740	51,134	56,334	58,925	97,724	470,170
2005-07 Executive Recommendation-General Fund	**$ 1,791,736**	**$ 895,174**	**$ 932,278**	**$ 892,595**	**$ 850,342**	**$ 1,061,233**	**$ 1,751,899**	**$ 8,175,257**
Other Funds:								
2003-05 Original Other Fund Appropriation	$ 3,679,877	$ 755,391	$ 652,902	$ 371,472	$ 855,550	$ 730,065	$ 1,922,146	$ 8,967,403
Increases (decreases) included in budget request:								
2003-05 Capital projects	(1,400,000)							(1,400,000)
2005-07 Capital projects		310,000			750,000			1,060,000
Other increases in estimated income	1,400,000	326,936	200,000	54,156	500,000	300,000	528,102	3,309,194
2005-07 Budget Request	3,679,877	1,392,327	852,902	425,628	2,105,550	1,030,065	2,450,248	11,936,597
Executive Recommendation Increases (Decreases):								
Compensation package (4%-FY06 & 3%-FY07)	16,482	3,282	9,976	11,387	26,887		37,199	105,213
Health insurance and EAP increases	6,863	1,906	3,665	3,092	3,541		11,858	30,925
Initiatives 1/	59,799							59,799
Increase (decrease) capital projects-State Bonding		(250,000)			440,000			190,000
Increase (decrease) capital projects-Other Funds		(60,000)			130,000			70,000
Total Increases (Decreases)	83,144	(304,812)	13,641	14,479	600,428	-	49,057	455,937
2005-07 Executive Recommendation-Other Funds	**$ 3,763,021**	**$ 1,087,515**	**$ 866,543**	**$ 440,107**	**$ 2,705,978**	**$ 1,030,065**	**$ 2,499,305**	**$ 12,392,534**

1/ Ethanol and malting barley initiative, funded from oil revenues.
2/ State bonding - Increased $440,000 for North Central Agronomy Lab and Greenhouse and eliminated $250,000 Central Grasslands Headquarters Office Addition.
3/ Other funds - Increased $130,000 other funds for North Central Agronomy Lab and Greenhouse; and eliminated $60,000 Central Grasslands Headquarters Office Addition.

North Dakota University System
Student Grant Programs By Funding Source
Per 2005-07 Executive Recommendation

	(1) State Grant Program	(2) Scholars Program	(3) PSEP	(4) ND Indian Scholarship Program	(5) Education Incentive Programs	(6) Child Care Grant Program	(7) Total
General Fund:							
2003-05 Adjusted Appropriation	$ 2,904,288	$ 862,077	$ 1,713,780	$ 204,488	$ 1,227,902	$ -	$ 6,912,535
Increase (Decrease)	1,300,000	-	-	47,500	-	2,000,000	3,347,500
2005-07 Executive Recommendation	4,204,288	862,077	1,713,780	251,988	1,227,902	2,000,000	$ 10,260,035
% Increase (Decrease)	44.8%	0.0%	0.0%	23.2%	100.0%	100.0%	48.4%
Other Funds: 2/							
2003-05 Adjusted Appropriation	$ 500,000	$ 50,000					$ 550,000
Increase (Decrease)	(500,000)	(50,000)					(550,000)
2005-07 Executive Recommendation	-	-					$ -
% Increase (Decrease)	-100.0%	-100.0%					-100.0%
Federal Funds:							
2003-05 Adjusted Appropriation	$ 200,000						$ 200,000
Increase (Decrease)	(28,000)						(28,000)
2005-07 Executive Recommendation	172,000						$ 172,000
% Increase (Decrease)	-14.0%						-14.0%
Total Funds:							
2003-05 Adjusted Appropriation	$ 3,604,288	$ 912,077	$ 1,713,780	$ 204,488	$ 1,227,902	$ -	$ 7,662,535
Increase (Decrease)	772,000	(50,000)	-	47,500	-	2,000,000	2,769,500
2005-07 Executive Recommendation	$ 4,376,288	$ 862,077	$ 1,713,780	$ 251,988	$ 1,227,902	$ 2,000,000	$ 10,432,035
% Increase (Decrease)	21.4%	-5.5%	0.0%	23.2%	0.0%	100.0%	36.1%

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NORTH DAKOTA UNIVERSITY SYSTEM
SUMMARY OF OUTSTANDING DEFERRED MAINTENANCE NEEDS
2005-07 Biennium (As of May 2004)
State Funds

Name	(1) Category I Health & Safety	(2) Category 2 ADA	(3) Category 3 Networking	(4) Category 3 Major Repairs	(5) Total Outstanding Needs-Categories 1-3	(6) 2005-07 Exec Recom	(7) Unfunded Needs Categories 1-3
BSC	$267,672	$110,000	$0	$1,398,971	$1,776,643		$1,776,643
LRSC	33,066	24,328	39,756	118,347	215,497		215,497
WSC	40,000	22,438	60,000	1,420,500	1,542,938		1,542,938
UND	1,406,349	2,008,165	4,276,381	25,364,477	33,055,372		33,055,372
NDSU	766,023	1,549,882	386,500	26,081,558	28,783,963		28,783,963
NDSCS	1,554,929	0	0	3,956,852	5,511,781		5,511,781
DSU	1,463,084	538,294	7,201,366	1,232,615	10,435,359		10,435,359
MaSU	608,900	1,094,200	26,500	7,696,960	9,426,560		9,426,560
MiSU	486,400	523,600	129,500	7,124,300	8,263,800		8,263,800
VCSU	897,500	570,000	30,000	6,934,417	8,431,917		8,431,917
MiSU-BC	9,138	519,877	0	1,200,833	1,729,848		1,729,848
NDUS Pool						6,677,417	(6,677,417)
ND Forest Service	51,000	44,000	0	193,000	288,000	36,638	251,362
Experiment Stations	211,600	18,105	0	1,545,555	1,775,260	415,300	1,359,960
TOTAL	**$7,795,661**	**$7,022,889**	**$12,150,003**	**$84,268,385**	**$111,236,938**	**$7,129,355**	**$104,107,583**

NOTES:
Category 3 (major repairs) consists of roofs, streets, sidewalks, parking lots, curb, gutter, mechanical systems, HVAC, heating plant and electrical projects.

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NORTH DAKOTA UNIVERSITY SYSTEM
CAPITAL ASSETS (Extraordinary Repairs and Major Capital Projects)

Institution	(1) 2005-07 Executive Recommendation			(4) 2005-07 Budget Request			(7) 2003-05 Adjusted Appropriation			(10) 2005-07 Executive Recommendation to 2003-05 Adjusted Appropriation		
	Extraordinary Repairs	Major Capital Projects	TOTAL	Extraordinary Repairs	Major Capital Projects	TOTAL	Extraordinary Repairs	Major Capital Projects	TOTAL	Extraordinary Repairs	Major Capital Projects	TOTAL
BSC	$0	$2,302,800	$2,302,800	$279,724	$2,302,800	$2,582,524	$250,000	$1,785,000	$2,035,000	($250,000)	$517,800	$267,800
LRSC	0	343,875	343,875	59,159	343,875	403,034	44,831	375,000	419,831	(44,831)	(31,125)	(75,956)
WSC	0	6,910,000	6,910,000	111,078	6,910,000	7,021,078	88,790	0	88,790	(88,790)	6,910,000	6,821,210
UND	0	54,331,554	54,331,554	2,775,185	55,500,000	58,275,185	2,362,136	53,300,000	55,662,136	(2,362,136)	1,031,554	(1,330,582)
NDSU	0	37,500,000	37,500,000	1,985,047	37,500,000	39,485,047	1,737,531	26,000,000	27,737,531	(1,737,531)	11,500,000	9,762,469
NDSCS	0	1,104,920	1,104,920	836,304	1,104,920	1,941,224	773,500	3,668,920	4,442,420	(773,500)	(2,564,000)	(3,337,500)
DSU	0	9,100,557	9,100,557	438,045	9,100,557	9,538,602	393,962	10,882,047	11,276,009	(393,962)	(1,781,490)	(2,175,452)
MASU	0	1,500,000	1,500,000	252,998	1,500,000	1,752,998	264,589	5,505,000	5,769,589	(264,589)	(4,005,000)	(4,269,589)
MISU	0	3,535,000	3,535,000	671,364	3,535,000	4,206,364	612,850	0	612,850	(612,850)	3,535,000	2,922,150
VCSU	0	282,000	282,000	305,587	282,000	587,587	265,334	4,085,300	4,350,634	(265,334)	(3,803,300)	(4,068,634)
MiSU-BC	0	0	-	121,801	2,500,000	2,621,801	209,663	0	209,663	(209,663)	0	(209,663)
NDUS Pool	6,677,417	0	6,677,417	0	0	0	0	0	0	6,677,417	0	6,677,417
Subtotal	**6,677,417**	**116,910,706**	**123,588,123**	**7,836,292**	**120,579,152**	**128,415,444**	**7,003,186**	**105,601,267**	**112,604,453**	**(325,769)**	**11,309,439**	**10,983,670**
Forest Service	36,638	65,000	101,638	36,638	65,000	101,638	31,061	115,000	146,061	5,577	(50,000)	(44,423)
NDSU-Main Research	415,300	4,500,000	4,915,300	415,300	9,000,000	9,415,300	415,300	1,120,000	1,535,300	0	3,380,000	3,380,000
Dickinson Research	0	0	0	0	0	0	0	1,400,000	1,400,000	0	(1,400,000)	(1,400,000)
Central Grasslands	0	0	0	0	310,000	310,000	0	0	0	0	0	0
North Central Research	0	1,320,000	1,320,000	0	750,000	750,000	0	0	0	0	1,320,000	1,320,000
Williston Research	0	0	0	0	0	0	0	0	0	0	0	0
Carrington Research	0	0	0	0	0	0	0	0	0	0	0	0
Agronomy Seed Farm	0	0	0	0	0	0	0	0	0	0	0	0
Subtotal	**451,938**	**5,885,000**	**6,336,938**	**451,938**	**10,125,000**	**10,576,938**	**446,361**	**2,635,000**	**3,081,361**	**5,577**	**3,250,000**	**3,255,577**
Total	**$7,129,355**	**$122,795,706**	**$129,925,061**	**$8,288,230**	**$130,704,152**	**$138,992,382**	**$7,449,547**	**$108,236,267**	**$115,685,814**	**($320,192)**	**$14,559,439**	**$14,239,247**
General Fund	$ 7,129,355	$ 658,875	$7,788,230	$ 8,288,230	$ -	$8,288,230	$ 7,449,547	$ -	$ 7,449,547	($320,192)	$658,875	$338,683
State Bonding	0	13,108,111	$13,108,111	0	19,245,432	$19,245,432	0	8,022,347	$ 8,022,347	-	5,085,764	$5,085,764
Other/Federal Funds	0	109,028,720	$109,028,720	0	111,458,720	$111,458,720	0	100,213,920	$ 100,213,920	-	8,814,800	$8,814,800
Total	**$7,129,355**	**$122,795,706**	**$129,925,061**	**$8,288,230**	**$130,704,152**	**$138,992,382**	**$7,449,547**	**$108,236,267**	**$115,685,814**	**($320,192)**	**$14,559,439**	**$14,239,247**

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NORTH DAKOTA UNIVERSITY SYSTEM
2005-07 MAJOR CAPITAL PROJECTS

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	2005-07 Executive Recommendation					2005-07 Budget Request			
	General Fund	Other Funds	Federal Funds	Revenue Bonding	State Bonding	Total Funds	General Fund	Other Funds	Federal Funds	State Bonding	Total Funds
BSC:											
New Construction/Additions				1,800,000		1,800,000		1,800,000			1,800,000
Student Apartments		502,800				502,800		502,800			502,800
Plant Services Building											
Subtotal (SB2003)	-	502,800	-	1,800,000	-	2,302,800	-	2,302,800	-	-	2,302,800
LRSC:											
Major Remodeling/Addition											
Science Lab Renovation & Multi-Use Classroom Addition	343,875					343,875				343,875	343,875
Subtotal (SB2003)	343,875	-	-	-	-	343,875	-	-	-	343,875	343,875
WSC:											
New Construction/Addition		910,000				910,000		910,000			910,000
Energy and Transportation Training Center Addition		3,500,000	2,500,000			6,000,000		3,500,000	2,500,000		6,000,000
Rural Development Center											
Subtotal (SB2003)	-	4,410,000	2,500,000	-	-	6,910,000	-	4,410,000	2,500,000	-	6,910,000
UND:											
Major Remodeling						-				3,500,000	3,500,000
O'Kelly Hall-Ireland Laboratory Renovation		2,500,000				2,500,000		2,500,000			2,500,000
SOMHS Laboratory Renovation				1,500,000		1,500,000		1,500,000			1,500,000
Dining Center Renovation (Wilkerson and/or Squires)		3,000,000				3,000,000		3,000,000			3,000,000
Carnegie Library Renovation											
New Construction/Additions											
SOMHS Allied Health Facility (SB2003)		7,500,000				7,500,000		7,500,000			7,500,000
Indoor Track Facility		6,000,000				6,000,000		6,000,000			6,000,000
Parking Ramp Structure				12,000,000		12,000,000		12,000,000			12,000,000
University Housing Replacement				16,000,000		16,000,000		16,000,000			16,000,000
American Indian Center		3,500,000				3,500,000		3,500,000			3,500,000
Energy Improvement Program (SB2023)					2,331,554	2,331,554		-			-
Subtotal	-	22,500,000	-	29,500,000	2,331,554	54,331,554	-	52,000,000	-	3,500,000	55,500,000
NDSU:											
Major Remodeling				22,000,000		22,000,000		22,000,000			22,000,000
Memorial Union Renovation and Addition (SB2003)											
New Construction/Additions					3,500,000	3,500,000				3,500,000	3,500,000
Hazardous Material Handling/Storage (SB2023)				12,000,000		12,000,000		12,000,000			12,000,000
Wellness Center Addition (SB2003)											
Subtotal	-	-	-	34,000,000	3,500,000	37,500,000	-	34,000,000	-	3,500,000	37,500,000
NDSCS:											
Infrastructure					736,000	736,000				736,000	736,000
Electrical Distribution-Phase II of IV (SB2023)											
New Construction/Additions		368,920				368,920		368,920			368,920
Bilkre Activities Center Addition (SB2003)											
Subtotal	-	368,920	-	-	736,000	1,104,920	-	368,920	-	736,000	1,104,920
DSU:											
Major Remodeling					4,100,557	4,100,557				4,100,557	4,100,557
Murphy Hall Renovation - Phase II (SB2023)		5,000,000				5,000,000		5,000,000			5,000,000
Whitney Stadium Renovation/Addition (SB2003)											
Subtotal	-	5,000,000	-	-	4,100,557	9,100,557	-	5,000,000	-	4,100,557	9,100,557

NORTH DAKOTA UNIVERSITY SYSTEM
2005-07 MAJOR CAPITAL PROJECTS

	(1)	(2)	(3)		(4)	(5)	(6)	(7)		(8)	(9)
	2005-07 Executive Recommendation						2005-07 Budget Request				
	General Fund	Other Funds	Federal Funds	Revenue Bonding	State Bonding	Total Funds	General Fund	Other Funds	Federal Funds	State Bonding	Total Funds
MaSU:											
New Construction/Additions											
Fieldhouse Entrance, Concession & Restroom Expansion		1,000,000				1,000,000		1,000,000			1,000,000
Outdoor Athletic Complex		500,000				500,000		500,000			500,000
Subtotal (SB2003)	-	1,500,000	-	-	-	1,500,000	-	1,500,000	-	-	1,500,000
MiSU:											
Major Remodeling											
Crane Hall Renovation		3,535,000				3,535,000		3,535,000			3,535,000
Subtotal (SB2003)	-	3,535,000	-	-	-	3,535,000	-	3,535,000	-	-	3,535,000
VCSU:											
Major Remodeling											
WE Osman Bleacher Replacement	250,000	32,000				282,000		32,000		250,000	282,000
Subtotal (SB2003)	250,000	32,000	-	-	-	282,000	-	32,000	-	250,000	282,000
MiSU-Bottineau Campus:											
New Construction/Additions											
Thatcher Hall Addition										2,500,000	2,500,000
Subtotal	-	-	-	-	-	-	-	-	-	2,500,000	2,500,000
NDUS Office											
General fund major capital project pool											
Subtotal	-	-	-	-	-	-	-	-	-	-	-
Campus Subtotal	593,875	37,848,720	2,500,000	65,300,000	10,568,111	116,910,706	-	103,148,720	2,500,000	14,930,432	120,579,152
Forest Service:											
Seed Processing Facilities	65,000					65,000				65,000	65,000
Subtotal (SB2003)	65,000	-	-	-	-	65,000	-	-	-	65,000	65,000
Main Station:											
New Construction/Additions											
Research Greenhouse Complex		500,000	2,000,000		2,000,000	4,500,000		1,000,000	4,000,000	4,000,000	9,000,000
Subtotal (SB2023)	-	500,000	2,000,000	-	2,000,000	4,500,000	-	1,000,000	4,000,000	4,000,000	9,000,000
Research Centers:											
New Construction/Additions											
Central Grasslands Headquarters Office Addition		-			-			60,000		250,000	310,000
North Central Agronomy Lab and Greenhouse		880,000			440,000	1,320,000		750,000			750,000
Subtotal (SB2023)	-	880,000	-	-	440,000	1,320,000	-	810,000	-	250,000	1,060,000
Related Entities Subtotal	65,000	1,380,000	2,000,000	-	2,440,000	5,885,000	-	1,810,000	4,000,000	4,315,000	10,125,000
TOTAL-ALL	658,875	39,228,720	4,500,000	65,300,000	13,108,111	122,795,706	-	104,958,720	6,500,000	19,245,432	130,704,152

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NDUS 2005-07 Major Capital Project Ranking
SBHE Approved, Revised December 2004

(1)	(2) Project Description	(3) Campus	(4) Project Type	(5) Cost State	(6) Cost Other	(7) Cost Total	(8) Other Source
			A=addition; R=renovation; NC=new construction				
11 CAMPUSES - PROJECTS INCLUDED IN 2005-07 BUDGET REQUEST							
	Ranked State Funded Projects Requested (Campuses)						
1	Hazardous Material Handling/Storage	NDSU	NC	$3,500,000		$3,500,000	
2	Murphy Hall Renovation - Phase II	DSU	R	$4,100,557		$4,100,557	
3	WE Osman Bleacher Replacement	VCSU	R	$250,000	$32,000	$282,000	private
4	Thatcher Hall Addition	MiSU-BC	A	$2,500,000		$2,500,000	
5	Science Lab Renovation & Multi-Use Classroom Addition	LRSC	A/R	$343,875		$343,875	
6 [a]	O'Kelly Hall Renovation-Ireland Lab Renovation	UND	R	$3,500,000		$3,500,000	
7	Electrical Distribution-Phase II of IV	NDSCS	R	$736,000		$736,000	
	Total Ranked State Funded Projects - Campuses			**$14,930,432**	**$32,000**	**$14,962,432**	
	Non-State Funded (Unranked) Projects Requested (Campuses)						
[b]	Student Apartments	BSC	NC		$3,242,500	$3,242,500	Aux./ Local
	Plant Services Building	BSC	NC		$502,800	$502,800	Local
[a]	Energy and Transportation Training Center Addition	WSC	A		$910,000	$910,000	Private
[a]	Rural Development Center	WSC	NC		$6,000,000	$6,000,000	Private/grant/local
[a]	O'Kelly Hall-Ireland Laboratory Renovation	UND	R		$3,500,000	$3,500,000	Local
[a]	SOMHS Allied Health Facility	UND	NC		$7,500,000	$7,500,000	Private/grant
	SOMHS Laboratory Renovation	UND	R		$2,500,000	$2,500,000	Grant
	Indoor Track Facility	UND	NC		$6,000,000	$6,000,000	Private
	Dining Center Renovation (Wilkerson and/or Squires)	UND	R		$2,100,000	$2,100,000	Auxiliary
	Parking Ramp Structure	UND	NC		$19,000,000	$19,000,000	Auxiliary
	University Housing Replacement	UND	NC		$20,000,000	$20,000,000	Auxiliary
	Carnegie Library Renovation	UND	R		$3,000,000	$3,000,000	Private
	American Indian Center	UND	NC		$3,500,000	$3,500,000	Private
	College of Nursing Research Facility	UND	NC		$3,900,000	$3,900,000	Grant
	Regional Bio-containment Laboratory	UND	NC		$31,000,000	$31,000,000	Grant
	Memorial Union Renovation and Addition	NDSU	A/R		$22,000,000	$22,000,000	Auxiliary
	Wellness Center Addition	NDSU	A		$12,000,000	$12,000,000	Fees
	Blikre Activities Center Addition	NDSCS	A/R		$368,920	$368,920	Private
	Whitney Stadium Renovation/Addition	DSU	A/R		$5,000,000	$5,000,000	Private/ Local
	Fieldhouse Entrance, Concession and Restroom Expansion	MaSU	A		$1,000,000	$1,000,000	Private/Local
	Outdoor Athletic Complex	MaSU	NC		$500,000	$500,000	Private/Local
[a]	Crane Hall - Renovated Residence Hall	MiSU	R		$5,000,000	$5,000,000	Local/private
	Center for Applied Professional Education	MiSU	NC		$3,535,000	$3,535,000	Local/private
	Entrepeneurial Center for Horticulture	MiSU-BC	NC		$3,500,000	$3,500,000	Grant
	Total Non-State Funded Projects - Campuses			**$0**	**$165,559,220**	**$165,559,220**	
EXPERIMENT STATIONS AND FOREST SERVICE - PROJECTS INCLUDED IN 2005-07 BUDGET REQUEST							
	Ranked State Funded Projects Requested (Experiment Stations and Forest Service)						
1	Research Greenhouse Complex - Main Sta.	Exp. Sta.	NC/R	$4,000,000	$5,000,000	$9,000,000	Private/Grant
2	Seed Processing Facilities	Forest	R	$65,000		$65,000	
3	C. Grasslands Headquarters Office Addition	Exp. Sta.	A	$250,000	$60,000	$310,000	Private/Grant
	Total Ranked State Funded Projects			**$4,315,000**	**$5,060,000**	**$9,375,000**	
	Non-State Funded (Unranked) Projects Requested (Experiment Stations and Forest Service)						
	N. Central Agronomy Lab and Greenhouse	Exp. Sta.	NC		$750,000	$750,000	Private/Grants
	Total Non-State Funded Project			**$0**	**$750,000**	**$750,000**	
	TOTAL - NDUS Major Capital Projects Included in 2005-07 Budget Request (Plus Proposed Amendments)			**$19,245,432**	**$171,401,220**	**$190,646,652**	

NDUS 2005-07 Major Capital Project Ranking
SBHE Approved, Revised December 2004

(1)	(2) Project Description	(3) Campus	(4) Project Type	(5) Cost State	(6) Cost Other	(7) Cost Total	(8) Other Source
			A=addition; R=renovation; NC=new construction				
ADDITIONAL INFORMATION - CAMPUSES #1 RANKED STATE & OTHER UNRANKED STATE PROJECTS							
Campuses #1 Ranked State Funded Projects							
[c]	Career & Technology Institute	BSC	NC	$1,000,000	$11,200,000	$12,200,000	Private/ local/grant
	Science Lab Renovation & Multi-Use Classroom Addition	LRSC	A/R	$1,020,150		$1,020,150	
[a]	Energy and Transportation Training Center Addition	WSC	A	$510,000	$400,000	$910,000	Private/Grant
[a]	O'Kelly Hall Renovation-Ireland Lab Renovation	UND	R	$3,500,000		$3,500,000	
	Hazardous Material Handling/Storage	NDSU	NC	$3,500,000		$3,500,000	
	Steam Line-Phase III & Electrical Distribution	NDSCS	R	$3,421,080		$3,421,080	
	Murphy Hall Renovation - Phase II	DSU	R	$4,100,557		$4,100,557	
	West Hall Renovation & Accessibility	MaSU	R	$3,140,000		$3,140,000	
	Swain Hall Addition/Renovation	MiSU	A/R	$5,815,000		$5,815,000	
	Life Safety/ADA Project	VCSU	R	$1,100,000		$1,100,000	
	Thatcher Hall Addition	MiSU-BC	A	$2,500,000		$2,500,000	
TOTAL #1 Ranked Campus Projects				**$29,606,787**	**$11,600,000**	**$41,206,787**	
Campuses - Other Unranked State Projects (State funds were not requested for 2005-07)							
	Voc/Technical Center Expansion & Renovation	BSC	A/R	$3,000,000	$6,000,000	$9,000,000	School District/ Other
	Cold-Storage Garage	LRSC	NC	$50,000		$50,000	
[a]	Rural Development Center	WSC	NC	$2,000,000	$4,000,000	$6,000,000	Private/Grant
[a]	SOMHS Allied Health Facility	UND	NC	$7,500,000		$7,500,000	
	Infrastructure (water, sewer, elec., pavement)	UND	R	$4,500,000		$4,500,000	
	Heating Plan Boiler #4 Replacement	NDSU	R	$2,540,000		$2,540,000	
	Minard Hall Renovation	NDSU	R	$11,393,500		$11,393,500	
	Horton Hall Renovation	NDSCS	R	$4,095,330		$4,095,330	
	Center for Ag Educaton/Research	DSU	NC	$4,000,000		$4,000,000	
	Classroom Building Entrance and HVAC Upgrade	MaSU	A/R	$579,360		$579,360	
[a]	Crane Hall Renovation	MiSU	R	$1,767,500	$1,767,500	$3,535,000	Local/Private
	Steam Line Replacement - Phase I	VCSU	R	$1,000,000		$1,000,000	
	Steam Line Replacement	MiSU-BC	R	$235,000		$235,000	
TOTAL Unranked Projects				**$42,660,690**	**$11,767,500**	**$54,428,190**	
Experiment Stations and Forest Service - Other Unranked State Projects (State funds were not requested for 2005-07)							
	Main Station Seed Storage Facility	Exp. Sta.	NC	$2,044,800		$2,044,800	
	Main Station Sheep and Lamb Barn	Exp. Sta.	NC	$262,000		$262,000	
	Hdqtrs Offc Bldg-Carrington Addition	Exp. Sta.	A	$350,000		$350,000	
	Carrington Shop and Equipment Storage Bldg.	Exp. Sta.	NC	$106,500		$106,500	
	Carrington Livestock Unit Lab/office/shop	Exp. Sta.	NC	$175,000		$175,000	
	Dickinson Bio-Secure Animal Facility	Exp. Sta.	NC		$4,473,000	$4,473,000	Federal
	Dickinson Hdqtrs Offc Bldg Renovation	Exp. Sta.	R	$143,775		$143,775	
	Dickinson-Calving Barn	Exp. Sta.	NC	$106,500		$106,500	
	Dickinson-parking lot and landscape for new hdqts.	Exp. Sta.	R	$319,500		$319,500	
	Hettinger Hdqtrs Offc Bldg	Exp. Sta.	A	$213,000		$213,000	
	Hettinger-Sheep Confinement Barn	Exp. Sta.	NC	$133,125		$133,125	
	Langdon Research Greenhouse	Exp. Sta.	NC	$181,050		$181,050	
	N. Central Office & Technology Transfer Addition	Exp. Sta.	A	$255,600		$255,600	
	N. Central Seed Conditioning Building	Exp. Sta.	A/R	$191,700		$191,700	
	Williston Sample Processing Lab.	Exp. Sta.	NC	$106,500		$106,500	
	Williston Seed & Machine Storage Shed	Exp. Sta.	NC	$143,775		$143,775	
	Road Construction (Pelican Sandy Rec Area)	Forest	R	$55,000		$55,000	
Total Unranked State Funded Projects				**$4,787,825**	**$4,473,000**	**$9,260,825**	

a Campuses request authorization to proceed with these projects with other funds, if state funding is not available.

b This project is in addition to the $1,785,000 student apartment project authorized in 03-05.

c Does not include $500,000 spent in 03-05 on non-recurring project costs.

- NDSU College of Business Bldg is not included above - $20,000,000 in private funds to be built by the Foundation or other private entityand leased to NDSU

NORTH DAKOTA UNIVERSITY SYSTEM
ANALYSIS OF 2005-07 EXECUTIVE RECOMMENDATION BY LINE ITEM (SB 2003)
(NDUS Office, Campuses, Forest Service and UND School of Medicine & Health Sciences)

	2005-07 Exec Recommendation	2003-05 Adj Appropriation	Incr (Decr) over 2003-05 $$ change	Incr (Decr) over 2003-05 %% change
NDUS Office				
System Governance:				
Operations	$5,520,712	$5,320,151		
Subtotal all funds	5,520,712	5,320,151	200,561	3.8%
Less estimated income	189,926	300,815	(110,889)	-36.9%
Subtotal general fund appropriation	5,330,786	5,019,336	311,450	6.2%
Student Grant Programs:				
Student Financial Assistance Grants	4,376,288	3,604,288		
Scholars Program	862,077	912,077		
ND Indian Scholarship Program	251,988	204,488		
Professional Student Exchange Program	1,713,780	1,713,780		
Education Incentive Programs	1,227,902	1,227,902		
Child Care Grant Program	2,000,000	0		
Subtotal all funds	10,432,035	7,662,535	2,769,500	36.1%
Less estimated income	172,000	750,000	(578,000)	-77.1%
Subtotal general fund appropriation	10,260,035	6,912,535	3,347,500	48.4%
System Grant Programs:				
EPSCoR	5,190,000	4,750,000	440,000	
Title II Grant	695,600	695,600	0	
Professional Liability Insurance	1,350,000	1,850,000	(500,000)	
Operations Pool	578,417	578,417	0	
Contingency & Cap Impr Emergency	436,922	1,878,678	(1,441,756)	
Centers for Excellence	0	1,550,000	(1,550,000)	
Common Information Services	21,924,083	18,555,783	3,368,300	
Campus Extraordinary Repairs	6,677,417	0	6,677,417	
Campus Operations	319,927,548	0	319,927,548	
Subtotal all funds	356,779,987	29,858,478	326,921,509	1094.9%
Less estimated income	695,600	2,151,674	(1,456,074)	-67.7%
Subtotal general fund appropriation	356,084,387	27,706,804	328,377,583	1185.2%
System Projects:				
Capital Assets-Bond Payments	14,278,141	12,790,689	1,487,452	
Board Initiatives	915,940	466,142	449,798	
Subtotal all funds	15,194,081	13,256,831	1,937,250	14.6%
Less estimated income	1,279,750	1,342,500	(62,750)	-4.7%
Subtotal general fund appropriation	13,914,331	11,914,331	2,000,000	16.8%
TOTAL				
Total all funds	387,926,815	56,097,995	331,828,820	591.5%
Less estimated income	2,337,276	4,544,989	(2,207,713)	-48.6%
Total general fund appropriation	385,589,539	51,553,006	334,036,533	647.9%

NORTH DAKOTA UNIVERSITY SYSTEM

ANALYSIS OF 2005-07 EXECUTIVE RECOMMENDATION BY LINE ITEM (SB 2003)

(NDUS Office, Campuses, Forest Service and UND School of Medicine & Health Sciences)

	2005-07 Exec Recommendation	2003-05 Adj Appropriation	Incr (Decr) over 2003-05 $$ change	Incr (Decr) over 2003-05 %% change
BSC:				
Operations	0	16,112,327		
Capital Assets (Excluding Major Capital Projects)	0	250,000		
2001-03 Capital Assets Carryover	0	24,384		
Subtotal all funds	0	16,386,711		
Less estimated income	0	0		
Subtotal general fund appropriation	0	16,386,711		
Capital Assets - Major Capital Projects				
Subtotal all funds	2,302,800	1,785,000		
Less estimated income	2,302,800	1,785,000		
Subtotal general fund appropriation	2,302,800	1,785,000		
	0	0		
TOTAL				
Total all funds	2,302,800	18,171,711	(15,868,911)	-87.3%
Less estimated income	2,302,800	1,785,000	517,800	29.0%
Total general fund appropriation	0	16,386,711	(16,386,711)	-100.0%
LRSC:				
Operations	0	5,032,682		
Capital Assets (Excluding Major Capital Projects)	0	44,831		
2001-03 Capital Assets Carryover	0	332,886		
Subtotal all funds	0	5,410,399		
Less estimated income	0	330,463		
Subtotal general fund appropriation	0	5,079,936		
Capital Assets - Major Capital Projects				
Subtotal all funds	343,875	375,000		
Less estimated income	343,875	375,000		
Subtotal general fund appropriation	0	375,000		
	343,875	0		
TOTAL				
Total all funds	343,875	5,785,399	(5,441,524)	-94.1%
Less estimated income	0	705,463	(705,463)	-100.0%
Total general fund appropriation	343,875	5,079,936	(4,736,061)	-93.2%

NORTH DAKOTA UNIVERSITY SYSTEM
ANALYSIS OF 2005-07 EXECUTIVE RECOMMENDATION BY LINE ITEM (SB 2003)
(NDUS Office, Campuses, Forest Service and UND School of Medicine & Health Sciences)

	2005-07 Exec Recommendation	2003-05 Adj Appropriation	Incr (Decr) over 2003-05 $$ change	Incr (Decr) over 2003-05 %% change
WSC:				
Operations	0	5,436,977		
Capital Assets (Excluding Major Capital Projects)	0	88,790		
2001-03 Capital Assets Carryover	0	1,154,378		
Subtotal all funds	0	6,680,145		
Less estimated income	0	1,154,378		
Subtotal general fund appropriation	0	5,525,767		
Capital Assets - Major Capital Projects	6,910,000	0		
Subtotal all funds	6,910,000	0		
Less estimated income	6,910,000	0		
Subtotal general fund appropriation	0	0		
TOTAL				
Total all funds	6,910,000	6,680,145	229,855	3.4%
Less estimated income	6,910,000	1,154,378	5,755,622	498.6%
Total general fund appropriation	0	5,525,767	(5,525,767)	-100.0%
UND:				
Operations	0	86,862,537		
Capital Assets (Excluding Major Capital Projects)	0	2,362,136		
2000 Flood Expenditures	0	3,600,000		
2001-03 Capital Assets Carryover	0	10,044,006		
Subtotal all funds	0	102,868,679		
Less estimated income	0	13,503,609		
Subtotal general fund appropriation	0	89,365,070		
Capital Assets - Major Capital Projects	54,331,554	53,300,000		
Subtotal all funds	54,331,554	53,300,000		
Less estimated income	54,331,554	53,300,000		
Subtotal general fund appropriation	0	0		
TOTAL				
Total all funds	54,331,554	156,168,679	(101,837,125)	-65.2%
Less estimated income	54,331,554	66,803,609	(12,472,055)	-18.7%
Total general fund appropriation	0	89,365,070	(89,365,070)	-100.0%

NORTH DAKOTA UNIVERSITY SYSTEM

ANALYSIS OF 2005-07 EXECUTIVE RECOMMENDATION BY LINE ITEM (SB 2003)

(NDUS Office, Campuses, Forest Service and UND School of Medicine & Health Sciences)

	2005-07 Exec Recommendation	2003-05 Adj Appropriation	Incr (Decr) over 2003-05 $$ change	Incr (Decr) over 2003-05 %% change
NDSU:				
Operations	0	71,444,066		
Capital Assets (Excluding Major Capital Projects)	0	1,737,531		
2000 Flood Expenditures	0	9,000,000		
2001-03 Capital Assets Carryover	0	21,632,427		
Subtotal all funds	0	103,814,024		
Less estimated income	0	30,463,275		
Subtotal general fund appropriation	0	73,350,749		
Capital Assets - Major Capital Projects	37,500,000	26,000,000		
Subtotal all funds	37,500,000	26,000,000		
Less estimated income	37,500,000	26,000,000		
Subtotal general fund appropriation	0	0		
TOTAL				
Total all funds	37,500,000	129,814,024	(92,314,024)	-71.1%
Less estimated income	37,500,000	56,463,275	(18,963,275)	-33.6%
Total general fund appropriation	0	73,350,749	(73,350,749)	-100.0%
NDSCS:				
Operations	0	23,869,431		
Capital Assets (Excluding Major Capital Projects)	0	773,500		
2001-03 Capital Assets Carryover	0	0		
Subtotal all funds	0	24,642,931		
Less estimated income	0	0		
Subtotal general fund appropriation	0	24,642,931		
Capital Assets - Major Capital Projects	1,104,920	3,668,920		
Subtotal all funds	1,104,920	3,668,920		
Less estimated income	1,104,920	3,668,920		
Subtotal general fund appropriation	0	0		
TOTAL				
Total all funds	1,104,920	28,311,851	(27,206,931)	-96.1%
Less estimated income	1,104,920	3,668,920	(2,564,000)	-69.9%
Total general fund appropriation	0	24,642,931	(24,642,931)	-100.0%

NORTH DAKOTA UNIVERSITY SYSTEM
ANALYSIS OF 2005-07 EXECUTIVE RECOMMENDATION BY LINE ITEM (SB 2003)
(NDUS Office, Campuses, Forest Service and UND School of Medicine & Health Sciences)

	2005-07 Exec Recommendation	2003-05 Adj Appropriation	Incr (Decr) over 2003-05 $$ change	Incr (Decr) over 2003-05 %% change
DSU:				
Operations	0	13,669,533		
Capital Assets (Excluding Major Capital Projects)	0	393,962		
2001-03 Capital Assets Carryover	0	166,823		
Subtotal all funds	0	14,230,318		
Less estimated income	0	0		
Subtotal general fund appropriation	0	14,230,318		
Capital Assets - Major Capital Projects	9,100,557	10,882,047		
Subtotal all funds	9,100,557	10,882,047		
Less estimated income	9,100,557	10,882,047		
Subtotal general fund appropriation	0	0		
TOTAL				
Total all funds	9,100,557	25,112,365	(16,011,808)	-63.8%
Less estimated income	9,100,557	10,882,047	(1,781,490)	-16.4%
Total general fund appropriation	0	14,230,318	(14,230,318)	-100.0%
MaSU:				
Operations	0	8,602,335		
Capital Assets (Excluding Major Capital Projects)	0	264,589		
2001-03 Capital Assets Carryover	0	334,322		
Subtotal all funds	0	9,201,246		
Less estimated income	0	0		
Subtotal general fund appropriation	0	9,201,246		
Capital Assets - Major Capital Projects	1,500,000	5,505,000		
Subtotal all funds	1,500,000	5,505,000		
Less estimated income	1,500,000	5,505,000		
Subtotal general fund appropriation	0	0		
TOTAL				
Total all funds	1,500,000	14,706,246	(13,206,246)	-89.8%
Less estimated income	1,500,000	5,505,000	(4,005,000)	-72.8%
Total general fund appropriation	0	9,201,246	(9,201,246)	-100.0%

NORTH DAKOTA UNIVERSITY SYSTEM

ANALYSIS OF 2005-07 EXECUTIVE RECOMMENDATION BY LINE ITEM (SB 2003)

(NDUS Office, Campuses, Forest Service and UND School of Medicine & Health Sciences)

	2005-07 Exec Recommendation	2003-05 Adj Appropriation	Incr (Decr) over 2003-05 $$ change	Incr (Decr) over 2003-05 %% change
MiSU:				
Operations	0	25,890,346		
Capital Assets (Excluding Major Capital Projects)	0	612,850		
2001-03 Capital Assets Carryover	0	462,132		
Subtotal all funds	0	26,965,328		
Less estimated income	0	462,132		
Subtotal general fund appropriation	0	26,503,196		
Capital Assets - Major Capital Projects	3,535,000	0		
Subtotal all funds	3,535,000	0		
Less estimated income	3,535,000	0		
Subtotal general fund appropriation	0	0		
TOTAL				
Total all funds	3,535,000	26,965,328	(23,430,328)	-86.9%
Less estimated income	3,535,000	462,132	3,072,868	664.9%
Total general fund appropriation	0	26,503,196	(26,503,196)	-100.0%
VCSU:				
Operations	0	11,304,672		
Capital Assets (Excluding Major Capital Projects)	0	265,334		
2001-03 Capital Assets Carryover	0	44,954		
Subtotal all funds	0	11,614,960		
Less estimated income	0	0		
Subtotal general fund appropriation	0	11,614,960		
Capital Assets - Major Capital Projects	282,000	4,085,300		
Subtotal all funds	282,000	4,085,300		
Less estimated income	32,000	4,085,300		
Subtotal general fund appropriation	250,000	0		
TOTAL				
Total all funds	282,000	15,700,260	(15,418,260)	-98.2%
Less estimated income	32,000	4,085,300	(4,053,300)	-99.2%
Total general fund appropriation	250,000	11,614,960	(11,364,960)	-97.8%

NORTH DAKOTA UNIVERSITY SYSTEM

ANALYSIS OF 2005-07 EXECUTIVE RECOMMENDATION BY LINE ITEM (SB 2003)

(NDUS Office, Campuses, Forest Service and UND School of Medicine & Health Sciences)

	2005-07 Exec Recommendation	2003-05 Adj Appropriation	Incr (Decr) over 2003-05 $$ change	Incr (Decr) over 2003-05 %% change
MiSU-BC:				
Operations	0	4,102,856		
Capital Assets (Excluding Major Capital Projects)	0	209,663		
2001-03 Capital Assets Carryover	0	0		
Subtotal all funds	0	4,312,519		
Less estimated income	0	0		
Subtotal general fund appropriation	0	4,312,519		
Capital Assets - Major Capital Projects	0	0		
Subtotal all funds	0	0		
Less estimated income	0	0		
Subtotal general fund appropriation	0	0		
TOTAL				
Total all funds	0	4,312,519	(4,312,519)	-100.0%
Less estimated income	0	0	0	0.0%
Total general fund appropriation	0	4,312,519	(4,312,519)	-100.0%
Forest Service:				
Operations	2,928,016	2,715,016		
Capital Assets (Excluding Major Capital Projects)	36,638	31,061		
2001-03 Capital Assets Carryover	0	226,957		
Subtotal all funds	2,964,654	2,973,034		
Less estimated income	975,001	1,177,762		
Subtotal general fund appropriation	1,989,653	1,795,272		
Capital Assets - Major Capital Projects	65,000	115,000		
Subtotal all funds	65,000	115,000		
Less estimated income	0	115,000		
Subtotal general fund appropriation	65,000	0		
TOTAL				
Total all funds	3,029,654	3,088,034	(58,380)	-1.9%
Less estimated income	975,001	1,292,762	(317,761)	-24.6%
Total general fund appropriation	2,054,653	1,795,272	259,381	14.4%

NORTH DAKOTA UNIVERSITY SYSTEM

ANALYSIS OF 2005-07 EXECUTIVE RECOMMENDATION BY LINE ITEM (SB 2003)

(NDUS Office, Campuses, Forest Service and UND School of Medicine & Health Sciences)

	2005-07 Exec Recommendation	2003-05 Adj Appropriation	Incr (Decr) over 2003-05 $$ change	Incr (Decr) over 2003-05 %% change
UND School of Medicine & Health Sciences				
Operations	0	30,165,865	(30,165,865)	
Total all funds	0	30,165,865	(30,165,865)	-100.0%
Less estimated income	0	0	0	0.0%
Total general fund appropriation	0	30,165,865	(30,165,865)	-100.0%
TOTAL ALL:				
NDUS Operations:				
Total General Fund	$ 367,866,746	$ 344,338,459	$ 23,528,287	6.8%
Total Estimated Income	2,032,527	4,177,490	(2,144,963)	-51.3%
Total All Funds-Operations	369,899,273	348,515,949	21,383,324	6.1%
NDUS Capital Assets, 2001-03 Capital Asset Carryover and Bond Payments:				
General Fund:				
Extraordinary Repairs	6,714,055	7,034,247	(320,192)	
Major Capital Projects	658,875	-	658,875	
2001-03 Capital Assets Carryover	-	906,651	(906,651)	
Capital Bond Payments	12,998,391	11,448,189	1,550,202	
Total General Fund	20,371,321	19,389,087	982,234	5.1%
Estimated Income:				
Major Capital Projects	116,316,831	105,716,267	10,600,564	
2001-03 Capital Assets Carryover	-	46,116,618	(46,116,618)	
Capital Bond Payments	1,279,750	1,342,500	(62,750)	
Total Estimated Income	117,596,581	153,175,385	(35,578,804)	-23.2%
Total All Funds-Capital Assets & Bond Payments	137,967,902	172,564,472	(34,596,570)	-20.0%
GRAND TOTAL:				
Total General Fund	**388,238,067**	**363,727,546**	**24,510,521**	**6.7%**
Total Estimated Income	**119,629,108**	**157,352,875**	**(37,723,767)**	**-24.0%**
Total All Funds	$ 507,867,175	$ 521,080,421	$ (13,213,246)	-2.5%

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NORTH DAKOTA UNIVERSITY SYSTEM
ANALYSIS OF 2005-07 EXECUTIVE RECOMMENDATION BY LINE ITEM (SB 2020)
(UPPER GREAT PLAINS TRANSPORTATION INSTITUTE, NORTHERN CROPS INSTITUTE EXTENSION SERVICE, RESEARCH STATIONS & AGRONOMY SEED FARM)

	2005-07 Exec Recommendation	2003-05 Adj Appropriation	Incr (Decr) over 2003-05 $$ change	Incr (Decr) over 2003-05 %% change
Upper Great Plains Transportation Institute				
Operations	$ 15,764,073	$ 10,844,750	$ 4,919,323	45.4%
2001-03 Carryover	0	43,496	(43,496)	-100.0%
Total all funds	15,764,073	10,888,246	4,875,827	44.8%
Less estimated income	15,263,028	10,361,651	4,901,377	47.3%
Total general fund appropriation	501,045	526,595	(25,550)	-4.9%
Northern Crops Institute				
Operations	1,763,585	1,523,347	240,238	15.8%
2001-03 Carryover	0	0	0	0.0%
Total all funds	1,763,585	1,523,347	240,238	15.8%
Less estimated income	950,741	777,345	173,396	22.3%
Total general fund appropriation	812,844	746,002	66,842	9.0%
Extension Service				
Operations	37,442,255	33,822,597	3,619,658	10.7%
Soil Conservation Committee	788,035	778,679	9,356	1.2%
2001-03 Carryover	0	0	0	0.0%
Total all funds	38,230,290	34,601,276	3,629,014	10.5%
Less estimated income	22,989,228	20,486,830	2,502,398	12.2%
Total general fund appropriation	15,241,062	14,114,446	1,126,616	8.0%
Main Research Station				
Operations	66,572,180	58,904,806	7,667,374	13.0%
2001-03 Carryover	0	0	0	0.0%
Subtotal all funds	66,572,180	58,904,806	7,667,374	13.0%
Less estimated income	36,810,218	31,186,474	5,623,744	18.0%
Subtotal general fund appropriation	29,761,962	27,718,332	2,043,630	7.4%
Major Capital Projects:	4,500,000	1,120,000	3,380,000	301.8%
Subtotal all funds	4,500,000	1,120,000	3,380,000	301.8%
Less estimated income	4,500,000	1,120,000	3,380,000	301.8%
Subtotal general fund appropriation	0	0	0	0.0%
Total:				
Total all funds	71,072,180	60,024,806	11,047,374	18.4%
Less estimated income	41,310,218	32,306,474	9,003,744	27.9%
Total general fund appropriation	29,761,962	27,718,332	2,043,630	7.4%

NORTH DAKOTA UNIVERSITY SYSTEM
ANALYSIS OF 2005-07 EXECUTIVE RECOMMENDATION BY LINE ITEM (SB 2020)
(UPPER GREAT PLAINS TRANSPORTATION INSTITUTE, NORTHERN CROPS INSTITUTE
EXTENSION SERVICE, RESEARCH STATIONS & AGRONOMY SEED FARM)

	2005-07 Exec Recommendation	2003-05 Adj Appropriation	Incr (Decr) over 2003-05	
			$$ change	%% change
Branch Research Centers				
Dickinson Research Center	5,554,757	3,882,097	1,672,660	43.1%
Central Grasslands Research Center	1,982,689	1,686,769	295,920	17.5%
Hettinger Research Center	1,798,821	1,532,440	266,381	17.4%
Langdon Research Center	1,332,702	1,762,737	(430,035)	-24.4%
North Central Research Center	2,236,320	1,737,891	498,429	28.7%
Williston Research Center	2,091,298	1,644,039	447,259	27.2%
Carrington Research Center	4,251,204	3,487,988	763,216	21.9%
2001-03 Carryover	0	0	0	0.0%
Subtotal all funds	19,247,791	15,733,961	3,513,830	22.3%
Less estimated income	11,072,534	8,028,874	3,043,660	37.9%
Subtotal general fund appropriation	8,175,257	7,705,087	470,170	6.1%
Major Capital Projects:	1,320,000	1,400,000	(80,000)	-5.7%
Subtotal all funds	1,320,000	1,400,000	(80,000)	-5.7%
Less estimated income	1,320,000	1,400,000	(80,000)	-5.7%
Subtotal general fund appropriation	0	0	0	0.0%
Total:				
Total all funds	20,567,791	17,133,961	3,433,830	20.0%
Less estimated income	12,392,534	9,428,874	2,963,660	31.4%
Total general fund appropriation	8,175,257	7,705,087	470,170	6.1%
Agronomy Seed Farm:				
Operations	1,199,685	1,166,604	33,081	2.8%
Total estimated income	1,199,685	1,166,604	33,081	2.8%
Major Capital Projects:	0	0	0	0.0%
Subtotal all funds	0	0	0	0.0%
Less estimated income	0	0	0	0.0%
Subtotal general fund appropriation	0	0	0	0.0%
Total:				
Total all funds	1,199,685	1,166,604	33,081	2.8%
Less estimated income	1,199,685	1,166,604	33,081	2.8%
Total general fund appropriation	0	0	0	0.0%

NORTH DAKOTA UNIVERSITY SYSTEM
ANALYSIS OF 2005-07 EXECUTIVE RECOMMENDATION BY LINE ITEM (SB 2020)
(UPPER GREAT PLAINS TRANSPORTATION INSTITUTE, NORTHERN CROPS INSTITUTE EXTENSION SERVICE, RESEARCH STATIONS & AGRONOMY SEED FARM)

TOTAL-ALL:	2005-07 Exec Recommendation	2003-05 Adj Appropriation	Incr (Decr) over 2003-05 $$ change	Incr (Decr) over 2003-05 %% change
Operating Budget and Capital Improvements:				
Total General Fund	$ 54,492,170	$ 50,810,462	$ 3,681,708	7.2%
Total Special Funds	88,285,434	72,007,778	16,277,656	22.6%
Total All Funds	142,777,604	122,818,240	19,959,364	16.3%
Major Capital Projects:				
Total General Fund	0	0	0	0.0%
Total Special Funds	5,820,000	2,520,000	3,300,000	131.0%
Total All Funds	5,820,000	2,520,000	3,300,000	131.0%
TOTAL-ALL:				
Total General Fund	**54,492,170**	**50,810,462**	**3,681,708**	**7.2%**
Total Special Funds	**94,105,434**	**74,527,778**	**19,577,656**	**26.3%**
Total All Funds	**$ 148,597,604**	**$ 125,338,240**	**$ 23,259,364**	**18.6%**

1/ SB 2020 includes single line-item budgets for the NDSU Main & Branch Research Stations and Agronomy Seed Farm, although major capital projects are listed separately for this analysis.

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NORTH DAKOTA UNIVERSITY SYSTEM

SBHE Approved Legislative Funding Plan

Presented to Senate Appropriations on January 17, 2005

Priority One: Full funding of the priorities in the SBHE state-linked budget request.

• Restore reduction in campus operations pool	$2,000,000
• Restore reduction in extraordinary repair pool	$1,158,875
• UND O'Kelly Hall and Ireland Lab Renovation	$3,500,000
• MISU-BC Thatcher Hall Addition	$2,500,000

Priority Two: Provide additional funding of $2,998,000 to address campus parity (increase parity funding from 80.7% to 92.2%) and equity needs addressed in the Long-term Finance Plan. This increase would provide a total general fund budget for the NDUS equivalent to 21% of the state's recurring revenues and additional parity & equity funding will help to minimize the amount of tuition increases required next biennium.

• Campus parity	$2,398,400
• Campus equity	$ 599,600

Priority Three: Provide additional funding of $27.2 million to address other SBHE priorities, including faculty and staff salaries, and to begin to make significant progress on the long-term finance plan goals, including campus equity for those campuses that are furthest from their benchmark targets and state/student share targets.

• Fund remaining balance of state share of parity at 100%	$1,620,323
• Additional funding to increase faculty and staff salaries from 4 and 3% to 4.2% per year	$2,162,144
• Provide total funding of $1.4 million for SBHE Initiatives to address statewide goals and priorities	$ 500,000
• Increase in campus capital asset funding to address regular facility repair and maintenance and outstanding deferred maintenance	$ 985,683
• Equity funding to bring all campuses to a minimum of 45% of their peer benchmark by 07-09	$ 11,438
• Equity funding to bring all campuses to a minimum of 50% of their peer benchmark by 07-09	$ 829,276

- Equity funding to bring all campuses to a minimum of 55% of their peer benchmark by 07-09 $ 4,140,462
- Equity funding to bring all campuses to a minimum of 60% of their peer benchmark by 07-09 $ 7,229,428
- Ten percent increase in funding for the Extension Service, Research Centers, NCI, and UGPTI $ 4,677,327
- Equity funding to bring all campuses to a minimum of 62.3% of their peer benchmark by 07-09 $ 5,035,219

Priority Four: Funding to meet campus needs consistent with the Long-term Finance goals and the Board's constitutional responsibility to submit a budget which addresses the needs of the campuses.

- Equity funding to bring all campuses to a minimum of 85% of their peer benchmark by 07-09 $ 53,763,368
- Increase in campus capital asset funding to address regular facility repair and maintenance and outstanding deferred maintenance $ 11,569,582
- Provide total funding of $3.66 million for SBHE Initiatives to address statewide goals and priorities $ 2,250,202
- Funding to provide State Forest Service, Extension Service, Research Centers, NCI, and UGPTI with a 20% total increase $ 5,251,511

NORTH DAKOTA UNIVERSITY SYSTEM
REQUEST/RESOURCE ALLOCATION MODEL
Needs-Based Budget Request (Based on 4% FY06 & 3% FY07 Salary Increases for 2005-07)

		BSC	LRSC	WSC	UND w/Medical	NDSU w/o Ag	NDSCS	DSU	MaSU	MiSU	VCSU	MiSU-BC	TOTAL
1	2003-05 GF "Operating" base (excludes "Capital Assets" funding) 1/	$15,612,327	$5,032,682	$5,436,977	$116,633,402	$70,694,066	$23,839,431	$13,669,533	$8,602,335	$25,890,348	$11,304,672	$4,102,856	$300,816,627
2	98-99 Peer Benchmark Total Revenues per FTE per year -Total unrestricted state appropriat tuition and fees only @100% of peer benchmark	$7,750	$9,250	$7,500	$13,250	$10,500	$8,500	$7,500	$9,000	$8,500	$9,000	$9,000	
3	98-99 Peer Benchmark Total Revenues per FTE per year- average annual increase in CPI												
	1999-2000 (revised - as of 11/25/03)	3.7%	3.7%	3.7%	3.7%	3.7%	3.7%	3.7%	3.7%	3.7%	3.7%	3.7%	
	2000-2001 (revised - as of 11/25/03)	3.2%	3.2%	3.2%	3.2%	3.2%	3.2%	3.2%	3.2%	3.2%	3.2%	3.2%	
	2001-2002 (as of 11/25/03)	1.1%	1.1%	1.1%	1.1%	1.1%	1.1%	1.1%	1.1%	1.1%	1.1%	1.1%	
	2002-2003 (as of 11/25/03)	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%	
	2003-2004 estimated	1.2%	1.2%	1.2%	1.2%	1.2%	1.2%	1.2%	1.2%	1.2%	1.2%	1.2%	
	2004-2005 estimated	1.4%	1.4%	1.4%	1.4%	1.4%	1.4%	1.4%	1.4%	1.4%	1.4%	1.4%	
4	04-05 Adj Peer Benchmark Total Revenues per FTE per year (lines 2 x 3, compounded)	$8,785	$10,486	$8,502	$15,020	$11,903	$9,635	$8,502	$10,202	$9,635	$10,202	$10,202	
5	Fall 2003 FTE students	2,668	760	692	11,585	10,161	2,125	1,971	681	2,989	828	465	34,943
6	Calculated Benchmark Funding at 100% per year (line 4 x 5)	$23,439,122	$7,972,593	$5,886,136	$174,001,589	$121,180,727	$20,478,578	$16,757,210	$6,947,738	$28,800,409	$8,427,068	$4,740,650	$418,631,828
7	% of total revenues to be paid by State of North Dakota	75.00%	75.00%	75.00%	60.00%	60.00%	75.00%	70.00%	70.00%	65.00%	70.00%	75.00%	
8	Annual Peer Benchmark State Support (line 6 x line 7)	$17,579,342	$5,979,445	$4,414,602	$104,400,959	$72,708,436	$15,358,934	$11,730,047	$4,863,417	$18,720,266	$5,898,948	$3,555,487	$265,209,881
9	Biennial Peer Benchmark State Support (line 8 x 2 years)	$35,158,684	$11,958,889	$8,829,205	$208,801,919	$145,416,873	$30,717,867	$23,460,094	$9,726,833	$37,440,532	$11,797,892	$7,110,974	$530,419,762
	Percent 03-05 GF Base of Biennial peer benchmark state support (line 1 / line 9)	44.4%	42.1%	61.6%	55.9%	48.6%	77.6%	58.3%	88.4%	69.2%	95.8%	57.7%	56.7%
	[FY1 - Percent of peer benchmark as of 2001-03]	50.4%	48.0%	72.3%	65.7%	55.5%	84.1%	69.4%	93.1%	73.7%	97.4%	67.5%	64.7%
10	Biennial State GF Appropriation Increase Needed to Reach 100% (Line 9 less line 1)	$19,546,357	$6,926,207	$3,392,228	$92,168,517	$74,722,807	$6,878,436	$9,790,561	$1,124,498	$11,550,186	$493,220	$3,008,118	$229,601,135
11	Biennial State GF Appropriation Increase Needed to Reach 85% (Line 9 x 85% less line 1, but not < -0-)	$14,272,554	$5,132,374	$2,067,847	$60,848,229	$52,910,276	$2,270,756	$6,271,547	$0	$5,934,106	$0	$1,941,472	$151,649,161
	BUDGET REQUEST												
12	2003-05 Adj "Operating" GF base as of 2/29/04 (excluding capital assets)	$16,112,327	$5,032,682	$5,387,371	$123,787,810	$74,867,130	$23,936,824	$13,598,831	$8,602,335	$25,925,753	$11,304,672	$4,102,856	$312,658,591
13	Less: System projects and one-time funding from SBHE block grants 2/	(500,000)	-	49,606	(7,154,408)	(4,173,064)	(97,393)	70,702		(35,407)	-	-	(11,839,964)
14	2003-05 Adjusted "Operating" GF base (line 12 less line 13)	$15,612,327	$5,032,682	$5,436,977	$116,633,402	$70,694,066	$23,839,431	$13,669,533	$8,602,335	$25,890,348	$11,304,672	$4,102,856	$300,816,627
15	*Standard cost adjustment (SCA)-parity percentage*	7.98%	6.31%	6.79%	6.85%	7.44%	6.21%	7.79%	6.51%	6.34%	6.20%	6.23%	
16	*Standard cost adjustment (SCA)-parity (Line 14 x Line 15)*	$1,245,771	$317,794	$369,237	$7,989,769	$5,258,344	$1,480,660	$1,064,645	$559,778	$1,641,026	$701,299	$255,535	$20,881,859
17	*Equity* - Phased implementation of target funding-Reach 85% in 6 yrs. *(50% of Line 11)*	$7,136,277	$2,566,187	$1,033,923	$30,424,114	$26,455,138	$1,135,378	$3,135,773	$0	$2,967,053	$0	$970,736	$75,824,580
18	Total Base Funding Increase Requested (Line 16 +17)	$8,382,048	$2,883,981	$1,403,161	$38,413,884	$31,711,482	$2,616,038	$4,200,418	$559,778	$4,608,079	$701,299	$1,226,271	$96,706,439
19	Total Base Request (Line 14 + 18)	$23,994,375	$7,916,663	$6,840,138	$155,047,286	$102,405,548	$26,455,469	$17,869,951	$9,162,113	$30,498,425	$12,005,971	$5,329,127	$397,525,066

Notes:

1/ Line 1 includes 03-05 operations line appropriation plus $2,713,829 for UND and $3,820,027 for NDSU Computer Centers (from allocations from the 2003-05 technology pool appropriation to the NDUS Office).
It also includes transfer of base appropriation for Statewide Psychiatric Nursing Education Program from UND ($409,418) to the following: WSC $49,606, NDSU $47,080, NDSCS $121,262, DSU $70,702 and MiSU $120,768;
It excludes the following: $500,000 one-time match to BSC for Energy Training Tech Center; $30,000 NDSCS for Community College Consortium ("system project"); $395,000 one-time funding to the UND Med School (per Sec 28, HB1003); $750,000 Ctr for Genetic Research at NDSU; $216,655 from NDSCS for Articulation and Transfer funding, that will be included in the NDUS Office in 2005-07.

2/ Line 13 includes adjustments for the following amounts that are included in the 2003-05 adjusted base (line 12): $500,000 one-time match to BSC for Energy Training Tech Center; UND - $6,744,990 ($3,850,883-HECN, $1,333,760-IVN, $511,920-OOIN), $75,000 one-time funding from Board Initiative Funds, $578,417 one-time and $395,000-Med School for one-time funding per Sec 28, HB1003); NDSU - $3,470,144 (HECN) & $750,000 Ctr for Genetic Research; NDSCS - $218,655 (Articulation and Transfer funding to be transferred to NDUS Office in 05-07); and MiSU - $156,175 (NDUS-O funding from the FY04 technology pool)
It also includes transfer of base appropriation for Statewide Psychiatric Nursing Education Program from UND ($409,418) to the following: WSC $49,606, NDSU $47,080, NDSCS $121,262, DSU $70,702 and MiSU $120,768;

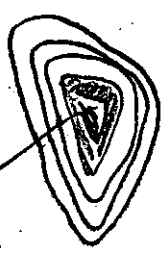
Summary of Purpose of Amendment

-Reduces SBHE Initiative by $185,000, with offsetting increase in UND's operations line item. $10,000 is related to the Arts and Humanities Summit and $175,000 for the Alcohol Consortium. UND acts as the fiscal agent for these two system activities. These funds were permanently allocated by the SBHE to these two activities, after the 05-07 budget request was submitted, and therefore, these transfers are not reflected properly in the base figures in the budget.

-Increases NDSCS capital assets line item and estimated income by $1.7 million for the purposes of renovating the football stadium and track. The project would be funded by private funds.

-Adds $4,657,000 in state general fund as follows for the Proposed House Appropriation Investment plan:

$ 500,000	**SBHE Initiative (NDUS Office)**	
$1,500,000	**Equity**	
	BSC	$369,513
	LRSC	$158,931
	NDSU	$971,557
$2,657,000	**Parity**	
	BSC	$158,511
	LRSC	$ 40,436
	WSC	$ 46,982
	UND	$795,257
	Med School	$221,358
	NDSU	$668,815
	NDSCS	$188,399
	DSU	$135,465
	MaSU	$ 71,226
	MiSU	$208,804
	VCSU	$ 89,233
	MiSU-BC	$ 32,514



6.5 mill

6,510,123 = 21%

Prepared by the North Dakota Legislative Council staff for Senator Holmberg
January 2005

HIGHER EDUCATION FUNDING FOR THE 2003-05 AND 2001-03 BIENNIUMS

2003-05 legislative general fund appropriation	$361,541,418[1]
2001-03 legislative general fund appropriation	$366,953,836
Add	
General fund carryover from the 1999-2001 biennium	3,269,407
Flood appropriation carryover relating to the North Dakota State University	1,111,760
Capital asset funding apply back relating to the State College of Science	(239,730)
2001-03 adjusted general fund appropriation	$371,095,273
Decrease from 2001-03 legislative general fund appropriation to 2003-05 legislative general fund appropriation	$5,412,418
Decrease from the 2001-03 adjusted general fund appropriation to the 2003-05 legislative general fund appropriation	$9,553,855

[1]The 2003 Legislative Assembly also provided funding of $2,050,000 from the Development Fund for grants to the North Dakota State University Center for Technology Enterprise ($1,250,000) and the University of North Dakota Center for Innovation ($800,000) and funding of $800,000 from the agriculture partnership in assisting community expansion (Ag PACE) fund establishment of a beef systems center of excellence in the Department of Animal and Range Science at North Dakota State University. The following is a summary of the decrease in funding from the 2001-03 biennium to the 2003-05 biennium taking into consideration the special funds appropriations of $2,850,000 for centers of excellence provided in the 2003-05 biennium:

2003-05 adjusted general fund appropriation	$364,391,418
2001-03 legislative general fund appropriation	$366,953,836
2001-03 adjusted general fund appropriation	$371,095,273
Decrease from 2001-03 legislative general fund appropriation	$2,562,418
Decrease from 2001-03 adjusted general fund appropriation	$6,703,855

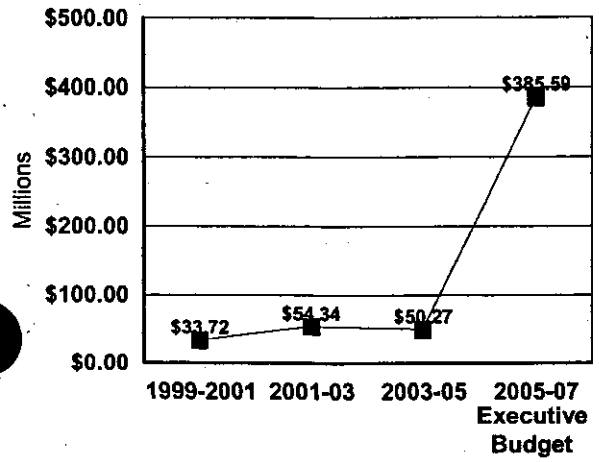
Prepared by the North Dakota Legislative Council
staff for House Appropriations
February 25, 2005

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

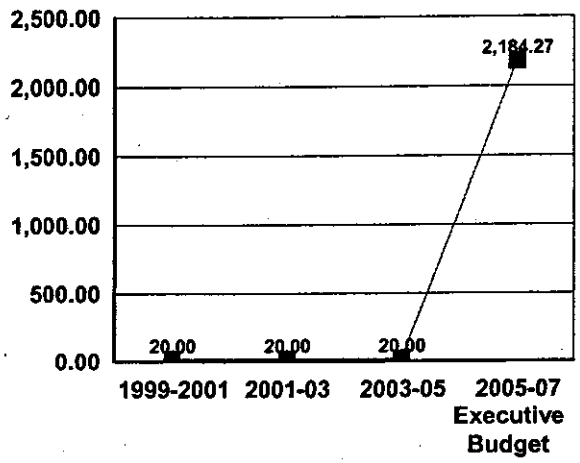
	FTE Positions	General Fund	Other Funds	Total
2005-07 Executive Budget	2,184.27	$385,589,539	$2,337,276	$387,926,815
2003-05 Legislative Appropriations	20.00	50,273,529	3,855,507	54,129,036[1]
Increase (Decrease)	2,164.27	$335,316,010	($1,518,231)	$333,797,779

[1]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)

	General Fund	Other Funds	Total
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 **system governance** 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 **student financial assistance grant program** 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 **professional student exchange program** 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 **scholars program** 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 **Native American scholarship program** 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 **education incentive programs** 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 **professional liability insurance** from $1,850,000 to $1,350,000	($500,000)		($500,000)
10. Adjusts funding for **board initiatives** 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 **competitive research** 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 **centers of excellence**	($1,550,000)		($1,550,000)
13. Increases funding for the **common information services** 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 **contingency, extraordinary repair, and capital emergency** 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 reparis 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 **capital assets** 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--**campus operations.** 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 assitance 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 provdies 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 requriements 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 appropariation 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 Co[illegible] study the State Board of Higher Education performance and accountability measures included in the report required by N[illegible]kota Century Code Section 15-10-14.2.

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2003 - Funding Summary

	Executive Budget	Senate Changes	Senate Version
University System Office			
Campus operations	$319,927,548	($319,927,548)	
Capital assets	14,278,141		14,278,141
Competitive research program	5,190,000		5,190,000
Board initiatives	915,940	700,000	1,615,940
System governance	5,520,712		5,520,712
Title II	695,600		695,600
Common information services	21,924,083	(950,000)	20,974,083
Operations pool	578,417		578,417
Contingency, repairs, capital emergency	7,114,339	(6,677,416)	436,923
Professional liability insurance	1,350,000		1,350,000
Student financial assistance grants	6,376,288	(1,600,000)	4,776,288
Professional student exchange program	1,713,780		1,713,780
Scholars program	862,077		862,077
Native American scholarships	251,988		251,988
Education incentive programs	1,227,902		1,227,902
Total all funds	$387,926,815	($328,454,964)	$59,471,851
Less estimated income	2,337,276	0	2,337,276
General fund	$385,589,539	($328,454,964)	$57,134,575
FTE	2184.27	0.00	2184.27
Bismarck State College			
Operations		$16,882,022	$16,882,022
Capital assets	2,302,800	1,685,981	3,988,781
Total all funds	$2,302,800	$18,568,003	$20,870,803
Less estimated income	2,302,800	1,442,500	3,745,300
General fund	$0	$17,125,503	$17,125,503
FTE	0.00	0.00	0.00
Lake Region State College			
Capital assets	$343,875	$43,662	$387,537
Operations		5,394,107	5,394,107
Total all funds	$343,875	$5,437,769	$5,781,644
Less estimated income	0	0	0
General fund	$343,875	$5,437,769	$5,781,644
FTE	0.00	0.00	0.00
Williston State College			
Capital assets	$6,910,000	$86,475	$6,996,475
Operations		5,758,894	5,758,894
Total all funds	$6,910,000	$5,845,369	$12,755,369
Less estimated income	6,910,000	0	6,910,000
General fund	$0	$5,845,369	$5,845,369
FTE	0.00	0.00	0.00
University of North Dakota			
Capital assets	$54,331,554	$43,468,991	$97,800,545

Operations		92,628,579	92,628,579
Total all funds	$54,331,554	$136,097,570	$190,429,124
Less estimated income	54,331,554	41,168,446	95,500,000
General fund	$0	$94,929,124	$94,929,124
FTE	0.00	0.00	0.00
UND Medical Center			
Operations		$31,375,828	$31,375,828
Total all funds	$0	$31,375,828	$31,375,828
Less estimated income	0	0	0
General fund	$0	$31,375,828	$31,375,828
FTE	0.00	0.00	0.00
North Dakota State University			
Capital assets	$34,000,000	$1,692,226	$35,692,226
Operations		75,867,399	75,867,399
Total all funds	$34,000,000	$77,559,625	$111,559,625
Less estimated income	34,000,000	0	34,000,000
General fund	$0	$77,559,625	$77,559,625
FTE	0.00	0.00	0.00
State College of Science			
Capital assets	$368,920	$753,332	$1,122,252
Operations		25,008,824	25,008,824
Total all funds	$368,920	$25,762,156	$26,131,076
Less estimated income	368,920	0	368,920
General fund	$0	$25,762,156	$25,762,156
FTE	0.00	0.00	0.00
Dickinson State University			
Capital assets	$5,000,000	$383,690	$5,383,690
Operations		14,605,516	14,605,516
Total all funds	$5,000,000	$14,989,206	$19,989,206
Less estimated income	5,000,000	0	5,000,000
General fund	$0	$14,989,206	$14,989,206
FTE	0.00	0.00	0.00
Mayville State University			
Capital assets	$1,500,000	$208,994	$1,708,994
Operations		9,011,492	9,011,492
Total all funds	$1,500,000	$9,220,486	$10,720,486
Less estimated income	1,500,000	0	1,500,000
General fund	$0	$9,220,486	$9,220,486
FTE	0.00	0.00	0.00
Minot State University			
Capital assets	$3,535,000	$5,596,870	$9,131,870
Operations		27,239,131	27,239,131
Total all funds	$3,535,000	$32,836,001	$36,371,001
Less estimated income	3,535,000	5,000,000	8,535,000
General fund	$0	$27,836,001	$27,836,001
FTE	0.00	0.00	0.00
Valley City State University			
Capital assets	$282,000	$258,416	$540,416

Operations		11,817,271	11,817,271
Total all funds	$282,000	$12,075,687	$12,357,687
Less estimated income	32,000	0	32,000
General fund	$250,000	$12,075,687	$12,325,687
FTE	0.00	0.00	0.00
Minot State University - Bottineau			
Operations		$4,338,485	$4,338,485
Capital asset		3,609,725	3,609,725
Total all funds	$0	$7,948,210	$7,948,210
Less estimated income	0	3,500,000	3,500,000
General fund	$0	$4,448,210	$4,448,210
FTE	0.00	0.00	0.00
Forest Service			
Capital assets	$101,638		$101,638
Operations	2,928,016		2,928,016
Total all funds	$3,029,654	$0	$3,029,654
Less estimated income	975,001	0	975,001
General fund	$2,054,653	$0	$2,054,653
FTE	12.40	0.00	12.40
Bill Total			
Total all funds	$499,530,618	$49,260,946	$548,791,564
Less estimated income	111,292,551	51,110,946	162,403,497
General fund	$388,238,067	($1,850,000)	$386,388,067
FTE	2196.67	0.00	2196.67

Senate Bill No. 2003 - - General Fund Summary of Senate Action

	Executive Budget	Senate Changes	Senate Version
University System Office	$385,589,539	($328,454,964)	$57,134,575
Bismarck State College		17,125,503	17,125,503
Lake Region State College	343,875	5,437,769	5,781,644
Williston State College		5,845,369	5,845,369
University of North Dakota		94,929,124	94,929,124
UND Medical Center		31,375,828	31,375,828
North Dakota State University		77,559,625	77,559,625
State College of Science		25,762,156	25,762,156
Dickinson State University		14,989,206	14,989,206
Mayville State University		9,220,486	9,220,486
Minot State University		27,836,001	27,836,001
Valley City State University	250,000	12,075,687	12,325,687
Minot State University - Bottineau		4,448,210	4,448,210
Forest Service	2,054,653		2,054,653
Total general fund	$388,238,067	($1,850,000)	$386,388,067

Detail of Senate Changes to the General Fund

	Allocates Funding For Campus Operations[1]	Allocates Funding For Campus Extraordinary Repairs[2]	Removes Funding for Campus Energy Improvement Projects[3]	Adjusts Funding for Major Capital Projects[4]	Removes Funding for the Learning Management System[5]	Removes Funding for the Child Care Grant Program[6]
University System Office	($319,927,548)	($6,677,416)			($950,000)	($2,000,000)
Bismarck State College	16,882,022	243,481				
Lake Region State College	5,394,107	43,662				
Williston State College	5,758,894	86,475				
University of North Dakota	92,628,579	2,300,545				
UND Medical Center	31,375,828					
North Dakota State University	75,867,399	1,692,226				
State College of Science	25,008,824	753,332				
Dickinson State University	14,605,516	383,690				
Mayville State University	9,011,492	208,994				
Minot State University	27,239,131	596,870				
Valley City State University	11,817,271	258,416				
Minot State University - Bottineau	4,338,485	109,725				
Forest Service						
Total general fund	$0	$0	$0	$0	($950,000)	($2,000,000)

	Provides Additional Funding for Student Financial Assistance Grants[7]	Increases Funding for Board Initiatives[8]	Total General Fund Changes
University System Office	$400,000	$700,000	($328,454,964)
Bismarck State College			17,125,503
Lake Region State College			5,437,769
Williston State College			5,845,369
University of North Dakota			94,929,124
UND Medical Center			31,375,828
North Dakota State University			77,559,625
State College of Science			25,762,156
Dickinson State University			14,989,206
Mayville State University			9,220,486
Minot State University			27,836,001
Valley City State University			12,075,687
Minot State University - Bottineau			4,448,210
Forest Service			
Total general fund	$400,000	$700,000	($1,850,000)

Senate Bill No. 2003 - - Other Funds Summary of Senate Action

	Executive Budget	Senate Changes	Senate Version
University System Office	$2,337,276		$2,337,276
Bismarck State College	2,302,800	1,442,500	3,745,300
Lake Region State College			
Williston State College	6,910,000		6,910,000
University of North Dakota	54,331,554	41,168,446	95,500,000
UND Medical Center			
North Dakota State University	34,000,000		34,000,000
State College of Science	368,920		368,920
Dickinson State University	5,000,000		5,000,000
Mayville State University	1,500,000		1,500,000
Minot State University	3,535,000	5,000,000	8,535,000
Valley City State University	32,000		32,000
Minot State University - Bottineau		3,500,000	3,500,000
Forest Service	975,001		975,001
Total other funds	$111,292,551	$51,110,946	$162,403,497

Detail of Senate Changes to Other Funds

	Allocates Funding For Campus Operations[1]	Allocates Funding For Campus Extraordinary Repairs[2]	Removes Funding for Campus Energy Improvement Projects[3]	Adjusts Funding for Major Capital Projects[4]	Removes Funding for the Learning Management System[5]	Removes Funding for the Child Care Grant Program[6]
University System Office						
Bismarck State College				1,442,500		
Lake Region State College						
Williston State College						
University of North Dakota			(2,331,554)	43,500,000		
UND Medical Center						
North Dakota State University						
State College of Science						
Dickinson State University						
Mayville State University						
Minot State University				5,000,000		
Valley City State University						
Minot State University - Bottineau				3,500,000		
Forest Service						
Total other funds	$0	$0	($2,331,554)	$53,442,500	$0	$0

	Provides Additional Funding for Student Financial Assistance Grants[7]	Increases Funding for Board Initiatives[8]	Total Other Funds Changes
University System Office			
Bismarck State College			1,442,500
Lake Region State College			
Williston State College			
University of North Dakota			41,168,446
UND Medical Center			
North Dakota State University			
State College of Science			
Dickinson State University			
Mayville State University			
Minot State University			5,000,000
Valley City State University			
Minot State University - Bottineau			3,500,000
Forest Service			
Total other funds	$0	$0	$51,110,946

Senate Bill No. 2003 - - All Funds Summary of Senate Action

	Executive Budget	Senate Changes	Senate Version
University System Office	$387,926,815	($328,454,964)	$59,471,851
Bismarck State College	2,302,800	18,568,003	20,870,803
Lake Region State College	343,875	5,437,769	5,781,644
Williston State College	6,910,000	5,845,369	12,755,369
University of North Dakota	54,331,554	136,097,570	190,429,124
UND Medical Center		31,375,828	31,375,828
North Dakota State University	34,000,000	77,559,625	111,559,625
State College of Science	368,920	25,762,156	26,131,076
Dickinson State University	5,000,000	14,989,206	19,989,206
Mayville State University	1,500,000	9,220,486	10,720,486
Minot State University	3,535,000	32,836,001	36,371,001
Valley City State University	282,000	12,075,687	12,357,687
Minot State University - Bottineau		7,948,210	7,948,210
Forest Service	3,029,654		3,029,654
Total all funds	$499,530,618	$49,260,946	$548,791,564
FTE	2196.67	0.00	2196.67

Detail of Senate Changes to All Funds

	Allocates Funding For Campus Operations[1]	Allocates Funding For Campus Extraordinary Repairs[2]	Removes Funding for Campus Energy Improvement Projects[3]	Adjusts Funding for Major Capital Projects[4]	Removes Funding for the Learning Management System[5]	Removes Funding for the Child Care Grant Program[6]
University System Office	($319,927,548)	($6,677,416)			($950,000)	($2,000,000)
Bismarck State College	16,882,022	243,481		1,442,500		
Lake Region State College	5,394,107	43,662				
Williston State College	5,758,894	86,475				
University of North Dakota	92,628,579	2,300,545	(2,331,554)	43,500,000		
UND Medical Center	31,375,828					
North Dakota State University	75,867,399	1,692,226				
State College of Science	25,008,824	753,332				
Dickinson State University	14,605,516	383,690				
Mayville State University	9,011,492	208,994				
Minot State University	27,239,131	596,870		5,000,000		
Valley City State University	11,817,271	258,416				
Minot State University - Bottineau	4,338,485	109,725		3,500,000		
Forest Service						
Total all funds	$0	$0	($2,331,554)	$53,442,500	($950,000)	($2,000,000)
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	Provides Additional Funding for Student Financial Assistance Grants[7]	Increases Funding for Board Initiatives[8]	Total All Funds Changes
University System Office	$400,000	$700,000	($328,454,964)
Bismarck State College			18,568,003
Lake Region State College			5,437,769
Williston State College			5,845,369
University of North Dakota			136,097,570
UND Medical Center			31,375,828
North Dakota State University			77,559,625
State College of Science			25,762,156
Dickinson State University			14,989,206
Mayville State University			9,220,486
Minot State University			32,836,001
Valley City State University			12,075,687
Minot State University - Bottineau			7,948,210
Forest Service			
Total all funds	$400,000	$700,000	$49,260,946
FTE	0.00	0.00	0.00

[1] The executive budget recommendation consolidates the funding for support of the operations of the higher education institutions in the University System office line item campus operations. This amendment allocates the funding of $319,927,548 from the general fund provided in the University System office campus operations line item to the individual higher education institutions.

[2] The executive budget recommmendation for the University System office contingency, extraordinary repairs, and capital emergency line item includes funding of $6,677,416 from the general fund for campus extraordinary repairs. This amendment allocates the funding to individual higher education institutions.

[3] The executive budget recommendation includes funding of $2,331,554 from bonding proceeds for energy improvement projects at the University of North Dakota. The funding for these projects is inadvertently included in both Senate Bill No. 2003 and Senate Bill No. 2023; therefore, this amendment removes the funding included for the projects from Senate Bill No. 2003.

[4] This amendment adjusts funding for major capital projects as follows:

	Executive Budget			Senate Version			Increase (Decrease) from Senate Version to Executive Budget
	Special Funds	Revenue Bond Proceeds	Total	Special Funds	Revenue Bond Proceeds	Total	
BSC - New residence hall		$1,800,000	$1,800,000	$625,000	$2,617,500	$3,242,500	$1,442,500
UND - O'Kelly Hall				3,500,000		3,500,000	3,500,000
UND - New nursing facility				3,900,000		3,900,000	3,900,000
UND - Bio-containment laboratory				31,000,000		31,000,000	31,000,000
UND - American Indian Center	$3,500,000		3,500,000				(3,500,000)
UND - Carneige Library renovation	3,000,000		3,000,000				(3,000,000)
UND - Parking ramp construction		12,000,000	12,000,000		19,000,000	19,000,000	7,000,000
UND - Housing replacement project		16,000,000	16,000,000		20,000,000	20,000,000	4,000,000
UND - Dining center renovation		1,500,000	1,500,000		2,100,000	2,100,000	600,000
MiSU - Crane Hall renovation	3,535,000		3,535,000		5,000,000	5,000,000	1,465,000
MiSU - Center for applied professional education				3,535,000		3,535,000	3,535,000
SU - Bottineau - Entreprenuerial center for horticulture				3,500,000		3,500,000	3,500,000
tal	$10,035,000	$31,300,000	$41,335,000	$46,060,000	$48,717,500	$94,777,500	$53,442,500

This amendment changes the purpose of the Governor's recommended special funds appropriation of $3,535,000 for Minot State University from renovation of Crane Hall to construction of a Center for Applied Professional Education from other institutional and private resources. The amendment also adds bonding authority of $5,000,000 for Minot State University for renovation of Crane Hall and adds a new section to the bill to allow Minot State University to enter into a contract/lease arrangement for the renovation and operation of the hall.

[5] This amendment reduces funding for common information services by $950,000, from $21,924,083 to $20,974,083, to remove funding associated with the implementation of a new learning management system.

[6] This amendment removes funding of $2,000,000 from the general fund for the recommended child care component of student financial assistance grant program.

[7] This amendment adds funding of $400,000 from the general fund for the student financial assistance grant program. The amendment also changes Section 10 of the bill as introduced to provide that the funding in the student financial assistance grant line item may be allocated for the student financial assistance grant program and a child care grant program as determined by the State Board of Higher Education. The board is to consider applicants demonstrating the greatest unmet financial need in making the allocations.

[8] This amendment increases funding for the board initiatives line item by $700,000 from the general fund from $915,940 to $1,615,940.

Senate Bill No. 2003 - Other Changes - Senate Action

This amendment also:

- Removes Sections 19, 20, 21, and 22 of the bill as introduced relating to the continuation of statutory provisions relating to continuing appropriation authority for higher education institutions' special revenue funds, budget requests and block grant appropriations, and unexpended general fund appropriations as these provisions were included in Senate Bill Nos. 2034, 2035, and 2036.
- Amends Section 16 of the bill as introduced to clarify that North Dakota State University's College of Business Building could be constructed by the North Dakota State University Foundation or other private entity.
- Adds a section providing that the State Board of Higher Education is to 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 equity within the plan, during the 2005-06 interim. The board is to report periodically to an appropriation committee of the Legislative Council and the Budget Section on the status of the review during the 2005-06 interim.
- Adds a section of legislative intent providing that the Office of Management and Budget shall submit the appropriations bill for the North Dakota University System for the 2007-09 biennium for introduction to the 60th Legislative Assembly in the same format as approved by the 59th Legislative Assembly.
- Adds a section to the bill to provide for a performance audit of the University of North Dakota School of Medicine and Health Sciences.

NORTH DAKOTA UNIVERSITY SYSTEM OFFICE

SCHEDULE 1

Comparison of 2005-07 Engrossed SB2003 to 2003-05 Adjusted Appropriation, By Line Item

Senate version

	2005-07 Engrossed SB2003	2003-05 Adj Appropriation	Increase (Decrease)	Schedule 2 Line Reference
System Governance:				
Operations	$5,520,712	$5,320,151	$200,561	
Subtotal all funds	5,520,712	5,320,151	200,561	
Less estimated income	189,926	300,815	(110,889)	
Subtotal general fund appropriation	5,330,786	5,019,336	311,450	Line 17
Student Grant Programs:				
Student Financial Assistance Grants	4,776,288	3,604,288	1,172,000	
Scholars Program	862,077	912,077	(50,000)	
ND Indian Scholarship Program	251,988	204,488	47,500	
Professional Student Exchange Program	1,713,780	1,713,780	0	
Education Incentive Programs	1,227,902	1,227,902	0	
Subtotal all funds	8,832,035	7,662,535	1,169,500	
Less estimated income	172,000	750,000	(578,000)	
Subtotal general fund appropriation	8,660,035	6,912,535	1,747,500	Line 12
System Grant Programs:				
EPSCoR	5,190,000	4,750,000	440,000	
Title II Grant	695,600	695,600	0	
Professional Liability Insurance	1,350,000	1,850,000	(500,000)	
Operations Pool	578,417	578,417	0	
Contingency & Cap Impr Emergency	436,921	1,878,678	(1,441,757)	
Common Information Services	20,974,083	18,555,783	2,418,300	
Subtotal all funds	29,225,021	28,308,478	916,543	
Less estimated income	695,600	2,151,674	(1,456,074)	
Subtotal general fund appropriation	28,529,421	26,156,804	2,372,617	Lines 11+13+23+30
System Projects:				
Capital Assets-Bond Payments	14,278,141	12,790,689	1,487,452	
Board Initiatives	1,615,940	466,142	1,149,798	
Subtotal all funds	15,894,081	13,256,831	2,637,250	
Less estimated income	1,279,750	1,342,500	(62,750)	
Subtotal general fund appropriation	14,614,331	11,914,331	2,700,000	Lines 4+21
TOTAL				
Total all funds	59,471,849	54,547,995	4,923,854	
Less estimated income	2,337,276	4,544,989	(2,207,713)	
Total general fund appropriation	57,134,573	50,003,006	7,131,567	

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19-SB2003.1

SCHEDULE 2

North Dakota University System

Comparison of 2005-07 State-linked Budget Request to Executive Recommendation and Engrossed SB2003

	2005-07 Budget Request	Executive Recommendation	Engrossed SB2003	Difference Between Budget Request & Executive Recommendation	Difference Between Budget Request & Engrossed SB2003
1 2003-05 Original General Fund Appropriation	$ 361,541,418	$ 361,541,418	$ 361,541,418	$ -	$ -
2 Less Base Adjustments	(2,062,523)	(2,062,523)	(2,062,523)	-	-
3 2003-05 Adjusted General Fund Appropriation	359,478,895	359,478,895	359,478,895	-	-
2005-07 General Fund Increases (Decreases):					
4 Increase in Capital Bond Payments	1,550,202	1,550,202	1,550,202	-	-
Common Information Services (CIS) Priorities:					
5 Parity	1,018,300	1,018,300	1,018,300		
6 Network Growth	825,000	825,000	825,000		
7 Virus Software License	175,000	175,000	175,000		
8 ODIN Service Librarian	100,000	100,000	100,000		
9 Learning Management System	950,000	950,000	-		
10 IVN Equipment Refurbishment	300,000	300,000	300,000		
11 Subtotal - CIS	3,368,300	3,368,300	2,418,300	-	(950,000)
Student Financial Aid Increase					
State grant increase of $300,000 and $47,500 increase for ND Indian Scholarship Program included in request	347,500	1,347,500	1,747,500		
12 Subtotal - Student Financial Aid Increases	347,500	1,347,500	1,747,500	1,000,000	1,400,000
13 EPSCOR	440,000	440,000	440,000	-	-
NDUS Office Budget					
14 Parity	209,250	209,250	209,250		
15 WICHE/MHEC dues increase	27,000	27,000	27,000		
16 FINDET increase, assuming $33,100 DPI funding in base	75,200	75,200	75,200		
17 Subtotal - NDUS Office Budget Increase	311,450	311,450	311,450	-	-
Forest Service					
18 Parity	160,000	160,000	160,000		
19 3% increase	53,000	53,000	53,000		
20	213,000	213,000	213,000	-	-
21 Board Initiative Block Grant	449,798	449,798	1,149,798	-	700,000
Capital Assets or Contingency Fund Increase					
22 Campus Capital Assets	1,000,000	(173,192)	(173,192)	(1,173,192)	(1,173,192)
23 Contingency Fund		14,317	14,317	14,317	14,317
24 Total	1,000,000	(158,875)	(158,875)	(1,158,875)	(1,158,875)
Balance to Parity and Equity:					
25 80% to Parity	16,863,136	15,263,136	15,263,136	(1,600,000)	(1,600,000)
26 20% to Equity	4,215,784	3,815,784	3,815,784	(400,000)	(400,000)
27 Subtotal - Parity and Equity	21,078,920	19,078,920	19,078,920	(2,000,000)	(2,000,000)
28 Child Care Grant Program		2,000,000		2,000,000	-
29 General Fund Capital Projects (State Bonding Requested)		658,875	658,875	658,875	658,875
30 Decrease to Professional Liability Insurance		(500,000)	(500,000)	(500,000)	(500,000)
31 Total General Fund Increase-21% Budget Request	28,759,170	28,759,170	26,909,170	1,158,875	(1,850,000)
32 Total 2003-05 Adj Appropriation Plus Increase	$ 388,238,065	$ 388,238,065	$ 386,388,065	$ 1,158,875	$ (1,850,000)

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NDUS Office

Summary of Changes from 2003-05 Legislative Appropriation to Executive Recommendation, Engrossed SB2003 and Requested House Version

	General Fund	Other Funds	Total
2003-05 Original Appropriation	**$ 56,618,730**	**$ 3,855,507**	**$ 60,474,237**
Base Adjustments	**(6,615,724)**	**(841,592)**	**(7,457,316)**
2003-05 Adjusted Appropriation (Net of Base Adj)	**50,003,006**	**3,013,915**	**53,016,921**
Executive Recommendation Adjustments:			
Increase in Capital Bond Payments	1,550,202		1,550,202
Common Information Services (CIS) Priorities:			-
Parity	1,018,300		1,018,300
Network Growth	825,000		825,000
Virus Sorftware License	175,000		175,000
ODIN Service Librarian	100,000		100,000
Learning Management System (LMS)	950,000		950,000
IVN Equipment Refurbishment	300,000		300,000
Subtotal - CIS	3,368,300	-	3,368,300
State Grant Increase	1,300,000		1,300,000
ND Indian Scholarship Program Increase	47,500		47,500
Subtotal-Student Financial Aid	1,347,500	-	1,347,500
EPSCOR	440,000		440,000
NDUS Office Parity	209,250		209,250
WICHE/MHEC dues increase	27,000		27,000
FINDET increase, assumes $33,100 DPI funding in base	75,200		75,200
Board Initiative Block Grant	449,798		449,798
Capital Assets or Contingency Fund Increase	14,317		14,317
Transfer of Campus Operations Pool	319,927,548		319,927,548
Transfer of Campus Base Extraordinary Repairs	6,677,416		6,677,416
Child Care Grant Program	2,000,000		2,000,000
Professional Liability Insurance	(500,000)		(500,000)
Decrease in Other Fund Authority		(676,639)	(676,639)
Subtotal-Adjustments per Executive Recommendatior	**335,586,531**	**(676,639)**	**334,909,892**
Executive Budget Recommendation	**385,589,537**	**2,337,276**	**387,926,813**
Senate Adjustments:			
Allocation from NDUS Campus Operations Pool	(319,927,548)		(319,927,548)
Allocation from NDUS Conting/Extraordinary Repairs Pool	(6,677,416)		(6,677,416)
Remove LMS Funding	(950,000)		(950,000)
Remove Child Care Grant Funding	(2,000,000)		(2,000,000)
Increase State Grant Funding	400,000		400,000
Increase Board Initiative Funding	700,000		700,000
Subtotal-Senate Adjustments	(328,454,964)	-	(328,454,964)
Engrossed SB 2003	57,134,573	2,337,276	59,471,849
Engrossed SB 2003 Compared to 2003-05 Adj Appr	**7,131,567**	**(676,639)**	**6,454,928**
Restoration Request:			
Increae Board Initiative Funds	500,000		500,000
Subtotal-Restoration Request	500,000	-	500,000
House Requested Version	$ 57,634,573	$ 2,337,276	$ 59,971,849

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Calculation of Higher Education's Share of General Fund

05-07 Revenue Forecast	$	1,890,447,500
* Less Other Transfers	$	(21,900,000)
Total	$	1,868,547,500
21 Percent of Ongoing Revenue	$	392,394,975
Higher Ed General Fund Recommendation	$	388,238,067
**Workforce Training money in Career & Tech Ed.		1,350,000
	$	389,588,067
Higher Ed Share of Ongoing Revenue		20.85%

* Other Transfers:

Land and Minerals Trust Fund	$5,000,000
Health Care Trust Fund	16,900,000
	$21,900,000

**Section 2 of HB 1020 from the 2003 Legislature provided that the workforce training appropriation to the Department of Career & Technical Education, which is provided as a grant to Higher Education should be considered by the NDUS as part of Higher Education's share of total general fund appropriations.

Note - Also included in the Governor's Executive Budget Recommendation are two deficiencies:

North Dakota State University	$1,500,000
University of North Dakota	371,000
	$1,871,000

If the deficiencies were included in the calculation, the percentage would be **20.95%**

North Dakota University System
2005-07 SB2003
Capital Assets Appropriation

2003-05 Adjusted Appropriation	$ 12,790,689
Net Increase ($1,550,202 GF Increase, less $62,750 OF Decrease)	1,487,452
2005-07 Executive Recommendation	$ 14,278,141
Funding Sources:	
General Fund	12,998,391
Other Funds	1,279,750
SB2003 - Line 2 (Section 3, Page 9)	**$14,278,141**

This level of funding was based on estimates provided by the Industrial Commission.

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North Dakota University System
2005-07 SB2003
Campus Operations Appropriation

In the executive recommendation, all operating funds (including salaries, operating and equipment) of the campuses and Medical School were removed from their respective budgets and included in the "campus operations" line in the NDUS Office budget. The 2003-05 adjusted appropriation, as well as each campus' share of the parity and equity increases that were included in the executive recommendation, are detaled below.

	2003-05 Adj Approp*	Parity	Equity	Total
BSC	$ 15,612,327	$ 910,569	$ 359,125	$ 16,882,021
LRSC	5,032,682	232,285	129,140	5,394,107
WSC	5,436,978	269,886	52,031	5,758,895
UND	86,862,537	4,568,356	1,197,686	92,628,579
NDSU	70,694,066	3,842,009	1,331,324	75,867,399
NDSCS	23,869,431	1,082,256	57,137	25,008,824
DSU	13,669,533	778,179	157,804	14,605,516
MaSU	8,602,335	409,157	-	9,011,492
MiSU	25,890,346	1,199,472	149,313	27,239,131
VCSU	11,304,672	512,599	-	11,817,271
MiSU-BC	4,102,856	186,778	48,851	4,338,485
UND School of Medicine and Health Sciences	29,770,865	1,271,590	333,373	31,375,828
SB2003 - Line 1 (Section 3, Page 9)	**$ 300,848,628**	**$ 15,263,136**	**$ 3,815,784**	**$ 319,927,548**

The following amounts have been excluded for one-time 2003-05 legislative funding: BSC $500,000; NDSU $750,000; UND School of Medicine and Health Sciences $395,000.

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NORTH DAKOTA UNIVERSITY SYSTEM
ESTIMATED 2005-07 SPECIAL ASSESSMENTS

	(1) 05--07 Special Assessments Estimate	(2) 05-07 Exec. Rec. for Extraordinary Repairs	(3) Balance Remaining AFTER Special Assessments
BSC	$116,300	$243,481	$127,181
LRSC		43,662	43,662
WSC		86,475	86,475
UND	158,700	2,300,545	2,141,845
NDSU	40,000	1,692,226	1,652,226
NDSCS	77,600	753,332	675,732
DSU		383,690	383,690
MASU	95,000	208,994	113,994
MISU		596,870	596,870
VCSU	39,000	258,416	219,416
MISU-BC		109,725	109,725
TOTAL	526,600	6,677,416	6,150,816

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North Dakota University System
2005-07 SB2003
Contingency, Extraordinary Repairs and Capital Emergency Appropriation

2003-05 Adjusted Appropriation		$ 1,878,678
Increase (decrease):		
2003-05 other fund appropriation for UND/NDSU disaster repayments from the Water Development Trust Fund	(1,456,074)	
Increase for pooled campus extraordinary repairs (see detail below)	6,677,416	
Other general fund increase	14,319	
Net Increase		5,235,661
2005-07 Executive Recommendation		$ 7,114,339

The 2005-07 executive recommendation includes $6,677,416 for the extraordinary repairs that were removed from the individual campus appropriations and merged into this line of the NDUS Office budget, as well as $436,923 that will be used to address unforeseen needs.

The following represents the amounts, by campus, that were merged into this line:

BSC	$ 243,481	
LRSC	43,662	
WSC	86,475	
UND	2,300,545	
NDSU	1,692,226	
NDSCS	753,332	
DSU	383,690	
MaSU	208,994	
MiSU	596,870	
VCSU	258,416	
MiSU-BC	109,725	
Total campus extraordinary repairs		$ 6,677,416
Other		436,923
SB2003 - Line 9 (Section 3, Page 9)		**$ 7,114,339**

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North Dakota University System
2003-05 Contingency and Capital Improvement Emergency Fund Status
January 17, 2004

Sources		
03-05 Appropriaton	$ 1,752,767	
01-03 Carryover	125,911	$ 1,878,678
Uses		
UND/NDSU Disaster Repayments -		
Water Development Trust Fund	1,456,074	
Disabled Student Services	51,560	
NDSCS-Steam Line	47,300	
Connect ND	250,000	1,804,934
Uncommitted Balance		$ 73,744

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North Dakota University System
2005-07 SB2003
Professional Liability Insurance Appropriation

2003-05 Adjusted Appropriation	$ 1,850,000
Decrease	(500,000)
SB2003 - Line 10 (Section 3, Page 9)	**$ 1,350,000**

The executive recommendation is $500,000 less than what was provided in 2003-05 for medical malpractice coverage premiums and continued coverage for student internship programs, and is based on actual projected premiums, as determined by State Risk Management.

UND currently has a set aside reserve balance of $632,723 from 03-05 appropriation to assist with claims deductibles.

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North Dakota University System
2005-07 SB2003
Operations Pool Appropriation

SB2003 - Line 8 (Section 3, Page 9) **$ 578,417**

Funding proposals/needs will be reevaluated during the 2005-07 biennium, and the funds will be allocated based upon Board priorities. This is the same level of funding that was provided in 2003-05.

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North Dakota University System
2005-07 SB2003
Title II Appropriation

SB2003 - Line 6 (Section 3, Page 9) Federal Funds **$ 695,600**

This **federal funding** is distributed on a competitive basis to institutions of higher education and organizations to provide services to elementary and secondary teachers to improve the teaching-learning process in mathematics and science. The ultimate goal is to improve both pedagogy and student performance. Federal funding is projected to be stable for the Title II Program, and federal fund authority was included at the same level as 2003-05 in the budget request and executive recommendation.

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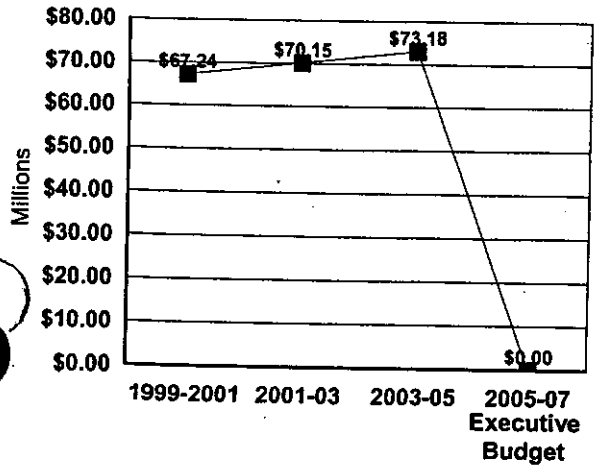
Prepared by the North Dakota Legislative Council staff for House Appropriations
February 25, 2005

Department 235 - North Dakota State University
Senate Bill Nos. 2003 and 2023

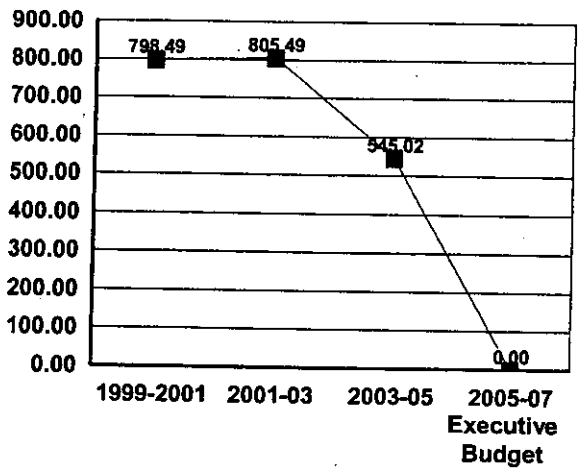
	FTE Positions	General Fund	Other Funds	Total
2005-07 Executive Budget	0.00	$0	$37,500,000	$37,500,000
2003-05 Legislative Appropriations	545.02	73,181,597	26,000,000	99,181,597[1]
Increase (Decrease)	(545.02)	($73,181,597)	$11,500,000	($61,681,597)

[1]The 2003-05 appropriation amounts include general fund allocations of $3,820,027 from the technology pool and $47,080 relating to the transfer of funding associated with the statewide psychiatric nursing education program from the University of North Dakota to various higher education institutions. The 2003-05 appropriation amounts do not reflect $169,152 of general fund and $30,463,275 of special funds 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)

	General Fund	Other Funds	Total
1. Consolidates operations and extraordinary repair funding for all higher education institutions into the University System budget. The Senate appropriated operations and extraordinary repair funding for each of the higher education institutions.	($71,444,066)		($71,444,066)
2. Removes one-time funding provided in the 2003-05 biennium for extraordinary repairs and capital projects	($1,737,531)	($26,000,000)	($27,737,531)
3. Provides funding for major capital projects for the 2005-07 biennium--hazardous material handling and storage facility included in Senate Bill No. 2023 ($3.5 million), Memorial Union renovation and addition ($22 million), and Wellness Center addition ($12 million). The Senate decreased funding from bond proceeds for the hazardous material handling and storage facility by $200,000, for a total of $3.3 million.		$37,500,000	$37,500,000

Major Related Legislation

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 higher 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. 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 requirement 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 the 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 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.



NORTH DAKOTA STATE UNIVERSITY
FARGO, ND

SENATE APPROPRIATIONS COMMITTEE

Senator Ray Holmberg, chair
8:30 a.m.
Wednesday, January 19, 2005

With exception of those pages same testimony given to the House

SB 2003

NORTH DAKOTA STATE UNIVERSITY

Joseph A. Chapman, President, NDSU

PRESIDENT JOSEPH A. CHAPMAN
SENATE APPROPRIATIONS COMMITTEE
JANUARY 19, 2005

On December 28, 2004, I sent you a letter and a copy of the State of the University Address that gives:

1) an overview of North Dakota State University and

2) reports on an economic analysis that reveals NDSU's additional economic impact was nearly $1 billion over the last five years.

   - and for every new dollar appropriated to NDSU, we have generated $7.50.

NDSU is North Dakota's original land-grant university. The land-grant mission is three-fold:

- Education - Morrill Act 1862
- Research - Hatch Act 1887
- Service - Smith-Lever Act 1914

I would like to relate these missions to our five campus themes and cluster around each of them a new set of ambitious but less quantitative goals:

Our institutional goals for <u>It's About People</u> are:

- Increase salaries.
- Address salary compression/inversion.
- Foster an environment of empowerment.
  - We have achieved campus-wide unity of purpose.
- Embrace diversity.
  - Campus diversity strategic plan.
  - Currently, NDSU has over 600 international students from 67 countries.
  - Goal: 1,000 international students.



HOUSE APPROPRIATIONS COMMITTEE

Representative Ken Svedjan, chair
8:00 a.m.
Tuesday, March 1, 2005

SB 2003

NORTH DAKOTA STATE UNIVERSITY

Joseph A. Chapman, President, NDSU

PRESIDENT JOSEPH A. CHAPMAN
HOUSE APPROPRIATIONS COMMITTEE
MARCH 1, 2005

On December 28, 2004, I sent you a letter and a copy of the State of the University Address that gives:

1) an overview of North Dakota State University and

2) reports on an economic analysis that reveals NDSU's additional economic impact was nearly $1 billion over the last five years.

   - and for every new dollar appropriated to NDSU, we have generated $7.50.

NDSU is North Dakota's original land-grant university. The land-grant mission is three-fold:

- Education - Morrill Act 1862
- Research - Hatch Act 1887
- Service - Smith-Lever Act 1914

The mission of NDSU, created by a campus committee, is:

> With energy and momentum, North Dakota State University addresses the needs and aspirations of people in a changing world by building on our land-grant foundation.
>
> *Approved State Board of Higher Education Jan. 15, 2004*

I would like to relate these missions to our five campus themes and cluster around each of them a new set of ambitious but less quantitative goals:

Our institutional goals for <u>It's About People</u> are:

- Increase salaries.
- Address salary compression/inversion.
- Foster an environment of empowerment.

   - We have achieved campus-wide unity of purpose.

- Embrace diversity.
    - Campus diversity strategic plan.
    - Currently, NDSU has over 600 international students from 67 countries.
    - Goal: 1,000 international students.

For Students Are Paramount, our goals are:

- Raise student services to a new level.
    - One stop student service center in Memorial Union.
    - New technology "smart" classrooms.
    - On-campus wireless internet access.
    - Continue to build additional housing accommodations.

- Achieve national recognition of student accomplishments.
    - 31 NDSU student-athletes have earned highly prestigious NCAA Post Graduate Scholarships.
    - NDSU civil engineering students won the national steel bridge competition for the third time. No other entrant has won the competition more than once.
- Maintain our commitment to the student partnership in all our efforts.
    - We meet regularly with student leadership.
    - On a less formal level, my wife Gale and I regularly take evening walks across campus, stopping to talk with students to get their opinions about campus matters.
    - The Learning Communities program.
    - The NDSU Learning Community Program is designed to provide a built-in community for first-year students to help them be more

successful academically and to develop skills in leadership and problem-solving.

- From our newest annual employment survey:
  - 94% of last year's graduates are either employed (74.9%) or continuing their education (19.3%).
  - Of those employed 51% are employed in North Dakota and 68% of native North Dakotans remained in our state.

Our goals for Programs are:

- Be recognized as a center for innovative instruction.
  - NDSU is a national leader in the use of Personal Response Systems to obtain real-time student interaction even in the largest of lecture classes.
- Become a national center for emerging technologies and new agricultural products.
  - We are working to establish a national center focused on surface studies with an emphasis on preservation. The technical emphasis will be on corrosion and marine fouling.
  - The integrated approach of the Biosurveillance Initiative enhances state, regional, and national agricultural biosecurity, food safety and public health. The program uses a multi-disciplinary team that crosses academic departments, the Agricultural Experiment Station, the Extension Service and the Research and Technology Park, including partnerships with Dickinson State University, varied state agencies and private industry.
- Foster interdisciplinary programs.
  - There are numerous examples:
    - Electrical and mechanical engineering with Vet Science for biosurveillance in Dickinson.

- Chemistry faculty with polymers and coatings and engineering faculty for spintronics (electronic data storage).

- Polymer scientists with electrical and mechanical engineers for wireless communications (Tessera).

- Computer Scientists (in the Center for High Performance Computing) with Sociologists to produce the documentary on Lewis Clark aired on PBS.

• Deliver our services across the state through University Extension.

- The Rural Leadership North Dakota program utilizes faculty from several colleges to support the program.

- Through the Extension "Center for Community Vitality" two student interns were placed in Oakes and Ellendale the summer of 2004. The Dickey County extension agent worked with both communities to outline the project and provide fiscal support for the interns.

• Ensuring relevancy in all our agencies.

- A wide variety of customers depend on the North Dakota Forest Service as a provider of cooperative forestry assistance programs. Cooperative forestry programs utilize a voluntary, educational and incentive-based approach to address natural resource issues and public service needs.

• Expanding our global perspective.

- 'Twinning' partnership with Ansal Institute of Technology, India allows students to begin studies in India in selected disciplines and transfer to NDSU. NDSU students can spend a semester or more in India.

Our goals for <u>Leveraging Support</u> include:

• Completing our capital campaign.

• Building on our success to date in raising $10 million of $15 million for the new College of Business Administration building.

- Enhancing business partnerships.

  NDSU has strategic relationships with

  - John Deere through Phoenix International.
  - Tessera Corporation (San Jose) for microelectronics in wireless communications.
  - Symyx Corporation (Santa Clara) for Combinatorial High Throughput Technology applied to soft and hard coatings materials.
  - Superconducting Technologies (Santa Barbara) for detectors for microsensors.
  - ISR (Spokane) on spraycooling technologies applied to remove heat from computers.
  - Alien Technology for research, development and manufacturing of RFID tags at NDSU Research and Technology Park.

- Seeking equity in public funding.
- Developing and enhancing our infrastructure.
  - The New Bison Courts - now under construction.
  - NDSU Downtown – studio arts and architecture.
  - Center for Technology Enterprise (this spring).
  - On-campus teaching and research hotel (this spring).
  - Alien Technology (this spring).

Our goals for the campus theme of <u>Stature</u> are:

- Being a national model of a contemporary land-grant university.
  - North Dakota State University now has the academic program mix of our land-grant peers.

- With $102.1 million in research expenditures reported to the National Science Foundation, NDSU is North Dakota's leading research university. In 2002, we were 126th of the top 620 universities and research centers in the nation. Our goal is to become one of the top 100 research universities in the nation.

- NDSU is attracting quality faculty, as evidenced by the presence of seven NSF CAREER Awardees on faculty.

- Continuing to build our national and international exposure for all our programs.

  - National and international news media attention has come from dozens of outlets, including USA Today, The New York Times, the BBC, CNN, and Asian News International.

  - On January 11, 2005, NDSU received a Gold Medal from the Council for the Advancement and Support of Education (District 6) for the NDSU Magazine.

  - Our efforts to keep our focus on students were recognized by the National Association of Student Personnel Administrators who named George Wallman a Pillar of the Profession and granted me its national President's Award.

Enrollment:

- Enrollment has surpassed 12,000 students including 1,466 graduate students.

- Targeted growth by creating new graduate programs - growth is providing opportunities to our students for advanced study in new disciplines, as well as providing businesses with an employee pool with specialized advanced educational achievement.

- Our Fall Semester enrollment in new graduate programs was 320 students.

  - More than one half (172) were North Dakotans who otherwise would have had to leave the state to enroll in a similar program.

  - The remaining 148 students illustrate how new academic programs attract young people to our state.

- Overall, of 1,501 graduate students, 896 are North Dakota residents or have a degree from a North Dakota college or university.

- Graduate students are vital to our growth as a research university.

- Growth will be maintained by focusing on graduate, non-resident and international students through high quality, high demand programs.

	Headcount	Increase	FTE	Increase	Graduate
Fall '99	9,638		8,253		869
Fall '00	9,894	256	8,469	216	919
Fall '01	10,538	644	9,056	587	1,105
Fall '02	11,146	608	9,368	312	1,272
Fall '03	11,623	477	9,701	333	1,466
Fall '04	12,026	403	10,073	372	1,477
TOTAL INCREASE		**2,388**		**1,820**	**608**

Source: NDUS Fall Enrollment Report

NDSU is committed to collaborative efforts.

- Research sub-awards from 18 national universities. NDSU awarded sub-awards to 33 state and national universities.

- NDSU has research affiliations with 41 universities.

- Examples of in-state collaborations include:

  - A bio-safety initiative with Dickinson State University.

  - Our leadership with the Nesson Valley water project.

  - Joint efforts in Pharmacy with the State School of Science.

  - The Red River Valley Research Corridor.

  - Elementary Education with Valley City State University.

  - Transportation with Bismarck State College.

  - A joint History PhD program with UND.

Centers of Excellence – We have five Centers of Excellence and a one-page explanation of each is included in our written materials.

- NDSU Beef Systems Center of Excellence.
- NDSU Center for High Performance Computing.
- NDSU Center for Nanoscale Science and Engineering.
- NDSU Center of Excellence – Genetics.
- NDSU Center for Technology Enterprise.

Research and Technology Park.

- The NDSU Research and Technology Park is a significant tool in North Dakota's economic development program.
- Association of University Technology Managers (AUTM) annual survey for FY-03 (July 1, 2002 -June 30, 2003), NDSU ranked 95th out of 158 who responded in research expenditures and 71st in licensing revenue.
- In FY-03, NDSU had a total of 19 invention disclosures which include potentially patentable inventions, plant varieties which may be plant variety protected, and horticultural trademarks.
- In FY-04, the total invention disclosures increased from 19 to 47. This reflects the results of the significant increase in total research expenditures at NDSU.
- NDSU Research Foundation has:
  - 41 US issued patents.
  - 40 pending US patent applications.
  - 60 issued US Plant Variety Protection (PVP) certificates on NDSU developed varieties.
  - 7 pending PVP applications.
  - 16 registered horticultural trademarks.

- 4 pending trademark registration applications.

- 2 other trademark registration applications pending.

Thank you. I would like to introduce Dick Rayl, NDSU Vice President for Business and Finance, to discuss budget details and help answer any questions you may have.

NORTH DAKOTA STATE UNIVERSITY
2005-07 BUDGET REQUEST
ALL FUNDING SOURCES (Including Tuition)

	Adjusted 2003-05 Budget	2005-07 Increased Costs	2005-07 Budget Request
	$ 150,476,877		
Cost to Continue FY05 Salary Increase		$ 3,177,646	
Health Insurance Increase		$ 1,416,890	
Compensation Package (4% & 3%)		$ 5,973,463	
Operating Costs		$ 3,287,619	
Operating for New Facilities		$ 2,219,000	
Extra-Ordinary Repairs		$ 247,516	
Library		$ 500,000	
Faculty and Academic Staff		$ 4,500,000	
Faculty Start-up Packages		$ 800,000	
Student Services Support Staff		$ 700,000	
Business and Finance Support Staff		$ 1,181,180	
Total 2005-07 Increased Costs		**$ 24,003,314**	
			$ 174,480,191

Funding Sources			
General Fund	$ 72,431,597	$ 5,963,158	$ 78,394,755
Tuition	$ 74,913,280	$ 18,026,156	$ 92,939,436
State Land	$ 1,132,000	$ 14,000	$ 1,146,000
Indirect Cost Recoveries	$ 2,000,000	$ -	$ 2,000,000
Total Funding Sources	**$ 150,476,877**	**$ 24,003,314**	**$ 174,480,191**

NORTH DAKOTA STATE UNIVERSITY
2005-07 EXECUTIVE RECOMMENDATION
GENERAL FUND ONLY

	2005-07 Increase Requested	2005-07 Executive Recommendation	Difference
General Fund	$ 5,963,158	$ 5,128,028	$ (835,130)

New general funds over the 2005-07 budget request are needed to fund the growing need for more faculty and staff as the result of an increase of 2,388 students from 1999 to 2004.

The increase in enrollment has also resulted in a need for new general funds for facilities, equipment and general operating costs.

USES FOR ADDITIONAL FUNDING OVER THE 2005-07 BUDGET REQUEST

- Additional faculty in all disciplines.
- Additional operating dollars to support classrooms, labs and facilities.
- Additional classroom and lab equipment needed as a result of increased enrollment and changes in technology.

NORTH DAKOTA STATE UNIVERSITY
2004-05 ANNUAL RESIDENT TUITION RATES
SOURCE: SCHOOLS' WEBSITES, PREPARED BY: J. CUMBER

Regional Institution Comparisons

North Dakota State University [12-20 credits]	$3,981
Minnesota State University Moorhead [16 cr]	$4,450
University of North Dakota	$4,009
University of Minnesota - Twin Cities	$6,678
St. Cloud State University [16 cr]	$4,882
Bemidji State University	$4,944
South Dakota State University (includes $933/semester University support fee)	$4,236
Montana State University - Bozeman	$3,654
University of Minnesota – Duluth	$7,160

Peer Institution Comparison

North Dakota State University [12-20 credits]	$3,981
Clemson University	$7,436
Kansas State University [16 cr]	$4,384
New Mexico State University	$3,666
Oregon State University - Corvallis [16 cr]	$2,792
University of Alaska - Fairbanks [16 cr]	$3,168
University of Arkansas – Fayetteville [16 cr]	$4,389
University of Idaho	$3,632
University of Wyoming [16 cr]	$2,784
Utah State University [16 cr]	$3,374

NORTH DAKOTA STATE UNIVERSITY
2001-03 GENERAL FUND AND OTHER CARRYOVER FUNDS

General Fund Carryover: Capital Improvements/Projects of $169,152 includes roof repairs of $112,662 and health and safety projects of $56,490. These projects were completed in fiscal year 2003-04.

Income Carryover: Capital Improvements/Projects of $21,463,275 includes the following major capital projects not completed in 2001-03. These projects have all been completed in 2003-05 with the exception of the College of Business, which is included in the 2005-07 budget.

Minard Hall	$504,631
Living Learning Center	$947,997
Energy Improvement Project	$10,647
College of Business	$20,000,000
	$21,463,275

The estimated 2001-03 general fund carryover (Operating) is $75,000. This consists of HECN dollars in the Information Technology Services department that have been carried over and used for the HECN Middleware Enterprise Architectural Project. This is a joint project with UND. The funds will be spent in 2003-05.

NORTH DAKOTA UNIVERSITY SYSTEM
REPORT OF CONTINUING APPROPRIATIONS
North Dakota State University

Revised as of February 3, 2005

2000-2001

	Beginning Balance	Revenue	Expenditures	Net Additions/ Deductions/ Transfers	Ending Balance
Auxiliary Services	6,370,300	52,493,100	47,165,400	(5,231,500)	6,466,500
Tuition Collections	322,500	51,878,300	6,142,100	(45,275,400)	783,300
Other Unrestricted	11,159,700	35,046,000	30,324,100	(1,126,200)	14,755,400
Scholarships & Fellowships	8,900	12,254,200	12,477,000	238,000	24,100
Grants & Contracts	2,447,900	71,556,400	67,073,600	(4,635,200)	2,295,400
Loan Funds	7,377,400	337,500	(24,400)	(218,600)	7,520,700
Plant Funds	14,301,000	7,582,500	12,927,800	6,791,300	15,747,000
Endowment Funds	333,400	48,800	-	-	382,200

2002-2003

	Beginning Balance	Revenue	Expenditures	Net Additions/ Deductions/ Transfers	Ending Balance
Auxiliary Services	6,466,500	53,173,700	56,639,000	4,066,700	7,067,800
Tuition Collections	783,300	53,715,800	(9,705,100)	(64,630,800)	(426,600)
Other Unrestricted	14,755,400	33,309,800	27,141,700	(6,093,200)	14,830,300
Scholarships & Fellowships	24,100	17,515,700	18,540,700	1,024,200	23,300
Grants & Contracts	2,295,400	103,995,400	94,345,400	(9,411,800)	2,533,600
Loan Funds	7,520,700	327,700	20,800	(544,400)	7,283,200
Plant Funds	15,747,000	6,117,800	(1,654,600)	(10,776,700)	12,742,700
Endowment Funds	382,200	(12,500)	-	-	369,800

2004-05 Estimate

	Beginning Balance	Revenue	Expenditures	Net Additions/ Deductions/ Transfers	Ending Balance
Auxiliary Services	7,067,800	58,175,800	62,594,200	4,701,800	7,351,200
Tuition Collections	(426,600)	68,038,600	(16,289,100)	(82,154,200)	1,747,000
Other Unrestricted	15,439,000	38,571,000	22,025,200	(10,456,400)	21,528,300
Scholarships & Fellowships	23,300	19,659,800	21,483,500	1,807,700	7,300
Grants & Contracts	1,924,900	136,190,800	120,764,100	(15,284,000)	2,067,600
Loan Funds	7,283,200	412,200	11,500	(378,200)	7,305,700
Plant Funds	12,742,700	2,960,500	(165,900)	(2,549,500)	13,319,600
Endowment Funds	369,800	-	-	-	369,800

2005-07 Estimate

	Beginning Balance	Revenue	Expenditures	Net Additions/ Deductions/ Transfers	Ending Balance
Auxiliary Services	7,351,200	62,329,552	67,063,426	5,037,509	7,654,835
Tuition Collections	1,747,000	72,896,556	(17,452,142)	(88,020,010)	4,075,688
Other Unrestricted	21,528,300	41,324,969	23,597,799	(11,202,987)	28,052,483
Scholarships & Fellowships	7,300	21,063,510	23,017,422	1,946,770	158
Grants & Contracts	2,067,600	145,914,823	129,386,657	(16,375,278)	2,220,489
Loan Funds	7,305,700	441,631	12,321	(405,203)	7,329,807
Plant Funds	13,319,600	3,171,880	(177,745)	(2,731,534)	13,937,691
Endowment Funds	369,800	-	-	-	369,800

NORTH DAKOTA STATE UNIVERSITY
CAPITAL PROJECT REQUESTS

WELLNESS CENTER ADDITION

$12,000,000

North Dakota State University is committed to providing wellness program opportunities to its students, faculty and staff. Therefore, the NDSU Wellness Center opened its doors to its students, faculty and staff in August 2001 after eight years of research and planning. The facility was funded by a $38 per semester student fee that was approved by a vote of the student body in April 1998. Surveys were used to determine what students wanted included in the Wellness Center; however, some of those features had to be omitted because of the amount of financing this fee would purchase. Given this limitation, student members of the Health and Wellness Committee (formed by Student Government) decided that the construction of the facility would be the initial phase with an expansion to come at a later date.

Data collected since the Center opened in August 2001 demonstrated that the Wellness Center has impacted the lives of numerous students, faculty and staff and continues to serve increasing numbers of people on campus in the areas of fitness and childcare. Accordingly, less than two years after the Wellness Center opened, a Wellness Center Expansion Committee was formed. The committee made numerous presentations to and held open forums for campus groups, seeking the students' vote on an increase to the health and wellness fee. NDSU students overwhelmingly approved this fee increase (from $38 per semester to $80 per semester for full-time students) in April 2003 in the largest student body-voting turnout in NDSU history.

The overwhelming success of the first phase of the Wellness Center has prompted the campus to move forward to plan and construct a Wellness Center Addition to meet the wellness needs of a growing campus community. This addition will consist of an additional 72,334 square feet of building space, which will expand the Fitness Program and Child Care areas of the Center and will also provide space for the Campus Recreation/Intramural Sport Program (currently administratively housed within Athletics.) Included in the fitness portion of the addition will be additional strength and cardiovascular rooms and equipment, a suspended running track, three basketball courts, a multipurpose-activity court, four racquetball courts, a climbing wall, martial arts room, a spinning (cycling) room and larger locker room facilities. Childcare will be enlarged to expand from the current 18-child limit to 40 children at one time. Additional play/activity areas, a nursing (lactating) room, quiet crib room space, a larger entry, a larger kitchen, and more storage will also be added.

The total project cost of the proposed addition is estimated at $12,000,000, with funding provided by bonds paid with the increase in the student health and wellness fee.

MEMORIAL UNION ADDITION AND RENOVATION — $22,000,000

Opened in 1953, the Memorial Union is the University's center for non-academic activities. It has been renovated and expanded a number of times to meet student enrollment increases and generational changes in attitudes and environment. The Memorial Union houses the Varsity Mart bookstore, Dining Services, Student Activities Office, Student Government, The Spectrum (student newspaper), North Dakota Public Radio, a barber shop, meeting and conference rooms, a food court, and recreation facilities.

Current demand on the facility is very high. Approximately 11,000 people per day utilize the Memorial Union in some way. Room reservations have increased approximately 30% over the past year, and student organizations and other groups are utilizing the building more frequently and for longer periods of time than ever before. Increased enrollment has also placed additional demands on dining services for expanded options and additional seating in the dining areas. Results of a student survey revealed that students want longer facility hours and more lounge/study. To support a community of 12,000 students, expansion of the Memorial Union will be necessary, along with the much-needed renovation.

The last addition to the facility took place in 1988. At that time, the expansion was scaled back due to funding limitations. In 1997, a master plan was developed that addressed some of the space and remodeling concerns remaining from the 1988 project. Funds were not available to complete significant portions of the plan at that time; consequently, the Meinecke Board Room and the Alumni Lounge were remodeled in Spring/Summer 2002. A feasibility study was conducted in the fall of 2002 to identify how much additional square footage would be necessary to meet the needs of a growing campus, to develop a concept for an expansion and major renovation of the facility, and to provide cost estimates for such a project.

The proposed project will include the addition of 68,712 square feet of new building space and the renovation of approximately 123,194 square feet of the current building. The new addition, located to the east of the existing building, would include increased seating for dining areas, new and improved dining options, increased visibility and accessibility to student organization offices and workspaces, larger and improved meeting room and event spaces, and a 24-hour lounge space. Renovation would include the relocation of the current kitchen, remodeling of the adjacent contract dining area and cul-de-sac lounge spaces, and the relocation of the Art Gallery to an upper level addition on the south end of the building. As a result of the added space, the services and programs that may be relocated to the area include Multicultural Student Services, International Student Programs, and a one-stop shop for student services. The Varsity Mart would also be expanded to the south, and the west entrance would be remodeled to address ADA accessibility concerns.

The estimated cost of the project is $22,000,000, and will be funded by student fees (approved during an April 2003 annual student body election), Dining Services and Varsity Mart.

North Dakota State University
Future Major Capital Projects

PROJECT	FUNDING SOURCE
Major Renovations - Buildings/Infrastructure	
Administration Building - Phase II	General
Ceres Hall Renovation	General
Heating Plant Boiler #4 Retubing	General
Infrastructure: Pavement Replacement	General
Water Line Replacement	
Steam Line Replacement	
Ladd Hall Renovation	General
Minard Hall Renovation	General
South Engineering Renovation	General
Storm Water Pollution Prevention Program	General
Van Es HVAC Upgrade	General
Walster/Waldron Halls Renovation	General
New Construction/Additions	
Center for Transportation Studies	Fed/Local
Communications Building	Local
Science Building	General

DEFERRED MAINTENANCE	Health & Safety	ADA	Major Renovations (Networking)	Major Repairs	Major Repairs/ Remodeling	Total
Group I & II - Instructional & Research	$ 766,023	$ 1,549,882	$ 386,500	$ 18,616,576	$ 7,464,982	$ 28,783,963
Group III - Auxiliaries	$ 211,946	$ 2,410,900	$ -	$ 8,214,175	$ 3,633,493	$ 14,470,514
TOTAL	**$ 977,969**	**$ 3,960,782**	**$ 386,500**	**$ 26,830,751**	**$ 11,098,475**	**$ 43,254,477**

NORTH DAKOTA STATE UNIVERSITY
CENTERS OF EXCELLENCE

NDSU Beef Systems Center of Excellence

Objectives

1) Create a model for development of an coordinated beef processing industry.
2) Enhance NDSU's ability to provide cutting edge research in the following areas:
   a) the effects of genetics, management, and nutrition regimens on carcass merit, quality, and sensory characteristics,
   b) food safety and nutrition of resulting meat products,
   c) evaluate new and emerging technologies in slaughter, fabrication, further processing, and value added meat products,
   d) provide data on beef and beef marketing,
3) Provide training, educational, and outreach opportunities in slaughter, meat processing, food safety, and further processing.
4) The principle objective of the Center of Excellence in Beef Systems is to provide leadership, scientific and business expertise to develop an integrated meat processing industry in North Dakota.

Progress

- Raised $500,00 in private funds and $1,000,000 in federal funds to match the $800,000 appropriated in the 2003 biennium. We still need to raise an additional $500,000 to meet our match requirements.
- We continue to look for a business partner. Our main criteria include:
  - 1) a partner who has experience operating small beef cattle packing facilities efficiently and cost effectively, and
  - 2) a partner who has brand equity and an existing label in a major beef market.

Accomplishments

- Feasibility analysis indicates that there are two major barriers to profitability in small processing facilities. These include
  - 1) identification of a market for the beef products produced which has potential for market premiums, and
  - 2) garnering value for offal (byproducts).
- A survey of the state's slaughter facilities indicates most garner little or no value from offal. In fact, many pay to landfill the material at a substantial cost. The center continues to explore ways for smaller processors to add value to byproducts.
- A year round supply of fed cattle is critical to the success of any beef cattle slaughter facility. Data gathered by our research team indicates growth in the state's feedlot capacity. There is ample supply of fed cattle in the region to support the scale of facility proposed by the Center.

Going Forward

Two primary facets of the project that we continue to address are: 1) fundraising and 2) recruitment of a business partner to operate the facility.

NDSU Center for High Performance Computing

History
In the Spring of 2003, NDSU received nearly $1.5M in federal funds to build the Center for High Performance Computing (CHPC). In June, 2003, it was approved as a program Center by the ND State Board of Higher Education. The CHPC opened for operation in November 2003 with the following resources:

A 64-node/128 processor Linux-based computer cluster,
An Intel-based computer server to run Oracle (a database application), and
An SGI 12-node computer server.

With the exception of the SGI computer, all equipment was purchased from a local private sector collaborator -- DakTech, Inc. The university provided over 6,500 square feet of space and new furnishings located in new secure facilities within the NDSU Research and Technology Park. The ND Experimental Program to Stimulate Competitive Research (EPSCoR) has provided additional funding for software.

Utilization:
Within three months, 40 researchers were enrolled and nearly utilizing the resources to their full capacity. Now, over a year into operation, the CHPC is actively providing high performance computing services to over 60 faculty and graduate students engaged in 26 projects. In order to continue to meet demand, an addition to the cluster has recently been installed, bringing the total size to 96 nodes/192 processors. Recent surveys of government agencies and other organizations that operate high performance computing facilities indicate they plan to double the size of their clusters within two years.

Advisory Council
The CHPC's Advisory Council members are all leading NDSU researchers representing diverse disciplines, and are campus leaders in their use of the advanced computing capabilities of the CHPC. This group of talented scientists comes together for meetings to share their ideas of how the CHPC environment can become more robust, enhancing their work and that of their students and their public and private sector colleagues. Joint work, such as establishing a campus high performance computing "grid," (networking all the university's high performance computers together -- no matter where they are located) is being discussed, and, with additional capabilities of the CHPC, it is expected that numerous multi-disciplinary projects will become reality.

Advantage to North Dakota
The Dean of the College of Engineering and Architecture and the Dean of Science and Math have both indicated that the CHPC, in this past year, has becoming a recruiting tool in attracting new faculty. As an example, three computational physicists were hired and on August 1 joined a team of faculty in the Physics Department to do computational soft matter physics research. With previous high performance computing experience, it is expected this team alone, along with their graduate students, will continue to require additional resources as their research progresses.

Economic Development
A large project that utilized the CHPC this past year was the rendering of the virtual video entitled **"On-a-Slant - A Mandan Village in Virtual Time and Space".** This video was part of the Lewis and Clark Signature event held in Bismarck this past fall. "Rendering" is the process of transforming graphical images into 3-dimensional images, and it requires a great deal of computational power and time. The movie "Shrek 2" is a result of rendering on high performance computing. Architectural firms and many other organizations have increasing need for 3D images, but rarely have the computing power needed to provide the rendering needed; this is a service that the CHPC could offer to the private sector.

NDSU Center for Nanoscale Science and Engineering

About People

More than 140 employees (CNSE staff and students plus tenants) work in Research 2.

For the Center for Nanoscale Science and Engineering:

- 40 CNSE staff employees in R2 as of today, and searches are underway for 5 more employees. In addition, 30 tenants make up four companies that occupy transitional incubator space in R2.

For the Center for Nanoscale Science and Engineering:

- 40 CNSE staff employees in R2 as of today, and searches are underway for 5 more employees.
- Of these, 10 are returning North Dakotans, 8 of whom had graduated from NDSU. An additional 5 earned degrees at NDSU and took jobs at CNSE instead of leaving the state.

Twelve CNSE staff are engineers and engineering technicians. Together they have more than 150 cumulative years of industry experience with Intel, Micron, Motorola, Honeywell, Imation, Texas Instruments, TRW, Rockwell-Collins, and Lucent.

Currently, about 55 NDSU students work side-by-side with CNSE science and engineering staff on government and industry grants and contracts. In addition to the experience of working on cutting-edge projects in state-of-the-art facilities, students benefit from graduate and undergraduate research assistantships that help finance their education.

About CNSE's Research Portfolio

The CNSE current year (FY05) budget for the research is nearly $18 million. CNSE is spending nearly $15 million for labor, materials, and equipment, and the other $3 million is subcontracted to industry for technology transfer and research services.

Of CNSE's current year budget, approximately $7 million is spent *in the State of North Dakota* on labor, services and supplies.

Research in the building deals with microsensors and wireless communication electronics for applications to the military, homeland security, and food security; environmentally-friendly fouling-resistant paints for Navy ships and wear and corrosion-resistant coatings for Air Force planes; and magnetic polymers for next-generation applications in miniature electronics.

In November 2004, the sensor hardware used in a highly-successful demonstration of the microsensor system to the Department of Defense was fabricated at CNSE.

NDSU's Combinatorial Materials Research facility is unique among U.S. universities, both in number of engaged personnel (32 staff, faculty and students), capitalization (currently $7.7M), and research support (nearly $6M this year). The facility uses robotic machines and software to perform many experiments in parallel, making it possible to perform experiments in days that previously tool many months.

NDSU Center of Excellence - Genetics

Objectives

1. To facilitate the sustainable long-term development of agricultural biotechnology in North Dakota;
2. To establish an organization that provides ongoing multi-disciplinary research and outreach that facilitates and encourages commercialization of agricultural biotechnology in North Dakota.
    a. Identify traits and partners that will be targeted;
    b. Focus on low-risk (high probability of success) trait commercialization;
    c. Determine prospective value of traits to North Dakota agriculture and prioritize initiatives;
    d. Conduct field trials to evaluate production of transgenic crops in North Dakota environments;
    e. Determine plans to effectuate commercialization, inclusive of strategies for technology agreements, assuring seed availability and distribution.

The principle objective of the Center of Excellence-Genetics is to provide leadership, scientific, and educational expertise that identifies the impact GM traits have on the economy of the state and to facilitate the longer term coexistence of biotechnology developments with conventional agricultures.

Progress

Much, if not all, of the research initiatives should be done in collaboration with agbiotechnology companies. Ideally, this would include four-six companies, with the ability to add more over time. This should include two of the major companies and two to four smaller companies or companies that own novel traits. The Center will pursue relationships with technology providers that have traits under developments that address the needs and opportunities of producers in North Dakota. Partners will be asked to provide matches in two ways: 1) By providing valuable intellectual property that is essential for the success of the Center; and 2)by providing specialized testing to ensure the newly developed genetic materials express the new traits at sufficient levels to warrant release.

To date, several contacts with agbiotechnology companies have been made. We have focused our efforts on two major companies and two smaller entities. We are currently negotiating with a smaller company to develop plants that can meet an important biopharmaceutical. Much of the work would be conducted at NDSU and the company is interested in building a facility in North Dakota to handle production when this comes online. Also, we are in continuing, serious discussions with two major agbiotechnology companies on a wide range of issues that would prove beneficial to North Dakota agriculture.

Future Directions

The Center continues to leverage the $750,000 in state support by seeking support for research and education programs in agbiotechnology from many sources. Our discussions with companies are literally at the highest management levels and hold excellent promise.

NDSU Center for Technology Enterprise

Goals & Vision

- Turn visionary ideas into high-tech businesses
- Create one-stop center providing entrepreneurial tools such as venture capital, supply services, business networking and technical assistance
- Nurture new technologies to help translate them into commercial enterprises
- Diversify the region's economy and create high-quality, long-term jobs
- Optimize resources and contributions provided by NDSU scientific researchers
- Apply and transfer technology from NDSU and Tri-College University researchers to the global economy

Benefits

- Provide attractive office, wet lab and flexible manufacturing/dry lab space and services at affordable prices
- Link start-up businesses with established entrepreneurial support networks in region
- Facilitate technology commercialization, licensing and joint venture opportunities
- Advance state and regional economic objectives
- Create jobs and diversify economy
- Enhance expansion of current technology businesses and create spin-off businesses
- Retain talented researchers and graduates in region

Opportunities

- Feasibility Study shows four industry clusters in region showing rapid growth since 1998 including biosciences, advanced manufacturing, material sciences and information technology
- Study reports 145 new businesses developed in these sectors in last four years, boding well for continued growth and incubator tenants
- Entrepreneurial support strengthened by University including Office of Research, Creative Activities and Technology Transfer, the Technology Transfer Research Foundation (intellectual property services, copyright and patent expertise), Center for Advanced Technology Transfer and Training, and Institute for Business and Industry Development
- Several successful companies in Research & Technology Park will relocate to Technology Incubator when complete

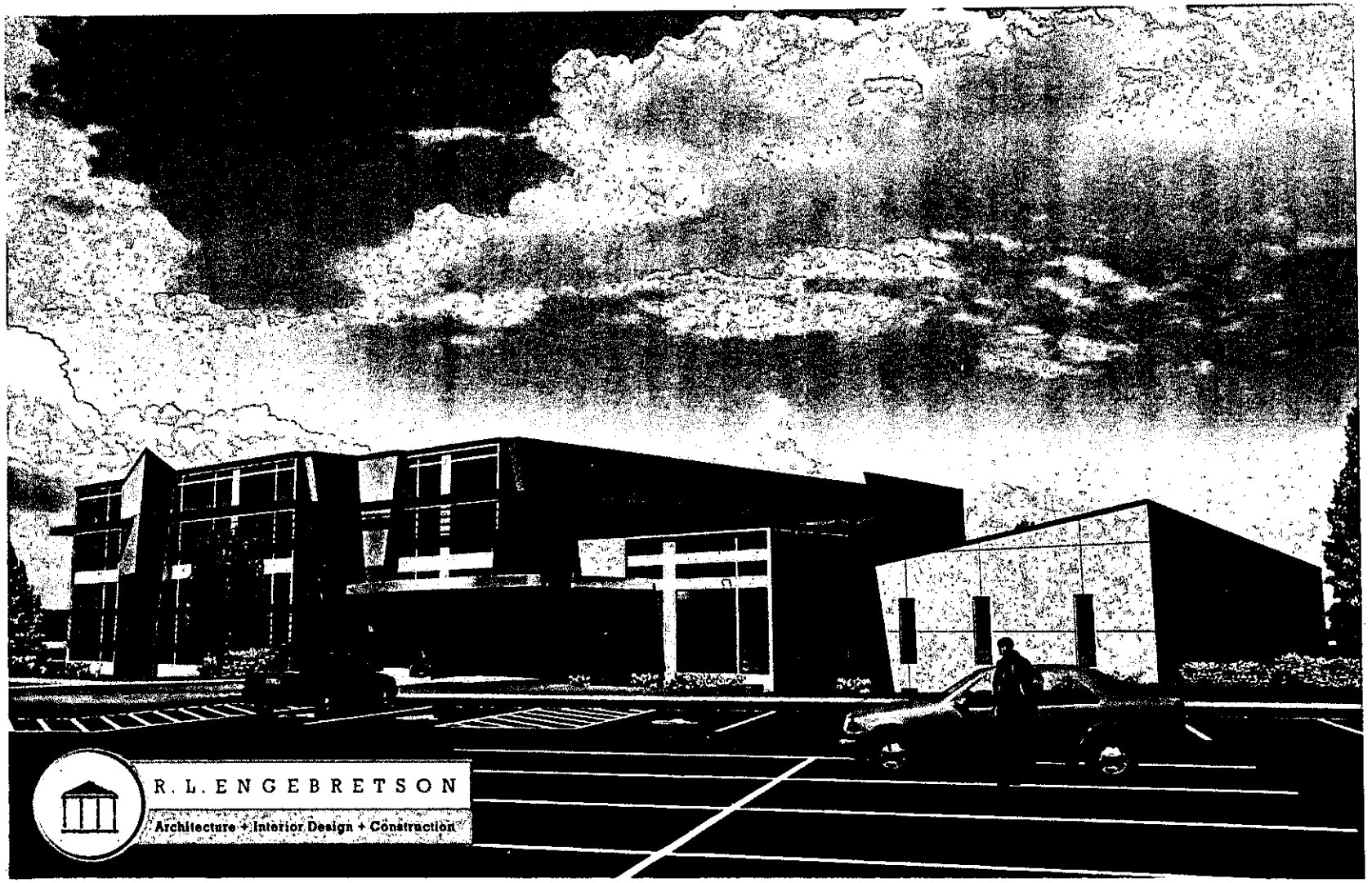
Costs & Financing

- $6.9 million total project cost
- Of total cost, $3.6 million in grants and public/private financing committed as of November 15, 2004

Initial Successes

- Phoenix International®, a John Deere company, operates 75,000 sq. ft. facility as Park cornerstone tenant
- Alien Technology® anticipates 120,000 sq. ft. research/manufacturing site in Park in 2006
- Research 1, a 40,000 sq. ft. facility houses NDSU researchers
- Research 2, Center for Nanoscale Science & Engineering, 76,000 sq. ft. facility specializes in practical materials, processes and devices that are the basis of 21st century technology
- Currently there are four companies who located in transitional space at the NDSU Research & Technology Park. These tenants will locate to the Technology Incubator when completed. There are two additional companies who will be locating in the transitional space in the next month.

NORTH DAKOTA STATE UNIVERSITY
CENTER FOR TECHNOLOGY ENTERPRISE



10-SB2003

Identical given to the Senate on 1-19-2005

NDSU Agriculture
BIENNIAL BUDGET

NDSU Extension Service
North Dakota Agricultural Experiment Station

NORTH DAKOTA STATE UNIVERSITY
FARGO, ND



2005-2007

Prepared for the
House Appropriations Education Subcommittee
Bob Martinson, chairman

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Biennial Budget 2005-07

NDSU Agriculture
North Dakota Agricultural Experiment Station and NDSU Extension Service

As an 1862 land-grant institution,

North Dakota State University continues to address the issues of North Dakotans across the state through its seven Research Extension Centers, the Agronomy Seed Farm, 52 county Extension offices and the Fort Berthold Extension office, and the faculty and staff at NDSU. Research and Extension efforts focus on the needs of agricultural producers, business leaders, consumers, community leaders, youth, parents, volunteers and families. A number of those efforts are profiled in this book.

Although issues such as low farm prices, lack of markets, weather conditions that favor crop disease and pests, lack of better paying jobs and youth outmigration are being addressed, the seriousness of these problems is compounded by the manner in which they are interrelated. The concerns of agriculture cannot be separated from the problems of rural communities.

Through various multidisciplinary research and Extension efforts, the faculty and staff involved in NDSU agriculture share relevant data, offer positive alternatives, provide a variety of environments for learning and facilitate dialogue about public issues.

State general fund dollars are extremely valuable for these research and Extension programs. They provide the ongoing support to maintain programs and projects; offer opportunities to pilot new efforts around emerging concerns; and serve as leverage for additional resources from county, federal and grant sources.

The 2005-07 governor's budget provides a good base to continue existing programs, but additional funding will help better meet the needs of North Dakotans.

NDSU
NDSU Extension Service
North Dakota Agricultural Experiment Station

www.ndsu.edu/legislators

North Dakota Agricultural Experiment Station

Impacts of Reinvesting in Critical Areas

With the $1.245 million that the 2003 Legislature provided, NDSU Agriculture was able to reinvest in several critical areas. The North Dakota Agricultural Experiment Station received $990,000 of that. This funding made it possible to focus additional effort on the following key issues important to North Dakota:

BeefLine

Feedlot Trials

Continuing research into different feedlot regimes and supplementation include:

- **The use of pulse grains, (field pea, chickpea and lentil) in receiving diets in calves** — Cattle fed pulse grain-based diets in a 40-day receiving trial gained an average of 9.2 percent faster (0.38 pounds per day) than cattle fed corn-canola-based diets. Pulse-fed cattle continued to have increased gains for up to seven weeks after the termination of the pulse diet.
- **Conventional vs. natural feeding regimes for finishing cattle** — With today's emphasis on natural products, trials are exploring differences in finishing cattle using conventional management versus a nonconventional/natural approach, which uses yeast and enzyme products to replace ionophores and antibiotics. Feeding calves using these natural products can result in equal animal performance and carcass quality.
- **The effect of degradable vs. nondegradable protein** — Precise levels of rumen-degradable and nondegradable protein improve efficiency and animal performance. Barley-based diets provide adequate rumen-degradable protein, but new research with nondegradable protein supplemented in the form of distillers' grains improved animal performance and carcass traits.
- **Investigating alternatives or co-product feeds in feedlot diets** — Various additives, such as soybean hulls, barley malt and cocoa cake, are being researched as alternative sources of proteins and minerals in feedlot diets. Other research includes the effect of processing and the particle size of field peas in the digestive process and their effect on performance.
- **Breed evaluation** — The breed, or combination of breeds, has a significant impact on the efficiency and profitability of the beef herd; therefore, selecting appropriate breeds is an important decision for beef cattle producers. Research continues to monitor breed performance and to increase producer understanding of genetic and carcass quality.

Environmental Management Strategies

The beef industry must have a good relationship with the soil, water and air resources, which involves animal performance, nutrient retention and waste composting. An environmental management strategies study shows properly managing waste and coordinating the care and disposal of such waste can impact the environment. It also shows that the care cattle receive can have an impact on performance. For example, bedding material, which captures nutrient matter for composting and placement on land, could reduce the need for synthetic fertilizer. With 937,000 cows in the state each generating 55 pounds of waste (including water, straw and solid manure), the potential value of waste byproducts could be $20 million.

■ Biofuels

Use of biofuels has increased throughout North Dakota and the nation. Ethanol production nationally was 2.8 billion gallons in 2003, a 72 percent increase since 2000. Increases in use of biodiesel in North Dakota varied between 50 percent and 60 percent in 2004.

NDSU research is investigating the establishment of a "biorefinery," which would enable wheat straw, an abundant resource in North Dakota, to be refined to produce many products, including:

- Ethanol (used in automotive fuel)
- A bio-based cellulose nanofiber (a substitute for fiberglass) for use in automotive construction
- Byproducts of high-value chemicals, such as Succinic acid (used in polyester-based plastics – estimated $1 billion potential market), Butanetriol (used in rocket propellants – estimated $150 million) and Xylitol (a non-nutritive sweetener – estimated $150 million)

Biodiesel is made from vegetable oil. Research is continuing in the use of soybean oil and expanding to include canola and other oils.

Biofuels are classified as "carbon neutral" – CO_2 is produced upon combustion; plants require CO_2 to grow. Benefits are:

1. Compatibility with clean-air controls and concerns regarding carbon dioxide emission
2. Renewable resource base
3. Decreased dependency on international supplies of fuel
4. Increased use of grain crops to include residues
5. Increased revenue for producers

Biofuels are a valuable commodity and are creating a great deal of interest at the national level. North Dakota needs to act quickly to ensure it is among the leaders in research in this area.

■ Cereal Production Constraints

Plant Disease Forecasting

Plant disease forecasting has resulted in a $21 million increase in profit annually for wheat producers in North Dakota as the result of providing timely information on the need for fungicide application to control plant diseases.

The accurate forecasting of disease probability and insect infestations provides valuable economic and environmental benefits. The disease forecasting system was developed in conjunction with NDAWN (North Dakota Agricultural Weather Network), a climate-monitoring system that the Soil Science Department at NDSU developed.

The Web site map this system produces shows the degree of disease risk of wheat Tan Spot, Septoria Blotch, Leaf Rust and Fusarium head blight in different parts of North Dakota. The benefits of this system are:

- Timely application: With the weather information NDAWN provides, producers can predict disease probability or insect infestation accurately, which enables them to apply fungicide when it has the most impact to reduce disease damage. In addition, accurate predictions prevent under- or over-application. Applying the correct amount of fungicide results in lower costs and/or reduced environmental threats to the land.
- Yield increase: Higher crop yields result from the elimination or better management of disease. Researchers have shown an estimated 20 percent yield response on popular, commercially-grown cultivars.

Grower groups and the North Dakota Wheat Commission support this model.

Web address: **www.ag.ndsu.nodak.edu/cropdisease/cropdisease.htm**

Western Malting Barley Initiative

Continuing intensive research focuses on developing malting cultivars specifically adapted to the climate and soils of western North Dakota. Research includes:

- Developing six- and two-rowed malting barley cultivars for dryland and irrigated production
  - A new six-rowed malting barley (ND16301) with excellent agronomic and malt quality characteristics will be recommended for release in January 2005.
  - A new two-rowed barley (ND19119) with potential for use in ethanol production will be recommended for release in January 2005.

Impacts of Reinvesting in Critical Areas

- Identifying barley diseases that may threaten crop production
  - The barley disease survey has been increased significantly to include western North Dakota and provides weekly reports that farmers can use to make management decisions.
  - Disease data are being used to develop disease-resistant barley varieties adapted to the region.
- Developing management strategies, including fertilizer requirements and predictive risk models
  - Preliminary data indicate that to optimize quality and financial returns, fertilizer recommendations for malting barley should be reduced from 1.5 pounds of nitrogen per bushel of yield goal to 1.2 to1.3 pounds of nitrogen per bushel of yield goal.

North Dakota Agricultural Experiment Station

2003-05 Centers of Excellence Funding

NDSU Beef Systems Center of Excellence

Progress

- Raised $500,000 in private funds and $1 million in federal funds to match the $800,000 appropriated in the 2003 biennium. Another $500,000 needs to be raised to meet our match requirements.
- Continue to look for a business partner. The main criteria include:
  1. A partner who has experience operating small beef cattle packing facilities efficiently and cost effectively
  2. A partner who has brand equity and an existing label in a major beef market

Accomplishments

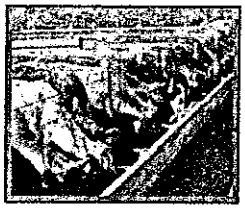
- Feasibility analysis indicates that there are two major barriers to profitability in small processing facilities. They are:
  1. Identification of a market for the beef products produced, which has potential for market premiums
  2. Garnering value for offal (byproducts)
- A survey of the state's slaughter facilities indicates most garner little or no value from offal. In fact, many pay to landfill the material at a substantial cost. The center continues to explore ways for smaller processors to add value to byproducts.
- A year-round supply of fed cattle is critical to the success of any beef cattle slaughter facility. Data gathered by our research team indicate growth in the state's feedlot capacity. An ample supply of fed cattle is available in the region to support the scale of the facility the center proposes.

NORTH DAKOTA **AGRICULTURAL EXPERIMENT STATION**

BEEF CATTLE DEVELOPMENTS

Research continues to support the beef industry which is now worth over $900 million in North Dakota. Research includes Feedlot trials, bedding and feedlot performance, the development of a Radio Frequency Identification (RFID) system and continuing input into the Beef Center of Excellence. This research will further enhance and increase beef production in North Dakota.

Feedlot nutrition trials



Continuing research into different feedlot regimes and supplementation include:

• **The use of pulse grains, (field pea, chick pea and lentil) in receiving diets of calves.** Cattle fed pulse grain-based diets in a 40 day receiving trial gained an average of 9.2 percent more (0.38lbs per day) than cattle fed corn-canola based diets. Pulse-fed cattle continued to have increased gains for up to 7 weeks after the termination of the pulse diet.

• **Conventional versus natural feeding regimes for finishing cattle.** With today's emphasis on natural products, trials are exploring differences in finishing cattle with using conventional management versus a non-conventional/natural approach which uses yeast and enzyme products replace ionophores and antibiotics. Feeding calves using these natural products can result in equal animal performance and carcass quality.

• **The effect of degradable versus non-degradable protein.** Precise levels of rumen degradable and non-degradable protein improve efficiency and animal performance. Barley based diets provide adequate rumen degradable protein but new research with non-degradable protein supplemented in the form of distillers grains improved animal performance and carcass traits.

• **Investigating alternatives or co-product feeds in feedlot diets.** Various additives such as soybean hulls, barley malt and cocoa cake are being researched as alternative sources of proteins and minerals in feedlot diets. Other research includes the effect of processing and the particle size of field pea in the digestive process and its effect on performance.

• **Breed evaluation.** The breed, or combination of breeds have a significant impact on the efficiency and profitability of the beef herd; therefore, selecting appropriate breeds is an important decision for beef cattle producers. Research continues to monitor breed performance and to increase producer understanding of genetic and carcass quality.

Feedlot environment research

An integral part of research in feedlot management addresses animal comfort and mitigating environmental stress. Two management practices investigated provide substantial advantages in increased animal performance and well being and have the potential to decrease fertilizer input and reduce pollution.

Research has shown that Flyash integrated in the surface material of calf pens may stabilize soil and prevent muddy conditions. Pens dried faster during spring thaw and animals gained .25lb more per day during the feeding period of late winter to early summer. An estimated gain of $10.5 million would result if all calf pens were impregnated with flyash. Another outcome from this research is that amount of feed required is reduced due to less wastage if flyash is used.



The use of straw as bedding material has a two-fold benefit. Firstly, feedlot gains improved at a minimum of 0.7lbs per day and feed efficiency improved by approximately 20 percent resulting in an advantage of $71 per head if bedding is used. Secondly, it can reduce the amount of ammonia released into the atmosphere, lowering pollution. More nitrogen was retained in the manure/straw mix which added to the fertility value of the compost with a potential realized value of $3.4 million.

Radio Frequency Identification (RFID)



With the threat of Mad Cow Disease hovering, the new identification system RFID (Radio Frequency Identification), a pilot project being researched at NDAES, will play an important role in keeping track on the nation's cattle. The technology allows extensive data about the animal to be maintained, including breeding, age, weight and medical history and it is an effective way of locating where the animal came from should it be diseased. This is an important step in US agro-security programs.

An added benefit is that the ear tag allows animals to be 'scanned' from up to 2 yards away. This technology eliminates the need for individual handling of animals and saves producers and the meat industry time. In addition, it ensures better identification of animals and will provide producers with data analysis regarding their herd's performance.

The research has been a collaborative effort between NDAES, Electrical and Computer Engineering, the Center for Nanoscale Science and Engineering, ND Stockman's Association, ND State Veterinarian and Vet Corp., ND Livestock Marketing Organizations and ND Beef Cattle Improvement Association. Commercial release is expected in several years.

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NORTH DAKOTA **AGRICULTURAL EXPERIMENT STATION**

VALUE ADDED

Today's global economy requires innovation and being one step ahead to stay economically viable and competitive. No longer is it enough to produce a grain or raw product. Today's economy requires alternative and viable uses for a single base unit.

Flax: Vital for Human and Animal Health



Flax had its stronghold in North Dakota in the 1950's when 3.7 million acres were planted. It was refined as linseed oil for the paint market but synthetic alternatives have decreased demand. In 1996 only 86,000 acres were planted. Currently, flax is grown on 600,000 acres in ND, and 10 percent of the flax grown is used for human consumption and an increasing amount for animal food. A major interest for research is in human health benefits. North Dakota is positioned to take advantage of its lead in research on flax. In the United States, North Dakota produces 95 percent of flax and NDSU is the only university in the U.S. with a flax breeder/geneticist.

HUMAN HEALTH BENEFITS

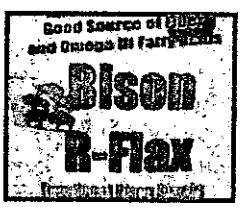
Cancer and Heart Disease Flaxseed is one of the leading sources of omega-3 fatty acid, which is essential to human health. The lignans in the hull of the flaxseed show promise in the treatment of breast and prostate cancer and heart disease.



Dehulling and Milling Processes Refined NDAES researchers have refined the dehulling process developed in Canada to make it a continuous, simplified process. Several ND businesses, including Skandia Mills and North Dakota Innovations, have developed product or run process trials using NDSU facilities and have developed products containing milled flax or flaxseed hulls now commercially available.

Flaxseed Oil Stabilized Researchers have found that the addition of Vitamin E stabilizes flaxseed oil and enhances shelf life of the product.

Creating Foods Using Flaxseed NDAES researchers are investigating ways to incorporate flaxseed into food products for the "food on the go" American society. At present, ground flax is available to sprinkle on salads and breakfast foods. NDAES researchers are investigating ways to make the product more accessible and easier to use. Investigations have shown that the hull has a major amount of the lignans and reduced oil. Using the hull has the benefit of making the product acceptable to the "fat/oil" intake conscious consumer. Incorporating the oil into foods such as yogurt can provide consumers with a means to meet the recommended daily intake for omega-3 fatty acids.



Bison Flaxseed Cookie Invented Several NDSU Graduate students from the Department of Cereal Sciences have created a low carbohydrate flaxseed cookie in the shape of a bison that won second prize in the Product Development Competition sponsored by the American Association of Cereal Chemists.

Roasting Process Refined The roasting process of the seed has been refined to make it an enjoyable snack that can be eaten like sunflower seeds.

Breakfast and Health Bars An excellent way of incorporating flaxseed into the diet of Americans would be to add it to these items. North Dakota is the perfect place for research and development of this sort of product.

ANIMAL HEALTH USES



Flax as a Stress Reducer A calf weaned from its mother suffers stress which lowers the immune system and increasing susceptiblity to disease. Feeding flax for a short period following weaning enhances the immune system and decreases morbidity (by as much as 2 percent) and sickness rates, creating greater profit for the producer.

Higher Meat Grade in Flax-Fed Beef NDAES trials add support to other trials showing that flax fed to beef increases the marbling score, giving higher grades of meat which result in a greater return to the producer.

Higher Omega-3 in Flax-fed Beef and Fish Flax-fed beef and flax-fed farmed fish show higher omega-3 fatty acids in the meat. Humans do not obtain enough of these omega-3 fats in their diets and having extra omega-3 in meat and fish is a benefit. Animals and fish obtain omega-3 from their diet. In the case of farmed fish, this means costly oil from sea water fish - flaxseed oil provides an alternative omega-3 source for fish diets.

Wheat Straw By-Product Used as a Substitute for Fiberglass



A Michigan-based company discovered a technique to use wheat straw cellulose in automotive body parts. North Dakota, being the largest producer of wheat, is the obvious choice to undertake trials. Joint investigative studies are being undertaken. Motor vehicle manufacturers are interested; however, more research and trials are needed prior to adoption. There is enormous potential for North Dakota to become involved in an innovative product with a world market.

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ANIMAL DISEASE RESEARCH

Half of the bacteria known to inhabit the human body also inhabit animals. Animal disease research therefore has valuable application to human health. The following examples give a glimpse at what can be achieved.

E.coli Bacteria





E.coli, bacteria that can be either good or harmful, are abundantly present in the intestines of warm-blooded animals and human. Depending on their type, they can be an aid to the proper digestion of our food or cause multiple diseases including meningitis.

E.coli can be collected from many sources and compared to human strains so that similarities are obtained. Scientists can then create animal models that are used to simulate human reactions. The benefits of this research can be applied to both human and animal populations. It is cheaper, and more efficient, and NDAES already has the facilities to house the animals, but presently this concept has yet to be funded.

Innovative research on *E.coli* by NDAES scientists may enable them to solve the problem of the 'brain blood barrier' - a protective system employed by the brain to keep out disease. Meningitis and other forms of harmful bacteria have evolved ways of beating this system, but human science has not and our drugs are unable to pass through the barrier, leaving the brain helpless if drugs are needed to be delivered specifically to the brain.

Funding research into these harmful bacteria to study their molecular structure could lead to greater understanding and possible cures for these often fatal "brain" diseases.

West Nile Virus



Predictive model for occurrence and outcome (death or survival) of West Nile Virus (WNV) on horses has the potential for adaptation for use as a human model. While birds are the primary reservoir hosts of WNV, the virus has been seen to cause disease in humans and horses (both accidental hosts - not transmittors of the virus) in the US. Horses become infected in the same way as humans making research on horses beneficial in application to human studies. Current research at NDAES includes:

- **Evaluation of effectiveness of West Nile vaccine for horses** Studies evaluated WNV horse vaccine and benefits. A WNV vaccine for horses became available in August of 2001. However its effectiveness in the field had not been evaluated. Research found that the vaccine did improve an infected horse's chance of survival/ recovery. It was also shown that even horses not vaccinated according to manufacturer's recommendations still had lower mortality than those not vaccinated at all.
- **Determination of risk factors for horses** Research identified characteristics of horses that are at risk of getting WNV so that targeted vaccination can occur. Also, if a horse has West Nile, a predictive model was developed to predict whether horse will recover or not.
- **Estimation of percent of horses at risk of getting West Nile virus** Research is ongoing to estimate the percent of horses in ND that are at risk. This information can assist veterinarians know the magnitude of the problem and how to advise owners regarding control.



All research on horses has the ability to be applied to a human model and has an important community health application.

Transmissible Spongiform Encephalopathy's (TSE's)



Mad Cow Disease (BSE), Scrapie, Chronic Wasting Disease and Creutzfeldt-Jakob Disease (CJD) are all a form of TSE, a non-curable, neurodegenerative disease in cows, sheep, deer and humans.

When Scrapie was found in an NDAES sheep herd, it was decided that culturing the disease would allow research that can assist in understanding all four related diseases. With US Department of Agriculture sanction, a base of animals is kept in isolation, in a quarantined location. Current research may obtain invaluable insight in understanding disease, formation, control and spread in animals as well as humans.

Currently there are many unknowns about the disease and how it is transmitted. It cannot be spread from sheep to cattle, and there is no evidence that people who consume sheep meat or milk or who work with sheep are at risk of contracting Scrapie. Studying the disease in sheep in a controlled environment will allow research on its cause and effects. Research is being undertaken on :

- Diagnostics for simple genotyping of susceptible or resistant sheep
- Therapeutic ways to inhibit development of the disease
- Development of early disease detection.

Benefits are: • Safe food supply • Human health • Increase in animal production • Policies for control of the disease

NDAES is a leader in this area of research and one of a few research institutions in the world that study this disease in its natural environment. North Dakota has the potential to develop a premier center in this area of research benefiting both agriculture and human health.

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FIELD CROPS

The production of new varieties bred specifically for ND conditions provides income not only through increased yield, due to improved disease or pest resistance, but also an increased market value and expanded national and international markets.

Variety Development



In a typical year, new varieties released by North Dakota State University (NDSU) scientists generate an average of **$15-20 million of new income annually.** This estimate is based on increased yield only. Currently, the biggest threat to the cereal industry is Fusarium head blight. The release of the **Alsen,** which has a high level of Fusarium head blight (FHB) resistance and higher quality, was estimated to provide an annual benefit of **$100 million.** This is a conservative estimate in that it does not include any economic multiplier factors or any increased value because of improved grain quality. The new release, Steele ND, carries similar levels of FHB resistance, improved foliar disease resistance and improved quality.

Other examples are:



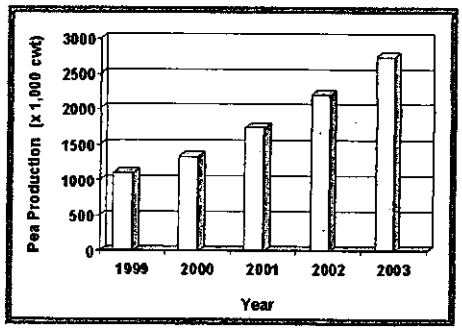
- Increased value of durum wheat due to higher yields and better quality
- High quality malting barley varieties (**Drummond** and **Conlin**) approved as malting barley cultivar
- High protein barley for livestock feed
- Oat variety with higher Beta-Glucan levels for improved human nutrition (Beta-Glucans reduce cancer risks).
- New flax variety, **Carter**, with high levels of Omega-3 fatty acid, important for human nutrition.
- New varieties of bean, potato, and soybean with improved disease, insect resistance and agronomic traits.

Field Peas as Feedlot Alternative

Research has demonstrated that pea is as digestible as corn in beef and sheep feedlot diets. Pea contain more protein and are equal to corn in energy value. Pea: 22-26% protein Corn: 9.5-10% protein

Research has primarily concentrated on digestibility of pea with no problems reported. Effect on weight gain is similar to corn as an energy source but better than corn as a protein source.

Pea production in North Dakota has increased by over **250 percent** over the last five years with plantings concentrated in the central and western regions of the state.



The advantage of producers growing pea are:

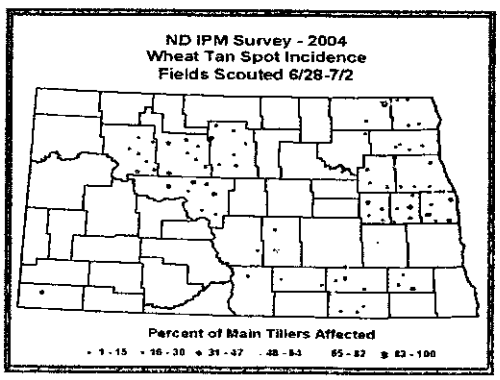
- pea gives disease control in crops following in the crop rotation,
- pea are legumes; therefore, nitrogen is returned to the soil,
- pea can be cultivated using conventional equipment.

Plant Disease Forecasting



Plant disease forecasting has resulted in a **$21 million** increase in profit annually for wheat producers in North Dakota due to providing timely information on the need for application of fungicides for plant disease control.

The accurate forecasting of disease probability and insect infestations provides valuable economic and environmental benefits. The disease forecasting system was developed in conjunction with NDAWN (North Dakota Agricultural Weather Network), a climate monitoring system developed by the Soil Science Department at NDSU.



The website map produced by this system shows the degree of disease risk of wheat Tan Spot, Septoria Blotch, Leaf Rust and Fusarium head blight in different parts of North Dakota. The benefits of this system are:

- **Timely application:** With the weather information provided by NDAWN, accurate predictions of disease probability or insect infestation can be forecast enabling producers to apply fungicide when they have the most impact to reduce disease damage. In addition, it prevents under- or over-application which results in higher costs and/or reduced environmental threats to the land.
- **Yield increase:** Due to elimination or better management of disease, higher crop yields result. Researchers have shown an estimated 20 percent yield response on popular, commercially-grown cultivars.

This model is supported by grower groups and the ND Wheat Commission.

Web address: http://www.ag.ndsu.nodak.edu/cropdisease/cropdisease.htm

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NORTH DAKOTA **AGRICULTURAL EXPERIMENT STATION**

WEED CONTROL

Crop competition from weeds can make a considerable difference in the amount of crop harvested or pasture available to animals. Research investigating appropriate weed control in crops and pastures is essential for profitable production.

Sugarbeet Micro-Rate Herbicide Application



Based on 2004 statistics, an estimated **$24 million** in savings annually can be achieved in eastern North Dakota and western Minnesota through micro-rate application of herbicide in sugarbeet.

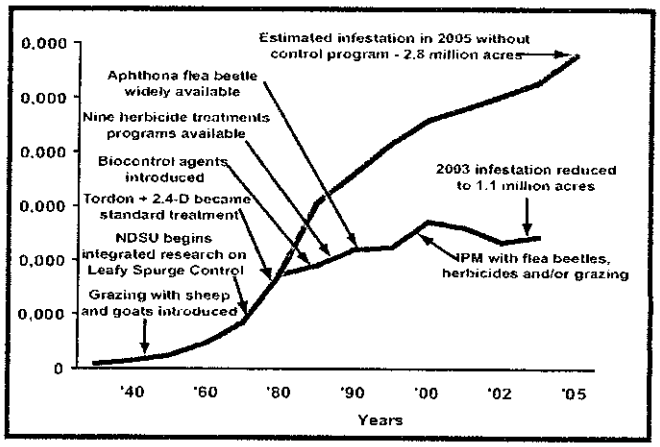
Through research cooperation between the NDAES, University of Minnesota and the sugarbeet industry, a micro-rate application of herbicides has been developed and has shown large savings to sugarbeet producers. This combination of four herbicides and an oil adjuvant dramatically reduces the amount of herbicide required to be applied for weed control in sugarbeet. The mix of different modes of herbicide action slows the build-up of resistance in weeds that can happen with the repeated use of the same herbicide mode of action. Oil adjuvant increases the effectiveness of each herbicide decreasing the amount required by 66-75 percent. Three to five weekly applications of the micro-rate are generally required compared to two to four using conventional herbicide rates.

- **Added benefit** is the **reduced environmental impact** from less herbicide moving into soils and waterways.

Leafy Spurge Control

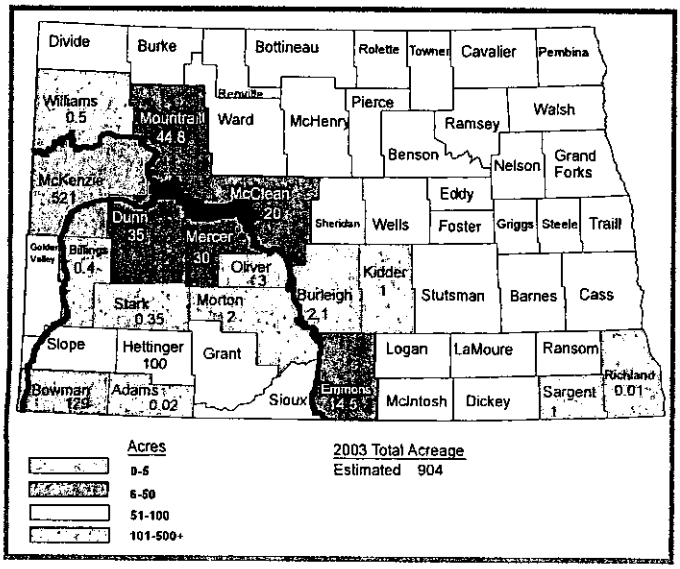
More than **$86 million** in livestock sales is lost annually due to land infested with Leafy Spurge. Leafy Spurge competes with crops and pasture for water and nutrition.

Leafy Spurge control has been an ongoing research effort in North Dakota. The Departments of Plant Science, Animal and Ranges Sciences and Entomology, with cooperation from government departments, have successfully implemented management practices that assist in control and decrease in some areas. The graph shows the gradual increase and current control of Leafy Spurge and its estimated increase had research efforts not been undertaken to control the spread of this weed. Different areas in the state respond to different practices. For example:



- **Insect control** via the Crucifer Flea beetle has proved effective in areas of the state with loam type soils where the spurge roots are assessable to the flea beetle larvae, the damaging stage.
- **Herbicide control** remains effective if it is applied continuously.
- **Grazing control** is effective in the grazing areas of the state. The Department of Animal and Range Sciences conducted research that found sheep and goats readily graze on Leafy Spurge while beef cattle will not eat it.
- A **disease pathogen** was located but was not suitable as its alternative host was the more important alfalfa crop.

Salt Cedar Tree Control



An added benefit of the research into Leafy Spurge was the development of an early weed detection system. This enabled early detection of the Salt Cedar tree in Sargent and Richland counties and will prevent the spread of this tree along the Red River. Even though it is established the Salt Cedar tree infestation along the Missouri River, is controllable.

The Salt Cedar tree uses 200-300 gallons of water per day and the resulting transpiration through its leaves results in heavy amounts of salt accumulating on the leaf which then falls to the ground making the soil high in salinity and unsuitable to other plants which creates a monoculture along riverbanks. It has caused a high level of environmental destruction in the southwest of the United States, causing whole lakes to dry up in New Mexico.

Early detection **will save millions** of dollars in control measures and preservation of our rivers.

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Community Rural Vitality and Economic Development

Enhancing North Dakota Communities

North Dakota State University EXTENSION SERVICE
N.D. AGRICULTURAL EXPERIMENT STATION



This is a view of Main Street in Washburn, N.D.

Initiative

This initiative will enhance the work of the NDSU Center for Community Vitality, a network of NDSU Extension Service specialists and county faculty working in community economic development and leadership. The Center was approved by the North Dakota Board of Higher Education in January 2004. The Center connects people to the N.D. University System, state and other needed resources; develops and delivers educational programs for business and community development; and enhances civic engagement through leadership development.

Development of the Center's work requires a significant commitment of time, money and expertise, and will be an on goingeducational program effort. Its office is in Bismarck with state specialists located in Bismarck (.5 FTE), NDSU (1.35 FTE's) and Cavalier (1 FTE); leadership coaches in Beach and Ellendale; and county faculty located in McIntosh, Pembina, Steele and Dunn counties. Current state and area faculty are primarily grant funded. Grants will continue to be an important funding source for the Center. A commitment by the State of North Dakota will help leverage private and public funds in the future.

Funding + Action = Results

Staffing

- Two positions focused on rural issues and programming 2 FTE's

Programming

- Issue-based project funds for partnering with additional colleges at NDSU, specifically College of Business Administration; College of Engineering and Architecture; and the College of Arts, Humanities and Social Sciences
- Creation of student internships in rural communities
- Research support and evaluation for optimal effectiveness

Requested funding, FY 2005-07

- Extension - $305,000 for salaries and fringe benefits
  $40,000 operating
- Research - $50,000

NDSU
NDSU Extension Service
N.D. Agricultural Experiment Station
North Dakota State University

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North Dakota Agricultural Experiment Station
2003-05 Impacts

The North Dakota Agricultural Experiment Station develops and disseminates technology that is vital to the production and use of food, feed, fiber and fuel from crop and livestock operations.

To do that, the Agricultural Experiment Station has eight Research Extension Centers strategically placed throughout the state. Researchers at these centers work on solving problems the state faces and test new management techniques and crop varieties. The centers are the Main Station in Fargo, Agronomy Seed Farm (Casselton) and the Carrington, Central Grasslands (Streeter), Dickinson, Hettinger, Langdon, North Central (Minot) and Williston Research Extension Centers.

The centers work with the NDSU College of Agriculture, Food Systems, and Natural Resources' nine departments: Agribusiness and Applied Economics, Agricultural and Biosystems Engineering, Animal and Range Sciences, Cereal and Food Sciences, Entomology, Plant Pathology, Plant Sciences, Soil Science and Veterinary and Microbiological Sciences.

Main Station - Fargo

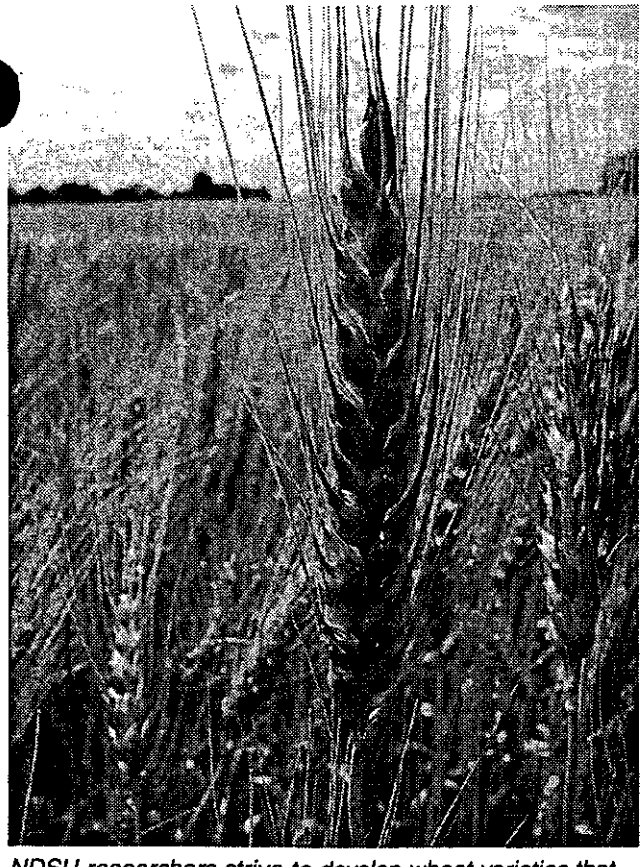
The Main Station at Fargo conducts research in all basic sciences and applied sciences.

- Plant Sciences - plant breeding and genetics, weed science, biotechnology, crop production and physiology, horticulture
- Plant Pathology - disease forecasting and management, biological control of plant diseases, molecular genetics
- Soil Science - soil fertility, soil management, wetlands/groundwater.
- Cereal and Food Sciences - cereal grain quality, processing, product development
- Entomology - insect pest management ecology
- Animal and Range Sciences - reproductive physiology, genetics, meat processing, animal nutrition, range science, natural resource management
- Agribusiness and Applied Economics - grain and livestock marketing, risk management, global trade
- Agricultural and Biosystems Engineering - bioprocessing, agricultural waste management, irrigation systems and water management
- Veterinary and Microbiological Sciences - microbiology, food safety, veterinary diagnostics

Faculty and staff of the Agricultural Experiment Station work closely with Extension personnel to provide scientifically-based, unbiased information that is needed by North Dakota producers and agribusinesses to make sound management decisions.

Biotechnology

- Several projects addressing genetically enhanced crops added a research base to debates surrounding the release of genetically engineered wheat. Researchers analyzed testing and segregation strategies, concluding that a logistics system based on testing and segregation efficiently can assure buyers of acceptable GE tolerance levels at low cost (between 0.5 percent and 1 percent).
- In a new application of biotechnology, Research was initiated to base cattle feedlot management on animal genetics. The research explores newly available data demonstrating linkages among genotype, feed conversion and carcass grading. The results could encourage widespread adoption of genetic testing and significantly improve feedlot profitability.



NDSU researchers strive to develop wheat varieties that grow better in this region while meeting the market's demand for certain characteristics.

International Trade

The Center for Agricultural Policy and Trade Studies evaluated the impacts of exchange rates on U.S. agricultural competitiveness in world markets. Since a quarter of U.S. production is exported, understanding factors most important in improving U.S. competitiveness is vital. The study found that exchange rates were one of the major factors affecting U.S. competitiveness. The North Dakota congressional delegation has used the results to formulate policy alternatives enhancing U.S. competitiveness.

Variety Development

Markets for agricultural products may be inefficient when signals do not adequately reflect product characteristics important to market participants. A procedure to derive the value of different varieties in meeting buyer demands was developed. Compared to Russ, popular wheat varieties Oxen, Grandin, Butte 86, Amindon, 2375, Reeder, Alsen, Keene, Parshall and Gunner imposed added costs to processors, ranging from 1.1 percent to 4.9 percent, to meet specified levels of absorption, peak time and mix tolerance. Farmers adopt varieties based on agronomic traits, which may differ in end-use traits that processors prefer. The research underscores the need for plant breeders, producers and end users to collaborate on variety development.

North Dakota

A study examined the local socioeconomic impacts of new agricultural processing plants in four communities and new or expanded manufacturing and/or exported service facilities in three other communities. Researchers compared this information to economic trends in communities with no new development. Improved job opportunities and enhanced incomes generally were seen as major positive effects of each of the economic development initiatives. Aside from some management and engineering positions, most of the new jobs appeared to represent employment opportunities for area workers. Residents' incomes were enhanced both by the plants' jobs and payroll and by increased incomes for area farmers. Local leaders indicated community-based plants had stabilized the local economy and population.

IMPACTS: North Dakota Agricultural Experiment Station

Research

Three years of plot-scale research at Tappen and Dawson show that furrow planting of potatoes can increase gross income by $310 per acre, compared with hill planting, as a result of yield gains and shifts in tuber size distributions that garner premiums from processors. Planting in the furrow has the effect of "harvesting" rain or irrigation water and delivering it directly to the plant, compared with hill planting, where the water flows away from the plant and into the furrow. This practice still is in the development phase.

Quality Sensors of Agricultural/Food Products

- Developed a prototype sensor for determining sugar content of sugar beets in the field. One U.S. patent has been issued and another has been approved and is in the final stages of issuance.
- Developed proof-of-the-concept for another sensor to determine protein content of wheat during harvesting. A U.S. and an Australian patent have been approved and are in the final stages of issuance.

Advanced Technologies for Effective Management of Agricultural Production

Nutrient (such as nitrogen, potassium, etc.) management is a critical process for increased production of quality agricultural products. Effective ways for applying nutrients (where and when) is very important. A novel method for predicting residual nitrogen content of soil after the crop's harvest has been developed. This method is in the process of validation for multiple sites and crops.

Advanced Technologies for Controlling Diseases in Crops of Interest to Our Region

Diseases are one of the biggest problems associated with crop production. Chemical application still is one of the most widely used methods to control disease. A technique for using fluorescence-based computer imaging to evaluate spray coverage has helped other scientists and researchers evaluate chemicals and their effectiveness on disease control. This technology has been used for diseases such as Fusarium in grains. Work continues to further develop these technologies.



NDSU associate professors Vern Hofman, left, and Suranjan Panigrahi demonstrate their invention, a sensor that can determine the sugar content in sugar beets almost instantaneously.

Center for Nutrition and Pregnancy

The Center for Nutrition and Pregnancy (CNP) was established recently in the Department of Animal and Range Sciences. The CNP has extensive research and educational efforts involving collaborators at NDSU and throughout North Dakota, as well as nationally and internationally. These research and teaching efforts address issues both critical to livestock production and human health.

Initial Studies and Ongoing Efforts of CNP

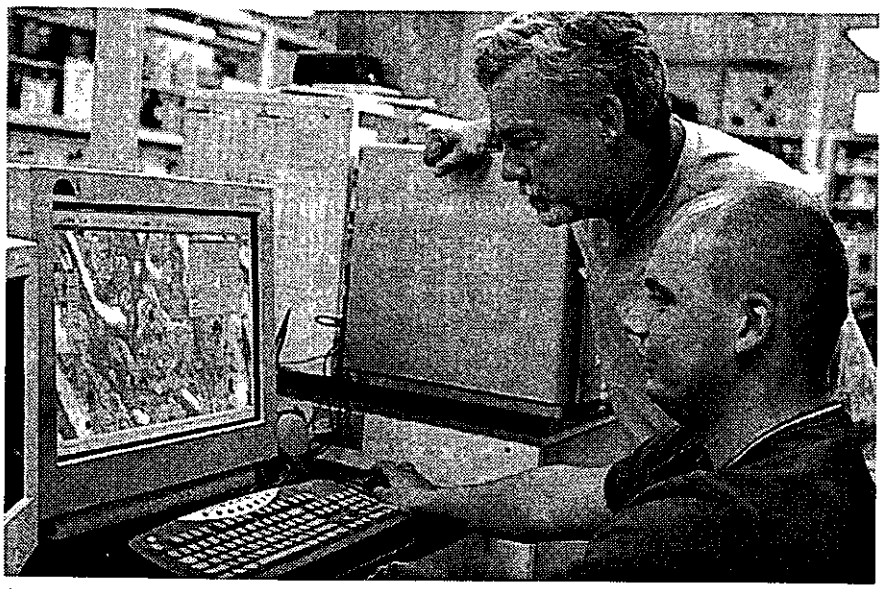
NDSU researchers are looking at how different levels of overall nutrition (both undernutrition and overnutrition), specific nutrients (such as selenium) and age of the dam at first mating impact the growth and development of the offspring. Studies are being conducted to look at oocyte quality, placental vascularity, lactational performance, growth efficiency of the offspring, carcass quality and reproductive performance of the offspring. NDSU is one of a few institutions in the United States where nutritionists and reproductive biologists are joining forces to better understand nutritional needs of the dam and offspring during pregnancy. The efforts of CNP already have secured more than $1.5 million in federal research funding to address this critical issue in livestock production and human health.

Flaxseed in Dairy

Incorporating a beneficial part of flaxseed (e.g., SDG) into yogurt could give humans an alternative to consuming whole flaxseed. However, no information is available on incorporating flaxseed extract (FE) into yogurt. Our research objectives were to determine if 1) adding flaxseed extract containing 20 percent SDG affects the pH, acidity level, lactic acid bacteria and acetaldehyde contents of yogurt; and 2) whether organisms during the fermentation process and the storage of yogurt affected the SDG contents. The fortification of yogurt with flaxseed extracts represents a new type of functional food. This work supports the incorporation of flaxseed extract (SDG) into yogurt. Additional work using in vivo models is needed to support the creation of lignan-fortified yogurt as a functional food.

Pea and Lentil Research

In pea and lentil research, sensory evaluation showed that pasta containing 15 percent to 20 percent peas, lentils or chickpeas has moderate acceptability among human consumers. Consumers seem to prefer the lentil flavor. Incorporating peas and lentils in pasta increased the nutritional value of the pasta products.



Larry Reynolds, standing, and Pawel Borowicz study a ewe's placenta using an image-analysis program to count blood vessels at the Center for Nutrition and Pregnancy.

Wheat

Scab has not been a problem in wheat and barley for the last three years. Alsen, an NDSU wheat release with good scab resistance and quality, occupied 38 percent of the state's spring wheat acreage, with 55 percent to 60 percent of the acreage in north central and northeastern North Dakota. Alsen's leaf rust resistance is starting to break down, however. The North Dakota Wheat Commission, at a meeting with NDSU department chairs, indicated that Alsen saved the North Dakota wheat industry.

Last spring, the Agricultural Experiment Station released Steele-ND as a replacement for Alsen. It has scab resistance about equal to Alsen, but is higher yielding and has a higher test weight and kernel size. The scab resistance is from a different genetic source than in Alsen. In a few years, Steele-ND could replace most acreage of Alsen. Steele-ND also has performed well in the western North Dakota and may begin to replace some acreage of Reeder, an NDSU variety commonly grown in western North Dakota and eastern Montana. NDSU varieties make up about 60 percent of the state's total spring wheat acreage. About 90 percent of the durum acreage is sown to NDSU varieties.

Wheat for the Asian Noodle Market

Hard red spring/hard white spring wheat quality characteristics desirable for the Asian noodle market are being identified. The effects of genotype, environment and flour particle size are being evaluated. The influence of dryland vs. irrigated produced wheat on noodle quality also is being evaluated.

New Soybean and Oat Releases

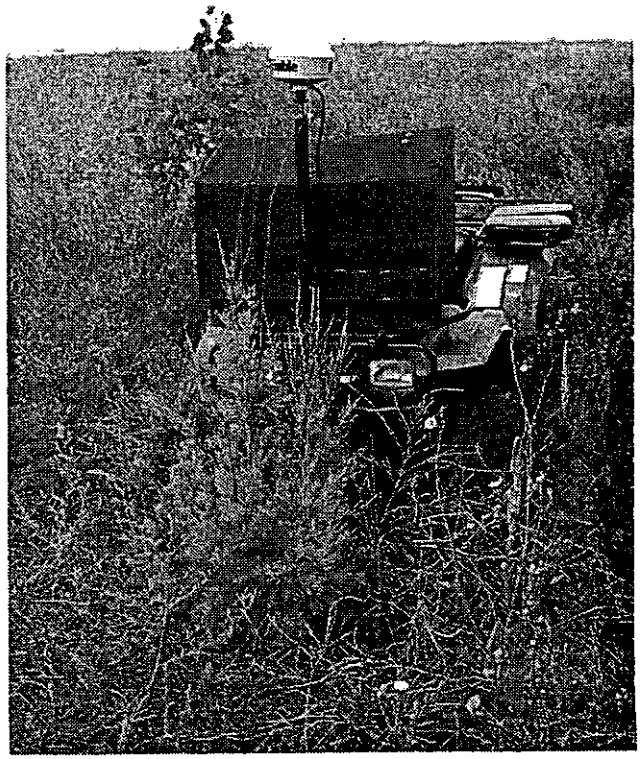
The Agricultural Experiment Station released a transgenic soybean variety, RG405RR, and a conventional soybean variety, LaMoure. This is the second transgenic variety released from the NDSU breeding program. It has resistance to the herbicide Roundup. About 80 percent of the state's soybean acreage has Roundup resistance.

The Agricultural Experiment Station also has released a hull-less oat variety named Stark. It has about a 10 percent yield advantage over Paul. Another oat variety, Beach, was released in 2004. This high yielding variety has performed especially well in western North Dakota.

A study involving indicated that the forage quality of dwarf oat lines is good – they produce lower lignin and consequently higher relative feed value than conventional height oat lines in the same trial.

Weed Control

Salt cedar, an invasive weed that can use up to 8 million gallons of water per acre of infestation, has been found along Lake Sakakawea and in a wildlife preserve in Sargent County. Research is being conducted to attempt to control this rapidly spreading weed.



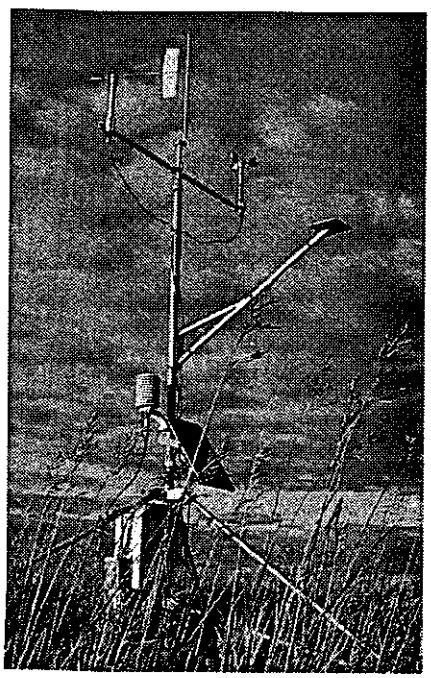
A crew uses equipment to test the water content of salt cedar, a weed that can take large amounts of water away from crops.

Agricultural Meteorology/Climatology Program

The North Dakota Agricultural Weather Network (NDAWN) has undergone monumental change during the past three years. Twelve new stations, making a total of 67, have improved network coverage greatly in western North Dakota. Voice modem upgrades provide callers with instant access to current weather conditions from all stations, an especially valuable service for pesticide applicators.

A new database and integrated Web site, http://ndawn.ndsu.nodak.edu, provide quick, easy access to all archived data and applications in both table and map formats. New growing degree day-crop development applications for barley, canola, corn, potatoes, sugar beets, sunflowers and wheat provide producers and consultants with pesticide decision support information based on their planting dates. Other applications assess the risk of disease development in sugar beets, potatoes, canola and small grains, and also provide fungicide management information.

These changes help maximize pesticide efficiency, which enhances crop yield and quality, reduces overall chemical use and saves producers time and money. All North Dakota residents, businesses and agencies benefit through documentation of hourly weather conditions and extremes, data summarization for any time period, and data analysis and plotting capabilities. From Jan. 1 through Nov. 16, 2004, the new NDAWN Web site had 328,685 page requests. This is a 50 percent increase from 2003.



The NDAWN system uses equipment like this to gather hourly weather data.

Fate and Transport of Bioactive Chemicals

Many of these substances are extremely potent and have been shown to impact aquatic organisms negatively at the part per trillion levels, and have been implicated as the cause of many human health concerns. Sources of these compounds vary, but agricultural practices have the potential of being a large contributor of pharmaceuticals and hormones. This research will help defend agriculture practices against baseless claims from environmental zealots while maintaining minimal impacts to the environment from these chemicals. The economic worth of such studies include the potential savings to human health-care costs; saving aquatic organism diversity, which impacts economics associated with it (e.g., fishing, water sports, lake property value); and the potential to protect agriculture from litigation.

Soil Fertility

Iron deficiency chlorosis is a common and destructive problem in soybean production in North Dakota. This problem likely will become more widespread as the acreage devoted to soybeans expands. Each year, the NDSU Soil Science Department screens about 200 commercial and public varieties, and as many breeding lines, for resistance to this deficiency. Greenhouse studies also are conducted year-round to study the physiological response of soybeans to high pH soils, and to evaluate new fertilizers. The department also provides information about varieties and breeding lines to scientists in the Plant Sciences Department as they look for the genetic markers related to chlorosis resistance.

Infectious Diseases

Infectious diseases are a major issue in animal agriculture, which is an important industry in North Dakota, potentially contributing more than $600 million to the economy. Infectious diseases most likely cause losses in the tens of millions of dollars due to vaccination, veterinary care and loss of animals. North Dakota is a border state and has one of the busiest livestock importation ports in the nation. Therefore, the potential is high for the introduction and spread of livestock pathogens into and beyond the state. Understanding the nature of these infectious disease-causing pathogens will help reduce their impact.

Approximately half of known pathogens, and a majority of the new or emerging pathogens, are zoonotic (transmissible between animals and people). Therefore, animal health and public health are closely linked. Much of the current work in molecular pathogenesis, disease surveillance and disease prevention provide direct benefits to areas of public health and human disease. In other cases, the work in this department serves as a model for related areas in people. As a result, the research in Veterinary and Microbiological Sciences impacts agriculture in the state, animal health and public health. The related work in food systems and food safety addresses additional critical needs in society.



Kris Ringwall, director of the Dickinson Research Extension Center, shows off the new mobile laboratory designed to fight bioterrorism and diseases in livestock. The self-powered lab is a collaborative effort involving North Dakota State University, Dickinson State University and the Research Extension Centers in Dickinson and Hettinger.

Veterinary Diagnostic Services

The primary service mission of Veterinary Diagnostic Services (VDS) is to provide quality and timely veterinary diagnosis support to veterinarians, animal owners and producers, and the public health sector, and function as an integral part of the local, regional, national and international biosurveillance network. In 2003, 10,767 cases were processed at the North Dakota Veterinary Diagnostic Laboratory (VDL). Approximately 20 percent of the cases were bovine, 17 percent canine, 30 percent equine, 5 percent feline, 5 percent porcine, 3 percent ovine and 0.3 percent caprine. About 10 percent of the cases were feed and water. Most cases were submitted from North Dakota (65 percent) and Minnesota (26 percent). The North Dakota/Minnesota veterinary profession and animal health communities depend on the lab. In some cases, such as toxicology, we provide a national/international level of service. The toxicology section provided diagnostic evaluation and interpretation of toxicology cases for multiple constituents, including veterinarians, specialists, agribusiness and NDSU researchers.

The VDL also has expanded collaborations with the North Dakota Department of Health and related disease surveillance programs. The VDL continues to conduct diagnostics of all nonhuman exposure rabies cases in North Dakota. The laboratory also is involved in a national surveillance network for chronic wasting disease (elk, deer) and bovine spongiform encephalopathy, and a federally-supported surveillance program for West Nile Virus (horses/birds). A biosafety level 3 suite was completed for handling of high-risk pathogens.

Research Focuses on Plant Disease Resistance, Forecasting and Control

Department of Plant Pathology research assists in the development of plant cultivars with genetic resistance to disease for major crops. Other research identifies new and more efficient plant disease management techniques for diseases that cannot be controlled with genetic resistance. All of these advances allow crop producers and homeowners to better control plant diseases with less economic inputs, including less fungicide use. Specific examples include:

- The wheat cultivar Steele-ND possesses genetic resistance to scab, a disease that has cost the North Dakota economy more than $1 billion since 1993, and to leaf rust, which caused $50 million in losses in 1999 alone. The department also assists in the development of new cultivars of wheat, barley, soybean, dry bean, potato and other crops. In the next few years alone, all disease-resistant varieties will save North Dakota producers hundreds of millions of dollars in yield and quality losses. Additional savings will be realized from reduced fungicide and other economic inputs.
- Disease forecasting models for wheat and barley scab and for white mold in canola and other row crops help producers maximize the effectiveness of fungicides that are applied to fields. These models tell producers when and where epidemics likely will develop so producers can make fungicide applications in a timely manner. Of equal importance, these models tell producers where disease pressure is expected to be low. This saves input costs and protects the environment by eliminating unnecessary fungicide application.
- Departmental researchers work with the federal Environmental Protection Agency to obtain special permission for producers to use effective fungicides off the product label to control plant diseases. These Section 18 registrations are critically important to producers. For example, a Section 18 registration in 2003 allowed the fungicide Folicur to be used to control wheat scab. The product then was applied to 1 million acres. These applications increased the value of North Dakota wheat by $23.5 million. Other Section 18 registrations have been obtained for diseases in sunflower, canola, dry beans and other crops.

2005-07 Executive Recommendation

Northern Crops Institute, NDSU Extension Service, North Dakota Agricultural Research Stations and Agronomy Seed Farm

- The executive recommendation includes a general fund increase of $3,707,258 (or 7.37%) over the 2003-05 adjusted appropriation. This increase will fund the following:
  - $2,649,521 for 4% and 3% salary increases for 2005-06 and 2006-07, respectively.
  - $658,367 for 7% annual increase in employee health insurance.
  - $273,004 for 2.2% annual operating inflation.
  - $326,366 for the following initiatives: Main Research Center – $301,897 for 2 FTE for beef initiative (one-time funding for 2005-07 only); NCI – $24,469 for linking crops to livestock development.
  - **$200,000 decrease** to general fund base operations, which will be replaced with other "ERP" funds for one biennium only.
- The executive recommendation includes $59,799 other fund authority for an ethanol and malting barley initiative at the Dickinson Research Extension Center, to be funded with Dickinson oil revenues.
- The executive recommendation includes funding authority for the following capital projects:
  - $4.5 million Research Greenhouse Complex for the Main Research Station, including $2 million state bonding, $2 million federal funds and $500,000 other funds. ***(This was half of what was requested for each of the funding sources. The request was for a $9 million project.)***
  - $1,320,000 North Central Agronomy Lab and Greenhouse, including $440,000 state bonding and $880,000 other funds.
  - The Central Grasslands headquarters office addition ($250,000 state bonding and $60,000 other funds) was not included in the executive recommendation.

Budget Reconciliation

NDSU Agriculture
North Dakota Agricultural Experiment Station and NDSU Extension Service

General Fund —

Extension Service, Main and Branch Research Centers, Northern Crops Institute and Agronomy Seed Farm

Reconciliation of 2003-05 Original Appropriation to Executive Recommendation (SB 2021)

	(1) Extension Service	(2) Main Research Center	(3) Branch Research Centers	(4) NCI	(5) Agronomy Seed Farm	(6) Total
2003-05 Original General Fund Appropriation	$ 13,859,446	$ 28,210,740	$ 7,467,679	$ 746,002	$ -	$ 50,283,867
Base Adjustments:						
Transfer from Main Research Center to Extension Service and Branch Research Centers	255,000	(492,408)	237,408		-	
2003-05 Adjusted General Fund Appropriation	14,114,446	27,718,332	7,705,087	746,002	-	50,283,867
Executive Recommendation Increases (Decreases):						
Compensation package (4%-FY06 & 3%-FY07)	837,570	1,467,507	313,578	30,866		2,649,521
Health insurance and EAP increases	174,056	366,472	111,063	6,776		658,367
Operating inflation	114,990	107,754	45,529	4,731		273,004
Initiatives[1]		301,897		24,469		326,366
GF Operating Reduction (Offsetting Incr to Other Funds)		(200,000)				(200,000)
Total Increases (Decreases)	1,126,616	2,043,630	470,170	66,842	-	3,707,258
2005-07 Executive Recommendation - General Fund	**$ 15,241,062**	**$ 29,761,962**	**$ 8,175,257**	**$ 812,844**	**$ -**	**$ 53,991,125**
Increase (Decrease) From 2003-05 Adjusted Appropriation	**$ 1,126,616**	**$ 2,043,630**	**$ 470,170**	**$ 66,842**	**$ -**	**$ 3,707,258**
Percent Increase (Decrease)	**7.98%**	**7.37%**	**6.10%**	**8.96%**	**0.00%**	**7.37%**

[1] Initiatives (general fund) include the following: Main Research Center - $301,897 for 2 FTE for beef initiative (one-time funding for 2005-07 only); NCI - $24,469 for linking crops to livestock development.

NDSU Agriculture
North Dakota Agricultural Experiment Station and NDSU Extension Service

Other Funds —

Extension Service, Main and Branch Research Centers, Northern Crops Institute and Agronomy Seed Farm

Reconciliation of 2003-05 Original Appropriation to Executive Recommendation (SB 2021)

	(1) Extension Service	(2) Main Research Center	(3) Branch Research Centers	(4) NCI	(5) Agronomy Seed Farm	(6) Total
2003-05 Original Other Fund Appropriation	$ 20,486,830	$ 32,306,474	$ 8,967,403	$ 777,345	$ 1,166,604	$ 63,704,656
Increases (Decreases) included in budget request:						
2003-05 Capital projects		(1,120,000)	(1,400,000)			(2,520,000)
2005-07 Capital projects		9,000,000	1,060,000			10,060,000
One-time funding for Centers for Excellence		(800,000)				(800,000)
Other increases in estimated income	1,581,419	5,212,364	3,309,194	144,453	9,868	10,257,298
2005-07 Budget Request	22,068,249	44,598,838	11,936,597	921,798	1,176,472	80,701,954
Executive Recommendation Increases (Decreases):						
Compensation Package (4%-FY06 & 3%-FY07)	584,896	760,384	105,213	22,167	18,131	1,490,791
Health insurance and EAP increases	336,083	250,996	30,925	6,776	5,082	629,862
Initiatives[1]			59,799			59,799
ERP One-time Operating Funding (Offset to GF Reduction)		200,000				200,000
Increase (decrease) capital projects-State Bonding[2]		(2,000,000)	190,000			(1,810,000)
Increase (decrease) capital projects-Other Funds[3]		(2,500,000)	70,000			(2,430,000)
Total Increases (Decreases)	920,979	(3,288,620)	455,937	28,943	23,213	(1,859,548)
2005-07 Executive Recommendation - Other Funds	**$ 22,989,228**	**$ 41,310,218**	**$ 12,392,534**	**$ 950,741**	**$ 1,199,685**	**$ 78,842,406**

[1] Initiatives (other funds-Dickinson oil revenues) include $59,799 for an ethanol and malting barley initiative at the Dickinson Research Extension Center.

[2] State bonding - Decreased $2 million for Research Greenhouse Complex; increased $440,000 for North Central Agronomy Lab and Greenhouse; and eliminated $250,000 Central Grasslands Headquarters Office Addition.

[3] Other funds - Decreased $2 million federal funding and $500,000 other funding for Research Greenhouse Complex; increased $130,000 other funds for North Central Agronomy Lab and Greenhouse; and eliminated $60,000 Central Grasslands Headquarters Office Addition.

Budget Reconciliation

NDSU Agriculture

North Dakota Agricultural Experiment Station and NDSU Extension Service

Branch Research Centers

Reconciliation of 2003-05 Original Appropriation to Executive Recommendation (SB 2021)

	(1) Dickinson	(2) Central Grasslands	(3) Hettinger	(4) Langdon	(5) North Central	(6) Williston	(7) Carrington	(8) Total
General Fund:								
2003-05 Original General Fund Appropriation	$ 1,601,257	$ 911,996	$ 868,573	$ 911,413	$ 856,960	$ 913,010	$ 1,404,470	$ 7,467,679
Base Adjustments:								
Reallocation of revolving equipment pool	88,333	(88,334)		(88,333)	(88,333)	88,334	88,333	-
Transfer from Main Research Center to Extension Service and Branch Research Centers	963	19,382	10,965	18,381	25,381	964	161,372	237,408
2003-05 Adjusted General Fund Appropriation	1,690,553	843,044	879,538	841,461	794,008	1,002,308	1,654,175	7,705,087
Executive Recommendation Increases (Decreases):								
Compensation package (4%-FY06 & 3%-FY07)	71,160	35,137	32,329	35,484	35,276	39,189	65,003	313,578
Health insurance increases	24,703	11,646	11,581	10,462	17,943	13,552	21,176	111,063
Operating inflation	5,320	5,347	8,830	5,188	3,115	6,184	11,545	45,529
Initiatives								-
Total Increases (Decreases)	101,183	52,130	52,740	51,134	56,334	58,925	97,724	470,170
2005-07 Executive Recommendation- General Fund	**$ 1,791,736**	**$ 895,174**	**$ 932,278**	**$ 892,595**	**$ 850,342**	**$ 1,061,233**	**$ 1,751,899**	**$ 8,175,257**
Other Funds:								
2003-05 Original Other Fund Appropriation	$ 3,679,877	$ 755,391	$ 652,902	$ 371,472	$ 855,550	$ 730,065	$ 1,922,146	$ 8,967,403
Increases (Decreases) included in budget request:								
2003-05 Capital projects	(1,400,000)							(1,400,000)
2005-07 Capital projects		310,000			750,000			1,060,000
Other increases in estimated income	1,400,000	326,936	200,000	54,156	500,000	300,000	528,102	3,309,194
2005-07 Budget Request	3,679,877	1,392,327	852,902	425,628	2,105,550	1,030,065	2,450,248	11,936,597
Executive Recommendation Increases (Decreases):								
Compensation package (4%-FY06 & 3%-FY07)	16,482	3,282	9,976	11,387	26,887		37,199	105,213
Health insurance and EAP increases	6,863	1,906	3,665	3,092	3,541		11,858	30,925
Initiatives[1]	59,799							59,799
Increase (decrease) capital projects-State Bonding[2]		(250,000)			440,000			190,000
Increase (decrease) capital projects-Other Funds[3]		(60,000)			130,000			70,000
Total Increases (Decreases)	83,144	(304,812)	13,641	14,479	600,428	-	49,057	455,937
2005-07 Executive Recommendation-Other Funds	**$ 3,763,021**	**$ 1,087,515**	**$ 866,543**	**$ 440,107**	**$ 2,705,978**	**$ 1,030,065**	**$ 2,499,305**	**$ 12,392,534**

[1] Ethanol and malting barley initiative, funded from oil revenues.

[2] State bonding - Increased $440,000 for North Central Agronomy Lab and Greenhouse and eliminated $250,000 Central Grasslands Headquarters Office Addition.

[3] Other funds - Increased $130,000 other funds for North Central Agronomy Lab and Greenhouse; and eliminated $60,000 Central Grasslands Headquarters Office Addition.

North Dakota University System
(Extension Service, Main & Branch Research Stations, Northern Crops Institute, and Agronomy Seed Farm)
Summary of Changes from 2003-05 Legislative Appropriation to Executive Recommendation and Engrossed SB2020

	General Fund					
	Extension Service	Main Research Station	Branch Centers	NCI	Agronomy Seed Farm	Total General Fund
2003-05 Original General Fund Appropriation	**$ 13,859,446**	**$ 28,210,740**	**$ 7,467,679**	**$ 746,002**	**$ -**	**$ 50,283,867**
Base Adjustments (Transfer of 03-05 "critical area" funds)	255,000	(492,408)	237,408			-
2003-05 Adjusted General Fund Appropriation	**14,114,446**	**27,718,332**	**7,705,087**	**746,002**	**-**	**50,283,867**
Executive Recommendation Adjustments:						
Compensation package (4% & 3%)	837,570	1,467,507	313,578	30,866		2,649,521
Health insurance and EAP increases	174,056	366,472	111,063	6,776		658,367
Operating inflation	114,990	107,754	45,529	4,731		273,004
Initiatives 1/		301,897		24,469		326,366
GF Operating Reduction (Offsetting Incr to Other Funds)		(200,000)				(200,000)
Subtotal-Adjustments per Executive Recommendation	**1,126,616**	**2,043,630**	**470,170**	**66,842**	**-**	**3,707,258**
General Fund per Executive Recommendation	**15,241,062**	**29,761,962**	**8,175,257**	**812,844**	**-**	**53,991,125**
Senate Adjustments:						
Adds funds for Soil Conservation Districts	100,000					100,000
Adds funds for western malting barley 2/		39,251	188,950			228,201
Adds funds for beef systems centers of excellence 3/		400,000				400,000
Adds 1 FTE crop quality promotion specialist				120,000		120,000
Removes funding for linking crops to livestock research 4/				(24,469)		(24,469)
Reduces compensation package 5/	(74,028)	(131,842)	(28,701)	(2,778)	-	(237,349)
Subtotal-Senate Adjustments	**25,972**	**307,409**	**160,249**	**92,753**	**-**	**586,383**
General Fund per Engrossed SB2020	**$ 15,267,034**	**$ 30,069,371**	**$ 8,335,506**	**$ 905,597**	**$ -**	**$ 54,577,508**

Footnotes regarding general fund adjustments:

1/ Initiatives (general fund) include the following: Main Research Center - $301,897 for 2 FTE for beef initiative (one time funding for 2005-07 only); NCI - $24,469 for linking crops to livestock development.

2/ Adds funds for western malting barley project at various research centers (Main Research Center $39,251; Dickinson $62,845; Hettinger $8,000; and Williston $118,105)

3/ Adds $400,000 in state general fund for 2.0 new positions and related operating costs for beef center. The new positions may not be filled until SBARE enters into a

4/ Removes funding for linking crops to livestock research that was included in the executive recommendation.

5/ Reduces funding for compensation increases from 4/3%, as proposed in the executive recommendation, to 3/ 4% as recommended by the Legislature

North Dakota University System
(Extension Service, Main & Branch Research Stations, Northern Crops Institute, and Agronomy Seed Farm)
Summary of Changes from 2003-05 Legislative Appropriation to Executive Recommendation and Engrossed SB2020

	Other Funds					
	Extension Service	Main Research Station	Branch Centers	NCI	Agronomy Seed Farm	Total Other Funds
2003-05 Original Other Fund Appropriation	**$ 20,486,830**	**$ 32,306,474**	**$ 8,967,403**	**$ 777,345**	**$ 1,166,604**	**$ 63,704,656**
Executive Recommendation Adjustments:						
2003-05 Capital projects		(1,120,000)	(1,400,000)			(2,520,000)
2003-05 One-time PACE funding for beef systems centers of excellence		(800,000)				(800,000)
Increases in estimated income	1,581,419	5,212,364	3,309,194	144,453	9,868	10,257,298
Compensation package (4%-FY06 & 3%-FY07)	584,896	760,384	105,213	22,167	18,131	1,490,791
Health insurance and EAP increases	336,083	250,996	30,925	6,776	5,082	629,862
Initiatives 1/		-	59,799			59,799
ERP One-time Operating Funding (Offset to GF Reduction)		200,000	-			200,000
Subtotal-Adjustments per Executive Recommendation	**2,502,398**	**4,503,744**	**2,105,131**	**173,396**	**33,081**	**9,317,750**
Other Funds per Executive Recommendation	**22,989,228**	**36,810,218**	**11,072,534**	**950,741**	**1,199,685**	**73,022,406**
Senate Amendments:						
Continues PACE funding for beef systems centers of excellence 2/		800,000				800,000
Adds crop quality promotion specialist				39,605		39,605
Reduces compensation package 3/	(50,617)	(68,419)	(8,962)	(1,996)	(1,629)	(131,623)
Subtotal-Senate Adjustments	**(50,617)**	**(68,419)**	**(8,962)**	**(1,996)**	**(1,629)**	**707,982**
Other Funds per Engrossed SB2020	**$ 22,938,611**	**$ 36,741,799**	**$ 11,063,572**	**$ 948,745**	**$ 1,198,056**	**$ 73,730,388**

Footnotes regarding other funds adjustments:

1/ Initiatives (other funds-Dickinson oil revenues) include $59,799 for an ethanol and malting barley initiative at the Dickinson Research Center.

2/ Continues $800,000 in Ag PACE funding, first approved in 2003, for Beef System Centers of Excellence.

3/ Reduces funding for compensation increases from 4/3%, as proposed in the executive recommendation, to 3/ 4% as recommended by the Legislature

OTHER CHANGES TO EXECUTIVE RECOMMENDATION:

* Suggests the Legislative Council consider a study of the branch research centers, including visiting each center to observe infrastructure needs and research conducted; how research at the centers may compliment the beef systems center of excellence; and receive comments from area growers and producers

* Adds a section, indicating the special funds spending authority of $1.4 million, included in subdivision 5 of section 1 of chapter 20 of the 2003 Session Laws for the Dickinson

North Dako[illegible]ersity System
Detail for Bra[illegible]esearch Centers
Summary of Changes from 2003-05 Legislative Appropriation to Executive Recommendation and Engrossed SB2020

General Fund

	Dickinson	Central Grasslands	Hettinger	Langdon	North Central	Williston	Carrington	Total
2003-05 Original General Fund Appropriation	$ 1,601,257	$ 911,996	$ 868,573	$ 911,413	$ 856,960	$ 913,010	$ 1,404,470	$ 7,467,679
Base Adjustments:								
Transfer from Main Research Center	963	19,382	10,965	18,381	25,381	964	161,372	237,408
Reallocation of revolving equipment pool	88,333	(88,334)	-	(88,333)	(88,333)	88,334	88,333	-
2003-05 Adjusted General Fund Appropriation	**1,690,553**	**843,044**	**879,538**	**841,461**	**794,008**	**1,002,308**	**1,654,175**	**7,705,087**
Executive Recommendation Adjustments:								
Compensation package (4% & 3%)	71,160	35,137	32,329	35,484	35,276	39,189	65,003	313,578
Health insurance and EAP increases	24,703	11,646	11,581	10,462	17,943	13,552	21,176	111,063
Operating inflation	5,320	5,347	8,830	5,188	3,115	6,184	11,545	45,529
Subtotal-Adjustments per Executive Recommendation	**101,183**	**52,130**	**52,740**	**51,134**	**56,334**	**58,925**	**97,724**	**470,170**
General Fund per Executive Recommendation	**1,791,736**	**895,174**	**932,278**	**892,595**	**850,342**	**1,061,233**	**1,751,899**	**8,175,257**
Senate Adjustments:								
Adds funds for western malting barley	62,845		8,000			118,105		188,950
Reduces compensation package	(6,475)	(3,175)	(2,949)	(3,246)	(3,300)	(3,528)	(6,028)	(28,701)
Subtotal-Senate Adjustments	**56,370**	**(3,175)**	**5,051**	**(3,246)**	**(3,300)**	**114,577**	**(6,028)**	**160,249**
General Fund per Engrossed SB2020	$ 1,848,106	$ 891,999	$ 937,329	$ 889,349	$ 847,042	$ 1,175,810	$ 1,745,871	$ 8,335,506

Other Funds

	Dickinson	Central Grasslands	Hettinger	Langdon	North Central	Williston	Carrington	Total
2003-05 Original Other Fund Appropriation	$ 3,679,877	$ 755,391	$ 652,902	$ 371,472	$ 855,550	$ 730,065	$ 1,922,146	$ 8,967,403
Executive Recommendation Adjustments:								
2003-05 Capital projects	(1,400,000)							(1,400,000)
Increases in estimated income	1,400,000	326,936	200,000	54,156	500,000	300,000	528,102	3,309,194
Compensation package (4%-FY06 & 3%-FY07)	16,482	3,282	9,976	11,387	26,887		37,199	105,213
Health insurance and EAP increases	6,863	1,906	3,665	3,092	3,541		11,858	30,925
Malting barley initiative from oil revenues	59,799							59,799
Subtotal-Adjustments per Executive Recommendation	**83,144**	**332,124**	**213,641**	**68,635**	**530,428**	**300,000**	**577,159**	**2,105,131**
Other Funds per Executive Recommendation	**3,763,021**	**1,087,515**	**866,543**	**440,107**	**1,385,978**	**1,030,065**	**2,499,305**	**11,072,534**
Senate Amendments:								
Reduces compensation package	(1,404)	(280)	(850)	(970)	(2,290)		(3,168)	(8,962)
Subtotal-Senate Adjustments	**(1,404)**	**(280)**	**(850)**	**(970)**	**(2,290)**	-	**(3,168)**	**(8,962)**
Other Funds per Engrossed SB2020	$ 3,761,617	$ 1,087,235	$ 865,693	$ 439,137	$ 1,383,688	$ 1,030,065	$ 2,496,137	$ 11,063,572

North Dakota University System

(Extension Service, Main & Branch Research Stations, NCI, and Agronomy Seed Farm)

Detail of Senate Amendments to S.B. 2020

	Original SB2020	Senate Amendments: Reduces Compensation Pkg from 4&3 to 3&4	Adds Funds for Soil Conservation Districts	Adds Funds for Western Malting Barley	Adds Positions & Funding for Beef Ctr of Excellence	Continues PACE Funding for Beef Ctr of Excellence	Adds Crop Quality Promotion Specialist	Removes Funding for Linking Crops to Livestock Research	Total Amendments	Amended SB2020 - Senate Version
Extension Service										
General fund	15,241,062	(74,028)	100,000						25,972	15,267,034
Special funds	22,989,228	(50,617)							(50,617)	22,938,611
Total funds	38,230,290	(124,645)	100,000	-					(24,645)	38,205,645
Main Research Station										
General fund	29,761,962	(131,842)		39,251	400,000				307,409	30,069,371
Special funds	36,810,218	(68,419)				800,000			731,581	37,541,799
Total funds	66,572,180	(200,261)		39,251	400,000	800,000			1,038,990	67,611,170
Branch Research Centers										
Dickinson:										
General fund	1,791,736	(6,475)		62,845					56,370	1,848,106
Special funds	3,763,021	(1,404)							(1,404)	3,761,617
Total funds	5,554,757	(7,879)		62,845					54,966	5,609,723
Central Grasslands:										
General fund	895,174	(3,175)							(3,175)	891,999
Special funds	1,087,515	(280)							(280)	1,087,235
Total funds	1,982,689	(3,455)		-					(3,455)	1,979,234
Hettinger:										
General fund	932,278	(2,949)		8,000					5,051	937,329
Special funds	866,543	(850)							(850)	865,693
Total funds	1,798,821	(3,799)		8,000					4,201	1,803,022
Langdon:										
General fund	892,595	(3,246)							(3,246)	889,349
Special funds	440,107	(970)							(970)	439,137
Total funds	1,332,702	(4,216)		-					(4,216)	1,328,486
North Central:										
General fund	850,342	(3,300)							(3,300)	847,042
Special funds	1,385,978	(2,290)							(2,290)	1,383,688
Total funds	2,236,320	(5,590)		-					(5,590)	2,230,730
Williston:										
General fund	1,061,233	(3,528)		118,105					114,577	1,175,810
Special funds	1,030,065	-							-	1,030,065
Total funds	2,091,298	(3,528)		118,105					114,577	2,205,875
Carrington:										
General fund	1,751,899	(6,027)							(6,027)	1,745,872
Special funds	2,499,305	(3,169)							(3,169)	2,496,136
Total funds	4,251,204	(9,196)		-					(9,196)	4,242,008
Total Research Centers:										
General fund	8,175,257	(28,701)		188,950					160,249	8,335,506
Special funds	11,072,534	(8,962)		-					(8,962)	11,063,572
Total funds	19,247,791	(37,663)		188,950					151,287	19,399,078
Northern Crops Institute										
General fund	812,844	(2,778)					120,000	(24,469)	92,753	905,597
Special funds	950,741	(1,996)					39,605		37,609	988,350
Total funds	1,763,585	(4,774)		-			159,605	(24,469)	130,362	1,893,947
Agronomy Seed Farm										
General fund									-	-
Special funds	1,199,685	(1,629)							(1,629)	1,198,056
Total funds	1,199,685	(1,629)		-					(1,629)	1,198,056
TOTAL SB2020										
General fund	53,991,125	(237,349)	100,000	228,201	400,000	-	120,000	(24,469)	586,383	54,577,508
Special funds	73,022,406	(131,623)	-	-	-	800,000	39,605	-	707,982	73,730,388
Total funds	127,013,531	(368,972)	100,000	228,201	400,000	800,000	159,605	(24,469)	1,294,365	128,307,896

NDSU Agriculture

Summary of Senate Appropriation Amendments to S.B. 2020

- Reduces funding for compensation increases from funded 4/3% as proposed in the Governor's Budget to 3/4% as recommended by the Legislature ($237,349 General fund and $131,623 other funds).
- Adds $228,201 in general fund for western malting barley project at various research centers.
- Adds $100,000 in general fund for soil conservation districts in Extension budget.
- Adds $159,605 ($120,000 general fund and $39,605 in other funds) for crop quality promotion specialist in Northen Crops Institute (NCI).
- Removes $24,469 in general fund for "linking crops to livestock research" in NCI.
- Continues $800,000 in Ag PACE funding, first approved in 2003, for Beef Systems Center of Excellence. Adds $400,000 in state general fund for 2.0 new positions and related operating costs for beef center. The new positions may not be filled until SBARE enters into a business partnership agreement for the Beef Systems Center of Excellence.
- Suggests the Legislative Council consider a study of the branch research centers, including visiting each center to observe infrastructure needs and research conducted; how research at the centers may compliment the Beef Systems Center of Excellence; and receive comments from area growers and producers.
- Adds a section indicating the special funds spending authority of $1.4 million included in subdivision 5 of section 1 of chapter 20 of the 2003 Session Laws for the Dickinson Research Extension Center building project may come from any available source and declares this section an emergency measure.
- In total, S.B. 2020 has been increased by $586,383 in state general funds.

North Dakota Agricultural Experiment Station

2005-07 Major Capital Projects

This general and special fund capital improvement project was ranked No. 1 by SBARE.

RESEARCH GREENHOUSE COMPLEX

$ 9,000,000

Main Station Research Farms *2005-2007 Biennium – Priority #1*

Project Rationale: This project is for the new construction plus implementation of the renovation of selected existing greenhouses to meet the critical need for state-of-the-art greenhouse space by North Dakota Agricultural Experiment Station (NDAES) researchers and the needs of UDSA researchers. This project has a high priority because of the current condition of existing greenhouses and the requirements for expanding research needs to benefit crop production both nationally and globally. The NDAES needs secure greenhouse space to conduct the research on transgenic crops in order to meet consumer demands and to respond to the threat of bioterrorism.

Project Description: This request is for 16 containment units, each consisting of 800 square feet, with independent environmental controls to work on the 40 crops currently grown in the state, on potential new crops and on the insects/diseases/weed/soil problems that affect those crops. Eighteen units, each containing 200 square feet, are needed for specialized insect rearing and disease inoculation, and one 600 square foot unit is required for use as a greenhouse spray chamber room.

Each greenhouse room within a range shall have de-ionized and regular water systems, fertilizer injection system, heating, lighting, ventilation and environmental controls. Independent room access is required for security and to minimize contamination of rooms by workers and transported plant material.

Headhouses for the greenhouse ranges shall be designed to support the greenhouses (soil bins, autoclaves/sterilizers, plant and soil disposal, etc.) and to provide additional facilities important for crop research. The headhouse shall incorporate at least six laboratories (three transgenic, three non-transgenic); three controlled environment seed storage rooms (with a total of 8,000 square feet); two large threshing/storage rooms (one transgenic and one non-transgenic, each 100' x 200'); a propagating material room; a freezer room; two seed cleaning/sorting/packing rooms (each consisting of 2,000 square feet); three drying rooms with 15 dryer units; and two large growth chamber areas sufficient for 24 chambers each. The facility shall include a multi-purpose classroom/demonstration area, restroom, and changing/locker rooms. The facility shall be planned for future expansion to conform to the needs of NDAES and USDA research.

The location of this facility shall be in proximity to other on-campus laboratory research facilities because of the need to transport plant material between buildings in the winter, for access by student labor and for the convenience of graduate students and faculty.

Funding Request: State Bonding Funds ($4.0 million); Other Funds ($5.0 million)

Branch Research Centers

2005-07 Major Capital Projects

This general and special fund capital improvement project was ranked No. 2 by SBARE.

HEADQUARTERS OFFICE BUILDING ADDITION $ 310,000

Central Grasslands Research Extension Center *2005-2007 Biennium – Priority #2*

Project Rationale: There is insufficient space in the existing office building for personnel and programs needed for the Central Grasslands Research Extension Center. The current building contains offices for five staff and a receptionist, sleeping rooms for visiting Main Station faculty and graduate students, an herbarium and a conference room. The existing conference room can seat 12 people comfortably.

The proposed addition is needed to provide office space for additional permanent and visiting staff and to provide a small laboratory for sample preparation. With the addition of videoconferencing, there is a need to expand the conference room to accommodate up to 100 people for meetings and training.

Project Description: The proposed 3,000 square foot addition will provide five additional offices and a lab on the upper floor with a 1,500 square foot conference room, restrooms, and outside ADA accessibility on the ground floor. Modifications will also be made to the building's main entrance as a safety factor for winter snow and ice conditions. The existing conference room will be converted into a library.

Funding Request: State Bonding Funds ($250,000); Other Funds ($60,000)

Branch Research Centers

2005-07 Major Capital Projects

AGRONOMY LABORATORY and GREENHOUSE $1,690,000

North Central Research Extension Center *2005-2007 Biennium – Priority #1*

Project Rationale: A new agronomy research laboratory and greenhouse is needed in order to provide new and more efficient research opportunities and capabilities for the North Central Research Extension Center. This research is currently being conducted on four floors of an old seedhouse constructed in 1949, resulting in the following problems:

- Inadequate laboratory space for the 20 full-time and seasonal employees sharing the 24' x 14' area.
- Inoperable elevator, with a cost of more than $30,000 to repair it. (More than 15,000 filled harvest bags must be carried to the second or third floor for cleaning, analysis and storage.)
- Delayed harvests due to insufficient dryer space for the quantity of research projects conducted, jeopardizing valuable research.
- Difficult breathing and working conditions during the seed cleaning process because of inadequate dust ventilation system.
- Difficult working conditions in the seed cleaning area during times of temperature extremes because area is not heated or cooled; has also resulted in computer malfunctions and lost data.
- Computers are not connected to the main office network.

The lab will provide a safer and cleaner working environment, as well as a climate-controlled area for germplasm archives. The greenhouse, spray chamber and growth chamber will fill a critical void in NCREC's research capabilities, completing its field research with the ability to conduct studies under controlled conditions. The facility will provide an area to conduct preliminary crop evaluation, weed, disease, and insect studies prior to the growing season and the opportunity to study the influence of soil pH, fertility, relative humidity, temperature, etc. on crop and pest management. This, along with enhanced educational activities that a greenhouse can provide, makes it a necessary component of the project. Greenhouse research options (locally or at the NDSU Main Station in Fargo) are restricted due to limited greenhouse space, as well as logistical and time constraints.

Project Description: This project will consist of construction of a heated laboratory, office and storage space for crop and weed research, all located on one floor. The laboratory will be used for setting up seed and processing data from crop, weed, insect and disease studies and will create a more efficient flow of materials from seed preparation through harvesting, seed cleaning and sample analysis. Facilities for receiving, drying, cleaning and storing freshly harvested material will also be included, as will a dust control system and a greenhouse for winter research.

Funding Request:		
	Other Funds	$ 1,250,000
	State Bonding	440,000
		$ 1,690,000

AGENCY OVERVIEW

Main Research Station

North Dakota Agricultural Experiment Station

Agency Statutory Authority

North Dakota Constitution, Article XIX; North Dakota Century Code Chapter 4-05.1

Agency Description

The North Dakota State University Main Research Station is located on the campus of the North Dakota State University of Agriculture and Applied Science. The station is the administrative location of the Agricultural Experiment Station. The station conducts research and coordinates all research activities of the Agricultural Experiment Station. The research has, as a purpose, the development and dissemination of technology important to the production and utilization of food, feed, fiber, and fuel from crop and livestock enterprises. The research provides for an enhancement of economic development, quality of life, sustainability of production, and protection of the environment. The Main Research Station keeps detailed records of all activities and publishes the information that will be of value to the residents of this state.

Agency Mission Statement

The Agricultural Experiment Station shall develop and disseminate technology important to the production and utilization of food, feed, fiber, and fuel from crop and livestock enterprises. The research must provide for an enhancement of the quality of life, sustainability of production, and protection of the environment

Agency Performance Measures

Per NDCC Section 4-05.1-19 SBARE needs to present a status report to the budget section of the legislative council. On April 13, 2004, SBARE made a presentation to legislative council and handed out a report on the status of the Agricultural Experiment Station and the North Dakota State University Extension Service. A copy of the information is on file in legislative council office.

Agency Future Critical Issues

NDAES continues to face the challenges in sustaining an infrastructure in which to do quality research. Shortfalls occur in quality greenhouse and plant research facilities, especially those for transgenic plants which will be more frequently introduced. Studies on transgenic crops will increase as methods to incorporate disease, insect and environmental stress resistance are more available. Our scientists travel farther each year in the state to conduct site-specific research. Major problems occur in acquisition of costly field and laboratory equipment that cannot be obtained through grants. NDAES has insufficient laboratory space to meet the needs of 21st Century agriculture. North Dakota is becoming increasingly urban, and urban populations require some products and services that are

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different than those needed by livestock and crop producers. Continual efforts to improve horticultural research are occurring, and NDAES is addressing the needs of campus research and demonstration plots. However, these efforts need to continue in order to allow NDAES to serve this segment of agriculture well. Increased focus on food safety and on natural resources management provides opportunities for growth and response to pressing national needs. Food safety and natural resources will attract doctoral students who will significantly enhance research efforts. Continued improvements in nutrition and feeding facilities for livestock research are needed. This is particularly needed when quality control feedlot trials and consistent product evaluation is required for scientific evaluations. The Center of Excellence for Beef Systems will fill a void in the research and education mission of our animal scientists. This Center also will provide much-needed information to beef cattle producers on how to improve herds for improved quality traits. Our strength is in our researchers, but they are too few to cover all of the critical issues facing North Dakota agriculture, and the lack of adequate numbers precludes important faculty development. Over years, faculty positions have been lost, and lost positions cannot be redirected. For some units, additional technical support would significantly increase productivity of researchers. Faculty are responsible for attracting external funding, and their success during this biennium is impressive; however, the commensurate effort to write more and larger grants is apparent, and we have concerns about additional pressures that fundraising has on faculty burnout. Rural populations continue to decline, and the dynamics of the farming population are changing. Economic realities often place NDAES in a position of responding rather than being proactive in affecting positive change. Communication to help sustain farmers/communities is critical, and the need to translate research information into useful formats is apparent. In addition to building the technologies for communication, we need to promote the development of quality information that is transmitted by the technologies.

Main Research Station

2005-07 Needs-Based Budget

An increase of $6,181,774 would provide funds to address the following priorities of the State Board of Agricultural Research and Education and related needs of North Dakota agriculture.

SBARE ranked all of the projects for Main Station, Branch Station and Extension together since a lot of the projects are joint efforts. Please refer to the ranked projects by reviewing the narrative in all of the agencies.

 # 1 ranked: Costs to Continue (2.2% Operating Inflation)

$107,754 Total General Fund Increase

Estimated costs to continue of 2.2% for the biennium (2.1% for FY'06 and 2.3% for FY'07) are needed to allow the Agricultural Experiment Station to complete its research mission. These inflationary costs affect the ability to purchase needed equipment, fuel, supplies and other items necessary to conduct research across the state. The cost to continue represents $153,283 for the Main Station and the seven Research Extension Centers in the state. If cost to continue was not included in the recommended budget, the Agricultural Experiment Station would address this shortfall by identifying and implementing cuts in operating and salary.

 # 2 ranked: Center of Excellence for Beef Systems

$600,000 Total General Fund Increase

Geneticist ($160,000 salary and fringe benefits, 1.0 FTE, $40,000 operating)

Meat Quality and Muscle Physiology ($320,000 salary & fringe benefits, 2.0 new FTE, $80,000 operating)

In order to effectively utilize North Dakota's investment in the Beef Systems Center of Excellence, which will allow for state-of-the-art evaluation of beef products, an investment in faculty to provide expertise in meat quality, muscle physiology, and animal genetics is required. Scientists involved in meat quality and muscle physiology will focus on developing nutritional and other production parameters that will result in high-quality meat products. A research animal geneticist working with nutritionists and other animal scientists could effectively associate genotype with desired meat quality traits. The geneticist could develop appropriate selection criteria to ensure desired market quality traits are present in North Dakota beef herds.

 # 3 ranked: Crop Quality and Consumer Needs - Western Malting Barley Project

$99,050 Total General Fund Increase

($6,050 salary and fringe benefits, no new FTE, $57,300 operating, $35,700 equipment)

This project, initiated in the 2001-03 biennium, has been progressing well. Additional time is necessary to allow for some research activities to be completed. Identifying better fertilizer recommendations for the western production areas is of primary importance to improve the probability of producing malting quality barley in the short term. Development of malting barley cultivars with improved traits allowing for better adaptation to the more arid areas of western North Dakota is an ongoing process. Development of high-yielding, high-quality malting barley cultivars for production using irrigation is a second thrust of this research effort.

 # 4 ranked: Crop Quality and Consumer Needs - Potato Genetics

$200,000 Total General Fund Increase

($160,000 salary and fringe benefits, 1.0 new FTE, $40,000 operating)

The success of any cultivar development program resides in the ability to create, identify and utilize genetic variability. Geneticists and plant breeders work as a team to better utilize and incorporate desirable germplasm into adapted material. This research position, located at the Main Station, is critical to the long-term success of the potato improvement program by using genes of importance from wild species of potato and incorporating them into materials that can be used effectively by the breeder.

 # 5 ranked: Investing in Infrastructure Needs for the 21st Century

$1,480,000 Total General Fund Increase

($680,000 operating and $800,000 equipment)

An enhancement of operating funds from $6,100/SY to $10,000/SY ($610,000 to $1,000,000) would provide greater flexibility for NDAES scientists to remain productive and competitive, and allow for improved opportunities to leverage these research dollars with additional grants and contracts. Increased operating funds will offer a broader baseline of support to programs that are critical to fulfill the specific research objectives of the NDAES. This would also assist in the delivery of quality Extension programs across the state.

Costs continue to increase in both operating expenses and technological changes. This requires an investment in equipment and enhancement of operating funds. This infrastructural investment would allow scientists and staff in the NDAES and NDSUES to meet their missions for the future of North Dakota. It is virtually impossible to fund equipment purchases using competitive grant sources as most granting agencies assume that research labs have the equipment, such as autoclaves, centrifuges, high-performance liquid chromatography (HPLCs) and real-time polymerase chain reaction (PCRs), necessary to carry out the proposed research. Also, necessary field equipment such as tractors, combines and planters are heavily used, yet no plan or funds for replacement of field equipment has occurred. Equipment enhancement funds for the Main Station would be used to establish a funding pool to equip Main Station scientists with much needed state-of-the-art equipment. This would allow these excellent researchers to continue their success in leveraging state support with federal and non-federal dollars.

 # 6 ranked: Investing in Infrastructure Needs for the 21st Century - Increased Research Support Staff

$1,147,055 Total General Funds Increase (13.0 new FTE)

Many Main Station and REC research projects do not have state supported technical staff. This requires the scientist to continue to write grants that go toward funding research support staff (a subsistence approach) rather than being allowed to enhance their respective project with non-state funds. Also, this soft support provides no continuity to the research program, in that if a permanent position becomes available, the grant-supported technician often vies for that position. A goal of having a state-funded research support staff person for every scientist (21 more are needed, 13 on and 8 off) would improve the overall research effort, allow for continuity of the program and provide a synergy of effort and improved productivity (two people working together can accomplish more than each one working alone).

 # 7 ranked: Community Vitality and Economic Development - Eductional Program Design

$24,000 Total General Fund Increase

($20,000 salary and fringe benefits, 0.2 new FTE, $4,000 operating)

A specialist in Agriculture Communication would work with NDSUES and NDAES faculty and staff to identify target audiences, determine desired outcomes, select the most appropriate teaching tools (CDs, videoconferencing, Web lessons, public programs, printed materials, media releases, etc.), coordinate development of the educational programs, market the programs to targeted North Dakotans and conduct follow-up evaluation(s). Much of the focus would be on non-credit distance education to reach people across the state (possibly even across the region, nation or world).

 # 8 ranked: Investing in Infrastre Needs for the 21st Century - Graduate Students

$650,000 Total General Fund Increase

(22, 50% part-time Graduate Students @ $13,773/year average salary)

State support of graduate students provides scientists with a highly motivated, highly educated support person. These individuals typically work at least 20 hours a week for the overall project; the remainder of the time is spent in class and/or work on their own research topic. These research topics are relevant topic areas that need to be investigated usually to solve a problem identified in North Dakota. As such, these student workers are an excellent low-cost investment for the state.

 # 9 ranked: Investing in Infrastructure Needs for the 21st Century - Increased Office Staff

$232,000 Total General Funds Increase

(4.0 new FTE, $232,000 salary and fringe benefits)

Effects of attrition and additional responsibilities for data entry, North Dakota Department of Transportation record keeping, and on-line data and billing management have negatively affected many departments and RECs. Increased workloads have impacted the efficiencies of these units, requiring overtime to meet deadlines. Four research office staff would be located in departments/RECs identified as having the greatest need.

 # 10 ranked: Investing in Infrastructure Needs for the 21st Century - Extraordinary Repairs and Deferred Maintenance

$425,165 Total General Fund Increase

($425,165 extraordinary repairs)

Funding for repairs to facilities at the Main Station and each REC has been inadequate to meet all of the needs. Continual deterioration of buildings through age and use affects the long-term viability of research programs. Renovating laboratory space to meet ongoing and future research needs is a continual problem. Increased state support to meet these building needs is critical. Currently, the Main Station is funded at 25% of the OMB building and infrastructure formulas, and has an outstanding deferred maintenance balance of $1,775,260.

 # 11 ranked: Community Rural Vitality and Economic Development - Enhancing ND Communities

$50,000 Total General Fund Increase - (Operating)

Healthy communities are critical to the future of North Dakota and the agriculture industry. This program effort would connect NDSU expertise and resources to communities, provide education, develop collaborations, and build partnerships with communities to help address critical issues. Community economic development research, which would support Extension outreach efforts, would be conducted by the Department of Agribusiness and Applied Economics.

 # 13 ranked: Cropping Systems and Sustainablity - Soil Biology

$150,000 Total General Fund Increase

($120,000 salary and fringe benefits, .75 new FTE, $30,000 operating)

The soils of North Dakota are one of its great natural resources. Crop and livestock systems are rooted in healthy soils. Every project in soil fertility, carbon sequestration or conservation eventually encounters a microbiology roadblock. A scientist working in the area of microbiology, bioremediation, and soil/water contamination from agricultural, industrial and residential sources would provide expertise to a wide range of collaborators, including range scientists, agronomists, microbiologists and agricultural engineers. Lack of a scientist trained in this critical area limits our ability to use a "systems" approach to some of the state's important production and environmental problems.

 # 14 ranked: Cropping Systems and Sustainability - Canola Pathology

$200,000 Total General Fund Increase

($160,000 salary and fringe, 1.0 new FTE, $40,000 operating)

North Dakota leads the nation in the production of canola. This crop, grown on more than 1.2 million acres, is an important alternative to small grain crops, particularly in the northern tier of counties. Success or failure of the crop is often determined by the successful control of disease and insect pests. While scientists are determining best control measures for insect pests of canola, no consistent, sustained effort is placed on developing, testing and reporting on control measures of canola diseases. A research scientist located at the Main Station working specifically in canola pathology would work with REC scientists and staff, and coordinate efforts to determine most appropriate control measures, including genetic control of canola diseases.

 # 15 ranked: Crop Quality and Consumer Needs - Dry Bean Breeding/Genetics

$200,000 Total General Fund Increase

($160,000 salary and fringe 1.0 new FTE, $40,000 operating)

North Dakota leads the nation in the production of dry edible bean, accounting for more than 40 percent of the total U.S. crop. NDSU-developed cultivars dominate the navy bean and pinto bean acreage with as much as 60 percent of the pinto bean acreage planted to NDSU cultivars. Continuing efforts to provide new, improved cultivars that better withstand the environmental constraints in the northern Great Plains and the disease problems associated with the crop justify the need for a research scientist to help address the problems associated with a crop worth in excess of $150-$225 million annually.

 # 19 ranked: Cropping Systems and Sustainability - Range Extension/Research for the Coteau

$56,250 Total General Fund Increase

($40,000 salary and fringe benefits, 0.25 new FTE, $16,250 operating)

The five million acres of the Coteau region of North Dakota is home to 42 percent of the state's cattle and 38 percent of the farms, and represents 44 percent of the state's rangeland. A focused research/Extension position to provide information to clientele on rangeland issues, coordinated with activities of Main Station scientists, would enhance the overall outreach effort of this large, diverse region of the state.

 # 20 ranked: Livestock Systems Development - Non-Ruminant Nutrition, Swine Emphasis

$80,000 Total General Fund Increase

($64,000 salary and fringe, 0.4 new FTE, $16,000 operating)

The swine industry in North Dakota is in a state of transition. The industry is poised to make major strides in production by utilizing new technologies and marketing arrangements. A research scientist with Extension responsibilities to investigate specific problems associated with swine production in North Dakota and disseminate information concerning swine production is requested.

 # 24 ranked: Cropping Systems and Sustainability - Environmental Toxicology

$200,000 Total General Fund Increase

($160,000 salary and fringe, 1.0 new FTE, $40,000 operating)

Understanding the fate of pesticides in urban, agricultural and natural ecosystems is critical to maintaining a safe environment and healthy citizenry. A research environmental toxicologist would work closely with NDSU soil scientists to monitor and assess the impact of agricultural materials through our air, water and soil systems. The research scientist would also interact with entomologists and geneticists to design plants with better defense mechanisms.

The following are unranked by SBARE:

Crop Quality and Consumer Needs

Economic analyses will focus on developing NDSU expertise in understanding global impacts of biotechnology development, evaluating new markets for bio-based products and evaluating processor and consumer willingness to pay for traditional and novel food and industrial products.

Food Systems and Its Impact on Food Security

Strengthening research in bacterial pathogenesis is critical to ongoing programs in animal health, animal production and food safety. Monitoring animal and zoonotic diseases would provide crucial information on improving diagnostic methods and identifying methods to prevent pathogenic organisms. This research position, located at the Main Station, would work on monitoring animal and zoonotic diseases and provide crucial information on improving diagnostic methods and identifying methods to prevent pathogenic organisms.

Livestock Systems Development - Animal Composting

Concern has been raised by the North Dakota Department of Health about the appropriateness of burying dead animals as an acceptable method of disposal on state-operated research centers. Since current methods have been deemed inadequate, developing new methods that meet the requirements of the health department, the environment and society would be beneficial.

Bio-based Industrial Products

Great potential exists in utilizing plant products for non-traditional uses, including energy and industrial purposes (sources of plastics, polymers, industrial oils, etc.). These new uses would provide opportunities for producers in the state to diversify their markets. Investments in this avenue of research would meld agriculture with engineering and chemistry to identify new uses for existing crops and markets for new crops with special traits. A research scientist located at the Main Station in agricultural and biosystems engineering would provide the expertise in identifying new processing techniques.

Budget Reconciliation

NDSU Agriculture
North Dakota Agricultural Experiment Station and NDSU Extension Service

General Fund — Main Research Station

Reconciliation of 2003-05 Original Appropriation to Executive Recommendation (SB 2021)

2003-05 Original General Fund Appropriation	$ 28,210,740
Base Adjustments:	
Transfer from Main Research Center to Extension Service and Branch Research Centers	(492,408)
2003-05 Adjusted General Fund Appropriation	27,718,332
Executive Recommendation Increases (Decreases):	
Compensation package (4%-FY06 & 3%-FY07)	1,467,507
Health insurance and EAP increases	366,472
Operating inflation	107,754
Initiatives[1]	301,897
GF Operating Reduction (Offsetting Incr to Other Funds)	(200,000)
Total Increases (Decreases)	2,043,630
2005-07 Executive Recommendation - General Fund	**$ 29,761,962**
Increase (Decrease) From 2003-05 Adjusted Appropriation	**$ 2,043,630**
Percent Increase (Decrease)	**7.37%**

[1]Initiatives (general fund) include the following: Main Research Center - $301,897 for 2 FTE for beef initiative (one-time funding for 2005-07 only).

Other Funds — Main Research Station

Reconciliation of 2003-05 Original Appropriation to Executive Recommendation (SB 2021)

2003-05 Original Other Fund Appropriation	$ 32,306,474
Increases (decreases) included in budget request:	
2003-05 Capital projects	(1,120,000)
2005-07 Capital projects	9,000,000
One-time funding for Centers for Excellence	(800,000)
Other increases in estimated income	5,212,364
2005-07 Budget Request	44,598,838
Executive Recommendation Increases (Decreases):	
Compensation Package (4%-FY06 & 3%-FY07)	760,38
Health insurance and EAP increases	250,996
Initiatives	
ERP One-time Operating Funding (Offset to GF Reduction)	200,000
Increase (decrease) capital projects-State Bonding	(2,000,000)
Increase (decrease) capital projects-Other Funds	(2,500,000)
Total Increases (Decreases)	(3,288,620)
2005-07 Executive Recommendation - Other Funds	**$ 41,310,218**

Main Research Station
2005-07 Budget Changes Narrative

OTHER REV - $4,677,000

The North Dakota Agricultural Experiment Station requests an increase in grants and other special fund authorization by $4.677 million. Grants written and received by faculty in the NDAES have driven this increase, as well increases in the size of awards. For example, the NDAES has received substantial grants in Food Safety ($1.5 million) and Biosurveillance ($1.7 million). Also, scientists have received substantial awards from the National Science Foundation ($1.8 million) for wheat research. We anticipate that our scientists will continue to remain successful for grants in the future.

Agronomy Seed Farm 2005 Budget Remarks
Senate Appropriations Committee

Current cropping trends affect all of the research centers that rely on seed production for part of their income stream. The past few years have brought about many shifts in the crops grown in various parts of the state which we, the seed producing agencies, have anticipated and adjusted our focus to still serve the seed trade in our respective areas of ND. Some of the obvious ones are the shift of the durum triangle to the western areas of the state, malting barley research and seed production moving west as that crop expanded to that area, and new pulse crop production and a seed industry developing for lentils, field peas, and chick peas in the central and northwestern parts of ND as that industry develops.

One of the reasons we have been able to respond to these changes is that we are building the equipment base to handle these specialty crops properly which often means gently with the proper equipment such as rotary style combines and belt conveyors. The rotating equipment fund, which the legislature initiated several years ago, has been extremely helpful to the research centers that are included in that venture by providing the means to purchase such equipment. I'd be making an understatement to simply say we are grateful for that support.

A similar need exists in the departments that conduct field research on campus and at outlying locations. Their equipment lists are in about the same condition the research centers were when our revolving equipment fund was started. A recent list of equipment in the Plant Sciences purchased with hard funds consisted of 26 items, mostly tractors and plot combines, and all but seven were more than 20 years old and six were over 15 years old. These departments are relying on more and more grants to fund their work and it is very difficult to write a grant that will allow for the purchase of field equipment. These departments should be using the most modern equipment available to conduct their cutting edge research and in a couple of recent instances when a planter and plot combine were retired, they went straight to a museum.

A further need for more equipment arises when we research and produce seed with crops involving transgenic traits. Just because research on one proprietary trait in wheat was terminated doesn't mean no others will emerge and be investigated. Because of the extreme sensitivity opponents to such activity have demonstrated, we have adopted the practice in our seed increase and our general research with these crops to try to use separate equipment when handling and conditioning transgenic crops. Although all practical methods are used to thoroughly clean equipment between varieties we use separate equipment for these crops to avoid the perception that we might be allowing the unintended presence of transgenic crops in conventional crops.

The Plant Sciences example isn't an isolated example of equipment needs, the other departments are in the same condition. If additional funding were found, a similar fund would be welcomed to start updating the equipment used by on campus departments. This was of enough concern by SBARE to rank relatively high on their priority list and any help the legislature could provide would be appreciated.

AGENCY OVERVIEW

Agronomy Seed Farm

North Dakota Agricultural Experiment Station

Agency Statutory Authority

North Dakota Century Code 4-05.1.

Agency Description

The Agronomy Seed Farm is a 750 acre farm located near Casselton, ND which has been a part of the NDAES since it was gifted to the state in 1950. It was the result of a fund drive conducted by the North Dakota Crop Improvement Association who solicited farmers, seed companies and many others throughout the state to help establish a farm whose main purpose would be to increase seed of new varieties as they were developed by the plant breeding and supporting departments of the NDAES. The ASF also propagates older but still desirable varieties for the seedsmen of the area.

Agency Mission Statement

To produce an adequate supply of Foundation grade seed for the seedsmen of the state and area at a reasonable price.

Agency Performancy Measures

Per NDCC Section 4-05.1-19 SBARE needs to present a status report to the budget section of the legislative council. On April 13, 2004, SBARE made a presentation to legislative council and handed out a report on the status of the Agricultural Experiment Station and the North Dakota State University Extension Service. A copy of the information is on file in legislative council office.

Agency Future Critical Issues

The critical issues facing the ASF are a continued demand for Foundation grade seed, favorable weather for growing seed and an adequate supply of varieties that are in demand by the seed industry. If these three items are present and good commodity prices accompany them, the future of the ASF is secure.

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Agronomy Seed Farm

The Agronomy Seed Farm (ASF) remains committed to its primary function of producing Foundation grade seed of new and still popular older varieties of publicly developed seed in demand by the seed trade. This results in a consistent role year after year. The major change has been an increase in corn and soybean acreage over large areas of the state, with a corresponding decrease in some traditional cereal grain crops.

This trend has had a negative effect on the overall seed demand at the ASF in recent years because the seed farm doesn't produce corn seed and most of the soybean demand is for Roundup Ready (RR) varieties. NDSU has only recently obtained access to the marketing ability for the RR trait in soybeans, so we have fewer RR soybean varieties developed and available for sale.

Although the RR system has large appeal to the higher producing soybean areas of the state, recent increases in the price of RR seed make it cost-prohibitive for many of the fringe soybean producing areas of the state, where the additional cost for the seed cannot be recaptured at their normally lower-yield levels. These growers and some from the more productive areas are returning to conventional varieties to reduce their seed and total production costs. The ASF anticipated this and prepared for it by growing a larger supply of conventional soybean varieties to meet the demand.

Eleven of the 13 varieties grown in 2004 were conventional varieties and several are sold out. We see more demand for these varieties in future years and will continue to grow enough seed to meet the demand while also continuing to serve the needs of the Roundup Ready seed trade.

The Agronomy Seed Farm also will remain active in the seed production of our traditional crops, such as wheat, barley and oats, because they continue to be important across the state. But, as in the past, our role and crop mix will change as needed to serve the seed industry.

The secondary role of the ASF is to assist in the research efforts of the Main Station scientists, especially in the development, performance evaluations, initial increases and purifications of various crop varieties. This work complements the primary seed production function of the ASF.

Budget Reconciliation

NDSU Agriculture
North Dakota Agricultural Experiment Station and NDSU Extension Service

Other Funds — Agronomy Seed Farm

Reconciliation of 2003-05 Original Appropriation to Executive Recommendation (SB 2021)

2003-05 Original Other Fund Appropriation	$ 1,166,604
Increases (decreases) included in budget request:	
2003-05 Capital projects	
2005-07 Capital projects	
One-time funding for Centers for Excellence	
Other increases in estimated income	9,868
2005-07 Budget Request	1,176,472
Executive Recommendation	
Increases (Decreases):	
Compensation Package (4%-FY06 & 3%-FY07)	18,131
Health insurance and EAP increases	5,082
Initiatives	
ERP One-time Operating Funding (Offset to GF Reduction)	
Increase (decrease) capital projects-State Bonding	
Increase (decrease) capital projects-Other Funds	
Total Increases (Decreases)	23,213
2005-07 Executive Recommendation - Other Funds	**$ 1,199,685**

AGENCY OVERVIEW

NDSU Extension Service

Agency Statutory Authority

North Dakota Century Code 4-08.

Agency Description

The North Dakota State University (NDSU) Extension Service is part of a nationwide, university-based educational system that provides research-based educational programs to citizens in all 53 counties and four reservations in North Dakota. Programs focus on selected needs and issues affecting the state's agriculture, youth, families, communities and natural resources. With staff located at state, area and local offices, the NDSU Extension Service combines funding from federal, state and county levels to specifically address local concerns.

Agency Mission Statement

The purpose of the NDSU Extension Service is "to create learning partnerships that help youth and adults enhance their lives and communities." This purpose is accomplished through the dissemination of information and the implementation of educational programs geared to the changing needs of North Dakotans. Major program areas include agriculture, youth, families, communities and natural resources.

Agency Performance Measures

Per NDCC 4-05.1-19 SBARE needs to present a status report to the budget section of the legislative council. On April 13, 2004, SBARE made a presentation to legislative council and handed out a report on the status of the Agricultural Experiment Station and the North Dakota State University Extension Service. A copy of the information is on file in the legislative council office.

NDSU Extension Service

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NDSU Extension Service

Impacts of Reinvesting in Critical Areas

With the $1.245 million that the 2003 Legislature provided, NDSU Agriculture was able to reinvest in several critical areas. The NDSU Extension Service received $255,000 of that. This funding made it possible to focus additional effort on the following key issues important to North Dakota:

Rural North Dakota Communities

The biennial budget of 2003-05 provided $145,000 for the expansion and enhancement of community economic development and leadership in North Dakota.

Accomplishments include:

- The creation of the NDSU Center for Community Vitality
- The development and implementation of a Rural Leadership North Dakota program
- E-Business for Small Business training for more than 100 small business owners
- Intensive leadership development training in six North Dakota communities
- Created software to help business owners understand the cost of losing a customer
- Two additional agri-tourism workshops with more than 550 attendees
- Technical assistance from the Institute for Business and Industry Development staff for 79 new projects, with an estimated economic impact of more than $10 million
- Assisted 11 rural communities in strategic planning
- Involved 439 young people in 30 hours of entrepreneurship hands-on training in 22 classrooms in the 2002-03 school year (evaluations completed in May for 2004-05 year)
- Co-chaired the creation of a state rural and nature-based tourism association
- Convened the creation of a grants roundtable in Minot that resulted in obtaining more than $2 million in grants
- Hosted an international conference for business retention and expansion
- Three research studies for community and nature-based tourism business development were conducted by the NDSU Department of Agribusiness and Applied Economics

Dollars leveraged and fees generated through this program area in Extension are estimated at $1,050,000.

Impacts of Reinvesting in Critical Areas

Biofuels

Biodiesel Promotion

Biodiesel has been found to be an excellent replacement for diesel fuel, and its use in North Dakota has increased significantly. Some estimates indicate a 50 to 60 percent increase in 2004 while other estimates indicate a doubling in usage.

The NDSU Extension Service presented a demonstration on the manufacture of biodiesel and its use in a 4-cylinder Cummings engine at NDSU Research Extension Centers across the state in 2003.

An Extension publication titled "Biodiesel Fuel" (AE-1240) was published and distributed through county Extension offices. It explains how vegetable oil is transformed into biodiesel; its potential as an alternative fuel; engine studies using biodiesel; costs, mixing and storage; and how biodiesel could provide reductions in several air pollutants.

An American Society of Agricultural Engineers technical paper (No. MBSK01-109) was published and presented at an ASAE meeting in Saskatoon, Saskatchewan.

A PowerPoint presentation was produced that discussed the production and use of biodiesel in diesel engines. This presentation was shown at several producer meetings throughout the state.

This summer, field tests will be conducted at the North Central Research Extension Center in Minot using canola oil as biodiesel fuel. The Experiment Station continues to identify, develop and evaluate new methods and technologies that convert plant and plant products into biobased fuels.

Cereal Production Constraints

Pest survey on key crops

The NDSU Extension Service monitored key insect pests and diseases of wheat, barley, sunflowers, soybeans and canola at strategic periods using GPS and GIS tools to create distribution maps of outbreaks. All counties were surveyed by this process. Coordination was provided by the NDSU Research Extension Centers and Extension area offices. The survey data provided updated and timely information on key pest threats and management strategies. The survey data collected assisted in the assessment and validation of existing disease forecasting and insect prediction models.

The 2004 survey monitored 2,391 fields during the growing season. Daily to weekly updates on disease and insect occurrences were provided to producers through county Extension agriculture alerts, the Agdakota listserve, the NDSU Integrated Pest Management Web site and the NDSU Crop and Pest Report. The NDSU IPM Web site was accessed approximately 20,000 times in 2004, and the NDSU Crop and Pest Report Web site was accessed approximately 200,000 times. Producers used the information to assess pest risk during critical growth stages.



NDSU Research Extension Centers and Extension area offices coordinate monitoring for insect pests and diseases in several crops, including sunflowers.

BeefLine

Feedlot MBA

There is increased interest in feeding cattle to slaughter weights in the northern Plains, which represents a significant opportunity for job creation and new wealth in the state. In North Dakota, ample supplies of cattle, feed grains, forages and co-products are available for use in feedlots. In response to the needs and requests of participants in past feedlot schools, NDSU developed a program called Feedlot MBA: Making Bottomline Adjustments. Based on the number of feedlot cattle fed per participant each year, 134,300 head of feedlot cattle were reached by the Feedlot MBA program. If Feedlot MBA participants receive an additional $10 per head or save an extra $10 per head in the next year, participants' income potentially will increase by $1.34 million.

Beef 101

Beef cattle marketing systems are moving from traditional, commodity-based systems to valued-based systems through grids, alliances and branded-beef programs. These changes offer a new opportunity to capture value at all production levels. Understanding the value determinants under these systems is important for cow-calf producers, backgrounders and feeders. To help producers better understand and use the value-based marketing systems, "Beef 101: From Calves to Carcasses" was developed. After going through the short-course, many participants indicated they would make changes in their operations that would add value to their calf crops and improve the carcass quality of beef that North Dakota ranchers produce.

North Dakota State Soil Conservation Committee

To meet the technical assistance needs of soil conservation districts, the State Soil Conservation Committee restored funding for the Soil Conservation District Assistance Program. The funding provided by the legislative assembly assists soil conservation districts in helping landowners reduce soil erosion, improve water quality and enhance tree plantings, grazing lands and wildlife habitat. The Farm Security and Rural Investment Act of 2002 increased the conservation workload for all soil conservation districts. Soil conservation districts are working hard to get landowners signed up, plans and designs developed and then approved. The planning, installation and checkout of conservation practices by participating soil conservation districts has had a significant impact on North Dakota's natural resources.



NDSU developed programs to help producers improve the marketability of their cattle.

NDSU Extension Service

2005-07 Needs-Based Budget

SBARE ranked all of the projects for Main Station, Branch Station and Extension together since a lot of the projects are joint efforts. Please refer to the ranked projects by reviewing the narrative in all of the agencies.

 # 1 ranked: Costs to Continue (2.2% Operating Inflation) $114,990 Total General Fund Increase

The work of the NDSU Extension Service involves delivering educational programs to citizens of North Dakota. This programming requires staff, travel, electronic equipment, office equipment and supplies, and other program costs. If unfunded, this cost could result in staffing reductions, and restrict our ability to utilize video conferencing and develop printed material for clientele use.

 # 5 ranked: Investing in Infrastructure Needs for the 21st Century $150,000 Total General Fund Increase

An enhancement of operating funds would provide greater flexibility for Extension scientists to remain productive and competitive, and allow for improved opportunities to leverage these dollars with additional grants and contracts. Increased operating funds will reduce the impact of inflation and other rising costs and would assist in the delivery of quality Extension programs across the state.

 # 7 ranked: Community Rural Vitality and Economic Development. - Education Program Design

$96,000 Total General Fund Increase

(0.8 FTE, $80,000 salary and fringe; $16,000 operating)

A specialist in Agriculture Communication would work with NDSUES and NDAES faculty and staff to identify target audiences, determine desired outcomes, select the most appropriate teaching tools (CDs, videoconferencing, Web lessons, public programs, printed materials, media releases, etc.), coordinate development of the educational programs, market the programs to targeted North Dakotans and conduct follow-up evaluation(s).

 # 11 ranked: Community Rural Vitality and Economic Development - Enhancing North Dakota Communities

$345,000 Total General Fund Increase

(2.0 FTE, $305,000 salary and fringe; $40,000 operating)

Healthy communities are critical to the future of North Dakota and the agriculture industry. This program effort would connect NDSU expertise and resources to communities; provide education; develop collaborations; and build partnerships with communities to help address critical issues. Funds would be used to fill two Extension positions and create a formal intern program that would place NDSU students in rural North Dakota communities for work and rural living experiences. It also adds project funds to the Center for Community Vitality to work with faculty in other colleges to address issue-based needs. Community economic development research, which would support Extension outreach efforts, would be conducted by the Department of Agribusiness and Applied Economics.

 # 12 ranked: Community Rural Vitality and Economic Development - Rural Leadership North Dakota

$140,000 Total General Fund Increase

(0.75 FTE, salary and fringe)

This leadership program emphasizes the development of leadership and technology skills while sharing important and divergent information about critical issues facing North Dakotans. This funding request is to continue an existing program/ Extension specialist initiated with temporary NDSU Central Administration funds.

 # 13 ranked: Cropping Systems and Sustainability - Soil Biology **$50,000 Total General Fund Increase**

(0.25 FTE, $40,000 salary and fringe; $10,000 operating)

A scientist working in the area of microbiology, bioremediation, and soil/water contamination from agricultural, industrial and residential sources would provide expertise to a wide range of collaborators, including range scientists, agronomists, microbiologists and agricultural engineers. Lack of a scientist trained in this critical area limits our ability to use a "systems" approach to some of the state's important production and environmental problems.

 # 16 ranked: Urban Agriculture - Expanded Agriculture and Urban Horticulture

$182,200 Total General Fund Increase

(1.0 FTE, $140,000 salary and fringe; $32,200 operating; $10,000 equipment)

Horticulture is currently a $471 million per year industry in North Dakota. An Extension specialist located at the North Central Research Extension Center, partnering with faculty located at NDSU and other Extension sites, would better serve agricultural and urban horticultural needs in western North Dakota.

 # 17 ranked: Community Rural Vitality and Economic Develeopment - 4-H Tech Teams

$75,000 Total General Fund Increase

(0.5 FTE, $75,000 salary and fringe)

This program would focus on providing youth audiences with experiential learning using computers and related technologies. Youth would use these skills for increased involvement in community decision-making, character education, positive relationships with adults and job preparation skills.

 # 18 ranked: Community Rural Vitality and Economic Development - Geospatial Program

$75,000 Total General Fund Increase

(0.5 FTE, 75,000 salary and fringe)

New sources of data, accompanied by new methods for data processing and analysis, provide the basis for new applications. A geospatial Extension specialist, funded by a combination of state and grant funds, would ensure that farmers and rural communities would continue to receive the benefits of this technology.

 # 19 ranked: Cropping Systems and Sustainability - Range Extension/Research for the Coteau

$168,750 Total General Fund Increase

(0.75 FTE, $120,000 salary and fringe; $48,750 operating)

The five million acres of the Coteau region of North Dakota is home to 42 percent of the state's cattle and 38 percent of the farms, and represents 44 percent of the state's rangeland. A focused Research/Extension position to provide information to clientele on rangeland issues, coordinated with activities of Main Station scientists, would enhance the overall outreach effort of this large, diverse region of the state.

 # 20 ranked: Livestock Systems Development - Non-Ruminant Nutrition, Swine Emphasis

$120,000 Total General Fund Increase

(0.6 FTE, $96,000 salary and fringe benefits; $24,000 operating)

The swine industry in North Dakota is in a state of transition. The industry is poised to make major strides in production by utilizing new technologies and marketing arrangements. A Research scientist with Extension responsibilities to investigate specific problems associated with swine production in North Dakota and disseminate information concerning swine production is requested.

#21 ranked: Livestock Systems Development - Livestock Development **$182,000 Total General Fund Increase**

(1.0 FTE, 130,000 salary and fringe benefits; $40,000 operating; $12,000 equipment)

Twenty-two percent of North Dakota's agricultural economy is generated through livestock enterprises. An Extension specialist would work with communities, interest groups, livestock groups and agribusinesses around the state on business planning, market development and industry expansion.

 # 23 ranked: Cropping Systems and Sustainability - Maintaining Strong Integrated Pest Management Effort

$80,000 Total General Fund Increase

($80,000 Part-time salary)

Summer crop scouts help is needed to monitor crop insect pests and diseases in wheat, sunflower, soybean and canola. Global Positioning System (GPS) and Geographic Information System (GIS) tools are used to create spatially-precise distribution maps and outbreaks. All counties would be surveyed.

 # 25 ranked: Community Rural Vitality and Economic Development - Extending to Hard-to-Reach Audiences

$200,000 Total General Fund Increase

(no new FTE, $160,000 salary and fringe benefits; $40,000 operating)

Communities of place are defined as where people live, work and play, whereas communities of interest emanate from shared interests of their members. Advances in communication technology are freeing communities of interest from geographic constraints. This proposal is aimed at county-based Extension agent and technician staffing models that focus on communities of interest along with enhancing the center of learning concept.

The following are unranked by SBARE:

ND State Soil Conservation Committee

In order to effectively meet the technical assistance needs in Soil Conservation Districts, the North Dakota State Soil Conservation Committee requests increased funding in the Soil Conservation District Assistance Program (SCDAP). Environmental demands have increased interest in conservation planning by North Dakota producers. This requires enrolling producers in the right program; planning and designing the conservation practice; and submitting the plan to USDA for approval. Soil Conservation Districts depend on the SCDAP to accomplish this task. These funds would also be utilized as match for section 319 of the Clean Water Act Non-Point Source Pollution (NPS) program.

Crop Quality and Consumer Needs - Adding Value to North Dakota Agriculture

Economic analyses will focus on developing NDSU expertise in understanding global impacts of biotechnology development, evaluating new markets for bio-based products, and evaluating processor and consumer willingness to pay for traditional and novel food and industrial products.

Food Systems and Its Impact on Food Security - The High Cost of Obesity

Health issues related to obesity are a concern. Two pilot centers for nutrition and health would be established in rural communities, one located in south central North Dakota and the other in southwestern North Dakota. The centers would be equipped with physical fitness machines, and programming would be provided by Extension agents and specialists.

Bio-Based Industrial Products - Bioproduction

Great potential exists in utilizing plant products for non-traditional uses, including energy and industrial purposes. These new uses would provide opportunities for producers in the state to diversify their markets.

Community Rural Vitality and Economic Development - ND Children in Poverty

Of the 160,849 North Dakota children under 18 years of age, 11,648 (15.5 percent) live below the poverty level. Child poverty in rural North Dakota farm counties is 50 percent greater than in metropolitan areas of the state. Three Extension parenting resources coordinator positions and operating expenses for four centers are needed to provide educational programming to 28 North Dakota counties.

Budget Reconciliation

NDSU Agriculture

North Dakota Agricultural Experiment Station and NDSU Extension Service

General Fund — Extension Service

Reconciliation of 2003-05 Original Appropriation to Executive Recommendation (SB 2021)

2003-05 Original General Fund Appropriation	$ 13,859,446
Base Adjustments:	
Transfer from Main Research Center to Extension Service and Branch Research Centers	255,000
Appropriation	14,114,446
Executive Recommendation Increases (Decreases):	
Compensation package (4%-FY06 & 3%-FY07)	837,570
Health insurance and EAP increases	174,056
Operating inflation	114,990
Initiatives[1]	
GF Operating Reduction (Offsetting Incr to Other Funds)	
Total Increases (Decreases)	1,126,616
2005-07 Executive Recommendation - General Fund	**$ 15,241,062**
Increase (Decrease) From 2003-05 Adjusted Appropriation	**$ 1,126,616**
Percent Increase (Decrease)	**7.98%**

[1]Initiatives (general fund) include the following: Main Research Center - $301,897 for 2 FTE for beef initiative (one-time funding for 2005-07 only); NCI - $24,469 for linking crops to livestock development.

Other Funds — Extension Service

Reconciliation of 2003-05 Original Appropriation to Executive Recommendation (SB 2021)

2003-05 Original Other Fund Appropriation	$ 20,486,830
Increases (decreases) included in budget request:	
2003-05 Capital projects	
2005-07 Capital projects	
One-time funding for Centers for Excellence	
Other increases in estimated income	1,581,419
2005-07 Budget Request	22,068,249
Executive Recommendation Increases (Decreases):	
Compensation package (4%-FY06 & 3%-FY07)	584,896
Health insurance and EAP increases	336,083
Initiatives	
ERP One-time Operating Funding (Offset to GF Reduction)	
Increase (decrease) capital projects-State Bonding	
Increase (decrease) capital projects-Other Funds	
Total Increases (Decreases)	920,979
2005-07 Executive Recommendation - Other Funds	**$ 22,989,228**

NDSU Extension Service
2005-07 Budget Changes Narrative

OTHER REV -

NDSU Extension Service requests an increase in special funds authorization. NDSU Extension Service county offices provide N.D. citizens front door access to NDSU. Extension programs use unbiased, research information to help citizens address issues and pursue opportunities. This unique structure and function has created an environment where many other organizations want to partner with Extension to deliver programs that require an educational focus. A recent example is the Horizons program sponsored by the Northwest Area Foundation. The Foundation asked the NDSU Extension Service to develop and deliver this program in Beach, Regent, Mott, Ashley and Ellendale, and they provided a $700,000 grant to deliver this program over an 18-month period. Because of needs and opportunities like this, Extension is requesting an increase in special funds authorization.

NDSU Extension Service
2003-05 Impacts

The NDSU Extension Service gives North Dakotans the research-based information they need to succeed in today's complex world and be better prepared to face the future.

Extension focuses its efforts in eight key areas:

- *Community, Economic Development and Leadership*
- *Competitiveness and Profitability of Animal Systems*
- *Cropping Systems in the 21st Century*
- *Farm and Family Economics*
- *4-H Youth Development*
- *Human Development and Family Science*
- *Natural Resources and Environmental Management*
- *Nutrition, Food Safety and Health*

■ Community, Economic Development and Leadership

Community Development

Provided training in grant development for more than 200 community leaders and Extension faculty in four North Dakota locations. This resulted in numerous grant applications, including almost $1 million in successful Extension applications and the establishment of a grants roundtable in Minot, where more than $2 million was successfully obtained.

Economic Development

The Extension Institute for Business and Industry Development (IBID) provided technical assistance for 79 new business projects resulting in 22 new jobs in North Dakota. Four hundred thirty-nine third- through seventh-graders were involved in 30 hours of entrepreneurship.

Leadership

Rural Leadership North Dakota participants designed and implemented 24 community projects in the state. The Horizons Leadership Program, funded by the Northwest Area Foundation, was implemented in two community clusters. Expected results include better cell phone service for rural residents and housing for moderate income families and elderly in rural communities.



Rural Leadership North Dakota participants tour the Dickinson Recreation Center construction site.

Competitiveness and Profitability of Animal Systems

Cattle Feeding in North Dakota: Expanding Feeding and Management Skills

Feedout Project

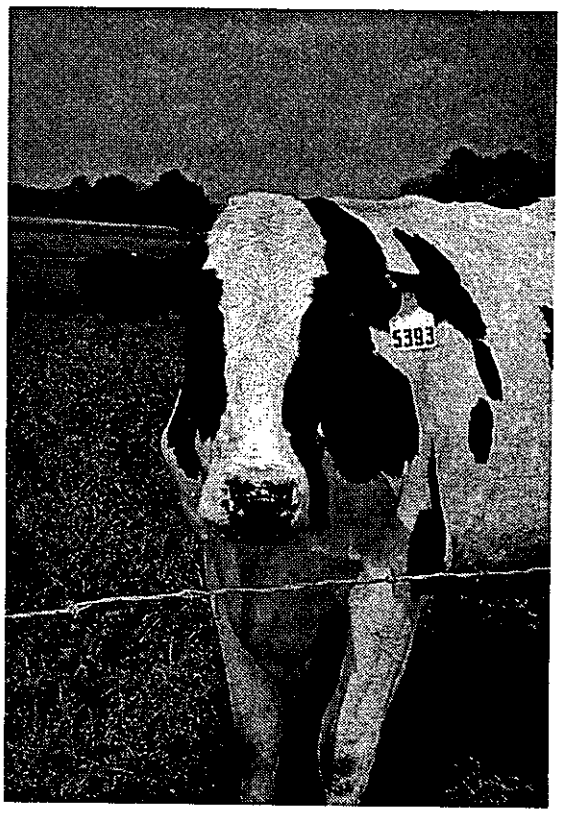
Cattle feeding management schools have trained more than 150 farmers/cattlemen on professional cattle feeding methods. Cattle feeding opportunities are demonstrated through cattle feedout projects. In the 2003-04 feedout project, 52 cattlemen consigned and commingled 174 head of North Dakota-born calves for finishing in North Dakota to determine feedyard and carcass performance. Average profit per head, excluding interest, was $112.27. On-farm evaluation of feeding operations have helped cattlemen expand the size of their feedlots and increase nutrient utlization while preventing livestock waste runoff. Since North Dakota has comparatively low-priced feeds, excellent cattle genetics and ready access to management information, feedlot expansion in North Dakota is occurring with many 1,000-head or larger feedlots being constructed using EPA 319 and USDA EQUIP matching funds.

Dairy Management, Milk Quality and Technology Transfer for Profit

The advisory team helped a dairy farm wrestle with two years of financial difficulties. Together, they developed a financial plan of restructuring loans for the entire farm that secured operating loans for the previous year. Management changes included developing a purchase order system to control expenses, an advisory group to direct and monitor ration/veterinarian issues, a revised structure for more efficient use of labor and reduced costs, and restructuring the calf-rearing operation to include more appropriate management protocols. After one year, the farm's operator was able to pay all of the farm's yearly expenses and pay down 20 percent of the loss it had incurred the previous two years.

Cows and Crops: Expanding North Dakota's Cow Herd

The state's cow-calf industry, encompassing 11,000 operations and 937,000 beef cows, contributes substantially to the state's economy, accounting for about 10 percent of annual agricultural revenue. Cattle numbers and values are cyclic with weather and market conditions, and peaked in the state in 1975 at 1.24 million beef cows. Efforts are under way to maintain and expand this industry while structural change is evident, as the state has had an annual 3 percent loss of operations during the past five years. "Cows and crop" programs, targeted at early- and mid-career operators interested in expanding their operation, provide integrating opportunities for cow-calf production with changing farming and processing industries, such as using crop residues, salvaging damaged crops, haying and grazing CRP, feeding byproducts, rotational forage planting, and labor and equipment sharing. In several regions of the state, modest herd growth is occurring with beginning and expanding operators. And in the past year, interaction between crop and cattle producers has resulted in considerable use of frost-damaged crops.



NDSU helped dairy farmers cope with two years of financial difficulties.

Cropping Systems in the 21st Century

Crop diversity

Flexibility in the choice of crops grown in the state has increased in recent years. Soybean acres approached 3.7 million in 2004, flax acreage increased to more than 400,000 acres and corn increased to 1.8 million acres. Field pea and lentil (pulse crops) doubled to 410,000 acres. Supported and encouraged by Extension programs, these crops have helped producers cope better with drastic swings in environmental conditions and provided greater chances for increased profitability.

Help with crop diversity

Acres of large kabuli chickpeas went from 20,000 acres to near zero in 2002 because of problems controlling ascochyta blight. Results from 2001-04 fungicide trials at the North Central Research Extension Center at Minot helped producers control the disease, which will help chickpea become profitable once again. In 2004, large kabuli chickpea acreage increased to nearly 4,000 acres with good success in managing ascochyta blight. The number of acres perhaps will double in 2005.

Challenges of growing corn in northeastern North Dakota

Corn acreage has increased dramatically in northeastern North Dakota the past three years. Corn trials were established two years ago, and growth models were developed using accumulated growing degree days to hybrid relative maturity values. From these models, Extension was able to predict in August that most corn would not produce harvestable grain in northeastern North Dakota. This information was shared with livestock specialists, county agents and crop insurance officials in the area and alternative uses, other than for grain, were explored. Terminal elevator managers in the area were visited. As a result, they adjusted grain car orders for the reduced amount of grain they would handle.

Approximately 90 percent of the 200,000 acres planted to corn in northeastern North Dakota was not harvested as grain. Insurance claims were settled in a timely manner to allow producers to manage the crop residue, which will reduce the potential for prevented plant acres next spring. The early warning helped producers reduce expensive propane purchases that were not needed because the crop was not harvested. Growers contacted livestock producers and planned for silage, grazing or earlage. One dairy put up an extra 3,000 tons of corn as earlage.

Harvest challenges met

A cool 2004 growing season and early frosts resulted in unusual harvest challenges in most crops. Individual consultations by telephone and e-mail assisted 250 people to dry and store about $19 million worth of grain. Drying information was disseminated through news releases in national and local media, on the Web, through county agents and grower meetings. Assistance was provided to North Dakota and Minnesota congressional representatives and the North Dakota agriculture commissioner during meetings with the Risk Management Agency and insurance personnel to resolve insurance coverage concerns with low-quality corn.

Research and Extension programs supporting soybean production

In recent years, soybean production acres have dramatically increased in North Dakota, to 3.7 million acres. The Carrington Research Extension Center has been a leader in supporting this growth in production through research and educational programs. Soybean research trials include variety performance (conventional and Roundup Ready cultivars), plant establishment (planting rates, dates, row spacing and seed quality), plant nutrition (seed inoculation and nitrogen management), tillage systems, crop rotation and land rolling. Educational sessions were conducted statewide to provide farmers and crop advisers with soybean production recommendations.

Geospatial programs

From 2002-04, 48 NDSU county Extension agents, 13 area and state specialists and 34 other individuals have developed geospatial skills as a result of their participation in the NDSU geospatial education program. A program evaluation in April 2004 revealed that more than 30 percent of the participants use geospatial skills at least once a month in educational programming. County Extension agents can respond to the increasing demand at the local level. Extension agents have assisted producers in measuring their field boundaries for use in emergency haying or grazing of CRP land, assisted county weed boards to incorporate GPS and GIS technology to map and control noxious weeds, assisted county weed boards with remote sensing technology to identify and map invasive species and are cooperating with North Dakota Farm Management instructors to conduct precision agricultural comparative research projects with 10 farmers.

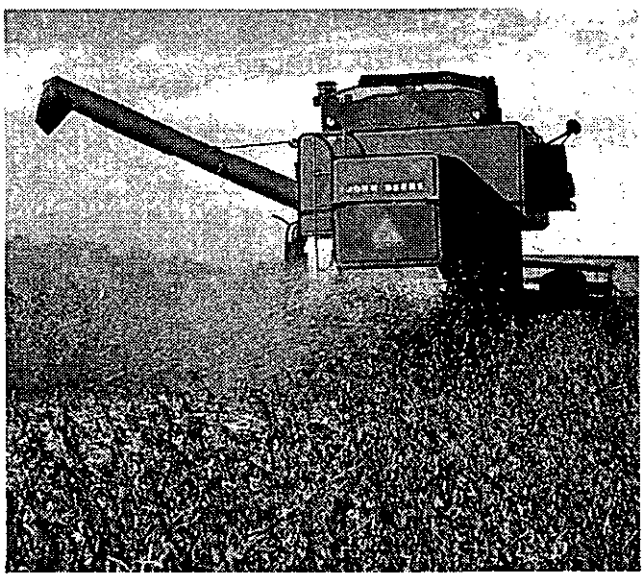
■ Cropping Systems in the 21st Century (continued)

Precision agriculture

Fertilizer price increases make efficient use of fertilizer products more important than ever. Zone soil testing, pioneered at NDSU, has increased profitability for sugar beet growers and others outside of the valley. Zone sampling is used in numerous locations across the state, with direct benefit to growers estimated at $2 million. Yield mapping also is becoming more common. The mapping helps producers understand the differences between fields and assists them in creating an information legacy for those who will farm those fields in the future. Extension testing and teaching of these technologies has been important in increasing the adoption rate.

Intensive wheat management

Many wheat growers strive to increase yields every year. Extension programs in intensive wheat management have educated growers on how to achieve higher yields using methods proven in our challenging environment. Emphasis on scouting and controlling inputs reduces up-front crop production costs while alerting growers to periodic disease and insect infestations. Record wheat yields have been reported the past two growing seasons. If NDSU Extension takes credit for just 2-plus bushels per acre of the average increase, this amounts to a net increase for producers of 32.5 million bushels the past two years, producing a net value of $130 million.



Soybean aphids have become a problem in some North Dakota fields. NDSU alerts growers about infestations and saves them money by letting them know where they don't need to apply insecticide.

Growers alert to insect pests

Soybean aphids have been established in North Dakota since 2001. The infestation levels and management needs to avoid economic losses have varied each season. The integrated pest management crop and pest survey has provided valuable information on the developing aphid populations, alerting growers and the agriculture industry to the economic threshold concerns through mapping of field level infestations. Field studies on the economic threshold for soybean aphid control have proven valuable for identifying fields requiring protection, as in 2003, and preventing unnecessary treatment, as in 2004, thus, saving soybean producers thousands of dollars.

Fighting wheat scab

NDSU Extension Service plant pathologists provided data and documentation to support the section 18 exemption for Folicur fungicide to manage Fusarium head blight of wheat. With recommendations from Extension plant pathologists, producers applied this product, which resulted in an approximately 20 percent yield benefit. This yield benefit translated into an approximately $20 million gain in income to state wheat producers in 2004.

Perennial weed control on Canada thistle

NDSU Extension Service has provided education and data to support the use of glyphosate on Roundup Ready crops such as soybeans, canola and corn. Through the use of this technology, the number of acres of severely infested Canada thistle has been greatly reduced. The use of genetically modified crops and the promotion of these crops in the rotation to clean up hard-to-control weeds have greatly added to the producers' profitability.

Farm and Family Economics

- NDSU economists and county Extension agents assisted the North Dakota Farm Service Agency in determining the extent of weather-related crop damage in 2004. This information was used to document the need for crop loss disaster assistance. A federal agricultural disaster bill is expected to bring more than $200 million to North Dakota.
- Software was developed by Extension economists to help producers evaluate their base and yield options under the 2002 farm bill. The software was used in every county Extension office to assist thousands of producers with the one-time opportunity to adjust crop acreage bases and payment yields used to determine decoupled farm program payments until at least 2007.
- Twenty-two full-day "Computer Accounting for Farm, Home and Business" workshops were held. At least 2,200 people have completed this workshop during the last 10 years. More than 90 percent of attendees stated that they plan to make changes in their record-keeping and/or accounting system.
- An Ag Lenders Conference (four locations), Crop Insurance Conference and Tax Management for Agricultural Producers Program (10 locations) are three, major statewide annual conferences/programs that have been very successful. For example, more than 95 percent of surveyed participants indicated that the tax program has helped them comply with tax regulations and improve their management of tax liabilities. Each conference/program draws more than 200 annually.

Legally Secure Your Financial Future

A new national curriculum, "Legally Secure Your Financial Future: Communicate, Organize, Prepare," has been developed by a team of state specialists and Extension agents. The program, which has been the recipient of numerous national awards and recognition, will be available nationwide Feb. 1, 2005. The format consists of one to three educational sessions utilizing Extension educators, a local attorney and a health-care provider to cover topics such as recordkeeping, family communications, advanced directives for health care, wills, trusts and estate planning.

North Dakota SAVES

Extension agents from Ward, Mountrail and McHenry counties, along with other area professionals, kicked off the "North Central North Dakota Saves" campaign at the North Dakota State Fair this past summer. With funding from "America Saves," this group promoted increased savings and reduced debt among participants through educational programming. This coalition and its efforts were featured in a video clip as part of the "Financial Security in Later Life: Best Practices" national satellite videoconference Dec. 11, 2003.

Who Gets Grandma's Yellow Pie Plate?

This program encourages families and individuals to begin discussions and make decisions about passing on personal possessions. During the past year, the program was presented to several groups in north-central North Dakota including adult education classes, senior citizens, FCE clubs, church groups and community organizations. The program information was further shared in newspaper articles. In evaluations, most individuals (about 85 percent) indicated that they intend to start planning for the transfer of their nontitled property.

High School Financial Planning Program

The National Endowment for Financial Education initiated the High School Financial Planning Program (HSFPP) in 1984 as a public service to increase the financial literacy of America's youth. The six-unit program provides teens with a greater understanding and ability to manage their personal finances in the areas of goal setting, budgeting, savings, and credit and risk management. The program uses unique games, simulations, case studies and interactive exercises to provide hands-on experience for students to test and apply the financial principles and concepts being taught.

Since the NDSU Extension Service became involved in 1992, more than 8,000 North Dakota high school students and other young people in nearly 200 classrooms have increased their knowledge of money management skills.

A recent landmark national study of the effectiveness of the HSFPP shows that, as a result of participating in the program, 86 percent of high school students know more about managing their money.

4-H Youth Development

4-H Youth Development education creates supportive learning environments for youth and adults to reach their fullest potential as capable, competent and caring citizens.

Youth become caring and contributing members of society through experiences in community service.

- Sixteen North Dakota counties reported more than 70 percent of their clubs are actively engaged in community service projects.
- Youth participation in community service is an excellent predictor of future volunteerism. A 1999 study by the National Center for Education Statistics showed that 71 percent of adults who volunteered in their childhood continued to volunteer as adults. This compared with 37 percent of adults who volunteer, but did not have volunteer experiences as children.
- About 170 4-H'ers across North Dakota participated in the 4-H Hero Pack project to show support for families of military personnel.

Youth develop life skills that positively affect their success in the work force.

- Youth involved in conference judging interviews, judging contests, local club meetings and communication arts events develop and practice skills, such as public speaking, organization, research and interviewing, in communicating one-to-one and with larger groups.
- Several former 4-H members have attributed their accomplishments, in part, to 4-H involvement. Caitlyn Brown, the current Miss Teen North Dakota, states that her 4-H public speaking experiences gave her the poise and confidence to accomplish this goal.

4-H youth learn knowledge and skills through specialized clubs and groups that focus on topics of interest.

- Specialized clubs offer an alternative for a club experience to many youth making choices with their time. There is a growing trend for clubs in technology and outdoor skills. For example, an archery club has been formed in Ransom County.
- Technology clubs are forming. Stutsman County has one Internet-based club that conducts all of its meetings through online discussions. Currently, there are 12 county 4-H technology teams.
- A partnership with the University of North Dakota Aerospace Center and the North Dakota 4-H Foundation provides an aerospace experience to approximately 100 youth annually. A 4-H aerospace club has been established in Grand Forks County.
- More than 1,350 North Dakota high school students have received valuable lessons in science, math, technology, art and the environment while learning about the Red River watershed through the River Watch program.

2004 North Dakota 4-H Youth Survey examined perceptions about benefits of 4-H

- 90 percent of 4-H members feel they have a voice in their club meetings and experiences.
- 83 percent state that they are able to make meaningful contributions to their community.
- 90 percent have developed positive relationships with adults.



4-H members use a flight simulator at the University of North Dakota Aerospace Center.

Human Development and Family Science

The Human Development and Family Science program area focuses on helping individuals develop the skills to nurture and support family members throughout their lives, and strengthening the capacity of families to establish caring communities where economic security is maintained.

CYFAR New Community Project (2 sites)

Standing Rock: Since February 2004, 124 participants (adults, adolescents and children) have been involved in programming on the Standing Rock Reservation. Parent education and programs focusing on positive youth development are provided. Parents and caregivers indicated that, as a result of this program, they increased the time they spend with their children, became more patient with their children and became more aware of their children's needs.

Home on the Range: Approximately 131 children and adolescents have been involved in a youth program at Home on the Range, an in-home youth facility in western North Dakota. Youth indicated that, as a result of programming, they learned how to work with others, gained new information, learned leadership skills, learned that dropping out of school has no benefits, how to say no to drugs and get closer to family.

Father Times newsletter project

Families (430) with youngsters at the Eagles Kindergarten Center in Fargo received issues of the Father Times parenting newsletter. The newsletter is targeted at fathers and father figures. A survey was conducted to determine impacts of the newsletter. The findings showed that:

- Eight of 10 fathers and father figures indicated they had an increased understanding of their children's needs for growth and development.
- Eight of 10 fathers and father figures stated they were more attentive to the needs of their children.
- Seven of 10 fathers and father figures reported changing their behavior to use more positive guidance or discipline.
- Seven of 10 fathers and father figures indicated they had read more to or with their child.

Military Outreach

- During the 2003 Spring Extension Conference, Extension child development and family science specialists provided in-service training to Extension agents on support and resources for military families. The training included an overview of the available resources, which include Extension publications, online at www.ext.nodak.edu/extpubs/yf/famsci/fs477.pdf, and Web sites supporting military families including www.mfrc-dodqol.org/ and www.mfrc-dodqol.org/healthyparenting/index.cfm.
- The Extension child/adolescent development specialist provided community presentations in Devil's Lake for school personnel, mental health professionals and military families on issues concerning military families and deployment after a unit from this area was mobilized.
- Interviews with media outlets focusing on topics of deployment and helping children cope with armed conflict have been provided.
- About 170 4-H'ers across North Dakota participated in the 4-H Hero Pack project in fall 2004 to show support for families of military personnel. The 4-H'ers created 200 packs for children with a parent who has been deployed. The packs contain items such as a disposable camera and stationery that will help the children stay in touch with the deployed parents.
- County agents in Stutsman County and Barnes County work with the Family Assistant Centers to provide training to families in financial management and child development.



Members of Mountrail County 4-H clubs assemble hero packs destined for children with a parent who has been deployed on military service.

Natural Resources and Environmental Management

Ranchers Guide to Range and Natural Resource Management

Managing North Dakota's range and pastureland can be a complex job for ranchers and resource land managers, especially in times of drought, weed invasion and herd management. NDSU and the Natural Resource Conservation Service (NRCS) work in collaboration to develop a simple, but useful tool called "Ranchers Guide to Grassland Management."

The guide has several sections, including native and introduced plants, pasture development, grazing management, riparian grazing management, noxious weeds, poisonous plants, drought management and monitoring. It also has a recordkeeping section and mini notebook to help ranchers better manage their grazing dates and herd, and provides tips and references to more detailed publications when needed.

Agroforesty Systems at Work

Agroforestry systems control wind erosion, increase crop yields, improve livestock weight gain and reduce home energy costs. In addition, these systems increase water-use efficiency, protect wildlife, improve water quality, reduce the accumulation of drifting snow on roads and can provide long-term profits for landowners. Agroforestry can provide income through wood and alternative products. Yet, many of the benefits provided by agroforestry systems are not fully utilized and often are underappreciated. More than two-thirds of the windbreaks in North Dakota need renovation to sustain the environmental, economic and social benefits they provide.

A team of Extension specialists and scientists from NDSU, the North Dakota Forest Service and local environmental groups have conducted educational workshops and materials to improve windbreak management techniques to preserve and sustain this resource.

Irrigation Water Management, Technical Information and Assistance

Effective irrigation water management requires accurate daily crop water use estimates. Since 1995, NDSU Extension Service has had a Web site that displays the water use for the 10 major irrigated crops in North Dakota. Water use is calculated using data from the North Dakota Agricultural Weather Network's 67 automated weather stations. Daily water use is available in color-coded maps or numerical tables. Features have been added every year to help irrigators or crop consultants make better irrigation decisions.

The NDSU Extension Service first published a bulletin on irrigation scheduling in 1977. In 2000, NDSU Extension and the Minnesota Extension Service developed an irrigation scheduling program for computers. In 2003, NDSU Extension developed a checkbook program version to run on a Personal Digital Assistant (PDA) using the Palm operating system.

Improving Irrigation Pump Intakes from Surface Water Sources

Many irrigators along the Heart, Missouri and Yellowstone rivers have difficulty pumping water. Frequent intake screen plugging and accumulated riverbed sediment in piping systems combine to reduce the required volume of water for their irrigation systems. Through a cooperative agreement with the Bureau of Reclamation's Dakotas Area Office, NDSU students and Extension faculty researched, built and installed three types of intake devices at demonstration sites along the Heart River. Irrigators using these prototypes have observed a reduction in accumulated sediment in gated piping, a flow rate increase, a decreased need to clean screens and an improved overall system performance.

Two local irrigation equipment suppliers are fabricating the devices, and approximately 10 units are in use.

Livestock Waste Management Education and Assistance Program

In the past year, this program has provided education to producers, Natural Resource Conservation Service employees, 319 watershed coordinators, county Extension agents, commodity association members and policy-makers through 17 workshops, 22 on-farm producer consultations, and the development and distribution of seven new Extension publications. A reflection of these educational efforts can be quantified by the fact that 56 North Dakota producers have requested financial assistance to bring their livestock feeding operation into environmental compliance. These 56 facilities account for more than 60,000 head of cattle.

■ Nutrition, Food Safety and Health

Helping teens serve food safely

"Teens Serving Food Safely" is a statewide project to teach young food handlers the rules of serving food safely. More than 1,000 North Dakota teens enrolled in family and consumer sciences classes and 4-H-related programs. Based on pre/post testing, 2004 average test scores increased from 56 percent to 88 percent correct. On a follow-up survey, 83 percent said they washed their hands more often, 52 percent shared their knowledge with others and 40 percent applied what they learned when preparing food for the public.

Helping food entrepreneurs

Food-related businesses are a growing sector in North Dakota. To help food entrepreneurs, the NDSU Extension Service has developed materials, including a resource binder and a Web site, www.ag.ndsu.nodak.edu/food.htm. Educational opportunities include food safety certification workshops. Online educational modules will be released in 2005. In addition, more than 400 Nutrition Facts labels have been developed for North Dakota food products.

North Dakota 5 Plus 5 Communities program

Communities throughout North Dakota have been recognized as "5 Plus 5 Communities" by the North Dakota Department of Health. These programs include Extension agents, public health nutritionists and other partners. They support the "Healthy North Dakota" initiative by promoting healthy eating and regular physical activity. For example, in the "Walk Northwest North Dakota" program, 37 percent of the participants walked five or more miles daily, 64 percent increased their daily activity and 91 percent planned to continue walking regularly after the program ended.

Stepping up physical activity and nutrition practices

Regular physical activity and balanced nutrition are important for good health. The NDSU Extension Service collaborated with the Sioux and Grant County Extension Service offices to provide nutrition education to students in grades one to four at Standing Rock Elementary School. As a result, 93 percent of participants reported they are eating more fruit and vegetables, 94 percent report they are drinking more milk, and 88 percent said they are physically active every day.

Got Milk?

Strong bones begin in childhood. The kids' 3-A-Day of Dairy project, an in-school education intervention program for pre-teens and their parents, focused on the health benefits of calcium-rich foods. The NDSU Extension Service, Cass County Extension Service and Fargo Cass Public Health collaborated on a 3-A-Day of Dairy project in five, fourth-grade Fargo classrooms. The project consisted of eight monthly classrooms lessons, "dairy days" in the cafeteria and take-home newsletters. Ninety-eight percent of the students indicated they would drink more milk, 74 percent said that they eat more cheese and 67 percent said they would drink less soda pop.

Flaxseed: Agriculture to Health

The "Agriculture to Health" theme provides the basis for an adult awareness program, which promotes the research-based health benefits of regional foods produced in North Dakota and the northern Plains. Flaxseed was featured for the first lesson of the series. Biomedical research indicates that flaxseed, when consumed on a regular basis, potentially may reduce heart disease risk, diabetes risk and blood glucose, the inflammatory response and menopausal symptoms, and promote healthy laxation. In addition, flaxseed can be consumed by those with celiac disease who must avoid wheat products. Educational materials that promoted the health qualities of flaxseed were developed under the leadership of the NDSU Extension Service nutrition and health specialist in collaboration with the NDSU Department of Plant Sciences and the USDA-Agricultural Research Service's Grand Forks Human Nutrition Research Center. NDSU Extension agents delivered lessons to adult audiences across the state during 2003-04. A pre/post-evaluation obtained from 245 participants (men and women from 18 counties) indicated increased awareness, knowledge and intent to add flaxseed to the diet.

Folic Acid Education

U.S. Public Health Service officials recommend that women who could become pregnant should have 400 micrograms of B vitamin folic acid daily. It could prevent up to 70 percent of some birth defects, plus reduce the risk of heart disease, some types of cancer and Alzheimer's Disease, health officials say. A statewide task force including Extension, public health, health professionals and others has promoted the folic acid message. In a 2002 statewide random survey, 63.7 percent of females ages 25 to 34 knew the link between folic acid and birth defects, compared with 47.4 percent of the same age group the previous year. Of females 25 to 34, 59.3 percent reported taking a multivitamin compared with 46.5 percent of the same age group surveyed the previous year.

Community Rural Vitality and Economic Development

Rural Leadership North Dakota

North Dakota State University EXTENSION SERVICE



Michelle McCormack, a participant in the NDSU Extension Service's Rural Leadership North Dakota program, is checking on the progress of New England's new swimming pool. She is business and member services manager for Slope Electric Cooperative in New England.

Initiative

This initiative will continue Rural Leadership North Dakota (RLND), a pilot program of the NDSU Extension Service's Center for Community Vitality. RLND emphasizes the development of leadership and technology skills while sharing important and divergent information about critical issues facing North Dakotans. Participants in the two-year in-depth leadership program design and implement local projects that positively impact their communities and organizations. Projects generally revolve around business retention or expansion, community infrastructure needs and leadership development. Continuation of RLND will require a commitment of time, money and expertise, and will be an ongoing educational program effort with 25 new participants from across North Dakota each year.

The RLND Extension specialist offices on the NDSU campus; however, educational programming is conducted in all regions of the state. Current funding for staff and program are primarily from NDSU central administration, grant and corporate gift funds. Grants and gift funds will continue to be an important funding source for RLND, but a commitment by the State of North Dakota will help leverage additional private and public funds.

Funding + Action = Results

Staffing

- Extension specialist focused on rural leadership training .75 FTE

Programming

- Two-year in-depth leadership training for 25 adult community citizens with one new class beginning each year
- 25 new community development projects across the state each year designed and implemented by new local leaders
- Development of new state and community-based partnerships for leadership development
- Creation of cadres of community leaders, networking and communicating for rural N.D. community vitality and economic development
- Research support and evaluation for optimal effectiveness

Requested funding, FY 2005-07

Total costs	$275,000
Other funding	($135,000)
State funding request	$140,000

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NDSU is an equal opportunity institution

Rural Leadership NORTH DAKOTA

2003-2005 Participants



"Prepare and develop effective leaders to strengthen rural communities." RLND Mission

NDSU EXTENSION SERVICE

Rural Leadership
NORTH DAKOTA

Goals

- To create a network of people across the state and beyond that RLND participants will utilize for a lifetime.
- To strengthen participants skills in discovering leaders within, communicating effectively, recognizing gifts and differences, thinking critically and creatively, managing projects, understanding the resource spectrum, understanding North Dakota rural policy, and affecting change — the power of individuals working together.
- To improve the quality of life for the participant, organization(s), and community.
- To prepare the participant to work with and implement a project in an organization and/or community.

Rural Leadership
RTH DAKOTA

Seminars

Discovering Leaders Within
November 20-22, 2003
Carrington, ND

Communicating Effectively
January 22-24, 2004
Minot, ND

Recognizing Gifts and Differences
February 19-21, 2004
Williston, ND

Thinking Critically and Creatively
March 25-27, 2004
Dickinson, ND

Managing Projects
April 15-17, 2004
Fargo, ND

Understanding Rural Policy
November 18-20, 2004
Bismarck, ND

Study Tour of Washington, DC
January 25-30, 2005

Understanding the Resource Spectrum
February 24-26, 2005
Langdon, ND

Affecting Change; The Power of Individuals Working Together
March 31-April 2, 2005
Oakes, ND

"Rural leaders create the environment for their people to grow and to achieve in effective ways."

Rural Leadership North Dakota

2003-2004 Class Projects:

- Wild West Children's Park in Watford City
- Bridging Communities Working for Change, organizing a forum for leaders to network and share ideas
- Nature Based Tourism at Lone Tree Management Area near Harvey
- Bowden's 1913 historic brick school will be transformed into the Bowden School Lodge for tourists, hunters, etc.
- Create the Epping/Long Creek Community Connection newspaper
- Veteran's Memorial Park in Michigan City to recognize and honor those who have served
- lish Splash in New England. Working renovating the outdoor pool to nclude 100 foot waterslide, lap pool, fenced in pool area
- Community and Health Club in Minto
- Running for County Commissioner in McIntosch County
- Community Awareness in Dunn County
- Educate youth about the advantages of living in North Dakota. Create a curriculum for third graders in North Dakota about the great things your community and state have to offer.

RLND Program

Rural Leadership North Dakota (RLND) is a dynamic two-year interactive study and travel program dedicated to producing graduates with the vision and commitment to lead themselves, their organizations and communities into the future. This program emphasizes the development of skills such as working with people, managing projects, using technology, speaking in public and bringing about positive change.

How do I get more information about RLND?

Contact the RLND office with the NDSU Extension Service or go to our Web site at www.ag.ndsu.nodak.edu/rlnd

Marie Hvidsten
RLND Program Director

North Dakota State University
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P.O. Box 5437
Fargo, ND 58105-5437
701-231-5803
r-leader@ndsuext.nodak.edu

Rural Leadership NORTH DAKOTA

NDSU Extension Service, North Dakota State University of Agriculture and Applied Science, and U.S. Department of Agriculture cooperating. Sharon D. Anderson, Director, Fargo, North Dakota. Distributed in furtherance of the Acts of Congress of May 8 and June 30, 1914. We offer our programs and facilities to all persons regardless of race, color, national origin, religion, sex, disability, age, Vietnam era veterans status, or sexual orientation; and are an equal opportunity employer.
This publication will be made available in alternative format upon request to people with disabilities (701) 231-7881.

Mr. or Madam Chairman, and members of the committee, my name is Valerie Johnson from Maddock, ND. I have been a 4-Her for 15 years and have had several leadership capactities for the 4-H program and for the NDSU extension service. I am in favor of this bill because of the significant contribution that 4H has made to my life. I am a member of numerous organizations but 4H has had the most profound effect on my life.

I can still distinctly remember my first 4H event. At that time I was five, and I recited the pledge of allegiance in my first public speaking contest. Today as I stand before the Senate appropriations committee, I realize that 4H has given me the confidence and poise to step in front of a group of individuals such as yourself and share my beliefs.

It is my belief that 4H teaches individuals about giving to others. I also remember doing numerous community service project and the great feeling of statisfaction of being able to help someone else out. The pride I felt in doing something for others is what you could say has been reason I have choosen to stay involved througout the last 15 years.

From the 4H program here in the state of ND I have learned many skills that will prove to be valuable qualities for my future. For the last 4 years I have served the ND 4H program as a state ambassador. In my role as an ambassador I have been given the chance to serve as a leader, practice my skills for planning events, have learned the significance of forming youth-adult partnerships, learned about diversity here in our state and through travel opportunties, and have found a field that will provide me with a career that will truly make me happy. I am a junior majoring in Family Consumer Science at NDSU and am hoping to someday work as a county agent for the extension service.

The benefits have not just been in the realm of leadership development, however. I have had over 100 projects and have many life skills including decision making, problem solving, conflict resolution, cricitical thinking and teamwork. My actual project experience have included technology, cooking, gardening, clothing construction, citizenship and leadership. The skills I have learned are no exceptional case in this sort of development. 4H has been developing skills and leadership abilities of youth for over a century, and it is largely through your support that the organization has been able to make such an incredible mark on the lives of so many.

One of my favorite quotes is "life is not measured by the breaths you take, but the moments that take your breath away." Over the years I have learned that every experience that I have had in the 4H program has been breath taking to me because of the numerous opportunties for leadership that I have had that otherwise not been possible. Your continued funding of our program and support would much appreciated. Thank you for your time. I would be happy to take any questions.

Valerie L. Johnson
1210 13th Avenue
Fargo, ND 58102
Valerie.Johnson.1@ndsu.nodak.edu

Central Grasslands Research Extension Center
Office Addition

The proposed office addition at the Central Grasslands Research Extension Center is based on the need for conference facilities, offices and lab space. Currently, meetings with an attendance larger than 12 need to be held in the Center's shop or at a location away from the Center. The new addition will be 3000 square feet and provide 5 new offices and a laboratory.

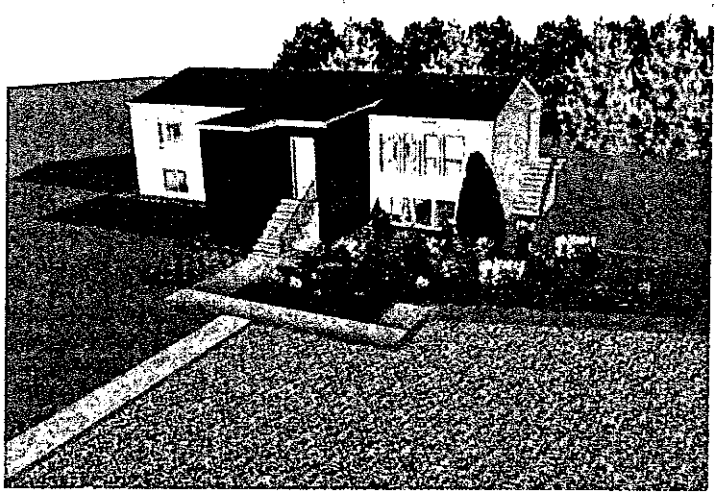


Figure 1. Current office building

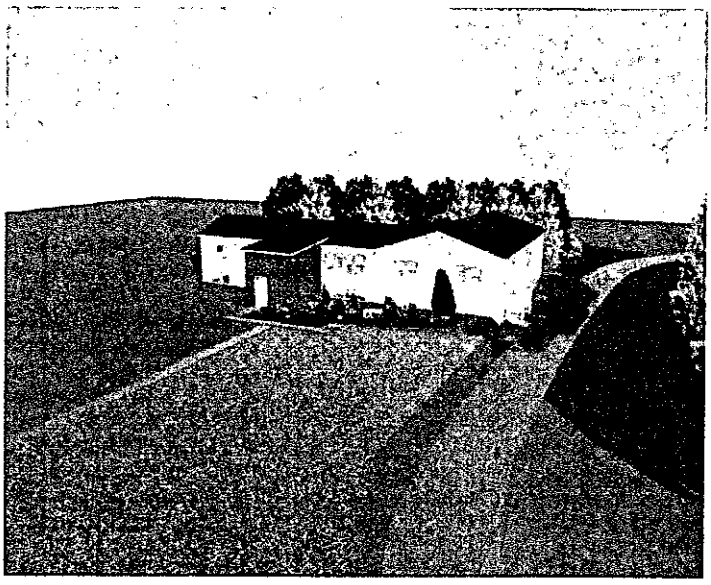


Figure 2. Office building with addition

At present, the office building has five offices on the main floor as well as a receptionist desk and bathroom. One office is shared by two of the staff and one of our staff maintains an office in another building at the Center. The ground floor of the office contains three sleeping rooms, a herbarium/sample prep room, a kitchen, bath, and a conference room that accommodates 12 people comfortably.

The Center has recently been awarded a USDA grant which includes the addition of a range extension/research position. In 2004 the center signed a Memorandum of Agreement with the Chinese Academy of Science, Institute of Botany to host visiting scholars. This program will bring scientists and graduate students to the Center to study. Their research will help NDSU scientists to address problems of interest to North Dakota producers. These visiting scholars need office space and a larger lab to prepare samples for weighing and processing. A larger herbarium/library is also needed for plant identification and study.

With the advent of video conferencing and the potential for an enhanced outreach program at the center, there is a need for larger conference room space. The experience of other research centers that have expanded conference facilities indicate that the number of meetings and usage of the facility increase dramatically when the new facility was in place.

In Summary

★ The center is already short of space with two people in one office and one person maintaining an office in another building.

★ Newly received grant funds will establish an additional outreach position which will require additional office space and generate more and larger meetings.

★The recently signed MOU with China is the beginning of a visiting scholar program which will bring in scientists from outside the center to work on projects in the Coteau region.

AGENCY OVERVIEW

Central Grasslands Research Extension Center - Streeter

North Dakota Agricultural Experiment Station

Agency Statutory Authority

Century Code 4-05.1

Agency Description

The Central Grasslands Research Extension Center (CGREC) conducts research for the Coteau Region of North Dakota. Research objectives are to increase the range-carrying capacity of native range emphasizing conservation and preservation, stabilize grass production to compensate for the vagaries of the weather and precipitation as it influences forage production in the rainfed agriculture, identify the impact of different management systems upon beef production in the central region and explore the increased use of crop residues and byproducts for the maintenance of the cow herd. CGREC's primary focus is management of grassland acreage, which occupies about one-third of the agricultural land in the state, with development of practices to improve production and increase returns to cattle.

Agency Mission Statement

The Central Grasslands Research Extension Center (CGREC) was established by the 1977 legislature in response to demands from producers in the Coteau region to "Fulfill those research needs which cannot be accomplished at any presently existing experimental facility, because of peculiar types of grasses, soils, precipitation, and climate."

There are over five million acres of native rangeland in the Coteau region of North Dakota constituting 40% of the state's rangeland and 38% of the states's farms. Livestock is the second largest ag industry in the state and 42% of the state's livestock is raised in the Coteau area.

The legislated mission of the CGREC is as follows: "The CGREC shall conduct research designed to fulfill needs within an area bounded by the Missouri River on the west and the James River on the east with research objectives as follows:

1. To increase the range-carrying capacity of native range with emphasis on conservation.
2. Stabilization of grass production to determine how to best compensate for the variability of the weather as it influences forage production.
3. Identification of different management systems on beef production in the central region of the state.

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North Dakota State University
ND Agricultural Experiment Station

4. Exploration of increased use of crop residues and by-products for the maintenance of the cow herd.
5. To disseminate research results and information for the benefit of the state of North Dakota."

Agency Performance Measures

Per NDCC Section 4-05.1-19 SBARE needs to present a status report to the budget section of the legislative council. On April 13, 2004, SBARE made a presentation to legislative council and handed out a report on the status of the Agricultural Experiment Station and the North Dakota State University Extension Service. A copy of the information is on file in legislative council office.

Agency Future Critical Issues

To facilitate this new program, an addition to the office/lab building at the CGREC is critically needed. This addition would include a meeting room on the ground floor large enough to accommodate groups of up to 100 and office and labs on the second floor for CGREC staff and visiting scholars. To be able to fully satisfy the goals set forth by HB 1528 which established the CGREC, a full-time Extension position is needed to assist in the delivery of research results. This position would also assist in facilitating communications and coordination of Extension programs within the NDSU range and livestock system. The needs based budget submitted contains a request for additional funding for operating and technical support. These funds are needed to continue the current program of support for graduate students studying rangeland ecology and the CGREC.

Central Grasslands Research Extension Center - Streeter

Proper Grazing Management Can Mean More Forage During a Drought

Research of the NDSU Soil Science Department conducted at the Central Grasslands Research Extension Center (CGREC) has revealed that grazing management affects a pasture's ability to provide forage during a drought. They conducted extensive studies in spring 2004 on three management systems: season-long, idle and four-pasture rotation. Data from this study revealed new information — soils on idle land such as CRP have high surface infiltration rates, but low below ground water flow; roots of the plants on the idle study site had shorter root penetration; and soils on a season-long study site had low surface water infiltration and low belowground water flow, and the plant roots were short with little depth and diversity. The study also showed that the plant community on a four-pasture rotation system had better diversity, water penetration was high at the surface, and belowground flow also was much better than at the other sites. But most importantly, plants on the rotation site had deep root penetration. What this means for producers is that during times of drought, plant communities under rotational grazing will have more soil moisture available and greater ability to extract that moisture and produce more forage.



Visiting Chinese scholar Guojie Wang collects plant samples for a grazing intensity study he worked on last fall at the Central Grasslands Research Extension Center near Streeter.

Demonstrating Best Management Practices for Range and Livestock Producers

To provide a response to producers requesting demonstrations on how they can make a prosperous living on rangeland, the CGREC applied for and was awarded a U.S. Department of Agriculture grant that will set up and monitor a model farm. The farm will evaluate best management practices that NDSU range and livestock researchers developed in the past decade. A committee of professionals, including representatives of the Natural Resources Conservation Service, NDSU and North Dakota Stockmen's Association, will help develop this model farm and provide production and marketing advice. Included in this grant is funding for an Extension Service specialist who will work one-on-one with producers throughout North Dakota to set up rangeland monitoring sites on their ranches and develop range management plans.

Assisting with the Development of Natural Resource-based Tourism

As an industry, tourism plays a major role in economic development and job creation in the United States. It has a direct and indirect economic impact exceeding $800 billion in this country. It is responsible for more than 10 million jobs and produces more than $20 billion in trade surplus. Tourism is a human-resource intensive industry and can create quality jobs across the full employment spectrum. According to an NDSU economist, the North Dakota tourism industry generates more than $1.28 billion in the sale of goods and services to out-of-state markets, more than any other primary industry in the state. The CGREC is developing programs to assist producers who wish to take advantage of the increased interest in natural resource-based tourism. The center is seeking resources to develop programs to train and assist with the development of accommodations, marketing, programs and cooperative ventures.

Central Grasslands Research Extension Center - Streeter

Reconciliation of 2003-05 Original Appropriation to Executive Recommendation (SB 2021)

General Fund:	
2003-05 Original General Fund Appropriation	$ 911,996
Base Adjustments:	
Reallocation of revolving equipment pool	(88,334)
Transfer from Main Research Center to Extension Service and Branch Research Centers	19,382
2003-05 Adjusted General Fund Appropriation	843,044
Executive Recommendation Increases (Decreases):	
Compensation package (4%-FY06 & 3%-FY07)	35,137
Health insurance increases	11,646
Operating inflation	5,347
Initiatives	
Total Increases (Decreases)	52,130
2005-07 Executive Recommendation- General Fund	**$ 895,174**

Other Funds:	
2003-05 Original Other Fund Appropriation	$ 755,391
Increases (decreases) included in budget request:	
2003-05 Capital projects	
2005-07 Capital projects	310,000
Other increases in estimated income	326,936
2005-07 Budget Request	1,392,327
Executive Recommendation Increases (Decreases):	
Compensation package (4%-FY06 & 3%-FY07)	3,282
Health insurance and EAP increases	1,906
Initiatives	
Increase (decrease) capital projects-State Bonding[1]	(250,000)
Increase (decrease) capital projects-Other Funds	(60,000)
Total Increases (Decreases)	(304,812)
2005-07 Executive Recommendation-Other Funds	**$ 1,087,515**

[1] Eliminated $250,000 Central Grasslands Headquarters Office Addition.

Branch Research Centers
2005-07 Budget Changes Narrative

EQUIP REVOLVING FUND -
This represents the reallocation of the equipment revolving fund between the various branch research centers. During the 2003-05 biennium, Central Grasslands ($88,334), Langdon ($88,333) and North Central ($88,333) received allocations from the equipment revolving fund. During the 2005-07 biennium, the allocations will be made to (Dickinson $88,333), Carrington ($88,333) and Williston ($88,334).

Dickinson plans to use the funds to purchase a medium to high horse power field tractor for use in no till and forage research.

Williston plans to use the funds to purchase a 120 HP tractor and a disc or hoe drill.

Carrington plans to replace an irrigation center pivot and feedlot equipment.



DICKINSON RESEARCH EXTENSION CENTER



Dr. Kris Ringwall, Director

Annual Impacts Exceeding $1 Billion for North Dakotans

OUR PEOPLE

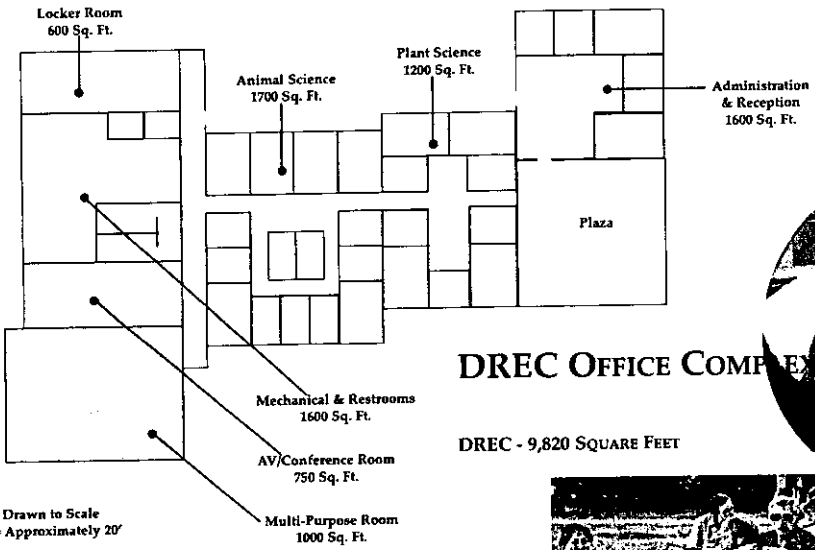
Dr. Joseph Chapman
President, North Dakota State University



Presented To Senate Appropriations Committee – January 19, 2005

Initiating A Plan For the Next 100 Years

Dickinson Research Extension Center
Headquarters Building



These numbers and schematic do not represent final figures or design.







DREC Office Comp[lex]

DREC - 9,820 Square Feet

Overview

From the homesteaders to today, the DREC has been a [part]ner in the lifestyles of [north]west North Dakota for 100 years. This link continues as the DREC builds consensus among our people to preserve our resources of air, soil and water.

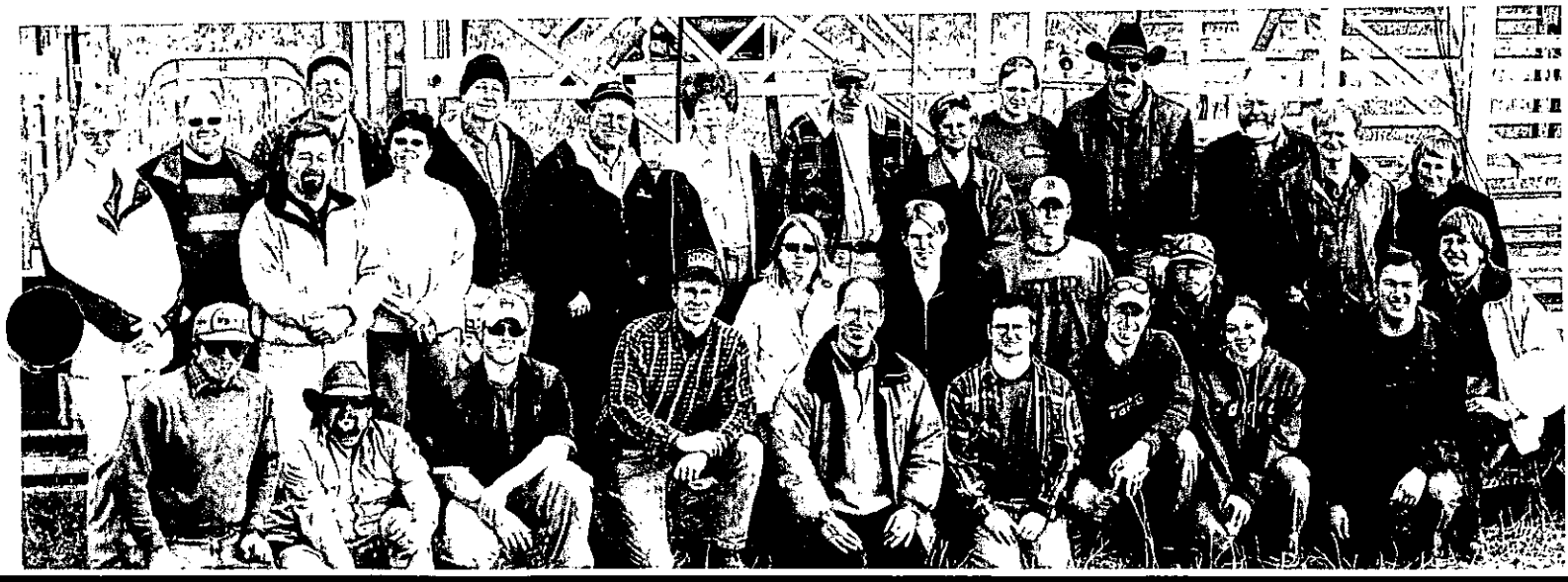




Research & Education In These Areas

- Range and Grassland Options
- Beef Production & Integration
- Equine Care and Management
- Agronomy and Cropping Systems
- Sustainability Solutions
- Horticulture Opportunities





AGENCY OVERVIEW

Dickinson Research Extension Center

North Dakota Agricultural Experiment Station

Agency Statutory Authority

Century Code 4-05.1

Agency Description

The Dickinson Research Extension Center (DREC) is a complex center with animal, agronomic, and range scientists working to improve aspects of management, breeding, feeding, and disease control of livestock, developing improved agronomic practices for production in western North Dakota, and evaluation and management of native rangeland, pasture, and forage production. The scientific diversity provides for a broad perspective in evaluating the various agricultural systems in southwest North Dakota. The Center operates 4,916 acres of land and works with 13 counties south and west of the Missouri River.

Agency Mission Statement

The DREC was authorized by the 1905 Legislature and shall conduct research and education on increasing the carrying capacity of native rangeland, with emphasis on conservation and preservation for future generations; on grass production to determine how to best compensate for the vagaries of the weather; on beef cattle breeding, cow/calf management and heifer development; on productivity of all agricultural products of the soil; and on profitable cropping systems that achieve the necessary balance between profitability and conservation of all natural resources.

Agency Performance Measures

Per NDCC Section 4-05.1-19 SBARE needs to present a status report to the budget section of the legislative council. On April 13, 2004, SBARE made a presentation to legislative council and handed out a report on the status of the Agricultural Experiment Station and the North Dakota State University Extension Service. A copy of the information is on file in legislative council office.

Agency Future Critical Issues

Western North Dakota is at another "fork in the road" dealing with problems associated with current and historical agricultural systems. Although these systems work for some, the end result has been accelerated depopulation, leaving an aging rural population. Leadership is needed, direction is needed, and answers are needed. The answer is not "more of the same."

The original premise under which this area of the country was settled did not account for regional differences in potential environmental fragility. From east to west, North Dakota presents several

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ND Agricultural
Experiment Station

very different landscapes and most definitely transcends biomes. Agricultural practices which do not recognize limitations and opportunities for each specific biome are difficult to sustain. Sustainable production systems must be developed and market opportunities enhanced to ultimately support prairie communities and sustain viable societies.

The historical focus of most agricultural production systems has primarily been improving the efficiency of raw food production. Consequences of this focus have not always been desirable. Soil and water quality and the demographics of the rural landscape have all been negatively impacted to some degree by this somewhat limited, short-term emphasis. Expanding this focus to include the integration of environmental and urban needs and recreational demands is required to ensure true system sustainability in the future.

The current disengagement of the general population from agriculture within the United States means production systems must be self sustaining. These systems must produce high quality food, and in the future, meet urban needs to sequester carbon. Hopefully, a win/win situation, the "real" urban benefit from crops and forages grown in western North Dakota may be carbon stored in agricultural systems, and the "real" rural benefit the value of the products produced.

A shift from food production agricultural systems to those embracing the integration of agriculture with urban and recreational demands is needed. The past has successfully increased the efficiency of agricultural food production, but was the price worth the end result. For those in western North Dakota, the outcome is certainly being questioned. In response, a new approach needs to be embraced. A concept of integrated agricultural systems (sustainable at the local level, beneficial to our urban partners and capable of feeding the world's people) is needed. This production system must not only enhance production efficiency, but also integrate sequestration of carbon to offset the industrialization and concentration of the world's population (greenhouse effect) and reduce negative impacts on soil and water quality (environmental quality concerns). Furthermore, increased efficiency of energy capture within the carbon cycle must be sustainable and bring about a reduced dependence on nonrenewable energy use. And in today's environment, as recent events have so well documented, the system must offer greater protection from bio-terrorism threats by dispersing/decentralizing food production.

"It's about people" is a phrase utilized by NDSU President Joe Chapman and this phrase is the core of what we do. To dismiss the need for people and minimize the importance of the sociological balance between urban and rural interaction oversimplifies and destroys the sustainability of any social and production system. The future of this region, and the world, must contain people, a population in balance with the total environment and sustaining dignified lifestyles.

■ Dickinson Research Extension Center

Electronic ID

Research into electronic identification to assist beef producers manage their herds is a reality at the Dickinson Research Extension Center (DREC). The North Dakota Beef Cattle Improvement Association and the center are working closely with industry leaders to standardize radio frequency signals and electronic identification methods. The technology will allow producers to evaluate and manage forage resources while measuring livestock performance. With 973,000 cows and nearly 889,000 calves annually, North Dakota beef producers can identify and cull animals that do not meet growth criteria and monitor cattle for performance as they move through the various stages of breeding and calf growth. This conservatively could mean savings of $20 per head and also increase value of an equal amount, which would mean an additional value for producers of $75 million.



A crew tags cattle for Calf Aid, the collaborative effort among beef producers, scientists and research entities to tag cattle electronically.

Integrating Crop and Livestock Systems with Forages in the Great Plains

Identifying barley as producing superior quality forage, compared with oats, should enhance barley production for forage and improve annual forage quality. Identifying birdsfoot trefoil as a potential forage legume that can be rotated with wheat and other grain crops could reduce dependence on synthetic fertilizer to supply the nitrogen needs of cereal grain crops. Introducing birdsfoot trefoil (or other forage legume that would fix nitrogen) could reduce synthetic nitrogen costs by $7.6 million statewide. This does not take into account the potential value of a forage crop as a source of livestock feed. The total impact could be three times higher when you consider the value of the forage.

Crop and Livestock System Integration with Annual Forages

Agricultural (arable and grazeable) land dominates the landscape in southwestern North Dakota. Appropriate integration of crop and livestock systems can be a valuable tool in increasing rural economic development. Including feed and forage production in cropping rotations would provide flexibility in developing cropping systems to help enhance the general sustainability of the underlying ecosystem. Coupling this feed and forage production with resident and value-added ruminant livestock production offers a tremendous springboard for capturing the real value of agricultural production and stimulating additional economic development. Implementing these management practices for 45 days during the nongrowing seasons could mean, conservatively, $8.5 million in savings to beef producers statewide.

Environmental Management Strategies

The beef industry must be in harmony with the environment. This harmonious relationship with the soil, water and air involves animal performance, nutrient retention and waste composting. This study shows how properly managing waste can impact the environment. It also shows that how cattle are cared for can have an impact on them. Bedding material, which captures nutrient matter for composting, and placement on land could reduce synthetic fertilizer needs. With 937,000 cows in the state generating 55 pounds of waste (including water, straw and solid manure), the potential value of waste byproducts would be $20 million.

Construction of Headquarters Building

NDSU Agriculture
North Dakota Agricultural Experiment Station and NDSU Extension Service

Dickinson Research Extension Center

FACILITIES

Will be acted on by the Board of Higher Education on their Jan. 27-28 date.

Requested Action:

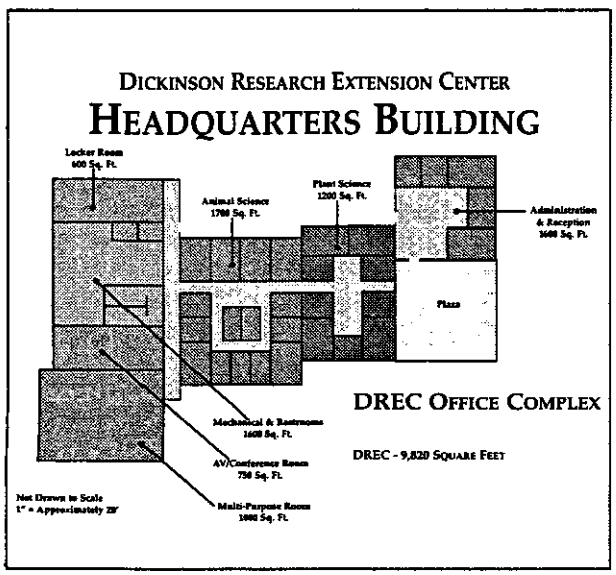
Request legislative authorization to use $400,000 in other funds for the Dickinson Research Extension Center Headquarters Building.

Background Information:

The Dickinson Research Extension Center's (DREC) headquarters building was included as priority No. 2 in the 2002 Campus Master Plan for the North Dakota Agricultural Experiment Station. It originally was submitted to the 2003 Legislative Assembly in HB1021 in the amount of $1.4 million. The sources of funding stated at that time were $1 million from the Dickinson station's oil revenues and $400,000 from local contributions. DREC had expected to receive these contributions during fall 2004, but the funding did not occur. Therefore, it will be necessary to use $400,000 from other internally reallocated sources to complete this project.

The project will combine Center offices currently in four older buildings presently used for research faculty and staff offices. The first is a 2,304 square foot, two-story wood frame building constructed in 1904 as staff housing. This facility was converted into office space in the 1960s and later renovated in the early 1990s. It accommodates 15 employees and is insured at a value of $187,000. The second existing office building was constructed in 1917 as a granary and seed processing facility. The building later was renovated into office space for the Extension center director and eight staff members. This building encompasses 787 square feet and has an insured value of $57,645. Two other older buildings also have facility offices. The proposed new facility will be a 10,000 square foot building designed to include 30 offices for research and Extension staff, along with meeting and technology transfer rooms. The existing 1904 two story building will be repaired and utilized as a conference center, data storage, data processing and temporary graduate type offices and the 1917 field office will be utilized as a communication center and technology hub for the center. The other buildings will maintain current usage.

The $1.4 million project will be funded from Dickinson oil revenue and other internally reallocated funds.



Construction Cost Options

DREC Office Complex

	Sq. Ft.	Cost
Lockerroom	600	$78,000
Mechanical	1600	$208,000
Classroom	1000	$130,000
AV & Conference Room	750	$97,500
Animal Science	1700	$221,000
Plant Science	1200	$156,000
Hallways, etc	1370	$178,100
Administration/Reception	1600	$208,000
Design Fee		$91,754
TOTAL	**9820**	**$1,368,354**

2005 Request

Remodel Existing Headquarters Building	$143,775
New Hdqts Bldg, Parking Lot/Landscaping	$319,500

Phase 2 (New Hdqts Meeting Room) To Be Determined

These numbers and schematic do not represent final figures or design.

NDSU Agriculture
North Dakota Agricultural Experiment Station and NDSU Extension Service

Dickinson Research Extension Center

Reconciliation of 2003-05 Original Appropriation to Executive Recommendation (SB 2021)

General Fund:	
2003-05 Original General Fund Appropriation	$ 1,601,257
Base Adjustments:	
Reallocation of revolving equipment pool	88,33
Transfer from Main Research Center to Extension Service and Branch Research Centers	963
2003-05 Adjusted General Fund Appropriation	1,690,553
Executive Recommendation Increases (Decreases):	
Compensation package (4%-FY06 & 3%-FY07)	71,160
Health insurance increases	24,703
Operating inflation	5,320
Initiatives	
Total Increases (Decreases)	101,183
2005-07 Executive Recommendation- General Fund	**$ 1,791,736**

Other Funds:	
2003-05 Original Other Fund Appropriation	$ 3,679,877
Increases (decreases) included in budget request:	
2003-05 Capital projects	(1,400,000)
2005-07 Capital projects	
Other increases in estimated income	1,400,000
2005-07 Budget Request	3,679,877
Executive Recommendation Increases (Decreases):	
Compensation package (4%-FY06 & 3%-FY07)	16,482
Health insurance and EAP increases	6,863
Initiatives[1]	59,799
Increase (decrease) capital projects-State Bonding	
Increase (decrease) capital projects-Other Funds	
Total Increases (Decreases)	83,144
2005-07 Executive Recommendation-Other Funds	**$ 3,763,021**

[1] Ethanol and malting barley initiative, funded from oil revenues.

Branch Research Centers
2005-07 Budget Changes Narrative

EQUIP REVOLVING FUND -

This represents the reallocation of the equipment revolving fund between the various branch research centers. During the 2003-05 biennium, Central Grasslands ($88,334), Langdon ($88,333) and North Central ($88,333) received allocations from the equipment revolving fund. During the 2005-07 biennium, the allocations will be made to (Dickinson $88,333), Carrington ($88,333) and Williston ($88,334).

Dickinson plans to use the funds to purchase a medium to high horse power field tractor for use in no till and forage research.

Williston plans to use the funds to purchase a 120 HP tractor and a disc or hoe drill.

Carrington plans to replace an irrigation center pivot and feedlot equipment.

AGENCY OVERVIEW

Hettinger Research Extension Center
North Dakota Agricultural Experiment Station

Agency Statutory Authority

Century Code 4-05.1

Agency Description

The Hettinger Research Extension Center (HREC) is a semi-arid site located in southwest North Dakota, providing the most southerly NDSU location in the non-glaciated portion of North Dakota as a site for its agronomy research program. The HREC also is appropriately located at the center of the North Dakota sheep industry, which is the focus of one of its animal research programs and in an area of rapidly growing livestock feeding ventures which is another focus of animal Research at the HREC. Research at HREC involves the disciplines of animal science, range science, agronomy, and agri-business and applied economics. Collaboration is with Main Station scientists and USDA research entities in these research diciplines to improve productivity of livestock and cropping systems and economic development of the region

Agency Mission Statement

The HREC, an outreach of North Dakota State University, provides applied research and education in agriculture and environmental sciences that will enrich the lives of North Dakotans and support economic development.

Agency Performance Measures

Per NDCC Section 4-05.1-19 SBARE needs to present a status report to the budget section of the legislative council. On April 13, 2004, SBARE made a presentation to legislative council and handed out a report on the status of the Agricultural Experiment Station and the North Dakota State University Extension Service. A copy of the information is on file in legislative council office.

Agency Future Critical Issues

- Loss of one complete crop during the current biennium due to drought and frost created special concerns because of unexpected reductions in available funding.
- Labor force deficiencies associated with balancing the current 95 percent budget level required staff reductions which have decreased morale and created constraints to new research initiatives.

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AGENCY OVERVIEW: Hettinger Research Extension Center

- Attempting to increase salary levels adequately to decrease issues of salary compression when compared to in-state peer groups.
- The 2005-2010 strategic plan for HREC suggests reallocation of existing resources from sheep to beef and adoption of an agricultural development philosophy. Changes of this magnitude are slowly accepted.

Hettinger Research Extension Center

Southwest Feeders Program

The Southwest Feeders Program is having a positive effect on the economy in southwestern North Dakota. Certified feed yard capacity continues to grow. Feed costs have averaged 30 cents per pound, using locally grown forages that have netted $50 per acre. A 10 percent increase in livestock fed in the area can expand the economy of the area by $12 million. To date, more than $500,000 in outside funding has been received to support this effort.

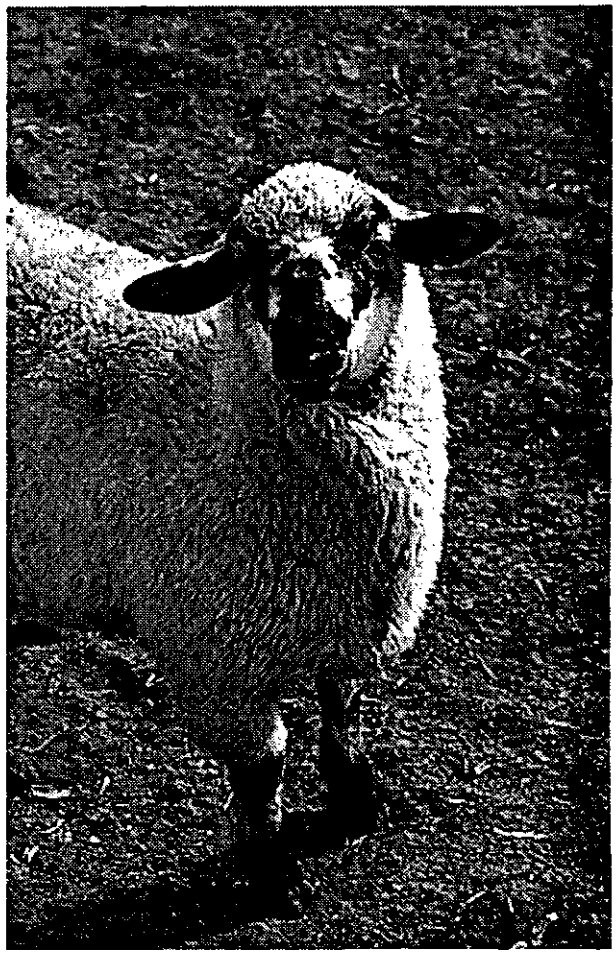
Agronomy

New fertilizer technology being studied has pointed to increased canola yields by optimizing nutrient uptake. Initial results indicate a 28 percent increase in yield with no additional fertilizer.

Animal Science

Cooperation with three neighboring states has resulted in funding from the U.S. Department of Agriculture establishing a regional initiative focused on enhanced, value-added animal production. More than $2 million has been made available to scientists in the region to pursue this objective.

We continue to monitor the "R" gene for resistance to scrapie in sheep. This work is in cooperation with the USDA-Agricultural Research Service disease research unit in Pullman, Wash.



NDSU researchers continue to work on eradicating scrapie, a disease in sheep.

Hettinger Research Extension Center

Reconciliation of 2003-05 Original Appropriation to Executive Recommendation (SB 2021)

General Fund:	
2003-05 Original General Fund Appropriation	$ 868,573
Base Adjustments:	
Reallocation of revolving equipment pool	
Transfer from Main Research Center to Extension Service and Branch Research Centers	10,965
2003-05 Adjusted General Fund Appropriation	879,538
Executive Recommendation Increases (Decreases):	
Compensation package (4%-FY06 & 3%-FY07)	32,329
Health insurance increases	11,581
Operating inflation	8,830
Initiatives	
Total Increases (Decreases)	52,740
2005-07 Executive Recommendation- General Fund	**$ 932,278**

Other Funds:	
2003-05 Original Other Fund Appropriation	$ 652,902
Increases (decreases) included in budget request:	
2003-05 Capital projects	
2005-07 Capital projects	
Other increases in estimated income	200,000
2005-07 Budget Request	852,902
Executive Recommendation Increases (Decreases):	
Compensation package (4%-FY06 & 3%-FY07)	9,976
Health insurance and EAP increases	3,665
Initiatives	
Increase (decrease) capital projects-State Bonding	
Increase (decrease) capital projects-Other Funds	
Total Increases (Decreases)	13,641
2005-07 Executive Recommendation-Other Funds	**$ 866,543**

Branch Research Centers

2005-07 Budget Changes Narrative

EQUIP REVOLVING FUND -

This represents the reallocation of the equipment revolving fund between the various branch research centers. During the 2003-05 biennium, Central Grasslands ($88,334), Langdon ($88,333) and North Central ($88,333) received allocations from the equipment revolving fund. During the 2005-07 biennium, the allocations will be made to (Dickinson $88,333), Carrington ($88,333) and Williston ($88,334).

Dickinson plans to use the funds to purchase a medium to high horse power field tractor for use in no till and forage research.

Williston plans to use the funds to purchase a 120 HP tractor and a disc or hoe drill.

Carrington plans to replace an irrigation center pivot and feedlot equipment.

11-SB2003

TESTIMONY on SENATE BILL: 2020
to
HOUSE APPROPRIATIONS SUB-COMMITTEE
January 19, 2005

For the record my name is Timothy Faller and I am the director of the NDSU Research and Extension Center at Hettinger. Today in the interest of time I am representing all of the Research Extension Centers. We want to thank you for your previous support of research and extension and ask for continuation of that support. It is encouraging to see the possibility of new proposed centers of excellence unfolding especially when we look at the economic importance associated with a current center of excellence -**NORTH DAKOTA AGRICULTURE.**

The members of SBARE spent a tremendous amount of time prioritizing the needs of research and extension. All of the 24 ranked priorities are vitally important. The Governor's Executive Budget and the Senate addressed priorities in the areas of "Cost to Continue","Beef Center of Excellence", and "Western Malting Barley". On behalf of the Research Extension Centers, high priority critical needs that have not been met are: **Operating funds, Labor money and Repairs and Maintenance,** obviously these are also critical needs of the main station.

Examples of unfunded activities that have consumed our **operating funds** are: ITD costs associated with video conferencing capabilities of the centers alone cost each center $20,000. per biennium, increased travel allowances will cost centers from $3-8,000. per year, and when motor pool rates are increased to keep NDOT on budget our available operating funds for travel are essentially decreased. These are only a few of the examples of impacts that have greatly decreased available operating funds.

Labor is each of the centers largest budget categoryand to meet the mandate of a 95% budget last biennium we had to greatly reduce either time-slip labor in most cases discharge support staff that had been long term employees. We have lost efficiency becuase of that reduction. An example of this that is fresh in my mind relates to the recent loss a very talented new professional at Hettinger. A stated reason on exit interview was he found it difficult to complete his work without adequate support staff. To help us in the area of labor we are not requesting increased FTE's. Increased general fund support to salaries would greatly strengthen our program so that core staffing could rely on security of position.

About three bienniums ago funds for **repairs and maintenance** of facilities was decreased dramatically and the impact is showing at the main station and out-state REC's alike. Each center receives only $10,000. per biennium for this purpose which is sorely inadequate in sight of current costs, especially when you look at current value of the physical plants. A number of years ago the legislature established a revolving equipment fund to help research centers purchase big ticket equipment Items. This has been very helpful. It may be possible that the same concept should be considered for repairs and maintenance.

The research extension centers are quite interactive and work well to-gather as a team. Some examples of that would be: (1) We are currently gearing up for a new initiative utilizing bio-mas production as a cash crop intended for potential ethanol production. Most centers will be involved. (2) At Hettinger we have backgrounded both Central Grasslands and Dickinson calves that have went on to Carrington for finishing with the Main Station being involved in final carcass data collection., This supports the proposed "Beef Center of Excellence"concept. (3) Lastly all of the centers have facilities' needs but recognizing that only a minimum of requests would come before you this session the centers voted unanimously to support Central Grasslands request for a center facility. Since the senate hearing this need has been met through inclusion in the bonding bill.

In closing, I would like to thank you on be-half of all the research extension centers for your support as we collectively work to keep a current center of excellence strong while new ones are developed for the future. All of the directors are here and if you have a question specific to a center they will respond.

NDSU Langdon Research Extension Center – 2005 Legislative Testimony
Senate Appropriations Committee

2003/05 Agricultural Research Impacts

- A new plant protection scientist funded by the legislature in 1999 began applied crop disease research programming in 2002. His three years of research results are providing producers with information on spray technologies allowing them to maximize returns on fungicide applications for cereal, oilseed and other crops grown in our region.
- A new farm business management instructor was employed through a partnership between NDSU and Lake Region State College in January of 2004. In his first year of financial and marketing programming, over 30 farm families have enrolled in the program. The instructor hopes to enroll a total of 50 farm families by the end of 2007.
- At the request of regional producers, agronomists on station have more than doubled crop variety testing on station and at five off station locations in other counties to help them make better decisions regarding new crops to grow and selecting the best varieties adopted to our region.
- We continue to compile information for producers on emerging technologies that may benefit producers in the future. Research in 2003/05 in this arena included transgenic crops, precision agriculture using new technologies and disease and weed control.

2003/05 NDUS Supported Economic Development Impacts

- Completion of the Vic Sturlaugson Learning Center designed to enhance agricultural research and begin new programming to pursue recommendations from The Report of the Roundtable for the ND Legislative Council Interim Committee on Higher Ed.
- Community service impacts have far exceeded our expectations as witnessed by the 223 meetings/seminars serving 3954 clients in our first year.
- We have become a NDUS engine for economic development. In 2004 the LREC utilized the business incubator located in the new facility that allowed Datatic Technologies, a start up software company from San Jose, CA, to establish itself in Langdon, ND. They will celebrate their one year anniversary in February. Efforts continue to work with local and regional economic development agencies to further business development.

2005/07 Graduate Student Initiative

- Funding graduate students is a low investment win-win-win situation for ND.

1. NDSU scientists work with highly motivated and educated support personnel.
2. The student experiences a high level of professional training in their field.
3. The state of ND receives a low cost, high quality study addressing a specific problem identified in the state.

AGENCY OVERVIEW

Langdon Research Extension Center
North Dakota Agricultural Experiment Station

Agency Statutory Authority

Century Code 4-05.1

Agency Description

The Langdon Research Extension Center (LREC) was established in 1907 during the 10th Legislative Assembly of North Dakota. The 719-acre center conducts agricultural research designed to maintain and improve northeastern North Dakota's vital agricultural economy while preserving the region's natural resources for future generations. The Langdon Research Extension Center conducts agricultural research designed to increase productivity of all agricultural products of the soil while maintaining or improving the soil resource base in the dryland agricultural region of northeast North Dakota by the identification of adapted crop species and superior crop cultivars; develop profitable cropping systems that achieve the necessary balance between profitability and conservation of all natural resources. The center shall disseminate research results and information for the benefit of the state.

Agricultural research emphases are designed to assist the region's producers solve production problems unique to northeast North Dakota. The LREC collaborates with program efforts by Main Station scientists on breeding programs in barley, durum, HRSW, potato and alternative crops. In partnership with the NDSU Foundation Seedstocks Program, the LREC works to provide the region's producers with new and improved seedstocks. Additional work done in partnership with agricultural input firms provides the region's producers with dependable and unbiased information designed to assist them to become more profitable.

Recently, efforts have begun in earnest to combine the concepts of agricultural research, information technology and economic/community development. The focus of this effort is to foster opportunities for workforce training, long distance education, value added agriculture and economic sustainability in partnership with the region's producers, economic development groups and others.

Agency Mission Statement

The mission of the NDSU LREC is to enhance the quality of life for all North Dakota citizens with a responsive, flexible and accessible agricultural based research program that combines the concepts of agricultural research, information technology and economic and community development.

Agency Performance Measures

Per NDCC Section 4-05.1-19 SBARE needs to present a status report to the budget section of the legislative council. On April 13, 2004, SBARE made a presentation to legislative council and handed

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AGENCY OVERVIEW: Langdon Research Extension Center

ut a report on the status of the Agricultural Experiment Station and the North Dakota State University Extension Service. A copy of the information is on file in legislative council office.

Agency Future Critical Issues

The LREC needs to be more progressive in connecting research for the improvement of rural communities and economic development. A major effort has just begun to implement new programming that brings together the concepts of agricultural research, economic and community development and technology transfer.

The mission of the facility includes dissemination of research results and information for the benefit of North Dakota. This will be achieved by utilizing communications technology to increase educational opportunities for the region's producers and the general public. The facility will be a resource to prepare agribusiness industries in northeastern North Dakota to compete globally, showcase new technologies to enhance the region's economy, bring additional educational opportunities to the region, and provide a research base for agriculturally based economic development in the region.

Crop disease pressures continue to increase with the development of new diseases such as black leg. Our ability to quickly respond our research efforts to address changing problems or opportunities will be a critical future issue. Our research is applied research and we will work hard to deliver those results in as quick as a time period as allowed.

The increase in operating dollars and new programs associated with the new learning center is at a critical stage. The extra cost in operating for all activities at the LREC, in addition to extremely high technology costs, is an issue that must be addressed immediately.

Langdon Research Extension Center

Agricultural Research

1. Research on spray technologies for crop disease management is allowing regional producers to better control disease and maximize their return on fungicide and application input costs for a variety of crops.
2. Significant increases in crop variety testing for soybeans and other crops at the Langdon Research Extension Center (LREC) and at five off-station locations in other counties are assisting producers in making better decisions on variety selection for traditional and new crops being grown in northeastern North Dakota.

Economic and Community Development and Sustainability

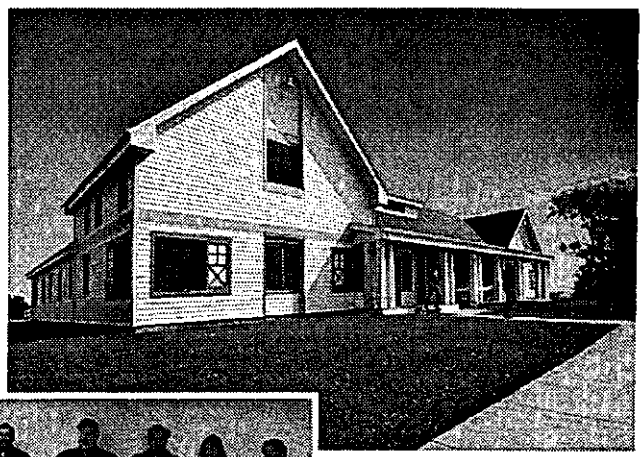
The LREC completed the Vic Sturlaugson Learning Center in early 2004. Between March 1 and Dec. 1, 2004, 184 meetings, seminars, computer classes, workshops, etc., were held at the new facility. More than 3,639 citizens took part in these events.

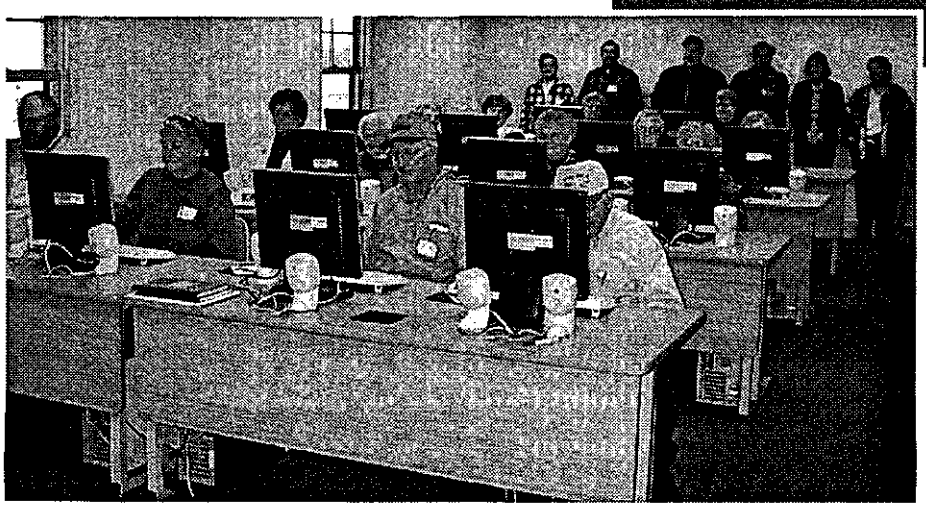
LREC partners with Lake Region State College

A new partnership with Lake Region State College has added a financial outreach program for the region's producers. A farm business management instructor was located at the LREC in 2004 and is working with more than 30 farm families to educate them on proper financial accounting and more effective marketing in their farming operations.

Learning center provides business incubator

An important component of the learning center is the business development incubator. From March to November 2004, the business development incubator housed DataTic Technologies, a Silicon Valley software company relocating to North Dakota, until its permanent facility was completed in Langdon. Plans are in the works to incubate other start-up business ventures at the new facility.





The Vic Sturlaugson Learning Center (above) contains space for a business incubator, a large meeting room for educational gatherings and Extension workshops, a computer and video conference classroom (right) and headquarters for the LREC.

Budget Reconciliation

NDSU Agriculture

North Dakota Agricultural Experiment Station and NDSU Extension Service

Langdon Research Extension Center

Reconciliation of 2003-05 Original Appropriation to Executive Recommendation (SB 2021)

General Fund:	
2003-05 Original General Fund Appropriation	$ 911,413
Base Adjustments:	
Reallocation of revolving equipment pool	(88,333)
Transfer from Main Research Center to Extension Service and Branch Research Centers	18,381
2003-05 Adjusted General Fund Appropriation	841,461
Executive Recommendation Increases (Decreases):	
Compensation package (4%-FY06 & 3%-FY07)	35,484
Health insurance increases	10,462
Operating inflation	5,188
Initiatives	
Total Increases (Decreases)	51,134
2005-07 Executive Recommendation- General Fund	**$ 892,595**

Other Funds:	
2003-05 Original Other Fund Appropriation	$ 371,472
Increases (decreases) included in budget request:	
2003-05 Capital projects	
2005-07 Capital projects	
Other increases in estimated income	54,156
2005-07 Budget Request	425,628
Executive Recommendation Increases (Decreases):	
Compensation package (4%-FY06 & 3%-FY07)	11,387
Health insurance and EAP increases	3,092
Initiatives	
Increase (decrease) capital projects-State Bonding	
Increase (decrease) capital projects-Other Funds	
Total Increases (Decreases)	14,479
2005-07 Executive Recommendation-Other Funds	**$ 440,107**

Branch Research Centers

2005-07 Budget Changes Narrative

EQUIP REVOLVING FUND -

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Dickinson plans to use the funds to purchase a medium to high horse power field tractor for use in no till and forage research.

Williston plans to use the funds to purchase a 120 HP tractor and a disc or hoe drill.

Carrington plans to replace an irrigation center pivot and feedlot equipment.

Testimony to North Dakota Senate Appropriations Committee: S.B. 2020

North Dakota State University
Carrington Research Extension Center

Chairman Holmberg, and fellow committee members, I thank you for the opportunity to address your committee. My name is Blaine Schatz, I am the director of the Carrington Research Extension Center. The research and extension program activities of the Carrington Center are very diverse and they address both crop and livestock issues that face agriculture today and in the future. The central location of the Carrington Center is strategic to NDSU's research capabilities, since the research program can effectively address crops and related issues that represent a significant part of North Dakota's agriculture.

Historically, the Carrington Center works extensively with project leaders at the Main Station in Fargo and at the other REC's. In fact, each year you will typically find at least 25 Main Station research faculty conducting field experiments at the Carrington Center. We are also proud of the many examples of collaborations that we have with researchers at each one of the other REC's.

Today, on behalf of all Research Extension Center's and the Main Station, I would like to ask for your further consideration of the SBARE needs based budget. Within this budget (Item # 5, Investing in Infrastructure Needs for the 21st Century) is a request to provide additional general fund support toward operating and equipment dollars. These operating costs include travel, utilities, repairs, supplies, fees, and other categories of expense. Operating costs cover core expenses associated with running our buildings and research facilities, but are especially significant as we strive to aggressively pursue the many issues identified in both plant and animal agriculture. Equipment needs include those most basic core pieces of equipment such as scales, laboratory instrumentation, and specialized field equipment. Without your support for additional funds for operating and equipment, we will be forced to rely even more heavily upon grant funds to support these critical costs that must be covered to allow our scientists to be productive and successful. Presently, given the situation with many of our operating budgets, we often rely upon grant funds for the initiation of any new research project. This is in addition to reliance on grants to cover the base operations of the department. We have also found that most granting agencies will not fund or support base operating and equipment costs. Without further state support for operating and equipment we will soon find ourselves in a situation where we are not competitive for grant funds from our research partners, thereby reducing our capabilities to leverage the state dollars that you provide.

Now I would like to share with you a couple of accomplishments that reflect upon the type of contributions that the Carrington Center makes in support of North Dakota agriculture and the viability of our rural economies. Carrington's agronomy program works with nearly all crops gown in North Dakota. We conduct research to develop and identify better crop varieties, determine optimum and efficient production practices, we identify ways to control crop pests, study irrigation, and study how the whole farming system works together. Our staff has also been very active in identifying new crops and in efforts to commercialize these new crop enterprises. Carrington has become a focal point for plant disease research, especially sclerotinia or white mold which infects crops like sunflower, soybean, dry edible bean, canola, and field pea. We have established an extensive array of misting nurseries that improve our success in conducting this research, and have developed partnerships with USDA, commodity groups, private industry, and colleagues across NDSU.

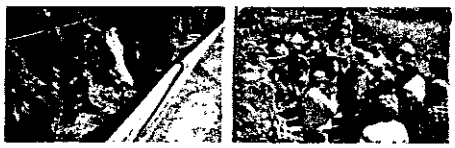
Our beef feedlot research program has been especially active these past two years. In the past year the Carrington Center has directed or been involved with 12 different feedlot studies. These trials have involved more than 1200 head of feedlot steers and heifers. Every animal in these studies ends up as a finished product yielding a wealth of information. These trials have addressed feedlot issues that include feeding new alternative feed crops, flax, processing co-products, environmental issues, and performance of different herd genetics.

As I close, I wish to acknowledge our appreciation to the legislature for your support during past sessions. I also wish to reassure you that my staff at the CREC along with our colleagues at other REC's, Main Station, and Extension will continue to maintain a high level of dedication toward addressing the needs of North Dakota agriculture and all citizens of the state. Thank you for supporting the Carrington Research Extension Center and all programs across NDSU Agriculture.

Blaine G. Schatz, Director
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NORTH DAKOTA **AGRICULTURAL EXPERIMENT STATION**



Carrington Research Extension Center



CREC Research Focus - in brief

- Dryland and irrigated crop production methods
- Crop germplasm evaluation
- Cropping systems and crop rotation research
- Alternative crop development
- Feedlot beef nutrition and management
- Integrated crops and livestock systems

  Intensive beef cow-calf nutrition
- Sustainable agricultural practices
- Foundation Seedstocks program
- Horticulture and forestry variety evaluations

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Feedlot Research and Outreach for North Dakota

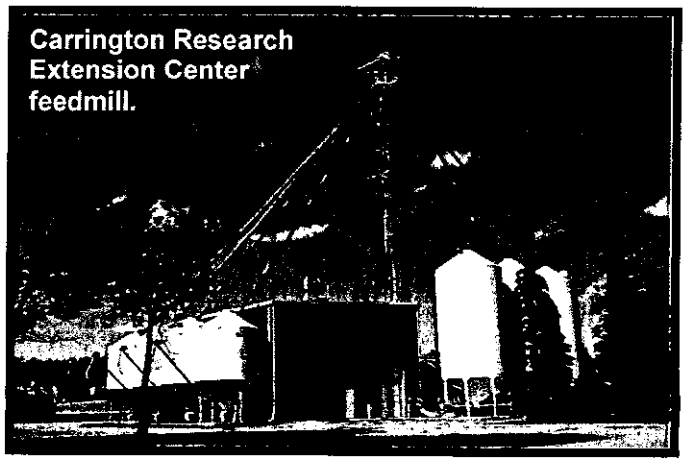
Feedlot research compares animal performance during the post-weaning receiving period, the growing or backgrounding period, and the finishing period. Steers are fed to market weight with carcass traits, meats analyses, and taste panel responses recorded. Research is conducted to maximize value of North Dakota feeds, compare cattle management practices, develop methods to improve the environment, and evaluate genetics of North Dakota cattle. Projects measure feedlot performance, carcass traits and meat quality, and economic returns. Many of the studies are collaborative projects with Animal and Range Science faculty and graduate students. Most projects receive extramural funding.

Active Feedlot Research

- A study is underway that compares low-test-weight wet corn vs. normal-test-weight dry corn in steer finishing diets (90 hd.)
- Research at Carrington proves that bedding feedlot cattle has many benefits including improved feedlot gain and feed efficiency, higher marbling scores and percent of USDA Choice carcasses, greater profit per head, more nitrogen and potassium retained in manure for fertilizer, and reduced ammonia volatilization into the atmosphere. (130 hd.)



Bedding feedlot cattle improves manure nutrient capture, which benefits the environment.



Carrington Research Extension Center feedmill.

- Natural feeding regimes can be as productive as conventional management of feedlot cattle if the same amount of grain is fed. (120 hd.)
- Barley-based feedlot diets supplemented with undegradable protein produces improved gains and greater net profit. (128 hd.)
- Field peas need to be processed by dry rolling, versus grinding or feeding whole, for optimum feedlot performance. (128 hd.)
- Pulse grains (field peas, chickpeas, and lentils) improved feedlot performance of newly weaned steer calves with gains of up to 5 lbs. per day. (172 hd.)
- Soybean hulls can replace corn without sacrificing animal performance in diets for newly weaned steer calves. (160 hd.)
- Producers consigned over 500 head over three years to gain knowledge in the process of feeding cattle and to learn how their genetics perform in the feedyard and on the rail.

NDSU

NDSU is an equal opportunity institution.

AGENCY OVERVIEW

Carrington Research Extension Center
North Dakota Agricultural Experiment Station

Agency Statutory Authority

Century Code 4-05.1

Agency Description

The Carrington Research Extension Center (CREC) was established in 1960. The initial focus of the program was an irrigation research effort to support the Garrison Diversion Project plan to divert Missouri River water for irrigation. The Center's scope expanded significantly in the mid 1960's with additional responsibilities for dryland crop production research for central and south central North Dakota and again in 1972 to include livestock research. The central location of the Center is important in that the research program can address crops and issues that represent a significant part of agriculture in North Dakota.

The research effort at the Center focuses on these general program areas: traditional crop variety evaluation, crop production and management, alternative crop development, cropping systems, irrigation, integration of crop and livestock production, beef feedlot nutrition, cow/calf nutrition, feedlot management, foundation seedstocks production, and fostering development of new agricultural enterprises. Through these efforts the Center's research program has gained a national reputation for its involvement in agriculturally based economic development and study of a wide range of crops and cropping systems.

The Center maintains a strong Extension program as three area Extension specialists base their educational programming from the Center. The Extension program emphasis areas addressed by these specialists include agronomy (crop production and crop pest management), livestock (livestock systems), and nutrient management (livestock waste). The Extension specialists develop educational programs that are delivered to regional county Extension staff, individual producers and agribusinesses. Through their efforts, the latest research results and refined crop and livestock management guidelines are shared with all agricultural constituencies as their needs and concerns are identified.

The Center operates on a land base of around 1,400 acres. Of this total, about 700 acres are leased or rented to supplement the research, seed and forage production needs of the Center. The Center has infrastructure to irrigate about 260 acres with center-pivot systems and 120 acres by surface methods. The balance of the acreage is managed as traditional dryland and is utilized primarily for dryland field crop research activities.

CREC facilities include the headquarters unit with buildings and equipment for processing and storage of Foundation seedstocks, equipment maintenance and storage, research laboratory and a residence. The headquarters building has offices for research and Extension staff and large meeting

NDSU
North Dakota State University
ND Agricultural
Experiment Station

rooms for university, community and industry educational meetings. The livestock unit includes research facilities that can accommodate around 750 head. It includes feed and forage storage, a modern feed mill, pole barns, equipment storage, extensive pens and feedlots, and a residence.

Agency Mission Statement

The CREC conducts research that will lead to the enhancement of agriculture and improve the quality of life across the central region of North Dakota. Specifically, the Center conducts research on both dryland and irrigated crop production factors, improved crop cultivars, alternative crop development, beef feedlot nutrition, cow/calf nutrition, integrated crop and livestock systems, cropping systems/crop rotations, environmental impacts of ag practices, and Foundation seedstocks production. The objective is to discover the balance between profitability and conservation of the natural resource base. The results of these studies are disseminated to the entire state through an ongoing Extension educational program.

Agency Performance Measures

Per NDCC Section 4-05.1-19 SBARE needs to present a status report to the budget section of the legislative council. On April 13, 2004, SBARE made a presentation to legislative council and handed out a report on the status of the Agricultural Experiment Station and the North Dakota State University Extension Service. A copy of the information is on file in legislative council office.

Agency Future Critical Issues

The CREC is in need of a capital expansion of the existing headquarters facility to accommodate expanding efforts in both the research and educational program areas. These programs have grown in recent years in response to broad constituency demands. As this growth has occurred, we now find it increasingly difficult to provide adequate office, classroom, and work space for the expanded program efforts.

Additional state funding for the core program at the Center needs to be secured to allow us the basic capabilities to adequately support and conduct our baseline research and Extension programs. Funding patterns through past years have not kept pace with inflationary costs, capital improvement needs and a significantly aging equipment inventory. Further enhancement to the core program will result in the necessary strengthening of our basic operational and support infrastructure for the primary crops and livestock research programs. A lack of infusion of state funds to the core program will soon result in the elimination of a major research program and inability to compete for grants.

The CREC has a significant lack of technical support for the department scientists who lead very diverse research programs. The majority of the departments existing technical support staff is financed with grant based funding. This is precarious at best and has resulted in inadequate technical support for critical scientists.

The department has need for a series of physical plant improvements beyond the headquarters facility. These improvements include renovations and construction projects that will improve the capabilities of the agronomy, livestock and seedstocks programs. The department must rely on the available resources and willing landowners to secure a significant portion of the land base necessary to meet program obligations.

IMPACTS: Carrington Research Extension Center

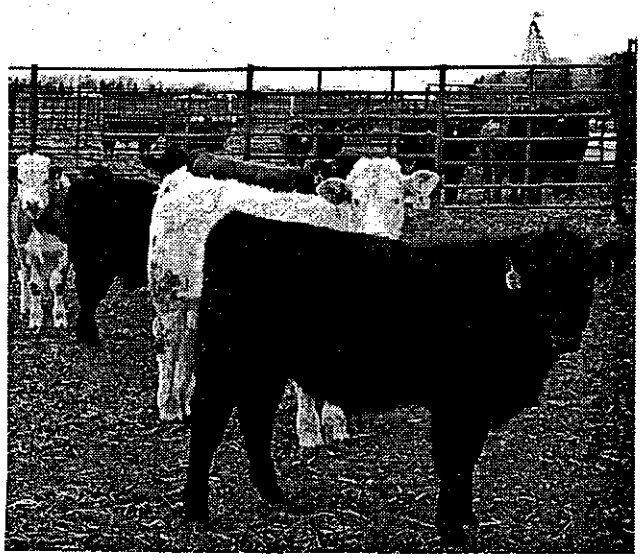
■ Carrington Research Extension Center

Carrington Research Contributes to Release of Sclerotinia-resistant Sunflowers

The U.S. Department of Agriculture-Agricultural Research Service Sunflower Unit recently released three Sclerotinia-resistant germplasm lines. In testing at misted nursery trials in three successive seasons, the three lines showed an average head rot incidence of 16 percent, 33 percent and 8 percent, compared with 58 percent for four commercial cultivars used for comparison. Misting nurseries originated at the Carrington Research Extension Center (CREC) in 2001. Several years and multiple generations of crossing into existing hybrids will be needed before private seed companies will be able to release finished hybrids with the resistant trait.

Variable Moisture Impacts Crop Maturity

Limited amounts of supplemental water from irrigation sufficiently delayed crop development during a season with below-average temperatures. In CREC performance tests, only 25 percent of the soybean varieties reached physiological maturity in the irrigated test, compared with 100 percent in the dryland test. Average harvest moisture for corn hybrids grown in the dryland trial was 24.6 percent, while the average corn hybrid under irrigation had 37 percent seed moisture. Supplemental water will tend to cause a minor delay in crop development; however, the magnitude of delays in 2004 had not been observed previously.



These cattle are part of the feedlot trials at the Carrington

Feedlot Performance Differs Among Herd Source

Cattle producers who participated in the Dakota Feeder Calf program at Carrington continue to learn more about the carcass value of their calves. Feeding performance was very competitive, with average per-head net profit, excluding interest, being $89.01 for 2003-04. Wide variations were observed among consignment groups of cattle. Average daily gain ranged from 2.78 to 3.89 pounds, the marbling score ranged from 296 (Standard) to 603 (High Choice) and profit per head ranged from $3.42 to $279.69.

Natural Beef Feeding Programs

Trials are exploring the differences in finishing cattle with conventional management vs. a more nonconventional approach, where yeast and enzyme products replace ionophores and antibiotics. Feeding calves using these natural products can result in equal animal performance and carcass quality, compared with conventional feedlot diets. Good feedbunk management and natural feed additives supported similar performance on the same grain levels. Increasing forage and decreasing grain in the natural diets lengthened the time on feed but produced equal carcass quality at a slightly elevated cost of grain.

Feedlot cattle and the environment benefit from bedding

CREC feedlot trials have shown that the simple act of bedding cattle with straw during the winter has multiple positive effects that include improved animal performance, higher carcass quality and greater total value. Twenty-three percent of carcasses from non-bedded steers graded USDA Choice vs. 45 percent for modest and 63 percent for generously bedded steers. Net return per head increased by $62 for modest bedded steers and $82 for generously bedded steers. Most importantly for the environment, however, are the reduced ammonia emissions and potential nitrogen runoff. Carbon from straw sequesters nitrogen in manure during composting to make a stable, more valuable fertilizer for crops.

Budget Reconciliation

NDSU Agriculture

North Dakota Agricultural Experiment Station and NDSU Extension Service

Carrington Research Extension Center

Reconciliation of 2003-05 Original Appropriation to Executive Recommendation (SB 2021)

General Fund:	
2003-05 Original General Fund Appropriation	$ 1,404,470
Base Adjustments:	
Reallocation of revolving equipment pool	88,333
Transfer from Main Research Center to Extension Service and Branch Research Centers	161,372
2003-05 Adjusted General Fund Appropriation	1,654,175
Executive Recommendation Increases (Decreases):	
Compensation package (4%-FY06 & 3%-FY07)	65,003
Health insurance increases	21,176
Operating inflation	11,545
Initiatives	
Total Increases (Decreases)	97,724
2005-07 Executive Recommendation- General Fund	**$ 1,751,899**

Other Funds:	
2003-05 Original Other Fund Appropriation	$ 1,922,146
Increases (decreases) included in budget request:	
2003-05 Capital projects	
2005-07 Capital projects	
Other increases in estimated income	528,102
2005-07 Budget Request	2,450,248
Executive Recommendation Increases (Decreases):	
Compensation package (4%-FY06 & 3%-FY07)	37,199
Health insurance and EAP increases	11,858
Initiatives	
Increase (decrease) capital projects-State Bonding	
Increase (decrease) capital projects-Other Funds	
Total Increases (Decreases)	49,057
2005-07 Executive Recommendation-Other Funds	**$ 2,499,305**

Branch Research Centers
2005-07 Budget Changes Narrative

EQUIP REVOLVING FUND -

This represents the reallocation of the equipment revolving fund between the various branch research centers. During the 2003-05 biennium, Central Grasslands ($88,334), Langdon ($88,333) and North Central ($88,333) received allocations from the equipment revolving fund. During the 2005-07 biennium, the allocations will be made to (Dickinson $88,333), Carrington ($88,333) and Williston ($88,334).

Dickinson plans to use the funds to purchase a medium to high horse power field tractor for use in no till and forage research.

Williston plans to use the funds to purchase a 120 HP tractor and a disc or hoe drill.

Carrington plans to replace an irrigation center pivot and feedlot equipment.

AGENCY OVERVIEW

North Central Research Extension Center - Minot
North Dakota Agricultural Experiment Station

Agency Statutory Authority

Century Code 4-05.1

Agency Description

North Central Research Extension Center (NCREC) is located one mile south of Minot on Highway 83. The 1,200-acre center specializes in crop research and Extension education activities and Foundation seed production. Approximately 1,500 owned, rented and contracted acres are planted for Foundation seed production each year. The NCREC evaluates conventional and new crops for production in the region and explores weed management and cropping systems to improve the economic potential of crop production in the north central region. The NCREC is a leader in North Dakota on production and disease research of canola, pea, lentil, and chickpea, in addition to the conventional crops of HRS and durum wheat, barley, flax, sunflower and oat. The NCREC works closely with business and economic development leaders in the region to improve the economic vitality of north central North Dakota.

Agency Mission Statement

The North Central Research Extension Center conducts research to increase agricultural productivity in north central North Dakota. The center serves agricultural producers in a 12-county region surrounding Minot through crop research, Foundation seed production and dissemination, and Extension education programs in crop and livestock production. Studies at the center focus on crop variety and new germplasm evaluation, weed control, cropping systems, crop pest management, reduced tillage and soil fertility. Research is conducted on cereal grains, oilseeds, legumes, forages and new specialty crops.

Agency Performance Measures

Per NDCC Section 4-05.1-19 SBARE needs to present a status report to the budget section of the legislative council. On April 13, 2004, SBARE made a presentation to legislative council and handed out a report on the status of the Agricultural Experiment Station and the North Dakota State University Extension Service. A copy of the information is on file in legislative council office.

Agency Future Critical Issues

1. The North Central Research Extension Center needs a new agronomy research laboratory and greenhouse to handle research plot seed, process data and conduct future research on crops, weeds, insects and diseases.

NDSU
North Dakota State University
ND Agricultural Experiment Station

AGENCY OVERVIEW: North Central Research Extension Center - Minot

2. A machine storage building for weather protection and security of farm machinery and equipment.
3. Rising operating, salary and equipment costs.
4. The opportunity (funding) to create Centers of Excellence in:
   - Bio-based products including biomass and bio-fuels
   - Pulse crop production, processing and intermodal transportation to markets
   - Biosecurity along our northern international border.
   - Invasive weed species such as salt cedar
   - Wind energy to hydrogen fuel cell powered equipment, vehicles
   - Biological pest control products and technology
   - New alternative crops
   - Agrotourism
5. Addition to office and technology transfer building.

North Central Research Extension Center - Minot

Pulse crop research

North Dakota has emerged rapidly as the No. 1 producer of pulse crops in the United States. The NCREC is leading agronomy, weed science, plant pathology and entomology research. The NCREC evaluates released varieties and advanced genetic materials adapted to North Dakota for disease resistance, seed quality and high-yield potentials. The NDREC also is evaluating advanced-line fall-seeded winter dry pea and lentil selections for winter-hardiness and yield. In addition, NCREC research has led to registration of new herbicide options in dry pea and chickpea, as well as an understanding of the herbicides' weed control capability and proper use in various soil types. This new registration gives no-till growers a tool to control economically important weeds, including kochia and wild buckwheat.

Statewide seed quality analysis

Seed oil and protein analyzers at the NCREC have saved North Dakota taxpayers about $350,000, compared with commercial analysis. Nuclear magnetic resonance for oil analysis and near-infrared reflectance for protein analysis machines evaluate subsamples from variety trials, seed company evaluations and crop production studies conducted at each of the research centers located across North Dakota. The NCREC has been instrumental in running thousands of seed quality evaluations to insure uniform test results across locations.

Alternative crops

Alternative crops are evaluated for their agronomic traits as potential food, oil and fiber crops adapted for the North Dakota environment. The NCREC conducts research evaluating fiber flax, chan, chia, cuphea, niger, sesame, sun hemp, teff, cumin and kenaf. Niger, cuphea, sun hemp and teff have demonstrated good potential for future crop production in our environment. Niger (finch birdseed) is imported exclusively into the United States. It has been evaluated in variety evaluations and production studies to determine what varieties, soil fertility levels for nitrogen response and the influences differential rates of seeding have on yield.

Minor crops

NCREC research has accelerated the availability of new crop protection products for minor crops such as sunflower, dry pea, chickpea, canola, crambe and flax. This research has helped producers control weeds in no-till systems where soil and moisture are conserved and used more efficiently.

Plant pathology

Fusarium head blight (scab) control research in wheat, durum and barley is ongoing. Fungicide efficacy work and application methodology have improved techniques to lower disease severity and increased seed quality. NCREC research scientists have been instrumental in evaluating pulse crop cultivars' influences by date of planting, seeding rate, fungicide use and efficacy against Ascochyta blight, a devastating disease that affects chickpea seed yield and quality.

Perennial weed control

Canada thistle has been the No. 1 weed problem in North Dakota. Studies at the NCREC from 1998-2004 showed that crop rotation, herbicide selection and timing can be used to reduce high Canada thistle densities to economically acceptable levels. High populations of Canada thistle were reduced more than 90 percent in three crop rotation studies. Crop rotations centered around canola and wheat were very effective in controlling Canada thistle. Some growers have found common milkweed more difficult to control than Canada thistle, but NCREC research demonstrated methods that reduced milkweed densities 42 percent to 93 percent.



Pulse crops, such as dry pea, are growing in popularity in North Dakota.

North Central Research Extension Center - Minot

Reconciliation of 2003-05 Original Appropriation to Executive Recommendation (SB 2021)

General Fund:	
2003-05 Original General Fund Appropriation	$ 856,960
Base Adjustments:	
Reallocation of revolving equipment pool	(88,333)
Transfer from Main Research Center to Extension Service and Branch Research Centers	25,381
2003-05 Adjusted General Fund Appropriation	794,008
Executive Recommendation Increases (Decreases):	
Compensation package (4%-FY06 & 3%-FY07)	35,276
Health insurance increases	17,943
Operating inflation	3,115
Initiatives	
Total Increases (Decreases)	56,334
2005-07 Executive Recommendation- General Fund	**$ 850,342**

Other Funds:	
2003-05 Original Other Fund Appropriation	$ 855,550
Increases (decreases) included in budget request:	
2003-05 Capital projects	
2005-07 Capital projects	750,000
Other increases in estimated income	500,000
2005-07 Budget Request	2,105,550
Executive Recommendation Increases (Decreases):	
Compensation package (4%-FY06 & 3%-FY07)	26,887
Health insurance and EAP increases	3,541
Initiatives	
Increase (decrease) capital projects-State Bonding[1]	440,000
Increase (decrease) capital projects-Other Funds[2]	130,000
Total Increases (Decreases)	600,428
2005-07 Executive Recommendation-Other Funds	**$ 2,705,978**

[1] State bonding - Increased $440,000 for North Central Agronomy Lab and Greenhouse and eliminated $250,000 Central Grasslands Headquarters Office Addition.

[2] Other funds - Increased $130,000 other funds for North Central Agronomy Lab and Greenhouse.

Branch Research Centers

2005-07 Budget Changes Narrative

EQUIP REVOLVING FUND -

This represents the reallocation of the equipment revolving fund between the various branch research centers. During the 2003-05 biennium, Central Grasslands ($88,334), Langdon ($88,333) and North Central ($88,333) received allocations from the equipment revolving fund. During the 2005-07 biennium, the allocations will be made to (Dickinson $88,333), Carrington ($88,333) and Williston ($88,334).

Dickinson plans to use the funds to purchase a medium to high horse power field tractor for use in no till and forage research.

Williston plans to use the funds to purchase a 120 HP tractor and a disc or hoe drill.

Carrington plans to replace an irrigation center pivot and feedlot equipment.

AGENCY OVERVIEW

Williston Research Extension Center

North Dakota Agricultural Experiment Station

Agency Statutory Authority

Century Code 4-05.1

Agency Description

The Williston Research Extension Center (WREC), established in 1907 and relocated to the present site in 1954, is an 800-acre rainfed farm located in northwest North Dakota near the city of Williston. In 2001, an additional 157 acres were purchased in the Nesson Valley to develop an irrigated research and development project. Studies at the WREC are conducted on crop variety evaluation, herbicide performance and other cultural management research, cropping systems and soil and water conservation practices. The main dryland crops are spring wheat and durum. Barley, oats, safflower, annual pulse crops, canola, flax, alfalfa and other alternative crops are also grown as cash crops or for livestock feed. WREC research is intended to increase the producer's net profit, support crop diversification and encourage more intensive cropping. Soil and crop management systems for sprinkler irrigation and alternative irrigated high value and value-added crop research studies, including the Western Malting Barley program, are also conducted in the MonDak Region, in cooperation with the Montana State University (MSU) Eastern Agricultural Research Center (EARC), Sidney. The Center also conducts safflower, winter wheat, and durum breeding research and variety evaluations, in cooperation with MSU and NDSU Main Station scientists. WREC produces and supplies area farmers Foundation seed of cultivars adapted to the region. Formal cooperation between the NDSU WREC and the MSU EARC was established in January 1994, with a single director responsible to coordinate, broaden, and enhance research programs, and educational delivery systems for the MonDak Region.

Agency Mission Statement

The WREC conducts research to increase agricultural productivity in the semi-arid region for northwestern North Dakota while achieving a necessary balance between profitability and conservation of natural resources.

Research on soil and crop management systems for sprinkler irrigation and alternative irrigated high value/value added crop production are also conducted in cooperation with the Montana State University Eastern Agricultural Research Center at Sidney, MT.

Agency Performance Measures

Per NDCC Section 4-05.1-19 SBARE needs to present a status report to the budget section of the legislative council. On April 13, 2004, SBARE made a presentation to legislative council and handed out a report on the status of the Agricultural Experiment Station and the North Dakota State University Extension Service. A copy of the information is on file in legislative council office.

NDSU
North Dakota State University
ND Agricultural
Experiment Station

AGENCY OVERVIEW: Williston Research Extension Center

Agency Future Critical Issues

The NDSU MonDak Irrigation Research and Development Project in the Nesson Valley will be fully implemented in the 2005-2007 biennium and WREC's top priority is a budget change request in the amount of $150,000 for personnel support and operating and $88,000 for a machinery storage building at the project site 23 miles east of Williston. WREC also requests an agricultural technician position to support the research activities of the soil scientist at a budget cost of $47,269. Projected biennial cost: $197,269 for personnel support and operations and $88,000 for a machinery storage building.

Procurement of funding for T-1 transmission charges associated with our mission in technology transfer delivery is also needed. ITD cost: $20,160 ($840/mo x 24 mos).

A seed sample processing and soils lab building is needed to enhance and improve handling of research seed and soil samples and to provide a basic soils lab for WREC's soil scientist. Also needed is a seed and machinery storage building to enhance Foundation seed storage and additional machinery storage capacity for weather protection and security. Increased funding for the repair, maintenance and upkeep of existing facilities is also needed. Projected biennial cost: $240,000.

Williston Research Extension Center

MonDak Irrigation Research and Development Project

The MonDak Irrigation Research and Development Project obtained all the conditional water permits and purchased and installed the irrigation infrastructure in 2004. The Williston Research Extension Center (WREC) will initiate research and commercialization projects in 2005. Funding support totaling $725,000 was received from the North Dakota State Water Commission; state of North Dakota; U.S. Department of Agriculture-Agricultural Research Service's Northern Plains Agricultural Research Laboratory; the North Dakota Agricultural Experiment Station; NDSU Office of the President; Williston Star Fund; Valmont Industries/Agri-Industries; Busch Agricultural Resources Inc. (Anheuser-Busch Co.); Williams County Water Resource District; Mountrail Williams Electric Cooperative; Garrison Diversion Conservancy District, Carrington; and McKenzie County. Our vision of excellence and mission for this project is based on finding science-based solutions to critical issues facing irrigated agriculture and economic development opportunities for irrigation development and high-value/value-added crop production/processing in western North Dakota while protecting the environment and improving the quality of life for North Dakota citizens. The project will be regional in scope, focus on agricultural research and development and be linked to and supported by high-value/value-added food and other agricultural processing industries to promote growth and expansion of agricultural processing industries, create high-value private sector employment and create new wealth through new and expanded irrigation agriculture. The research staff of the WREC, Montana State University Eastern Agricultural Research Center in Sidney and the USDA-ARS Northern Plains Agricultural Research Laboratory in Sidney will work together with clientele to develop new and improved irrigation technologies and develop and commercialize high-value/value-added crops.

Durum Breeding and Development for the MonDak Region

The MSU EARC and NDSU initiated a conventional, nongenetically modified durum variety development program in 1997. Durum lines are being grown at the EARC for day-length insensitivity evaluation in the winter greenhouse season. Lines with good quality, disease resistance and good agronomic characteristics are tested during the summer growing season in preliminary yield trials under dryland and irrigated conditions. A new double-haploid technology is being used to provide double-haploid lines to produce a completely homozygous line in one generation. This will reduce the time needed for early generation selection to final variety release.

Western North Dakota Barley Project

The WREC staff work cooperatively with NDSU barley breeders, other NDSU scientists and MSU EARC scientists to: 1) develop six- and two-rowed malting barley cultivars for dryland and irrigated production in western North Dakota, 2) develop management strategies for producing malting barley under dryland and irrigated production conditions in western North Dakota, and 3) identify barley diseases present in western North Dakota that could threaten the barley crop. New cultivars for dryland production will have genes that reduce grain protein by up to 2 percentage units, compared with current cultivars. These cultivars also will be bred and developed to maintain acceptable levels of kernel plumpness under dryland growing conditions. Cultivars for irrigated production will be bred and selected to have improved straw strength and disease resistance. Finally, fertilizer recommendations will be developed for malt barley cultivars and predictive models will be developed that allow growers to determine the risk of developing malting barley based on spring stored soil moisture levels.



The Williston Research Extension Center is involved in durum variety development efforts. This durum field is ready for harvest.

Williston Research Extension Center

Reconciliation of 2003-05 Original Appropriation to Executive Recommendation (SB 2021)

General Fund:	
2003-05 Original General Fund Appropriation	$ 913,010
Base Adjustments:	
Reallocation of revolving equipment pool	88,334
Transfer from Main Research Center to Extension Service and Branch Research Centers	964
2003-05 Adjusted General Fund Appropriation	1,002,308
Executive Recommendation Increases (Decreases):	
Compensation package (4%-FY06 & 3%-FY07)	39,189
Health insurance increases	13,552
Operating inflation	6,184
Initiatives	
Total Increases (Decreases)	58,925
2005-07 Executive Recommendation- General Fund	**$ 1,061,233**

Other Funds:	
2003-05 Original Other Fund Appropriation	$ 730,065
Increases (decreases) included in budget request:	
2003-05 Capital projects	
2005-07 Capital projects	
Other increases in estimated income	300,000
2005-07 Budget Request	1,030,065
Executive Recommendation Increases (Decreases):	
Compensation package (4%-FY06 & 3%-FY07)	
Health insurance and EAP increases	
Initiatives	
Increase (decrease) capital projects-State Bonding	
Increase (decrease) capital projects-Other Funds	
Total Increases (Decreases)	-
2005-07 Executive Recommendation-Other Funds	**$ 1,030,065**

Branch Research Centers
2005-07 Budget Changes Narrative

EQUIP REVOLVING FUND -

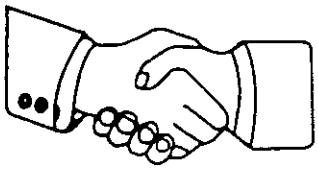
This represents the reallocation of the equipment revolving fund between the various branch research centers. During the 2003-05 biennium, Central Grasslands ($88,334), Langdon ($88,333) and North Central ($88,333) received allocations from the equipment revolving fund. During the 2005-07 biennium, the allocations will be made to (Dickinson $88,333), Carrington ($88,333) and Williston ($88,334).

Dickinson plans to use the funds to purchase a medium to high horse power field tractor for use in no till and forage research.

Williston plans to use the funds to purchase a 120 HP tractor and a disc or hoe drill.

Carrington plans to replace an irrigation center pivot and feedlot equipment.

North Dakota



Ag Coalition

Testimony of Jody Hauge
North Dakota Ag Coalition
Before the Senate Appropriations Committee
January 19, 2005
Testimony on SB 2020

Chairman Holmberg, members of the Senate Appropriations Committee, I am Jody Hauge, chair of the ND Ag Coalition, from Carson, ND. I farm and ranch with my husband Jim and two sons, Jamie and Clair. Our family also owns and operates a backgrounding feedlot. I am here today to testify in support of SB 2020.

The North Dakota Ag Coalition represents forty agriculture organizations throughout the state of North Dakota. For us to take a position on an issue, 75% of our members have to vote in favor of it. Full funding of the NDSU Research Extension budget is a priority of the members of the ND Ag Coalition.

As a North Dakota farmer, rancher and feedlot owner in Southwest, ND our family utilizes the information, education and tools from many NDSU research and extension stations. In my testimony today I am going to share a few examples of just how effective our Research Extension Centers and College is in creating wealth for North Dakota residents.

With our son's home, we have increased our backgrounding feedlot from a 1,000 head capacity to 3,500 head and are permitted to grow to 8,500 head. As we have grown we have borrowed the "minds" of good researchers like Dr. Greg Lardy at NDSU Fargo to help us develop and fine tune feed rations. Dr. Lardy has been of critical importance as we continue to grow and contemplate moving into a heifer development program.

Our work with the Experiment Stations has also reaped benefits. In the past, we have utilized some pens of calves at the Hettinger Research Extension Center in the Southwest Feeder Program. This may seem odd since we have our own backgrounding feedlot, but the information we gleaned from being part of the Southwest Feeder Program has been very useful to us in comparing feed rations, cost of rations, and performance data.

Another example of working and gleaning research information is our work with Dr. Vern Anderson in Carrington, ND. We have worked with Dr. Anderson on fly ash trials. We continue to work with him, searching for lower cost alternatives that won't sacrifice cattle performance.

The work being done at the Dickinson Research Extension Center with winter grazing studies is also something that has great value to livestock producers in the Northern Plains. Anytime a producer can lower the cost of keeping a cow while producing an affordable product for the consumer is good for all of North Dakota.

2718 Gateway Ave. Suite 301 • Bismarck, North Dakota 58503 • Phone (701) 355-4330 • Fax (701) 223-4130

A nonpartisan group of organizations involved in all aspects of agriculture. Organized in April 1982, the Coalition has been successful in providing a unified "voice" on behalf of North Dakota agricultural interests.

The research and demonstration study's NDSU have conducted with by-products has improved our economic efficiencies. Last year, in our ration we used corn syrup, a by-product from an ethanol plant in Morris, Minnesota. This year we are using dried distiller's grain from an ethanol plant in Grotton, South Dakota. We have also used wheat midds and corn gluten products from North Dakota.

Along with traditional Research and Extension programs, North Dakota must also put dollars into investing in our rural areas and communities through programs like Rural Leadership North Dakota offered by the NDSU Extension Service. A small investment by this state in rural leadership will have tremendous economic impacts. Rural leaders will keep communities, schools and churches strong.

To empower NDSU to continue to provide the education and research to enable North Dakotan's to make wise economic decisions NDSU needs good people, up to date facilities, and adequate resources. With the legislatures full commitment to NDSU Research Extension programs, North Dakota producers will continue to be the best, low cost, safest food and fiber providers in the world.

On behalf of the North Dakota Ag Coalition representing the farmers and ranchers of North Dakota including my family, I urge your full support of SB 2020. Support of 2020 is more than education for rancher's and farmer's, support of 2020 is an investment in North Dakota that is providing great returns.

Thank you for allowing me time to testify before you, I would be happy to try and answer any questions you have of me.

NCI LEGISLATIVE UPDATE

Northern Crops Institute
Fargo, ND

Northern Crops Institute supports regional agriculture and value-added processing by conducting educational and technical programs that expand and maintain domestic and international markets for northern-grown crops.



2005-2007

With exception of these pages same testimony given to the House

Budget Summary

General Fund

Reconciliation of 2003-05 Original Appropriation to Executive Recommendation (SB 2020)

	NCI
2003-05 Original General Fund Appropriation	$ 746,002
Base Adjustments:	
Transfer from Main Research Center to Extension Service and Branch Research Centers	
2003-05 Adjusted General Fund Appropriation	746,002
Executive Recommendation Increases (Decreases):	
Compensation package (4%-FY06 & 3%-FY07)	30,866
Health insurance and EAP increases	6,776
Operating inflation	4,731
Initiatives [1]	24,469
GF Operating Reduction (Offsetting Incr to Other Funds)	
Total Increases (Decreases)	66,842
2005-07 Executive Recommendation - General Fund	**$ 812,844**
Increase (Decrease) From 2003-05 Adjusted Appropriation	**$ 66,842**

[1] Initiatives $24,469 for linking crops to livestock development

Other Funds

Reconciliation of 2003-05 Original Appropriation to Executive Recommendation (SB 2020)

	NCI
2003-05 Original Other Fund Appropriation	$ 777,345
Increases (decreases) included in budget request:	
2003-05 Capital projects	
2005-07 Capital projects	
One-time funding for Centers for Excellence	
Other increases in estimated income	144,453
2005-07 Budget Request	921,798
Executive Recommendation Increases (Decreases):	
Compensation package (4%-FY06 & 3%-FY07)	22,167
Health insurance and EAP increases	6,776
Total Increases (Decreases)	28,943
2005-07 Executive Recommendation - Other Funds	**$ 950,741**

2005-2007 Budget Changes Narrative

NCI requests an increase in special fund/other fund authorization in the amount of $156,500. NCI has been able to increase special funds income through educational and technical services. Demand for these services has increased and associated expenses for updating equipment, part-time help, marketing programs, and reimbursement of speaker expenses have increased accordingly. Budget changes also include $46,500 from equipment that was in the base budget but was brought over by BARS from the equipment listing.

2005–2007 Needs-Based Budget

Total: $$188,805 *(General fund request $149,200, Special funds increase $39,605)*

Cost to Continue (2.2% operating inflation) ***$4,731 (1st Priority)***
Funded in Governor's Budget

This is the general fund portion of the 2.2% per year operating inflation, not covered in the hold even budget request. If this is not funded in the optional request, NCI will have to cut its operating budget by $4,731 to cover these increased operating costs.

Initiative: Developing Markets for Diverse Crops

Linking Crops to ND Livestock Development ***$24,469 Operating (General fund)***
Approximately 50% of regionally grown crops are used for feeding livestock. NCI's enhanced focus on processing research would better link the diversity of N.D. crops to livestock development and add further value to our state and region. This requested funding would cover operational costs such as insurance and retrofitting/repair of equipment, and expanding storage facilities.

Enhanced focus on processing research endeavors to answer a need expressed in North Dakota. At the spring 2004 SBARE meeting, many of the N.D. commodity organizations expressed "increasing N.D. livestock production" as a primary goal to increasing the value of their crop. NCI has a unique facility that can serve as both a production and research site. The NCI Feed Production Center has capabilities that are not duplicated anywhere else in North Dakota or the region NCI serves. Currently, NCI has the feed manufacturing equipment and expertise to conduct feed processing research that more effectively utilize co-generated industrial products (e.g. distillers' grains) and the diversity of N.D. grain and oilseed crops used in livestock production. However, with increased operating funds, it would be possible to broaden the scope of work conducted at the NCI Feed Production Center.

Initiative: Developing Markets for Diverse Crops

New staff and operating funds are required to integrate programs that better serve the broad variety of regional oilseeds and grains produced in the 21st century.

(continued)

Needs-Based Budget 2005–2007 (Con't.)

Crop Quality Promotion Specialist ***$120,000 General fund***
$39,605 Special funds
($158,420 salary and fringe benefits, 1.0 FTE, $1,185 operating)

The number and value of crops produced in North Dakota has increased four-fold during the past twenty plus years (NCI's history). North Dakota now ranks first in production of 8 or more crops. In response to the increasing diversity of crops produced in North Dakota and the region, the 2004 NCI Strategic Plan identified as a main priority the integration of programs covering the broad variety of regional crops. To better serve the current diverse crop production in North Dakota, NCI needs staff with expertise in quality attributes and processing characteristics of less traditional crops such as soybeans, corn, and other crops to conduct market development activities and short-term investigative studies.

Several positions are required to focus on promotion of quality attributes and processing characteristics of ND's newer and growing crops, such as corn and soybeans and other crops. We are requesting one position in this optional budget. Funding would pay for 75% of a position (salary and fringes). A person with industry experience, sufficient technical knowledge, and experience in interacting with customers would best fill this position. Check-off funds from the commodities served by this position will pay for the remaining 25% of the position.

Testimony for Northern Crops Institute
North Dakota Senate Appropriations Committee
Wednesday, January 19, 2005
by
Brian Kaae, Chairman, Northern Crops Council

Good Afternoon, Chairman Holmberg and committee members:

My name is Brian Kaae. I am in my second term as Chairman of the Northern Crops Council, the governing board of the Northern Crops Institute. I am a producer of durum wheat and other crops from Dagmar, Montana and a Director of the Montana Wheat and Barley Committee (and past Chair). As you are aware, the NCI represents four states including Montana. I would like to add my support, the support of the producers in our four states, and especially those who serve on the Northern Crops Council.

The NCI recently involved regional commodity groups and agricultural industry representatives in strategic planning. One thing I noticed was that it didn't matter whether we were talking wheat, corn, soybeans, barley of other crops grown in the northern plains, we all agreed on one thing: QUALITY! Maintaining quality and meeting the needs of such a dynamic industry as northern plains agriculture requires many partnerships. The NCI's promotion of quality and utilization of our regional crops incorporate many, many such partnerships. NCI's level of excellence must always be the industry standard and, like any world-class athlete, we must always keep moving the bar higher.

In addition to promoting the quality of our northern grown crops, providing the processing technology to end-users and teaching how to purchase crops through the complicated, U.S. system, NCI has been very effective in developing excellent relationships with international and domestic buyers over their 22 year history. These relationships are a MUST in conducting international business.

If we are to remain competitive in the global marketplace, we must support programs at the NCI, our only regional organization that focuses on quality, technology and purchasing. Please consider supporting the initiative for another position to better conduct programs for this region's diverse crop production. If this is not possible, please support the budget request before you.

Thank you.

2005-07 Executive Recommendation

Northern Crops Institute, NDSU Extension Service, North Dakota Agricultural Research Stations and Agronomy Seed Farm

- The executive recommendation includes a general fund increase of $3,707,258 (or 7.37%) over the 2003-05 adjusted appropriation. This increase will fund the following:
  - $2,649,521 for 4% and 3% salary increases for 2005-06 and 2006-07, respectively.
  - $658,367 for 7% annual increase in employee health insurance.
  - $273,004 for 2.2% annual operating inflation.
  - $326,366 for the following initiatives: Main Research Center – $301,897 for 2 FTE for beef initiative (one-time funding for 2005-07 only); NCI – $24,469 for linking crops to livestock development.
  - **$200,000 decrease** to general fund base operations, which will be replaced with other "ERP" funds for one biennium only.
- The executive recommendation includes $59,799 other fund authority for an ethanol and malting barley initiative at the Dickinson Research Extension Center, to be funded with Dickinson oil revenues.
- The executive recommendation includes funding authority for the following capital projects:
  - $4.5 million Research Greenhouse Complex for the Main Research Station, including $2 million state bonding, $2 million federal funds and $500,000 other funds. ***(This was half of what was requested for each of the funding sources. The request was for a $9 million project.)***
  - $1,320,000 North Central Agronomy Lab and Greenhouse, including $440,000 state bonding and $880,000 other funds.
  - The Central Grasslands headquarters office addition ($250,000 state bonding and $60,000 other funds) was not included in the executive recommendation.

Branch Research Centers
2005-07 Needs-Based Budget

An increase of $1,540,359 would provide funds to address the following priorities of the State Board of Agricultural Research and Education and related needs of North Dakota agriculture.

SBARE ranked all of the projects for Main Station, Branch Station and Extension together since a lot of the projects are joint efforts. Please refer to the ranked projects by reviewing the narrative in all of the agencies.

 # 1 ranked: Costs to Continue (2.2% Operating Inflation) **$45,529 Total General Fund Increase**

$5,320 operating Dickinson
$5,347 operating Central Grasslands
$8,830 operating Hettinger
$5,188 operating Langdon
$3,115 operating North Central
$6,184 operating Williston
$11,545 operating Carrington

Estimated costs to continue of 2.2% for the biennium (2.1% for FY'06 and 2.3% for FY'07) are needed to allow the Agricultural Experiment Station to complete its research mission. These inflationary costs affect the ability to purchase needed equipment, fuel, supplies and other items necessary to conduct research across the state. The cost to continue represents $45,529 for the seven Research Extension Centers in the state. If cost to continue was not included in the recommended budget, the Agricultural Experiment Station would address this shortfall by identifying and implementing cuts in operating and salary.

 # 3 ranked: Crop Quality and Consumer Needs - Western Malting Barley Project

$188,950 Total General Fund Increase

$62,845 Dickinson ($33,502 salary and benefits, no new FTE, $29,343 operating)
$118,105 Williston ($92,405 salary and benefits, no new FTE, $25,700 operating)
$8,000 Hettinger ($6,080 salary and benefits, no new FTE, $1,920 operating)

This project, initiated in the 2001-03 biennium, has been progressing well. Additional time is necessary to allow for some research activities to be completed. Identifying better fertilizer recommendations for the western production areas is of primary importance to improve the probability of producing malting quality barley in the short term. Development of malting barley cultivars with improved traits allowing for better adaptation to the more arid areas of western North Dakota is an ongoing process. Development of high-yielding, high-quality malting barley cultivars for production using irrigation is a second thrust of this research effort

 # 5 ranked: Investing in Infrastructure Needs for the 21st Century - Operating Enhancement

$420,000 Total General Fund Increase

$60,000 Dickinson operating
$60,000 Hettinger operating
$60,000 Williston operating
$60,000 North Central operating
$60,000 Carrington operating
$60,000 Central Grasslands operating
$60,000 Langdon operating

An enhancement of operating funds of $60,000 per agency would provide greater flexibility for NDAES scientists to remain productive and competitive, and allow for improved opportunities to leverage these research dollars with additional grants and contracts. Increased operating funds will reduce the impact of inflation and other rising costs that affect research activities and offer a broader baseline of support to programs that need to continue their efforts in attaining grant funds to fulfill their specific research objectives.

Costs continue to increase in both operating expenses and technological changes. This requires an investment in equipment and enhancement of operating funds. This infrastructural investment would allow scientists and staff in the NDAES and NDSUES to meet their missions for the future of North Dakota. This would allow these excellent researchers to continue their success in leveraging state support with federal and non-federal dollars.

 # 6 ranked: Investing in Infrasture Needs for the 21st Century - Increase Research Support Staff

$705,871 Total General Funds Increase 8.0 New FTE

Many Main Station and REC research projects do not have state supported technical staff. This requires the scientist to continue to write grants that go toward funding research support staff (a subsistence approach) rather than being allowed to enhance their respective project with non-state funds. Also, this soft support provides no continuity to the research program, in that if a permanent position becomes available, the grant-supported technician often vies for that position. A goal of having a state-funded research support staff person for every scientist (21 more are needed, 13 on and 8 off) would improve the overall research effort, allow for continuity of the program and provide a synergy of effort and improved productivity (two people working together can accomplish more than each one working alone). This would provide 1 FTE at each of the Centers (2 at Hettinger) at a cost of $88,234 for salary and fringe benefits for each fte.

 # 22 ranked: Livestock Systems Development - Transition Funding

$100,000 Total General Fund Increase - Carrington

$88,234 Salary and Wages 1.0 FTE, $11,766 Operating

Most of the beef calves born in the state are shipped to feedlots in other states. In order to add value to the beef cattle industry, to the wide array of grains produced in the state, and the by-products from numerous value-added companies, research on fed beef systems is needed to improve efficiencies of this production method in the state. Research programs at the Carrington REC, other centers, and the Main Station will focus on fed beef. The Carrington REC is ideally suited to this research endeavor, with the infrastructure necessary to support this intensive research program. This funding is to offset funding received from other research activities at the Carrington REC that would be reduced to allow the completion of the fed beef research agenda.

The following are unranked by SBARE:

Livestock Systems Development - Animal Composting

Concern has been raised by the North Dakota Department of Health about the appropriateness of burying dead animals as an acceptable method of disposal on state-operated research centers. Since current methods have been deemed inadequate, developing new methods that meet the requirements of the health department, the environment and society would be beneficial. Operating funds are included in each Center as follows: $12,501 at Dickinson, Central Grasslands, Hettinger and Carrington, and $10,001 at Langdon, North Central and Williston.

16SB2003

Testimony for Northern Crops Institute
North Dakota House Appropriations Committee
March 1, 2005
by
Brian Kaae, Chairman, Northern Crops Council

Good Afternoon, Chairman Martinson and committee members:

My name is Brian Kaae. I am in my second term as Chairman of the Northern Crops Council, the governing board of the Northern Crops Institute. I am a producer of durum wheat and other crops from Dagmar, Montana and a Director of the Montana Wheat and Barley Committee (and past Chair). As you are aware, the NCI represents four states including Montana. I would like to add my support, the support of the producers in our four states, and especially those who serve on the Northern Crops Council.

The NCI recently involved regional commodity groups and agricultural industry representatives in strategic planning. One thing I noticed was that it didn't matter whether we were talking wheat, corn, soybeans, barley of other crops grown in the northern plains, we all agreed on one thing: QUALITY! Maintaining quality and meeting the needs of such a dynamic industry as northern plains agriculture requires many partnerships. The NCI's promotion of quality and utilization of our regional crops incorporate many, many such partnerships. NCI's level of excellence must always be the industry standard and, like any world-class athlete, we must always keep moving the bar higher.

In addition to promoting the quality of our northern grown crops, providing the processing technology to end-users and teaching how to purchase crops through the complicated, U.S. system, NCI has been very effective in developing excellent relationships with international and domestic buyers over their 22 year history. These relationships are a MUST in conducting international business.

If we are to remain competitive in the global marketplace, we must support programs at the NCI, our only regional organization that focuses on quality, technology and purchasing. I ask you to support the initiative for the Crop Quality Specialist position put in the budget by the Senate. This position will focus on quality, utilization and market opportunities programming for this region's diverse crop production.

Please support the budget request before you.

Thank you.

Northern Crops Institute

Legislative Update

Leading the effort in North Dakota, Minnesota, Montana, and South Dakota to establish northern-grown U.S. crops as the world's choice for food, feed, and value-added applications.

Northern Crops Institute (NCI) is an international meeting and learning center that brings together customers, commodity traders, technical experts, agricultural producers, and food and industrial processors for education, discussion and technical services. Northern Crops Institute is a cooperative effort between North Dakota, Minnesota, Montana and South Dakota to support the promotion, market development and expanded sales of crops grown in this four-state region.

In North Dakota, agricultural exports account for over 30% of all goods and services. Maintaining and increasing the exports of agricultural commodities contributes to the health of North Dakota and regional economy. The staff and governing board of the Northern Crops Institute extends their sincere thanks for your past support.



Some of our major accomplishments are highlighted in these materials. The NCI continues to focus on education and technical services.as mandated in the Century Code. Our programs teach international buyers how to use the U.S. grain marketing system to make their purchases of northern grown U.S. crops and better manage their risks. Other educational programs teach buyers, both U.S. and international, about the quality and end-use characteristics of northern grown crops to encourage the purchase and use of our crops for their processing needs. We also add value to these crops through technical services in the form of processing, providing consulting and processing solutions to processors and users of regional commodities in the region, U.S. and around the globe.

NCI continues to receive regional funding. However, without the support of North Dakota, we would not be able to continue the level of work documented here. The economy of our entire region is less than desirable, but the severe extended drought in Montana and deficits in Minnesota have affected NCI funding in recent years.

The executive recommendation for our budget is very supportive of our work and will allow us to carry on the excellent work that the NCI staff has done in the past. I ask you to support the executive recommendation of the NCI budget and our initiatives as explained in the needs-based budget.

Thank you for your continued interest and support.

Respectfully submitted,
Patricia T. Berglund, Ph.D.
Director
Northern Crops Institute

www.northern-crops.com

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Prepared for the North Dakota Legislature
SB 2020
House Appropriations Committee -- March 1, 2005

NORTHERN CROPS INSTITUTE

Agency Statutory Authority

North Dakota Century Code 4-14.2.

Agency Description

The Northern Crops Institute (NCI) is a cooperative effort between North Dakota, Minnesota, Montana and South Dakota to support the promotion and market development of crops grown in this four-state region. The NCI is an international meeting and learning center that brings together customers, commodity traders, technical experts, agricultural producers, and food and industrial processors for education, discussion and technical services. The NCI provides technical and marketing assistance through specialized training courses and technical services that facilitate domestic and international market development and expanded sales of northern grown crops. Representatives from 120 countries have visited the NCI since its inception. It is located on the campus of North Dakota State University.

Agency Mission Statement

NCI supports regional agriculture and value-added processing by conducting educational and technical programs that expand and maintain domestic and international markets for northern-grown crops.

Agency Performance Measures

NCI provides status reports to the Northern Crops Council three times annually at Council meetings (per NDCC Section 4-14.2-02 and 4-14.2-03). On June 29, 2004, presentations and written documentation on accomplishments during Fiscal Year 2004 and plans for the next fiscal year were provided to the Council. Copies are on file at the NCI office and with Council members. NCI Update, published annually, describes major NCI accomplishments. NCI provides verbal and written status reports to the South Dakota House and Senate Appropriations Committees during the annual South Dakota legislative session. Annual budget and accomplishment reports are submitted to the Minnesota Department of Agriculture that provides funding through the state of Minnesota. NCI also gives regular status reports on NCI accomplishments to other agencies that provide special funds.

Agency Future Critical Issues

Since its inception in 1983, NCI has earned consistent success in promoting regional crops and is recognized as one of the best training facilities of its kind in the U.S. It is the only regional organization of its type. In an increasingly competitive climate for world market share of agricultural commodities, NCI must keep current and meet the needs of international and U.S. crop buyers. NCI must add additional resources, especially staff with expertise to address the expanding and changing diversity of crop production in North Dakota and the region.

NCI programs, processing and analytical technologies must stay up-to-date to match technology of today and the future. High technology equipment is needed to maintain leading edge processing, testing capabilities, and delivery systems. Operational resources are needed for repairing/retrofitting equipment, travel to meetings and conferences, office support and supplies for new work in the wider range of diverse crops. Because much of NCI's equipment is 15-20 years old, it requires more repair and replacement of parts. New equipment will be needed to analyze and process oilseed crops. Maintaining funding for the day-to-day operations of the NCI Feed Production Center continues to be challenging. Special funds are usually earmarked toward specific projects and can vary significantly from year-to-year.

Impact

The Northern Crops Institute (NCI) does not buy or sell crops – we make it easier for everyone else to do so.

- Programs focus on issues that assist in developing and maintaining markets for agricultural producers in N.D. and the region.
- Technical information on crop utilization is presented by means of educational programs, technical processing and consulting, and special services.

Results from educational programs are long-term. One must look at what the NCI does in the same way as one looks at other forms of education. We provide information on marketing and technical utilization of northern-grown commodities for both domestic and export markets. This service increases the possibilities of these buyers using northern-grown commodities in the future. Often purchases occur several years after educational efforts when conditions become optimal for the buyers.

NCI is the prime source of educational and technical programs for northern grown crops. Demand continues to increase for its programs and services. Such demand is also a reflection of the success of its activities to date and the credibility of the information provided through its programs.

Reinvestment in Critical Areas

With the $50,000 that the 2003 Legislature provided, the Nothern Crops Institute was able to reinstate a partial position, fund cost-to-continue, and provide for updating NCI equipment.

Major Accomplishments

Advancing Regional Markets

- Northern Crops Institute works to advance market development and global awareness of North Dakota and four-state regional crop quality and availability through education, technical services and consulting throughout the world.

Education

- People from 46 countries participated in NCI short courses and trade teams in 2003 and 2004. Course details, participants and countries are listed on pages 8-13 of the full testimony. The complete list of countries ranges from A – Z and can be found on p. 7 of the complete testimony handout.

- "Grain Procurement Management for Importers" and the "Advanced Grain Procurement Strategies" courses were both taught each year to a total of 69 international buyers of northern grown crops. Participants in these courses are decision-makers regarding purchases of grains/crops for their companies and countries. Knowledge of the U.S. grain purchasing system is absolutely necessary for international buyers. The U.S. system is far more complicated than some of our competitors who have single-desk systems. In addition to the traditional courses covering all commodities, NCI provided customized grain procurement courses in soybeans, wheat and corn for regional companies and international buyers.

Impact (con't.)

● When feasible, NCI teaches courses overseas. This is especially true when funds must be used in-country, not in the U.S., when travel costs are prohibitive, or when security issues make travel impossible. We are currently in discussions about offering a course on Wheat and Flour Quality in Mexico and China. We will pursue additional overseas courses in "Price Analysis and Risk Management Strategies" as we have in the past. Offering courses at the NCI remains the best means of connecting the potential customers to our state and region. International business depends on personal relationships. The hospitality of our region, from hotel, restaurant and retail personnel to NCI staff, course lecturers, regional farmers and hosts for field trips, all create positive connections to our state and region. For many international buyers of crops, developing a relationship with the producers and visiting their farms is essential.

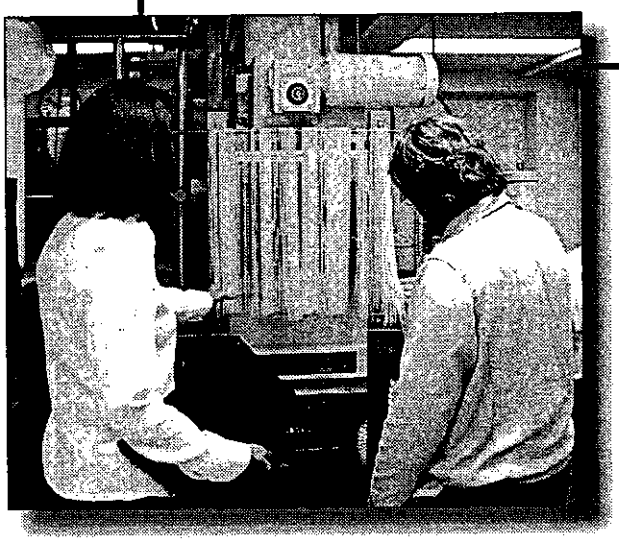
Technical Services

● NCI adds value to northern-grown crops through technical services in the form of processing, and providing consulting and processing solutions to processors and users of regional commodities. Crops included in our technical processing were barley, buckwheat, canola, corn, dry edible beans, flax, field peas, potatoes, oats, soybeans, sunflowers, wild rice, and Hard Red Spring and Durum wheat (p. 14-15 for details). A record number of processing and baking investigations, and analytical testing projects for food and feed companies, universities and others were conducted in 2004.

● NCI's Feed Production Center offers educational programs and produces complete feeds, concentrates, supplements and custom premixes, which are used in animal research. Since becoming operational in 1991, the NCI feed production center has provided in excess of 25,000 tons of feed. Average yearly feed production is 2,000-2,500 tons, mostly for NDSU Experiment Station and Research and Extension Centers (p. 15 for details).

NCI Success Story

2004 Grain Procurement Management for Importers -- "This course hit the nail on the head for us," said a flour mill quality manager from Malta, who attended the course. Malta joined the European Union in 2004, which caused the country to privatize its grain and food importing systems. During the course's Port of Duluth harbor tour, the duo from Malta viewed the inspection log for their first purchase of U.S. HRS wheat that shipped through the Great Lakes. "We still train grain buyers who come from countries that have recently changed from state purchasing agents to private industry. Our grain procurement course is a perfect fit for them," said John Crabtree, NCI's Assistant Director."



Impact (con't.)

Partnerships

● The region's commodity check-off groups and their producer members continue to be major partners and supporters of Northern Crops Institute. NCI regularly uses the funds it receives from commodity groups to offer educational opportunitites for regional producers (p. 9-10).

● NCI continues to offer courses in partnership with U.S. Wheat Associates, American Soybean Association, U.S. Grains Council, American Society for Brewing Chemists, Association of Operative Millers, American Association of Cereal Chemists, Association of Oil Chemists Society, USDA/FAS Cochran Program, NDSU Extension Service and others. These groups assist in identifying possible participants and often provide other resources.

NCI Success Story

2004 Wheat and Flour Quality and Blending Issues – Participants from Tunisia, Hungary, Kenya, and Philippines attended the "Wheat and Flour Quality and Blending Issues" technical short course at NCI. "This course stresses the advantages that our regional hard red spring wheat can provide for blending to boost the quality of international local wheats," said Dr. Patricia Berglund, NCI Director. "There is a strong emphasis on both wheat quality parameters and testing and the advantages of blending," she said. Products and quality requirements in the participants' home countries received special attention. Several participants in this course were sponsored by U.S. Wheat Associates and the USDA FAS Cochran Fellowship Program.

Leadership

● NCI continues to provide leadership in North Dakota and the nation, and in return, receives collaborative assistance from many, many companies, organizations and individuals. Without these partnerships, NCI could not do its work. This year's cooperators are listed on page 11 of the 2004 fall Update. In addition, NCI staff provides regular assistance to our partners. For example, NCI provided expertise on feed and livestock during the North Dakota Trade Mission to China in October, and in November, NCI's Technical Director traveled throughout Asia with U.S. Wheat Associates to report on the 2004 crop quality to our Asian buyers. NCI staff provides lectures and demonstrations for NDSU, SDSU and other regional universities on technical, scientific, and practical applications of the use of crops in food processing applications.

● Strategic Planning has identified four areas to focus on for the next five years: Recognized Leadership, Enhanced Programs, Effective Partnerships, and Leveraged Support.

● The Northern Crops Council, NCI's governing board of directors, continues to provide regional four-state leadership for NCI's programs and Strategic Planning.

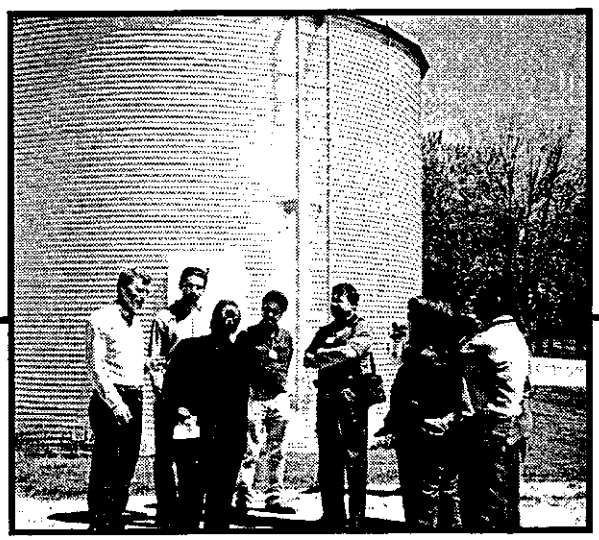
● NCI's Industry Advisory Board from the four-state agricultural supply and processing industry and grain trade provide regional support, advice, lecturers, tours, and resources for NCI programs and initiatives.

Impact (con't.)

NCI Success Stories

2004 Advanced Grain Procurement Strategies Games are a great learning tool, but the games played at NCI are not for children. The advanced grain procurement short course featured a new options trading game that required teams of participants to manage the risk of their cash position over a simulated six-month period using futures, options, and strategies they have learned during the course. According to Virgil Miedema, South Asia Regional Director for American Soybean Association (ASA), representatives from their main markets in South Asia--India, Pakistan and Bangladesh--participated in the course to hone their skills in procuring agricultural commodities, particularly soybeans, from the United States. Miedema said, "This course is an important step in helping these buyers become comfortable with buying American. ASA has sent overseas buyers and potential buyers to this course in the past with very positive results."

2004 Procurement of Feed Grains In the U.S. Grain Marketing System -- Corn buyers from Mexico learned more about importing U.S. feed grains during a procurement course at NCI. "It is very important to make sure that the Mexican grain importers are well educated and up-to-date on the U.S. as a grain supplier, so that the Mexican companies can access our U.S. feed grains," said Dr. Ricardo Celma, U.S. Grains Council's Mexico and Central America regional director and escort for the group. He stressed the need for strong, long-lasting relationships to ensure that "we speak a common business language that supports a continuous development and growth of the U.S. feed grains suppliers as well as that of the Mexican companies that demand U.S. feed grains."



Promotion of Regional Agriculture and Northern-Grown Crops

In 2003 and 2004, NCI staff hosted trade teams and visitors, taught short course participants, and consulted with companies from 46 countries:

Algeria	Germany	Malta	Taiwan
Bangladesh	Greece	Mexico	Thailand
Canada	Guatemala	Morocco	Trinidad
Chile	Hungary	Netherlands	Tunisia
China	India	Nicaragua	Turkey
Colombia	Indonesia	Pakistan	Ukraine
Costa Rica	Italy	Philippines	United Kingdom
Dominican Republic	Jamaica	Poland	USA
Egypt	Japan	Singapore	Venezuela
El Salvador	Kenya	South Korea	Vietnam
Estonia	Latvia	Spain	Yemen
	Malaysia	Sweden	

2003-2004 Highlights

Education Programs

Grain Procurement (2003)

20 Nations

Representatives from 20 countries attended NCI's annual grain procurement courses in 2003. Thirty-five grain buyers, processors, millers, and government representatives learned the fine points of the U.S. grain merchandising system and how to effectively buy northern-grown crops. The Advanced Grain Procurement Strategies course had 18 participants from 14 countries. The Grain Procurement Management for Importers course attracted 17 participants from 10 countries. Countries represented were:

- Chile
- Colombia
- Costa Rica
- Egypt
- Estonia
- Germany
- Guatemala
- Indonesia
- Italy
- Korea
- Mexico
- Morocco
- Netherlands
- Pakistan
- Philippines
- Taiwan
- Trinidad
- United Kingdom
- USA
- Yemen

Grain Procurement (2004)

19 Nations

Thirty-four crop buyers from 19 nations attended NCI's grain procurement courses in 2004. The professionals were from national food buying agencies, flour mills, grain trading companies, pasta manufacturers, and food distributors on five continents. The Advanced Grain Procurement Strategies course had 17 participants from 9 countries. Grain Procurement Management for Importers course had 17 participants from 12 countries. Countries represented included:

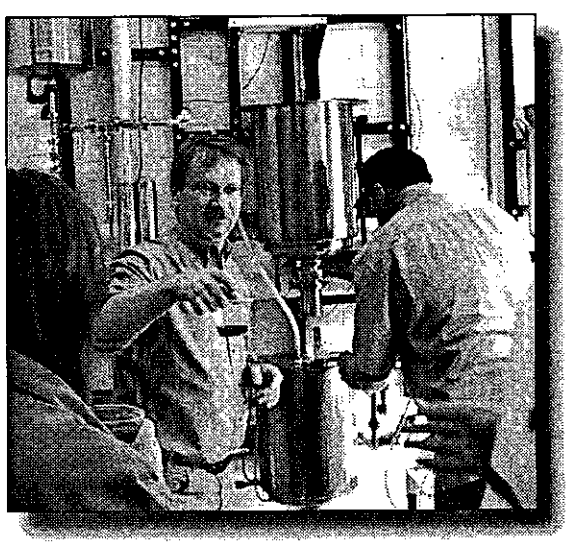
- Bangladesh
- China
- Costa Rica
- El Salvador
- India
- Indonesia
- Italy
- Latvia
- Malta
- Pakistan
- Philippines
- Poland
- Spain
- Sweden
- Thailand
- Trinidad
- Turkey
- USA
- Yemen

Many participants in both grain procurement courses were sponsored by the U.S. Wheat Associates, American Soybean Association, and USDA FAS Cochran Fellowship Program.

Barley

USA, Canada & Mexico

Eighteen participants representing several international breweries and malting companies in the U.S., Canada, and Mexico attended the Barley Malt Quality Evaluation short course in September 2004. This course is co-sponsored by the American Society of Brewing Chemists. "North Dakota remains the number one producer of barley in the U.S. Malt is the major ingredient in making beer and has a huge impact on beer quality," said Dr. Paul Schwarz, professor in NDSU Dept. of Plant Sciences and program coordinator for the Barley Malt Quality course.



Education Programs (con't.)

Barley
Colombia, Costa Rica, Dominican Republic, El Salvador, Jamaica, Mexico, Nicaragua, Taiwan.
Three brewing trade teams, representing Latin America, Mexico and Taiwan, held discussions at NCI in 2004. Trade visits focused on learning more about the region's malt barley and the role of NCI in barley promotion and utilization. The teams were sponsored by the U.S. Grains Council and the MN and ND Barley Councils.

Barley
Japan
A four-member Japanese feed barley team visited NCI in August 2004, accompanied by Cary Sifferath, Japan Senior Director for the U.S. Grains Council. The trade visit updated Japanese barley importers on new U.S. barley varieties and current research on feed barley.

Barley
Dominican Republic, El Salvador, Jamaica, Mexico, Venezuela.
A six-member Latin American trade delegation, representing brewing and malting companies, came to NCI in August 2003 to gain a better understanding of U.S. barley malt. Sponsors were the ND Barley Council, MT Wheat and Barley Committee, and U.S. Grains Council. Meeting topics were purchasing and handling logistics, meeting U.S. barley merchandisers and maltsters, developing trade relationships, and touring U.S. malting barley production areas.

Corn
Mexico
Corn buyers from Mexico learned more about importing U.S. feed grains during a five-day course at NCI in May 2004. Mexico is the world's number three importer of U.S. corn with purchases totaling 7.5 MMT a year, according to Ricardo Celma, U.S. Grains Council's Mexico and Central America regional director and escort for the group. U.S. Grains Council and the North Dakota Corn Utilization Council (NDCUC) sponsored the nine-member team. Instructors discussed procurement strategies of feed grains, mycotoxins, biotechnology, transportation, grading and inspection, and contracts.

Feed Quality Control
Greece, Hungary, Poland
Koch traveled to Greece, Hungary and Poland in May 2003 to present quality assurance and quality control seminars. Regulations for food safety are high in the EU. These seminars were geared at bringing feed manufacturers up to speed. The American Soybean Association sponsored the seminars.

Feedlot Management
Regional Producers
Eighteen cattle producers attended a two-day seminar on cattle production and management at NCI's Feed Production Center in September 2003. This was a joint effort between NDSU Department of Animal and Range Sciences, NDSU Extension Service, and NCI. Dr. Greg Lardy, NDSU Asst. Professor of Animal and Range Sciences, said, "We put together an educational program with the basics for developing a cattle feeding program in the northern plains. We think there are some opportunities to do more cattle feeding in the region."

Education Programs (con't.)

Feed

China Trade Mission

Dr. Kim Koch, NCI's Feed Production Center manager, participated in a North Dakota Trade Mission to China in October 2004, sponsored by the Office of ND Governor John Hoeven and the North Dakota Trade Office. As a result of the trip, Northern Crops Institute was invited to propose training programs and opportunities to educate Chinese farmers on how to use North Dakota feed ingredients. Larry White, North Dakota Dry Pea and Lentil Association, commented, "I think the most important component of the mission is education. For us to be successful sending high protein feed to China for livestock production, the education of the Chinese producers is a must."



Feed Mill Management

China

A sixteen-member team from the People's Republic of China participated in an intensive feed mill management study in July 2003, led by Koch. China's Country Director for US Grains Council (USGC), Dr. Todd Meyers, said, "This team's visit goes hand-in-hand with the training program begun by USGC in China. USGC wants to help China's feedmill industry become more efficient—to be more responsive to the needs of livestock producers and to increase feed consumption." Sponsors of the team were the US Grains Council and the North Dakota Barley Council.

International Protocol

USA, Canada

The International Protocol Seminar in February 2004 attracted 32 participants from three states and Canada. NCI Director Pat Berglund presented sensible strategies to help business people be more effective in international business by using protocol and diplomacy. This course is offered regularly; the next course will be offered in the winter of 2006.

Soybeans

Thailand, Philippines, Singapore, Malaysia, Indonesia, Vietnam

Soybean buyers from Thailand, Philippines, Singapore, Malaysia, Indonesia, and Vietnam studied American soybeans and the U.S. grain marketing system at NCI in September 2004. The ten-member team was sponsored by the American Soybean Association and the North Dakota Soybean Council.

Soybeans

Regional Producers and Agribusiness

The Northern Food Soybean Conference, held in Willmar, MN in March 2004, targeted producers who want new ways to add value to their crops. Forty people attended the seminar. Minnesota Soybean Research and Promotion Council and Northern Crops Institute co-sponsored the event. The conference will be offered again in 2005 at three locations in ND and MN.

Education Programs (con't.)

Soybeans

Algeria, Morocco, Tunisia

Ten scientists from Algeria, Morocco, Tunisia studied feed microscopy at NCI in August 2003. North African countries have learned that in order to trade worldwide, their products must meet safety specifications of other countries. In order to do this, they need to expand their food safety programs. Koch, who coordinated the course, said, "The skills these people learned will enhance their job performance and allow them to train others."

The American Soybean Association co-sponsored the course with NCI.

Wheat

US Pasta Industry

After 21 years, NCI's Pasta and Noodles courses are still perennial favorites for pasta company personnel. NCI began offering pasta courses in 1984 to fulfill its mission of promoting the region's durum wheat. Thirty-four American pasta manufacturers attended the courses in 2003 & 2004. They learned more about the manufacture of extruded, sheeted, and precooked pasta through lectures and laboratory demonstrations.



Wheat

Philippines

Key decision-makers from four Philippine flour mills came to NCI in September 2003 to learn more about U.S. hard red spring wheat. Almost half of the average 67 million bushels that the Philippines import annually is HRS wheat from North Dakota and Montana and is used in baking. The Philippines are the fourth largest buyer of U.S. wheat. The team was sponsored by the North Dakota Wheat Commission.

Wheat

India, Morocco, USA

Twenty-four participants from three countries attended the Basics of Wheat and Flour Quality short course in October 2003. "This was a new course that NCI offered to fill a need that we identified in local and U.S. markets," said Brian Sorenson, NCI's Technical Director. The course presented an opportunity for people from various wheat-related industries to learn about quality factors associated with wheat and flour, and how they impact final product performance. The course combined lectures and hands-on laboratory testing, so the participants could learn how the tests are performed and how to interpret the results.

Education Programs (con't.)

Wheat
Japan
Quality control managers from four leading flour mills in Japan described the traits needed in their wheat imports while at NCI in July 2003. "The Japanese market is our largest, most dependable cash wheat customer outside the United States. We're constantly working to maintain and grow our number one position," explains Jim Peterson, North Dakota Wheat Commission marketing director. Japan annually purchases an average of almost 50 million bushels of U.S. hard red spring wheat. North Dakota Wheat Commission sponsored the team's visit.

Wheat
US Durum Milling Industry
Learning the differences between the milling of durum wheat and bread wheat was the focus of the Durum Wheat Milling course in June 2003. Dr. Jeff Gwirtz was the main instructor for the course that was co-sponsored by the International Association of Operative Millers. Producers in the four-state region of Minnesota, Montana, North Dakota, and South Dakota grow most of the U.S. durum crop.

Wheat
China
A seven-member technical team from People's Republic of China evaluated the region's hard red spring wheat for their country's flour and baking needs in April 2003 at NCI. Matt Weimar, U.S. Wheat's regional vice president, China Region, commented, "We came to the United States to look at the ability of U.S. wheats to blend with Chinese wheat and also to use it in processing of Chinese food products and western food made in China." Brian Sorenson said, "This was a great opportunity to talk about hard red spring wheat grown in this region, so Chinese millers and bakers can gain an understanding of its quality and learn how to best use it." The team was sponsored by the U.S. Wheat Associates.

Wheat Trade Mission
Indonesia, Japan, Philippines, South Korea, Taiwan, Thailand
Brian Sorenson, NCI Technical Director, traveled throughout Asia in November 2003 to present the results of the 2003 Regional Crop Quality Surveys for hard red spring wheat and durum with U.S. Wheat Associates. The team met with officials from grain trading agencies, flour mills and bakeries in Taiwan, Thailand, Indonesia, South Korea, Japan and the Philippines to discuss the supply, demand and quality of the regional crop. "Meeting with the end-users face-to-face was an excellent way to promote the crop and let them know what to expect when they purchase our wheat," Sorenson said.



Education Programs (con't.)

Wheat
Mexico

Interest in northern-grown U.S. durum and pasta processing sparked an NCI course in a new location...the state of Sonora, Mexico. Dr. Benjamin Ramirez Wong, professor at the University of Sonora, Mexico, attended the annual Pasta and Noodle course at the NCI in April 2002, and felt there would be value in offering a course like it in the northwestern part of Mexico. Seventy-three people attended the February 2003 course, which focused on pasta processing using northern durum wheat.



Wheat
Hungary, Kenya, USA, Philippines, Tunisia

Following the success of the 2003 course, two courses were offered in 2004 on Wheat and Flour Quality and Blending issues. Eighteen participants attended the courses. The international course stressed the advantages that the region's hard red spring wheat can provide for blending to boost the quality of international local wheats. The domestic course focused on the fundamentals of wheat quality and how it affects the milling and baking processes. Several participants of the international course were sponsored by U.S. Wheat Associates and the USDA Foreign Agriculture Service's Cochran Fellowship Program.

Wheat
International

Northern Crops Institute was invited to publish a regular column in the Milling Journal, which is produced by the International Association of Operative Millers. Sally Sologuk, NCI's Public Relations/ Communications Specialist, writes the column. The first column, published in the fourth quarter issue 2004, focuses on northern durum wheat--current varieties and how new varieties are developed. North Dakota State University has the only public durum wheat breeding program in the United States.

2003-2004 Highlights

Technical Processing and Analytical Testing

Barley and Barley Malt Sprouts
Processing aspects of barley malt sprouts were studied for pelleted feed.

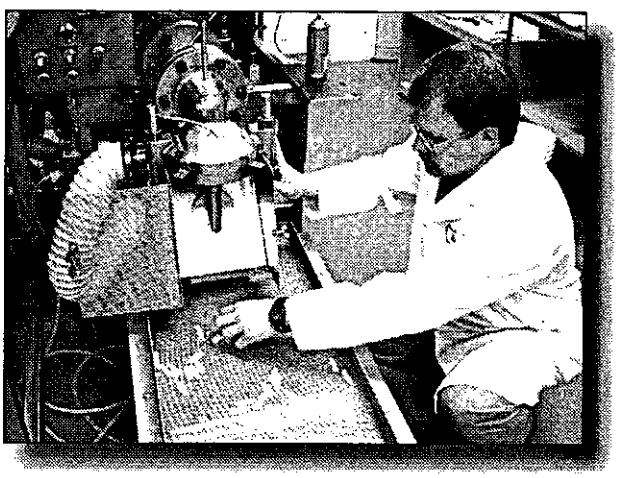
Canola
NCI worked with NDSU Dept. of Animal and Range Sciences on canola studies in dairy heifer development trials and swine gestation/ lactation trials.

Corn
NCI conducted proprietary processing projects in which corn or corn-based ingredients were a major ingredient. Feed pelleting studies utilized Dried Distillers Grains with Solubles (DDGS). Corn from NDSU's breeding program is analyzed for quality characteristics with the NIRt located in NCI's grain grading laboratory. Developed food products containing DDGS in conjunction with regional university.

Corn, Oat, Buckwheat and Wild Rice
NCI processed corn, oat, buckwheat and wild rice flours into precooked spaghetti on our Wenger twin-screw extruder. The purpose of this project was to determine how these products performed during processing and for cooking quality.

Dry Edible Beans
NCI has conducted extensive processing trials incorporating bean powders into food products resulting in several commercial products for FarmConnect, a cooperative with over 700 farmers from North Dakota, Minnesota, and South Dakota.

Durum and Hard Red Spring (HRS) Wheat
NCI conducted numerous processing investigations for food companies using durum wheat in pasta products. Using the Wenger twin-screw extruder, NCI processed whole wheat and an experimental line of waxy durum wheat into pre-cooked spaghetti. Another proprietary project involved the production of 800 lbs. of pasta for an ingredient company.



Two experimental durum wheat lines were processed into semolina and spaghetti for Wheat Quality Council, which gives breeders valuable feedback on processing and quality to assist in new variety development.

NCI also conducted several bread baking trials using HRS wheat flour in specialty and pan breads.

Technical Processing and Analytical Testing (con't.)

Field Peas
Field Peas were studied for feed production and pelleting.

Flax
NCI evaluated the performance of flaxseed in a series of baked products for AmeriFlax. The results were summarized in technical baking reports that were given to bakers and related industry personnel at the Retail Bakers Association (RBA) meeting in April.

NCI Feed Production Center processed the flax and providing feed supplements for a flax study conducted at several ND Research Extension Centers. The study includes feedlot finishing trials at Carrington Research Extension Center, calf backgrounding trials at the Streeter Research Extension Center, and digestibility trials at NDSU's Animal Nutrition and Physiology Center.



Potatoes
NCI provides laboratory facilities for sensory testing for NDSU's potato breeding project. Potatoes are graded for taste; color, mealiness, and visual appeal over a several month period.

Soybeans
With the increased nutritional awareness surrounding soy and soy-based ingredients, NCI has conducted a number of proprietary processing projects for incorporating soy into food products. The interest in this process was very high in 2004 because of interest in increasing protein content of food products, while lowering carbohydrate content.

Sunflowers
NCI staff collaborated with Red River Commodities on the analytical testing of SunButter, a roasted sunflower spread launched in 2002 under the SunGold Foods label. Sunflowers were pelleted for feed in a proprietary study.

Wild Rice
NCI conducted proprietary processing tests for Gourmet House, a subsidiary of Riviana Foods, in Clearbrook, MN.

Feed Production Center
NCI's Feed Production Center continues to use regional grains, oilseeds, and co-products in feed manufacturing for research and herd maintenance. The Center provides technical service to animal nutrition studies in the region. Additional NCI Feed Production Center processing research and production studies in the past two years included a reproductive physiology study, selenium fortification trials, pelleting studies involving barley malt sprouts, Dried Distillers Grains with Solubles, sunflowers, and field peas (yellow and green), and inclusion of flax (ground, rolled and pelleted) into beef and dairy rations.

Summary of
Senate Appropriation Amendments to SB 2020
NDSU Ag Research, Extension, and NCI Appropriation Bill

- **Reduces funding for compensation increases from funded 4/3% as proposed in the Govs. Budget to 3/4% as recommended by the Legislature ($238,771 General fund and $163,501 other funds)**

- Adds $228,201 in general fund for western malting barley project at various research centers.

- Adds $100,000 in general fund for soil conservation districts in Extension budget

- **Adds $159,605 ($120,000 general fund and $39,605 in other funds) for crop quality promotion specialist in Northen Crops Institute (NCI).**

- **Removes $24,469 in general fund for "linking crops to livestock research" in NCI.**

- Continues $800,000 in Ag PACE funding, first approved in 2003, for Beef System Centers of Excellence. Adds $400,000 in state general fund for 2.0 new positions and related operating costs for beef center. The new positions may not be filled until SBARE enters into a business partenershiop agreement for the beef systems center of excellence.

- Suggests the Legislative Council consider a study of the branch research centers, including visiting each center to observe infrastructure needs and research conducted; how research at the centers may compliment the beef systems center of excellence; and receive comments from area growers and producers.

- Adds a section, indicating the special funds spending authority of $1.4 million, included in subdivision 5 of section 1 of chapter 20 of the 2003 Session Laws for the Dickinson Research Center building project may come from any available source, and declares this section an emergency measure.

- In total, SB2020 has been increased by $584,961 in state general funds.

Budget Summary

Senate Bill No. 2020
Northern Crops Institute Executive Recommendations and Senate Action

	EXECUTIVE BUDGET	SENATE CHANGES	SENATE VERSION
Northern Crops Institute	$ 1,763,585	$ 130,362	$ 1,893,947
Total all funds	$ 1,763,585	$ 130,362	$ 1,893,947
Less estimated income	950,741	37,609	988,350
General fund	$ 812,844	$ 92,753	$ 905,597
FTE	7.62	1.00	8.62

Budget Detail

Senate Bill No. 2020
Northern Crops Institute -- Detail of Senate Amendments to SB 2020

	Original SB2020	Reduces Compensation Pkg from 4&3 to 3&4	Adds Crop Quality Promotion Specialist	Removes Funding for Linking Crops to Livestock Research	Total Amendments	Amended SB2020 - Senate Version
General fund	812,844	(2,778)	120,000	(24,469)	92,753	905,597
Special funds	950,741	(1,996)	39,605		37,609	988,350
Total funds	1,763,585	(4,774)	159,605	(24,469)	130,362	1,893,947

Senate Bill No. 2020
Dept. 638 - Northern Crops Institute - Detail of Senate Changes

	Adds 1 FTE Crop Quality Promotion Specialist [1]	Removes Funding for Linking Crops to Livestock Research [2]	Reduces Compensation Package to 3/4	Total Senate Changes
Northern Crops Institute	$ 159,605	($ 24,469)	($ 4,744)	$ 130,362
Total of all funds	$ 159,605	($ 24,469)	($ 4,774)	$ 130,362
Less estimated funds	39,605	--	(1,996)	37,609
General fund	$ 120,000	($ 24,469)	($ 2,778)	$ 92,753
FTE	1.00	0.00	0.00	1.00

[1] This amendment adds 1 FTE crop quality promotion specialist position at Northern Crops Institute.

[2] This amendment removes $24,469 of funding for linking crops to North Dakota livestock development research costs.

Executive Recommendations

General Fund

Reconciliation of 2003-05 Original Appropriation to Executive Recommendation (SB 2020)

	NCI
2003-05 Original General Fund Appropriation	$ 746,002
Base Adjustments:	
Transfer from Main Research Center to Extension Service and Branch Research Centers	
2003-05 Adjusted General Fund Appropriation	746,002
Executive Recommendation Increases (Decreases):	
Compensation package (4%-FY06 & 3%-FY07)	30,866
Health insurance and EAP increases	6,776
Operating inflation	4,731
Initiatives [1]	24,469
GF Operating Reduction (Offsetting Incr to Other Funds)	
Total Increases (Decreases)	66,842
2005-07 Executive Recommendation - General Fund	**$ 812,844**
Increase (Decrease) From 2003-05 Adjusted Appropriation	**$ 66,842**

[1] Initiatives $24,469 for linking crops to livestock development

Other Funds

Reconciliation of 2003-05 Original Appropriation to Executive Recommendation (SB 2020)

	NCI
2003-05 Original Other Fund Appropriation	$ 777,345
Increases (decreases) included in budget request:	
2003-05 Capital projects	
2005-07 Capital projects	
One-time funding for Centers for Excellence	
Other increases in estimated income	144,453
2005-07 Budget Request	921,798
Executive Recommendation Increases (Decreases):	
Compensation package (4%-FY06 & 3%-FY07)	22,167
Health insurance and EAP increases	6,776
Total Increases (Decreases)	28,943
2005-07 Executive Recommendation - Other Funds	**$ 950,741**

2005-2007 Budget Changes Narrative

NCI requests an increase in special fund/other fund authorization in the amount of $156,500. NCI has been able to increase special funds income through educational and technical services. Demand for these services has increased and associated expenses for updating equipment, part-time help, marketing programs, and reimbursement of speaker expenses have increased accordingly. Budget changes also include $46,500 from equipment that was in the base budget but was brought over by BARS from the equipment listing.

2005–2007 Needs-Based Budget

Total: $$188,805 *(General fund request $149,200, Special funds increase $39,605)*

Cost to Continue (2.2% operating inflation) ***$4,731 (1st Priority)***
Funded in Governor's Budget

This is the general fund portion of the 2.2% per year operating inflation, not covered in the hold even budget request. If this is not funded in the optional request, NCI will have to cut its operating budget by $4,731 to cover these increased operating costs.

Initiative: Developing Markets for Diverse Crops

New staff and operating funds are required to integrate programs that better serve the broad variety of regional oilseeds and grains produced in the 21st century.

Crop Quality Promotion Specialist ***$120,000 General fund***
$39,605 Special funds
($158,420 salary and fringe benefits, 1.0 FTE, $1,185 operating)
Funded in Senate Amendment

Request: Crop Quality Promotion Specialist
NCI requests funding for a a position (1.0 FTE) to conduct market development activities (educational programs, short-term investigations, and technical services) promoting quality attributes and processing characteristics of the increasing diversity of crops produced in North Dakota (pea, lentil, soybean, corn, flax, newer oilseeds, etc).

Background:
In response to the increasing diversity of crops produced in North Dakota and the region, the 2004 NCI Strategic Plan identified integrating programs covering the broad variety of regional oilseeds and grains as a main priority. To better serve the current diverse crop production in North Dakota, NCI needs staff with knowledge and expertise in quality attributes and processing characteristics of less traditional regional crops such as soybean, corn, pea, lentil, dry edible beans, flax and other crops to conduct market development activities and short-term investigative studies.

NCI requests ND General Funds to pay 75% of one position (salary and fringes). The non-general fund support (25% of the position) will be secured through check-off groups such as Pea and Lentil, Corn, Soybeans, and Oilseeds Check-Off organizations. NCI is currently in discussion with several of these groups.

(continued)

Needs-Based Budget 2005–2007 (Con't.)

Crop Quality Promotion Specialist (con't.)

Responsibilities:
The Crop Quality Specialist will focus on quality, utilization and market opportunities for the less traditional crops. Responsibilities would include: 1) Market development activities to promote sales of these crops, 2) Educational programs that address quality characteristics desired by buyers and processors of the crops, 3) Market opportunities for the crops, and 4) Technical services for these crops in the form of processing and providing consulting and processing solutions to processors and users of these crops. The individual in this position will coordinate program efforts with the commodity check-off groups to best serve the appropriate groups.

Linking Crops to ND Livestock Development

$24,469 Operating (General fund)
Funded in Governor's Budget
Unfunded in Senate Amendment

Approximately 50% of regionally grown crops are used for feeding livestock. NCI's enhanced focus on processing research would better link the diversity of N.D. crops to livestock development and add further value to our state and region. This requested funding would cover operational costs such as insurance and retrofitting/repair of equipment, and expanding storage facilities.

Enhanced focus on processing research endeavors to answer a need expressed in North Dakota. At the spring 2004 SBARE meeting, many of the N.D. commodity organizations expressed "increasing N.D. livestock production" as a primary goal to increasing the value of their crop. NCI has a unique facility that can serve as both a production and research site. The NCI Feed Production Center has capabilities that are not duplicated anywhere else in North Dakota or the region NCI serves. Currently, NCI has the feed manufacturing equipment and expertise to conduct feed processing research that more effectively utilize co-generated industrial products (e.g. distillers' grains) and the diversity of N.D. grain and oilseed crops used in livestock production. However, with increased operating funds, it would be possible to broaden the scope of work conducted at the NCI Feed Production Center.



Northern Crops Institute

Connecting in the Global Marketplace

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Update

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Connecting in the Global Marketplace November, 2004

34 Nations Learn About Northern U.S. Crops at NCI in 2004

"This course hit the nail on the head for us," said one participant in NCI's Grain Procurement Management for Importers short course. He lives in the island nation of Malta, where he is the quality manager for a milling company. Malta joined the European Union in May 2004 and privatized its grain and food importing systems.

"We are still training grain buyers and processors from countries that have recently changed from state trading agencies to private industry," said John Crabtree, coordinator of NCI's educational courses. "Our Grain Procurement course is a perfect fit for them. The majority of countries have turned the importation of grains over to private industry."

"Another trend we are seeing is that importers are more demanding about specific quality characteristics of the grains they buy. That's a whole new way of merchandising grain," he said.

Knowing how to effectively merchandise grain is important to this region. Minnesota, Montana, North Dakota and South Dakota, the 4-state region that supports Northern Crops Institute, ranked first nationally in production of ten major crops in 2002. North Dakota and Montana ranked first and second respectively in durum and spring wheat production.

"The number and value of crops produced in the region has increased four-fold since NCI was founded," said Dr. Patricia Berglund, Director of Northern Crops Institute. "NCI has always had a strong focus on traditional crops such as cereal grains, and this will continue. Our new strategic plan addresses the broad diversity of crops produced in our four-state region and helps us identify programs and partnerships so we can better serve today's agriculture," she said.



"This course hit the nail on the head for us," commented one of the Malta delegation about NCI's Grain Procurement Management for Importers short course. During the Port of Duluth harbor tour (above), they discussed the inspection log for their HRS wheat shipment through the Great Lakes to Malta with Art Boline, GIPSA/ USDA.

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Participants from 34 nations and 18 states attended the NCI short courses in 2004. "We've been able to keep up our course attendance numbers because we are meeting the needs of the participants. I also think we are doing a better job at communicating what we are doing. Effective marketing is essential," Berglund said.

In addition to educational training, NCI offers technical services for the food and feed industry. "We had a very productive year in our technical processing area," commented Berglund. "Most of our processing clients are satisfied customers who are returning or new ones attracted through word-of-mouth. The best marketing for our processing is customer satisfaction," she concluded.

Dr. Kim Koch, NCI's feed production center manager, recently returned from a trade mission to China (see story on page 7). As he toured an oil processing plant, the company president came to Koch and asked if he remembered him. The man attended an American Soybean Association course at NCI a few years ago. He proudly displayed his NCI certificate and course photo in his company's promotional materials. He showed them to everyone at the meeting and credited some of his success to attending an NCI course.

"NCI has made a lasting impression throughout the world. That's really important to our region," Crabtree concluded.

--Story by Sally Sologuk

Grain Procurement Management for Importers Short Course

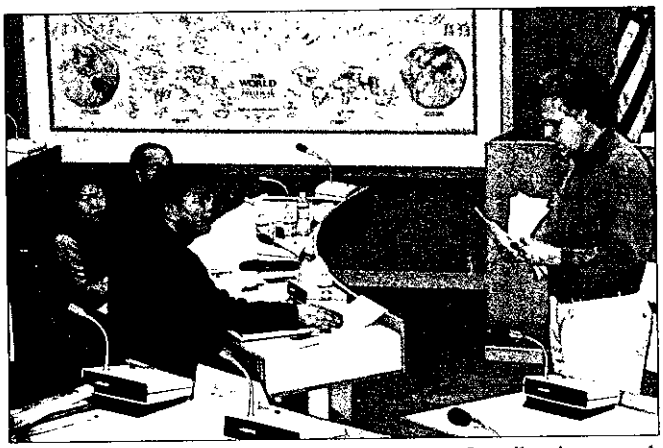
September 27 - October 6, 2004



Seventeen crop buyers from China, Costa Rica, El Salvador, Italy, Latvia, Malta, Poland, Sweden, Trinidad, Turkey, USA, and Yemen attended the Grain Procurement Management for Importers short course in September.



Participants from Yemen, Latvia, and Italy apply what they have learned about U.S. grain inspection and grading in NCI's commodity grading laboratory.



Dr. Bill Wilson, (right), NDSU professor of agribusiness and applied economics, is an expert on futures market theory and is instrumental in determining program topics and appropriate speakers. He has been the key lecturer in NCI's Grain Procurement Management short courses since the first class in 1983.

Four-State Region Yields A Bounty of Crops

Ranking in US Production	1	2	3	4	5	6	7	8	9	10
Corn, Grain			MN				SD			
Silage			MN				SD			
Wheat, Durum	ND	MT			MN	SD				
Wheat, Spring	ND	MT	MN			SD				
Oats	MN			ND			SD			
Barley	ND		MT			MN				
Rye			ND	SD						
Flaxseed	ND	MT	MN	SD						
Potatoes						ND	MN			
Sugarbeets	MN		ND			MT				
Soybeans			MN					SD		ND
Dry Edible Beans, Navy	ND		MN		SD					
Dry Edible Beans, Pinto	ND					MN	MT			
Dry Edible Peas	ND			MT						
Lentils			ND	MT						
Sunflower, Oil	ND	SD		MN						
Sunflower, Non-Oil	ND	SD	MN							
Canola	ND	MN								

Source: 2002 U.S. Census of Agriculture

Advanced Grain Procurement Strategies Short Course

May 10 - 14, 2004



John Crabtree, NCI's Assistant Director, welcomes seventeen participants from Italy, Spain, Indonesia, Pakistan, Bangladesh, India, Philippines, Thailand, and China to the Advanced Grain Procurement course in May. Among the course participants were two returnees who attended the NCI's basic grain procurement course in 2002.



The Advanced Grain Procurement Strategies short course featured a new options trading game that had teams of participants managing the risk of their cash position over a simulated six-month period using futures, options, and strategies they learned during the course, according to instructor Dr. David Bullock, Risk Management Specialist at Minnesota's Dept. of Agriculture (far right). "The participants learn the basic features of @Risk by building a soybean crush risk margin model. In addition, the session introduces models covering farmer yield risk, wheat milling margins, valuing real options, and managing hedge portfolios," he concluded.



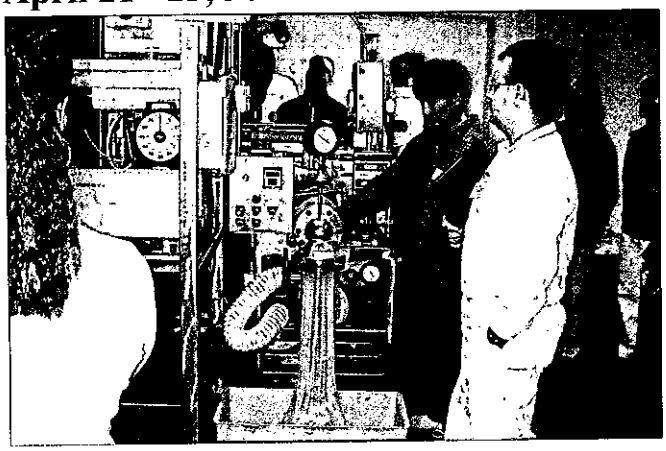
John Oades discusses wheat quality specifications with short course participants. Oades is the Director of the Portland, OR, office of U.S. Wheat Associates. U.S. Wheat Associates and American Soybean Association (ASA)/United Soybean Board (USB) sponsored many of the participants in this course. Buyers of soybeans and wheat attended breakout sessions specific to their needs.



Virgil Miedema (left), South Asia Regional Director for ASA/USB, said that ASA sponsored representatives from India, Bangladesh and Pakistan at the Advanced Grain Procurement Strategies course to hone their skills in procuring U.S. agricultural commodities, particularly soybeans.

Pasta and Noodles: Raw Materials & Processing Short Course

April 21 - 23, 2004



American pasta manufacturers came to NCI in April to learn more about making excellent quality pasta and noodles. After 20 years, this course is still a perennial favorite for pasta company personnel. NCI began offering pasta courses in 1984 to promote the region's durum wheat. Instrumental to the course is assistance from the NDSU Durum Wheat & Pasta Quality Lab staff, headed by Dr. Frank Manthey, Dept. of Plant Sciences.



Participants learn about the manufacture of extruded, sheeted, and precooked pasta through lectures and laboratory demonstrations. Brian Sorenson, NCI Technical Director, (above center) explains how the pasta dies work. Dies determine the shape of the finished pasta.

Barley Malt Quality Evaluation Short Course

September 14 - 17, 2004



Participants representing several international breweries and malting companies in the U.S., Canada, and Mexico examine barley samples during the Barley Malt Quality Evaluation short course in September.



"North Dakota remains the number one producer of barley in the U.S. Malt is the major ingredient in making beer and has a huge impact on beer quality," said Dr. Paul Schwarz (center), professor in NDSU Dept. of Plant Sciences and program coordinator for the Barley Malt Quality course. He and the class are pictured in the microbrewery in the NDSU Plant Sciences Dept. This course is co-sponsored by the American Society of Brewing Chemists.

Wheat and Flour Quality and Blending Courses

July 19 - 23 and October 26-28, 2004



Participants from Tunisia, Hungary, Kenya, and Philippines attended the Wheat and Flour Quality and Blending Issues technical short course in July. "This course stressed the advantages that our regional hard red spring wheat can provide for blending to boost the quality of international local wheats," said Berglund.



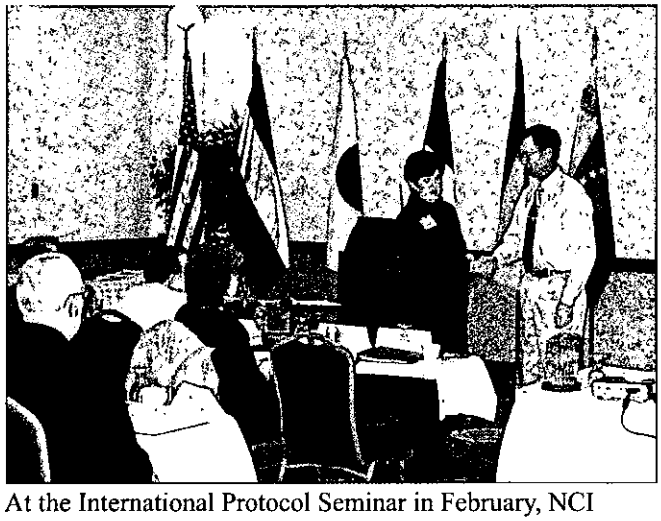
NCI's second session of Basics of Wheat and Flour Quality in October was designed to teach fundamentals of wheat quality and how it affects the milling and baking processes. Above, participants mixed doughs with different varieties of wheat flours to see the impact on dough and baked products.

Countries Attending Programs at Northern Crops Institute in 2004

Bangladesh	Hungary	Latvia	Philippines	Tunisia
Canada	India	Lithuania	Poland	Turkey
China	Indonesia	Malaysia	Singapore	Ukraine
Colombia	Italy	Malta	Spain	USA
Costa Rica	Jamaica	Mexico	Sweden	Vietnam
Dominican Republic	Japan	Nicaragua	Thailand	Yemen
El Salvador	Kenya	Pakistan	Trinidad	

International Protocol Seminar

February 25, 2004



At the International Protocol Seminar in February, NCI Director Pat Berglund presented sensible strategies to help business people be more effective in international business by using protocol and diplomacy.

Northern Food Soybean Conference

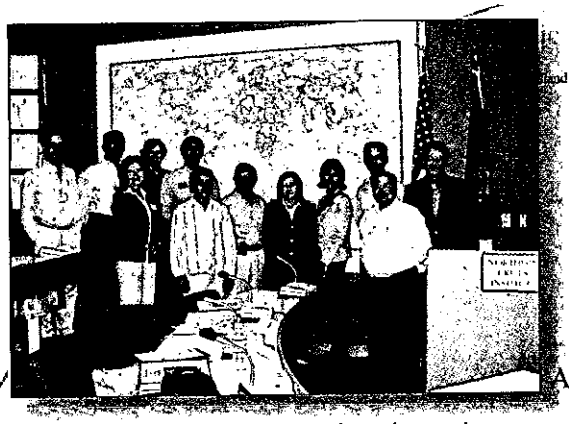
March 10, 2004



The Northern Food Soybean Conference, held in Willmar, MN, in March, targeted producers who want new ways to add value to their crops. Minnesota Soybean Research and Promotion Council and Northern Crops Institute co-sponsored the event.

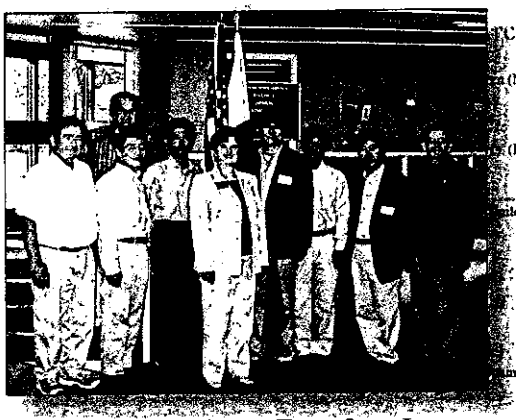
Trade Teams and International Consulting

Mexico



Corn buyers from Mexico learned more about importing U.S. feed grains during a five-day course at NCI in May. Mexico is the world's number three importer of U.S. corn with purchases totaling 7.5 MMT a year, according to Dr. Ricardo Celma, U.S. Grains Council's Mexico and Central America regional director and escort for the group. U.S. Grains Council and the North Dakota Corn Utilization Council (NDCUC) sponsored the nine-member team. Instructors discussed procurement strategies of feed grains: outlook, mycotoxins, biotechnology, transportation, grading and inspection, commodity analysis, and contracts.

Japan



A five-member Technical Exchange Team from Japan was at NCI in June to learn more about the region's durum and HRS wheat. The delegation of milling and quality control managers represented Japan's leading flour mills. Dr. Eli Posner, (front row, left), durum milling specialist from Israel, was a consultant for the meetings. While at the NCI, the team studied HRS wheat and durum supply and demand, regional breeding programs, pesticide and grain fumigation usage in North Dakota, and heard the 2003 HRS wheat and northern durum quality reports. The team, escorted by Mr. Suzuki from U.S. Wheat's Tokyo office, was sponsored by the North Dakota Wheat Commission.

Latin America



An eight-member trade team from Latin America came to NCI in September to learn more about the region's malt barley. Team members represented malting and brewing companies in Colombia, Costa Rica, Dominican Republic, El Salvador, Jamaica, Mexico, and Nicaragua. The group was sponsored by the U.S. Grains Council, North Dakota Barley Council, and MN Barley Research and Promotion Council.

Mexico



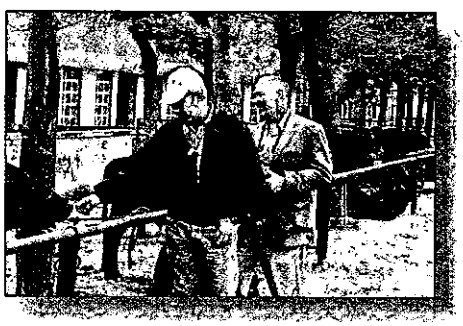
A six-member barley team, representing maltsters and brewing companies in Mexico, visited with NDSU barley specialists at NCI in August. Julio Arturo Hernandez, technical director for the U.S. Grains Council, Mexico, accompanied the team. They toured the NDSU malting facility with Dr. Paul Schwarz. In addition, the group discussed the role of NCI in barley promotion and utilization. The trade team was sponsored by the North Dakota Barley Council, and MN Barley Research and Promotion Council.

China



Dr. Kim Koch, NCI's feed production center manager, participated in a ND trade delegation to China in October, sponsored by the Office of ND Governor John Hoeven and the ND Trade Office. As a result of the trip, Northern Crops Institute was invited to propose training programs and opportunities to educate Chinese farmers on how to use North Dakota feed ingredients.

Koch said, "China promises tremendous market potential. In order to groom that potential into long-term economic benefit, education and technical assistance programming must be developed that demonstrates the value of our region's crops and co-products when placed into the product mix of Chinese food and feed suppliers."



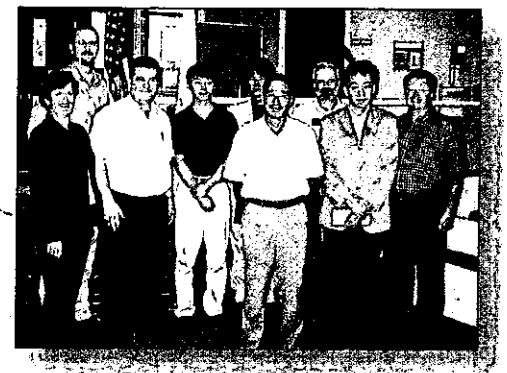
Koch (left) and Dr. Ken Grafton, ND Agricultural Experiment Station Director, (right), visited the beef cattle facility at Huayin Agriculture Center, Shanxi Province.

Larry White, marketing director for the North Dakota Dry Pea and Lentil Association, who also was a member of the delegation, commented, "I think the most important component of the mission is the education component. For us to be successful sending high protein feed to China for livestock production, the education of the Chinese producers is a must. They are developing a dairy industry that needs to be educated in the management of the high-producing livestock that they are importing from around the world."



Dr. Grafton (seated, above left) signed an agreement between Henan Agricultural University and NDSU that will develop student and faculty exchanges, training programs, and collaborative research.

Japan



A four-member Japanese barley team visited NCI in August, accompanied by Cary Sifferath, Japan Senior Director for the U.S. Grains Council. The trade visit updated Japanese barley importers on new U.S. barley varieties and current research on feed barley. The team was sponsored by the barley councils of ND and MN.

Southeast Asia



Soybean buyers from Thailand, Philippines, Singapore, Malaysia, Indonesia, and Vietnam studied American soybeans and the U.S. grain marketing system at NCI in September. The ten-member team was sponsored by the American Soybean Association and the North Dakota Soybean Council.

Taiwan



A six-member brewing team from Taiwan came to NCI in July to learn more about the region's barley. The team was accompanied by Mr. C.M. Lynn, Director, U.S. Grains Council, Taiwan. The team was sponsored by the North Dakota Barley Council, and MN Barley Research and Promotion Council.

NCI Technical Services Add Value to Regional Crops

NCI Technical Capabilities

- Baking
- Durum Milling
- Extrusion Processing
- Feed Processing
- Grain Grading
- Laboratory Analysis
- Pasta Processing

2004 will be remembered as one of the busiest years for NCI's Technical Team. They conducted 28 processing and baking investigations for food and feed companies, universities and others. This accounted for more than 50 days of processing in the NCI Pasta Processing, Extrusion Processing and Baking Laboratories and Feed Production Center, not counting the amount of setup and cleanup time required for pilot scale processing projects.

An additional 15 analytical testing projects were completed, providing service to food processing companies analyzing ingredients and final products, and to the American Association of Cereal Chemists for their check sample program.

The Technical Team also demonstrated feed production, durum milling, pasta production, bread making, extrusion processing and analytical techniques to international trade teams and short course participants.

NCI's Feed Production Center continues to use regional crops in feed manufactured for trial diets for NDSU's research animals. Investigations continue to develop new feed products for beef, dairy, and swine using regional grains, oilseeds, and by-products.

The crops and related products from this region utilized in NCI's 2004 Projects include:

- Barley and barley malt sprouts
- Canola
- Corn, corn flour and Distillers Dried Grains with solubles
- Dry edible beans (pinto, navy and cranberry)
- Durum wheat, semolina and flour
- Field Peas (yellow and green)
- Flaxseed (ground, rolled and pelleted)
- Hard Red Spring wheat and flour
- Soybean meal, flour, protein concentrates and protein isolates
- Sunflower meal
- Oats



NDSU's Potato Breeding Project (left), led by Dr. Susan Thompson, used NCI's laboratory to conduct potato sensory tests. Annie Erickson and Don Martinson grade potatoes on taste, color, mealiness, and visual appeal.



NCI's Bonnie Jacobson and Dan Hofland of Red River Commodities are pictured at the SunButter Recipe Contest hosted by Red River Commodities at Hornbacher's Grocery Store, Fargo, ND in September. Jacobson was one of the contest judges. NCI did the analytical testing of SunButter, a roasted sunflower spread launched in 2002.

Sorenson Brings 2004 Regional Wheat Quality Information to Asian Buyers

NCI's Technical Director, Brian Sorenson, travels to Asia in November to present the results of the annual Hard Red Spring and Durum Wheat Regional Crop Quality Surveys at the 2004 U.S. Wheat Crop Quality Seminars. John Oades, U.S. Wheat Associates, and David Shelton, Wheat Marketing Center, are the other members of the team who will be traveling to Jakarta, Indonesia; Bangkok, Thailand; Manila, the Philippines; Taipei, Taiwan; Tokyo, Japan; and Seoul, Korea.

This is Sorenson's third consecutive year as a member of the Asian seminar team. "These seminars are a great opportunity for us to bring valuable information on the quality and availability of our wheat directly to grain buyers and processors in their home countries and regions," says Sorenson. "They are able to see how the crop compares to last year and how it will impact their business." Sorenson is also the NDSU Extension Crop Quality Specialist and sees these activities as great opportunities to bring valuable information on the needs of our overseas customers back to our producers and breeders so the region can continue to compete in the global marketplace.

"Your laboratory facility met my needs exactly. NCI staff was very capable and great assistance."

--Wayne R. Moore, Ph.D.
Wayne Moore Consulting, Gilbert, AZ



Northern Crops Institute promoted the region's crops at the **Midwest Specialty Grains Conference** that was hosted by the **Midwest Shippers Association** in Minneapolis in September. NCI's Brian Sorenson, (left), and Pat Berglund (right) talk with Rick Vallery, SD Wheat Inc., (center), at the NCI booth. As part of a panel discussing quality advantages of Midwest crops, Berglund presented information on the large variety of crops available from the region. NCI also hosted a group that toured the Red River Valley to see crops and to visit several area processing companies.



American Malting Barley Association (AMBA) sponsored a two day training session for the malting industry at NCI in May. Participants represented a number of regional malting companies. Scott Heisel, vice president and technical director for AMBA, was the instructor for the first day of class. He discussed characteristics of barley kernel identification.The second day (above) was devoted to training led by Federal Grain Inspection Service (FGIS). Bill Azny, FGIS Kansas City, Ed Stallman, FGIS Grand Forks, and Darcy Rasmussen, North Dakota Grain Inspection Service Fargo, were instructors. They discussed how to identify injury in barley due to sprouting.

NCI Short Course Schedule (Tentative)

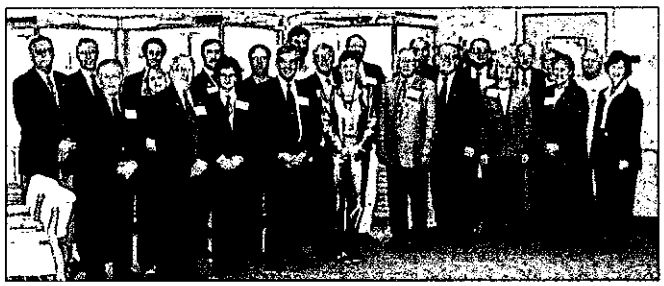
2005

January 18	Food Quality/IP Soybean Seminar at NCI
March	Food Quality/IP Soybean Seminars in Crookston and Alexandria, MN
April 13-15	Pasta and Noodles: Raw Materials & Processing
May 9-13	Advanced Grain Procurement Strategies
June 7-8	Improving Your Grain Grading Skills
June 13-17	Feed Manufacturing: Management of Feed Quality
July 18-22	Flour Mill Management
Sept. 19-28	Grain Procurement Management for Importers
Oct. 19-21	Basics of Wheat and Flour Quality
Nov. 2-4	Practical Applications of Extrusion Processing
Date to be Set:	Development of Soy Fortified Products

Specialized courses on all northern-grown crops are available upon request.

2006

April 5-7	Pasta and Noodles: Raw Materials & Processing
May 8-12	Advanced Grain Procurement Strategies
June 14-16	NCI/IAOM Durum Wheat Milling
July 17-21	Flour Mill Management
Aug. 7-11	Pasta: Raw Materials and Processing (International)
Aug. 29-Sep. 1	NCI/ASBC Barley Malt Quality Evaluation
Sept. 12-15	Contracting U.S. Soybeans & Harvest Tour
Sept. 25-Oct. 4	Grain Procurement Management for Importers



Northern Crops Institute staff welcomed legislators from Minnesota, North Dakota, South Dakota and Manitoba, Canada, for a tour of NCI in May.

Director's Corner

Patricia Berglund, Ph.D.
NCI Director



Berglund

NCI's diverse 2004 programs and services focused on our continuing mission of supporting regional agriculture and developing markets for northern-grown crops. Many of these activities are highlighted in this Update. During the past 15 months we developed a Strategic Plan with input from many of you. The five-year goals are:

Recognized Leader

Develop strategies to be the recognized leader in programs that facilitate market development and enhanced value of northern-grown crops.

Enhanced Programs

Deliver programs (educational programs and technical services) that meet the needs of 21st century agricultural industry, producers through end-users.

Effective Partnerships

Develop and strengthen relationships that better serve regional producers and end-users.

Leveraged Support

Develop stable infrastructure from diverse sources to achieve goals and fulfill mission.

As we work on these goals, I quote William Jennings Bryan, "Destiny is not a matter of chance, it is a matter of choice. It is not a thing to be waited for, it is a thing to be achieved." Finally, Anatole France gives us this challenge, "To accomplish great things we must not only act, but also dream; not only plan, but also believe." Please join us in our efforts as we dream, plan, believe, act, and achieve our new goals.

A Note from NCC Chair

Brian Kaae, Dagmar, Montana
MT Wheat and Barley Committee



Kaae

NCI is in the process of strategic planning. Thank you to all who participated. The goals, challenges and opportunities identified will impact NCI for many years. One thing I noticed was that it didn't matter whether we were talking wheat, corn, soybeans, barley or the other crops grown on the northern plains, we all agreed on one thing: **Quality!** NCI's level of excellence must always be the industry standard and, like any world-class athlete, we must always keep moving the bar higher.

Northern Crops Council and I would like to thank Minnesota, North Dakota and South Dakota and the many commodity groups in Minnesota, Montana, North Dakota and South Dakota who financially support NCI. Without your support, NCI wouldn't be able to continue the quality programs that maintain and develop markets for our crops.

Maintaining quality and meeting the needs of such a dynamic industry as northern plains agriculture requires many partnerships. Members of the Northern Crops Council (representing commodity groups, states and industry), the Industry Advisory Board, and NDSU dedicate many hours to NCI. Partners from the U.S. and around the world who attend, sponsor course participants, and simply spread the word of NCI and the quality crops of the northern plains also contribute. Thank you for your commitment to northern plains agriculture.

Lastly, the Northern Crops Council and I want to thank the NCI staff. Without them, NCI would be just another building. I get the feeling that, with every group that visits NCI, a little piece of the staff tags along for the ride home. Their dedication lends a personal quality to every relationship formed at NCI. For that, I can't say thank you enough.

2004-2005 Northern Crops Council

- **Matt Mechtel, NCC vice chair,** Page, ND
North Dakota Soybean Council.
- **Mark Askegaard,** Moorhead, MN
Minnesota Soybean Growers Association
- **Jim Burbidge,** Mohall, ND
North Dakota Wheat Commission
- **Doyle Burkhardt,** Guelph, ND
North Dakota Oilseed Council
- **Dr. Joseph Chapman, Fargo, ND**
President, North Dakota State University
- **Ellsworth Danielson,** Fosston, MN
Minnesota Wheat Research and Promotion Council
- **Richard Groven,** Northwood, ND
North Dakota Barley Council
- **Roger Johnson, Bismarck, ND**
North Dakota Commissioner of Agriculture
- **Laird Larson,** Clark, SD
South Dakota Wheat Commission
- **Ed Loraas,** Fairdale, ND
U.S. Durum Growers Association
- **Ray Lottie,** Minneapolis, MN
General Mills
- **Jennifer Tesch,** Fargo, ND
SK Food International

Sherwood Peterson, Sabin, MN, Minnesota Soybean Growers Association, is past chair of the NCC.

Thank You to Our 2004 Cooperators and Speakers

North Dakota State University
- Agribusiness & Applied Economics
  - Dr. George Flaskerud
  - Dr. Bill Wilson
- Animal and Range Sciences
  - Dr. Marc Bauer
  - Russell Danielson
  - Dr. Greg Lardy
  - Danny Larson
  - Travis Maddock
  - Dr. Charles Stoltenow
- Carrington Research and Extension Cen.
  - Dr. Vern Anderson
  - Dr. Karl Hoppe
  - Dr. Charles Linderman
  - Dr. Jon Schoonmaker
- Cereal Science
  - Dr. Sam Chang
  - Dr. Bert D'Appolonia (Professor Emeritus)
- Dickinson Research and Extension Center
  - Lisa Pederson
- Plant Sciences
  - John Barr
  - Dr. Duane Berglund
  - Dr. Monisha Chakraborty
  - Dr. Elias Elias
  - Brent Hinsz
  - Dr. Richard Horsley
  - Dr. Frank Manthey
  - Kelly McMonagle
  - Dr. Mohamed Mergoum
  - Truman Olson
  - Dr. Paul Schwarz
- Veterinary Diagnostics Lab
  - Dr. Michelle Mostrom

AGP Grain Ltd., Minneapolis, MN
- Ron DeJongh

Alton (ND) Grain Terminal
- Brad Kjar

American Malting Barley Association (AMBA)
- Scott Heisel

American Soybean Association

Anheuser-Busch, Inc., St. Louis, MO
- Matthew Musial

Briess Malting Company, Chilton, WI
- Dave Kuske

Busch Agricultural Services
- Mike Stevens, West Fargo
- Greg Ballentine, Moorhead, MN

Cargill, Inc.,
- Terry Garvert, Minneapolis, MN
- Pat Pithey, Wahpeton, ND

Cenex Harvest States Coops (CHS)
- Inver Grove Heights, MN
  - Rick Dusek
  - Mike Klein
- Duluth, MN
  - Lance Helgeson
- Savage, MN
  - Clint Gergen

CoBank, Denver, CO
- Porter Little

Commodity Specialists Company, Minneapolis
- Sean Broderick

ConAgra Foods, Omaha, NE
- Randy Ritchie

Consultant
- Jim Jacobs (NCI retired)

Crown Iron Works Co., Minneapolis, MN
- Dan Anderson

Goldenberg, Hehmeyer & Co., Minneapolis, MN
- Helen Pound

Gold'N Plump, Sauk Rapids, MN
- Gordon Gingrich

Hardie Farm, Fairmount, ND
- Wallie Hardie

Howe Farm, Casselton, ND
- Jim Howe

Hunter Grain Company, Hunter, ND
- Paul Skarnagel

Int'l. Nutrition Consulting, Sioux Falls, SD
- Dr. Darwin Britzman

Thank You to Our 2003-2004 Funding Partners

Minnesota Department of Agriculture
Minnesota Soybean Research and Promotion Council
Minnesota Wheat Research and Promotion Council
Montana Wheat and Barley Committee
State of North Dakota
North Dakota Barley Council
North Dakota Corn Utilization Council
North Dakota Soybean Council
North Dakota Wheat Commission
Northarvest Bean Growers
State of South Dakota
South Dakota Wheat Commission

Land O'Lakes, Detroit Lakes, MN
- Bruce Moe

Louis Dreyfus Corporation, Wilton, CT
- Steve Lucas

Lyco Manufacturing, Columbus, WI
- Al Lucia

Minneapolis Grain Exchange
- Ray Erickson

Minnesota Crop Improvement Association, St. Paul, MN
- Jim Boots
- Ben Lang

Minnesota Dept. of Agriculture
- Dr. David Bullock

Minnesota Shippers Assoc., St. Paul, MN
- Carrol Duerr

The Money Farm
- Mike Krueger

Montana State University

Nelson Farm, Litchfield, MN
- Winton Nelson

New World Pasta, Harrisburg, PA
- Dr. David Hahn

ND Barley Council

ND Grain Inspection Service, Fargo, ND
- Darcy Rasmussen

North Dakota Mill, Grand Forks, ND
- Robert Sombke
- Vance Taylor

ND Wheat Commission
- Neal Fisher
- Jim Peterson
- Leland "Judge" Barth

Northland Organic Foods, St. Paul, MN
- Carolyn Lane

Novus International, Inc., St. Charles, MO
- Dr. Chuck Schasteen

Progressive Ag Marketing, Fargo, ND
- Ray Grabanski

Rahr Malting Company, Shakopee, MN
- Sherman Chan

Rahr Malting, Canada. Alix, Alberta, Canada
- Bryce Lukes

Seaway Port Authority of Duluth (MN)
- Ron Johnson
- Lisa Marciniak
- Adolph Ojard

SK Food International, Fargo, ND
- Jennifer Tesch

SD Cooperative Extension Service

South Dakota State University

Stevens Technical Services, Portland, OR
- Henry Stevens

SunRich Inc., Hope, MN
- LaVerne Klecker

Top Taste Bakery
- Wayne Fetting

University of Minnesota
- Dr. Jim Orf
- Dr. Seth Naeve

Upper Great Plains Transportation Institute, Fargo, ND
- Kimberly Vachal

USDA Agricultural Research Services
- Dr. Lynn Dahleen

USDA/FAS/CCC

USDA Federal Grain Inspection Service/GIPSA
- Bill Azny
- Art Boline
- Ed Stallman

U.S. Grains Council

U.S. Wheat Associates
- John Oades

Wells Fargo Bank, Minneapolis, MN
- Chris Davis

Regional Commodity Groups
Grain Trade
Financial Institutions
Grain/Feed Processors
Food Industry
Individual Producers
Country and Terminal Elevators

Special thanks also to: Louis Dreyfus, Cenex Harvest States, and Cargill who sponsored breaks at the Minneapolis Grain Exchange.

Testimony
North Dakota State Soil Conservation Committee

Senate Appropriations Committee

Chairman Ray Holmberg

January 19, 2005

Chairman Holmberg and Members of the Senate Appropriations Committee, my name is Keith Bartholomay. I am the Chairman of the North Dakota State Soil Conservation Committee.

I own and operate a diversified farm with my brother near Sheldon in Southeast North Dakota. We have a cow calf operation, background our calves and raise mainly corn, wheat, sunflowers, and alfalfa.

The State Soil Conservation Committee and staff provided through the NDSU Extension Service are an important part of a local, state and federal soil conservation delivery system in North Dakota. A strong soil conservation partnership exists in North Dakota. We must keep a strong focus on the local Soil Conservation Districts. This is where soil conservation programs are implemented.

The State Soil Conservation Committee requests your support of the Governor's budget recommendation for the Soil Conservation Committee. The State Soil Conservation Committee appreciates the funding assistance provided by the State for the Soil Conservation District Assistance Program. The Soil Conservation Districts do need this funding assistance. The funding provided by the Legislative Assembly assist Soil Conservation Districts in helping landowners reduce soil erosion, improve water quality and enhance tree plantings, grazing lands and wildlife habitat. The funding helps create and maintain jobs in rural North Dakota. The Farm Security and Rural Investment Act of 2002 increased the conservation workload in all Soil Conservation Districts. Soil Conservation Districts are working hard to get landowners signed up, plans and designs developed and approved. The installation of conservation practices by participating Soil Conservation Districts has had a significant impact on North Dakotas Natural Resources.

In an effort to meet the growing technical assistance needs in a Soil Conservation District, the State Soil Conservation Committee leveraged state funds with federal funds through the Natural Resources Conservation Service. The $580,000 of state assistance to Soil Conservation Districts has grown to $985,500 in total technical assistance this biennium in the Soil Conservation District Assistance Program. The State Soil Conservation Committee is providing funding to 43 Soil Conservation Districts. This is the most ever to get financial assistance from the State Soil Conservation Committee. This has allowed more Soil Conservation Districts to provide longer lasting career opportunities in rural communities.

We are anticipating a greater technical assistance need from more Soil Conservation Districts. The State Soil Conservation Committee will be working with the Natural Resources Conservation Service during the 2005-2007 Biennium. We currently have 51 Soil Conservation Districts seeking assistance and requesting $1,227,000.

In addition to the conservation of the natural resources, the economic viability of local communities will be enhanced. The Soil Conservation Districts can utilize the funds for salaries, wages and benefits. These positions are located in rural North Dakota.

The State Soil Conservation Committee also needs the assistance of staff and an operating budget to assist the State Soil Conservation Committee and the 56 Soil Conservation Districts.

14SB2003

Testimony
North Dakota State Soil Conservation Committee

House Appropriations Education and Environment Division

Chairman Bob Martinson

March 1, 2005

Chairman Martinson and Members of the House Appropriations Education Subcommittee, my name is Keith Bartholomay. I am the Chairman of the North Dakota State Soil Conservation Committee.

I own and operate a diversified farm with my brother near Sheldon in Southeast North Dakota. We have a cow calf operation, background our calves and raise mainly corn, wheat, sunflowers, and alfalfa.

The State Soil Conservation Committee and staff provided through the NDSU Extension Service are an important part of a local, state and federal soil conservation delivery system in North Dakota. A strong soil conservation partnership exists in North Dakota. We must keep a strong focus on the local Soil Conservation Districts. This is where soil conservation programs are implemented.

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We are anticipating a greater technical assistance need from more Soil Conservation Districts. The State Soil Conservation Committee will be working with the Natural Resources Conservation Service during the 2005-2007 Biennium. We currently have 52 Soil Conservation Districts seeking assistance and requesting $1,235,500.

In addition to the conservation of the natural resources, the economic viability of local communities will be enhanced. The Soil Conservation Districts can utilize the funds for salaries, wages and benefits. These positions are located in rural North Dakota.

The State Soil Conservation Committee also needs the assistance of staff and an operating budget to assist the State Soil Conservation Committee and the 56 Soil Conservation Districts.

The State Soil Conservation Committee and staff provided through the NDSU Extension Service assist Soil Conservation Districts in the following areas:

1. **Supervisor and Staff Training**
   - The staff has been and will be in the future conducting training sessions for new supervisors.
   - They also do supervisor and staff training in District management, District programs, state and federal requirements of Districts, personnel issues, auditing, billing and accounting guidelines, public meeting and records requirements
   - We coordinate and arrange training for District technicians with the Natural Resources Conservation Service, Extension Service, Forest Service and others in the areas of forestry, water quality, sustainable ag and conservation practices.
2. **Planning and Management Assistance**
   - The State Soil Conservation Committee, with Extension Service and Natural Resources Conservation Service (NRCS) assistance, has developed guidance for Districts to conduct locally led conservation planning meetings to assess and receive the public's input on conservation needs. These assessments and meetings will also meet the farm bill requirements for the new Federal incentive programs to obtain public input on priorities.
   - The State Soil Conservation Committee helps Districts complete forms for requesting their mill levy funding, job descriptions, hiring, dismissal, conflict resolution, and the development and review of agreements, including legal counsel. The staff also provides assistance with supervisor elections, taxation, insurance and expenditure of District funds.
3. **Coordination with other Agencies and Organization**
   - The State Soil Conservation Committee works with the State Auditor and State Tax Commissioner to help Districts with their authority to levy taxes and auditing of Districts. They work with the Labor Department and Central Personnel to assure Districts are informed on state and federal requirements for employees. They work with the Secretary of State to assist Districts with supervisor elections on the general election ballot and the appointment of additional supervisors. The Committee also works with the North Dakota Department of Health and the NRCS in the delivery of water quality programs and funding in and across District boundaries.
4. **Development of Resource Material**
   - The staff has also developed a **District Supervisor's Handbook** to assist supervisors and their staff on District programs and employee management. The District Supervisors Handbook has to be updated periodically to reflect changes in rules and law.
5. **Funding**
   - The Committee administers the Soil Conservation District Assistance Program funding and assists Districts in management of their employees including job descriptions and day-to-day management concerns.
6. **The Committee also assists Districts to Annex property or Consolidate as provided by state law.**

The State Soil Conservation Committee and staff provided through the NDSU Extension Service are an important part of a local, state and federal soil conservation delivery system in North Dakota.

BUDGET REQUEST

REQUEST / RECOMMENDATION COMPARISON SUMMARY
627 UPPER GREAT PLAINS TRANS INST
Biennium: 2005-2007

Bill#: SB2020

Date: 12/17/2004

Time: 12:30:02

Description	Expenditures Prev Biennium 2001-2003	Present Budget 2003-2005	2005-2007 Requested Incr(Decr)	2005-2007 Requested % Chg	Requested Budget 2005-2007	2005-2007 Recommended Incr(Decr)	2005-2007 Recommended % Chg	Executive Recommendation 2005-2007
BY MAJOR PROGRAM								
CORE PROGRAM	8,178,767	10,888,246	4,420,659	40.6%	15,308,905	4,875,827	44.8%	15,764,073
TOTAL MAJOR PROGRAMS	8,178,767	10,888,246	4,420,659	40.6%	15,308,905	4,875,827	44.8%	15,764,073
BY LINE ITEM								
TRANSPORTATION INSTITUTE	8,178,767	10,888,246	4,420,659	40.6%	15,308,905	4,875,827	44.8%	15,764,073
TOTAL LINE ITEMS	8,178,767	10,888,246	4,420,659	40.6%	15,308,905	4,875,827	44.8%	15,764,073
BY FUNDING SOURCE								
GENERAL FUND	544,054	526,595	-43,496	-8.3%	483,099	-25,550	-4.9%	501,045
FEDERAL FUNDS	4,634,713	7,432,755	3,113,074	41.9%	10,545,829	3,465,971	46.6%	10,898,726
SPECIAL FUNDS	3,000,000	2,928,896	1,351,081	46.1%	4,279,977	1,435,406	49.0%	4,364,302
TOTAL FUNDING SOURCETOTAL FTE	8,178,767	10,888,246	4,420,659	40.6%	15,308,905	4,875,827	44.8%	15,764,073
	27.75	31.50	17.00	54.0%	48.50	17.00	54.0%	48.50

Senate testimony
With exception of these pages 8-11
same testimony given to the House

OPT 20 PCT INCR - $96,620 - The UGPTI is requesting additional general funds to develop a ND School Bus Routing program. An additional $158,503 in federal funds will also be used to fund this program.

NDSU proposes to establish a *School Bus Routing Support Program.* This program is in response to several factors including consolidation of school districts resulting from declining enrollment, growth in a very limited number of districts, increased complexity in school busing issues, availability of complex routing software, and the potential underutilization of personnel at the district level trained to use this software. This program would assist North Dakota school districts in analyzing their routing issues on an as needed basis within the limits of the resources available for the program. Further, it would explore the policy issues associated with school transportation funding. Additionally, the program would interface with the *Small Urban and Rural Transit Center (SURTC)* to explore ways in which public transportation and school transportation could be coordinated and share resources if possible. The ultimate goal of the program is to provide better transportation for students while making better use of the scarce resources available for school and public transportation.

Presently, there are 213 school districts in North Dakota which transport nearly 68,000 students every school day. Districts range in size from 15 square miles (Williston 1 School District), to 1450 square miles (McKenzie Co 1 School District). Thirty-five North Dakota School districts cover 500 square miles or more while 28 North Dakota school districts encompass less than 100 square miles. This large range in geographic size makes school bus routing unique on a district to district basis.

Rural communities are faced with declining populations and school consolidations, which force students to spend hours on the bus everyday. Urban communities are faced with rapid growth of communities and school districts, which often force students to transfer between buses once or more on their way to and from school. Rather than developing new bus routes, existing ones are often altered in an attempt to solve the problem. This may work in the short run, but in the long run greater sophistication is necessary.

Advanced school bus routing software programs are very helpful to school districts, but also expensive. Most school districts are unable to bear the costs themselves. Also, school districts do not posses either the expertise or technology necessary to solve complex school bus routing problems. They are also involved heavily in day-to-day activities, which leave little time to spend developing advanced routing schedules for their respective school districts. Within the school bus routing program, software cost can be shared between the school district and the program. The program will be administered by transportation professionals at the Small Urban & Rural Transit Center (SURTC), minimizing the cost and eliminating the time necessary for school districts to perform advanced routing tasks themselves.

A 20% increase in the general fund base of UGPTI (or $96,620) is requested to develop this program. An additional $158,503 in federal funds will be also be used to fund this program.

CHANGE PACKAGE SUMMARY

627 UPPER GREAT PLAINS TRANS INST

Biennium: 2005-2007

Bill#: SB2020

Date: 12/27/2004

Time: 13:08:39

Description	FTE	General Fund	Federal Funds	Special Funds	Total Funds
AGENCY BUDGET CHANGES					
Cost To Continue	10.00	-43,496	-943,165	1,143,438	156,777
OPTIONAL REQUEST					
01 Equipment Over $5,000	.00	0	181,000	100,000	281,000
02 Mountain-Plains Consortium - Grant	.00	0	1,290,000	0	1,290,000
07 OPERATING INFLATION	7.00	0	2,585,239	107,643	2,692,882
Agency Total	**17.00**	**-43,496**	**3,113,074**	**1,351,081**	**4,420,659**
OPTIONAL REQUEST					
28 OPT 20 PCT INCR**Optional Total**	2.00	96,620	158,503	0	255,123
	2.00	**96,620**	**158,503**	**0**	**255,123**

Supplemental Budget Needs

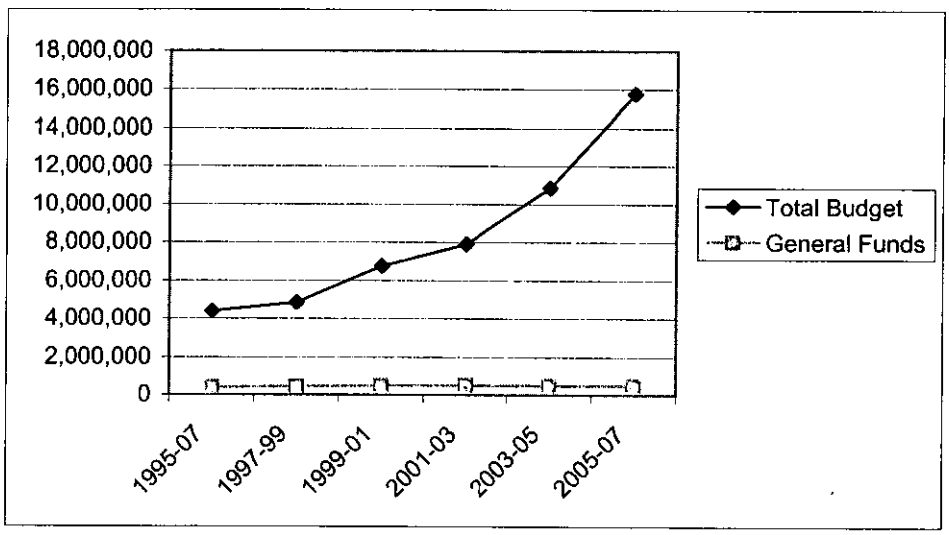
The Upper Great Plains Transportation Institute has leveraged a talented staff and an investment from the State of North Dakota to become a diverse and flexible resource for individuals, businesses and agencies facing transportation and mobility issues and opportunities in North Dakota and the region. Continued growth of that resource is in jeopardy because its foundation, North Dakota's investment, is stressed beyond its carrying capacity.

Shortfalls

- As our programs have expanded, our ***base administrative level*** can no longer support the institute. While contracts and grants include administrative funds, those funds are restricted to uses that support those contracts and grants. Meanwhile, an infrastructure of administration must be maintained to keep the institute functioning efficiently. The Upper Great Plains Transportation Institute will continue to address the transportation and mobility needs of North Dakota with research and outreach programs. North Dakota's investment will help determine how successful we will be. An additional investment of $200,000 could make the difference between and failure of some of the programs under development that have been outlined elsewhere in this document.

- It appears likely that Congress will pass the Surface Transportation Bill. The research title of the House bill, which the Senate will likely accept in the near future, includes an estimated $3.5 million budget for each of the 10 required University Transportation Centers (that includes the UGPTI). Unfortunately, the criteria for those centers have changed to include a requirement that they receive at least ***$400,000 in regularly budgeted funds*** from non-federal sources. With its current funding structure, the UGPTI would not comply with that requirement.

- Finally, the UGPTI's optional request for ***$98,000 to fund the School Bus Routing Program*** was not included in Governor Hoeven's budget. This program is particularly timely as school districts face increasing costs, more complicated routes and regulatory issues that will force their transportation programs to become more efficient.

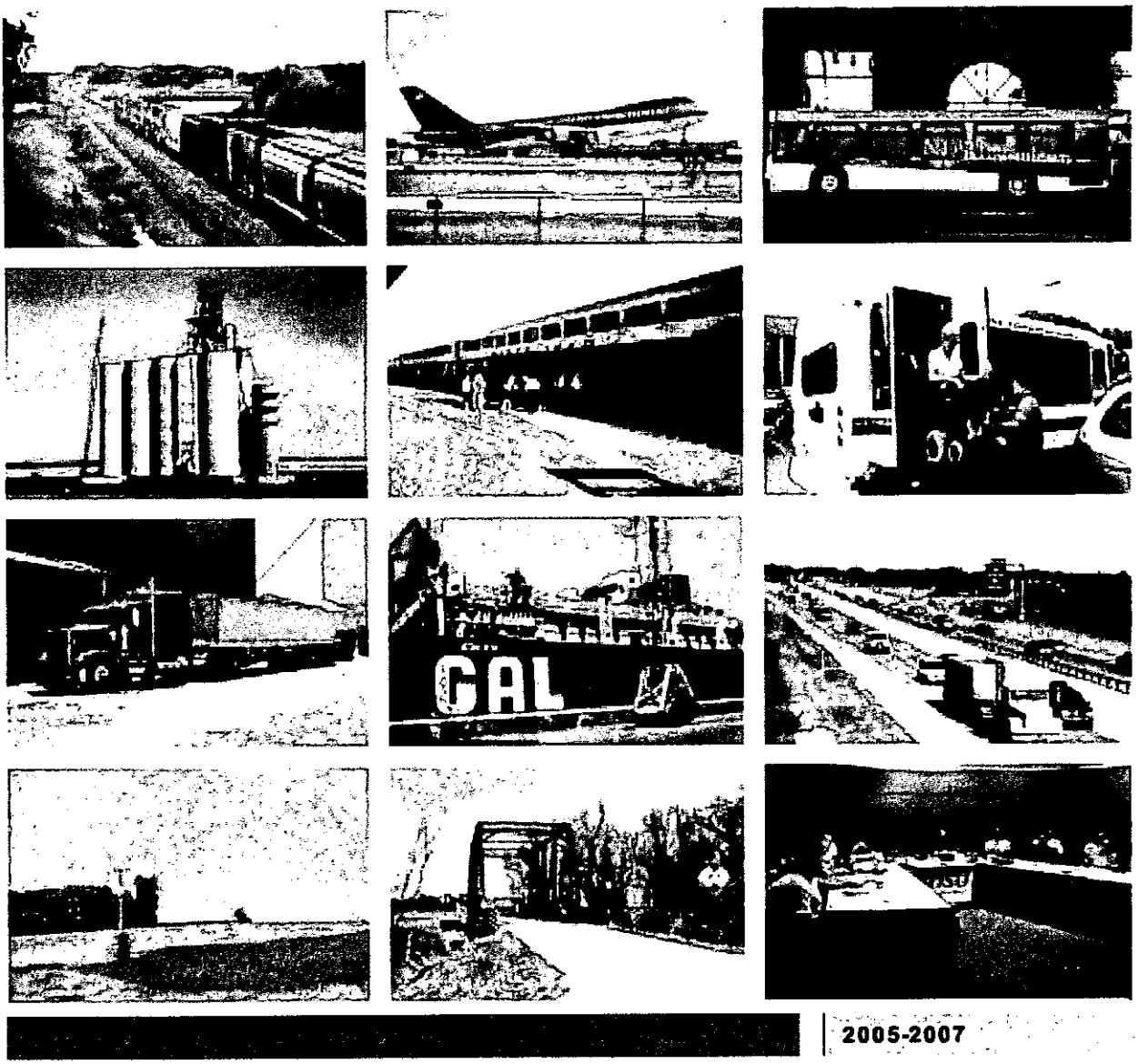


9-SB2003

NDSU LEGISLATIVE UPDATE

Upper Great Plains Transportation Institute

NORTH DAKOTA STATE UNIVERSITY
FARGO, ND



2005-2007

Send testimony given to the Senate

Upper Great Plains Transportation Institute
North Dakota State University

The Upper Great Plains Transportation Institute educates people, conducts research, and provides outreach in the areas of small urban and rural transportation and logistics to enhance the mobility of people, goods, and agricultural commodities. It accomplishes this mission by:

- Developing and applying knowledge, information and innovation in the public and private sector to improve competitiveness, efficiency, safety, and personal mobility.
- Educating, training and mentoring transportation practitioners and leaders in a rapidly advancing and increasingly complex field with sophisticated technology applications.
- Excelling as one of the premier transportation centers in the United States so that it can continue to attract the talent and funding to enhance North Dakota's economy and quality of life.

Advisory Council

Dave Sprynczynatyk - Chair
ND Dept of Transportation

Judge Barth
North Dakota Wheat Commission

Jim Boyd
ND Dept of Commerce

Tony Clark
ND Public Service Commission

LeRoy Ernst
ND Motor Carriers Association

Roger Johnson
ND Dept. of Agriculture

Bob Kjelland
North Dakota Farmers Union

Dave MacIver
Greater North Dakota Chamber of Commerce

John Mittleider
ND Farm Bureau

Greg Nelson
ND Grain Growers Association

Gary Ness
ND Aeronautics Commission

Curt Peterson
Association of General Contractors

Steve Strege
ND Grain Dealers Assoc

Mark A. Wolfe
Phoenix International, Inc.

Dan Zink
Red River Valley & Western Railroad

Selected Program Accomplishments

Agricultural Transport Center

- Developed information on U.S. grain market modal share (cooperatively with USDA). The information reflects changes in the competitiveness and relative efficiencies among transportation modes and provides a framework to assess public policies that affect the nation's transportation infrastructure.
- Completed willingness to pay for rural road services project. As more producers ship grain to rural processing facilities and terminal elevators, the demand on rural gravel roads becomes heavier. This study evaluates road users' willingness to pay for improvements and their perceptions of rural roads.
- Organized Rural Freight Conference to highlight economic, planning and policy issues related to promoting multi-modal export alternatives for rural economies. The event focused on financing multimodal transportation needs, making global market access competitive and identifying key policy and industry forces.
- Published report on non-metropolitan cities' transportation service quality indices. The research created two indices – a freight transport index and a business traveler mobility index – that are a measure of the quality of transportation in non-metropolitan areas and can be used in economic development efforts.
- Provided background to the N.D. Public Service Commission as it explored the possibility of pursuing a rail rate complaint. Researchers developed revenue-to-variable cost ratios, modal share data, and carrier market share analysis that were used in assessing North Dakota rates in the context of the criteria the U.S. Surface Transportation Board uses in its rate reviews.

Strategic Transportation Analysis Program

- Provided motor carrier cost analysis for several businesses in the state and region to help them make decisions about expanding service or whether to purchase trucks or contract for shipping.
- Conducted research analyzing uniform truck size and weight regulations for North Dakota and the neighboring states and provinces. Uniform regulations could facilitate faster, more efficient shipping corridors in the northern plains.
- Provided benefit/cost analysis for North Dakota DOT doing flood mitigation efforts for Devils Lake for use in making decisions regarding road improvements and rerouting.
- Helped communities, consultants and businesses as they evaluate the potential for intermodal shipping in North Dakota.
- Analyzed the feasibility of establishing intermodal service in eastern North Dakota.

Small Urban & Rural Transit Center

- Conducted a workshop to give transit managers, board members and other personnel practical ways to design and implement performance-tracking systems to help manage their systems and report performance to customers, policymakers and funding agencies. The "Managing by the Numbers" workshop was offered over the TEL8 telecommunications network.
- Offered an "Introduction to Public Transit" course to a dozen students in five states via the TEL8 telecommunications network. The course featured lectures by transit experts including administrators from the Federal Transit Administration and the American Public Transportation. In addition students presented research on transit projects across the country. The course will be offered again in 2005.
- Cooperated with the ND DOT to look at transportation methods, demographics and geography to improve mobility for the state's residents. The goal of the study, expected to be complete in June, is to compare existing services with needs to identify gaps and develop a plan to fill those gaps. The effort has included input from nearly two dozen transportation-related organizations and agencies.
- Completed a one-year study of transportation coordination among social service agencies in North Dakota, and recommended establishing a state-level coordinating council and regional coordinating councils. The DOT-commissioned study sought to find ways of using existing transportation resources more effectively to meet increasing needs for service, especially in the rural areas.
- Coordinated a bus shelter design competition for students in an NDSU architecture design class. The students created innovative shelter designs while learning about transit and related issues. The project involved input from state and local transit and architecture professionals who gained new perspectives from the student's creative approaches. The winning design is expected to be constructed on the NDSU campus in 2005.

Advanced Traffic Analysis Center

- Completed North Dakota's Strategic Intelligent Transportation Systems (ITS) Plan. The plan identifies four main areas of potential application of ITS: travel and traffic management, commercial vehicle operations, emergency management, and maintenance/construction management.
- Completing Regional ITS Architectures for Bismarck-Mandan MPO, Fargo-Moorhead, and Grand Forks-East Grand Forks to meet federal requirements and guide future ITS deployment.
- Updated and calibrated the Fargo-Moorhead Metropolitan Council of Government Travel Demand Model, which is used to support future corridor investment plans, evaluate land use decisions and support new development.
- Sponsored training workshops on hot transportation technology topics including: ITS architecture, fiber optics, smart work zone technology and traffic simulation.
- Assisted NDSU on several safety studies and traffic circulation.

Department of Transportation Support Center

- Provided technical support for the N.D. DOT's strategic plan – specifically to meet the objectives of improving ride quality by 10 percent ride and load capacity by 20 percent.
- Continued to train civil and construction engineering students in highway design. Approximately 25 students have been in the program since its inception in 2001; 13 have graduated; 11 are working with the DOT.
- Worked on a potential expansion of the program to include a DOTSC West located at the Bismarck Junior College campus with possible collaboration with the United Tribes Technical College.
- Provided information technology support to the DOT, primarily in the conversion or updating of existing small applications.

Transportation Safety Systems Center

- Continued to develop high-quality software in use by Federal and State commercial vehicle safety specialists nationwide.
- Conducted leading-edge research into the development and implementation of a driver safety indicator based on the number of traffic convictions of the drivers that companies hire. This indicator will assist enforcement personnel in the focusing of their inspection efforts.
- Continued work on a project with the Department of Homeland Security's Customs and Border Protection to ensure inspectors will have the ability to identify and contain unsafe commercial motor vehicles and drivers at the borders before they reach our nation's roads.
- Conducted numerous presentations at national meetings regarding the research and software development we have completed.

TEL8

- Held an eight-hour instructional program on updates to the FHWA's Manual on Uniform Traffic Control Devices. The training session was viewed in North Dakota, Wyoming, Montana, Colorado and Utah by over 200 professionals ranging from police officers to traffic engineers. The program featured a specialist in traffic control devices from Louisiana State University.
- Hosted "Marketing on a Shoestring" for about 30 transit managers across the Dakotas. The program featured tips for improving funding and visibility for small urban and rural transit operations. The effort marked another event in TEL8's collaboration with transit professionals.
- Extended reach to the district level in participating states. The network reaches 20 sites in Montana and Wyoming with another 8 sites in North Dakota scheduled to come online soon. By broadcasting to more sites, TEL8 broadens its reach and reduces the cost of professional development for participating transportation departments.

Mountain-Plains Consortium

- Conducted a distance education graduate course in Intelligent Transportation Systems to students from Wyoming, North Dakota, Colorado and Utah. Course materials were developed by 12 specialists from across the nation and the course was taught by the head of the University of Utah's traffic laboratory.
- Partnered with the Northern Plains Tribal Technology Center in Bismarck to make highway planning and safety tools available to tribal transportation planners in the region. MPC also sponsored a half-day workshop on low-volume road safety at the Tribal Workforce and Transportation Conference.
- Hosted officials of the Research and Special Projects Administration of the U.S. DOT. The visit was the first such conducted under the Federal Highway bill enacted in 1998.
- Expanded the interdisciplinary doctoral program in transportation and logistics. The program was first offered in 2002. There are now 13 students in the program. The program allows students to develop advanced knowledge and research skills in the rapidly growing fields of transportation and logistics.

Future Direction

The UGPTI continues to evolve to address emerging transportation and mobility challenges and opportunities in the region. These issues are spurred by new technology, demographic changes and changes in the ways people live and work. Programs under development include:

The Center for RFID Transportation Applications will increase freight mobility and improve transportation system performance through research and outreach programs related to radio frequency identification (RFID) technology applications in infrastructure, fleet management, supply chain management and human mobility. Improved application of the technology to transportation will assure the region remains competitive in the global marketplace.

An associate's degree program being proposed in cooperation with Bismarck State College will help students develop technical and management skills that are needed by transportation service providers and their customers in North Dakota. It is anticipated that program graduates will either enter the work force or pursue a related four year degree at NDSU. This program will hopefully become available starting this fall and will be self-sustaining from income generated from student tuition.

The Joint Military Logistics and Transportation Graduate Program will be designed specifically for U.S. military and related personnel to enhance joint logistical effectiveness and efficiency. This Master of Science program would provide new approaches and apply evolving technology to meet the changing and complex battlefield, peacekeeping and rebuilding environments.

The Regional Center for Freight Mobility will develop information on the dynamics of freight transportation needs on a regional basis to develop a more efficient effective and secure freight transportation system. A regional approach will address the interstate nature of commerce and the resulting inter-jurisdictional issues. The center will be developed in collaboration with Washington State University and the University of Washington and include research and outreach on supply chain management, technology applications, logistics, and network economics and modeling.

The **Transportation Learning Network** is an evolution of the TEL8 network. It unites states and universities in a unique partnership using technology to help people work together on transportation issues in the region. Each partner provides transportation programming, training and technology transfer to the network. Efforts will include technical training, transportation short courses, peer sessions, graduate-level classes, professional management and leadership courses and seminars. The network connects the North Dakota, Wyoming and Montana departments of transportation and the four Mountain-Plains Consortium universities – Colorado State University, North Dakota State University, University of Utah and University of Wyoming.

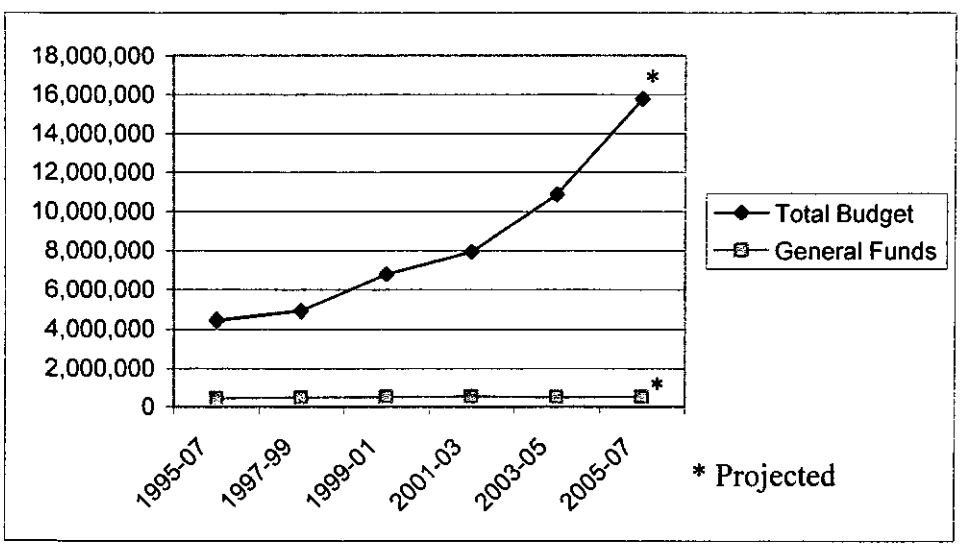
School Bus Routing Program will address the challenges posed by a shrinking number of school-aged children and the growing distance between schools as districts consolidate. The program will offer expertise to school administrators, identify widespread problems and opportunities, help school districts develop bus routes to maximize efficiency and explore policy issues associated with school transportation funding.

The **North Dakota Business Logistics Research and Support Center** will enhance the competitiveness of North Dakota firms and enhance business volume by providing transportation and logistics training, analysis, and human capital. The program will generate information, promote public private partnerships, and assist in the development of public policy that improves supply chain management through increased efficiency and effective-ness. This program will meet the needs of rural businesses that are not located in major urban areas that have access to firms that supply this type of support, and are in areas where a concentration of business leads to best practices simply by being around other firms that are on the cutting edge of supply chain management.

Supplemental Budget Needs

The Upper Great Plains Transportation Institute has leveraged a talented staff and an investment from the State of North Dakota to become a diverse and flexible resource for individuals, businesses and agencies facing transportation and mobility issues and opportunities in North Dakota and the region. However, this trend could change dramatically as a result of a change in the law governing the University Transportation Centers Program.

It appears likely that Congress will pass the Surface Transportation Bill in the next few months. The research title of the House bill, which the Senate would likely accept, includes a $3.5 million budget for each of the 10 required Regional University Transportation Centers (that includes the UGPTI). However, the criteria for eligibility for those centers have changed to include a requirement that they receive at least ***$400,000 in regularly budgeted funds annually*** from non-federal sources. With its current funding structure, the UGPTI would not comply with that requirement and would not be able to qualify.



North Dakota University System
Upper Great Plains Transportation Institute
Summary of Changes from 2003-05 Legislative Appropriation to Executive Recommendation and Engrossed SB2020

	General Fund	Other Funds	Total Funds
2003-05 Original General Fund Appropriation	**$ 483,099**	**$ 10,361,651**	**$ 10,844,750**
Executive Recommendation Adjustments:			
Compensation package (4% & 3%)	15,828	355,486	371,314
Health insurance and EAP increases	2,118	81,736	83,854
Increases in estimated income		4,464,155	4,464,155
Subtotal-Adjustments per Executive Recommendation	**17,946**	**4,901,377**	**4,919,323**
General Fund per Executive Recommendation	**501,045**	**15,263,028**	**15,764,073**
Senate Adjustments:			
Reduces compensation package to 3% & 4%	(1,422)	(31,878)	(33,300)
Subtotal-Senate Adjustments	**(1,422)**	**(31,878)**	**(33,300)**
General Fund per Engrossed SB2020	**$ 499,623**	**$ 15,231,150**	**$ 15,730,773**

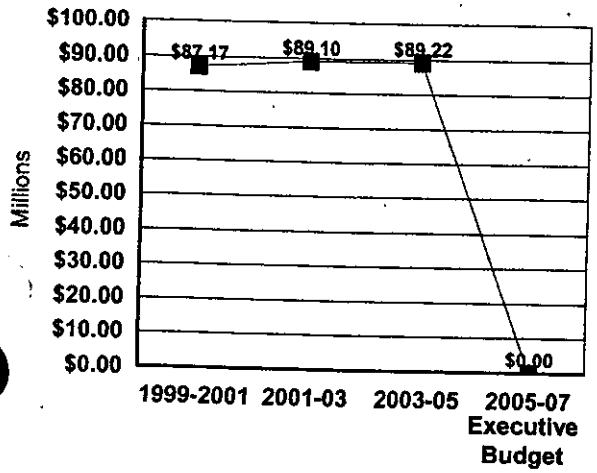
Prepared by the North Dakota Legislative Council staff for House Appropriations
February 25, 2005

Department 230 - University of North Dakota
Senate Bill Nos. 2003 and 2023

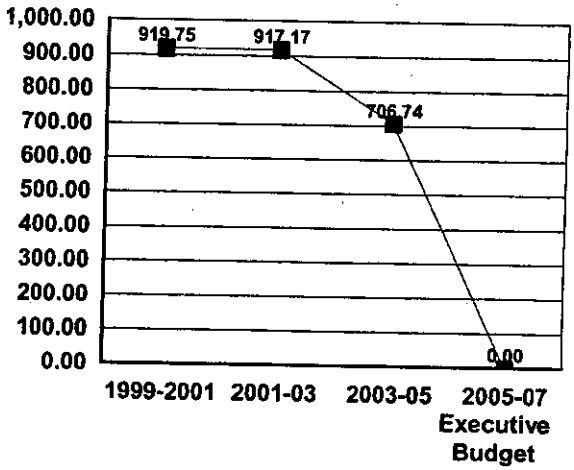
	FTE Positions	General Fund	Other Funds	Total
2005-07 Executive Budget	0.00	$0	$54,331,554	$54,331,554
2003-05 Legislative Appropriations	706.74	89,224,673	53,300,000	142,524,673[1]
Increase (Decrease)	(706.74)	($89,224,673)	$1,031,554	($88,193,119)

[1]The 2003-05 appropriation amounts include general fund allocations of $2,713,829 from the technology pool, and a general fund transfer of $409,418 associated with the statewide psychiatric nursing education program from the University of North Dakota to various higher education institutions. The 2003-05 appropriation amounts do not reflect $140,397 of general fund and $13,503,609 of special funds 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)

	General Fund	Other Funds	Total
1. Consolidates operations and extraordinary repair funding for all higher education institutions into the University System budget. The Senate appropriated operations and extraordinary repair funding for each of the higher education institutions.	($86,862,537)		($86,862,537)
2. Removes one-time funding provided in the 2003-05 biennium for extraordinary repairs and capital projects	($2,362,136)	($53,300,000)	($55,662,136)
3. Provides funding for major capital projects for the 2005-07 biennium--School of Medicine and Health Sciences allied health facility ($7.5 million), School of Medicine and Health Sciences laboratory renovation ($2.5 million), indoor track facility ($6 million), dining center renovation ($1.5 million), parking ramp structure ($12 million), housing units replacement ($16 million), Carnegie Library renovation ($3 million), American Indian Center ($3.5 million), and energy projects ($2,331,554). The Senate increased funding for capital projects to $97,831,554 from other funds.		$54,331,554	$54,331,554

Major Related Legislation

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. 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 requirement 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 the 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 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.

NORTH DAKOTA UNIVERSITY SYSTEM
REPORT OF CONTINUING APPROPRIATIONS
University of North Dakota (includes Medical School)

1999-01

	Beginning Balance	Revenue	Expenditures	Net Additions/ Deductions/ Transfers	Ending Balance
Auxiliary Services	3,430,000	45,378,300	40,169,300	(8,080,300)	558,600
Tuition Collections	907,500	71,773,100	9,773,500	(62,381,600)	525,400
Other Unrestricted	11,806,200	97,382,900	83,608,400	(5,729,300)	19,851,400
Scholarships & Fellowships	2,143,700	16,374,800	15,534,400	(224,000)	2,760,200
Grants & Contracts	2,162,100	75,521,100	63,154,800	(12,664,800)	1,863,700
Loan Funds	24,881,800	2,165,900	1,315,100	(173,500)	25,559,100
Plant Funds	17,489,700	28,521,800	46,970,700	21,710,400	20,751,200
Endowment Funds	19,667,500	(180,700)	-	(1,752,800)	17,733,900

2001-03

	Beginning Balance	Revenue	Expenditures	Net Additions/ Deductions/ Transfers	Ending Balance
Auxiliary Services	558,600	50,050,400	42,114,800	(7,671,500)	822,700
Tuition Collections	525,400	95,247,700	13,584,600	(81,660,000)	528,500
Other Unrestricted	19,851,400	114,854,600	110,954,500	(4,909,900)	18,841,600
Scholarships & Fellowships	2,760,200	20,532,700	20,430,900	171,300	3,033,100
Grants & Contracts	1,863,700	100,062,300	82,548,000	(17,318,900)	2,059,100
[illegible]an Funds	25,559,100	1,745,900	76,200	(72,400)	27,156,400
[illegible]t Funds	20,751,200	7,792,700	27,663,000	25,510,500	26,391,400
[illegible]ment Funds	17,733,900	1,011,600	-	(2,573,600)	16,171,900

2003-05 Estimate

	Beginning Balance	Revenue	Expenditures	Net Additions/ Deductions/ Transfers	Ending Balance
Auxiliary Services	822,700	58,302,500	51,195,100	(6,653,300)	1,276,800
Tuition Collections	528,500	115,154,700	12,953,000	(102,730,300)	-
Other Unrestricted	18,841,600	135,482,700	128,415,100	(10,594,400)	15,314,800
Scholarships & Fellowships	3,033,100	21,751,100	21,926,600	289,900	3,147,500
Grants & Contracts	2,059,100	134,871,900	107,783,300	(26,932,400)	2,215,400
Loan Funds	27,156,400	1,419,600	518,400	(392,300)	27,665,400
Plant Funds	26,391,400	14,639,100	38,710,500	11,370,500	13,690,400
Endowment Funds	16,171,900	1,108,700	-	625,600	17,906,300

2005-07 Estimate

	Beginning Balance	Revenue	Expenditures	Net Additions/ Deductions/ Transfers	Ending Balance
Auxiliary Services	1,276,800	59,724,542	53,877,939	(6,815,525)	307,878
Tuition Collections	-	125,674,185	12,953,000	(112,721,185)	-
[illegible] Unrestricted	15,314,800	135,482,700	128,415,100	(10,594,400)	11,788,000
[illegible]rships & Fellowships	3,147,500	22,281,597	22,461,368	89,858	3,057,587
[illegible]s & Contracts	2,215,400	137,412,461	109,791,882	(27,269,519)	2,566,460
Loan Funds	27,665,400	1,419,600	518,400	(392,300)	28,174,300
Plant Funds	13,690,400	15,000,000	30,000,000	15,000,000	13,690,400
Endowment Funds	17,906,300	1,108,700	-	(1,108,700)	17,906,300

University of North Dakota
General Fund Carryover (2001-03 to 2003-05)
18-Jan-05

Operations	$	3,158,724
Capital Assets	$	140,397

with exception of circled items), same testimony given to the House

The University of North Dakota

Presentation to
The North Dakota Senate
Appropriations Committee
January 18, 2005
Charles E. Kupchella, President

1 UND



2 UND

Introductions

- Jordan Schuetzle, Student Body President
- H. David Wilson, Vice President for Health Affairs and Dean of the School of Medicine and Health Sciences
- Alice Brekke, Budget Director

3 UND



4 UND

List All Documents

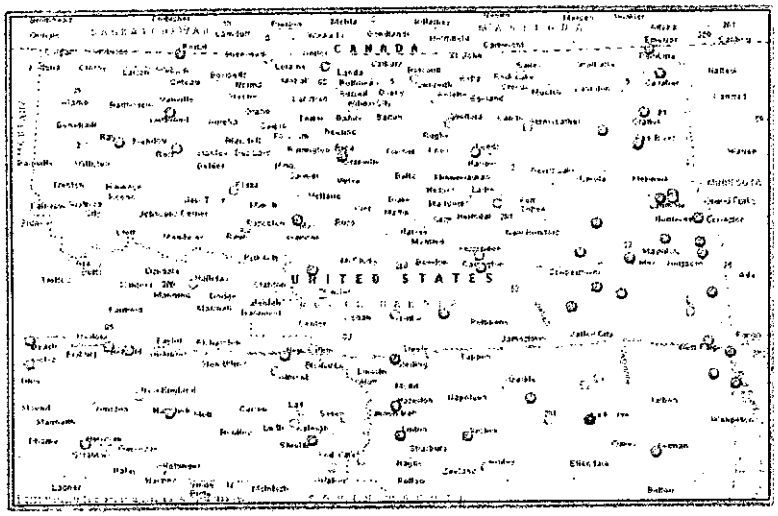
- Presentation/PowerPoint
- The State of the University
- 2004 President's Report
- UND Partnerships
- Capital Projects – O'Kelly Hall
- Energy Improvement Project
- Carryover and Continuing Appropriation Information for UND
- Deficiency Appropriation Information
- Restoration Request Detail
- Proposed Construction projects – Biocontainment/Nursing

5 UND



6 UND

Serving North Dakota



49

UND

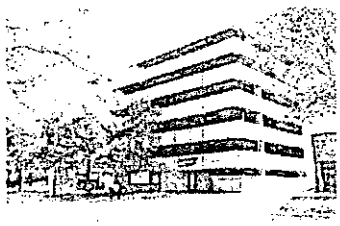
Flexible, Responsive, Accessible

- Program-to-program articulation
- American Indian programs
- Evening/weekend programs
- Alternative delivery methods
- Programs under development

50

UND

Parking Ramp Structure



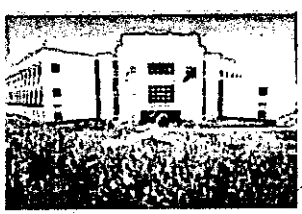
85 UND

Some Emerging Needs

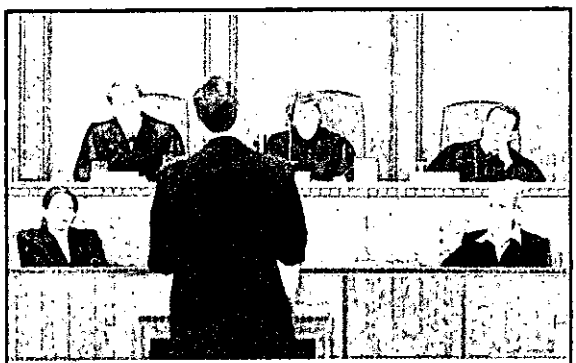
- College Business and Public Administration expansion/annex
- Space Studies Observatory
- Earth Systems Science facility
- Hydrogen Technology Facility

86 UND

Earth System Science



87 UND



School of Law
Additional Space Needed

88 UND

University of North Dakota
2005-07 Prioritized Budget Request

Original General Fund Appropriation	$ 86,920,262
Base Adjustments	$ 2,304,411
Adjusted General Fund Appropriation	$ 89,224,673
Priority One Increase Total	$ 6,783,532
Priority Two Increase Total	$ 906,057
Priority Three Increase Total	$ 5,313,060
Priority Four Increase Total	$ 23,361,193

89 UND

UND School of Medicine & Health Sciences
2005-07 Prioritized Budget Request

Original General Fund Appropriation	$ 30,165,865
Base Adjustments	($ 395,000)
Adjusted General Fund Appropriation	$ 29,770,865
Priority One Increase Total	$ 1,773,207
Priority Two Increase Total	$ 252,199
Priority Three Increase Total	$ 1,380,525
Priority Four Increase Total	$ 5,153,036

90 UND

Salary Comparison
AAUP Faculty Salaries: 2003-2004

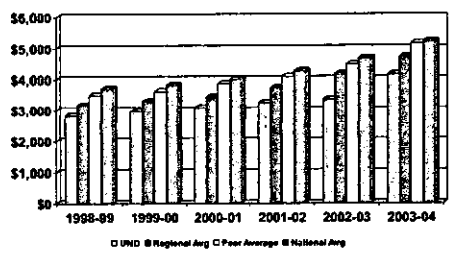
	Professor	Associate	Assistant	Instructor
University of North Dakota	$68,620	$57,473	$50,375	$43,651
Average for Public Universities	$94,606	$66,275	$56,277	$37,972

97 UND

Tuition

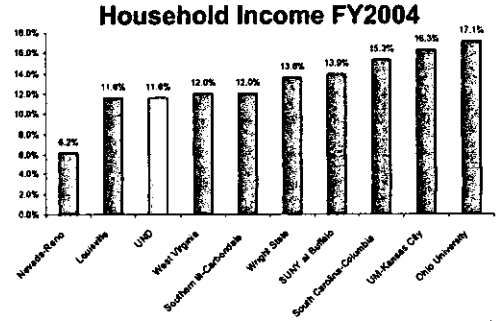
98 UND

Peer, Regional and National Tuition and Fees Comparison



99 UND

Tuition and Fees as a % of Median Household Income FY2004



100 UND

Jordan Schuetzle

Student Government President
Bismarck, ND
Major: Political Science

101 UND

Some Potential New / Enhanced Centers of Excellent in Economic Development for UND

- Hydrogen Technology
- Suborbital Atmospheric Science
- Biocontainment/Border Security

102 UND

Regional Comparisons
NSF S&E Federally Financed Expenditures
FY94-02
(Dollars in Thousands)

Institutions (Rankings)	1994	1995	1996	1997	1998	1999	2000	2001	2002
Regional State Institutions									
University of Minnesota (16)	181,039	194,819	198,927	200,149	204,741	207,761	229,958	264,289	295,301
Montana St. U of Bozeman (125)	15,738	17,233	17,667	19,707	23,982	26,231	30,564	34,857	39,886
University of North Dakota (158)	16,660	16,157	23,976	17,775	13,404	13,615	13,880	15,743	25,004
The U of Montana (165)	8,675	10,149	11,591	11,554	11,748	14,627	18,378	19,194	22,612
NDSU (172)	10,877	11,684	11,683	6,432	9,787	12,308	15,463	15,207	21,414
University of Wyoming (175)	15,115	15,373	14,991	15,003	17,808	19,109	16,556	20,017	20,017*
SDSU (222)	5,711	5,622	5,500	5,650	5,812	6,086	7,448	8,456	9,115
SD Sch of Mines and Tech (243)	2,903	3,369	3,278	2,990	3,221	3,309	4,127	4,417	6,950
U of South Dakota (258)	1,357	1,632	2,350	2,239	2,669	3,373	2,084	3,534	5,830
Minnesota State, Mankato (535)	224	261	298	335	372	164	175	165	181

*Estimated Amount

UND

Peer Institution Comparisons
NSF S&E Federally Financed Expenditures
FY94-02
(Dollars in Thousands)

Institutions (Rankings)	1994	1995	1996	1997	1998	1999	2000	2001	2002
Peer Institutions									
SUNY at Buffalo (53)	81,814	75,713	87,813	78,092	76,037	85,490	98,410	98,595	128,842
U of S Carolina (110)	28,507	36,417	40,837	37,790	36,473	30,997	41,432	60,543	53,403
W Virginia U (114)	34,622	30,258	30,800	29,443	24,985	26,264	28,013	29,440	49,394
U of Nevada-Reno (126)	18,799	21,377	20,971	20,813	20,383	24,587	26,267	31,386	39,858
U of Louisville (129)	9,274	9,782	13,306	13,521	15,867	15,536	17,713	25,116	36,978
University of North Dakota (158)	16,660	16,157	23,976	17,775	13,404	13,615	13,880	15,743	25,004
Ohio U (162)	5,836	7,587	8,846	9,790	10,323	10,544	11,695	12,898	17,677
Wright State U (185)	9,624	9,619	9,502	10,001	10,832	12,365	12,543	15,417	16,070
U of Missouri Kansas City (210)	4,758	4,506	5,087	5,380	6,199	7,206	7,496	8,176	10,795
S Illinois U Carbondale (211)	9,931	10,100	9,836	8,632	7,801	7,660	10,130	10,868	10,789

UND

7-SB2003

The University of North Dakota

Presentation to
The North Dakota House
Appropriations Committee
March 1, 2005
Charles E. Kupchella, President

1 UND



2 UND

Introductions

- H. David Wilson, Vice President for Health Affairs and Dean of the School of Medicine and Health Sciences
- Alice Brekke, Budget Director

3 UND



4 UND

List All Documents

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- The State of the University
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- Carryover and Continuing Appropriation Information for UND
- Deficiency Appropriation Information
- Restoration Request Detail
- Economic Impact Study
- Proposed Construction projects – Biocontainment/Nursing
- Enrollment Data

5 UND



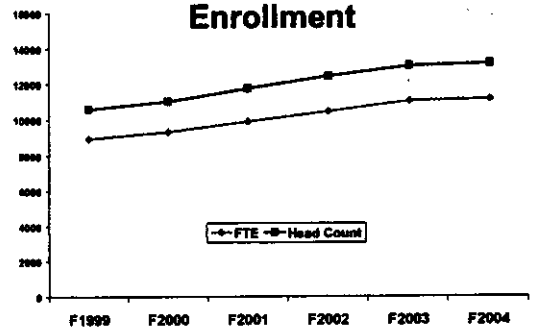
6 UND

Enrollment

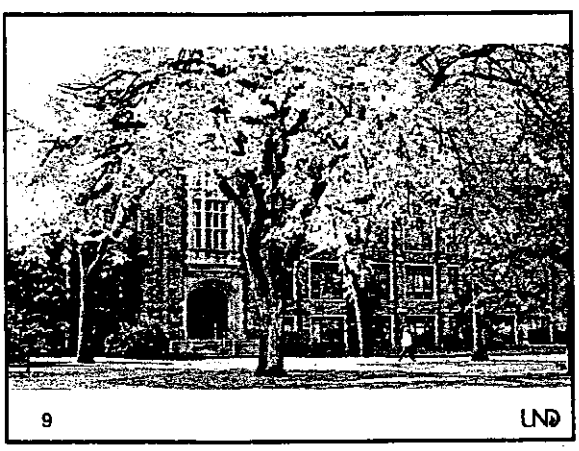


7 UND

Enrollment



8 UND



9 UND

Nearly 2,000 Distance Enrollments

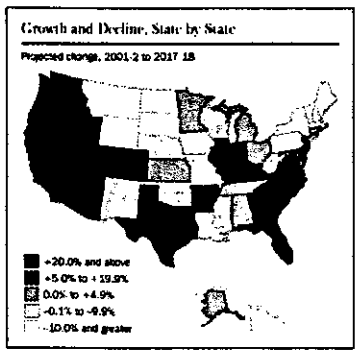
10 UND

Nearly 20,000 Continuing Education Enrollments

11 UND

3,000 Workforce Trainees

12 UND



13 UND

UND Targeted States

- UND Strategic Plan targeted recruiting states
  - Arizona
  - Colorado
  - Illinois
  - Oregon
  - Washington
  - Nevada
  - California

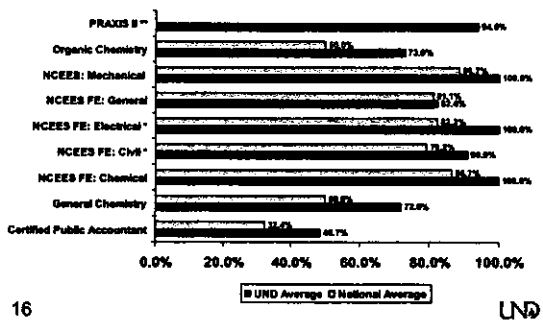


14 UND

Commitment to Excellence

15 UND

AY 2002-03 National Examination Reporting by Pass Rate



16 UND

Alumni-Reported Satisfaction

FY 1999-2000 Graduates

How well did experiences at this school prepare you for your current job?

	UND %	NDUS %	Nat'l %
Exceptionally well	23.5	18.7	15.0
More than adequate	35.1	31.3	25.5
Adequately	27.1	32.4	32.9
Less than adequate	7.3	4.1	4.1
Very poorly	0.0	0.4	1.0
Not at all	2.5	2.8	4.5
I am not employed	0.0	0.1	0.4
No response	4.9	10.2	15.6

How would you rate the overall quality of instruction?

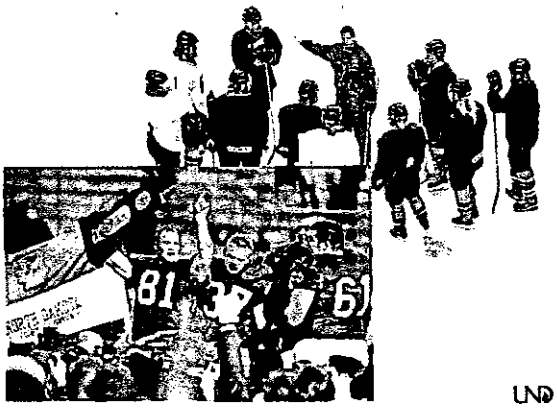
	UND %	NDUS %	Nat'l %
Very satisfied	36.7	33.7	36.7
Satisfied	52.4	51.6	45.9
Neutral	5.5	7.3	8.6
Dissatisfied	2.3	2.7	3.3
Very dissatisfied	0.5	1.0	0.9
No opinion	0.4	0.9	0.7
Blank	2.1	2.9	3.7

17 UND

Among the Best

- U.S. News & World Report – Rankings
- Kaplan's Guide to the 328 Most Interesting Colleges
  - UND – one of "Best Values"
- Top 25 Most Connected (#19)
- Top 25 Most Entrepreneurial (#14)

18 UND



UND

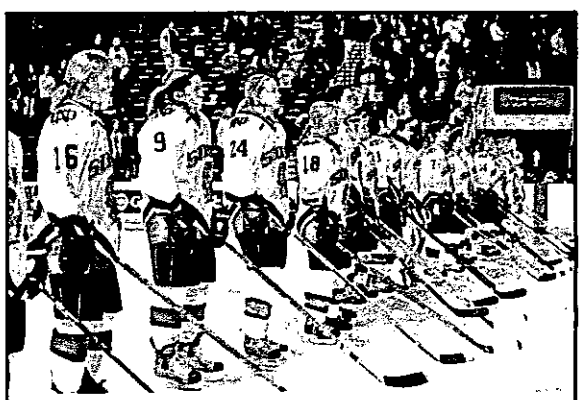
Academic Excellence in Athletics

- One of the highest graduation rates in the nation of student-athletes
- For 11 of the past 12 semesters, UND student-athletes have maintained a cumulative student-athlete GPA over 3.0
- Last semester: 55 – 4.0's and 365 of 568 student athletes or 64% attained at least 3.0 or better
- In 2001 UND had the National Scholar Athlete winners in both Division I & Division II
- In the last 3 years UND student-athletes have won 9 NCAA Post-Graduate Scholarships
- This fall's national final's football team captured 7 of 28 Academic All-Conference selections (tied for 1st)
- 2003 NCAA Top Student Athlete (out of 360,000 student athletes) Mac Schneider

20 UND

UND Team Played in 6 National Title Games in Past 6 Years

21 UND



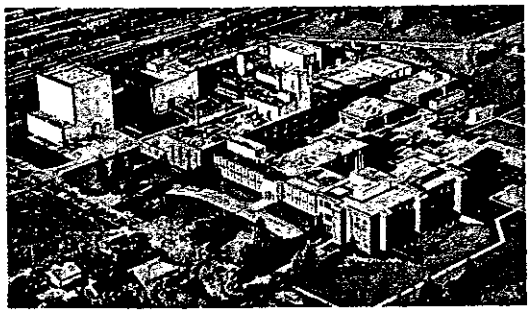
22 **Women's Hockey Added** UND

Partnerships

23 UND

- 27 current partnership programs with other NDUS institutions
- 113 current partnership programs with external agencies

24 UND



EERC

25 UND

Partnerships with Business

Workforce Development
40 Companies since '97

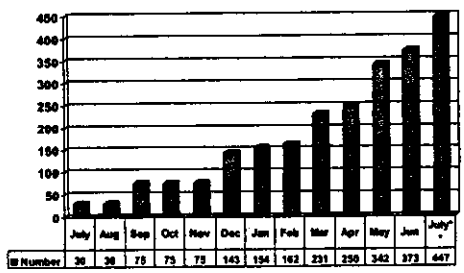
Energy & Environmental Research Center
As of 2002 served 719 clients
in 47 countries and all 50 states

26 UND



27 **Human Nutrition Laboratory** UND

Program Articulation Agreements (2001-2002)



28 UND

Research and Sponsored Programs

29 UND

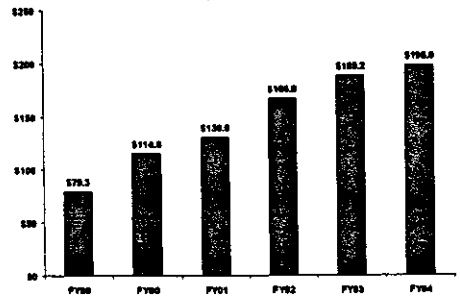
Major Goals

Research and Creative Activity

- UND achieves $100 million in annual funding ($80 million for research) by 2010.
- UND achieves top rank as a doctoral, research university.
- UND is the regional leader in the number of research, creative activity and scholarship experiences available to undergraduates.
- Where appropriate, UND links research and creative activity to economic development in and for the people of North Dakota.

30 UND

Dollar Value of Proposals FY99-04
(Millions)



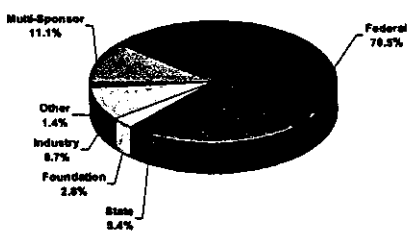
31 UND

Sponsored Program Awards FY99-04
(Millions)



32 UND

Source of Grants & Contracts Funding FY04



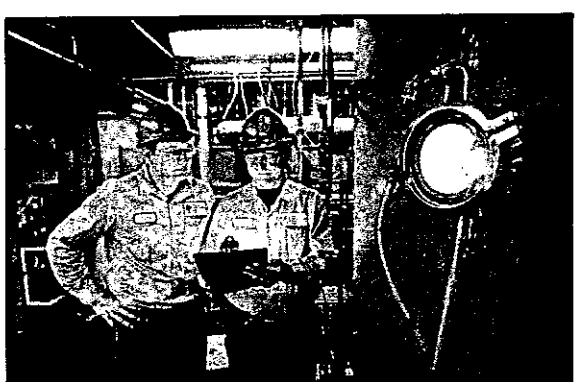
33 UND



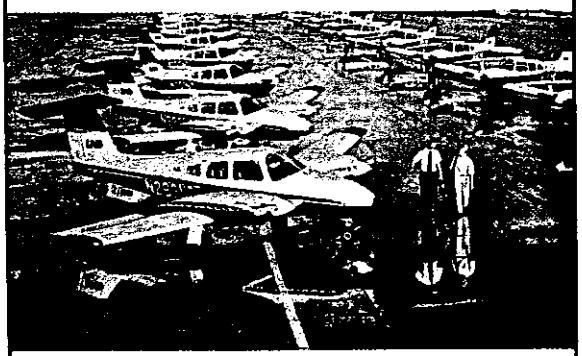
34 UND

Will Continue to Build on our Foundation of Excellence

35 UND



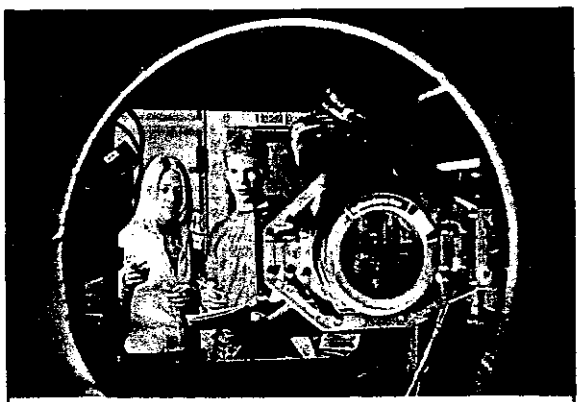
36 Energy & Environmental Research Center UND



37 UND



38 UND



39 Camera on Space Station/Engineering UND



Student Participation in the Research Enterprise

40 UND

Public Service

41 UND

Serving Students

UND Division of Continuing Education

18,866 enrollments in FY 2003

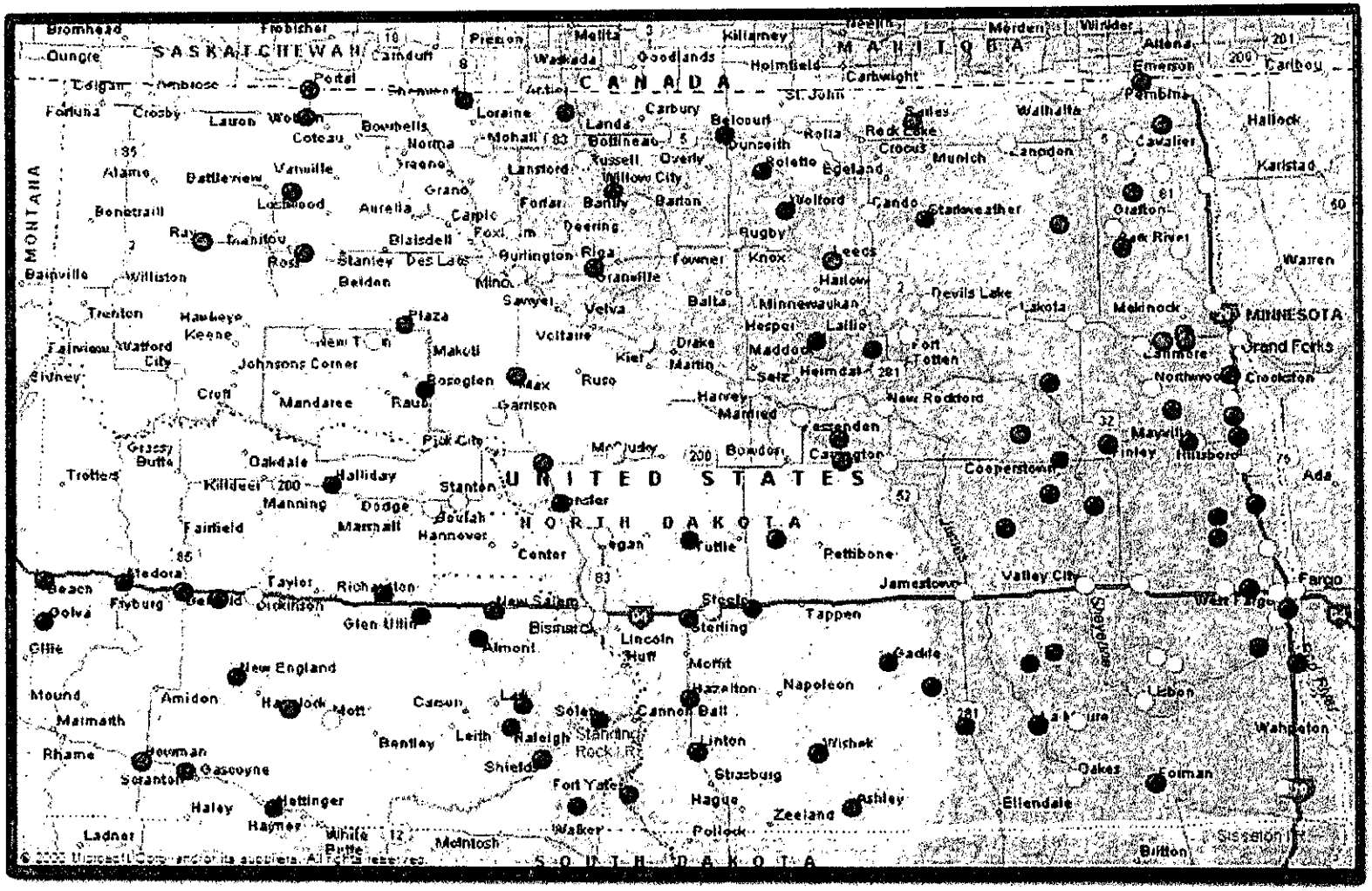
42 UND

Serving Students



UND

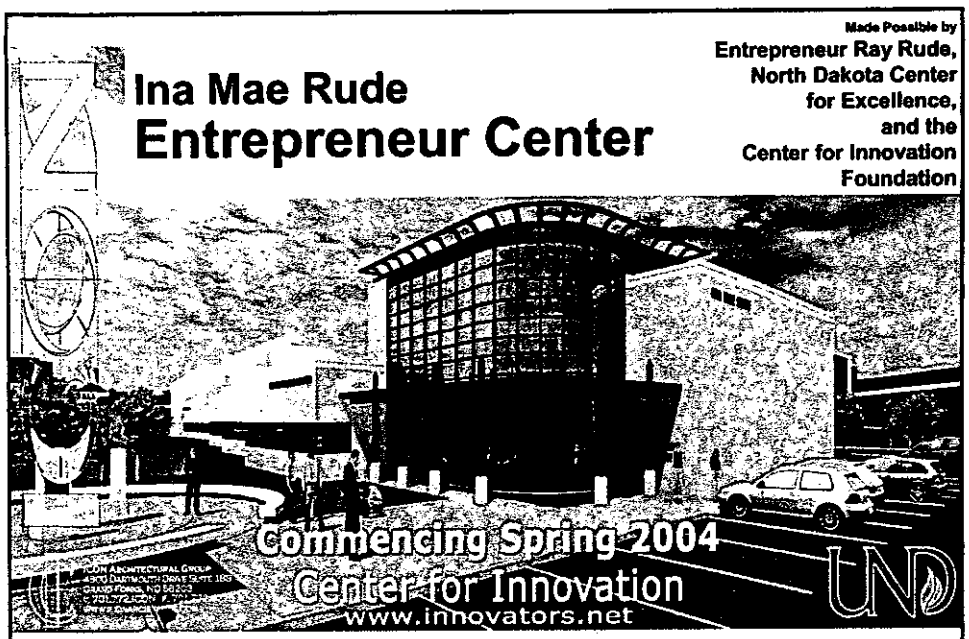
Serving North Dakota


SASKATCHEWAN
CANADA
MANITOBA
MONTANA
MINNESOTA
UNITED STATES
NORTH DAKOTA
SOUTH DAKOTA
Bismarck
Fargo
Grand Forks
Minot
Williston
Dickinson
Jamestown
Valley City
Devils Lake
Wahpeton
Oakes
Ellendale
Hettinger
Mott
Beach
Watford City
Killdeer
Dunseith
Rolla
Rugby
Carrington
Cooperstown
Harvey
Napoleon
Linton
Strasburg
Hague
Zeeland
Ashley
Wishek
Leith
Raleigh
Standing Rock
Fort Yates
Shields
Solen
Cannon Ball
Glen Ullin
New Salem
Hazelton
Lincoln
Huff
Moffit
Sterling
Tappen
Steele
Center
Hannover
Fairfield
Marshall
Dodge
Manning
Halliday
Killdeer
Dunn
Stanton
Oakdale
Gascoyne
Bowman
Rhame
Marmarth
Mound
Amidon
New England
Hebron
Taylor
Richardson
Fryburg
Golva
Cliffe
Sentinel Butte
Trotters
Gascoyne
Scranton
Haley
Ladner
Bentley
Mcintosh
Walker
Pollock
Selfridge
Fort Yates
Solen
Cannon Ball
Linton
Strasburg
Hague
Zeeland
Ashley
Wishek
Napoleon
Hazelton
Moffit
Lincoln
Huff
Sterling
Tappen
Steele
Center
Hannover
Fairfield
Marshall
Dodge
Manning
Halliday
Killdeer
Dunn
Stanton
Oakdale
Beach
Watford City

Economic Development

45

UND



Funding Sources: ND Legislature, Mr. Ray Rude

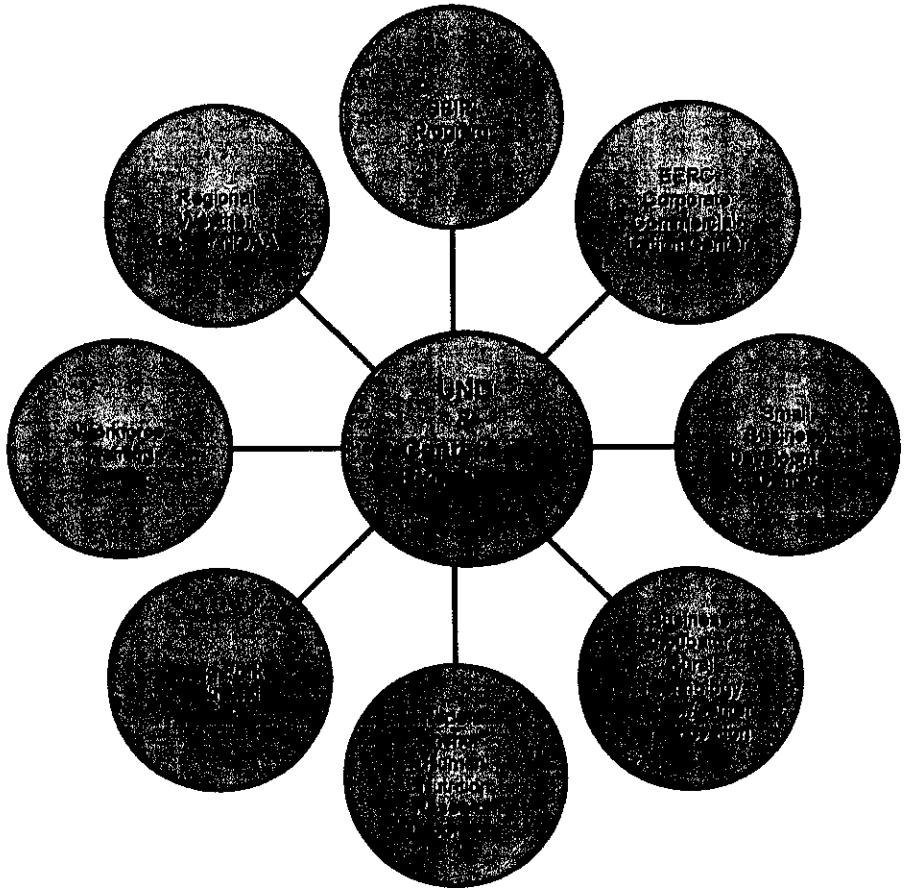
46

UND

Grand Cities

COMMERCIALIZATION COMPLEX

- Fee for Services Available to Corporate Research
- Core Laboratories
- Hazardous Waste Management
- Animal Care
- Compliance Review Groups (Human Subjects, etc.)
- Workforce Training
- Continuing Education
- Northland Community & Technical College
- Tech-Transfer Office
- Technical Assistance
- Teleconferencing Facilities

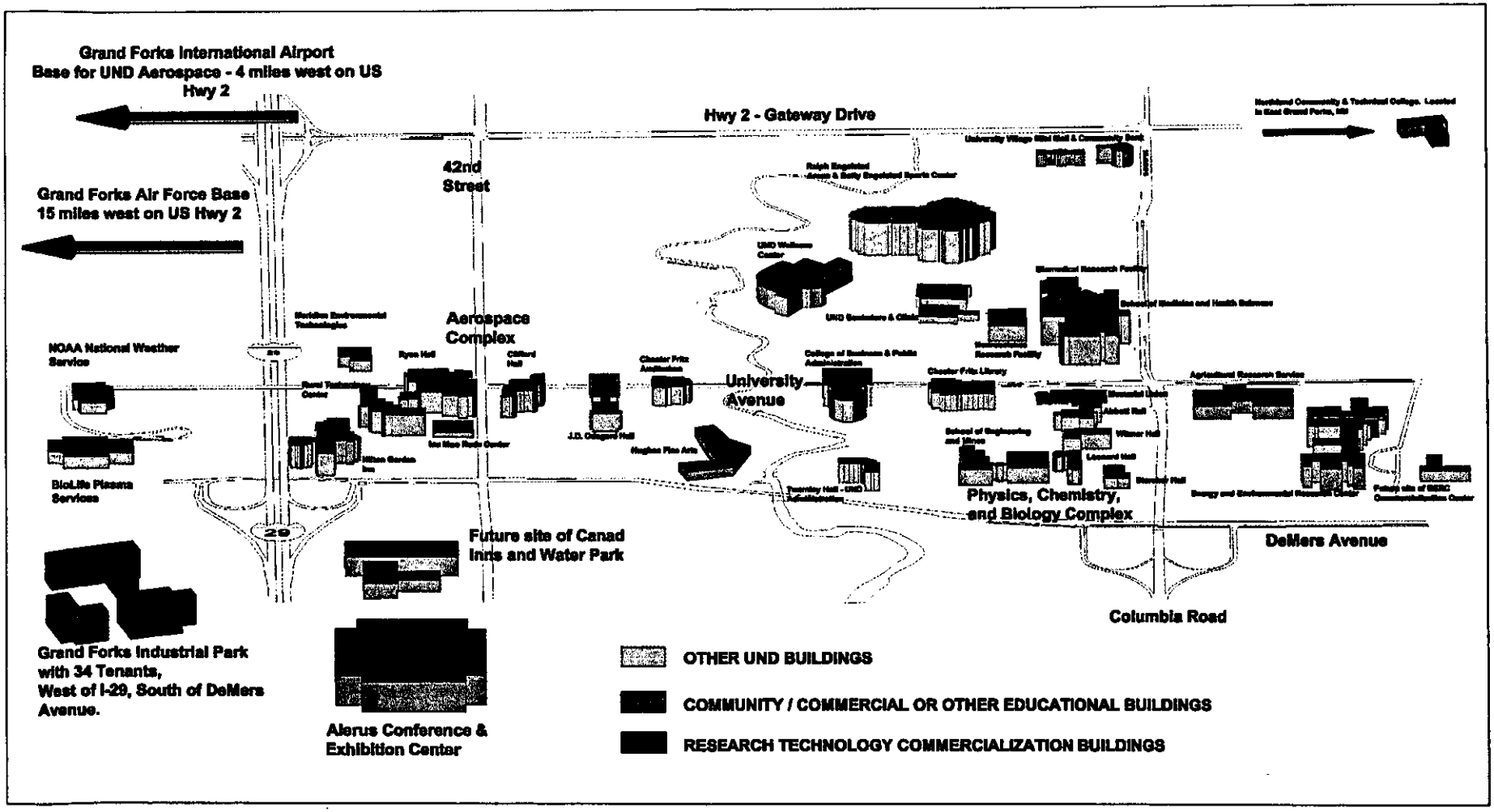


- Accessible Services
  - State Department of Commerce Funding North Dakota/Minnesota
  - EDC
  - Other?

- Necessities and Amenities Available in Grand Cities
- Golf Courses & Other Recreational Opportunities
- Air Service
- Hotels
- Regional Entertainment and Sports
- Arts & Culture
- Research/ Tech Park Land
- Retirement Village Summer Programs
- Student Interns
- Conferencing Facilities
- Superb Health Care

UND

UND'S EMERGING RESEARCH, TECHNOLOGY, AND COMMERCIALIZATION COMPLEX



The Multiple Components of Economic Development

- Graduates become civic and professional leaders
- Students from other states/countries stay
- Research enterprise ($100 million x 2.50 = $250 million)
- Applied research of direct relevance to North Dakota
  - Wind, clean coal, weather, precision agriculture
- Culture and arts
- Medical/healthcare

49 UND



50 UND

Dr. James Petell

First Intellectual Property Specialist

51 UND

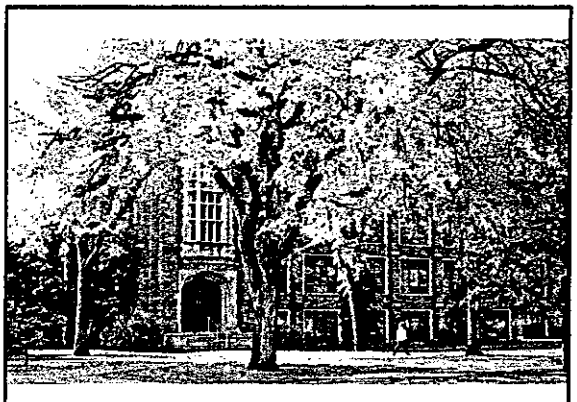
The Economic Impact of Current External Funding

- Fiscal year 2004
  - $83 million in external support and $82 million in research expenditures
- The impact
  - $135 million of spending in North Dakota
  - 1,436 jobs in North Dakota
  - $2.6 million of state and local tax revenues

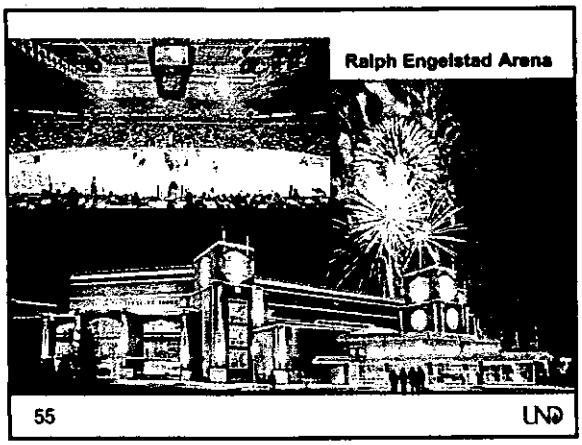
52 UND

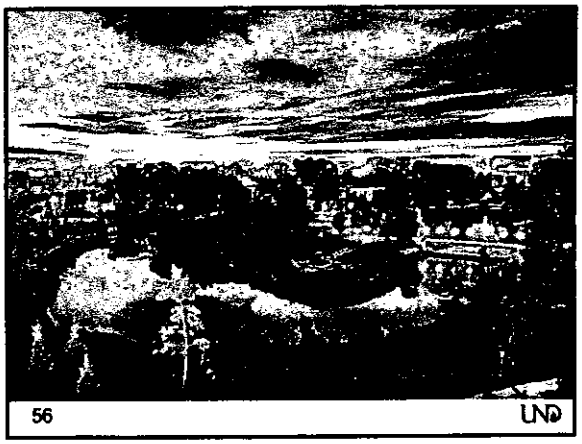
Physical Plant

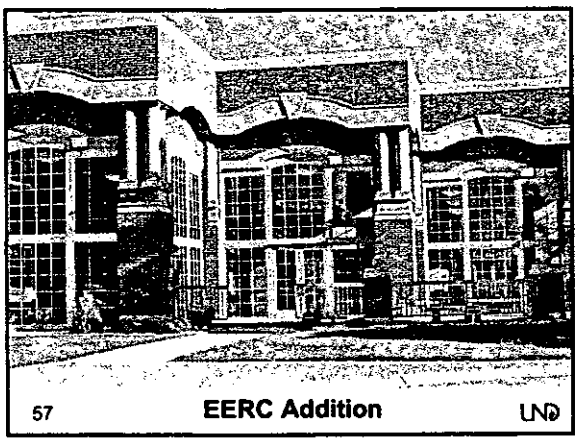
53 UND

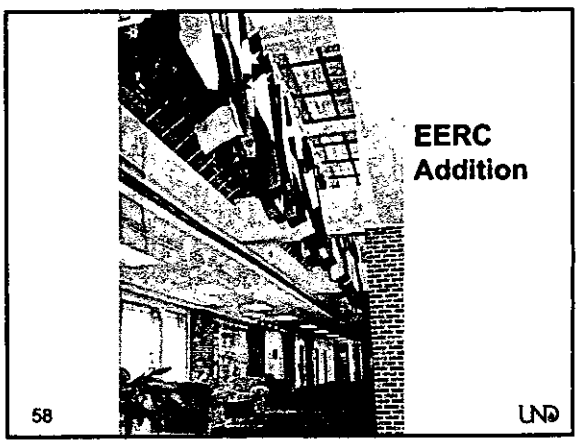


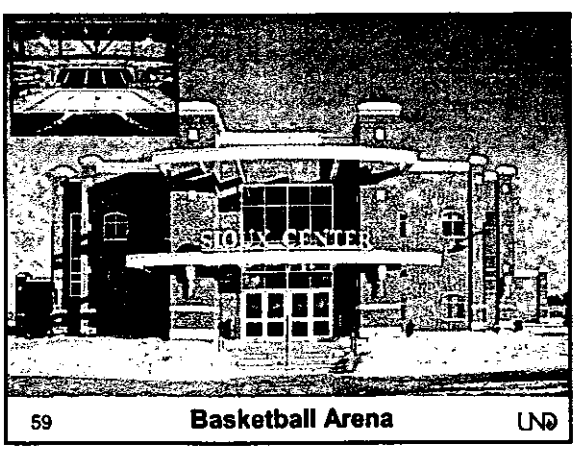
54 UND

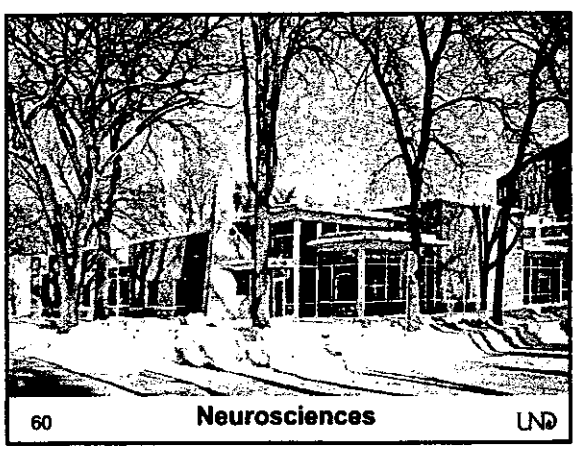

Ralph Engelstad Arena
55
UND


56
UND


57
EERC Addition
UND

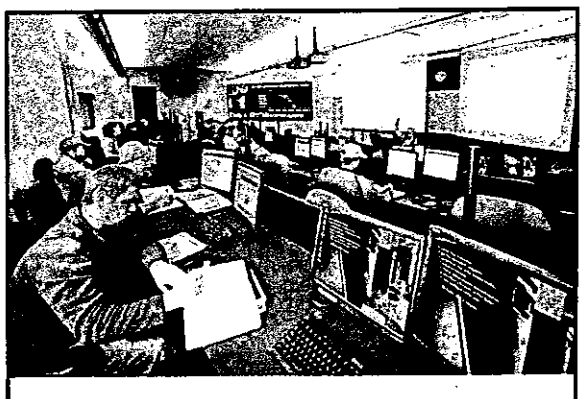

EERC
Addition
58
UND


59
Basketball Arena
UND


60
Neurosciences
UND



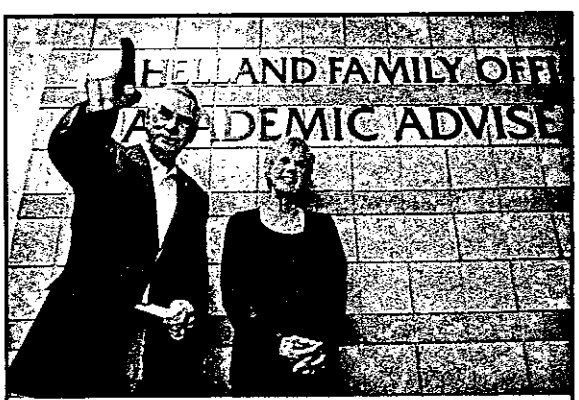
61 **Memorial Union Remodel** UND



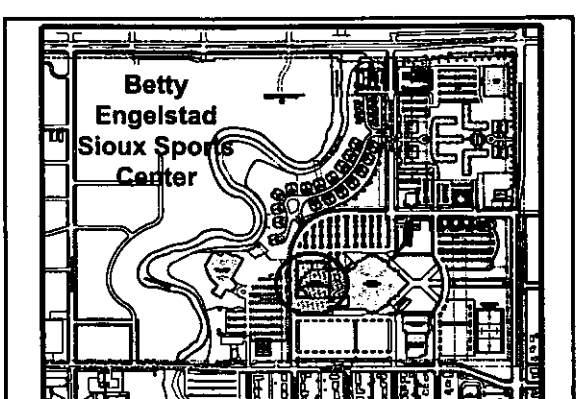
62 **A. Kirk Lanterman Investment Center** UND



63 UND



64 UND



65 **Bronson Property** UND

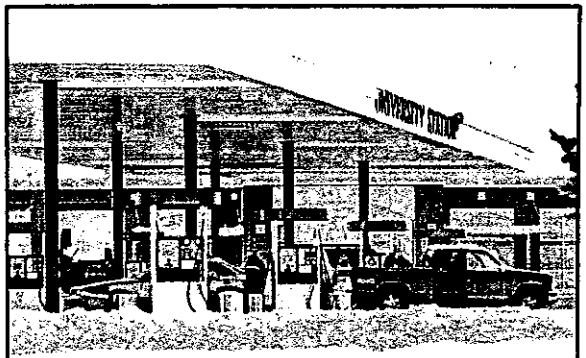


66 **Townhome Complex** UND



Barnes & Noble Bookstore

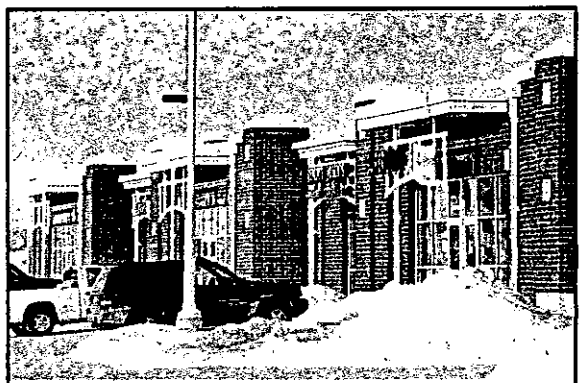
67 UND



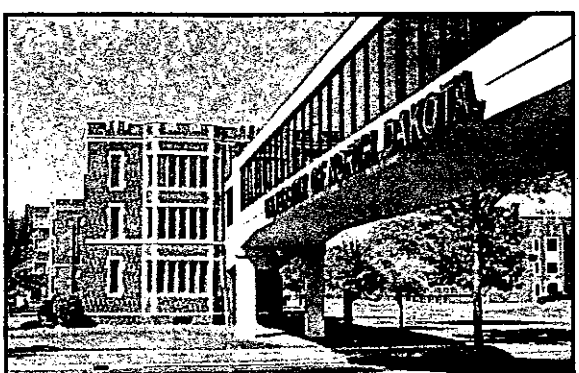
68 University Station UND



69 Restaurant "Suite 49" UND



70 University Village Mall UND



71 Signage Improvement UND

Overall Status

- Campus has fully recovered and is better than ever in appearance
- Infrastructure has been repaired but requires additional work to retain complete functionality
- Energy usage is going down on a per-square-foot basis
- Buildings are in good to excellent condition

72 UND

Current Capital Projects

- SOM Neuroscience Facility Addition
- American Indian Center
- Wellness Center
- Carnegie Building renovations
- Ina Mae Rude Entrepreneur Center

73 UND

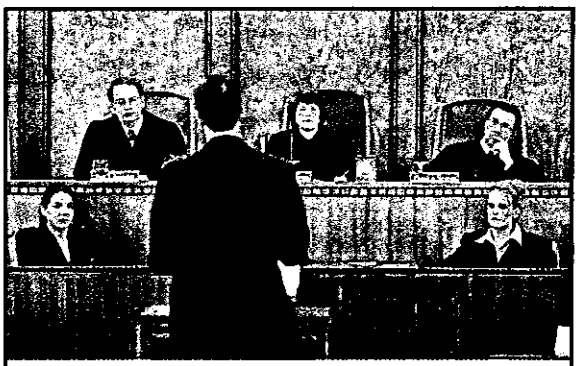


74 **Wellness Center** UND

2005 Capital Request

- O'Kelly Hall
- Parking Ramp Structure
- Allied Health Facility
- College of Nursing Research Addition
- Regional Biocontainment Lab
- University Replacement Housing
- Dining Center Renovations
- Campus Infrastructure Improvements

75 UND



School of Law
Additional Space Needed

76 UND

University of North Dakota
2005-07 Prioritized Budget Request

Original General Fund Appropriation	$ 86,920,262
Base Adjustments	$ 2,304,411
Adjusted General Fund Appropriation	$ 89,224,673
Priority One Increase Total	$ 6,783,532
Priority Two Increase Total	$ 906,057
Priority Three Increase Total	$ 5,313,060
Priority Four Increase Total	$ 23,361,193

77 UND

Strategic Investments Made

- Compensation (salaries, stipends, health insurance premiums)
- Inflationary increases
- Faculty/Staff Positions
- Support costs associated with increasing enrollments
- Institutional Innovation/Program Development
- Technology infrastructure (bandwidth/network/equipment)
- Technology security
- Faculty seed money program
- Increased utility/maintenance costs associated with research growth
- Library
- Diversity initiatives (American Indian Programs, International Programs, minority recruitment)

78 UND

What We Would Like To Do With Your Help

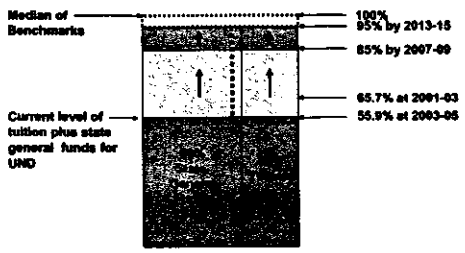
79 UND

Strategic Investments

- Inflationary Increases and Salaries
- Research Program Development and Support
- Additional Faculty
- Repair and Maintenance
- Information Technology
- Institutional Innovation/Program Development

80 UND

Long-Term Financing



81 UND

UND Resource Base

Tuition & General Fund Per Year	
Median for Benchmark Institutions	$ 174,001,599
If 60% from General Fund	$ 104,400,959
UND as % of Peer Institutions	55.9%

General Fund Required if UND is to Match Peer Institutions on a per FTE Student Basis:

Match Peers at 100 %	$92,168,517 / Biennium
	$46 + Million / Year
Match Peers at 85%	$30 + Million / Year

82 UND

Salary Comparison: UND to AAUP Faculty Salaries

(% Variance)

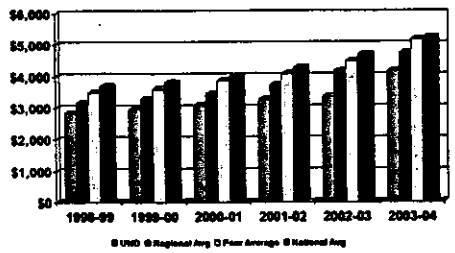
	1999-2000	2003-04
Professor	-48.98%	-37.87%
Associate	-27.15%	-15.32%
Assistant	-23.99%	-11.72%
Instructor	2.76%	13.01%

83 UND

Tuition

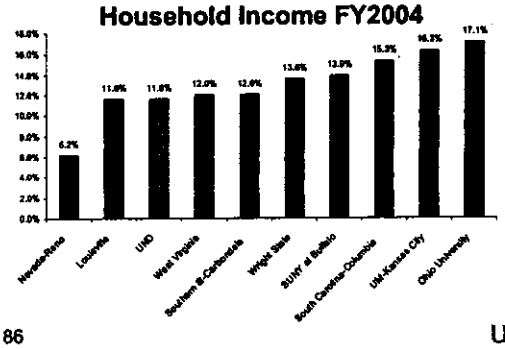
84 UND

Peer, Regional and National Tuition and Fees Comparison



85 UND

Tuition and Fees as a % of Median Household Income FY2004



86 UND

Some Potential New / Enhanced Centers of Excellence in Economic Development for UND

- Hydrogen Technology
- Suborbital Atmospheric Science
- Biocontainment/Border Security

87 UND

National Center for Hydrogen Technology

Partners: Federal Government, Department of Energy

Matching Federal $ = $3.5 million

88 UND

UND/NASA Center For Suborbital Atmospheric Sciences

Partners: NASA
National Science Foundation

Matching $ = $32 million NASA over 5 years

89 UND

Biocontainment/Border Security

Partners: Border Patrol
NIH
Homeland Security

Matching $ = $18.2 million proposed NIH

Needed from
Centers of Excellence Program = $9.1 million

90 UND

Return on Centers of Excellence Funding Provided by 03 Legislature

Ina Mae Rude Entrepreneur Center – $3.8 million

Gift from Ray Rude, Stanley, ND (benefactor)	$1,750,000
ND Legislature – Center for Excellence in Economic Development Fund	800,000
Gift from James Ray, Sun Valley, ID (benefactor)	500,000
Grant from U.S. Dept of Commerce Economic Development Administration (EDA)	750,000
	$3,800,000

91 UND

Red River Valley Research Corridor

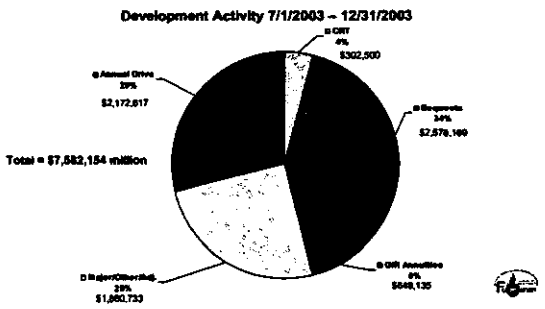
92 UND

Flexibility

Barnes & Noble Bookstore	We built it; Barnes and Noble runs it.
Family Practice Center	Swap with Altru after they built on leased land.
Alerus Center	City built it; we use it.
Engelstad Arena	Privately built on leased land, to be donated later.
Bronson Property	Private developer on leased land, rental to UND.
Biomedical Research	Funded by Federal Government, Legislature, UND Foundation.
Wellness Center	To be built with revenue bonds/student and staff fees.

93 UND

UND Foundation 2003-2004 Development Plan



94 UND

University of North Dakota
Some of Its Many Strengths

- A national university
- One of America's best
- Unique in combination of size and comprehensiveness
- Third most-wired law school/most connected
- Top 3 in rural medicine
- National championship caliber athletics
- Notably loyal, supportive alumni
- Well-established foundation
- Most entrepreneurial

95 UND

UND UNIVERSITY OF NORTH DAKOTA

Strategic Plan

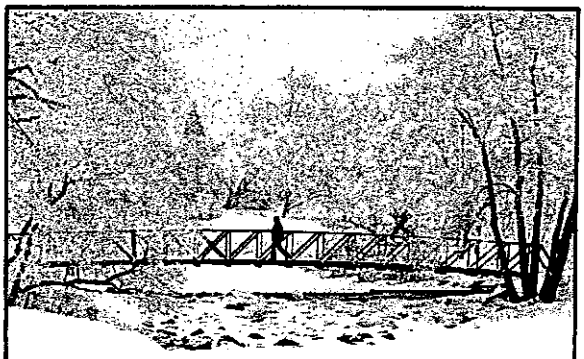
PATHWAYS TO A PREFERRED FUTURE

96 UND

Positioning of UND

UND is well within the top 100 doctoral research universities in the USA
– by every measure, and is
Poised to move into the top 50

97 UND



98 UND

On to End
More Background
Information

99 UND

Vision
Without the Resources
to Carry It Out
Is "Nuts"

Ross Perot

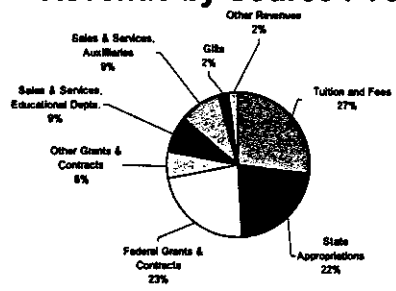
100 UND

Fall Enrollment History and Target Goals

	Fall Enrollment History					Target
Types of Students	2000	2001	2002	2003	2004	2005
New Freshman Students	1,837	1,947	1,987	2,184	2,159	1,850
New Transfer Students	724	839	920	884	781	800
Other Undergraduate Students	6,561	6,899	7,370	7,633	7,760	7,475
Graduate Students	1,492	1,557	1,714	1,884	2,045	1,850
Professional Students	417	422	432	429	432	425
Total Fall Enrollment	11,031	11,784	12,423	13,034	13,187	12,595

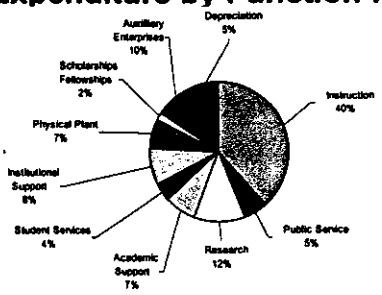
101 UND

Revenue by Source FY04



102 UND

Expenditure by Function FY04



103 UND

University of North Dakota
UND and School of Medicine & Health Sciences
2003-05 Appropriation and Other Funds Status
(Dollars in Millions)

	Original 03-05	Revised 03-05	Increase
State General Fund	$117.1	$131.9	$14.8
Tuition/Mill Levy	$106.0	$116.1	$10.1
Local/Grant Funds	$390.6	$398.8	$8.2
Total	$613.7	$646.8	$33.1

104 UND

UND School of Medicine & Health Sciences
2003-05 Appropriation and Other Funds Status
(Dollars in Millions)

	Original 03-05	Revised 03-05	Increase
State General Fund	$30.2	$30.2	$0.0
Tuition/Mill Levy	$19.0	$19.0	$0.0
Local/Grant Funds	$70.6	$78.8	$8.2
Total	$119.8	$128.0	$8.2

105 UND

University of North Dakota
2003-05 Appropriation and Other Funds Status
(Dollars in Millions)

	Original 03-05	Revised 03-05	Increase
State General Fund	$ 86.9	$ 101.7	$14.8
Tuition/Utility Revenue	$ 87.0	$ 97.1	$ 10.1
Local/Grant Funds	$320.0	$320.0	$ 0.0
Total	$493.9	$518.8	$24.9

Excludes Medical School

106 UND

Rankings of States on Appropriations of State Tax Funds for Operating Expenses of Higher Education per $1,000 Personal Income and per Capita, FY 2005

	Appropriations ($1000s)	Per $1,000 Income $	Per Capita $
North Dakota	200,430	10.57	316.22
North Dakota's Rank		4	5

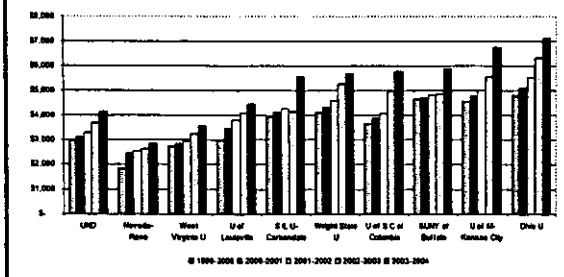
107 UND

UND: Benchmark Peer Institutions

- Ohio University – Main Campus
- Southern Illinois University – Carbondale
- SUNY at Buffalo
- University of Louisville
- University of Missouri – Kansas City
- University of Nevada – Reno
- University of South Carolina at Columbia
- West Virginia University
- Wright State University – Main Campus

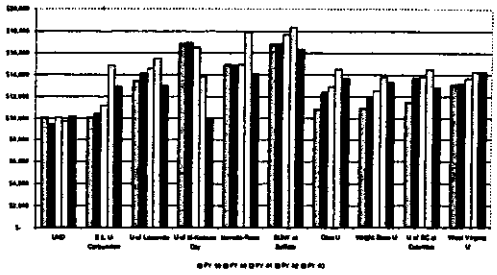
108 UND

UND Undergraduate In-State Tuition and Fees Compared to Peer Institutions



109 UND

State Appropriations Plus Net Tuition/Fees per FTE Student – UND and Peer Institutions



110 UND

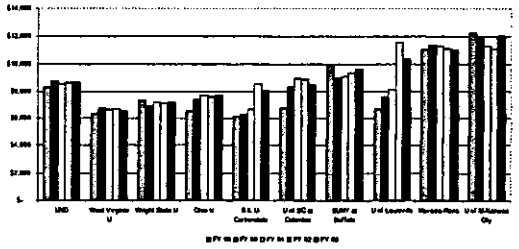
Benchmark Comparison

	Sum of State Appropriation and Tuition per Student*
University of North Dakota	$10,480
Median of Peer Institutions	$14,640

* FY03 is most recent data available for peer institutions.

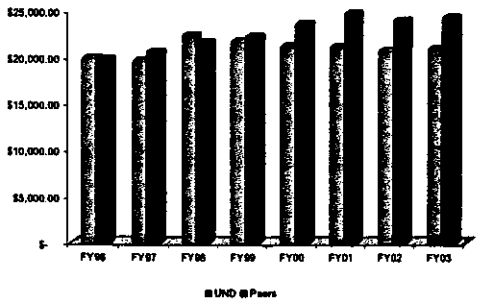
111 UND

Instructional Expenditures per FTE Student – UND and Peer Institutions



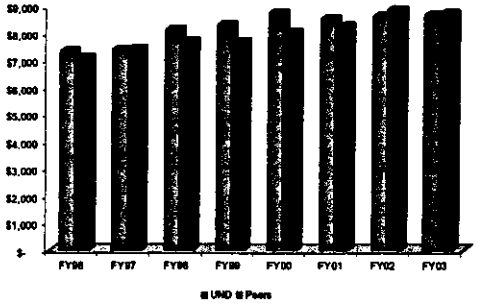
112 UND

Total Expenditure per FTE UND vs. Peer Institutions



113 UND

Instructional Expenditures per FTE UND vs. Peer Institutions



114 UND

Salary Comparison: UND to AAUP Faculty Salaries

(% Variance)

	2000-01	2001-02	2002-03	2003-04
Professor	-47.12%	-46.70%	-42.67%	-37.87%
Associate	-24.63%	-22.19%	-19.01%	-15.32%
Assistant	-19.70%	-18.12%	-13.46%	-11.72%
Instructor	9.72%	2.30%	5.78%	13.01%

115 UND

Tuition vs. Residency

	2004-05 Undergrad Tuition Rate	Percent of Resident Tuition Rate	Fall 2004 Undergrad Enrollment	Percent of Undergrad Enrollment
Resident	$4,009	100.00%	5,750	53.69%
Nonresident	$9,811	244.74%	725	6.77%
Contiguous / WUE / WICHE	$6,013	150.00%	1033	9.65%
Minnesota	$4,476	111.65%	3202	29.90%
			10,710	100.00%

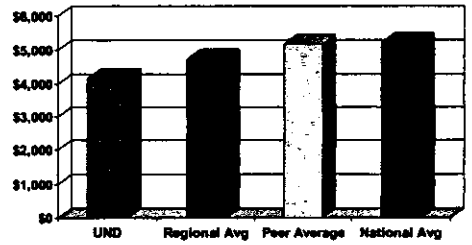
116 UND

Tuition and Mandatory Fees UND

2004-05 $ 4,828

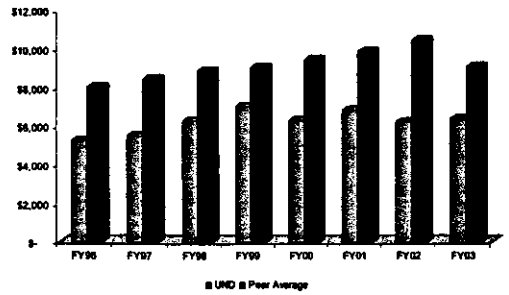
117 UND

2003-04 Peer, Regional and National Tuition and Fees Comparison



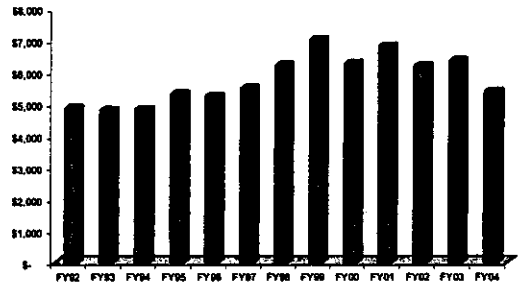
118 UND

State General Fund per FTE UND vs. Peer Institutions



119 UND

UND State General Fund per FTE



120 UND

University of North Dakota
January 18, 2005

University of North Dakota - Flood Recovery Update
2003-05 Deficiency Appropriation Request

Deficiency Appropriation

The net estimated 2003-05 deficiency appropriation request as of January 18, 2005 is $371,254. All flood related projects have been completed and efforts are now focused on the FEMA close out and payment process. The close out process for the steam line project and project management costs is in process and may result in identification of other FEMA ineligible costs (see below).

Bank of North Dakota Loan

The current loan balance is $2,610,854. The interest cost through 9/21/04 is included in the deficiency request at $62,343.68, and an additional $31,330 is estimated through 6/30/05. An additional $47,639 remained unpaid as of 6/30/03. Interest costs on the loan will continue to accrue until final payments are received from FEMA. The timing and amount of payments to be received from FEMA is not known. Thus, it is not possible to estimate the total interest cost that may accrue over the life of the loan.

Interest costs beyond those funded in the 2003-05 deficiency funding would be requested as a future deficiency appropriation.

Flood Insurance

Flood Insurance Summary:
The total insurance received from all sources to date is $6,325,230.

North Dakota Fire and Tornado:
Both FEMA and North Dakota Fire and Tornado have made final decisions regarding insurance coverage issues (interpretation of coverage as it relates to ordinance of law, extra expense). These decisions have resulted in $229,941 which FEMA has disallowed and NDFT will not cover.

Arbitration

Lunseth Plumbing and Heating Co. v. North Dakota State Board of Higher Education:
On or about May 29, 2002, pursuant to a contract between the NorthDakota State Board of Higher Education (on behalf of the University of North Dakota) and Lunseth Plumbing and Heating, Lunseth commenced an arbitration seeking payment for work performed as part of Phase I of UND's steam distribution system restoration project. Lunseth claims an unpaid balance in excess of $4,339,000. Lunseth has since included Phase II of the project.

On June 19, 2002, UND filed a response and asserted counterclaims based on untimely and defective work performed by Lunseth. UND also brought a motion to dismiss based on lack of jurisdiction.

Arbitrators have been appointed. The parties agreed to put the arbitration on hold pending Lunseth's submission of its final claims to UND on September 30, 2002, and the ultimate response by the Federal Emergency Management Agency (FEMA). UND has agreed to submit these claims to the State of North Dakota's Emergency Management Division and FEMA without comment. It is hoped that some of the issues can be resolved in this manner.

The normal procedure for paying such claims is for UND to pay the contractor; for the State to reimburse UND at 90 percent of the claimed amount; and for a review by the State and FEMA to occur. If all documentation is appropriate and the claim is accepted, no adjustment is made to UND's payout from the State. If the claim is rejected, the money the State provided to UND for the claim is withdrawn.

In this case, UND and Lunseth have agreed that instead of paying the disputed sum directly to Lunseth, UND can hold the money in the form of a check until the review has been completed. The rest of the procedures are being followed. If the claim is accepted, UND will then release the money to Lunseth. Review by the State of North Dakota has occurred and FEMA is reviewing now.

In addition to these claims, Lunseth has alleged negligence on the part of UND, its Architect, EAPC, and it's Construction Manager, Barton Malow, and has demanded damages.

The arbitration has commenced by briefing the jurisdictional issues. A hearing date of January 19, 2005 has been set for argument on UND's Motion to Dismiss. UND's exposure has not yet been determined although it is not believed to be close to the alleged amount. After the hearing panel determines the jurisdictional issue, discovery will commence.

After discovery, UND will have a better understanding of the issue of liability in this case. The hearing, for any issues that remain after the Motion to Dismiss has been handled, has been set for June 13, 2005.

Other FEMA Ineligible

Through the process of damage assessment, repairs, costing, insurance claims, litigation and final close out of each DSR, decisions have been made by FEMA to assign costs to UND as ineligible for FEMA funding. In all instances UND has made a good faith effort to comply with FEMA regulations, pursue reasonable avenues of appeal and maximize cost recovery from other applicable sources. Project close out and audit of the federal funds may result in additional unreimbursed costs. Variations between actual costs incurred and original cost estimates may also result in over or under recovery to be resolved as part of final close out.

At this time, the steam line project and project management are being reviewed by FEMA. The total steam line expenditures are $29,310,968 and project management expenditures are $1,655,950. To date, FEMA has raised questions regarding about $2.8 million of costs and UND has provided additional documentation for consideration. The close out process is not yet complete.

University of North Dakota
Testimony to the Senate Appropriations Committee
On HB1024

Alice Brekke, Budget Director
February 23, 2005

2003-05 Deficiency Appropriation Request-1997 Flood

Deficiency Appropriation Summary (Cumulative):	
• 10% Cost Share	$4,448,287
• Interest on Bank Loan	1,976,681
• Labor Charges not reimbursed by FEMA	845,080
• Service and Supply Charges not reimbursed by FEMA	37,776
• Disaster Grants Management Consultant (DMG Maximus)	707,147
• Simulated Flood Insurance Deductions	6,335
• Sewer Line Videotaping	176,996
• Other FEMA Ineligible	419,969
• Other FEMA Ineligible-Insurance	229,941
1997 Flood Expenditures-Total Estimated Deficiency	$8,848,211
Amount Funded in 1997-99; 1999-2001; 2003-05 (See Note)	8,476,957
Net Estimated 2003-05 Deficiency	$371,254

Note: The funding provided in response to the request for a deficiency appropriation for 2001-03 was included in HB1003 as part of the contingency fund to the State Board of Higher Education for the 2003-05 biennium. Although an emergency clause was included in Section 39 of HB1003, it was determined by Legislative Council staff and legal counsel that the section did not include the language that would allow it to be treated as an emergency clause. We request that an emergency clause be included for the 2003-05 deficiency appropriation.

University of North Dakota - Flood Recovery Update
2003-05 Deficiency Appropriation Request

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Other FEMA Ineligible

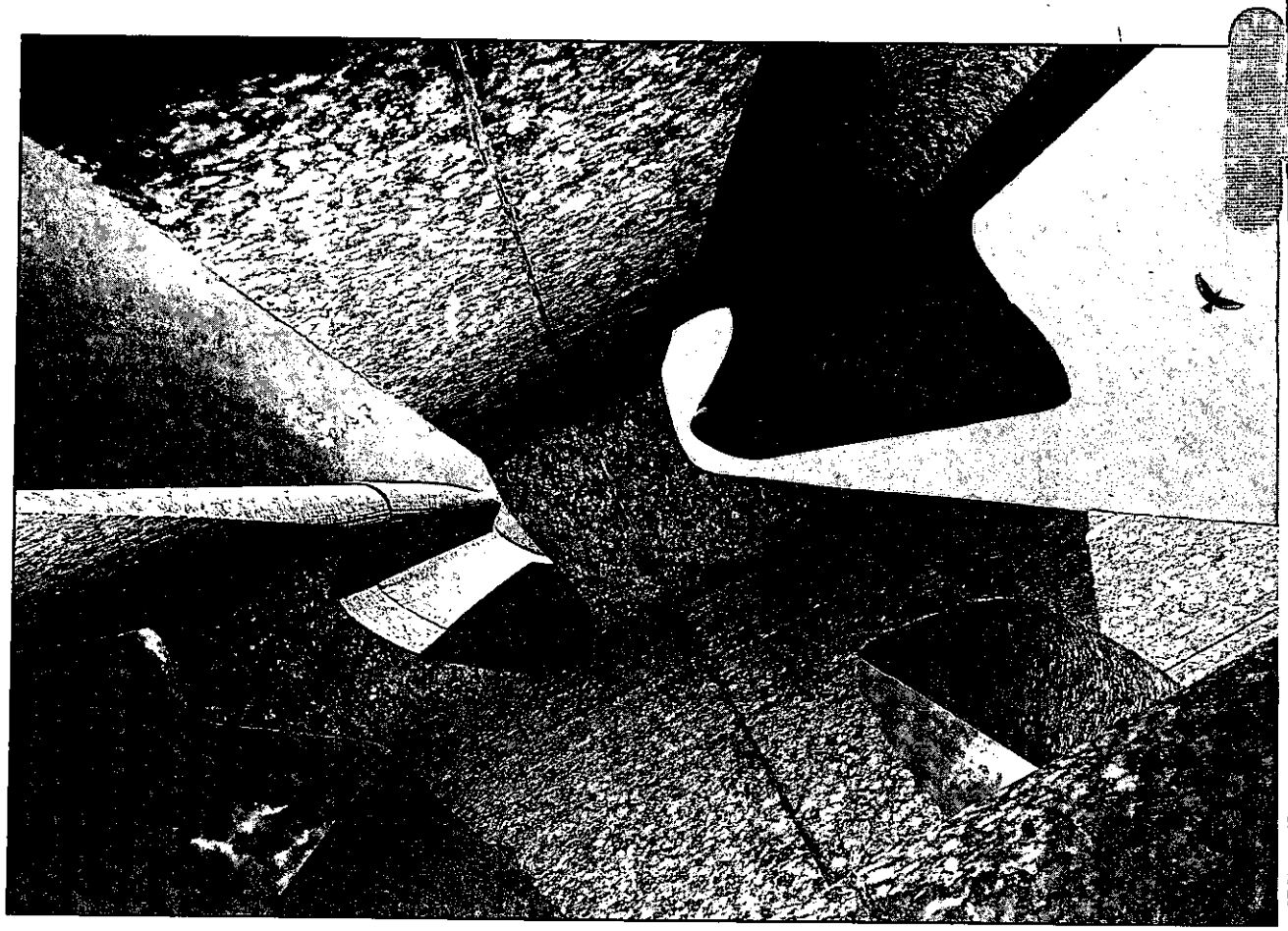
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UND THE UNIVERSITY OF NORTH DAKOTA

THE STATE OF THE UNIVERSITY

TAKING IT UP ANOTHER NOTCH



OCTOBER 13, 2004



President Kupchella presents the 2004 "State of the University" address in the Memorial Union Ballroom.

Evidence of progress ..... Page 1
Broad challenges and opportunities ..... Page 7
Specific areas of opportunity and challenge ..... Page 8
Issues and actions for the year ahead ..... Page 10

THE STATE OF THE UNIVERSITY

TAKING IT UP ANOTHER NOTCH

PRESENTED BY
CHARLES E. KUPCHELLA,
PRESIDENT

OCTOBER 13, 2004

Good afternoon, ladies and gentlemen, and thank you for coming today to review with me the state of this great University. I am pleased that during this past year we have, collectively, been able to take the University up yet another notch.

In the year in which we first welcomed **Chancellor Robert Potts** to North Dakota, we stand as the largest, most heavily endowed, most complete University in a very large region of the Upper Midwest. By multiple measures, we continue to be rated among America's best colleges and universities, and nationally as one of the best values in higher education. I'm again proud to say that because our progress has so many elements I'm able to touch on only a few in this report. Here, today, I will only be able to talk about a few of the most important efforts we need to make this year. At year's end, we will collectively present a comprehensive strategic picture of the University in our **updated Strategic Plan.**

Progress

We continue to make remarkable progress across a very broad front, including **enrollment, research funding, program development,** and the **construction and renovation** of our physical assets. Our enrollment continues to grow, the proportion of our graduate enrollment is getting larger, and we continue to become more of a national and international University.

We have again been able to make significant progress in **salary increases,** and have cut the gap between median faculty salaries here and nationally by nearly half in the past five years.

We've enjoyed another great year of progress in expanding our sponsored program base, particularly in research. Grant and contract expenditures continue to move at a steady, sustainable rate upward, and we have again achieved record levels in research funding. The most recent National Science Foundation data

for federally financed science and engineering expenditures placed UND at number 158 at the end of fiscal year 2002, ranking us regionally behind only the University of Minnesota and Montana State University. In that same report, we ranked about in the middle of our set of peer institutions.

In a study done by our Bureau of Economic Research this year, it was shown that the total of $83 million in external support had (conservatively) **a $135 million impact** in North Dakota, and amounted to some 1,430 jobs and $2.6 million of state and local tax revenue.

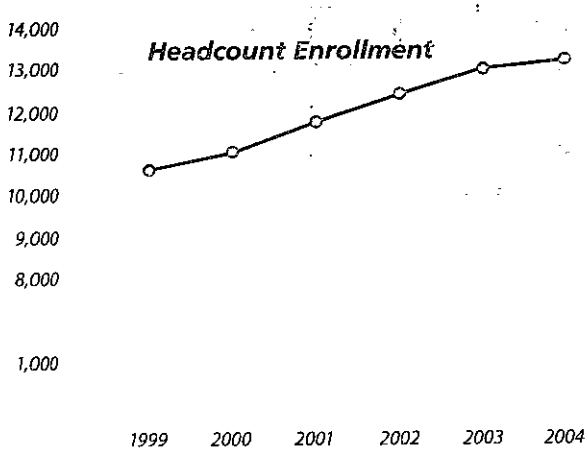
UND has employed its first intellectual property specialist, **Jim Petell.** Jim has been hard at work evaluating discoveries for commercial potential. He projects that we could file more than 20 patents this year, and some 50 patent applications next year.

We continue to make great strides in connecting our research, development, demonstration and commercialization activities to our core mission of teaching and learning. Students are getting more and more opportunities to participate in research. We have had enormous amounts of help from members of our congressional delegation, as well as from the Governor and the North Dakota Legislature. Further framing for expansion of research development and commercialization has been provided by the **Red River Valley Research Corridor** concept, championed by Senator Dorgan. Additional stimulation of our research, development and commercialization enterprise has come from the **Centers of Excellence** concept, championed by Governor Hoeven and by the Legislature.

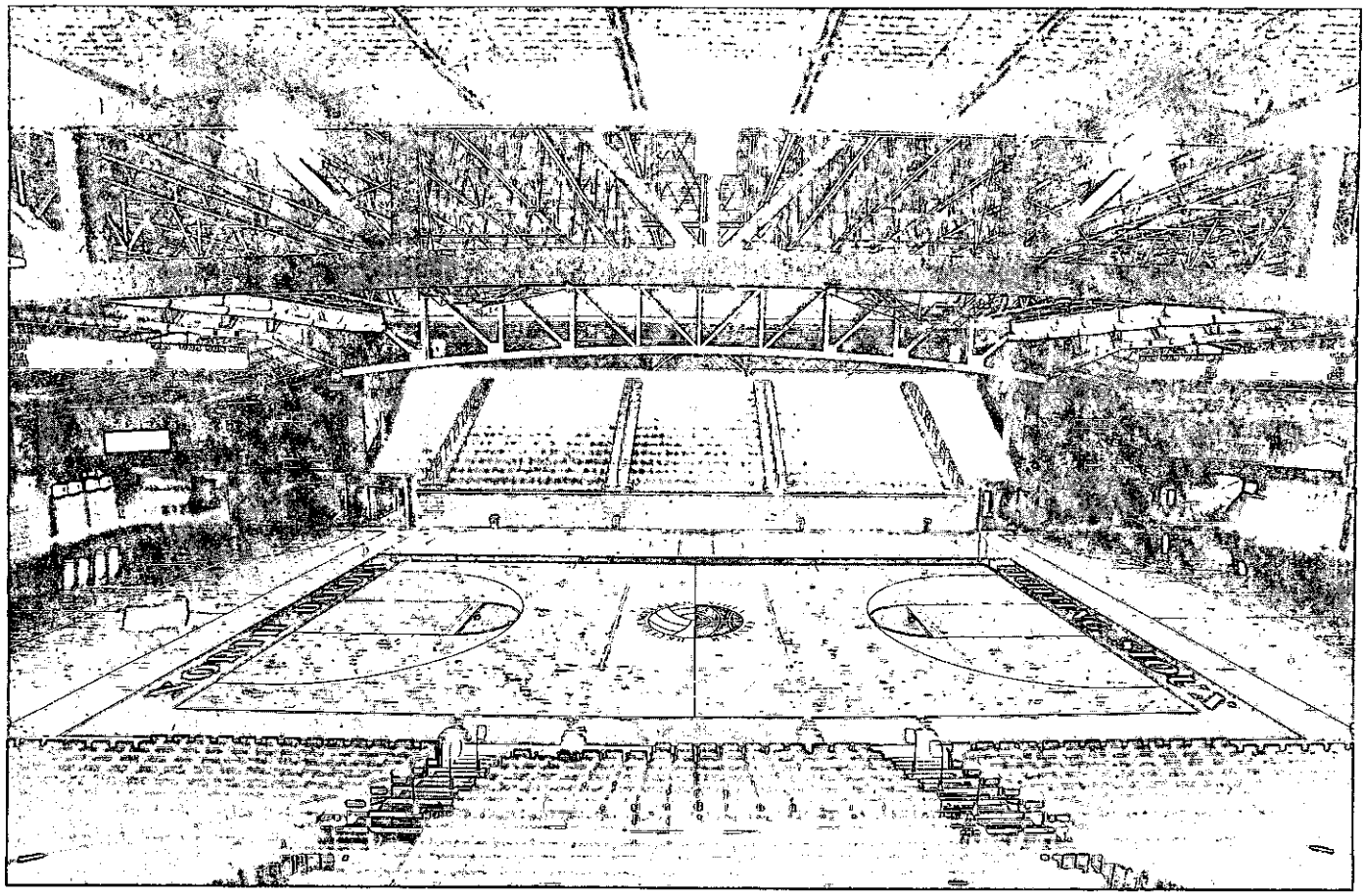
Because elements of the **University's Commercialization Complex** are scattered across a large area of the campus and beyond, its magnitude is underappreciated. There are no fewer than a dozen key elements already present as part of this complex, including companies that have spun out of UND research as well as stalwarts like our Energy and Environmental Research Center. Bolstered by its internationally recognized centers of excellence in medicine, energy and the environment, and aerospace, UND serves as a hub for a substantial research/development/demonstration/ commercialization complex linking companies and commercial enterprises throughout the world. All of this serves as a lifelong learning laboratory and thus is integral to the University's core mission. Additional exciting commercial facilities are under consideration. We are about to dedicate the **Ina Mae Rude Tech Incubator** — which will double our "incubator" capacity — and at the same time celebrate the support provided by **Mr. Norm Skalicky.** Congratulations to **Bruce Gjovig** for a successful 20-year history of operating what was one of the very first university-based tech incubators in the United States.

Many other kinds of facility improvements have been made this past year, or are currently under way. These include a new home for Integrated Studies and the Department of Geography in **Ireland Hall**, the renovation of the **Memorial Union**, a new **Neurosciences Research Facility**, plus many others. Future projects under consideration include new student housing, an Allied Health facility, and a

Headcount and FTE enrollment



The fall headcount enrollment has grown from 10,590 in 1999 to 13,187 in 2004; in that same period, full-time equivalent enrollment has climbed from 8,911 to 11,185.



The Betty Engelstad Sioux Center, home for basketball and volleyball, is the newest addition to UND's national-caliber athletic facilities.

parking ramp. I'm especially pleased that we have begun construction of a $20 million **Wellness Center** on the Bronson property.

You've read recently about the impressive developments on our **Bronson property.** This former corn and wheat field is soon to be the home of over $100 million in new projects, including 26 townhomes forming a core for the rapidly emerging **University Village.** The townhomes are but one component of a program of accommodation for early retirees, alumni, retired faculty, and others who wish to be co-located with the University and who might, among other things, wish to take advantage of programs like **Summer Haven,** organized and piloted by **Deb Melby** this past summer. Roughly half of the Bronson property is already under development, with additional facilities under consideration.

The work of UND faculty, staff, and student leaders continues to be favorably regarded by our graduates. We receive great evaluations of the UND experience by alumni and employers, as indicated by the results of surveys conducted by our Office of Institutional Research.

We continue to receive strong financial support from alumni and other friends and benefactors. I've already mentioned the doubling of our business incubator made possible by gifts from **Mr. Ray Rude** and **Mr. James Ray**; we have also expanded our first-class athletic facilities, thanks to the support given by the **Engelstad family.** The College of Business and Public Administration, which is well along in a $20 million capital campaign, has already seen tremendous improvement in its facilities. These include the **Lanterman Financial Center,** the **Page Marketing Center,** and the **Helland Family Advising Center.**

All of the above is but a partial listing of the general accomplishments and indications of quality that come from the work of individual faculty, staff, and students. What I would like to do now is recognize additional individuals and teams whose accomplishments of the past year are especially noteworthy.

John Watson and faculty in Engineering recently won a $2.8 million Department of Defense contract in cooperation with **Alion, Inc.** to develop new finishes to reduce wear in aircraft engines. They also continue to work collaboratively with the Odegard School of Aerospace Sciences to place a camera on the International Space Station.

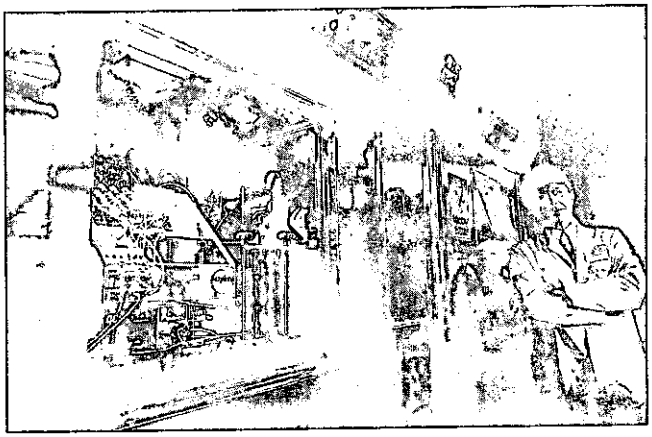
I would like to recognize **Dr. Peter Alfonso,** since he's worked almost two years to take our research enterprise up to the next level. He has helped us get our research and development enterprise better organized and has brought in the University's first Tech Transfer Officer.

Dean Joey Benoit and many others are recognized for the dramatic expansion in graduate programs enrollment.

Because of **Laurie Betting's** efforts, "wellness" here and throughout the state is "on fire." She has led the way not only in coordinating the design of the $20 million Wellness Center but also in developing, in cooperation with Student Government, a comprehensive wellness concept for our University and the State of North Dakota.

I urge you all to get to know **Ray Lagasse,** the relatively new Director of the Office of International Programs. Ray presides over a very vibrant enterprise that now brings to campus nearly 700 student scholars and their dependents. This continues to do much to advance diversity in Grand Forks.

I would like to recognize **Mary Wakefield** for her tireless, creative work in enhancing rural health. The work of the **Center for Rural Health** ranged from placement of automatic defibrillators in places throughout our state,



Dr. Manuchair (Mike) Ebadi, associate vice president for health affairs, heads the Center of Excellence in Neurosciences in the School of Medicine and Health Sciences. The showpiece of the center is the new Positron Imaging Research Laboratory.

through the ongoing identification of major health issues and impediments, to serving as a resource on rural health and on American Indian aging.

Phillip Parnell and **Nancy Krogh** carried out a heroic effort in the Registrar's Office to develop 756 program agreements with 47 institutions — 307 of these on North Dakota campuses, 419 in Minnesota.

Jim Shaeffer, with **Dorette Kerian** and others, has taken our Information Technology program to another level. In his capacity as Dean of Continuing Education, Jim has led the way in making possible the development of 22 degree programs at a distance. Jim also presides over UND Conference Services, which is clearly the best in this wide region of the Upper Midwest.

John Shabb and colleague faculty members received a $16.5 million INBRE grant, bringing significant financial support to all of the state's four-year institutions. John and his colleagues have done much to facilitate collaborative research between and among the State's institutions.

Phil Harmeson's work established **Operation Enduring Friendship,** a wonderfully important community link with the Grand Forks Air Force

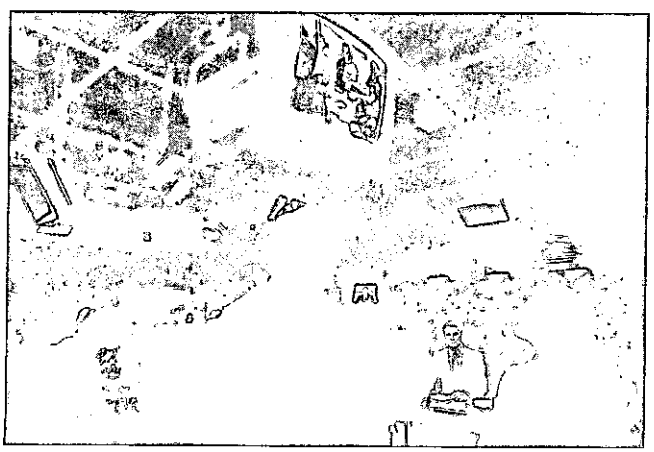
Base, bringing enlisted personnel and their dependents to the campus for athletic and cultural events.

Dr. Mike Ebadi and colleagues have brought our capacity for deep brain research in the neurosciences to the highest national levels.

Alice Hoffert, Kenton Pauls, and associates provided us with yet another record enrollment for the University. They would be the first to point out that the work of recruiting is a campus-wide responsibility, but clearly they and their colleagues have done outstanding work in recruiting the student body called for in our Strategic Plan.

Dave Vorland, Chuck Kimmerle, Jan Orvik, and the **University Relations staff** have strived to enhance the image of the University through high-quality photography, high-quality publications, and work toward achieving both Internet and print-media graphic standards, and don't forget **Chuck Kimmerle's** "Photographer of the Year" recognition by CASE.

Bob Gallager, Larry Zitzow, Rick Tonder, Paul Clark, and the entire **Facilities staff** have given us absolutely outstanding work in enhancing and maintaining our physical plant.



UND's Studio One *has been honored repeatedly as one of the best collegiate television programs in the nation. Alumni of* Studio One *are working in broadcasting operations across the nation.*

Denny Elbert, Tim O'Keefe, Blanche Abdallah, and **Deanna Carlson Zink** implemented a Capital Campaign in our College of Business and Public Administration, which has already brought nearly $15 million toward so many exciting projects. I also want to recognize Tim and his colleagues for their work bringing the University Deans and Department Chairs into the development enterprise.

Lillian Elsinga and associates in Student Services have earned our heartfelt appreciation for exemplary handling of the Dru Sjodin tragedy last year — and the quiet, competent handling of other crises throughout the year.

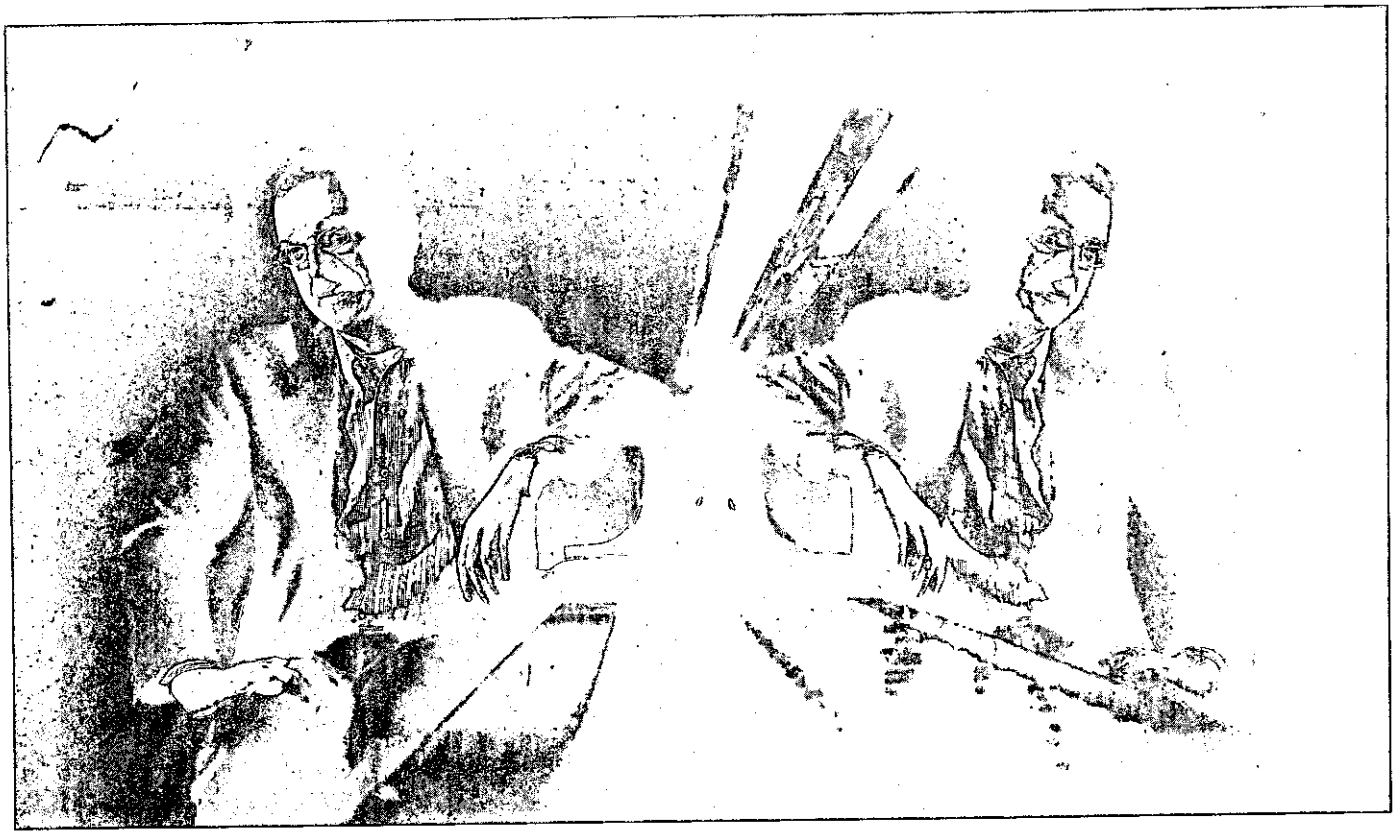
Dr. Kanishka Marasinghe, Associate Professor of Physics, is typical of the new cadre of research-minded faculty being drawn to UND. In the fall of 2000, Kanishka was given an empty room and some modest start-up funding for his lab. Today, thanks to two grants from EPSCoR and the assistance of the Faculty Research Seed Money fund, Kanishka and his team enjoy state-of-the-art equipment and have become important national players in the study of high-energy lasers.

Dr. David Wilson and his colleagues in the School of Medicine and Health Sciences, generally, are congratulated for their outstanding curricular innovations and for taking the sponsored research enterprise up by nearly $20 million in the past five years.

The continued innovation and free thinking of **Dr. George Seielstad** and his colleagues in the Upper Midwest Aerospace Consortium help make the University of North Dakota a vibrant organization. George's latest project is a proposal to bring NASA's DC-8 research aircraft to UND and the Grand Forks Air Force Base.

Roger Thomas, Dale Lennon, and all the coaches and athletes are to be commended for our world-class intercollegiate athletic program.

Barry Brode and associates recently produced **Studio One's** 300th program.



The artistry of Sergio Gallo has brought international attention to the University and its music program.

Dr. Gerry Groenewold and company at the Energy and Environmental Research Center have broadened the reputation of the University of North Dakota as a force in the world for achieving energy independence for our country and a cleaner environment for everyone. The EERC has served some 778 clients over the last few decades, including clients in all 50 states and 47 foreign countries.

Jordan Schuetzle and **Christina Sambor,** President and Vice President of our vibrant Student Government, are known for their full engagement in campus governance, and especially their advocacy for students.

An internationally acclaimed pianist, **Sergio Gallo** has vastly increased UND's visibility across the globe. He composes original music and performs in recitals several times each year around the world.

Kristine Carlson, a graduate student in chemistry, was selected as one of a few American students invited to participate in the annual gathering of Nobel Laureates in Lindau, Germany.

Student **Allison Baker,** a McNair Scholar in Counseling, completed an outstanding academic record at Mandaree High and as a UND undergraduate. She is now zeroing in on a topic having to do with the complex interaction between belief structures and behaviors of reservation-dwelling American Indians.

Others whose good work I would like to recognize today are **Van A. Doze,** Assistant Professor of Pharmacology, Physiology and Therapeutics, recipient of a prestigious career award from the National Science Foundation, and a leader in bringing the COBRE research program here to North Dakota; **Tom Mohr,** whose Department of Physical Therapy developed an online doctoral program; **Mike Anderegg**, a prolific scholar whose most recent book, *Cinematic Shakespeare,* was one of many

books published by English faculty last year; **Shan de Silva** and the faculty in the Department of Space Studies, for many important developments including the offering of a master's degree, and soon a doctoral program, online; **Wayne Bruce,** who developed a cooperative program in Clinical Laboratory Sciences with the Mayo Clinic; and **Bob Rubeck,** who has helped pioneer video conferencing and telemedicine throughout the Upper Midwest and the nation.

It continues to be noteworthy, I think, that we get the results we do and that we are able to match the accomplishments of our peer institutions with a fraction of the support per student available to these other institutions. The State Board of Higher Education indicates that UND's state appropriation on a per-student basis places us at about 56 percent of the median of our peer institutions. The general fund appropriation UND would need to reach 85 percent of its peers is approximately $60 million per biennium, or $30 million annually. If we were to reach 100 percent — and actually match the median of our peers — UND would need an additional $45 million annually.

I once again acknowledge the fact that North Dakota citizens continue to support higher education at a rate near the top of the 50 states. On a per-dollar personal income basis, North Dakotans provide about 166 percent of the national average. This apparent paradox is a consequence of the facts that we have relatively few North Dakotans and a relatively low per capita income — and that such a large percentage of North Dakota students avail themselves of post-secondary education.

Nonetheless, our successes are noteworthy, and here comes another year in which we must redouble our efforts once again to get the kind of results that our stakeholders have come to expect from the University of North Dakota. As we move the University upward, it gets more difficult. We will, thus, have to work even harder to move the University forward.

Broad challenges and opportunities

We have now, for the second year in a row, instituted one of the largest increases in tuition in the history of the University. Tuition has risen more than 32 percent over the past two years. The overall cost of attending UND has risen about 20 percent.

Fortunately, we still remain one of the best bargains in higher education because our starting point was relatively low and tuition has increased even faster in surrounding states and throughout the country. Thus, we continue to show up on lists of **best values in higher education.** One of our challenges, obviously, will be to continue to offer high-quality education to students across the spectrum of the ability of students and families to pay for higher education.

We will have to find a way, even as our admission standards are raised for this coming year, to accommodate all students in need of post-secondary education. Our personnel in Enrollment Services and Student Services, as well as Academic Affairs, are working on alternatives for students who will not meet all of our new automatic-admission standards. As we reach our on-campus capacity, we will have to redouble our effort to develop extended learning programs. Future expansion will have to come through Internet-based courses and programs, and programming at our centers in Fargo, Bismarck, Minot, and in other locations.

Other big issues in higher education continue to be those associated with the post-9/11 environment, expanding underserved minority populations, and the reauthorization of the Higher Education Act. UND must and will continue to deal with all of these.

Such issues notwithstanding, we must continue to move the University of North Dakota firmly and by all measures safely into the top 100 American universities. We must lay the

foundation for eventually placing the University among the top 50 graduate research universities in the United States. We must do this with a sustained focus on innovative blending of teaching, research and service. We must accomplish this by, among other things, utilizing state-of-the-art technologies serving to enrich and extend learning. We must develop new programs resonant with emerging needs in the world. We must strengthen existing centers of excellence and develop still other centers. We must continue to serve as a leading cultural center for the region, with programs of the very highest caliber in music, theater, and visual arts. We must sustain what is now one of the most effective intercollegiate athletic programs in the academy.

First and foremost, we must redouble our efforts to focus on student learning, and find more effective ways of assessing learning. We must make sure that every one of our academic programs is up to speed in having an assessment plan, having evidence of implementing that plan, and making changes in its curricular approaches based on the results of assessment.

We still have a ways to go in developing the full potential of experiential learning. Governor Hoeven has announced an emphasis on internships and the Legislature will no doubt be asked to consider funding to support internship programming. Internships are but one kind of direct involvement in learning. I will continue to ask every one of our academic programs to make experiential learning a regular component of every one of our academic programs.

Some additional specific areas of opportunity and challenge

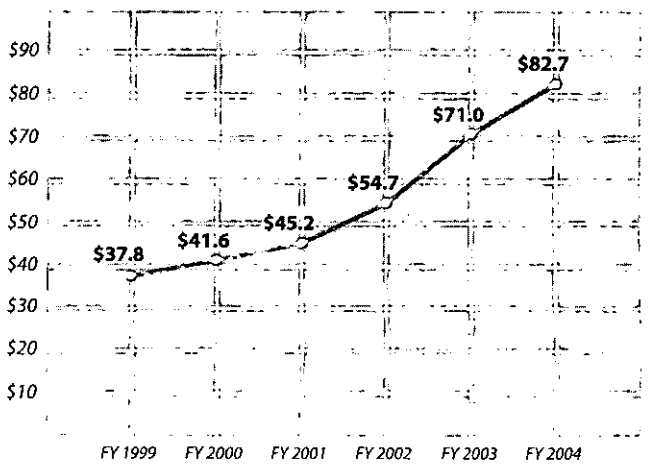
Health and Wellness. We are building a $20 million Wellness Center. This project is but one element in an overall effort to improve the health of our students, faculty and staff. We have a group working on the development of a healthy faculty and staff program, and of course a large group of people working on a comprehensive wellness program for students. I would like to see a wellness component built into our general education curriculum. I will be asking the Provost and the Deans, as well as the appropriate committees of the University Senate, to consider how best to accomplish this. It seems to me, after all, that even if we are successful and achieve all the other goals we have for students, those goals really won't be met if they don't live healthy lives. Thus, we must include wellness and healthful living as part of the skill set of every graduate.

Our wellness programming will dovetail nicely with the University's already significant involvement in the **Healthy North Dakota** effort, itself a component of the national **Healthy People 2010** program. Personnel in our Center for Rural Health, Nutrition, Wellness Program, and others, are at work at the state level, giving shape to this Healthy North Dakota program.

Centers of Excellence. Dr. Peter Alfonso and the University Research Council will have responsibility for continuing to develop our Centers of Excellence program and research development and commercialization. We have already submitted 20 such Center ideas to the

Sponsored program awards

Millions of dollars, fiscal years 1999-2004

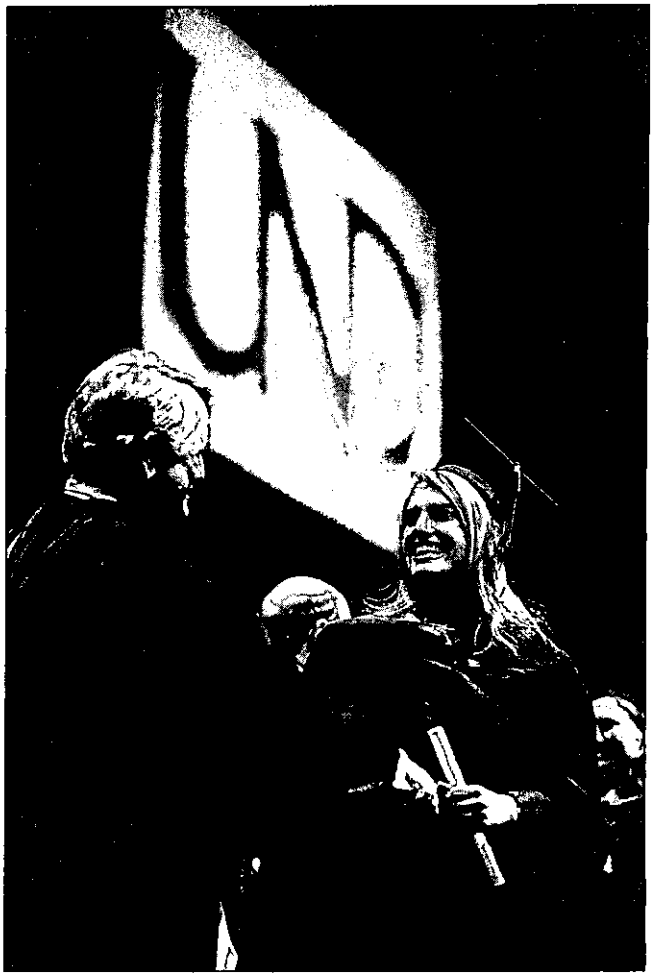


Governor and to the Department of Commerce. These "examples" will be used to illustrate the kinds of things that ***might*** be supported in the upcoming session of the North Dakota Legislature. Ideas for still other new centers are welcome.

We must continue to help shape the **Red River Valley Research Corridor.** This we will do by working with **North Dakota State University** and the other universities throughout North Dakota. Perhaps the most noteworthy example of what Senator Dorgan had in mind is the recent INBRE program, a $16 million grant brought to UND by John Shabb and others that provides support for biomedical research infrastructure and research program enhancement to all four-year schools in North Dakota. We will take this concept and run with it by developing new interactions with the **University of Minnesota,** the **University of Manitoba,** and both **South Dakota State** and the **University of South Dakota.** We already have the beginnings of a nice interactive relationship with the University of Manitoba, which we will explore further during a meeting in Winnipeg later this month.

Enrollment. It seems to me that as we approach our current goal of 14,000 students, we need to consider raising this to 15,000 or even 16,000 students. If we are to do this, however, we must plan for significant expansion of campus facilities and/or a major increase in our ability to deliver programs at a distance. We certainly do not want to over-promise, and to take more students here at UND than we can serve with high-quality programming and support systems.

It's great when enrollment increases, because of the emotional lift it gives. However, we know very well that tuition provides only about **half** of the cost of providing a high-quality education. We can go only so far making up the other half with **general** tuition increases. To raise enrollment much further we will need significant increases in state-appropriated dollars. We are rapidly approaching a limit beyond which it will become impossible to raise tuition further without disenfranchising students at the lower end of the family income spectrum.



As one aspect of broadening its audience and reputation, the University will explore more ways to celebrate the successes of its graduates.

Development. Strategic planning already under way makes it clear that private fundraising, engaging private donors and family foundations and the like, in support of the University must be given a higher priority. Thus, the Deans and Department Chairs are currently engaged in a training program designed to help establish fundraising know-how among our key leaders. The University has provided more than $400,000 in base support for

the overall effort. This is being embraced by the University of North Dakota Alumni Association and Foundation staff, who will obviously continue to be a key to our development enterprise. I would like to see us establish an endowment goal of $500 million, and I will be working with the Foundation to set a timeline for this and other ambitious goals.

Intercollegiate Athletics. I continue to be as proud as I could possibly be of our intercollegiate athletic program. I've been President now for just over five years, and during that short time our athletic programs have been involved in no fewer than six national title games, at both Division I and Division II levels. Our athletes continue to perform admirably in the classroom. Just a few years ago, we had both the Academic All-American of the Year at Division I and the Academic All-American of the Year at Division II. I will renew my pledge here to make all necessary efforts to keep our intercollegiate athletic programs competitive, nationally visible, and connected to the core mission of the University — to the goals we have for all our students.

Legislative Strategy. The state landscape is looking relatively good. The preliminary revenue forecast by the Office of Management and Budget for the '05-'07 biennium tracks about $102 million above the current level. Unfortunately, there are a lot of demands on that "extra state revenue." **Higher education's legislative strategy for the coming session is to advocate full implementation of the "long-term financing plan" developed in response to the Higher Education Roundtable.** This is at the top of UND's legislative agenda.

Some issues I am asking individual faculty and staff to focus on this year

As we continue to move forward, we must lay a substantial foundation that enables this University to move into and remain in the absolute top echelon of doctoral research universities. We must do this while preserving the sense of community that is unique to this institution and while preserving the core values of a liberal arts education. Our ability to do this will depend on what each of us does during our daily work.

For historic reasons, we've come to depend on units like the Energy and Environmental Research Center, the School of Medicine and Health Sciences, and Aerospace for most of our external funding. If we are to move on up from here, we must depend, increasingly in the years to come, on other Colleges and units **throughout** the University.

Whatever our enrollment target, retention will continue to be a key strategic element. Faculty often think that student affairs or student services has the biggest role to play in retention. However, all the literature I've ever seen indicates that faculty have the single most influential role to play in helping students be successful. Students stay in school because they find their educational experiences meaningful. Sure, other factors come into play, but this is the heart and soul of retention. I am asking all faculty to redouble their efforts — not to lower standards and not to pander, but to give students all that you've got to give in helping them achieve their goals. We have had a few indications in recent surveys that some students find some of our faculty relatively inaccessible. This must change.

Today, throughout the country, governors and economic development authorities are

deliberately and pointedly designating universities as not only key components in generating new economic wealth and activity, but as ***THE*** drivers for economic development. It appears that universities like ours are doing just that. I would like UND to become **the most effective university** in the United States in linking research, development and commercialization to the core teaching and learning mission. We can do this by building innovative linkages through experiential learning.

Strategic Planning. ***THE*** test of leadership in each organizational unit this year will be the engagement of **all** faculty and staff in forging a well-thought-out unit strategic plan. This is doubly important now because of the need for compelling case statements in fundraising and development. A college, school, department, or other unit, simply must have a clearly expressed idea of where an outside investor — or an inside one, for that matter — will help take that unit.

Among the things every unit plan should address, in order to be in sync with the rest of the University, are the following:

1. Faculty involvement in recruiting and retaining good students.
2. The development of exciting new programs and the rejuvenation or elimination of some old ones.
3. Development of Centers of Excellence.
4. Strategies for pursuing outside funding.
5. Defining, and then achieving, optimal enrollment in each academic program or optimal service delivery in each support program.

As strategic plans take shape, three fundamental questions should be posed and addressed: What can/should we do differently? What can we do to find external funding? What front-end investment should we ask the University to make as part of a well-considered business plan?

Among some of the other specific things I would like to see are:

1. The development and marketing of a full array of environmental sciences programs.
2. The development of ways to serve and/or direct students who do not meet our new **automatic** admission standards, including provision for **conditional** admission.
3. Continued review and tightening of our general education program such that its goals and approaches are more clearly **assessable.**
4. The exploration of better ways of celebrating highly successful graduates of UND.
5. Expansion of our Commercialization Complex with its component research parks.
6. Building some new student housing complexes.

Even if we accomplish only **some** of things mentioned here, we will have another great year. If we accomplish all or nearly all of them, it will be a **spectacular** year. In any case, we are going to need a lot of good, hard work and a lot of outside support across a broad front if we are to be successful in continuing to move the University toward the top.

Ambitious? Maybe, but nothing will create success more than believing in it. Franklin Roosevelt once said, "We have nothing to fear but fear itself." A reverse paraphrasing of this, just as true, might read: Nothing will influence our ultimate success more than our collective belief that we can succeed . . . and the degree to which our goals are expressed with conviction, in a compelling way, to those who would support us.

Dashboard Indicators

	2001	2002	2003	2004
Enrollment	**11,764**	**12,423**	**13,034**	**13,187**
New Freshmen	1,947	1,987	2,194	2,169
New Transfers (on campus)	729	803	884	781
Total Undergraduates	9,785	10,277	10,711	10,710
Graduate	1,551	1,714	1,894	2,045
Law and Medicine	422	432	429	432
Degrees Granted	**2,144**	**2,162**	**2,223**	**2,327**
Bachelor's	1,602	1,599	1,612	1,706
Master's	381	420	431	447
Doctoral	44	30	57	56
Medicine	53	51	57	54
Law	61	62	65	62
Specialist	0	0	1	2
New Grants and Contracts	**$45.2 million**	**$54.6 million**	**$61.2 million**	**$69.7 million**
Programs	**156**	**158**	**167**	**168**
Undergraduate	91	88	89	87
Master's	46	47	54	56
Doctoral	17	20	21	22
Law and Medicine	2	2	2	2
Specialist	1	1	1	1
Residence Hall Contracts	**3,031**	**3,199**	**3,405**	**3,231**
UND Foundation Assets	**$126 million**	**$121 million**	**$123.7 million**	**$138.1 million**
Total Annual Giving	**$10 million**	**$10.9 million**	**$6.1 million**	**$11.2 million**
Faculty Salary Increases	**7.1%**	**6.2%**	**5.0%**	**5.6%**

Dashboard Indicators

	2001	2002	2003	2004
Total UND Expenditures	**$204.4 million**	**$232.5 million**	**$255.9 million**	**$282.9 million**
Revenue, State Funds	30.9%	27.5%	26.4%	20.8%
Revenue, Tuition	20.6%	21.7%	22.5%	*24.5%
Revenue, Other	48.5%	50.8%	51.1%	54.7%
Tuition Per Credit Hour				
Undergraduate (resident)	$114.75	$123.08	$143.38	$167.03
Graduate (resident)	$123.50	$132.46	$154.28	$179.70
Undergraduate (non-resident)	$306.38	$328.63	$382.78	$445.95
Graduate (non-resident)	$329.75	$353.66	$412.03	$479.95
Medicine	$522.38	$560.29	$639.28	$729.45
Law	$132.25	$144.67	$168.53	$197.37
Benefited Employees	**2,403**	**2,561**	**2,651**	**2,768**
Campus				
Acres	553	540	543	549
Buildlings	233	229	234	234
Square feet under roof**	5.6 million	5.1 million	5.17 million	5.23 million

** Excludes flight fees for this comparison. The 2003-2004 financial reporting will reflect flight fees as tuition rather than "income."*

*** Included here are state-owned facilities. Not included are the city-owned Alerus Center (447,000 square feet), home to the UND football team and the site of spring commencement and numerous other events; the Hilton Garden Inn (74,000 square feet), adjacent to the Skalicky Tech Incubator; and the Ralph Engelstad Arena (400,000 square feet) and Betty Engelstad Sioux Center (50,000 square feet), on-campus facilities owned and operated by the private foundation established by the late Mr. Engelstad.*

UND at a glance

The University of North Dakota at Grand Forks, the largest institution of higher learning in North Dakota, South Dakota, Montana, and Wyoming, is classified by the Carnegie Foundation as a "doctoral/research-intensive" institution. This ranking puts UND in the small group of nationally important universities whose missions extend beyond undergraduate instruction to include graduate education, research, scholarship and creative activity, and public service. UND has long been characterized by its solid foundation in the liberal arts, a comprehensive array of colleges and schools (including law and medicine), a manageable size, high-quality students and faculty, a varied curriculum, rich cultural resources, and an outstanding record of alumni support.

Enrollment: 13,187

Academic divisions: John D. Odegard School of Aerospace Sciences, College of Arts and Sciences, College of Business and Public Administration, College of Education and Human Development, School of Engineering and Mines, Graduate School, School of Law, School of Medicine and Health Sciences, College of Nursing, Division of Continuing Education

Programs of study: 87 undergraduate, 55 master's, one specialist diploma, 22 doctoral, law (J.D.), and medicine (M.D.)

2004-2005 operating budget: $341.6 million

For more information:

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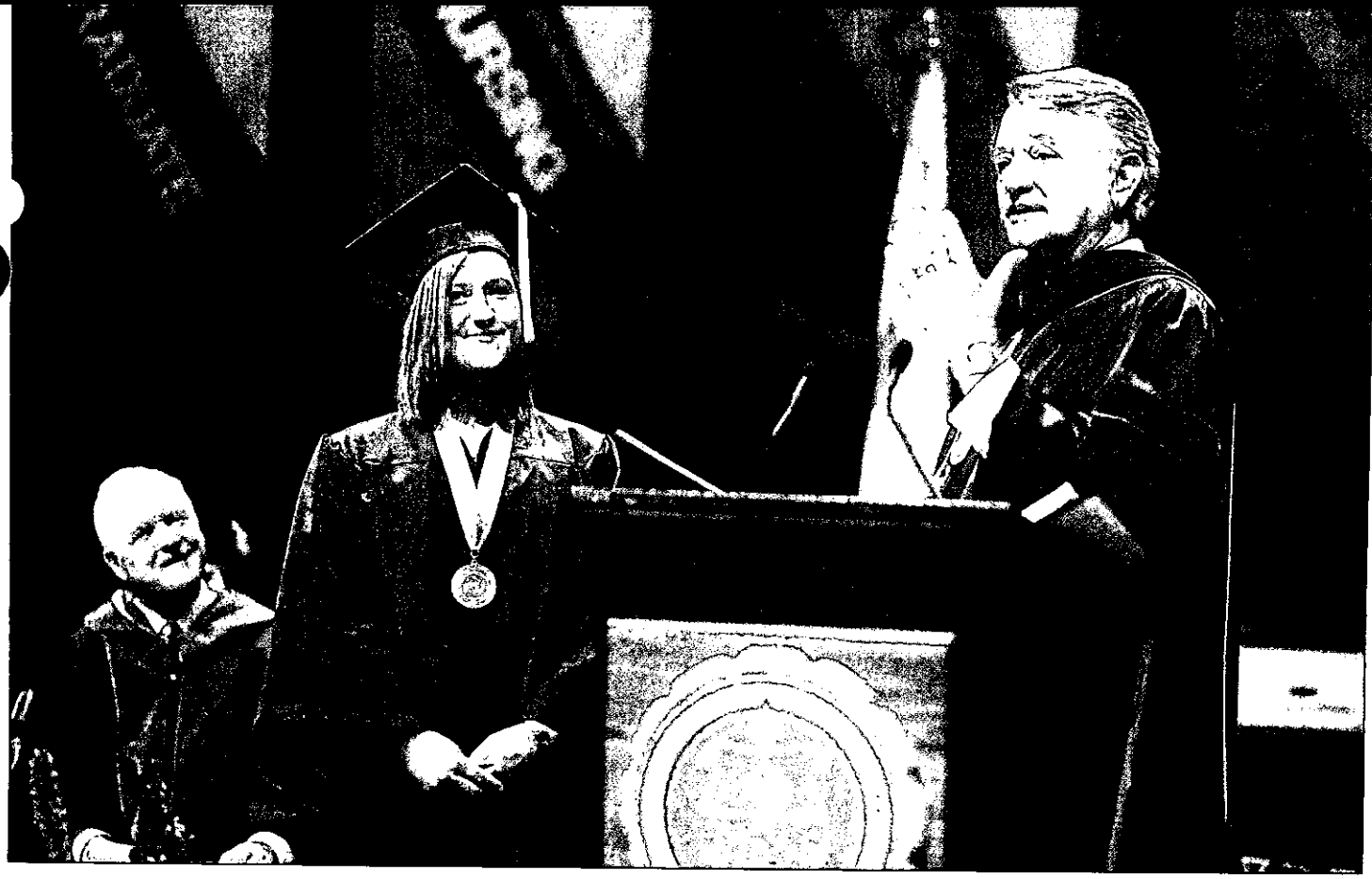
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100,000th degree

In 1889, the same year North Dakota attained statehood, the University of North Dakota held commencement exercises for the six women and two men who made up its first graduating class. Another milestone was reached at the general commencement ceremony on May 15, 2004, when UND presented its 100,000th degree to Krissondra Leigh Wolf. A native of Hazen, N.D., Wolf received a Bachelor of Science degree with a major in forensic science.

Achievement and Challenge

2004 President's Report

THE UNIVERSITY OF NORTH DAKOTA, GRAND FORKS

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January 2005

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Greetings from UND!

Once again, I'm proud to present for the reading pleasure of our many stakeholders an account of the past year in this vibrant intellectual community known as the University of North Dakota. In these pages, you'll read about the full spectrum of activities in one of our nation's best doctoral research universities, including events and achievements in the arts, sciences (including medicine), humanities, and law. There are articles discussing how we go about fulfilling our teaching and learning mission as well as our research and public service missions.

Much of this issue is devoted in some way or another to an enhanced mission that the University has warmly embraced following the publication of the state's Higher Education Roundtable Report, namely that of playing a more direct role in economic development.

You will read about the doubling and tripling of our sponsored research program base, and the further development of an already vibrant commercialization complex/research "park." Here at UND we see our involvement in commercialization extending well beyond any designated place on the campus. Organizations such as the Energy and Environmental Research Center have worked with literally hundreds of companies throughout the entire world. Every bit as important as those are the linkages that exist between, say, our aerospace sciences programs and companies that are spun out of that program, like Professor Leon Osborne's Meridian Environmental Technology Inc. Still, a cluster of buildings from the Hilton Garden Inn to the soon-to-be-completed Ina Mae Rude Center does form a kind of "park," and we've formed a large board of directors to help give definition to our commercialization complex and to its further enhancement and development, of course with the aid of the Legislature and the Governor's Centers of Excellence program.

The University's move deeper into commercialization and economic development will not come at the expense of our core teaching and learning mission. Indeed, through experiential learning and giving students opportunities to work in research and commercialization activities, we are creating a world-class, much-enriched, hands-on learning laboratory here at UND.

The University's ability to bring the best minds to the level of bachelor's, master's, doctoral, and professional degrees is one of the best resources this state and region have to build a foundation for a robust future. The University of North Dakota continues to draw students from all over the country. This year, we have students from every state in the United States and some 60 nations, thus addressing another need here in the Upper Midwest: increasing diversity.

I trust that you will enjoy reading the articles and accounts in the pages to follow. As always, we continue to appreciate the support the University receives from all of you. Thanks.

Charles E. Kupchella
President of the University

President Kupchella discusses UND's goals and challenges with Chancellor Robert Potts (right). Shortly after assuming the chancellorship in July, Potts visited each of the institutions in the North Dakota University System. In the background as they stroll the campus is the "Soaring Eagle" sculpture on the mall behind the Chester Fritz Library.



LOOKING TO THE FUTURE

We must continue to move the University of North Dakota firmly and by all measures safely into the top 100 American universities. We must lay the foundation for eventually placing the University among the top 50 graduate research universities in the United States. We must do this with a sustained focus on the innovative blending of teaching, research, and service. We must accomplish this by, among other things, utilizing state-of-the-art technologies serving to enrich and extend learning. We must develop new programs resonant with emerging needs in the world. We must strengthen existing centers of excellence and develop still other centers. We must continue to serve as a leading cultural center for the region, with programs of the very highest caliber in music, theater, and visual arts. We must sustain what is now one of the most effective intercollegiate athletic programs in the academy.

Today, throughout the country, governors and economic development authorities are deliberately and pointedly designating universities as not only key components in generating new economic wealth and activity, but as THE drivers for economic development. It appears that universities like ours are doing just that. I would like UND to become the most effective university in the United States linking research, development, and commercialization to the core teaching and learning mission.

Excerpted from President Charles Kupchella's *State of the University Address* on Oct. 13, 2004. For the complete text, go to:

www.und.edu/president

OVERVIEW

Achievements lay the foundation for increasing UND's national impact

The University of North Dakota has recorded another excellent year of progress in achieving its strategic objectives, in contributing to people of the state, and in becoming an even greater presence on the national and international scene.

Moreover, UND has set an ambitious agenda for the year ahead, including finalization of the successor to *Pathways to the Future*, the strategic plan that has provided focus to the University's progress.

Among the highlights of 2004:

A total of 2,327 **degrees** were granted, including 1,706 bachelor's, 447 master's, two specialist's diplomas, 56 Ph.D.'s and Ed.D.'s, 62 J.D.'s (law) and 54 M.D.'s (medicine). The University awarded its first degree in 1889 and its 100,000th in the spring of 2004.

Enrollment grew for the sixth straight year, with the fall 2004 headcount reaching a record 13,187.

Expansion of the **Graduate School** continued, particularly in the number of doctoral students whose presence is central

to much of UND's strategic plan. Graduate enrollment broke 2,000 students for the first time in history. Doctoral students numbered 516, up 136 from last fall.

It was a record year for **research,** with grant and contract expenditures totaling $82.2 million and moving upward at a steady, sustainable rate. According to the National Science Foundation, UND ranks 158th of 600 research universities nationally in federal funding for research related to science and technology.

The University made several additions to its **academic offerings,** including:

- A new Ph.D. in music education.
- Master's degree programs in applied economics, geological engineering, and, in partnership with Valley City State University, technology education.
- Undergraduate minors in elementary education and American Sign Language.
- Certificate programs for post-master's degree work in psychiatric and mental health nursing by nurse practitioners and clinical nurse specialists.
- Certificates for clinical laboratory scientists who train in clinical chemistry, hematology, immunohematology, and microbiology.

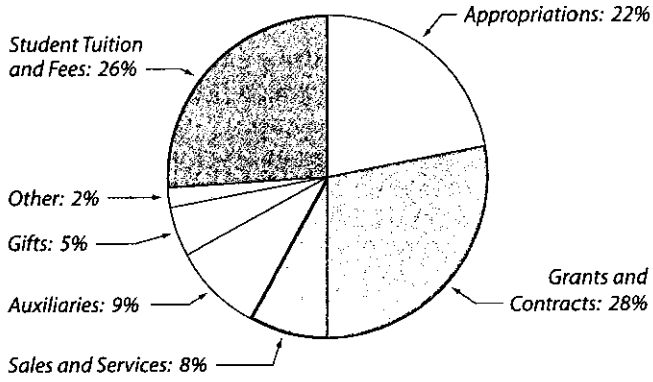
New **distance degree programs** included the M.S. in Early Childhood Education and the Ph.D. in Physical Therapy.

UND received 10-year renewal of **accreditation** by the North Central Association of Colleges and Schools *(see Page 32).*

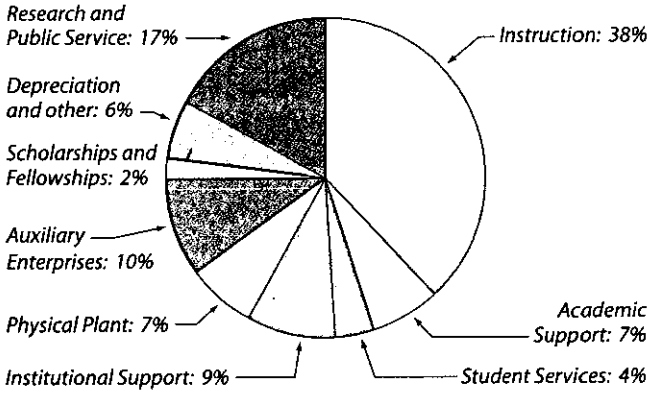
The University remained on the lists of the **"best values in higher education"** despite tuition increases totaling more than

Year in review, *continued next page*

Revenue: Fiscal Year 2004



Expenses: Fiscal Year 2004



UND is budgeted to spend $341.6 million in fiscal 2004-2005.



Fall semester enrollment in 2004 again set a record, with particularly strong growth in the Graduate School.

32 percent over the past two years, during which the overall cost of attending UND has risen about 20 percent. Fortunately, UND remains one of the best bargains in higher education because previous tuition levels were relatively low and tuition has increased even faster in surrounding states and throughout the country.

UND continued to make progress in its quest to become the top university in the nation for **American Indian students.** Among accomplishments was the steady growth of Indian enrollment, the final planning for a new American Indian Center, and a semester-long community education project, "Exploring the American Indian Experience."

The University experienced growth both in the numbers of **international students** studying at UND (449, compared to 238) and UND students studying abroad (38, compared to 26), a trend that ran counter to the nationwide situation this fall.

UND launched initiatives in the areas of **experiential learning and public engagement,** including the establishment of a new Center for Community Engagement.

The University is expanding its **collaboration** with other North Dakota University System schools. Two especially important efforts were UND's involvement in Sen. Byron Dorgan's Red River Valley Research Corridor initiative and the UND Medical School's receipt of $16.3 million in federal funds to build biomedical research efforts at all of the state's four-year universities and tribal colleges.

There was further development of the **University Commercialization Complex.** Bolstered by its internationally recognized centers of excellence in medicine, energy and the environment, and aerospace, UND now serves as a hub for a substantial complex linking companies and commercial enterprises throughout the world. All of this serves as a lifelong learning laboratory, and thus is integral to the University's core mission *(see Page 19).*

Enhancements of both the **physical and human infrastructure** will keep UND at the cutting edge. New construction on the campus has totaled more than $225 million in the past five years on University-owned land *(see items on Pages 16, 19, 23, and 27).* Progress has been made in reducing the gap between UND's median faculty salaries and those at peer universities nationwide *(see Page 6).*

The University is strengthening its capacity, especially on the part of the deans of its component colleges and schools, to **raise private funds** in collaboration with the UND Alumni Association and Foundation *(see Page 11).*

National Science Foundation federally funded expenditures for science and engineering

University of Minnesota	$295.3 million
Montana State University	39.8 million
University of North Dakota	25.0 million
University of Montana	22.6 million
North Dakota State University	21.4 million
University of Wyoming	20.0 million
South Dakota State University	9.1 million
South Dakota School of Mines	6.9 million
University of South Dakota	5.8 million
Minnesota State University Mankato	1.8 million

Fiscal year 2002, the latest available NSF tabulation

Graduate student enrollment: regional comparison

University of Minnesota	13,841
University of North Dakota	2,045
University of Montana	1,887
University of South Dakota	1,630
North Dakota State University	1,477
South Dakota State University	1,409
Montana State University	1,120

Fall 2004 headcount, public universities with doctoral programs, excluding M.D. and J.D. (law), as reported by the institutions

The promise of higher education

The benefits of a college degree are comparable to the American ideal of home ownership: an individual action taken on the basis of self-interest, but that when multiplied makes a remarkably positive contribution to the nation at large.

Although a college education is not the only path to success, for most a degree means increased lifetime earning potential. Moreover, college is a transforming experience, leading to broader horizons for individuals who become accomplished, polished and prepared. Their lifetime contributions as workers, parents, taxpayers, and active citizens result in a better world for everyone.

The same is true for the non-teaching missions of research universities such as UND. The impact of research, scholarship, and service upon society is becoming more evident these days. This is especially true in North Dakota, a state that is reinventing itself in response to negative demographic trends.

In 2001, the North Dakota State Board of Higher Education and its component institutions committed themselves to a new relationship with the Legislature, the executive branch of government, and the private sector. They pledged to connect more effectively the powerful capabilities of the University System to the needs and opportunities of the state.

This vision, since reaffirmed, was created by the Roundtable on Higher Education, a statewide group of public and private sector leaders. The approach is becoming a national model for other states. More information is available on the Board's Web site at:

www.ndus.edu

PLANNING

New Strategic Plan will be a from-the-ground-up rethinking

Even as it continues to implement its current Strategic Plan, the University of North Dakota's Planning and Budget Committee is well along in developing the next one, to be published in the summer of 2005.

The current Plan, *Pathways to the Future,* was published in the fall of 2001.

The new Plan, *Building on Excellence,* will be more than an "update," emphasizes President Charles Kupchella. It will be a complete rethinking of the University's future in light of changing conditions since 1999, when the process of creating the current Plan began.

In his "State of the University" address this fall, Kupchella asked all academic and administrative departments to engage in intensive unit strategic planning in support of overall institutional goals. This is doubly important now, he said, because of the University's intensified priority on fundraising and development *(see Page 10)*. Needed are compelling "case statements" that clearly express where an outside investor — or an inside one, for that matter — will help take that unit.

Kupchella asked campus units to give special attention to the following:

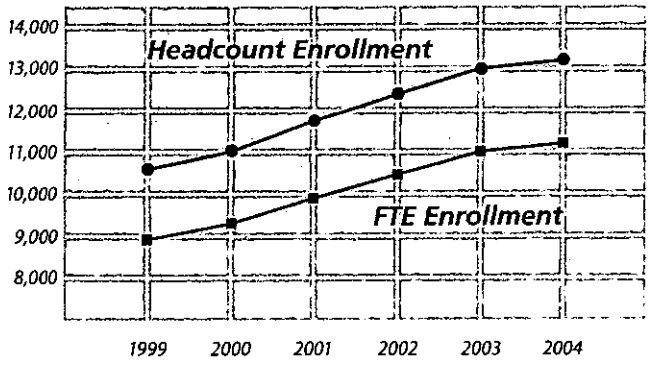
- Faculty and staff involvement in recruiting and retaining good students.
- Developing new programs and rejuvenating or eliminating some old ones.
- Creating new Centers of Excellence, including but not limited to those related to economic development.
- Pursuing new strategies for securing outside funding.
- Defining and then achieving optimal enrollment in each academic program and optimal service delivery in each support program.

In thinking through these matters, the Planning and Budget Committee has asked that units address three fundamental questions: What can/should we do differently? What can we do to find external funding? What front-end investment should we ask the University to make as part of a well-considered business plan?

Interested in UND's strategic planning? Check in regularly at the Web site:

www.und.edu/stratplan2

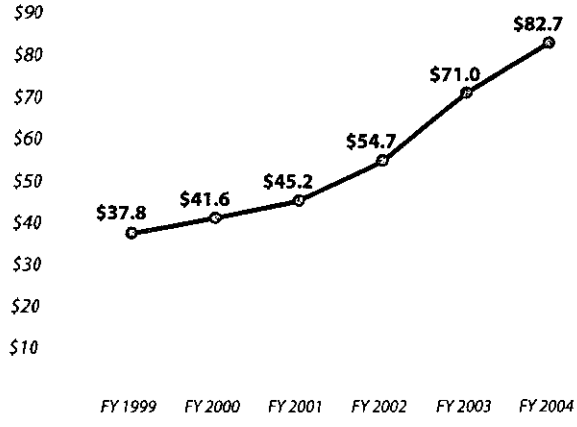
Five-year enrollment growth



The fall headcount enrollment has grown from 10,590 in 1999 to 13,187 in 2004; in that same period, full-time equivalent enrollment has climbed from 8,911 to 11,185.

Sponsored program awards

Millions of dollars, fiscal years 1999-2004



Priority action areas

Priority action areas, the broad goals set out in the current Strategic Plan, *Pathways to the Future,* include:

- Provide a quality curriculum with a solid liberal arts foundation for each field of study to prepare students for rich, full lives, productive careers, and civic leadership.
- Expand and strengthen the University's commitment to research and creative activity, both as a means of enriching the learning environment and as a driver for economic development.
- Serve the people of North Dakota and the world more effectively through applied and basic research, cultural experiences, and economic development programs, as well as through a comprehensive array of educational offerings.
- Improve the campus climate for learning and living.
- Optimize and stabilize enrollment to achieve the desired number and mix of students appropriate to the University's mission.
- Optimize the use of information technology to improve student learning, research, and the administration of the University.
- In support of all of the above, ensure that the University has a well-prepared, enthusiastic faculty and staff, first-rate physical facilities, an adequate financial resource base, and an appropriate, efficient organizational structure.

SALARIES

Flexibility moves faculty salaries closer to national averages

The gap between UND and national faculty salary averages has been reduced because UND made it a strategic priority and, in part, because of serious funding cuts in many states.

Although individual raises varied, average pay increases for faculty over the past four years through 2003-04 have been 4.8, 7.1, 6.2, and 5 percent. For the 2004-2005 year, faculty received a 5.6 percent increase on average.

The improvement was possible because of the "flexibility with accountability" compact entered into by the Legislature, the Executive Branch, and the State Board of Higher Education — an initiative that is receiving national attention for the results it is producing in the entire North Dakota University System *(see Page 4 for the NDUS Web site address and more information about the North Dakota Roundtable).*

The result: At the assistant professor level — the rank at which new faculty most often enter — UND now lags behind the nation by just less than 12 percent, compared to 27 percent in 1999-2000, according to the latest figures compiled by the American Association of University Professors, regarded as the definitive source for comparative data. At the associate professor rank, the variance is 15 percent. At the instructor rank, held mostly by temporary faculty, UND is ahead of the national average by 13 percent.

Despite the improvement, full professors — the most experienced and accomplished of the 650-plus faculty in UND's brainpower pool — continue to lag behind their peers nationally by 38 percent, compared to 49 percent four years ago.

When compared to the peer universities selected by the State Board of Higher Education as UND's benchmark *(see the table at right),* UND's professors rank last.

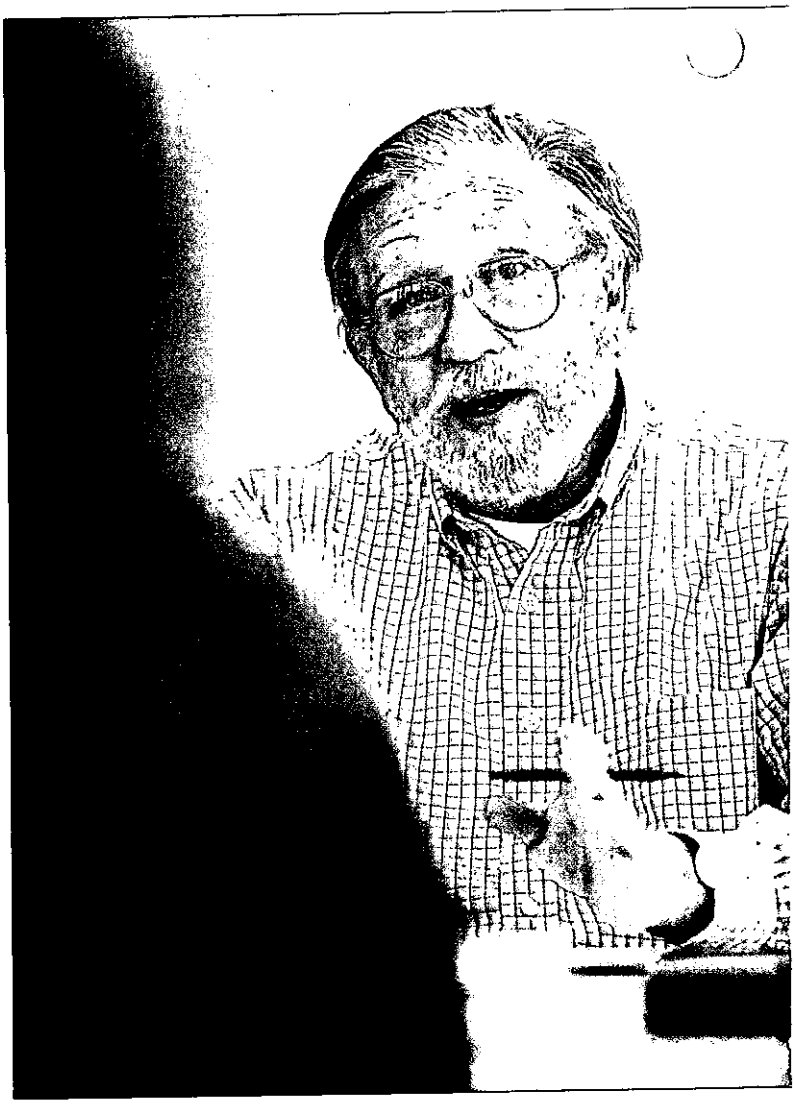
Investing in faculty is not an inexpensive proposition, especially in a state that still trails the nation despite better-than-average growth in personal income. On average, a UND full professor earns $68,620 per year, compared to the $94,606 earned by those holding the same rank at similar universities.

That salary may seem high to some, says President Charles Kupchella. But the bottom line, he points out, is that UND operates in a national market for faculty and must be competitive if students are to have top-notch professors in their classrooms and if UND is to contribute fully to helping the state meet its challenges.

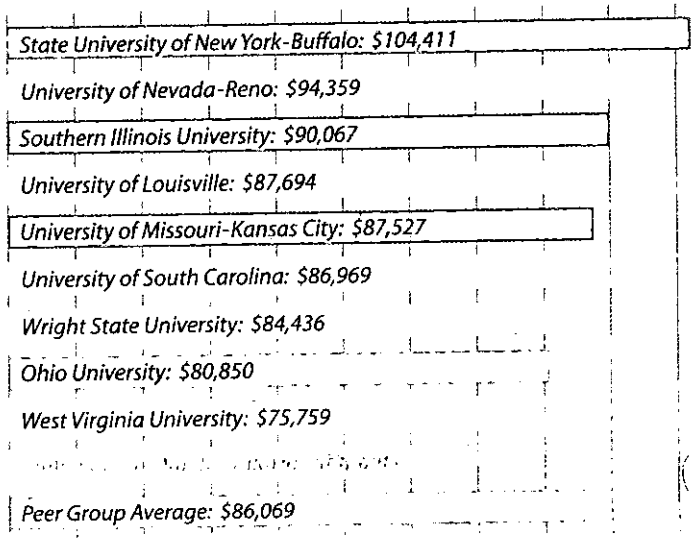
Faculty increases have been higher than those for staff because faculty salaries over the years have been much further behind their counterparts.

The new dollars going into the effort came from several sources, including tuition increases, revenue from higher-than-projected enrollment, internal reallocation of funds, increased state appropriations in the 2001-2003 biennium, and new dollars resulting from UND's success in attracting grants and in forging partnerships with third parties.

Lars Helgeson is an associate professor in the Department of Teaching and Learning.



Salaries of full professors



Although progress has been made in making faculty salaries more competitive, UND still trails the nine other schools in its peer group of similar institutions designated by the State Board of Higher Education.

SCHOLARSHIP

Faculty Lectures enrich the campus community, celebrate scholarship

Back in 1997, then-President Kendall Baker asked a group of senior professors what UND might do to cultivate a livelier academic atmosphere on the campus.

That group, the Chester Fritz Distinguished Professors, had many ideas, one of which was simplicity indeed: reactivate the Faculty Lecture Series that had been offered from 1954 to 1988. In fact, they offered a deal: budget a few dollars for publicity and a pre-talk reception, and host a dinner for the speaker at the President's home, and the Fritz Professors would do the work to annually plan and carry out the series.

And that's what they did. When President Charles Kupchella arrived two years later, it was a "no brainer," he recalls, when asked if he would continue to support the program.

Nearly 40 of UND's modern faculty have joined the 150 or so of their predecessors who prepared a talk aimed primarily at their professional colleagues, although students and members of the community are encouraged to attend, and do. The lectures, generally five or six per academic year, are usually presented at 4:30 p.m. on a Tuesday in the Memorial Union's Fred Orth Lecture Bowl.

According to the guidelines of the organizers, each lecture presents "with some depth and rigor the scholarly questions and goals of the individual faculty. In presenting the products of their scholarship, the Lecturers will share the enthusiasm and dedication that sustains their creative efforts."

Moreover, the guidelines state, "these periodic gatherings can help the public to recognize the university as a unique institution in society, an academic community with scholarly roles and contributions that go beyond, but at the same time enrich, its own educational programs."

All true, says Kupchella, although he translates the benefits to UND in a single word: "sizzle." What the lectures provide is called these days an exciting "campus climate," the atmosphere that encourages collegiality and high accomplishment.

Two lectures remain on the 2004-2005 schedule. On Feb. 1, Michael Wittgraf, associate professor of music, will speak on "Contemporary Art Music: A Method Behind the Madness." On March 8, Kathleen Gershman, professor of educational foundations and research, will offer "Reflections on Rural Schooling."

Here is a selection of recent Faculty Lectures:

"The Creation and Reharmonization of a Jazz Standard," by Michael Blake, associate professor of music.

"Why We Should Be Concerned About Climate Change," by Will Gosnold, professor of geology.

"Dr. Orin G. Libby, The Father of North Dakota History and the University's Grand Old Man," by Gordon Iseminger, professor of history.

"Disaster as a Political Variable," by Mary Kweit, professor of political science.

"Pandering to the Risk-Averse in these Entrepreneurial Times: The Legislatures Choose Sides," by Randy Lee, professor of law.

"Paul Cézanne and the Durango Kid: The House of Poetry," by Jay Meek, professor of English.

"Of Mice and Men," by Roger Melvold, professor of biochemistry and molecular biology.

"Planets Fit for Life," by George Seielstad, professor of space studies.

"Super-Resolution Enhancement of Digital Imagery," by Richard Schultz, associate professor of electrical engineering.

"Genes, Alleles, and Mutations: Their Roles in Cancer and in Stem Cells," by William Sheridan, professor of biology.

"The Education of a Physician: Promises to Keep," by H. David Wilson, dean of the School of Medicine and Health Sciences.

"Melancholy Baby Revisited: Twenty Years of Research on Women and Alcohol," by Richard and Sharon Wilsnack, professors of neuroscience.



Art Professor Katie McCleery's Faculty Lecture this spring, "Carved in Brick: Outside Art From Inside the University," was about the architectural use of brick, an art form she embraced at about the midpoint of her 31-year career at UND. Today she is one of a handful of working brick carvers in the United States. About 40 of her carvings adorn churches such as the Cathedral of the Holy Spirit in Bismarck, as well as other buildings in the Dakotas and Minnesota.

Presidential Scholars not only excel in the classroom but also become role models as campus leaders. For example, senior Christina Sambor of Bismarck is serving this year as vice president of the student body.



SCHOLARS

Presidential Scholars program brings in academic all-stars

Back in 1987 the University of North Dakota took an action that put it ahead of the curve in recognizing how important it was for the region's brightest high school seniors to choose the University of North Dakota.

Not that top-notch students weren't already coming to UND. But, reasoned then-President Thomas J. Clifford, even more freshmen with outstanding credentials would immediately add to the academic excitement of the campus and pay off later in support when they became successful alumni.

Surveys have revealed that the most promising students choose a university primarily on the basis of academic reputation and specific programs of study.

Sensing growing competition for the region's whiz kids, Clifford wondered then if new financial incentives — and some targeted special attention — might not be a better investment than was generally assumed.

Thus was born UND's Presidential Scholars Program. Today, funded in large part by the UND Alumni Association and Foundation, it provides four-year scholarships to high school graduates who have grades and test scores that can get them into virtually any university in the nation.

These days, university fundraisers, including UND's, are redoubling their efforts to raise scholarship dollars. One of them is the University of Minnesota, which has announced a $150 million special campaign for that purpose. Minnesota not only competes with UND for Division I hockey players but also for the academic all-stars in both states.

One of the reasons cited by UM President Robert H. Bruininks for the new campaign is music to the ears of UND counterpart and friend, Charles E. Kupchella, who sees increasing North Dakota's population as one the state's highest priorities. In an Oct. 31, 2004, op-ed piece in the *Minneapolis Star Tribune*, Bruininks argued that if a young person attends college out of state, the likelihood of he or she remaining there after graduation is extremely high.

"That's exactly the case on both sides of the Red River," Kupchella says.

This fall, 645 Presidential Scholars are enrolled at various stages of their undergraduate programs, including 171 who were first-year freshmen in the fall of 2004. More than 800 have graduated and, according to the UND Alumni Association, are rising rapidly in their professions. Nearly 60 percent live in North Dakota and Minnesota.

Besides recognition and hometown publicity, the new scholars received some perks. Perhaps most appreciated, says Associate Vice President for Enrollment Management Alice Hoffert, was the opportunity to come to campus in June, meet people, and register for courses before other freshmen.

Later, they were welcomed to the campus at a special brunch attended by their parents and were assigned a "mentor" from among the already enrolled Presidential Scholars. In late October they were invited to the first of two special events: an evening of discussion with Professor Emeritus of Political Science Lloyd Omdahl, regarded as North Dakota's most astute political observer, and longtime political commentator Phil Harmeson, who serves as senior associate to President Kupchella.

The University monitors the academic progress of the scholars and intervenes as necessary, Hoffert said. To keep the scholarship, they must maintain full-time status and a 3.25 grade point average on a four-point scale. Most do, she said, and most complete their degrees.

For 2005-2006, UND will offer three levels of Presidential Scholarships:

- National Merit Scholarship Corporation finalists, $5,000 a year plus an annual $1,000 stipend provided by the National Merit Scholarship Corporation.
- Students with high school grade point averages of 3.65 and above and 32-to-36 composite ACT scores, $3,000 a year.
- Those with grade points of 3.65 and higher and 29-to-31 ACT scores, $2,000 a year.

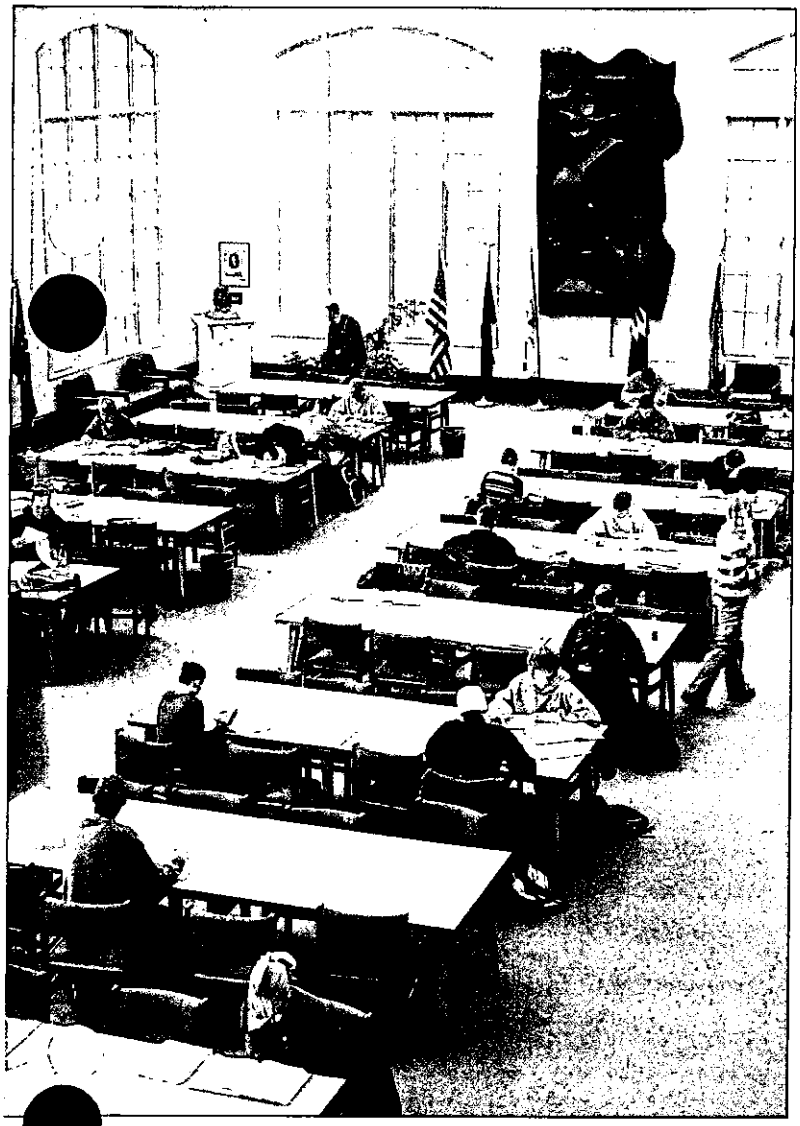
Although the Presidential Scholars Program has been

expanded in recent years, it remains just one piece of the University's total scholarship program, says Hoffert, who oversees the student financial aid office.

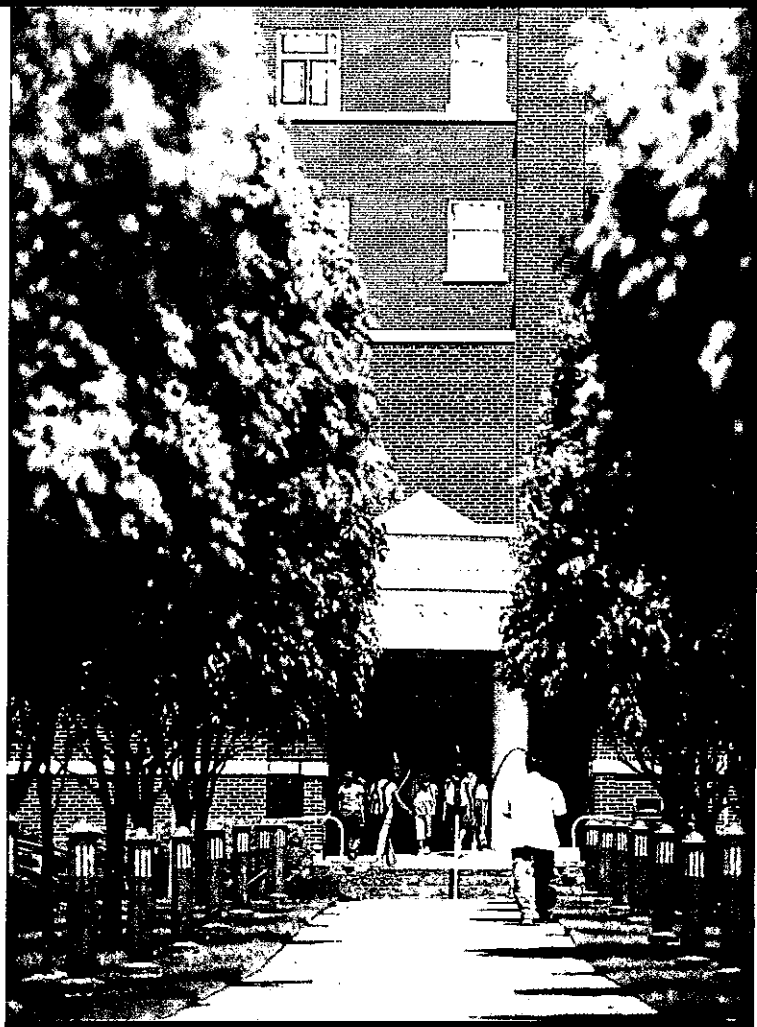
Altogether, UND awarded 2,908 scholarships this year, many of them designated by donors for students enrolled in specific academic programs or even from particular places. The UND Foundation alone funded $3.2 million in scholarships.

As generous as this support has been, UND could use more scholarship money, Hoffert said. The majority of UND's larger awards are one-year scholarships to beginning freshmen. Fewer dollars are available for returning students, including those gems, she says, who may have had unremarkable records in high school but "find themselves" academically in college. She also would like to have money to recruit outstanding students from the growing number who start in community colleges with the intention of later transferring to a university.

Interested in learning more about UND's scholarship program? Go to www.und.edu/dept/finaid/scholarships.htm.



The spirit of scholastic achievement and high purpose is reflected in the Reading Room of the Chester Fritz Library.



New automatic admission standards take effect this fall

Students who hope to enter the University of North Dakota as freshmen in the fall of 2005 should be aware of changes to the automatic admission standards. Students who are transferring to UND with fewer than 24 transferable credits are subject to these new standards as well. The ultimate goal of the change is to attract more students who are likely to succeed in UND's academic environment.

High school graduates entering the University as freshmen (and transfers with fewer than 24 semester hours of transferable credit) in the fall of 2005 will be **automatically** admitted when they:

- Achieve an **ACT score** of 21 or better.
- Have a **high school cumulative GPA** of 2.50.
- Fully meet **core requirements** (English, four units; math, three units of Algebra I or above; lab science, three units; social studies, four units).

Students are encouraged to apply for admission even if they don't meet the automatic admission standards and are deficient in only one of the GPA or ACT standards. Applications from students who do not qualify for automatic admission are evaluated by the director of admissions and, in some cases, a review committee. The review considers all relevant information and extenuating circumstances to make an admission decision that is in the best interest of the student.

For more information about becoming a UND student, go to http://www.und.edu/admissions.



FUNDING

Academic leaders add a new role to their portfolios

In a resource-scarce environment, university presidents have long worn fundraising hats in addition to their more traditional leadership roles. Now the next level of academic leadership at UND and elsewhere — the vice presidents and deans — are finding that resource acquisition is built into their job descriptions as well.

The pattern these days is for universities to broaden their search for gifts from their traditional reliance upon alumni, says Bruce W. Flessner, senior partner with the development consulting firm of Bentz Whaley Flessner. Only about 30 percent of private gifts and grants to higher education now come from that source. Individuals other than alumni, plus foundations and corporations, largely make up the difference.

Flessner recently completed a three-session training program on the nuances of fundraising for the deans and key staff.

The training program — together with a commitment to further strengthen an already excellent working relationship with the UND Alumni Association and Foundation — is part of a three-year initiative begun this fall by President Charles Kupchella. Expanding private fundraising has become so vital for the future of UND, he says, that it will figure as one of a half-dozen most important strategic action areas in UND's new Strategic Plan now being finalized.

Not that Kupchella has given up on convincing the state to invest more tax dollars in UND.

Although legislative appropriations to higher education declined 1.5 percent for the current biennium, he is convinced the lawmakers will seriously consider fully implementing the Higher Education Roundtable's long-term financing plan for the state's colleges and universities.

That plan calls for increases over several biennia both of tuition paid by students and of general fund dollars provided by the state. Each North Dakota college and university is being compared with a group of national peers, selected for their similarities in size and mission. Looked at are North Dakota's per-student investment from state dollars and tuition in the "core" costs of each institution. The goal: reaching 85 percent of the average of the peer group by the end of the 2007-2009 biennium and 95 percent of the average by 2015.

Besides this legislative agenda and the newly increased focus on philanthropy, UND is exploring other revenue sources, Kupchella said. These will include pursuing more grants for research, capitalizing on the intellectual property discovered at UND in collaboration with the private sector, and creating new partnerships to develop revenue-producing ventures in the University Village *(see Page 27)*.

UND's academic leadership must play a role in much of this, he says. Major individual donors, especially, must be convinced of the underlying quality and of the enormous potential for the future represented by UND. This one-on-one solicitation is best done by those who know it best, says consultant Flessner: the president and the deans.

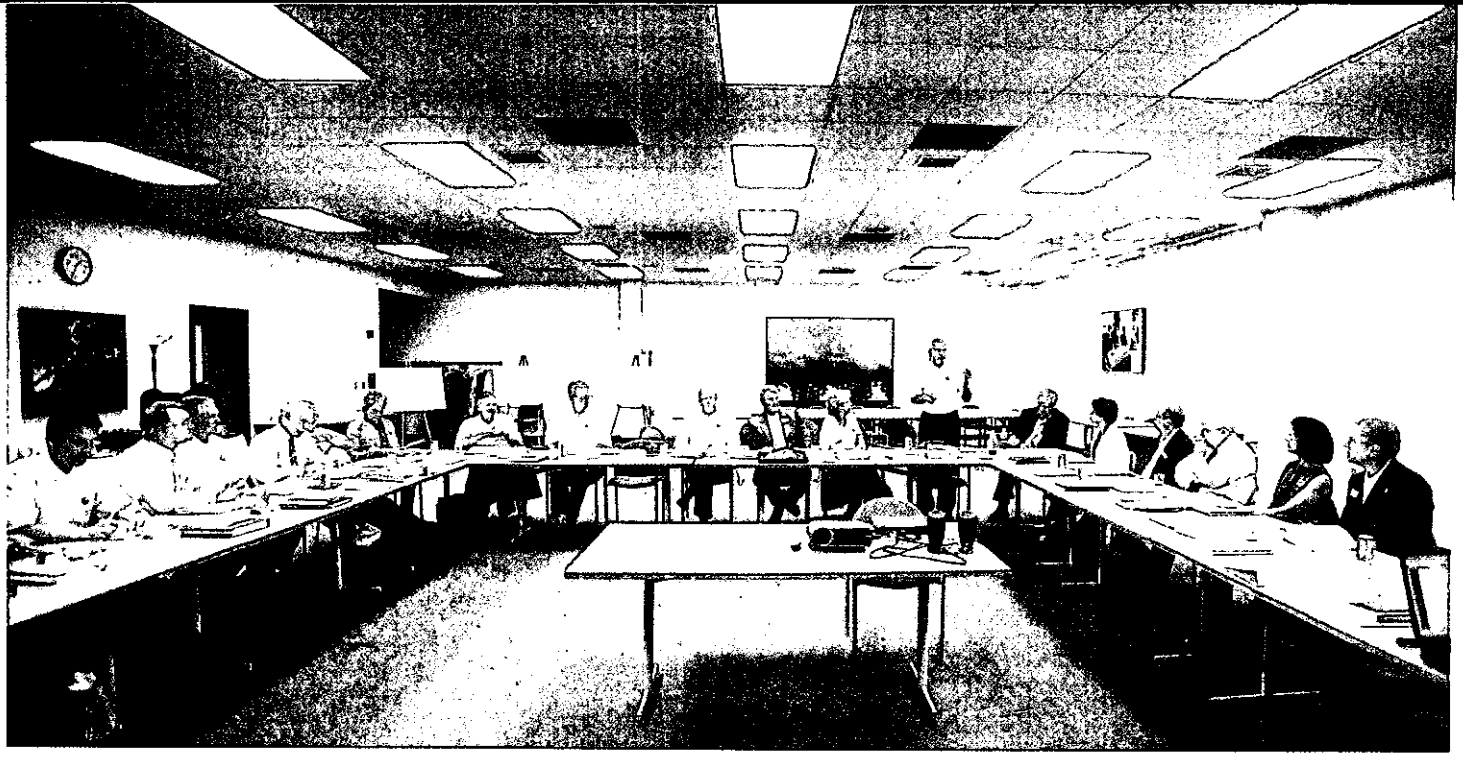
The President's Office has committed to three years of new funding to build fundraising infrastructure in the colleges and schools. The deans applied for funding totaling $334,300, and agreed to attend the Flessner training series and collaborate closely with the UND Alumni Association and Foundation, one of the most successful organizations of its kind in the region.

Receiving the funding were Deans Bruce Dearden of Arts and Sciences, Dennis Elbert of Business and Public Administration (already well along on a $20 million capital campaign), Dan Rice of Education and Human Development, John Watson of Engineering and Mines, Paul LeBel of Law, and Helen Melland of Nursing. Most are bringing on board development officers to coordinate with the UND Foundation, or using the funding to free up more of the dean's time for personal solicitation of gifts.

Both H. David Wilson, dean of the School of Medicine and Health Sciences, and Bruce Smith, dean of the John D. Odegard School of Aerospace Sciences, have already created the infrastructure for capital campaigning. The Medical School will observe its 100th anniversary in 2005.



A capital campaign coordinated by the UND Foundation for the College of Business and Public Administration is nearing its $20 million goal, thanks to the generosity of alumni like Greg and Cindy Page. Their $250,000 gift is already impacting students, making possible the state-of-the-art Page Family Marketing Center recently dedicated in Gamble Hall. The facility enables students to gain hands-on experience with the kind of sophisticated market research that drives business today. The Pages are alumni of the College (Greg in 1973 and Cindy in 1975). A member of the Alumni Association and Foundation board of directors, Greg is president and chief operating officer of Cargill, Inc.



The Board of Directors of the UND Alumni Association and Foundation meets on campus during Homecoming.

ALUMNI

New approaches generate great results in alumni support, relations

An improving stock market and the success of several new approaches to fundraising and alumni relations resulted in a great year for the UND Alumni Association and Foundation, second only to the massive outpouring of contributions following the historic flood of 1997.

The Association, created in 1889 by the first graduating class, maintains contact with former students. The Foundation, also an affiliated but independent entity, raises and provides stewardship over funds donated in support of the University.

Among the accomplishments in 2003-2004:

- More than $7 million in grants to UND. Included were funds for scholarships, improvements to facilities, support for the Alice T. Clark Mentoring Program for new faculty, support for the Office of Instructional Development, and a variety of other priority projects such as professorships, faculty awards, library resources, equipment, research support, and such academic needs as support for recruiting, conferences, travel, and others.
- More than $11.1 million raised. Altogether, 11,204 individuals contributed.
- More than 2,300 first-time gifts from alumni and friends, facilitated in large part by the Foundation's adoption of a sophisticated calling center. This center avoids the problems associated with some telephone-based fundraising by using current students to visit with alumni and friends about the campus, updating address information, and making donations if they so choose.
- A growth in total assets from $123.7 million to $138.1 million.
- New programming, such as the "Super Sioux Gala and Auction" at the Ralph Engelstad Arena to support athletic scholarships. Attended by a crowd of more than 500, the event featured silent and live auction items, a dinner and dance, and the opportunity to meet UND's student athletes. More than $150,000 was raised. Over the year, nearly 7,000 individuals attended events sponsored by the Association.
- A growing number of volunteers — 568 in 2003-2004 — who donated their time to work with the 39 staff members of the Alumni Association and Foundation.

And so what's next?

"I am confident in the future, although it is clear the pattern of dependence on private giving to achieve the goals of the University is one that will only increase," said Tim O'Keefe, who as chief executive officer of the Association and Foundation joins UND's senior administrators as a member of the UND President's Cabinet.

"Equally clear is that when the friends of the Foundation understand the demands necessary to achieve excellence, they respond," O'Keefe continued. "It's a tradition established by our forefathers long ago that is a responsibility passed on and accepted by the generations of today."

President Charles Kupchella said he agreed wholeheartedly with that assessment, and predicted that the coming years will bring even closer strategic collaboration between the Association and Foundation and the University *(see the article across from this page).*

LAW

'ND's law journal is a national mbassador for the School

Being editor in chief of the *North Dakota Law Review* is a high honor indeed. Among the illustrious holders of that student position are some of the most successful legal minds in America. In North Dakota alone, their number includes high-profile alumni such as State Supreme Court Chief Justice Gerald VandeWalle (1957-58), Federal Magistrate Karen Klein (1976-77), and the notoriously tough UND law professor emeritus and torts expert, Larry Kraft (1963-64).

The quarterly student-produced journal of the School of Law marked its 80th birthday with the fall 2004 issue. The publication contains articles written by legal professionals from across the country and student-written notes, articles, and case comments.

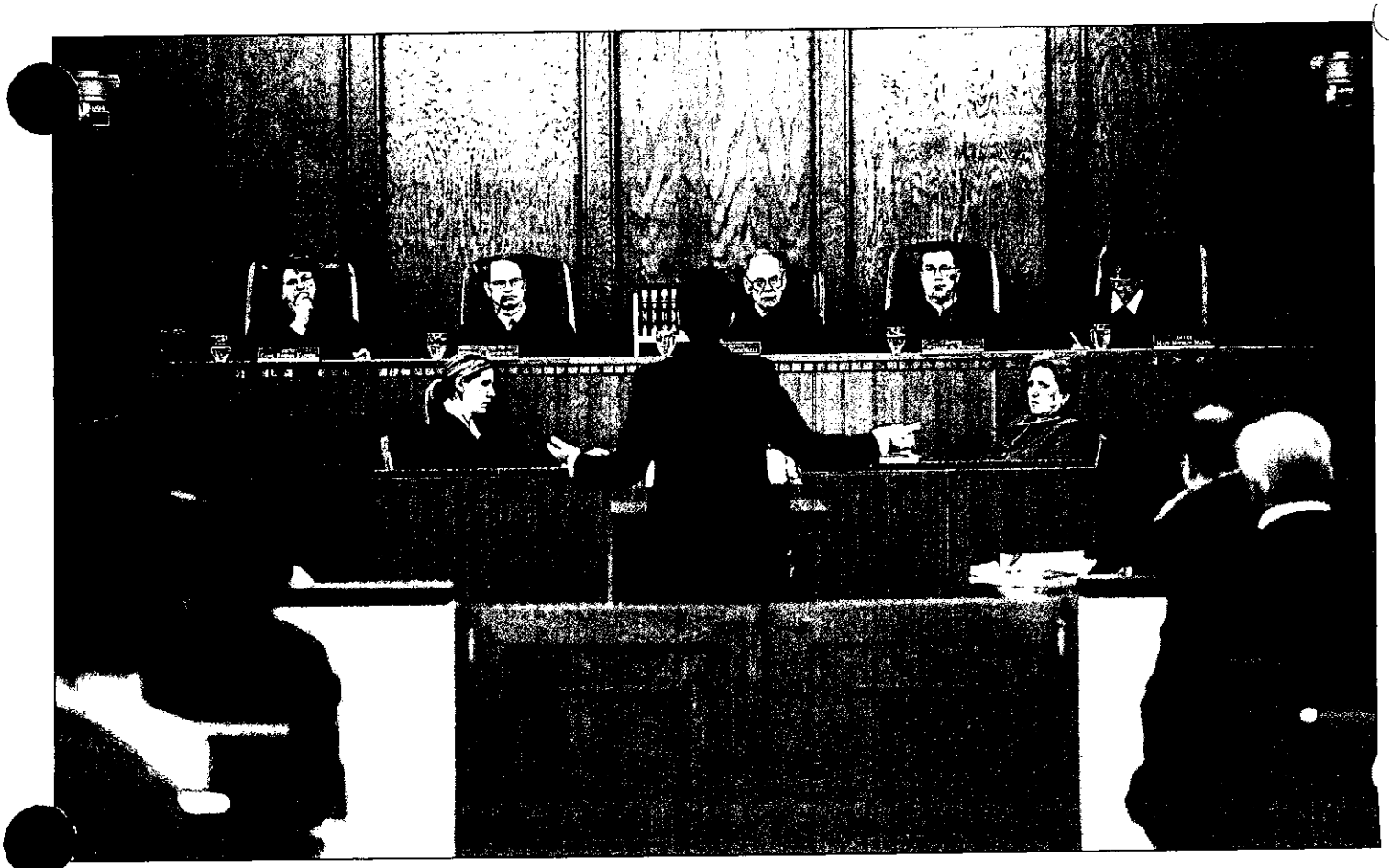
"The *Law Review* is a prominent indicator to the outside world of the quality of the UND Law School," said Dean Paul LeBel. "We are fortunate that so many talented students work so hard to make the *Review* such a positive statement about our school and our student body."

The *Law Review* is both a student organization (although second- and third-year students are invited to write for it, "membership" comes only when one has written an article of publishable quality) and an academic experience (the eight student board members earn two hours of credit each semester). As one would expect in a legal setting, the governance and operation of the *Law Review* and its relationship with the School are governed by a detailed constitution and excruciatingly detailed written policies. Professor Randy Lee is the faculty advisor.

The editors are chosen competitively, vying for both the distinction and the hard work that lies ahead. The editor in chief commits to 385 hours of work during the summer and another 160 hours during each semester. All board members agree that "outside commitments, whether for credit or for pay, are permissible only to the extent that they do not interfere with an editor's *Law Review* duties and responsibilities."

Editor in chief for 2004-2005 is third-year student Douglas Murch, who grew up on a farm near Hunter, N.D., and received his undergraduate degree in business from Valley City State University.

Murch says the challenge of writing legal articles and having them published drew him first to write for the publication, and then to apply for the editorship. He is most proud of his forthcoming *Review* article, "Civil Rights – Employment Practices: Common Law Control Is the Best Test of 'Employee' in Employment Discrimination," Clackamas Gastroenterology Associates, P.C. vs. Wells, 538 U.S. 440 (2003). "I'm fortunate to



Each October the North Dakota Supreme Court comes to Grand Forks for a special session in the Law School's Baker Courtroom. Law students have the opportunity to hear oral arguments in cases brought to the Supreme Court and later to participate in moot court sessions before the justices.

have had a great high school English teacher who demanded good grammar," he said. He enjoys using his legal training in combination with his writing skills to examine how legal arguments are developed. He looks forward to the challenge of balancing classes with his responsibilities at the *Law Review.*

In his free time, which is even more rare these days, Murch enjoys staying active and playing league sports. He has captained the "Malpractice Bowl," the annual football game that pits law students against medical students. After graduation, he will spend a year clerking for the North Dakota Supreme Court. His eventual goal is to work for a law firm or private company in the business, commercial, or real estate fields.

Whatever his future, Murch says he hopes his work will always involve writing, and that he and his wife Bethany, a Grandin, N.D., native, will find good jobs in North Dakota.

Articles published in the latest issue of the *North Dakota Law Review* (Volume 80, Number 2) include:

"Chemically Dependent Employees and the ADA in the Medical Profession: Does Patient Safety Exempt Hospital Employees from Compliance Under the Direct Threat and/or the Business Necessity Exemptions?", by Jodi Nelson Meyer

"Banishment from Within and Without: Analyzing Indigenous Sentencing under International Rights Standards," by Colin Miller

Case comments published in the issue include:

"Constitutional Law-Affirmative Action: The Supreme Court Strikes Down the University of Michigan's Admission Policy but Finds Diversity To Be a Compelling Interest," *Gratz v. Bollinger, 539 U.S. 244 (2003),* by Daniel P. Bakken

"Constitutional Law-Civil Rights: The Supreme Court Strikes Down Sodomy Statute by Creating New Liberties and Invalidating Old Laws," *Lawrence v. Texas, 539 U.S. 558 (2003),* by Ryan M. Bernstein

"Mental Health-Crimes: The United States Supreme Court Sets Guidelines for Forcibly Medicating Incompetent Pre-Trial Detainees Solely for Prosecutorial Purposes," *Sell v. United States, 539 U.S. 166 (2003),* by Tiffany L. Johnson

New law dean aims to build on school's wide base of support

Paul LeBel spent his first months as UND's new law dean traveling across North Dakota and Minnesota to become acquainted with the area and meet as many alumni and supporters as possible.

What impressed him most, he said, is the remarkable level of support the law school enjoys in the region. Turnout at meetings and receptions was high, and often included lawyers and judges who graduated from other schools but are strong supporters of the Law School.

"People care about this school," he said, "and they're committed to its success."

LeBel, who has a ready smile and a good sense of humor, heard many testimonials on his "listening tour." He believes his school's alumni, who comprise the vast majority of North Dakota's 1,800 licensed attorneys, feel well-prepared and well-equipped for a full range of opportunities, including the public sector and business as well as the practice of law.

He also was impressed by the long-standing and evolving professional connections he saw among lawyers in North Dakota. Many of them date back to friendships formed in law school — one of the things about professional practice that LeBel emphasizes to today's students. The reputation students acquire in law school can be critical.



This fall, UND law students number 204, nearly half of them women. UND admitted its first law student in 1899.

Among the dean's goals are increasing service to the state of North Dakota and its citizens by building on current strengths (such as American Indian law) and taking advantage of new opportunities (such as agricultural and rural law) for the law school to have a positive impact. He also intends to advance research, increase interdisciplinary work with other areas across campus, and expand the school's fundraising efforts.

LeBel, who came here from the Florida State University College of Law, says he was attracted to UND by the size of the law school and the strong sense of community he found here. The size will allow him the opportunity to have classroom contact with every first-year student. It's important for law students to have a relationship with the dean outside of the dean's office, LeBel said, and he intends to teach torts, his specialty, to first-year students.

LeBel sees legal education as a subspecies of a liberal arts education, with the basic mission of preparing the next generation of lawyers to analyze critically, communicate effectively, and appreciate their responsibilities. Along with that basic mission, he says, has been an increased necessity for interdisciplinary collaborations with other academic departments.

UND also needs to ensure that the scholarly research by faculty has the impact it deserves, he said, and that findings are publicized. His own research interests center on tobacco and alcohol litigation; he studies how society deals with injuries that are the result of endemic or systemic risks. His book, *John Barleycorn Must Pay: Compensating the Victims of Drinking Drivers,* was published by University of Illinois Press.

An avid baseball fan, LeBel has followed the Minnesota Twins since they were the Washington Senators. The Connecticut native grew up in south Florida watching spring training baseball, and in his first regular season game saw the Senators play the Yankees the year before the Senators moved to Minnesota. His wife, Lucinda, works as a medical technician. They have one daughter, Lisa, who lives in the Washington, D.C., area.

LeBel says he's enjoying the law school and his job. "What we do here matters," he said.



At the West River Regional Medical Center in Hettinger, UND medical student Rachel Aufforth and Dr. Robert Beattie check out the injured shoulder of Kenny Huber as his mother, Toni, looks on. A native of the small community of Bowbells, Aufforth is well-acquainted with the needs and challenges of health care in western North Dakota.

MEDICINE

ROME means broader experiences for third-year medical students

Each year, medical students from the School of Medicine and Health Sciences spend most of their third year of medical school learning about rural health care firsthand through the Rural Opportunities in Medical Education (ROME) program.

ROME is a seven-month, interdisciplinary experience in a rural primary care setting, open to third-year medical students who wish to live and train in non-metropolitan communities throughout North Dakota under the supervision of physician-educators.

The ROME program has been based in Hettinger, Williston, Devils Lake, and Jamestown for the past seven years.

Students, who must apply and be accepted to the ROME program, learn about problems commonly encountered in primary care in rural areas, from routine health maintenance to medical emergencies and unusual diagnoses.

Each primary physician-instructor is board-certified in family medicine, but students also work with board-certified surgeons, internists, pediatricians, and other available specialists in the community.

"ROME is a unique program," said its director, Roger Schauer, M.D., associate professor of family medicine. "It requires a lot of self-directed learning and a lot of confidence in one's own ability."

"ROME is an exceptional educational opportunity for the highly motivated student who wants to experience and learn the practice of medicine in a small-town setting," said Elizabeth Burns, M.D., professor of family medicine and department chair. "It is a truly exciting educational environment with more opportunities to learn than there is time to take advantage of them. The students value this experience and have a great time, too!"

Including this year's participants, 37 students at the UND medical school have participated in ROME since it was initiated in 1998.

"I think if you asked any of the students who have completed the program, they would do it again," Schauer said. "They loved it."

One of the many objectives of the ROME program is to enable students to learn about patients in the context of continuous care over a period of seven months, which is proving to be a popular aspect among students.

"I thought that my learning style would fit well in the continuity of care that ROME offers," said Krista Olsen, a fourth-year medical student who participated in ROME in Williston

last year. "Staying with one system for seven months gives you time to get into things."

Sarah Schatz, a fourth-year medical student who spent seven months in Hettinger last year along with fellow student Farrah McSpadden, agrees.

"This program allows students to follow a patient from start to finish," she said. "It makes you think along broader lines."

Another positive aspect of staying with one organization for seven months is becoming a member of the team.

"We had access to everything we wanted to see," explained Olsen.

"The doctors gave us responsibility and independence," Schatz continued. "They expected us to be well-versed in what was going on with our patients and manage several cases at one time."

"They get a well-rounded experience and a lot more exposure," said Robert Kemp, M.D., clinical associate professor of family medicine, Williston. "They are learning a lot more than they realize."

"There are only one or two students at the site and the experience is longitudinal," said Burns. "This allows the students to know the hospital, clinics, and community, and the people who work and live there. The community also gets to know them."

"The ROME program is good for the communities where students are placed, too," explained Schauer. "The students become part of the community. They teach Sunday school, become coaches, and play on sports teams. The communities can recruit the students back once they finish (residency) training."

The students also bring something to the clinics where they work.

"Having students in the clinic makes things fresh," said Kemp, who practices at Craven-Hagan Clinic in Williston. "They force us out of our routine and to have a very good reason for everything we do."

"The students are excellent," he continued. "These students are just what you want to have as future physicians."

Schatz, who is from New England, N.D., is planning to practice in a rural community when she finishes her training. "I want to stay in North Dakota," she said.

Melissa Samuelsson and Olsen, who both worked in Williston for seven months through the ROME program, never thought of practicing in a rural setting before now.

"I really appreciate the type of medicine that is practiced in rural communities," Samuelsson said. "I feel like I could fit in really well in a rural situation."

"It was challenging, yet superb," Schatz said about her experience. "This is the way to do it if you really want a broad spectrum of disciplines." Olsen agreed, saying, "It was so much more than I ever expected it to be. I would never do it any other way."

ROME is supported in part through grants from the U.S. Department of Health and Human Services, Health Resources and Services Administration, Bureau of Health Professions, Division of Medicine and Dentistry, and Academic Administrative Units in Primary Care grant program.

BELOW: A striking sunset in early autumn highlights the English Coulee area of the campus.



Officials and the public gathered on Sept. 17, 2004, to celebrate the completion of an $8 million expansion and renovation project for the Energy and Environmental Research Center. Among those on hand (from left) were Gov. John Hoeven and the members of North Dakota's congressional delegation: Sen. Kent Conrad, Sen. Byron Dorgan, and Rep. Earl Pomeroy. The centerpiece of the project was a new $6 million building adding 47,000 square feet to the EERC's facilities.



EERC

The worldwide need for cleaner, more efficient energy use brings clients

It's been another great year for the Energy and Environmental Research Center, recognized as one of the world's leading developers of cleaner, more efficient energy technologies, as well as environmental technologies to protect and clean the air, water, and soil.

Among the EERC's accomplishments:

- Completion of an $8 million expansion and renovation project.
- Expansion of its client base to more than 788 clients in all 50 states and 47 countries.
- Great numbers: A staff now exceeding 270, more than 300 proposals submitted with a 69 percent success rate, 372 active contracts (90 percent of which are nonfederal), the hosting of 20 conferences, training courses, and workshops nationwide; and achievement of its goal of $27 million in contract awards.

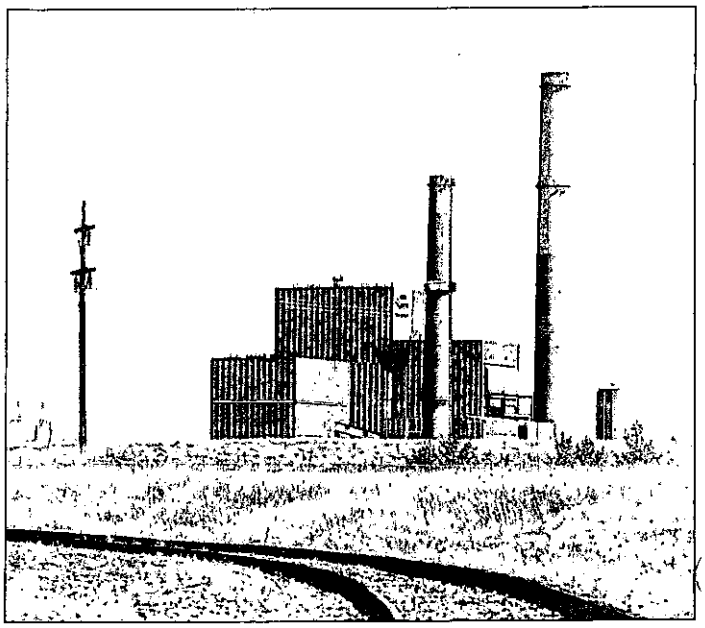
The Center is playing a crucial role in providing solutions to the world's most critical energy and environmental issues. For example, it is becoming a national leader in the development, demonstration, and commercialization of hydrogen production technologies for fuel cell utilization. It has established the National Center for Hydrogen Technology and has entered into numerous partnerships in this area. Examples include John Deere and Company, to couple Deere's fuel cell-powered commercial work vehicle with the EERC's on-demand hydrogen production system for military applications, and Kraus Global of Winnipeg, to commercialize the EERC's on-demand hydrogen production system for use in traditional-style refueling centers for future fuel cell vehicles.

Numerous other activities have become a key focus for the Center, including commercializing a family of technologies that will result in a zero-emissions power plant. Systems utilizing advanced coal conversion technologies, advanced emission controls, technologies to minimize the use of water, and the capability to capture and store carbon dioxide emissions are approaching reality. It is working with international groups like Siemens Westinghouse, Babcock and Wilcox, Alstom Air Preheaters, Marsulex, and many others to bring these technologies to market.

The EERC has also participated in over $15 million worth of contracts focused on mercury measurement and control, including full-scale demonstrations in North Dakota and Texas. The Center is continually sought out as an unbiased expert on mercury control technologies and the status of control and measurement options to government agencies, such as the U.S. Congressional Committee on Environment and Public Works and U.S. Department of Energy policy panels.

The Center is making a major impact in solving critical water management issues in the Red River Basin as well. Its Waffle project received international attention at the completion of the first-ever field test near Shelly, Minn. Test results suggest no significant effects on water and soil quality and no hindrance to springtime planting for local farmers. The EERC's Red River Water Management Consortium, formed to address water-related issues in the basin, has made major advances in building stronger relationships with governmental, nongovernmental, and commercial entities this fiscal year.

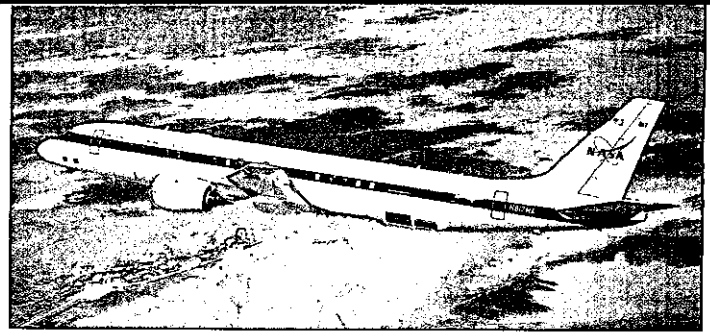
For more information on the EERC, visit its Web site at www.eerc.und.nodak.edu/.



Existing coal-fired plants, such as the Leland Olds Station near Stanton, N.D., will need to use new technologies such as those being developed by the EERC to meet future regulations related to particulates, acid gases, mercury, and carbon dioxide.

NASA

UND will become the home of NASA's premier research aircraft



NASA's DC-8 *(above)* will not be UND's only research jet. Since 1979 a Cessna Citation II operated by the Department of Atmospheric Sciences has been a familiar sight in many places on the globe. Research conducted aboard the craft has contributed to new knowledge about weather phenomena and modification. The jet was recently featured in the magazine *UND Discovery.* To read it, go to: www.und.edu/research/und-discovery/issue2/. *(NASA photograph by Jim Ross)*

UND will be the new operator of the McDonnell Douglas DC-8 that serves as the premier "airborne laboratory" of the National Aeronautics and Space Administration. The Grand Forks Air Force Base made possible the University's acquisition by allowing the DC-8 to be housed on the Base.

The huge jet now works out of NASA's Dryden Flight Research Center on Edwards Air Force Base near Lancaster, Calif. The move will occur in March 2005, with its first research expedition from UND departing for Costa Rica in June. That project, to study the formation of hurricanes, involves 100 scientists, many of whom will travel to Grand Forks to install and test their instruments.

The DC-8's extended range, prolonged flight duration, large payload capability, and laboratory infrastructure have made it the premier research aircraft available to study the global environment in the gap between surface and satellite observations. The aircraft will carry experimenters and their instruments from NASA, other federal agencies, universities from across the United States, and others to conduct research wherever in the world scientific needs dictate.

The five-year contract to care for the DC-8 and manage its use will mean more than $30 million to UND during that period, President Charles Kupchella said at the news conference announcing the agreement. Additional economic impact will be generated as teams of investigators spend time in Grand Forks preparing for impending flights.

Moreover, the presence of NASA here will have an enormous positive impact upon UND's academic missions, including new learning opportunities for undergraduate and graduate students. Faculty, too, will benefit from improved chances of success on funding proposals they submit.

Past student involvement in projects involving NASA was one of the factors that gave UND an edge in the competition for the contract, said George Seielstad, associate dean for research and innovative projects at the John D. Odegard School of Aerospace Sciences and director of the Upper Midwest Aerospace Consortium (UMAC).

He cited as an example the "AgCam," a student- and faculty-created agricultural sensing device that so impressed NASA that it is hoping to schedule it for delivery to the International Space Station once shuttle flights resume. Other factors that played a role in landing the contract: the national reputation of the Odegard School and the presence at UND of disciplines such as earth system science and policy, atmospheric sciences, space studies, and engineering. UND also has a track record of collaborative work among academic departments which, he said, mirrors the interdisciplinary approach taken by NASA. And, Seielstad said, one must also consider the impact of UMAC, the five-state consortium operated by UND that has broken so much new ground in the innovative use of remote sensing and related technologies. UMAC has received more than $10 million in NASA grants since 2000.

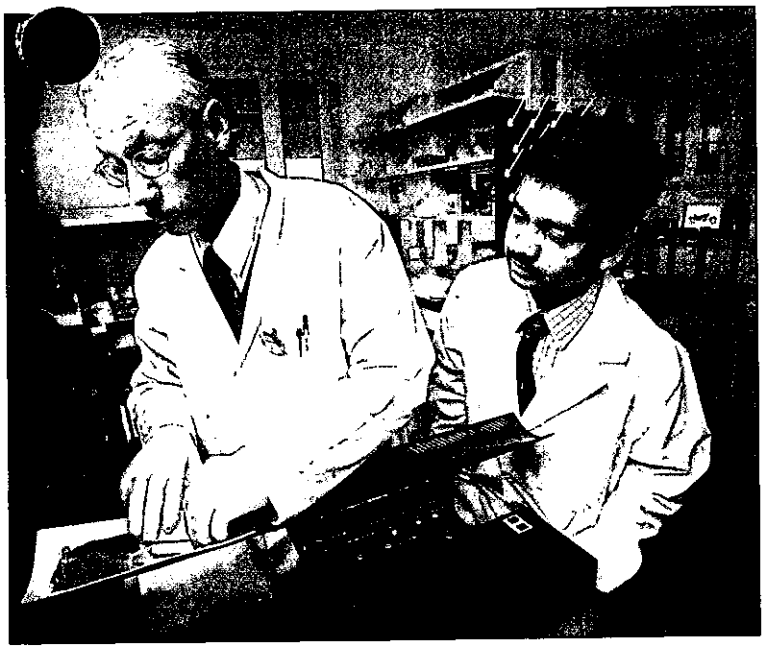
The contract would not be possible, he added, without the full cooperation of the U.S. Air Force, which embraced the project as an add-on to the Grand Forks base's tanker mission. It is providing hangar space and support facilities, as well as providing the long runway that is necessary for optimum operation of a fully loaded DC-8. With the solid support of the 319th Air Refueling Wing, he said, the clearance process was expedited in record time.

Kupchella credits Sen. Byron Dorgan for seeing the possibilities early on and having the clout and connections to tell the story to key decision-makers in Washington. Many of those decision-makers, including the two most recent NASA Administrators, Dan Goldin and Sean O'Keefe, were persuaded by the senator to visit Grand Forks to learn more of UND and its capabilities. As the possibility of the DC-8 deal became apparent, others weighed in, including Gov. John Hoeven and North Dakota University System Chancellor Robert Potts.



Warren Wambsganss discusses the AgCam with Karen Nyberg, a 1994 mechanical engineering graduate and the first UND alum to be named to NASA's astronaut corps. A graduate student in electrical engineering, Wambsganss designed and built the circuit board that will distribute power to the entire system of the camera. Built by UND students and faculty in computer science, engineering, space studies, and business administration, AgCam will be mounted in the International Space Station to shoot satellite images of land use in the Upper Midwest.

Sushil Sharma (left) is the operating manager of the cyclotron/microPET (positron emission tomography) laboratories in the UND Medical School's Center of Excellence in Neuroscience. The University is one of very few research institutions in the nation operating equipment at this level. Assisting him is Shaik Shavali, research assistant professor of pathology.



RESEARCH

UND research programs generate a huge economic impact in the area

The value of UND's portfolio of currently active research projects, as measured by dollars received from or committed by external agencies, reached $299.6 million at the end of 2003-2004. Included is $243.5 million already received for ongoing work and $56.1 million yet to be received for projects that are multi-year in nature.

Just how much is that benchmark in relative terms?

A lot, even when one considers that the money is spent over several years. In 2003-2004, for example, the University as a whole expended $282.9 million for all purposes. So it is small wonder that research has an important economic impact upon the state and region, says Peter Alfonso, vice president for research. He came to Grand Forks from the University of Tennessee in 2002 to reorganize the research support structure as part of UND's Strategic Plan.

According to a study by Cullen Goenner, UND assistant professor of economics, the institution's $82.6 million in research expenditures generated $166.7 million in economic output and 1,630 jobs in the five-state North Central Region. It also generated more than $4 million in state and local tax revenues and more than $15 million in federal revenues.

The greatest impact was within North Dakota: $135.3 million of the economic output and 1,430 of the jobs.

Since 2000-2001, awards have increased 84 percent and expenditures 77 percent. This year's sponsored program awards of $83.03 million represented an increase of 15.2 percent over last year. Seventy-one percent of awards and expenditures stem from federal sources, new money to the state.

UND researchers submitted 857 proposals during 2003-2004, requesting a total of $191 million.

Although more than 60 UND departments received new external grants in 2003-2004, the majority of the awards were brought in by researchers in three clusters:

- The Energy and Environmental Research Center, $21.3 million, comprising 30.6 percent of all awards.
- The life and medical sciences, including most prominently the School of Medicine and Health Sciences, $17.2 million.
- The John D. Odegard School of Aerospace Sciences, $8.7 million.

UND is well-positioned to become a research and commercialization hub

A nationally known University of North Dakota research and commercialization complex?

It's not so wild a dream, says President Charles Kupchella. Indeed, a growing number of partners — including the city of Grand Forks and the Grand Forks Region Economic Development Corporation — are working toward a coordinated plan to make it happen.

Much of the complex already is in place, Kupchella says. Because the facilities are scattered across the campus and beyond, its magnitude is sometimes underappreciated.

At least a dozen key elements are already present, he said, including companies that have spun out of UND research as well as the impressive facilities of such stalwarts as the Energy and Environmental Research Center, the School of Medicine and Health Sciences, and the John D. Odegard School of Aerospace Sciences.

Much — but not all — of the current action is happening on acreage on the west side of the campus. Besides the new Ina Mae Rude Entrepreneur Center *(see the feature at right)*, a 16,000-square-foot building is being constructed by the affiliated but independent UND Aerospace Foundation in its technology park on the far side of Interstate 29.

Further development of the complex in collaboration with private and public entities is high on the agenda. UND also is ready to develop land adjacent to the School of Medicine and Health Sciences and the Energy and Environmental Research Center as burgeoning research at those sites generates interest among potential partners.

The city has much to offer companies that choose to start up or move to Grand Forks to be near the University of North Dakota and its intellectual capital, Kupchella says. A more coordinated and leveraged effort is on its way to becoming part of the community's long-term economic development strategy, he added.

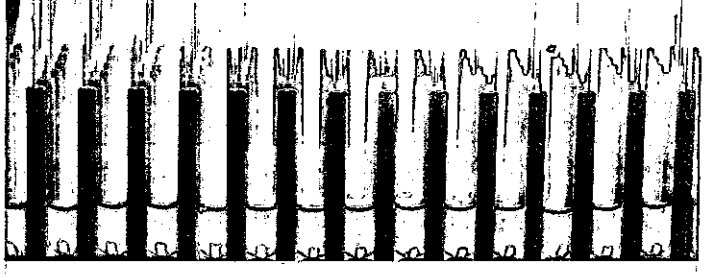
James Petell directs UND's technology transfer, commercialization efforts

James Petell has joined UND as the director of technology transfer and commercialization within the Division of Research.

His job is managing the University's intellectual property — principally the new knowledge generated by its researchers — with an eye toward creating partnerships with the private sector to bring UND discoveries to market. The University will file more than 20 patent applications yet this fiscal year, Petell predicts.



Petell holds a Ph.D. in chemistry from the University of California-San Diego and has wide experience in both higher education and business. Most recently he was manager of intellectual property licensing for ProfiGen Inc.'s operation in Nashville, Tenn. ProfiGen specializes in the commercialization of university research, largely in the agricultural sector.

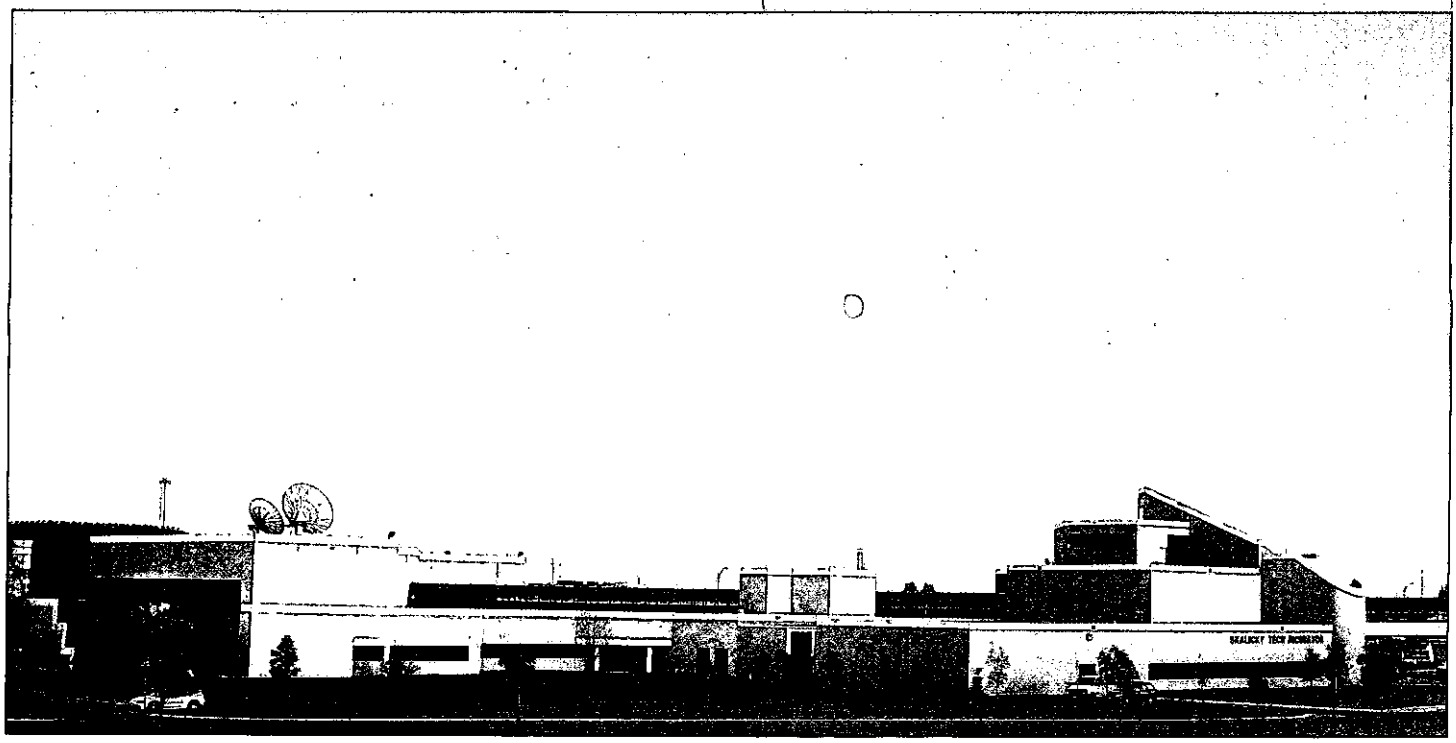


Research seed money

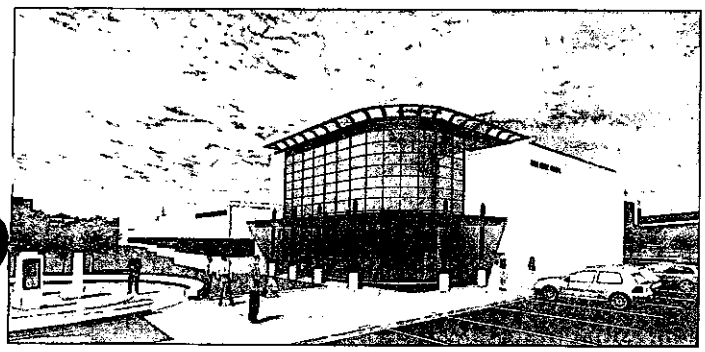
This past year UND made 25 seed money awards totaling $708,353 to faculty who presented ideas that might eventually compete in the national arena for outside funding.

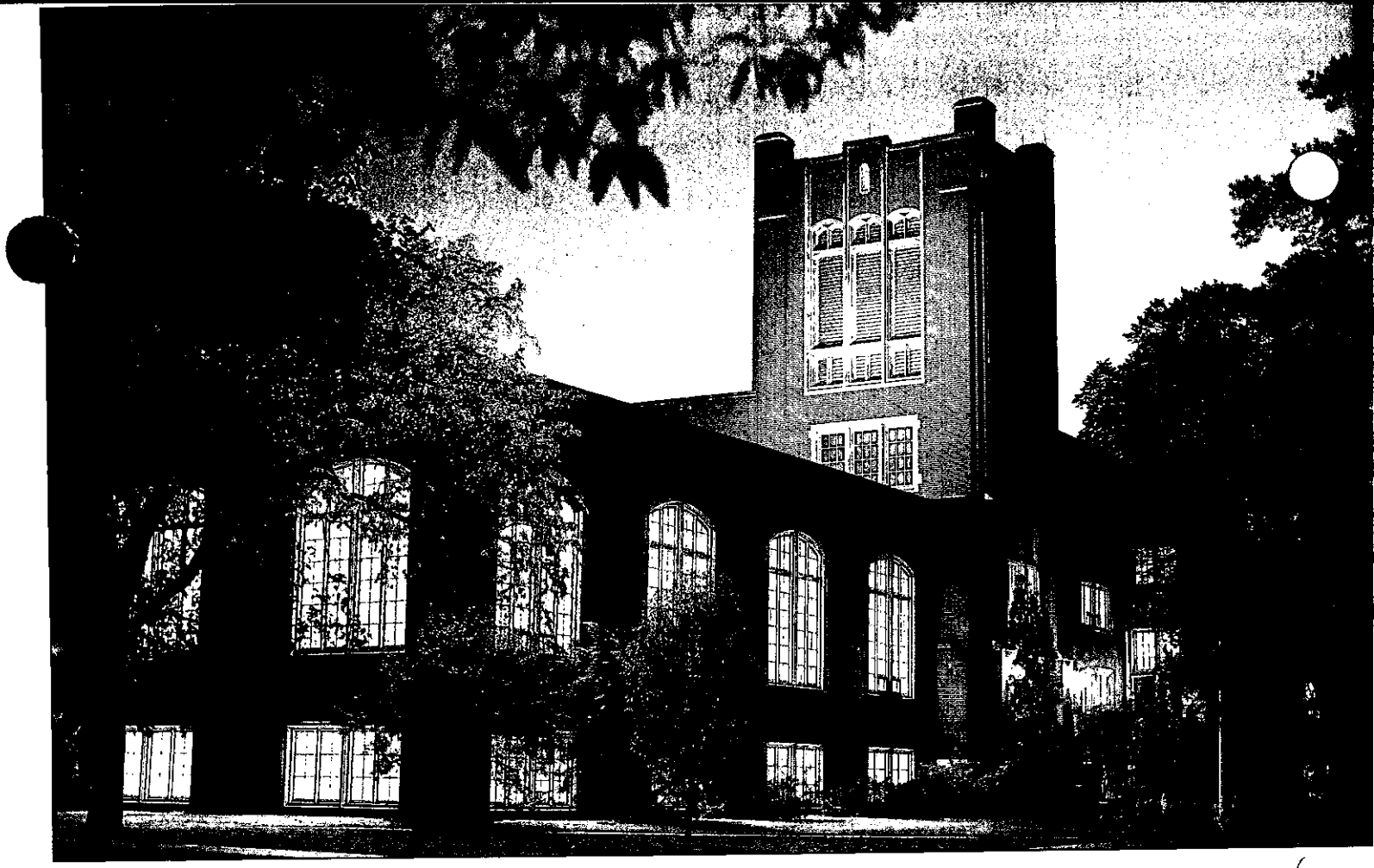
The Faculty Research Seed Money Fund, a grassroots faculty initiative, was established to help researchers pursue ideas that might eventually result in full-blown proposals to external entities such as the National Science Foundation. The seed money is provided through a partnership between UND, the city of Grand Forks, and the UND Foundation.

Since 2000, faculty receiving seed money have submitted $40 million in proposals to outside funding sources, bringing in $8,579,000 in new external grants. The return on investment for this highly successful program is 10 to 1.



Ryan Hall (left) and the Skalicky Tech Incubator are just part of the modern complex on the western edge of the campus hosting aerospace education and research, entrepreneurship, and partnerships with external investors. Opening in January 2005 will be the newest structure in this complex, the Ina Mae Rude Entrepreneur Center (below). This $3.8 million, 20,000-square-foot, multi-tenant lab and office facility for entrepreneurs will host up to 20 new company startups annually and create employment for up to 400 people over the next seven years. The building's funding package includes $1.75 million from Duraflex entrepreneur Ray Rude of Stanley, N.D., for whose wife the building is named; $500,000 from aerospace entrepreneur James Ray of Sun Valley, Idaho; $800,000 appropriated by the North Dakota Legislature, and a $200,000 grant from the U.S. Department of Commerce. The building is managed by UND's Center for Innovation, headed by Bruce Gjovig. The Center marked its 20th anniversary this year. It helps entrepreneurs, students, and researchers launch new ventures, technologies, and products; develop business and marketing plans; access the talent at UND; and secure sources of venture financing. It was among the first technology and manufacturing entrepreneur outreach centers in the nation, and has helped launch more than 380 new ventures and technologies. (Rendering of the Rude Center provided by the Icon Architectural Group)





LIBRARY

Students need to learn how to explore the "information universe"

A native North Dakotan who holds two degrees from the University of North Dakota and two from the University of Illinois, Wilbur Stolt was named UND's director of libraries in 2000. He previously held positions at the University of Wisconsin-Milwaukee and the University of Oklahoma.

As a society, we have moved into the "Information Age." How has this changed the Chester Fritz Library, housed at a growing research university?

In the past, you'd go to the library, be surrounded by card catalogs, and the librarians would know about everything that was in their library's world of information. That information world has now become an information universe, which goes far beyond the walls of the facility. Librarians can no longer know everything that is out there. One of our challenges is to help the students and researchers understand how to mine information in that universe, and how to analyze the quality of its source.

Our primary mission is to provide informational resources and to educate people within the University community. Library resources are in diverse formats — they may be in print, they may be in microformat, they may be digital — which causes all kinds of challenges from access, to storage, to delivery, to preservation of the information.

The informational needs of the University are diverse, spanning support for scientific experiments to theater performances. We work with the faculty to identify the scholarly information they need to enhance the classroom experience and advance research and creative activities.

You won't find many of our journals on the newsstand. The cost of our information — that subset of scholarly information that supports internationally ranked research programs — is high.

What about technology? What role is it playing?

Technology has had a huge impact on the way people access information and the way librarians do their jobs. At this moment we are moving to a new automated library management system. We've used the same system since 1989, which is a long time to use the same technology. With the continuing innovations in technology, we need to adopt newer software that takes advantage of advances in search engines, management capabilities, and the potential of networking.

We're working now on converting data and preparing the new software package to fit our needs. Our goal is to have the new system running in 2005.

ABOVE: The distinctive windows of the Chester Fritz Library's Reading Room glow as evening overtakes the campus.

This library technology project is being undertaken by a group of North Dakota libraries that comprise the Online Dakota Information Network (ODIN). ODIN staff are working with the staff in the various member libraries to get the project completed. There have been no grants or special funding to accomplish the upgrade. It has been a true team effort to accomplish this formidable task.

With the advent of digital formats, you can now have a scholarly journal in bits and bytes delivered to your computer. Libraries license large information databases that allow you to search thousands of articles from your desktop. A person can go online and read anything from an encyclopedia to computer manuals to *Moby Dick.*

So is the Internet replacing the traditional library?

There is a perception that everything is available on the Internet. That's not true. There is still a significant amount of information — particularly scholarly information — that is in print, in book form. Print is still the most portable form. Some people say the Internet means the library is not needed. That's also not true. The library provides a key service in guiding students through the different resources on the Internet and recognizing the differences in sources. We see a growing role for the Chester Fritz Library in teaching what we call "information literacy."

More than 335,000 people entered the library last year. The library works with information suppliers and publishers, works with other libraries, works with faculty and students — the academy — to get the information they need and want. We provide an important consulting service to classroom instructors, researchers, members of the general public, and, of course, students. Some of them come to the desk and say: "I have this project that is due tomorrow. I need three sources." We do our best to guide them to appropriate sources, and also to help them learn to help themselves. More than 5,000 students participated in our library classes last year.

We also think we provide a quality study environment. It's difficult to find a quality, quiet environment where you can find resources at your fingertips. The Chester Fritz Library continues to be a busy but quiet place to study.

UND's Strategic Plan calls for a stronger emphasis on research and graduate education. Has that affected the library?

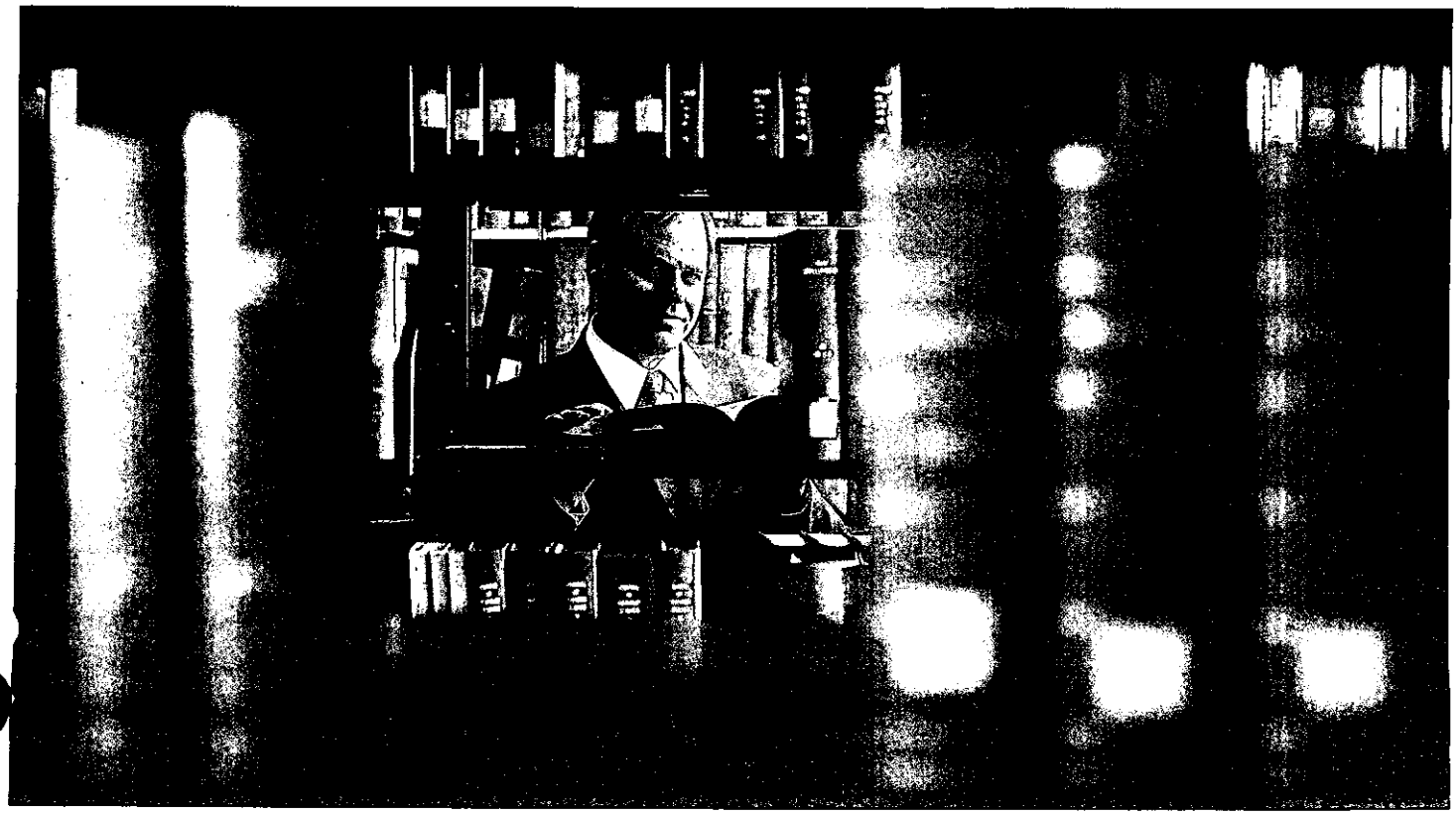
The library's historical collection is quite remarkable. We continue to build the "Core Collection," which is intended to support broad informational needs in our undergraduate programs. A challenge is to acquire the resources to support burgeoning graduate programs. Graduate research brings more intensive study and specificity of investigation. Subject coverage goes deeper — the type of information required is more detailed. Graduate programs need more specific scholarly journals and information resources. The cost of this is higher. We cannot possibly acquire locally everything needed by the students and faculty at UND. What we don't have here, we will try to get through interlibrary loan.

A significant portion of graduate student research and stipends is supported by external funding, but grants generally don't cover the cost of acquiring information resources. In some cases, a grant may cover some of the cost — say subscribing to a periodical — but when the grant period is over, the funding to continue that subscription ceases. It is important for the University to anticipate support of these resources before the grant is over.

People are key to the success of the University. We have

Chester Fritz Library, *continued next page*

Wilbur Stolt: Libraries have an increasingly important role in helping users evaluate the quality of the information they locate.



Chester Fritz Library, continued

seven reference librarians serving all academic programs. As enrollment grows and as the specificity of programs narrows, our ability to meet the individual needs of the students and faculty is challenged. As information becomes more specific and complex, our staff is required to know more about different publishing sources and different options for acquiring information. The Library staff does a remarkable job working with students, faculty, and staff. As our programs increase, it will be important to recognize the need for quality library staff as well as quality informational resources.

Talk a bit about UND's Patent and Trademark Depository.

The Chester Fritz Library's Patent and Trademark Depository provides an entrée to those who are investigating their ideas for new products and inventions, etc. The Patent Depository program is supported by the federal government and is a good place to learn about inventions and ideas filed with the U.S Patent Office. This is not the place to seek legal advice or help with patent filing, but we can provide useful information about the process. We house the only Patent Depository in North Dakota.

The Chester Fritz Library also manages a Federal Depository Collection, which houses publications issued from the U.S. government. In North Dakota, we divide responsibilities for a regional Federal Collection with the North Dakota State University library. This cooperative arrangement gives the universities and the people of North Dakota access to almost all of the federal publications produced each year.

There are probably those who think the Chester Fritz Library is just for faculty and students, but you just mentioned the general public, too. Are there other special features that are available to the general public?

Absolutely. The Family History Room is a good example. As the name implies, it houses resources for those tracing family roots. Included in that room are nearly 1,000 Bygdeboker — Norwegian regional heritage books, sort of equivalent to county history books in this region. It is one of the largest collections in the United States. We have significant resources for non-Norwegian genealogy and also for local history.

Most people think of books when they think of a library, but we have other resources, too, in Special Collections: 2,000 audio tapes, 1,700 videotapes, 1,600 films, photographs, and more, including documents from the personal holdings of many famous North Dakotans and others. The famous White Bull Manuscript, which depicts the Battle of Little Big Horn, is a good example.

The Library is also a resource for people from other areas of the state. We are part of an Interlibrary Loan system through which someone in Bowman can identify a book at UND and request it be loaned to their local library. We handled 4,750 requests through the state Interlibrary Loan network last year.

The Chester Fritz Library is open to any adult, and there is no charge to come in and use our collection. We do ask local citizens to pay $10 each for a courtesy borrowing card. It is a token payment, really, in that it doesn't cover all the administrative costs.

Are there other special collections that you want to mention?

A new one is our Special Learners Collection, brought to UND from the North Dakota Department of Public Instruction. The collection has resources to aid students with special needs: from those with developmental disabilities to gifted and talented students. This is a natural home for the collection, since UND's College of Education and Human Development educates special education teachers. We also have a large collection of children's literature, which supports our student teachers who are going into elementary and secondary education.

We are also blessed with a great number of Asian artifacts collected by our benefactor, Chester Fritz. He amassed a fantastic array of art, furniture, ivory sculptures, tapestries, masks, and more during his many years in China. A portion of his collection is on display in the East Asian Room. We also display Chinese clothing donated by the Rev. Douglas Erickson.

Another special collection is our Popular Reading Collection, which we started with seed money from Student Government. The Library acquires novels in many different genres, including those found on the New York Times best-seller lists. No pun intended, but it's been very popular. We see it as part of the University's Strategic Plan for enhancing campus climate.

Every year, the Library and the UND Alumni Association award a prize in the Merrifield Competition to a student who has done primary research in Department of Special Collections. The UND Foundation partners with us by providing a $1,500 scholarship. We also sponsor the annual Elwyn B. Robinson Lecture, in which we ask a researcher, usually a member of the faculty, to talk about his or her research. And we also publish a list of UND faculty and staff publications in conjunction with the Lecture.

So what are your challenges as you continue to build a library for the 21st century?

As mentioned before, the cost of scholarly information is high. Some journals cost as much as $12,000 annually. Some databases are over $50,000 per year. Inflation for scholarly resources is higher than most people realize and is usually ahead of the Consumer Price Index.

So as we see more expansion of all of the University programs, finding additional sources of funding will be important. Already it is difficult to keep up with the increased requirements — and the increased costs — to expand Library services appropriate to the University's needs.

Technology has ***NOT*** made things cheaper. Group purchasing — working with other libraries at other institutions to share costs — has been helpful, particularly in the acquisition of electronic journals. We are trying to manage the collections and costs as well as we can, but as we increase the number of programs and students, it creates demands. The cost for technology to access information and enhance research simply adds to the funding requirements of the Library.

Fortunately, President Kupchella understands the role of the Library in supporting the academic programs of the University. He has been very responsive to library needs. The Strategic Planning process also provides a positive avenue for faculty and students to express their needs within the campus goal-setting process.



The $7 million, 50,000-square-foot Betty Engelstad Sioux Center is the new home of women's volleyball and men's and women's basketball, and also provides offices and locker facilities for women's soccer. Designed to retain the close fan involvement of the old Hyslop Sports Center, the "Betty" can accommodate up to 4,000 spectators, with 2,600 in upholstered seats with armrests. It can be converted to athletic camp use with either four full-size basketball or volleyball courts. Named in honor of the wife of the late Ralph Engelstad, builder of UND's nationally recognized hockey arena, the "Betty" opened for use Aug. 27-28 with a women's volleyball tournament.

ATHLETICS

Athletic and academic successes continue to be points of pride

While the long and sterling athletic success of the University of North Dakota continued in high gear during the past year, UND continues to monitor and assess its place in the grand scheme of NCAA athletics.

The Sioux have been one of the prime competitors at the National Collegiate Athletic Association (NCAA) Division II level for many years. Their power and prowess was again reflected in the final standings of the 2003-04 United States Sports Academy Directors' Cup, in which UND finished fourth out of 224 schools. It measures overall regular and post-season performances in men's and women's sports.

The Directors' Cup program also cites UND for playing in six NCAA championship finals and winning three of them in the last six years. UND ranks third in total points won among NCAA Division II schools over the 11-year history of the cup. The cup ratings are computed and announced annually by the National Association of Collegiate Directors of Athletics (NACDA), the United States Sports Academy, and *USA Today*.

Five first-place conference finishes were registered by UND teams in the 2003-04 season, along with other high finishes *(see the sidebar article on Page 25)*. And the Division I men's Western Collegiate Hockey Association league championship in 2003-04 added to the luster, while not counting toward the Division II Directors' Cup compilation.

UND student-athletes have excelled in the classroom, too. For the 12th time in the 13 semesters through spring of 2004, they maintained a grade point average of over 3.0. They also have received 24 of the prestigious NCAA postgraduate scholarships since 1979.

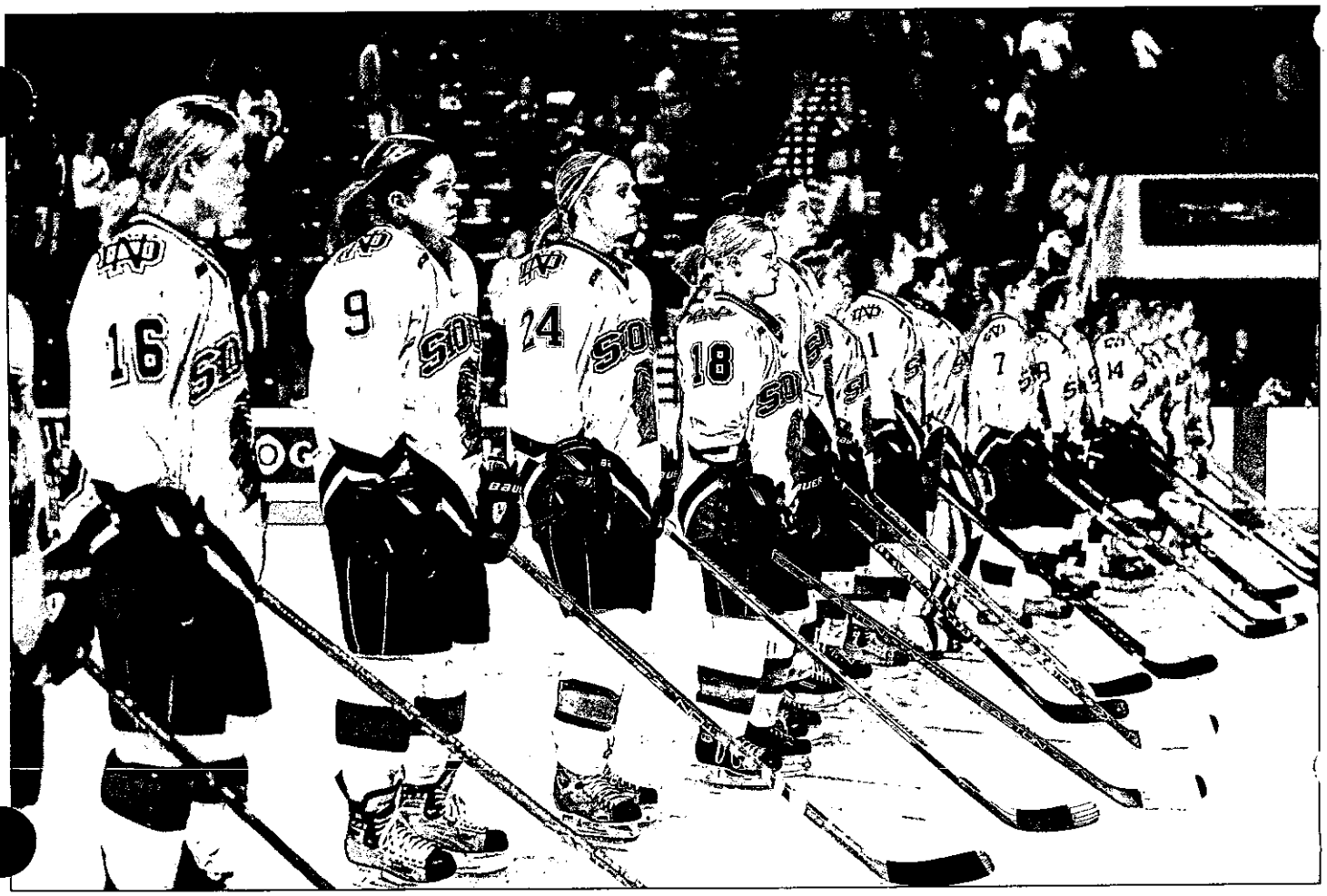
UND's athletic facilities are only a dream to many programs, even at some higher NCAA division level schools. These already outstanding venues were further enhanced in the fall of 2004 with the opening of the Betty Engelstad Sioux Center, a 4,000-seat arena that is the new home of men's and women's basketball, volleyball, and soccer teams. The "Betty" is attached to the state-of-the-sport Ralph Engelstad Arena, the $104 million hockey complex that opened in 2001.

Athletic success, *continued next page*

"I renew my pledge here to make all necessary efforts to keep our intercollegiate athletic programs competitive, nationally visible, and connected to the core mission of the University — to the goals we have for all our students."

President Kupchella, State of the University *address*

The Fighting Sioux women's ice hockey team is playing its first season as a member of the Western Collegiate Hockey Association. The team began varsity competition in 2002-2003 and played as an NCAA Division I independent last year. UND's Ralph Engelstad Arena hosted the WCHA Women's Final Five tournament in March 2003.



Athletic success, continued

Despite its national stature and performance record, UND could look harder at the possibility of a move to another NCAA level if a critical alteration to the Division II foundation occurs, notes UND Athletic Director Roger Thomas.

A proposal before the NCAA convention in January 2005 would decrease the maximum number of scholarships for Division II football from 36 to 24. The impetus for that change comes from schools that cannot afford to offer the top-end amount in aid and want to "level" the playing field. The showcase Division II football programs such as UND's are concerned about a decline in quality that could also lead to other effects.

If the scholarship reduction measure passes, UND would ponder moving its sports program up to Division I (which in football would be I-AA), in which 63 football scholarships are allowed.

While answering the scholarship cutback at D-II, going Division I would create a different set of situations to address. These include extensive cost increases, lessening of the likelihood of being competitive for the national championships which UND has achieved at Division II, except, perhaps, in football; ineligibility for post-season playoff participation for several years, and difficulties in forging a new conference or being admitted to an existing one.

Thomas looks at remaining in Division II from some positive perspectives. They include:

- The capability to retain the broad range of sports now offered instead of the possibility of having to divert funding from some that are now already marginally funded
- Ongoing championships at regional and national levels instead of possible relegation to also-ran status among the higher-end Division I schools
- Continued enrollment of area and regional athletes
- Maintenance of the balance between current men's and women's sports that meets federal Title IX regulations
- The fact that UND already has one of the premier Division I programs in the nation in men's hockey and has introduced the new but growing women's Division I hockey.

Noting the quality of UND's sports programs and their participants both athletically and scholastically at UND's present Division II level, UND President Charles Kupchella said, "UND doesn't get any better in terms of what intercollegiate athletics is meant to be.

"We tell our athletic department to take the goals we have for all our students and tell us how they help address them as an athletic program," he continued. "We believe what they do actually does help the student-athletes we bring here acquire

skills and aptitudes that we hope all our graduates will obtain. We see athletics as integral to our curriculum."

Some speculate that it is unlikely that the scholarship reduction proposal will pass, in which case UND will be able to continue to offer the D-II high-end number of 36 football scholarships.

But even if that happens, Thomas says, there remain some concerns by well-meaning fans. Many of them are troubled by the end of a century of rivalry with North Dakota State University. But, he said, for a Division II school that intends to compete for national championships in football and basketball, it is self-defeating to play Division I teams, even when you win. Those games don't count in the Division II ranking process.

Some also worry that the departure of NDSU, South Dakota State University, and Northern Colorado may have diminished the status of the North Central Conference, and perhaps even put its long-term viability in doubt. Yet others are vaguely disturbed by the recent success in Division II of teams that were unheard of a decade ago.

"UND is acutely aware of all concerns," Thomas emphasized, pointing out that the ramifications of the matter are part of the Athletic Department strategic planning program that is under way as part of the University's overall planning update.

2003-04 UND Athletic Highlights

Baseball: Won conference championship and posted a 37-18 record, matching highest win total in history.

Basketball, women: Finished eighth nationally in *USA Today*/ESPN/WBCA poll; won fourth straight conference postseason championship.

Cross country, women: Finished third at conference championship and 15th at national Division II meet in 2004.

Football: Won 2003 conference championship and advanced to national D-II championship game, being edged by Grand Valley State of Michigan, 10-3. In 2004 advanced to the semifinals in national D-II playoffs.

Golf, men: Finished third at conference championship in 2004.

Golf, women: Finished third at conference championship in 2004.

Hockey, men: Won league championship and advanced to NCAA Division I national tournament quarterfinals.

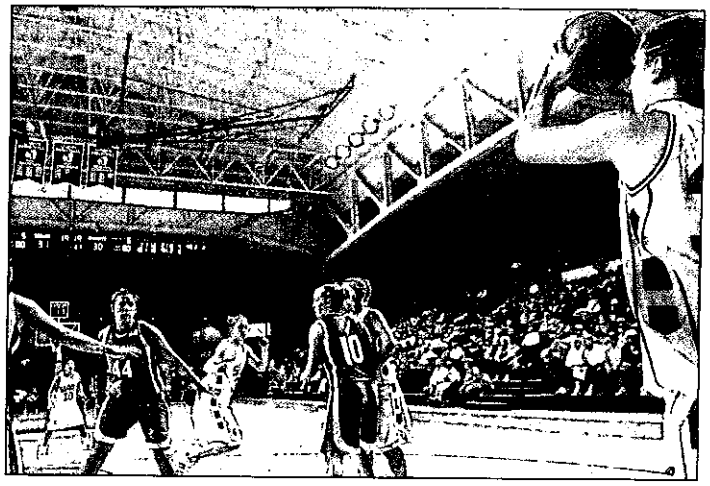
Hockey, women: Finished with 16-14-2 record in just second year of existence.

Soccer: Finished second in conference championship tournament in 2004.

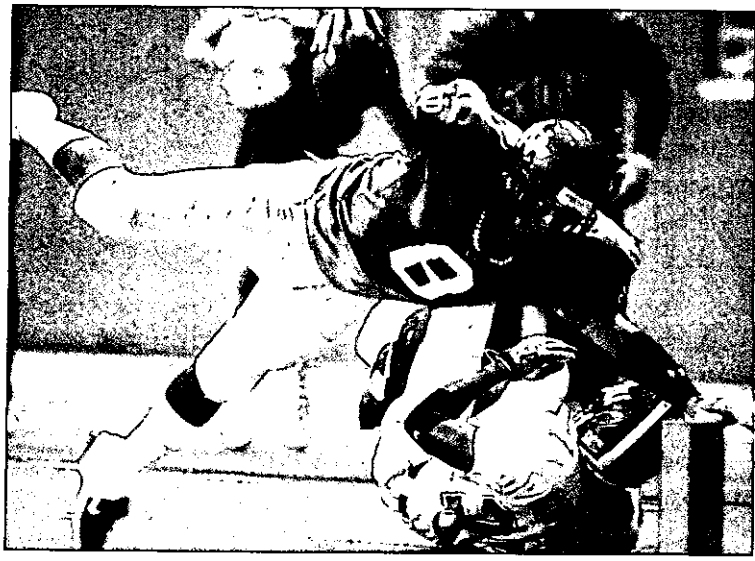
Swimming, women: Won 23rd straight conference championship meet in 2004.

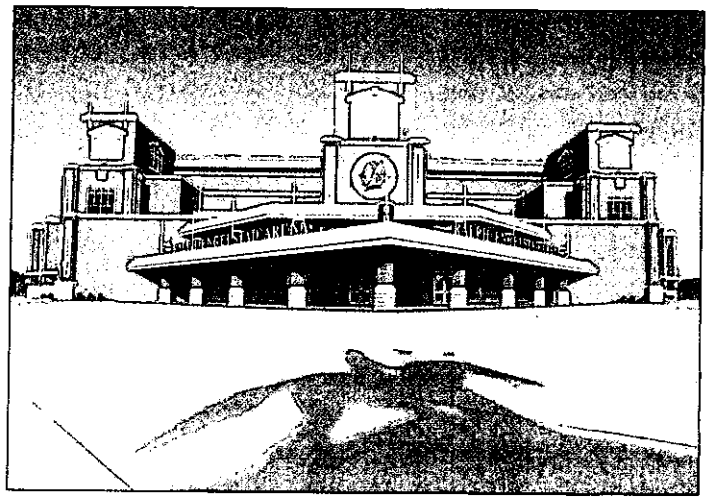
Swimming, men: Won fifth straight conference championship meet in 2004 and 17th of last 19 meets; UND won every event in 2004.

Tennis, women: Won second straight conference championship.



ABOVE: The Fighting Sioux women's basketball team played their regular season home opener Nov. 15 in the new Betty Engelstad Sioux Center. UND beat Northwest Missouri State University 73-56. BELOW: Wide receiver Caleb Johnson reaches for extra yardage during UND's Aug. 28 home opener against Delta State University. The Statesmen, who were ranked No. 8 going into the game, fell to the Sioux 28-19 in the Alerus Center. (Athletic Department photos by Scott Gaddini)





UND's Ralph Engelstad Arena will host the NCAA Division II men's basketball "Elite Eight" national championship tournament March 23, 24 and 26, 2005. The championship game will be broadcast nationally by CBS.

AEROSPACE

Aerospace Camp draws participants from across the nation to UND

More than 60 teenagers attended UND's 21st Annual International Aerospace Camp this past summer. The high school students came from across the country, including Arizona, New York, Illinois, Oregon, Minnesota, Pennsylvania, Texas, and Montana.

Over 1,200 kids have attended the camps, says Ken Polovitz, assistant dean in the John D. Odegard of Aerospace Sciences, who has coordinated 17 of them. About 20 percent of the participants end up at UND as aviation majors, he estimates. Many have become airline pilots who occasionally cross his path as he travels the country on recruitment trips.

Demand for the camp remains high, he says, so much so that the Odegard School no longer needs to buy conventional advertising, relying instead on selective direct mail and word of mouth.

The eight-day camp costs $995, including room and board. It is built around six flying experiences, one in a simulator and the others aloft with a UND flight instructor. The flights involve about an hour each. Each illustrates a different theme (for example, flying cross-country or at night).

The most fun, says camper Julia Delogu of Chicago, was in a specialized aerobatics plane, performing stunts like the cloverleaf and hammerhead spins and experiencing the feeling of negative and positive gravity. A high school senior, she is planning to major in aviation somewhere but is still exploring her options about which university to attend. Her interest in flying stems from childhood: flying with her dad, who has a private pilot's license, and taking family trips to the airport to watch planes.

"The camp was a lot more fun than I thought it would be," said Nick Sites. "It's tough to say what was best. You just learn so much." Sites, of Hanover, Pa., discovered the camp while surfing UND's web site. He liked the actual flying in planes with an instructor and just one other student. The tutorials about careers in aviation also were helpful, he added.

The career tutorials were a new feature this year, Polovitz said. That sort of change is typical of the camp's continuing evolution.

"We've added a more substantial academic content," he explained. "A couple of years ago the decision was made to limit the camps to high school juniors and seniors. The result has been more serious students who need less supervision. The camp provides a taste of college life, such things as living with a roommate and getting to class on time."

The camp is a good way to determine if college is a good idea for the individual student, said Gary Ebel, assistant camp director.

"We talk about the college curriculum and what will be expected," he said. UND also recommends courses for the students' last year or two of high school — for example, a foreign language and physics — based on typical college requirements for aviation students.

The camp has come to focus more tightly on actual flying, Polovitz said, cutting back on such activities as field trips to the airports in Winnipeg and the Twin Cities.

In 2004, each of the two camps had a full roster and a waiting list. Of the 32 attendees accepted per camp, typically three or four are girls. This year seven girls were in the first session and two in the second.

The camps are not moneymakers, but they provide tremendous exposure for UND. "They are definitely worth the investment," Polovitz said. "Even if students don't eventually attend the University, they go home and talk about UND and the camp."

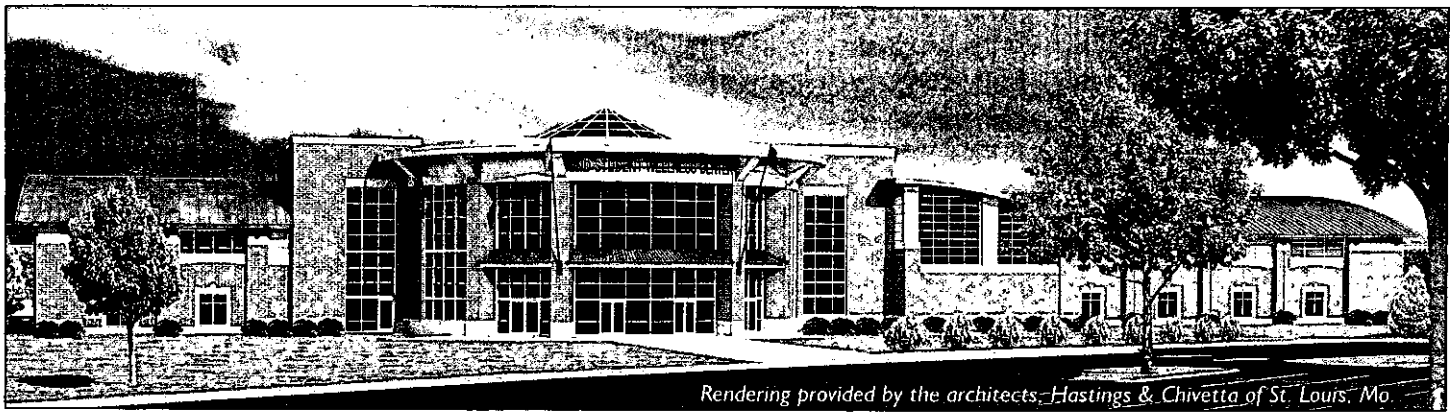


Flight instructor Richard Anderson (left) reviews preflight check procedures with Aerospace Camp participants Kurt Wennmann of Richmond, Minn., and Julia Delogu of Chicago, Ill. Both Wennmann and Delogu are 17.

WELLNESS CENTER: *Construction has begun on UND's $20 million, 106,000-square-foot Wellness Center, scheduled to open in 2006 on the banks of the English Coulee.*

Funded entirely with student fees, the building will be second only to its neighbor, the Ralph Engelstad Arena, as the single-largest structure ever built at UND. It has been designed to provide active learning opportunities in the multiple dimensions of wellness: physical, spiritual, intellectual, environmental, social, occupational, and emotional. Amenities will include more than 300 pieces of cardio and weight equipment, a suspended running track, three wood-floor courts, a multipurpose court, a dividable group exercise room, a Pilates/yoga studio, five assessment rooms with state-of-the-art-equipment, a meditation lounge, nutrition bar, demonstration kitchen, massage studio, and much more. Personal training, fitness assessment, nutritional analysis, and wellness coaching will be among the services offered. The Center will be open to all students, as well as faculty and staff who purchase memberships. More than 3,000 visits a day are anticipated.

Currently, some 150 students from a variety of disciplines work and do internships at the Interim Wellness Center in the Hyslop Sports Center. When up and running, the new Center is expected to employ 350 students and to serve as the catalyst for more graduate study and research in the areas of fitness and wellness, and other related areas.



Rendering provided by the architects, Hastings & Chivetta of St. Louis, Mo.

NEWS

The University marks another year of progress and accomplishment

HIGH MARKS: After being out in the world for three years, 92 percent of the respondents to a nationally administered survey of the class of 2001 rated UND as excellent or good. Moreover, 87 percent said they would still attend UND if they could begin again, and 74 percent would recommend UND to others without reservation.

The findings are from an Alumni Outcomes Survey conducted by the American College Testing Program (ACT) for the North Dakota Higher Education System.

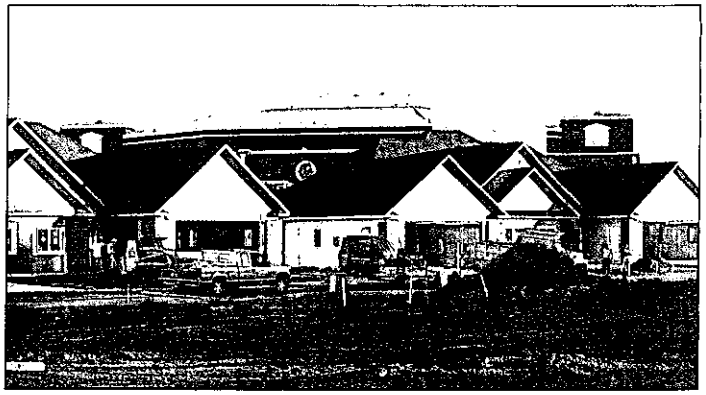
UND outperformed its national peers on satisfaction ratings of 10 of 13 aspects of college life. The five highest degrees of satisfaction were with class size relative to the course, quality of the program in the major, overall quality of instruction, general condition of buildings and grounds, and variety of courses offered. In the opinion of the respondents, UND did less well in meeting the needs of physically challenged individuals, acceptance of different sexual orientation, and multicultural content of courses.

The respondents are doing well in their careers. More than half reported earning $30,000 to $49,000 annually, compared to 33 percent of alumni nationally at colleges with more than 10,000 students.

More information on this and other institutional research about UND can be found at :

www.und.edu/dept/datacol/index.html

LEWIS AND CLARK: The University was among the sponsors that brought the exhibition "Rivers, Edens, Empires: Lewis and Clark and the Revealing of America" to the North Dakota Museum of Art on campus from Nov. 14, 2004, to Jan. 9, 2005. Mounted by the Library of Congress, the exhibition includes original documents and materials from its collections, as well as other items on loan. Among these are Indian artifacts from the National Museum of the American Indian, botanical specimens collected on various western expeditions from the National Museum of Natural History and the New York Botanical Garden, artist and naturalist Titian Peale's drawings made as a member of the Long expedition from the collection of the American Philosophical Society, and the Sitting Rabbit map and a Winter Count attributed to High Dog from the North Dakota Historical Society.



Twenty-six new town homes are nearing completion on the Bronson Property on the north side of the campus. Located near the Ralph Engelstad Arena and the Wellness Center now under construction, the town homes are but one component of the development of a "university village" concept for the area. A number of commercial entities are joining the Barnes & Noble University Bookstore in the area, including a mini-mall, a bank, a sports-theme restaurant, and a gas/convenience store. Still more projects are on the drawing board.

DISTANCE EDUCATION: The Division of Continuing Education built upon its status as the region's premier deliverer of distance education, offering a wide variety of credit and noncredit educational experiences. In fiscal year 2004, it recorded 20,416 enrollments through its 22 distance degree programs, work force development offerings, conferences, certificate programs, correspondence study, and extension. More information about the Division's offerings is available at www.conted.und.edu/.

DEFIBRILLATORS: More than 300 automatic external defibrillators have been placed in 170 North Dakota rural towns as part of a federal grant program administered by UND's Center for Rural Health. The devices can be critical in the first response to a cardiac arrest. Most of the towns receiving them, such as Ayr, population 19, Grenora, 216, and Zap, 287, do not have a hospital, clinic or medical provider. Each applicant must form a "rural community partnership" consisting of at least three partners who wish to work together to protect and save lives.

ENVIRONMENTAL TRAINING: UND's Environmental Training Institute in the Division of Finance and Operations continued to provide regional leadership in offering training in the area of the safe handling of lead, asbestos, and other hazardous materials. In 2003-2004 the Institute trained 1,299 individuals from 160 cities in nine states. The closest similar Environmental Protection Agency-approved programs are at the University of Minnesota and the University of Colorado.



UND First Lady Adele Kupchella (seated second from right) served this year as chair of the Council of Presidents' and Chancellors' Spouses of the National Association of State Universities and Land-Grant Colleges. The job gave her the opportunity to bring the Council's planning committee to campus in May to prepare for the group's national meeting. As Council chair, Mrs. Kupchella served on the NASULGC board of directors, attending that important organization's quarterly meetings in Washington, D.C.

FRONT ROW, from left: Barbara Tedesco-Thomas, University of Missouri-Rolla; Becky Gates, Texas A&M University; Adele Kupchella; Jean Middleton, NASULGC. BACK ROW, from left: Janet Schmidly, Oklahoma State University; Susie Gogue, University of Houston; Mary Jo Rawlins, Washington State University; Brendon Bailey, Western Michigan University; Ruth Ann Wefald, Kansas State University; Lisa Dubois, University of Wyoming; Teri Streeter, NASULGC.



Nearly a thousand sixth graders in Grand Forks, Bismarck, and Williston met Amelia Earhart at their schools this spring, thanks to a chautauqua-style presentation sponsored by UND's Department of Space Studies. Portraying the famous aviator, who among other distinctions was the first woman to fly solo over the Atlantic, was Ann Birney, a scholar and historic performer affiliated with the "History Alive" program of the Kansas Humanities Council. Appropriately, Birney and two aviation students, Jennifer Zawislak and Justin Place, were flown to the performances in a UND aircraft.

AMERICAN INDIAN JOURNALISM: The School of Communication has received $350,000 in funding from the Knight Foundation for three initiatives designed to recruit American Indian youth to careers in journalism. Involved will be recruiting trips to high schools and tribal colleges, the launching of an electronic newspaper, *Red Nation News*, and a "Native Community Studio" that will bring working American Indian journalists to campus. The Web address for *Red Nation News* is www.und.edu/dept/nativemedia/rednation.html.

ENGAGEMENT: The University has organized a new Center for Community Engagement designed to better connect expertise and programs at UND with real-life needs in communities throughout North Dakota. The Center, directed by Lana Rakow, professor of communication, promotes scholarly and creative work by faculty and staff done in collaboration with communities, nonprofit organizations and other public entities. It also coordinates UND's experiential learning programs. More information is available at:

www.und.edu/dept/cce

BEST PHOTOGRAPHER: Chuck Kimmerle, whose photographs illustrate this annual report, was named College Photographer of the Year for 2004 by the Council for the Advancement and Support of Education (CASE). The most recent previous winners came from Harvard, the University of Wisconsin, and Vanderbilt. Kimmerle was also the only entrant to win a Gold Medal this year for an individual photograph. That image appeared on the cover of the UND's North Central Accreditation self-study report. CASE has a membership of more than 3,000 colleges and universities in North America.

MOST ENTREPRENEURIAL: UND is No. 14 of the top "25 Most Entrepreneurial Undergraduate Campuses in the

Country," as listed by *Forbes Magazine* and the *Princeton Review.* UND offers a major in this emerging field and, through its Center for Innovation, provides space for students in its incubator, free consulting, and even access to a loan fund. UND also made the magazine's top-20 list of "most wired campuses" for its success in integrating technology into teaching, research, and campus life.

NOBEL ATTENDEE: For the second straight year, a UND chemistry graduate student was among those attending the annual gathering in Lindau, Germany, of Nobel Prize laureates in science and medicine and 400 of the world's elite doctoral students. She was Kristine Carlson of Breckenridge, Minn., pursuing a Ph.D. Her expenses were covered by the U.S. Department of Energy. Kristopher Keuseman of Willmar, Minn., attended in 2003.

NORWEGIAN CONFERENCE: In October the University was the site of a seminar for professors of Norwegian from across North America, sponsored by the Royal Norwegian Ministry of Foreign Affairs. It drew more than 50 academic participants. The community also participated, thanks to a free concert at the Chester Fritz Auditorium. The appearance of internationally known composer and guitarist Lillebjørn Nilsen was a gift from the Norwegian government. Among those in attendance was Liv Mørch Finborud, counsel general of Norway in New York City.

NURSE ANESTHETISTS: Eight of the 12 students who completed the Master of Science in nursing with a specialty in nurse anesthesia last year have passed the national certification examination with perfect scores, with the others finishing well above the national average. Eleven of the 12 took jobs in North Dakota as Certified Registered Nurse Anesthetists.

ENDURING FRIENDSHIP: Year two is under way of "Operation Enduring Friendship," a program initiated by UND that provides free and reduced-price tickets to athletic contests and community arts events to active duty personnel and their families. Last year, more than $183,000 in tickets to UND home games, local theater productions, and events in the arts and sciences were distributed. "There is no community on earth like Grand Forks, and no community that takes care of its Air Force base like Grand Forks," said Col. Mark Ramsay, commander of the 319th Air Refueling Wing.

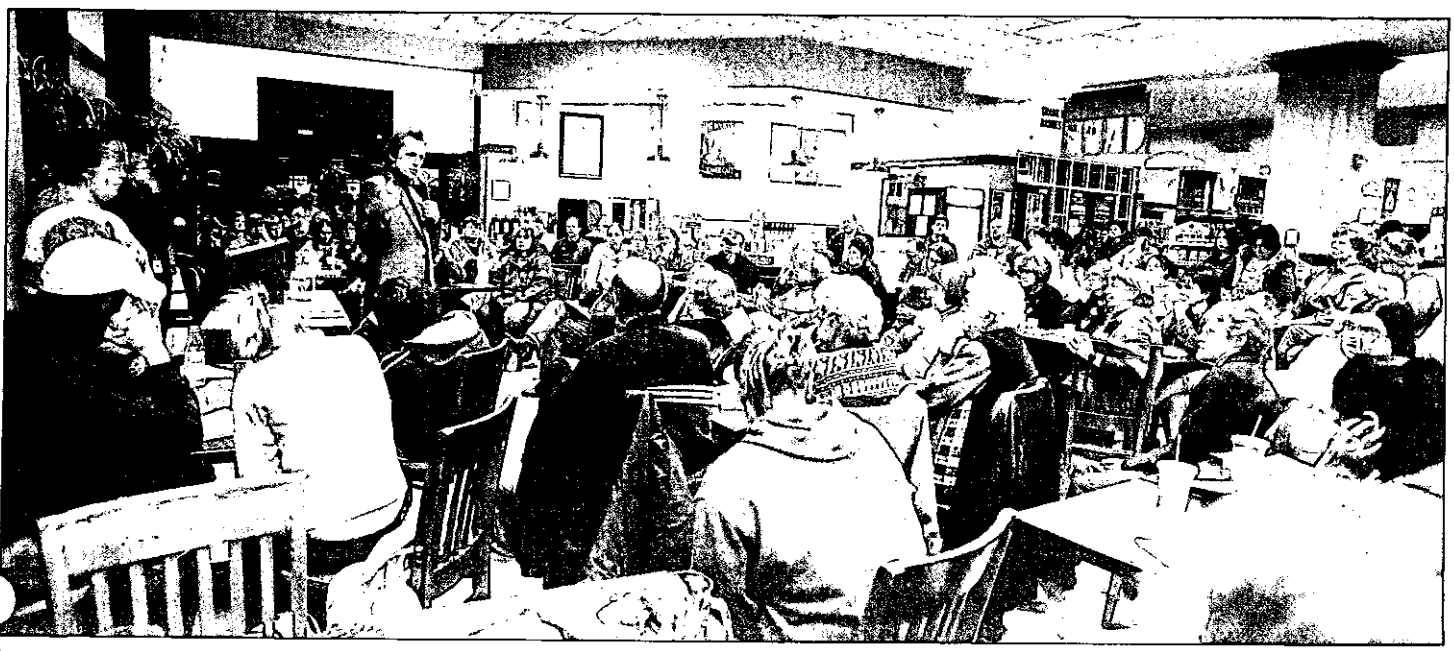
HISTORIC UND POTTERY: Yet another work, this one a lavishly illustrated coffee-table book, has been published about the pottery produced at UND between 1910 and 1963. *UND Pottery: A History and Comparative Study of the Art Pottery Made at the University of North Dakota* is by Ken Forster, an Oxford-educated antiques dealer. More information is available at:

www.marlin-media.com

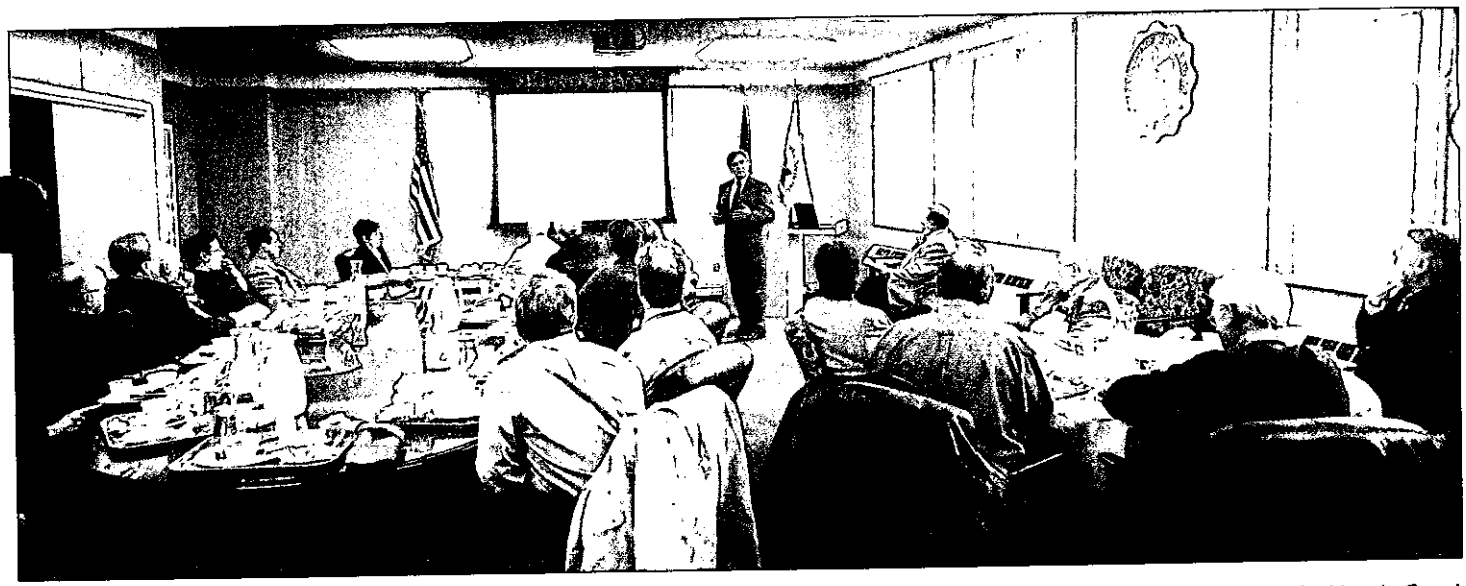
WINNING STUDENT COMPOSER: The composing talents of Seth Custer, East Grand Forks, Minn., a senior music major specializing in saxophone, took him to the national meeting of the Music Teachers National Association in Kansas City, Mo., in March. He played his composition for saxophone quartet there after winning state and divisional composing competitions, thereby qualifying for the MTNA's national competition. The organization, founded in 1876, has a membership of 24,000 independent and collegiate music teachers.

VENUS TRANSIT: Three UND professors — Tim Young of physics, Ron Marsh of computer science, and Vishnu Reddy of space studies — traveled to India in early June to observe the

News notes, *continued next page*



A large crowd gathered in the Barnes & Noble University Bookstore to hear author Joe Starita discuss his book, The Dull Knifes of Pine Ridge: A Lakota Odyssey. *The book is an account of four generations of an American Indian family in South Dakota from the 1870s to the 1990s. From January through April the University hosted a series of events on the topic of "Exploring the American Indian Experience." The events were sponsored by UND's American Indian Programs Council and a number of campus and community entities.*



The University and the surrounding community continue to develop collaborative relationships on a number of mutually beneficial fronts. On Nov. 1, Grand Forks Mayor Mike Brown, his staff, and the City Council lunched on campus with President Charles Kupchella and senior UND administrators. Included in the discussion was a report by Vice President for Research Peter Alfonso (standing), who presented the latest results of the Faculty Research Seed Money Project, funded in part by the city (see Page 19).

News notes, continued

"transit" of the planet Venus across the disk of the sun. The team's work, including its overcoming of disaster when a sudden gust of wind blew down its instruments, attracted international attention, including a major article in the *Times of India*. The team's scientific observations were posted live to a Web site hosted by the Goddard Space Flight Center.

COFFEEHOUSE PRAISED: A new coffeehouse in UND's recently remodeled Memorial Union has been cited in a leading trade journal as an example of successful retail food service concepts being seen on the nation's campuses. During the day, the 1,000-square-foot "Stomping Grounds" accommodates walk-up customers, and during the night serves students attending live music and other events in the adjacent "Loading Dock." Students decided the menu, reports *Campus Dining Today*, pointing out that despite the "upscale" image, a typical check amounts to just $2.50.

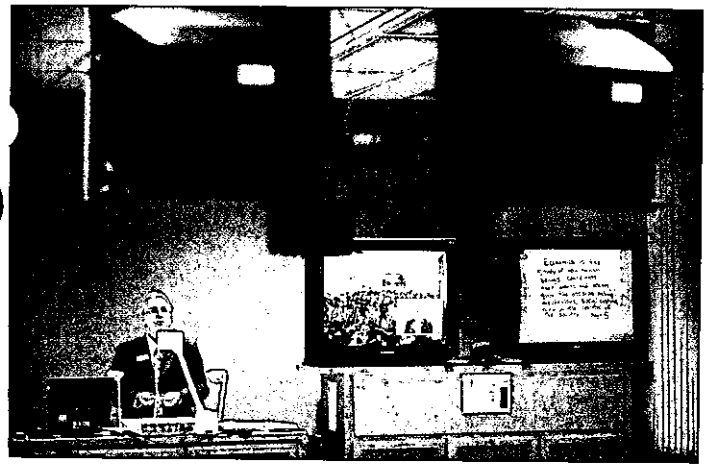
WAKEFIELD HONORED: Mary Wakefield, director of UND's Center for Rural Health, has been elected to the prestigious Institute of Medicine of the National Academy of Sciences. She is the only member of the 1,416-member group from the region of the Dakotas and Montana. A native of Devils Lake, Wakefield joined the staff of the School of Medicine and Health Sciences in 2001.

CANADIAN STUDENT PROFILED: A UND student-athlete, Alexia Gagnon-LaPlante of Sainte-Therese, Quebec, was featured Oct. 16 in a two-page spread in the *Montreal Journal*, Canada's largest French language newspaper. Alexia participates in two sports, hockey and golf. The article by Dominic Bélanger reports how Alexia played hockey in Grand Forks on a Friday night and then competed the following day in the conference golf tournament in Omaha, Neb., thanks to a UND aircraft. The bulk of the piece, however, describes Alexia's busy schedule and how she is excelling academically. She and her father credit the encouragement of women's hockey coach, Shantel Rivard, as well as the tutors and other resources available to UND's "learning community" of more than 400 varsity athletes.

GRADUATE ENROLLMENT: Although the University's 2,045 graduate students must meet the requirements of and receive their degrees from the Graduate School headed by Dean Joseph Benoit, they study within the departments of UND's other colleges and schools. The division with the most graduate student majors in the fall of 2004 was the College of



UND's annual Writers Conference continues to be one of the premier cultural events in the region. Among the featured authors for the 2004 conference, the 35th in the series, was North Dakota native Louise Erdrich, pictured here signing copies of her books. Erdrich's 1983 novel, Love Medicine, *won the National Book Award for fiction. Her latest works include* Original Fire: New and Selected Poems, Books and Islands in Ojibwe Country *for the National Geographic Society's Literary Travel Series, and a novel,* The Master Butchers Singing Club. *Authors appearing for the Writers Conference participate in panel discussions, give readings, sign books, and visit with conference attendees.*



For the first time in its history, the University this fall offered instruction via "real time" interactive television to students overseas, in this case in China. Professor Patrick O'Neill's macroeconomics class was sent to the students gathered in a lecture hall 7,000 miles and 13 time zones away. He traveled to China in December to meet the students and teach the final eight weeks of the course. The 85 Chinese students are enrolled at the University of Shanghai for Science and Technology (USST), which has had a collaborative relationship with UND since 1994. The students take courses from UND's College of Business and Public Administration but earn credits through USST.

Education and Human Development. Its 554 graduate students included 184 pursuing Ph.D and Ed.D. degrees. That represented 27 percent of the total.

The other declared graduate majors studied in the College of Arts and Sciences, 358; the School of Medicine and Health Sciences, 318; the Odegard School of Aerospace Sciences, 196; the College of Business and Public Administration, 168; the School of Engineering and Mines, 110; and the College of Nursing, 91. Not included in the breakdown are 250 graduate students who have not declared a major.

In addition, UND enrolled 59 M.D students in the Medical School and 76 J.D. students in the Law School.

COATINGS RESEARCH: The School of Engineering and Mines has received a $2.8 million U.S. Defense Department grant to join a private partner, Alien Science and Technology Corp. of McLean, Va., in studying nanotechnology coatings, superfinishing, impact coatings, and other processes to increase the life and reliability of precision parts used in U.S. Army helicopters and vehicles. As the project advances, several North Dakota companies will participate as subcontractors.

NURSING PROGRAM EXPANDED: The College of Nursing has received a $566,736 grant from the U.S. Department of Health and Human Services to expand its nationally known RAIN program ("Recruitment and Retention of American Indians into Nursing"). As a result, nearly 40 more students will be admitted over the next three years, 30 at the bachelor's level, six at the master's, and three at the Ph.D. UND currently enrolls more than 450 American Indian students in a variety of fields.

Sjodin Memorial Scholarship

The first Dru Sjodin Memorial Scholarship in honor of the UND student from Pequot Lakes, Minn., who was abducted in November 2003 from a Grand Forks shopping mall and murdered, will be awarded this spring.

The recipient of the full scholarship will be a female sophomore, junior, or senior from any academic discipline. Preference will be given to a Minnesota or North Dakota native who demonstrates financial need and/or is an active member of Gamma Phi Beta sorority.

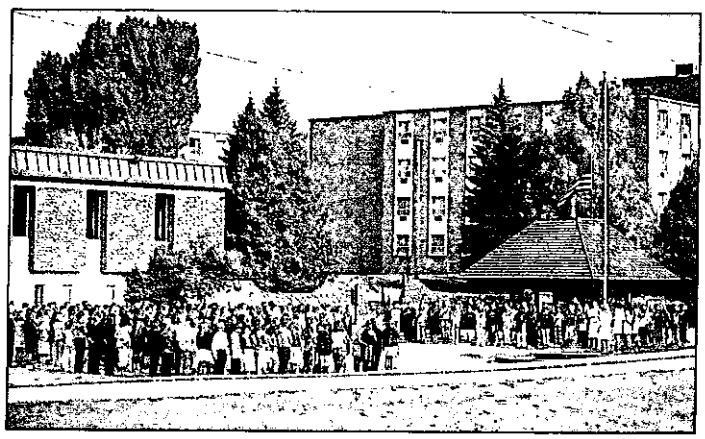
A year later, the Dru Sjodin story continues to be national news and is serving as a catalyst for changes in laws regarding sexual predators.

Her death was particularly difficult for the UND community because she was a well-known role model who combined academics with two part-time jobs and a remarkable level of involvement in extracurricular and public service activities.

Established by the Barry Foundation of Hastings, Minn., the Dru Sjodin Memorial Scholarship has been enhanced by gifts from other individuals and organizations, bringing the fund to nearly $250,000.

Cheryl Sandeen of the Barry Foundation and friend of Dru Sjodin's mother, Linda, said, "People all over the world were deeply touched by Dru and her family. In Dru we've been robbed of a shining star. Her family members humbled us all with their dignity, grace, and persistent determination to bring their daughter home. Dru was everyone's daughter, sister, friend, and classmate — a bright, delightful young woman. She was a caring young lady with a commitment to social consciousness and smile guaranteed to light up a room."

Donations can be made to the Dru Sjodin Memorial Scholarship through the UND Foundation, Box 8157, Grand Forks, ND 58202, or online at www.undalumni.org.



The flag-raising ceremony begins each day's activities for participants in the annual Flickertail Girls State civics program. UND hosts the weeklong event in early June. Sponsored by the American Legion Auxiliary, about 400 girls from across North Dakota experience how government functions by forming political parties, writing platforms, and holding conventions and elections. Representatives are also chosen to participate in Girls Nation in Washington, D.C. Participants in Girls State are high school students who have finished their junior year.

ACCREDITED

Higher Learning Commission awards full accreditation renewal

The University of North Dakota has again been fully accredited by the Higher Learning Commission of the North Central Association of Colleges and Schools, one of six regional institutional accrediting associations in the United States.

Accreditation provides public certification of acceptable institutional quality as well as an opportunity and incentive for self-improvement.

The Commission reaches the conclusion that an institution meets its requirements and criteria only after the institution opens itself to outside examination conducted by experienced evaluators familiar with accrediting requirements and with higher education. Moreover, the process of accreditation creates an opportunity for critical self-analysis leading to improvement in quality and for consultation and advice from persons from other institutions.

The University has been continuously and fully accredited since 1916, when the North Central Association was formed.

The team visiting UND cited a high level of internal and external "buy-in" to the University's mission, priorities, and actions. It also found an atmosphere of communication and participation, with faculty and staff expressing satisfaction with the governance and budgeting processes.

Enrollment growth, the team observed, has exceeded projections as the University further develops plans to match student population with institutional goals and resources. Notable success has been achieved in serving off-campus students through distance education.

Administrators, faculty, staff, and students were praised for their efforts to promote diversity and to nurture "a welcoming environment for people of all types."

"Native American Indian students are the largest group of underrepresented students on campus, and there is clear evidence of institutional commitment to expanding equality of opportunity," the team report said.

The record of UND's student athletes, the team noted, "shows not only an institutional commitment to success in athletic competition but also an institutional commitment to success in the classroom."

UND's physical facilities were described as "impressive," and the team also cited financial stability as an asset. Maintaining the resources to meet the University's goals may be a challenge, however. "The program array of UND appears ambitious for the numbers of faculty and resources available," it cautioned.

The Association commented favorably upon UND's response to concerns raised by the 1993 team about library resources. A decade later, the team said, UND's library system, including the Chester Fritz Library and the Harley French Library of the Health Sciences, "now demonstrates the resources to meet instructional and other educational demands for most existing programs."

An area of continued concern is the matter of competitive salaries. "Progress has been made on improving faculty salaries over the last four or five years, but more is needed," the report said. "Faculty salaries are significantly below the regional average in all colleges and schools except the School of Medicine and Health Sciences, where the disparity, although significant, is much less."

By far the most significant challenge identified by the site visit team concerned the need for better ways of documenting student learning. "The assessment of student academic achievement at the University of North Dakota is neither consistently understood nor consistently implemented," the report said.

"In our response to the team report, we point out that no university has been able to completely and satisfactorily assess all of student learning," President Kupchella remarked. "This is a challenge faced by all institutions, and UND is committed to making major improvements."

The Higher Learning Commission may be reached by phone at (312) 263-0456 or 800-621-7440; its Web site is:

www.ncahigherlearningcommission.org

Besides the campuswide accreditation granted by the Higher Learning Commission, other UND accreditations include:

U.S. Division of Animal Welfare
National Association of Schools of Art and Design
Council on Aviation Accreditation
American Assembly of Collegiate Schools of Business
Committee on Professional Training of the American Chemical Society
Council on Academic Accreditation in Audiology and Speech-Language Pathology
Computing Accreditation Commission of the Accreditation Board for Engineering and Technology
Commission on Accreditation for Dietetics Education
National Council for Accreditation of Teacher Education
North Dakota Education Standards and Practices Board
Engineering Accreditation Commission of the Accreditation Board for Engineering and Technology
American Bar Association
National Association of Schools of Music
American Music Therapy Association
Council on Accreditation of Nurse Anesthesia Educational Programs
Commission on Collegiate Nursing Education
North Dakota Board of Nursing
American Psychological Association
Council on Social Work Education
National Association of Industrial Technology
National Association of Schools of Theatre
Liaison Committee on Medical Education of the American Medical Association and the Association of Medical Colleges
Committee for the Accreditation of Allied Health Education Programs
National Accrediting Agency for Clinical Laboratory Sciences
The Accreditation Review Commission on Education for the Physician Assistant, Inc.
Accreditation Council for Occupational Therapy Education
American Physical Therapy Association

UND at a Glance

The University of North Dakota, the largest institution of higher learning in e Dakotas, Montana, and Wyoming, classified by the Carnegie ation as a "doctoral-research e" institution. This ranking n the small group of nationally important universities whose missions extend beyond undergraduate instruction to include graduate education, research, scholarship and creative activity, and public service. UND is known for its liberal arts tradition, comprehensive array of colleges and schools (including law and medicine), manageable size, high-quality students and faculty, varied curriculum, rich cultural resources, and outstanding alumni support.

Enrollment: 13,187

Academic divisions: John D. Odegard School of Aerospace Sciences, College of Arts and Sciences, College of Business and Public Administration, College of Education and Human Development, School of Engineering and Mines, Graduate School, School of Law, School of Medicine and Health Sciences, College of Nursing, and Division of Continuing Education

Programs of study: 87 undergraduate, 57 master's, one specialist diploma, 22 doctoral, medicine (M.D.), and law (J.D.)

Annual operating budget: $341.6 million

ternal grants and contracts: $81.4 illion

ed employees: 2,651

us: 594 acres, 234 buildings, 5.23 million square feet of space under roof

Undergraduate Programs

M - major, m - minor, e - emphasis

Accountancy (M)
Addiction Counselor Training (e)
Air Traffic Control (M)
Airport Management (M)
American Sign Language and Deaf Studies (m)
Anthropology (M, m)
Art History (m)
Athletic Coaching (m)
Athletic Training (M)
Atmospheric Sciences (M, m)
Aviation Management (M, m)
Aviation Systems Management (M)
Banking and Financial Economics (M)
Bilingual Education/ESL Endorsement (e)
Biology (M, m)
Biology – Pre-Health Science (M)
Business Economics (M)
Business Education (M)
usiness Education Teaching (m)
emical Engineering (M)
nical Use/Abuse Awareness (m)
istry (M, m)
istry – Health Science (e)
nistry – Physical Science (e)
Chinese Studies: Culture and Business (m)
Civil Engineering (M)
Classical Studies (M, m)
Clinical Laboratory Science (M)
Commercial Aviation (M)
Communication (M, m)
Communication Sciences and Disorders (M)
Community Nutrition (M)
Computer Science (M, m)
Criminal Justices Studies (M, m)
Cytotechnology (M)
Dietetics (M)
Early Childhood Education (M, m)
Economics (M, m)
Electrical Engineering (M)
Electrical Engineering – Aerospace (e)
Electrical Engineering – Computer Science (e)
Elementary Education (M)
Elementary Education and Early Childhood (M)
Elementary Education and Mathematics (M)
Elementary Education and Middle Level Education (M)
Elementary Education and Physical Education (M)
Elementary Education and Visual Arts (M)
Energy and Electronics (m)
Engineering Science (m)
English (M, m)
Entrepreneurship (M)
Environmental Geoscience (M)
Financial Management (M)
Fisheries and Wildlife Biology (M)
Flight Education (M)
Forensic Science (M)
French (M, m)
General Studies (M)
Geography (M, m)
Geography – Community and Urban Development (e)
Geography – Environmental Geography (e)
Geography – Geographic Education (e)
Geography – Liberal Arts (e)
Geological Engineering (M)
Geology (M, m)
German (M, m)
Gerontology (m)
Graphic Communication (m)
Health Education (m)
History (M, m)
Honors (M)
Indian Studies (M, m)
Industrial Technology (M)
Industrial Technology/Industrial Management (e)
Information Systems (M, m)
Intellectual History (m)
Interdisciplinary Studies (M)
International Business (m)
International Studies (M, m)
Kindergarten Endorsement (e)
Management (M)
Managerial Finance and Corporate Accounting (M)
Manufacturing (m)
Marketing (M)
Mathematics (M, m)
Mathematics for Elementary Education (m)
Mechanical Engineering (M)
Mechanical Engineering – Aerospace (e)
Middle Level Education (M, m)
Military Science (m)
Music (M, m)
Music Education (M)
Music Education – Choral (e)
Music Education – Instrumental (e)
Music Performance (M)
Music Therapy (M)
Norwegian (M, m)
Nursing (M)
Nutrition (m)
Occupational Safety and Environmental Health (M)
Occupational Safety and Environmental Health – Industrial Hygiene (e)
Occupational Safety and Environmental Health – Industrial Safety (e)
Office Administration (m)
Philosophy (M, m)
Physical Education and Exercise Science (M)
Physical Therapy (M)
Physics (M, m)
Political Science (M, m)
Professional Flight (m)
Psychology (M, m)
Public Administration (M, m)
Recreation and Leisure Services (M, m)
Rehabilitation and Human Services (M, m)
Religion (M, m)
Russian (m)
Science – Secondary Education (M)
Secondary Education (e)
Secretarial Administration (m)
Social Science (M)
Social Studies – Secondary Education (M)
Social Welfare (m)
Social Work (M)
Sociology (M, m)
Space Studies (m)
Spanish (M, m)
Special Education (m)
Statistics (m)
Technology Education (m)
Theatre Arts (M, m)
Visual Arts (M, m)
Vocational Marketing Education (M, m)
Women Studies (m)

Graduate Programs

MASTER'S DEGREES

Anatomy and Cell Biology
Applied Economics
Atmospheric Science
Aviation
Biochemistry and Molecular Biology
Biology
Business Administration
Career and Technical Education
Chemical Engineering
Chemistry
Civil Engineering
Clinical Laboratory Science
Communication
Computer Science
Counseling
Early Childhood Education
Early Childhood Education/Special Education
Earth System Science and Policy
Education – General Studies
Educational Leadership
Electrical Engineering
Elementary Education
English
Environmental Engineering
Geography
Geological Engineering
Geology
History
Industrial Technology
Industrial Design and Technology
Kinesiology
Linguistics
Mathematics
Mechanical Engineering
Microbiology and Immunology
Music
Nursing
Occupational Therapy
Pharmacology, Physiology, and Therapeutics
Physician Assistant Studies
Physics
Psychology
Public Administration
Reading Education
Social Work
Sociology
Space Studies
Special Education
Special Education Strategist
Special Education/Cognitive/Developmental Disabilities
Special Education/Emotional Disturbance
Special Education/Learning Disabilities
Special Education/Visual Impairment
Speech-Language Pathology
Technology Education
Theatre Arts
Visual Arts

EDUCATIONAL SPECIALIST DIPLOMA

Educational Leadership

DOCTORAL DEGREES

Anatomy and Cell Biology
Biochemistry and Molecular Biology
Biology
Chemistry
Communication and Public Discourse
Communication Sciences and Disorders
Counseling Psychology
Criminal Justice Studies
Earth System Science and Policy
Educational Leadership
Engineering
English
Geology
History
Microbiology and Immunology
Music Education
Nursing
Pharmacology, Physiology, and Therapeutics
Physical Therapy
Physics
Psychology
Teaching and Learning

PROFESSIONAL DEGREES

Medicine (M.D.)
Law (J.D.)

Certificate Programs

Anesthesia Nursing
Autistic Spectrum Disorder
Clinical Laboratory Science
  Categorical Training (undergraduate only):
  Clinical Chemistry and Urinalysis
  Clinical Hematology and Hemostasis
  Clinical Immunohematology
  Clinical Microbiology
Clinical Laboratory Science Management
Environmental Engineering
Family Nurse Practitioner
Geographic Information Science
Health Administration
Nonprofit Leadership (undergraduate only)
Policy Analysis
Psychiatric and Mental Health Nursing: Clinical Nurse Specialist
Psychiatric and Mental Health Nursing: Nurse Practitioner
Public Administration



University of North Dakota

Progress Report

FY 2004
(2003-2004)

Prepared: November 2004

University of North Dakota Mission Statement

The University of North Dakota, as a member of the North Dakota University System, serves the state, the country, and the world community through teaching, research, creative activities, and service. State-assisted, the University's work depends also on federal, private, and corporate sources. With other research universities, the University shares a distinctive responsibility for the discovery, development, sponsorship and encouragement of basic and applied research, scholarship, and creative endeavor, the University contributes to the public well-being.

The University maintains its original mission in liberal arts, business, education, law, medicine, engineering and mines; and has also developed special missions in nursing, fine arts, aerospace, energy, human resources, and international studies. It provides a wide range of challenging academic programs for undergraduate, professional and graduate students through the doctoral level. The University encourages students to make informed choices, to communicate effectively, to be intellectually curious and creative, to commit themselves to lifelong learning and the services of others, and to share responsibility both for their own communities and for the world. The University promotes cultural diversity among its students, staff and faculty.

In addition to its on-campus instructional and research programs, the University of North Dakota separately and cooperatively provides extensive continuing education and public service programs for all areas of the state and region.

Prepared by: Office of Institutional Research
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www.und.nodak.edu/dept/datacol/index.html



Acknowledgments: American Indian Student Services, Budget Office, Bursar, Center for Instructional & Learning Technologies, Continuing Education, Dean of Students Office, EERC, Enrollment Management, Graduate School, Housing Office, Human Resources, Office of Research & Program Development, Office of the Registrar, UND Police, President's Office, Safety& Environmental Health Office, School of Medicine & Health Sciences, Student Health, Vice President of Academic Affairs, Vice President for Research, and Vice President for Student & Outreach Services

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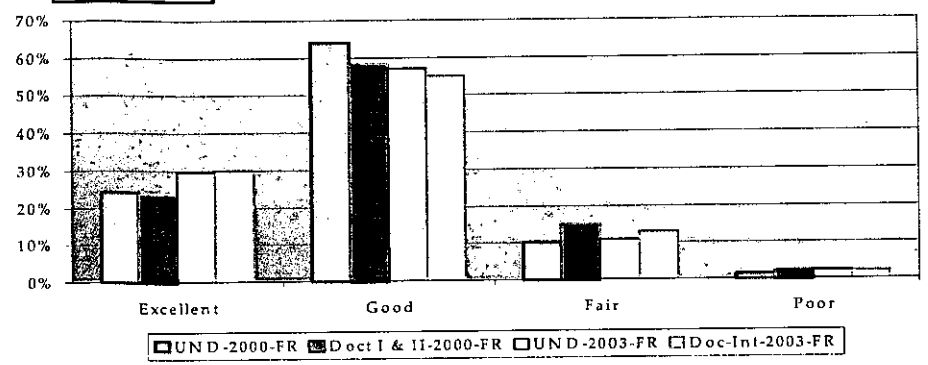
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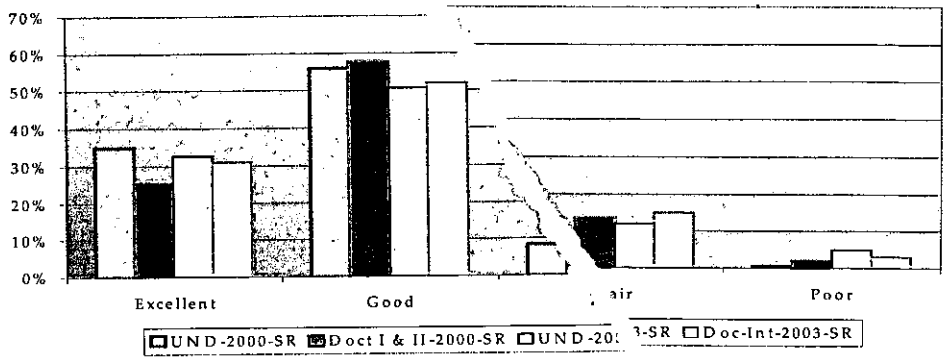
G. In support of all of the above, ensure that the University has a well-prepared, enthusiastic faculty and staff, first-rate physical facilities, an adequate financial resource base, and an appropriate, efficient organizational structure.....29-37

How would you evaluate your entire educational experience at this institution?

Freshmen



Seniors



Source: 2000 & 2003 National Survey of Student Engagement

Completed Re-Accreditations 2003-2004

* North Central Association of Colleges and Schools (NCA)

Degrees & Programs: **INSTITUTIONAL**

* National Accrediting Agency for Clinical Laboratory Science (NAACLS)
  Degrees & Programs: Clinical Laboratory Science

* Accreditation Review Commission on Education for the Physician Assistant
  Degrees & Programs: Physician Assistant

*Accreditation Board for Engineering and Technology (ABET)
  Degrees & Programs: Chemical Engineering, Civil Engineering, Electrical Engineering, Geological Engineering, Mechanical Engineering

*National Association of Industrial Technology (NAIT)
  Degrees & Programs: Industrial Technology

*Accreditation Council for Graduate Medical Education (ACGME)
  Degrees & Programs: Family Medicine Residency (Minot)

*Accreditation Council for Graduate Medical Education (ACGME)
  Degrees & Programs: Psychiatry Residency

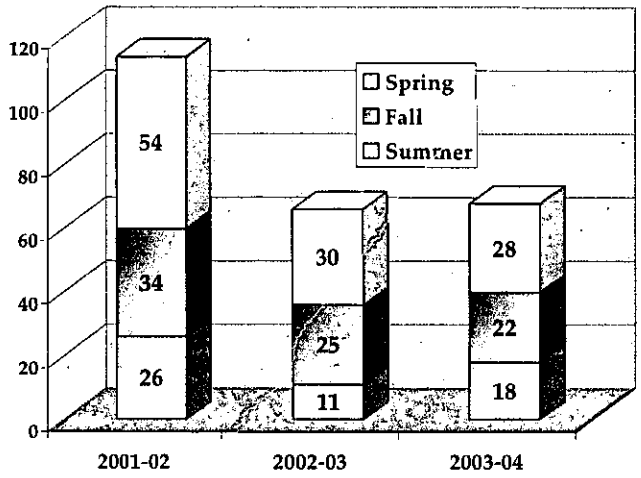
Source: Office of the Vice President of Academic Affairs

Some new initiatives in the Assessment of Student Learning area include:

- Appointed part-time Assistant Provost for University Assessment
- Established a faculty Program Assessment Resource Team (PART) to provide faculty development to departments as they construct/revise/update and implement program assessment plans (OID funded by Bush Foundation).
- Revised University Assessment Plan and implemented mechanisms for review of data from University-wide assessment tools, communicating findings to relevant units and assisting units in establishing action plans based on the data.
- University faculty five-member team participated in AAC&U Institute on General Education and is providing campus leadership in promoting planning and implementation of improvements in general education and its assessment.
- Revised the portion of the Annual Report template on *Assessment of Student Learning* in order to receive better focused and more useful information on how departments are establishing goals, choosing assessment methods, interpreting assessment results and making improvements.
- Updated UND's assessment website providing important links and resources to faculty.
- Added a regular feature on assessment of student learning to OID's *On Teaching* publication.

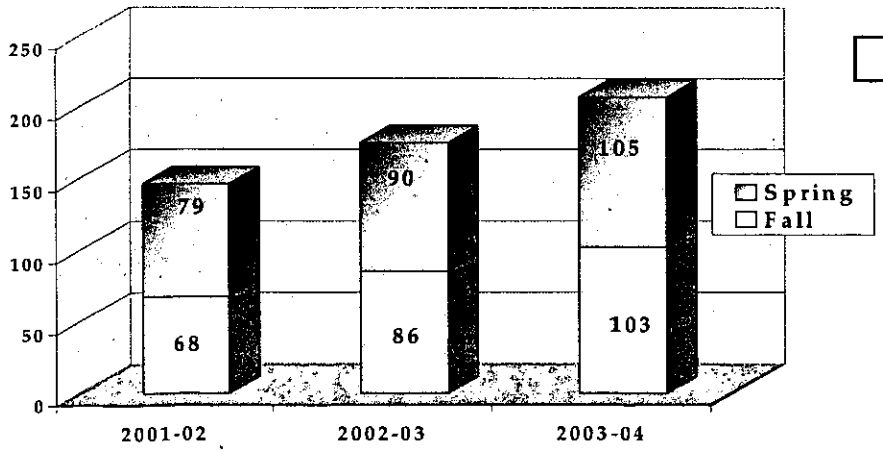
Source: University Assessment Committee and Office of Vice President for Academic Affairs

Student Enrollment in Study Abroad



NOTE: Enrollments as of End of Term
Source: cjw#sect5yr

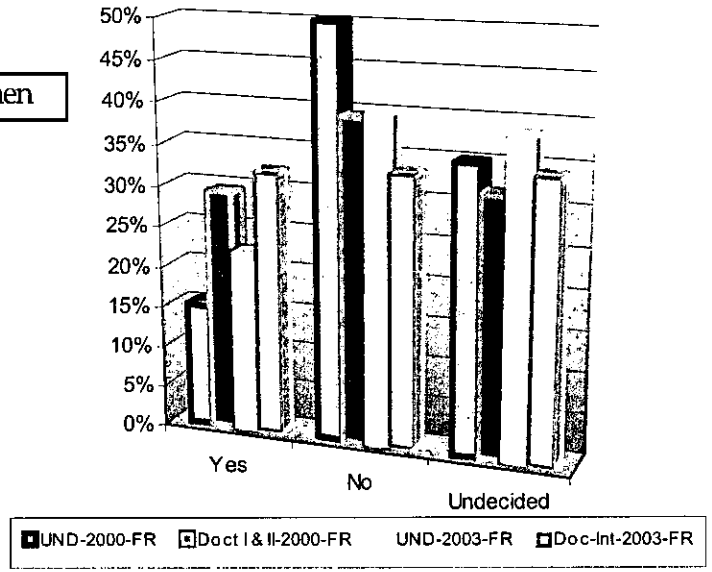
International Scholars at UND



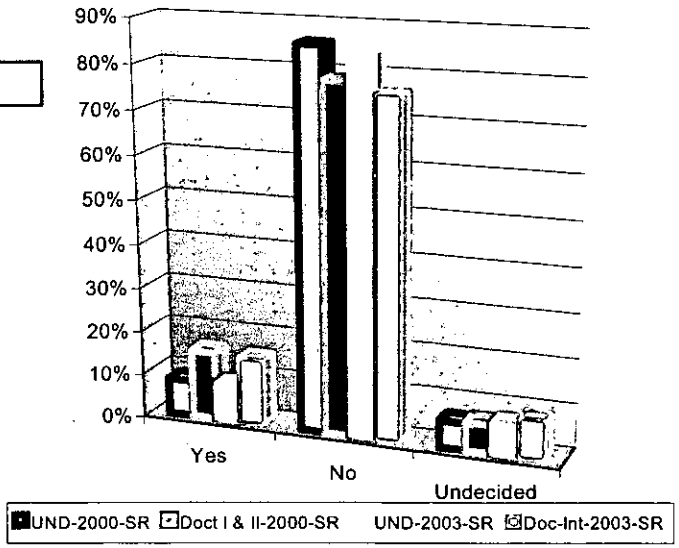
Includes professors, research scholars, flight & ATC instructors, prof staff, and medical residents.
Source: International Programs

Do you plan to or have you studied abroad before your graduation from this institution?

Freshmen



Seniors



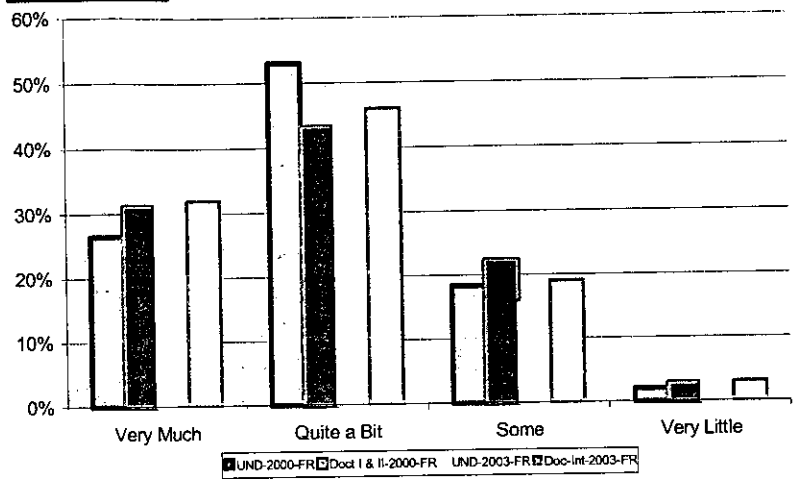
Source: 2000 & 2003 National Survey of Student Engagement

A. Provide a quality curriculum with a solid liberal arts foundation for each field of study to prepare students for rich, full lives, productive careers, and civic leadership.

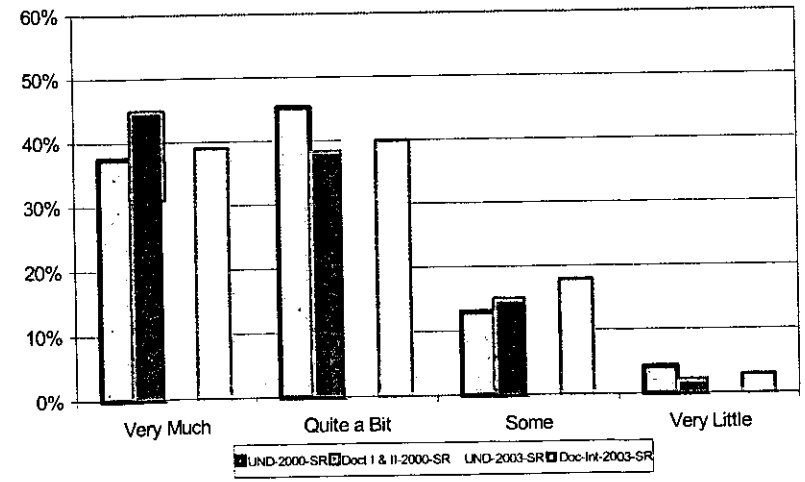
University of North Dakota

To what extent has your college education contributed to your knowledge, skills, and personal development in acquiring a broad general education?

Freshmen



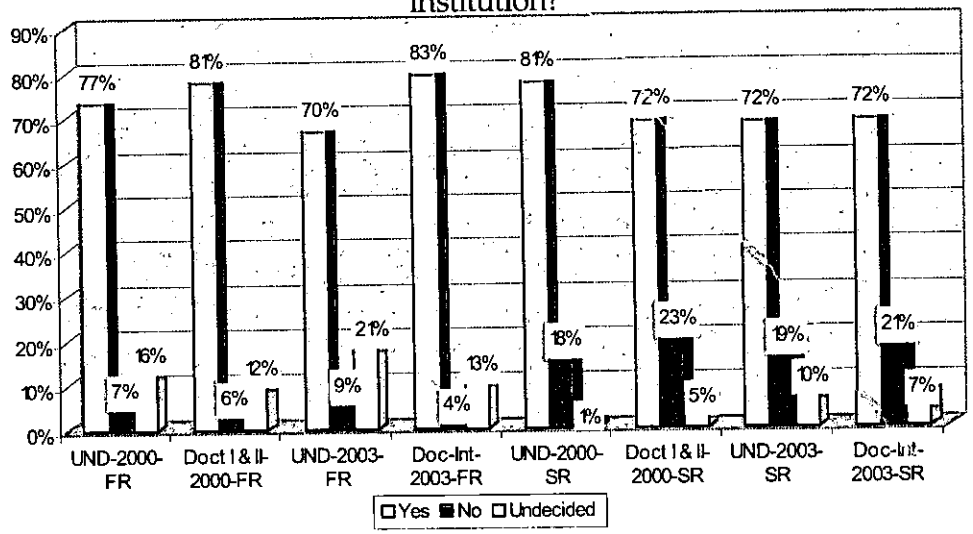
Seniors



Source: 2000 & 2003 National Survey of Student Engagement

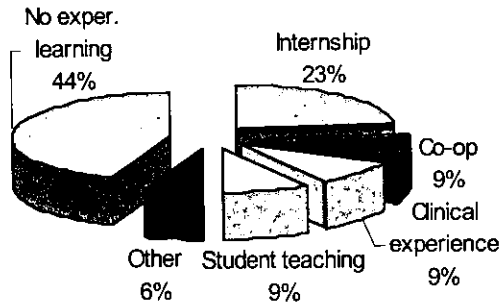
Currently, 34 of 52 UND undergraduate departments require experiential learning coursework as part of their program curriculum. Another 14 programs offer experiential-learning courses on an elective basis. All students regardless of major have access to an experiential learning course through a newly created Interdisciplinary Studies course.

Do you plan to or have you completed a practicum, internship, field experience, co-op experience, or clinical assignment before graduation from this institution?



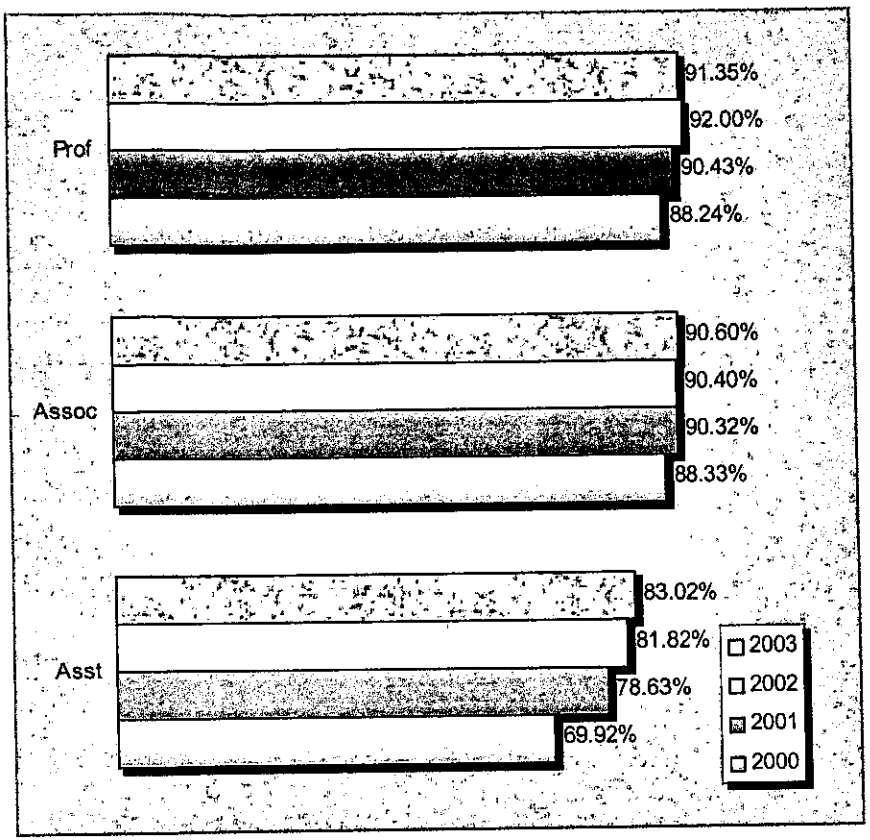
Source: 2000 & 2003 National Survey of Student Engagement

What type of experiential learning did you participate in?



Source: 2004 Graduate Survey
Graduate Survey Administered Every 3 Years

Percentage of Faculty* with Terminal Degrees



* Determined for tenured or tenure-track faculty; excludes instructors, lecturers, & non-ranked faculty.
Source: IR Faculty Database

The University of North Dakota (UND) School of Medicine and Health Sciences has been recognized again by a national family physicians' group for its success in encouraging a high percentage of medical graduates to choose a career in family medicine.



IMPLEMENTED NEW FORM FALL 2003

University of North Dakota
Instructional Rating Report
Overall Mean of Evaluated Courses by Question

Question	Fall 2003	Spring 2004
Asked instructor for feedback	4.1	4.2
Participated when appropriate	4.2	4.3
Completed homework and reading	4.2	4.2
Attended all class sessions	4.2	4.3
Course was well organized	4.1	4.2
Textbook/materials were helpful	3.9	3.9
Readings/assignments contributed to learning	4.0	4.0
Work req appropriate for credit given	4.0	4.1
Instr communicated ideas and info clearly	4.1	4.2
Connected assignments to course goals	4.2	4.2
Encouraged connection to real world situations	4.2	4.3
Found ways to keep students interested	3.9	4.0
Available during posted office hours	4.2	4.2
Made good use of book/materials	4.0	4.0
Provided useful and timely feedback	4.1	4.1
Treated students with respect	4.3	4.3
Effectively used technology	4.2	4.2
Explained grading criteria clearly	4.1	4.2
Applied grading criteria consistently	4.2	4.2
I put forth full effort for this course	4.2	4.2
Instructor effective in promoting my learning	4.2	4.2
Course worthwhile addition to my univ experience	4.1	4.1

Key: 5=Strongly Agree 4=Agree 3=Neutral 2=Disagree 1=Strongly Disagree

American Indian Programs Council
FY04 Funded Activities

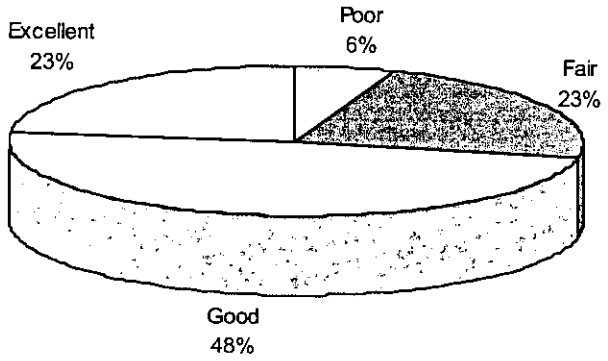
Recruiter for American Indian Student Services	$ 40,000
Grant Writer for American Indian Student Services	$ 28,500
Time-Out/Wacipi	$ 3,500
INMED Powwow	$ 3,800
UNDIA's 2004 Powwow & Time-Out Wacipi	$ 8,000
American Indian Adv Campaign	$ 10,000
Exploring the American Indian Experience	$ 15,000
American Indian Science & Engineering Society Conference	$ 1,500
American Indian Student Services - Special Projects	$ 7,000
Cultural Awareness	$ 5,050
Native American Newsletter	$ 2,020
Total FY04 Funded Activities	$ 124,370

Source: UND Budget Office

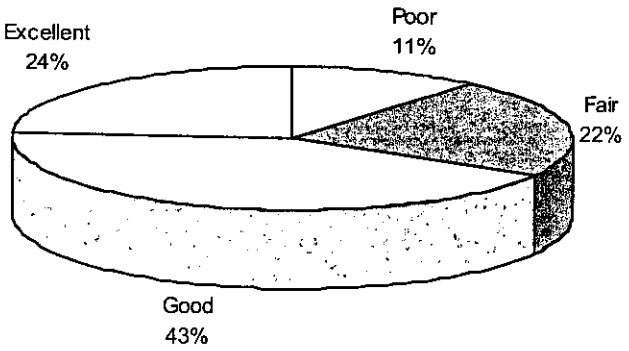
A. Provide a quality curriculum with a solid liberal arts foundation for each field of study to prepare students for rich, full lives, productive careers, and civic leadership.

Overall, how would you evaluate the quality of academic advising you have received at your institution?

Freshmen



Seniors



Source: 2003 National Survey of Student Engagement



Academic Advising

The Academic Advising Committee, reestablished 2002-2003, is a joint venture between the UND-VPSOS and UND-VPAA offices. This committee meets regularly to discuss ways to improve and enhance academic advising. There are representatives from all undergraduate colleges, Student Academic Services, Registrar's Office, Enrollment Management, and two student representatives.

This last year, the Outstanding Faculty Advising Award was reinstated.

Source: Student Academic Services

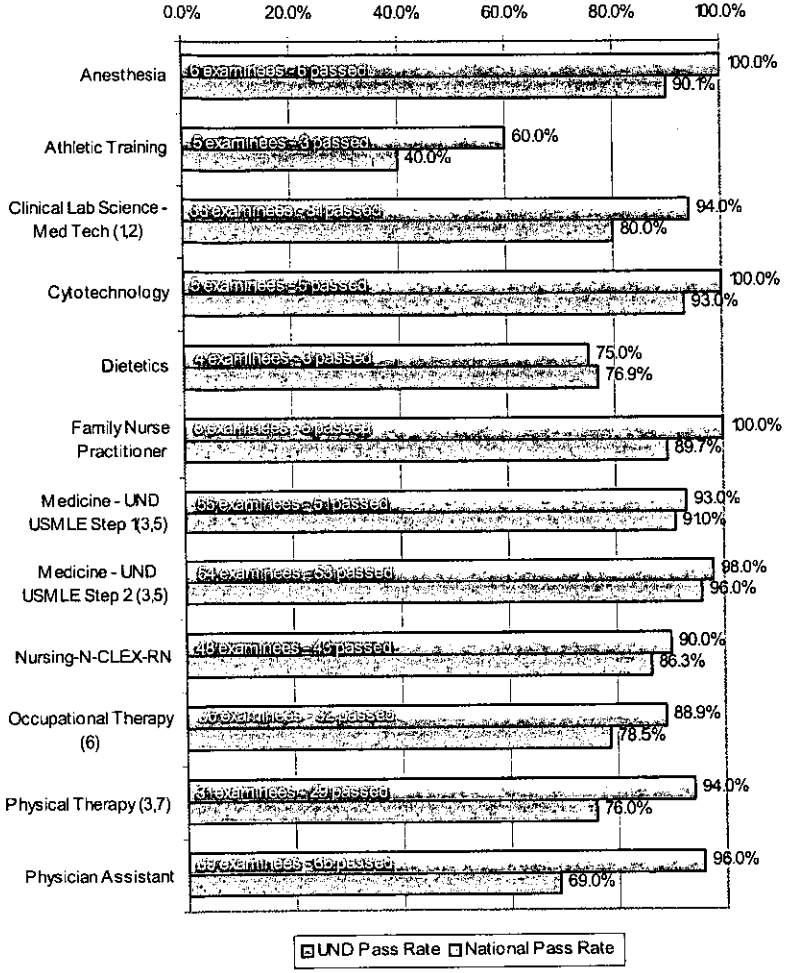
General Education Study

We have recently completed the fourth year of a long-term longitudinal study of general education at UND. Ten specially trained faculty, funded by a Bush Foundation grant, are conducting regular interviews with a group of randomly selected students, whom they will follow throughout the students' career at UND. In the interviews, students are encouraged to talk about what they're learning--more specifically, how and where they are learning the content and thinking skills we want them to learn as part of the University's stated philosophy of general education.

Source: UND Office of Instructional Development

First-Time Licensure Pass Rates

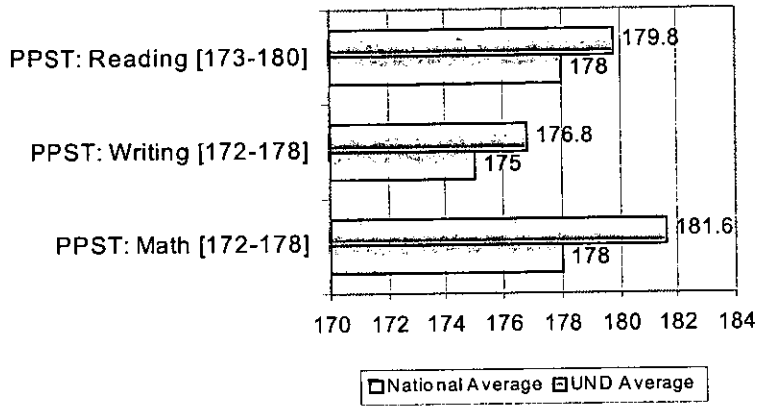
2002 Comparison of Graduates Scores to National Averages on Health Related Professional Licensure & Certification Exams



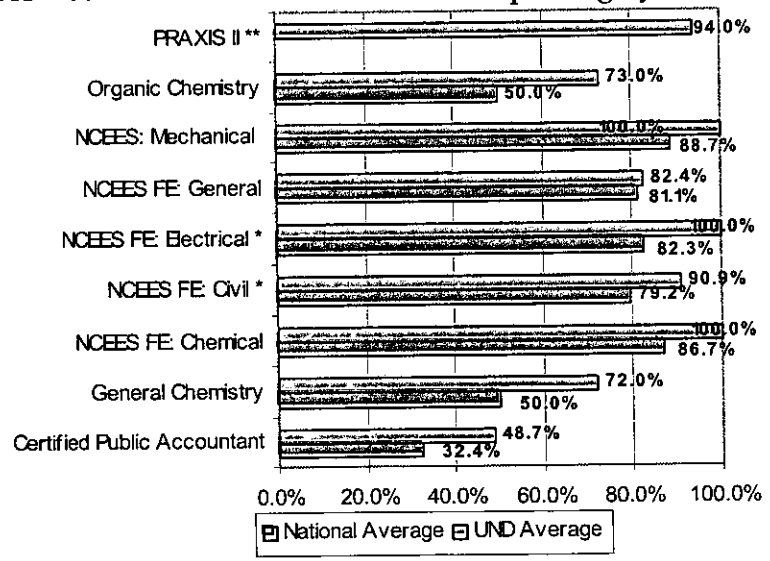
Note: Rates are for 1st time examinees.
1 National Board of Registry
2 MiSU students take this exam with UND students
3 In order to provide access for underserved students, special effort was made by setting aside slots in nursing, medicine, and physical therapy; therefore scores may be affected.
4 National Council Licensure Exam for Registered Nurses
5 United States Medical Licensing Exam
6 Occupational Therapy Certification Exam
7 National Physical Therapy Exam
Source: 2003 Accountability Measures Report

Performance on Nationally Recognized Exams

AY 2002-03 National Examination Reporting by Test Score



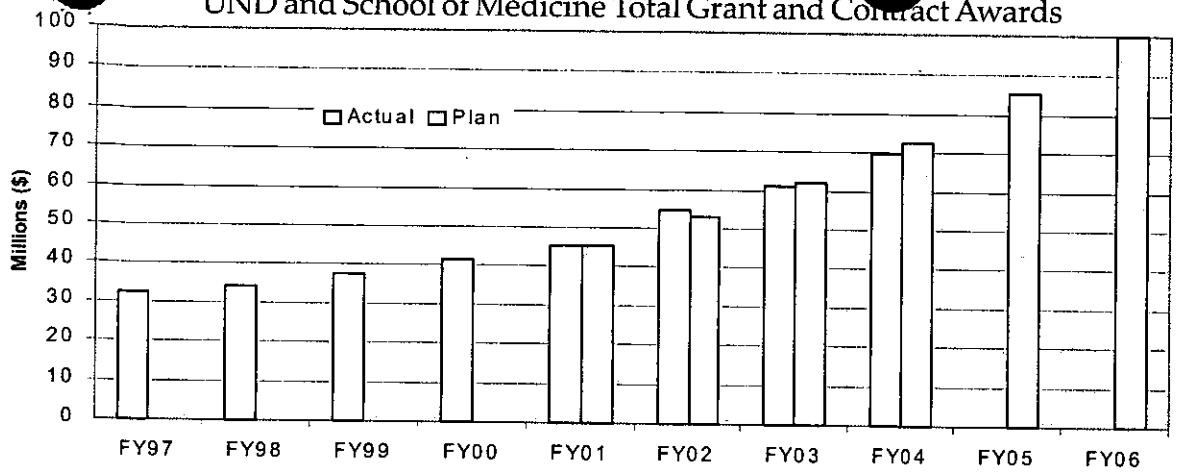
AY 2002-03 National Examination Reporting by Pass Rate



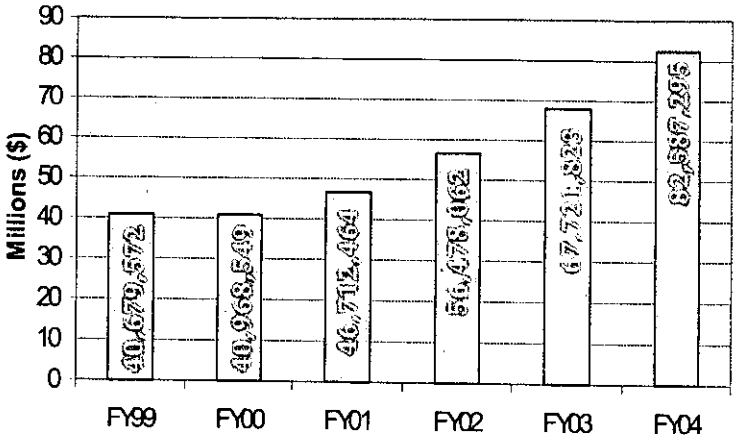
*Based on regional comparsion due to cost of national results.
** National data was not available
[] Nationally established target ranges
NCEES FE: National Council of Examiners for Engineering and Surveying Fundamentals Exams, reported by exam
PPST: Pre-Professional Skills Test
PRAXIS: Teacher Education Subject Assessments
Source: 2003 Accountability Measures Report

A. Provide a quality curriculum with a solid liberal arts foundation for each field of study to prepare students for rich, full lives, productive careers, and civic leadership.

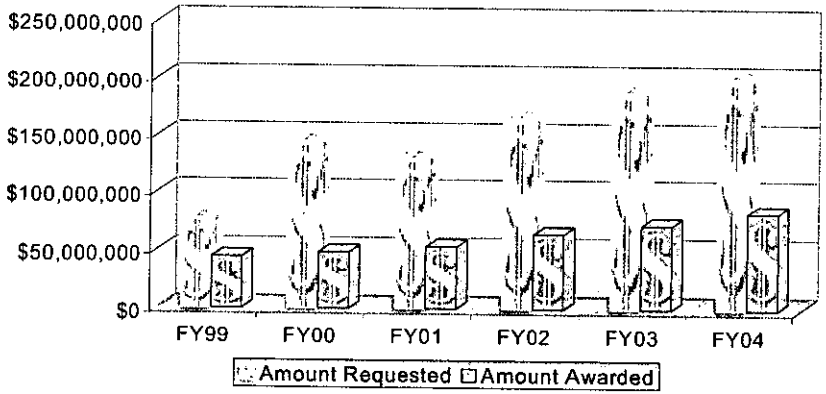
UND and School of Medicine Total Grant and Contract Awards



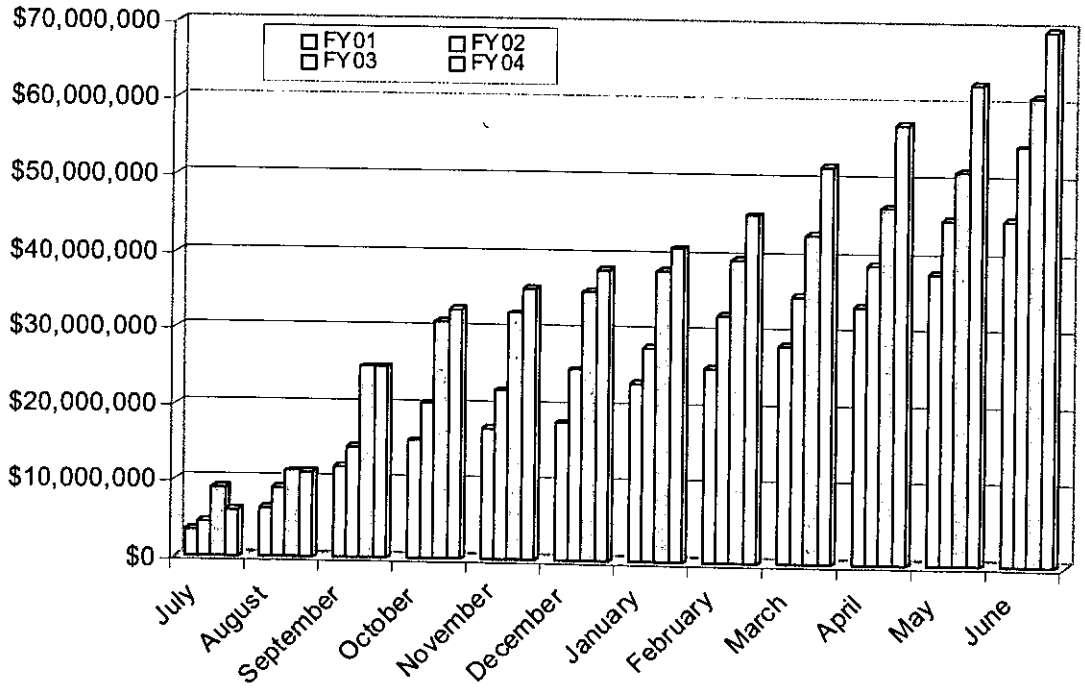
Dollar Amount of Sponsored Research Expenditures



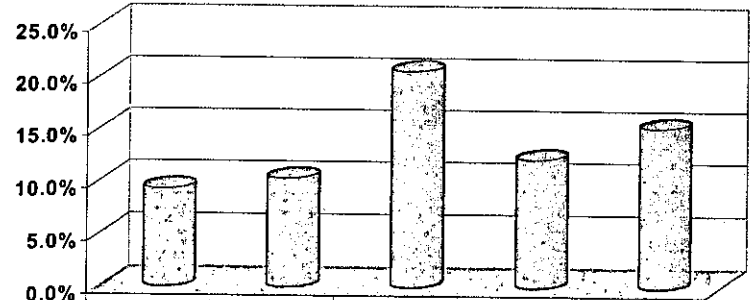
Dollar Amount of Sponsored Programs & Proposals



Cumulative Comparison of Awards



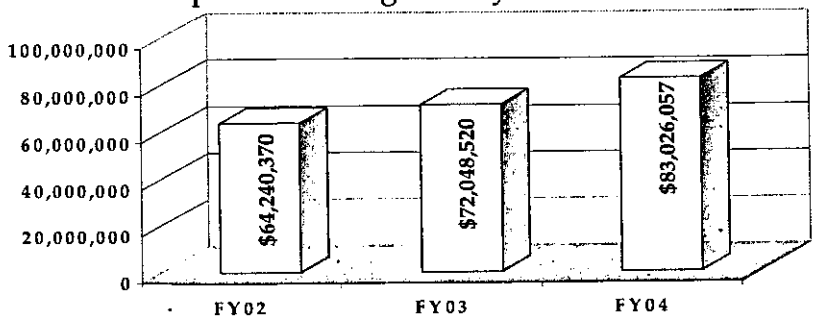
Percent Change of Awarded Dollars over Previous Year



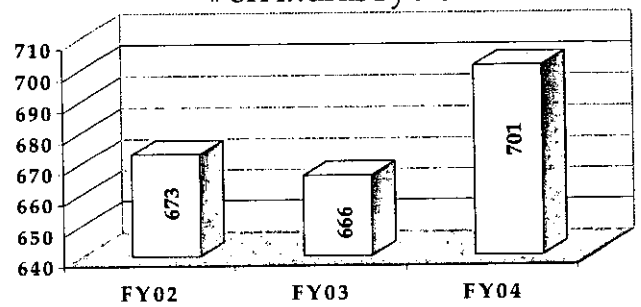
	FY00	FY01	FY02	FY03	FY04
% of change	9.2%	10.3%	20.6%	12.2%	15.2%

Source: UND ORPD

Sponsored Programs by Fiscal Year

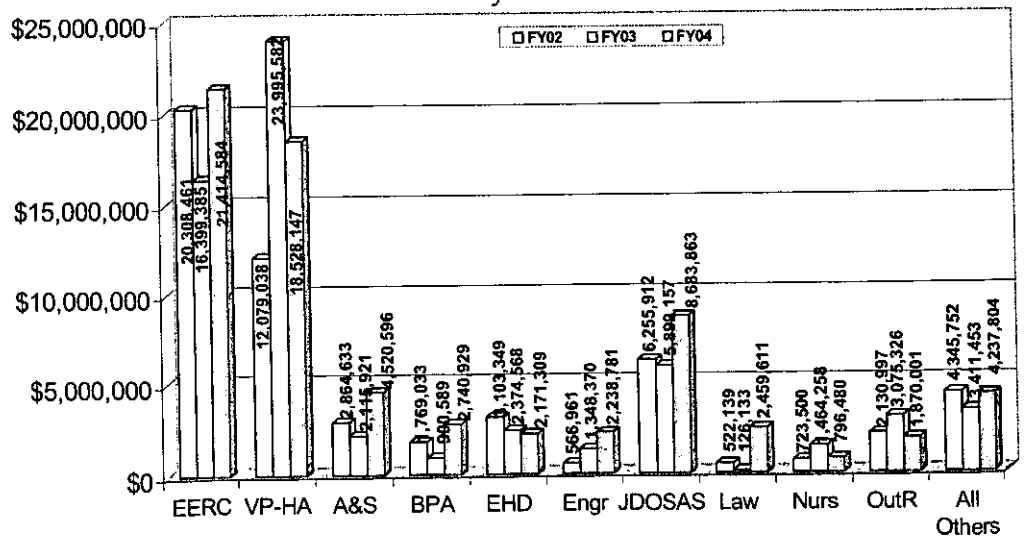


of Awards by Fiscal Year



Source: UND ORPD

Comparison of Sponsored Awards By Unit



Source: UND ORPD

Office of Vice President for Research

The University of North Dakota has established an Office of Technology Transfer & Commercialization within the Division of Research. Dr. James Petell was appointed in June 2004 as the University's Technology Transfer Officer. The University is also conducting a search for an Associate Vice President for Research.

The Research Division is in line with the President's Strategic Plan and has increased research activity almost 20% since the hiring of the first Vice President for Research, Dr. Peter Alfonso.

Undergraduate Research

UND is the regional leader in the number of research, creative activity, and scholarship experiences available to undergraduates. For EPSCoR sponsored programs for student research...

Advanced Undergraduate Research Awards

(AURA)

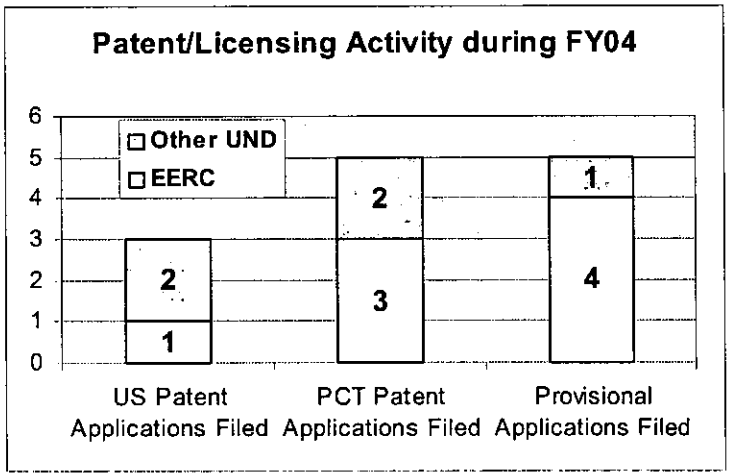
FY2000: 9 for $29,250
FY2001: 8 for $24,375
FY2002: 10 for $32,500
FY2003: 10 for $35,800
FY2004: 10 for $35,800

Science Bound Awards

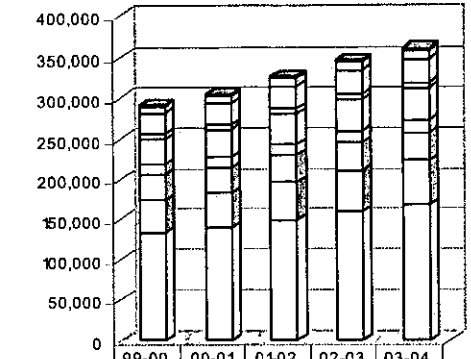
FY2000: 10 for $49,580
FY2001: 13 for $43,080
FY2002: 15 for $49,580
FY2003: 14 for $35,503
FY2004: 16 for $42,188

Source: EPSCoR Office

B. Expand and strengthen the University's commitment to research and creative activity, both as a means of enriching the learning environment and as a driver for economic development.



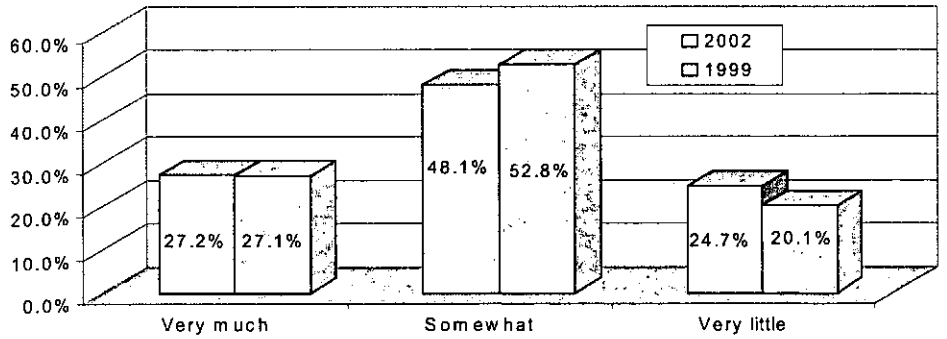
Student Credit Hour Production By College



	99-00	00-01	01-02	02-03	03-04
Hon/Msci	1,793	2,336	2,209	2,466	2,444
Nurs	8,860	8,886	9,202	9,490	10,253
SMHS	25,379	25,953	27,773	29,347	29,282
Law	5,867	6,207	6,057	6,552	6,232
JDOSAS	31,475	33,790	37,310	39,209	40,116
Engr	11,708	12,570	13,152	13,823	15,363
EHD	32,669	31,455	33,252	34,664	34,533
BPA	40,162	43,554	47,936	51,818	53,798
A&S	134,055	139,946	149,148	158,922	168,726

Note: Credit hours are reported under the department's college of record as of 2004
Source: Third-Week Report

Students (Sophomores): How much has your education at UND contributed to your personal growth in conducting research?

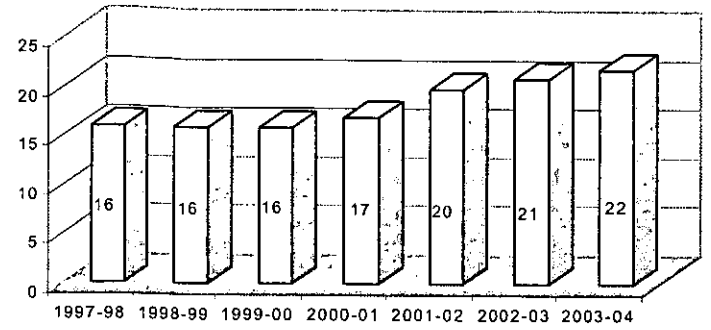


Source: 2002 Sophomore Survey
Sophomore Survey Administered Every 3 Years

RAC
Rural Assistance Center

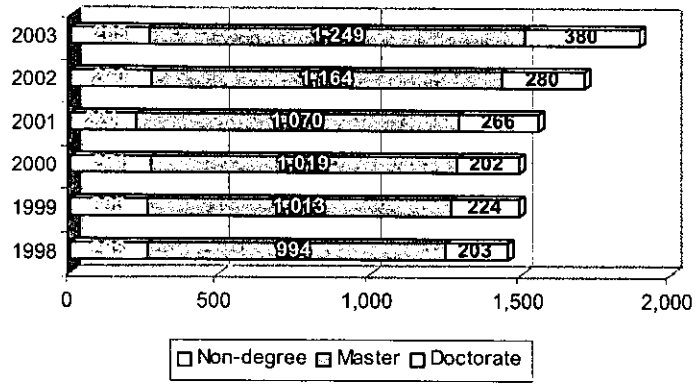
The Rural Assistance Center (RAC) in the Center for Rural Health (CRH), University of North Dakota School of Medicine and Health Sciences, is designated by the Health Resources and Services Administration, a division of the U.S. Department of Health and Human Services, as the national resource for rural communities and others seeking information on health and human services. RAC has provided assistance through a state-of-the-art web site, email, phone, fax and in-person requests to people in 49 states and Washington, D.C.

Number of Doctoral Programs

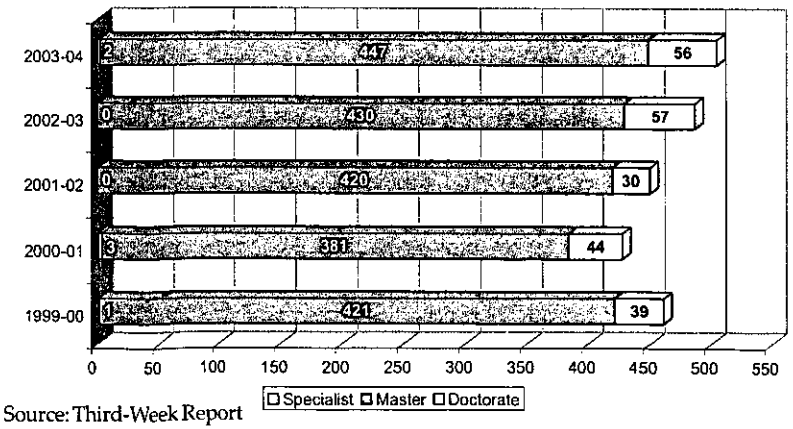


Source: Office of the Registrar (7/10/03)

Graduate Enrollments, by Year & Student Level Fall Semester

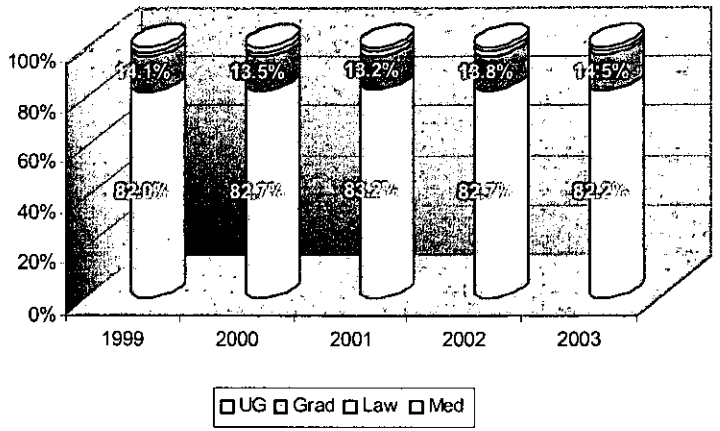


Graduate Completions, by Year & Student Level



Source: Third-Week Report

Percentage of Undergraduate Students and Graduate Students Fall Semester



Source: Third-Week Report

B. Expand and strengthen the University's commitment to research and creative activity, both as a means of enriching the learning environment and as a driver for economic development.

Center for Rural Health

The Center for Rural Health (CRH) at the University of North Dakota School of Medicine and Health Sciences recently received two grants totaling $541,000 to improve health care in rural North Dakota communities. The CRH received $230,000 for the Rural Access to Emergency Devices (RAED) program and $311,000 for the Small Hospital Improvement Program (SHIP), both funded through the Office of Rural Health Policy of the U.S. Health Resources and Services Administration, a division of the U.S. Department of Health and Human Services. The RAED grant will be used to purchase and place automatic external defibrillators (AEDs) in eligible rural areas and to train first-responders and members of the lay public in the proper usage of the AEDs. AED's have been proven to save lives. The program has placed 110 AEDs in more than 80 communities in rural North Dakota.

Selected NDUS Partnerships

•Articulation Agreements

•**UND**, NDSU, and Moorhead State Women's Studies Programs have collaborated to offer an Annual Red River Valley Women's Studies Conference.

•**UND** and Minot State University are partnering to expand the Resident Teacher model for preparing special education teachers for North Dakota.

•**UND's** College of Business and Public Administration has partnered with campuses from across the state and the Greater North Dakota Association (GNDA) on the BOSS (Business Opportunity and Self Employment Search) business plan competition. Support given to the Tech Savvy program has been shifted to this competition.

•**UND** has collaborated with Williston State College to provide two years of flight education for Williston State College students.

•**UND's** Regional Weather Information Center provides severe weather monitoring support to North Dakota State University in partnership with the NDSU Vice President of Student Affairs. This support is provided on an around-the-clock basis during periods of unfavorable weather.

•**UND's** School of Medicine and Health Sciences has contracted Bismarck State College, Division of Corporate & Continuing Education for conference planning of the 2004-Dakota Conference on Rural and Public Health.

•**UND's** Career Services partners with NDSU's Career Center to schedule the Spring Career Fairs back-to-back to accommodate employers who participate in both events.

•**UND's** Career Services joins five NDUS institutions and two private North Dakota schools to host the North Dakota Education Connection, a job fair for educators, held annually on the UND campus in April.

•**UND's** Career Services is collaborating with other NDUS schools and private institutions in pursuing a single consortium job listing site for employers to list job opportunities for college graduates at one single Internet website.

•**The** University Learning Center developed, organized, implemented and coordinated the first North Dakota Learning Centers Conference along with developing, organizing, and coordinating the North Dakota Learning Centers Association.

•**UND's** Conflict Resolution Center provides mediation or facilitation to NDUS colleges and universities including United Tribal Technical College, Minot State, and NDSU.

•**UND's** Energy and Environmental Research Center has collaborated with North Dakota State University, the Dept of Energy, the North Dakota Industrial Commission, Montana-Dakota Utilities Company, Otter Tail Power Company, Basin Electric Power Cooperative, the North Dakota Lignite Energy Council, Great River Energy, The Dakota Gasification Company, Minnkota Power Cooperative, Ducks Unlimited Canada, and Prairie Public Television to form the Plains Carbon Dioxide Reduction Partnership to reduce carbon dioxide emissions through alternate uses and/or underground storage of carbon dioxide.

•**UND's** Energy and Environmental Research Center has collaborated with the NDSU Carrington Research Extension Center, the North Dakota Industrial Commission, the State Board of Agricultural Research and Education, Great River Energy, the North Dakota Department of Health, Otter Tail Power Company, Power Products Engineering Inc., and the U.S. Department of Energy to study using coal fly ash as a low-cost alternative to placing concrete in livestock feedlots.

...

Source: UND Academic Affairs

Selected "Other" Partnerships

•**UND's** College of Education and Human Development Teacher Education Program and Native American Center has partnered with United Tribes Technical College on a grant, Tribes Community Educatory Program, to identify prospective teachers and provide financial and academic support to complete a teacher education licensing program at UND.

•**UND's** School of Medicine and Health Sciences has collaborated with Turtle Mountain Community College as co-applicants on the Quentin N. Burdick Rural Interdisciplinary Training Grant Program developing interdisciplinary rotations for students in the health professions.

•**UND's** School of Medicine and Health Sciences has subcontracted with Fort Berthold Community College to arrange health professional student rotations for the Quentin N. Burdick grant program described above.

•**UND's** Department of Psychology , USDA-ARS Nutrition Lab, and the Energy and Environmental Research Center have collaborated to examine the effects of pesticide exposure on cognition, motor development, health and learning in children.

•**The** EERC is partnering with the U.S. Department of Energy, the Gas Research Institute, and Environment Canada in a program focused on groundwater cleanup for the oil and gas industry.

•**The** EERC partnered with the U.S. Department of Energy, Great River Energy, Mineral Solutions Inc., Otter Tail Power Company, Tennessee Valley Authority, Xcel Energy, Alliant Energy, Ish, Inc., Ameren Energy Fuels and Services, and the South African Coal Ash Association to solve ash-related problems and promote the environmentally safe economic utilization and disposal of coal combustion by-products.

•**Partnering** with the U.S. Department of Energy, the RETEC Group Inc., Niagara Mohawk, Northeast Gas Association, and EPRI, the EERC is performing characterization using advanced analytical methods like selective supercritical fluid extraction. This characterization will be used to select strategies to clean up contaminated sites.

•**The** North Dakota Department of Health and the U.S. Department of Energy are teaming with the EERC in efforts to demonstrate new technologies to clean up soils and groundwater that have been contaminated by petroleum leaks from storage tanks. Cleanup projects have been undertaken at sites in Minot (Behm's Truck Stop), Dunseith (Dale's Cash Supply), Hazen (Independent Oil Company), and Bismarck (Mohler Oil Company). Technical assistance for the cleanup efforts was also provided by Specialty Systems Integrators, Inc., of Plymouth, Minnesota.

•**UND's** Teacher Education Program is partnering with the University of North Texas, University of Mississippi, and the University of Texas El Paso on a FIPSE grant to improve the preparation of pre-service teachers in the area of parental involvement in education.

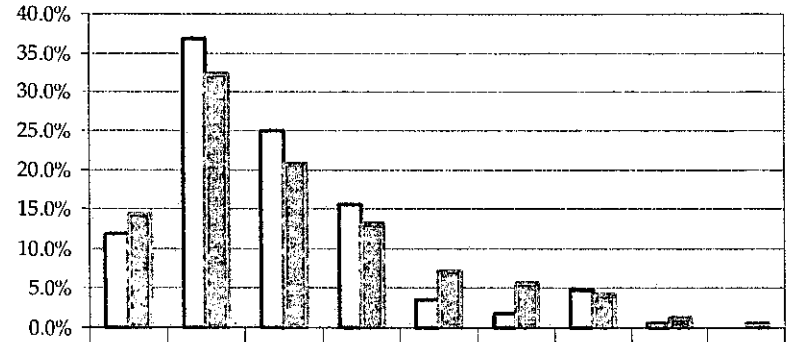
•**UND's** College of Business and Public Administration is collaborating with the University of Shanghai Science and Technology (USST) in an exchange program. Thus far, BPA faculty has visited and taught at their campus and students have also participated. BPA is currently sending executives in residence to USST to offer courses and offering a minor in Chinese Studies: Culture and Business which includes required study at USST.

•**The** Chester Fritz Library is providing supplemental reference assistance to American Centers and Corners libraries located in Russia. There are 25 American Centers and Corners located throughout Russia and other former Soviet countries. The centers were established through a program developed by the United States State Department, and the library's involvement stemmed from contacts developed by President Kupchella.

...

Source: UND Academic Affairs

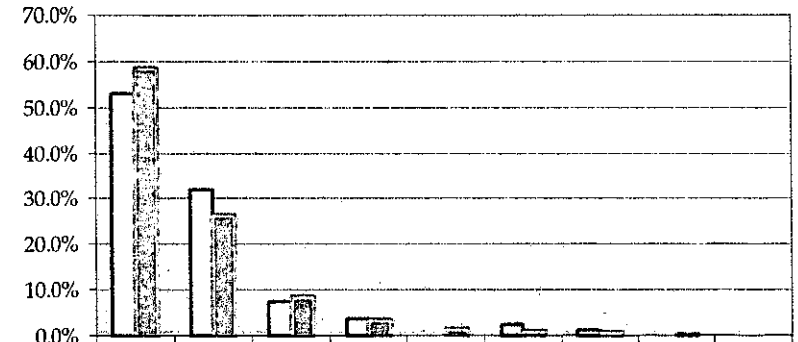
Faculty: During the present term, how many hours per week on the average do you actually spend on research and scholarly writing?



	none	1 to 4	5 to 8	9 to 12	13 to 16	17 to 20	21 to 34	35 to 44	45+
UND	11.9%	36.9%	25.0%	15.5%	3.6%	1.8%	4.8%	0.6%	0.0%
All 4-year Institutions	14.5%	32.4%	20.9%	13.2%	7.2%	5.8%	4.3%	1.2%	0.5%

Source: 2001 HERI Faculty Survey
HERI Faculty Survey Administered Every 5 Years

Faculty: During the present term, how many hours per week on the average do you actually spend on other creative products/performance?

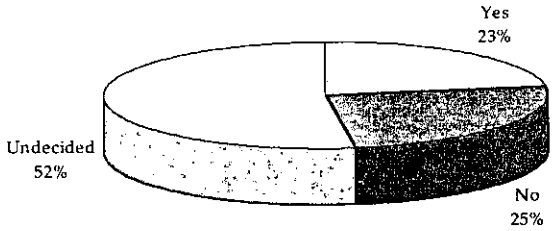


	none	1 to 4	5 to 8	9 to 12	13 to 16	17 to 20	21 to 34	35 to 44	45+
UND	53.1%	31.9%	7.5%	3.7%	0.0%	2.5%	1.2%	0.0%	0.0%
All 4-year Institutions	58.5%	26.3%	8.3%	3.4%	1.4%	1.0%	0.7%	0.2%	0.1%

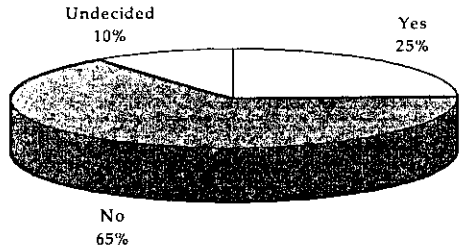
Source: 2001 HERI Faculty Survey
HERI Faculty Survey Administered Every 5 Years

Do you plan to or have you worked on a research project with a faculty member outside of course or program requirements before you graduate from your institution?

UND Freshmen



UND Seniors

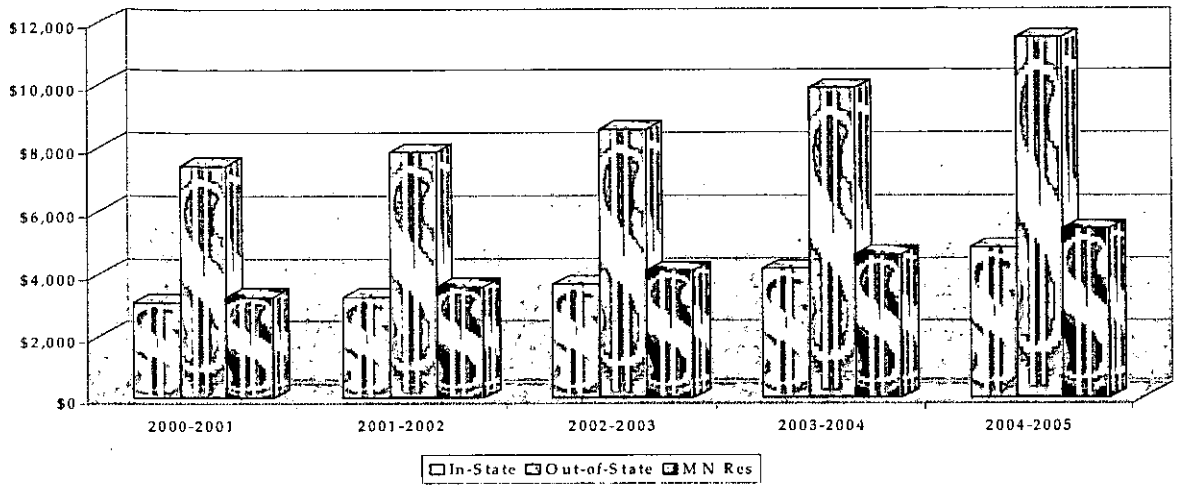


Source: 2003 National Survey of Student Engagement

The University of North Dakota (UND) School of Medicine and Health Sciences dedicated a new $4 million, high tech laboratory for brain research, funded by the Office of National Drug Control Policy (ONDCP).The laboratory houses highly sophisticated equipment which will be used by biomedical researchers to explore the brains of laboratory mice in an effort to better understand the causes of drug addiction and diseases such as Parkinson's, Alzheimer's, ALS (Lou Gehrig's), multiple sclerosis, epilepsy and other diseases of the nervous system.

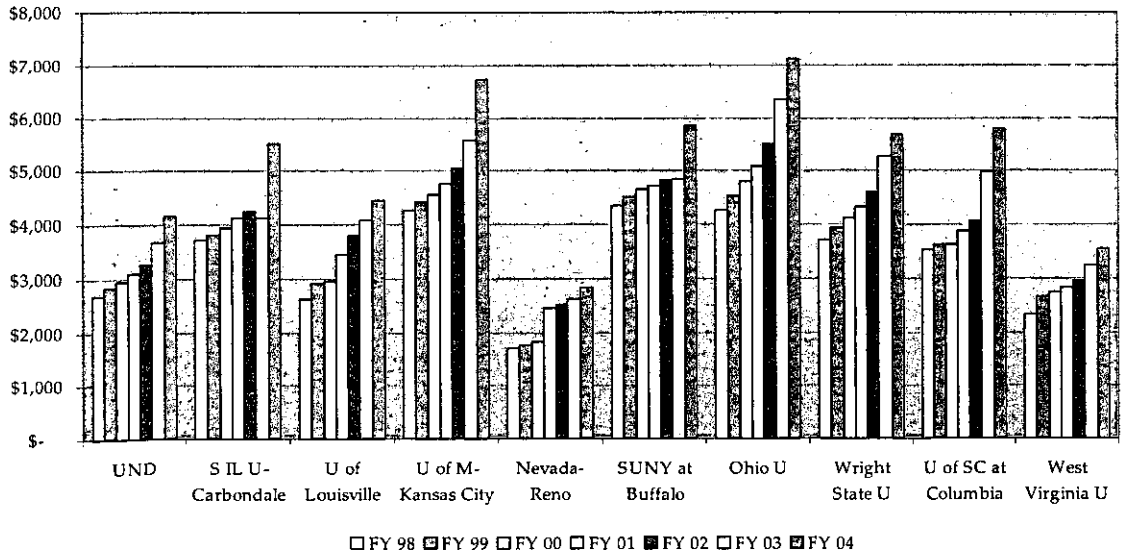
B. Expand and strengthen the University's commitment to research and creative activity, both as a means of enriching the learning environment and as a driver for economic development.

Full-Time Undergraduate Tuition and Fees



Source: UND Bursar

Undergraduate UND In-State Tuition and Fees Compared to Peer Institutions



Source: IPEDS Institutional Characteristics

Extension Credit Hours Generated by College
Three-Year Summary of Credit Workshops (900's)
END OF TERM DATA

	2001-2002	2002-2003	2003-2004
Arts & Sciences	376	506	539
Business & Public Admin	827	452	524
Education & Human Development	5,477	7,159	6,209
Total	**6,680**	**8,117**	**7,272**

Studio One's 300th Show

Studio One reached an important milestone with the production of the 300th live show. This milestone represents 17 years of live productions, 359 awards and more than 500 graduates who have participated in *Studio One* since its inception in 1987.

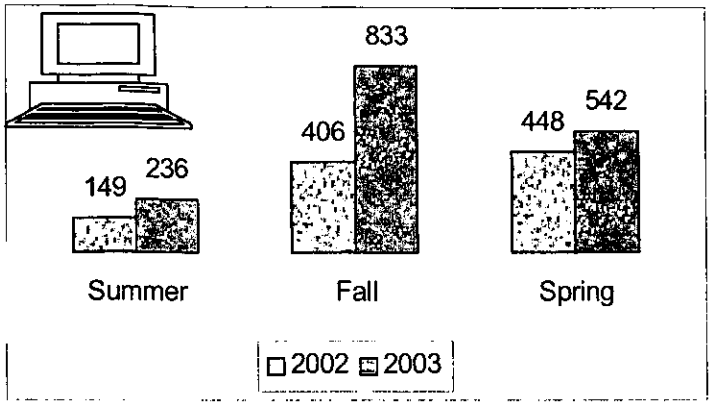
The 300th live show was telecast on September 30, 2004.



Chester Fritz Auditorium

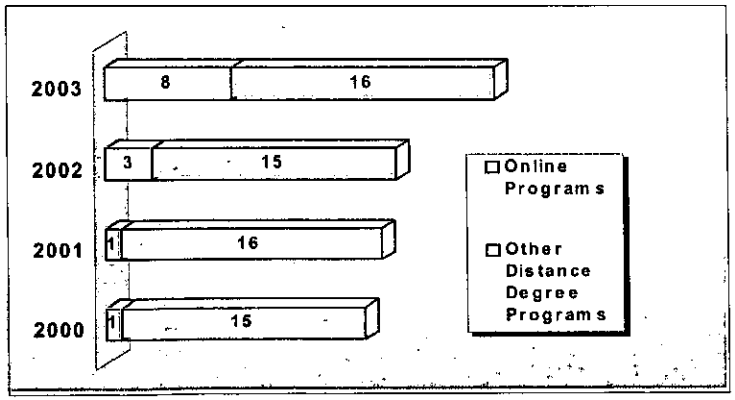
The Chester Fritz Auditorium enhances the life of the University of North Dakota and the Upper Red River Valley by sponsoring shows, hosting regional events, and supporting local productions. In conjunction with the 69 events held at the CFA during FY04 59,900 people were brought into the campus community for events.

Internet Course Enrollment



Source: cjw#sectintr

Degree Programs Offered Completely Online & Non-Traditional Hours

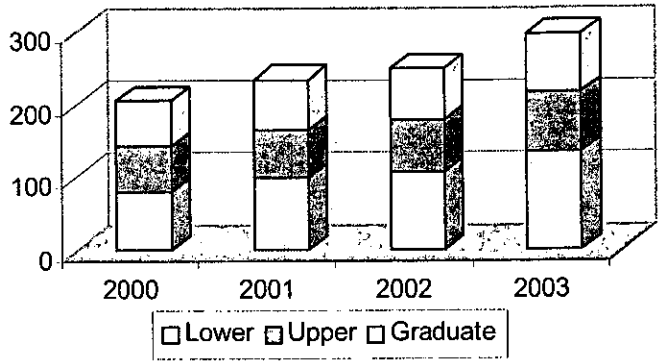


Source: Continuing Education

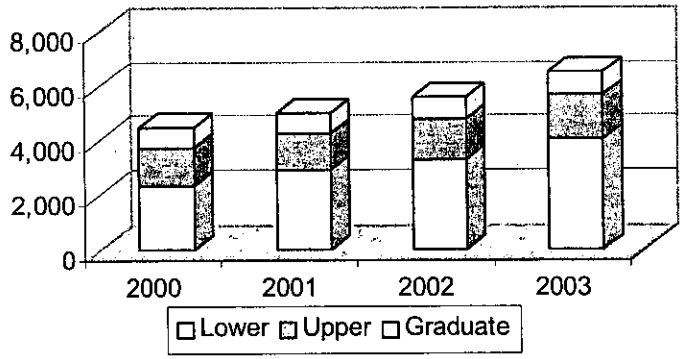
Medical School for the Public

"Medical School for the Public" offered by UND's School of Medicine & Health Sciences is an effective means of offering the public a view into how medical education is conducted and conveying the newest information and knowledge about human health.

Number of Fall Courses Offered in the Evening



Number of Fall Enrollments in Evening Courses



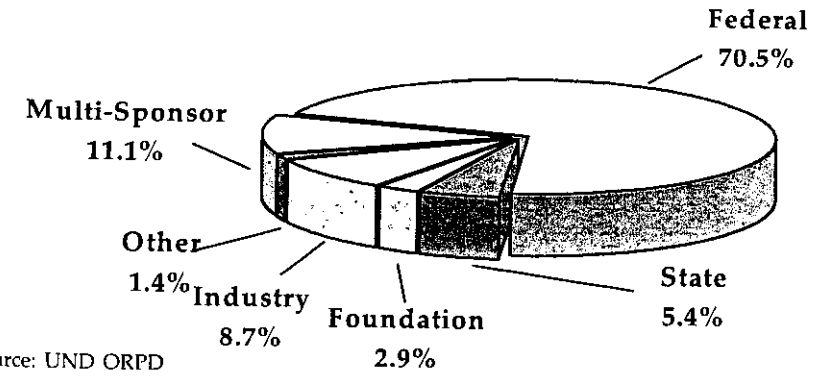
Source: Reg438

UND's School of Medicine & Health Sciences two-year project titled BORDERS, "Biochemical Organic Radioactive Educational Response System" is a collaborative program aimed at improving the ability of health professionals across all disciplines to prepare for and respond to acts of bioterrorism in increasingly diverse situations and populations.

BORDERS
Alert and Ready

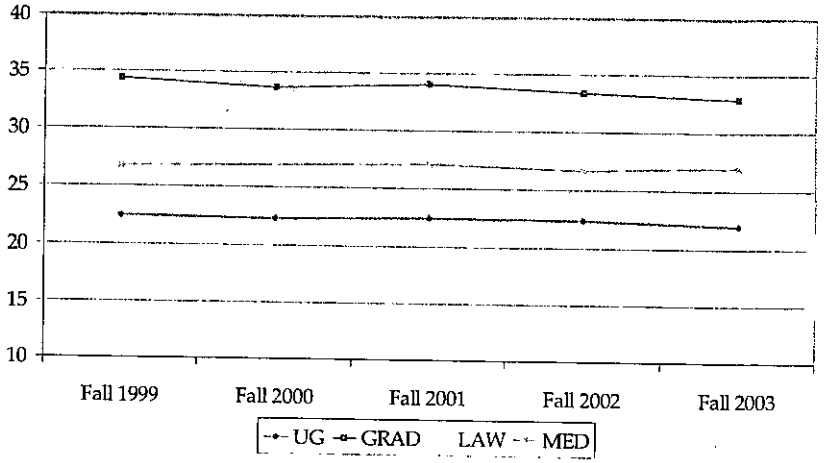
C. Serve the people of North Dakota, the region, the nation, and the world more effectively through applied and basic research, cultural experiences, and economic development programs as well as through a comprehensive array of educational offerings.

Sources of Grants and Contracts Funding: FY 2004



Source: UND ORPD

Average Age of UND Students



Source: Third-Week Report

Academic Requests approved by NDUS

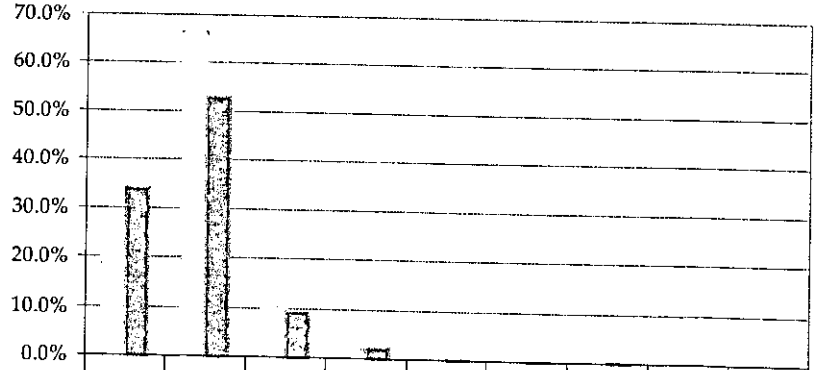
For the period July 2003 through February 2004, UND added one bachelor program, two masters programs, and three certificate programs. Two bachelors programs were terminated and one bachelors program had a title change. Also, the Department of Criminal Justice Studies was established.

2003-2004 Selected Highlights

* Overall enrollment grew for the sixth straight year, reaching a record 13,034 in the fall of 2003. Enrollment in the graduate school grew to 1,894.
* The dollar value of new grants and contracts was up for the seventh straight year, reaching $67 million compared to $61.1 million in 2002-2003.
* The gap between UND's average faculty pay and the national average has been cut in half since 1998.
* The Higher Learning Commission of the North Central Association of Colleges and Schools renewed UND's accreditation for another ten years.

Source: UND University Relations

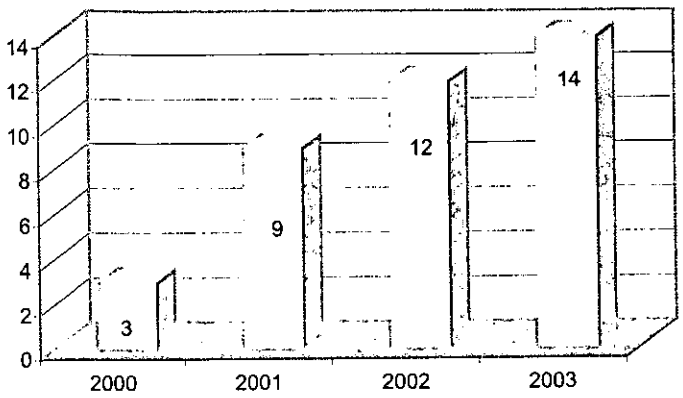
Faculty: During the present term, how many hours per week on average do you actually spend on community or public service?



	none	1 to 4	5 to 8	9 to 12	13 to 16	17 to 20	21 to 34	35 to 44	45+
UND	20.7%	66.5%	10.4%	1.8%	0.6%	0.0%	0.0%	0.0%	0.0%
All 4-year Institutions	34.1%	53.1%	9.6%	2.2%	0.5%	0.3%	0.2%	0.0%	0.1%

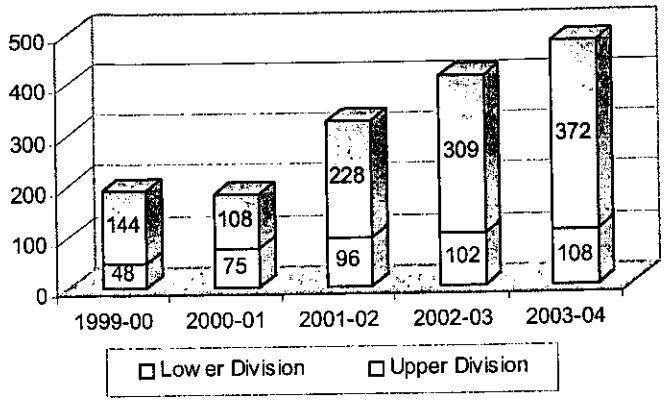
Source: 2002 HERI Faculty Survey
HERI Faculty Survey Administered Every 5 Years

Number of Students in Entrepreneurship Major (New Major Approved in Fall 2000)



Source: Third-Week Report

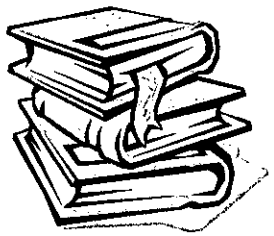
Entrepreneurship Student Credit Hours (SCH) Summer, Fall, & Spring



Source: Third-Week Report

American Indian Programs

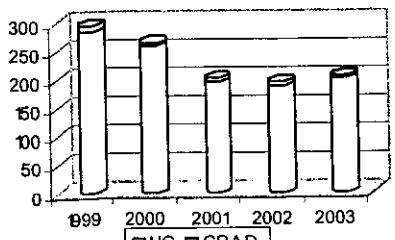
Biological Research Infrastructure Network (BRIN)
Collaborative Rural Interdisciplinary Service Training and Learning/Project CRISTAL
Computer Science, Engineering, and Mathematics Scholars Program
Cankdeska Cikana Community College/UND Internships in Family and Domestic Violence
Grand Forks Human Nutrition Research Center
Indians into Geological Sciences
Indians Into Medicine
Indians Into Psychology
Indian Studies Department
Multicultural Scholars into Dietetics Program
ND Family to Family Network
Northern Plains Indian Law Center
Native American Law Project
Northern Plains Tribal Judicial Training Institute
Tribal Environmental Law Project
Tribal Gaming Law and Policy Institute
Judicial Training Grant on Child Abuse
American Indian Student Services
National Resource Center on Native American Aging
Native Media Center
Recruitment and Retention of American Indians into Nursing
TRIO Programs:
Educational Opportunity Center
Ronald E. McNair Post-Baccalaureate Achievement Program
Student Support Services
Talent Search
Upward Bound
UND GRO Americorps*Vista Project
United Tribes Community Educators Program II (UTCEP II)



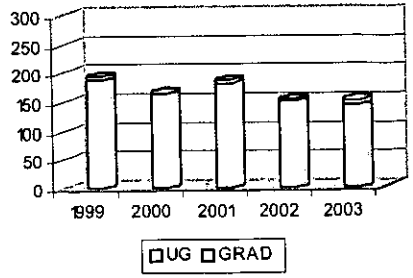
Source: Opportunities for American Indians at UND

Cooperative Education Student Enrollment

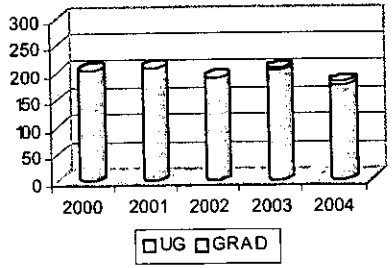
Summer



Fall



Spring



Note: Data as of End of Term Source: #sect5yr

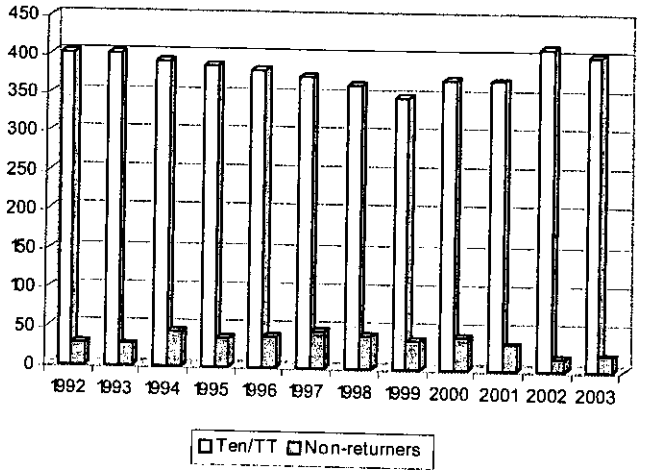
C. Serve the people of North Dakota, the region, the nation, and the world more effectively through applied and basic research, cultural experiences, and economic development programs as well as through a comprehensive array of educational offerings.

Continuation and Cumulative Graduation Rates
All Degree Seeking First-Time Full-Time Freshmen*

FALL	# in Cohort	AVG ACT	CONTINUATION RATES		CUMULATIVE GRADUATION/CONTINUATION RATES					
					4 YEARS		5 YEARS		6 YEARS	
			Continued to 2nd Year	Continued to 3rd Year	Continued to 4th Year	Graduated within 4 Years	Continued to 5th Year	Graduated within 5 Years	Continued to 6th Year	Graduated within 6 Years
1992	1,725	22.1	76%	62%	54%	16%	36%	37%	13%	44%
1993	1,622	22.5	77%	66%	59%	19%	37%	40%	13%	47%
1994	1,563	22.7	78%	66%	58%	17%	38%	37%	14%	47%
1995	1,597	22.5	75%	58%	54%	14%	35%	36%	12%	44%
1996	1,603	22.9	75%	65%	60%	16%	40%	42%	14%	49%
1997	1,510	22.9	76%	65%	59%	17%	38%	41%	14%	50%
1998	1,213	22.8	79%	66%	63%	19%	40%	43%	15%	
1999	1,351	22.8	77%	69%	63%	19%	43%			
2000	1,413	22.9	75%	64%	61%					
2001	1,414	23.1	76%	62%						
2002	1,481	22.9	75%							

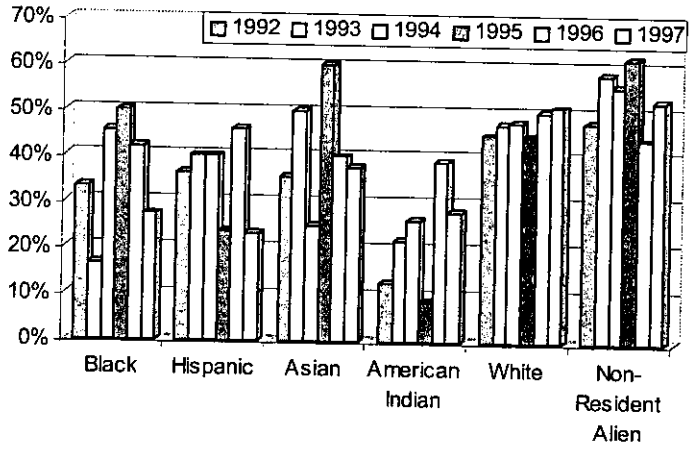
*New freshmen entering without college credit.
Source: IPED & retental.sas (CSRDE)

Fall Full-time Tenure, Tenure-track Faculty, and Non-Returning Faculty



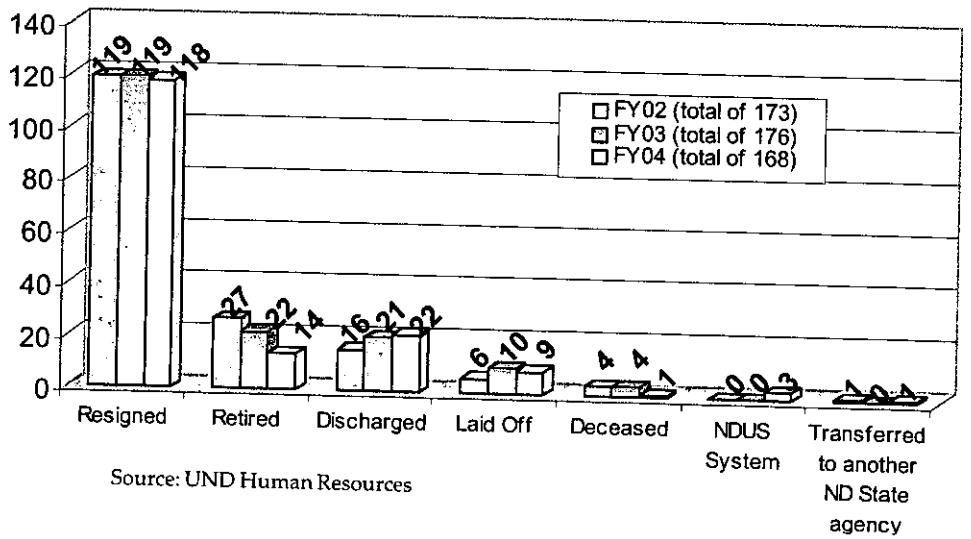
Note: Excludes School of Medicine Faculty
Source: UND Academic Affairs (November 15)

Six-Year Graduation Rates, by Cohort Year and Race Ethnicity
All Degree Seeking First-Time Full-Time Freshmen*



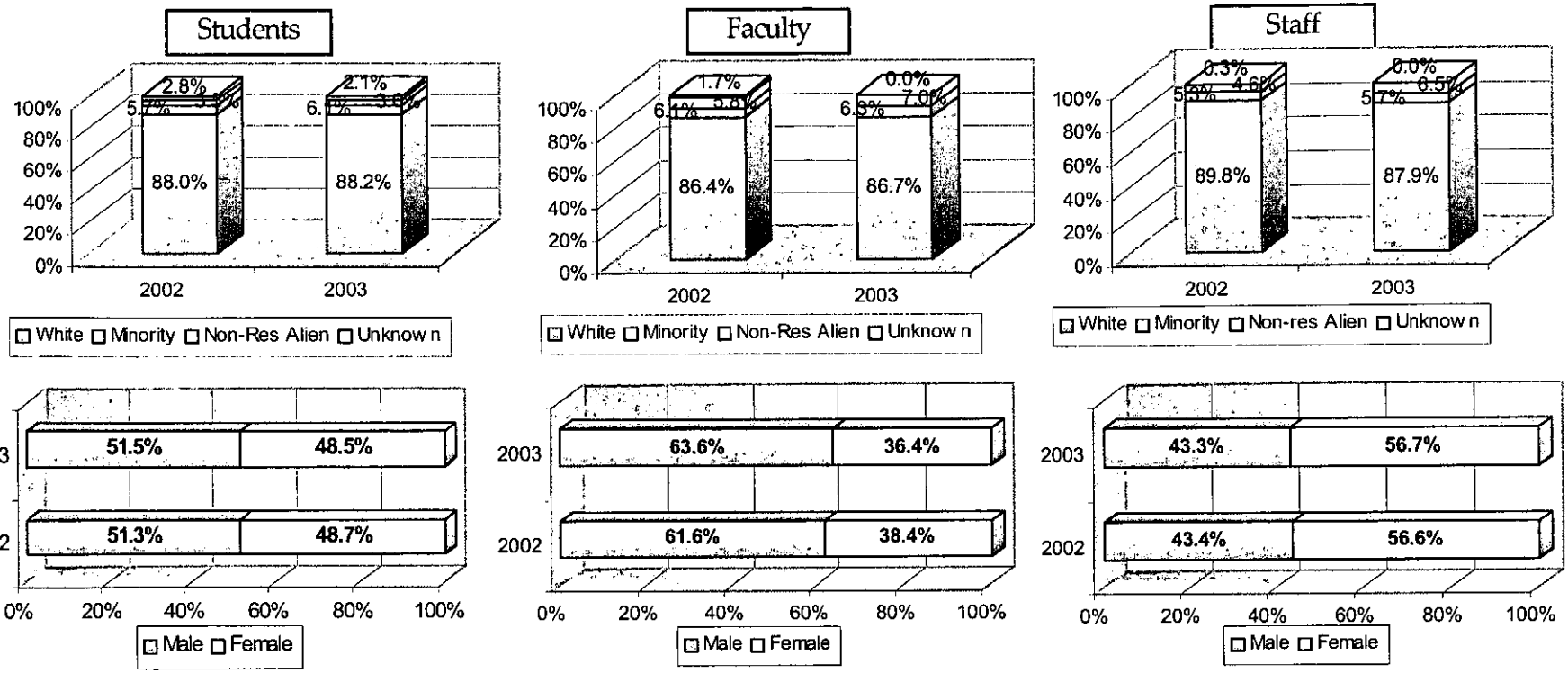
*New freshmen entering without college credit.
Source: IPED & retental.sas (CSRDE)

Employee Terminations
7/1/2002 through 6/30/2004



Source: UND Human Resources

Distribution by Race/Ethnicity and Gender
2002 and 2003



Source for Faculty/Staff Data: IPEDS Report Source for Student Data: Third-Week Report

Disability Support Services

Disability Support Services assists UND in making all programs and services accessible to students with disabilities.

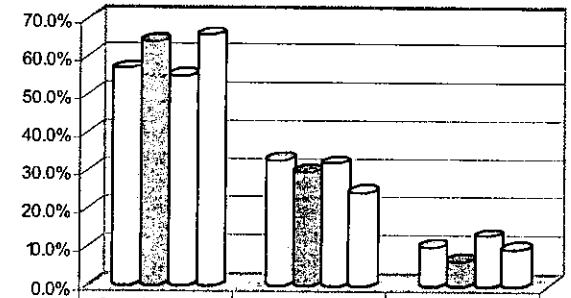
Access is evidenced by our representation of students with disabilities similar to students without disabilities. For example, 54% of DSS students registered with DSS received 2.5 GPA's as compared to 60% campus wide

Other outcome measures, such as, honors, involvement in co-curricular activities, and visible accommodations in the classroom, reflect a campus climate that is welcoming and inclusive for students with disabilities.

Source: Disability Support Services

D. Improve the campus climate for living and learning.

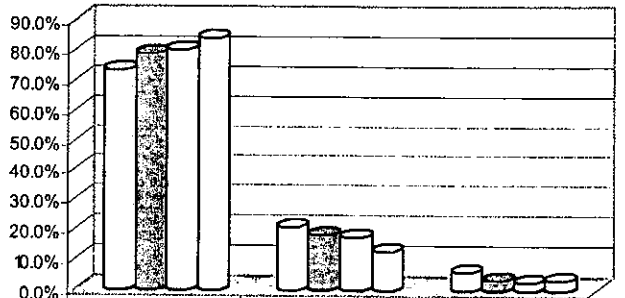
Students: To what extent have you been satisfied with racial harmony at UND?



	Satisfied/Very Satisfied	Neutral	Dissatisfied/Very Dissatisfied
1996	56.9%	33.0%	10.1%
1998	64.0%	29.7%	6.3%
2001	55.0%	32.0%	13.0%
2004	65.9%	24.4%	9.7%

Source: 2004 Graduate Survey
Graduate Survey Administered Every 3 Years

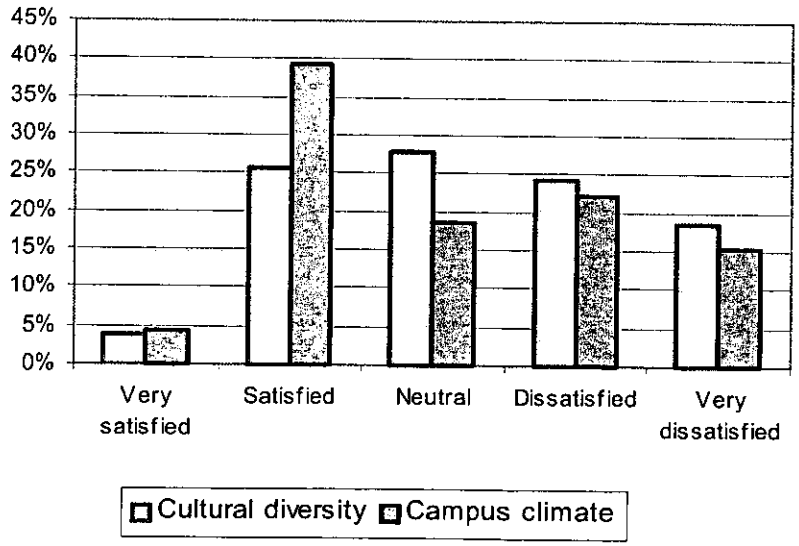
Students: To what extent have you been satisfied with the overall social experience at UND?



	Satisfied/Very Satisfied	Neutral	Dissatisfied/Very Dissatisfied
1996	73.2%	20.9%	5.9%
1998	78.8%	17.8%	3.4%
2001	79.7%	17.7%	2.6%
2004	84.0%	12.8%	3.2%

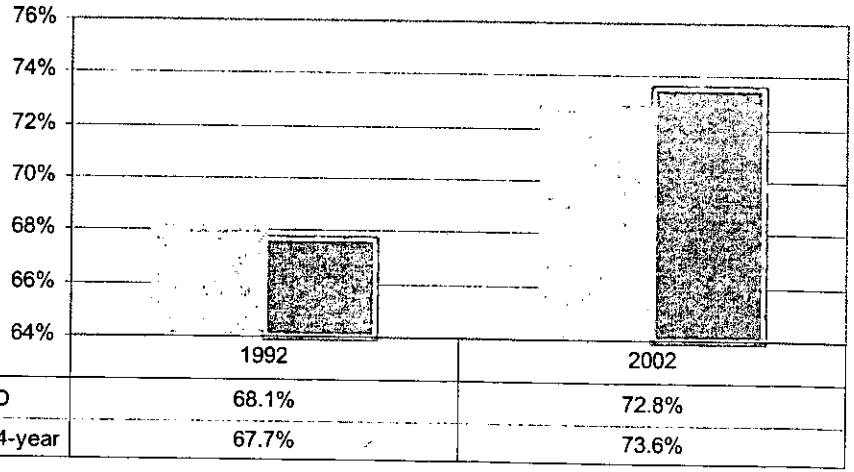
Source: 2004 Graduate Survey
Graduate Survey Administered Every 3 Years

Faculty: Indicate your satisfaction with cultural diversity and campus climate in supporting your work as a faculty member.



Source: 2002 HERI Faculty Survey
HERI Faculty Survey Administered Every 5 Years

Faculty: Overall Job Satisfaction (Very Satisfied or Satisfied)



	1992	2002
UND	68.1%	72.8%
All 4-year	67.7%	73.6%

Source: 2002 HERI Faculty Survey
HERI Faculty Survey Administered Every 5 Years

Campus Security Act Statistics

These statistics reflect activities reported to the UND Police for the main campus and contiguous areas under the Federal Campus Crime Awareness Act.

Criminal Incident	2003	2002	2001	2000
Murder/Homicide	0	0	0	0
Sexual Assault (Forcible)	5	7	10	5
Sexual Assault (Non-Forcible)	0	0	0	0
Robbery	0	1	0	0
Aggravated Assault	4	2	1	1
Burglary	13	21	10	17
Motor Vehicle Theft	6	12	8	9
Citations				
Liquor Law Violations*	276	181	265	220
Weapons Violations	1	1	0	2
Drug Violations	54	29	29	34

**Does not include DUI arrests*

Source: UND Police

✓ Council on Campus Climate

The Council, chaired by the President, was formed in Spring 2002 and meets once per semester. Forty members from throughout the University and the community work to help the University enhance and sustain a positive environment on campus for working and learning. It considers a wide range of issues such as diversity, multi-cultural awareness, the intellectual vibrancy of the campus, the physical environment, and identifying and eliminating barriers to positive interpersonal interactions between and among students, faculty and staff.

UND Counseling Center

UND Counseling Center provided services to about 6,000 student encounters through counseling, testing, educational programs, and outreach. The Counseling Center added a part-time psychiatrist due to the increased complexity of student issues and initiated a Suicide Intervention Team to address students with potential suicide issues.

All Student & Outreach Services departments are expected to:

1. Participate in more activities that would increase their diversity awareness.

2. Acknowledge their staff member's participation in diversity activities outside of assigned duties by including a section on, or addendum to, employee evaluation forms that identify personal and professional development activities such as diversity seminars, U2 activities, and UND classes, conferences, etc.

3. Continue to include the promotion of diversity initiatives in their strategic plans and annual reports.

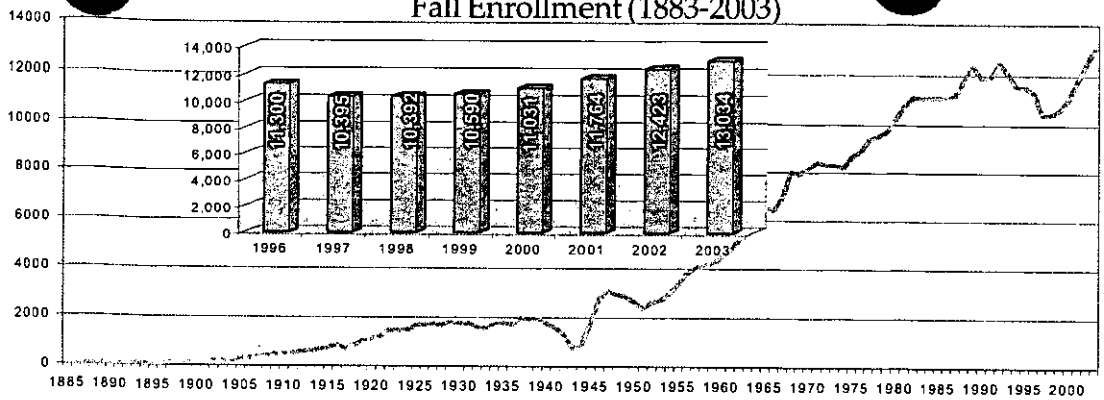
4. Actively seek underrepresented populations such as students and staff of diverse backgrounds when appointing or organizing committees.

5. Include cultural aesthetics in their office areas that reflect a welcoming message to various cultural groups.

6. Share any relevant information from travel to national, regional, and/or local conferences, seminars and/or workshops with the entire division. For example, this can be achieved through email, campus mail, lunchtime brown bag discussions, and/or a campus presentation.

University of North Dakota

Fall Enrollment (1883-2003)



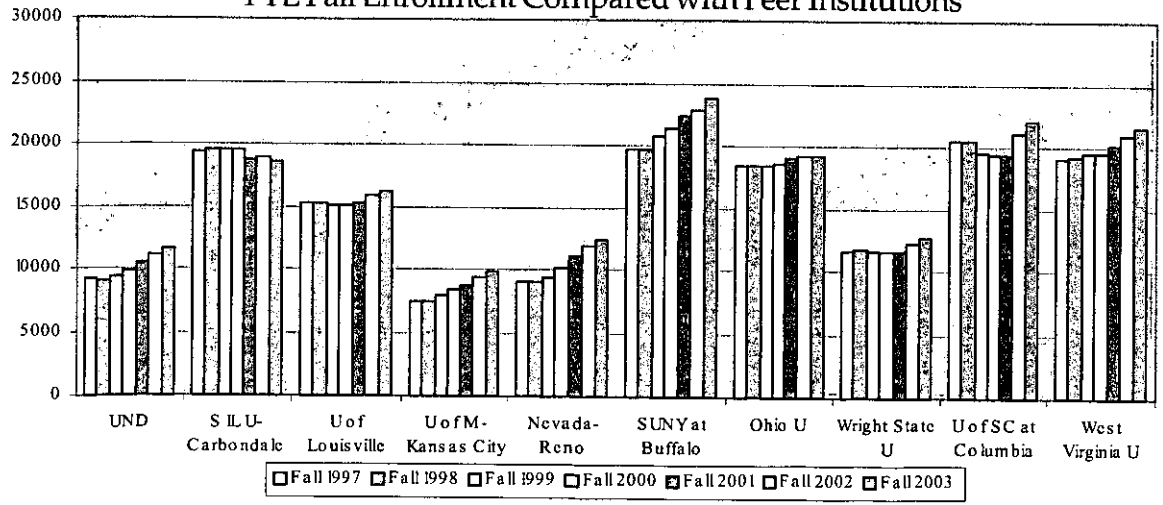
Source: Factbook 2003 & Third-Week Report

Fall Enrollment History and Target Goals						
Types of Students	1999	2000	2001*	2002	2003	2005 Target
New Freshman	1754	1837	1947	1987	2194	1850
New Transfer	665	724	839	920	884	800
Other UG	6261	6561	6999	7370	7633	7475
Graduate	1492	1492	1557	1714	1894	1650
Professional	418	417	422	432	429	425
Correspondence			(135)	(206)	(196)	485
Total Fall Enrollment (Head Count)	10590	11031	11764	12423	13034	14000

*Correspondence Students added beginning Fall 2001

Source:Assoc VP Enrollment Mgmt

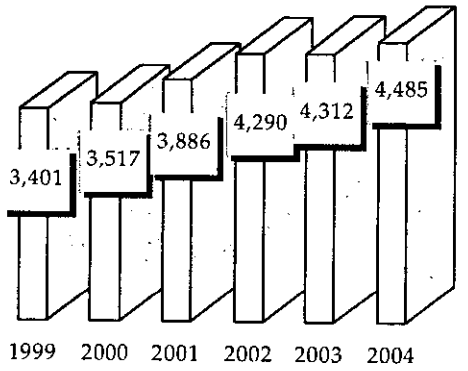
FTE Fall Enrollment Compared with Peer Institutions



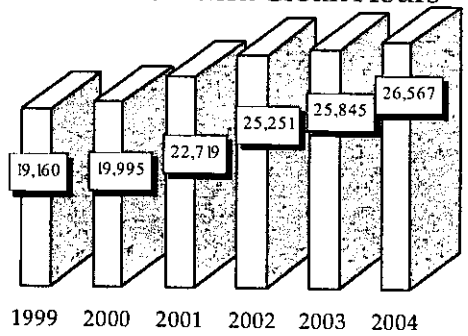
Source: IPEDS Fall Enrollment

Summer Sessions

Summer Student Enrollment

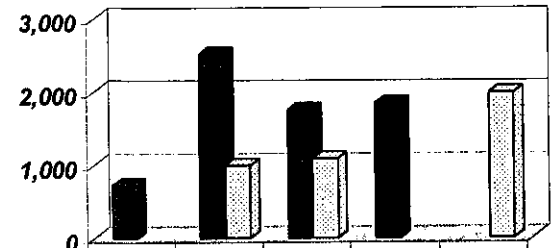


Summer Student Credit Hours



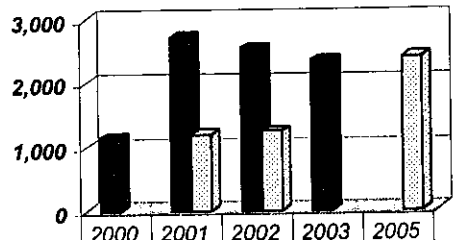
Source: Third-Week Reports

Work Force Development Enrollment



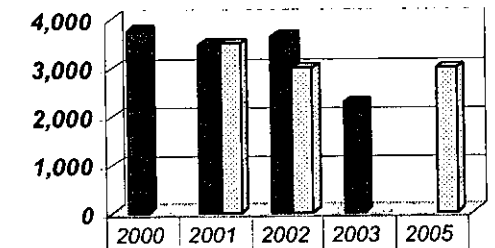
	2000	2001	2002	2003	2005
Actual	743	2,520	1,773	1,859	
Target		1,000	1,100		2,000

Certificate Programs Enrollment (Non-Credit)



	2000	2001	2002	2003	2005
Actual	1,147	2,713	2,544	2,354	
Target		1,200	1,250		2,400

Conferences Enrollment



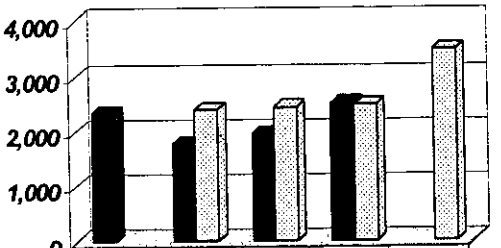
	2000	2001	2002	2003	2005
Actual	3,775	3,473	3,640	2,283	
Target		3,500	3,000		3,000

Extension Enrollment



	2000	2001	2002	2003	2005
Actual	7,957	6,361	6,063	6,684	
Target		7,500	7,600		7,800

University Within The University (U2) Enrollment



	2000	2001	2002	2003	2005
Actual	2,350	1,790	1,979	2,512	
Target		2,400	2,450	2,500	3,500

Note: These numbers reflect enrollment and not head count.
Source: UND Continuing Education

E. Optimize and stabilize enrollment to achieve the desired number and mix of students appropriate to the University's mission.

Selected Summer Activities Offered at UND

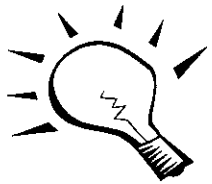


NxLeveL Youth Entrepreneurial Camp sponsored by the College of Business is a 5-day summer camp which offers a hands-on approach to educating those students entering grades 6 - 8 about the fast-growing, innovative world of small business.

UND Summer Writing Camp for Teens 2004

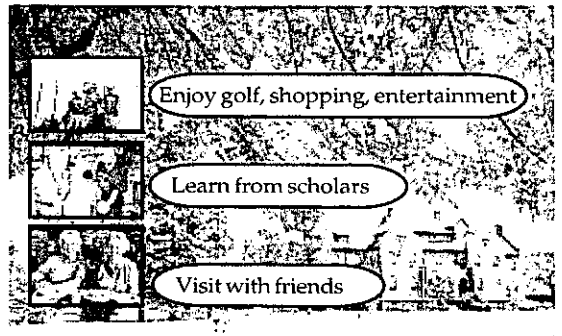
Seventeen students in grades 9 through 12 attended the two week UND Summer Writing Camp for Teens. Sponsored by the English Department, the participants were exposed to a variety of different writing genres, including:

Memoir
Fiction
Script Writing
Journalism
Creative Nonfiction



Summer Haven 2004 Inaugural Year

In its inaugural year, June 1 – July 31, 2004, this pilot program strives to strengthen the relationship between alumni, friends, UND staff and faculty, and the Greater Grand Forks community.



The Summer Haven program is a life-long learning adventure designed to enrich the mind, energize the body and enlighten the spirit within the collegiate atmosphere of the University of North Dakota. A unique combination of active living in an on campus residential environment along with academic courses taught by faculty, staff and community experts complemented the leisure activities offered. UND alumni, local adults and visiting adults were invited to experience all that the University of North Dakota and the Greater Grand Forks area has to offer.



Summer Institute of Linguistics

The Summer Institute of Linguistics at UND is international in scope. In recent years, participants have come from Scotland, England, Norway, Russia, France, Switzerland, Italy, Eritrea, Kenya, Kazakhstan, Tajikistan, Mongolia, Burma, Malaysia, Papua New Guinea, Korea, Japan, Brazil, Chile, Costa Rica, Panama, Mexico and Canada. Classes discuss a wide range of languages from all around the world, including many that are not well known outside of the country where they are spoken. **SIL-UND has been operating every summer since 1952.**

Program Agreements 2003-2005 Catalog Year

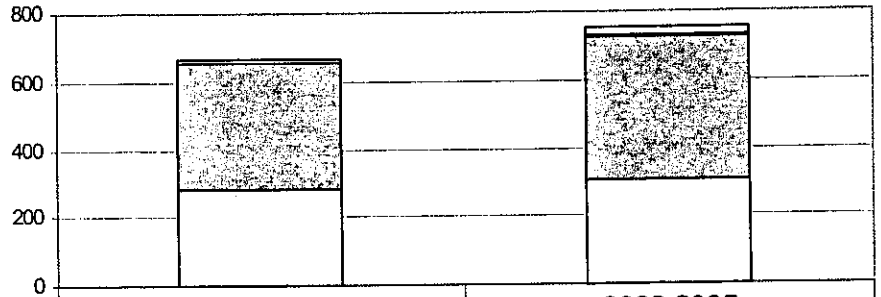
UND continues to serve our transfer students with many opportunities. UND updated and maintained a total of 756 program agreements and 64 course agreements for the 2003-2005 catalog year. In addition, we added 88 new program agreements.

Number of Institutions UND had/has Program Articulation Agreements With by Catalog Year

	Catalog Year	
	2001-2003	2003-2005
North Dakota	11	11
Minnesota	12	19
South Dakota	1	6
Other	3	11
Total	**27**	**47**

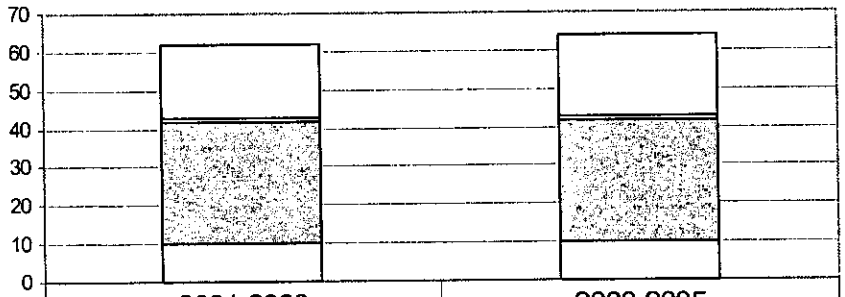
Source: UND Office of Registrar

Program Articulation Agreements
Comparative Catalog Year



	2001-2003	2003-2005
Other	12	23
South Dakota	1	7
Minnesota	371	419
North Dakota	284	307

Course Articulation Agreements
Comparative Catalog Year

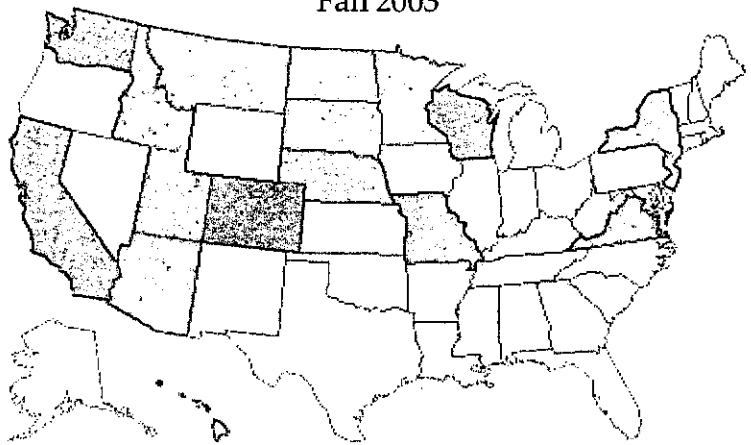


	2001-2003	2003-2005
Other	19	21
South Dakota	1	1
Minnesota	32	32
North Dakota	10	10

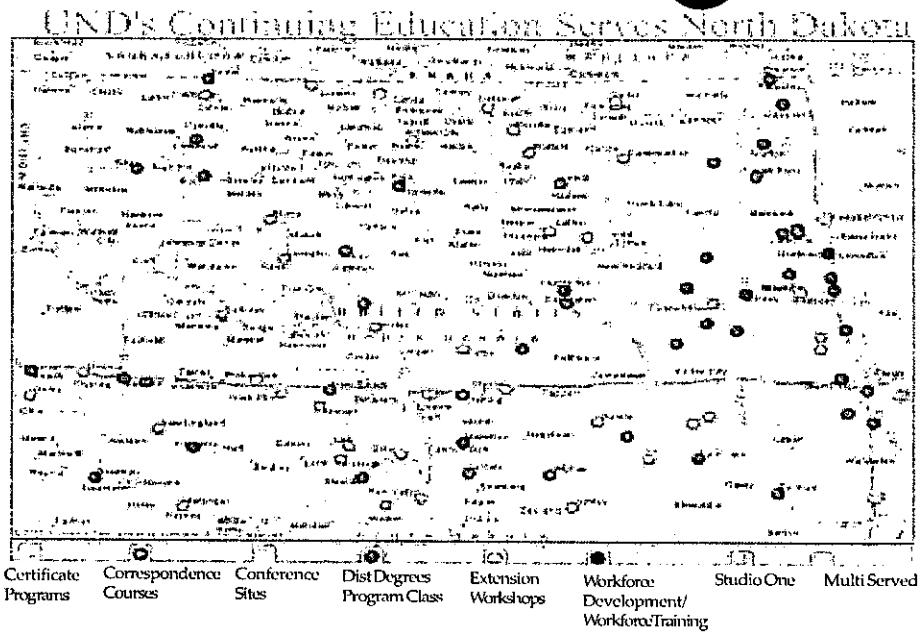
NOTE: Maintaining our course-by-course articulation has been our objective.

E. Optimize and stabilize enrollment to achieve the desired number and mix of students appropriate to the University's mission.

Students by Home State
Fall 2003



UND's Continuing Education Serves North Dakota



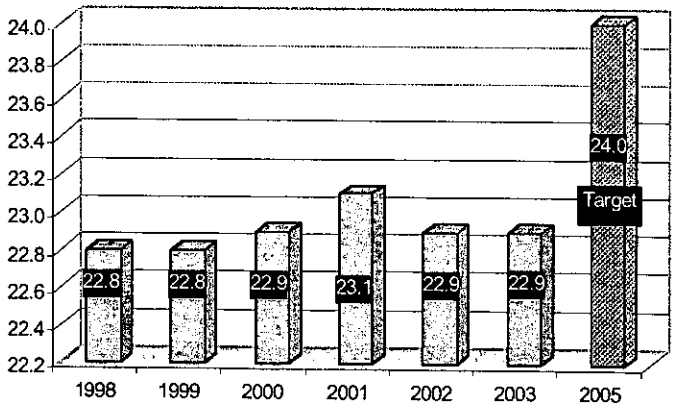
New Freshmen by Home State
Fall 2003



New Transfers by Home State
Fall 2003



ACT Averages of Entering Freshmen

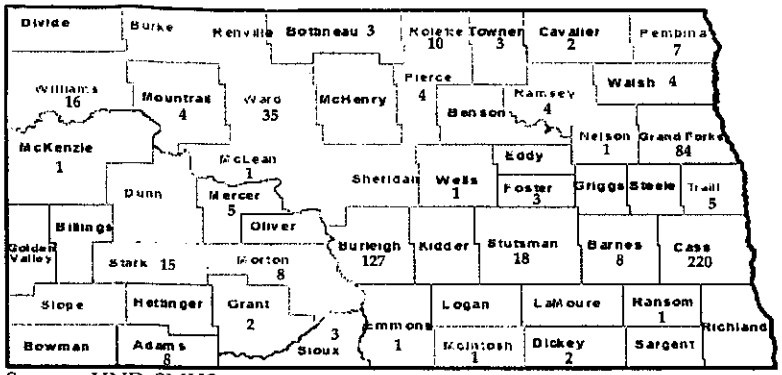


Source: ACT

ENROLLMENT 0 | 1 to 20 | 21 to 40 | 41 to 100 | 101 to 200 | 201 and UP

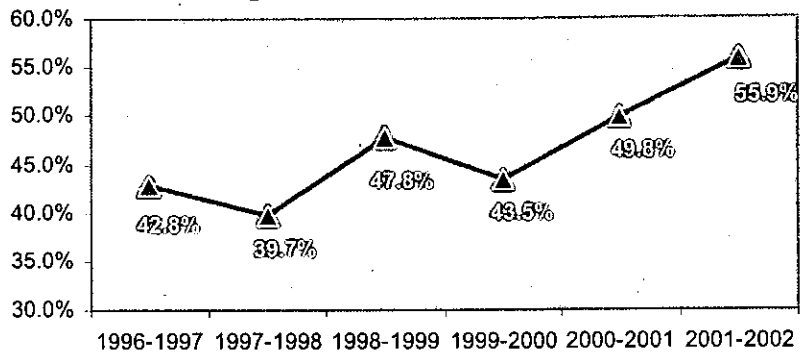
Source: Third-Week Report (ussrg540/residence of first-time students)

608 ND School of Medicine and Health Sciences Physicians Practicing in ND



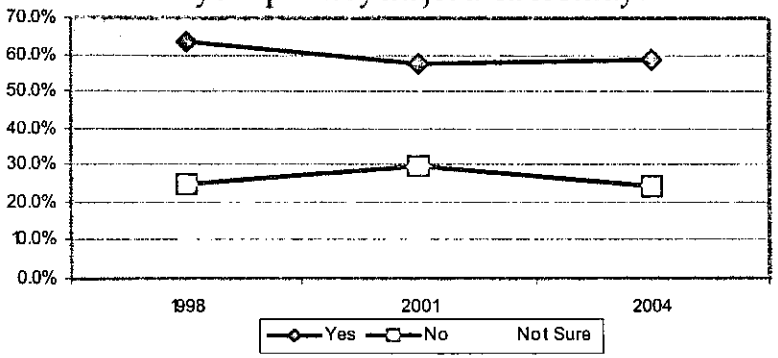
Source: UND SMHS

Retention of ND High School Graduates After UND Education



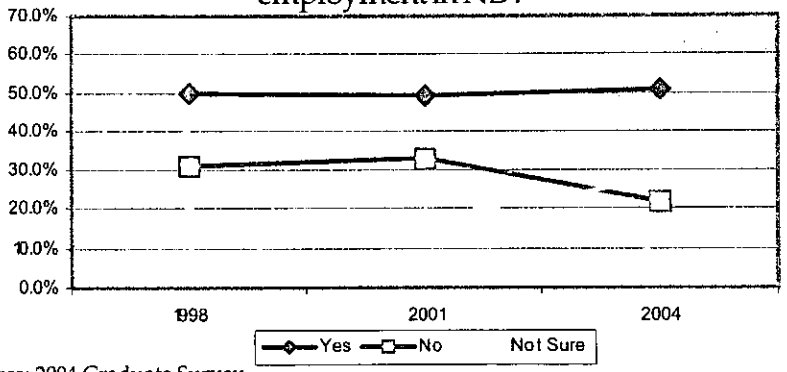
Source: 2004 Placement Survey of 2001-2002 graduates

Students: Do you think there are job opportunities in ND in your primary major area of study?



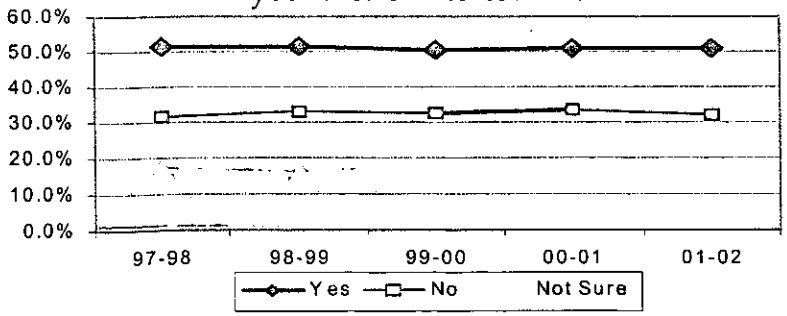
Source: 2004 Graduate Survey
Graduate Survey Administered Every 3 Years

Students: Would you be willing to accept employment in ND?



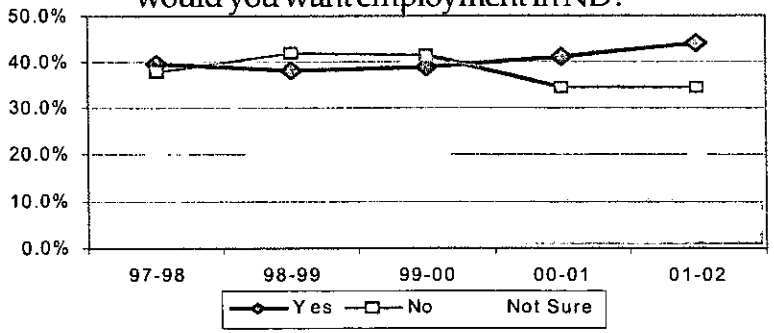
Source: 2004 Graduate Survey
Graduate Survey Administered Every 3 Years

Students: Do you believe there are job opportunities for you in your area of interest in ND?



Source: 2004 Placement Survey

Students: If a job were available in your area of interest, would you want employment in ND?



Source: 2004 Placement Survey

E. Optimize and stabilize enrollment to achieve the desired number and mix of students appropriate to the University's mission.

University of North Dakota

Optimize the use of information technology to improve student learning, research, and the administration of the University.

Selected Highlights for Fiscal Year 2004

The Student Technology Fee Committee invested $200,000 over two years to upgrade general classroom presentation equipment.

The second annual IT conference, Beyond Boundaries, was held in October, 2003. The conference attracted nearly 100 participants. The third Beyond Boundaries conference was held September 23-24, 2004.

In cooperation with CILT, negotiated and purchased an upgraded, enterprise version of Blackboard, a learning management system, which meets the growing number of faculty and students using the Blackboard system.

The UITC recommended two new policies. The first established an official email for faculty, staff and students for receiving official UND business; second, a network policy defining the standards for connecting devices and provisioning of services to the University's network.

Worked with residence hall personnel to pilot an authentication procedure to enhance the security of the UND network.

Information Technology Security Officer position was established to assist with the development and implementation of IT security policies and practices.

Over $300,000 was invested in upgrading cabling across campus that added capacity and speed within internal networks including the campus core network. Results provide for greater network efficiency within the network, improved end user experience with applications, and positions UND to include voice, video and data in one network.

Completion of projects to improve reliability of UND IT: 1) electrical generator in Upson II assures back up power to systems hosted in ITSS machine room, and 2) redundant path from UND campus to STAGENet wide area network is installed.

Completed the first semester of a three semester Student Technology Assistant pilot program focused on using student technical support to improve availability of departmental student lab computers.

The Student Technology invested $700,000 in funding 45 IT projects across the UND campus.

Many UND employees contributed leadership and an enormous amount of time to assist with the rollout of the ConnectND project.

Source: UND Chief Information Officer

CONNECT ND

ConnectND is the project to implement PeopleSoft ERP software system to replace the current administrative computer functions that handle student administration on campuses, and financial and human resource applications throughout higher education and North Dakota state government.

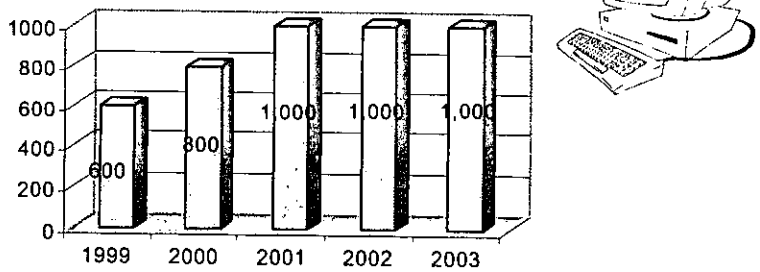
In September 2004 UND implemented the recruitment and admissions functions. Under the current schedule, UND will go live in January 2005 with the human resources functions (including payroll) and finance (accounts payable, purchasing, grants and contracts, fixed assets) followed by student finance (business office), financial aid and student records in spring/summer 2005.

UND personnel continue to be heavily involved in the implementation of PeopleSoft, assisting at the project level as well as focusing on campus specific activities.

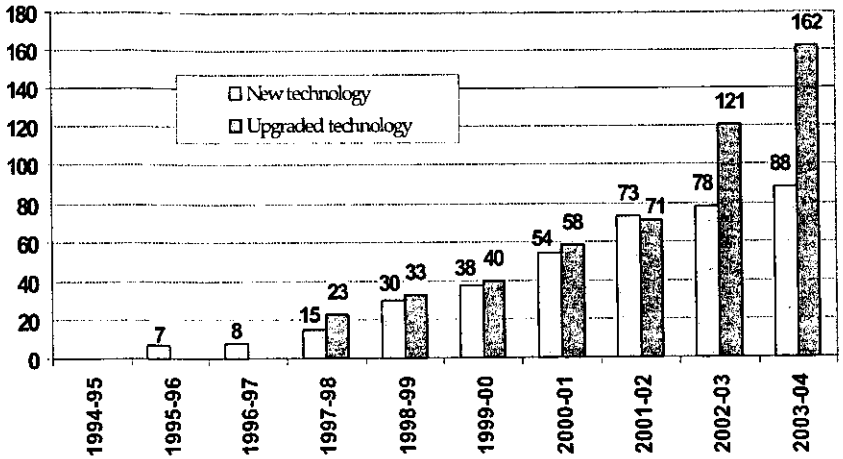
The project team, consultants and campuses are working together to meet the implementation deadline set by the Board of Higher Education.

As of November 23, 2004

Approximate Number of Computers Available for General Student Use



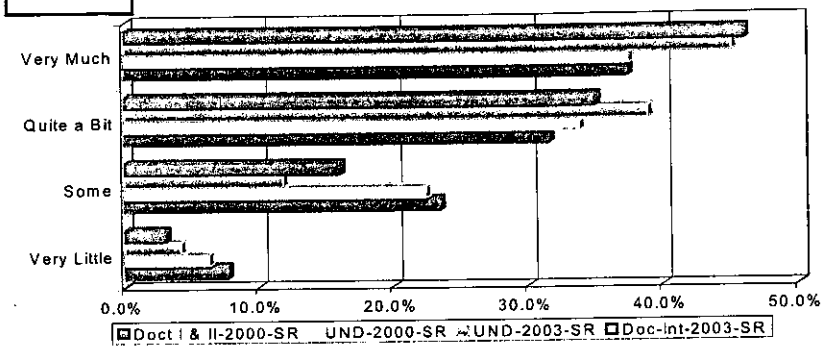
Cumulative Progress of Presentation of Technology Enhancements in Classrooms



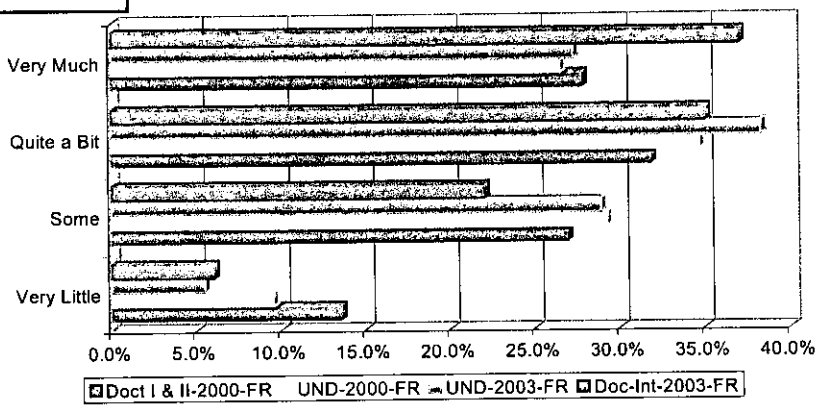
Source: Center for Instructional Learning Technologies

Students: To what extent has your college education contributed to your knowledge, skills, and personal development in using computing and information technology?

Seniors



Freshmen



Source: 2000 & 2003 National Survey of Student Engagement

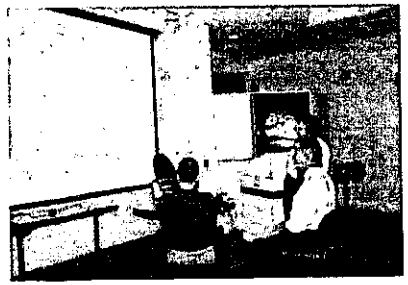
Personal Digital Assistant (PDA) Program

UND SMHS instituted a **Personal Digital Assistant (PDA) Program** to focus on **assessment** and documentation of competency in fundamental clinical skills. Students document their patient encounters during the Year 3 clerkships. All units are equipped with software appropriate for patient encounter data collection.

This data is used for **program evaluation** and documentation of content strengths and weaknesses within and between clerkships across campuses. The clerkship director reviews student evaluations of their experiences at alternative sites to identify any persistent variations in educational experiences or evaluation methods. This enables the clerkship director to monitor what students see and do by site, campus, preceptor, and student. These numbers permit appropriate distribution of students and intervention into acute problems on a real time basis.

Additionally, the Medical Curriculum Committee can monitor what students see and do by rotations. This analysis allows for appropriate distribution of students and curricular design targeted to the clinical activity of each entity.

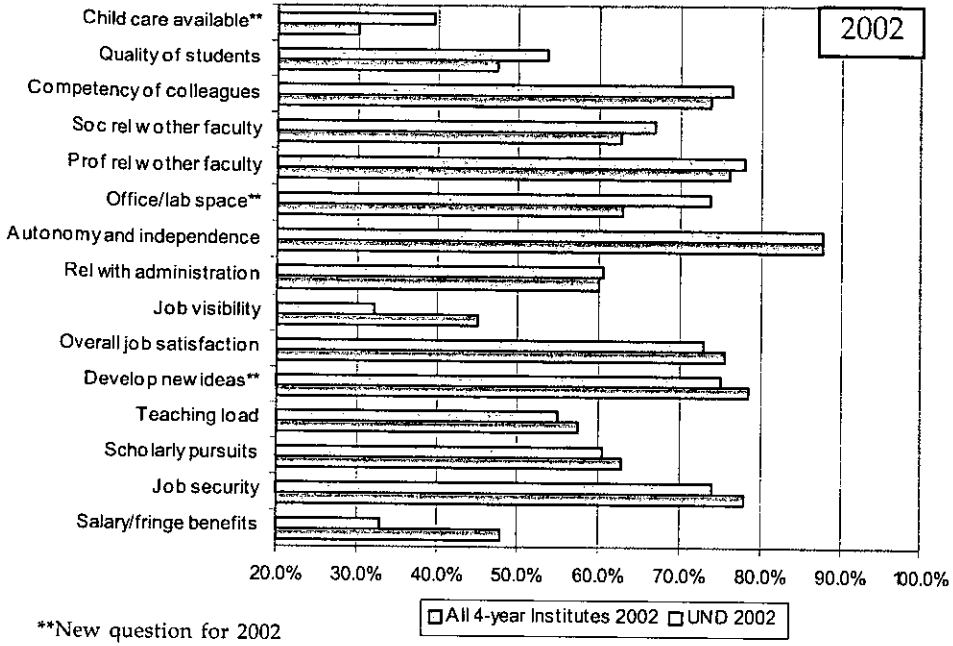
Using Telemedicine for Medical Education



Advanced Technology is now available for educating medical students in clinical skills involving eye and ear examinations.

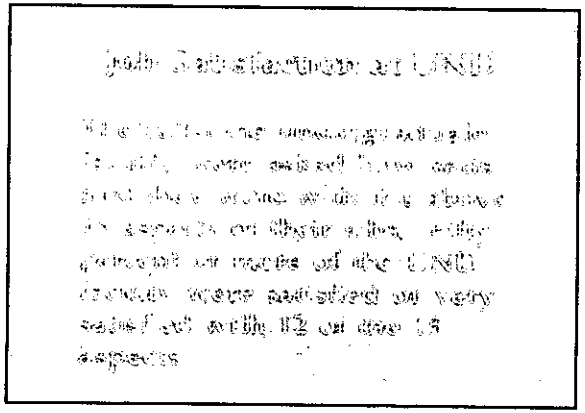
F. Optimize the use of information technology to improve student learning, research, and the administration of the University.

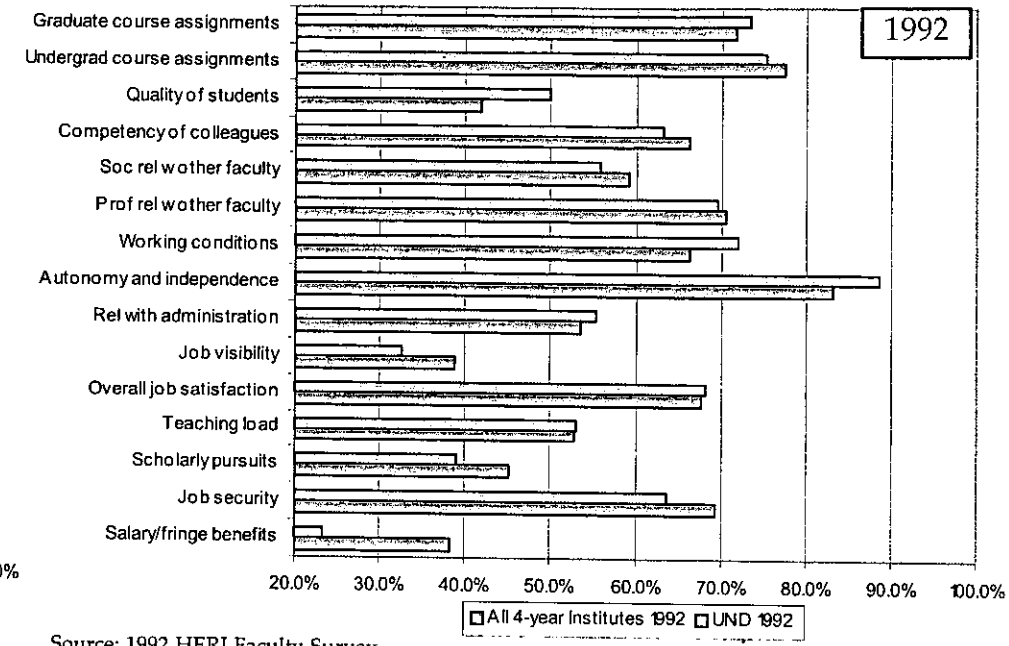
Faculty: How satisfied are you with the following aspects of your job?



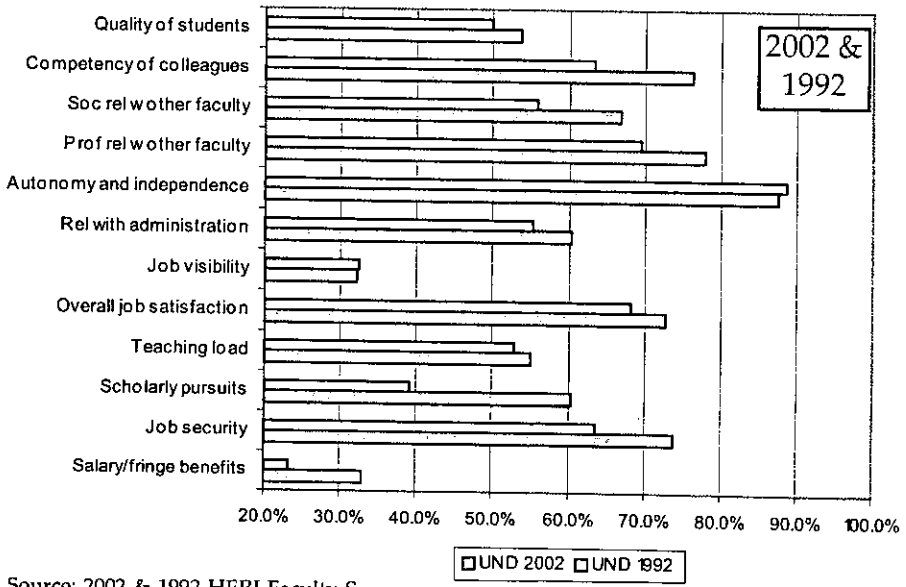
**New question for 2002

Source: 2002 HERI Faculty Survey
HERI Faculty Survey Administered Every 5 Years





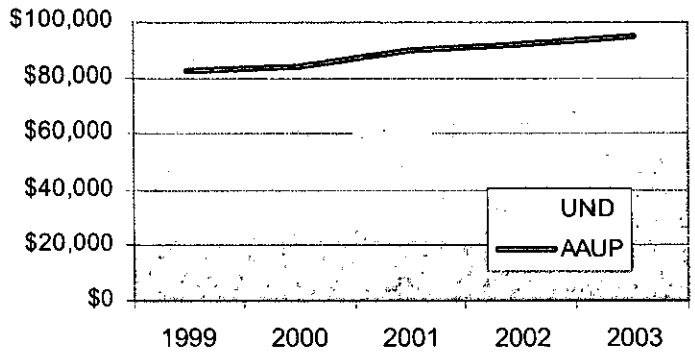
Source: 1992 HERI Faculty Survey
HERI Faculty Survey Administered Every 5 Years



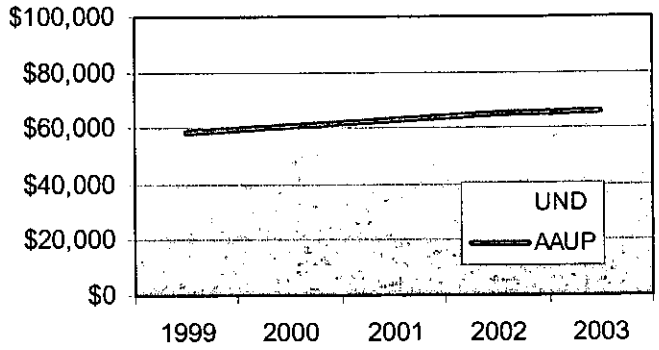
Source: 2002 & 1992 HERI Faculty Survey
HERI Faculty Survey Administered Every 5 Years

Faculty Salary Charts

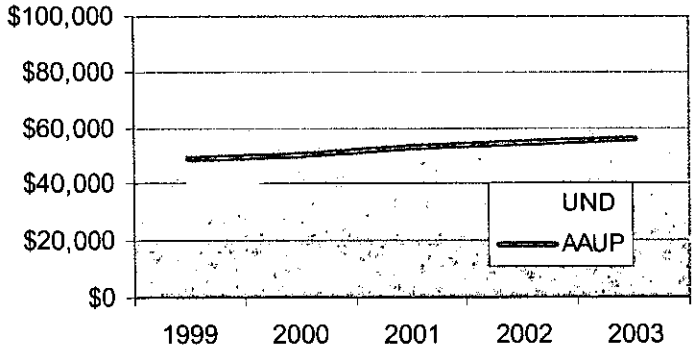
Professor



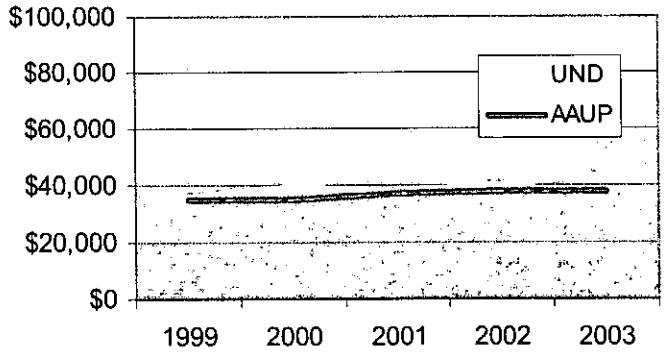
Associate Professor



Assistant Professor



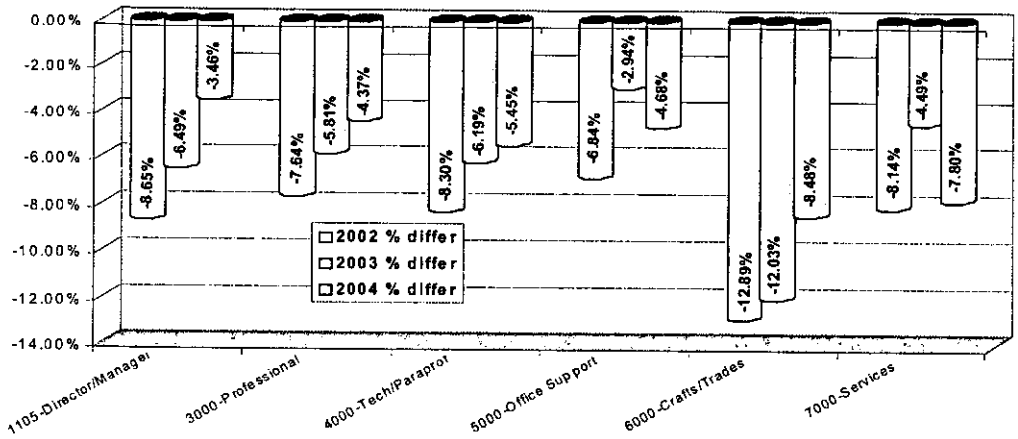
Instructor



G. In support of all of the above, ensure that the University has a well-prepared, enthusiastic faculty and staff, first-rate physical facilities, and adequate financial resource base, and an appropriate, efficient organizational structure.

Source: American Association of University Professors

Hourly Salary Market Comparison for Staff, By Job Band
Percentage Differences between UND and Regional Salaries



Source: UND Personnel Office (SBHE Report of Weighted Average % Differ)

Staff Awards 2004

Years of Service Recognition Award*	Amount Awarded	Nbr Awarded		Total per Category	
		2003	2004	2003	2004
40 years	$200	1	1	$200	$200
35 years	$100	6	7	$600	$700
30 years	$100	9	16	$900	$1,600
25 years	$100	27	34	$2,700	$3,400
20 years	$50	63	31	$3,150	$1,550
Total		106	89	$7,550	$7,450
Meritorious Service Award	$1,000	10	10	$10,000	$10,000
Ken & Toby Baker UND Proud Award	$1,000	1	1	$1,000	$1,000

*2002 Initial start year of Barnes & Noble gift certificates.

* 2002 Initial start year of Barnes & Noble Gift Certificates
Source: UND Human Resources

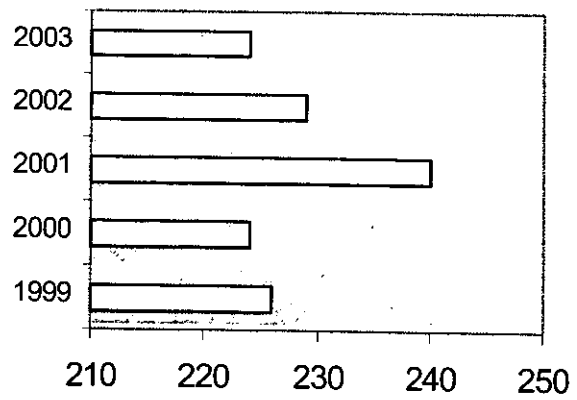
2002 Campus Quality Survey
Employee Satisfaction

Overall Satisfaction with Employment	
Very satisfied	18.0%
Satisfied	51.0%
Neutral	12.0%
Somewhat dissatisfied	16.1%
Not satisfied at all	3.0%

Overall Impression of Quality	
Excellent	18.0%
Good	54.0%
Average	21.0%
Below Average	5.0%
Inadequate	2.0%

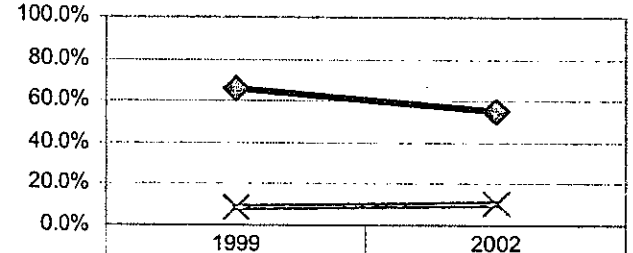
Source: 2002 Campus Quality Survey

Employees Utilizing the Tuition Waiver Incentive
Fall Semester



Source: UND Bursar

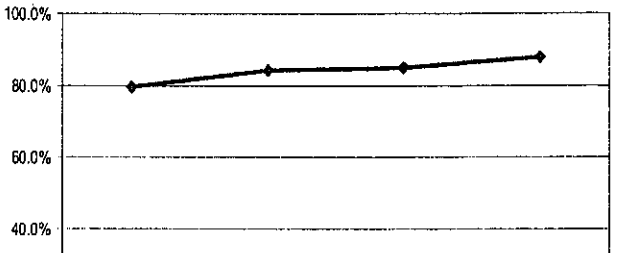
Students (Sophomores): To what extent have you been satisfied with the attitude of non-teaching staff toward students?



	1999	2002
Satisfied/Very Satisfied	65.8%	55.1%
Neutral	25.7%	34.6%
Dissatisfied/Very Dissatisfied	8.5%	10.3%

Source: 2002 Sophomore Survey
Sophomore Survey Administered Every 3 Years

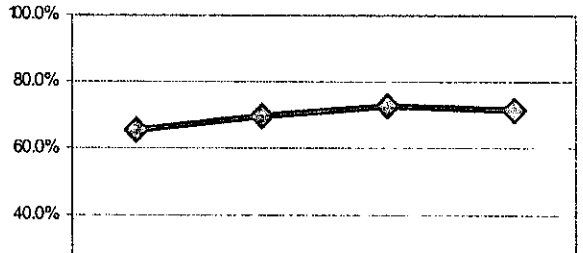
Students: To what extent have you been satisfied with the academic experience at UND?



	1996	1998	2001	2004
Satisfied/Very Satisfied	79.7%	84.4%	85.1%	88.0%
Neutral	15.8%	12.2%	10.9%	9.6%
Dissatisfied/Very Dissatisfied	4.5%	3.4%	4.0%	2.4%

Source: 2004 Graduate Survey
Graduate Survey Administered Every 3 Years

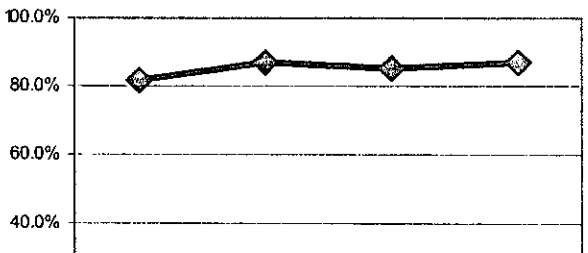
Students (Graduates): To what extent have you been satisfied with the attitude of non-teaching staff toward students?



	1996	1998	2001	2004
Satisfied/Very Satisfied	65.5%	69.6%	72.9%	71.3%
Neutral	22.5%	24.7%	20.3%	18.0%
Dissatisfied/Very Dissatisfied	12.0%	5.7%	6.8%	10.7%

Source: 2004 Graduate Survey
Graduate Survey Administered Every 3 Years

Students: In general, how satisfied are you with your experiences at UND?



	1996	1998	2001	2004
Satisfied/Very Satisfied	82.0%	87.1%	85.5%	87.2%
Neutral	13.3%	9.6%	10.3%	11.2%
Dissatisfied/Very Dissatisfied	4.7%	3.3%	4.2%	1.6%

Source: 2004 Graduate Survey
Graduate Survey Administered Every 3 Years

G. In support of all of the above, ensure that the University has a well-prepared, enthusiastic faculty and staff, first-rate physical facilities, and adequate financial resource base, and an appropriate, efficient organizational structure.

2004 Student Satisfaction Inventory

10 Strengths

1. Gender equity and equal opportunity exist in the classroom (3)
2. I feel comfortable with the atmosphere of this campus (4)
3. Computer labs are adequate and accessible
4. On the whole, the campus is well-maintained (2)
5. Library resources and services are adequate
6. Faculty are usually available after class and during office hours (9)
7. There is a good variety of courses provided on this campus (5)
8. I am able to experience intellectual growth here (6)
9. There are opportunities in co-op, internships, student teaching, or other experiential learning experiences (10)
10. Nearly all of the faculty are knowledgeable in their field (11)

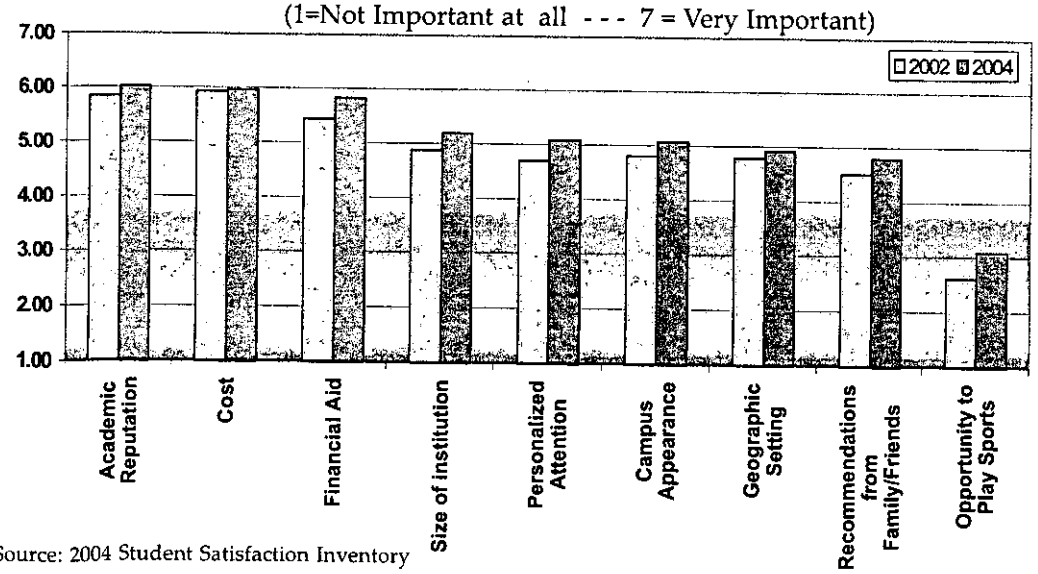
10 Challenges

1. The amount of student parking space on campus is adequate (1)
2. Student activities fees are put to good use (4)
3. Parking lots are well-lighted and secure (3)
4. I am able to register for classes I need with few conflicts
5. Adequate financial aid is available for most students (5)
6. I seldom get the "run-around" when seeking information on this campus (2)
7. This institution shows concern for students as individuals
8. Living conditions in the residence halls are comfortable
9. Financial aid awards are announced to students in time to be helpful in college planning (8)
10. Financial aid counselors are helpful (7)

Note: 2002 rank shown in parentheses
Source: 2004 Student Satisfaction Inventory

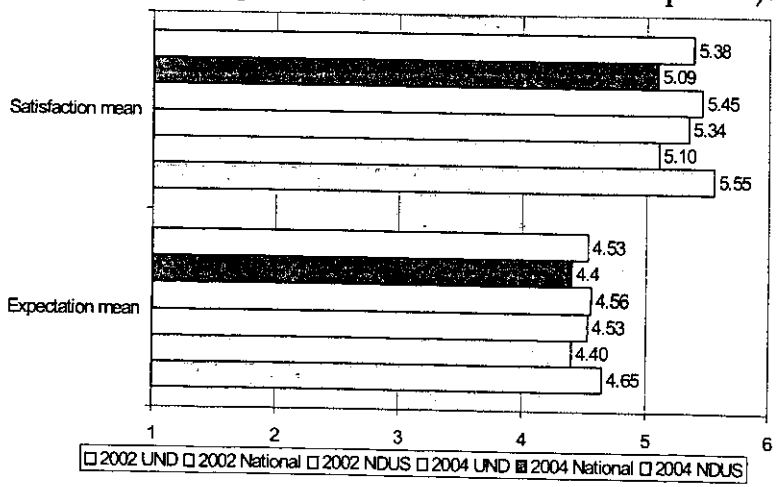
Important Factors For Your Decision to Enroll at UND

(1=Not Important at all - - - 7 = Very Important)



Source: 2004 Student Satisfaction Inventory

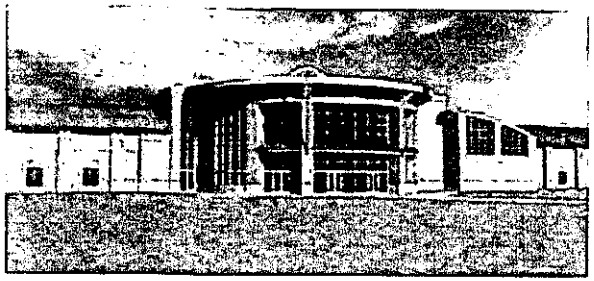
Satisfaction Mean: Rate your overall satisfaction with your experience here thus far (7=Very Satisfied)? Expectation Mean: So far, how has your college experience met your expections (7=Much better than expected)?

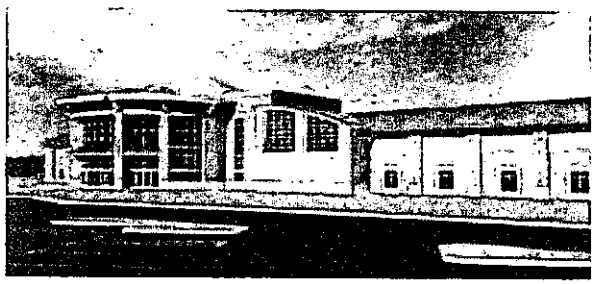


Source: 2004 Student Satisfaction Inventory

The Wellness Center

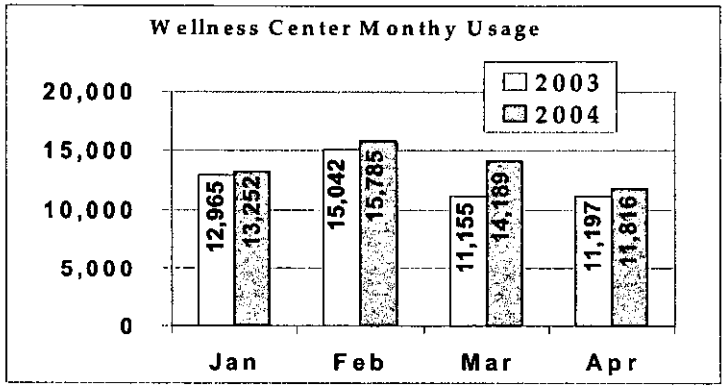
Plans for the new $19.5 million Wellness Center are well underway. Construction began in August 2004 and opening of the building is planned for August 2006.





The current Wellness Center, located in Hyslop, offers 32 pieces of cardio equipment and 50 pieces of strength equipment to meet the needs of the campus community. The Wellness Center also continues to expand programming and services, which now include offerings such as pilates reformers, the new gravity system, and weight management classes.

The Center has partnered with the Department of Physical Education and Exercise Science and the Department of Physical Therapy to develop and offer four new academic classes.



Source: UND Wellness Department

G. In support of all of the above, ensure that the University has a well-prepared, enthusiastic faculty and staff, first-rate physical facilities, and adequate financial resource base, and an appropriate, efficient organizational structure.

Progress on curtailing the abuse of alcohol and use of tobacco on campus.

Significant steps that have occurred in 2003-2004

Alcohol:

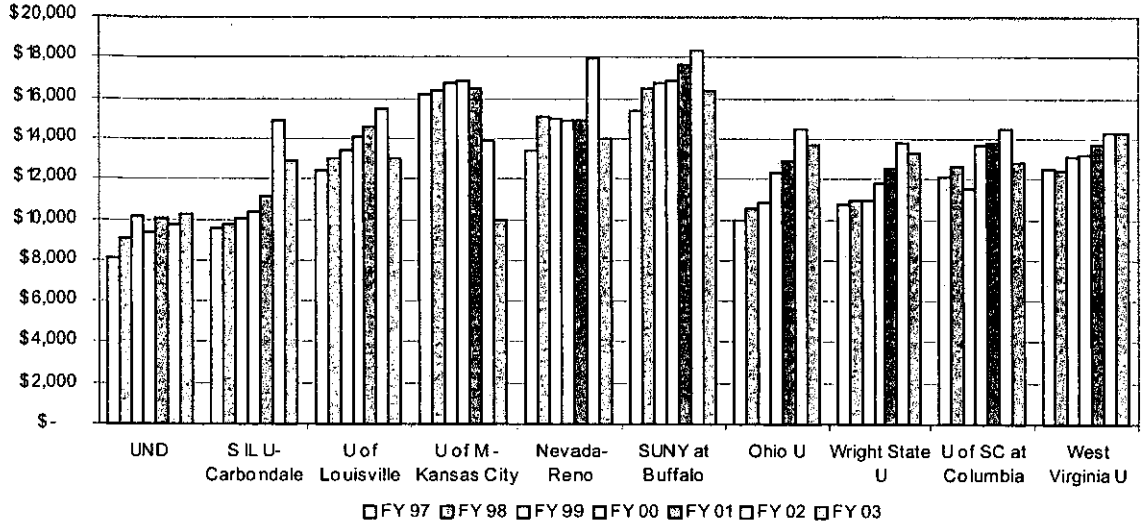
- ☒ The Dean of Students Office began conducting student disciplinary hearings for selected off campus incidents and implemented parental notification, in partnership with Residence Services.
- ☒ Additional dollars were allocated by the President to support alcohol prevention programs.
- ☒ The PARTIE fund was created to provide financial support to student groups who organize alcohol free activities.
- ☒ The Counseling Center ADAPT updated web based alcohol education and implemented "E-Chug," an on-line alcohol assessment tool.

Tobacco:

- ☒ Grand Forks Public Health allocated $9,000 in tobacco settlement funds to Student Health Services
- ☒ Tobacco cessation and prevention services for students, faculty, and staff were expanded through ND PERS, Grand Forks Public Health, and the Student Health Promotion Office.
- ☒ UND residence halls became smoke free from fall 2003 and UND apartments from summer of 2004.

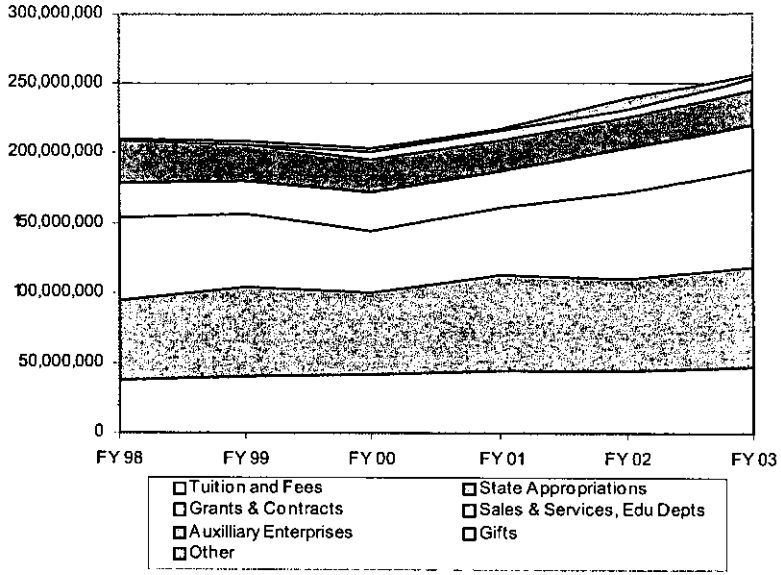
Source: UND Student Health Services

State Appropriations and Net Tuition and Fees per FTE Student
UND and Peer Institutions

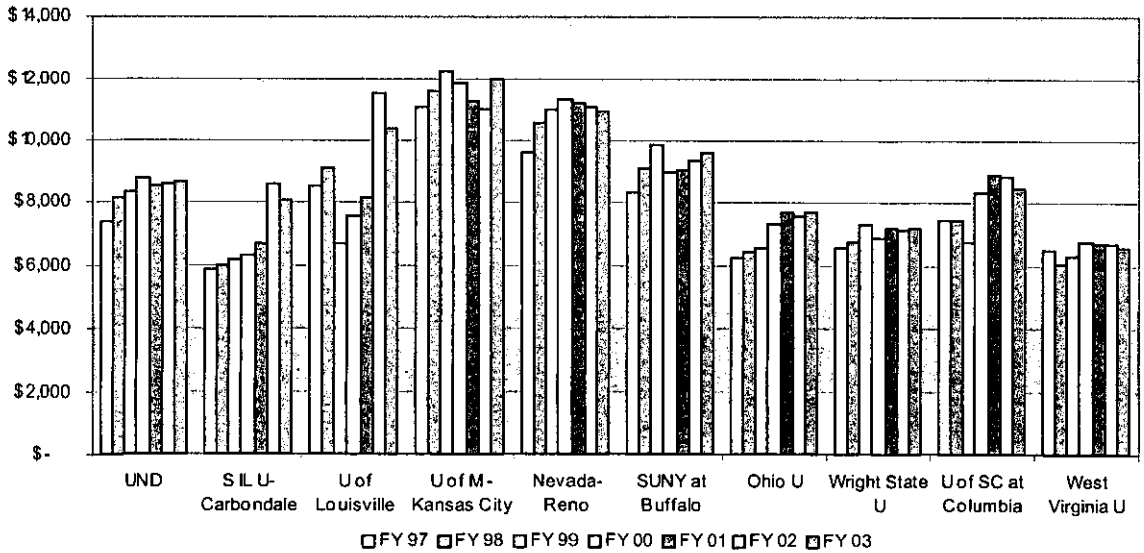


Source: IPEDS Finance (Updated annually in the Fall)

Revenues

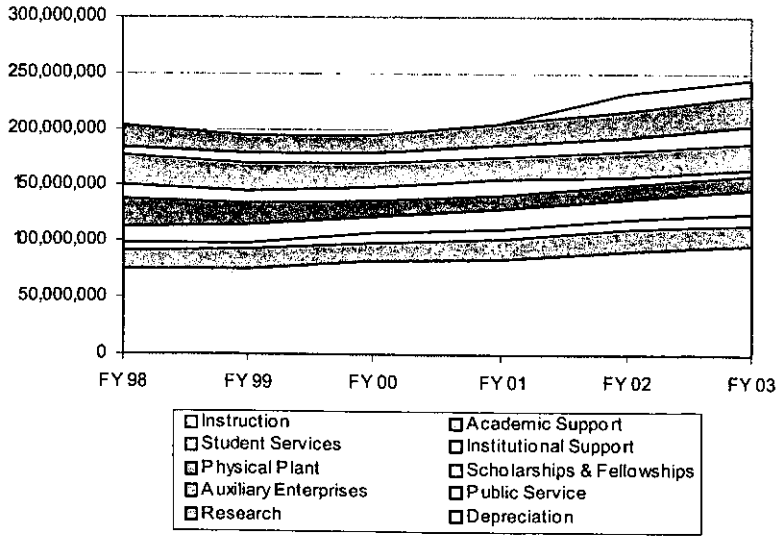


Instructional Expenditures per FTE Student
UND and Peer Institutions



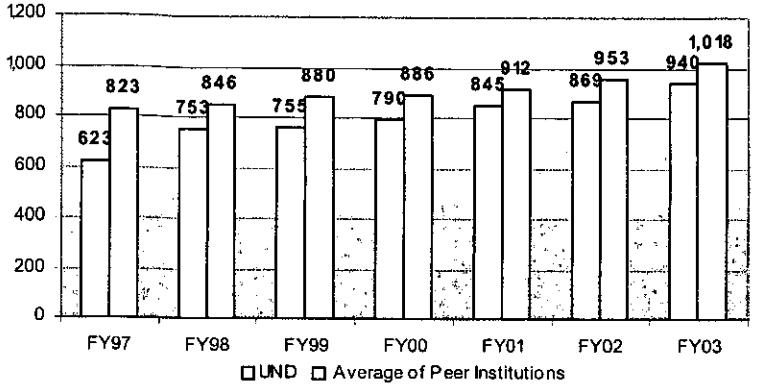
Source: IPEDS Finance (Updated annually in the Fall)

Expenditures

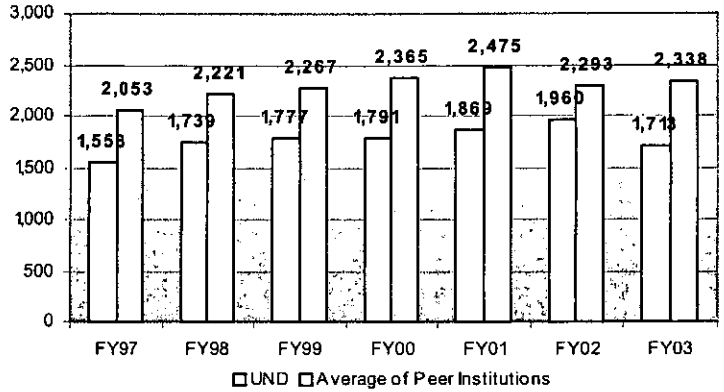


Source: UND Budget Office

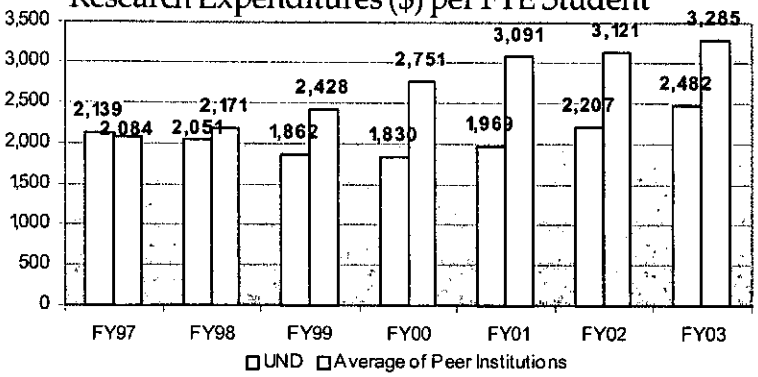
Student Services ($) per FTE Student



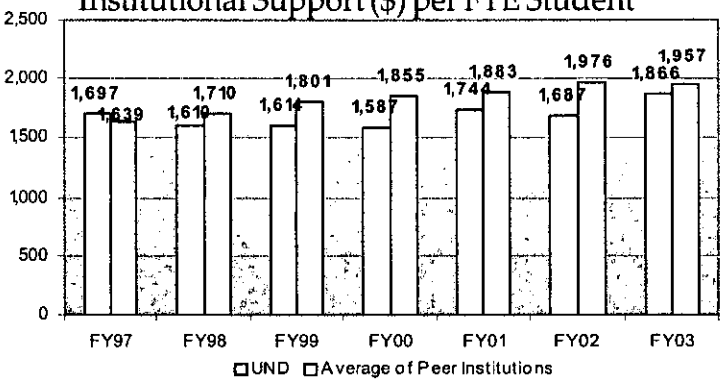
Academic Support ($) per FTE Student



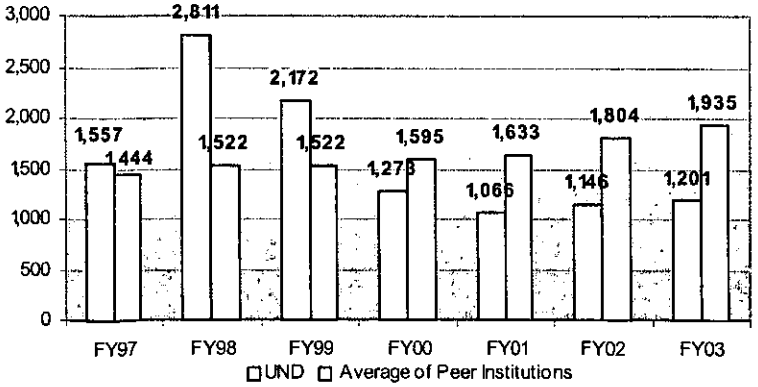
Research Expenditures ($) per FTE Student



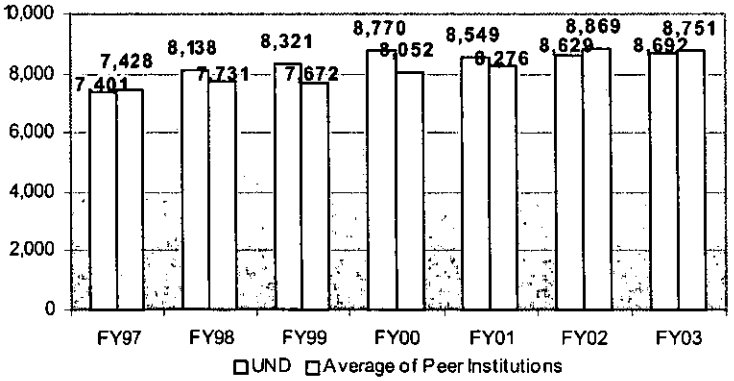
Institutional Support ($) per FTE Student



Physical Plant ($) per FTE Student



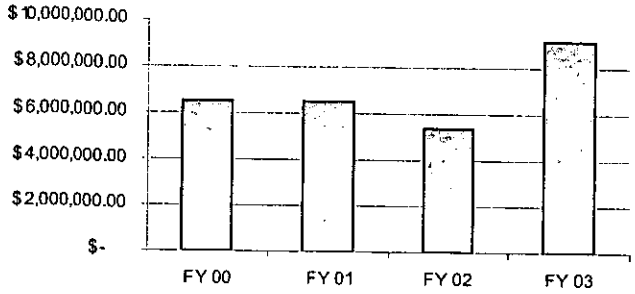
Instructional Support ($) per FTE Student



Source: IPEDS Finance (Updated annually in the Fall)

G. In support of all of the above, ensure that the University has a well-prepared, enthusiastic faculty and staff, first-rate physical facilities, and adequate financial resource base, and an appropriate, efficient organizational structure.

Total Equipment Expenditures



Note: Includes expenditures greater than $5000/item
Source: UND Budget Office

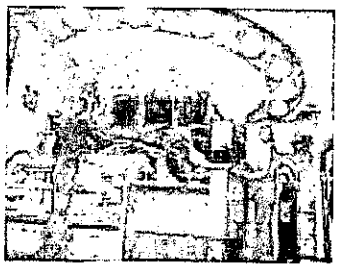
UND Facilities wins national award for its energy savings program:

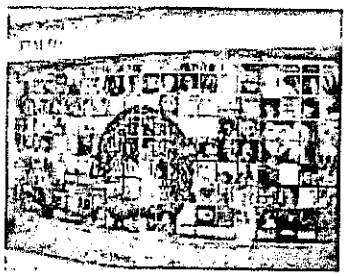
UND is first among educational facilities to receive the prestigious Administrator Award from the Western Area Power Administration (WAPA), part of the U.S. Department of Energy, for its superior achievements in energy efficiency and providing a safe, quality, energy-efficient learning environment. Conservation and energy management programs help avoid some $2 million in costs per year.

Alumni Giving

The 2003-04 fiscal year was noteworthy in the consistency of growth in key areas. Total donors were up 2,598 from the prior year, and 2,381 of those were first-time donors. In fact the 11,206 total donors in the 2003-04 year was the second highest number of donors in the Foundation's 26-year history, surpassed only by the post-flood 1997 numbers. Consistent with the volume of donors, 2003-04 surpassed the ten-year average of gifts, breaking a three-year pattern of declining contributions.







Memorial Union Renovation

During fall 2004 semester, the campus will celebrate the completion of a student funded $3.5 million renovation project that brings the Memorial Union in line with what is seen at campuses across the country. The renovation demonstrates the commitment and pride that students have long had towards the Memorial Union, resulting in a unique sense of community that improves the campus climate for learning and living. Newly upgraded study lounges, meeting rooms and conference center space for student organizations and institutional departments attracted over 3,300 events in FY04 (up from 2,900 in FY03), and reflected attendance in FY04 by over 170,000 participants. The addition of new traffic counters at Memorial Union entrances in FY04 registered a staggering 1.4 million hits, indicating that daily use of the newly-renovated facility is soaring. Students are excited with the results of the renovation, which includes a new Internet Cafe, upscale coffee shop, convenience store and an entertainment venue. A modernized and renovated Food Court opened this fall. The $1.2 million project will increase seating capacity to meet the needs of growing enrollment and will introduce new UND-operated national brand food franchises that will incorporate into students' meal plans. As a result of these projects, the Memorial Union is well on track to become a great place for students to study, find involvement, shop, play, eat, work, and build social networks.

FY2003 UND Average Ratio of Faculty and Staff to Students (All FTE) [1] [2]

Student to Faculty Ratio	13.8:1
Student to Staff Ratio	8.8:1

[1] Includes all appropriated and locally-funded positions, but excludes positions funded from grants and contracts.

[2] Includes all employees of the medical school, but excludes all employees of EERC.

✓ Faculty Development Program

Since Fall 2000, the University has been involved in a major faculty development program designed to get faculty engaged in assessment as a way of enhancing teaching and learning. With the help of two major grants from the Bush Foundation, the program is bringing faculty together to work on assessment at three different levels: the individual course, the program or major, and the general education program. Preliminary results of the program are available now, with more specific reports due when the current grant ends in 2006.
Source: UND Office of Instructional Development

study abroad

UNIVERSITY OF NORTH DAKOTA







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www.und.edu/dept/oip

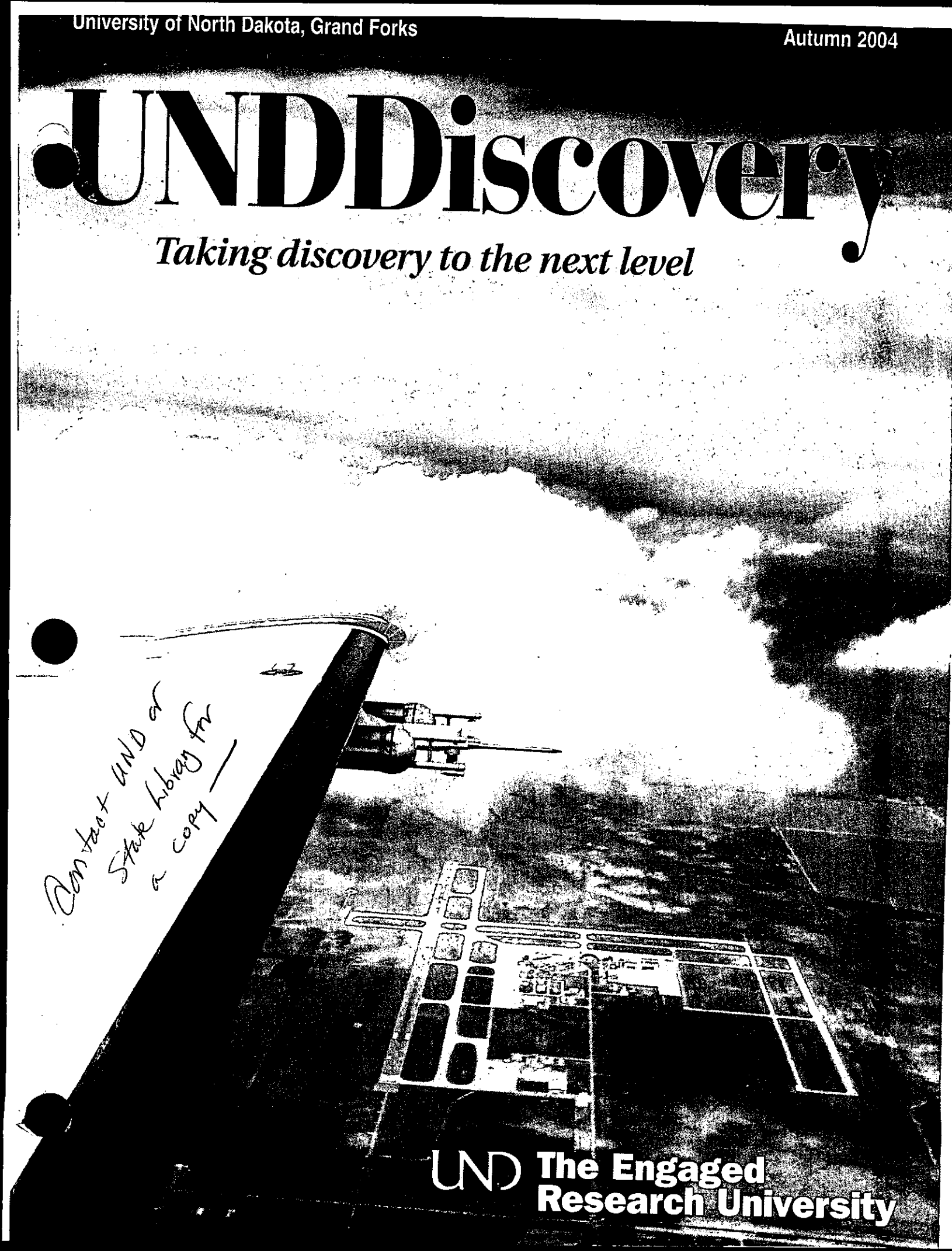


University of North Dakota, Grand Forks

Autumn 2004

UNDiscovery

Taking discovery to the next level



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UND The Engaged Research University

UNIVERSITY OF NORTH DAKOTA

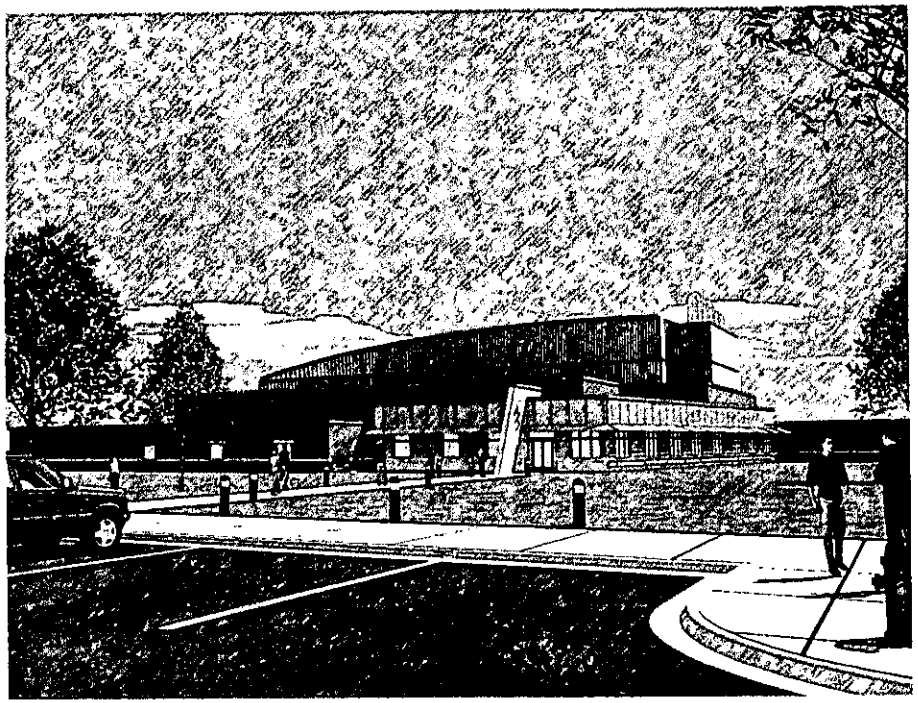
CAMPUS CONSTRUCTION: 2000 – 2005

Project	Size	Cost	Funding Source
2000			
Barnes and Noble Bookstore	32,000 SF	$4,500,000	UND
Biomedical Research Facility	22,000 SF	$5,000,000	Fed/State/Local
Lab and Tunnel Addition (SOM)	6,000 SF	$1,300,000	Fed
High Voltage Upgrade	Buried Cable	$1,750,000	State
Bronson Telecommunications	Buried Cable	$275,000	UND
Smith Hall Laundry	3,000 SF	$900,000	Fed (FEMA)
Smith Hall Bathroom Renovation	3,000 SF	$750,000	UND
2001			
Ralph Engelstad Arena	465,000 SF	$104,000,000	Private
Johnstone Bathroom Renovation	7,000 SF	$750,000	UND
O'Kelly Hall Nutrition / Dietetics	1,200 SF	$96,000	UND
Steam Line Replacement	12.5 Miles	$32,000,000	Fed (FEMA)
Storm Sewer Improvements	1.1 Miles	$1,200,000	State
University Health Facility	26,000 SF	$4,000,000	Altru Swap
Sanitary/Storm Sewer Repairs	(repairs)	$1,750,000	Fed (FEMA)
2002			
Paving Improvements	250,000 SF	$750,000	UND
Energy Improvement Projects	Multiple Bldgs	$3,500,000	State
SOM Infrastructure	(mechanical upgrade)	$2,500,000	UND
SOM Front Entrance	New Entry	$375,000	Donation
Hilton Garden Inn	100 Rooms	$10,000,000	Private
2003			
Memorial Union Renovations	44,000 SF	$3,500,000	UND
Paving Improvements	200,000 SF	$600,000	UND
Fulton Hall Bathroom Renovation	8,000 SF	$850,000	UND
Lanterman Investment Center	1,000 SF	$175,000	Donation
Dakota Hall (Acquisition)	100 Rooms	$1,200,000	UND
Dakota Hall (Renovation)	(various)	$90,000	UND
Page Family Marketing Center	1,000 SF	$125,000	Donation
Airport Hanger	20,000 SF	$2,000,000	Donation

	2004		
SOM Neuroscience	30,0000 SF	$4,500,000	Fed
EERC Addition and Renovation	90,000 SF	$8,000,000	UND
Ireland Hall (Geography) Renovation	9000 SF	$600,000	UND
Memorial Union Food Court	3000 SF	$1,200,000	UND
Betty Engelstad Sioux Center	55,000 SF	$7,000,000	Private
Ina Mae Rude Center for Innovation	23,000 SF	$3,100,000	Foundation
Mini Mall	15,000 SF	$1,250,000	Private
Community National Bank	12,000 SF	$1,500,000	Private
Town homes	20 Units	$4,000,000	Private
Convenience Store	40,000 SF	$2,000,000	Private
Restaurant	18,500 SF	$2,000,000	Private
Paving Improvements	200 Spaces	$500,000	UND
Steam Plant Improvements	(various)	$450,000	UND
	IN PROGRESS CONSTRUCTION		
Wellness Center	104K SF	$19,000,000	UND
American Indian Center	5,000 SF	$500,000	UND
Carnegie (Mechanical) Renovation	3000 SF	$350,000	UND
SOM Minot Clinic (Leased)	20,000 SF	$4,300,000	Foundation
Neuroscience Addition	5,000 SF	$1,000,000	Fed
	EMERGING PROJECTS		
Regional Biodefense Lab	56,000 SF	$31,000,000	Fed/COE
Student Housing	400+ Beds	$20,000,000	UND
Parking Structure	850+ Spaces	$19,000,000	UND
Food Service Renovations	(varies)	$2,100,000	UND
Mini Mall 2 (Dakota Development)	15,000 SF	$1,300,000	Private
Town Homes 2 (Dakota Development)	15 Units	$3,000,000	Private
College of Business Expansion	80,000 SF	$21,000,000	Donations
EERC Hydrogen Lab	11,000 SF	$2,000,000	COE
TOTAL COMPLETED, IN PROGRESS, OR EMERGING:		**$344,586,000**	
	PLANNED DEVELOPMENT		
University Village Hotel	100 Beds	$6,000,000	Private
Dakota Commercial Development			
Phase Four (Village Concept / Retail)	200,000 SF	$15,000,000	Private
Phase Five (Retail Space /Grocer)	70,000 SF	$10,000,000	Private
GRAND TOTAL:		**$375,586,000**	

Regional Biocontainment Laboratory

- $31 million state of the art laboratory facility
- Combination of federal funds and other sources for facility, land purchase, infrastructure, equipment
- Extraordinary potential for attracting new bio-research industry to North Dakota

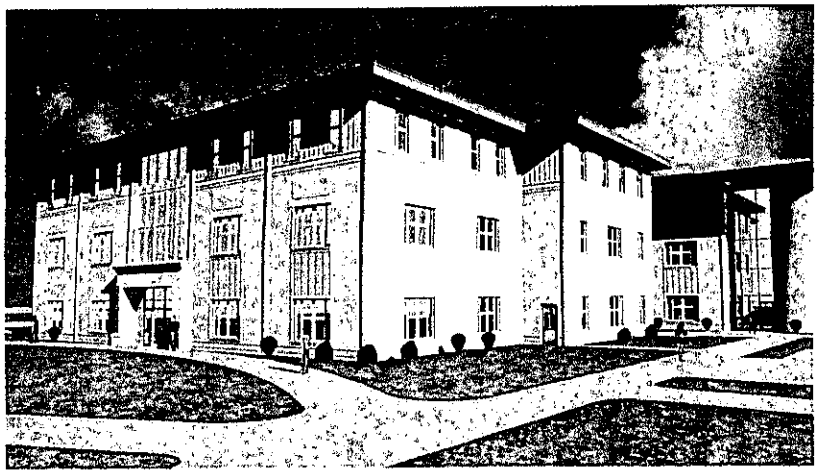


Research Objectives and Functions

- Expand the capabilities of the National Institute of Allergic and Infectious Disease capabilities in response to national emergencies.
- Expand well established science programs currently in place at the University of North Dakota
- Provide a state of the art facility to respond to unmet regional needs.
- Provide a facility that can respond to opportunities for collaborative efforts with public as well as private institutions

Nursing Research Addition

- $3.9 Million Federally Funded Project
- No local matching funds required
- Energy efficient structure
- Designed for low maintenance



University of North Dakota

Proposed Behavior Research Facility

College of Nursing

Proposed Research

- Impact of nutrition on the complications of pregnancy, diabetes, cognitive performance, and other areas of research
- Effects of light therapy and naps on the sleep difficulties experienced by nursing shift workers, as well as sleep disturbances of the elderly.
- Effects of ethanol consumption on cognitive performance among various populations.
- Cognitive effects of pesticide exposure in children

UND UNIVERSITY OF NORTH DAKOTA

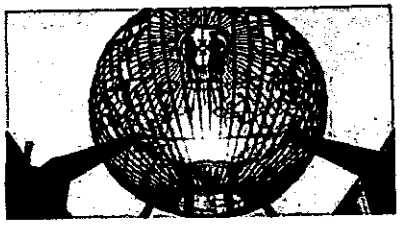
The Economic Impact of Research at the University of North Dakota: Fiscal Year 2004

The University of North Dakota received 83 million dollars of awards for sponsored programs with research expenditures totaling 82.5 million dollars in fiscal year 2004. These expenditures generated economic output, employment and tax revenues in Grand Forks County, the State of North Dakota and the North Central Region. Employing input-output analysis one is able to estimate the total effects that research activity at UND has generated in these areas. The results confirm the role that research at the university plays as a source of economic development and as an engine of growth in the region.

Report commissioned by the Office of the Vice President for Research

Report prepared by:

Cullen F. Goenner, PhD
Assistant Professor
Department of Economics

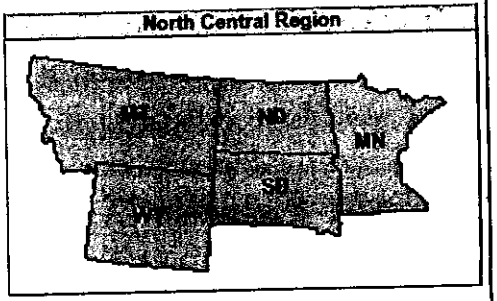


The economic impacts reported in this study represent the total economic impacts of research activity stemming from grants and contracts received during fiscal year 2004. The total impact is the sum of three components; the direct effect, the indirect effect and the induced effect. Because of the interdependence of the economy, changes in the economic activity in one sector will ripple into other sectors as well. The direct effect is initial expenditures on research. The indirect effect arises as a result of the purchases made from other sectors in the economy stemming from the research activities (the direct effect). The induced effect is the result of expenditures made by households whose income is generated by direct and indirect effects.

When a university professor receives a grant, this can generate summer salary for the professor, as well as the hiring of research assistants and support staff. These types of expenditures are part of the direct effect. The purchase of equipment, such as office furniture, and supplies stemming from the grant creates output in supporting industries. This response is known as the indirect effect. As demand increases (directly and indirectly) in the affected industries, the income of the employees in these Industries rises as well. This rise in income is subsequently spent on goods and services from a variety of other sectors; and the resultant increase in demand occurring in these sectors generates the third component of the economic impact, the induced effect.

Thus, the direct effects can be thought of as the stone that is tossed into the pond and the ripples generated by the stone's impact are analogous to the indirect and induced effects. Consequently, the economic stimulus resulting from research at UND spreads throughout the economy, impacting virtually every sector.

The economic impact of research spending at UND was analyzed separately for three regions: Grand Forks County, North Dakota, and the North Central Region consisting of North Dakota, South Dakota, Minnesota, Wyoming, and Montana.



The Economic Impact of UND Research on Output and Employment

Grand Forks County

The total economic impact of UND research in Grand Forks County is presented in blue in Figures 1 and 2 and in Table 1. Figure 1 presents the impact on economic output while Figure 2 presents the impact on employment. UND research generated over 120 million dollars of total output and1,262 jobs across Grand Forks County.

Of the ten sectors, the services sector, which includes the University of North Dakota, had the largest impact at 100.6 million dollars and 1000 jobs. Finance, Insurance and Real Estate had the second highest impact at 8.1 million dollars of output and 41 jobs. The mining sector, the smallest sector in terms of output and employment in the county, was the least affected.

North Dakota

The overall economic impact on the state of North Dakota is also reported in red in Figures 1 and 2 and in Table 1. The impacts are higher than those for Grand Forks County because of the larger study area. UND research activity generated an additional 168 jobs and 11.5 million dollars of economic activity outside of Grand Forks County but inside the rest of the state. These results confirm the economic importance of research at UND both to the local economy and to the overall economy of the state of North Dakota.

North Central Region

Table 1 and Figures 1 and 2 also display in green the economic impact of UND research activity on the entire North Central Region consisting of the following states: North Dakota, South Dakota, Minnesota, Wyoming, and Montana. These results are larger than those solely for North Dakota because of leakages from North Dakota into the other states in this region. UND research generated over 31 million dollars of economic output and 200 jobs beyond the borders of North Dakota but still within the North Central Region.

Table 1 includes a summary of regional impact data and shows that research at UND is a powerful engine of economic growth and development with far reaching effects that generate jobs and increased economic output for the entire North Central Region.

Figure 1: Economic Impact of UND Research on Output

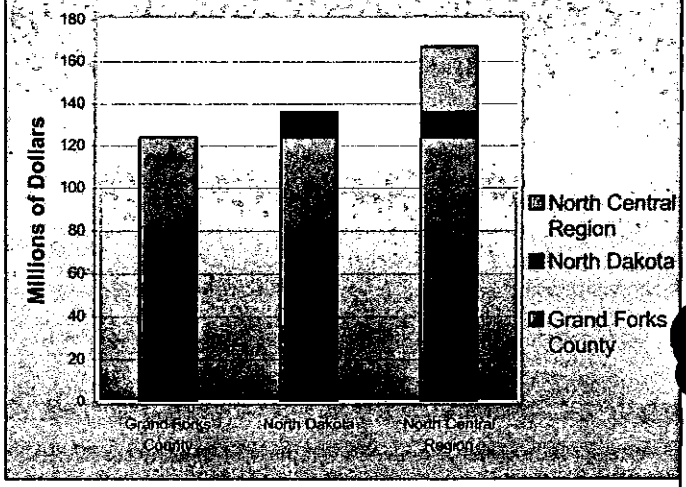
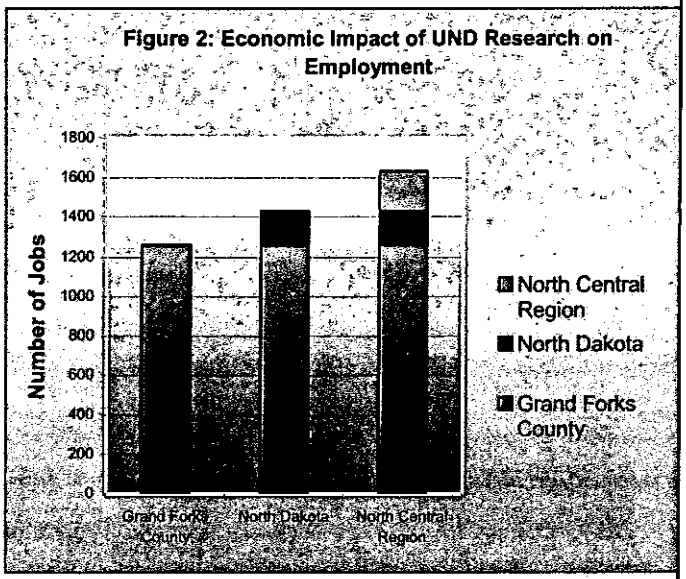


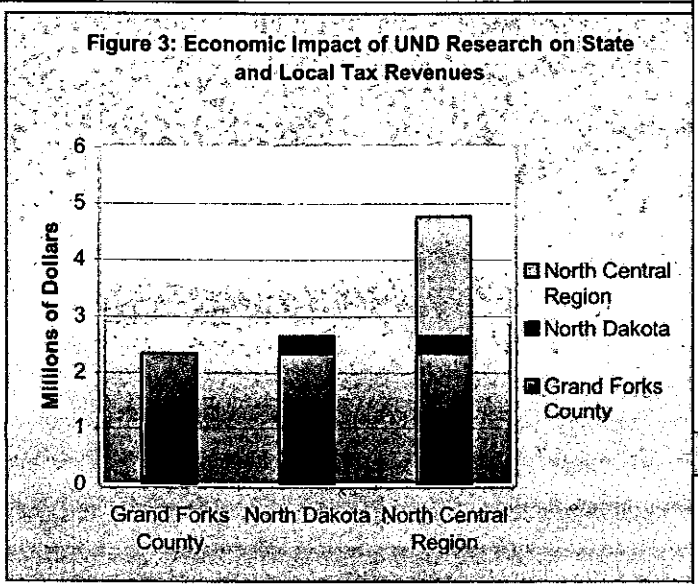
Figure 2: Economic Impact of UND Research on Employment



The Economic Impact of UND Research on Local, State, and Federal Taxes

State and Local Tax Revenues

Economic activity generated by research activity also results in a significant impact on state and local tax revenues. Figure 3 and Table 1 display economic impact of research on state and local tax revenues in three areas: Grand Forks County, North Dakota, and the North Central Region.

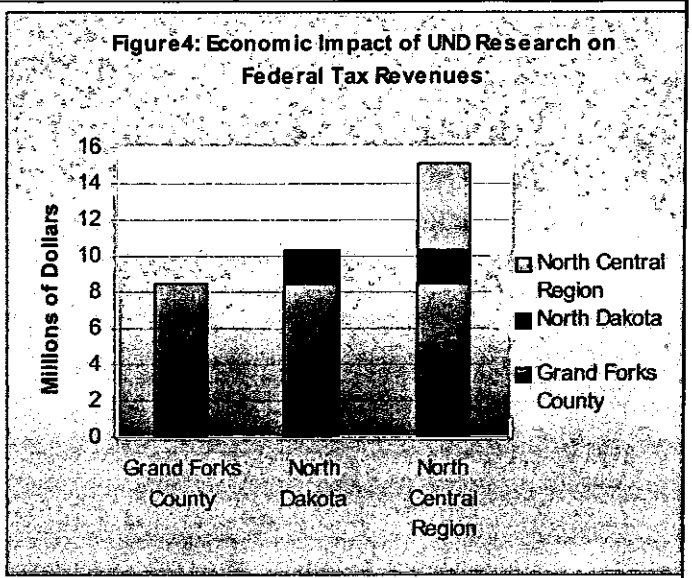


The Grand Forks County, state, and local tax revenues of over 2.3 million dollars spawned from the research activity at UND greatly exceeds the $600,000 of seed money the City of Grand Forks has provided in the past 5 years to help stimulate research activity at the university. As the level of research continues to rise toward the 100 million dollar target level set in the current UND strategic plan, the benefits in tax revenues generated will continue to accrue to the City of Grand Forks. State and local tax revenues created from UND research also have significant impacts on the State of North Dakota and the entire North Central Region.

Federal Tax Revenues

UND's research has also had significant effects on federal tax revenues. Figure 4 and Table 1 show these effects on the county, state, and regional levels.

Federal tax revenues spawned from UND research ranged from approximately 8.5 million dollars on the county level to over 15 million dollars on the regional level.



Conclusion

The University of North Dakota is an economic powerhouse contributing to growth and economic development in Grand Forks, North Dakota, and the entire North Central Region. Research at the university is an essential component of this engine, increasing the scope and size of the economic impact of the university. Not only does increased research activity generate benefits to the university in and of itself, but the expenditures stemming directly from this research activity generate much needed jobs, income, and tax revenues to local, state and federal governments. Nurturing and fostering the continued growth of research at UND will only increase the level of economic impact in the future, thereby benefiting the university, the students, the citizens, and the governments of the region.

Table 1: Impact Summary (Fiscal Year 2004)	UND Research Impact	
	Output (2004 dollars)	Number of Jobs
Grand Forks County	$123,861,020	1,262
North Dakota	$11,490,229	168
North Central Region	$31,386,002	200
Total	$166,737,251	1,630
	State and Local Tax Revenue	Federal Tax Revenue
Grand Forks County	$2,346,152	$8,489,354
North Dakota	$301,282	$1,892,988
North Central Region	$2,127,639	$4,744,284
Total	$4,775,073	$15,126,626

University of North Dakota's Research Administration



Peter Alfonso, Ph.D., has been Vice President for Research at the University of North Dakota since 2002. The mission of the Office of the Vice President for Research is to serve the broad research community of the University of North Dakota, a community that is instrumental in meeting the strategic aims of the University. Research administration is centered in five offices; namely, the Office of the Vice President for Research; Grants and Contracts Administration; Research Development and Compliance; Technology Transfer and Commercialization; and ND EPSCoR. In fiscal year 2004, a total of $83 million in awards was received for sponsored research activities and research expenditures totaled $82.5 million.

UND University of North Dakota

Division of Research
PO Box 8367
Grand Forks, ND 58202
Telephone: 701-777-6736
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http://www.und.edu/research/

UNIVERSITY OF NORTH DAKOTA
Partnerships/Joint Ventures 2004-05
(revised 13 January 2005)

ACADEMIC COLLEGES:

Arts & Sciences

Within UND:

- Psychology and Counseling Center. Place graduate interns with the University Counseling Center; the center provides supervision and training to the interns.
- Nonprofit Leadership Program. With UND's Division of Continuing Education to develop and provide on-line noncredit courses.
- Nonprofit Leadership Program. With the Experiential Learning Program to conduct needs assessment of rural communities and nonprofit organization in the State of North Dakota.
- Nonprofit Leadership Program. With Vista Service Learning Program to recruit students and potential placements for students.
- Nonprofit Leadership Program. With Volunteer Bridge Program (Memorial Union) on efforts to connect UND with community on volunteering and community service.
- The Department of Theatre Arts has a partnership with The Chester Fritz Auditorium

Between UND and other NDUS institutions:

- Criminal Justice at UND and Minot State University offer a joint PhD program in Criminal Justice
- Women Studies. With NDSU and Moorhead State Women Studies Programs to offer the Annual Red River Valley Women's Studies Conference.

Between UND and external agencies:

- Department of Anthropology. Five year archaeological cooperative agreement with the U.S.D.I. Bureau of Land Management (Cedarville, CA.)
- Department of Anthropology. Seed grant ($35,000) to work with the Grand Forks Community Violence and Intervention Center on assessing causes of and responses to domestic violence in this region.

- Department of Anthropology. With the county coroner's office, the medical school, the Medical Examiner's Office, etc., on the forensic (human identification) cases.
- The Anthropology Research section of the Department of Anthropology. Maintains cooperative agreements with the following external agencies for purposes of providing archaeological and other cultural resources research services: Dakotas Area Office, U.S. Bureau of Reclamation, Bismarck (cooperative) Dakota Prairie Region, U.S. Forest Service, Bismarck (partnership) Mountain-Prairie Region, U.S. Fish and Wildlife Service, Denver (cooperative) Adjutant General's Office, North Dakota Army National Guard, Bismarck (sole- source contracting).
- Communication Sciences and Disorders (CSD). With the Department of Public Instruction partnership: CSD is providing on-campus and distance-learning training for speech-language pathologists who are up-grading from a bachelor's level to the master's level under a DPI-funded program.
- CSD and First Nations Resource Center: CSD has an agreement to provide master's level training for five Native American students from First Nations, which is one of five centers in Manitoba that coordinate the training of professionals in various fields to staff schools for aboriginal groups in Canada.
- CSD and Grand Forks Public Schools: CSD has an agreement with the Grand Forks Public schools whereby UND graduate students who have completed their student teaching practicum continue to provide services to those children with whom they worked during their practicum. For this service, the GF schools underwrite a GSA position plus health insurance.
- CSD and the Department of Human Services, Developmental Disabilities: CSD graduate students under faculty supervision will provide services for the Right Track program sponsored by DHS and administered locally by Family-centered Infant & Toddler Consulting LLC. The Right Track program screens infants and young children for communication disorders and provides follow up services if disorders are identified.
- English Department. The Red River Valley Writing Project is part of the federal National Writing Project.
- Criminal Justice and Women Studies places numerous interns in the communities at agencies such as Community Violence & Intervention Center, GF County Juvenile Division, GF County Community Services, Lutheran Social Services, BCI, BCA and Girl Scouts - Pine to Prairie Council...
- Women Studies and Criminal Justice cooperated with Girl Scouts Pine to Prairie Council to offer a welcome and orientation to UND, to young women who have earned leadership awards as well as develop a volunteer screening procedure which is currently being used as a "best practices" example across the country.
- Nonprofit Leadership Program with local nonprofit agencies (Prairie Harvest, Northlands Rescue Mission, Community Violence and Intervention Cetner, as well

as state nonprofit organizations (American Lung Association). Placing interns within those agencies.

- Nonprofit Leadership Program with North Dakota Resource Center (branch of the ND Community Foundation). Serve as representative of a Director's Network addressing statewide issues related to rural communities and nonprofits.
- Nonprofit Leadership Program continued participation in the Marketplace of Ideas as presenters of sessions and exhibitors.
- Nonprofit Leadership Program with Higher Education Consortium for Urban Affairs on educational collaboration that engages students, faculty and practitioners in learning that generates knowledge and tools for social transformation and community building.
- Nonprofit Leadership Program with American Humanics, our national affiliate on nonprofit management standards in higher education.
- The Department of Theatre Arts has partnerships with The Fire Hall Theatre, and area high schools as well as summer theatres.

EDUCATION & HUMAN DEVELOPMENT

Within UND:

- Teacher Education – Early Childhood Special Education course, Collaborative Approaches in Early Intervention, offered through joint efforts of faculty from the Departments of Teaching and Learning, Communication Science and Disorders, Nursing, Occupational Therapy, Physical Therapy, and Social Work. Focus students are those who are preparing to work with families of young children with disabilities.

Between UND and other NDUS institutions:

- Teacher Education: Partner with United Tribes on a grant to prepare teachers, Tribes Community Educators Program (UTCEP). Melvin Monette at the Native American Center is the UND liaison with United Tribes Technical College and works with the Teacher Education program to identify prospective teachers and provide financial and academic support to complete a teacher education licensing program at UND.
- Teacher Education: Special Education Program partnering with Minot State University to expand the Resident Teacher model for preparing special education teachers for North Dakota
- Educational Leadership: Joint master's program on IVN with NDSU.

Between UND and external agencies:

- Teacher Education: Partner with University of North Texas, University of Mississippi, and the University of Texas El Paso on a FIPSE grant to improve the preparation of preservice teachers in the area of parental involvement in education.

- Teacher Education: Partner with the Grand Forks Public Schools in the preparation of teachers through a Professional Development School arrangement. Faculty from the public schools and the university work together to prepare educators in programs that meet state, disciplinary and national standards.

- College of Education and Human Development: Partner with the Grand Forks Public Schools in the School as Center of Community Project which focuses on the provision of educational and allied services to families within the public school setting. Programs at UND include Teacher Education, Social Work, and Nursing.
- The Counseling Department places graduate students in many public and private agencies in our area and around the country:

  Northeast Human Services Center
  Stadter Psychiatric Hospital
  Bemidji State Counseling Center
  NDSU Counseling Center
  UND Counseling Center
  Douglas Place
  Options Inc
  Grand Forks Public Schools
  Belcourt Public Schools
  Solutions, Inc (in Fargo)
  Village Family Services Center
- Counseling Department faculty-led action research partnerships:
  Job Service North Dakota, Grand Forks office
  Community Violence Intervention Center
  North Dakota Department of Health
  Greater Grand Forks HIV/AIDS Coalition
- PEXS (Phys Ed/Exercise Sci)has a special relationship with the Sacred Heart Schools in EGF.
- Social Work also places many students in public and private agencies.
- Social Work has joint projects with the ND Supreme Court, the state Human Service Department, and others to do training.

BUSINESS & PUBLIC ADMINISTRATION

Between UND and other NDUS institutions:

- Offer MBA Program to Dickinson State University Campus and Bismarck State College Campus.
- Partner with campuses from across the state and the Greater North Dakota Association (GNDA) on the BOSS (Business Opportunity and Self-Employment Search) business plan competition. Support given to the Tech Savvy program has been shifted to this competition.
- The Technology Department is offering the Master of Science in Technology Education in collaboration with VCSU.

Between UND and external agencies:

- Government Rural Outreach (GRO) Initiative is a project housed in the College of Business and Public Administration. The General Services Administration has provided a third year of funding. The project is designed to make government services available at a distance in a secure environment.
- Added the AmeriCorps VISTA program in July 2003. This program involves the placement of VISTA volunteers to support communities in the region and beyond, in part in support of the GRO project. Supervisor position sponsored by the Corporation for National and Community Service.
- Partnership with University of Shanghai Science and Technology (USST) in an exchange program. Have had our faculty visit and teach at their campus and students have also participated. Now we are sending executives in residence to USST to offer courses. Offering a minor in Chinese Studies: Culture and Business which includes required study at USST.
- Buzz on Biz (fifth annual) will be offered during summer 2004. Program is designed to introduce middle school aged students to entrepreneurship and the idea of owning their own business. Partnership with a variety of external and internal sponsors including Myra Foundation, Division of Continuing Education, Pepsi, Domino's Pizza, and the Rhombus House of Pizza.
- Kauffman internship program for entrepreneurial interns placed with entrepreneurs throughout the region. The Ewing Marion Kauffman Foundation provides support for the placement of at least 10 interns per year. The Grand Forks City Council, via the Population Retention sub-committee, is supporting this program with additional funding to expand the number of students placed to up to 17 per year. The Center for Innovation and the College of Business and Public Administration work together to administer this program.

- Cargill, Inc. has committed to another three years of funding to support development of students enrolled in both Information Systems and Computer Science. Funding is supporting enhancement of both computer and business skills. Specific focus for this funding cycle to include training in ERP software, specifically the SAP software system.
- EideBailly, Brady Martz, and Deloitte and Touche have pledged funding to develop enhanced classroom facilities in the area of accounting. The EideBailly Accounting Learning Center will open this fall. Additional partnerships in the area of Accounting are continuing to be developed.
- Continued participation in the Marketplace for Entrepreneurs as presenters of sessions and exhibitors. Marketplace is focused on entrepreneurship.
- Finance faculty member involved in a project sponsored by the State of North Dakota under the Centers of Excellence program, the National Aeronautical and Space Administration, and the U.S. Department of Transportation. Project is designed to explore the potential viability of air service for small communities.
- Marketing faculty members are working with the Northarvest Bean Growers Association on a variety of projects having to do with the marketing of edible beans.
- Finance faculty member has been appointed to the Vaaler Insurance Fellowship. This position is intended to increase the learning opportunities available for insurance professionals in the community as well as to increase the course offerings for students interested in careers in insurance.
- Offered the second annual Business and Government Symposium from July 7-11, 2004. Students learned from professors in business and public administration as well as from speakers including all three members of the ND Congressional delegation, one of the five FCC commissioners, staff from the Department of Commerce, lobbyists from Cargill and General Mills, and staff from the General Services Administration.

JOHN D. ODEGARD SCHOOL OF AEROSPACE SCIENCES

Between UND and other NDUS institutions:

- Partner with Williston State College to provide two years of flight education for Williston State College students.
- HTMLeZ is course management software developed at UND Aerospace currently in use by hundreds of instructors and thousands of students at UND and in the NDUS. Schools currently using HTMLeZ are Bismarck State College, Williston State College, North Dakota State College of Science, Central High School, Red River High School, Josai International University, Lee College, Alexander Public School, Chandler-Gilbert Community College, Honolulu Community College, University of

Minnesota-Crookston, Spokane Falls Community College and the University of Salerno in Italy.

- RWIC (Regional Weather Information Center) provides severe weather monitoring support to North Dakota State University in partnership with the NDSU Vice President of Student Affairs. This support is provided on an around-the-clock basis during periods of unfavorable weather.

SCHOOL OF ENGINEERING & MINES

Within UND:

- SEM and JDOSAS - AgCAM, AeroCAM and CubeSat projects
- Chemical Engineering and Chemistry - joint research projects, including a REU
- SEM and EERC - research projects in several areas
- SEM and Physics - joint proposal

Between UND and other NDUS institutions:

- Engineering courses via IVN to BSU and Willeston
- Shared engineering courses with NDSU via Internet
- DoEd project with NDSU
- SBHE proposal with NDSU
- OSD project with NDSU

Between UND and external agencies:

- Joint projects with Imation, Wapehton, ND
- Partnership with ALION Science and Technology, Chicago, IL
- Partnership with Kringstad Ironworks, Hoople, ND
- Joint project with HNRC, Grand Forks, ND
- Lego League sponsor with FIRST organization

NURSING

Between UND and external agencies:

- Training provided to nursing home administrators and the Stadter Psychiatric Center on control of bloodborne pathogens.
- The Nursing Center provided basic Community Health Representative training to 30 CHR's from the Aberdeen Area IHS on the UND campus. Three American Indian graduate students taught many of the classes and supervised skill

development. All 30 CHR's completed the training and passed the certification exam, which is a remarkable outcome.

- The Nursing Center continued to work with the Native American Resource Center on Aging by facilitating funding of a "talking circle" with Native American elders in Bismarck.
- The Nursing Center sponsors the local Alzheimer's support group, which meets at the College of Nursing on the first Saturday of the month.
- Faculty provide consultation regionally regarding Alzheimer's disease and care-giver support, and participate in the medical students Problem-Based Learning wrap-up on these topics.
- Faculty met with the school nurses periodically regarding development of the health program in the schools
- Nursing students participated in Car Seat Check-Up events cosponsored by Altru Health System and the Safe Kids Coalition, which are held monthly.
- Liaisons exist with many community agencies which provide referrals of the average 250 families served by nursing students every year with home visiting and care management.
- Nursing faculty concluded work on the four state Fetal Alcohol Syndrome project under the direction of Dr. Larry Burd. This included research-based intervention project and data coordination. A data set of over 9,000 anonymous prenatal questionnaires was assembled and continues to be analyzed. A special issue of *Neurotoxicology and Teratology* was devoted to outcomes of the FAS research.
- Nursing faculty serve on a number of local and regional community coalitions, task forces and standing committees, including but not limited to: Region IV Early Childhood Interagency Coordinating Committee; the local Domestic Violence Task Force; Chair of the Northeast Human Services Advisory Council; Chair of the UND Co-op Education Council, focusing specifically on business interests and Co-op Education; Altru Health System and the YMCA, in leading the Chamber of Commerce's participation in Health Trip 2003; Advisory Committee to the Resident Services Coordinator at Grand Forks Housing regarding living conditions at 110 Cherry and 710 4th Ave; the Board of the Arc Upper Valley and chair of the Arc Human Rights Committee; the State Maternal and Child Health Advisory Committee, the North Dakota FAS Advisory Council, and the 4-State FAS Consortium Advisory Council; and the March of Dimes Chapter, which sponsors Baby Things Boutique, an incentive program for low income women to receive health education and continuing prenatal care.
- Psych/Mental Health nursing faculty have presented the program evaluation for the Mountainbrooke Psycho-social Center regionally and nationally. Work has begun to standardize the tool that staff of other psycho-social centers can use to evaluate

programs in the future. This data is helpful is grant writing for this model of care of individuals with chronic mental illness.

- Four nursing faculty members are active in the Faith Community Inclusion Forum, which works to promote participation by individuals with disabilities in congregations. A section of nine Community Health Nursing students completed a community assessment of the accessibility of faith communities to individuals with disabilities in the Grand Forks area.
- Undergraduate psych/mental health students are placed in several community-based programs for individuals with psychiatric problems. The observation of the Resident Services Coordinator with the Housing Authority who oversees the Cherry Heights and Oak Manor low income housing units, is that students have developed greater assertiveness in planning and providing activities in these buildings, since their first placements there two years ago. A planned service center to be built between the two buildings on Cherry Street will include a consultation room for students to use in providing health screenings.
- Service on the North Dakota Board of Nursing, whose mission is to assure North Dakota citizens quality nursing care through the regulation of standards for nursing education, licensure, and practice.
- Partnership with Migrant Health Services in Moorhead, MN to provide education on diabetes prevention and treatment to migrant farm workers throughout the Red River Valley.
- Cooperative education and clinical learning agreements with approximately 50 clinical agencies in the state
- The USDA's Agricultural Research Service, through its Grand Forks Human Nutrition Research Center, has an agreement with the Department of Nutrition and Dietetics to provide learning experiences for students in Nutrition and Dietetics. Opportunities within this agreement allow students to gain an overview of research dietetics or to participate in a more in-depth experience where they engage in the ongoing research at the Center.
- The Department of Nutrition & Dietetics has affiliation agreements with a number of facilities and agencies across North Dakota allowing senior dietetics students to gain five weeks of experience in those sites while completing projects and assuming assigned duties of their preceptor dietitian. Sites engaging with the Department in these activities in recent years have included Trinity Hospital (Minot), Quentin Burdick Comprehensive Health Care Facility (Belcourt), Valley Memorial Homes (Grand Forks), Food Services of America (Fargo), U.S. Foodservice, GFG Division (Grand Forks), Medcenter One Health Systems (Bismarck), Trinity Homes (Minot), Altru Health System (Grand Forks), Grand Forks Public Schools & Food Service (Grand Forks), and Grand Forks Senior Citizens Center (Grand Forks).
- The director of the UND Multicultural Scholars into Dietetics Program serves on

the Dietary Managers Program Advisory Board at the invitation of the faculty at United Tribes Technical College. Departmental faculty in Nutrition and Dietetics have worked closely with foods and nutrition faculty at UTTC on program development and in facilitating student transfer.

- Departmental faculty in Nutrition and Dietetics have partnered with the North Dakota Department of Health to develop and implement a WIC Special Projects Grant. This project is studying the effectiveness of implementing motivational interviewing in local WIC programs
- Departmental faculty and students in Nutrition and Dietetics have participated with faculty and students from other health care disciplines in Project CRISTAL (Collabortive Rural Interdisciplinary Service Training and Learning), a project designed to improve health care services to rural/underserved populations in North Dakota while providing interdisciplinary training for students. Project CRISTAL is sponsored by the Health Resources Services Administration of the Department of Health and Human Services and was collaboratively developed by Turtle Mountain Community College and the UND School of Medicine and Health Sciences.
- The Department of Nutrition & Dietetics has offered continuing education to registered dietitians, registered dietetic technicians, and licensed nutritionists that was approved for credit by the North Dakota Board of Dietetic Practice and the Commission on Dietetic Registration.
- Departmental faculty in Nutrition and Dietetics, through the UND Division of Continuing Education, provide continuing education options for certified dietary managers that has been approved for credit by the Dietary Managers Association.

SCHOOL OF MEDICINE AND HEALTH SCIENCES

UND Center for Rural Health (CRH)

Between UND and other NDUS institutions:

Formal:

- UND Grants & Contracts: They provide grant and contract administration for the Blue Cross Blue Shield of North Dakota (BCBSND) Rural Health Grant Program, Small Hospital Improvement Program (SHIP) and the Rural Access to Emergency Devices program (RAED).
- Bismarck State College, Division of Corporate & Continuing Education: Contracted for conference planning of the 2004-Dakota Conference on Rural and Pubic Health.
- UND Department of Psychology and College of Nursing: State Office of Rural Health program utilizes GRAs.
- Office of University Relations: To help determine the best communication strategies

for the CRH including coverage of CRH in UND publications and appearances of KNOX "What's New at the U."

- Psychology and USDA-ARS Nutrition Lab: Partner on study examining nutrition effects on cognitive performance of young vs. elderly community-living adults.
- Psychology, USDA-ARS Nutrition Lab, and Energy and Environmental Research Center: Partnership to examine effects of pesticide exposure on cognition, motor development, health and learning in children.
- University of Minnesota School of Dentistry: Work in concert to identify students and sites for dental rotations in North Dakota.
- Turtle Mountain Community College (TMCC): TMCC is a co-applicant on the Quentin N Burdick Rural Interdisciplinary Training Grant Program developing interdisciplinary rotations for students in the health professions.
- Fort Berthold Community College: Subcontract with the College to arrange health professional student rotations for the Quentin N. Burdick grant program described above.
- Grants & Contracts: They administer the Flex Program's grant, and subsequent subcontracts with rural hospitals
- Department of Social Work: Student interns both at undergraduate and graduate levels.
- Department of Psychology and College of Nursing: Graduate Research Assistants.

Informal:

- College of Nursing, UNDSM, Dept. Community Medicine, Dept. Family Practice, ND AIDS Education and Training Center: have representation on the planning committee for the Dakota Rural and Public Health Annual Conference.
- Psychology and Centers for Disease Control: Partnership to examine effects of pesticide exposure on cognition, motor development, health and learning in children.
- North Dakota Board of Nursing: Partnership to examine state nursing supply and demand.
- UND Departments of Social Work, Family Medicine, INMED, OT, PT, CLS, Nutrition, Psychology, College of Nursing: Work closely with each department on the Quentin N. Burdick Rural Interdisciplinary Training Grant Program developing interdisciplinary rotations for students in the health professions.
- Minot State University: Work with this University's Radiologic Technology department to include their students in the Quentin N. Burdick Rural Interdisciplinary Training Grant Program developing interdisciplinary rotations for students in the health professions.
- North Dakota Center for Persons with Disabilities. Family to Family (located at UND) has worked with this entity on collaborative projects that serve families with children with disabilities and or special health care needs.

Between UND and external agencies:
Formal:

- University of Southern Maine, University of Minnesota: Research on patient safety standards for rural hospitals.
- University of Nebraska Medical Center, University of Missouri, Columbia: Rural health policy analysis, primarily focusing on Medicare.
- Office for the Advancement of Telehealth, U.S. Department of Health and Human Services: We are working with them in the development of a definition of frontier that can be used by federal programs.
- Robert Wood Johnson Foundation: Working on the state health policy forum initiative to package information on priority health topics for state policy makers in North Dakota.
- Office of Rural Health Policy (ORHP), HRSA: The State Office of Rural Health grant is administered through this federal office.
- Office of Rural Health Policy: Study examining prevalence of chronic disease in American Indians/Alaskan Natives and access to health care.
- Thirty-three rural hospitals in North Dakota: Receive Small Hospital Improvement Program (SHIP) grant awards through subcontracts which are administered through UND Grants and Contracts.
- 106 rural organizations/facilities representing: 336 collaborating organizations from 81+ rural communities recently received 198 AEDs through the RAED grant program.
- Blue Cross Blue Shield of ND: Sponsors the ND Rural Health Grant Program which is administered and implemented by the Center for Rural Health. BCBSND board representatives also serve on the Grant Review Committee.
- Ten rural communities and/or organizations: Received the BCBSND Rural Health Outreach grants and subsequent subcontracts are administered through UND Grants and Contracts.
- Rural Policy Research Institute: The Center for Rural Health operates the Rural Assistance Center, a national information resource for rural health and human services, in partnership with the Rural Policy Research Institute (RUPRI) at the University of Missouri-Columbia and the University of Nebraska Medical Center.
- Rural Emergency Medical Services and Trauma Technical Assistance Center: A representative from the Center for Rural Health's Rural Assistance Center serves on the Advisory Board of the Rural EMS and Trauma Technical Assistance Center (REMSTTAC). The Rural Assistance Center and REMSTTAC work closely with one another to meet the information needs of rural healthcare providers.
- ND Division of Cancer Control and Prevention: Contractual arrangement regarding data analysis/research on cancer surveillance in North Dakota.

- ND Division of Injury Control and Prevention: Contractual arrangement regarding data analysis/research on traumatic brain injuries in North Dakota.
- ND Division of Emergency Medical Services: Contractual arrangement regarding data analysis/research on health care provided by ambulance personnel.
- ND Department of Health – Health Resources Section: Contractual arrangement regarding data analysis/research on organizational climate/culture.
- ND Department of Health: Contractual arrangement regarding data analysis/research on health insurance issues in North Dakota.
- ND Department of Health: Contractual arrangement to administer Traumatic Brain Injury (TBI) State Needs Assessment.
- The Robert Wood Johnson Foundation: To implement the North Dakota State and Tribal Health Policy Forums. This partnership provides funding ($125,000) and technical assistance to the Center which enables us to host non-partisan health policy discussions, that incorporate research briefs and national speakers representing the latest health research.
- Agriwellness, Inc. (Iowa): Work with Agriwellness to administer the Sowing the Seeds of Hope project for farm and ranch families in crisis.
- North Dakota Department of Health, Primary Care Office: Subcontract with this office to conduct recruitment activities for the state as well as analysis of shortage area designations for North Dakota.
- Health Resources Services Administration - Bureau of Health Professions, Office of Shortage Designations, and National Health Service Corps: Under this administrative branch, we work with the Bureaus listed below to carry out interdisciplinary training activities for students, conduct shortage designation analysis and recruit primary care providers for the state.
- The National Resource Center on Native American Aging (NRCNAA) establishes and maintains formal relationships with approximately 100 different tribes and tribal entities on an annual basis to conduct needs assessments on Native elders.
- The NRCNAA has data sharing agreements with the University of Alaska and the Administration on Aging.
- The NRCNAA maintains several relationships with other state and local agencies to facilitate the improvement of Native elder health; an example is the Minnesota Board on Aging and Wisdom Steps.
- The NRCNAA is supported by a cooperative agreement with the Administration on Aging.
- North Dakota Health Care Association: They have representation on the ND Flex Steering Committee.
- North Dakota Department of Health: They have representation on the ND Flex Steering Committee from Office of Community Assistance and the Division of Emergency Health Services. They also conduct/coordinate the CAH certification

process for hospitals under the Flex program.

- North Dakota Healthcare Review, Inc.: The Quality Improvement Organization for ND (Partner with Flex Program toward quality with rural hospitals across the state).
- EMS Association: Partner with Flex Program toward EMS initiatives.
- All 37 rural hospitals in North Dakota: Technical assistance is available to them from the ND Flex Committee through the Flex Grant – e.g. community assessments, internal audits, focus groups, strategic planning, etc. A large percent of these hospitals also receive grant awards through the contract which are administered through UND Grants and Contracts.
- Federal Office of Rural Health Policy: Funding agency for FLEX.
- Technical Assistance Services Center (TASC): The national partner providing TA to state FLEX program. It is located in Duluth, MN.
- National organization of State Offices of Rural Health (NOSORH): Staff members serves on the National FLEX Committee.
- Bremer Foundation: Funding to establish parent to parent support model for Native American families who have children with special needs. Funding source for ND Family to Family Network (F2F).
- ND Department of Public Instruction (DPI) – Special Education Division: Funding to establish parent to parent support model for Native American families who have children with special needs. Funding source for ND Family to Family Network (F2F).
- Department of Human Services (DHS) – Part C Services: Funding to establish parent to parent support model for Native American families who have children with special needs. Funding source for ND Family to Family Network (F2F).
- Department of Children with Special Health Services: Funding to establish parent to parent support model for Native American families who have children with special needs. Funding source for ND Family to Family Network (F2F).
- ND State Council on Developmental Disabilities: Funding to establish parent to parent support model for Native American families who have children with special needs. Funding source for ND Family to Family Network (F2F).

Informal:

- West River Medical Center, Hettinger, ND: Advisory Board member to their federal Outreach Grant focusing on health promotion.
- North Dakota Health Department: Chair – long-term care task force; policy advisory committee for Healthy North Dakota; Governors Advisory Committees on the Uninsured and on Medicaid.
- National Organization of State Offices of Rural Health (NOSORH): SORH project staff participate in this organization and are currently serving on one regional and two national committees.

- National Rural Health Association (NRHA): CRH is an active member to the NRHA. CRH staff actively participate in two Constituency Groups: Research and Education, Statewide Health Resources. SORH staff are active in the State Office Council of NRHA. Two past national presidents have been staff/faculty of the CRH.
- North Dakota Health Care Association: They have representation on the NDBCBS Rural Health Outreach grant review committee, Dakota Conference advisory committee and partner on the Rural Access to External Defibrillators (RAED) grant program.
- North Dakota Department of Health, Office of Community Assistance: They have representation on the BCBS Rural Health Outreach grant review committee.
- ND EMS Association: They partner on the (RAED) grant program.
- ND Department of Health, Division of EMS: They partner on the RAED grant program.
- American Heart Association-ND office: Share CPR-AED training information for the recipients of the RAED grant program.
- Plus dozens of others, too numerous to list.

ACADEMIC SUPPORT UNITS

CHESTER FRITZ LIBRARY

Between UND and other NDUS institutions:

- Partners with all NDUS libraries and with selected public, special and K-12 libraries throughout the state in participation in the Online Dakota Information Network (ODIN). The cooperative library activity allows anyone with access to the Internet to search the holdings at ODIN libraries. Students, faculty, and staff may also request materials from other ODIN libraries via electronic forms.
- Partners with other North Dakota libraries in resource sharing. During 2003-04, the Chester Fritz Library filled over 4,700 interlibrary loan requests to other libraries within North Dakota.

Between UND and external agencies:

- American Centers and Corners: The Chester Fritz Library is providing supplemental reference assistance to American Centers and Corners libraries located in Russia. There are 25 American Centers and Corners locating throughout Russia and other former Soviet countries. The centers were established through a programs developed by the United States State Department, and the library's involvement stemmed from contacts developed by President Kupchella.

- Special Learners Collection: The Chester Fritz Library manages and provides access to a special collection of curriculum materials and learning resources for students with special needs. The Collection was established with funds from the North Dakota Department of Public Instruction. This cooperative program was established at UND in 2000.

STUDENT/OUTREACH SERVICES

COUNSELING CENTER

Within UND:

- UCC works closely with all the Student Services departments, but most frequently it collaborates with Student Health Services and Disability Support Services.
- Student Health Services: This year we have been especially diligent about working out a cooperative referral system to/from SHS. This has facilitated the timely and appropriate prescribing of psychiatric medications with appropriate psychological follow-up. We have also begun the partnering process in developing medical/psychological services for students dealing with eating disorders. Plans include sharing a single case manager for monitoring shared clients.
- Disability Support Services: Like the collaboration with SHS, UCC and DSS have developed a referral form and process so that students receive appropriate and timely assistance as they negotiate their involvement at UND.
- Departments of Psychology and Counseling Psychology: The UCC Internship Training Coordinator is in regular contact with personnel of these departments to assure the clinical experience provided is appropriate to the needs of the students.
- Local psychiatric hospitals: The Suicide Prevention Team (UCC's SIT Coordinator, Director, and Consulting Psychiatrist) has continued to work with health care institutes in Grand Forks including Altru and the Stader Center. This assures UND students receive consistent aftercare upon release from psychiatric services. Students are admitted for a variety of reasons for which UCC can provide appropriate aftercare. Major episodes of mood disorder, suicide attempts, incidents of acute alcohol poisoning are the most common.
- Multicultural Liaisons: As noted immediately below, the UCC professional staff engages the cultural centers on campus on a monthly basis, gathering information that would be relevant to the UCC and sharing appropriate information with the centers. Exchange visits between the respective staff also occur. Relationships have been established between UCC and the American Indian Student Center, Disability Support Services, the Era Bell Thompson Multicultural Center, the Women's Center, the International Centre, and the Ten Percent Society.

STUDENT HEALTH SERVICES

Between UND and other NDUS institutions:

Formal

- UND Student Health and NDSU Student Health have a cooperative agreement to serve each others students when a student from one institution is at the other institution for a University function.
- UND Student Health and the Center for Aerospace Studies have a number of agreements to serve part-time students, etc. an example is the West Point Cadets and Norwegian Air Traffic Control students.
- UND Student Health belongs to the Healthy UND Coalition.
- UND Student Health, the Counseling Center, and the Eating Disorders Institute in Fargo, have developed a partnership to assist eating disorder students.
- UND students who intern at ALTRU are provided with occupational health services at SHS.
- UND SHS maintains a formal agreement to serve students who attend various camps on campus (INMED, Athletics, SIL, ESL).

Informal

- All Student Health Service Directors have an informal working group that meets occasionally or on an as needed basis.

Between UND and external agencies:
Formal

- UND Student Health has agreements with the Grand Forks Public Health Service and the State Department of Health to provide tobacco and HIV/AIDS risk reduction.
- UND Student Health maintains a partnership with the Federal Aviation Administration to conduct flight and air traffic control physicals.

Informal

- UND Student Health participates in Healthy North Dakota activities.

National Resource Center on Native American Aging Partnerships

Between UND and external agencies:
Formal

- The NRCNAA establishes and maintains formal relationships with approximately 100 different tribes and tribal entities on an annual basis to conduct needs assessments on Native elders.
- The NRCNAA has data sharing agreements with the University of Alaska and the Administration on Aging
- The NRCNAA maintains several relationships with other state and local agencies to facilitate the improvement of Native elder health; an example is the Minnesota Board on Aging and Wisdom Steps.
- The NRCNAA is supported by a cooperative agreement with the Administration on Aging.

Informal

- The NRCNAA has informal agreements with many tribal colleges to assist them with elder health programs; for example Turtle Mountain is in the process of replicating Wisdom Steps.
- The NRCNAA maintains an informal partnership with the University of Alaska Native Elder Center.

American Indian Student Services

Between UND and external agencies:

Biomedical Research Infrastructure Network (BRIN)
The main aim of the BRIN program is to increase the number of tribal college students transferring to four-year science programs. Most effort is devoted to improving the quality of introductory science curricula at tribal colleges within the state. Therefore, BRIN partners with the five tribal colleges in North Dakota:

- Cankdeska Cikana Community College, Spirit Lake Nation, Ft. Totten, ND

- Turtle Mountain Community College, Turtle Mountain Band of Chippewa, Belcourt, ND
- United Tribes Community College, United Tribes, Bismarck, ND
- Ft. Berthold Community College, Three Affiliated Tribes, Ft. Berthold, ND
- Sitting Bull Community College, Standing Rock Sioux Nation, Ft. Yates, ND

Indians Into Medicine (INMED)

The INMED program encourages and provides support to American Indians to enter health careers and practice at underserved Indian communities. INMED partners with Indian Health Service (IHS) facilities across the region and the following entities:

- University of South Dakota School of Medicine and Health Sciences
- University of Minnesota
- Mayo Clinic, Rochester, MN
- Ogallala Lakota Tribe, Pine Ridge, SD
- North American Association of American Indian Physicians

Recruitment and Retention of American Indians Into Nursing (RAIN)
The RAIN program is designed to meet the health care needs of American Indian people by addressing nursing shortages in Indian Country, and partners with Indian Health Services (HIS) facilities across the region, along with tribal colleges, to ensure successful student transfers to the university setting. The following are ND's five tribal community colleges:

- Cankdeska Cikana Community College, Spirit Lake Nation, Ft. Totten, ND
- Turtle Mountain Community College, Turtle Mountain Band of Chippewa, Belcourt, ND
- United Tribes Community College, United Tribes, Bismarck, ND
- Ft. Berthold Community College, Three Affiliated Tribes, Ft. Berthold, ND
- Sitting Bull Community college, Standing Rock Sioux Nation, Ft. Yates, ND

Indians Into Psychology Doctoral Education (INPSYDE)
The INPSYDE program's objectives are to train more American Indian psychologists and facilitate cross-cultural competence in non-Indian students, faculty, and staff in the following states:

- North Dakota
- Montana
- South Dakota
- Wyoming

- Minnesota

United Tribes Community Educators Program II (UTCEP-II)
UTCEP-II responds to the critical need for American Indian teachers in schools that primarily serve American Indian students, and partners with:

- United Tribes Community College, United Tribes, Bismarck, ND

Northern Plains Indian Law Center (NPILC)
The NPILC contains four component projects (Native American Law Project, Northern Plains Tribal Judicial Training Institute, Tribal Environmental Law Project, Tribal Gaming Law and Policy Institute) and partners with the following tribal courts in North Dakota and nationally:

- Spirit Lake Nation, Ft. Totten, ND
- Turtle Mountain Band of Chippewa, Belcourt, ND
- United Tribes, Bismarck, ND
- Three Affiliated Tribes, Ft. Berthold, ND
- Standing Rock Sioux Nation, Ft. Yates, ND

Project Collaborative Rural Interdisciplinary Service Training Learning (Project CRISTAL)
Project CRISTAL is a 3-year pilot program designed to train health professionals (occupational therapy, physical therapy, social work, medicine and clinical laboratory) and encourage them to work in rural/reservation communities. Project CRISTAL collaborates with:

- Turtle Mountain Community College, Turtle Mountain Band of Chippewa, Belcourt, ND

UND GRO Americorps Vista Project
The UND GRO Americorps Vista Project serves the following states to identify and address poverty issues:

North Dakota, South Dakota, Montana, Wyoming, Colorado, Utah

The following American Indian reservation communities in North Dakota have the first opportunity for participation in the UND GRO Americorps Vista Project:

- Spirit Lake Nation, Ft. Totten, ND

- Turtle Mountain Band of Chippewa, Belcourt, ND
- United Tribes, Bismarck, ND
- Three Affiliated Tribes, Ft. Berthold, ND
- Standing Rock Sioux Nation, Ft. Yates, ND

The UND GRO Americorps Vista Project maintains a partnership with:

- The U.S. Social Security Administration

TRIO Programs Education Opportunity Center (EOC)
The EOC provides support services to low-income, first generation and/or otherwise disadvantaged youth and adults interested in attending colleges. The EOC serves the Minot, ND areas and partners with:

- Spirit Lake Nation, Ft. Totten, ND
- Three Affiliated Tribes, Ft. Berthold, ND

ENROLLMENT MANAGEMENT

Within UND:

- Student Financial Aid partners with Career Services to provide student access to the Job Service ND representative on the UND campus.
- Student Financial Aid partners with Enrollment Services to administer the UND new student scholarship programs utilizing the ESPSN software program.
- University Learning Center partners with Student Academic Services (SAS) in the administration of the Nelson-Denny Reading Inventory to all Introduction to University Live Classes, which are coordinated by SAS.

- University Learning Center is an active partner and participant in the Intro to Academics Program, which is coordinated by Dr. Vikki McCleary, Pharmacology.

Between UND and other NDUS institutions:

- Career Services partners with NDSU's Career Center to schedule the Spring Career Fairs back-to-back to accommodate employers who participate in both events.
- Career Services with Job Service North Dakota and Valley City State University and other private colleges/universities in North Dakota, which have teacher education, educational administration, and other education career-related programs in

providing shared listings of elementary, secondary and post-secondary education jobs over the Internet.

- Career Services joins five NDUS institutions and two private North Dakota schools to host the North Dakota Education Connection, a job fair for educators, held annually on the UND campus in April.
- Career Services, with private and public colleges/universities in North Dakota is pursuing a single consortium job listing site for employers to list job opportunities for college graduates at one single Internet website.
- Career Services, with the North Dakota Association of Career Services Professionals, Job Service North Dakota, the Governor's Office, and NDUS, is promoting North Dakota employers to use NDInterns.com to list North Dakota internship opportunities for students.
- Enrollment Services partners with NDUS institutions in the process of collecting names and addresses of high school students in North Dakota in Project Vital Link. UND collects a portion of high school lists and forwards its list to the NDUS system office where it is combined with other similar lists collected by other NDUS schools. Information is used to send a general mailer to high school students.
- Student Financial Aid partners with Job Service ND to provide institutional and off-campus employment opportunities to students.
- TRIO Programs established a network with all NDUS higher education institutions' enrollment and registrar's offices to ensure that TRIO students have the opportunity to access enrollment at the college of their choice.
- University Learning Center developed, organized, implemented and coordinated the first North Dakota Learning Centers Conference along with developing, organizing, and coordinating the North Dakota Learning Centers Association.

RESEARCH AND SERVICE UNITS

Conflict Resolution Center

Between UND and other NDUS institutions:

- UND Conflict Resolution Center provided conflict management training for the UND North Central College Health Association, attended by many NDUS student health employees.
- UND Conflict Resolution Center provided mediation or facilitation to NDUS colleges and universities including United Tribal Technical College, Minot State, and NDSU.

Between UND and external agencies:

1. Training by Conflict Resolution Center

- Rosebud Sioux Indian Reservation - Mission, South Dakota – Mediation Training.
- Great River Energy – Washburn, North Dakota – Conflict Management Training.
- Dakota Transit Association – Minot, North Dakota - Conflict Management Training.
- Twin Cities Mediation - Minneapolis, Minnesota - Mediation Training.
- Eide Baily Roundtable – Fargo, North Dakota - Conflict Management Training.
- Human Resources Association – Grand Forks, North Dakota - Conflict Management Training.
- Trinity Hospital – Minot, North Dakota - Conflict Management Training.
- Institute of Local Government, Association of Counties – Bismarck, North Dakota - Conflict Management Training.
- ND Nurses Association – Fargo, North Dakota - Conflict Management Training.
- Association for Conflict Resolution – Orlando, Florida – National Presentation.
- Institute for the Study of Conflict Transformation and South Texas College of Law - Houston, Texas – Facilitation and Training.
- State Bar Association of North Dakota – Bismarck, North Dakota - Mediation Training.
- Workforce Safety and Insurance – Bismarck, North Dakota - Conflict Management Training
- Job Service of North Dakota – Bismarck and Grand Forks, North Dakota – Conflict Management Training.
- Grand Forks Air Force Base Budget Office – Grand Forks, North Dakota - Conflict Management Training.
- Job Service Welfare to Work Program - Grand Forks, North Dakota - Conflict Management Training.
- Richland County – Wahpeton, North Dakota – Sexual Harassment Training.
- Red River High School – Grand Forks, North Dakota - Conflict Management Training.
- Three Affiliated Tribes – Minot, North Dakota - Conflict Management Training.
- Physicians Group – Bismarck, North Dakota - Conflict Management Training.
- University of Mary – Fargo, North Dakota - Conflict Management Training.
- NDSU Extension Century Elementary – Fargo, North Dakota - Conflict Management Training.
- ND Supreme Court – Developed an educational video (using the UND TV Center) and brochure on Alternative Dispute Resolution for use by the court system of North Dakota and by the State Bar Association of North Dakota to educate clients/users of the system about alternatives to litigation.
- Public Mediation Trainings involving participants from out of town as well as Grand Forks businesses, and UND students and staff.

- July Family Mediation Seminar – Grand Forks, North Dakota
- October Basic Mediation Seminar - Grand Forks, North Dakota
- May Basic Mediation Seminar - Grand Forks, North Dakota
- Mediation Refresher - Grand Forks, North Dakota
- Transformative Mediation Refresher - Grand Forks, North Dakota
- Conflict Management in the Workplace - Grand Forks, North Dakota
- Domestic Violence - Grand Forks, North Dakota
- Mediation Refresher – Bismarck, North Dakota

2. Mediation and Facilitation by Conflict Resolution Center

- Steel County – Finley, North Dakota – Facilitation.
- Restorative Justice Program, Tri-County Corrections of Crookston, Minnesota – Partnered to provide mediation for their youth restorative justice program.
- YMCA of Haiti – Country of Haiti – Consulting for start up mediation center.
- United Tribes Technical College – Bismarck, North Dakota – Facilitation.
- Nineteen confidential mediations in North Dakota for private and public entities.

ENERGY & ENVIRONMENTAL RESEARCH CENTER (EERC)

Between UND and other NDUS institutions:

Energy & Environmental Research Center. With North Dakota State University (NDSU) on the following projects:

1) the NDSU Carrington Research Extension Center, the North Dakota Industrial Commission, the State Board of Agricultural Research and Education, Great River Energy, the North Dakota Department of Health, Otter Tail Power Company, Power Products Engineering Inc., the U.S. Department of Energy, and the EERC are teaming to study using coal fly ash as a low-cost alternative to placing concrete in livestock feedlots;

2) the EERC, NDSU, the U.S. Department of Energy, the North Dakota Industrial Commission, Montana-Dakota Utilities Company, Otter Tail Power Company, Basin Electric Power Cooperative, the North Dakota Lignite Energy Council, Great River Energy, the Dakota Gasification Company, Minnkota Power Cooperative, Ducks Unlimited Canada, and Prairie Public Television have formed the Plains Carbon Dioxide Reduction Partnership to reduce carbon dioxide emissions through alternate uses and/or underground storage of carbon dioxide; and

3) the EERC, the UND Facilities Department, NDSU, the U.S. Environmental Protection Agency, the City of Moorhead, the City of Grand Forks, Grand Forks County, the City of Fargo, the City of East Grand Forks, the City of West Fargo,

and Cass County have partnered to form a regional storm water coordination program to assist managers in complying with new storm water regulations.

Between UND and external agencies:

- Collaborating with the U.S. Environmental Protection Agency, the U.S. Department of Energy, and EPRI, the EERC is coordinating the Fifth Air Quality: Mercury, Trace Elements, and Particulate Matter Conference in Washington, D.C., in September 2005.
- The EERC is partnering with the U.S. Department of Energy, the Gas Research Institute, and Environment Canada in a program focused on groundwater cleanup for the oil and gas industry.
- Minnesota Technology, Inc., Northwest Manufacturing, Inc., and the U.S. Department of Energy are partnering with the EERC to determine potential problems of firing alternative fuels in Northwest Manufacturing's Wood Master heating systems.
- U.S. Steel and the U.S. Department of Energy teamed with the EERC to develop a method to reduce slag development at U.S. Steel's Minntac facility in Minnesota.
- The EERC collaborated with EPRI and the U.S. Department of Energy to understand fouling and slagging problems and also to develop methods to reduce or eliminate these problems at Entergy Corporation's White Bluff Plant in Redfield, Arkansas.
- The EERC partnered with the U.S. Department of Energy, Great River Energy, Mineral Solutions Inc., Otter Tail Power Company, Tennessee Valley Authority, Xcel Energy, Alliant Energy, Ish, Inc., Ameren Energy Fuels and Services, and the South African Coal Ash Association to solve ash-related problems and promote the environmentally safe economic utilization and disposal of coal combustion by-products.
- The EERC partnered with the U.S. Department of Energy and International Pozzolan Coating Corporation to conduct environmental and engineering performance testing on Ashcote, a coal ash by-product.
- The EERC partnered with the Utility Solid Waste Activities Group, the Edison Electric Institute, and the U.S. Department of Energy to develop a guide for the use of coal combustion products in surface mine reclamation.
- The EERC collaborated with the U.S. Department of Energy, the American Coal Ash Association, Lafarge North America, Inc., Xcel Energy, and the Western Region Ash Group to present the Coal Ash Professionals Course in May 2004.
- Partnering with the U.S. Department of Energy, the RETEC Group Inc., Niagara Mohawk, Northeast Gas Association, and EPRI, the EERC is performing characterization using advanced analytical methods like selective supercritical fluid

extraction. This characterization will be used to select strategies to clean up contaminated sites.

- The EERC, in conjunction with the U.S. Department of Energy and EPRI, developed a comprehensive three-volume guidebook, *Coal-Fired Utility Boilers: A Guide to Solving Ash Deposition Problems*.
- In collaboration with the Museum of the Rockies at Montana State University and the U.S. Department of Energy, the EERC is studying geologic evidence of climate changes in prehistoric times to create a present-day model for global climate change.
- The American Petroleum Institute, Hawaiian Electric Company, Baker Botts LLP, and the U.S. Department of Energy are partnering with the EERC to identify and quantify the volume of nickel particles emitted from the stacks of oil-fired utility boilers. The project will help evaluate the severity of the cancer risk from the human inhalation of these emissions.
- The Coyote Power Station is the site of EERC testing to determine the chemical state of mercury before and after pollution control devices. The EERC's partners are the North Dakota Industrial Commission, the Lignite Energy Council, Great River Energy, Otter Tail Power Company, Basin Electric Power Cooperative, Minnkota Power Cooperative Inc., and Montana–Dakota Utilities.
- The EERC led Red River Valley Clean Cities Coalition exists to promote the development of alternative "clean" fuels and vehicles powered by alternative fuels. Communication, public education, and outreach programs are utilized to support the coalition's mission. The North Dakota Division of Community Services and the City of Winnipeg, Manitoba, are partners in this program.
- The North Dakota Department of Health and the U.S. Department of Energy are teaming with the EERC in efforts to demonstrate new technologies to clean up soils and groundwater that have been contaminated by petroleum leaks from storage tanks. Cleanup projects have been undertaken at sites in Minot (Behm's Truck Stop), Dunseith (Dale's Cash Supply), Hazen (Independent Oil Company), and Bismarck (Mohler Oil Company). Technical assistance for the cleanup efforts was also provided by Specialty Systems Integrators, Inc., of Plymouth, Minnesota.
- The EERC partnered with the U.S. Department of Energy and EPRI in a nationwide program to study the effects of selective catalytic reduction techniques on the speciation of mercury at power plants.
- The EERC's Materials Research Laboratory is collaborating with the 3M Company to determine what measures or adjustments can be made to extend the life of the refractory lining in its waste incinerator and reduce the frequency for incinerator shutdowns and relining.
- The EERC is collaborating with the U.S. Department of Energy, Kanazawa University in Japan, and universities in England and Germany to investigate filter dust properties in hot-gas filter systems.

- The EERC is partnering with the U.S. Department of Energy, EPRI, and the U.S. Environmental Protection Agency to study the variation in mercury emissions based on different coal types and boiler configurations.
- The EERC partnered with Syncrude Canada, Ltd., and the U.S. Department of Energy to understand and solve opacity problems at the Syncrude UE-1 operation.
- A large project to study mercury technologies for electric utilities burning lignite coal is being carried out by the EERC with the North Dakota Industrial Commission, the Lignite Energy Council, EPRI, Saskatchewan Power Company, Basin Electric Power Cooperative, Minnkota Power Cooperative Inc., Montana–Dakota Utilities, Otter Tail Power Company, and the U.S. Department of Energy.
- The EERC is partnering with the U.S. Department of Energy and Xcel Energy through its Renewable Development Fund to develop and test a solid oxide fuel cell gasification system. This project is being carried out with the oversight of the Minnesota Public Utilities Commission.
- The EERC, the U.S. Department of Energy, the North Dakota Industrial Commission, the Lignite Energy Council, EPRI, BNI Coal Company, Minnkota Power Cooperative, Basin Electric Power Cooperative, Luscar Ltd., and Ohio State University are partners in a project to reduce NO_x emissions from power plants using a technology developed at Ohio State.
- In partnership with the North Dakota Industrial Commission, the U.S. Department of Energy, and the U.S. Environmental Protection Agency, the EERC conducted a bench-scale study to determine the effects of various compounds on the selective catalytic reduction mercury reduction technology.
- The Dakota Gasification Company, the U.S. Department of Energy, the North Dakota Industrial Commission, and the Lignite Energy Council have teamed to study a process to enhance the treatment of stripped gas liquor to improve treatment operations and reduce air emissions at the Dakota Gasification Company's Synfuels Plant near Beulah, North Dakota.
- EPRI and the U.S. Department of Energy are teaming with the EERC to coordinate the 19th Western Fuels Symposium in Billings, Montana. The symposium will present up-to-date information on pending regulations, technological advancements, global applications, and environmental issues related to low-rank coal.
- The EERC has teamed with the U.S. Department of Energy, the North Dakota Industrial Commission, the Lignite Energy Council, EPRI, Montana–Dakota Utilities, and Xcel Energy through its Renewable Development Fund to evaluate the effect of biomass cofiring on NO_x emissions and the impacts on the selective catalytic reduction process.
- The EERC partnered with the U.S. Department of Energy and the Tennessee Valley Authority to evaluate a process for gasifying lignin residues utilizing a continuous fluid-bed reactor. The project observed the effects of operating temperature, reactor

velocity, and the oxidant/fuel ratio on the gasification process and the emissions generated by the process.

- The EERC partnered with Basin Electric Power Cooperative and the U.S. Department of Energy to measure the effectiveness of the air pollution control devices at two of Basin Electric's North Dakota power plants. The testing will determine strategies to further control mercury emissions at the plants.
- The EERC collaborated with the RJ Lee Group, Inc., Delta Energy, and the U.S. Department of Energy to optimize a process to produce carbon black in a tire recycling process.
- DTE Energy, EnviroScrub Technologies Corporation, and the U.S. Department of Energy partnered with the EERC in an activity using mercury sampling to evaluate the effectiveness of a multipollution control device.
- The EERC is teaming with Basin Electric Power Cooperative to test powdered activated carbon in combination with a sorbent enhancement additive for mercury control at Leland Olds Station Unit 1 while firing 100% Powder River Basin coal.
- The EERC, the U.S. Department of Energy, and Xcel Energy are partnering to examine biomass conversion for the production of heat and power.
- The Canadian Electricity Association, the U.S. Department of Energy, and the Center for Air Toxic Metals® Affiliates Program are collaborating with the EERC to create and maintain an information clearinghouse on global research and development activities in the areas of mercury monitoring and control.
- The EERC partnered with Kraus Global, Inc., and the U.S. Department of Energy to develop detailed designs and cost estimates for fabrication of bench-scale systems for on-demand production and purification of high-pressure hydrogen.
- Florida Power and Light and the U.S. Department of Energy are teaming with the EERC to evaluate the potential oxidative DNA damage induced by insoluble residual oil fly ash emissions from oil-burning power plants.
- The EERC is collaborating with the Energy Research Center at Lehigh University and the U.S. Department of Energy to investigate the reduction and speciation of mercury emissions as a result of optimizing boiler operations at two coal-fired power plants.
- The U.S. Department of Energy, EnviroScrub Technologies Corporation, and the EERC are partnering to determine the effectiveness of the EnviroScrub technology for removing mercury from power plant emissions.
- The EERC is teaming with Heatmor, Inc., and the U.S. Department of Energy to document and analyze the performance of Heatmor's outdoor wood furnace.
- The EERC is partnering with the U.S. Department of Energy and TXU Generation Company, LP, to test sorbent, and additive-based technologies to control mercury emissions from TXU power plants firing lignite coals.
- The U.S. Department of Energy, TXU Generation Company, LP, and the EERC are

collaborating to measure and analyze mercury emissions from power plants firing Texas lignite coals. The test results will be utilized to develop a mercury control strategy for the plants.

- The EERC and the U.S. Department of Energy are teaming with EPRI, Ameren Union Electric, Missouri Basin Power, American Electric Power Service, Babcock & Wilcox, Alliant Energy Corporate Services, Westmoreland Coal Sales Company, Peabody Energy Company, Demeter Systems LLC, Babcock Power Environmental Inc., and Solucorp Industries Ltd. to test various mercury control technologies that take advantage of existing air pollution equipment. The project will provide performance and cost data for various mercury control options to assist in developing cost-effective compliance strategies.
- The EERC is partnering with Manitoba Hydro and the U.S. Department of Energy to investigate the viability of lignin as a fuel source in electric power generation units.
- The Falkirk Mining Company, the U.S. Department of Energy, and the EERC are collaborating to investigate coal cleaning technologies. Together they will determine the potential of an air jig to remove the mineral components in coal in order to produce a lower-ash, higher-energy fuel.
- The EERC, DTE Energy, and the U.S. Department of Energy are partnering on a project to evaluate the effect of blending low-sulfur Powder River Basin subbituminous coals and eastern bituminous coals on mercury speciation. A mercury balance can then be obtained and evaluations made as to the potential effectiveness of future mercury control options.
- The EERC, EPRI, Tennessee Valley Authority, the North Dakota Industrial Commission, and the U.S. Department of Energy are collaborating on a program that will study the effects of dietary intakes of methylmercury and the protective effects of dietary selenium. This project will resolve important questions regarding the significance of mercury-selenium interactions in human health.
- The EERC, EPRI, Westmoreland Coal Company, the North Dakota Industrial Commission, the Environmental Protection Agency, and the U.S. Department of Energy are teaming on a project to improve the mercury capture efficiency of carbon-based sorbents through a better understanding of the reaction mechanisms between mercury and carbon-based sorbents.
- The Saskatchewan Power Corporation, the U.S. Department of Energy, and the EERC are partnering to study the effect that a CO_2 amine scrubber has on mercury emissions. The objective of the project is to develop a mercury mass balance for the pilot-scale CO_2 removal system at the SaskPower Boundary Dam Station.
- Amerada Hess Corporation, the North Dakota Department of Commerce Division of Community Services, the U.S. Department of Energy, and the EERC have

teamed to demonstrate the conversion of a petroleum waste gas in a microturbine by determining operability under high-sulfur conditions.

- The EERC, West Virginia University, UND Civil Engineering, Aerock Inc., Ish Inc., Oklahoma Conservation Commission, Verra Company – CGRS Inc., Alliant Energy, and the Western Region Ash Group have partnered to promote the use of coal combustion by-products through the Combustion By-Product Recycling Consortium.
- The EERC, the UND Geology Department, the UND Center for Aerospace Sciences, the UND Provost Office, the UND Office of Research and Program Development, and the UND School of Engineering and Mines have collaborated to develop a Geoscience Digital Image Library accessible via the Internet.
- The EERC, the U.S. Department of Energy, and W.L. Gore & Associates have partnered to test the mercury control capabilities of the advanced hybrid particulate collector, a technology invented and developed at the EERC.
- The EERC, the U.S. Department of Energy, the North Dakota Industrial Commission, Basin Electric Cooperative, BNI Coal Company, Otter Tail Power Company, Dakota Westmoreland Corporation, Montana–Dakota Utilities Company, Great River Energy, the North American Coal Corporation, Minnkota Power Cooperative Inc., the North Dakota Lignite Energy Council, ADA Technologies Inc., Babcock & Wilcox, Alstom Power Inc., and Haldor Topsoe A/S have teamed to demonstrate advanced mercury control technologies for lignite-fired power plants at the pilot- and full-scale levels.
- The EERC, the Red River Regional Council, the Grand Forks County Commission, the Grand Forks County Water Board, the City of East Grand Forks Public Works Department, the City of Grand Forks, the City of Fargo, Cargill Inc., Xcel Energy, the City of Moorhead, American Crystal Sugar Company, the Pembina River Basin Advisory Board, J.R. Simplot, North Dakota Pig Cooperative, Cass County, and the City of East Grand Forks Water and Light Department have partnered to conduct work toward the restoration of riparian areas in the Red River Basin.
- The EERC, the U.S. Environmental Protection Agency, the Red River Regional Council, the Grand Forks County Commission, the Grand Forks County Water Board, the City of East Grand Forks Public Works Department, the City of Grand Forks, the City of Fargo, Cargill Inc., Xcel Energy, the City of Moorhead, American Crystal Sugar Company, the Pembina River Basin Advisory Board, J.R. Simplot, North Dakota Pig Cooperative, Cass County, and the City of East Grand Forks Water and Light Department have partnered to develop a Red River Biological Monitoring Workgroup.
- The EERC, the U.S. Environmental Protection Agency, the Red River Regional Council, the Grand Forks County Commission, the Grand Forks County Water Board, the City of East Grand Forks Public Works Department, the City of Grand

Forks, the City of Fargo, Cargill Inc., Xcel Energy, the City of Moorhead, American Crystal Sugar Company, the Pembina River Basin Advisory Board, J.R. Simplot, North Dakota Pig Cooperative, Cass County, and the City of East Grand Forks Water and Light Department have teamed to form the Red River Valley Storm Water Work Group to assist communities prepare for the Phase II storm water regulations.

- The EERC, the U.S. Environmental Protection Agency, the Red River Regional Council, the Grand Forks County Commission, the Grand Forks County Water Board, the City of East Grand Forks Public Works Department, the City of Grand Forks, the City of Fargo, Cargill Inc., Xcel Energy, the City of Moorhead, American Crystal Sugar Company, the Pembina River Basin Advisory Board, J.R. Simplot, North Dakota Pig Cooperative, Cass County, and the City of East Grand Forks Water and Light Department have partnered to form the North Dakota Industrial Pretreatment Assistance Program to assist North Dakota industries not covered by existing municipal water pretreatment programs to comply with industrial pretreatment standards.
- The EERC, the U.S. Department of Agriculture, and the American Lung Association of Minnesota have teamed to conduct a sampling, analysis, and exhaust emissions survey of the three major Twin Cities 87-octane gasoline brands.
- The EERC and the U.S. Environmental Protection Agency collaborated to evaluate mercury speciation at power plants using selective catalytic reduction NO_x control technologies.
- The EERC, the U.S. Department of Energy, Cinergy Corporation, Great River Energy, EPRI, the Utility Solid Waste Activities Group, the North Dakota Lignite Energy Council, Tennessee Valley Authority, Otter Tail Power Company, the North Dakota Industrial Commission, and Basin Electric Power Cooperative have teamed to examine mercury and other toxic elements related to the utilization or disposal of coal combustion waste.
- The EERC, the Great Plains Institute for Sustainable Development, Alliant Energy, and ENSYN have partnered to evaluate a potential fast-pyrolysis biorefinery concept for the production of fuels and chemicals from northern Great Plains grasses.
- The EERC, the U.S. Department of Energy, and EPRI are teaming on a study to gasify wood waste with the goal of energy production, reduction of hazardous waste, and the recovery of valuable by-products.
- The EERC, the U.S. Department of Energy, and three regional offices (West Central and Northwest) of the Minnesota Sustainable Partnership Program have teamed to develop a technology to minimize pollutant emissions from dairy operations through methane capture. The captured methane results in a usable source of energy.
- The EERC, the U.S. Department of Energy, the U.S. Department of Agriculture,

the Red River Regional Council, the Grand Forks County Commission, the Grand Forks County Water Board, the City of East Grand Forks Public Works Department, the City of Grand Forks, the City of Fargo, Cargill Inc., Xcel Energy, the City of Moorhead, American Crystal Sugar Company, the Pembina River Basin Advisory Board, J.R. Simplot, North Dakota Pig Cooperative, Cass County, and the City of East Grand Forks Water and Light Department have collaborated to demonstrate a process to produce methane from low-fat solid waste at a french fry plant.

- The EERC, the U.S. Department of Energy, and the North Dakota Department of Commerce Division of Community Services are partnering to promote the use of small-scale cogeneration systems for heat and power production by organizing an informational bioenergy workshop.
- The EERC, the U.S. Department of Energy, the U.S. Air Force, North Dakota SBARE, the UND Chemical Engineering Department, and the North Dakota Soybean Council have teamed to evaluate the emissions from various blends of biodiesel and jet fuel in jet engines.
- The EERC, the U.S. Department of Energy, the South Dakota Corn Utilization Council, the North Dakota Corn Utilization Council, and the Minnesota Corn Research and Promotion Council have partnered to assess the feasibility of using a dual-fermentation biorefinery process for the production of ethanol.
- The EERC, the U.S. Department of Energy, and Siemens Westinghouse Power Corporation have teamed to develop technology to minimize water requirements for coal-fired power plants. Water access is critical to the siting of new power plants.
- The EERC, the U.S. Department of Energy, the North Dakota Industrial Commission, SaskPower, BNI Coal Ltd, the Coteau Properties Company, the North Dakota Lignite Energy Council, Falkirk Mining Company, Dakota Westmoreland Corporation, Great River Energy, Basin Electric Power Cooperative, Minnkota Power Cooperative Inc., Otter Tail Power Company, Montana–Dakota Utilities Company, ADA-ES LLC, EPRI, and TXU Energy have teamed to evaluate a large-scale mercury control technology for lignite-fired utilities.
- The EERC, the U.S. Department of Energy, the North Dakota Industrial Commission, SaskPower, BNI Coal Ltd, the Coteau Properties Company, Falkirk Mining Company, Dakota Westmoreland Corporation, Great River Energy, Basin Electric Power Cooperative, the North Dakota Lignite Energy Council, Minnkota Power Cooperative Incorporated, Otter Tail Power Company, Montana–Dakota Utilities Company, ADA-ES LLC, EPRI, Babcock & Wilcox, and URS Group Inc. have partnered to explore enhancing carbon reactivity for mercury control in lignite-fired power plants.
- The EERC, the U.S. Environmental Protection Agency, and Haldor Topsoe A/S have partnered to develop selective catalytic reduction technology options for

mercury control in western fuels.

- The EERC, the U.S. Environmental Protection Agency, the North Dakota Industrial Commission, Tennessee Valley Authority, the North Dakota Lignite Energy Council, Otter Tail Power Company, and Basin Electric Power Cooperative are partners in the Center for Air Toxic Metals® (CATM®), which investigates issues related to air toxic metals including mercury.
- The EERC and the U.S. Department of Agriculture formed the Red River Water Management Consortium℠ (RRWMC℠) to address stakeholder-specific water-related issues and to develop comprehensive water management strategies for its stakeholders. The partnership provides stakeholders with the technical information they need to make informed water management decisions and provides a forum in which to exchange knowledge and experience. Specific collaborations include:

  -The EERC, the U.S. Department of Agriculture, and American Crystal Sugar Company teamed to study wastewater treatment and odor control techniques at sugar beet processing factories.

  -Cargill Sweeteners, the U.S. Department of Agriculture, and the EERC teamed to assess factory water supply/conservation practices and wastewater treatmentalternatives.

  -The EERC is collaborating with the U.S. Department of Agriculture and J.R. Simplot Company to assess wastewater treatment techniques and develop processes to produce energy from waste potatoes.

  -North Dakota Pig Cooperative is partnering with the U.S. Department of Agriculture and the EERC to utilize groundwater monitoring data to ensure resource protection, evaluate manure management, and establish odor control techniques.

  -The City of East Grand Forks Water and Light Department and the EERC have partnered in assessing alternative drinking water disinfection using ultraviolet light.

  -The EERC has teamed with the City of Moorhead, Minnesota, and the City of East Grand Forks, Minnesota, for phosphorus management planning.

  -The EERC has teamed with the Grand Forks County Water Resource District to evaluate potential impoundment sites on the Goose River for flood reduction potential.

  -The EERC has partnered with the Red River Regional Council to investigate the water quality enhancements of a recirculating aquaculture facility.

  -The Pembina River Basin Advisory Board has partnered with the EERC in the development of a watershed restoration action strategy.

  -The EERC and Xcel Energy have collaborated to provide water management assistance to small communities in Xcel Energy's service area.

-The EERC has teamed with the City of Fargo to assist with industrial pretreatment requirements as well as to investigate the potential for aquifer storage recovery as an emergency water supply.
-The EERC has teamed with the City of Grand Forks to establish a river water quality monitoring network.
-The EERC has partnered with Cass County to develop educational materials fordistribution to landowners living near riparian areas and also to develop and conduct a landowner education workshop.

- The EERC, the U.S. Environmental Protection Agency, the City of West Fargo, North Dakota State University, Grand Forks County, the City of Grand Forks, the City of Fargo, the City of Moorhead, Cass County, the City of East Grand Forks, and UND Facilities Department have partnered to develop a model Regional Storm Water Coordination Program, which will continuously promote the storm water management goals between the communities and coordinate the responsibilities of the basin municipal separate storm sewer system at a regional level.
- The EERC, the U.S. Environmental Protection Agency, and ISG Resources Inc. have partnered to develop an interdisciplinary team to work with a cooperating state in order to evaluate the state's regulations and practices pertaining to coal combustion product (CCP) use and make recommendations that would lead to the increased use of CCPs in an environmentally sound manner.
- The EERC, the North Dakota Department of Commerce Division of Community Services and Primeboard Inc. have partnered to demonstrate electricity production from a portable biomass gasification power plant that utilizes wheat straw residue from the manufacture of particleboard.

University of North Dakota
Projects Submitted
for
2005 North Dakota State Facility Energy Improvement Program

Project	Capital Costs	Annual Savings	Simple Payback
Campus Lighting	$ 806,449	$ 116,828	6.90
Daycare Multizone VAV Conversion	$ 49,500	$ 6,159	8.04
Fargo Medical Education Research Center Controls	$ 45,655	$ 4,917	9.28
Hyslop Sports Center Control Retrofit & CO2 Conversion & Pool Recovery	$ 174,264	$ 24,765	7.04
Lab and Research Energy Conservation Projects	$ 341,045	$ 61,826	5.52
Merrifield Hall VAV Conversion & CO2 Control	$ 116,070	$ 13,372	8.68
Ryan/RTC Controls & Windows	$ 364,550	$ 50,991	7.15
West, McVey, Brannon Halls; Heat Recovery	$ 317,926	$ 37,852	8.40
Witmer Hall VAV Conversion & CO2 Control	$ 116,095	$ 16,148	7.19
Total	**$ 2,331,554**	**$ 332,858**	**7.00**

O'KELLY - IRELAND HALL FACT SHEET

Background

- One of the largest buildings at UND
- Constructed in phases between 1940 and 1965
- Served as the School of Medicine from 1941 - 1991
- Located at the center of the campus in a prime location
- Excellent structural integrity, built to last over a hundred years
- Mechanical systems, windows, are obsolete
- Does not have a fire suppression (sprinkler) system

Legislative History

- First introduced in 1995 for a complete renovation ($8,750,000)
- 1997: Forwarded by NDUS as ranked project ($8,750,000)
- 1999: Not forwarded by NDUS as a ranked project.
- 2001: Forwarded by NDUS as a ranked project at $8,750,000
- 2002: Applied for and received $15,000 in pre-planning funding from OMB to develop schematic designs and cost estimates. Request reduced to $3.5 million for infrastructure only.
- 2003: Forwarded by NDUS as a ranked project at $3,500,000
- 2003: UND invests $600,000 in renovation (Geography, Integrated Studies). Cannot complete any further work without infrastructure improvements.
- 2005: Not included in Governor's Budget.

Current Use: Facility has a mixed use, including classroom, office, and support space that is very inefficient. Opportunities to improve the utilization are extremely limited due to code restrictions involving fire suppression and mechanical systems.

Planned Use: Emphasis on College of Arts & Science departments and functions. Renovation plans would include additional classroom space, learning labs, and department offices once mechanical systems are upgraded.

Scope of work: Replace existing mechanical systems with modern, code compliant units. Install a building wide fire suppression system. Replace and/or restore exterior windows.

<u>Summary:</u> UND has submitted O'Kelly – Ireland Hall as a priority capital project request each biennium since 1995. Justification for the work has been demonstrated and re-demonstrated. OMB pre-planning funds provided a detailed cost estimate. Without a substantial investment in infrastructure, UND will be unable to complete any additional small scale renovations due to code limitations.

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- 2005: Authority included in Engrossed SB2003 (no funding provided).
- Request $3,500,000 general fund or state bonding consistent with NDUS ranked priorities.

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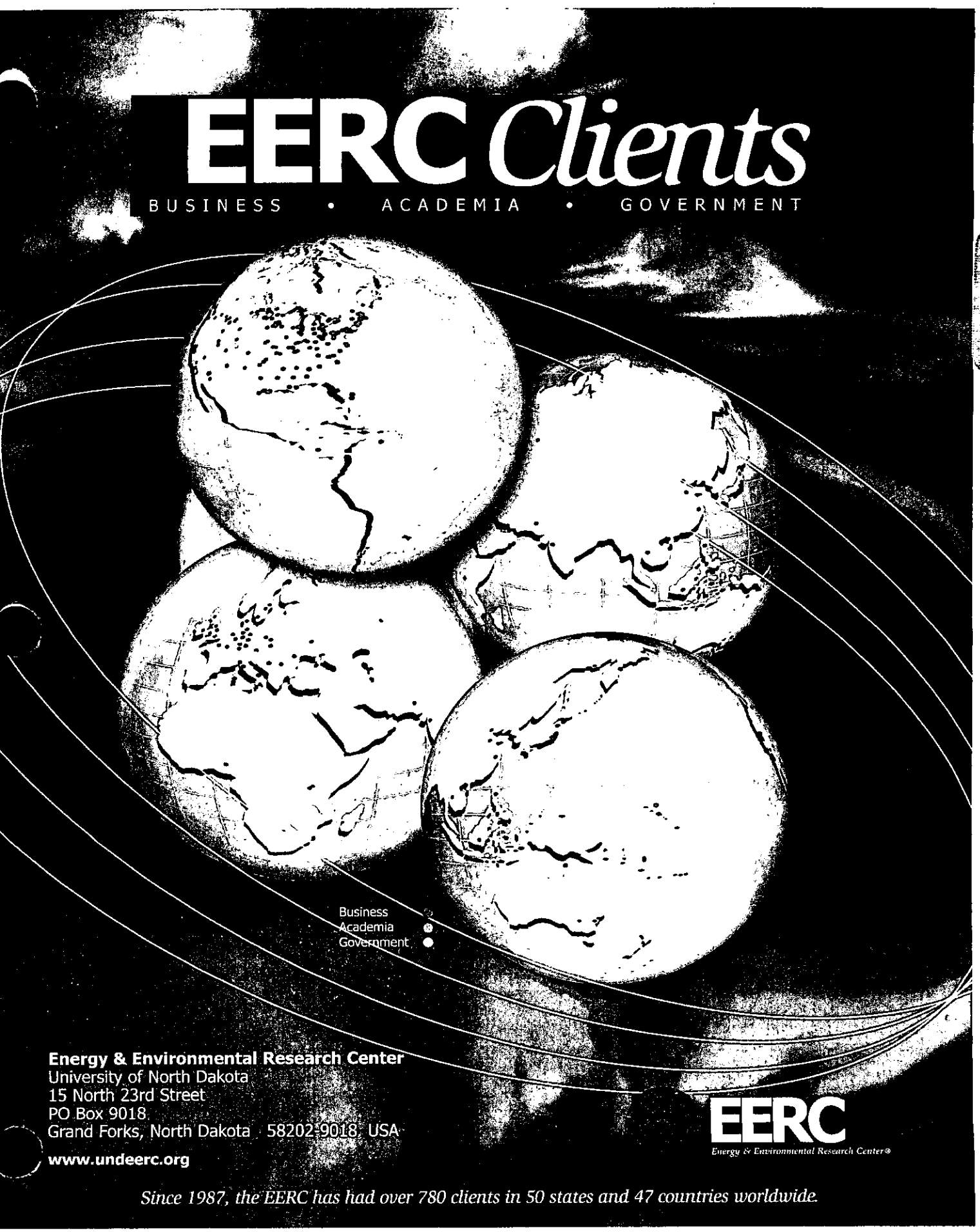
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March 1, 2005

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Babcock Power Environmental Inc.
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Baker Botts, LLP
Baker/TSA, Inc.
Basin Electric Power Cooperative
Battelle
Battelle Columbus Division
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B.C. Technologies, Ltd.
Bechtel Corporation
Behm's Truck Stop
Bemis Company, Inc.
Benet Laboratories
Bethlehem Mines Corporation
Betz Laboratories, Inc.
Beyers Cement, Inc.
BHP Minerals
BioNebraska, Inc.
BIO-Sunn Corporation
Bioxy, Inc.
Bismarck-Mandan Development Association*
Black & Veatch
Blasch Precision Ceramics
BNI Coal Ltd.
Boral Material Technologies, Inc.
Bosmas, Mark J.
BP America, Inc.
Braun Intertec
Brett Admixtures, Inc.
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Browning-Ferris Industries
Burns and Roe, Inc.
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Clipper Energy
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Coal Services Corporation
Cognis, Inc.
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Combustion Systems, Inc.
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Consolidated Edison Company of New York, Inc.
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Consumers Power Company
Contech, Inc.
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Corning, Inc.
Coteau Properties
CQ, Inc.
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Crown Iron Works Company
C.T. Donovan Associates, Inc.
Cyclone Combustion Enhancement Group, LLC
Cyprus Coal Company
Dairyland Power Cooperative
Dakota Ethanol Steering Committee
Dakota Gasification Company
Dakota Machine, Inc.
Dakota Technologies, Inc.
Dakota Westmoreland Corporation
Dale's Cash Supply
Dawn Enterprises
DB Riley, Inc.
Dee Rees & Associates
Delta-Energy, LLC
Demeter Systems, LLC
Detroit Edison Company
D.H. Blattner & Sons, Inc.
Diamond Power Specialty Company
Dilip Patek & Associates
Dow Chemical Company
Dow Corning Corporation
Doyon Ltd.
DTE Energy
Duke Power Company
DuraTherm, Inc.
Dynegy Midwest Generation, Inc.
EAPC Architects Engineers
Eastern Kentucky Power Cooperative
Eco-Systems, Inc.
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Environmental Source Samplers Inc.
EnviroScrub Technologies Corporation
EPRI
Exxon Production Research Company
Exxon Research and Engineering Company
F2 Associates
Falkirk Mining Company
Farm Credit Services of Grand Forks
Farmers Union of North Dakota
First National Bank
Flavor Materials International
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Florida Power & Light
Foothill Engineering Consultants, Inc.
Foras Services, Inc.
Fossil Energy Research Corporation
Foster Wheeler Energy Corporation
Foster Wheeler Energy International
Foster Wheeler Environmental Corporation
Fuel Dynamics, Inc.
Gas Technology Institute
GE Betz
GE-EER
GE Wind Energy, LLC
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GeoSyntec Consultants
Gilbert/Commonwealth, Inc.
Global Electric Motorcars, LLC
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Grand Forks Activation Technologies, Inc.
Grand Forks (North Dakota) Chamber of Commerce*
Grand Forks Development Foundation
Graymont Western U.S. Inc.
Great Plains Gasification Plant
Great Plains Institute for Sustainable Development
Great River Energy
Groenewold, Gerald
Guardian Utilities Services, Inc.
H&A of New York
Haley & Aldrich
Harnessing Dakota Wind*
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Hassett, David and Debra
Hawaiian Electric Company, Inc.
Headwaters, Inc.
Heartland Fuels Corporation
Heatmor, Inc.
Hibbing Taconite Company
Hobbs Inc.
Hogan & Hartson, LLP
Holme, Roberts, & Owen, LLP
Horsehead Resource Development Company
Houston Lighting and Power Company
HTI Labs and Industrial Consultants
Hughes Aircraft Company
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Husky Industries
Illinois Power Company
Indian Head Mine
Indiana Coal Council, Inc.*
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Innes Construction
Institute for Environmental Assessment
Integrated Environmental Technologies
Intera Information Technologies, Ltd.
Interez, Inc.
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International Silica Technologies, LLC
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Ish Inc.
Izaak Walton League of America*
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JLG Architects
J.R. Simplot Company
JVJ Enterprises, Inc.
Kennecott Energy Company
Kennedy Van Saun Corporation
Kerr-McGee Corporation
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KFx Technology, Inc.
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M.A. Mortenson Company
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Martin Marietta Energy Systems, Inc.
Marvin Windows
Mason & Hanger Corporation
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McBurney Corporation
McCampbell Analytical, Inc.
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Micon Wind Turbines
Microbeam Technologies Inc.
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Mineral Resource Technologies, LLC
Mineral Solutions, Inc.
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Minnesota Corn Growers Association*
Minnesota Corn Research & Promotion Council*
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Minnesota Power, Inc.
Minnesota Technology, Inc.*
Minnesota Valley Testing Labs
Minnkota Power Cooperative, Inc.
Missouri Basin Power Project*
Missouri Public Service
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Mobil Mining and Minerals Company
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Montana-Dakota Utilities Co.
Montana Power Company
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MSP Corporation
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National Sun Industries
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NEG Micon USA
NERCO Mining Company
Nevada Power Company
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Peterka
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Swanston Equipment
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Tuttle Farmers Elevator
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Utility Solid Waste Activities Group
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Walco International, Inc.
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Weiss Associates
Wells Fargo Bank Montana N.A.
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Western Energy Company
Western Environmental Services & Technology Inc.
Western Region Ash Group*
Western Regional Biomass Program*
Western Research Institute*
Western Syncoal Company
Western Syncoal LLC
Westinghouse Electric Corporation
Westinghouse STC
Westlands Water District
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Weyerhaeuser Company
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Wind Energy Council*
W.L. Gore & Associates, Inc.
Woodland Biomass Power, Ltd.
Xcel Energy
Xenergy, Inc.
Zeigler Coal Company
Zero Emissions Technology, Inc.
Zinc Corporation of America

Academia

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Bemidji State University
Brigham Young University
Carnegie Mellon University
Embry-Riddle Aeronautical University
Iowa State University/Ames Laboratory
Lehigh University Energy Research Center
Mankato State University
Massachusetts Institute of Technology
Minot State University - Bottineau Campus
Montana State University
North Dakota EPSCoR
North Dakota State University
Northwest Technical College
Pennsylvania State University
Prairie View A&M University
Purdue University
South Dakota State University
Southern Illinois University-Carbondale
Stanford University
State University of New York-Stony Brook
Thayer School of Engineering
Tufts University
Turtle Mountain Community College
University of Alaska
University of Alaska-Fairbanks
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University of Wisconsin-Milwaukee
Valley City State University
West Virginia University

As of September 30, 2004

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U.S. MARKET

Government*

Alaska Division of Energy
Alaska Energy Authority
Alaska Industrial Development & Export Authority
Alaska Science & Technology Foundation
Big Sky EDA (Economic Development Authority)
Bowman County Historical Society, ND
Cass County, ND
County Sanitation District of Los Angeles County
Devils Lake, ND, City of
Devils Lake Sioux Tribe
East Grand Forks, MN, City of
East Grand Forks, MN, City of – Public Works Department
Ellsworth Air Force Base
Fargo, ND, City of
Grafton, ND, City of (Wastewater Dept.)
Grand Forks, ND, City of
Grand Forks Air Force Base
Grand Forks County, ND
Grand Forks County Commission, Grand Forks, ND
Grand Forks County Water Board, Grand Forks, ND
Grand Forks Public Schools, ND
Griggs–Cooperstown Economic Development Corporation
Huntsville Township, (East Grand Forks), MN
Illinois State Geological Survey
Institute of International Education
Iowa Energy Policy Council
Metropolitan Council Environmental Services
Minnesota Department of Agriculture
Minnesota Department of Natural Resources
Minnesota Pollution Control Agency
Missouri Basin Municipal Power Agency
Montana Department of Environmental Quality
Montana Department of Public Health and Human Services
Moorhead, MN, City of
NASA
National Science Foundation
New Jersey EPA
North Dakota Agricultural Products Utilization Commission
North Dakota Corn Utilization Council
North Dakota Department of Agriculture
North Dakota Department of Commerce
North Dakota Department of Corrections and Rehabilitation
North Dakota Department of Economic Development and Finance
North Dakota Department of Transportation
North Dakota Division of Community Services
North Dakota Geological Survey
North Dakota Industrial Commission
North Dakota Job Service
North Dakota Lignite Research Council
North Dakota Public Service Commission
North Dakota Soybean Council
North Dakota State Board of Agricultural Research & Education
North Dakota State Health Department
North Dakota State Water Commission
Partners for International Education and Training
Plumas Corporation
Polk County, MN
Renville, ND, County Job Development Authority
San Luis Obispo, CA, City of
Three Affiliated Tribes
Turtle Mountain Band of Chippewa Indians
U.S. Agency for International Development
U.S. Bureau of Mines
U.S. Bureau of Reclamation
U.S. Department of Agriculture
U.S. Department of Energy
U.S. Department of Health and Human Services
U.S. Environmental Protection Agency
U.S. Fish & Wildlife Service
U.S. Geological Survey
West Fargo, City of

INTERNATIONAL MARKET

ATCO Power Canada, Ltd. (Canada)
BB/Carbon AB (Sweden)
Agra Earth & Environmental (Canada)
Ash Resources (Pty) Ltd. (South Africa)
Babcock Energy Ltd. (England)
Babcock–Hitachi K.K. (Japan)
Bariven, S.A. (Venezuela)
British Coal Corporation (England)
Building Products & Concrete Supply Ltd. (Canada)
Canadian Association of Petroleum Producers (Canada)
Canadian Electricity Association* (Canada)
Canadian Occidental Petroleum, Ltd. (Canada)
Canadian Pacific Consulting Services, Ltd. (Canada)
Carbogel (Canada and Sweden)
Centra Energy Services (Canada)
China Huaneng Group (China)
Coal Corporation of Victoria (Australia)
Comisión Federal de Electricidad (Mexico)*
Cooperative Research Centre (Australia)*
CRA Limited (Australia)
CSIRO (Australia)
Dames and Moore (Germany)
Dhrangadhra Chemical Works Ltd. (India)
DKK Corporation (Japan)
EAWAG (Switzerland)
ELCOGAS (Spain)
Electric Power Development Company Ltd. (Japan)
Electricité de France/DER (France)
Electricity Generating Authority of Thailand (Thailand)
Electricity Trust of South Australia (Australia)
ENEL (Italy)
Energieonderzoek Centrum Nederland (ECN) Netherlands Energy Research Foundation
Enviricerche (Italy)
Environment Canada *
EPCOR Power Development Corp. (Canada)
EPCOR Utilities, Inc. (Canada)
Eskom (South Africa)
Exo New Energy BV (Netherlands)
Generation Technology Research Pty. Ltd. (Australia)
GMT Corporation Ltd. (Thailand)
Haldor Topsoe, Inc. (Denmark)
Holgenburd (Germany)
Idemitsu Coal Research Laboratory (Japan)
Institute of International Education (Botswana, Bulgaria, Costa Rica, Czech Republic, Hungary, Indonesia, Nigeria, Pakistan, Philippines, Poland, and Slovakia)*
International Coal Prep Consultants, Ltd. (Canada)
International Flame Research Foundation NET (Netherlands)
I/S Fynsvaerket (Denmark)
ISOBORD Enterprises, Inc. (Canada)
JGC Corporation (Japan)
Kanazawa University (Japan)
KEMA Nederlands B.V. (Netherlands)
Korea Advanced Institute of Science and Technology*
Korea Institute for Energy Research*
Kraus Group, Inc. (Canada)
Krupp Koppers GmbH (Germany)
Laboratories Sumber daya dan Energi (Indonesia)
LaFarge Canada Inc.
Lurgi Lentjes Babcock (Germany)
Luscar, Ltd. (Canada)
Magadan Alaska Trading Company (Russia)
Manalta Coal, Ltd. (Canada)
Marsulex, Inc. (Canada)
Methanex Corporation (Canada)
Ministry of Mines (Haiti)*
Mitsubishi Heavy Industries, Ltd. (Japan)
National Hydrology Research Institute (Canada)*
National Power (England)
National Science Foundation (Madagascar)
NEI International Combustion Ltd. (Netherlands)
Nippon Brown Coal Liquefaction Company (Japan)
NOVA Corporation (Canada)
Novem (Netherlands)
Ontario Power Generation, Inc. (Canada)
Partners for International Training (Macedonia)*
Power Research Institute of Prague (Australia, Austria, Belgium, Bulgaria, Canada, China, Costa Rica, Czech Republic, England, France, Germany, Greece, Hungary, Ireland, Italy, Mexico, Netherlands, Poland, Romania, Russia, Scotland, Slovakia, Spain, Sweden, Switzerland, Ukraine, Wales, and Yugoslavia)*
PowerGen (England)
R.E. Reichert (Germany)
Rio Tinto Technical Services (Australia)
Rudarski Institute -- Energetika Skopje (Macedonia)
Saskatchewan Energy & Mines (Canada)*
Saskatchewan Power (Canada)
Saskatchewan Research Council (Canada)*
Schumacher Umwelt und Trennetechnik GmbH (Germany)
Shandong Company (China)
Shanghai Association for Science and Technology (China)
Shell International Oil Products B.V. (Netherlands)
Sociedad Garcia y Garcia Limitada (Chile)
Stadtwerke (Germany)
State Electricity Commission of Victoria (Australia)*
Suncor, Inc. (Canada)
Supercrete (Canada)
Syncrude Canada, Ltd. (Canada)
THR/Parkner (Germany)
TransAlta Utilities Corporation (Canada)
Ube Industries, Ltd. (Japan)
U.S. Department of Energy (Australia, Austria, Belgium, Bulgaria, Czech Republic, England, Finland, Germany, Hungary, Italy, Korea, Poland, Russia, Switzerland, Spain, and Yugoslavia)*
Union Fenosa Generación, S.A. (Spain)
Union Gas, Ltd. (Canada)
United Kingdom Department of Trade and Industry*
University of Cagliari (Italy)*
University of Newcastle (Australia)*
University of Novi Sad (Yugoslavia)*
VTT Technical Research Centre (Finland)
Winnipeg, City of (Canada)*

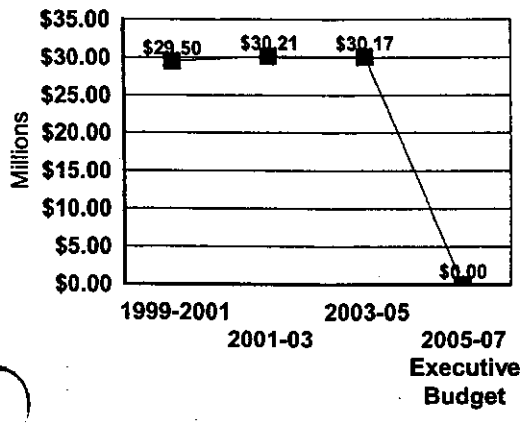
*Nonprofit/Not-for-Profit Organization

Prepared by the North Dakota Legislative Council
staff for House Appropriations
February 25, 2005

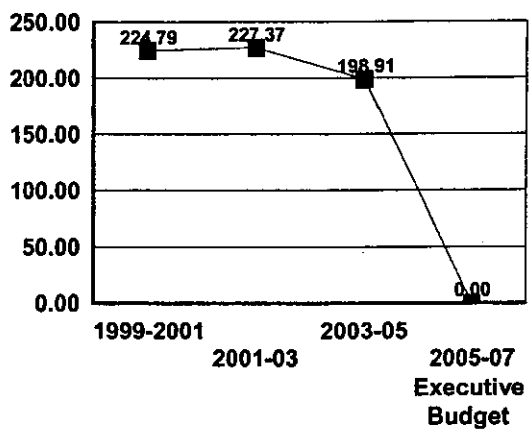
Department 232 - University of North Dakota School of Medicine and Health Sciences
Senate Bill No. 2003

	FTE Positions	General Fund	Other Funds	Total
2005-07 Executive Budget	0.00	$0	$0	$0
2003-05 Legislative Appropriations	198.91	30,165,865	0	30,165,865
Increase (Decrease)	(198.91)	($30,165,865)	$0	($30,165,865)

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)

	General Fund	Other Funds	Total
1. Consolidates operations and extraordinary repair funding for all higher education institutions into the University System budget. The Senate appropriated operations and extraordinary repair funding for each of the higher education institutions.	($30,165,865)		($30,165,865)

Major Related Legislation

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. 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 requirement 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 the 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 responsible for managing and regulating information technology planning and services for institutions under its control.

[redacted]ate Bill No. 2076 - Resident student - This bill redefines resident student for tuition purposes to add all members of the Natio[redacted]ard, spouses and children of active duty military personnel, and spouses and children of disabled veterans or veterans killed in action.

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.

University of North Dakota School of Medicine and Health Sciences
General Fund Carryover (2001-03 to 2003-05)
18-Jan-05

Operations	$	677
Capital Assets	$	-

University of North Dakota School of Medicine and Health Sciences
Report of Continuing Appropriations

Included within the numbers reported for the University of North Dakota.

2005 Senate Appropriations Committee

January 18, 2005

With the exception of the following pages identical testimony given to the House

University of North Dakota

School of Medicine & Health Sciences

http://www.med.und.nodak.edu

1905 2005

UND

Concerns, Challenges and Priorities

University of North Dakota School of Medicine & Health Sciences

Concerns and Challenges

- Challenges recruiting faculty and senior administrators because of geography and climate
- Decreasing and aging population of North Dakota
- Faculty-intensive teaching responsibilities
- Heavy dependence on volunteer clinical faculty
- Decreased interest by medical students in primary care, especially family medicine

Major Priorities

- Increase emphasis on preventive medicine (smoking, obesity, drugs, alcohol)
- Improving faculty salaries
- State supported faculty positions in:
  - Microbiology – Immunology
  - Behavioral & Preventive Medicine
  - Center for Rural Health
- Biocontainment (Biodefense) Lab
- Increasing endowment funds for faculty support and student scholarships
- Continue to strengthen partnerships to support school
- Fostering clinical research
- Continue to demonstrate the value of the school to the state and its citizens
- Faculty development for new curriculum

2005 House Appropriations Subcommittee
March 1, 2005



8-SB2003

100 Years of Commitment

University of North Dakota School of Medicine & Health Sciences

Offers fully-accredited academic programs in:

- Doctor of Medicine
- Residency programs in
  - Family Medicine
  - Internal Medicine
  - Surgery
  - Psychiatry
- Physical Therapy
- Occupational Therapy
- Clinical Laboratory Science
- Cytotechnology
- Physician Assistant
- Athletic Training
- Graduate programs in
  - Biochemistry & Molecular Biology
  - Microbiology & Immunology
  - Pharmacology, Physiology and Therapeutics
- Undergraduate preparation in
  - Nursing
  - Biology
  - Nutrition

100 years of support and commitment from North Dakota's leaders!

The positive impact of the UND School of Medicine & Health Sciences on the state has been made possible only through the leadership, commitment, wisdom and forward thinking from the state's legislative body. Thank you!

UND School of Medicine is a resource to the State of North Dakota:

- Nearly 50% of physicians in North Dakota are graduates of the University of North Dakota School of Medicine and Health Sciences.
  - Economic impact of quality health care is immense!
- Positive impact of INMED Program on care for the state's Native American residents.
- Assures improvements in rural health care.
- Center for Rural Health rated top five in the nation .
- Home of the only Rural Assistance Center in the nation.
- Premier center of study for varied diseases that affect our residents, including
  - Parkinson's disease, Alzheimer's disease, cancer and others.

UND School of Medicine and Health Sciences is an excellent place to receive a medical education:

- Funded by North Dakota for the benefit of North Dakotans.
- Provides an opportunity for the state's brightest and best to receive a medical degree.
- Partners with hospitals across the state to train medical students.

UND School of Medicine and Health Sciences complements its strong medical education program through quality research:

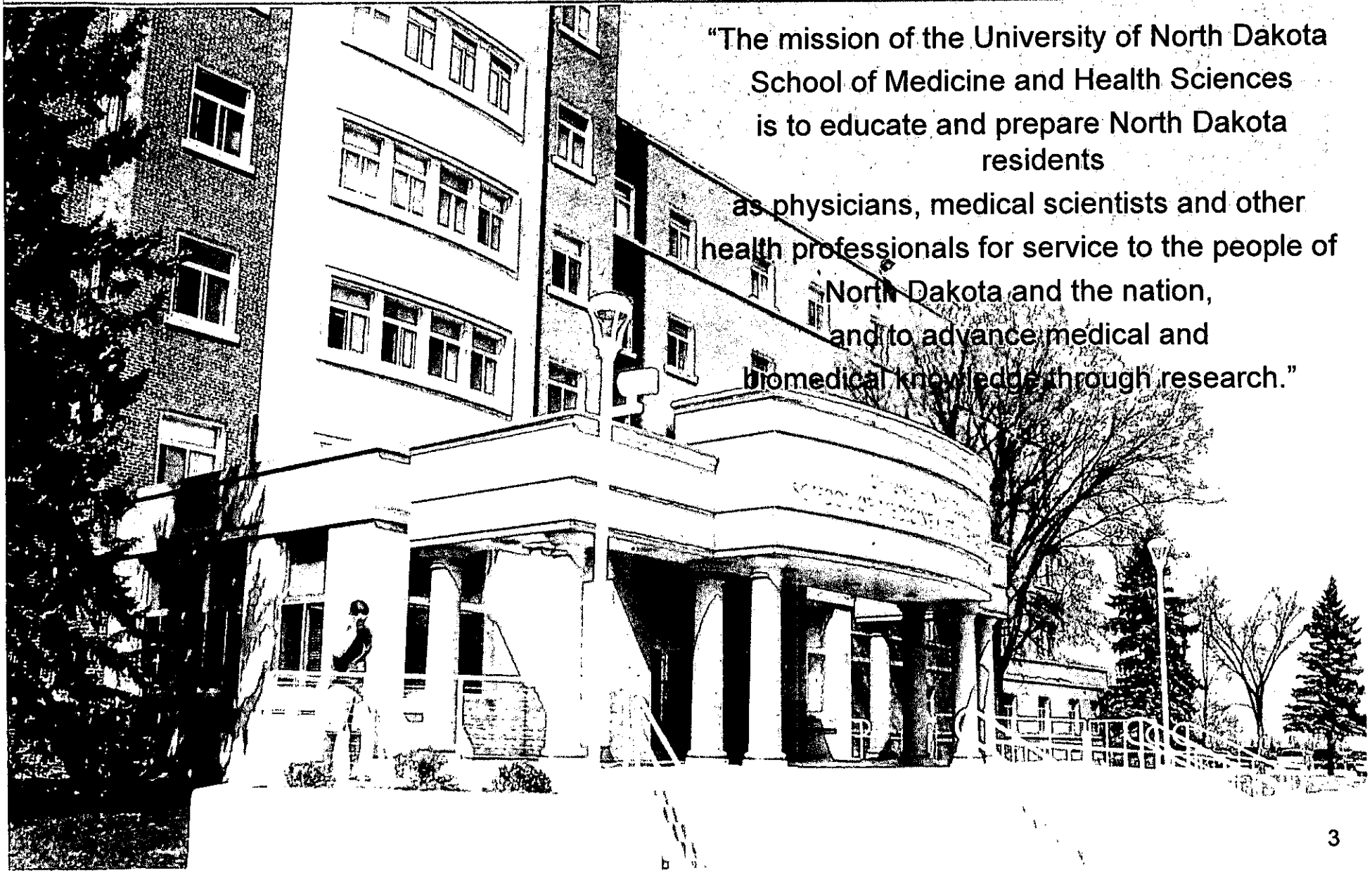
- Over $25 million in federal research funds have been entrusted to the School.
  - 75% of these grants fund professional positions.

UND School of Medicine and Health Sciences is a cutting-edge educational institution:

- "Patient Centered Learning" is a model educational program. An outstanding model!
- Selected by the AMA as one of only ten schools to develop curriculum to promote professionalism in medicine.
- Selected by Carnegie Foundation as one of only eight schools for study of medical education for 21st century – considered the second Flexner report.
- Unique - one of only 25 community-based medical schools of the 125 medical schools in the United States.
  - Highly respected nationally.
- One of the nation's outstanding small community-based medical schools!

Mission Statement

University of North Dakota School of Medicine & Health Sciences



"The mission of the University of North Dakota School of Medicine and Health Sciences is to educate and prepare North Dakota residents as physicians, medical scientists and other health professionals for service to the people of North Dakota and the nation, and to advance medical and biomedical knowledge through research."

Academic Programs

University of North Dakota School of Medicine & Health Sciences

	Enrollments
• M.D./(M.D./Ph.D.*)	231/1
• M.S. -12, Ph.D. -35 - Basic Sciences	47
• D.P.T. Physical Therapy	141
• B.S. -197, M.S.-39 - Clinical Lab Science / Cytotechnology	236
• B.S. Athletic Training	31
• M.S. Occupational Therapy (Grand Forks)	77
(Branch program: Casper, WY)	20
• M.P.A.S. Physician Assistant	32
• Physician-in-Training (Graduate Medical Education/Residency Programs)	105
• (Family Medicine-48, Internal Medicine-22, Surgery-12, Psychiatry-15, Transitional-8)	
Total	921
• Other Programs	
• Continuing Medical Education	9,761
• Laboratory Education for North Dakota (LEND)	1,296
Total	11,977/1

- Plus 1662 undergraduates (3900 credit hours): nurses, school teachers, dieticians, and others taking physiology, microbiology, anatomy, biochemistry, pharmacology courses
- *M.D./Ph.D. program to produce physician-scientists

Academic Programs - Accreditation

University of North Dakota School of Medicine & Health Sciences

- Fully accredited by Liaison Committee on Medical Education (LCME*) through May 2006
- All components fully accredited
  - Allied Health Programs
    - Athletic Training
    - Clinical Laboratory Science
    - Cytotechnology
    - Occupational Therapy
    - Physical Therapy
    - Physician Assistant
  - Graduate Medical Education Program (post-medical school specialty training, i.e. family medicine, internal medicine, general surgery and psychiatry)
  - Continuing Medical Education
  - Graduate Programs in Biomedical Sciences

* The LCME accredits all medical schools in the United States and Canada

Report of Accountability Measures in 2004

University of North Dakota School of Medicine & Health Sciences

Student Performance on Nationally Recognized Exams

	UND Pass Rate	*National Pass Rate*
Physical Therapy	76%	72%
Cytotechnology	100%	90%
Athletic Training	33%	35%
Clinical Laboratory Science	95%	81%
Physician Assistant	94%	87%
Occupational Therapy	88%	80%
Medical Students		
Step 1	91%	92%
Step 2	93%	94%

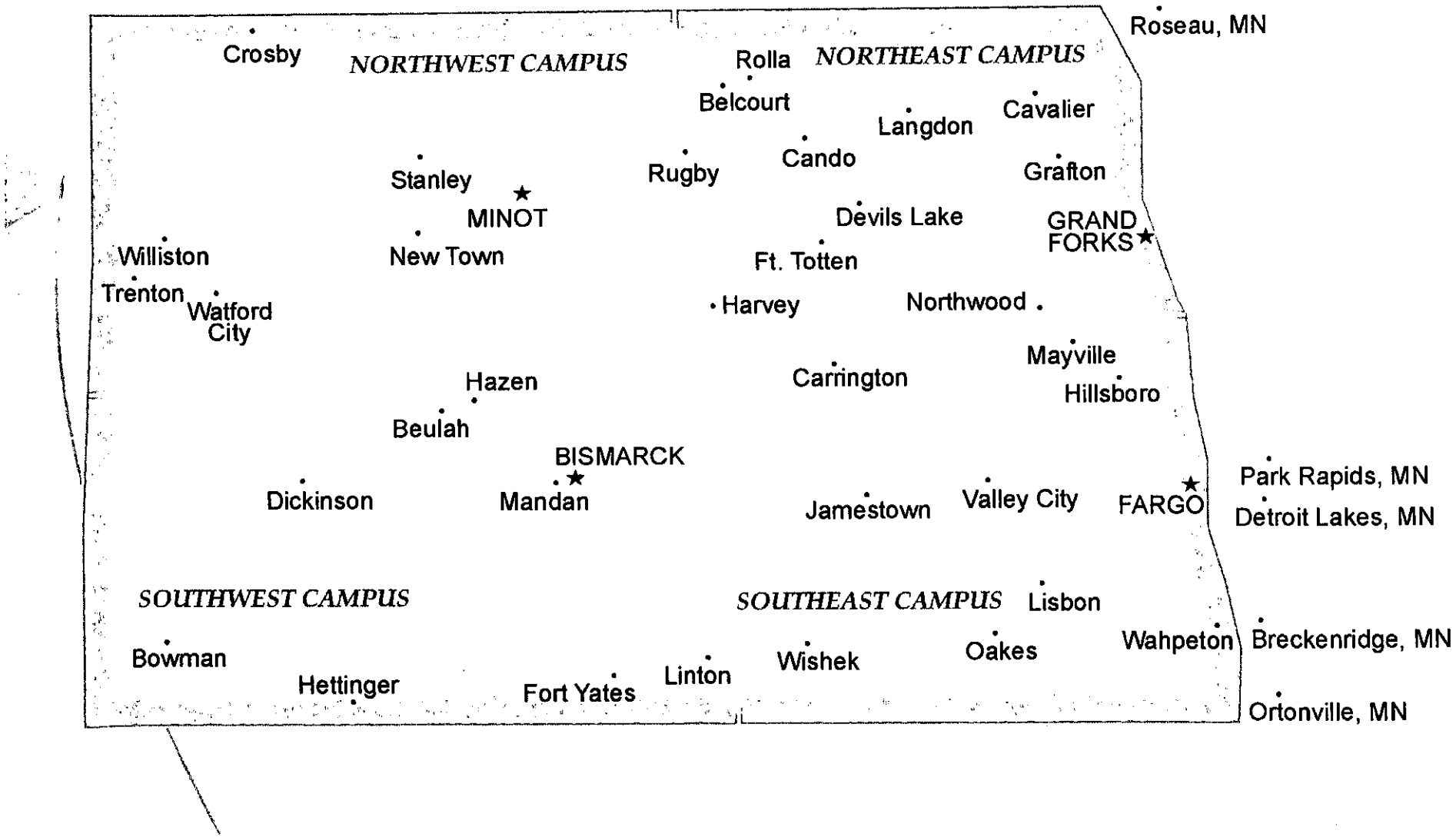
Medical Student Successes

University of North Dakota School of Medicine & Health Sciences

- Most all UND medical students receive one of their top three choices in residency training programs
- 20.8 percent of UND medical students matched to residencies in North Dakota
  - Other residency match sites include the universities of: Arizona, California-Davis, Loyola, Indiana, Iowa, Maryland, Michigan State, Minnesota, St. Louis, Wake Forest, Northeast Ohio, South Dakota, Wisconsin and Wyoming, and other programs including: Hennepin County, Mayo, Penrose Hospital in Colorado, Oakwood Hospital in Michigan, Regions Hospital/Health Partners in St. Paul, The Sacred Heart Medical Center in Washington, Marshfield/St. Joseph's Clinic, and The Gundersen Foundation, both in Wisconsin

Clinical Teaching Sites

University of North Dakota School of Medicine & Health Sciences



Physicians-in-Training (Residency) Programs

University of North Dakota School of Medicine & Health Sciences

- **Family Medicine (Bismarck, Minot, Grand Forks)** - three years
- **Internal Medicine (Fargo)** - three years
- **Psychiatry (Fargo)** - four years
- **General Surgery (Grand Forks/Fargo)** - five years
- **Transitional (Fargo)** - one year

UND-Trained Physicians Establishing Rural Practices In Recent Years

University of North Dakota School of Medicine & Health Sciences

BELCOURT	Penny Wilkie, MD '94 – FM Minot '98
BEULAH	Aaron Garman, MD '97 – FM Grand Forks '00
	Scott Goecke, MD '97 – FM Bismarck '00
	Tom Kaspari, MD – FM Minot '99
	Jacinta Klindworth, MD – FM Bismarck '03
CANDO	Russell Petty, MD (B.S.Med.'72)
CARRINGTON	Debra Geier, MD '01 – IM Fargo '04
	Michael Page, MD '97 – FM Minot '00
	Todd Schafer, MD '02 – FM Grand Forks '05
CAVALIER	Lynn Kratcha, MD '94 – FM Minot '97
	Susan Thompson, MD '96 – IM '00
ELGIN	Kristine Wren-Morrison, MD – FM Minot '99
FORT YATES	Jacqueline Quisno, MD – FM Bismarck '02
	Zane Rising Sun, MD '97 – FM Bismarck '01
	Jeff Hostetter, MD – FM Bismarck '03
	Brian Riddle, MD '00 – FM Bismarck '03
JAMESTOWN	Tonia Hoggarth, MD '97 – FM Bismarck '00
	Dave Mathison, MD '97 – FM Bismarck '00
	Jason Moe, MD '01 – FM Bismarck '01
	Robert Wells, MD – FM Bismarck '01
LINTON	Don Grenz, MD '97 – IM '00
	Kamille Sherman, MD '99 – FM Grand Forks '02
MAYVILLE	James Mehus, MD/Ph.D. '00
	Jeremiah Penn, MD – FM Bismarck '05
NEW TOWN	Monica Mayer, MD '95 – FM Minot '99
PARK RIVER	Kristi Midgarden, MD '97 – FM Grand Forks '00
RUGBY	Christa Andrews-Fike, MD '96
	Ashish Chowfin, MD – IM '00
STANLEY	Mark Andrews, MD – FM Minot '04
	Robert Heninger, MD '02 – FM Minot '05
VALLEY CITY	Paul Diegel, DO – FM Minot '00
	Tanya Diegel, DO – FM Minot '00
	Luis Garcia, MD – SR '02
	Sandeep Laroia, MD – IM '02
WAHPETON	Patrick Emery, MD '95 – FM Grand Forks '98
WATFORD CITY	R.J. Moen, MD '00 – FM Bismarck '03
WILLISTON	Andrew Wilder, MD '97 – FM Grand Forks '00
	David Skurdal, MD (B.S. Med. '76)
	Sara Solberg, MD '00

*Rural areas are defined as communities outside the major four: Bismarck –Mandan, Minot, Grand Forks, Fargo-West Fargo

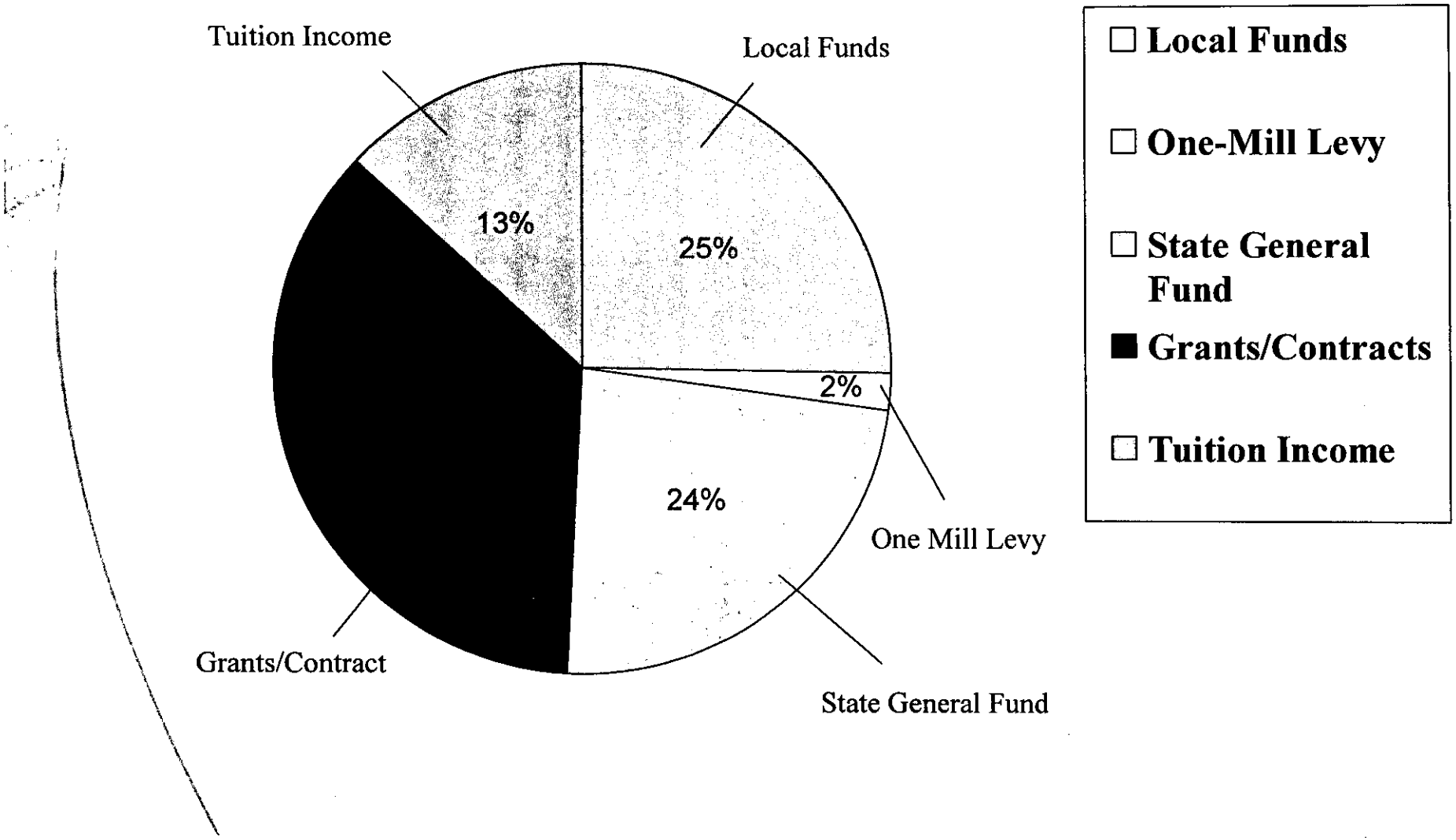
•M.D. with a year following (i.e.'97) indicates year the M.D. degree was earned at UNDSMHS

•KEY: FM= Family Medicine Residency Program, IM= Internal Medicine Residency Program, SR= Surgery Residency Program

Sources of Revenue

University of North Dakota School of Medicine & Health Sciences

Projected 2003-05 Budget



Sources of Revenue

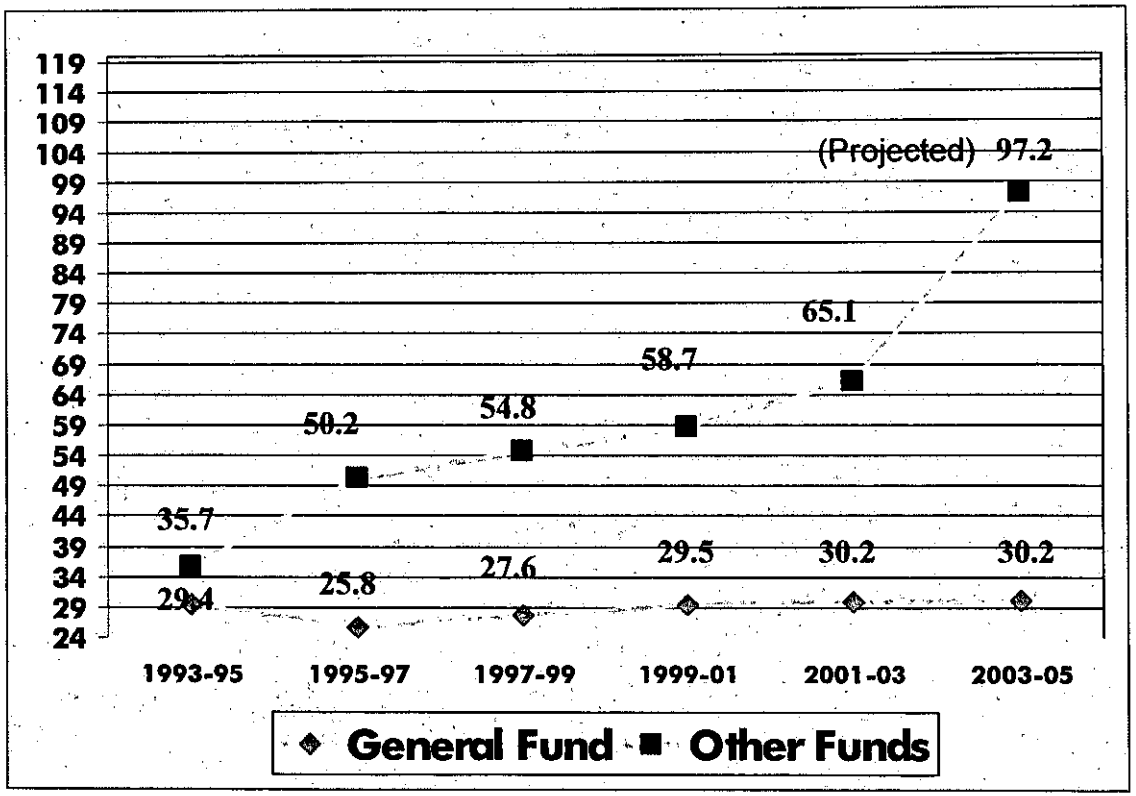
University of North Dakota School of Medicine & Health Sciences

(2003-05 Appropriation & other Funds Status)

	Original 03-05	Revised 03-05	Increase
State General Fund	**$30.2**	**$30.2**	**$0.0**
Tuition/Mill Levy	**$19.0**	**$19.0**	**$0.0**
Local/Grant Funds	**$70.6**	**$78.8**	**$8.2**
Total	**$119.8**	**$128.0**	**$8.2**

Source of Funding History

University of North Dakota School of Medicine & Health Sciences



Other revenue includes tuition, one-mill levy, grants and contracts, and patient services. These revenues are restricted for use by specific academic and research programs.

Flexibility/Salary Improvements

University of North Dakota School of Medicine & Health Sciences

Since 1995 – Salary Improvements – Basic Sciences

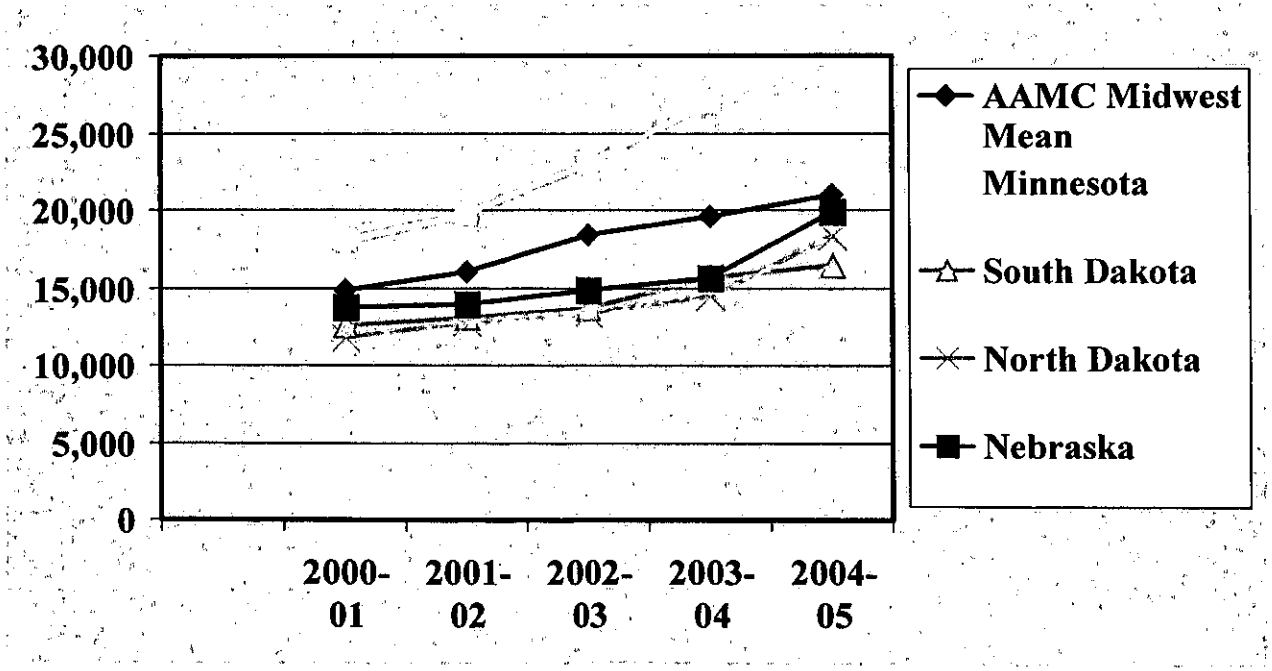
	1995-96*	2001-02*	2002-03*	2004-05*
Assistant Professor	- 7.2%	- 3.0%	- 1.9%	- 4.1%
Associate Professor	- 19.3%	- 14.5%	-14.5%	-12.0%
Professor	- 37.7%	- 16.4%	-12.4%	- 9.1%
Chair	- 38.5%	- 14.3%	- 9.8%	- 10.8%

*Variance AAMC (Association of American Medical Colleges) Midwest MEAN Salary

Tuition & Fees for Regional Schools

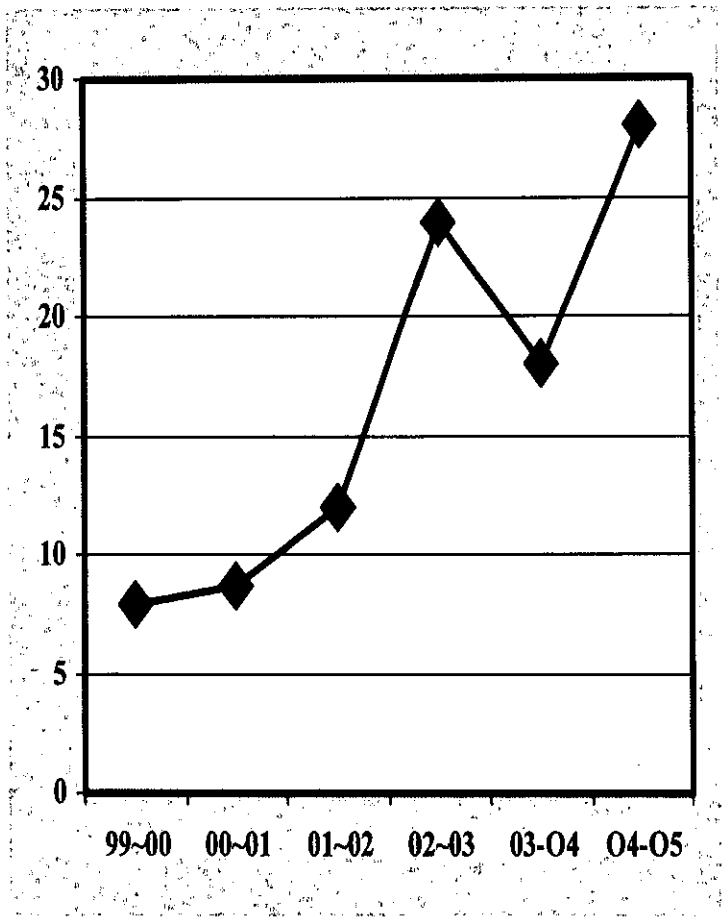
University of North Dakota School of Medicine & Health Sciences

	2000-01	2001-02	2002-03	2003-04	2004-05	Increase from 00-01 to 04-05
Minnesota	$19,706	$22,966	$26,889	$27,305	$28,400	44.1%
AAMC Midwest Mean	$14,813	$16,086	$18,412	$19,597	$20,974	40.2%
Nebraska	$13,960	$14,871	$15,647	$17,862	$19,903	42.6%
South Dakota	$13,037	$13,702	$15,650	$17,617	$16,450	26.2%
North Dakota	$12,749	$13,346	$14,479	$16,383	$18,326	43.7%



Grants & Contracts Awards History

University of North Dakota School of Medicine & Health Sciences



Annual Grants & Contracts Awards

2004-05	(Projected)	$28,000,000
2003-04		$18,526,147
2002-03		$23,995,582
2001-02		$12,079,038
2000-01		$ 8,730,593
1999-00		$ 7,968,111
Total for 1999-2004		$71,299,471

2005 - 07 Prioritized Budget Request

University of North Dakota School of Medicine & Health Sciences

Original General Fund Appropriation	$ 30,165,865
Base Adjustments	($ 395,000)
Adjusted General Fund Appropriation	$ 29,770,865
Priority One Increase Total	$ 1,773,207
Priority Two Increase Total	$ 252,199
Priority Three Increase Total	$ 1,380,525
Priority Four Increase Total	$ 5,153,036

Economic Development

University of North Dakota School of Medicine & Health Sciences

- **Supply of physicians and health professionals for North Dakota**
  - One doctor equals 19 jobs
  - Figures from the University of Minnesota note a rural physician is worth $1M/year in economic impact
- **Research and federal grants**
- **Construction:** Completed

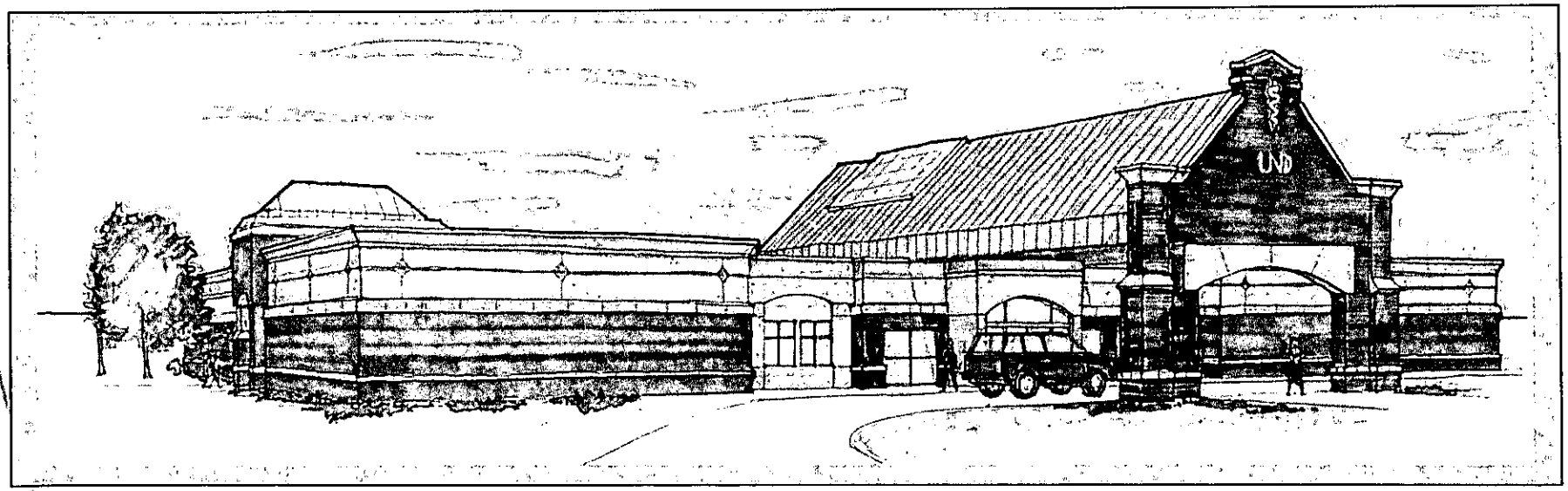
Since 1992	In Progress	Planning
$ 27.5 M	$ 5 M	$ 7.5 M

- **235,000 sq. ft. of new or renovated space**
  - Cost of $27.5M
  - $3M from State of North Dakota for biomedical research facility (animal facility)

Center for Family Medicine - Minot

University of North Dakota School of Medicine & Health Sciences

Houses the Minot campus office and satellite office for Center for Rural Health ($4M)

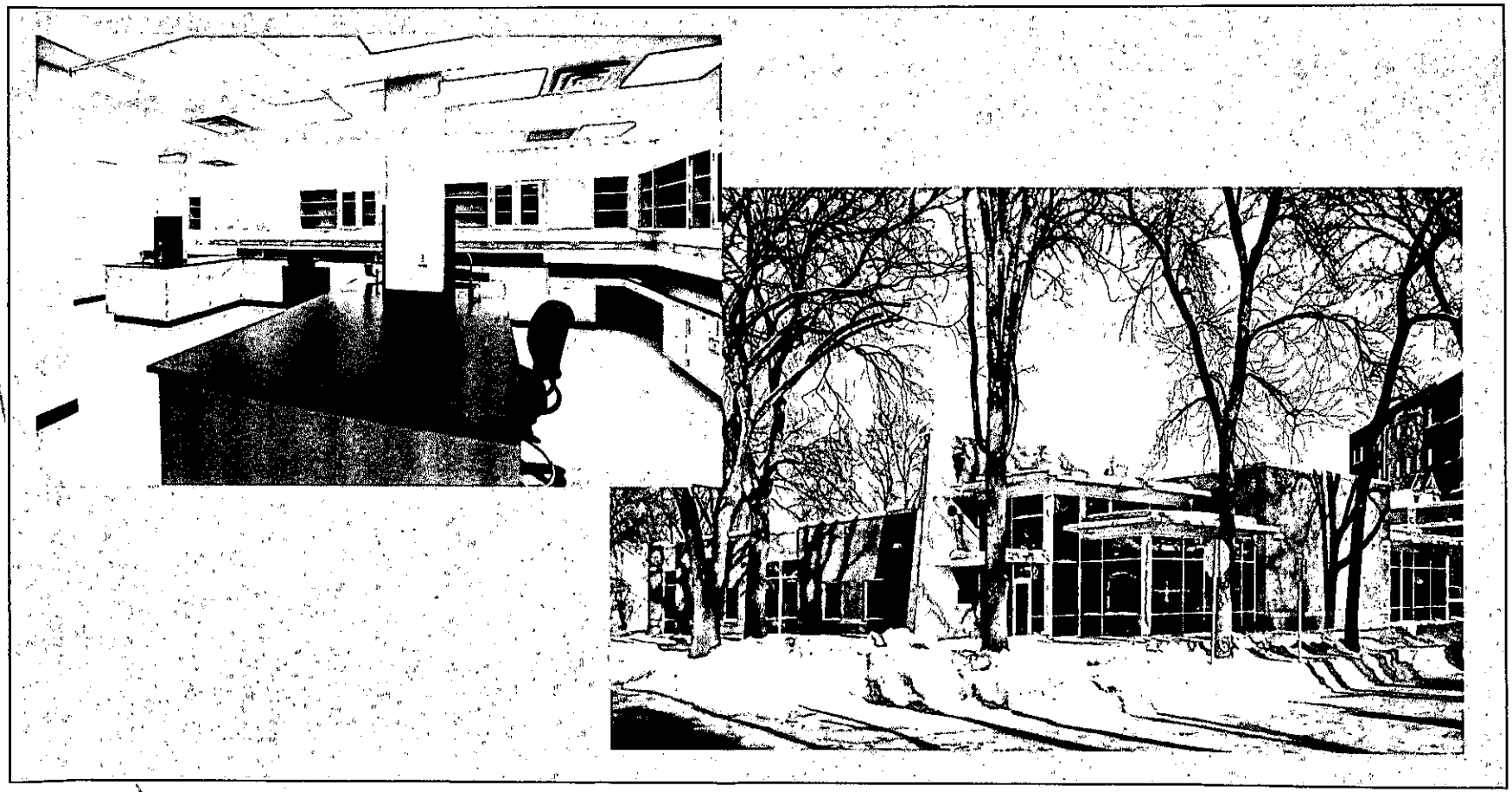


Neuroscience Research Facility

University of North Dakota School of Medicine & Health Sciences

$3M state-of-the-art, one-story-plus-basement, 14,000 sq. ft. structure

Completed: fall 2004



Buildings in Progress or Planning

University of North Dakota School of Medicine & Health Sciences

- **In Progress:**
  - Minot Center for Family Medicine
    - To include Minot campus office and satellite office for Center for Rural Health ($4M)

- **In Planning:**
  - Allied Health Building ($8M)
  - Regional Bio-containment Lab ($29.7M)
  - Branch of State Morgue (?)

Investment in Preventive & Behavioral Sciences

University of North Dakota School of Medicine & Health Sciences

- Investment in disease prevention is critical and cost-effective

- Current service for Center for Health Promotion:
  - Prevention of obesity & tobacco use in Youth:
    - *Grafton, Lisbon, Ellendale, Belcourt, Dunseith, Minot, Roseglen, Hettinger, Killdeer, Kenmare, Burlington-Des Lacs, Ray, Hebron, Lidgerwood, Gackle-Streeter*
  - State-wide youth media anti-tobacco campaign (The Plain Truth)
  - Developing wellness programs for NDPERS
  - First community-based survey of Native American health
  - Training of physicians in prevention/health promotion techniques
  - Partnering with public health and healthcare professionals in clinic settings
  - Grant writing, consultation, and program evaluation for departments of public instruction and health, tribal councils, & local public health units

- Need 3 faculty lines & administrative support to establish a Department of Preventive & Behavioral Sciences
  - Expanding & continuing work in schools, communities and clinics
  - Providing consultation & program evaluation services to North Dakota
  - Training medical students and healthcare professionals
  - Preventive science research

Investment in Prevention of Fetal Alcohol Syndrome (FAS)

University of North Dakota School of Medicine & Health Sciences

- Activities – 2004
  - Public education: 1,800 people in North Dakota
  - Outreach clinics: Spirit Lake, Turtle Mountain
  - Diagnostic evaluation: 143 children in North Dakota
  - Annual federal funding: $509,000

- Proposed Budget
  - Personnel, Fringe & supplies

- Facts
  - Population with FAS (Children 252, Adults 580)
  - Recurrence Risk
    - 75% in each subsequent pregnancy
  - Using the medical services provider price index, the lifetime cost of care is $2.9 million per case

- Prevention
  - If the state of ND spent 1% of the cost of caring for persons with FAS on prevention, we would spend $171,448/year or $342,896 per biennium
  - Prevent 1 case/year for 20 years for a savings of $500,000/year

Investment in Microbiology & Immunology

University of North Dakota School of Medicine & Health Sciences

- Immunology Faculty (1)
  - Teaching of medical students, undergraduate, graduate and professional levels in both classroom and laboratory settings:
    - Immune responses against infectious agents (arthritis & others)
    - Diseases caused by injury inflicted by immune system
    - Inflammatory diseases
    - Transplantation
    - Bioterrorism and vaccine development
- Microbiology Faculty (1)
  - Teaching for medical students, undergraduate, graduate and professional levels in both classroom and laboratory settings:
    - Pathogenic bacteria or virus
    - Human pathogens with potential relevance to bioterrorism
- Proposed Budget
  - Assistant professor level faculty members (2)
  - Classroom and laboratory teaching in bacteriology/virology

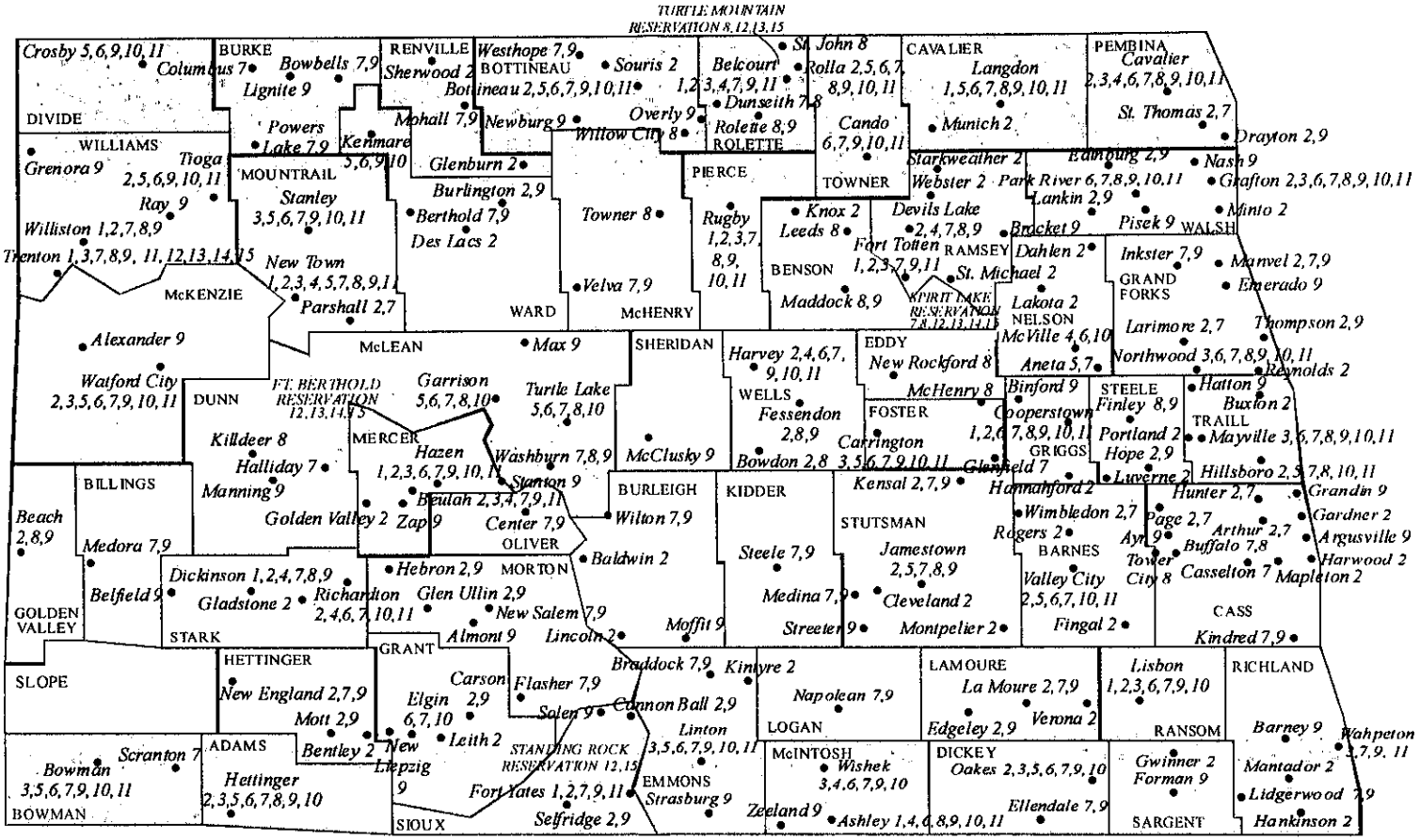
Investment in Center for Rural Health (CRH)

University of North Dakota School of Medicine & Health Sciences

- Three additional state-funded faculty positions needed
  - Focus on community engagement and technical assistance to communities
    - Provide outreach to rural communities through grant-funded projects
    - Seek and compete for additional outside funding/grants
    - Need for more community engagement
    - Provide technical assistance to providers, rural communities and rural hospitals
      - Past three years worked with 175 communities
  - Focus on research, information collection and dissemination
    - Track & analyze workforce trends for recuitment and retention of healthcare providers
    - Develop expertise in GIS (Geographic Information Systems) mapping
  - Establish new Center for Rural Health office in Bismarck
    - Increase access to CRH resources
    - Enhance relationship with healthcare providers in central and SW areas of state
    - Provide technical assistance
    - Assist in developing grant proposals
- CRH has grown from 13 to 35 full time employees
    - State appropriated dollars fund 3 positions
    - Federal or foundation grant dollars fund the remaining 32 positions
    - Provides learning experience to 11 graduate research assistants and nine student assistants or interns studying a variety of disciplines

Center for Rural Health: 2001- 04 Activities in Rural Areas by Town

University of North Dakota School of Medicine & Health Sciences



MAP KEY

1 Rural Health Dialogues
2 Family to Family Network
3 SEARACH Sites
4 Project CRISTAL
5 National Health Service Crops/J1 Placements
6 Medicare Rural Hospital Flexibility (FLEX Grant Program
7 The State Office of Rural Health Program (SORH)
8 Blue Cross Blue Shield of ND Rural Health Grants
9. Rural Access to Emergency Devices (RAED)
10 Small Hospital Improvement Program (SHIP)
11 Polycom Placement
12 Needs Assessment Training
13 Elder Social and Health Needs Assessment Project
14 ND Native American HIV/AIDS Assessment Project
15 National Caregiver's Survey
Indian Reservations

STATE WIDE INITIATIVES

- Rural Assistance Center
- Recruitment/Retention Assistance

Investment in Technology (2005-06)

University of North Dakota School of Medicine & Health Sciences

Technology is essential for the ability of the School of Medicine & Health Sciences to fulfill it's statewide mission in education, research and public service.

- The school makes extensive use of video conferencing in statewide educational, research and administrative activities
  - Number of sites supported has increased - 7 to 140 (15X)
  - Number of conferences per year has increased - 300 to 6,000 (5X)
- The school makes extensive use of educational technology in fulfilling its statewide educational mission
  - Number of faculty and students using online educational resources is up - 8,500 to 40,000 (5X)
- The School supplies a stable network, reliable connectivity, technical support and electronic protection to all users
  - Number of computers has grown – 600 to 1,000 (1.5X)
  - Number of servers and network connections to support has grown – 225 to 550 (2.5X)
  - Number of network attacks/wk, on data integrity & privacy increased - 200 to 5,000 (25X)
- Amidst this explosive growth in the use of technology is the need for additional technical staff and the need to replace aging and obsolete equipment
  - Additional faculty and staff needed to meet increasing demands
  - Funding for replacement, repair and renewal of existing technology essential

Needed Investments (Examples)

University of North Dakota School of Medicine & Health Sciences

Preventive & Behavioral Sciences

- Three faculty & administrative support
  - Education for medical and other students
  - Service throughout North Dakota

Prevention of Fetal Alcohol Children

- Personnel & fringes

Microbiology & Immunology

- One Immunology faculty
  - teaching needed for inflammatory diseases, transplantation and infectious agents (arthritis & others)

- One Microbiology faculty
  - teaching for medical students & undergraduates on viruses, bioterrorism, etc

Center for Rural Health

- Three professional positions needed
- Office in Bismarck to provide services to southwest campus

Technology

- Additional technical staff
- Replacement, repair and renewal of existing technology

Strengths

University of North Dakota School of Medicine & Health Sciences

- **Strengths**
  - Excellent and highly motivated students
  - Experienced and energetic staff
  - Support of the legislature and citizens of North Dakota
  - Innovative and logical new curriculum that is centrally managed
  - Excellent administration
  - Excellent facilities for all student learning
  - School focus on primary care and rural medicine consistent with state needs
  - Excellent basic science research facilities
  - Strong support from North Dakota physicians and hospitals
  - Longstanding reputation of our graduates in residency training and professional careers
  - Development office established

Concerns, Challenges and Priorities

University of North Dakota School of Medicine & Health Sciences

Concerns and Challenges

- Challenges recruiting faculty and senior administrators because of geography and climate
- Decreasing and aging population of North Dakota
- Faculty-intensive teaching responsibilities
- Heavy dependence on volunteer clinical faculty
- Decreased interest by medical students in primary care, especially family medicine

Major Priorities

- Increase emphasis on preventive medicine (smoking, obesity, drugs, alcohol, cancer)
- Improving faculty salaries
- State supported faculty positions in:
  - Microbiology – Immunology
  - Behavioral & Preventive Medicine
  - Center for Rural Health
- Biocontainment (Biodefense) Lab
- Increasing endowment funds for faculty support and student scholarships
- Continue to strengthen partnerships to support school
- Fostering clinical research
- Continue to demonstrate the value of the school to the state and its citizens
- Faculty development for new curriculum
- Technology

Centennial Year Key Events

University of North Dakota School of Medicine & Health Sciences



A Century of Excellence, Innovation and Service

The mission of the University of North Dakota School of Medicine and Health Sciences is to educate and prepare North Dakota residents as physicians, medical scientists and other health professionals for service to the people of North Dakota and the nation, and to advance medical and biomedical knowledge through research.

The University of North Dakota School of Medicine and Health Sciences is celebrating the 100th anniversary of its founding on September 26, 2005. The celebration of the historic event is an opportunity for the school to share its mission with the citizens of North Dakota and surrounding region, and create an awareness of the opportunities and challenges that are being met with the education and training of health care professionals in the state of North Dakota

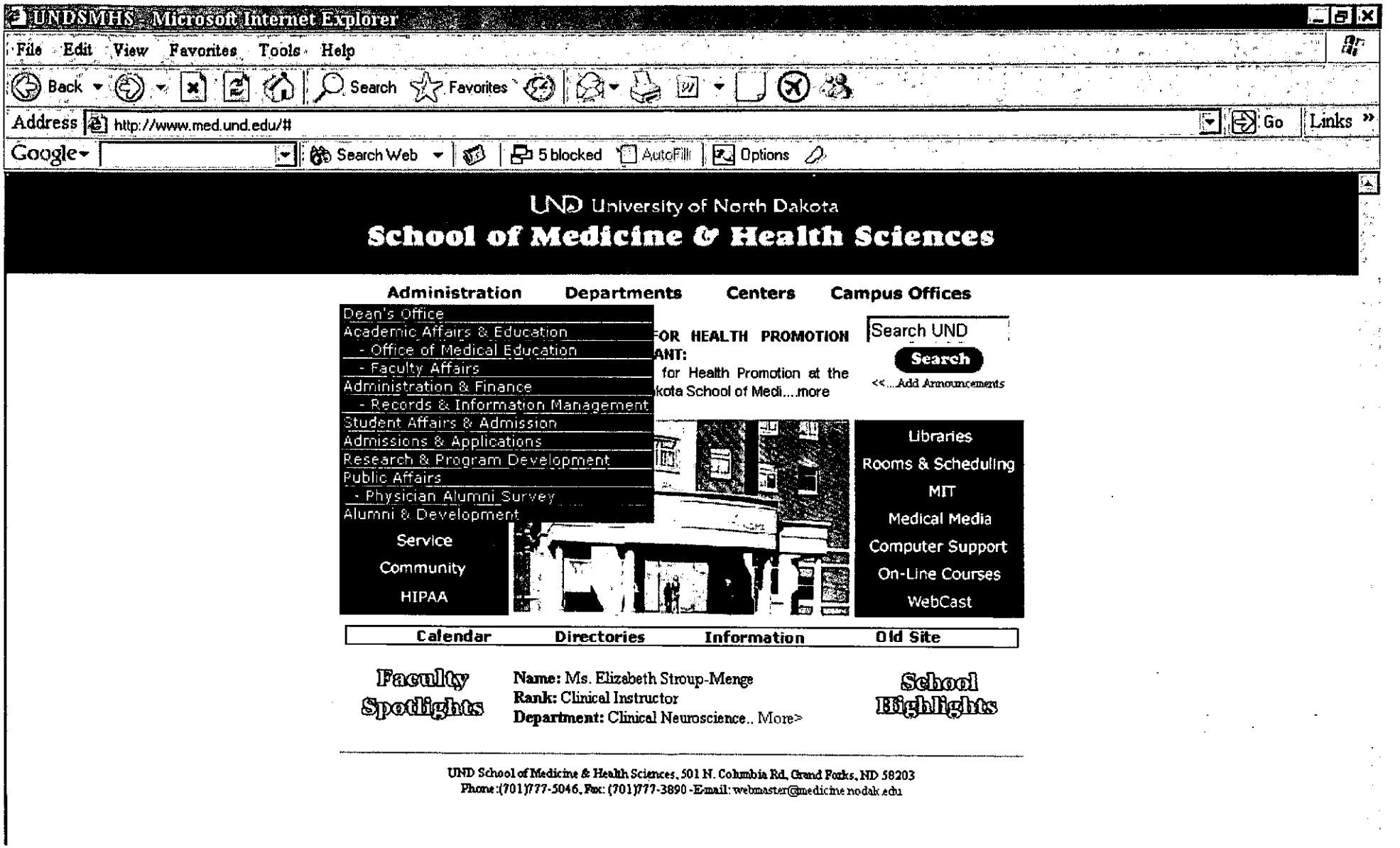
2005 Centennial Year Key Events:

February 24: Founders Day Celebration, UND Campus
March 15: Jamestown Community Visit and Social
March 16: Valley City Community Visit and Social
April 7: Belcourt Community Visit and Social
April 7: Rugby Community Visit and Social
April 18: Hettinger Community Visit and Social
April 19: Dickinson Community Visit and Social
April 20: Bismarck Community Visit and Social
April 21: Williston Community Visit and Social
May 7: Medical School Spring Commencement
May 10: Fargo Community Visit and Social
May 25-27: Alumni Days
September 23-25:
North Dakota State Medical Association Meetings
September 26:
Medical School public open house, presentations and tours
September 29-October 1:
Alumni Centennial Celebration
All School Reunion
Distinguished Alumni Symposium
Centennial Gala
October 8-16:
Centennial Alumni Tour "Tuscany in the Fall"

Attachments

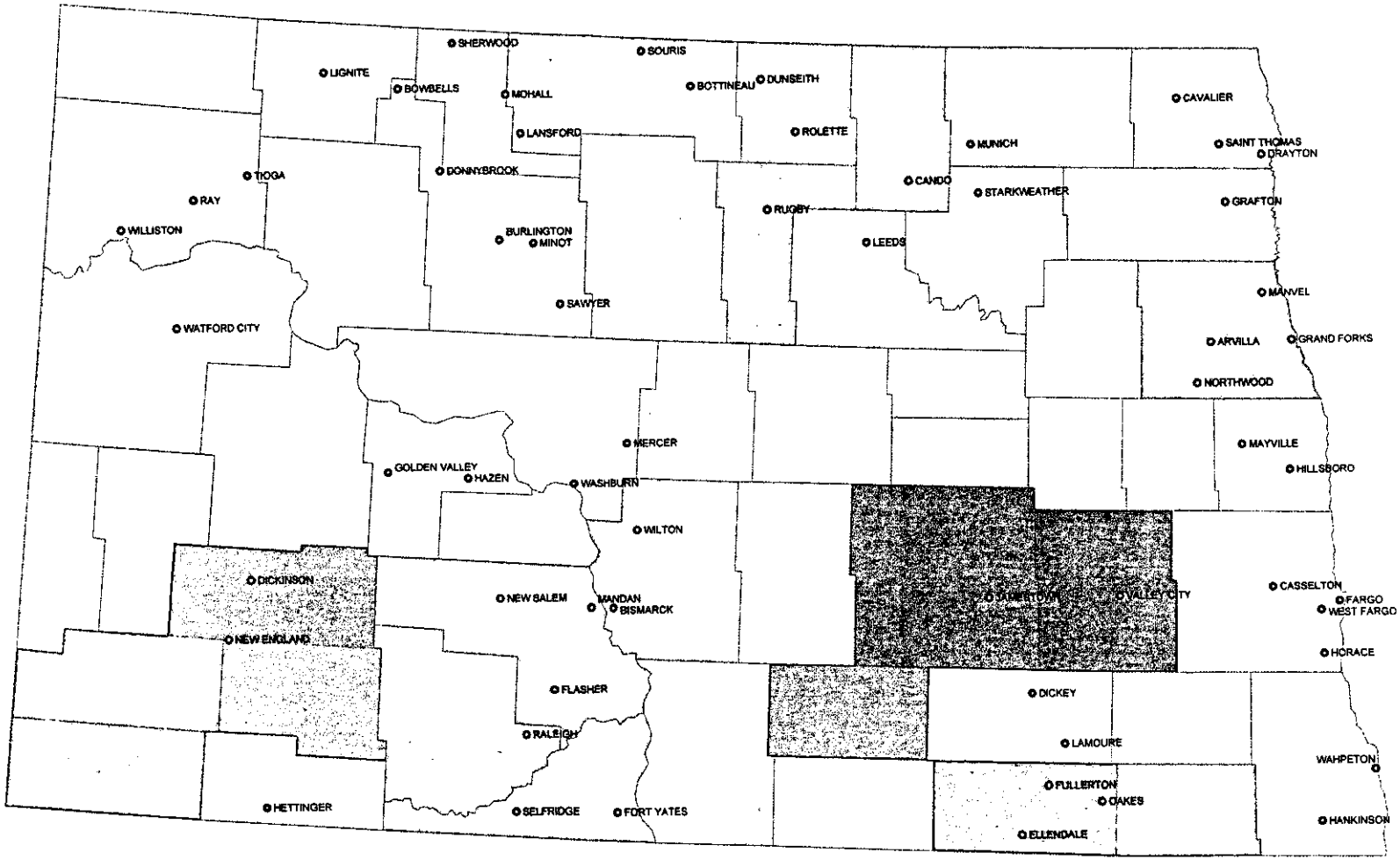
Web Site: www.med.und.nodak.edu

University of North Dakota School of Medicine & Health Sciences



Current Medical Students' Hometowns

University of North Dakota School of Medicine & Health Sciences



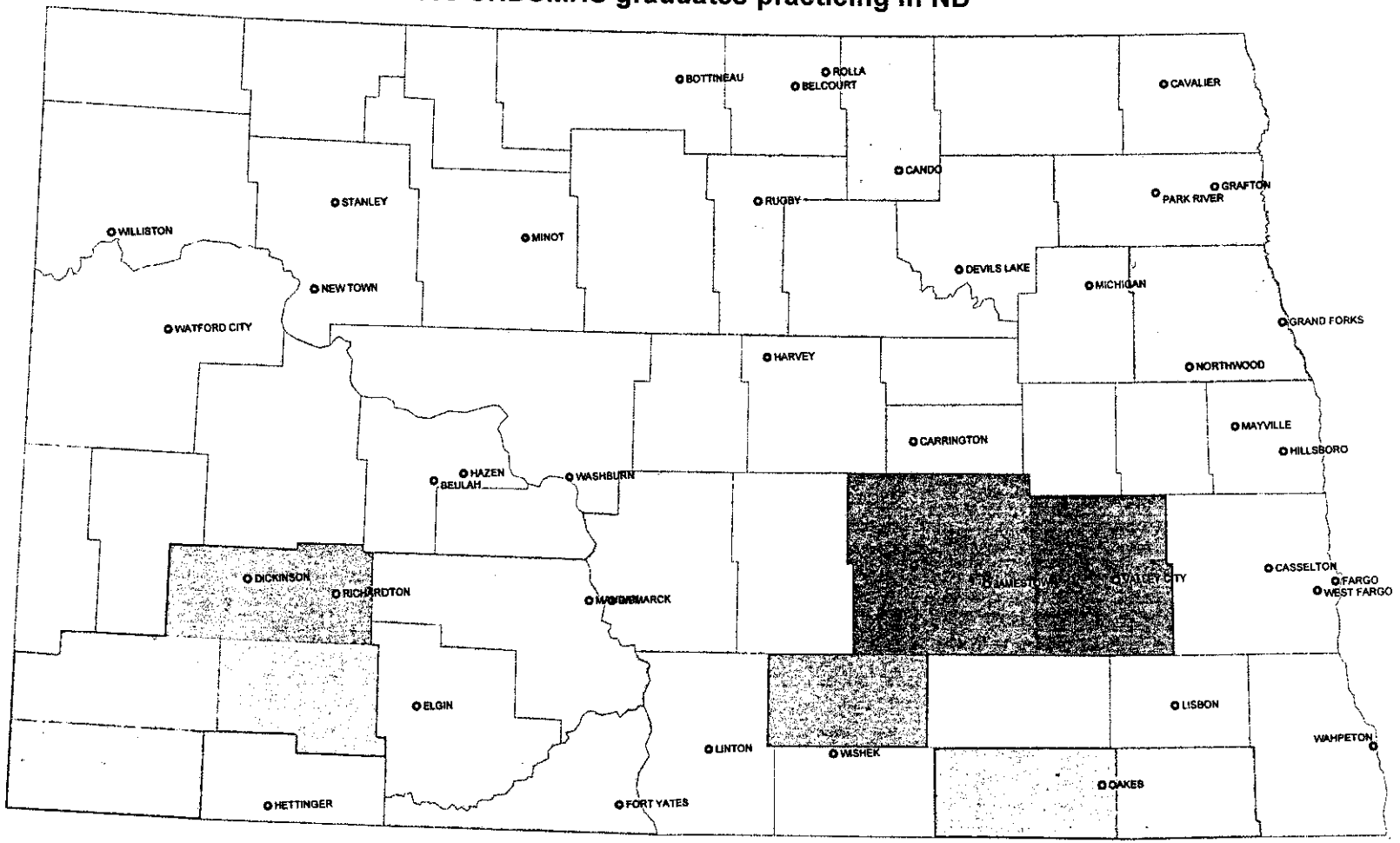
Source: UND School of Medicine & Health Sciences' Office of Student Affairs & Admissions; UND School of Medicine & Health Sciences Office of Public Affairs
(Names of graduates listed on back of sheet)

Hometown	Last Name	First Name	Class
Arvilla	Beireis	Jeremy	2006
Bismarck	Aberle	Nicholas	2007
Bismarck	Beckwith	Jennifer	2006
Bismarck	Carpenter	Matthew	2007
Bismarck	Dahl	Brian	2006
Bismarck	Detwiler	Jill	2007
Bismarck	Dietrich	Emily	2006
Bismarck	Dorais	Jessie	2007
Bismarck	Feist	Laura	2006
Bismarck	Hintz	Kadon	2007
Bismarck	Huber	Jody	2006
Bismarck	Kadlec	Rebecca	2007
Bismarck	Klemin	Peter	2007
Bismarck	Klempel	Patrick	2006
Bismarck	Knoll	Katherine	2006
Bismarck	Knudson	Joshua	2006
Bismarck	Kraft	Diane	2006
Bismarck	Lindelow	Jill	2006
Bismarck	Miller	Jessica	2006
Bismarck	Miller	John	2006
Bismarck	Sackman	Ann	2006
Bismarck	Tello	Christina	2007
Bismarck	Voigt	Matthew	2006
Bismarck	Willis	Karin	2005
Bismarck	Zimmermann	Ryan	2007
Bismarck	Zimny	Matthew	2006
Bismarck	Steidler	Sarah	2006
Bottineau	Skjolden	Jessica	2007
Bowbells	Aufforth	Rachel	2006
Cando	Skari	Brad	2007
Casselton	Horner	Melissa	2006
Cavalier	Morrison	Andrea	2007
Center	Gullickson	Nicole	2006
Dickey	Pekarski	Krista	2006
Dickinson	Berger	Celeste	2007
Dickinson	Blanchard	Richelle	2006
Dickinson	Milanovich	Samuel	2006
Donnybrook	Johnson	Carrie	2006
Drayton	Gebur	Joshua	2005
Dunseith	Barbot	Pierre	2007
Fargo	Andersen	Jeffrey	2005
Fargo	Anderson	Christopher	2006
Fargo	Becker	Brenda	2007
Fargo	Biegler	Peter	2007
Fargo	Clapp	Allison	2006
Fargo	Fenstad	Eric	2006
Fargo	Giddings	Kate	2007
Fargo	Herman	Nathan	2007
Fargo	Hockenberry	Jennifer	2005
Fargo	Homan	Zena	2007
Fargo	Johnson	Kara	2006
Fargo	Johnson	Michael	2005
Fargo	Johnston	Megan	2007
Fargo	Kenien	Julie	2006
Fargo	Kling	Brianne	2007
Fargo	Kroetsch	Corey	2006
Fargo	Krumwiede	Katie	2005
Fargo	Magura	Lindsay	2006
Fargo	Marks	Noah	2007
Fargo	McCormack	Steven	2005
Fargo	Nelson	Christopher	2005
Fargo	Newman	David	2007
Fargo	Nguyen	Ethan	2007
Fargo	Peters	Shannon	2006
Fargo	Poppinga	Nicole	2007
Fargo	Quanrud	Sarah	2007
Fargo	Roers	Stacy	2006
Fargo	Samaraweera	Ravinda	2006
Fargo	Stoy	Sean	2006
Fargo	Suby	Neil	2006
Fargo	Wiest	Eric	2006
Fargo	Wilsanen	Michael	2006
Fargo	Williams	Benjamin	2005
Faro	Wilhelm	Kenneth	2005
Flasher	Shultz	Kinsey	2005
Fort Yates	Monteau	Lance	2007
Fullerton	Glynn	Alicia	2006
Golden Valley	Buechler	Joni	2006
Grafton	Moe	Jamie	2005
Grafton	Narloch	Jennifer	2006
Grand Forks	Bakke	Andrew	2006
Grand Forks	Bales	Jordan	2005
Grand Forks	Erickson	Amy	2006
Grand Forks	Fox	Thomas	2006
Grand Forks	Godfread	Marc	2006
Grand Forks	Graziano	Kelli	2007
Grand Forks	Hall	Kirsten	2007
Grand Forks	Hall	Nathaniel	2005
Grand Forks	Johnson	Mandi	2007
Grand Forks	Lyste	Derek	2007
Grand Forks	McCann	Michelle	2006
Grand Forks	Polovitz	Kathryn	2007
Grand Forks	Reynolds	Ryan	2006
Grand Forks	Wood	Angie	2005
Grand Forks AFB	Cleland	Esperanza	2006
Hankinson	Titus	Jessica	2007
Hazen	Padgett	Daniel	2005
Hettinger	Elder	James	2006
Hettinger	Reisenauer	Justin	2006
Hillsboro	Juelson	Timothy	2005
Horace	Hatlestad	Preston	2006
Inkster	Cawley	John	2006
Jamestown	Granberg	Candace	2005
Jamestown	Juelson	Amy	2005
Jamestown	Syverson	Grant	2005
Kenmare	Pullen	Samantha	2007
LaMoure	Brickner	Derek	2006
Lansford	Carlson	Chad	2005
Leeds	Haagenson	Lori	2006
Lignite	Berg	Aaron	2006
Mandan	Hoovestol	Ryan	2006
Mandan	Horner	Justin	2006
Manvel	Erpelding	Jason	2006
Manvel	Hoverson	Alyssa	2005
Mayville	Folden	David	2005
Mayville	Lyng	John	2005
Mayville	Welsh	Megan	2006
Mercer	Lill	Stephanie	2007
Minot	Clauson	Ryan	2006
Minot	Eidahl	Jason	2005
Minot	Keup	Christine	2006
Minot	Mostad	Anne	2005
Minot	Ness	Mary	2006
Minot	Raghib	Timur	2005
Minot	Rothberg	David	2007
Minot	Schmidt	Jared	2006
Minot	Solberg	Jon	2006
Minot	Splichal	Katherine	2006
Minot	Swenson	Barbara	2006
Mohall	Hoyt	John	2007
Munich	Bedell	Heather	2006
New England	Schatz	Sarah	2005
New Salem	Kvistad	Bonnie	2006
Northwood	Ostlie	Jane	2006
Oakes	O'Brien	Katie	2006
Raleigh	Sorlie	Mandy	2007
Ray	Larson	Roxanne	2006
Rolette	Norby	Alicia	2006
Rugby	Lizakowski	Laura	2005
Rugby	Ruhland	Jessica	2005
Sawyer	Feist	Aaron	2007
Scranton	Ranum	Joshua	2006
Selfridge	Froelich	Joy	2006
Sherwood	Luebke	Aaron	2007
Souris	Berg	Rebekah	2006
St. Thomas	Barker	Kyle	2006
Starkweather	Jamsa	Lisa	2006
Thompson	Brantl	Rylan	2006
Tioga	Longie	Kelly	2005
Tioga	Longie	Kevin	2005
Valley City	Machayya	Jon	2005
Wahpeton	Bueling	Robyn	2006
Wahpeton	Desi	Eric	2007
Washburn	Perkerewicz	Jedidiah	2007
Washburn	Wisdom	Marissa	2005
Watford City	Nordeng	Rena	2007
West Fargo	Batcheller	April	2006
West Fargo	Lee	Matthew	2005
West Fargo	Loney	Melissa	2007
West Fargo	Miller	Sarah	2007
West Fargo	Veitenheimer	Nicole	2006
Williston	Dorrity	Renae	2006
Williston	Hegge	Ryan	2006
Williston	Logan	Jason	2005
Williston	McCoy	Andrew	2007
Wilton	Schafer	Rhonda	2005

North Dakota Physicians Trained By

University of North Dakota School of Medicine & Health Sciences

608 UNDSMHS graduates practicing in ND



•The physicians in each of these communities (names listed on back of sheet) have earned their B.S. Med. (Bachelor of Science in Medicine) or M.D. (Doctor of Medicine) degree or have completed (or are in) residency training through the UND School of Medicine & Health Sciences. Physicians who are retired, inactive or serve at the Minot or Grand Forks Air Force Base Hospitals are not included.

City	LName	FName
Belcourt	[redacted]	Vernon
Belcourt	Bercier	Paula
Belcourt	Billedeaux	Louis
Belcourt	Gaid	Evangeline
Belcourt	Gourneau	Linda
Belcourt	LaFromboise	Dawn
Belcourt	Larson	Richard
Belcourt	Wilkie	Penny
Beulah	Garman	Aaron
Beulah	Jackson	Orlan
Beulah	Kaspari	Thomas
Beulah	Klindworth	Jacinta
Bismarck	Aleson	Darrel
Bismarck	Altringer	William
Bismarck	Baker	Biron
Bismarck	Becker	Ricky
Bismarck	Betting	Gary
Bismarck	Boutrous	Attas
Bismarck	Bradley	Shannon
Bismarck	Brown	Karen
Bismarck	Brown	Michael
Bismarck	Buell	Bradley
Bismarck	Bury	Janice
Bismarck	Carlson	Joseph
Bismarck	Christianson	Thomas
Bismarck	Connell	Guy
Bismarck	Cornatzer	William
Bismarck	Dahl	Charles
Bismarck	Dahl	Phillip
Bismarck	DeLap	Susan
Bismarck	Diehl	Kent
Bismarck	Doerner	John
Bismarck	Dornacker	Jon
Bismarck	Dunnigan	Earl
Bismarck	Dunnigan	Ralph
Bismarck	Ebertz	Joseph
Bismarck	Eggert	Douglas
Bismarck	Emery	Russell
Bismarck	Erickstad	John
Bismarck	Erickstad	Mark
Bismarck	Fiechtner	Marcus
Bismarck	Fisher	Catherine
Bismarck	Fortney	Aaron
Bismarck	Free	Madeline
Bismarck	Frey	Mary
Bismarck	Friche	Roger
Bismarck	Gayton	David
Bismarck	Gessner	Maxwell
Bismarck	Girard	Scott
Bismarck	Godfread	Ernest
Bismarck	Goecke	Scott
Bismarck	Goodman	Patrick
Bismarck	Gray	Thomas
Bismarck	Haaland	Robin
Bismarck	Hamar	Steven
Bismarck	Hart	Mark
Bismarck	Hebert	Brian
Bismarck	Hennefent	Gregory
Bismarck	Hertz	Dwight
Bismarck	Hetland	Bruce
Bismarck	Hieb	Robert
Bismarck	Hilts, III	George
Bismarck	Hipp	John
Bismarck	Hoffer	Sharnell
Bismarck	Hyland	Glen
Bismarck	Iverson	Christie

City	LName	FName
Bismarck	Jennings	Robert
Bismarck	Johnson	Craig
Bismarck	Johnson	Steven
Bismarck	Johnson	Terry
Bismarck	Jondahl	Paul
Bismarck	Joyce	John
Bismarck	Juhala	Curtis
Bismarck	Kavile	Gaylord
Bismarck	Klein	Scott
Bismarck	Knudson	Paul
Bismarck	Knutson	Ronald
Bismarck	Lambrecht	Craig
Bismarck	Leidenis	Monte
Bismarck	Lindelow	Olaf
Bismarck	Linz	Laurie
Bismarck	Lohavanichbutr	Pawadee
Bismarck	Loven	Roger
Bismarck	Luger	Joseph
Bismarck	Lunn	Dave
Bismarck	Lunn	Gerry
Bismarck	Magill	Thomas
Bismarck	Mallberg-Shaffer	Tracie
Bismarck	McCullough	Sarah
Bismarck	McDonough	Denise
Bismarck	Meyer	Bradley
Bismarck	Mickelson	Kevin
Bismarck	Miller	Brenda
Bismarck	Moen	Douglas
Bismarck	Murphy	Louise
Bismarck	Muscha	Bennie
Bismarck	Obregon	Kathryn
Bismarck	Obritsch	Jerry
Bismarck	Olson	LeRoy
Bismarck	Orchard	Jeffrey
Bismarck	Orser	Shari
Bismarck	Paulson	Rick
Bismarck	Pengilly	David
Bismarck	Perkerewicz	Kathleen
Bismarck	Peterson	Douglas
Bismarck	Peterson	Gregory
Bismarck	Peterson	Jane
Bismarck	Pierce	Troy
Bismarck	Quisno	Jacqueline
Bismarck	Reep	Peggy
Bismarck	Reich	Brent
Bismarck	Remer	Elsa
Bismarck	Riddle	Brian
Bismarck	Rodacker	Mark
Bismarck	Roller	Benedict
Bismarck	Roswick	Robert
Bismarck	Scherr	Steven
Bismarck	Schirado	Michael
Bismarck	Schmit	Michael
Bismarck	Schwartz	Julia
Bismarck	Seifert	Shelly
Bismarck	Shamsi	Aliya
Bismarck	Smith	Jeffrey
Bismarck	Smith	Stuart
Bismarck	Spotts	Steven
Bismarck	Stein	Sherry
Bismarck	Stengl Betting	Susan
Bismarck	Stone	Matthew
Bismarck	Swenson	Wayne
Bismarck	Tangedahl	Guy
Bismarck	Tello	Ronald
Bismarck	Thiel	Chad

City	LName	FName
Bismarck	Thorson	Thomas
Bismarck	Tischer	Michelle
Bismarck	Twogood	Todd
Bismarck	Volk	Charles
Bismarck	Witt	John
Bismarck	Wyman	Allen
Bismarck	Zacher	Carla
Bottineau	Johnson	Richard
Bottineau	Kihle	Kenneth
Bottineau	Miller	Charles
Cando	Culver	Gregory
Cando	Hilts, II	George
Cando	Petty	Russell
Carrington	Geier	Debra
Carrington	Geier	Rick
Carrington	Page	Michael
Casselton	Domm	Bruce
Cavalier	Kratcha	Lynn
Cavalier	Thompson	Susan
Devils Lake	Bittner	Heidi
Devils Lake	Clinkenbeard	James
Devils Lake	Clinkenbeard	Terry
Devils Lake	Johnson	Richard
Dickinson	Arnold	Thomas
Dickinson	Bachmeier Sher	Kamille
Dickinson	Baumgartner	James
Dickinson	Conradson	Leonard
Dickinson	Hinrichs	Mark
Dickinson	Komorowska	Danuta
Dickinson	O'Hara	Brian
Dickinson	Olin	Bruce
Dickinson	Rinn	David
Dickinson	Severson	Sherman
Dickinson	Swenson	Sheldon
Dickinson	Weir	Robert
Dickinson	Winegardner	Stephen
Dickinson	Wolf	Dennis
Elgin	Hsu	George
Elgin	Wren	Kristine
Fargo	Ahlin	Thomas
Fargo	Akkerman	Dave
Fargo	Alteaburg	Bernard
Fargo	Arussell	Robert
Fargo	Ashley	Lynn
Fargo	Askew	R.
Fargo	Austin	William
Fargo	Bader	Michael
Fargo	Bagan	Steven
Fargo	Baird	John
Fargo	Baldwin	Jerry
Fargo	Baumgardner	David
Fargo	Beauclair	John
Fargo	Berger	Walter
Fargo	Berglund	Howard
Fargo	Berndt	Steven
Fargo	Bier	Dennis
Fargo	Bilstad	Paul
Fargo	Bjerke	Gregory
Fargo	Blaine	Richard
Fargo	Blehm	David
Fargo	Blehm	Julie
Fargo	Block	Terry
Fargo	Bro	Walter
Fargo	Brunsvold	Robert
Fargo	Burns	Joseph
Fargo	Carcoana	Claudia

City	LName	FName
Fargo	Card	Charlene
Fargo	Carlisle	Bruce
Fargo	Carlson	Donald
Fargo	Carlson	David
Fargo	Carson	Janine
Fargo	Carson	Paul
Fargo	Chakravorty	Utpal
Fargo	Chen	Stanley
Fargo	Christensen	Steffen
Fargo	Cowan	Hugh
Fargo	Crary	John
Fargo	Crowley	Lana
Fargo	Dalan	Danilo
Fargo	Danielson	Byron
Fargo	Dees	Brian
Fargo	Espejo	Napoleon
Fargo	Fercho	Calvin
Fargo	Fiebiger	Siri
Fargo	Fischer	Keith
Fargo	Fischer	Kenneth
Fargo	Flach	David
Fargo	Friedericks	Matthew
Fargo	Frisk	James
Fargo	Getz Kleiman	Linda
Fargo	Gilbertson	Ernest
Fargo	Glasner	Gregory
Fargo	Glatt	David
Fargo	Glunberg	Steven
Fargo	Goff	John
Fargo	Griffin	David
Fargo	Grimm	Terrence
Fargo	Gross	Gerald
Fargo	Grosz	David
Fargo	Gunderson	Aaron
Fargo	Haider	Nadeem
Fargo	Haider	Naveed
Fargo	Hanekom	David
Fargo	Hanson	Thomas
Fargo	Harris	Scott
Fargo	Haugen	Gregory
Fargo	Hector	Fred
Fargo	Hella	Brent
Fargo	Hella	Michelle
Fargo	Henry	Lisa
Fargo	Herold	Daniel
Fargo	Herzog	Thomas
Fargo	Hintz	Warren
Fargo	Honl	Beth
Fargo	Howell	Louis
Fargo	Humphrey	David
Fargo	Hushka	Douglas
Fargo	Indergaard	Patrick
Fargo	Ingebretson	Mark
Fargo	Ivers	Robert
Fargo	Jalil	Sajid
Fargo	Johnson	George
Fargo	Johnson	James
Fargo	Johnson	Max
Fargo	Johnson	Philip
Fargo	Johnson	Steven
Fargo	Johnson	Theresa
Fargo	Johnson	Walter
Fargo	Jordheim	Robert
Fargo	Jost	Aaron
Fargo	Justesen	Chad
Fargo	Kana	Dale

City	LName	FName
Fargo	Karaz	Samy
Fargo	Kaspari	Jon
Fargo	Kelly	Kimberly
Fargo	Kempf	Thomas
Fargo	Kenalager	Randall
Fargo	Ketterling	Rhonda
Fargo	Khashaei	Sepehr
Fargo	Kidder	Anne
Fargo	Klava	William
Fargo	Klosterman	Bruce
Fargo	Knorr-Korbes	Alonna
Fargo	Knutson	Sara
Fargo	Kortum	Cynthia
Fargo	Kringlie	Ross
Fargo	Kuhlmann	Craig
Fargo	Lamb	Donald
Fargo	Lantz	James
Fargo	Lantz	Steven
Fargo	Larson	Donald
Fargo	Larson	Tom
Fargo	Lee	Rodney
Fargo	Lessard	Julie
Fargo	Lewis	Mary
Fargo	Lillestol	Michael
Fargo	Lind	Jackson
Fargo	Lo	Tze Shein
Fargo	Ludwig	Rodney
Fargo	Luger	Patrick
Fargo	Luistro	Allan
Fargo	Lundeen	Mark
Fargo	Lystad	Jeffrey
Fargo	Mahoney	Timothy
Fargo	Marsden	Richard
Fargo	Marsh	Julie
Fargo	Martin	Richard
Fargo	Martin	Tracy
Fargo	Martsching	Sandra
Fargo	Mastel	Glenn
Fargo	Matthys	Gary
Fargo	McLean	Andrew
Fargo	Menagh	Clayton
Fargo	Mickelson	Daniel
Fargo	Mitchell	Steven
Fargo	Monson	Timothy
Fargo	Montgomery	Robert
Fargo	Morehart	Denise
Fargo	Nagle	James
Fargo	Nagle	Thomas
Fargo	Nelsen	Matthew
Fargo	Nelson	Bruce
Fargo	Neumann	James
Fargo	Newman	William
Fargo	Noah	Thomas
Fargo	Norberg	Jon
Fargo	Noyes	R
Fargo	Nyhus	Corey
Fargo	Olson	Robert
Fargo	Opgrande	John
Fargo	Pandita	Deepti
Fargo	Parks	J. Scott
Fargo	Peterson	Jeffrey
Fargo	Pierce	Christopher
Fargo	Post	Gregory
Fargo	Powell	Janell
Fargo	Pramhus	Clarence
Fargo	Promersberge	Eric

City	LName	FName
Fargo	Radtke	Wallace
Fargo	Rau	Keith
Fargo	Rice	Jon
Fargo	Rodenbiker	Harold
Fargo	Roesler	Sean
Fargo	Rohla	Richard
Fargo	Rolse	Douglas
Fargo	Rostad	Christina
Fargo	Row	Jeffrey
Fargo	Sampson	Jerome
Fargo	Sanda	Janelle
Fargo	Schell	Debra
Fargo	Schlosser	Michael
Fargo	Schock	Joel
Fargo	Sea	Ananya
Fargo	Sea	Kaushik
Fargo	Sepe	Francis
Fargo	Setterberg	Mary Jane
Fargo	Shamdas	Glenn
Fargo	Sheldon	Michael
Fargo	Sheldon	Peggy
Fargo	Shook	Dale
Fargo	Shook	Robert
Fargo	Sollom	Dennis
Fargo	Sondreal	Philip
Fargo	Spreuger	Craig
Fargo	Stallman	Donald
Fargo	Startz	Robert
Fargo	Stoe	Anne
Fargo	Storm	Waldemar
Fargo	Strinden	Steven
Fargo	Strinden	Thomas
Fargo	Stromstad	Stephen
Fargo	Swensen	Eric
Fargo	Tadros	Sherine
Fargo	Tate	John
Fargo	Teske	Owen
Fargo	Tevington	Kathryn
Fargo	Theige	David
Fargo	Thurlow	Brenda
Fargo	Tingnely	Stephen
Fargo	Tiongson	Christopher
Fargo	Traynor	Mack
Fargo	Traynor	Michael
Fargo	Vileaski	Leonid
Fargo	Vo	Timothy
Fargo	Volk	James
Fargo	Von Rueden	Michelle
Fargo	Votava	Henry
Fargo	Weller	Maria
Fargo	Wilsanen	Ronald
Fargo	Wosick	William
Fort Yates	Hostetter	Jeffery
Fort Yates	Riddle	Anne
Fort Yates	Rising Sun	Zane
Grafton	Hutchison	Rose
Grafton	Omotunde	Joshua
GFKS	Aafedt	Bradley
GFKS	Adams	Edward
GFKS	Allen	Jon
GFKS	Bakke	Eric
GFKS	Bernatson	Mark
GFKS	Boe	Christopher
GFKS	Brosseau	James
GFKS	Brown	Ann
GFKS	Brown	Michael

City	LName	FName
GFKS	Burrell	James
GFKS	Byron	Eugene
GFKS	Chan	Paul
GFKS	Charette	Scott
GFKS	Christenson	Mark
GFKS	Cooley	Albert
GFKS	DeBeltz	Don
GFKS	Devig	Patrick
GFKS	Doll	RaNae
GFKS	Eickman	Jeffrey
GFKS	Erickson	Keith
GFKS	Fasbender	James
GFKS	Fedyszyn	Carl
GFKS	Funk	Peter
GFKS	Gaul	JoAnne
GFKS	Gomez	Yvonne
GFKS	Greek	Gregory
GFKS	Halvorson	Larry
GFKS	Heinley	Timothy
GFKS	Helgerson	Beth
GFKS	Herbel	Brent
GFKS	Hill	Steven
GFKS	Hoggarth	Bernard
GFKS	Horst	Charlotte
GFKS	Iverson	Dianne
GFKS	Jensen	Warren
GFKS	Johnson	Eric
GFKS	Johnson	Joel
GFKS	Johnson	Robert
GFKS	Karlstad	Gary
GFKS	Knecht	Tony
GFKS	Konzak-Jon	M.
GFKS	Lawrence	Scott
GFKS	Lessard	James
GFKS	Lunn	Eric
GFKS	Marin	Philip
GFKS	Martinson	Erling
GFKS	McCann	LaVaun
GFKS	McKinnon	William
GFKS	Millette	Keith
GFKS	Moore	Patrick
GFKS	Muus	John
GFKS	Noyes	William
GFKS	Nygard	Shane
GFKS	Obregon	Heather
GFKS	Olson	James
GFKS	Peterson	Thomas
GFKS	Pettit	Ross
GFKS	Polovitz	Thomas
GFKS	Rabadi	Khaled
GFKS	Raymond	Jon
GFKS	Raymond	Laura
GFKS	Reinhardt	Jerald
GFKS	Roed	Jamie
GFKS	Schaffer	Todd
GFKS	Schall	David
GFKS	Schanzenba	Stewart
GFKS	Schauer	Roger
GFKS	Schmelka	Daniel
GFKS	Schreiner	Shawn
GFKS	Szczepanski	Mark
GFKS	Sobus	Kerstin
GFKS	Sondrol	Lori
GFKS	Sundling	Roger
GFKS	Swank	Colleen
GFKS	Thompson	Robert

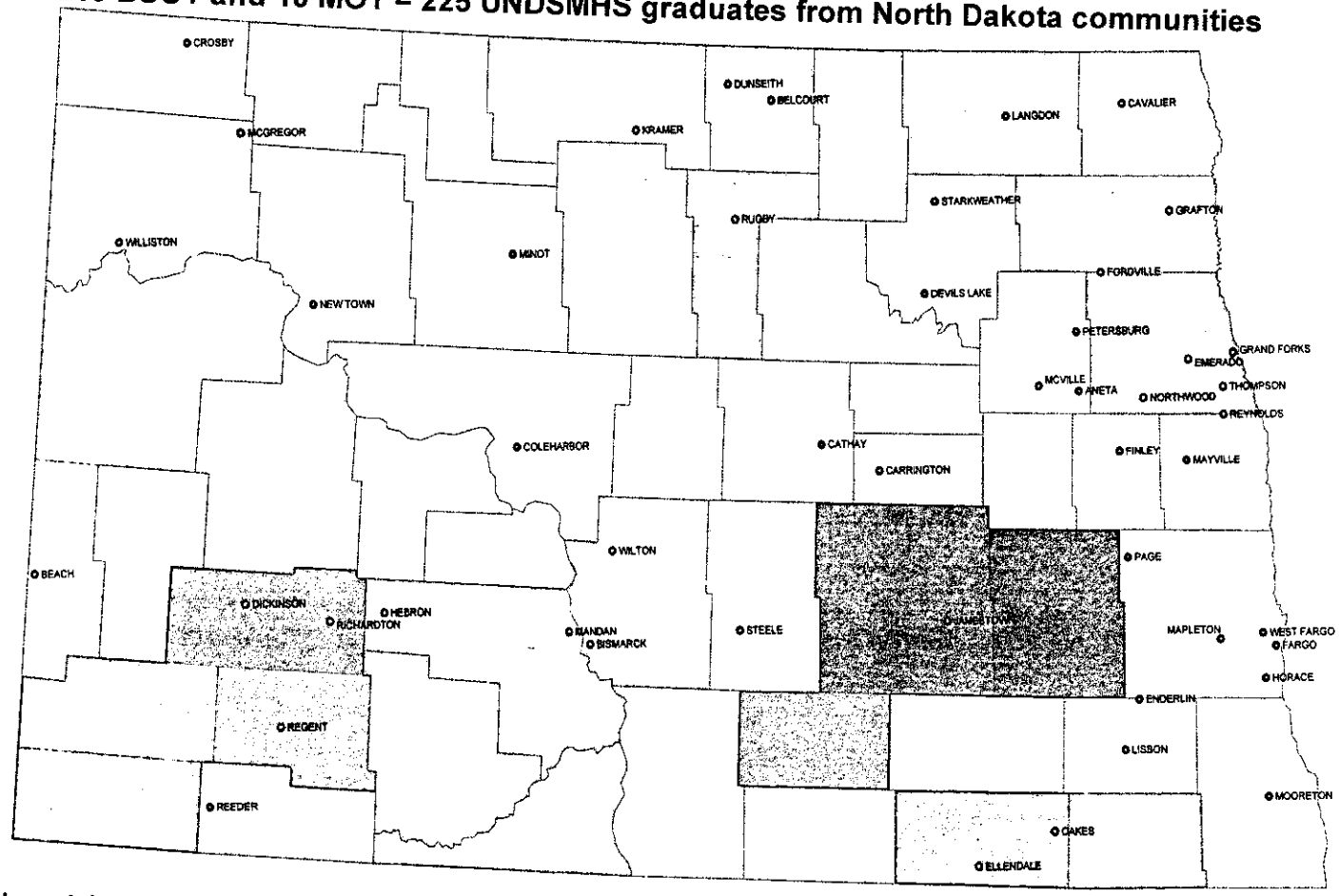
City	LName	FName
GFKS	Treuer	Jody
GFKS	Trottier	Rory
GFKS	Turneau	Kelly
GFKS	Tveter	Kevin
GFKS	Walz	Hayley
GFKS	Walz	Joel
GFKS	Williardson	James
GFKS	Wood	Kathleen
Harvey	Nyhus	Charles
Hazen	Gehrlag	Armand
Hettinger	Beattie	Robert
Hettinger	Elder	William
Hettinger	Grossman	Robert
Hettinger	Hoerauf	Kent
Hettinger	Jacobsen	Thomas
Hettinger	Joyce	John
Hettinger	Mack	Terrance
Hettinger	Mattson	Joseph
Hillsboro	Breen	Charles
Hillsboro	Luithle	Timothy
Jamestown	Clinkenbeard	David
Jamestown	Eraster	Dale
Jamestown	Hoggarth	Tonia
Jamestown	Johnson	Larry
Jamestown	Jystad	Philip
Jamestown	Larsway	Richard
Jamestown	Meier	Steven
Jamestown	Mathison	David
Jamestown	McMillian	William
Jamestown	Moe	Jason
Jamestown	Muhs	David
Jamestown	Mutchler	Michael
Jamestown	Nyhus	Curtis
Jamestown	Quanrud	Myra
Jamestown	Rowe	Scott
Jamestown	Stewart	William
Jamestown	Torrance	James
Jamestown	Wells	Robert
Linton	Grenz	Donald
Lisbon	Fernandez	Oscar
Mandan	Belzer-Curl	Gretchen
Mandan	Dornacker	Angela
Mandan	Field	David
Mandan	Folkers	Kevin
Mandan	Fortney	Michael
Mandan	Johnson	Anthony
Mandan	Klein	Dale
Mandan	Lange	Darwin
Mayville	Hlavinka	Delbert
Mayville	Mehus	James
Mayville	Thoreson	Glenn
Michigan	Hagen	N
Minot	Billings	David
Minot	Cadwalader	Ann
Minot	Fife	Todd
Minot	Gokey	Susan
Minot	Harchenko	Vera
Minot	Heninger	Robert
Minot	Holtry	Lance
Minot	Jansen	Wayne
Minot	Jethwa	Ratilal
Minot	Keck	Stanley
Minot	Knutson	Scott
Minot	Krohn	Kimberly
Minot	Langager	Tyrone
Minot	Martinsen	Wayne
Minot	Mattern	Dawn

City	LName	FName
Minot	Mattson	Steven
Minot	Mostad	Mary
Minot	Mullin	Sarah
Minot	Nordell	Margaret
Minot	Olson	Paul
Minot	Reeve	Howard
Minot	Sagri	Samina
Minot	Sather	Jeff
Minot	Schield	Laura
Minot	Smith	C
Minot	Swenson	Bruce
Minot	Talley	Wade
Minot	Thomas	Neena
Minot	Trzpuc	Dennis
Minot	Turner	Ronald
Minot	Uthus	David
Minot	Vandall	Michael
Minot	Whitman	Mark
Minot	Wolsky	Chad
Minot	Young	Marcel
New Town	Mayer	Monica
New Town	Simpson	Loren
Northwood	Jonas	Roxanne
Oakes	Nagala	Rup
Oakes	Nagala	Vani
Park River	Johnson	Joel
Park River	Midgarden	Kristi
Richardton	Kelph	Shelley
Rolla	Clasner	Duane
Rolla	Meier	Lowell
Rugby	Andrews Fike	Christa
Rugby	Chowfin	Ashish
Rugby	Seiler	Hubert
Rugby	Selland	Brian
Stanley	Andrews	Mark
Stanley	Ivec	Linda
Valley City	Braunagel	Bradley
Valley City	Diegel	Paul
Valley City	Diegel	Tanya
Valley City	Garcia	Luis
Valley City	Goven	Genevieve
Valley City	Goven	John
Valley City	Larola	Sandeep
Valley City	Mitzel	Fredrick
Wahpeton	Emery	Patrick
Wahpeton	Evans	Eugene
Wahpeton	Halvorson	James
Wahpeton	Mayo	William
Wahpeton	Ostmo	Robert
Wahpeton	Pankow	Dawn
Wahpeton	Strand	Duane
Washburn	Botsford	John
Watford City	Moen	RJ
West Fargo	Borowicz	Ronald
West Fargo	Dahl	Bruce
West Fargo	Dangerfield	Jon
West Fargo	Hall	Katherine
West Fargo	Hordvik	Marit
West Fargo	Jacobson	David
West Fargo	Lenzmeier	Richard
West Fargo	Vetter	Richard
Williston	Anderson	Wayne
Williston	Code	William
Williston	Keating	Nora
Williston	Kemp	Robert
Williston	Kjorstad	Randy
Williston	Miller	Cory

Occupational Therapy Program Graduates

University of North Dakota School of Medicine & Health Sciences

215 BSOT and 10 MOT = 225 UNDSMHS graduates from North Dakota communities



Sources: UND Alumni Association; UND School of Medicine & Health Sciences' Department of Occupational Therapy; North Dakota Board of Occupational Therapy Practice

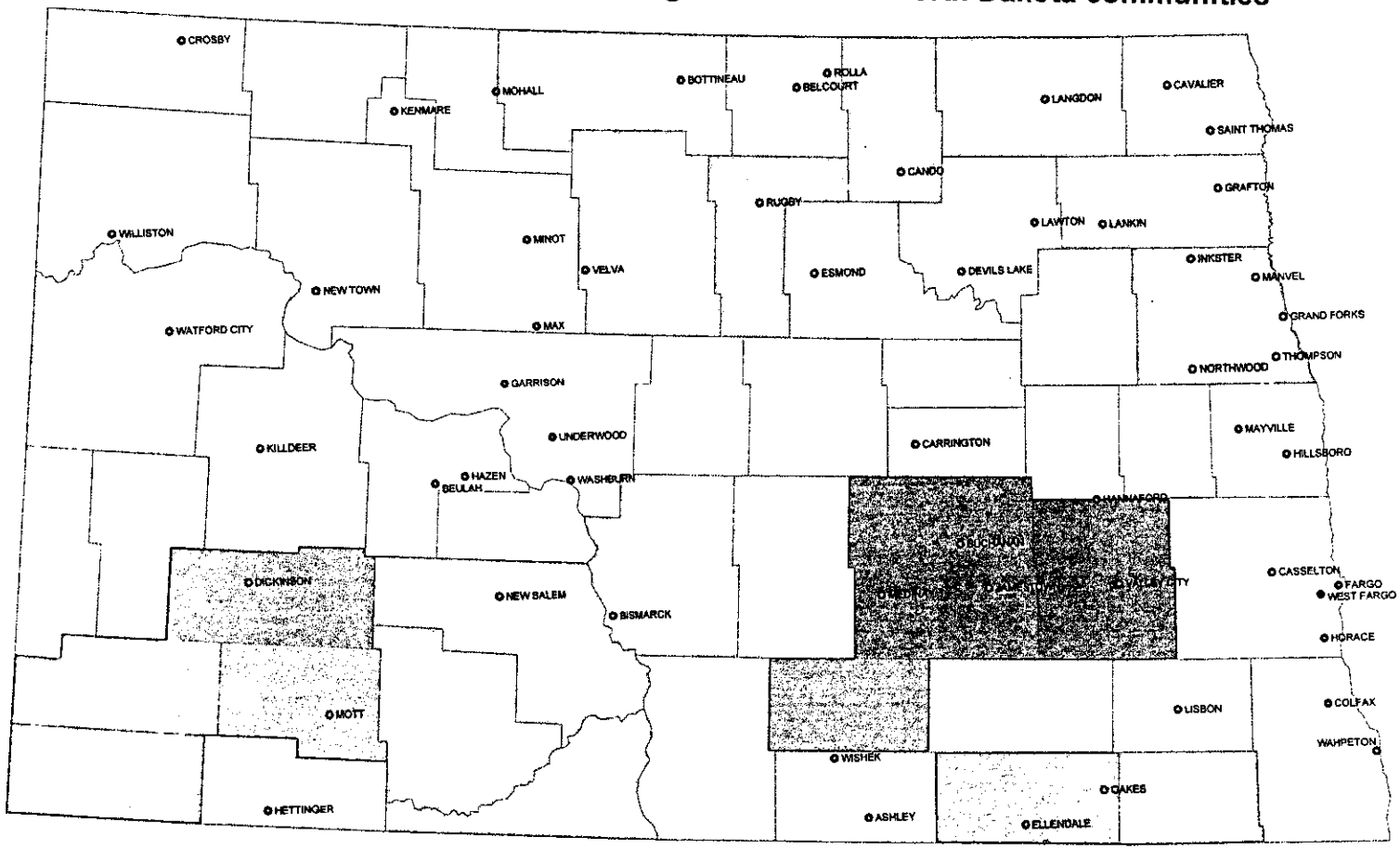
Includes graduates of the Bachelor of Science in Occupational Therapy degree-granting program initiated in 1954, Master of Science in Occupational Therapy degree-granting program
(Names of graduates listed on back of sheet)

City	Lastname	Firstname
[redacted]	Hillesland	Jamie
Beach	Schillo	Melissa
Belcourt	DeCoteau	Barbara
Bismarck	Anderson	Cindy
Bismarck	Berg	Wanda
Bismarck	Breitbach	Brandi
Bismarck	Conklin	Mary
Bismarck	Crum	Audrey
Bismarck	DeMarla	Charlene
Bismarck	Ellingson	Kathy
Bismarck	Erikson	Kori
Bismarck	Gast	Anne
Bismarck	Gayton	Karen
Bismarck	Hager	Scott
Bismarck	Hansted	Angela
Bismarck	Hilts	Jean
Bismarck	Holloway	Andrea
Bismarck	Iken	Stacie
Bismarck	Jorgenson	Mary
Bismarck	Jund	Gregory
Bismarck	Keller	Marie
Bismarck	Markovic	Jessie
Bismarck	Martin	Paula
Bismarck	Matthews	Rebecca
Bismarck	McCleary	Monica
Bismarck	Meier	Gerald
Bismarck	Olin-Domagala	Sandra
Bismarck	Olson	Carol
Bismarck	Puffe	Katherine
Bismarck	Reichenberger	Michelle
Bismarck	Schlenker	Linda
Bismarck	Schmidt Sullivan	Terri
Bismarck	Sibla	Janeene
Bismarck	Stewart	Kimberly
Bismarck	Thiel	Lacey
Bismarck	Toman	Sherri
Bismarck	Van Voorhis	Julie
Bismarck	Wright	Carrie
Bismarck	Zuern	Louise
Boise	Clouston	Daniel
Carrington	Klein	Mary
Cathay	Lies	Barbara
Cavalier	Schmid	Barbara
Coleharbor	Meier	Ronald
Crosby	Johnson	Maureen
Devils Lake	Kurtz	Lori
Devils Lake	Lippert	Diane
Dickinson	Erie	Jared
Dickinson	Pacht	Lori
Dickinson	Peterson	Sandra
Dickinson	Temanson	Diane
Dunseith	Leonard	Donna
Ellendale	Young	Shannon
Emerado	Kays	Marian
Enderlin	Kellerman	Karli
Enderlin	Otteson	Jeremiah
Fargo	Axtman	Mary
Fargo	Bannach	LaDonna
Fargo	Bjorkman	Leah
Fargo	Burud	Angella
Fargo	Bye	Lori
Fargo	Dorsher	Rebecca
Fargo	Eslinger	Kristi
Fargo	Flegel	Nadine
Fargo	Foran	Valerie
Fargo	Hassoun	Janet
Fargo	Hennen	Maria
Fargo	Lewis-Mairs	Beth
Fargo	Lovell	Roberta
Fargo	Mandy	Regina
Fargo	Mueller	Janice
Fargo	Nechiporenko	Dianne
Fargo	Nelson	Jan
Fargo	Olson	Stephen
Fargo	Peterson	Mark
Fargo	Peyerl	Jeanine
Fargo	Redinger	Deron
Fargo	Sakellson	Diane
Fargo	Salzwedel	Janet
Fargo	Saxerud	Janine
Fargo	Schaefer	Susan
Fargo	Schaible	Beth
Fargo	Schlossman	Jean
Fargo	Shaw	Kathryn
Fargo	Skalicky Baumgartner	Jessica
Fargo	Stalemo	Sandra
Fargo	Troyer	Renae
Fargo	Underdahl	Charlotte
Fargo	Weishaar	Angie
Fargo	Wenstrom	Melissa
Fargo	Werness	Lynell
Fargo	Westphal	Sharon
Fargo	Wilson	Sarah
Fargo	Winjum	Amy
Finley	Bakke	Sherry
Fordville	Gemmill	Julie
Grafton	Dusek	Mary
Grafton	Zavalney	Anita
Grand Forks	Anderson	Julie
Grand Forks	Bass	Gail
Grand Forks	Becker	Joan
Grand Forks	Berntson	Mary Lynn
Grand Forks	Byram	Debra
Grand Forks	Carlson	Sandra
Grand Forks	Coble	Tara
Grand Forks	Colter	Brenda
Grand Forks	Curran	Erin
Grand Forks	Dahlstrom	Teresa
Grand Forks	Deal	Jami
Grand Forks	DeMars	Julie
Grand Forks	Evavold	Deirdre
Grand Forks	Fox	LaVonne
Grand Forks	Godfread	Judith
Grand Forks	Godfread	Marc
Grand Forks	Gunderson	Diane
Grand Forks	Hanson	Kathleen
Grand Forks	Headlett	Rebecca
Grand Forks	Hilts	Cassie
Grand Forks	Hiney	Sheila
Grand Forks	Hoff	Bonita
Grand Forks	Holtan	Janie
Grand Forks	Irwin	Lisa
Grand Forks	Janssen	Sclinda
Grand Forks	Jedlicka	Janet
Grand Forks	Jensen	Stacy
Grand Forks	Johnson	Tristan
Grand Forks	Kelly	Elnore
Grand Forks	Keys	Caron
Grand Forks	Loschelder	Jane
Grand Forks	McIntyre	Susan
Grand Forks	McSparron	Erin
Grand Forks	Metzger	M Rebecca
Grand Forks	Middleton	Jinell
Grand Forks	Mikkelson	Jolene
Grand Forks	Norman	Lance
Grand Forks	Norton	Julie
Grand Forks	Purcell	Kristin
Grand Forks	Rask	Sharon
Gra[redacted]	entirow	Nancy
Grand Forks	Roed	Rhonda
Grand Forks	Romanick	Lolita
Grand Forks	Schweitzer	Kathi
Grand Forks	Smith	Daniel
Grand Forks	Solberg	Diane
Grand Forks	Soltin	Apryl
Grand Forks	Stayman	Mathew
Grand Forks	Storhaug	Jodie
Grand Forks	Suedel	Stephanie
Grand Forks	Torczon	Christina
Grand Forks	Uthus	Jacqueline
Grand Forks	Waind	Marsha
Grand Forks	Wilson	Jill
Grand Forks	Wittmann	Mary Lou
Grand Forks	Young	Erica
Grand Forks	Zimmerman	Sonia
Hebron	Draeb	Verda
Horace	Anderson	Kevin
Horace	Jacobson	Lisa
Horace	Vistad	William
Jamestown	Bendewald	Ronald
Jamestown	Colburn	Jeannine
Jamestown	Fugleberg	Mary
Jamestown	Gartner	Karen
Jamestown	Lee	Diane
Jamestown	Reid	Maridell
Jamestown	Ripplinger	Leann
Jamestown	Schmeichel	Kristy
Jamestown	Schutz	Nancy
Jamestown	Stoltenberg	Diane
Kramer	Hermanson Faul	Leah
Langdon	Mikkelsen	Darlene
Lisbon	Aberle	Carmen
Lisbon	Shearer	Treena
Mandan	Carlson	Lorraine
Mandan	Herda	Karla
Mandan	Kadrmas	Christopher
Mandan	Perrin	Kathryn
Mandan	Roth	Jill
Mandan	Souther	Cheryl
Mapleton	Dobrinz	Lia
Mayville	Krivarchka	Heidi
McGregor	Johnson	Robert
McVille	Christianson	Connie
Minot	Barnett	Jody
Minot	Boostrom	Margie
Minot	Byre	Sue
Minot	Drevecky	Kelly
Minot	Fettig	Lesley
Minot	Louser-Schaeffer	Stacy
Minot	Malxner	Wanda
Minot	Nehring	Marilyn
Minot	Nielsen	Sarah
Minot	Rimatzki	Bruno
Minot	Thomas	Joleen
Minot	Vatnsdal	Corrine
Mooreton	Kjar	Jason
New Town	Halverson	Eric
New Town	Turner	Terry
Northwood	Morrison	Carolyn
Oakes	Heinz	Dale
Page	Bjerke	Lori
Petersburg	Hagen	Heidi
Reeder	Schwartz	Tanya
Regent	Strand	Cory
Reynolds	Rubbert	Mary
Richardton	Traynor	Molly
Rugby	Schepp	Kevin
Starkweather	Hofsted	Allison
Steele	Rekdal	Colleen
Thompson	Anderson	Carrie
West Fargo	Baumgartner	Mary
West Fargo	Hettwer	Wanda
West Fargo	Nelson	Bryce
West Fargo	Nelson	Shauna
West Fargo	Poppenhagen	Sheila
West Fargo	Schanilec	Amy
West Fargo	Senger	Jody
West Fargo	Stueve	Carmen
West Fargo	Swedberg	Kay
Williston	Bahl	Marcia
Williston	Pahl	Janae
Williston	Sala	Douglas
Wilton	Anderson	Janet
Wilton	Olson	Jeffrey

Physical Therapy Program Graduates

University of North Dakota School of Medicine & Health Sciences

164 BSPT and 169 MPT = 334 UNDSMHS graduates from North Dakota communities



Sources: UND Alumni Association; UND School of Medicine & Health Sciences' Department of Physical Therapy; State Examining Committee for Physical Therapy

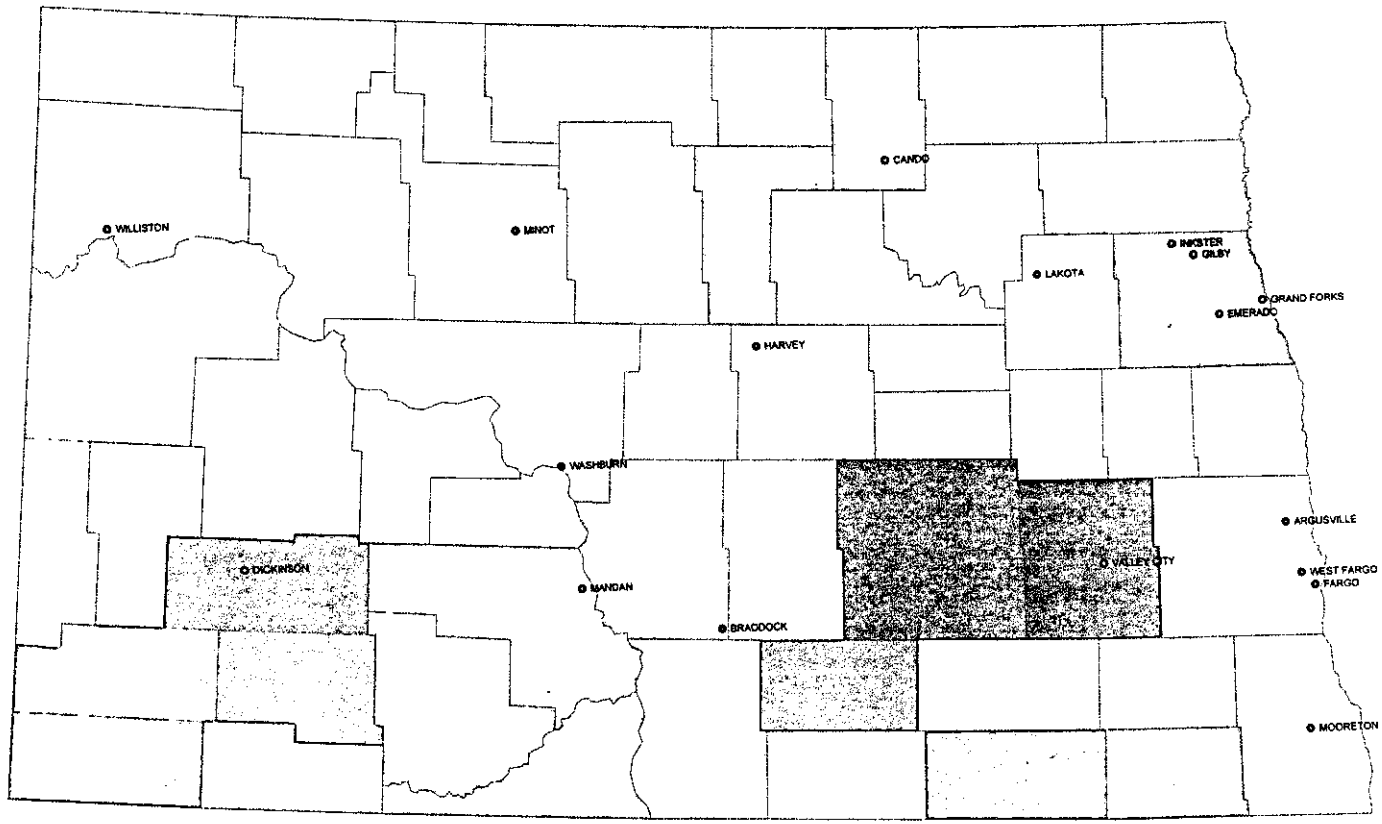
Includes graduates of the Bachelor of Science in Physical Therapy degree-granting program initiated in 1968 and Master of Science in Physical Therapy degree-granting program initiated in 1991.
(Names of graduates listed on back of sheet)

City	Lastname	Firstname
Ashley	St Aubin	Jeremy
Belcourt	Harris	Leslie
Beulah	Hefta	Lori
Beulah	Larson	Mary
Bismarck	Axtman	Kevin
Bismarck	Bahe	Judy
Bismarck	Bogert	Mark
Bismarck	Bohan	Tamela
Bismarck	Bradford	Douglas
Bismarck	Brentrup	Robert
Bismarck	Brossart	Allan
Bismarck	Carvell	Melanie
Bismarck	DeKrey	Jeanne
Bismarck	Dockter	Mary
Bismarck	Erickson	Kristi
Bismarck	Fercho	Blaine
Bismarck	Fischer	Jonathan
Bismarck	Gietzen	Christopher
Bismarck	Guthmiller	Bryan
Bismarck	Hanson	Judith
Bismarck	Hardmeyer	Laura
Bismarck	Hineman	Carol
Bismarck	Hocking	Kim
Bismarck	House	Erin
Bismarck	House	Keith
Bismarck	Hyland	Sandra
Bismarck	Johnson	Mark
Bismarck	Knudson	Sandra
Bismarck	LaFleur	Lisa
Bismarck	Lange	Jeffrey
Bismarck	Leingang	Colleen
Bismarck	Leingang	Todd
Bismarck	Lundeen	Heather
Bismarck	Medler	Donna
Bismarck	Miller	Brenda
Bismarck	Morgan	James
Bismarck	Nash	Barbara
Bismarck	Neff	Michael
Bismarck	Roller	Diane
Bismarck	Roller	Joellen
Bismarck	Schwartz	Heidi
Bismarck	Skarperud	Rochelle
Bismarck	Spotts	Joy
Bismarck	Steckler	Jay
Bismarck	Thunshelle	Terry
Bismarck	Vetter	Michelle
Bismarck	Welp	Roberta
Bismarck	Zander	Crystal
Bismarck	Zastoupil	Sharon
Bottineau	Borkowski	Margaret
Bottineau	Kihle	Cynthia
Bottineau	Pritchard	Keith
Bottineau	Swenson	Richard
Buchanan	Sorenson	Becky
Cando	DeKrey	Sarah
Carrington	Smith	Kyle
Casselton	Myers	Albert
Cavalier	Carlson	Dallas
Cavalier	Cummings	Sharon
Colfax	Griffith	Leigh
Crosby	Simonsen	Jacqueline
Devils Lake	Belanus	Jann
Devils Lake	Broden	Cynthia
Devils Lake	Lunde	Sandra
Devils Lake	Lundy	Mary
Devils Lake	Mitzel	Cara
Dickinson	Jurgens-Dinius	Nicholl
Dickinson	Laumb	Brian
Dickinson	Long	Max
Dickinson	Werchau	Lee
Esmond	Rendahl	Laura
Fargo	Anderson	Jennifer
Fargo	Aslakson	Sheryl
Fargo	Baumgartner, Jr.	Tom
Fargo	Bjerke	Nancy
Fargo	Bjoralt	Meribeth
Fargo	Borchardt	Brian
Fargo	Brasflat	Kari
Fargo	Brenner	Mark
Fargo	Brenner	Terri
Fargo	Buckhouse	Erika
Fargo	Burud	Jason
Fargo	Conrad	Richard
Fargo	Conrad	Stacy
Fargo	Edin	Barbara
Fargo	Emerson	Mary
Fargo	Garrett	Nicole
Fargo	Habermann-Guse'	Laura
Fargo	Hokanson	Christy
Fargo	Hull	Nancy
Fargo	Ivesdal	Heidi
Fargo	Ivesdal	Troy
Fargo	Johnson	Loriann
Fargo	Knodle	Jacquelyn
Fargo	Kraemer	Christopher
Fargo	Kraemer	Jennifer
Fargo	Kroke	Denise
Fargo	Kroke	Michael
Fargo	Leikas	Keith
Fargo	Leikas	Mary
Fargo	Lommen	Amy
Fargo	Lystad	Jeffrey
Fargo	Marsden	Jenny
Fargo	Morse	Michele
Fargo	Nelson	Lois
Fargo	Nice	Scott
Fargo	Noah	Mark
Fargo	Parker	Michelle
Fargo	Peterson	Mary
Fargo	Plencner	Stacy
Fargo	Sadler	Catherine
Fargo	Sandsmark	Suzanne
Fargo	Schulte	Kristine
Fargo	Skjerseth	Brian
Fargo	Sollom	Gail
Fargo	Sorum	Heather
Fargo	Spicer	Jodi
Fargo	Spokely	Shayne
Fargo	Steidl	Martin
Fargo	Steinke	Margaret
Fargo	Teigen	Christine
Fargo	Tracy	Norlene
Fargo	Wagar	Mary
Fargo	Weir	Kathleen
Fargo	Wessman	Bruce
Fargo	Wheeler	Lisa
Fargo	Whitman	Patricia
Fargo	Wulfekuhle	Cassie
Garrison	Reinholt-Hage	Ann
Grafton	Kubousek	Lynn
Grafton	Thompson	Pamela
Grafton	Wiesen	Molly
Grand Forks	Allred	Justin
Grand Forks	Anderson	Lyndsay
Grand Forks	Aymond	Peggi
Grand Forks	Bahl	Tera
Grand Forks	Bailey	James
Grand Forks	Bateman	Michael
Grand Forks	Beise	Kari
Grand Forks	Boettner	Jodi
Grand Forks	Bommersbach	Holly
Grand Forks	Broadway	Kimberly
Grand Forks	Carson	Thomas
Grand Forks	Carter	Patricia
Grand Forks	Christenson	Mark
Grand Forks	Cox	Melissa
Grand Forks	Decker	Schawnn
Grand Forks	Delacruz	Angela
Grand Forks	Due	Joan
Grand Forks	Eickman	Dawn
Grand Forks	Eickman	Janet
Grand Forks	Elbert	Amy
Grand Forks	Elbert	Laura
Grand Forks	Fellows	Diane
Grand Forks	Fisher	Heather
Grand Forks	Foley	Andrea
Grand Forks	Gooden	Suzanne
Grand Forks	Green Danks	Meridee
Grand Forks	Grise	Carrie
Grand Forks	Hager	Michelle
Grand Forks	Hahn	Craig
Grand Forks	Hall	Jeanne
Grand Forks	Hamilton	Joshua
Grand Forks	Haney	Jeffrey
Grand Forks	Harms	Samuel
Grand Forks	Hassenstab	Emily
Grand Forks	Hebi	Amy
Grand Forks	Helgerson	Beth
Grand Forks	Hoffarth	Jennifer
Grand Forks	Holte	Laurie
Grand Forks	Homstad	Ross
Grand Forks	Hosford	Charles
Grand Forks	Jackson	Michele
Grand Forks	Johnson	Arlene
Grand Forks	Johnson	Beverly
Grand Forks	Jung	Laurie
Grand Forks	Jurgens	Theresa
Grand Forks	Kaiser	Stephen
Grand Forks	Kingzett	Cherron
Grand Forks	Klempel	Amanda
Grand Forks	Kratochvil	Lon
Grand Forks	Kresel	Andrea
Grand Forks	Kucera	Michell
Grand Forks	LaBrecque	Michelle
Grand Forks	Lacrosse-Betting	Laurie
Grand Forks	LaFreniere	Heather
Grand Forks	Landsberger	Maureen
Grand Forks	Lindemann	Kim
Grand Forks	Masilko	Sally
Grand Forks	McCoul	Shawn
Grand Forks	McDonald	Molly
Grand Forks	Mckay	Lynn
Grand Forks	Meland	Cynthia
Grand Forks	Mohr	Peggy
Grand Forks	Mohr	Thomas
Grand Forks	Monette	Eugene
Grand Forks	Muir	Brandi
Grand Forks	Nelson	Jessica
Grand Forks	O'Brien	Kevin
Grand Forks	Palmgren	Annette
Grand Forks	Partlow	Heather
Grand Forks	Paur	Eric
Grand Forks	Putbrese	Anne
Grand Forks	Reinhardt	Aaron
Grand Forks	Reisenauer	Jennifer
Grand Forks	Relling	David
Grand Forks	Roise	Barbara
Grand Forks	Romanick	Mark
Grand Forks	Rood	Stephen
Grand Forks	Rustebakke	Kathryn
Grand Forks	Ryan	Karen
Grand Forks	Sayler	John
Grand Forks	Sayler	Tammy
Grand Forks	Schall	David
Grand Forks	Schielke	Michael
Grand Forks	Schill	James
Grand Forks	Schroeder	Jamie
Grand Forks	Sem	Katrina
Grand Forks	Sinness	Daniel
Grand Forks	Sites	Heidi
Grand Forks	Sorvig	Aaron
Grand Forks	Steffes	Suzanne
Grand Forks	Stelmachuk	Christa
Grand Forks	Strauss	Hayley
Grand Forks	Svejcar	Mike
Grand Forks	Temes	Tamara
Grand Forks	Thielen	Dan
Grand Forks	Tran	Peter
Grand Forks	Turner	Jimmy
Grand Forks	Uyeunten	Daniel
Grand Forks	Wehe	Bradley
Grand Forks	Wehe	Marcia
Grand Forks	Weisser	Geraldine
Grand Forks	Wiggins	Collin
Hannaford	Brown	Karen
Hannover	Henke	Thomas
Hazen	Jahraus	Lori
Hazen	Parker	Teri
Hazen	Richter	Andrea
Hazen	Ziegler	Steven
Hettinger	Thompson	Alexander
Hettinger	Thompson	Kathleen
Hillsboro	Brustad	Nancy
Horace	Arnold	Sharon
Horace	Soderholm	Kimberly
Inkster	McMillan	Becky
Inkster	Muir	Kerry
Jamestown	Anderson	Jason
Jamestown	Argent	Ross
Jamestown	Barnick	JoAnne
Jamestown	Burgess	Jacy
Jamestown	Burgess	Michel
Jamestown	Haugen	Myles
Jamestown	Schweitzer	Arlene
Jamestown	Torkelson	Ronald
Kenmare	Skar	Melanie
Killdeer	Bang	Kara
Langdon	Kartes	Joan
Lankin	Karas	Joseph
Lawton	Legacie	Larry
Lisbon	Long	Charles
Mandan	Buhler	Gail
Mandan	Glaser	Kenneth
Mandan	Glasser	Cheryl
Mandan	Kuhn	Christopher
Manvel	Olson	Donald
Manvel	Olson	Kimberly
Max	Gasmann	Nancy
Max	Gullickson	Jamie
Mayville	Hanson	Linda
Medina	Reis	Tammy
Minot	Argent	Reed
Minot	Beach	JoEllen
Minot	Berge	Leslie
Minot	Berge	Torin
Minot	Brock	Teressa
Minot	Flatland	Amb
Minot	Gerszewski	Patricia
Minot	Gessner	Stonewall
Minot	Helfrich	Pamela
Minot	Ingold	Margaret
Minot	LaMont	Barbara
Minot	Mehlhoff	Mardel
Minot	Nelson	Jennifer
Minot	Olson	Kurt
Minot	Rasmusson	Karen
Minot	Rexin	Michael
Minot	Rexin	Michelle
Minot	Smith	Eris
Minot	Vibeto	Mark
Minot	Wedar	Lynwood
Minot	Wohl	Richard
Minot	Zeltinger	Teresa
Minto	Sitzer	Patricia
Mohall	Glessing	Katie
Monango	Smith	Peggy
Mott	Crane	Margaret
New Town	Miller-Starr	Mary
Northwood	Berg	Laurie
Oakes	McLean	Susan
Reiles Acres	McDougall	Jessica
Rolla	Bertsch	Stephani
Rolla	Burgess	Wade
Ross	Hynek	Tara
Rugby	Brandt	John
Rugby	Grassel	Sharon
Rugby	Johnson	Kayla
Saint Thoma	Barker	Kyle
Thompson	Northagen	Lynette
Underwood	Nostdahl	Bonnie
Valley City	Bresnahan	Michael
Valley City	Goven	Grant
Valley City	Magee	Sean
Velva	Thomas	Steven
Wahpeton	Jelinek	Denise
Wahpeton	Leopold	Eric
Wahpeton	Sorum	Heather
Washburn	Gradin	Denise
Watford City	Pierce	Marilyn
West Fargo	Buckmier	Shannon
West Fargo	Griffeth	Kathleen
West Fargo	Hagen	Katherine
West Fargo	Hillig	Anna
West Fargo	Rasmussen	Janet
West Fargo	Speich	Susan
West Fargo	Strand	Anita
Williston	Andre	Kurt
Williston	Huravitch	Chris
Williston	Johnson	Eldon
Williston	Keogh	Katie
Williston	Kjorstad	Bridget
Williston	Spooner	Kevin
Williston	Wassink	Mark
Wishek	Ulmer	Barbara

Physician Assistant Program Graduates

University of North Dakota School of Medicine & Health Sciences

166 UNDSMHS graduates from North Dakota communities



Sources: UND Alumni Association; North Dakota Board of Medical Examiners; ND Board of Nursing; UND School of Medicine & Health Sciences' Department of Community & Rural Health

Includes graduates of the MEDEX Program (1970-75); Family Nurse Practitioner Program (1972-93); and Physician Assistant Program (1993-present)
(Names of graduates listed on back of sheet)

[redacted]	Last Name	First Name
[redacted]se	Heer	Alyce
Amegard	Beutler Johnson	Terri
Amegard	Ceynar	Virginia
Battleview	Blomquist	Patricia
Berlin	Siedschlag	Kathleen
Beulah	Olson	Sharon
Beulah	Zimmerman	Beth
Bismarck	Berglof	Debra
Bismarck	Curtis-Haberlock	Tara
Bismarck	Dietrich	Elizabeth
Bismarck	Frederickson	Daniel
Bismarck	Hipp	Barbara
Bismarck	Houdek	Debra
Bismarck	Humann	Coleen
Bismarck	Kaizer	Gretchen
Bismarck	Kaseman-Sapa	Marlene
Bismarck	Kessler	Kenneth
Bismarck	Klabunde	Lori
Bismarck	Knudson	Wanda
Bismarck	Renner	Cindy
Bismarck	Ritter	Rebecca
Bismarck	Tessmer	Larry
Bowdon	Hoff	Mary
Bowman	Bergquist	Rose
Buchanan	Holzworth	Colleen
Carrington	Hoffert Reimers	Ann
Carrington	Murphy	Bertha
Cavalier	Pegg	Judy
Crystal	Berdal-Shephard	Karen
Dazey	Triebold	Marjorie
Des Lacs	Tranby	Sharon
Devils Lake	Erickson	Rick
Devils Lake	Hollevoet	Jacqualine
Dickinson	Hecker	Rose
Dickinson	Pribyl	Connie
Dunseith	DeMers	Patricia
Elgin	Luplen Ketterling	Marcia
Ellendale	Hack	Vicki
Enderlin	Lueck	Michelle
Fargo	Bergh Kadry	Mary Jane
Fargo	Buskirk	Vickie
Fargo	Carver	Howard
Fargo	Crider	Susan
Fargo	Engel	Gloria
Fargo	Evanson	Candyce
Fargo	Hansen	Scott
Fargo	Ihle	Loma
Fargo	Jones	Cory
Fargo	Kane	Oline
Fargo	Kirkeby	Kathy
Fargo	Knudson	Judy
Fargo	Lorenz	Pamela
Fargo	McGregor	Michael
Fargo	Miller	Gary
Fargo	Miller	Judy
Fargo	Reddy	Helen
Fargo	Seltvedt	Jean
Fargo	Turman	Ranelle
Fargo	Verhey	Michael
Fargo	Waalen	Jeanne
Fargo	Zimney	Katherine
Forbes	Martin	Valerie
Forman	Hoistad	Jeanne
Fort Yates	Bloom	Pat
Fort Yates	Fischer	Gloria
Fort Yates	Pourier	Terrence
Ft Yates	Yellow	Timothy
Garrison	Graeber	Luanna
Garrison	Larson	Kathleen

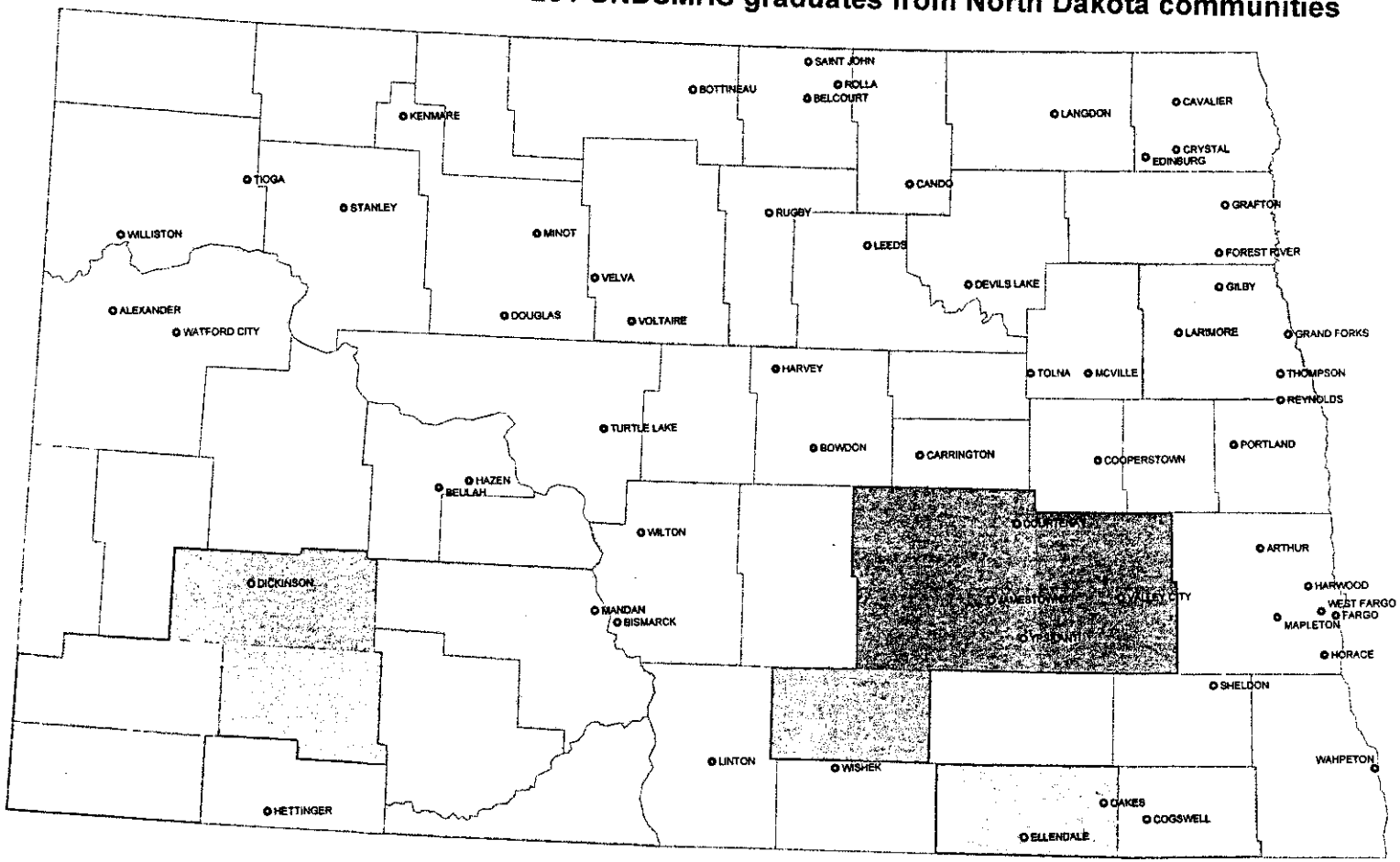
City	Last Name	First Name
Glen Ullin	Duppong	Linda
Golva	Schillo	Sherry
Grafton	Dusek-Trontvet	Sheila
Grafton	Heaney	Allen
Grafton	Hedlund	Sharon
Grand Forks	Anderson	Paul
Grand Forks	Berg	Stacey
Grand Forks	Bring	Cheryl
Grand Forks	Dvorak	Susan
Grand Forks	Falck	Susan
Grand Forks	Gorder	Vicki
Grand Forks	Hagstrom	Agnes
Grand Forks	Harms	Allison
Grand Forks	Huss	Linda
Grand Forks	Larson	Annette
Grand Forks	McIntosh	Josephine
Grand Forks	McKinnon	William
Grand Forks	Ness	Condetta
Grand Forks	Russell Hootman	Lavonne
Grand Forks	Wold	Terri Jo
Grassy Butte	Kostenko	Suzanne
Harvey	Keller	Julie
Hazen	Doll	Sherrie
Hazen	Lorenz	Denise
Hazen	Meier	Dawn
Hebron	Beauchamp	Mavis
Hebron	Hoerauf	Lynda
Hettinger	Christensen	Randy
Hillsboro	Gibbons	Harriet
Hillsboro	Gigstad-Stave	Doreen
Horace	Carlson	Glenice
Jamestown	Perkins	Randy
Jamestown	Regan	Linda
Larimore	Eldridge	Rose Mary
Lehr	Hauff	Rosemary
Lidgerwood	Pfeifer	Lori
Lidgerwood	Wohler	Jill
Linton	Praus	Ardy
Linton	Schatz	Alice
Lisbon	Tanner	Katie
Maddock	Ellingson	Linda
Mandan	Carlson	Denise
Mandan	Held	Debra
Mandan	Nottestad	Stephanie
Mandan	Sayler-Culver	Melisa
McClusky	Hill	Patricia
Milnor	Halley-Jacobson	Lorraine
Minot	Christianson	Darcy
Minot	Dockter	Lori
Minot	Forsberg	Jerane
Minot	Hargis Schaefer	Judy
Minot	Maxson	Janet
Minot	Smith	Janice
Mott	Fischer	Bernie
New England	Moore	Jodi
New England	Nielsen	Teresa
New Leipzig	Wren	Ronald
Northwood	Dahlen	Paula
Northwood	Wallace	Carrie
Oakes	Gulsvig	Nancy
Oakes	Reich	Brenda
Oakes	Stahlecker	Rose
Park River	Clemetson	Tamara
Park River	Dahlen	Barbara
Park River	Lee	Renee
Parshall	Trulson	Jill
Pembina	Warner	Karen
Ray	Ulven	Cheryl
Richardton	Emond	Sr. Michael

City	[redacted]st Name	First Name
Rolette	Danielson	Gail
Rolla	Kartes	Wayne
Rugby	Collins	Ginger
Rugby	Harder	Tammie
Rugby	Hermanson	Mary
Rugby	Melander	Jodi
Saint John	Albertson Charbonneau	Lavonne
Sentinel Butte	Hardy	Michelle
St John	Abrahamson	Phyllis
Tioga	Coughlin	Corinne
Tioga	Joyce	Gail
Towner	Zimbro Berg	Carol
Valley City	Preszler	Roger
Valley City	Stoltz	Joan
Velva	Fitzpatrick	DeMaris
Wahpeton	Lies	Patricia
Wahpeton	Nycklemoe-Connell	Joan
West Fargo	Bauduin	Tamra
West Fargo	Ellenson	Donna
West Fargo	Hample	Barbara
West Fargo	Sjoquist	Nina
West Fargo	Smith	Cynthia
West Fargo	Urlaub	Cathy
Wildrose	Halvorson-Nygaard	Jean
Willow City	Kitzman	Marilyn
Wishek	Benson	Paulette
Wishek	Kosiak	Maureen
Wishek	Rau	Kay

Clinical Laboratory Science Program Graduates

University of North Dakota School of Medicine & Health Sciences

17 MSCLS and 214 BSMT/BSCLS = 231 UNDSMHS graduates from North Dakota communities



Sources: UND Alumni Association; UND School of Medicine & Health Sciences' Department of Pathology

Includes graduates of the Master of Science in Clinical Laboratory Science degree-granting program initiated in 1978; Bachelor of Science in Medical Technology degree-granting program initiated in 1949; Bachelor of Science in Clinical Laboratory Science degree-granting program

(Names of graduates listed on back of sheet)

City	Last Name	First Name
[redacted]	Mrachek	Patti
Arthur	Williams	Barbara
Belcourt	LaRocque	Chad
Belcourt	Marion	Rhonda
Benedict	Schmidt	Neil
Beulah	Ochsner	Mary
Bismarck	Anders	Karen
Bismarck	Baltzer	Renae
Bismarck	Bartsch	Julie
Bismarck	Bossert	Laura
Bismarck	Brackin	Ilene
Bismarck	Campbell	Stephanie
Bismarck	Chase	Teresa
Bismarck	Christianson	Diane
Bismarck	Emery	Russell
Bismarck	Erickson	Nancy
Bismarck	Farver	Dale
Bismarck	Fisher	Catherine
Bismarck	Foltz	Jean
Bismarck	Fred	Tammy
Bismarck	Grant	Tracey
Bismarck	Howe	Carol
Bismarck	Jacob	Valarie
Bismarck	Johnson	Anne
Bismarck	Johnson	Cheryl
Bismarck	Longie	Kevin
Bismarck	Maddock	Deborah
Bismarck	Malaktaris	Ruth
Bismarck	Meier	Sarah
Bismarck	Metzger	Laurie
Bismarck	Miller	Ondrea
Bismarck	Nabben	Judith
Bismarck	Olson	Leola
Bismarck	Olson	Marcia
Bismarck	Rasmussen	Mary
Bismarck	Schulz	Nicholette
Bismarck	Sorenson	Donna
Bismarck	Tracy	Patrick
Bismarck	Twedt	Carolyn
Bismarck	Uhlich	Angela
Bismarck	Wegener	Bernice
Bismarck	Weisbeck	Patricia
Bismarck	Wheeler	Scott
Bismarck	Witt	John
Bismarck	Young	Sandra
Bottineau	Orvedal	Debra
Bottineau	Zahn	Twila
Bowdon	Fuhrman	Arlene
Cando	Miller	Sharon
Carrington	Edland	Teresa
Cavalier	Fleming	Charlotte
Cogswell	Ptacek	Bonnie
Cooperstown	Hoverson	Julie
Cooperstown	Kenninger	Tina
Courtenay	Mitchell	Judith
Crystal	Noble	Mary
Devils Lake	Boehmer	Kory
Devils Lake	Eckes	Rita
Devils Lake	Harper	Vicki
Devils Lake	Loff	Beverly
Devils Lake	Solseng	Julie
Devils Lake	Speidel	Curtis
Dickinson	Berndt	Tammy
Dickinson	Hoistad	Sheree
Dickinson	Kuether	Carol
Dickinson	Kunz	Dianne
Dickinson	Reitmeier	Suzette
Dickinson	Splichal	Duane
Dickinson	Stenberg	Brett

City	Last Name	First Name
Dickinson	Stenberg	Jerilyn
Douglas	Heer	Peggy
Edinburg	Mathiason	Lois
Ellendale	Rada	Myra
Ellendale	Urbaniak	Cynthia
Fargo	Ahlin	Jane
Fargo	Argabright	Barry
Fargo	Conlon	Patricia
Fargo	English Luistro	Mary
Fargo	Evenson	Shelly
Fargo	Fetsch	Barbara
Fargo	Hendrickson	Kathryn
Fargo	Iverson	Alicia
Fargo	Kuhn	Susan
Fargo	Lorentzsen	Margaret
Fargo	Matthey	Sandra
Fargo	Meberg	Claudia
Fargo	Miller	Jill
Fargo	Nelson	Janice
Fargo	Olson	Linda
Fargo	Olson	Prudence
Fargo	Person	Patricia
Fargo	Przymus	Mary
Fargo	Quenrud	Marlene
Fargo	Reinke	David
Fargo	Schmid	Rodger
Fargo	Sommer	Pamela
Fargo	Steinwand	Chad
Fargo	Willman	Wendy
Fargo	Youlden	Grace
Forest River	Blair	Heidi
Gilby	Korynta	Dawn
Gilby	Paur	Ruth
Grafton	Gross	Sharon
Grafton	Miskavige	Kathryne
Grafton	Prigge	Norine
Grand Forks	Abbe	Claudette
Grand Forks	Armbrust	Sharon
Grand Forks	Barksdale	Michael
Grand Forks	Bartholomew	Laurie
Grand Forks	Briske-Anderson	Mary
Grand Forks	Bruce	Albert
Grand Forks	Butman	Wendy
Grand Forks	Carlveau	Marilyn
Grand Forks	Carlveau	Thomas
Grand Forks	Chisholm	Kathleen
Grand Forks	Christopher	Sharalyn
Grand Forks	Coleman	Mary
Grand Forks	Cowger	Tina
Grand Forks	Dendy	Khalin
Grand Forks	Dubuque	Meredith
Grand Forks	Ell	Sharon
Grand Forks	Falcon	Melissa
Grand Forks	Filipi	Gordon
Grand Forks	Flom	Linda
Grand Forks	Foster	Shirley
Grand Forks	Greek	Gregory
Grand Forks	Green	Edith
Grand Forks	Hammami	Nasser
Grand Forks	Hansen	Shannon
Grand Forks	Hintz	Terri
Grand Forks	Irion	Jessica
Grand Forks	Jamsa	Lisa
Grand Forks	Johnson	Gail
Grand Forks	Jonas-Hjelseth	Roxanne
Grand Forks	Jongeward	Shannon
Grand Forks	Kosmatka	Bre
Grand Forks	Kuznia	Catherine
Grand Forks	Lamoureux	Jennifer

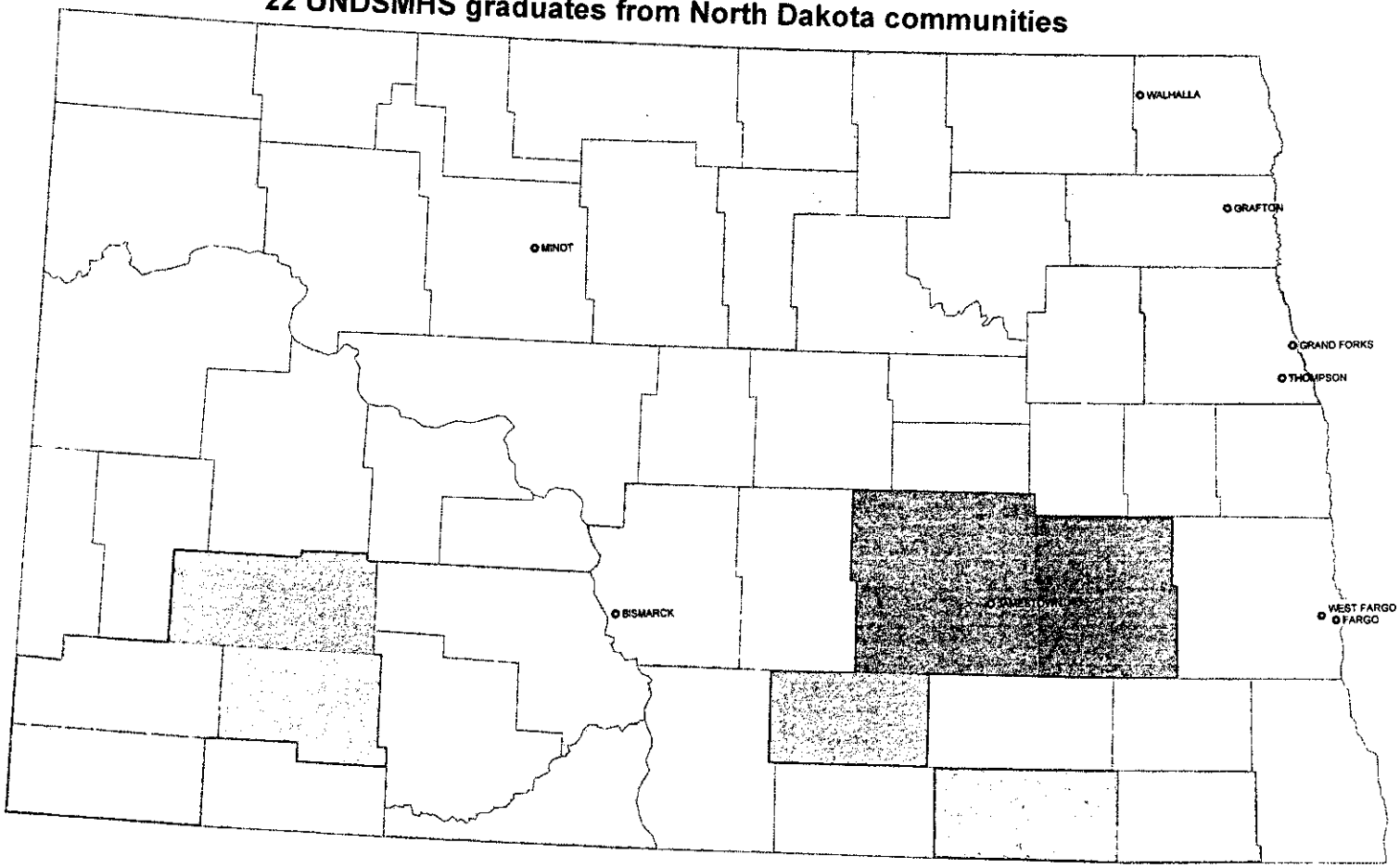
City	Last Name	First Name
Grand Forks	Lars[redacted]	Patricia
Grand Forks	Lopez	Evonne
Grand Forks	Lutman	Elizabeth
Grand Forks	Magnuson	Judy
Grand Forks	Martens	Sandra
Grand Forks	Mathsen	Marilyn
Grand Forks	McPherson	Debra
Grand Forks	Nelson	G
Grand Forks	Parvey	Cheryl
Grand Forks	Poellot	Rhonda-Lee
Grand Forks	Robinson	Holly
Grand Forks	Robinson	Neil
Grand Forks	Sailer	Frances
Grand Forks	Schill	Janna
Grand Forks	Schue	Debra
Grand Forks	Schuh	Janice
Grand Forks	Severinson	Jacqueline
Grand Forks	Sherwood	Quayne
Grand Forks	Smaaladen	Linda
Grand Forks	Speidel	Brandon
Grand Forks	Stjern	Gary
Grand Forks	Strande	Kristie
Grand Forks	Twedell	James
Grand Forks	Voeller	Diane
Grand Forks	Wangler	Troy
Grand Forks	Waters	Malva
Grand Forks	Winter	Jane
Grand Forks	Ziegler	Kristi
Harvey	Frey	Joan
Harvey	Rust	Kim
Harwood	Ellison	Nicolle
Harwood	Foss	Sandra
Hazen	Meyhoff	Leilani
Hazen	Weir	Deborah
Hettinger	Holzkamm	Bekki
Horace	Haugen	Kasey
Jamestown	Ault	Cynthia
Jamestown	Baumgartner Dillman	Tamara
Jamestown	McCarty	Carol
Jamestown	Van Eeckhout	Mary
Kenmare	Bauer	Elaine
Langdon	Miller	Billie
Langdon	Wilhelmi	Paul
Larimore	Cooper	Denise
Leeds	Haagenson	Paula
Linton	Carter	Mary
Mandan	Anderson	Marcia
Mandan	Bondeson	Steven
Mandan	Brucks	Berwyn
Mandan	Finneman	Kara
Mandan	Reister	Barbara
Mandan	Wetsch	Merry
Mapleton	Fettes Scufsa	Denise
McVille	Larson	Betty
Minot	Alexander	Ruth
Minot	Askvig	Stacey
Minot	English	Michael
Minot	Lee	Judith
Minot	Lee	Judy
Minot	Olson	Karen
Minot	Thorson	Lois
Minot	Wilson	Renda
Oakes	Fenske	Michelle
Oakes	Weispfenning	Diane
Portland	Hoffman	Angela
Reynolds	Kuster	Nichole
Reynolds	Lee	Norizan
Rolla	Yee	Conchita
Rugby	Lien	Cynthia

City	Last Name	First Name
Saint John	Hodell	Cameron
Sheldon	Rader	Keri
Stanley	Skarsgard	Jacolyn
Thompson	Bennett	Gordon
Thompson	Hagen	Laura
Tioga	Hagen	Charles
Tioga	Holm	Michael
Tolna	Wardius	Peggy
Turtle Lake	Aafedt	Karen
Valley City	Goven	Carol
Valley City	Paulson	Bonita
Velva	Letvin	Jodi
Voltaire	Colby	Kama
Wahpeton	Portscheller	Shelly
Watford City	Dahl	Nyla
West Fargo	Breitling	Mary
West Fargo	Ferber	Gayle
West Fargo	Mjelde	Eric
Williston	Horab	Paula
Williston	Huether	Laura
Williston	Qvale	Carol
Williston	Sinclair	Kathleen
Wilton	Desclak	Karen
Wishek	Vithauer	Rebecca
Ypsilanti	Bowder	Mary

Cytotechnology Program Graduates

University of North Dakota School of Medicine & Health Sciences

22 UNDSMHS graduates from North Dakota communities



Sources: UND Alumni Association; UND School of Medicine & Health Sciences' Cytotechnology Program

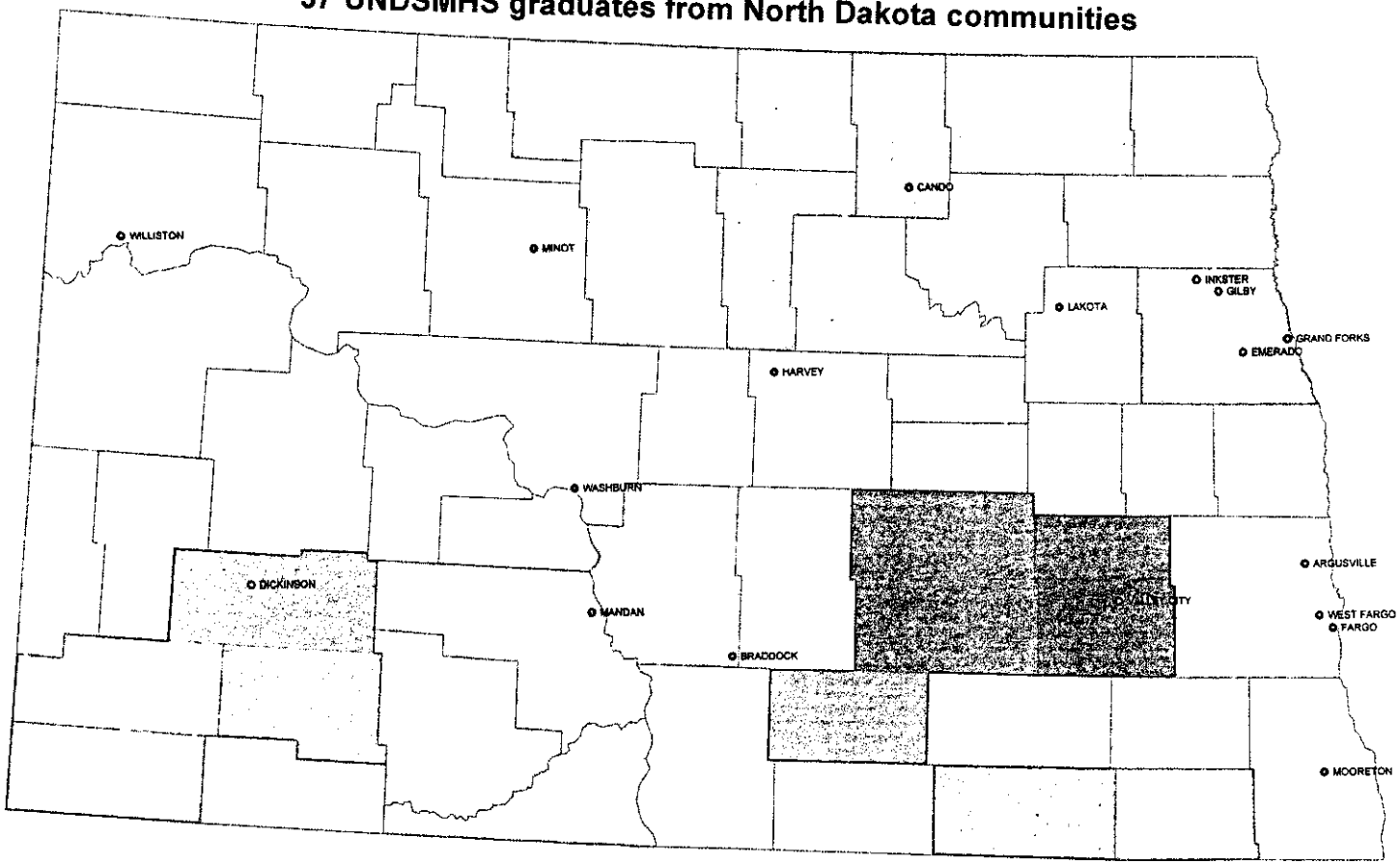
Includes graduates of the Bachelor of Science in Cytotechnology degree-granting program initiated in 1975
(Names of graduates listed on back of sheet)

City	Last Name	First Name
Bismarck	Anderson	Jennifer
Bismarck	Gellner	Kathy
Bismarck	Lacher	Denise
Bismarck	Learn	Dean
Bismarck	Stroh	Monica
Fargo	Giese	Karen
Fargo	Sands	Jennifer
Fargo	Strinden	Cheryl
Grafton	Droog	Kimberly
Grafton	Gross	Donald
Grand Forks	Dempsey	Julie
Grand Forks	Elder	Laura
Grand Forks	Larsen	Mamie
Grand Forks	Santiago	Elizabeth
Grand Forks	Shull	Diane
Grand Forks	Smith	Ann
Grand Forks	West	Sherlyn
Jamestown	Fischer	Monica
Minot	Bjork	Nancy
Thompson	Rada	Jody
Walhalla	Bjornstadt	Jane
West Fargo	Nicholson	Bartley

Athletic Training Program Graduates

University of North Dakota School of Medicine and Health Sciences

37 UNDSMHS graduates from North Dakota communities



Sources: UND Alumni Association; UND School of Medicine & Health Sciences' Department of Family Medicine (Division of Sports Medicine)

Includes graduates of the Bachelor of Science in Athletic Training degree-granting program initiated in 1990
(Names of graduates listed on back of sheet)

City	Last Name	First Name
Argusville	Carpenter	Benjamin
Bismarck	Hessinger	Abigail
Bismarck	Schlinger	Damian
Bismarck	Steiner	Blaine
Braddock	Rambough	Audrey
Cando	Shock	Travis
Dickinson	Kreidt	Timothy
Emerado	Koerber	Shelley
Fargo	Hadland	Kelly
Fargo	Kleinsasser	Sheri
Fargo	Mann	Wade
Fargo	Nester	Darin
Fargo	Richardson	Christine
Fargo	Secchetti	Kimberley
Gilby	Paur	Eric
Grand Forks	Bayer	James
Grand Forks	Bjerke	Sara
Grand Forks	Engel	Amy
Grand Forks	Jelinek	Suzie
Grand Forks	Reed	Lyndsey
Grand Forks	Sandy	Jonathan
Grand Forks	Seeger	McKynsey
Grand Forks	Vojacek	John
Grand Forks	Wagner	Stephanie
Grand Forks	Westereng	Steven
Harvey	Finley	Brenda
Inkster	Wesolowski	Spring
Lakota	Moen	Chad
Mandan	Bueligen	Justin
Mandan	Norby	Travis
Minot	Kragh	Chad
Mooreton	Kjar	Jason
Valley City	Goven	Grant
Washburn	Reimers	Mark
West Fargo	Loney	Rebecca
Williston	Coughlin	Michael
Williston	Helstad	Kyle



Biographical Sketch

H. David Wilson, M.D.

Vice President for Health Affairs & Dean
University of North Dakota School of Medicine & Health Sciences

EDUCATION

A.B., Wabash College
M.D., St. Louis University School of Medicine
Internship in Pediatrics, St. Louis University
Residency in Pediatrics, University of Kentucky
United States Navy - Lt. Commander
NIH Fellowship in Pediatric Infectious Diseases, University of Texas Southwestern Medical School – Dallas
Sabbatical Study in Virology, University of London, London, England

ACADEMIC CAREER

University of Kentucky, 22 years, rising to full professor
- Vice Chairman, Department of Pediatrics
- Director of Admissions, College of Medicine
- Associate Dean for Academic Affairs

University of North Dakota
- Vice President for Health Affairs, September 2001 - present
- Dean, School of Medicine and Health Sciences, June 1995 - present
- Professor of Pediatrics, June 1995 - present

s:\wilson.03\biographical sketch

HONORS

University of Kentucky Alumni Association, "Great Teacher Award"
American Medical Student Association "Golden Apple Teaching Awards" x 3
Kentucky Medical Association, "Education Achievement Award"
Fellowship, 1988-89, American Council on Education

SCHOLARSHIP

Over 50 scientific peer reviewed publications and one book published

CURRENT MEMBERSHIPS

Member, American Medical Association's Council on Medical Education 2001-2005
Member, Liaison Committee on Medical Education (accreditation of all U.S. and Canadian medical schools) 2001-2004
Member, AAMC Medical Student Performance Evaluation Advisory Committee
Member, AAMC Council of Deans Administrative Board; Executive Council 2004-2007
Chair, Association of American Medical Colleges, Community-Based Deans Group

PERSONAL

Dr. & Mrs. (Jeanette) Wilson have t
- Jennifer - elementary scho
- Jacqueline - pharmaceutic
- Mary Jeanne - graduate stu

UNIVERSITY OF UND NORTH DAKOTA

H. David Wilson, M.D.
Vice President for Health Affairs
Dean, School of Medicine and Health Sciences
Professor of Pediatrics

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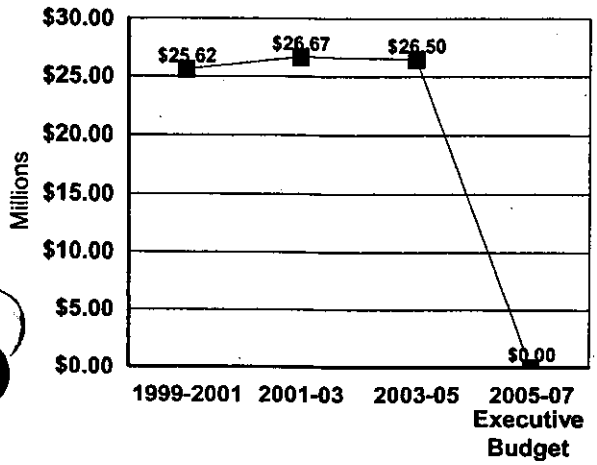
Prepared by the North Dakota Legislative Council
staff for House Appropriations
February 25, 2005

partment 241 - Minot State University
enate Bill No. 2003

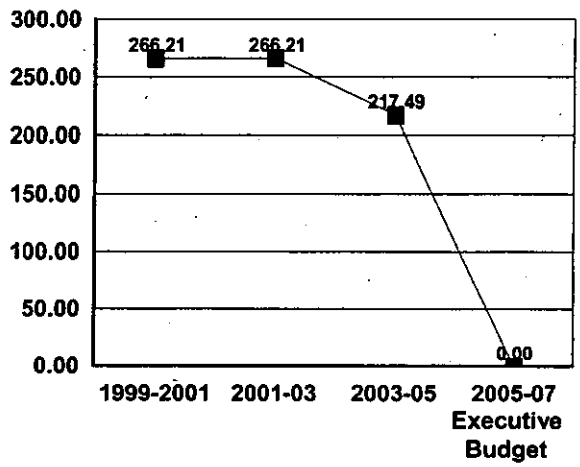
	FTE Positions	General Fund	Other Funds	Total
2005-07 Executive Budget	0.00	$0	$3,535,000	$3,535,000
2003-05 Legislative Appropriations	217.49	26,503,196	0	26,503,196[1]
Increase (Decrease)	(217.49)	($26,503,196)	$3,535,000	($22,968,196)

[1]The 2003-05 appropriation amounts include funding of $120,768 relating to the transfer of funding associated with the statewide psychiatric nursing education program from the University of North Dakota to various higher education institutions. The 2003-05 appropriation amounts do not reflect $462,132 of special funds 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)

	General Fund	Other Funds	Total
1. Consolidates operations and extraordinary repair funding for all higher education institutions into the University System budget. The Senate appropriated operations and extraordinary repair funding for each of the higher education institutions.	($26,503,196)		($26,503,196)
2. Provides funding for a major capital project for the 2005-07 biennium--$3,535,000 for renovation of Crane Hall. The Senate increased funding for the renovation of Crane Hall by $1,465,000 from special funds, from $3,535,000 to $5,000,000. The Senate also appropriated $3,500,000 of special funds for a center for applied professional education.		$3,535,000	$3,535,000

Major Related Legislation

nate Bill No. 2003 - Long-term finance plan review - Section 17 of Engrossed Senate Bill No. 2003 provides that it is the intent of e 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 to include an executive summary and specific information regarding education excellence, economic development, student access, student affordability, and financial operations.

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 requirement 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 the 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.

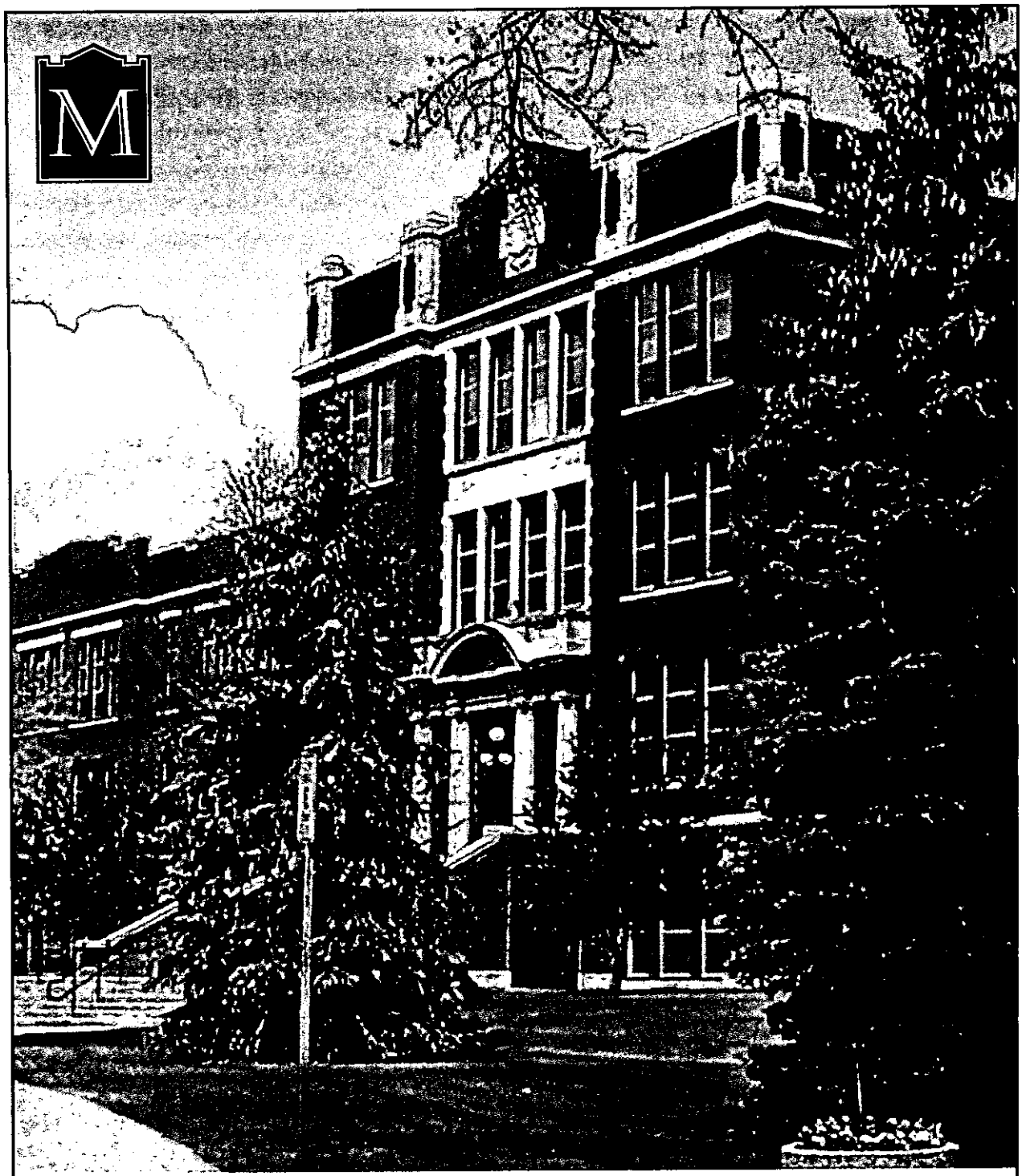
Senate Bill No. 2036 - Unspent general fund appropriations - This bill provides for the continuation of the North Dakota University System's authority to carry over at the end of the biennium unspent general fund appropriations through June 30, 2007.

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 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.

F-SB 2003



MINOT STATE UNIVERSITY

HOUSE APPROPRIATIONS HEARING

Fifty-Ninth Legislative Assembly

February 28, 2005

Very similar testimony given to Senate on 1-18-05

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Minot State University
Overview and Accomplishments
2003-2005 Biennium

Enrollment Overview

Minot State University counted 3,851 students fall 2004 and has experienced increasing enrollment for four consecutive years. Last year, MSU counted 3,825. The head count in previous years was 3,625 in 2002, 3,515 in 2001, and 3,081 in 2000.

Both the number of new graduate students and the total number of graduate students increased. The number of new graduate students grew by 42 students, from 25 last year to 67 this year. The total number of graduate students grew 19 percent, from 231 students last year to 275 this year.

Enrollment of new freshman and new transfer students remained steady, indicating that the university is maintaining its share of the traditional market.

Other highlights of MSU fall 2004 enrollment include:

- The number of Canadian students grew from 184 last year to 209 this year, an increase of 14 percent; it is the second year in a row that this population has seen an increase since a decline that started in 1994.
- 24 percent increase in the number of students enrolled in online courses.
- 4.4 percent increase in students ages 25 and older.
- 1.4 percent decline in the students under age 25.
- Part-time enrollment by undergraduate and graduate students increased.

Academic Overview

Academic Program Developments

During the current biennium, the following actions regarding academic programs were approved by the state Board of Higher Education:

- The social work degree and the psychology degree were approved for distance delivery to Bismarck State College.
- The nursing degree was approved for distance delivery to Williston State College and Lake Region State College.
- Minors in fraud examination and gender-women's studies were approved.
- A Bachelor of Fine Arts in art degree was approved.
- A master's degree in information systems was approved for campus and online delivery.
- A bachelor's degree in virtual business was approved for campus and online delivery.
- The Department of Accounting became the Department of Accounting and Finance, reflecting the unit's broadened scope.
- The international business major was placed on inactive status.
- The major in communication arts is being replaced with a major in communication and a major in theatre arts.

Academic Unit Accreditations

During the current biennium, accreditation was affirmed by the following specialty accreditation agencies: the National Council for Accreditation of Teacher Education; the Council for the Education of the Deaf; the Council on Academic Accreditation of the American Speech-Language Hearing Association; and the Council on Social Work Education.

Degrees Conferred

Minot State University conferred a total of 593 undergraduate and graduate degrees in 2003, and 596 undergraduate and graduate degrees in 2004.

Employers Indicate Satisfaction with MSU Graduates

The results of about 130 responses to a Noel-Levitz Employer Satisfaction Survey indicated that employers were "very satisfied" with Minot State University graduates in all categories. The categories measured include: employee's knowledge and understanding in their major, employee's general knowledge and understanding, satisfaction with qualities expected of a college graduate, and satisfaction with the employee's general skills. The survey results also indicated a strong likelihood that the employer would hire other graduates from Minot State University based on their experience with the employee they rated.

Economic Development Overview

Targeted Industries Studies

The College of Business completed a targeted industries study for the **Minot Area Development Corporation** in 2004. The study evaluated the human and capital assets of Minot and identified likely new businesses. Rod Hewlett, dean of the College of Business and the Graduate School, developed the model. The purpose of the project is to help existing businesses change so they fit a targeted market or help fledgling business owners start new businesses. The study also provides analysis of the quality of life and financing ability offered by the community.

The cities of **Bottineau and Stanley** look to benefit from further use of the targeted industries model. Souris Basin Planning Council, a nonprofit regional development organization, has entered into a contract with MSU to complete a study for each community. MSU undergraduate and graduate students will conduct and apply the research, while developing a "right fit" targeted industries list specifically for each city. The project's ultimate goal is to establish two new businesses in each community. The $50,000 cost is being shared equally by all five partners – Minot State University, Souris Basin Planning Council, the cities of Stanley and Bottineau, and the economic development administration of the U.S. Department of Commerce in Denver. The expected completion date for the project is December 2005.

Prairie Community Development Center Approved

Creation of the Prairie Community Development Center was approved by the state Board of Higher Education December 2004. The center's purpose is to foster research and methods for comprehensive community development in the northwest region of North Dakota. It is being established in direct response to the need for community, economic, and industrial development for the quadrant and in accordance with the recommendations of the Roundtable on Higher Education for the state. U.S. Senator Byron Dorgan has secured $250,000 in funding to begin center activities February 2005.

Economic Development Conferences

Since October 2003, the College of Business has convened four seminars promoting economic development. The college has twice partnered with the state Department of Commerce in sponsoring the International Business Conference. The 2003 edition focused on trade with Scandinavia. In 2004, the emphasis was on international trade links between North Dakota and the Upper Great Plains region. The college hosted a Federal Procurement Conference in November 2003. The Summit on Value-Added Agricultural Food Processing was held April 2004, with financial support from Sen. Dorgan. All of these events were created to provide hands-on, practical experience and to help participants link with information sources and potential clients.

External Support Overview

Grants and Contracts

Consistent with directives from the state Board of Higher Education and the Legislature, MSU has continued to increase efforts to secure external funding. During fiscal year 2003-04, Minot State University garnered $7.75 million in grants and contracts (exclusive of student financial aid). This represents a dramatic increase from the $4.09 million received in 2002-03.

The following is a sampling of grants and contracts awarded since July 1, 2004:

INBRE Grant

Minot State University scientists have garnered more than $2.5 million for biomedical research through a five-year federal grant. MSU's award is part of the $16.3 million in funding received by the state as the second phase of a National Institutes of Health initiative. The Institutional Development Awards (IDeA) program under NIH assists states such as North Dakota that have historically received relatively little federal research funding. The grant's objective is to develop an infrastructure that supports biomedical research and in turn, create opportunities for students to pursue careers in biomedical research and assist researchers in becoming more competitive for NIH funding. The North Dakota IDeA Networks for Biomedical Research Excellence (INBRE) grant is the result of a joint effort between the University of North Dakota and North Dakota State University, four four-year colleges including Minot State University, and Turtle Mountain Community College. MSU research will involve students with four science faculty members – biologists Chris Beachy, Heidi Super and Chris Keller, and chemist Mikhail Bobylev. INBRE follows up on an NIH program that ran from October 2001 through June 2003 and was originally known as the Biomedical Research Infrastructure Network (BRIN).

Job Corps Executive Management Program

The Job Corps Executive Management Program will soon have its fifth consecutive cohort begin coursework. Students compete from throughout the country to be accepted into the customized master's program in management. The degree has been tailored for junior to middle-level management staff at Job Corps centers and addresses a burgeoning need for directors and qualified senior staff due to an anticipated retirement bubble. The accelerated program allows students to complete their master's degree in one year by combining online coursework with eight weeks of on-campus instruction. Federal appropriations support the program and pay for the majority of students' expenses. JCEMP was awarded funding of $297,000 in December, and the program has already been notified that it will receive $450,000 next year.

Lewis and Clark Expedition Teacher Institute

For the second time the MSU Department of History has been awarded a grant from the National Endowment for the Humanities to offer an institute on the Lewis and Clark Expedition. The $168,000 in funding will support a four-week summer session hosting

teachers from across the country and visiting scholars. The institute was also designated as an NEH "We the People" project because it explores a significant event in our nation's history.

Rural Crime and Justice Center

The Rural Crime and Justice Center at MSU continues to develop programs that assist and train rural law enforcement agencies nationwide. This fall alone, $1.75 million in federal funding was awarded to expand the Rural Methamphetamine Project and to launch the Mentor Communities project. The focus of these programs is to inform the public how methamphetamine use and production affects their communities and to help law enforcement create effective counter measures.

North Dakota Center for Persons with Disabilities

North Dakota Center for Persons with Disabilities projects, activities, and programs are designed to increase the inclusion, integration and productivity of people who have disabilities in all aspects of community life. Starting with a core grant of $150,000 in 1991, the center now oversees 29 projects worth $5.4 million. These activities have been accomplished without drawing on university resources. In fact, for every dollar MSU has invested in NDCPD, over $10 have been returned in the form of grants and contracts that supplement university resources. Projects, though diverse, are always designed to serve the disability community. Along with the award of $428,000 to support the center's core functions, other large grants received since July 1, 2004, include: Medicaid Infrastructure Grant for $469,000; Rural Special Education Strategist project for $197,500, Flatlands Disability Network project for $993,000; Minot Infant Development program $262,000; and North Dakota One Stop project for $133,400.

Collaboration Overview

The evidence of collaboration by MSU has been demonstrated throughout this executive summary. The following are additional examples of institutional collaboration:

Collaboration with State Entities

ConnectND is a major collaborative effort between the North Dakota University System and state government. This initiative provides state-of-the-art integrated software systems that will enhance services to students, employees, policy makers, and North Dakota taxpayers. North Dakota is the only state in the nation to cooperatively implement a comprehensive software system such as this. Through ConnectND, higher education will provide enhanced student, finance, and human resource management systems.

Partnerships with NDUS Institutions and Workforce Training

As an active partner of the NDUS collaborative student process, Minot State University hosts 117 collaborative students and is home to 140 collaborative students. Partnerships with NDUS institutions include:

- Williston State College – licensed practical nursing, bachelor of science in nursing, massage therapy, and physical therapy assistant programs.
- Lake Region State College – legal assistant program, speech-language pathology assistant program, police academy, bachelor's degree in nursing.
- Bismarck State College – four-year degree programs in management, criminal justice, social work and psychology.
- University of North Dakota – joint doctorate in criminal justice.
- Dickinson State University – teacher graduate credit professional development.
- Mayville State University – master's degree in education delivered in West Fargo.
- MSU-Bottineau – delivery of associate programs at Minot Air Force Base, six two-year vocational-technical programs delivered on Minot State University campus.

In addition to these partnerships, Minot State University continues to cooperate with Williston State College to provide workforce training in the northwest region.

High School Dual Credit Opportunities

Minot State University continues to establish relationships with area high schools to provide students dual credit options. Over the past two years, students from the following high schools completed dual credit courses: Glenburn, Minot, Kenmare, Sherwood, Surrey, Sawyer, Velva, Bishop Ryan, and Our Redeemer's Christian. In 2004, a total of 84 courses were completed by 49 students.

Community Partnerships

Minot State University has strong working alliances with many community partners. Examples include Burdick Job Corps, Minot Area Chamber of Commerce, Minot Area Community Foundation, Trinity Health, and St. Joseph's Community Health Foundation.

Noncredit and Professional Development Activities

During the current biennium MSU, through its Center for Extended Learning, offered noncredit seminars and professional development activities to corporations and professional organizations including Choice Hotels International, Minot Air Force Base, Department of Transportation, Municipal Finance Officers Association, N.D. Reading Association, Air National Guard, and several nursing organizations. Professionals throughout the region served by the ACT Testing Center include social workers, automotive service technicians, nuclear medical technologists, and dietitians.

Contributions to Social Vitality

Kimball Pipe Organ Restoration

Restoration of MSU's historic performance hall in Old Main was completed when the 1932 Kimball pipe organ was re-installed in late October. Private funding of $340,000 was raised to restore and enhance the instrument. The remodel of McFarland Auditorium into Ann Nicole Nelson Hall is significant because it is a primary performing arts venue for Minot and the surrounding area. Minot State has started offering classes in organ spring semester 2005. There is a shortage of trained organists throughout the country.

NDUS Arts and Humanities Summit

Minot State University hosted the second biennial North Dakota University System Arts and Humanities Summit in mid-October. More than 150 faculty and students from around the state showcased their talents. The two-day event featured scholarly papers; live dance, music and theater performances; visual arts displays; and presentations of creative literature. The University System established the summit in 2002 to provide statewide exposure for the arts and humanities in higher education.

Athletics Highlights

2003-04 Academic Year

- The men's cross country team successfully defended their national title in November 2003, while earning back-to-back championships.
- Three All Americans in cross country: Nolan Taylor, Chad Wallin and Genny Binsfeld.
- MSU Athletic Department's ranking at 14th in the Sears Director Cup national standings is the school's highest finish (points awarded for post-season play).
- Thirteen MSU student-athletes were selected as All-American Scholar Athletes.
- Fifty-seven MSU student-athletes were selected as DAC-10 Academic Scholar Athletes.
- MSU football receiver Harry Mills named to the First-Team All America.
- Scott Simmons named National Men's Cross Country Coach of the Year.
- Softball team had its best year ever and won DAC-10 tournament.
- MSU men's golf team won the DAC-10 title and the Region III title by 29 strokes to qualify for nationals, where the team finished 27th.

Fall 2004

- Women's cross country team placed 10th at NAIA nationals in Louisville, Ky. This is only the second time the women have fielded a team at nationals.
- Genny Binsfield finished seventh in the nation and garnered All-American status
- DAC-10 honors include Binsfield as "Most Valuable Female Athlete," Emily Dircks as "Most Valuable Graduating Senior," and first-year coach Stu Melby as "Women's Coach of the Year."
- First time in the history of the women's cross country program that it earned both conference and Region 3 NAIA titles.

For the second consecutive year, the Athletic Department at Minot State University is providing free family passes for all men's and women's basketball games to active duty personnel at Minot Air Force Base.

MINOT STATE UNIVERSITY
Status of 2003-05 Budget
As of December 2004
(Excludes One-time Adjustments)

	Adjusted 2003-05 Appr. and Income	Budgeted 2003-04	Balance 2004-05
Appropriated:			
Operations	$25,769,578	$13,033,798	$12,735,780
Capital assets	612,850	259,000	353,850
Total General Fund Appropriation	**$26,382,428**	**$13,292,798**	**$13,089,630**
Non-appropriated: Tuition/other income	16,120,570	7,554,180	8,566,390
Total General Fund and Tuition	**$42,502,998**	**$20,846,978**	**$21,656,020**

Comparison of Budget to Actual Expenditures
Fiscal Year 2003-04

	Budgeted 2003-04	Actual 2003-04
Operations	$13,033,798	$12,803,737
Capital assets	259,000	294,214
Tuition/other income	7,554,180	7,510,821
Total	**$20,846,978**	**$20,608,772**

NDUS Campuses and Medical School
Comparison of SBHE 2005-07 Prioritized Budget Request to Executive Recommendation
(Including Requested Restoration & Increases Over Executive Recommendation)

	MiSU		
	SBHE 2005-07 Prioritized Budget Request	Executive Recommendation	Restoration Request & Increases Over Executive Recommendation
2003-05 Original General Fund Appropriation	**$ 26,382,428**	**$ 26,382,428**	
Base Adjustments	**120,768**	**120,768**	
2003-05 Adjusted General Fund Appropriation, Plus (Minus) Base Adjustments	**26,503,196**	**26,503,196**	
Priority One - State-Linked Budget Priorities:			
Capital Assets Base Increase (Decrease)	58,514	(15,980)	74,494
Campus Parity (80%) - Revised	1,325,210	1,199,472	125,738
Campus Equity (20%) - Revised	164,966	149,314	15,652
Subtotal	1,548,690	1,332,805	215,884
Transfer to NDUS "operations" pool		(27,239,131)	27,239,131
Transfer to NDUS "contingency/extraordinary repairs" pool		(596,870)	596,870
Capital Projects Funded			-
Total-Priority One Increases	**1,548,690**	**(26,503,196)**	**28,051,886**
Subtotal 2003-05 Base, Plus Priority 1	**28,051,886**	**-**	**28,051,886**
Priority Two - Reach funding equivalent to at least 21% of 2005-07 recurring state revenues:			
Campus Parity (80%)	188,481		188,481
Campus Equity (20%)	23,463		23,463
Total-Priority Two Increases	**211,944**		**211,944**
Subtotal 2003-05 Base, Plus Priorities 1 & 2	**28,263,829**		**28,263,829**
Priority Three - Additional increases to make progress on goals of long-range finance plan			
Fund 100% state share of parity	127,335		127,335
Increase 2005-07 salary increases to 4.2% per year	171,782		171,782
Board initiative funding increase			-
Capital assets funding increase	58,514		58,514
Equity funding to bring all campuses to 45% of peer benchmark in 2007-09			-
Equity funding to bring all campuses to 50% of peer benchmark in 2007-09			-
Equity funding to bring all campuses to 55% of peer benchmark in 2007-09			-
Equity funding to bring all campuses to 60% of peer benchmark in 2007-09			-
Equity funding to bring all campuses to 62.3% of peer benchmark in 2007-09			-
Total-Priority Three Increases	**357,631**		**357,631**
Subtotal 2003-05 Base, Plus Priorities 1, 2 & 3	**28,621,460**		**28,621,460**
Priority Four - To achieve needs-based budget request level approved by the SBHE			
Equity funding to bring all campuses to 85% of peer benchmark in 2007-09	2,778,625		2,778,625
Capital assets funding increases	686,821		686,821
Board initiative funding increase			-
Total-Priority Four Increases	**3,465,446**		**3,465,446**
Total General Fund Needs Based Budget Request	**$ 32,086,906**		**$ 32,086,906**

NDUS Campuses and Medical School
Summary of Changes from 2003-05 Legislative Appropriation to Executive Recommendation, Engrossed SB2003 and Requested House Version

	MiSU		
	General Fund	Other Funds	Total
2003-05 Original Appropriation	$ 26,382,428	$ -	$ 26,382,428
Base Adjustments	120,768		120,768
2003-05 Adjusted Appropriation (Net of Base Adj)	26,503,196	-	26,503,196
Executive Recommendation Adjustments:			
Decrease Extraordinary Repairs Base Funding	(15,981)		(15,981)
Campus Parity and Equity:			
Campus Parity (73.1% of State Share)	1,199,472		1,199,472
Campus Equity	149,314		149,314
Subtotal Campus Parity and Equity	1,348,786	-	1,348,786
Allocation to NDUS Campus Operations Pool	(27,239,131)		(27,239,131)
Allocation to NDUS Conting/Extraordinary Repairs Pool	(596,870)		(596,870)
Capital Projects Funded		3,535,000	3,535,000
Subtotal-Adjustments per Executive Recommendation	(26,503,196)	3,535,000	(22,968,196)
Executive Budget Recommendation	-	3,535,000	3,535,000
Senate Adjustments:			
Allocation from NDUS Campus Operations Pool	27,239,131		27,239,131
Allocation from NDUS Conting/Extraordinary Repairs Pool	596,870		596,870
Adjust Funding for Major Capital Projects		5,000,000	5,000,000
Subtotal-Senate Adjustments	27,836,001	5,000,000	32,836,001
Engrossed SB 2003	27,836,001	8,535,000	36,371,001
Engrossed SB 2003 Compared to 2003-05 Adj Approp	1,332,805	8,535,000	9,867,805
Restoration Request:			
Additional Parity (Increases state share to 85.8%)	208,804		208,804
Additional Equity			-
Subtotal-Restoration Request	208,804	-	208,804
House Requested Version*	$ 28,044,805	$ 8,535,000	$ 36,579,805

*In addition, it is requested that at least a 21% portion of any additional state revenues, resulting from the potentially improved March revenue forecasts, be allocated to the NDUS and used to address deferred maintenance (i.e. extraordinary repairs) needs at the campuses.

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MINOT STATE UNIVERSITY

Residence Hall and Apartment Occupancy

Fall 2004

Residence Halls

	Capacity	Occupancy Fall 2000	Fall 2001	Fall 2002	Fall 2003	Fall 2004
Cook Hall	188	158	150	157	129	161
McCulloch Hall	145	119	121	119	117	97
Dakota Hall	96	61	60	65	72	72
Lura Manor	144	97	104	101	99	111
	573	435	435	442	417	441
Occupancy Rate		76%	76%	77%	73%	77%

Rooms designed for double occupancy but rented as singles are reported as 50% occupancy rate. Virtually every residence hall room was occupied in Fall 2004, however, the occupancy rate is 77% because some rooms were rented as singles. We have more demand for single rooms than we can accommodate.

Crane Hall, a men's residence hall, was taken out of service in Fall 2000 due to low occupancy and less than desirable living conditions. The building was used for academic offices, classes, music studios and storage during the course of the Old Main renovation project.

NOTE: We are requesting $5 million of revenue bond or private financing authority in SB2003 to allow us to renovate Crane Hall into a modern residence hall with suite living arrangements. Of the four residence halls currently in use, only one (Lura Manor) offers suite living arrangements - the other three halls are aging, bare-bones facilities with community bathrooms.

Apartments

Campus Heights - 30 units, 12 two-bedroom and 18 efficiency
normal occupancy rate 90-100%

Pioneer Hall - 40 one-bedroom units
normal occupancy rate 85-95%

MINOT STATE UNIVERSITY
Capital Improvement Projects
Funding for 2003-2005 Biennium

Project	Capital Assets general fund appr. for 2003-2005	Expended 2003-04	Balance remaining for 2004-05
Plant services - accessibility	$48,332.23	$48,332.23	$0.00
Door hardware/signage - ADA	50,000.00	0.00	$50,000.00
Dome restroom - ADA	54,000.00	0.00	$54,000.00
Fire indication suppression system	190,000.00	104,885.43	$85,114.57
Roof repair - Administration	58,000.00	9,479.00	$48,521.00
Fuel storage tanks replacement	81,000.00	0.00	$81,000.00
Other projects under $50,000	75,439.74	75,439.74	$0.00
Telephone switch - PBX	56,078.03	56,078.03	$0.00
TOTALS	$612,850.00	$294,214.43	$318,635.57

MINOT STATE UNIVERSITY
Crane Hall Proposed Renovation

Minot State University is proposing to renovate Crane Hall into a modern residence hall facility. The cost is estimated to be $5 million and would be funded either through the issuance of revenue bonds or financed through a private firm that specializes in the renovation and development of student housing. The renovation of Crane Hall is included on the SBHE's list of non-state funded unranked projects. Crane Hall is a residence hall that was built in 1960 and has not been used as a dormitory since fall 2000 due to low occupancy and poor living conditions. Minot State University believes a crucial need at this time is for improved housing facilities for students living on campus. $5 million is the preliminary estimate of the total cost of renovating Crane Hall into a modern residence hall facility and a possible addition to the facility.

Minot State University has only four residence halls in service, with a total capacity of 573 beds. Our total capacity is only about 15% of our Fall 2004 enrollment of 3,851 students. Of the four residence halls, only one (Lura Manor, built in 1985) offers suite living arrangements. The other three residence halls are all aging, bare-bones facilities with community bathrooms. Cook Hall was built in 1965, MCulloch Hall in 1960 and Dakota Hall in 1931.

Even though our residence halls do not currently provide the best living environment, our occupancy rate is still about 77%. Virtually every residence hall room is occupied in Fall 2004, however, the occupancy rate is 77% because some rooms are rented as singles. Rooms designated for double occupancy but rented as singles are reported as 50% occupancy rate. We have more demand for single rooms than we can accommodate.

Our plan is to renovate Crane Hall into a facility which would have approximately 100 beds with suite living arrangements (four students to a suite). We believe we will have enough demand for housing to have a 90-100% occupancy rate in Crane without a significant decrease in the occupancy rate of the other four residence halls. Once the renovation of Crane Hall is completed, we would plan to systematically upgrade the living facilities in the other residence halls.

Residence hall revenue is currently dedicated to the debt service of a revenue bond issue that was refinanced in 2003. The bond issue was heavily weighted in the early years so that larger payments needed to be made in 2003, 2004, 2005. After a large payment is made in August 2005, the annual debt service on that bond issue decreases significantly. This will allow us to use housing revenue to fund the debt service on the Crane Hall renovation project.

MINOT STATE UNIVERSITY
Swain Hall Addition/Renovation

Constructed in 1952, Swain Hall is a 51,858 square foot, three-story building. It includes a gymnasium, classrooms, offices, exercise and weight training areas, locker rooms and showers. The building for the most part is an academic area serving the Department of Teacher Education and Human Performance and is being used for physical education and training classes and intramurals. Swain Hall also contains faculty offices and a fitness facility for the general university population.

The building represents a large area of underutilized, inefficient space in need of constant repair. The lighting is inadequate, the original plumbing and heating are outdated and ventilation is nearly nonexistent. Swain Hall and Dakota Hall are the only two campus buildings that still employ direct steam radiation. The building requires the opening of windows to introduce fresh air to regulate the temperature. Original plumbing is galvanized piping in glazed block walls, which has deteriorated to the point of leaking through the walls in numerous areas. Swain Hall also contains a significant amount of asbestos that needs to be abated.

Swain Hall is the home of over 25 courses for our physical education majors. Seventy-five to eighty percent of all students attending Minot State University take at least one class in Swain Hall. Many MSU non-physical education majors take three to five classes in Swain Hall. Swain Hall is also used for Special Olympics, state-wide workshops, intramural sports, and a variety of campus and community events. We have to schedule up to a year in advance to book the facility. Swain Hall is used 7 days a week. All twelve MSU varsity teams use the facility. The football coaches' offices are located in the facility.

Our student body has recognized the condition of Swain Hall and, in the interest of creating a general wellness facility for the campus, approved a $10 per semester increase in their activity fees (effective Fall 2000) to fund improvements to two large areas in the lower level of Swain Hall and to purchase new exercise and weight-training equipment. The first area to receive minimal renovation on the east side lower level was completed in Fall 2000 and is being used extensively. The second area on the west side lower level was completed in Summer 2002. The total investment in this project by the students, including improvements and equipment, was in excess of $155,000.

The proposed 15,250 square foot, two-story addition along with the renovations of existing space would meet the needs of the physical education (human performance) department and user entities of Swain Hall. Those needs include an exercise/physiology lab, first aid training lab, dance studio, staff offices, adequate storage, expanded classroom space and men's and women's dressing rooms and locker rooms, student/faculty health center, gymnasium floor replacement and handicapped accessibility access improvements. Renovation of the existing space would include the upgrade/replacement of the electrical, heating, ventilating and air conditioning, and fire/smoke alarm systems.

The estimated cost of this project is $5,815,000. The project is necessary to address life, health and safety issues; correct significant deferred maintenance; preserve a major asset of the university; and is the number one priority of capital projects for Minot State University.

MINOT STATE UNIVERSITY

Report on Uses of General Fund Carryover from 2001-03 Biennium in 2003-05 Biennium

Amount of General Fund carryover from 2001-03		$511,473
Budgeted uses in 2003-05:		
Operations:		
NDUS Online		$250,282
Capital Improvements:		
Nelson Hall steel reinforcement	$125,127	
Other improvements	136,064	261,191
Total Budgeted in 2003-05		$511,473

NORTH DAKOTA UNIVERSITY SYSTEM
REPORT OF CONTINUING APPROPRIATIONS
Minot State University

1999-01

	Beginning Balance	Revenue	Expenditures	Net Additions/ Deductions/ Transfers	Ending Balance
Auxiliary Services	755,000	7,098,300	6,057,500	(897,000)	898,800
Tuition Collections	438,400	12,710,200	12,110,500	-	1,038,100
Other Unrestricted	1,825,600	6,929,000	5,236,800	(1,647,200)	1,870,600
Scholarships & Fellowships	383,800	6,478,100	6,608,600	179,400	432,700
Grants & Contracts	299,700	5,946,900	5,344,500	(558,100)	344,000
Loan Funds	3,428,600	256,700	58,800	(54,300)	3,572,200
Plant Funds	1,018,400	1,105,000	1,303,700	1,175,400	1,995,100
Endowment Funds	1,844,800	(67,100)	-	330,200	2,107,900

2001-03

	Beginning Balance	Revenue	Expenditures	Net Additions/ Deductions/ Transfers	Ending Balance
Auxiliary Services	898,800	8,115,700	7,003,600	(605,900)	1,405,000
Tuition Collections	1,038,100	14,301,700	13,063,500	(1,347,900)	928,400
Other Unrestricted	1,870,600	8,017,000	5,578,100	(892,500)	3,417,000
Scholarships & Fellowships	432,700	8,322,600	8,317,200	37,000	475,100
Grants & Contracts	344,000	8,903,000	7,654,400	(843,700)	748,900
Loan Funds	3,572,200	260,600	208,900	(129,700)	3,494,200
Plant Funds	1,995,100	8,931,400	9,283,900	862,200	2,504,800
Endowment Funds	2,107,900	(149,200)	43,200	108,200	2,023,700

2003-05 Estimate

	Beginning Balance	Revenue	Expenditures	Net Additions/ Deductions/ Transfers	Ending Balance
Auxiliary Services	1,405,000	8,546,100	7,806,400	(615,000)	1,529,700
Tuition Collections	928,400	16,675,400	16,063,900	(1,375,300)	164,600
Other Unrestricted	3,417,000	9,727,900	8,801,700	(563,000)	3,780,200
Scholarships & Fellowships	475,100	8,539,300	8,482,700	11,700	543,400
Grants & Contracts	748,900	11,405,600	10,490,800	(984,700)	679,000
Loan Funds	3,494,200	242,800	160,100	57,800	3,634,700
Plant Funds	2,504,800	1,419,800	761,500	(473,200)	2,689,900
Endowment Funds	2,023,700	176,600	-	354,000	2,554,300

2005-07 Estimate

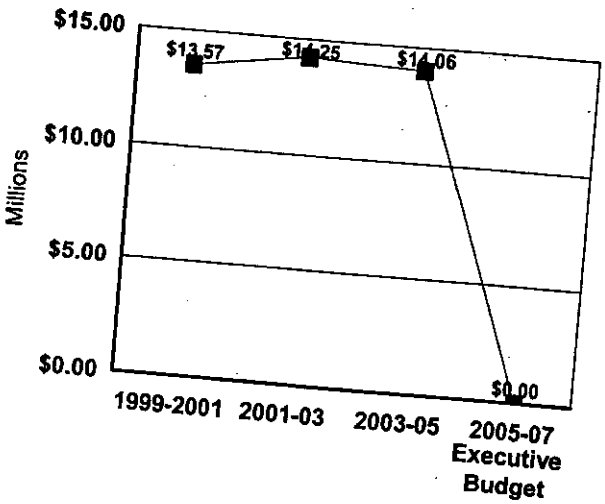
	Beginning Balance	Revenue	Expenditures	Net Additions/ Deductions/ Transfers	Ending Balance
Auxiliary Services	1,529,700	8,592,100	8,112,800	(629,300)	1,379,700
Tuition Collections	164,600	17,675,400	17,100,000	(575,300)	164,700
Other Unrestricted	3,780,200	9,200,000	9,000,000	(563,000)	3,417,200
Scholarships & Fellowships	543,400	8,539,300	8,482,700	11,700	611,700
Grants & Contracts	679,000	13,405,600	12,490,800	(984,700)	609,100
Loan Funds	3,634,700	242,800	160,100	57,800	3,775,200
Plant Funds	2,689,900	819,800	761,500	(273,200)	2,475,000
Endowment Funds	2,554,300	80,000	-	100,000	2,734,300

Department 239 - Dickinson State University
Senate Bill Nos. 2003 and 2023

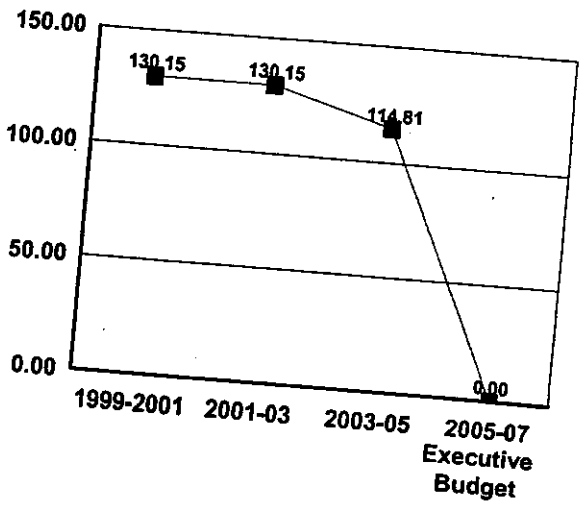
	FTE Positions	General Fund	Other Funds	Total
2005-07 Executive Budget	0.00	$0	$9,100,557	$9,100,55
2003-05 Legislative Appropriations	114.81	14,063,495	10,882,047	24,945,54
Increase (Decrease)	(114.81)	($14,063,495)	($1,781,490)	($15,844,985

[1]The 2003-05 appropriation amounts include $70,702 relating to the transfer of funding associated with the statewide psychiatr nursing education program from the University of North Dakota to various higher education institutions. The 2003-05 appropriatic amounts do not reflect $166,823 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)

	General Fund	Other Funds	Total
1. Consolidates operations and extraordinary repair funding for all higher education institutions into the University System budget. The Senate appropriated operations and extraordinary repair funding for each of the higher education institutions.	($14,063,495)		($14,063,495)
2. Removes major capital project funding provided in the 2003-05 biennium--$5,882,047 for Murphy Hall Phase I and $5,000,000 for Whitney Stadium renovation		($10,882,047)	($10,882,047)
3. Provides funding for major capital projects for the 2005-07 biennium--$4,100,557 in state bonding funds for Murphy Hall Phase II (included in Senate Bill No. 2023) and $5,000,000 in special funds for Whitney Stadium renovation		$9,100,557	$9,100,557

Major Related Legislation

te Bill No. 2003 - Long-term finance plan review - Section 17 of Engrossed Senate Bill No. 2003 provides that it is the intent of egislative 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.

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

nate Bill No. 2003 - Accountability measures - Section 21 of Engrossed Senate Bill No. 2003 requires the University Sy erformance and accountability report to include an executive summary and specific information regarding education excelle nomic development, student access, student affordability, and financial operations.

nate 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 requirement 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 the 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 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.

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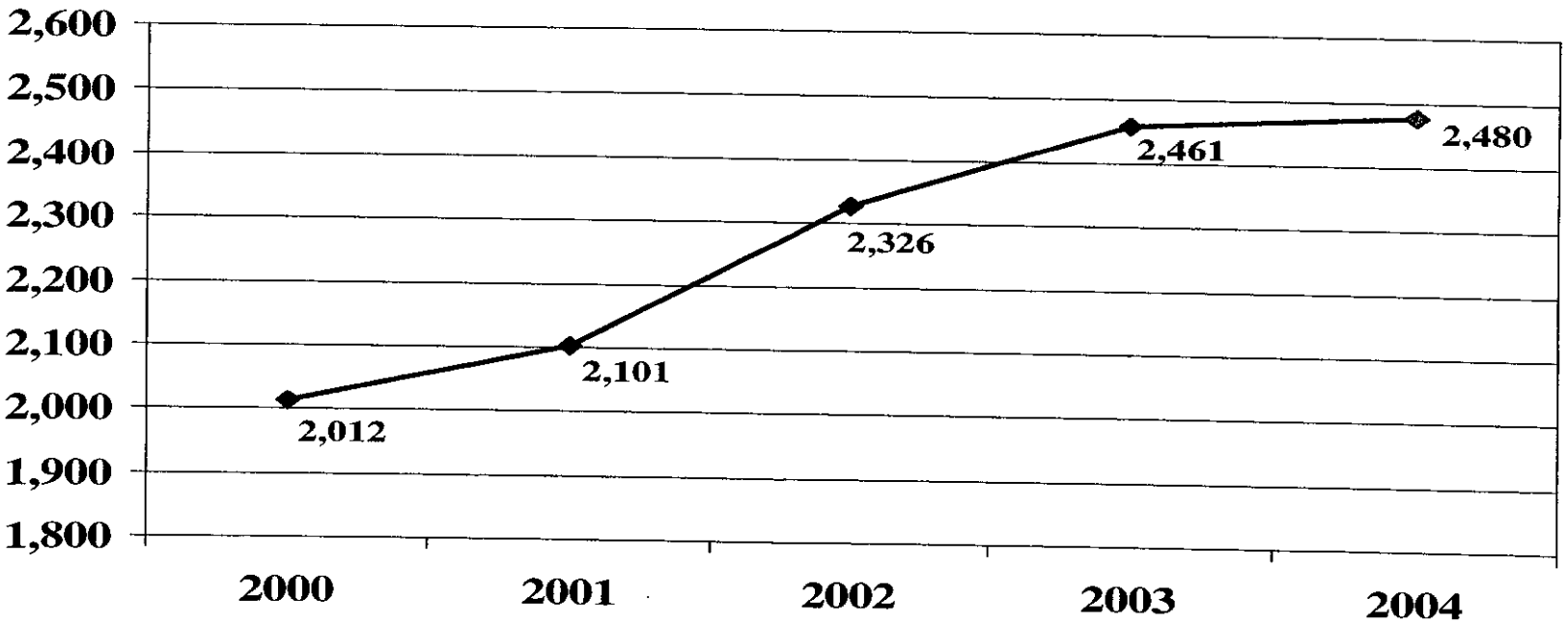
With the exception of these pages - Same testimony given to the House



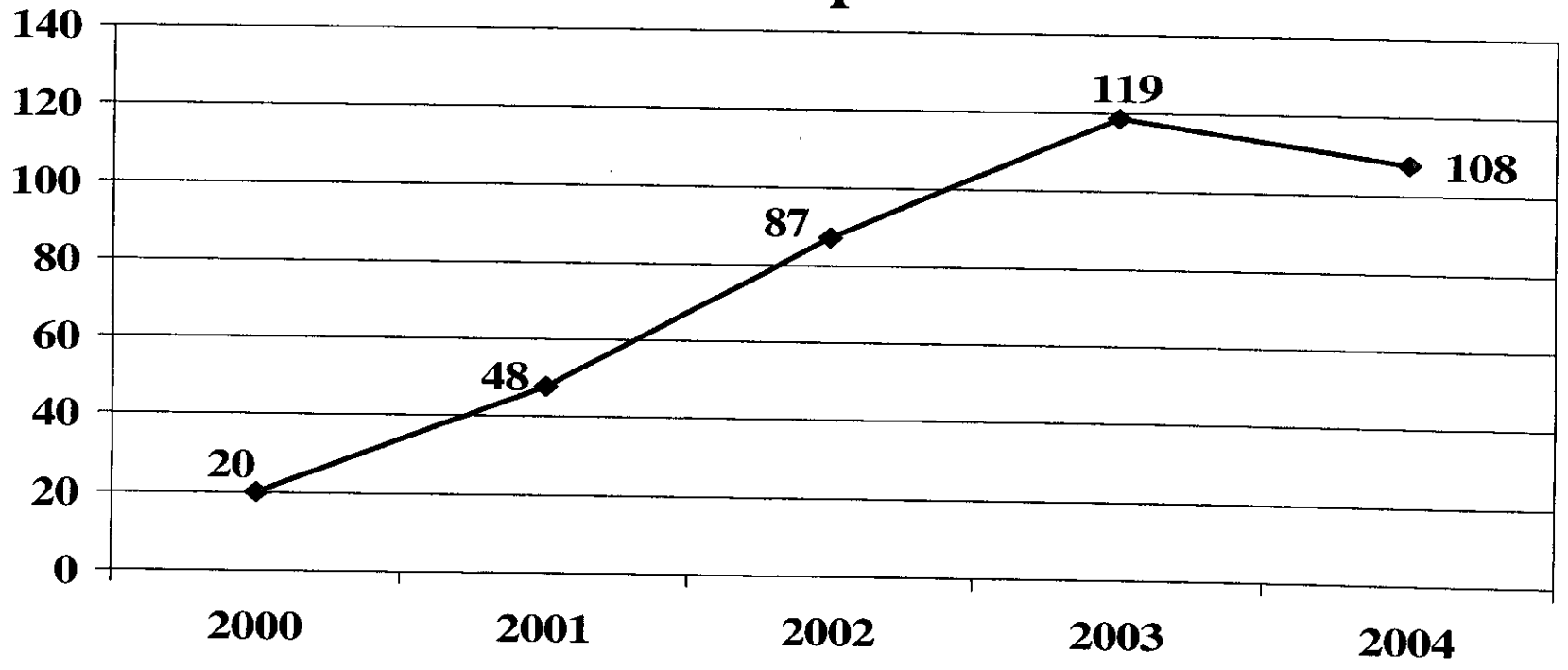
SENATE APPROPRIATIONS COMMITTEE HEARING

TUESDAY, JANUARY 18, 2005

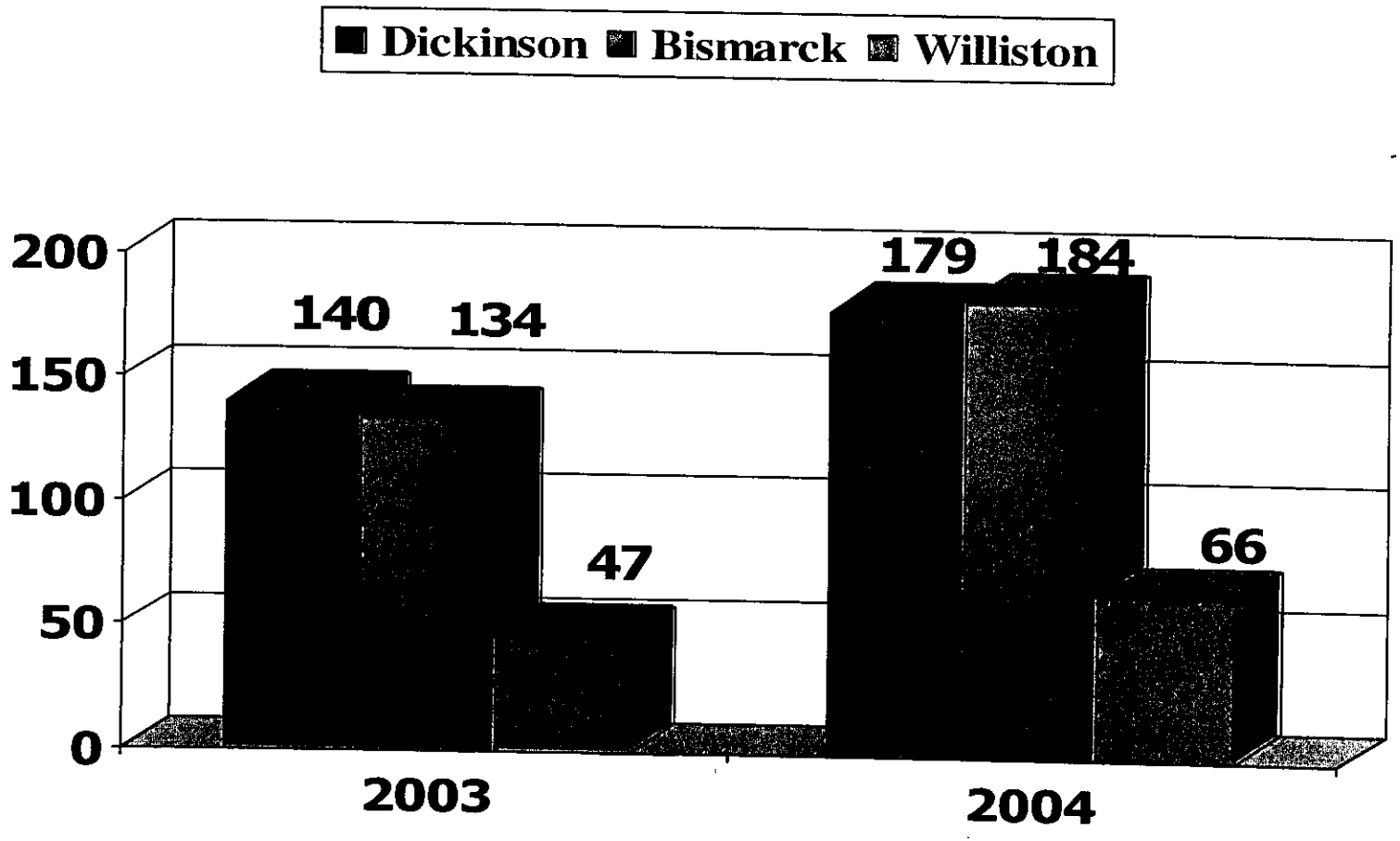
Fall Enrollment 2000 – 2004



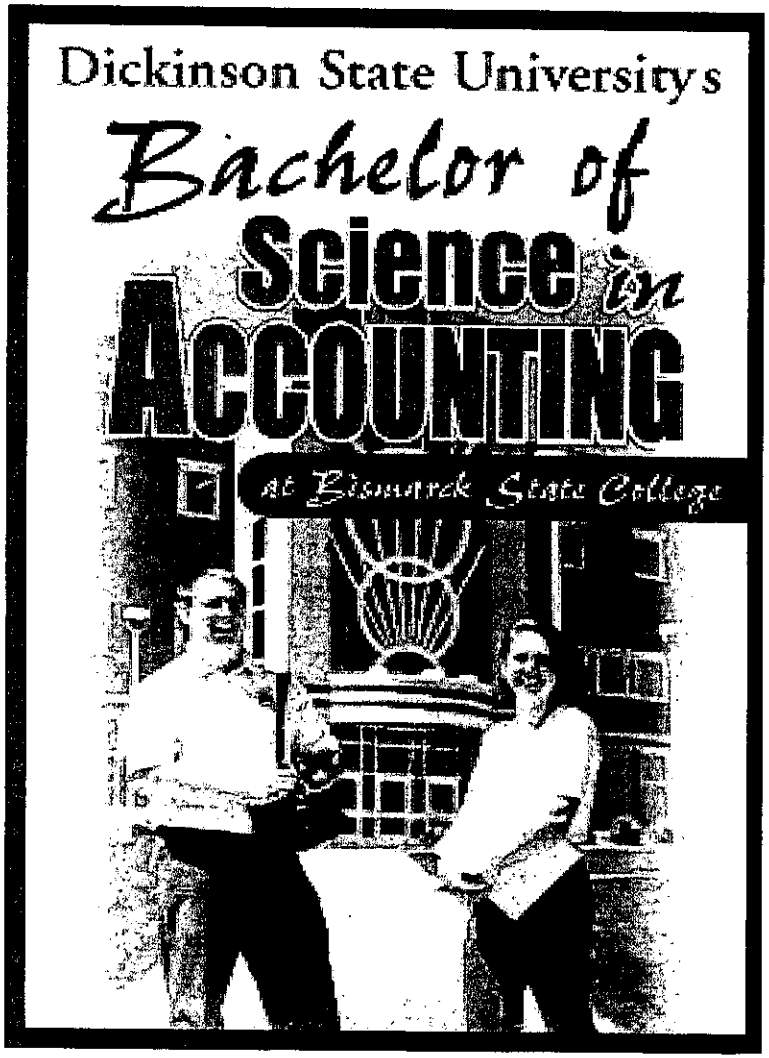
International Student Fall Enrollment (2000-2004)



Extended Campus
Fall 2004 Enrollment



Expanded Degree Offerings



Enrollment

- Fall 2003 - 36
- Spring 2004 – 49
- Fall 2004 – 66

NDUS 2005-2007 FUNDING PRIORITIES

Priority #1: Restore executive budget funding reductions in campus parity, equity, and capital assets in an effort to reach levels requested within the SBHE's state-linked budget request.

Priority #2: Reach a funding level equivalent to at least 21% of the state's recurring revenues.

Priority #3: Seek additional increases to make progress toward addressing the goals of the long-term financing plan. These funds would further address campus and equity needs, additional faculty and staff salary increases, capital asset funding, and SBHE initiative funding needs.

Priority #4: Seek funding to achieve the "needs-based" budget request approved by the SBHE and consistent with their responsibility to present a budget that addresses the needs of the campuses. This funding level would continue to address the goals of the long-term financing plan by providing the incremental funding necessary to reach the 85th percentile of their peer benchmark by the end of the 2007-09 biennium and the longer term capital asset funding goals.

Dickinson State University Operating Request

2003-2005 Adjusted Appropriation	$13,669,533		
Priority #1 – State Linked Executive Recommendation Difference from request	$14,703,633 $14,605,516 - 98,117	+1,034,100 + 935,983 - 98,117	+7.57% +6.85% - .72%
Priority #2 – 21% of recurring state revenue	$14,850,711	+1,181,178	+8.64%
Priority #3 – Long-Term Financing goals	$15,308,959	+1,639,426	+12.00%
Priority #4 – Needs-based request	$17,967,970	+4,298,437	+31.45%

Dickinson State University
Capital Asset Request

2003-2005 Adjusted Appropriation	$393,962		
Priority #1 – State Linked Executive Recommendation Difference from request	$438,045 $383,690 -$54,355	+$44,083 - 10,272 - 54,355	+ 11.19% - 2.61% - 13.80%
Priority #2 – 21% of recurring state revenue	N/A	N/A	N/A
Priority #3 – Long-term Financing Plan	$482,128	+ 88,166	+ 22.38%
Priority #4 – Needs-based request	$999,552	+ 605,590	+153.72%

NDUS Campuses and Medical School
Comparison of SBHE 2005-07 Prioritized Budget Request to Executive Recommendation
(Including Requested Restoration & Increases Over Executive Recommendation)

	DSU		
	SBHE 2005-07 Prioritized Budget Request	Executive Recommendation	Restoration Request & Increases Over Executive Recommendation
2003-05 Original General Fund Appropriation	$ 13,992,793	$ 13,992,793	
Base Adjustments	70,702	70,702	
2003-05 Adjusted General Fund Appropriation, Plus (Minus) Base Adjustments	14,063,495	14,063,495	
Priority One - State-Linked Budget Priorities:			
Capital Assets Base Increase (Decrease)	44,083	(10,272)	54,355
Campus Parity (80%) - Revised	859,754	778,179	81,575
Campus Equity (20%) - Revised	174,346	157,804	16,542
Subtotal	1,078,183	925,711	152,472
Transfer to NDUS "operations" pool		(14,605,516)	14,605,516
Transfer to NDUS "contingency/extraordinary repairs" pool		(383,690)	383,690
Capital Projects Funded			-
Total-Priority One Increases	1,078,183	(14,063,495)	15,141,678
Subtotal 2003-05 Base, Plus Priority 1	15,141,678	-	15,141,678
Priority Two - Reach funding equivalent to at least 21% of 2005-07 recurring state revenues:			
Campus Parity (80%)	122,281		122,281
Campus Equity (20%)	24,797		24,797
Total-Priority Two Increases	147,077		147,077
Subtotal 2003-05 Base, Plus Priorities 1 & 2	15,288,755		15,288,755
Priority Three - Additional increases to make progress on goals of long-range finance plan			
Fund 100% state share of parity	82,611		82,611
Increase 2005-07 salary increases to 4.2% per year	98,019		98,019
Board initiative funding increase			-
Capital assets funding increase	44,083		44,083
Equity funding to bring all campuses to 45% of peer benchmark in 2007-09			-
Equity funding to bring all campuses to 50% of peer benchmark in 2007-09			-
Equity funding to bring all campuses to 55% of peer benchmark in 2007-09			-
Equity funding to bring all campuses to 60% of peer benchmark in 2007-09	4,118		4,118
Equity funding to bring all campuses to 62.3% of peer benchmark in 2007-09	273,500		273,500
Total-Priority Three Increases	502,331		502,331
Subtotal 2003-05 Base, Plus Priorities 1, 2 & 3	15,791,086		15,791,086
Priority Four - To achieve needs-based budget request level approved by the SBHE			
Equity funding to bring all campuses to 85% of peer benchmark in 2007-09	2,659,011		2,659,011
Capital assets funding increases	517,424		517,424
Board initiative funding increase			-
Total-Priority Four Increases	3,176,435		3,176,435
Total General Fund Needs Based Budget Request	$ 18,967,522		$ 18,967,522

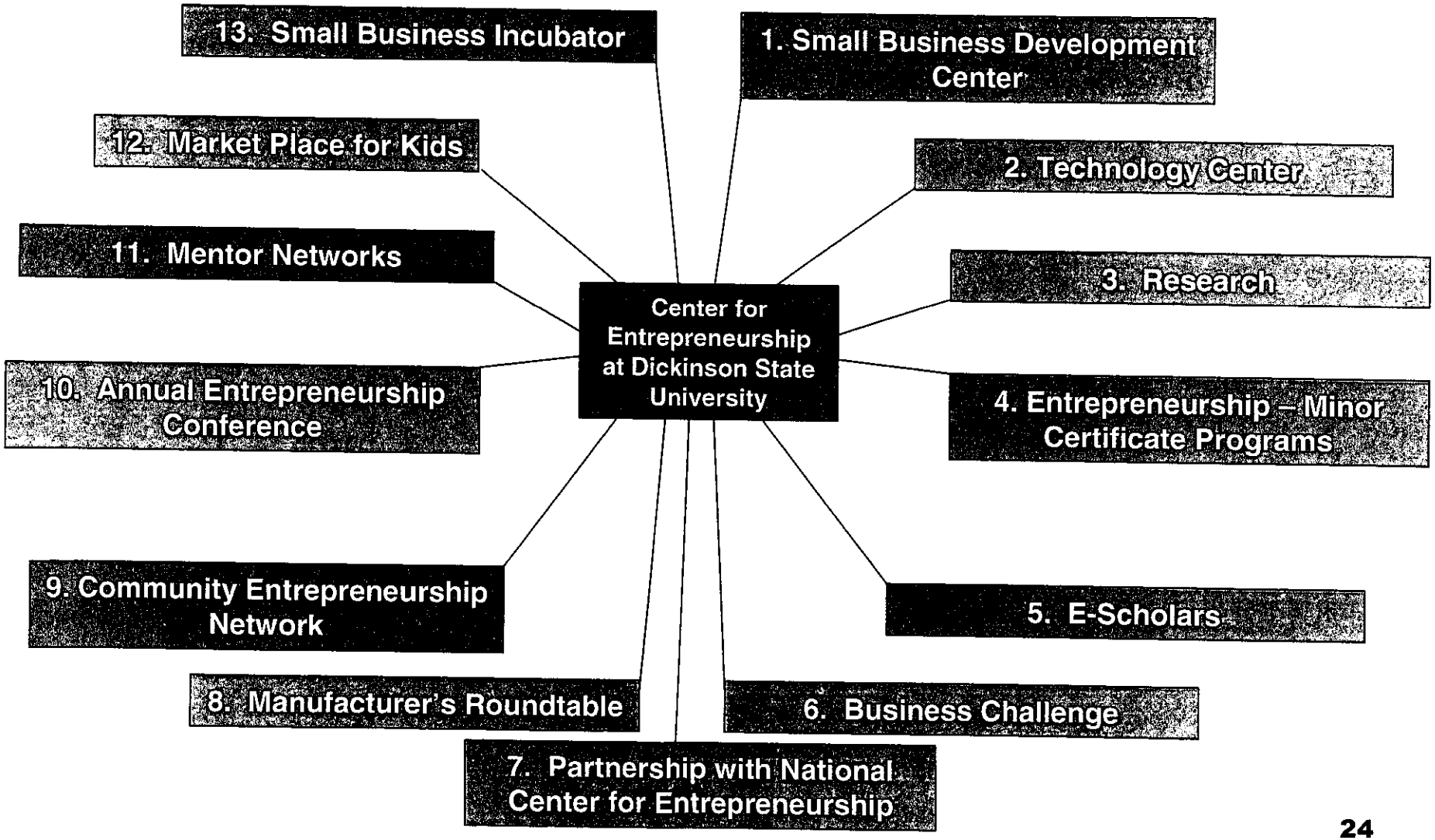
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Campus-Med GF

Entrepreneurship Center

Red= in place

Blue=pending

Green=in planning stage



Quality of Place

- West River Community Center
- Dickinson Public Library
- St. Joseph's Hospital and Health Center
- Murphy Hall Renovation and Expansion
- Expansion of NDSU Research Center
- New DSU Alumni/Foundation House
- DSU Hawks Landing
- Three flights a day at the Dickinson Theodore Roosevelt Regional Airport

INBRE Grant
(cooperation with UND)

- National Institutes of Health (NCRR Division) – is funding approximately $900,000 over a period of five years
- Research Module: How does lycopene in the diet keep cells from becoming cancerous?
- Purpose is to simulate student research in biomedical
- Allows DSU to get other grants, thereby becoming an independent research program



Dickinson State University
Major Accomplishments and Goals

- The focus of the project is to create a series of modules and program opportunities on a range of topics such as the craft of diplomacy, negotiating treaties, political, economic, regional and consular issues.
- The goals of the project are to increase American college students' understanding of international affairs and the work of the Department of State and to stimulate interest in careers in the fields of international relations and public diplomacy. Parts of the program will also reach out to the community and the public schools in the region.
- As part of the three-year project, Dickinson State University joins an elite pool of just 10 universities nationwide to emerge from the highly competitive selection process to be chosen for the Global Access Project.

New environmental health program approved

Responding to a widespread need, Dickinson State University has approved a new program of study in environmental health. The program track will enable students to obtain work at local, regional and state-level public health offices and to address a need for qualified graduates skilled in the field of environmental health.

- Once fully accredited, the environmental health program will fill a significant void in the region. The nearest accredited programs in environmental health are in Wisconsin to the east and Idaho to the west.
- The program is a direct response to a need in the region for this sort of degree. Graduates will be able to find work at public health offices and organizations. These are the people who protect the public's safety by making sure that restaurants and businesses conform with health regulations.
- The program has particular appeal within the state of North Dakota, where there is an average of 2-3 job openings each month in various local or state health departments.
- Several agencies within the state have noted troubles finding locally skilled individuals in the environmental health field.

Teacher Ed students get firsthand look at diversity in New Town classrooms

Combine a school district featuring a 93-percent Native American student body with one dozen young college students striving to earn degrees to become licensed teachers and the result will likely be a win-win situation for both groups. That was the case this past summer as Dickinson State University students enrolled in the Teaching for Diversity and Elementary Social Studies Methods courses spent three weeks at New Town.

- While in New Town, the Dickinson State University students worked alongside district faculty members working with disadvantaged and at-risk youth in a summer school setting.
- While teacher education students traditionally venture to New Town at times during the spring and fall semesters to observe classrooms, this is the first time the university has sent students to the district located 100 miles away for an extended summer session. It was an opportunity that New Town school superintendent Ed Slocum termed "too good to pass up."
- The Dickinson State University students are able to provide extra help and pitch in. While the DSU students are learning about Native American culture and how to work in a culturally diverse population, they're also helping students catch up on skills and education.

New Town school district personnel were so excited to have students from Dickinson State University come that the district pledged to feed the students breakfast and lunch for the three weeks they were in town.

- The business community also stepped in to ease the burden on Dickinson State University students with Four Bears Casino and Resort offering lodging and evening meals.

Dickinson State partners to promote A+ Education

Dickinson State University's Department of Fine and Performing Arts has partnered with representatives of the North Dakota Council on the Arts and faculty and staff at Roosevelt Elementary School in Bismarck in participating in the national A+ Schools Program.

- The A+ Schools Program is an approach to teaching and learning grounded in the belief that the arts play a central role in how children learn.
- A school's standard curriculum is combined with arts-integration and hands-on experiential learning that includes daily arts instruction by arts teachers.
- The approach is based upon Howard Gardner's research on multiple intelligences and is also supported by more recent brain research and other theories of intelligences.
- The arts are continuously woven into every aspect of a child's learning, offering children opportunities to learn through all the ways in which they are able. The University will collaborate on a number of projects which will provide interaction with DSU students and Roosevelt Elementary students.

Global Literacy program aims to broaden teachers' perspectives on learning

In an increasingly mobile world where the borders dividing nations and groups are becoming increasingly transparent, those in the field of education are increasingly finding themselves faced with the challenge of trying to teach to increasingly diverse groups of students. Helping to prepare them for that task is the goal of a new global literacy program being incorporated into the curriculum of Dickinson State University's teacher education program.

- Efforts to incorporate the program into existing classes within the Dickinson State University teacher education program are being overseen by Dr. Kristen Runge, assistant professor of education at DSU. Additional undergraduate classes or possible graduate-level programming might also evolve within the department as a result of the program.
- At present, global literacy efforts at Dickinson State University are focusing on various primary goals. Emphasis is being placed on helping teacher education students learn to view literate activities within a cultural context.
- Students are also encouraged to experiment with a variety of instructional strategies, equipping them to be adaptable to a variety of teaching environments regardless of physical environment, curricular materials, and cultural differences.

North Dakota Arts Alliance at South campus, names director

The North Dakota Arts Alliance/Alliance for Arts Education has moved its office headquarters from Fargo to Dickinson State University and named Yvonn Quijano '97 and '03 as its new executive director. Quijano has worked the past several years as an adjunct lecturer of art at the university.

- Quijano started teaching art at Dickinson State University in 1998. She earned bachelor's degrees in art and Spanish from the university in 1997 and earned bachelor's degrees in K-12 education and Spanish in 2003.
- The North Dakota Arts Alliance office will move into Quijano's South Campus office.

1-SB2003



HOUSE APPROPRIATIONS EDUCATION SUBCOMMITTEE HEARING

MONDAY, FEBRUARY 28, 2005



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Dickinson State University

291 Campus Drive
Dickinson, North Dakota 58601-4896

Office of the President
Telephone (701) 483-2326
Fax (701) 483-3712

Testimony to the House Appropriations Education Subcommittee
February 28, 2005

For the record, I am Dr. Lee Vickers, President of Dickinson State University. Let me thank you for the opportunity to comment on the University's enrollment goals, programmatic direction, and special initiatives, as well as our budget request. I will make brief comments regarding enrollment, programmatic direction, and special initiatives. Mr. Alvin Binstock, Vice President for Business Affairs, will present information related to the budget request.

Please note that the material you have been provided is organized so that the first section, Campus Overview, includes a series of graphs and information highlights. Section two contains information in a narrative format regarding our major accomplishments and goals. Sections three and four deal with the budget request. My comments will be related to the material in section one.

Dickinson State University is an interactive, engaged university committed to serving the citizens of the West River Region and to making a significant contribution to the economic growth and prosperity of North Dakota. Moreover, consistent with the Legislative Roundtable, we are making every effort to enhance the quality of our programs and services, establish creative and innovative partnerships with other institutions, agencies and private sector entities, increase access to education by developing and implementing flexible, user-friendly modes of instruction, and ensure that our academic programs are competitive at the national and international level.

Should you have any questions during the presentation, please stop me at any time.

Sincerely,

Lee A. Vickers, Ph.D.
President



CAMPUS OVERVIEW

ENROLLMENT, PLACEMENT AND UNIVERSITY ACCOMPLISHMENTS

Dickinson State University

Presented by
Dr. Lee A. Vickers, President

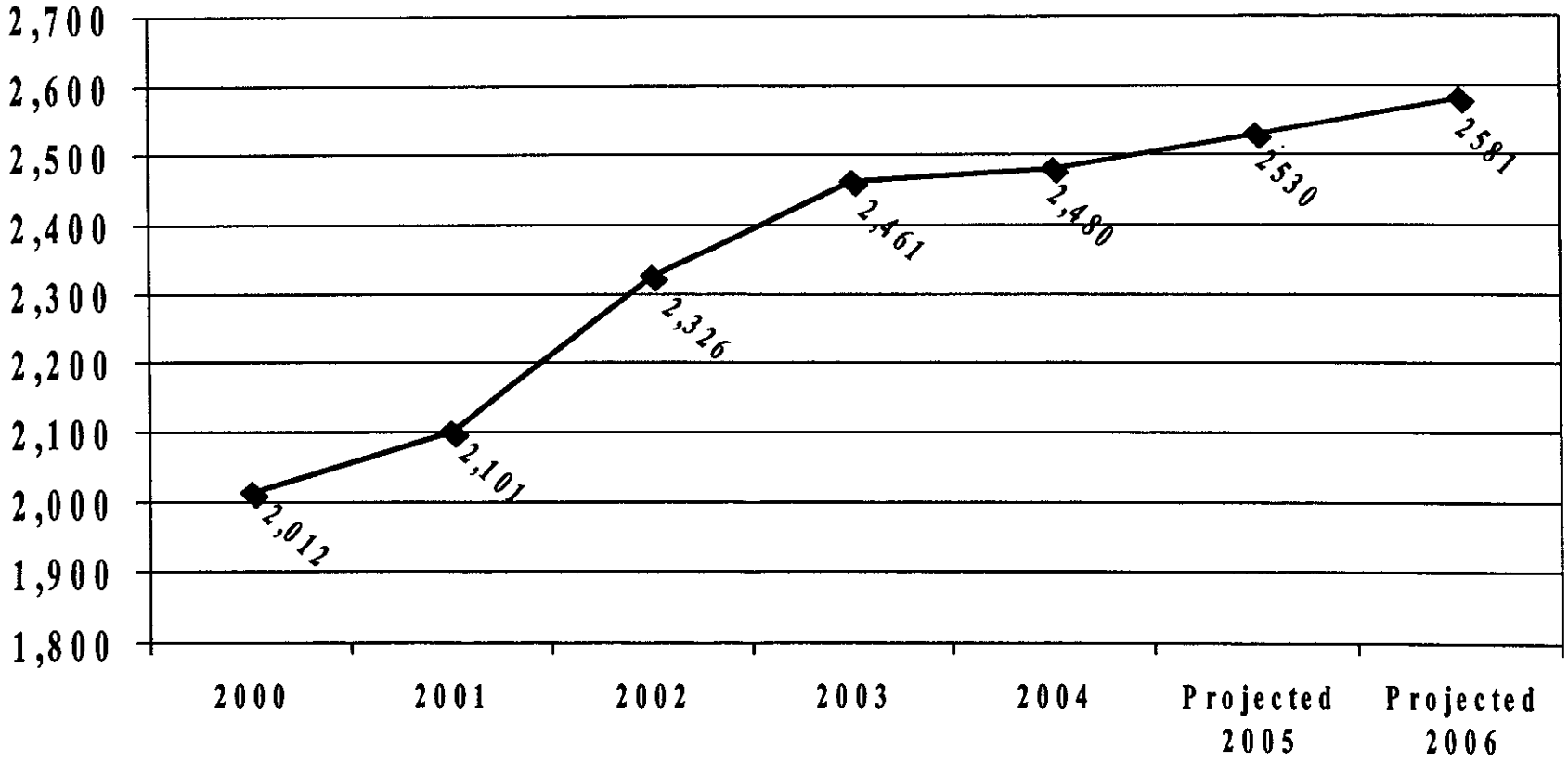
House Appropriations Education Subcommittee
Hearing
Monday, February 28, 2005

Snapshot of the Future

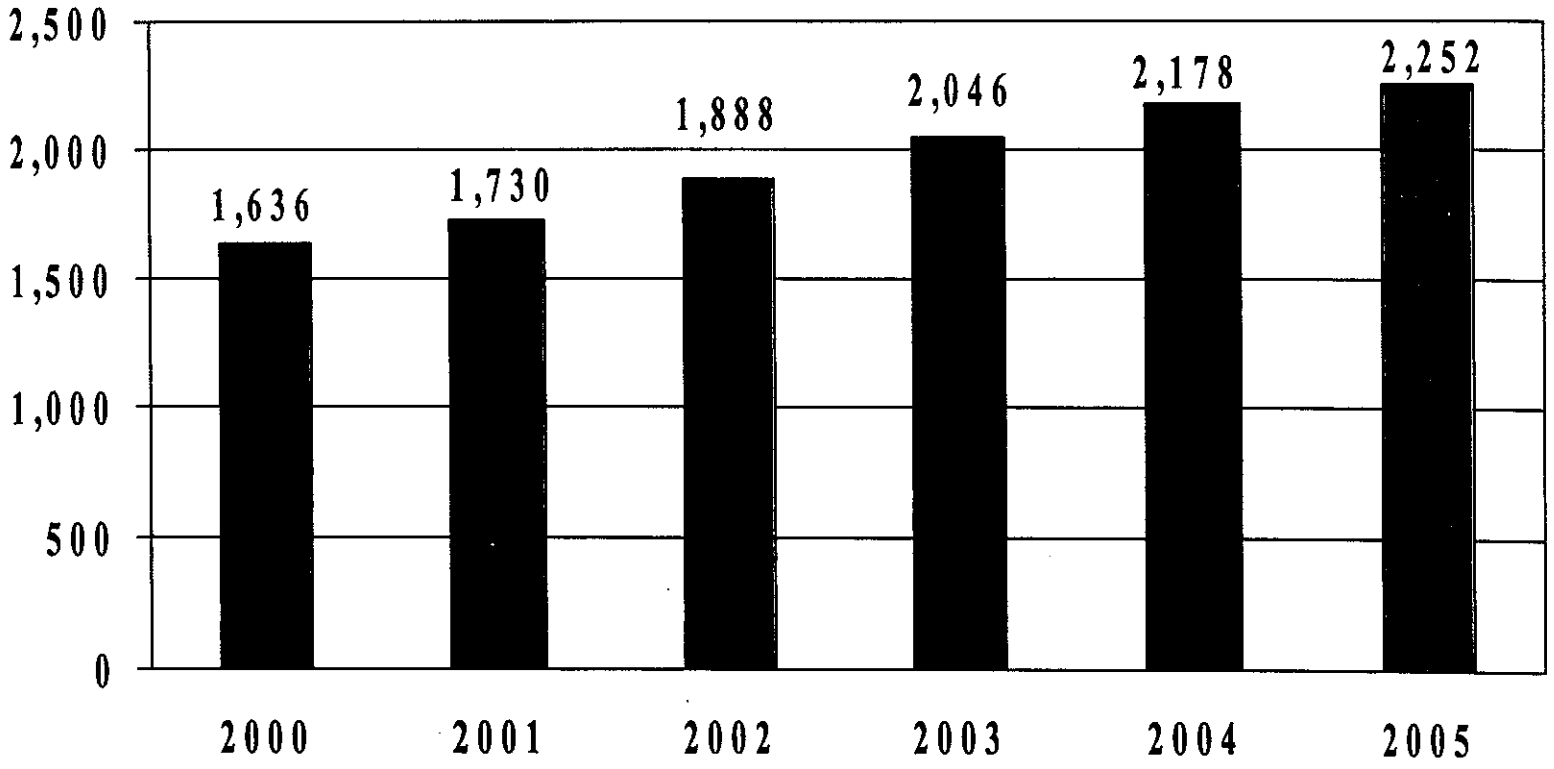


- Enrollment Goals and Strategies
- Mission/Programmatic Direction
- Campus Initiatives Needed

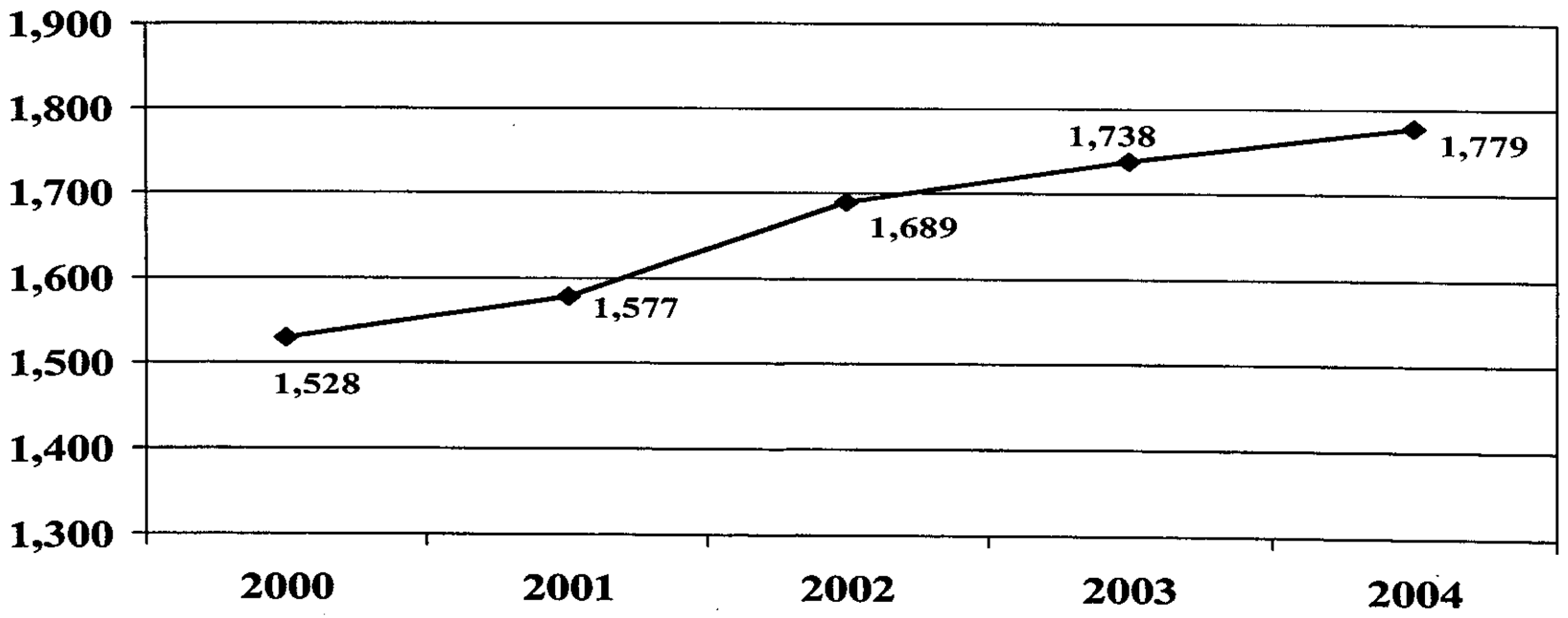
Fall Enrollment 2000 – 2006



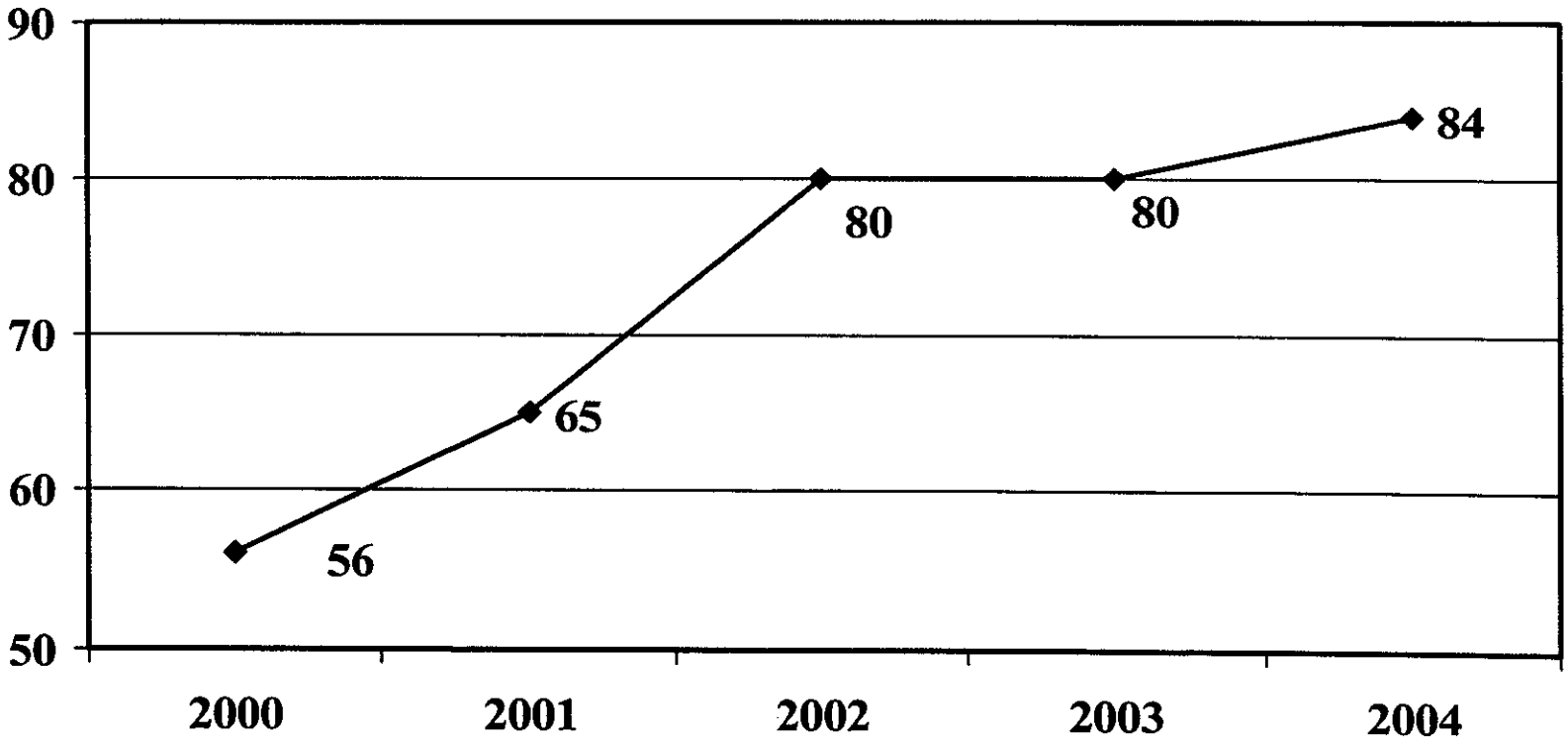
Spring Enrollment 2000 - 2005



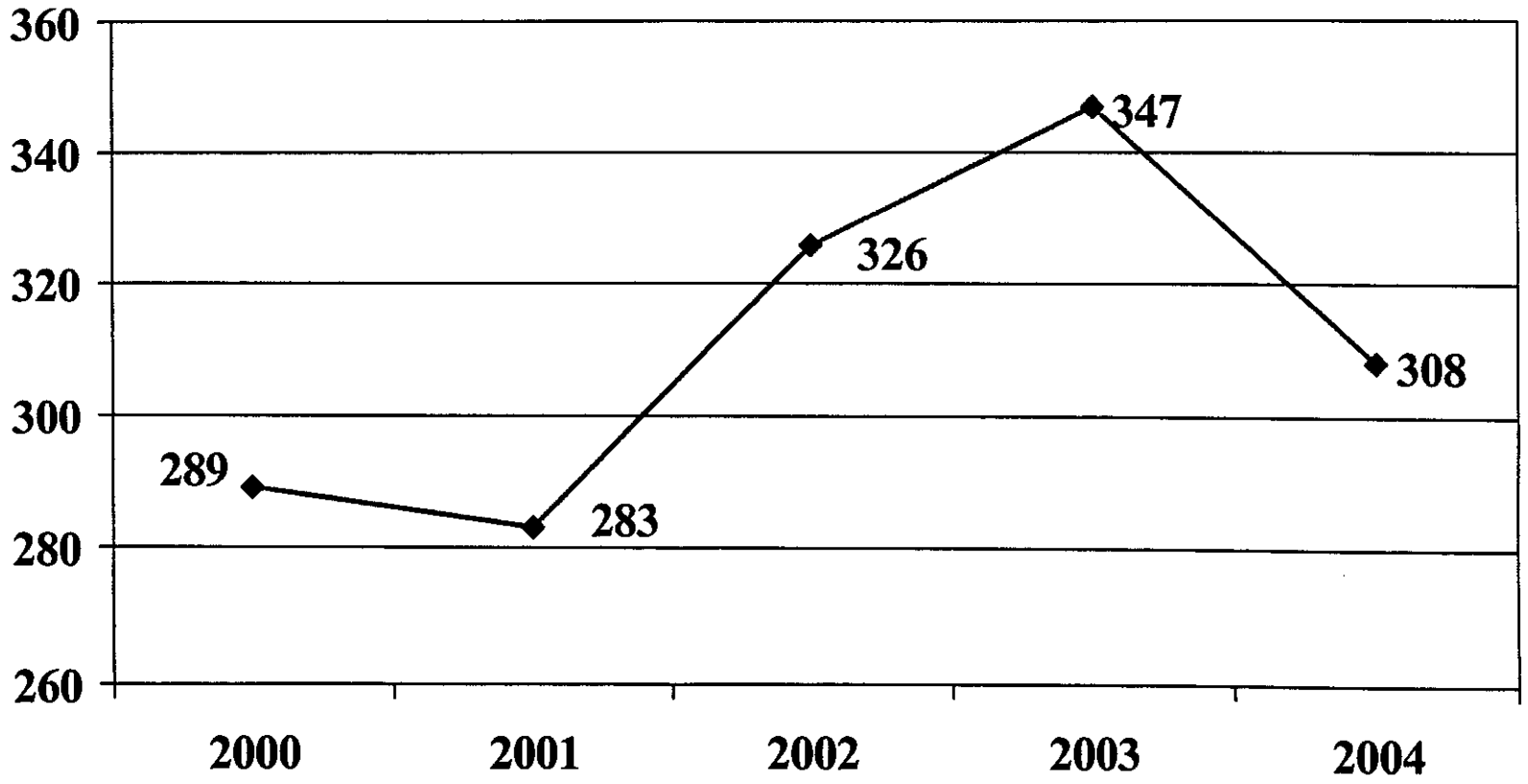
North Dakota Student Fall Enrollment (2000-2004)



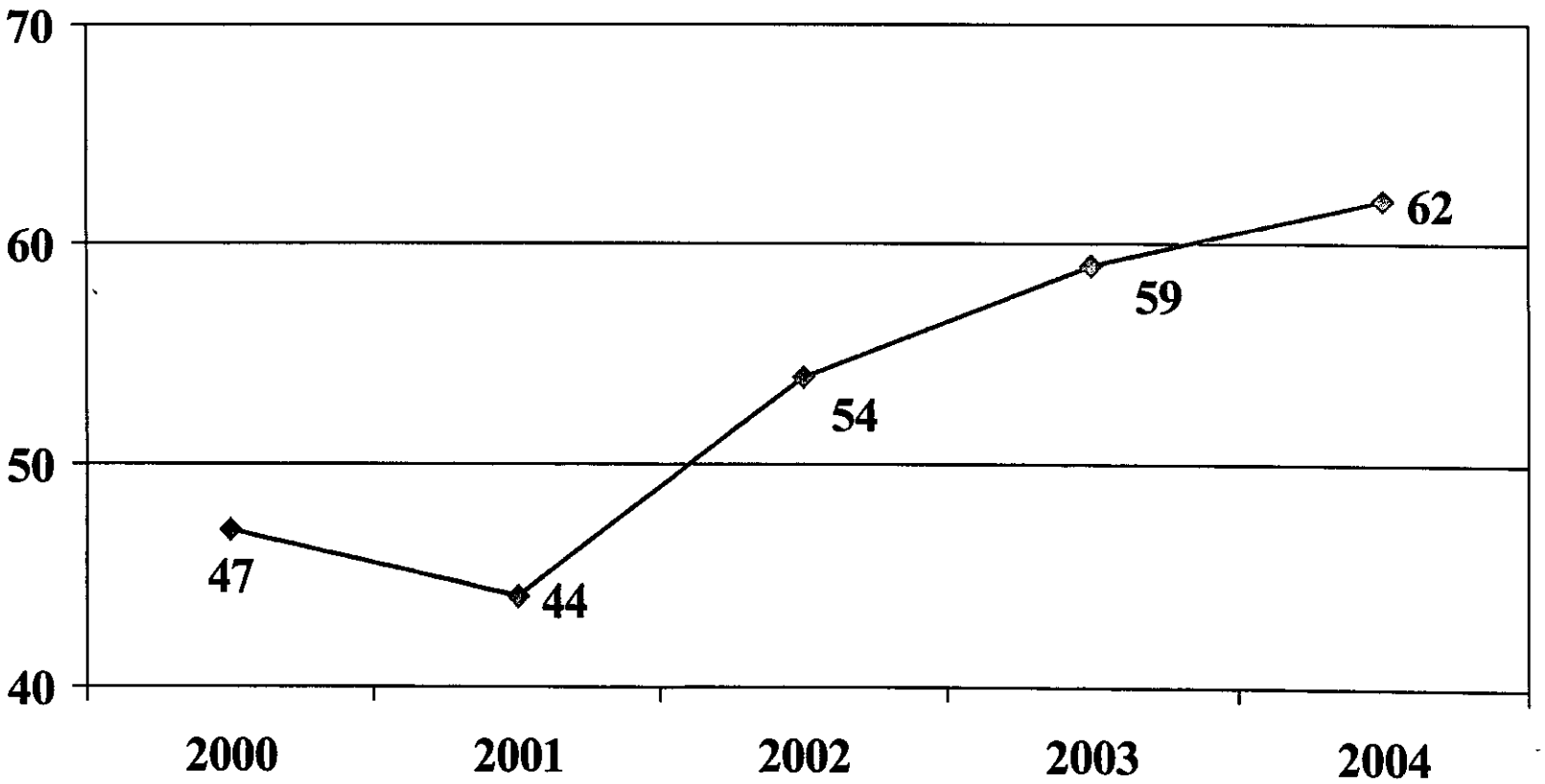
South Dakota Student Fall Enrollment (2000-2004)



Montana Student Fall Enrollment (2000-2004)

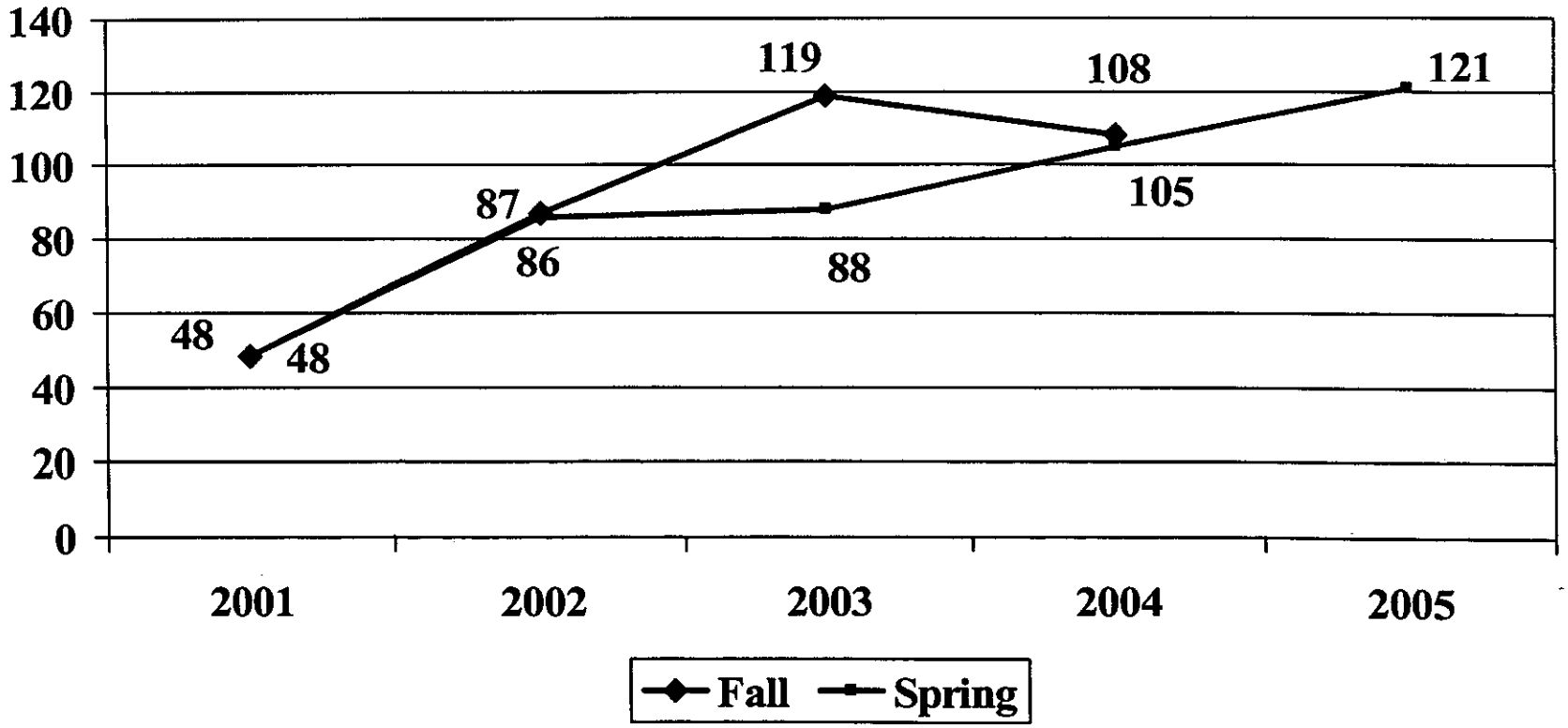


Wyoming Student Fall Enrollment (2000-2004)

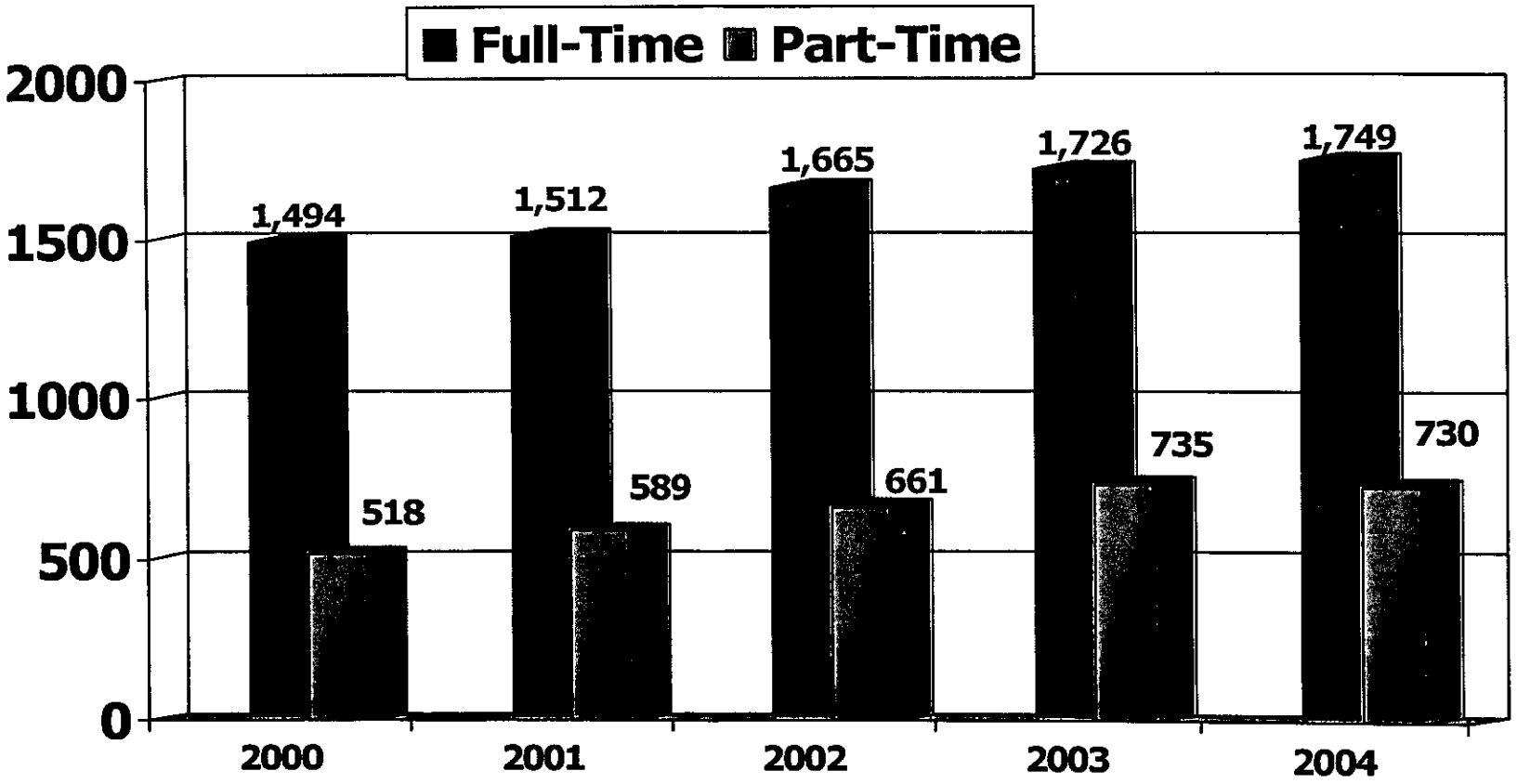


International Student Enrollment (2001-2005)

31 Countries Represented

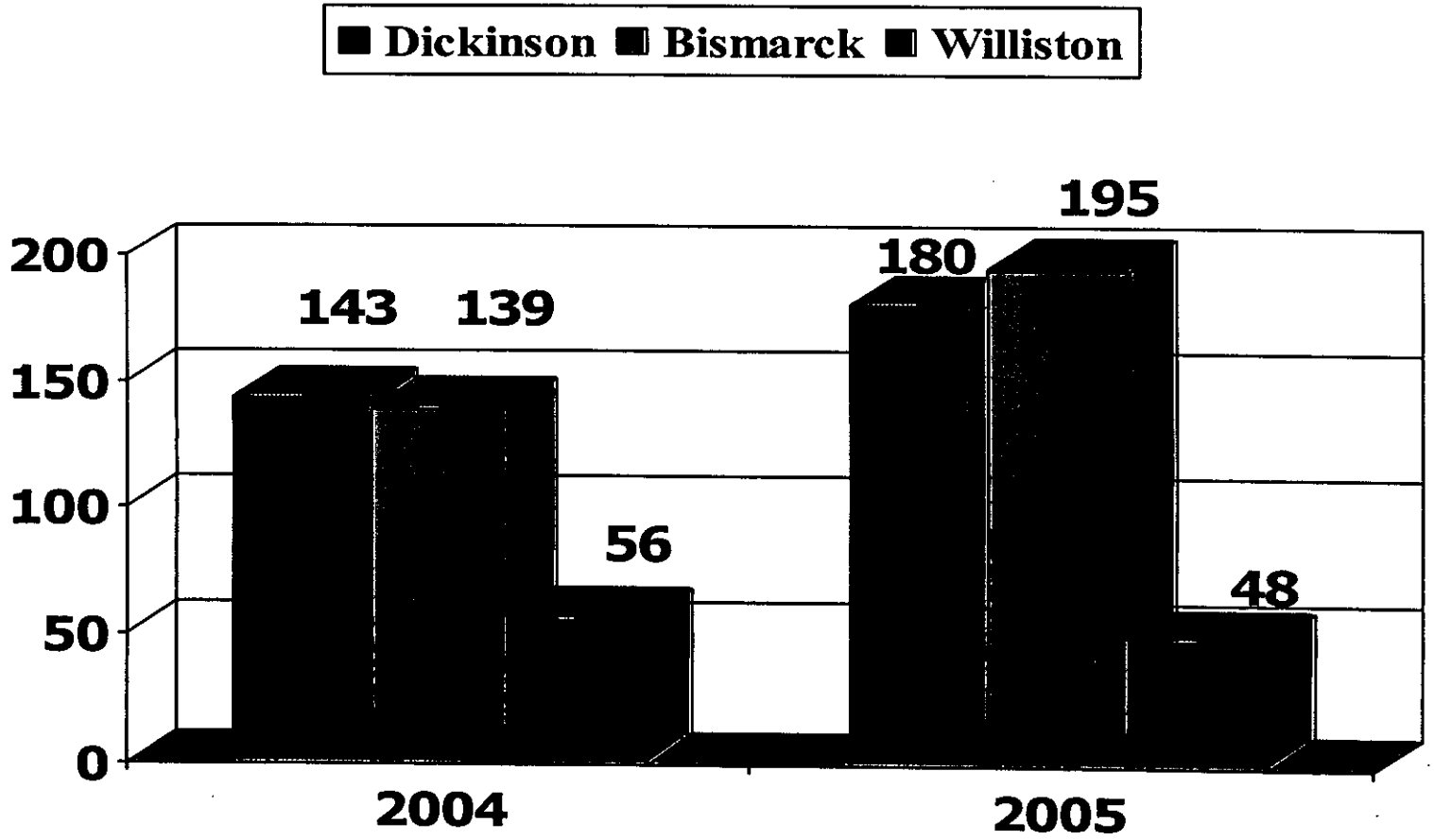


Full-Time vs. Part-Time Students Headcount

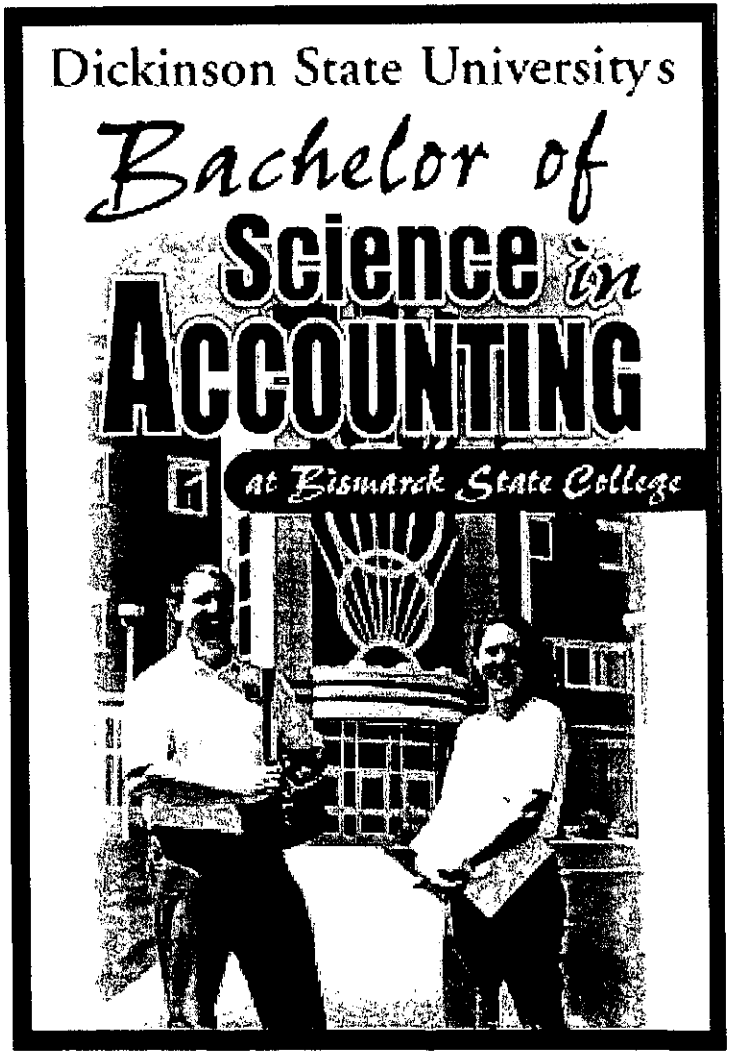


Fall 2000 through Fall 2004

Extended Campus
Spring 2005 Enrollment



Expanded Degree Offerings



Enrollment

- Fall 2003 - 36
- Spring 2004 – 49
- Fall 2004 – 66
- Spring 2005 - 70

Expanded Degree Offerings



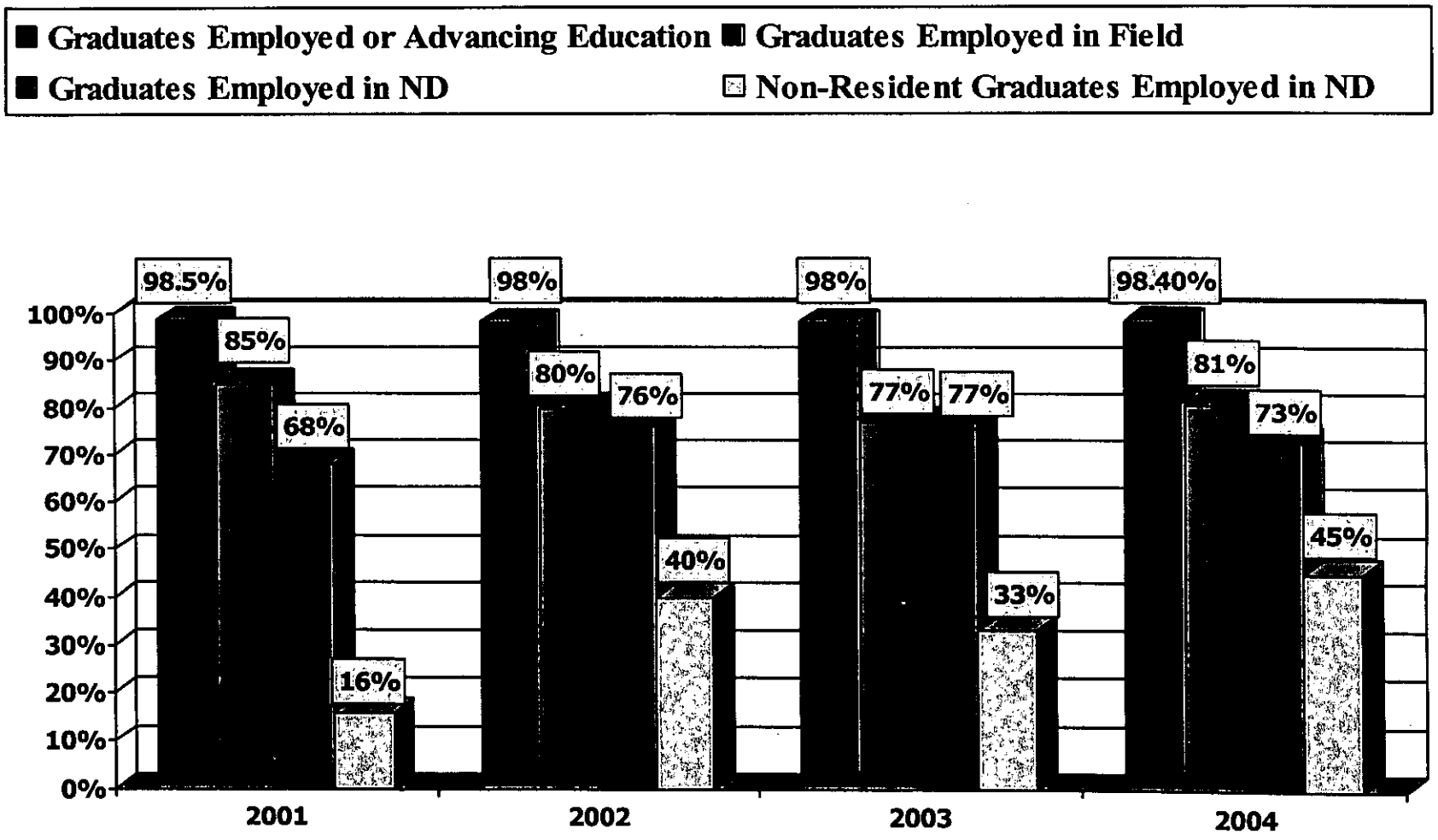
- **Major in Elementary Education**
  (emphasis on Global Literacy)
- **30 Students enrolled spring 2005**

DSU Nursing Program

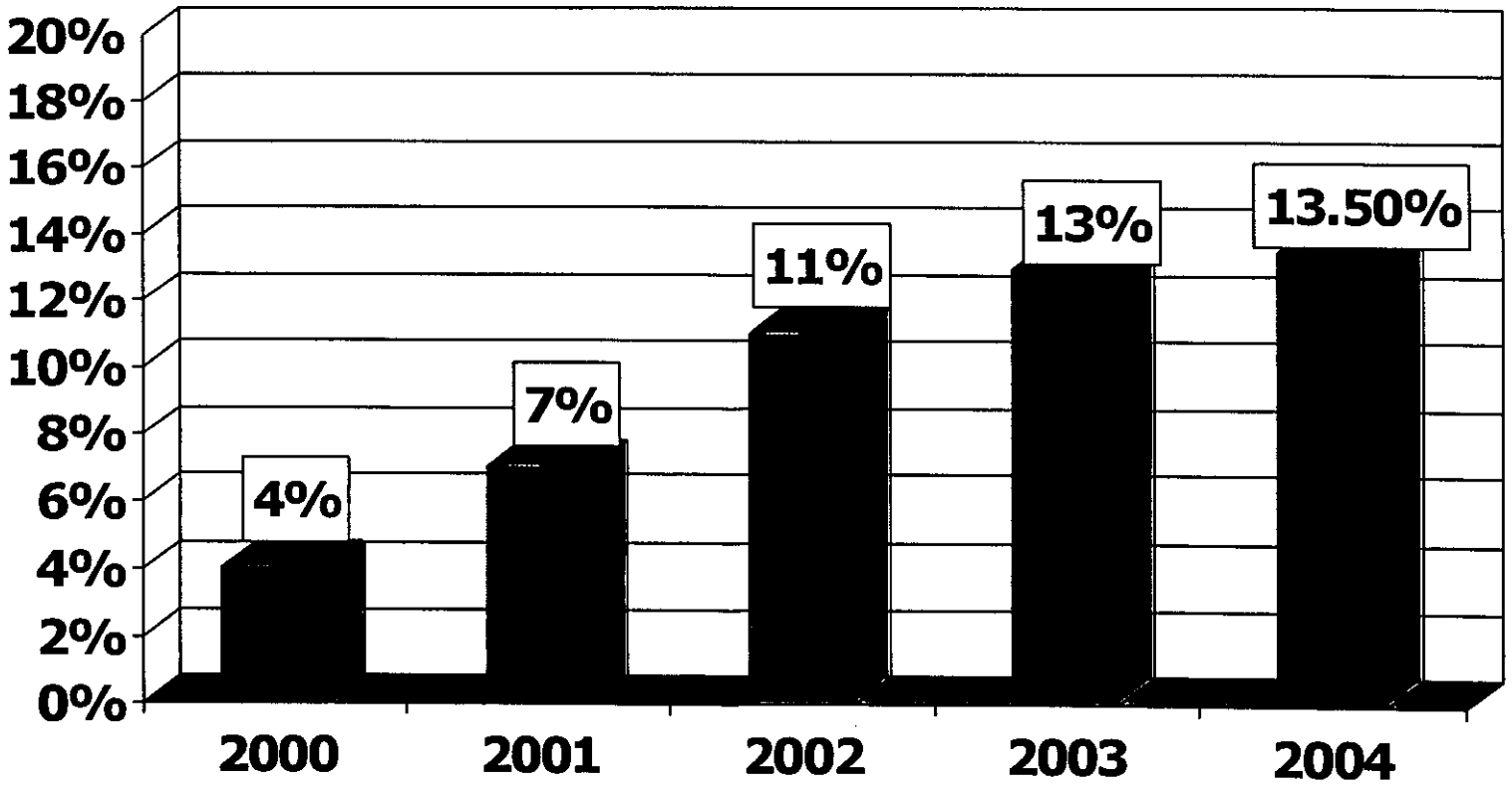
- The Nursing Program has experienced historically high enrollment
- 78 students in the AASPN program
- 48 students in the Bachelor of Science in Nursing program (BSN)



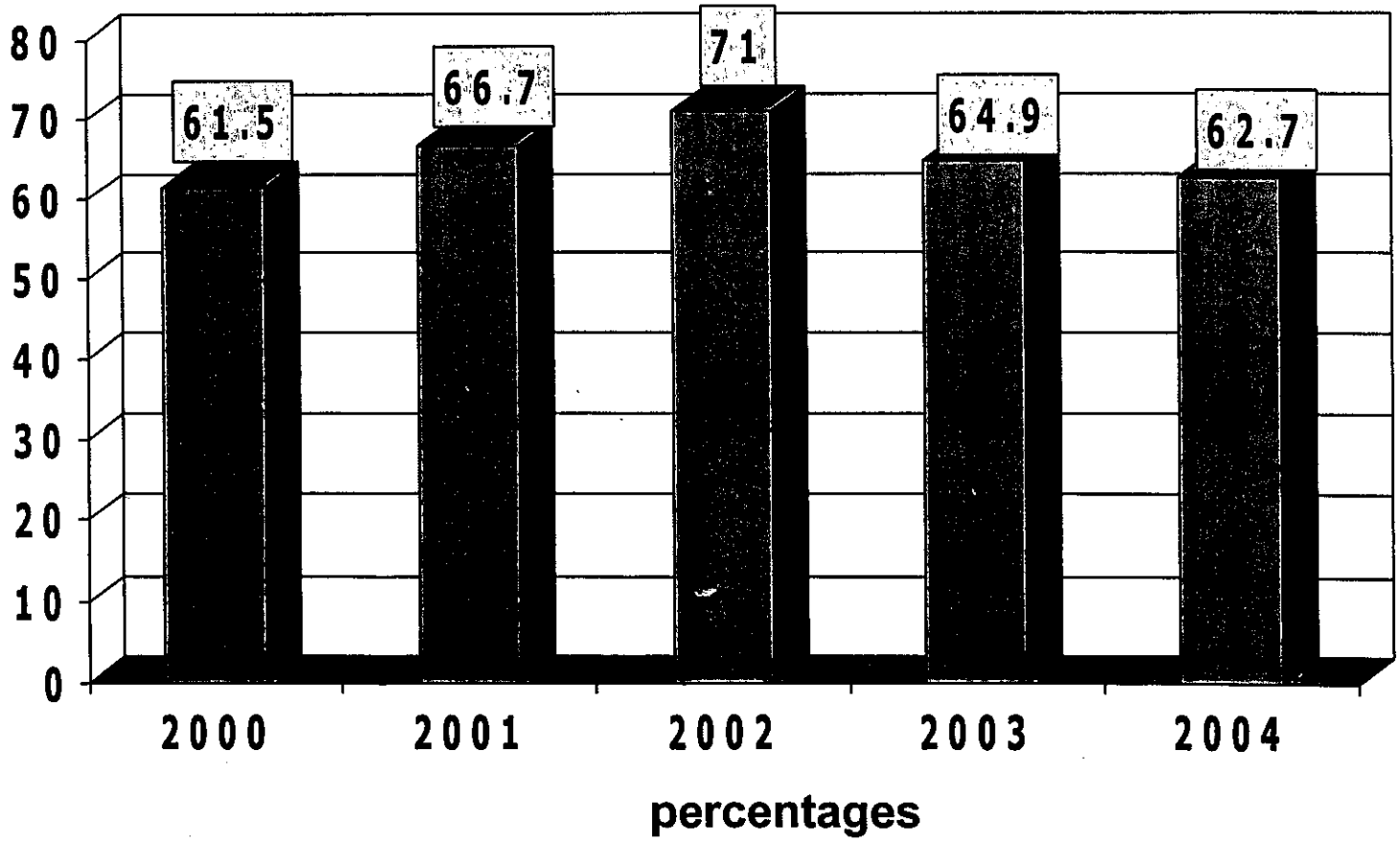
Placement 2001-2004



Graduate School – Percent of Graduating Class 2000-2004



Retention Rates 2000-2004



Enrollment Factors

- Retention
- Quality of Programs/Facilities/Place
- Graduate Placement Rate
- Cost
- Scholarships
- Flexible Programming/New Programs/Extended Campus
- Customer Service
- Student-Centered Learning Environment
- Global Initiative
- Areas of Distinction/Market Advantages

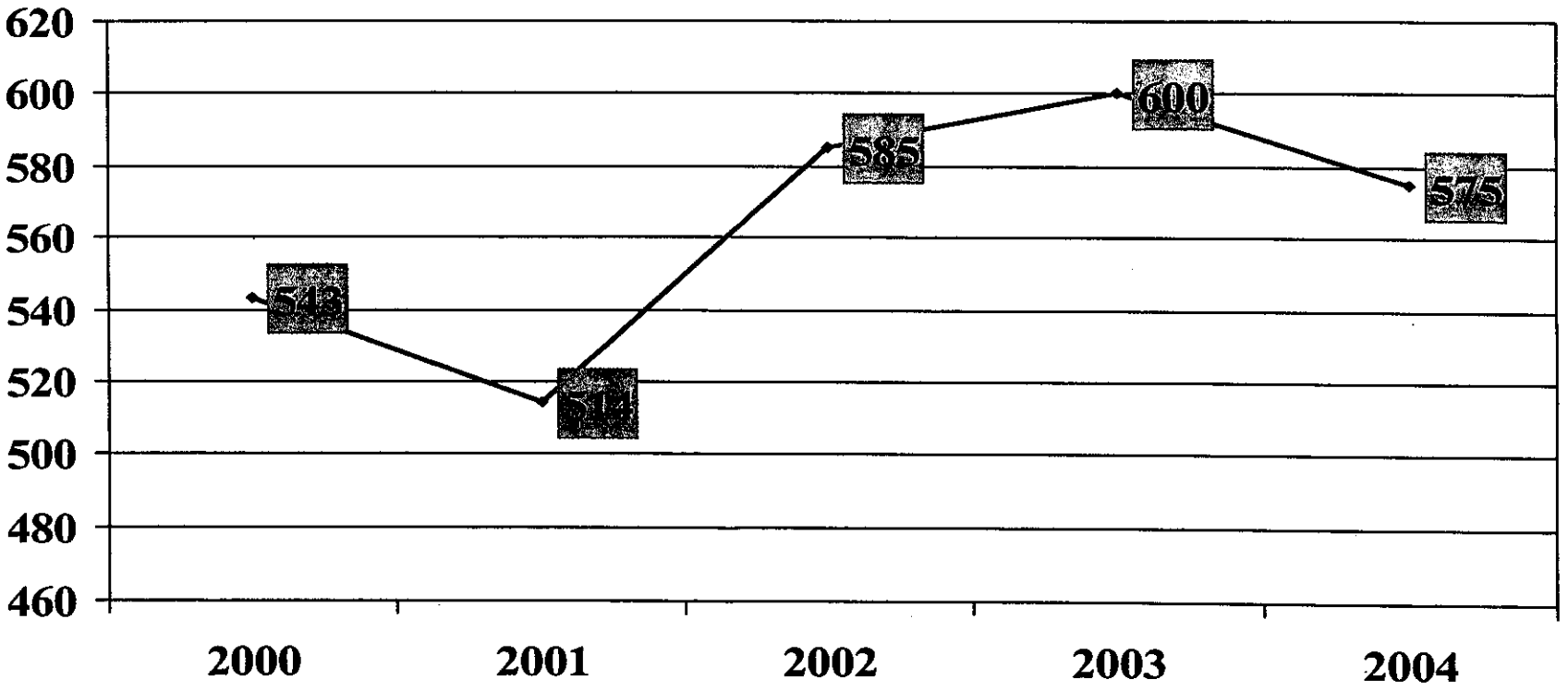
Retention Strategies

- First Year Program
  - **SOAR – Student Orientation, Advisement & Registration**
  - **Freshman Seminar**
  - **Learning Communities**
  - **Peer Tutoring**
  - **Front-loading Student Activities**
- Academic Advising
- Increased Access to Information Technology
- Customer Service

Recruitment and Placement

- Recruitment and placement are key factors in economic development, given the research which indicates that the single factor with the greatest power to explain differences in per capita income between states is the percentage of college graduates.

DSU Campus Housing
Fall 2000- Fall 2004

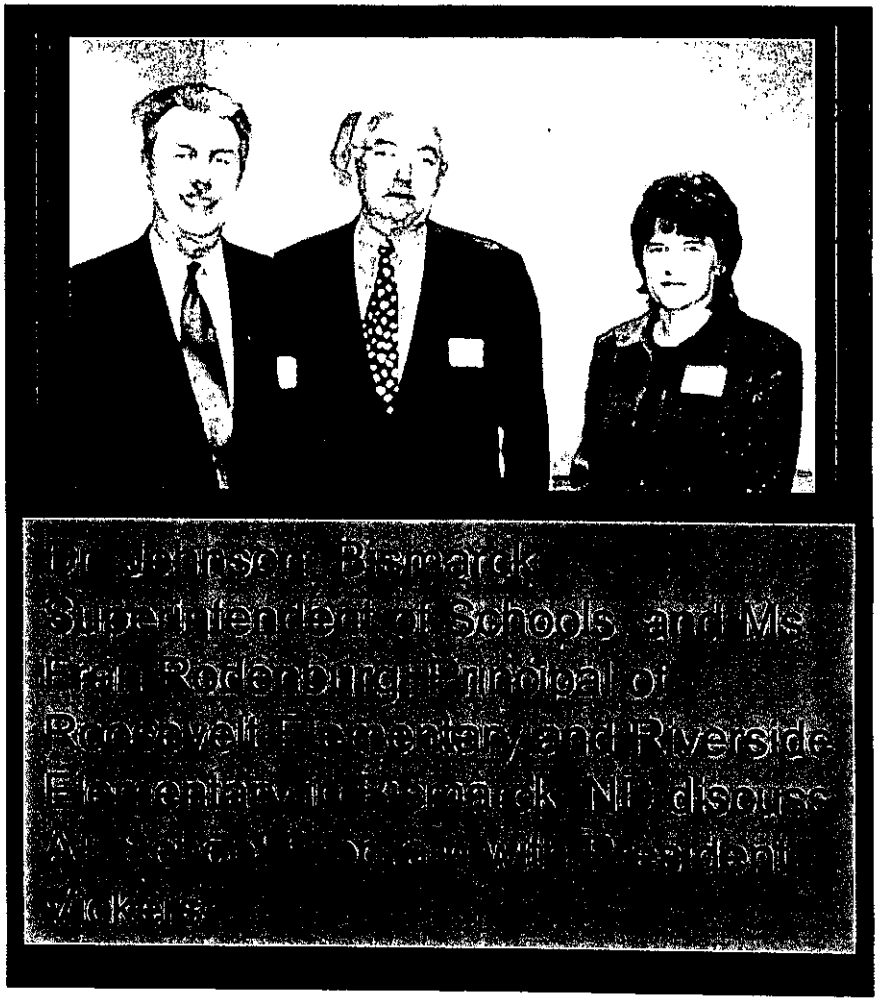


Accreditation

- NLN – National League for Nursing – Fall 1999
- NCATE – National Council for Accreditation of Teacher Education – April 2004
- State accreditation for Teacher Education, ESPB – Education Standards and Practices Board - April 2004
- NASM – National Association of Schools of Music, effective - November 2004
- NLNAC – National League for Nursing Accrediting Commission - February 2005
- HLC – Higher Learning Commission Visit – April 2005

Affiliations

- Small Business Development Center
- North Dakota Alliance for Arts Education
- Partners for Grasslands Stewardship
- Roughrider Education Services Partnership (RESP)
- A+ Schools Program

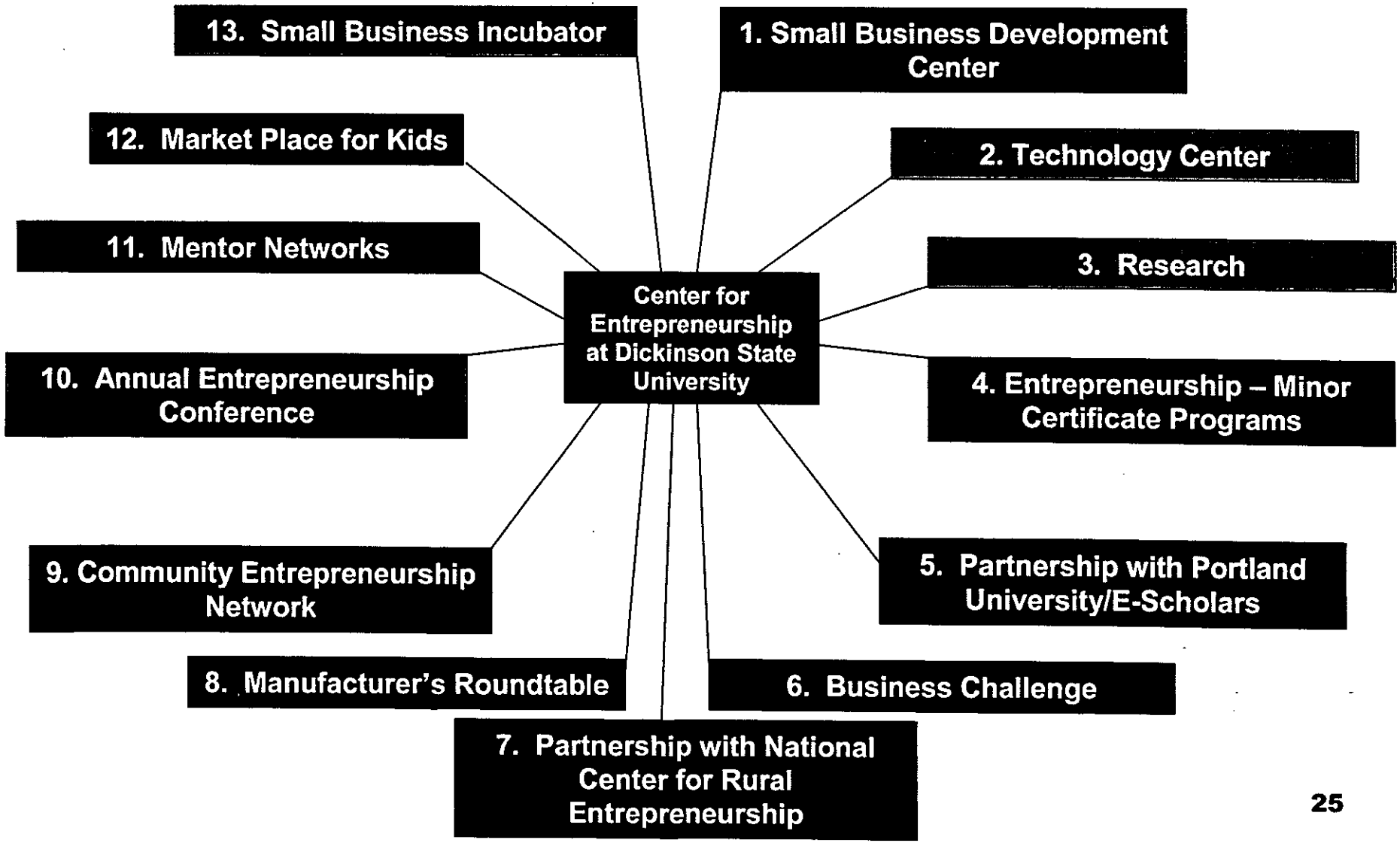


Entrepreneurship

- Business Challenge
- Annual Entrepreneurship Conference
- Marketplace for Kids
- University of Portland Consortium
- E-Scholars
- Certificate of Entrepreneurship
- Partnership with Williston State College Entrepreneurship Program
- Minor in Entrepreneurship

Center of Excellence

Red= in place Blue=pending Green=in planning stage



Quality of Place

- West River Community Center
- Dickinson Public Library
- St. Joseph's Hospital and Health Center
- Murphy Hall Renovation and Expansion
- Expansion of NDSU Research Center
- New DSU Alumni/Foundation House
- DSU Hawks Landing
- Two flights a day at the Dickinson Theodore Roosevelt Regional Airport

K-12 Partnerships

- SPICE Consortium Network – Southwest Pipeline for Information Technology for Communities and Education- Bowman, Scranton, Hettinger, Dickinson High School, Mott/Regent, and Dickinson State University
- RESP – Roughrider Education Services Partnership (Joint Powers Agreement) – 20 School Districts
- A+ Schools Program
- Math/Science Partnership Grant
- Rediscovering Excellence in Teaching
  1. Teaching Diverse Learners
  2. Critical Thinking/Brain Research
  3. Reading/Writing
- No Child Left Behind

Assessment/Quality Enhancements

Assessment Data has been used to:

- Address Legislative Roundtable Accountability Measures
- Improve learning and teaching
- Improve General Education curriculum
- Request external grant funding
- Modify student recruitment process
- Modify faculty recruitment process
- Reallocate internal resources
- Meet accreditation standards
- Increase emphasis on advising critical thinking and writing

Accounting Assessment Results

- The most recent CPA Exam results.
- The statewide average was 48.85%
- The test range was 40.91% to 70.59%
- DSU graduates passed 70.59% of all parts of the exam taken.

Theodore Roosevelt Honors Leadership Program

- 102 Students
- Representing
  - 9 States
  - 9 Countries



INBRE Grant
(cooperation with UND)

- National Institutes of Health (NCRR Division) – is funding approximately $900,000 over a period of five years
- Research Module: How does lycopene in the diet keep cells from becoming cancerous?
- Purpose is to simulate student research in biomedical
- **Allowed DSU to add faculty and purchase additional equipment**



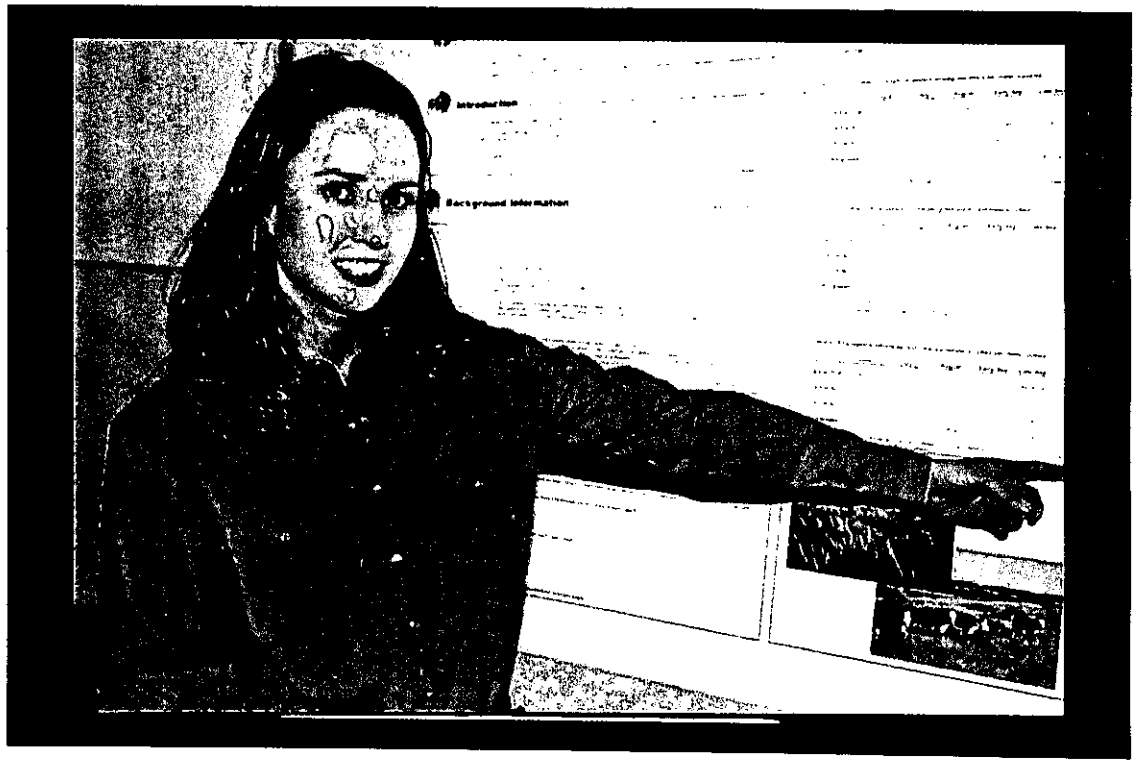
Agro-Security Resource Center
(cooperation with NDSU)

- Project Title: **Biosecurity, Disease Surveillance, and Food Safety**
- $1.3 Million - DSU $285,000 (Second year - DSU $316,000)
  Approved for third year
- Homeland Security
- Food Safety Issues
- Health Issues
  (West Nile)
- **Allowed DSU to add faculty and purchase equipment**



Student/Faculty Collaborative Research

- INBRE Grant
- Ben C. Frank Human Performance Center
- Agro-Security Grant
- Student/Faculty Collaborative Research Across Campus



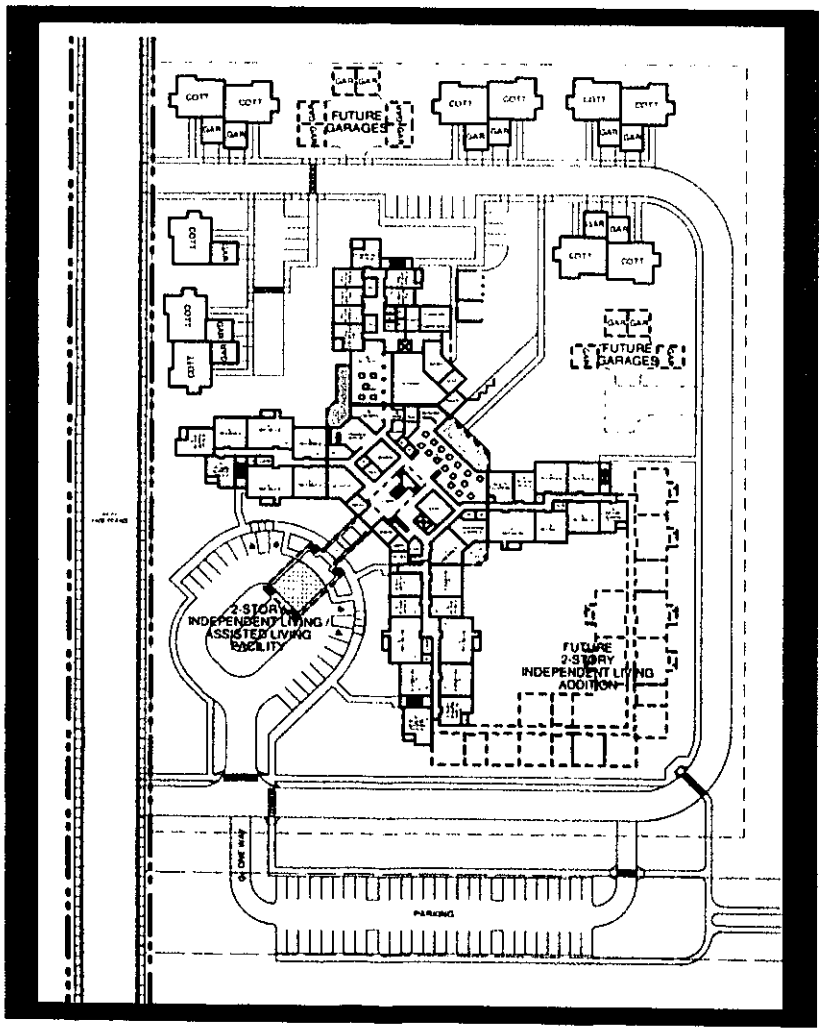
DSU Foundation

- $2.2 million in donations and pledges
- $625,000 in scholarships
- Faculty/Staff Excellence Awards
- Student/Faculty Collaborative Research
- Computer Labs
- Alumni/Foundation House

Alumni/Foundation House



Hawk's Landing
Senior Living Facility



Dickinson State University's Priorities

1. Faculty/Staff Salaries
2. Additional Faculty and Staff
3. Equipment/Technological Enhancements
4. Maintain Legislative Roundtable Momentum
5. Murphy Hall Science Building

Dickinson State University Distinctions

- Extended Campus Programs
- Assessment/Quality
- Depopulation
- Entrepreneurship
- First-Year Experience
- Theodore Roosevelt Leadership Program
- Global Awareness
- Catalyst for Change

Dickinson State University Conclusions

- On Track to Meet the Legislative Roundtable Mandates

- **"Academically competitive, nationally and internationally"**
- **"Engaged at every level with the needs and problems of the state and its citizens"**
- **"Accessible and responsive to all citizens of the state, both individual and corporate"**
- **"Meeting and/or exceeding the accountability standards"**



MAJOR ACCOMPLISHMENTS (NARRATIVE)

Dickinson State University
Major Accomplishments and Goals
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Dickinson State University
Major Accomplishments and Goals

Ninth consecutive year of record enrollment

For the ninth consecutive year, officials at Dickinson State University are announcing a record-breaking enrollment. Enrollment figures show 2,480 students enrolled at the university for the Fall 2004 semester as compared to 2,461 students enrolled at this time last year.

- Total enrollment in the Extended Campus programs was 429 - up 108 from a year ago. Of the students enrolled through the Office of Extended Campus, 245 are taking one or more of their courses from Dickinson State University through the school's expanded menu of online course offerings. A total of 22 different courses are available online for the Fall 2004 semester.
- The number of international students remained relatively stable this year with 108 students enrolled from 31 countries.
- The Theodore Roosevelt Honors Leadership program had a strong recruiting year with 33 new students from five states and four foreign countries, bringing the total enrollment in the program to 102 students.
- The nursing program experienced historically high enrollment numbers with 78 students in the AASPN program and 48 students in the Bachelor of Science in Nursing program (BSN). Last year the AASPN nursing program graduates recorded a 100 percent pass rate on the national LPN nursing exam.
- The number of out-of-state students increased by four percent. North Dakota students on campus also increased by 18 students.

Second semester enrollment sets spring term record for Dickinson State University

Spring semester enrollment reached a record high at Dickinson State University with a total of 2,252 students enrolled in courses. The number surpasses the previous spring record of 2,178, which was established one year ago.

- The 3.4 percent growth over last year's spring enrollment figure came as positive news for university officials. Over the past six years, the spring semester enrollment at Dickinson State University has grown by 38 percent.
- A total of 180 students are enrolled in courses in Dickinson through the Office of Extended Campus, which includes 15 students taking courses through the SPICE network. That's an increase of 37 students from a year ago and up one from the fall enrollment report. Offerings in Bismarck showed 195 students enrolled, up nine from the fall semester and 64 students more than were reported one year ago.
- Dickinson State University expanded its course offerings through the Office of Extended Campus in Bismarck by adding a bachelor of science in education degree with a major in elementary education. The program saw its first participants in the Fall 2004 semester and increased its enrollment to 30 students this spring.
- A total of 231 students are enrolled in online classes this spring, 98 more than a year ago. The university's online equine management program currently has 36 students, up six from a year ago.
- A record 121 foreign students representing 31 different nations are enrolled at the university this spring.
- The university lost less than 10 percent of its enrollment between the fall and spring semesters, the first time such a claim has been able to be made.

Dickinson State University
Major Accomplishments and Goals

Report shows $67.2 million, 980 job impact of Dickinson State University

Dickinson State University brings $67.2 million and approximately 980 jobs to the region according to a recently compiled study of the economic impacts of the North Dakota University System. The study was conducted by Larry Leistritz and Randal Coon of North Dakota State University's Department of Agribusiness and Applied Economics.

- According to the duo's findings, expenditures by Dickinson State University injected $23 million into the local economy in fiscal year 2004, a 54 percent increase over similar expenditures found by a 1999 study of the university's economic impacts.
- Sectors receiving impacts from the university's presence included household income, retail trade, construction, finance, insurance and real estate. Household income was the largest sector to benefit indirectly from the university's presence, reaping a $26.8 million segment of the overall impact – up from $17.3 million five years ago. Retail sales also benefited markedly with a $16.5 million impact to the region created thanks to Dickinson State University. That figure, too, represented a sizeable increase over the $10.6 million found by the 1999 study.
- Student expenditures play a key role in the retail market of the region. The average student spends $2,850 on "personal items" during the nine months university classes are in session. Those expenditures include clothing, gasoline, entertainment and other common expenses that don't fit within under the university's room and board label.
- In terms of employment, Dickinson State University's impact amounts to nearly 980 jobs within the region. The university employed 297 people during fiscal year 2004. The researchers estimated that an additional 680 secondary jobs are supported within the community.
- Statewide, the study estimates that the North Dakota University System has a $2.2 billion impact on the state's economy, an increase of 44 percent over the five-year period between studies. The study also shows 32,666 jobs statewide either directly or indirectly attributed to the university system. In addition, the university system statewide employs an additional 34,148 students.
- The survey was conducted using an input-output methodology which examined the direct impact and expenditures of the university system within the state and host-campus communities.

Music program receives accreditation from NASM

The National Association of Schools of Music gave its stamp of approval to the music program at Dickinson State University by alerting university officials in November that the program had received accreditation following site visits performed earlier this year. This marks the first time the university has sought accreditation for its music program.

- "The music program has a number of important strengths," the NASM visitors' report states, making note of the university's "highly qualified music faculty, dedicated to teaching, the welfare of the students, and the building of the music program."
- Other strengths listed included dedicated support from the administration of both the Department of Fine and Performing Arts and Dickinson State University, a strong and involved student body with high morale and commitment to the program, a well-focused degree program in music education, and the program's strong and involved profile in the community.

Dickinson State University
Major Accomplishments and Goals

DSU affiliates with award-winning entrepreneurial program
Dickinson State University has signed a partnership agreement to become a sister institution with the University of Portland (Ore.).

- The sister affiliation enables the university to contract with the award-winning Center for Entrepreneurship at the University of Portland and significantly enhances the entrepreneur development curriculum and programming offered by Dickinson State.
- The University of Portland program has been named a top tier program for teaching entrepreneurship in each of the last two annual surveys performed by Entrepreneur magazine.
- As part of the program, Dickinson State University will identify a group of E-Scholars - students selected from a campus-wide competition open to all disciplines and majors - who will tour regional and national businesses and visit with community business leaders to get a feel for the best business practices.
- The university will also host an entrepreneurs challenge, which is described as a "business plan development program."
- The agreement with the University of Portland will serve as an extension to a variety of entrepreneurship activities and initiatives already implemented at Dickinson State University.
- The goal is for Dickinson State University to begin offering the entrepreneuring program in the Fall 2005 semester.

Dickinson State University graduates lead the state in CPA exam passage
Graduates of Dickinson State University led North Dakota in their passage of the CPA exam for the 2004 year. Dickinson State University students scored a strong 70.6 percent pass rate, compared to the statewide average of 48.8 percent.

- The pass rate recorded by Dickinson State University graduates was 18 percent higher than the next-highest institution in the state. This is the second consecutive year that statewide analysis of the CPA exam results in North Dakota has yielded good news for Dickinson State University.
- The university's graduates performed ahead of both the state and national averages on exams taken in 2003 as well, surpassing the national average by four percent and the state average by three percentage points.

Everett C. Albers honored with lecture series, scholarship
Dickinson State University announced the establishment of the Everett C. Albers Annual Lecture and the Everett C. Albers Scholarship in the Humanities in honor of the founder and longtime executive director of the North Dakota Humanities Council and 1966 graduate of Dickinson State University. Albers passed away April 24 following a battle with pancreatic cancer.

- The Everett C. Albers Annual Lecture will feature visiting humanities scholars as selected by a committee of Dickinson State University faculty.
- The first Everett C. Albers Scholarship in the Humanities will be awarded for the Fall 2004 semester at Dickinson State University.
- Recipients of the scholarship must deliver a public lecture in the humanities during the spring semester of the year the scholarship is awarded.
- The university also erected a plaque inside Dickinson State University's Stickney Hall commemorating the founding office of the North Dakota Committee for the Humanities and Public Issues and Albers' service as director of the organization. The committee was housed on

campus for over a year before evolving into the North Dakota Humanities Council and moving off campus to Bismarck with Albers still as its director.

- The historic collection of Hoffman prints which adorn the hallway of May Hall were acquired and brought to campus through the efforts of Albers and the North Dakota Humanities Council.
- Albers returned to Dickinson State University following his graduation in 1966 to serve as a professor of humanities and English from 1969 until 1973. In 1972, Albers began to serve as director for the North Dakota Committee for the Humanities and Public Issues. When the committee evolved into the North Dakota Humanities Council and moved to Bismarck, Albers followed as the executive director and maintained that title until the time of his death.
- Albers was recognized for his work by the Federation of State Humanities Councils at that body's national conference in Minneapolis in November 2002 and again at the 30th anniversary of the North Dakota Humanities Council in Bismarck in February 2003.
- The Dickinson State University Alumni Association honored him in November 2003 with the Golden Hawk Award.

University Nationally Recognized for Leadership in Entrepreneurship

Dickinson State University was recognized on a national level by the Center for Rural Entrepreneurship for its work in the area of entrepreneurship.

- The center, based in Lincoln, Neb., named Dickinson State as their Institution of the Month citing the university's commitment to promoting the development of entrepreneurs within the state.
- They commended Dickinson State for offering a myriad of learning opportunities through conferences, workshops and meetings in an effort to provide training and learning for entrepreneurs and regional economic development professionals.
- The list includes, The Great Plains Population Symposiums, four separate Entrepreneuring in North Dakota Seminars, the Building Quality of Place: Asset-Based Development workshop, an Entrepreneurship luncheon for faculty and business leaders, Business Challenge, Marketplace for Kids, and various entrepreneurial courses taught throughout the year.

Agrosecurity Center functioning on DSU campus, second year of funding approved

The Agrosecurity Resource Center at Dickinson State University is fully operational and has received notification that it has been approved for a second year of federal funding. The project will receive $1.3 million over three years. The first two years have already received $601,000.

- Housed in the Ag Building on the Dickinson State University campus, the purpose of the Agrosecurity Resource Center is to rapidly identify, diagnose, contain or prevent a disease outbreak in North Dakota livestock and crops. The center is equipped to handle crises arising from both bioterror and naturally-occurring means.
- The purpose of the Agrosecurity Resource Center is threefold. First and foremost, the center will serve as a means of informing the public about threats to the region's livestock or food supplies.
- The center will also be able to quickly relay information to the state veterinarian's office, the North Dakota State University diagnostic lab, the National Veterinarian diagnostic lab, field units and first response teams.
- The Center is filled with the latest in high speed desktop and laptop workstations, GPS equipment, mapping software and other programs.

Dickinson State University
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Alumni/Foundation House opened

Alumni and friends of Dickinson State University have a new facility to call home as the new Alumni/Foundation House opened the first of January 2005. The house will be home to the Alumni Association and the Foundation—a move that will provide much needed work space and that will allow both organizations to be dramatically closer to those they serve.

- The first spade of dirt was turned on August 11 and in just five months the 4,100 square foot prairie style home opened for business at 230 Eighth Avenue West. Offices, a call center and work areas for the many projects of the Alumni Association and the University Foundation are just some of the long-needed facilities that are set in the home's distinctive architecture.
- The Great Room serves as the center of activities in the Alumni/Foundation House. Groupings of period-authentic craftsman style furnishing afford a comfortable and awe inspiring view of the Dickinson State University campus. King Pavilion, May, Stickney and Klinefelter Halls are framed in the Great Room's windows. Eleven-foot high ceilings with wooden beams and a large stone fireplace surrounded by oak book cases complete the 1920s ambiance of the Great Room.
- Just to the south of the Great Room, sharing its view of the campus, is the American State Conference Room. While also furnished in the style of the 1920s, this will be equipped with the latest technology to provide versatile meeting space for up to 14 people.
- The George and Myrtle Dynes Garden, located on the north side of the building, will be a pleasant outdoor entertainment venue for spring, summer and fall events. This garden area will be completed in the spring of 2005.
- The Ben C. Frank Director's Office, named after the donor who made the room a reality, is home for executive director, Kevin Thompson. Harmony Kolling, financial manager is located in the room funded by a gift from Bob and Alice Stranik. Kathy Lowe, Alumni Association secretary works in the room that recognizes the Steffes Corporation, which donated the heating system for the facility. Kenny and Mary Mann have provided a gift to fund the work room that is located in the center of the facility. Fleck's Furniture has donated the kitchen with all the appliances necessary to insure successful social events in addition to supporting the day-to-day activities of the house.
- As one tours the home you will find hardwood floors, doors true to the 1920s, specialized craftsman-style crown molding and base boards, just to name a few of the interesting design elements that are found throughout the building. Paint colors of that time period are highlighted throughout the building.
- A total of eight distinctive colors adorn the walls.
- Dave Jones served as the project coordinator and dealt directly with the contractors to insure that the project was completed in 2004.
- A new phone number was also added for the Alumni and Development of (701) 483-2004.

DSU, Russian agriculture academy ink memorandum of understanding

Dickinson State University and Nizhniy Novgorod State Agricultural Academy of Nizhniy Novgorod, Russia, inked a memorandum of understanding for the purpose of developing joint educational and research projects between the two institutions as well as faculty and student exchange programs.

- The agreement came in November 2003 as a delegation of faculty traveled to the academy to present research at the Scientific Symposium held in Nizhniy Novgorod.

- The memorandum of understanding specifically calls upon the respective institutions to develop programs of research activities between the schools. Long-term and short-term exchanges of teaching and research faculty and staff will also be explored, as will an exchange of undergraduate students.
- As a result of the agreement, a group of nine Dickinson State University students traveled to Russia in the summer of 2004. Three Russian students later reciprocated the journey by spending a month in Dickinson.

Record breaking year for the Foundation

The Dickinson State University Foundation is pleased to announce that through the support of alumni and friends a record breaking $2.2 million in gifts were received during the 2003-04 fiscal year that concluded June 30.

- The Foundation also witnessed total income from all sources for the same fiscal period at more than $2.8 million.
- The Foundation has witnessed a $2 million increase in net assets that are now valued at more than $6.5 million.
- The Foundation was most appreciative to Don Seidl '50 for his bequest of more than $700,000 in cash, real estate, stocks, bonds and mineral acres. This was the second largest gift in the Foundation history. His gift followed Douglas Hyke '51, member of the Athletic Hall of Fame and longtime high school coach and educator in 2002-3. Hyke's largest gift to Dickinson State University Foundation was in excess of $750,000 in cash and property.
- Additionally, the Foundation receipted a record of more than 5,100 gifts from more than 3,000 different donors from around the world.
- More than $138,000 was received and pledged during the annual phonathon and mass mailing appeal.
- Of the funds received last year by the Foundation, more than $746,000 was provided in the form of scholarships and awards to students, faculty and staff at Dickinson State. An additional $515,000 was used for capital construction projects and specific programs on campus such as Business Challenge and the Rodeo Program.

International Flag Plaza dedicated

University officials, students, alumni and Homecoming guests officially helped dedicate Dickinson State University's International Flag Plaza as part of Homecoming week.

- More than 100 spectators braved a cool, gusty wind to witness the formal dedication of the plaza.
- The International Flag Plaza and Walk of Pride were projects of the Dickinson State University Foundation, commemorating the 50th anniversary of that entity.
- Construction on the International Flag Plaza and Walk of Pride began in the spring of 2002.
- The projects were completed, thanks in part to the generosity of numerous donors who purchased commemoratives bricks, benches, pavers, flag poles and trees that are displayed throughout the plaza.

Dickinson State University partners with Small Business Development Center

Regional businesses and entrepreneurs will benefit from the establishment of a Small Business Development Center (SBDC) on the campus of Dickinson State University. The Dickinson SBDC

opened its doors in the lower level of Stickney Hall and is already responding to the needs of the business community.

- Leading the Center is director Ron Newman who brings with him over 25 years of experience in business consulting. Prior to arriving at the Dickinson SBDC, he was the regional director for the SBDC with Minot State University and was a SBDC consultant at the University of North Dakota and a business instructor and consultant at Ridgewater College in Willmar, Minn. and UND-Williston in Williston, ND.
- The Small Business Development Center program is a partnership between the University of North Dakota, Dickinson State University, the North Dakota State Department of Commerce, the U.S. Small Business Administration and the private sector.
- Spearheading the move to bring a SBDC to Dickinson was the Dickinson Area Chamber of Commerce and the Dickinson SBDC Task Force made up of local business leaders, as well as REAP.

Third-annual undergraduate research conference held at DSU

Dickinson State University hosted the third-annual undergraduate research conference in the Dickinson State University Student Center.

- Made possible through the funding support of the Dickinson State University Foundation, the undergraduate research conference provides a showcase opportunity for students.
- The conference enables students to display and discuss research projects conducted collaboratively with members of the Dickinson State University faculty. One of the goals of the conference is to promote and advance student involvement in academic research, as well as to foster student interest in academic research and graduate studies.
- Twenty-five poster presentations were displayed, featuring research performed over the past academic year. Six student-faculty collaborative projects were also showcased as students provided 15-minute talks, power point presentations and fielded audience questions regarding their research.
- Serving as featured speakers for this year's conference were Dr. Joseph Provost and Dr. Mark Wallert, members of the biology department at Minnesota State University-Moorhead.

Dickinson State University selected to participate in project with U.S. Department of State

Dickinson State University has distinguished itself among universities across the nation by being selected to participate in a Global Access Project in cooperation with the U.S. Department of State.

- The focus of the project is to create a series of modules and program opportunities on a range of topics such as the craft of diplomacy, negotiating treaties, political, economic, regional and consular issues.
- The goals of the project are to increase American college students' understanding of international affairs and the work of the Department of State and to stimulate interest in careers in the fields of international relations and public diplomacy. Parts of the program will also reach out to the community and the public schools in the region.
- As part of the three-year project, Dickinson State University joins an elite pool of just 10 universities nationwide to emerge from the highly competitive selection process to be chosen for the Global Access Project.

New environmental health program approved

Responding to a widespread need, Dickinson State University has approved a new program of study in environmental health. The program track will enable students to obtain work at local, regional

and state-level public health offices and to address a need for qualified graduates skilled in the field of environmental health.

- Once fully accredited, the environmental health program will fill a significant void in the region. The nearest accredited programs in environmental health are in Wisconsin to the east and Idaho to the west.
- The program is a direct response to a need in the region for this sort of degree. Graduates will be able to find work at public health offices and organizations. These are the people who protect the public's safety by making sure that restaurants and businesses conform with health regulations.
- The program has particular appeal within the state of North Dakota, where there is an average of 2-3 job openings each month in various local or state health departments.
- Several agencies within the state have noted troubles finding locally skilled individuals in the environmental health field.

Teacher Ed students get firsthand look at diversity in New Town classrooms

Combine a school district featuring a 93-percent Native American student body with one dozen young college students striving to earn degrees to become licensed teachers and the result will likely be a win-win situation for both groups. That was the case this past summer as Dickinson State University students enrolled in the Teaching for Diversity and Elementary Social Studies Methods courses spent three weeks at New Town.

- While in New Town, the Dickinson State University students worked alongside district faculty members working with disadvantaged and at-risk youth in a summer school setting.
- While teacher education students traditionally venture to New Town at times during the spring and fall semesters to observe classrooms, this is the first time the university has sent students to the district located 100 miles away for an extended summer session. It was an opportunity that New Town school superintendent Ed Slocum termed "too good to pass up."
- The Dickinson State University students are able to provide extra help and pitch in. While the DSU students are learning about Native American culture and how to work in a culturally diverse population, they're also helping students catch up on skills and education.

Dickinson State partners to promote A+ Education

Dickinson State University's Department of Fine and Performing Arts has partnered with representatives of the North Dakota Council on the Arts and faculty and staff at Roosevelt Elementary School in Bismarck in participating in the national A+ Schools Program.

- The A+ Schools Program is an approach to teaching and learning grounded in the belief that the arts play a central role in how children learn.
- A school's standard curriculum is combined with arts-integration and hands-on experiential learning that includes daily arts instruction by arts teachers.
- The approach is based upon Howard Gardner's research on multiple intelligences and is also supported by more recent brain research and other theories of intelligences.
- The arts are continuously woven into every aspect of a child's learning, offering children opportunities to learn through all the ways in which they are able. The University will collaborate on a number of projects which will provide interaction with DSU students and Roosevelt Elementary students.

Global Literacy program aims to broaden teachers' perspectives on learning

In an increasingly mobile world where the borders dividing nations and groups are becoming increasingly transparent, those in the field of education are increasingly finding themselves faced

with the challenge of trying to teach to increasingly diverse groups of students. Helping to prepare them for that task is the goal of a new global literacy program being incorporated into the curriculum of Dickinson State University's teacher education program.

- Efforts to incorporate the program into existing classes within the Dickinson State University teacher education program are being overseen by Dr. Kristen Runge, assistant professor of education at DSU. Additional undergraduate classes or possible graduate-level programming might also evolve within the department as a result of the program.
- At present, global literacy efforts at Dickinson State University are focusing on various primary goals. Emphasis is being placed on helping teacher education students learn to view literate activities within a cultural context.
- Students are also encouraged to experiment with a variety of instructional strategies, equipping them to be adaptable to a variety of teaching environments regardless of physical environment, curricular materials, and cultural differences.

North Dakota Arts Alliance at South campus, names director

The North Dakota Arts Alliance/Alliance for Arts Education has moved its office headquarters from Fargo to Dickinson State University and named Yvonn Quijano '97 and '03 as its new executive director. Quijano has worked the past several years as an adjunct lecturer of art at the university.

- Quijano started teaching art at Dickinson State University in 1998. She earned bachelor's degrees in art and Spanish from the university in 1997 and earned bachelor's degrees in K-12 education and Spanish in 2003.
- The North Dakota Arts Alliance is a network of North Dakotan residents working together to further the arts in the state.

Stoxen Library changes online catalog system

Students and faculty using Stoxen Library will find themselves locating material via a new and improved software system this fall. The library will switch to a new Ex Libris Aleph 500 software package.

- The current PALS software used by the Online Dakota Information Network (ODIN) is more than 25 years old and will no longer be supported by its developers.
- ODIN membership includes 54 North Dakota academic, public, school and special libraries with a combined holding in excess of five million items.
- Benefits of the new system will include improved Web capability, the ability to search multiple external library catalogs and full-text databases, enhanced interlibrary loan capabilities, better graphics capability and the ability for users to save previous searches for material and search for new materials added to the catalog since a previous date.
- ODIN is operated by the North Dakota University System and headquartered on the University of North Dakota campus in Grand Forks.

University establishes Russian webpage to attract students

Following in the footsteps of a memorandum of understanding signed in November 2003 between Dickinson State University and Russia's Nizhniy Novgorod State Agricultural Academy, the university unveiled a new Russian web page.

- The new page, which is featured on the Russian national home page at www.dickinsonstate.ru is already attracting Russian students to apply and to attend classes on the DSU campus.

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- The webpage follows on the heels of last November's trip to Russia by Dr. Andrew Novotorov, assistant professor of agriculture and Dr. Gary A. White, chair of the Department of Agriculture and Technical Studies. While presenting research at the Russian academy, the two also presented a memorandum of understanding for the institution to sign. Under the agreement, Dickinson State University and Nizhniy Novgorod agree to work together where feasible for the purpose of developing joint educational and research projects between the two institutions as well as faculty and student exchange programs.

North Dakota University System Diversity Council hosted conference in Mandan
The North Dakota University System Diversity Council sponsored "A Call to Leadership: Diversity, Higher Education, and the Future of North Dakota" on Jan. 23, 2004 at the Seven Seas Inn in Mandan.

- The day-long event was designed to focus on the role of diversity in higher education and the importance of diversity in North Dakota's future.
- Chair for the NDUS Diversity Council was Dickinson State University director of Educational Enhancement Services Dr. Mary Jo Gonzales.
- The goal of the diversity conference was to bring together a wide variety of university constituents to talk about the pressing issue of how to make our campuses and communities more inclusive.

Dickinson State University offers new accounting degree option in Bismarck
Dickinson State University, in collaboration with Bismarck State College, is proud to offer a new bachelor of science in accounting degree on the Bismarck State College campus.

- Offered through Dickinson State University's Office of Extended Campus, the accounting degree option allows students to meet the degree requirements needed for taking professional examinations to become Certified Management Accountants, Certified Public Accountants, and Certified Internal Auditors.
- Through the program, 21 courses within the Bismarck State College accounting, business and general education curriculums can be used in transfer for meeting Dickinson State University degree requirements. Additional coursework is offered via interactive video, on-line courses and face-to-face instruction from adjunct instructors in Bismarck State College classrooms.

Dickinson State University offers elementary education program in Bismarck
The North Dakota University System has given its approval to a proposal by Dickinson State University to offer a bachelor of science in education degree with a major in elementary education in Bismarck via cooperative agreement with Bismarck State College. Classes through the new extended degree program will be offered beginning with the current fall semester.

- Interest surveys taken last spring in the Bismarck/Mandan area revealed 52 students interested in completing a baccalaureate degree in elementary education. An information session held in Bismarck in June was attended by 29 students who were interested enough to want transcript analysis.
- Under the agreement, the degree delivery program utilizes Bismarck State College's general education and other courses in a "two-plus-two" fashion which enables Dickinson State University to offer courses which students can use to build upon an associate's degree or related coursework from Bismarck State College to meet the requirements for the bachelor of science in education degree in elementary education.

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- Dickinson State University already cooperates with Bismarck State College to offer bachelor's degree programs in university studies, accounting and applied science in technology in much the same fashion.
- The teacher education program at Dickinson State University is nationally accredited by the National Council for Accreditation of Teacher Education (NCATE), 2010 Massachusetts Avenue NW, Suite 500, Washington, D.C. 20036; phone (202) 466-7496. This accreditation covers initial teacher preparation programs. NCATE is recognized by the U.S. Department of Education and the Council for Higher Education Accreditation to accredit programs for the preparation of teachers and other professional school personnel. The teacher education program at Dickinson State University is also approved by the North Dakota Education Standards and Practices Board (ESPB), Ninth Floor, State Capitol, 600 E. Boulevard Avenue, Bismarck, ND 58505-5040; phone (701) 328-2264.

Dickinson State University offers new degree in Bismarck, Williston and Dickinson

The Dickinson State University Office of Extended Campus is now offering a bachelor of applied science in technology degree program in conjunction with Bismarck State College and Williston State College.

- The degree is a baccalaureate completion program that builds upon the associate of applied science degree, allowing for complete transfer of the associate degree credits into the baccalaureate program.
- Through the new bachelor degree option, students are able to add management, business and communication courses to supplement their associate of applied science degree, enhance their current employment status and provide the education necessary for students to become managers of technology.

Online course offerings increase distance learning

Dickinson State University is reaching out for students on the World Wide Web by offering a pair of degree options and an expanded offering of 17 different online courses.

- The courses are tailored to assist students who would otherwise be unable to accommodate taking a university class due to job, family or distance issues.
- Dickinson State University currently offers a pair of degree options online. Students may currently pursue an associate of arts degree in liberal arts or an associate of science degree in agriculture sales and service with an equine management option.
- Additionally, all general education course requirements are now available via an online format.
- Students taking courses online interact with their instructors and classmates via e-mail, online chat and/or online bulletin boards.

Fourth-annual Entrepreneuring in North Dakota conference

Dickinson State University hosted the fourth-annual Entrepreneuring in North Dakota seminar March 4-5, 2004 in the Student Center.

- The event featured two days of speakers and programs designed to help and inspire entrepreneurs throughout the region.
- This year's program was once again sponsored by alumni, Jerome and Rosie Strom of Los Altos Hills, Calif. The Stroms' have supported DSU's Entrepreneuring in North Dakota conference since its inception in 2001.

- Titled "Growth Through Entrepreneurship," the seminar focused on the positive force entrepreneurship can be for local and regional economies. The program featured a number of top-level academics, speakers and successful entrepreneurs willing to share their stories.
- Presenters included Don Macke, Center for Rural Entrepreneurship, Jim Jenkins, Spring Creek Management, Diane Allmendinger, mayor of Dodge, N.D., Steve Hannah, Northern Great Plains, Inc., Delore Zimmerman, CEO Praxis, Inc., and Dean Hildebrand, N.D. Game and Fish Department.

University participates in assessment initiative

In an effort to determine whether Dickinson State University is delivering a quality of education similar to that offered elsewhere in the nation, the institution has participated in a number of assessment programs within the past year.

- University officials elected to participate in National Survey of Student Engagement. The survey compares Dickinson State University with six similar "peer" institutions throughout the nation. The comparison is designed to check how academic perceptions and rigor compare with comparable universities
- Dickinson State University has also extended its Writing Across the Curriculum program, in which freshman students participate in writing intensive courses, and the Collegiate Academic Assessment Program (CAAP), which measures student performance on critical thinking and writing examinations at both the start and finish of their college careers and compares the results against a group of peer institutions.
- The university began giving the Your First College Year Survey that compares fulltime students at Dickinson State University with first year students at other institutions throughout the country. Comparisons are made for both men and women and include academic as well as social comparisons for each institution.
- The university also uses the ETS Academic Profile, a national standardized exam which examines how effectively Dickinson State University achieves its learning outcome goals within the general education core classes. Again, the results of the test are compared with other institutions nationwide.

Business Challenge program records 27th year of existence

Approximately 143 participants – 110 students and 33 educators – assembled on the campus of Dickinson State University in July for six days of fun and education as the Business Challenge program marked its 27th year.

- Business Challenge is a program dedicated to helping teach students and educators about the benefits of entrepreneurism and basic business principles.
- Business Challenge officially began with the traditional Bill Goetz Opening Assembly in Dorothy Stickney Auditorium. After welcoming remarks by Colleen Rodakowski, coordinator for Business Challenge, Dr. Wayne Sanstead, superintendent of schools for the Department of Public Instruction in Bismarck, and 2004 Business Challenge honorary chair Bob Spolum of Robert N. Spolum Associates in Fargo, the audience heard from motivational speaker Troy Stende of Acworth, Ga.
- Stende was named 2004 Best Campus Speaker and 2002 Speaker of the Year by Association for the Promotion of Campus Activities. He launched his own company, Stende Inspiration, and created a new keynote program titled "Life Unlimited." North Dakota Governor John Hoeven served as the keynote speaker for the closing ceremony of Business Challenge.

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Marching band represented North Dakota in Washington, D.C.

The Dickinson State University marching band was chosen to represent North Dakota at the National Festival of the States World War II Memorial Parade, a major 2004 national music festival in Washington, D.C celebrating America's heritage through music.

- The National Festival of the States World War II Memorial Parade included the dedication of the World War II Memorial on the Mall.
- The parade consisted of a one and one-half mile march down Pennsylvania Avenue.
- Band members also performed at a reception to honor North Dakota veterans hosted by North Dakota Senator Byron Dorgan.

DSU, TR Honors Leadership Program hosted Rural Matters working session

Dickinson State University and the Theodore Roosevelt Honors Leadership Program presented, "Rural Matters: Working for Renewal in Dakota's "New Frontier." The program took place Friday, Oct. 29, in the Dickinson State University Student Center and served as a follow-up to the asset-based community development workshop held on campus earlier in the year.

- Dr. Tom Isern, professor of history at North Dakota State University, served as the featured keynote speaker during the midday luncheon. Area high school students were also invited to participate in the workshop.

Dickinson State University hosted DAC-10 Leadership Conference

Dickinson State University proudly hosted the DAC-10 Leadership Conference. The event attracted student leaders and faculty advisors from student government, honors programs and other campus organizations to the community from the various institutions which comprise the Dakota Athletic Conference, the North Dakota University System, and the various tribal colleges from across the state.

- The purpose of the conference was to engage students and faculty representatives in discussions regarding the challenges of leadership on college campuses in the new millennium.
- In addition to providing some nationally recognized keynote speakers on the subject of leadership, the conference also was designed to allow attendees to network with each other and share ideas and stories, enhance the leadership skills of those present, and provide an opportunity for student leaders to discuss issues that are important on their respective campuses.

Dickinson State University receives federal grant for math, science instruction

Dickinson State University has been named the recipient of a Mathematics and Science Partnership program grant in the amount of $132,651 as the first part of an expected three-year, $431,388 grant.

- The monies will be used to enhance the capacity of local teachers to enact curriculum reforms that produce higher student achievement in the areas of mathematics and science.
- The award comes through the federal No Child Left Behind Act of 2001 and will be disbursed to the university through the North Dakota Department of Public Instruction.
- The project, titled "Cogitating Mathematics and Science through the Western North Dakota Mathematics/Science Partnership" creates an alliance between 17 public schools, three private schools, Dickinson State University and RMC Research which specializes in educational research.
- Through the use of grant funds, the project hopes to strengthen the knowledge of mathematics and sciences for K-12 teachers, paraprofessionals, administrators, university faculty, pre-service teachers and, ultimately, the K-16 students in the region.

- Roughly 287 math teachers, 291 science teachers and some 8,649 students will benefit from the grant funds. The Dickinson State University proposal was one of only two in the state of North Dakota to receive grant approval.

Dickinson State featured in Acceleration magazine cover story

Dickinson State University was the focus of a feature story in the Spring 2004 issue of Acceleration magazine.

- The magazine is distributed worldwide by Frappier Acceleration, a Fargo-based company specializing in sports training equipment and methodology for high school, collegiate and professional athletes.
- Much of the equipment featured in the Ben C. Frank Human Performance Center has been purchased from and/or donated by Frappier Acceleration. The company's magazine is received by coaches, parents, athletes and fitness professionals on a quarterly basis.
- The cover story detailed the creation of the Ben C. Frank Human Performance Center on the Dickinson State University campus, its impact on campus athletics, and its role at the forefront of strength training research.

University focused on student learning

- **Dr. Carolyn Hopper**, learning strategies coordinator for the Developmental Studies Department at Middle Tennessee State University, addressed faculty, students and the area's K-12 educators during a series of presentations. Hopper focused her remarks on how to promote critical thinking and on teaching strategies that were based upon the most recent brain research.
- Participants were provided information on how to apply brain research and critical thinking strategies to their discipline and extend this knowledge to more effectively meet the needs of students.
- **Dr. James Zull**, professor of biology and biochemistry and director of Case Western Reserve University's University Center for Innovation in Teaching and Education gave a trio of presentations on the DSU campus. His presentations at DSU focused on applying current research on learning to student learning within and outside of the classroom and what is known about different learning styles.
- **Dr. Gerald Nosich**, a noted authority on critical thinking, delivered a two-day workshop on the topic to faculty and staff members of Dickinson State University. Regional K-12 educators were also invited to campus to participate in the event.
- Nosich is the author of "Reasons and Arguments" and a regular presenter at international conferences on critical thinking.
- Nosich's appearance on campus was made possible through a Rediscovering Excellence in Teaching and Learning Grant from the state of North Dakota. The grant will be used to provide further professional development on teaching and learning to K-16 educators on the campus of Dickinson State University.

DSU speakers earned title of North American champion

- Dickinson State University's Stuart Savelkoul, a political science and history double major from Beulah, captured top public speaking honors at the 2004 North American Debate Championships sponsored by Queens University in Kingston, Ontario.
- To earn the title, Savelkoul bested a field of approximately 100 speakers gathered from among the most elite undergraduate and graduate programs from the United States and Canada.

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DSU student qualified for national oratory

Sarah Groom, a freshman at Dickinson State University, qualified to be one of two students to represent the state of North Dakota at the 2004 Interstate Oratorical Association's national tournament in Phoenix, Ariz.

- Groom achieved the honor by placing second in the statewide competition.
- Two representatives from every state are selected via competition to attend the national tournament. Speeches from all national competitors will be assembled together into a book, the 2004 edition of "Winning Orations."

Theodore Roosevelt Scholars gave presentations at Chicago conference

Dr. Jim Tallmon, director of Dickinson State University's Theodore Roosevelt Honors Leadership Program, and 11 students attended the National Collegiate Honors Council Conference in Chicago.

- The program provided several members of Dickinson State University's honors program the opportunity to present research, participate in panel discussions and take part in idea exchange get-togethers to help promote and enhance the honors program.
- Members of the Dickinson State University program participated in eight different presentations or idea exchange sessions at the conference.

New York Explorers Club awards Student Research Grant to Dickinson State

A student research study examining the effect of climatic change on alpine timberlines being conducted by a pair of Dickinson State University students was the recipient of a Student Research Grant from the New York-based Explorers Club.

- The grant assisted the students in traveling to an isolated mountain area in Utah to study the tree line at approximately 11,000 feet.
- The students, Tyler Burgess of Dickinson and Joshua Steffan of South Heart collected data in Utah under the supervision of Dr. Lynn Burgess, assistant professor of biology. Dr. Burgess received a BRIN grant for the project which paid for travel and food expenses associated with the trip.
- In addition to receiving the Student Research Grant, Burgess and Steffan were invited to New York City to attend the Student's Members Weekend. All recipients of Student Research Grants from the Explorers Club were invited to attend and give presentations regarding their research. Research may also be published in the Explorers Club Journal, the organization's official publication.

Accounting student received national award

Holly Krebsbach, Washburn, was selected as one of 25 students nationwide to participate in an all-expenses paid workshop involved with the National Convention of the American Institute of Certified Public Accountants (AICPA) in Atlanta.

- Krebsbach flew to Georgia to participate in the event.
- Students selected for the honor were required to carry a minimum 3.0 grade point average and be entering their senior year of undergraduate study.

Dickinson State University crowned seventh rodeo national champion

Junior Chad Day (Fontanelle, Iowa) earned top honors at the College National Finals Rodeo held in Casper, Wyo.

- Day, along with partner Dusty Forre from Wayne (Neb.) State College, finished as the top team-roping duo at this year's national competition.

- With the honor, Day becomes the seventh person to earn a national title with the Dickinson State University rodeo team and the first since 1999.

DSU student literary magazine received national honor

The 2002 edition of "Impressions," Dickinson State University's student literary arts magazine, won second place honors and a cash award at the Sigma Tau Delta Literary Arts Journal Award Competition.

- "Impressions" achieved its recognition in the overall Literary Arts Journal Award category. The award placed Dickinson State University alongside journals from Barry University, Athens State University, Missouri Valley College and the University of the District of Columbia.
- Sigma Tau Delta is an international English honor society.
- The organization boasts nearly 600 individual chapters and thousands of members.

Donors provide stock support for renovation of Whitney Stadium

One dozen stockholders of Dickinson Industries, Inc., made a significant donation toward the renovation and upgrade of Whitney Stadium. Collectively, 531 shares of stock valued at $175.52 each were donated. Combined with additional gifts, the donation amounts to roughly $101,000.

- The proposed $6 million renovation and expansion of Whitney Stadium has received the endorsement of both the North Dakota legislature and the State Board of Higher Education. All funds for the project must come from outside sources.
- The project calls for an upgrading to the athletic field lighting, sound system and power infrastructure. Stadium seating would be stabilized or replaced.
- Additional plans call for the installation of artificial turf and locker rooms, expansion of restrooms, lobby, concession, press box space, and the resurfacing of the track.
- Originally constructed in 1971, Whitney Stadium has served not only Dickinson State University, but the communities of southwestern North Dakota by providing a venue for football and track and field events.

Biesiot records 200th career victory as head football coach

Dickinson State University head football coach Hank Biesiot became just the second head coach in NAIA history to reach the 200-victory plateau for his career. The landmark game came Nov. 1, 2003, as Dickinson State cruised to a 56-20 DAC-10 Conference win over Jamestown College.

- Biesiot holds the second-highest active total in both career wins and career winning percentage in the NAIA.
- Biesiot has served as a coach at Dickinson State University for 30 years. Twenty-eight of those years have been spent as the head coach of the Blue Hawks. In that time, he has coached the team to 12 conference titles, including this season's DAC-10 championship.
- Only once has a Biesiot-coached team finished the season with a losing record.
- At a postgame social that evening, Biesiot received a plaque from the NAIA commemorating his 200th career victory, as well as several other gifts from family, friends and former players. Representatives from former Blue Hawk players, members of the current team and the coaching staff all took turns paying tribute to Coach Biesiot.

DSU athletics has many first during 2003-2004 season

The 2003-04 sports calendar provided many "firsts" for the Dickinson State University Athletic Department.

Dickinson State University
Major Accomplishments and Goals

- During this exceptional sports year, which saw 10 different sports teams qualify for NAIA National Championships, Dickinson State University was awarded the very prestigious Dakota Athletic Conference Commissioner's Cup, which is presented to the top intercollegiate athletics program in the DAC-10 conference.
- This highly competitive achievement was also a first for the Blue Hawks and Dickinson State University.
- In the fall, the Blue Hawk football team won their first outright DAC-10 Championship and won 11 games for the first time in school history. Meanwhile, the women's cross-country team earned their first trip ever to the NAIA National Cross-Country Championship. The women's volleyball team finished in the Elite Eight in the National Championships.
- During the winter sports season, having both the men and women's basketball teams qualify for their respective NAIA National Tournaments in the same year was a first for Dickinson State University.
- In the spring we established new records in both softball and baseball. The softball team posted their first 20+ win season while the baseball team erupted for their first 30+ win season.
- The crowning achievement for 2003-04 sports year was the men's track team winning not only the DAC-10 outdoor track & field title but winning their first ever NAIA Men's Outdoor Track & Field National Championship.
- This monumental accomplishment provided Dickinson State University with it's first ever men's team national championship.
- The men's outdoor track and field team had three individuals capture national championships. Derrick Atkins won his fifth national title in the sprints, Aaron Cleare won his second in the 400, and Trevor Barry won a national long jump title.
- Cleare later qualified for the country of the Bahamas in the 4x400 relay and ran at the Olympic Games in Athens, Greece.
- The amazing season saw 24 individuals qualify for the national track and field meet.
- In addition, four women qualified for the NAIA National Cross Country meet in Louisville. Tara McAvena became the first woman in school history to win a national championship in a track event.

Coach Pete Stanton named 2004 NAIA National Coach-of-the-Year

Pete Stanton, head track and field coach and assistant professor of health and physical education at Dickinson State University was named the 2004 NAIA National Coach of the Year in men's outdoor track and field.

- This title is not new to Stanton, as he was named the NAIA National Men's Outdoor Track and Field Coach-of-the-Year in 2003.
- During Stanton's five-year tenure, his teams have won two DAC-10 men's outdoor championships (2004 and 2002). For his efforts, Stanton was named the 2002 and 2004 DAC-10 men's outdoor track and field coach-of-the-year.



BUDGET ISSUES

BUDGET OVERVIEW
AND PROPOSED LEGISLATIVE FUNDING PLAN

Dickinson State University

Budget Issues And
Capital Construction Projects

Presented by
Alvin Binstock
Vice President for Business Affairs

February 28, 2005

2003-2005 GENERAL FUND ALLOCATION/STATE BONDING

❑ Operations	$ 13,598,831
❑ Capital Assets	393,962
❑ Major Capital Projects	5,882,047*
	$19,874,840

*Phase I-Murphy Hall Addition

PROJECTED TUITION REVENUE 2003-2005

- 2003-2004 Inclusive of a 16% Tuition increase: $5,050,197

- 2004-2005 Inclusive of a 19% Tuition increase: $5,923,276

Total Projected 2003-05 Tuition Revenue **$10,973,473**

TUITION RATES

	FY03	FY04*	FY05**
▪ Resident	$2,204	$2,554	$3,040
▪ Non-Resident	$5,879	$6,820	$8,117
▪ SD, Montana	$2,753	$3,193	$3,800
Manitoba, Saskatchewan			
▪ Minnesota	$2,554	$2,923	$3,406

***16% increase **19% increase**
(increases within SBHE ranges)

TUITION INCREASES NEEDED IN SUPPORT OF:

- Maintaining quality programs that can compete nationally under a "hold-even" general fund budget scenario
- Providing essential enhancements (i.e., additional faculty and staff, salary increases, etc.)
- Fostering institutional growth and improving upon quality
- Positioning the institution should enrollments not materialize as projected

STATE/STUDENT SHARE OF OPERATING BUDGET 2003-2005

▪ General Fund	$13,598,831	55.3%
▪ TUITION REVENUE	$10,973,473	44.7%
	$24,572,304	100.0%

Shared Responsibility

Long-Term Financing Plan's targeted rated for DSU:

- 70% State General Funds
- 30% Student Tuition Revenues

BUILDING AND INFRASTRUCTURE INVENTORY

Buildings	
-General Fund Supported	$33,780,180
-Auxiliary Supported	12,273,050
Infrastructure (Parking Lots, Lighting, Streets, Water Mains, Steamlines, Etc.)	$4,715,186
TOTAL	**$50,768,416**

PERFORMANCE CONTRACTING

Contract Amount: $2,256,164

Rate: 4.09%

- Energy Management Systems
- Lighting Retrofits/Replacements
- Steam Trap Repairs/Replacements
- Back-up Electrical System (Generators)
- Low Water Consumption Fixtures

Long-Term Finance Plan
Base Operating Funds

Funding in support of core campus functions:

- Parity: Funds needed to continue current programs and services including salaries, benefits, and inflationary cost increase
- Equity: Funds needed to move each institution closer to the "benchmark" or average funding level of its national peer institutions defined by common criteria

Long-Term Financing Plan
Capital Asset Funds

Funding in support of repair and replacement of facilities and infrastructures and addressing deferred maintenance backlogs:

- Current repair and replacement of facilities/ infrastructures. Does not address capital projects funded through state bonding.
- Deferred maintenance of facilities/infrastructures inclusive of such items as health and safety concerns, ADA compliance, etc.

North Dakota University System
Recommended House Appropriation Investment Plan
An Investment in the Future of the State of North Dakota
February 24, 2005

Provide funding, at a minimum, of 21% of the state's recurring revenues, as suggested by Gov. Hoeven. This would result in an additional $4.657million over Engrossed SB2003.	$4,657,000
Core Functions	
Investment needed to address "critical" equity funding needs at BSC, LRSC and NDSU identified through comparison to their peer campus funding benchmark.	-$1,500,000
Investment needed to address part of the remaining unfunded state costs of campus on-going operations to address salary and health insurance increases, and operating and utility increases required to reduce overall potential tuition increases.	-$2,657,000
Economic Enhancement	
Investment needed to launch system-wide international student program required to maximize campus utilization, enhance diversity, and stimulate economic growth through additional new revenues and population growth.	-$500,000
	$0
In addition, at least a 21% portion of any additional state revenues resulting from the potentially improved March revenue forecast be allocated to the NDUS and used to address deferred maintenance (i.e. extraordinary repairs) needs at campuses.	

OTHER NDUS HIGH PRIORITY INVESTMENTS

Core Functions	
UND O'Kelly Hall/Ireland Renovation (Engrossed SB2023-state bonding)	$3,500,000
Economic Enhancement	
Expansion of Workforce Training Delivery System (Engrossed SB2019)	$600,000
Centers of Excellence (Engrossed SB2018)	$50,000,000

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NDUS Campuses and Medical School
Summary of Changes from 2003-05 Legislative Appropriation to Executive Recommendation, Engrossed SB2003 and Requested House Version

	DSU		
	General Fund	Other Funds	Total
2003-05 Original Appropriation	$ 13,992,793	$ 10,882,047	$ 24,874,840
Base Adjustments	70,702	(10,882,047)	(10,811,345)
2003-05 Adjusted Appropriation (Net of Base Adj)	14,063,495	-	14,063,495
Executive Recommendation Adjustments:			
Decrease Extraordinary Repairs Base Funding	(10,272)		(10,272)
Campus Parity and Equity:			
Campus Parity (73.1% of State Share)	778,179		778,179
Campus Equity	157,804		157,804
Subtotal Campus Parity and Equity	935,983	-	935,983
Allocation to NDUS Campus Operations Pool	(14,605,516)		(14,605,516)
Allocation to NDUS Conting/Extraordinary Repairs Pool	(383,690)		(383,690)
Capital Projects Funded		5,000,000	5,000,000
Subtotal-Adjustments per Executive Recommendation	**(14,063,495)**	**5,000,000**	**(9,063,495)**
Executive Budget Recommendation	-	5,000,000	5,000,000
Senate Adjustments:			
Allocation from NDUS Campus Operations Pool	14,605,516		14,605,516
Allocation from NDUS Conting/Extraordinary Repairs Pool	383,690		383,690
Adjust Funding for Major Capital Projects			-
Subtotal-Senate Adjustments	14,989,206	-	14,989,206
Engrossed SB 2003	14,989,206	5,000,000	19,989,206
Engrossed SB 2003 Compared to 2003-05 Adj Approp	**925,711**	**5,000,000**	**5,925,711**
Restoration Request:			
Additional Parity (Increases state share to 85.8%)	135,465		135,465
Additional Equity			-
Subtotal-Restoration Request	135,465	-	135,465
House Requested Version*	$ 15,124,671	$ 5,000,000	$ 20,124,671

*In addition, it is requested that at least a 21% portion of any additional state revenues, resulting from the potentially improved March revenue forecasts, be allocated to the NDUS and used to address deferred maintenance (i.e. extraordinary repairs) needs at the campuses.

\cathy\excelfil\2005-07House\Format Individual Hearings\Camp&Med

Estimated Tuition Increases 2005 - 2007

Annual Tuition Increases Ranging Between 9.5% - 9.9%

The projected tuition range would generate between $1.76 - $1.84 million. Funds would be utilized to sustain current operating levels impacted by increased enrollments, expanded extended campus offerings, Connect ND implementation, and the bringing on-line of the Murphy Hall Addition. The need to address higher utility costs will be a factor. The above range assumes funding at the Executive/Engrossed SB 2003 level.



MAJOR CAPITAL PROJECTS NOT INCLUDED IN BONDING BILL (SB 2023)

WHITNEY STADIUM RENOVATION/ADDITION

Major Capital Project

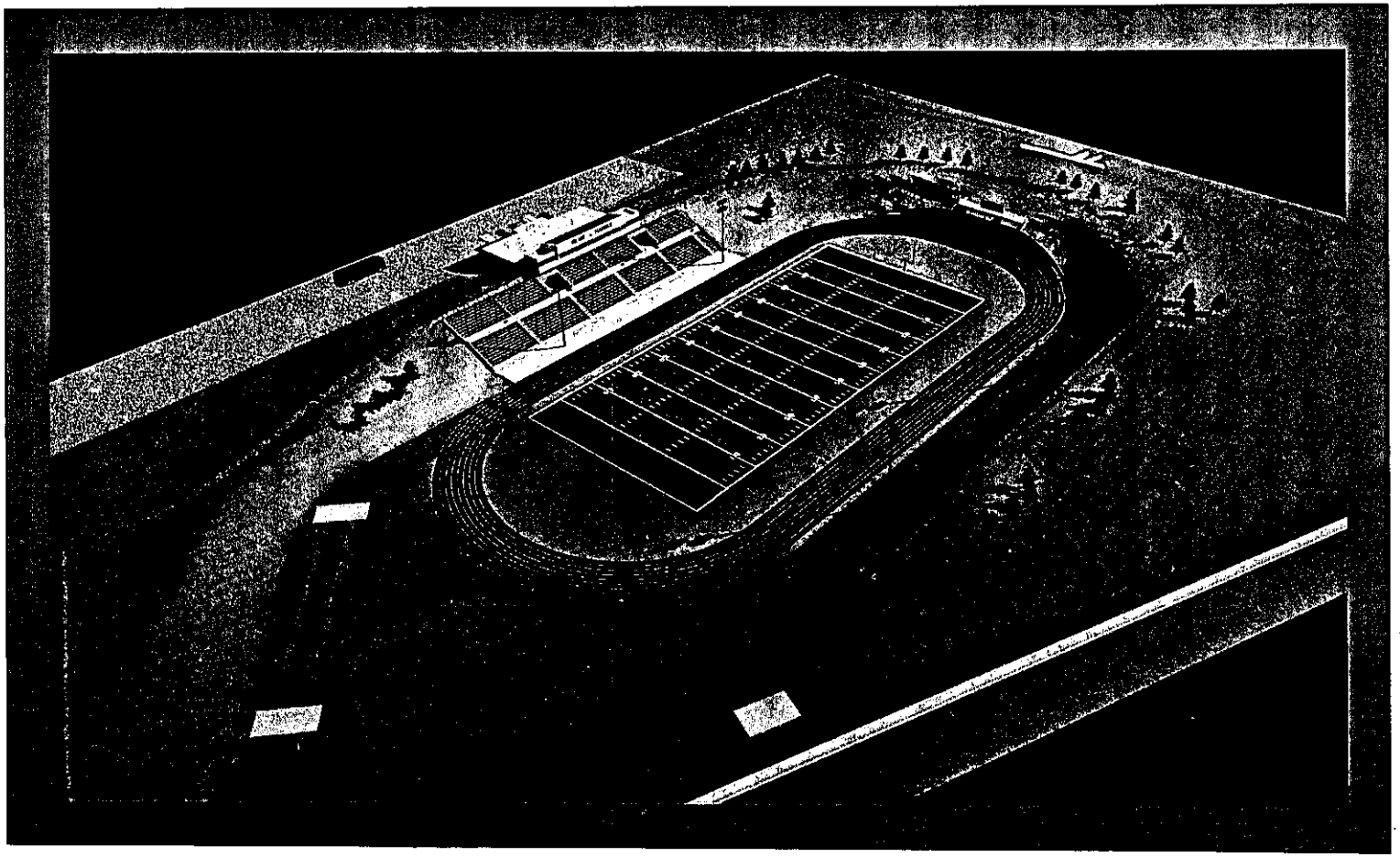
Priority #2: **Whitney Stadium Renovation/Addition**

Projected Cost Estimate $5.0 million

Philanthropic/Local

Biennium: 2005-2007 (Reauthorization)

Whitney Stadium



Architect's Rendition of Whitney Stadium

Priority #2: Whitney Stadium Renovation/Addition

Project Objectives:

- Stabilize and/or replace stadium seating
- Provide adequate restrooms, lobby, concessions, and press box space
- Add a locker room facility (lockers, restrooms, showers, etc.)
- Replace existing retaining walls that are failing
- Address parking lot and access routes (pavement, lighting, striping)

Priority #2: Whitney Stadium Renovation/Addition

Project Objectives:

- Modify existing track and field configurations
- Install adequate drainage system in support of the track and field
- Resurface track
- Consideration of artificial turf installation
- Upgrade athletic field lighting
- Upgrade sound system
- Upgrade power infrastructure

PRIORITY #2: WHITNEY STADIUM RENOVATION/ADDITION (Reauthorization)
CATEGORY: Major Renovation/Addition
PROJECTED COST ESTIMATE: $5.0 Million
RECOMMENDED SOURCE OF FUNDING: Philanthropic/Local Funds $5,000,000
BIENNIUM: 2005-2007 (Reauthorization)

PROJECT NARRATIVE

Whitney Stadium was constructed in 1971 to address a need within Dickinson State University's Athletic Department by providing a site upon which the institution's football and track and field events could be held. Before construction actually began, it became clear that this facility held great potential to not only serve the needs of Dickinson State University but compliment also the like needs of Dickinson's local school systems, Dickinson Public Schools and Trinity High School. Resources from a local fund drive in which the community's school systems participated were utilized to assist in funding the initial project. Whitney Stadium has admirably served the needs of Dickinson State University and through use agreements the needs of the area communities' school systems. In addition, the stadium serves as a hub upon which regional schools and organizations can converge to sponsor activities such as regional track meets, football playoff games, etc.. The utilization of Whitney Stadium truly exemplifies how a resource can best be capitalized upon for the overall good of the citizenry of North Dakota.

The 33 year old Whitney Stadium complex has a growing list of problems and deficiencies that must be addressed if it is to continue to serve Dickinson State University and the multiple needs of the southwest region in a quality fashion and within a safe environment. Items of concern consist of but are not limited to such items as a concessions building roof that needs replacement, the settlement of the concrete stadium seating, a deteriorated track surface, track and field drainage problems, undersized and non-handicapped accessible restrooms, and the absence of locker room facilities. Dickinson State University's enrollment continues to grow with the enrollment for Fall Semester, 2003 being 2,461 students. With increasing enrollments and regional entities interests in using the stadium facilities growing, the need exists to move forward with necessary improvements and enhancements.

The institution will seek to capitalize upon the excellent "service" record of the facility in soliciting local and philanthropic contributions for enhancements deemed necessary to improve upon the effectiveness of the facility.

To assist in this effort, the architectural firm of Zum Brunnen Architect P.C. supported by the engineering firms of Kadrmas, Lee & Jackson and Prairie Engineering, P.C. has computed information which identifies facility shortfalls and offers options designed to address specific concerns. This facility study will guide the institution in the prioritization of improvements and project implementation as funding materializes.

ASSOCIATED COSTS:

Estimated biennial costs necessary to support the maintenance and operating costs of the envisioned improvements beginning in the 2005-2007 biennium are:

Salaries and Wages:	
1 FTE Maintenance Worker plus fringe x 2 years =	$51,480
Operating Expenses:	
Utilities	78,200
Supplies	12,590
Equipment:	
Custodial Support Equipment	8,000
Estimated Biennial Costs	$150,270

NDUS 2005-07 Major Capital Project Ranking
Approved by BHE, June 2004

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
				Cost			
#	Project Description	Campus	Project Type	State	Other	Total	Other Source
	Board Approved Ranked State Funded Projects for Inclusion in 2005-07 Budget Request						
1	**Hazardous Material Handling/Storage**	**NDSU**	**NC**	**$3,500,000**		**$3,500,000**	
2	**Murphy Hall Renovation - Phase II**	**DSU**	**R**	**$4,100,557**		**$4,100,557**	
3	**WE Osman Bleacher Replacement**	**VCSU**	**R**	**$250,000**	**$32,000**	**$282,000**	**private**
4	**Thatcher Hall Addition**	**MiSU-BC**	**A**	**$2,500,000**		**$2,500,000**	
5	**Science Lab Renovation & Multi-Use Classroom Addition**	**LRSC**	**A/R**	**$343,875**		**$343,875**	
6 x	**O'Kelly Hall Renovation-Ireland Lab Renovation**	**UND**	**R**	**$3,500,000**		**$3,500,000**	
7	**Electrical Distribution-Phase II of IV**	**NDSCS**	**R**	**$736,000**		**$736,000**	
	TOTAL RANKED PROJECTS			**$14,930,432**	**$32,000**	**$14,962,432**	

11 CAMPUSES

A=addition; R=renovation; NC=new construction

	Campuses #1 Ranked State Funded Projects						
	Career & Technology Institute 1/	BSC	NC	$1,000,000	$11,200,000	$12,200,000	Private/ local/grant
	Science Lab Renovation & Multi-Use Classroom Addition	LRSC	A/R	$1,020,150		$1,020,150	
	Energy and Transportation Training Center Addition	WSC	A	$510,000	$400,000	$910,000	Private/Grant
	O'Kelly Hall Renovation-Ireland Lab Renovation	UND	R	$3,500,000		$3,500,000	
	Hazardous Material Handling/Storage	NDSU	NC	$3,500,000		$3,500,000	
	Steam Line-Phase III & Electrical Distribution	NDSCS	R	$3,421,080		$3,421,080	
	Murphy Hall Renovation - Phase II	DSU	R	$4,100,557		$4,100,557	
	West Hall Renovation & Accessibility	MaSU	R	$3,140,000		$3,140,000	
	Swain Hall Addition/Renovation	MiSU	A/R	$5,815,000		$5,815,000	
	Life Safety/ADA Project	VCSU	R	$1,100,000		$1,100,000	
	Thatcher Hall Addition	MiSU-BC	A	$2,500,000		$2,500,000	
	TOTAL #1 Ranked Campus Projects			$29,606,787	$11,600,000	$41,206,787	
	Other UnRanked Campus Requested State Projects						
	Voc/Technical Center Expansion & Renovation	BSC	A/R	$3,000,000	$6,000,000	$9,000,000	School District/ Other
	Cold-Storage Garage	LRSC	NC	$50,000		$50,000	
x	Rural Development Center	WSC	NC	$2,000,000	$4,000,000	$6,000,000	Private/Grant
x	SOMHS Allied Health Facility	UND	NC	$7,500,000		$7,500,000	
	Infrastructure (water, sewer, elec., pavement)	UND	R	$4,500,000		$4,500,000	
	Heating Plan Boiler #4 Replacement	NDSU	R	$2,540,000		$2,540,000	
	Minard Hall Renovation	NDSU	R	$11,393,500		$11,393,500	
	Horton Hall Renovation	NDSCS	R	$4,095,330		$4,095,330	
	Center for Ag Educaton/Research	DSU	NC	$4,000,000		$4,000,000	
	Classroom Building Entrance and HVAC Upgrade	MaSU	A/R	$579,360		$579,360	
x	Crane Hall Renovation	MiSU	R	$1,767,500	$1,767,500	$3,535,000	Local/Private
	Steam Line Replacement - Phase I	VCSU	R	$1,000,000		$1,000,000	
	Steam Line Replacement	MiSU-BC	R	$235,000		$235,000	
	TOTAL Unranked Projects			$42,660,690	$11,767,500	$54,428,190	

	Non-State Funded Unranked Projects	**Recommended for inclusion in 2005-07 budget reqyest**					
	Student Apartments 2/	**BSC**	**NC**		**$1,800,000**	**$1,800,000**	**Aux./ Other**
	Plant Services Building	**BSC**	**NC**		**$502,800**	**$502,800**	**Local**
x	**Rural Development Center**	**WSC**	**NC**		**$6,000,000**	**$6,000,000**	**Private/Grant**
x	**O'Kelley Hall-Ireland Laboratory Renovation**	**UND**	**R**		**$3,500,000**	**$3,500,000**	**Local**
x	**SOMHS Allied Health Facility**	**UND**	**NC**		**$7,500,000**	**$7,500,000**	**Private/grant**
	SOMHS Laboratory Renovation	**UND**	**R**		**$2,500,000**	**$2,500,000**	**Grant**
	Indoor Track Facility	**UND**	**NC**		**$6,000,000**	**$6,000,000**	**Private**

NDUS 2005-07 Major Capital Project Ranking
Approved by BHE, June 2004

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
				Cost			
#	Project Description	Campus	Project Type	State	Other	Total	Other Source
	Neuroscience Research Facility Addition	UND	A		$1,000,000	$1,000,000	Grant
	Dining Center Renovation (Wilkerson and/or Squires)	UND	R		$1,500,000	$1,500,000	Auxiliary
	Parking Ramp Structure	UND	NC		$12,000,000	$12,000,000	Auxiliary
	University Housing Replacement	UND	NC		$16,000,000	$16,000,000	Auxiliary
	Carnegie Library Renovation	UND	R		$3,000,000	$3,000,000	Private
	American Indian Center	UND	NC		$3,500,000	$3,500,000	Private
	Memorial Union Renovation and Addition	NDSU	A/R		$16,000,000	$16,000,000	Auxiliary
	Wellness Center Addition	NDSU	A		$12,000,000	$12,000,000	Fees
	College of Business Building	NDSU	NC		$20,000,000	$20,000,000	Private
	Blikre Activities Center Addition	NDSCS	A/R		$368,920	$368,920	Private
	Whitney Stadium Renovation/Addition	DSU	A/R		$5,000,000	$5,000,000	Private/ Local
	Fieldhouse Entrance, Concession and Restroom Expansion	MaSU	A		$1,000,000	$1,000,000	Private/Local
	Outdoor Athletic Complex	MaSU	NC		$500,000	$500,000	Private/Local
	Student Union Ballroom-West Wing Remodeling 3/	MiSU	R		$800,000	$800,000	Local/Aux./state
x	Crane Hall Renovation	MiSU	R		$3,535,000	$3,535,000	Local/private
	Total Non-State Funded Projects			$0	$124,006,720	$124,006,720	

EXPERIMENT STATIONS AND FOREST SERVICE

	Board Approved Ranked State Funded Projects for Inclusion in 2005-07 Budget Request						
1	Research Greenhouse Complex - Main Sta.	Exp. Sta.	NC/R	$4,000,000	$5,000,000	$9,000,000	Private/Grant
2	Seed Processing Facilities	Forest	R	$65,000		$65,000	
3	C. Grasslands Headquarters Office Addition	Exp. Sta.	A	$250,000	$60,000	$310,000	Private/Grant
	Total Ranked State-Funded Projects			$4,315,000	$5,060,000	$9,375,000	
	Other Unranked State Funded Projects						
	Main Station Seed Storage Facility	Exp. Sta.	NC	$2,044,800		$2,044,800	
	Main Station Sheep and Lamb Barn	Exp. Sta.	NC	$262,000		$262,000	
	Hdqtrs Offc Bldg-Carrington Addition	Exp. Sta.	A	$350,000		$350,000	
	Carrington Shop and Equipment Storage Bldg.	Exp. Sta.	NC	$106,500		$106,500	
	Carrington Livestock Unit Lab/office/shop	Exp. Sta.	NC	$175,000		$175,000	
	Dickinson Bio-Secure Animal Facility	Exp. Sta.	NC		$4,473,000	$4,473,000	Federal
	Dickinson Hdqtrs Offc Bldg Renovation	Exp. Sta.	R	$143,775		$143,775	
	Dickinson-Calving Barn	Exp. Sta.	NC	$106,500		$106,500	
	Dickinson-parking lot and landscape for new hdqts	Exp. Sta.	R	$319,500		$319,500	
	Hettinger Hdqtrs Offc Bldg	Exp. Sta.	A	$213,000		$213,000	
	Hettinger-Sheep Confinement Barn	Exp. Sta.	NC	$133,125		$133,125	
	Langdon Research Greenhouse	Exp. Sta.	NC	$181,050		$181,050	
	N. Central Office & Technology Transfer Addition	Exp. Sta.	A	$255,600		$255,600	
	N. Central Seed Conditioning Building	Exp. Sta.	A/R	$191,700		$191,700	
	Williston Sample Processing Lab.	Exp. Sta.	NC	$106,500		$106,500	
	Williston Seed & Machine Storage Shed	Exp. Sta.	NC	$143,775		$143,775	
	Road Construction (Pelican Sandy Rec Area)	Forest	R	$55,000		$55,000	
	Total Unranked State Funded Projects			$4,787,825	$4,473,000	$9,260,825	
	Non-State Funded Unranked Project	Recommended for inclusion in 2005-07 budget reqyest					
	N. Central Agronomy Lab and Greenhouse	Exp. Sta.	NC		$750,000	$750,000	Private/Grants
	Total Non-State Funded Project			$0	$750,000	$750,000	
	TOTAL INCLUDED IN BUDGET REQUEST			$19,245,432	$129,848,720	$149,094,152	

g:\cathy\excelfil\05-07 Capital\05-07 Major Capital Projects

1/ Does not include $500,000 spent in 03-05 on non-recurring project costs.
2/ This project is in addition to the $1,785,000 student apartment project authorized in 03-05.
3/ 03-05 or 05-07 capital asset appropriation may be used to supplement this project.



APPENDIX

2001-2003 GENERAL FUND CARRYOVER SCHEDULE
CONTINUING APPROPRIATIONS

2001 – 2003 GENERAL FUND CARRYOVER

Total General Fund Carryover: June 30, 2003 $ 565,034

Utilization:

A. Capital Improvement Projects - $ 166,823

Funds were expended in support of extra-ordinary repairs deferred as a result of specialized contractor workloads. Projects addressed include tuckpointing on several buildings, May Hall entryway replacement, asphalt overlaying in front of the Agriculture Building, South Campus roof repair, and Whitney Stadium track repair.

B. Operating Expenses - $ 398,211

Funds were infused into the general operating budget in an effort to sustain/enhance quality while curtailing the need for additional increases in tuition within a budget process mandating that increased funding levels be self funded. An amount of $156,402 was earmarked in support of an Energy Savings Performance Contract provided utility costs were met in 2003-05. Funds were used to address increased enrollments, costs associated with outreach instruction, and support towards furthering assessment and accountability practices.

NORTH DAKOTA UNIVERSITY SYSTEM
REPORT OF CONTINUING APPROPRIATIONS
Dickinson State University

1999-01	Beginning Balance	Revenue	Expenditures	Net Additions/ Deductions/ Transfers	Ending Balance
Auxiliary Services	3,232,800	5,718,400	5,515,000	(680,800)	2,755,300
Tuition Collections	80,600	6,957,300	299,200	(6,628,500)	110,200
Other Unrestricted	2,263,500	4,596,000	2,287,200	(2,022,000)	2,550,300
Scholarships & Fellowships	4,000	4,425,700	4,437,100	8,100	600
Grants & Contracts	17,000	1,231,900	1,195,500	(37,200)	16,200
Loan Funds	1,189,300	65,000	2,200	(20,000)	1,232,100
Plant Funds	826,600	260,700	2,917,800	1,948,500	118,000
Endowment Funds	-	-	-	-	-

2001-03	Beginning Balance	Revenue	Expenditures	Net Additions/ Deductions/ Transfers	Ending Balance
Auxiliary Services	2,755,300	6,284,600	6,326,200	584,900	3,298,600
Tuition Collections	110,200	8,957,400	1,137,400	(7,785,000)	145,200
Other Unrestricted	2,550,300	4,122,400	3,442,800	(1,061,400)	2,302,500
Scholarships & Fellowships	600	5,923,000	5,997,100	74,000	500
Grants & Contracts	16,200	1,686,000	1,693,800	(700)	7,800
Loan Funds	1,232,100	63,900	84,000	(4,900)	1,207,200
Plant Funds	118,000	327,200	514,200	190,800	121,800
Endowment Funds	-	-	-	-	-

2003-05 Estimate	Beginning Balance	Revenue	Expenditures	Net Additions/ Deductions/ Transfers	Ending Balance
Auxiliary Services	3,298,600	6,927,800	6,703,600	701,900	4,224,700
Tuition Collections	145,200	13,120,800	2,144,000	(10,976,800)	145,200
Other Unrestricted	2,531,100	4,938,000	4,147,200	(2,137,600)	1,184,400
Scholarships & Fellowships	500	6,618,100	7,129,300	519,600	9,000
Grants & Contracts	7,800	1,773,300	1,739,500	100	41,700
Loan Funds	1,207,200	91,500	200	2,200	1,300,600
Plant Funds	121,800	5,166,900	5,256,600	(6,100)	26,000
Endowment Funds	-	-	-	-	-

2005-07 Estimate	Beginning Balance	Revenue	Expenditures	Net Additions/ Deductions/ Transfers	Ending Balance
Auxiliary Services	4,224,700	7,135,634	7,404,708	701,900	4,657,526
Tuition Collections	145,200	14,695,296	2,144,000	(12,596,496)	100,000
Other Unrestricted	1,184,400	4,938,000	4,147,200	(1,100,000)	875,200
Scholarships & Fellowships	9,000	6,618,100	7,129,300	519,600	17,400
Grants & Contracts	41,700	2,130,300	2,172,100	100	-
Loan Funds	1,300,600	91,500	200	2,200	1,394,100
Plant Funds	26,000	393,962	419,962		-
Endowment Funds	-	-	-	-	-

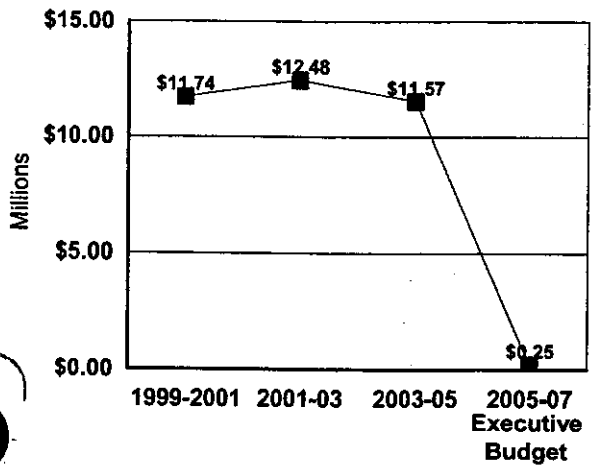
Prepared by the North Dakota Legislative Council
staff for House Appropriations
February 25, 2005

›artment 242 - Valley City State University
enate Bill No. 2003

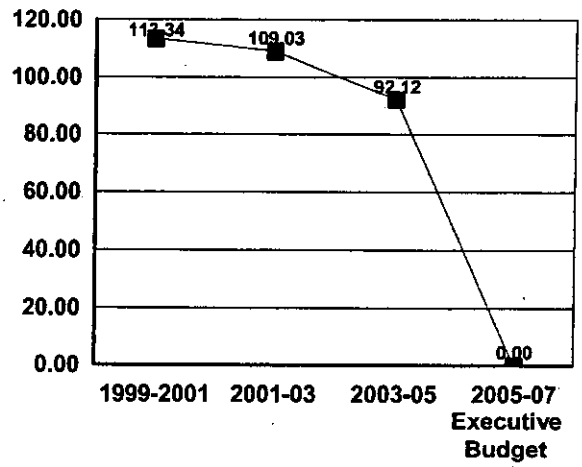
	FTE Positions	General Fund	Other Funds	Total
2005-07 Executive Budget	0.00	$250,000	$32,000	$282,000
2003-05 Legislative Appropriations	92.12	11,570,006	4,085,300	15,655,306[1]
Increase (Decrease)	(92.12)	($11,320,006)	($4,053,300)	($15,373,306)

[1]The 2003-05 appropriation amounts do not reflect $44,954 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)

	General Fund	Other Funds	Total
1. Consolidates operations and extraordinary repair funding for all higher education institutions into the University System budget. The Senate appropriated operations and extraordinary repair funding for each of the higher education institutions.	($11,570,006)		($11,570,006)
2. Removes major capital project funding provided in the 2003-05 biennium--$785,300 for Graichen Gymnasium elevator and emergency exits and $3,300,000 for renovation of Kolstoe Hall		($4,085,300)	($4,085,300)
3. Provides funding for a major capital project for the 2005-07 biennium--$250,000 from the general fund and $32,000 of other funds for W. E. Osmon bleacher replacement	$250,000	$32,000	$282,000

Major Related Legislation

nate Bill No. 2003 - Long-term finance plan review - Section 17 of Engrossed Senate Bill No. 2003 provides that it is the intent of e Legislative Assembly that the State Board of Higher Education conduct a review of the long-term finance plan, including a review of er 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. 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 requirement 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 the 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 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.

Valley City State University

Education That Works...

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Budget Request vs. Recommendation

	SBHE 2005-07 Prioritized Budget Request	Executive Recommendation	Restoration Request & Increases Over Executive Recommendation
2003-05 Original General Fund Appropriation	$ 11,570,006	$ 11,570,006	
Base Adjustments	-	-	
2003-05 Adjusted General Fund Appropriation, Plus (Minus) Base Adjustments	11,570,006	11,570,006	
Priority One - State-Linked Budget Priorities:			
Capital Assets Base Increase (Decrease)	40,253	(6,918)	47,171
Campus Parity (80%) - Revised	566,334	512,599	53,735
Campus Equity (20%) - Revised		-	-
Subtotal	606,587	505,681	100,906
Transfer to NDUS "operations" pool		(11,817,271)	11,817,271
Transfer to NDUS "contingency/extraordinary repairs" pool		(258,416)	258,416
Capital Projects Funded		250,000	-
Total-Priority One Increases	**606,587**	**(11,320,006)**	**12,176,593**
Subtotal 2003-05 Base, Plus Priority 1	**12,176,593**	**250,000**	**12,176,593**

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Budget Request vs. Recommendation

	SBHE 2005-07 Prioritized Budget Request	Executive Recommendation	Restoration Request & Increases Over Executive Recommendation
Priority Two - Reach funding equivalent to at least 21% of 2005-07 recurring state revenues:			
Campus Parity (80%)	80,548		80,548
Campus Equity (20%)			-
Total-Priority Two Increases	**80,548**		**80,548**
Subtotal 2003-05 Base, Plus Priorities 1 & 2	**12,257,141**	**250,000**	**12,257,141**
Priority Three - Additional increases to make progress on goals of long-range finance plan			
Fund 100% state share of parity	54,417		54,417
Increase 2005-07 salary increases to 4.2% per year	68,855		68,855
Capital assets funding increase	40,253		40,253
Total-Priority Three Increases	**163,525**		**163,525**
Subtotal 2003-05 Base, Plus Priorities 1, 2 & 3	**12,420,666**	**250,000**	**12,420,666**
Priority Four - To achieve needs-based budget request level approved by the SBHE			
Capital assets funding increases	472,479		472,479
Total-Priority Four Increases	**472,479**		**472,479**
Total General Fund Needs Based Budget Request	**$ 12,893,145**	**$ 250,000**	**$ 12,893,145**

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Valley City State University

Education That Works...

Like a well-run business!

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Great Products & Strong Brand

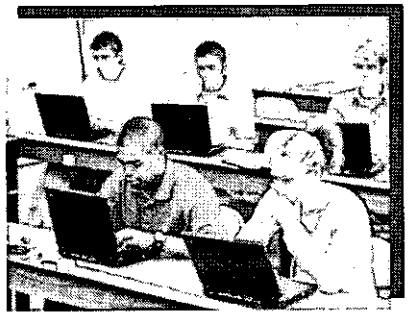
"A brand for a company is like a reputation for a person. You earn reputation by trying to do hard things well."

Jeff Bezos
Founder & CEO
Amazon.com

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Great Products & Strong Brand



Technology-enhanced learning environment

Smart Classrooms

VCSU

VALLEY CITY STATE UNIVERSITY

Great Products & Strong Brand



Dedicated faculty and staff

Personalized service

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New Products, New Markets

"It is not the strongest of the species that survive, nor the most intelligent, but the one most responsive to change."

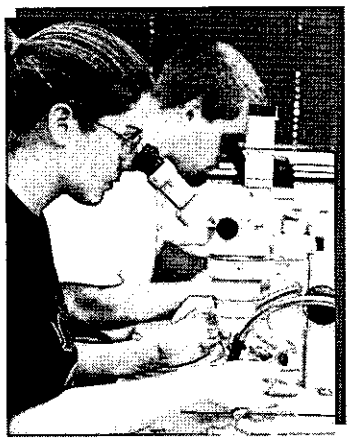
Charles Darwin

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Page 5 same info as given to the House

New Products, New Markets



Undergraduate research opportunities

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New Products, New Markets



Chad Larson
Senior
Major: Chemistry & Biology

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Satisfied Customers

"I think we're having fun. I think our customers really like our products. And we're always trying to do better."

Steve Jobs

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Satisfied Customers



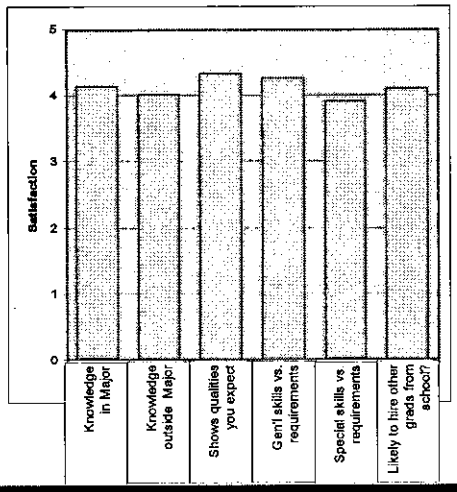
High student satisfaction

High retention

VCSU

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Satisfied Customers



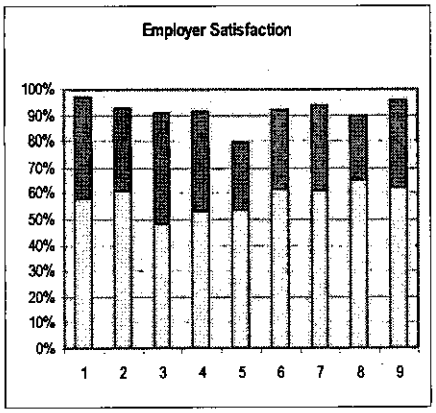
Noel-Levitz Survey of Overall Employer Satisfaction:

"Very Satisfied"
to
"Extremely Satisfied"

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Satisfied Customers



VCSU Survey of Employer Satisfaction:

94%

"Satisfied" or "Very Satisfied"

VCSU

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Satisfied Customers

VCSU Graduates are Outstanding in:

- Communication skills
- Problem-solving skills
- Organizational participation
- Collaboration
- Information technology skills
- Work-related innovation
- Reliability
- Willingness to learn
- Positive attitude toward work

VCSU

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Satisfied Customers

sei

"VCSU alumni have helped SEI grow over the years, using skills honed in different disciplines to add to the depth of our company's service offerings.

Their talents provide us with the diverse backgrounds and knowledge bases we require to stay competitive within the always-changing IT landscape."

VCSU

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Productive Partnerships

"Never doubt that a small, group of thoughtful, committed citizens can change the world. Indeed, it is the only thing that ever has."

Margaret Mead

VCSU

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Productive Partnerships

- South Central Education Consortium
- Elementary Education at NDSU
- Science research with UND and NDSU
- Jamestown outreach
- Clinical practice
- North Dakota Career & Technical Education
- Valley Development Group Roundtable 2004
- Regional Technology Center
- Eagle Creek Software Services

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Great Community Relationships



Jennifer Feist
Director
Valley City/Barnes County Development Corp.

VCSU

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Productive Investment Opportunities

"I believe the results of a responsive system of education will make America what we want it to be — a more literate country and a hopefuller country."

George W. Bush

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Productive Investment Opportunities



Investment of $150,000 to launch Technology Education Program...

as a business!

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Productive Investment Opportunities

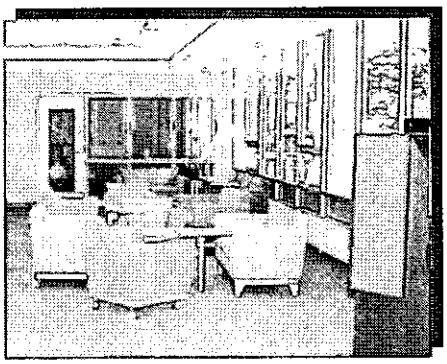


Record bequest from Dr. Richard and Ardis McCready

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Productive Investment Opportunities



Completed Construction Projects

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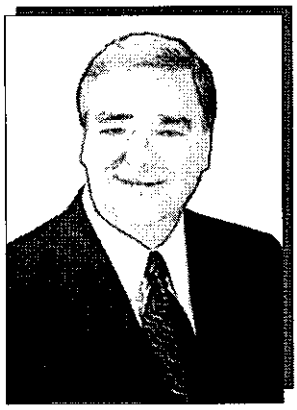
Attractive ROI

- **The ROI for North Dakota: Our Alumni**
  - 74% of education graduates and 82% of non-teaching grads stayed in ND (2003-2004)

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VCSU Alumni



Jerry Topp ('74)
Managing Partner/CEO
Eide Bailly LLP

VCSU

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VCSU Alumni



Gary Tharaldson ('67)
President and Owner
Tharaldson Companies

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VCSU Alumni

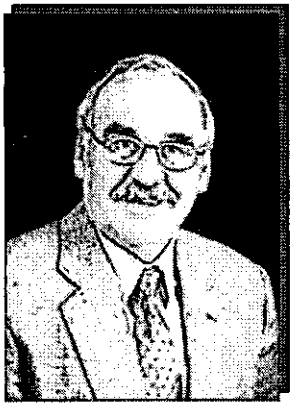


Dean Hildebrand ('59)
Director
Game and Fish Department

VCSU

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VCSU Alumni



Representative Joe Kroeber

District 12
Since 1999

Valley City State University
Class of 1965

VCSU

VALLEY CITY STATE UNIVERSITY

VCSU Alumni



Representative Chet Pollert

District 29
Since 1999

Valley City State University
Class of 1977

VCSU

VALLEY CITY STATE UNIVERSITY

VCSU Alumni



Representative Clark Williams

District 25
1983-1987; Since 2003

Valley City State University
Class of 1964

VCSU

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VCSU Alumni



Representative Phil Mueller

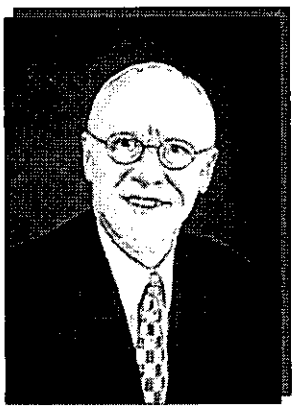
District 24
Since 1999

Valley City State University
Class of 1968

VCSU

VALLEY CITY STATE UNIVERSITY

VCSU Alumni



Representative Ken Svedjan

District 17
Since 1991

Valley City State University
Class of 1966

VCSU

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VCSU Alumni



Representative John Wall

District 25
Since 2004

Valley City State University
Class of 1960

VCSU

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VCSU Alumni



Senator Ed Kringstad

District 35
Since 1995

Valley City State University
Class of 1960

VCSU

VALLEY CITY STATE UNIVERSITY

VCSU Alumni



Senator Larry Robinson

District 24
Since 1989

Valley City State University
Class of 1971

VCSU

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Innovative Plans and Strategies

"We cannot become what we need to be by remaining what we are."

Max DePree,
CEO, Herman Miller Furniture

VCSU

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Innovative Plans and Strategies

- Masters Authority
- Business Institute
- MIMIC (Classroom of the future)

VCSU



Positive Results

"Without continual growth and progress, such words as improvement, achievement, and success have no meaning."

Benjamin Franklin

VCSU



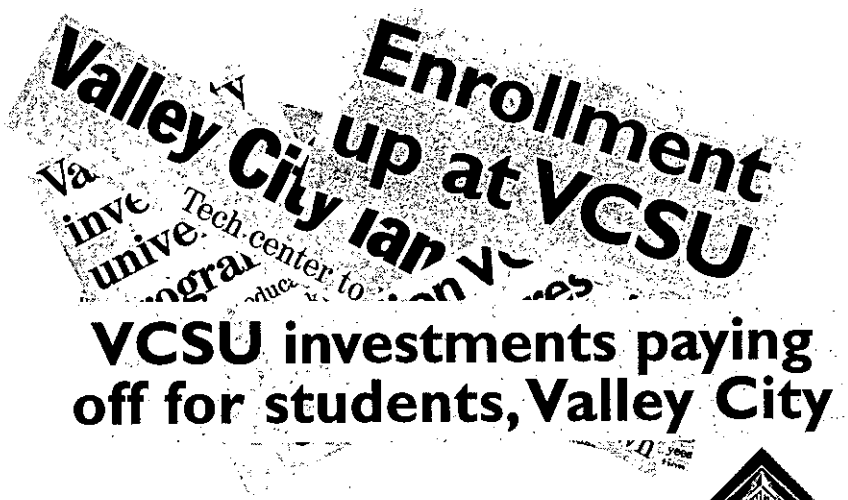
Positive Results

- Enrollment is up
- Record endowment
- Responding to state and regional Roundtables

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Positive Results



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quick facts

valley city state university

admission requirements

We're excited to connect with you. The following are the academic requirements needed for admission to Valley City State University.

Freshman Applicants
All beginning freshman applicants who graduated in 1993 or later are required to have completed the following high school curriculum:

4 units of English
3 units of Mathematics, Algebra I and above
3 units of Laboratory Science
3 units of Social Studies

Transfer Applicants
All transfer applicants must have a minimum college cumulative grade point average of 2.00 on a 4.00 scale. Applicants with a GPA below 2.0 will be evaluated on an individual basis.

For complete details contact the VCSU Office of Enrollment Services at 1-800-532-8641, extension 7101 or enrollment.services@vcsu.edu.

high-tech learning

As one of our more than 1000 students, you'll get the latest in learning technology when you receive an IBM R40 Series laptop computer, so you can connect with other students, your professors, friends and family. Few campuses in the country provide technological resources like this to all of their students. There's no waiting for a computer lab to open up or for your roommate to finish with the computer because with your six-pound notebook computer you can connect to the world—anytime, anywhere—by connecting to our wireless network across campus or by pulling up to any of the 2500 Internet connections on campus.

IBM R40 Series - 2723 CU 9 Model Specs

1.3 GHz Centrino	Integrated Ethernet port
14.1 XGA (1024x768) TFT LCD	24x10x24/8x CD-RW/DVD
512 MB RAM	Integrated 56K modem
40 GB HDD	Wireless

Your technical learning experience won't just be limited to your notebook computer, because you and your instructors will experience real-time connections to the world in our 'smart classrooms.' Each room provides electrical, wired and wireless network connections, and new projection equipment for students and faculty to project video and data information. Electronic keyboards, digital cameras, CD-ROM burners and much more, are available to you.

scholarships

Numerous scholarships are available to new and returning students each year. Freshman academic scholarships are based on the student's grade point average, class rank, and ACT or SAT scores. New transfer academic scholarships are based on the student's GPA earned at the previously attended institution. Scholarship amounts range from $200 to $8000. New students should apply for scholarships through the Office of Enrollment Services. Because scholarships are very competitive, you should apply immediately to receive priority consideration. If you're interested in athletic or fine arts scholarships, contact those departments directly.

campus visits

A great way to connect with Valley City State University is to come for a campus visit. We'll have a student show you around campus and provide answers to questions about student life, studying, and whatever else you want to know. We can also arrange a visit with a professor in your academic area, and if you want to sit in on a class, we'll arrange that too. Our office is open Monday through Friday, 7:45 a.m. – 4:30 p.m.

If you can't make it during the week, four Saturday visits have been scheduled this year:

October 2, 2004

October 30, 2004

January 22, 2005

April 2, 2005

Give the Office of Enrollment Services a call to schedule a visit and connect with VCSU or reserve a time online at www.vcsu.edu/enrollmentservices.

financial aid

Over 80% of Valley City State University students qualify for financial aid each year. To begin the process, complete the Free Application for Federal Student Aid (FAFSA), available from VCSU's Office of Financial Aid, your high school guidance office (freshman) or your college financial aid office (transfer). VCSU's code for the FAFSA is 003008. For more information, contact the Office of Financial Aid, 1-800-532-8641, extension 7541, or financial.aid@vcsu.edu.

Our graduates are recognized time and again for their professional abilities throughout the state & nation. In fact, for 2005, U.S. News & World Report again ranked us as one of the top public comprehensive colleges in the Midwest. That's seven years in a row! We've also been ranked the seventh most wired campus in the country by **Yahoo Internet Life.**

U.S.News 1999 BEST COLLEGE
U.S.News 2000 BEST COLLEGE
U.S.News 2001 BEST COLLEGE
U.S.News 2002 BEST COLLEGE
U.S.News 2003 BEST COLLEGE
U.S.News 2004 BEST COLLEGE
U.S.News 2005 BEST COLLEGE

The following are the costs associated with investing in your future at Valley City State University. Costs are outlined by your state of residency.

North Dakota Resident

Tuition & Fees:	$ 3,560
Technology & Computer Fee:	$ 998
Room & Board*:	$ 3,389
Total:	**$ 7,947**

Minnesota Resident

Tuition & Fees:	$ 3,936
Technology & Computer Fee:	$ 998
Room & Board*:	$ 3,389
Total:	**$ 8,323**

Montana, South Dakota, Manitoba, Saskatchewan, and MSEP - KS, MI, MO, NE Resident

Tuition & Fees:	$ 4,343
Technology & Computer Fee:	$ 998
Room & Board*:	$ 3,389
Total:	**$ 8,730**

WUE - AK, AZ, CA, CO, HI, ID, NM, NV, OR, UT, WA & WY Resident

Tuition & Fees:	$ 5,125
Technology & Computer Fee:	$ 998
Room & Board*:	$3,389
Total:	**$ 9,512**

Out-of-State/International Resident

Tuition & Fees:	$ 8,787
Technology & Computer Fee:	$ 998
Room & Board*:	$ 3,389
Total:	**$13,174**

Books & Supplies:	$ 700
Personal Expenses:	$2,834

*Based on a double room and meal plan Option 3, one of our four meal plan options. Students living in the newly renovated Kolstoe Hall or a single room in one of the other residence halls should expect to pay additional.

fields and programs of study

Valley City State University offers majors, minors, concentrations, certificates and endorsements in the following fields of study.

M = major
m = minor
cert = certificate
c = concentration
e = endorsement

c	Accounting
Mm	Art
M	Art K-12 Certification
M	Art Secondary Certification
m	Athletic Coaching
Mm	Biology
M	Biology Education
M	Business Administration
m	Business
m	Business Software Applications
M	Career and Technical Education
Mm	Chemistry
M	Chemistry Education
M	Computer Information Systems
m	Computer Science
cert	Digital Design
m	Early Childhood Education
m	Earth & Environmental Science
M	Elementary Education
M	English
M	English Education
m	English - Elementary
m	English - Secondary
m	English Language Learners
M	Exercise Science & Leisure Studies
c	Finance
Mm	Health Education
M	Health Science
Mm	History
M	History Education
Mm	Human Resources
m	Instructional Technology
m	Library Media & Information Science
c	Management
mc	Marketing
Mm	Mathematics
M	Mathematics Education
m	Mathematics - Elementary
m	Mathematics - Secondary
Mm	Music
Mm	Music Business
M	Music K-12 Certification
Mm	Office Management
M	Physical Education - K-12
m	Physical Education
m	Physics
m	Piano Pedagogy
M	Professional Communication
Mm	Psychology
m	Reading – Elementary & Secondary
M	Science
M	Social Science
M	Social Science Education
m	Sociology
Mm	Spanish
M	Spanish Education
m	Speech Communication - Theatre Arts
Mm	Technology Education
M	Technology Education - K-12

Pre-Professional

Pre-Engineering
Pre-Medicine
Pre-Dentistry
Pre-Nursing
Pre-Physical Therapy
Pre-Veterinary Medicine
Pre-Pharmacy
Pre-Chiropractic
Pre-Law
Pre-Medical Technology
Pre-Mortuary Science
Pre-Optometry
Pre-Social Work
Pre-Occupational Therapy

senior admission timeline

October
- Attend college fairs
- Begin visits to colleges
- Continue to visit colleges
- Visit with college reps
- SAT offered October 9
- ACT offered October 23

November
- Visit with your guidance counselor
- Visit with college reps
- Obtain scholarship applications
- SAT offered November 6

December
- Mail college applications
- Mail scholarship applications
- SAT offered December 4
- ACT offered December 11

January
- Have family complete taxes
- Submit FAFSA form
- Mail additional college applications
- SAT offered January 22

February
- Scholarship deadline for most schools – February 1 @ VCSU
- If undecided, visit campuses again
- ACT offered February 12

- Ensure all documents have been submitted
- FAFSA priority deadline March 15 @ VCSU
- Try to wait patiently! SAT offered March 12

April
- Plan visits to help finalize decision
- Review Student Aid Report (SAR)
- ACT offered April 9

May
- Send thank you notes to helpful people
- Keep track of housing and registration information
- Have final high school transcript sent
- SAT offered May 7

- Reply to all requests from college of choice
- SAT offered June 4
- ACT offered June 11
- Begin college experience

Portions of this timeline came from Octameron Associates, Alexandria, VA, eCollegeApps.com, act.org, and collegeboard.org.

eagle creek *Just* CRM. *Only* Siebel.

VALLEY CITY STATE UNIVERSITY

Presentation to Appropriations Committee

Ken Behrendt

President

Eagle Creek Software Services

January 18, 2005

eagle creek *Just* CRM. *Only* Siebel.

My Comments…

- Why I'm Here
- Eagle Creek's Decision
- The Problem
- The Solution
- Valley City State University's Role
- Key Points To Take Away

…a *very short* presentation regarding a *very large* opportunity.

eagle creek *Just* CRM. *Only* Siebel.

Who Is Eagle Creek...

- Most successful *pure* CRM software services company in North America
- CRM is Customer Relationship Management
  - Call Centers, Sales Force Automation, Help Desk, Field Service...*customer facing activities*
- Servicing Fortune 1500 companies

...Our customers will spend $20 to $100 million on their CRM initiatives.

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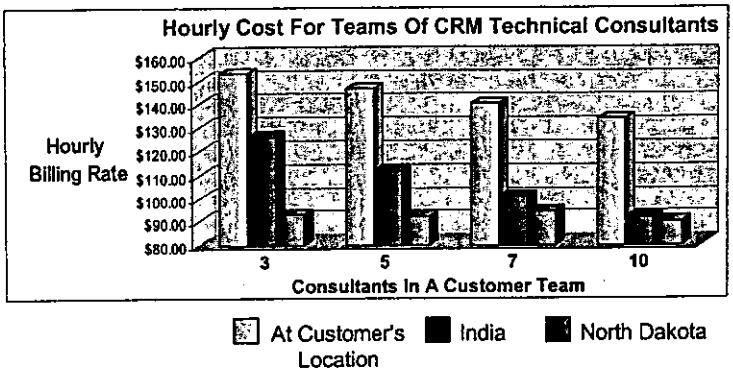
Why I'm Here...

Raytheon
SIEBEL
Cadbury Schweppes
HARLAND
COUNTRY Insurance & Financial Services
Northwestern Mutual FINANCIAL NETWORK
Kodak
serono biotech & beyond
UnitedHealthcare
Mercer
MARS incorporated
One Call Medical
UNISYS Imagine it. Done.
Alberto Culver
NORTHROP GRUMMAN DEFINING THE FUTURE

Multi-billion dollar, Fortune 1500 companies like these are looking for an in-country, US alternative to offshore outsourcing...

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Why I'm Here...



...North Dakota represents the most cost effective solution in the world for delivering CRM services.

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Why I'm Here...

I'm on a mission...

I believe Eagle Creek

through VCSU, Valley City and North Dakota

can *dominate* the CRM services industry.

...students graduating from North Dakota schools; being paid 100% more than the state average; living and working in North Dakota.

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How Do I Understand This Opportunity...

I've spent...

- 20 years working with the Fortune 1500 and technology
- 15 Years working in, with, or managing offshore companies
- 10 years in the CRM services industry
- The last year studying North Dakota as a CRM services solution for the Fortune 1500.

...this is a time when the needs of Corporate IT and the North Dakota value proposition are in complete alignment.

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Eagle Creek's Decision...

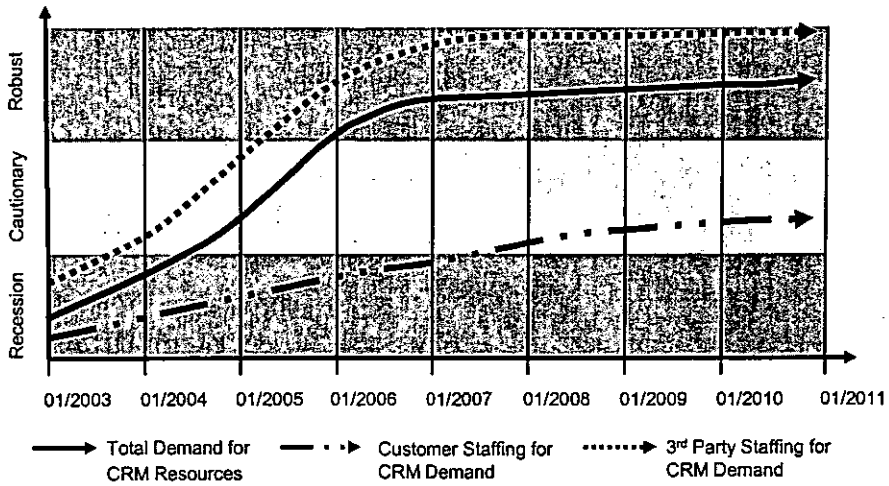
October 1, 2004, Eagle Creek commits to...

- Valley City Technology Center
- 20 technical consultants upon opening
- 200 technical consultants within several years
- Range of pay - $30,000 to $70,000 per year
- Average pay - $45,000 per year

...this decision was made because of the synergy that existed between VCSU, Valley City and the state of North Dakota.

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Our Problem…



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Our Problem…

- US and international demand for CRM consultants will outstrip supply.
- The Fortune 1500 want cost effective billing rates.
- The Fortune 1500 does not want to go to India.
- Europe wants to exploit the low dollar.

…there is only one effective solution to this problem,
…North Dakota.

eagle creek *Just* CRM. *Only* Siebel.

The Solution…

- We considered 27 cities in the Upper Midwest
  - Including Rapid City and Duluth
- Every city had a connection to a university, college, or tech school
- Every city offered economic incentives

…only one university recognized that Eagle Creek's success was dependent upon that university's ability to *sustainably generate* high-end, quality IT graduates.

eagle creek *Just* CRM. *Only* Siebel.

The Solution…

VCSU was <u>the only</u> educational institution that…

- Had staff who comprehended *the problem*
- Translated *the problem* into academic excellence
- Creatively *built* a *win-win* solution
- Demonstrated how to *pull* students into the program
- Committed to a sustainable program

…institutions and communities 10x of VCSU and Valley City (both in students and resources) could not compete with the collective shared vision.

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VCSU's Role...

- Producing top-notch IT graduates
  - 2 year degrees are inadequate
- Development of a *CRM Track*
  - Professional consulting curriculum
- Development of a paid internship program
- Leveraging VCSU's placement resources

...VCSU students will have a one to two year head start in their career, and represent a $30,000 - $40,000 cost savings to their prospective employer...*a unique competitive advantage.*

eagle creek *Just* CRM. *Only* Siebel.

Key Points To Take Away...

- This agreement can spawn many jobs for Valley City and the State.
- This is a reusable educational and economic development model.
- This agreement is a product of the legislature, the Governor, state and local roundtables, and the University System.

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Key Points To Take Away…

As legislators you can help by…

- Encouraging economic development participation.
- Supporting economic development creativity.
- Empowering institutions like VCSU to assist in meeting the strategic needs of business.
- Giving institutions like VCSU the flexibility to respond.

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…Eagle Creek's decision was never reduced to or about monetary incentives…

…it was made on the collective strength of VCSU, Valley City and the state of North Dakota…

…thank you for allowing me to present.



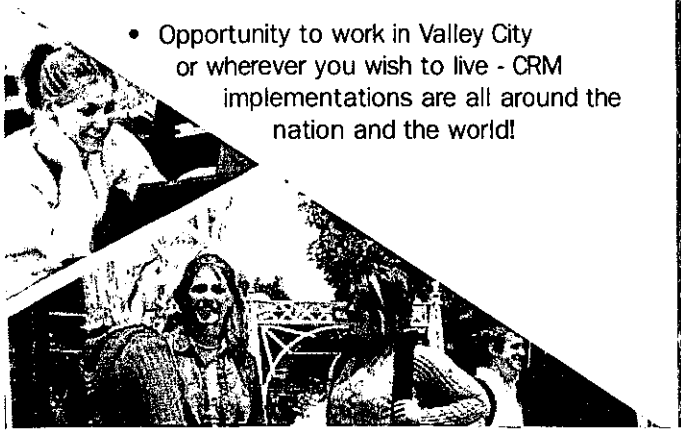
Get a Great Start on a Hot Career!

The CRM Software Track at VCSU prepares graduates for positions in the exciting and growing field of Customer Relationship Management (CRM) software development and implementation. The track includes one class and two semesters of paid internship working with a world-leader in CRM implementations in Valley City. Graduates from CRM Software Track receive both valuable skills and valuable experience.

No additional time is required for graduation. The class and the internship are alternate routes available to majors in Business Administration and Computer Information Systems.

Graduates can look forward to:

- An exciting and challenging career in a field facing a shortage of qualified workers nationwide.
- Very competitive starting salaries, rapid rise based on performance.
- Future career opportunities in large or small companies, or as consultants.
- Opportunity to work in Valley City or wherever you wish to live - CRM implementations are all around the nation and the world!



VALLEY CITY
STATE UNIVERSITY

101 College Street SW
Valley City, ND 58072
1.800.532.8641
www.vcsu.edu

CRM Software Track

A Great Opportunity to get into a Great Field

VALLEY CITY
STATE UNIVERSITY



Why Sign-Up for the CRM Software Track?

- Receive software training worth over $12,000 at VCSU's low tuition rates. VCSU is the only university in the nation offering this industry-based training
- Graduate with real work experience through an internship with a leading software development company working on real projects in real time.
- Earn internship pay of $8/hour or more and 12 academic credits during the internship.
- Qualify for up to $8,000 of additional financial incentives (see inside).

The Opportunity with Eagle Creek Software

Eagle Creek Software Services is a dedicated CRM service provider that manages, leads and augments CRM projects and implementations. Their customers are Fortune 1500 organizations across a broad array of industries such as Finance, Telecommunications, Pharmaceuticals and Consumer Packaged Goods.

Eagle Creek is establishing a software development center in Valley City, and is looking for VCSU students and graduates to provide a supply of knowledgeable and qualified employees to staff the center. VCSU developed the CRM Software Track to provide graduates with the precise skill-set Eagle Creek (and many other companies) require.

Valley Development Group Incentive Package

The Valley Development Group is offering the following incentive package to students entering the CRM Software Track:

- Juniors who have successfully completed the prerequisites qualify for a $2,500 per semester loan for up to two semesters (depending on satisfactory progress) for a total of $5,000.
- Graduates will have $2,500 of their loan forgiven for every six months of successful full-time work at Eagle Creek after graduation, up to the total amount loaned under this program.

State of North Dakota Incentive Package

Students may also qualify for the Technology Occupations Student Loan Program offered by the State of North Dakota in cooperation with the North Dakota University System and the Bank of North Dakota. Students who qualify can receive up to $1,000 per year in loan forgiveness for each consecutive year employed in an approved technology occupation in North Dakota, up to a maximum of 3 years or $3,000.

Detailed instructions and forms for applying are available at the student financial aid section of www.ndsu.edu.

*VCSU is a board-approved college. VCSU programs that qualify as "technology-related" include: computer information systems, instructional technology, technology education, biology, mathematics, and chemistry.

Prerequisites:

Current VCSU students may apply for entry into the CRM Software Track through the VCSU Division of Business and Information Technology. A requirement for acceptance into the program is completion of the following coursework:

CSCI 160: Programming in C++.

CIS 276: Business Language (Visual Basic).

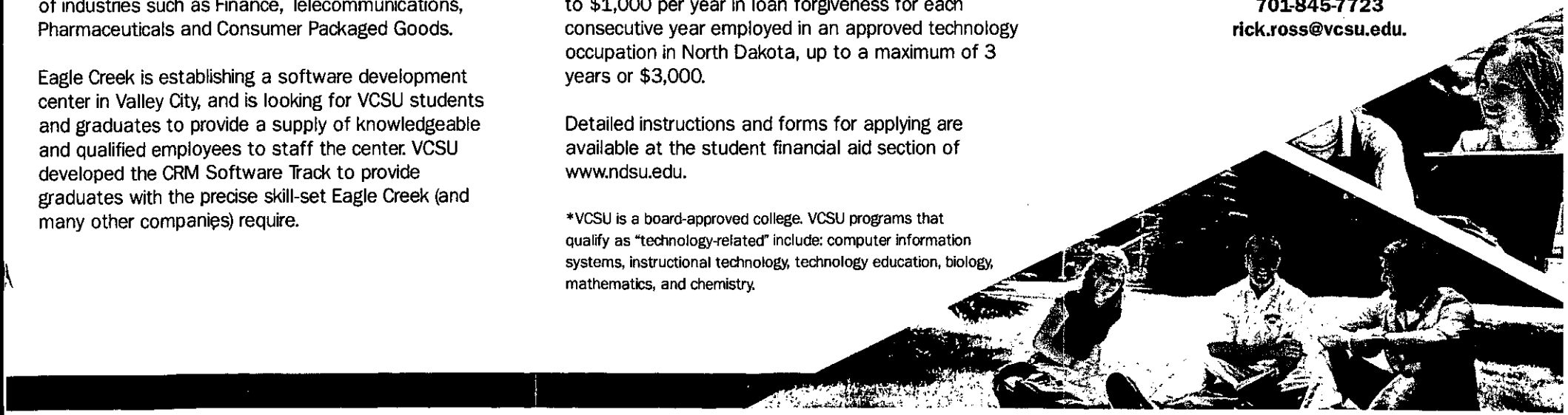
CIS 386: Advanced Database Theory/ Language.

CIS 420: Internet languages (Visual Basic Script, Java Script and XML).

For More Information

Contact Rick Ross, Division Chair of the VCSU Division of Business and Information Technology at:

701-845-7723
rick.ross@vcsu.edu.



Valley City State University

The North Dakota University System is comprised of eleven college campuses and the North Dakota University System Office. Each of these college campuses is an important component of the local economy. Expenditures by Valley City State University have an economic impact in the Valley City area. This brief analysis will highlight the economic impacts this institution of higher education has on the local economy in terms of key economic indicators. (All dollar values are presented in terms of current year dollars.)

Expenditures by Valley City State University comprise the direct impacts, or "first round effects". These expenditures grew from $13.3 million in FY1999 to $17.0 million in FY2004, a $3.7 million increase (27.4 percent). Expenditures were allocated to sectors corresponding with the North Dakota Input-Output Model. The Input-Output Model consists of interdependence coefficients, or multipliers, that measure the level of business activity generated in each economic sector from an additional dollar of expenditures in a given sector.

Total impacts associated with Valley City State University were estimated by applying the Input-Output Model coefficients to total expenditures. Total economic impacts were estimated to be $39.3 million in FY1999 and $50.1 million in FY2004. The economic impact has increased by $10.8 million (27.5 percent) during the 5-year period. The sector that had the largest impact was households (i.e., personal income of area residents) in FY1999 ($15.5 million) and FY2004 ($19.3 million). Personal income grew by $3.8 million during that period. Other sectors receiving major contributions included retail trade, construction, and finance, insurance, and real estate. Increased retail trade activity was estimated to be $9.5 million in FY1999 and $11.5 million in FY2004. During this period retail trade has grown by $2.0 million, or 21.5 percent. Increased levels of retail trade activity would generate $439,000 in sales and use tax collections in FY1999, and $533,000 in FY2004. Personal income tax collections were estimated to be $232,000 in FY1999 and $289,000 in FY2004 as the result of increased economic activity in the household sector.

Levels of business activity resulting from the Valley City State University budget would support over 400 secondary (indirect and induced) jobs in 1999 and over 500 in 2004. These jobs are in addition to the 195 persons employed by Valley City State University in 2004. In 2004, 896 full-time equivalent students were enrolled at Valley City State University. In addition to the economic impact resulting from the institution's expenditures, spending by students also contributes to the local economy. These key economic variables provide an indication of the economic impact of Valley City State University on the local economy in terms of business activity, retail trade, personal income, and jobs.

Direct and Total Economic Impacts for Valley City State University, Fiscal Years 1999 and 2004, Current Year Dollars

Item	FY1999	FY2004	Change FY99-04 Amount	Change FY99-04 Percent
	----------$000----------			--%--
Direct Impacts:				
General Fund	5,152	5,943	791	15.4
Nongeneral Fund	7,364	8,657	1,293	17.6
Capital Improvements	841	2,423	1,582	188.1
TOTAL	13,357	17,023	3,666	27.4
Direct Impacts by I-O Sector:				
Construction	841	2,423	1,582	188.1
Communication and Public Utilities	794	672	-122	-15.4
Retail Trade	1,413	1,330	-83	-5.9
Finance, Insurance, Real Estate	1,744	2,636	892	51.1
Business and Personal Services	1,938	2,253	315	16.3
Households	6,627	7,709	1,082	16.3
TOTAL	13,357	17,023	3,666	27.4
Total Impacts:				
Construction	1,817	3,648	1,831	100.8
Communications and Public Utilities	2,143	2,367	224	10.5
Retail Trade	9,479	11,521	2,042	21.5
Finance, Insurance, Real Estate	3,558	4,907	1,349	37.9
Business and Personal Services	2,650	3,155	505	19.1
Professional Social Services	1,004	1,254	250	24.9
Households	15,485	19,295	3,810	24.6
Other[1]	3,153	3,960	807	25.6
TOTAL	39,289	50,107	10,818	27.5

[1] Includes agriculture, mining, manufacturing, transportation, and government.



VALLEY CITY STATE UNIVERSITY'S ANNUAL FUND CAMPAIGN 2004-2005 "THAT CRITICAL MARGIN OF DIFFERENCE"

Valley City State University invites you to join in the 2004-2005 Annual Fund Campaign.

According to Dr. Ellen Chaffee, VCSU President, "Annual funds represent **That Critical Margin of Difference**. State funds have not kept pace with inflation just for basic operations, so students have taken on a significantly larger share of the costs. To sustain the university's incredible momentum, private support is absolutely critical."

During the last year, without any additional state funds, Valley City State University:

- Seeking approval to offer graduate degrees (Masters in Education) for the first time in university history.
- Attracted a major software development company to the community, expected to employ 100 people within two years at salaries in excess of $30,000 – providing an incentive package to enroll new students for the company and $50,000 to launch the new VCSU Business Institute to aid all regional businesses and industries.
- Approval of the Center of Customized Learning at VCSU by the State Board of Higher Education (November 2004)
- Received a $1.9 million biomedical sciences research grant, supporting scientific equipment acquisitions and student participation in research.
- Launched a million-dollar online technology education program for national distribution, backed by economic development investment capital.
- Experienced a nine percent increase in full-time students and a four percent increase in full-time equivalent students.
- Renovated Kolstoe Hall with $3 million in non-state funds to provide modern, suite-style student accommodations – the first residence hall upgrade in 30 years.
- Confirmed a planned bequest from Dr. Richard and Ardis McCready, the largest gift in VCSU Foundation history, to establish the McCready Scholars program.
- Hired a full-time athletic director for the first time in VCSU history
- Hired a full-time head baseball coach/sports information director/ assistant football coach
- Hired a full time specialist for marketing and public relations
- Paid scholarships totaling $276,000 and realized a 9.8 percent return on VCSU Foundation investments.
- Received our seventh consecutive designation as one of the top five public comprehensive colleges in the Midwest, from *U.S. News & World Report.*
- Received higher student satisfaction ratings than similar colleges in the state and throughout the nation.

These successes benefit North Dakota schools and teachers, the Sheyenne River Valley economy, the quality of community life, and VCSU students. Your participation in the VCSU Foundation Annual Fund is the critical margin of difference that will carry this momentum forward. Please give generously to the VCSU Foundation Annual Fund.

Report of the

VALLEY DEVELOPMENT GROUP ROUNDTABLE

The roundtable was created through the collaborative efforts of the Valley City-Barnes County Development Corporation and Valley City State University (VCSU). Throughout the four meetings, fifty regional and statewide leaders from all walks of life were asked to determine the best path in using VCSU as a catalyst for expanding the region's economy. The goals were to identify the region's resources, to evaluate the region's current economic position, to identify the steps necessary to realize economic growth and to capitalize on VCSU's strengths in forming new business development strategies to create economic development and educational opportunities for the region.

The roundtable established four cornerstones for success:

- Form the Sheyenne Valley Growth Alliance.
- Establish VCSU as the center for economic growth.
- Develop collaborative partnerships outside of the region to take advantage of industry sector growth and VCSU educational opportunities.
- Develop a quality of life that attracts and retains talent.

The first step in moving our initiatives forward will be to form the Sheyenne Valley Growth Alliance so that partnerships are built with leaders and groups throughout its area of prime influence. Leaders in this region must work together with a common vision, focused on utilizing its resources on achieving that vision. The Alliance will encompass a region approximately 15 miles either side of the Sheyenne River stretching from Cooperstown to Lisbon.

The Roundtable discussed and agreed to take action on these proposed Key Initiatives:

Restructure VCSU to create a vital link with economic development.

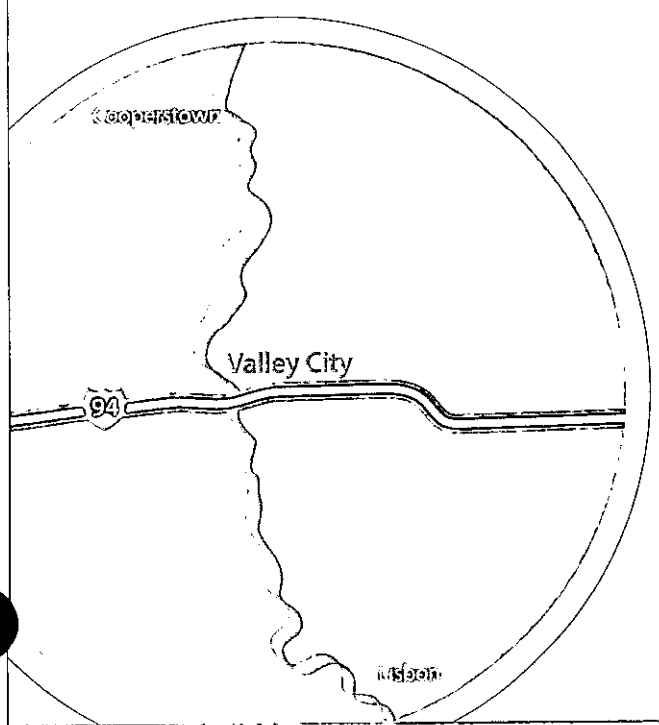
Although not currently structured to engage with the community's business needs, the university has laid the groundwork for working closer with economic development efforts.

Creation of the VCSU Center of Customized Learning will serve regional e-commerce, entrepreneurs, start-up businesses and existing businesses with these and other programs:

- Technology education.
- Soft skills training programs for business.
- Corporate Adventures.
- World-class entrepreneurship development.
- Specialized robotics operations programs.

Establishment of the VCSU quick-response team will permit participating business experts to quickly assemble and respond to the needs of regional businesses.

Other action points involving VCSU include providing support for the university's existing mission and vision; studying the benefits of adding a prep school on the VCSU campus; and gaining region and national exposure for the new VCSU Center of Customized Learning through an aggressive marketing campaign.



Further enhance partnership between the Valley City-Barnes County Development Corporation and VCSU.

This action sends a strong message of the importance of Valley City State University as a partner in the region's economic development. It will also combine and strengthen the resources of the Valley City-Barnes County Development Corporation.

Establish a Director of Partnerships.

Because it's important to reach out to other universities, corporations and regional organizations, the Director of Partnerships would focus on building these relationships and looking for opportunities for VCSU, the Alliance and the Economic Development Commission.

Explore the possibility of establishing a tax-free zone or renaissance zone within the region.

Such zones have proven to be effective in Valley City and other areas of the state, including downtown Fargo, because they provide strong incentives for business start-up and expansion.

Explore the possibility of establishing an immigration zone within the region.

An immigration zone will increase student enrollment and attract workforce to the region, expanding the population and business base. The program may include:

- A national exchange program to attract young people, much like the U.S. foreign exchange program.
- A "visa-free" zone where visas are not required for foreign residents.
- A "sister city" partnership with an urban entity to attract students to VCSU.

Develop a master relationship plan with other colleges, businesses, and regional, state and national entities.

This plan would prioritize and pursue collaborative efforts that match the region's assets and will have a significant impact on the region's economy. It will identify the key individuals who would have the maximum influence on each relationship.

Develop a regional "quality of place" master plan.

Determine the wants and needs of the region and its residents, and how best to use available resources to improve "quality of place" and create a base of ownership in projects for youth, new residents and corporations. The plan may include:

- A regional website.
- An art gallery.
- A regional bike path.
- Establishment of a teen center, with tax breaks and funding help.
- A regional housing plan with city and county tax and infrastructure incentives.
- A leadership development program in collaboration with Corporate Adventures.
- Partnering with broadband, video and telecommunications companies to improve regional services.

By implementing the Sheyenne Valley Growth Alliance and these seven initiatives, the Alliance will help develop the role of Valley City State University by expanding its current strengths and establishing new programs that will grow the region's economy. The Key Initiatives will also help the region capitalize on the growing industry segments and workforce needs of North Dakota.

Valley City State University

Education That Works...

Like a well-run business!

House Appropriations Education Subcommittee
March 2, 2005

VALLEY CITY
STATE UNIVERSITY

Mission and Vision

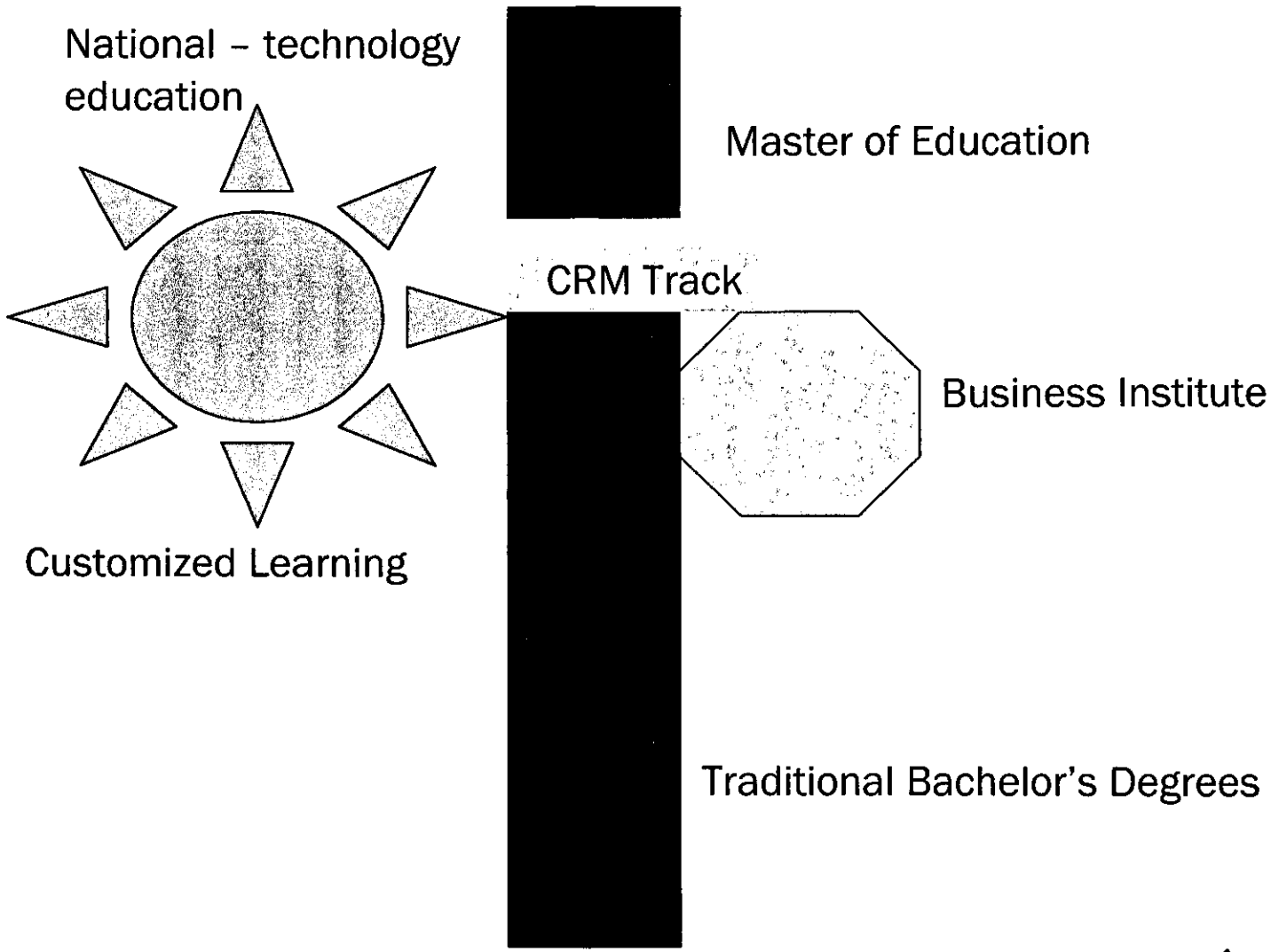
Mission: Valley City State University prepares people for life through visionary leadership and exemplary practices in teaching, learning, and service.

Vision: Valley City State University is nationally acclaimed for attracting and retaining talented individuals who advance quality learning opportunities and economic growth **through technology and innovation.**

VALLEY CITY
STATE UNIVERSITY

Direction

- **Strategic Niche:**
  - Learning and professional practice with a technology edge
  - Sheyenne Valley Growth Alliance, CRM track, Business Institute
- **Education Development:**
  - Master's degree – regional, national
- **Innovative Delivery:**
  - Customized Learning, @VCSU – local and distant, simultaneously



VALLEY CITY STATE UNIVERSITY

Enrollment Goals

- **1,500 FTE plus 1,000 per year in customized learning**

- **New students and revenues:**
  - Local/regional graduate students
  - National graduate students (technology education)
  - National licensing of technology education curriculum
  - Local and national students in CRM/Eagle Creek
  - Local/regional adults in business institute
  - Regional/distant part-time/convenience oriented individuals
  - Professional and business development programs
  - Collaboration with Valley Development Group

VALLEY CITY
STATE UNIVERSITY

Enrollment Strategies

- **ND:** high ability, small campus preference, high tech – marketing, new programs, scholarships, CRM track/internship, master's degree
- Out of state: CRM, marketing, high tech
- Customized learning - @VCSU
- Business Institute
- Master's degree, ND and national

VALLEY CITY
STATE UNIVERSITY

Initiatives to Achieve Results

- Authority, faculty, operating funds, and scholarships to offer the master's degree
- CRM track, internships
- Tech investments and conversion of courses to @VCSU multi-model
- Sheyenne Valley Growth Alliance, Business Institute

VALLEY CITY
STATE UNIVERSITY

Partnership Initiatives for Results

- South Central Education Consortium
- Elementary Education at NDSU
- Science research with UND and NDSU
- Jamestown outreach
- Clinical practice
- North Dakota Career & Technical Education
- Valley Development Group Roundtable 2004
- Regional Technology Center
- Eagle Creek Software Services

VALLEY CITY
STATE UNIVERSITY

2005-2007 Senate Budget Highlights and Priorities

- Please See Attached Sheet

VALLEY CITY
STATE UNIVERSITY

NDUS Campuses and Medical School
Summary of Changes from 2003-05 Legislative Appropriation to Executive Recommendation, Engrossed SB2003 and Requested House Version

	VCSU		
	General Fund	Other Funds	Total
2003-05 Original Appropriation	$ 11,570,006	$ 4,085,300	$ 15,655,306
Base Adjustments	-	(4,085,300)	**(4,085,300)**
2003-05 Adjusted Appropriation (Net of Base Adj)	**11,570,006**	**-**	**11,570,006**
Executive Recommendation Adjustments:			
Decrease Extraordinary Repairs Base Funding	(6,918)		(6,918)
Campus Parity and Equity:			
Campus Parity (73.1% of State Share)	512,599		512,599
Campus Equity			-
Subtotal Campus Parity and Equity	512,599	-	512,599
Allocation to NDUS Campus Operations Pool	(11,817,271)		(11,817,271)
Allocation to NDUS Conting/Extraordinary Repairs Pool	(258,416)		(258,416)
Capital Projects Funded	250,000	32,000	282,000
Subtotal-Adjustments per Executive Recommendation	**(11,320,006)**	**32,000**	**(11,288,006)**
Executive Budget Recommendation	**250,000**	**32,000**	**282,000**
Senate Adjustments:			
Allocation from NDUS Campus Operations Pool	11,817,271		11,817,271
Allocation from NDUS Conting/Extraordinary Repairs Pool	258,416		258,416
Adjust Funding for Major Capital Projects			-
Subtotal-Senate Adjustments	12,075,687	-	12,075,687
Engrossed SB 2003	12,325,687	32,000	12,357,687
Engrossed SB 2003 Compared to 2003-05 Adj Approp	**755,681**	**32,000**	**787,681**
Restoration Request:			
Additional Parity (Increases state share to 85.8%)	89,233		89,233
Additional Equity			-
Subtotal-Restoration Request	89,233	-	89,233
House Requested Version*	$ 12,414,920	$ 32,000	$ 12,446,920

*In addition, it is requested that any additional state revenues resulting from the potentially improved March revenue forecasts be allocated to the NDUS on at least the same basis and be used for addressing deferred maintenance needs at the campuses.

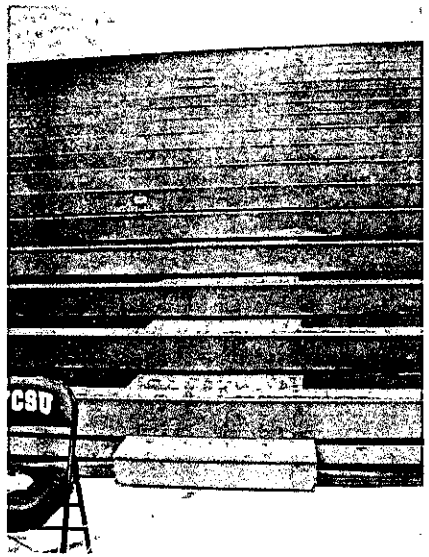
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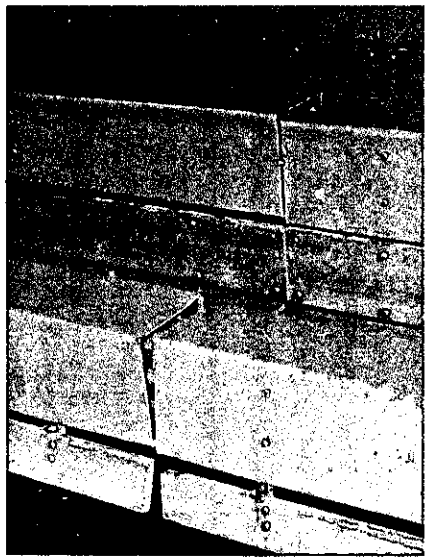
Capital Needs

- **Approved for 2005-2007: Fieldhouse bleachers**
- **Some other master plan priorities:**
  - Steam lines, partial
  - Vangstad auditorium renovation
  - Steam lines, partial
  - Library addition

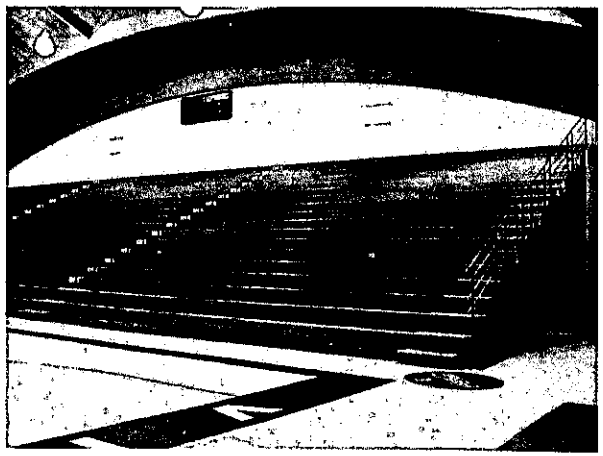
VALLEY CITY
STATE UNIVERSITY

Replace Bleachers at W.E. Osmon Building









- The W.E. Osmon Building is used extensively: for student instruction, athletic and intramural activities, and as a valued resource for many area and community functions. The bleacher seating in the arena was installed in 1973. A recent safety inspection revealed the following areas of concern: many foot boards are spongy and cracked; many brackets for the seats are weak and bending; several brackets and uprights on the bleachers have been welded and have cracks and need welding again; the end rails have been modified to three rails and aisles do not meet code, all of which are dangerous. The bleachers also have open decks that are dangerous. The condition of the bleachers presents a substantial health and safety issue.

VALLEY CITY
STATE UNIVERSITY

Estimated Tuition Increases

- **Variables that determine tuition include:**
  - General fund appropriation
  - VCSU's needs list
  - Options for continued reallocation
  - Access to alternative funding sources
  - Conversion factor to per-credit tuition charge
  - Vital need to move beyond status quo

Accomplishments




U.S.News ONLINE
1999
BEST
COLLEGE


U.S.News ONLINE
2000
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COLLEGE


U.S.News ONLINE
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VALLEY CITY
STATE UNIVERSITY

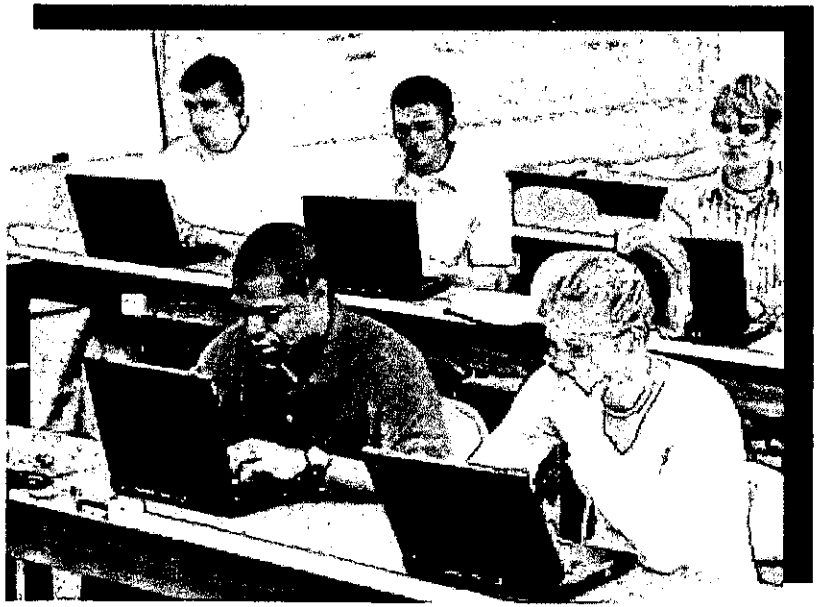
Eagle Creek Software Services



Ken Behrendt
President

VALLEY CITY
STATE UNIVERSITY

Great Products & Strong Brand



Technology-enhanced learning environment

Smart Classrooms

VALLEY CITY STATE UNIVERSITY

New Products, New Markets

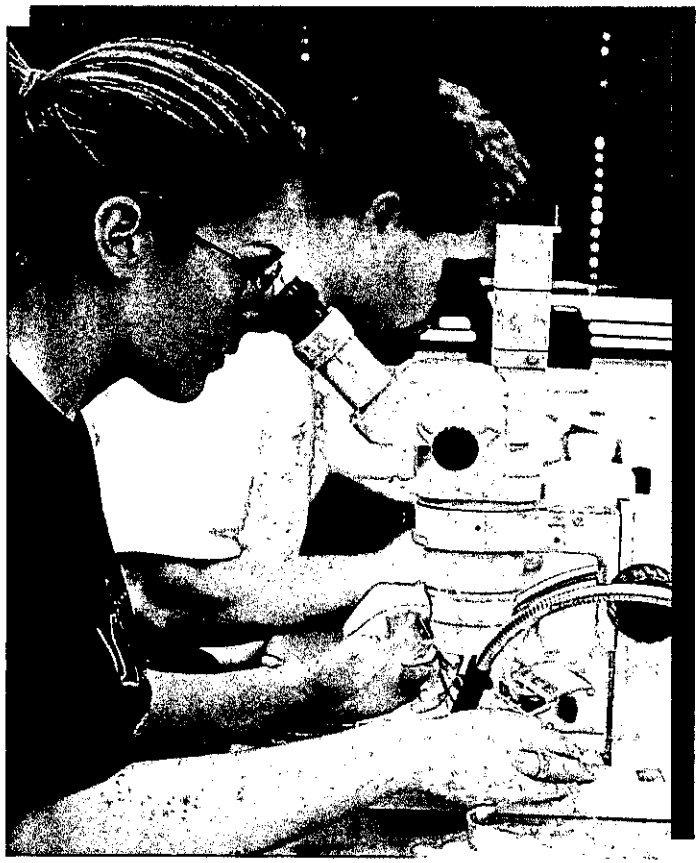
- **New academic programs**
  - Health Sciences
  - Psychology
  - Professional Communication
  - Music Business
  - Future: Fish and Wildlife

New Products, New Markets

- **New distance programs:**
  - Professional Communication
  - Teaching English Language Learners
  - Library Media

VALLEY CITY
STATE UNIVERSITY

New Products, New Markets



Undergraduate research opportunities

VALLEY CITY
STATE UNIVERSITY

Great Products & Strong Brand



Dedicated faculty and staff

Personalized service

VALLEY CITY
STATE UNIVERSITY

Satisfied Customers



High student satisfaction

High retention

VALLEY CITY STATE UNIVERSITY

Great Community Relationships



Jennifer Feist

Director

Valley City/Barnes County Development Corp.

VALLEY CITY STATE UNIVERSITY

Productive Investment Opportunities



Investment of $150,000 to launch Technology Education Program...

as a business!

VALLEY CITY STATE UNIVERSITY

Productive Investment Opportunities



Completed Construction Projects:

-Graichen addition

-Kolstoe renovation

VALLEY CITY STATE UNIVERSITY

Attractive ROI

- **One important Return on Investment for North Dakota: Our Alumni**
  - 74% of education graduates and 82% of non-teaching grads stayed in ND (2003-2004)

VALLEY CITY STATE UNIVERSITY

NORTH DAKOTA UNIVERSITY SYSTEM
REPORT OF CONTINUING APPROPRIATIONS
Valley City State University

	1999-01				
	Beginning Balance	Revenue	Expenditures	Net Additions/ Deductions/ Transfers	Ending Balance
Auxiliary Services	386,400	3,516,900	3,683,900	53,400	272,800
Tuition Collections	39,900	3,731,500	309,300	(3,427,600)	34,500
Other Unrestricted	302,900	3,491,700	3,245,400	(254,300)	294,900
Scholarships & Fellowships	182,100	2,551,700	2,507,800	(6,900)	219,100
Grants & Contracts	20,500	1,499,500	1,435,300	(25,400)	59,400
Loan Funds	763,900	34,700	2,700	(54,800)	741,100
Plant Funds	190,200	68,300	96,200	12,800	175,100
Endowment Funds	695,900	15,000	-	(105,500)	605,400

	2001-03				
	Beginning Balance	Revenue	Expenditures	Net Additions/ Deductions/ Transfers	Ending Balance
Auxiliary Services	272,800	3,697,800	3,930,500	(2,600)	37,500
Tuition Collections	34,500	4,331,400	386,400	(3,953,200)	26,200
Other Unrestricted	294,900	4,603,700	4,355,700	(55,500)	487,300
Scholarships & Fellowships	219,100	2,637,800	2,659,900	(18,800)	178,100
Grants & Contracts	59,400	1,619,400	1,536,600	(75,000)	67,300
Loan Funds	741,100	30,900	-	(8,100)	763,900
Plant Funds	175,100	61,200	66,600	6,200	175,900
Endowment Funds	605,400	11,000	-	(77,900)	538,400

	2003-05 Estimate				
	Beginning Balance	Revenue	Expenditures	Net Additions/ Deductions/ Transfers	Ending Balance
Auxiliary Services	37,500	3,845,700	3,897,400	36,100	21,800
Tuition Collections	26,200	5,336,800	544,500	(4,783,000)	35,500
Other Unrestricted	487,300	4,270,300	4,400,300	(142,500)	214,800
Scholarships & Fellowships	178,100	2,706,400	2,703,900	(24,100)	156,500
Grants & Contracts	67,300	955,400	946,700	(41,500)	34,400
Loan Funds	763,900	25,800	-	(6,600)	783,100
Plant Funds	175,900	50,000	241,800	390,100	374,100
Endowment Funds	538,400	2,300	-	(3,800)	536,900

	2005-07 Estimate				
	Beginning Balance	Revenue	Expenditures	Net Additions/ Deductions/ Transfers	Ending Balance
Auxiliary Services	21,800	4,153,356	4,131,244	38,266	82,178
Tuition Collections	35,500	5,763,744	577,170	(5,069,980)	152,094
Other Unrestricted	214,800	4,611,924	4,664,318	(151,050)	11,356
Scholarships & Fellowships	156,500	2,922,912	2,866,134	(25,546)	187,732
Grants & Contracts	34,400	1,031,832	1,003,502	(43,990)	18,740
Loan Funds	783,100	27,864	-	(6,996)	803,968
Plant Funds	374,100	54,000	256,308	413,506	585,298
Endowment Funds	536,900	2,484	-	(4,028)	535,356

Valley City State University
2003-05 General Fund Carryover

Valley City State University carried over $50,344 in General Funds from the prior biennium to the current biennium. These funds were expended in the Operations category.

2004-05 RESIDENCE HALL RATES

Suites:
Kolstoe Hall - $1960.00 per person/per year.

Single Room :
McCoy or Snoey Halls - $1800.00 per year.

Double Rooms:
McCoy or Snoey Halls - $1275.00 per year.

CONTACT INFORMATION

To obtain a Kolstoe Hall room and board contract, you may contact the VCSU Housing Office, located at the Information Desk in the Student Center. A **$50 room reservation fee must accompany the contract.**

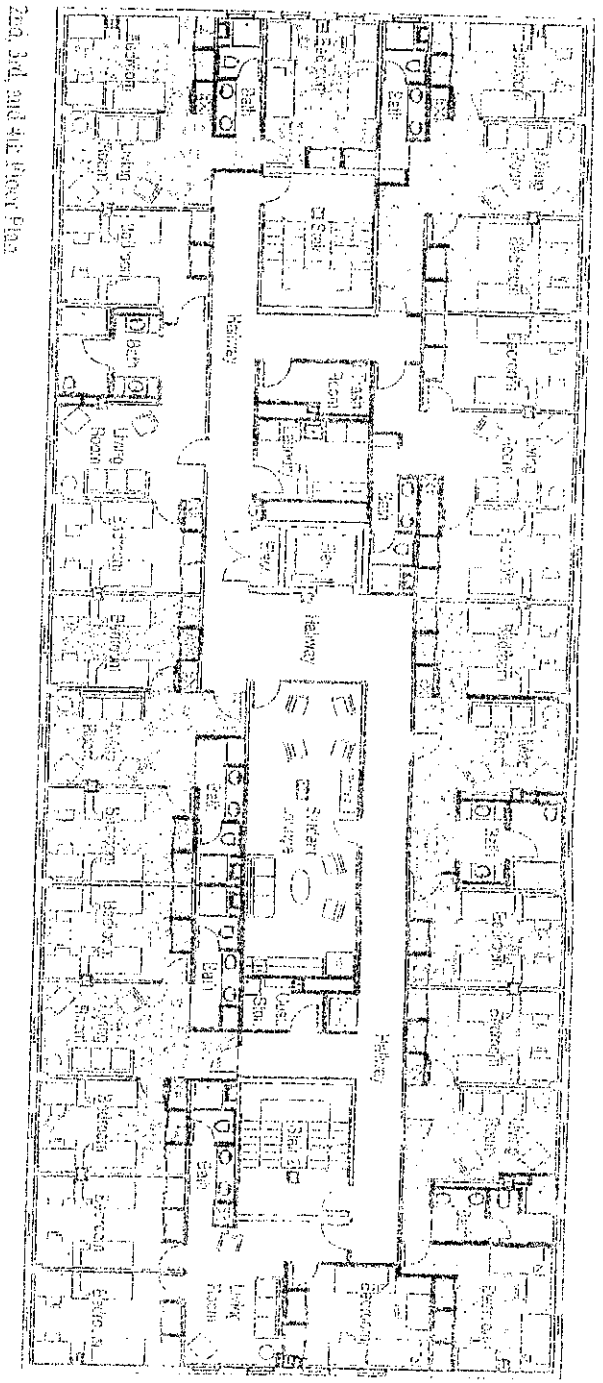
For questions about Kolstoe Hall contact:

Diane Hill 845-7724 or diane.hill@vcsu.edu

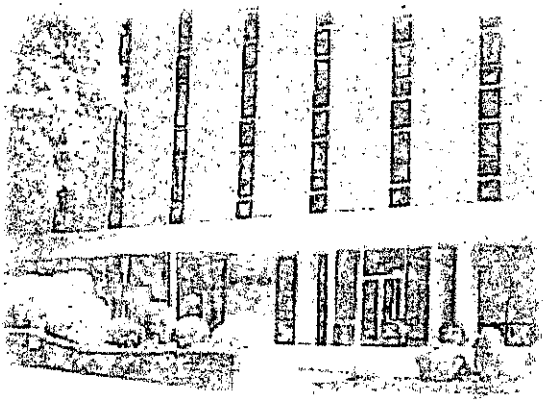
Jason Wolsky 845-7728 or jason.wolsky@vcsu.edu

Glen Schmalz 845-7201 or glen.schmalz@vcsu.edu

KOLSTOE FLOOR PLAN



The "NEW" Kolstoe Hall at Valley City State University



Opening Fall Semester 2004

Reserve your suite now!

VCSU
VALLEY CITY STATE UNIVERSITY

JECT OVERVIEW

The Kolstoe Hall Renovation Project

Kolstoe Hall was built in 1967 and has served as a men's residence hall, housing 138 students in a traditional double corridor, double room, community bathroom environment. A $2.8M complete renovation of every floor will convert the building into modern two bedroom suites containing a living room and private bathroom. Included in the project is a complete renovation of the entire building, a new elevator, central air conditioning, a fitness room, wired and wireless network access and all new furnishings.

The new Kolstoe Hall will be completed in the summer of 2004 and will be available fall semester to 114 upper-class male and female students.

VCSU
VALLEY CITY STATE UNIVERSITY

REASONS TO IN KOLSTOE HALL

Reasons to Live in Kolstoe Hall:

- Completely modern, co-ed, on-campus living.
- Two bedroom suites with all new furniture including lofts.
- New elevator.
- Air conditioning.
- Fitness Room.
- Private bathroom with weekly cleaning service.
- Furnished living room.
- Phone and cable TV in every bedroom and living room.
- Modern lounges.
- Laundry service on every floor.
- 24 hour wired and wireless high speed internet access.
- Located just steps from Vangstad, McFarland and Allen Memorial Library.

RESERVE YOUR T NOW!

Kolstoe Hall is intended for upper class students.

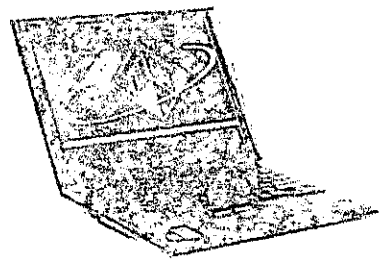
First preference for the fall semester of 2004 will be given to students that have resided in VCSU residence hall for the previous two years.

Students may reserve a suite as a double, triple, or as a quad.

Next preference will be given in order by academic classification.

1st – Seniors - 90 Credits
2nd – Juniors– 60 Credits
3rd- Sophomores– 24 Credits
4th Freshmen– Less than 24 Credits

Initial assignments will be made and preference will be given to those students that apply and provide a **$50 room reservation fee by April 15, 2004.**



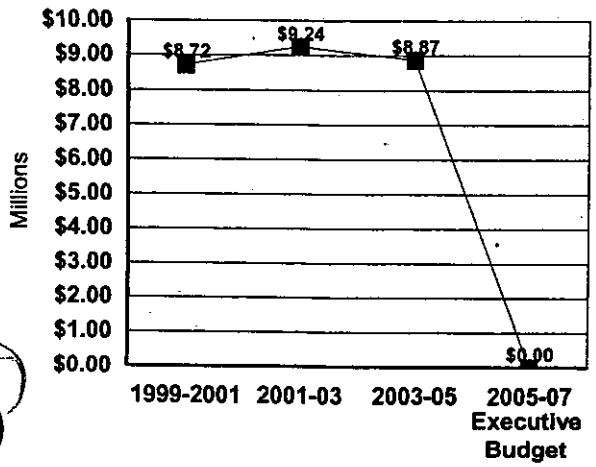
Prepared by the North Dakota Legislative Council
staff for House Appropriations
February 25, 2005

,partment 240 - Mayville State University
Senate Bill No. 2003

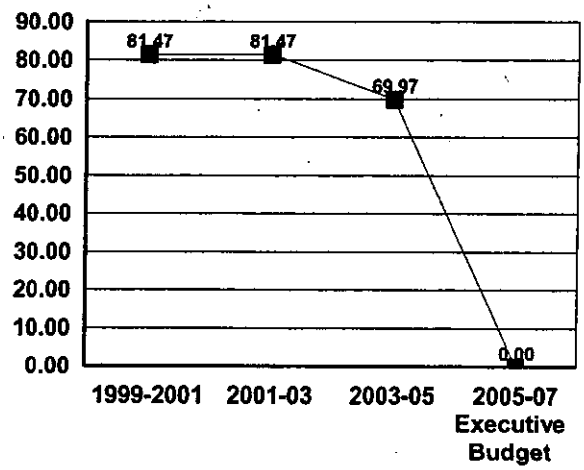
	FTE Positions	General Fund	Other Funds	Total
2005-07 Executive Budget	0.00	$0	$1,500,000	$1,500,000
2003-05 Legislative Appropriations	69.97	8,866,924	5,505,000	14,371,924[1]
Increase (Decrease)	(69.97)	($8,866,924)	($4,005,000)	($12,871,924)

[1]The 2003-05 appropriation amounts do not reflect $334,322 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)

	General Fund	Other Funds	Total
1. Consolidates operations and extraordinary repair funding for all higher education institutions into the University System budget. The Senate appropriated operations and extraordinary repair funding for each of the higher education institutions.	($8,816,924)		($8,816,924)
2. Removes major capital project funding provided in the 2003-05 biennium--$50,000 for Old Main sound system, $1,355,000 for steamline replacement, $4,000,000 for fieldhouse renovation and addition, and $150,000 for remodeling East Hall	($50,000)	($5,505,000)	($5,555,000)
3. Provides funding for major capital projects for the 2005-07 biennium--$1,000,000 for fieldhouse entrance, concession, and restroom and $500,000 for outdoor athletic complex		$1,500,000	$1,500,000

Major Related Legislation

nate Bill No. 2003 - Long-term finance plan review - Section 17 of Engrossed Senate Bill No. 2003 provides that it is the intent of e 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 Sy[illegible] formance and accountability report to include an executive summary and specific information regarding education excelle[illegible] nomic development, student access, student affordability, and financial operations.

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 requirement 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 the 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 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.

II

with the exception of those pages, same testimony given to House

Senate Appropriations Committee

Mayville State University Budget Hearing

January 18, 2005

Pamela Balch, President
Steve Bensen, VP for Business Affairs

Traditional & Non-traditional Market Goals

18-21 year old students

ND – declining

WUE States – increasing pop. w/limited higher ed. opportunities.

International – unlimited

21+ year old students

ND – Adult market is dispersed. Potential with 2 yr schools.

AZ and CA – agreements with community colleges.

Online courses - offer unlimited potential.

BAS degree/Educ. – Adults w/career goals.

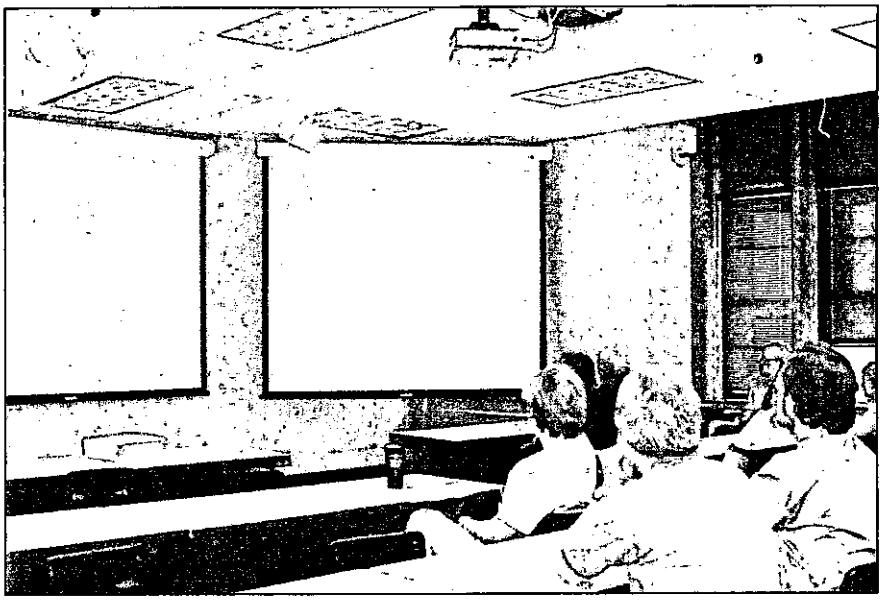
Need for Renovated Residence Hall Space

- Students want different types of residence hall space; i.e. suites and apartments.
- Preliminary estimates to convert Agassiz Hall to suites would be about $2.5 million. Will work with architect to determine costs of upgrading and remodeling.
- Will consider building new residence hall if needed. Estimated cost would be at least $5 million.
- Either option will require bonding and legislative approval.

Overview of 2005-2007 Budget



Mayville State presented two potential proposals for Centers of Excellence.



Mayville State hosted INBRE grant media announcement day.

Mayville State University
Comparison of SBHE 2005-07 Prioritized Budget Request to Executive Recommendation
(Including Requested Restoration & Increases Over Executive Recommendation)

	SBHE 2005-07 Prioritized Budget Request	Executive Recommendation	Restoration Request & Increases Over Executive Recommendation
2003-05 Original General Fund Appropriation	**$ 8,866,924**	**$ 8,866,924**	
Base Adjustments	**(50,000)**	**(50,000)**	
2003-05 Adjusted General Fund Appropriation, Plus (Minus) Base Adjustments	**8,816,924**	**8,816,924**	
Priority One - State-Linked Budget Priorities:			
Capital Assets Base Increase (Decrease)	38,409	(5,595)	44,004
Campus Parity (80%) - Revised	452,048	409,157	42,891
Campus Equity (20%) - Revised		-	-
Subtotal	490,457	403,562	86,895
Transfer to NDUS "operations" pool		(9,011,492)	9,011,492
Transfer to NDUS "contingency/extraordinary repairs" pool		(208,994)	208,994
Capital Projects Funded			-
Total-Priority One Increases	**490,457**	**(8,816,924)**	**9,307,381**
Subtotal 2003-05 Base, Plus Priority 1	**9,307,381**	**-**	**9,307,381**
Priority Two - Reach funding equivalent to at least 21% of 2005-07 recurring state revenues:			
Campus Parity (80%)	64,294		64,294
Campus Equity (20%)			-
Total-Priority Two Increases	**64,294**		**64,294**
Subtotal 2003-05 Base, Plus Priorities 1 & 2	**9,371,675**		**9,371,675**
Priority Three - Additional increases to make progress on goals of long-range finance plan			
Fund 100% state share of parity	43,436		43,436
Increase 2005-07 salary increases to 4.2% per year	51,459		51,459
Board initiative funding increase			-
Capital assets funding increase	38,409		38,409
Equity funding to bring all campuses to 45% of peer benchmark in 2007-09			-
Equity funding to bring all campuses to 50% of peer benchmark in 2007-09			-
Equity funding to bring all campuses to 55% of peer benchmark in 2007-09			-
Equity funding to bring all campuses to 60% of peer benchmark in 2007-09			-
Equity funding to bring all campuses to 62.3% of peer benchmark in 2007-09			-
Total-Priority Three Increases	**133,304**		**133,304**
Subtotal 2003-05 Base, Plus Priorities 1, 2 & 3	**9,504,979**		**9,504,979**
Priority Four - To achieve needs-based budget request level approved by the SBHE			
Equity funding to bring all campuses to 85% of peer benchmark in 2007-09			-
Capital assets funding increases	450,836		450,836
Board initiative funding increase			-
Total-Priority Four Increases	**450,836**		**450,836**
Total General Fund Needs Based Budget Request	**$ 9,955,815**		**$ 9,955,815**

g:\cathy\excelfil\2005-07 Exec Recom\Hearing Format SB2003\
Campus-Med GF

Capital Asset Base

Extraordinary Repairs

2003-05	$214,589
Base adjustment increase	$38,409
2005-07 request	$252,998

(special assessment payments in 2005-07 total $94,970)

2-SB2003

House Appropriations
Education & Environment
Division

Mayville State University

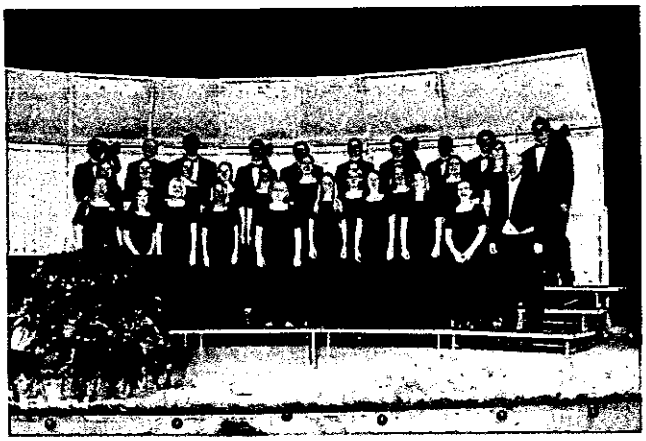
Budget Hearing

February 28, 2005

Pamela Balch, President

Steve Bensen, VP for Business Affairs

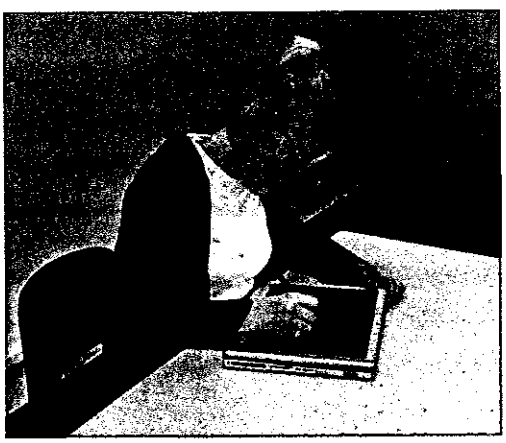
Enrollment: Current Status and Future Plans



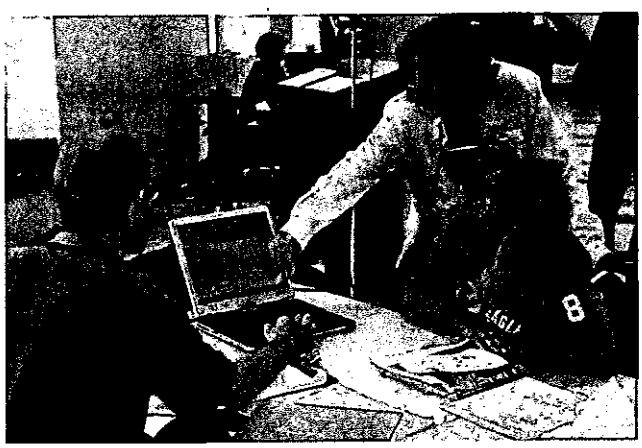
The Mayville State University Concert Choir performing at a recent concert.



Soccer debuted as a new intercollegiate sport at Mayville State in the fall of 2004. Both men's and women's teams were formed.



Mayville State University became the first Tablet PC campus in the nation in the summer of 2004.

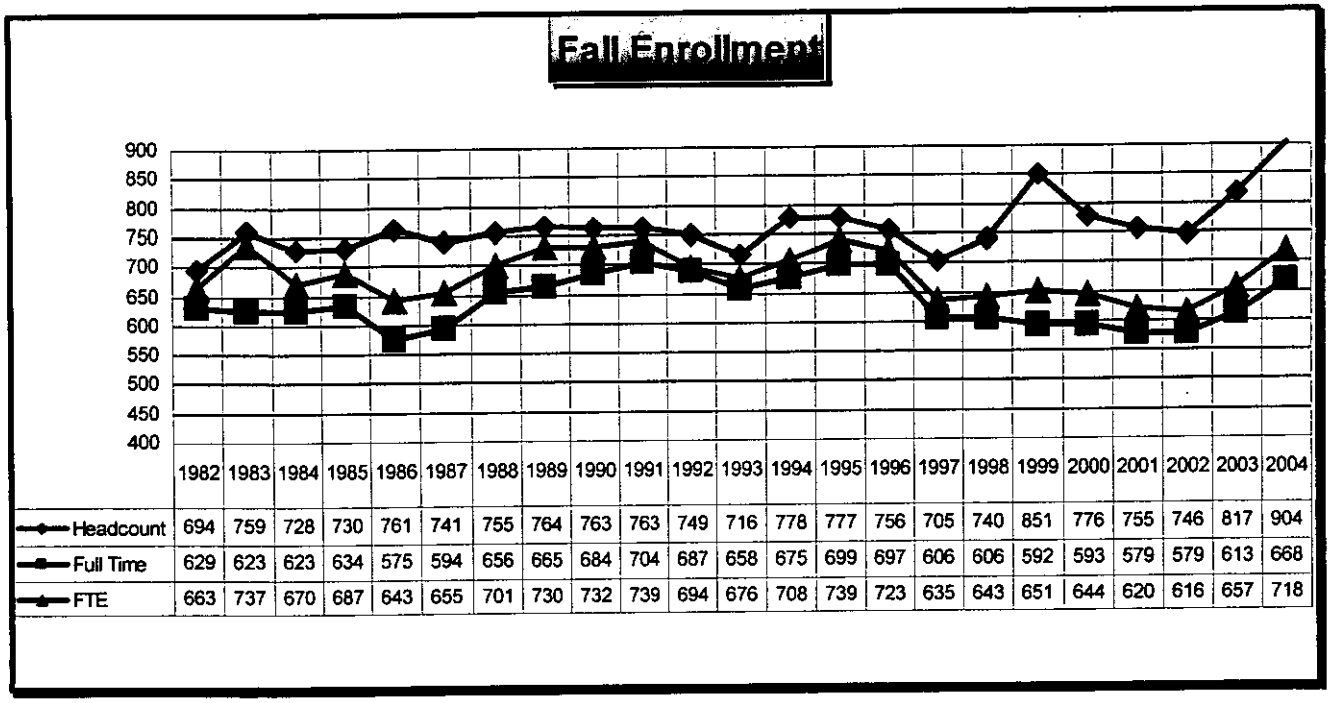


A new student is assisted in the online registration process during a summer orientation program.

History of Enrollment at Mayville State University

- Traditionally, full time and FTE enrollments have been reflecting traditional markets.
- Majority of full time students have been from an eight county region in northeast North Dakota.
- Historically up to 80% of all new students have been under the age of 20.
- Past enrollment development has focused on traditional age students primarily from our local regions.

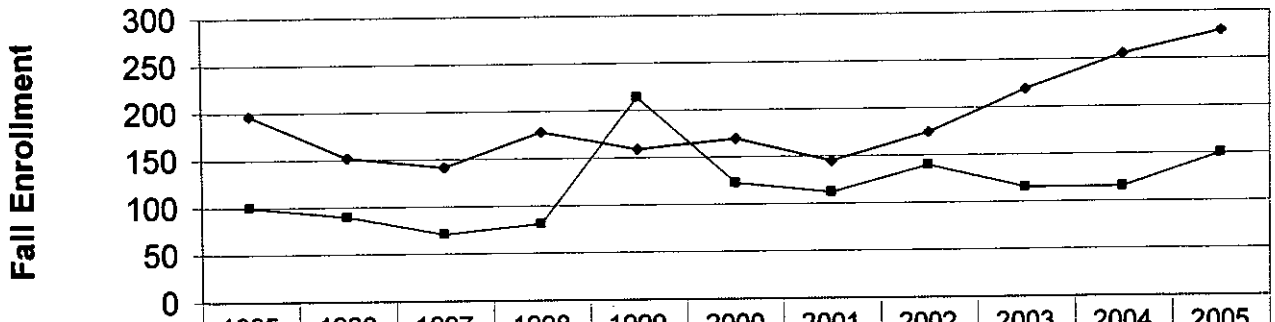
Historical Account of Enrollment



	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Headcount	694	759	728	730	761	741	755	764	763	763	749	716	778	777	756	705	740	851	776	755	746	817	904
Full Time	629	623	623	634	575	594	656	665	684	704	687	658	675	699	697	606	606	592	593	579	579	613	668
FTE	663	737	670	687	643	655	701	730	732	739	694	676	708	739	723	635	643	651	644	620	616	657	718

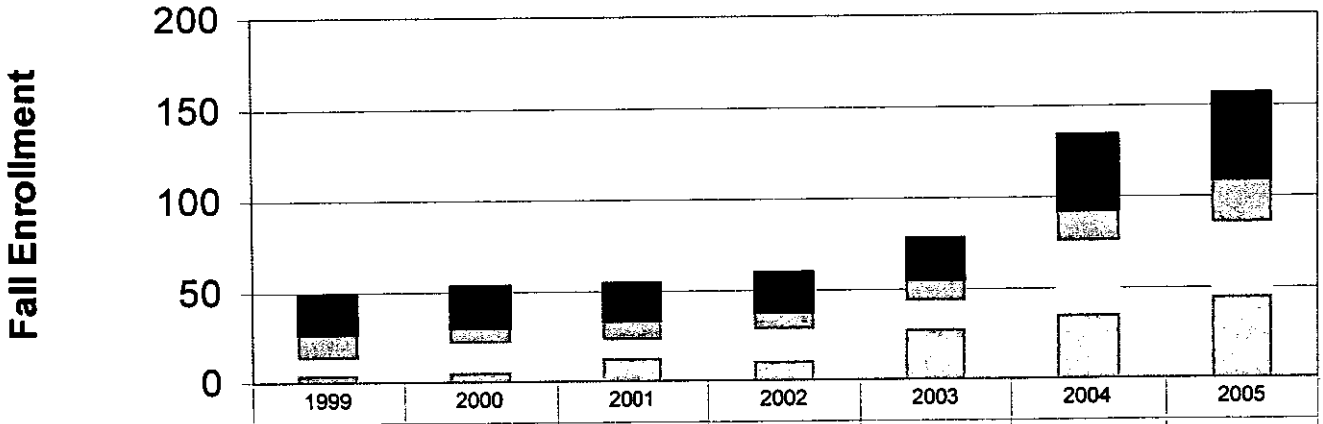
Recent Enrollment at Mayville State University – Fall 2004

New Student Enrollment



	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Freshmen	196	152	142	177	158	169	144	175	219	256	280
Transfers	100	89	70	81	213	123	112	140	116	115	150

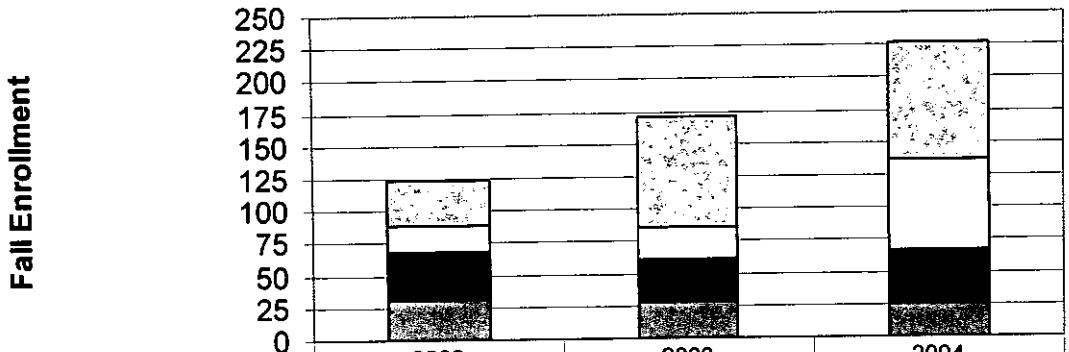
Diversity of Student Enrollment



	1999	2000	2001	2002	2003	2004	2005
International	24	25	23	23	25	43	50
Hispanic	9	6	7	4	8	13	16
Asian	4	2	2	5	3	3	6
Native American	9	16	10	17	15	39	40
Black	4	5	13	11	28	36	45

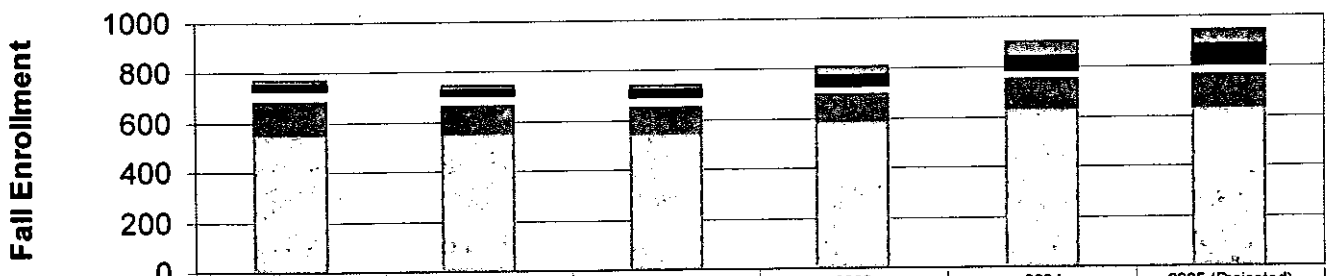
Recent Enrollment at Mayville State University – Fall 2004

Distance Students



	2002	2003	2004
Dual Credit	35	85	90
On Line	21	25	70
IVN	37	33	43
Face to Face/off site	31	28	24
Total	124	171	227

Students by Residence



	2000	2001	2002	2003	2004	2005 (Projected)
Other Out State	17	23	19	38	55	65
WUE	35	30	38	53	64	85
Contiguous	36	30	32	26	29	30
MN	141	122	113	113	128	140
ND	547	548	543	587	628	630
Total	776	753	745	817	904	950

Enrollment by Major (fall 2004)

- Enrollment of students in Education accounts for the greatest number of majors (49%).
- Enrollment in Business accounts for about 26% of all degree seeking students in 2004.
- Other non-teaching majors accounted for about 13% of all majors in 2004 (Physical Ed., Health Ed., Social Science and General Studies have the largest numbers).
- Enrollment in the Computer Information Systems major has increased from 4% to 13%.
- The new bachelor's degree in Early Childhood education program is emerging as a new demand area.

Strategic Enrollment Management Goals

- The Mayville State University President's Cabinet has made enrollment development a key element of the strategic plan.
- The goal for fall 2004 was exceeded with a headcount of 904, the second largest in the institution's history.
- The goal for fall 2005 is to exceed Mayville State's largest enrollment of 924 from 1969. We will aim for a headcount of 950.
- The long-range enrollment goal is 1,040 headcount and 800 FTE (by fall 2007).

Strategic Planning for Enrollment Development

- Remain on the cutting edge of technology (Mayville State – nation's first Tablet PC campus).
- Maintain market share of ND/MN traditional markets and increase market share of enrollment from WUE and other distant states. (This area increased to 13% of headcount in fall 2004.)
- Recruit out of state and "paying" international students as priorities. International student growth increased by 112% (from fall 2003 to fall 2004).
- Develop articulation agreements with international universities.
- Collaborate with other institutions and K-12 to meet the economic development needs of region and state.
- Market on-line distance programs in Business, Computer Information Systems, Elementary Education and Early Childhood Education.
- Use and expand articulation agreements to recruit transfer students from two year colleges.
- Increase percentage of adult learners over the age of 21.
- Expand intercollegiate sports (i.e. men's and women's soccer) and others in the future, as finances allow.
- Improve retention of residential students by focusing on their need for personal service.
- Maintain the goal of increasing culturally diverse students. (Priority for cultural diversity waivers are Native American members of recognized tribes.)
- Strengthen efforts in marketing and recruitment through advertising, promotional materials, identification of prospects, targeted recruitment of prospects, on-going contacts, and marketing messages that build upon strengths of Mayville State University.

Gateway recommends Microsoft® Windows® XP Professional.

Gateway.

Mayville State University

SUMMARY

BACKGROUND:

Mayville State University is a four-year college offering bachelor's degrees in a broad range of academic fields. The school places a high priority on integrating leading-edge technology into the academic environment. In 1997, Mayville State became the fourth university in the country to provide notebook computers to all of its full-time students and faculty.

CHALLENGE:

Mayville State wanted to incorporate the next generation of learning tools into its already technologically advanced educational environment. The goal was to implement this upgrade for faculty and students simultaneously, with minimal disruption to the busy start of the 2004/05 academic year.

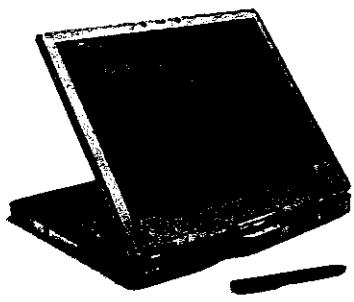
GATEWAY SOLUTION:

Gateway notebooks are giving Mayville students and faculty the productivity tools that allow them to work faster and smarter.

- 800 Gateway® M275 Notebook-to-Tablet PCs with Intel® Centrino™ Mobile Technology* provide the flexibility to address individual teaching and learning styles.

RETURN ON INVESTMENT:

After only a few months of working with the notebooks, Mayville State already qualifies the return in terms of value to the students and faculty. By using this technology tool to advance learning and teaching, Mayville is helping students personalize their experience, an advantage that can be an exciting draw for potential new students.



Gateway® M275 Notebook-To-Tablet PCs Feature Intel® Centrino™ Mobile Technology



"While the Gateway M275 is delivering the efficiency benefits we anticipated, what's really exciting is that these flexible PCs are able to accommodate students' individual learning styles."

– Keith Stenehjem, Chief Information Officer, Mayville State University

A Digital Advantage

TOGETHER MAYVILLE STATE UNIVERSITY AND GATEWAY EMPOWER AN ENTIRE CAMPUS TO LEARN AND TEACH DIFFERENTLY

BACKGROUND

Mayville State University is a rural campus with nearly 70 academic programs and an enrollment of over 900 students. Mayville State's mission is to educate and guide students as individuals so that they may realize their full career potential and enhance their lives. Central to executing its mission is Mayville State's commitment to providing an innovative, technology-enriched education. In 1997 Mayville State became the fourth university in the country to provide notebook computers to all its full-time students and faculty.

Mayville State University is nationally identified for its Teacher Education division, and has been named "A Best Midwestern College" for two consecutive years by the *Princeton Review.*

intel inside

centrino™

MOBILE TECHNOLOGY

Gateway recommends Microsoft® Windows® XP Professional.

Gateway.

UCATION CHALLENGE

Mayville State was looking for technology tools to enrich the academic experience for faculty and students. The University wanted technology that would facilitate an increasingly interactive classroom experience. It also wanted students to become more literate with technology so they would be comfortable exploring applications for these advanced learning tools.

Because Mayville State faculty and students had been using notebooks since 1997 with great success, campus leaders felt that new technology could be incorporated without extensive training. This directive was important since the school was intent on deploying the technology to all students simultaneously at the beginning of their academic year.

> **"Like the Gateway M275 notebook, the Gateway account team continues to add value."**
>
> *– Keith Stenehjem, Chief Information Officer, Mayville State University*

GATEWAY SOLUTION

Gateway responded to a Request For Proposal from Mayville State University to provide a campus-wide technology upgrade by fall 2004. The Mayville State selection committee favored the Gateway M275 Notebook-to-Tablet PC with Intel Centrino Mobile Technology.* The committee believed that the M275, with an tel® Pentium® M Processor, offered the power it was looking for in an advanced ning tool, and the flexibility to adjust to the unique needs of instructors and udents. Often referred to as the "convertible," the M275 allows the user to handwrite or use the keyboard. Handwriting can then be saved as is, or translated to text as in a word-processed document. Gateway worked hard to provide the aggressive pricing that ultimately allowed Mayville State to award Gateway the contract.

Mayville State became the nation's first Tablet PC campus when three hundred faculty members and students began using the M275 during Mayville's 2004 summer term. Because the Tablet PC can be used as a traditional notebook, faculty and students were able to use the PCs successfully from the start, without training. This test with the smaller summer enrollment allowed Mayville to understand and overcome any obstacles they might encounter during the larger M275 rollout in the fall.

"There were no technological surprises with the summer deployment. We made the few refinements that were fully anticipated and looked forward to the fall," reported Keith Stenehjem, Mayville State's Chief Information Officer. "As for the user experience, we would not have moved forward if the faculty and students hadn't found the machines easy to use and believed that the Gateway M275 notebook had extensive academic value." By July, 800 M275s were delivered to Mayville for distribution to all students for the 2004/05 academic year.

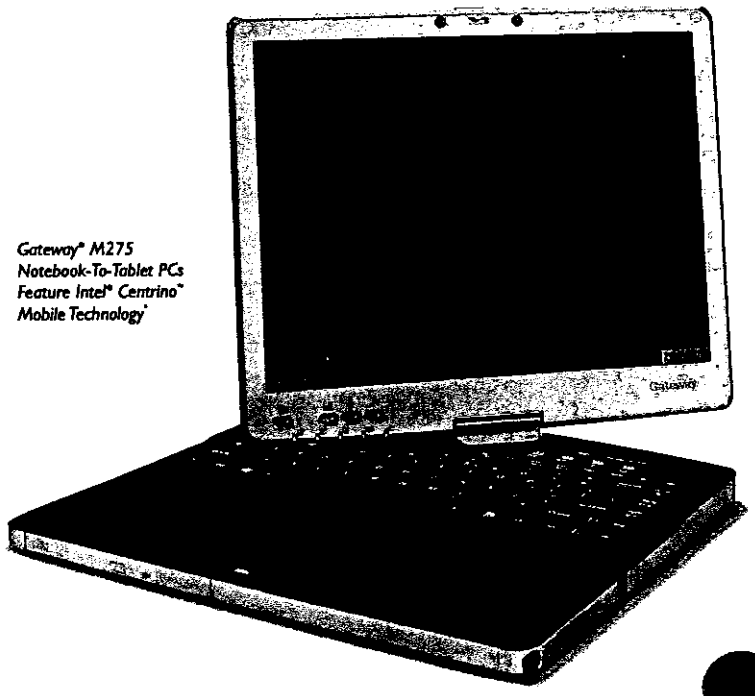
The Gateway M275 Notebook-to-Tablet PC has given every Mayville State faculty member and student the technical power and flexibility to teach and learn in the way they can be most effective. The M275 facilitates an interactive lecture experience, improving the attention level of students and making the delivery of content more interesting. As common practice, instructors project lecture presentations on overhead LCD screens. Now, with the Tablet capability, the can emphasize important points with handwritten marks that students see rea time. It encourages participation, a leap forward from the one-to-many pattern of traditional classroom lectures.

Along with the obvious applications of the M275, students and faculty are exploring other ways that the technology helps them in their academic routine. "While the Gateway M275 is delivering the efficiency benefits we anticipated, what's really exciting is that these flexible PCs are able to accommodate students' individual learning styles. To serve students in this way is very rewarding," states Stenehjem. "I recently learned of a student who, on his own, learned how to use the speech recognition function on Gateway's M275 notebook. This student can now recite lecture notes to the PC and have the notes transcribed and saved in a text document."

The Gateway team works with Mayville's faculty and students to deliver advanced training, to address unique applications and to problem solve, no matter the size of the challenge. "Our partnership with Gateway goes well beyond the sale of the Tablet PC," says Keith Stenehjem. "Like the Gateway M275 notebook, the Gateway Account Team continues to add value."

RETURN ON INVESTMENT

Today, the qualitative ROI on full campus deployment of the M275s is seen in the enthusiasm of faculty and students. Individual teaching and learning styles are accommodated through the use of Gateway notebooks. For some student this means a more efficient way of learning, for others it means that a learnir obstacle has been removed. Mayville believes that the advantage they are givi to existing students is a unique selling point for the school. Becoming the nation's first Tablet PC campus gives this small school, a big reason for serious consideration by college-bound students.



Gateway® M275 Notebook-To-Tablet PCs Feature Intel® Centrino™ Mobile Technology

800-211-4952 | www.gateway.com/edu/casestudy2

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Ad Code: 125879

MaSU Mission, Vision & Purposes

Mission

- The mission of Mayville State University is to educate and guide students, as individuals, so that they may realize their full career potential and enhance their lives. We do this in an environment that reflects our tradition of personal service, commitment to innovative technology-enriched education, and dynamic learning relationships with community, employers, and society.

Vision

- To be known for continuing academic excellence in a cooperative, enjoyable learning environment that anticipates and responds to individual needs.

Purposes

- Collaborative relationships with schools, employers, and communities that contribute to the economic growth and social vitality of North Dakota
- Effective support for appropriate applications of information technologies to instruction and administration
- Academic programs and services that address real-world career and North Dakota workforce opportunities
- Innovative, flexible delivery of instruction that meets the needs of the individual
- Enrollment and revenue development through retention, recruiting, and new opportunities
- Assessment and improvement of student learning outcomes and institutional effectiveness

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Strategic Goals

- Develop and implement an enrollment management plan that has a goal of 1,000 headcount, increased minority and transfer student enrollment and retention, and programs that meet the economic development needs of the state and region.
- Expand distance programs in Business (BAS online), Computer Information Systems (BAS online), Early Childhood Education (BS distance) and General Education (online through NDUS Access), including offerings at LRSC and GFAFB.
- Offer a new academic program in Applied Psychology (BA).
- Expand services and opportunities to surrounding communities utilizing the HOV-IT system, including dual credit courses.
- Develop courses/programs in education and seek approval for graduate credit for such courses and programs.
- Improve and expand intercollegiate athletic opportunities, to include increased numbers of sports and student participants.
- Increase the number of articulation agreements with colleges in the region and in other countries.
- Continue to explore ways to recruit and retain international, out of state and minority students.
- Re-organize the MaSU Foundation structure and functions for improved fund and friend raising and for financial support of campus facilities, scholarships and special projects.
- Develop and submit grant proposals that will help support initiatives to improve the university's self sufficiency.

Campus Initiatives Needed to Accomplish Strategic Goals

- West Hall renovation & accessibility project $3,140,000
  - Primarily academic and administrative building constructed in 1917.
  - Offices and classrooms for teacher education, newly approved early childhood major and psychology major, regional Teacher Learning Center, and Traill County Technology Center business incubator.
  - The project will provide:
    - Accessibility – elevator access to basement and three upper floors.
    - Health safety improvement – corridor and door upgrades, enclosed stairways, improved alarm and sprinkler systems.
    - Extensive room renovation – to convert dormitory and office size rooms to larger classrooms (not presently available) to accommodate 30 to 40 students.
    - Exterior improvements – including brick tuckpointing, roofing and extensive repair to the main entrance.

- Renovated of New Residence Halls $2.5-5 Million
  - Preliminary estimates to convert Agassiz Hall to suites would be about $2.5 million.
  - Also considering building new residence hall. Estimated cost would be at least $5 million.

MaSU Collaborative Ventures

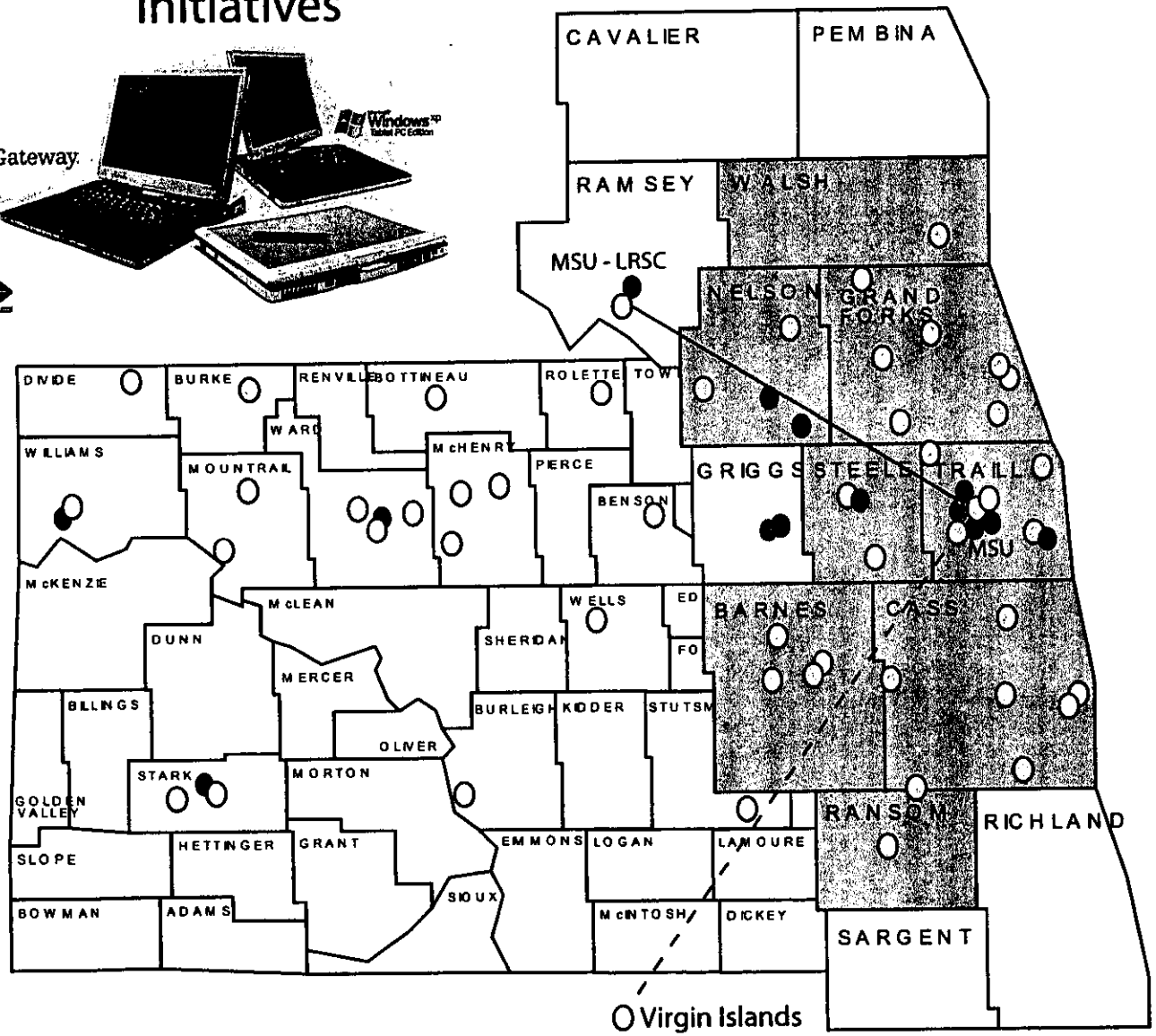
1. The following map illustrates the variety of collaborations with K-12, pre-K, community colleges, business and industry, world-wide adult learners, and the research corridor.
2. The information sheet following the map also illustrates several other partnerships MaSU has with high schools and colleges.
3. The next sheet is a copy the North Dakota INBRE Update that features Mayville State.
4. The last sheet in this section is a brochure on the MaSU/LRSC Bachelor of Science degree in business administration.



Mayville State University Child Development Programs.

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Mayville State University Initiatives



- Heart of the Valley ITV Consortium
  - 20 schools & MSU
  - 8 counties
  - over 8000 square miles
  - over 50 communities
- Office of Worldwide Learning
  - LRSC remote site
  - IVN - statewide
  - Online - worldwide
- Child Development Programs
  - 5 locations
    - Mayville
    - Hillsboro
    - Aneta
    - Cooperstown
    - McVille
- Traill County Technology Center
  - 5 tenants
    - 15 employees
  - 2 incubator 'graduates'
  - Regional Tech. Council
    - Traill
    - Steele
    - Griggs
- Biomedical Research
  - INBRE
- Tablet PC
  - "1st Tablet PC University in the Nation"
- Early Childhood Education
  - Center of Excellence (proposed)

- Virgin Islands
- London, England
- Montana
- Minnesota
- Florida
- Arkansas
- Washington
- Texas
- South Dakota
- Washington DC

Academic Partnerships

Mayville State University

Heart of the Valley Consortium ...

Mayville State was a key player in establishing the Heart of the Valley Interactive Video Network Consortium, a K-12 consortium made up of MSU plus 19 high schools and one vocational center. By utilizing state of the art telecommunications technology and a common schedule, students can enroll in classes from member schools and Mayville State.

Articulation Agreements ...

Mayville State University has developed articulation agreements, allowing for a smooth transfer of credits from the following institutions:

- **Bismarck State College** - Bismarck, ND
- **Cankdeska Cikana Community College** (pending) - Fort Totten, ND
- **Daffodil International University** (pending) - Dhanmondi, Dhaka Bangladesh
- **Fergus Falls Community College** - Fergus Falls, MN
- **Lake Region State College** - Devils Lake, ND
- **Maricopa County Community College District** - Maricopa County, AZ
- **Mesa Community College** - Mesa, AZ
- **Minot State University-Bottineau** - Bottineau, ND
- **North Dakota State College of Science** - Wahpeton, ND
- **Northland Community & Technical College** - Thief River Falls, MN
- **Rainy River Community College** - International Falls, MN
- **University of North Dakota** - Grand Forks, ND
- **Williston State College** - Williston, ND

Agreement signed with Aldine Independent School District, Houston, Texas ...

Thanks to a new collaborative agreement, Mayville State student teachers who desire a truly multicultural experience will have an opportunity to spend a semester at Aldine Independent School District, one of the highest-performing school districts in Texas.

North Dakota
INBRE Update
Third Quarter 2004
North Dakota IDeA Network of Biomedical Research Excellence
A quarterly report on activities and opportunities

Students get the best of all worlds at Mayville State

Tom Gonnella knows it's worthwhile to involve students in research at Mayville State University when he sees them working in the laboratory when they don't have to be there.

"They may not be on the clock, but they're in the lab anyway," explains Gonnella, Ph.D., associate professor of chemistry and physics. "When I see students there – choosing to be in the lab because of the environment – I know that it's a good place to have undergraduates."

One of North Dakota INBRE's objectives is to increase the number of students from primarily undergraduate institutions who pursue advanced degrees in biomedical research. Mayville State is one of four baccalaureate institutions in North Dakota participating in the INBRE program.

"When I came to Mayville in 1997, essentially there was no research here," Gonnella says. "Now we're working on developing tools that will help the molecular biologist in monitoring the copying of DNA and probing for genetic mutations."

Pamela Balch, president of Mayville State, says "Our motto is 'The school of personal service,' and this research provides an excellent opportunity for students to get hands-on experience that they haven't had access to in the past. Given the difficulty that small schools have in hiring faculty to do research, we're absolutely thrilled with the INBRE program."

Greg Gillispie, Ph.D., Gonnella's INBRE research mentor, says "One of the neat things for the Mayville State students is that they have access to cutting-edge technology that almost no one else has."



Tom Gonnella, associate professor (top), works in the lab with Mayville State chemistry students Dena Bergstedt and Carl Jungberg, both juniors.

Gillispie is an adjunct professor at NDSU and the president of Dakota Technologies, Inc. (DTI) in Fargo. Gonnella and Gillispie found that they shared common research interests when he was a chemistry graduate student at NDSU and Gillispie chaired the chemistry department there. Later, Gonnella worked for Gillispie as a summer intern at DTI, a spin-off business based on technology developed at NDSU.

Gonnella's research uses specialized lasers to develop novel fluorescence methods for biomedical applications. Fluorescence is an analytical technique that examines the light given off by a substance as it absorbs energy. It provides information used in many tests and procedures in biomedical research.

"What's unique about Tom's and DTI's research is that in addition to the color of light emitted, we're also looking at when the light comes out," Gillispie notes. "We put in very short pulses of light – less than a billionth of a second – and then look over the next 10- or 20-billionths of a second after the light goes in to see when the light comes out.

"To be able to interact with two research universities and small business, boy, that just doesn't happen very often."

"That type of measurement is of great interest," Gillispie explains. "Until recently, it has been a very difficult measurement to obtain."

The practical value of this to the medical and biomedical research communities is the ability to collect more data in less time in a more cost-effective and user-friendly manner.

Gillispie and Gonnella foresee the day when an instrument in a doctor's office or a clinic could be used to quickly and cheaply analyze the DNA in samples of blood, saliva and urine or a cheek swab. Cancer detection and testing the effectiveness of new drugs are also possibilities, they say.

"Eventually, a physician will be able to run tests in the office and make rational decisions on what drug to prescribe," Gillispie says. "For example, if

(Mayville State, continued on back page)

IN THIS ISSUE:

Bull Bennett: Tribal college science
George Bilski: Biology core education
External Advisory Committee visits ND
How to cite North Dakota INBRE

Bachelor of Science in Business Administration

Lake Region STATE COLLEGE

Mayville State University

Earn a four-year degree at Lake Region State College!

Through a collaborative effort by Lake Region State College and Mayville State University, a Bachelor of Science degree in Business Administration can be earned in a non-traditional format. Place-bound students will benefit by being able to remain in their current home and employment. Travel expenses and time away from families will be minimized.

This access to a four-year degree opens doors to exciting career opportunities.

DEGREE

The degree is a Bachelor of Science consisting of 120 semester credits, which includes courses in general education, a major, and two specializations.

THE PROGRAM

The courses necessary for the Bachelor of Science in Business Administration degree include 300- and 400-level classes in marketing and management, electronic spreadsheets and databases, finance and statistics, communication, and law. These courses will complement 100- and 200-level courses in general education as well as business. Typically students will take the 100- and 200-level courses at Lake Region State College or another two-year institution while pursuing an Associate in Arts or Associate in Science degree.

Three hundred- and 400-level classes are offered by Mayville State University on the Lake Region State College campus each semester.

Lake Region State College	**Devils Lake, ND**	**1-800-443-1313**
Mayville State University	**Mayville, ND**	**1-800-437-4104**



First program graduates from May 2003.

Program objectives are as follows:

- Serve the advanced educational needs of students who have earned Associate in Arts and Science degrees.
- Serve non-traditional, place-bound students.
- Assure smooth articulation.
- Assist in job progression and life-long learning.
- Collaborate with another educational institution to gain efficiencies in preparing employees capable of impacting the state economy.
- Extend the mission of technology-enriched education.

Lake Region State and Mayville State are working together to give students opportunities to build bright futures.

The collaborative arrangement will increase access and convenience to students in the region. Some of the courses will be delivered over the Interactive Video Network system. This means that student groups from two campuses will be utilizing the services of one instructor.

FACILITY RESOURCES

Business administration students can take advantage of libraries on both campuses. The libraries are equipped with online capabilities and the ability to share hard copy documents quickly. Existing articulation efforts between the two campuses have allowed the creation of textbook delivery methods, registration procedures, financial aid procedures, and ways to ensure student services.

Lake Region State College's fully networked computer system and several large computer labs allow students to study, write, research, check e-mail, and surf the Web.

Mayville State University recognizes the importance of technology in today's world and wants to ensure that baccalaureate graduates of the institution have the technological knowledge and skills necessary to compete effectively. Leasing a laptop computer from Mayville State University is a requirement of the program. This feature of the program facilitates a more conducive learning environment as professors use the laptop as a teaching and learning tool.

COOPERATIVE EDUCATION

Today's employers place a strong emphasis on relevant work experience. Mayville State University's Cooperative Education Program provides an excellent opportunity for students to gain valuable hands-on work experience coupled with a paycheck and academic credit for the work completed during an internship.

PROGRAM PLACEMENT

Mayville State currently has a placement rate of 100% in its Business Administration program. Local and regional demand remains high. Graduates of this program are prepared not only to take higher level jobs in the area, but also to become self-employed through entrepreneurial ventures.

GRADUATION REQUIREMENTS

- According to the North Dakota University System transfer agreement, students that complete Lake Region State College general education requirements are considered to have met all of Mayville State University general education requirements.
- A transfer student from a two-year institution must earn a minimum of 42 semester hours from a 4-year institution in order to be granted a four-year degree.
- At least 42 semester hours must be completed at the 300- and 400-course level.
- Transfer students must complete approximately one-fourth of their major and specialization course work while enrolled with Mayville State University.
- A degree is granted only to students who have enrolled with Mayville State University for two consecutive semesters and who have earned at least 30 semester hours with Mayville State University.
- Candidates must earn at least a 2.0 GPA for each major and minor field of study as well as any concentration or specialization area granted.
- Candidates must earn at least a 2.0 GPA in general education course requirements.
- No more than one-eighth of the total number of credits required for completion of a curriculum may be earned through correspondence study.

ASSOCIATE IN ARTS DEGREE

Student must complete the general education requirements listed.

Communication Skills **9**

English 110, 120, 125, Communications 110

Arts and Humanities* **9**

Art, English (other than 100,105, 110, 120, 125), History, Language, Music, Philosophy, Theatre, and Communications (other than 110)

Social Sciences* **9**

Criminal Justice 201 & 271, Economics, Political Science, Psychology, Sociology, Social Work 256, 257

Math, Science, & Computer Science** **10**

Astronomy, Biology, Science, Chemistry, Geology, Nutrition 240, Pharmacology 215, Physics, Mathematics 103 or higher, Computer Science 101, Business Office Technology 127, Computer Information Systems 104, 105, 161, or 162

Physical Education **2**

Health Physical Education & Recreation 100, 101, 102, 208, 210, 217

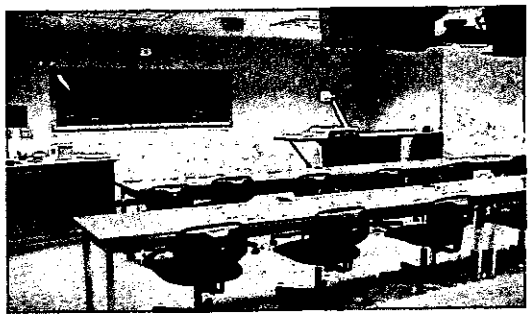
Students are required to take courses in a minimum of 2 departments for credits in Arts and Humanities, Social Sciences, and Mathematics, Science, and Computer Science.

***Lake Region State College requires 4 semester hours of lab science for Science, Mathematics, and Computer Science credits.*

ECON 201 & 202, Micro I & II are pre-requisites for Bachelor of Science in Business Administration.

COURSES REQUIRED FOR THE BACHELOR OF SCIENCE DEGREE IN BUSINESS

•	ACCT 200	Elements of Accounting I 3
•	ACCT 201	Elements of Accounting II 3
	ACCT 209	Concepts of Managerial Acct..2
•	BADM 301	Principles of Marketing.....3
•	BADM 302	Principles of Management 3
	BOTE 347	Computer Apps in Business....3
	BUSN 323	Corporation Finance.....3
•	BUSN 334	Business Communication.....3
•	BUSN 336	Applied Statistics 3
•	BUSN 341	Business Law I 3
	BUSN 418	Operations Management 3
	BUSN 455	Business Policies.....3



- *An articulation agreement between Mayville State University and Lake Region State College allows comparable 100- and 200-level courses offered at Lake Region State College to meet this core requirement.*

Degree seekers must also complete two of the four specialized areas below.

Accounting: (14 Credits)

ACCT 300	Intermediate Accounting I 4
ACCT 301	Intermediate Accounting II 4
ACCT 305	Cost Accounting I 3
ACCT 306	Cost Accounting II 3

Management: (12 Credits)

BUSN 340	Project Management 3
BUSN 351	Human Resource Management 3
BUSN 415	Management Science 3
BUSN 429	Advanced Marketing Management 3

Marketing: (12 Credits)

BUSN 308	Retailing 3
BUSN 318	Advertising & Promotion Mgmt 3
BUSN 423	Consumer Behavior 3
BUSN 429	Advanced Marketing Management ... 3

Cooperative Education/Internship: (12 Credits)

Supervised Work Experience	 9
Approved BUSN Elective	 3

LAKE REGION STATE FACTS:

Enrollment: Approximately 1,500 full and part-time students

Tuition & Fees: $121 per credit

(All students pay in-state rate)

Calendar: Semester System

Student/Faculty Ratio: 16 to 1

Student/Computer Ratio: 4 to 1 (12 labs)

Financial Aid: Over 90% of the students receive some sort of financial aid

Accreditation: Lake Region State College is accredited by the Higher Learning Commission of the North Central Association of Colleges and Secondary Schools.

MAYVILLE STATE FACTS:

Enrollment: 815 full and part-time students

Tuition & Fees: $153 per credit

(Laptop fee $150 per semester)

Calendar: Semester System

Student/Faculty Ratio: 15 to 1

Student/Computer Ratio: 1 to 1 (Every student is equipped with a notebook computer)

Financial Aid: 85% of our students receive some sort of financial aid

Accreditation: Mayville State University is accredited by the Higher Learning Commission of the North Central Association of Colleges and Secondary Schools

OTHER FACTS:

- Lake Region State College has computer labs open until 10 p.m. and a library lab open 24 hours a day. Lake Region area students can get direct access from the residence halls. Off-campus students also may receive direct internet access from home.
- Multi-media equipment and Interactive Video Network is available to enhance course delivery.
- Mayville State University and Lake Region State College both have Interactive Video Network classrooms.
- The Lake Region area has businesses available for internship experience.
- Regional library holdings are available through ODIN and other services. Both campuses have library materials available to students.
- Registrars, financial aid directors, and student services directors from both campuses will work with their respective counterparts to deliver superb quality services.
- A representative of Mayville State is available on the Lake Region State campus to answer questions about the program.

Lake Region State College

Admissions

1801 College Drive N

Devils Lake, ND 58301-1598

Fax: 701-662-1570

E-Mail: lrsc.admissions@lrsc.nodak.edu

Web site: www.lrsc.nodak.edu

Mayville State University

Office of Worldwide Learning

330 Third Street NE

Mayville, ND 58257-1299

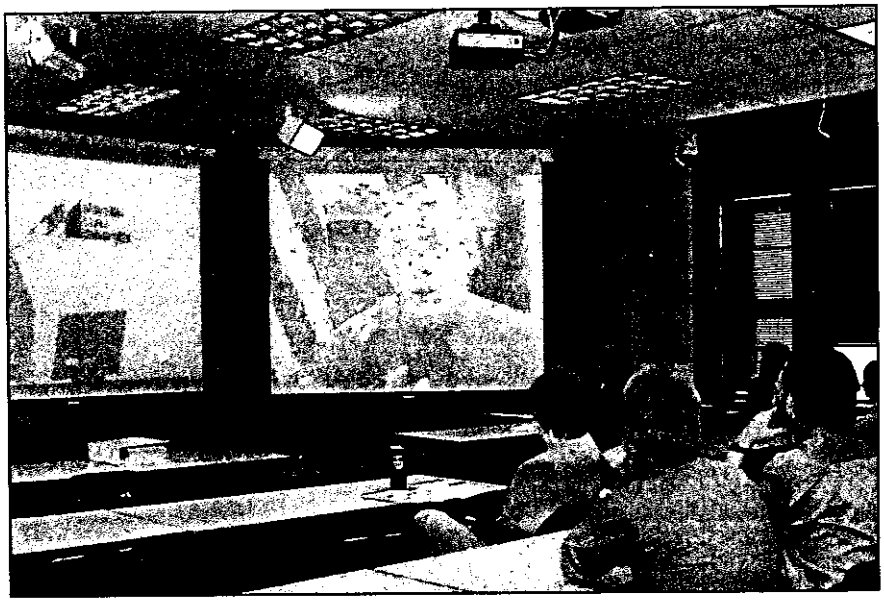
1-800-437-4104 or 701-788-4667

Fax: 701-788-4748

E-Mail: owl@mayvillestate.edu

Web site: www.mayvillestate.edu/owl

2005-2007 Budget Highlights & Priorities



Mayville State hosted INBRE grant media announcement day.

NDUS Campuses and Medical School			
Summary of Changes from 2003-05 Legislative Appropriation to Executive Recommendation, Engrossed SB2003 and Requested House Version			
	Mayville State University		
	General Fund	**Other Funds**	**Total**
2003-05 Original Appropriation	**$ 8,866,924**	**$ 5,505,000**	**$ 14,371,924**
Base Adjustments	**(50,000)**	**(5,505,000)**	**(5,555,000)**
2003-05 Adjusted Appropriation (Net of Base Adj)	**8,816,924**	**-**	**8,816,924**
Executive Recommendation Adjustments:			
Decrease Extraordinary Repairs Base Funding	(5,595)		(5,595)
Campus Parity and Equity:			
Campus Parity (73.1% of State Share)	409,157		409,157
Campus Equity			-
Subtotal Campus Parity and Equity	409,157	-	409,157
Allocation to NDUS Campus Operations Pool	(9,011,492)		(9,011,492)
Allocation to NDUS Conting/Extraordinary Repairs Pool	(208,994)		(208,994)
Capital Projects Funded		1,500,000	1,500,000
Subtotal-Adjustments per Executive Recommendation	**(8,816,924)**	**1,500,000**	**(7,316,924)**
Executive Budget Recommendation	**-**	**1,500,000**	**1,500,000**
Senate Adjustments:			
Allocation from NDUS Campus Operations Pool	9,011,492		9,011,492
Allocation from NDUS Conting/Extraordinary Repairs Pool	208,994		208,994
Adjust Funding for Major Capital Projects			-
Subtotal-Senate Adjustments	9,220,486	-	9,220,486
Engrossed SB 2003	9,220,486	1,500,000	10,720,486
Engrossed SB 2003 Compared to 2003-05 Adj Approp	**403,562**	**1,500,000**	**1,903,562**
Restoration Request:			
Additional Parity (Increases state share to 85.8%)	71,226		71,226
Additional Equity			-
Subtotal-Restoration Request	71,226	-	71,226
House Requested Version*	**$ 9,291,712**	**$ 1,500,000**	**$ 10,791,712**
*In addition, it is requested that at least a 21% portion of any additional state revenues, resulting from the potentially improved March revenue forecasts, be allocated to the NDUS and used to address deferred maintenance (i.e. extraordinary repairs) needs at the campuses.			

Capital Asset Base

Extraordinary Repairs

2003-05	$214,589
Base adjustment	($5,595)
2005-07 *(reflecting Senate adjustments)*	$208,994

(special assessment payments in 2005-07 total $94,970)

Schedule of Maturities of Special Assessments June 30, 2004			
Fiscal Year	**Principal**	**Interest**	**Total**
2005	$ 28,899	$ 20,320	$ 49,219
2006	$ 28,899	$ 19,164	$ 48,063
2007	$ 28,899	$ 18,008	$ 46,907
2008	$ 28,899	$ 16,852	$ 45,751
2009	$ 28,899	$ 15,696	$ 44,595
2010-2014	$ 144,496	$ 61,141	$ 205,637
2015-2019	$ 144,496	$ 32,241	$ 176,737
2020-2024	$ 74,510	$ 5,473	$ 79,983
Totals	**$ 507,997**	**$ 188,895**	**$ 696,892**

Capital Asset Base

Extraordinary Repairs

Main Building roof replacement - approximately $140,000 to $150,000

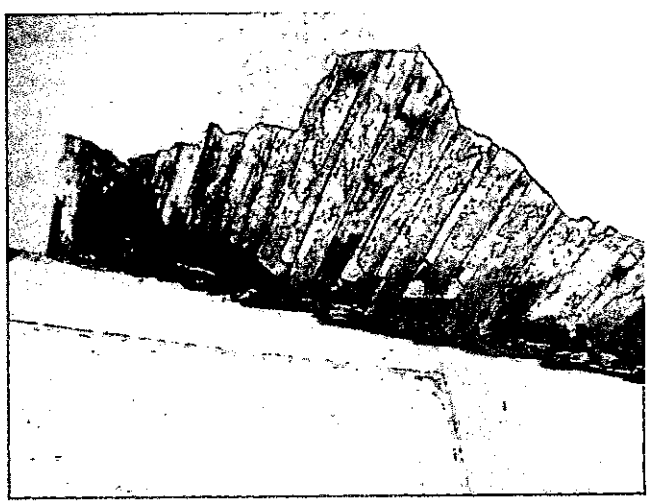
The following pictures are typical of the continued deterioration of the upper levels of Old Main building, caused by the condition of the roof. Target Roofing was consulted on repairing the roof. We were advised that the roof is beyond repair. The shingles are curling, the valleys are in need of replacement, and the flat portions of the roof need to be replaced to do a proper job of resealing the roof.

The photos below are from offices 321 and 320, respectively. A professor recently vacated office 321 because of his concerns with mold growing on the walls. Note – the pipe you see in the picture is not leaking. The moisture that caused this plaster deterioration is coming from a leak in one of the many valleys in the roof. The second photo shows the closet of office 320. The professor that occupies this office has also expressed concerns about the leaking, mold and mildew.

Old Main Faculty office 321



Old Main Faculty office 320



Extraordinary Repairs – Old Main Roof

These pictures of the fourth floor are representative of the damage and resulting mold in the upper levels of Old Main.





Summary of Major Capital Projects

Fieldhouse entrance,
concessions and restrooms **$1,000,000**

This project includes building a more spacious entrance and lobby area which will include a larger, more convenient concession stand and larger restrooms.

Outdoor athletic complex **$500,000**

This project provides a concession/restroom facility to be centrally located within the Al Meyer Sports Complex. The facility will house a concession area, ticket booth, and restrooms, as well as areas for hospitality and storage.

Total special funds appropriation **$1,500,000**

Estimated Tuition Increase for 2005-2007 Mayville State University

- 8.0 – 9.5% tuition increase

- Actual tuition increases will be influenced by legislative funding, overall increases in campus operating expenses including utilities, campus program expansion costs in psychology and CIS, and enrollment numbers.

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NORTH DAKOTA UNIVERSITY SYSTEM
REPORT OF CONTINUING APPROPRIATIONS - Revised 1/26/05
Mayville State University

1999-01

	Beginning Balance	Revenue	Expenditures	Net Additions/ Deductions/ Transfers	Ending Balance
Auxiliary Services	394,500	2,899,900	2,988,900	(61,100)	244,400
Tuition Collections	33,300	2,788,500	165,500	(2,632,600)	23,700
Other Unrestricted	61,700	2,763,300	2,198,500	(501,100)	125,400
Scholarships & Fellowships	4,400	1,617,000	1,659,700	42,000	3,700
Grants & Contracts	8,800	2,055,000	1,949,900	(72,300)	41,500
Loan Funds	738,600	39,400	21,300	-	756,800
Plant Funds	179,100	59,500	119,100	63,500	182,900
Endowment Funds	25,200	-	-	(7,600)	17,600

2001-03

	Beginning Balance	Revenue	Expenditures	Net Additions/ Deductions/ Transfers	Ending Balance
Auxiliary Services	244,400	2,868,600	3,034,200	(37,400)	41,400
Tuition Collections	23,700	2,982,300	214,900	(2,817,100)	(26,000)
Other Unrestricted	125,400	3,090,800	2,669,200	(430,500)	116,500
Scholarships & Fellowships	3,700	1,802,100	1,814,200	6,000	(2,400)
Grants & Contracts	41,500	3,041,100	2,976,300	(46,200)	60,100
Loan Funds	756,800	54,700	49,600	(6,900)	755,000
Plant Funds	182,900	230,200	1,650,800	1,421,300	183,500
Endowment Funds	17,600	-	-	(100)	17,600

2003-05 Estimate

	Beginning Balance	Revenue	Expenditures	Net Additions/ Deductions/ Transfers	Ending Balance
Auxiliary Services	41,400	3,593,700	3,397,300	(188,000)	49,800
Tuition Collections	(26,000)	4,102,000	443,600	(3,472,500)	159,900
Other Unrestricted	116,500	3,241,400	2,962,100	(228,100)	167,800
Scholarships & Fellowships	(2,400)	2,170,800	2,119,500	-	48,900
Grants & Contracts	60,100	3,221,700	3,136,700	(28,200)	116,900
Loan Funds	755,000	68,300	47,100	22,200	798,300
Plant Funds	183,500	260,600	4,508,100	4,299,400	235,500
Endowment Funds	17,600	-	-	-	17,600

2005-07 Estimate

	Beginning Balance	Revenue	Expenditures	Net Additions/ Deductions/ Transfers	Ending Balance
Auxiliary Services	49,800	3,809,322	3,533,192	(197,400)	128,530
Tuition Collections	159,900	4,348,120	461,344	(3,646,125)	400,551
Other Unrestricted	167,800	3,435,884	3,080,584	(239,505)	283,595
Scholarships & Fellowships	48,900	2,301,048	2,204,280	-	145,668
Grants & Contracts	116,900	3,415,002	3,262,168	(29,610)	240,124
Loan Funds	798,300	72,398	48,984	23,310	845,024
Plant Funds	235,500	276,236	4,688,424	4,514,370	337,682
Endowment Funds	17,600	-	-	-	17,600

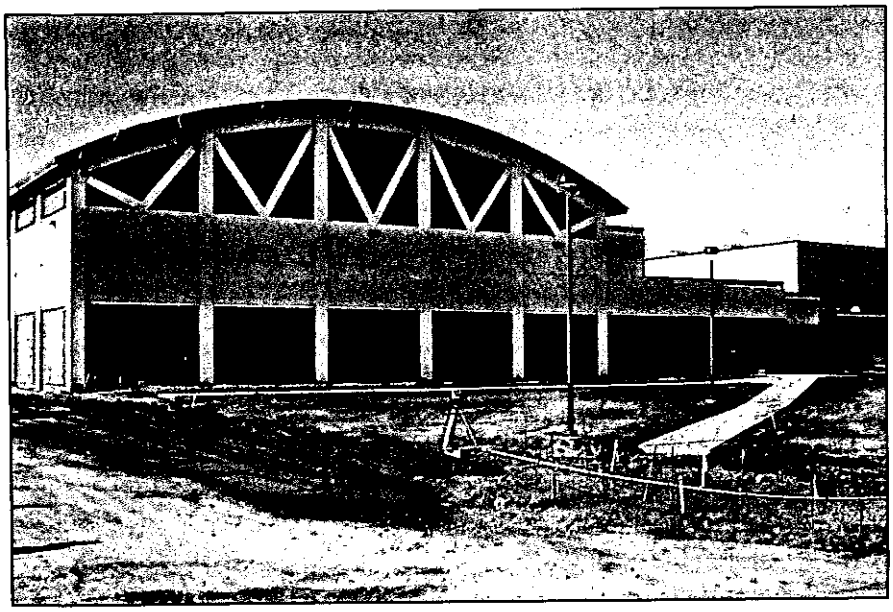
Carryover Reporting 2001-2003

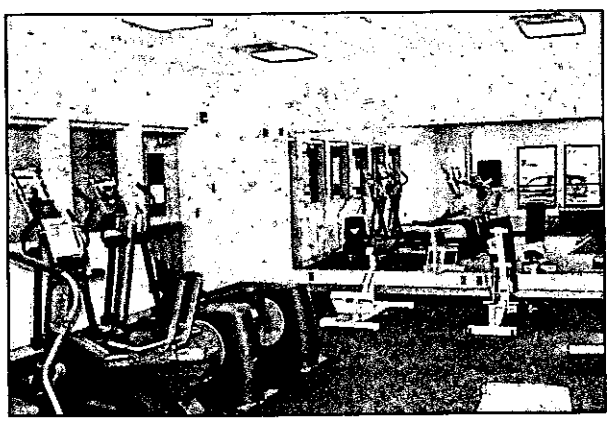
Operations	
General Fund	$42,000
Tuition	$21,120
Capital Projects	
General Fund	$334,322

Operations carryover applied toward July 2004 employee salaries.

Capital projects carryover applied toward the steamline project.

Recent Mayville State University Accomplishments





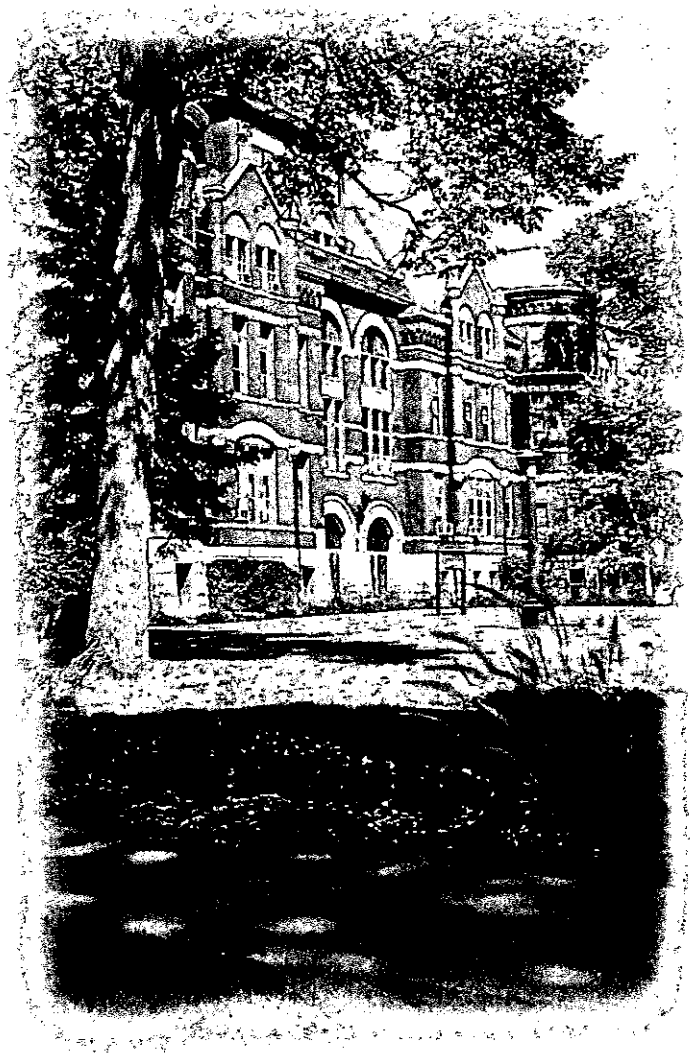
Construction of the Mayville State University Wellness Center was completed in November 2004. This project was funded through the joint efforts of the citizens of Mayville-Portland and the students of Mayville State.

The new wellness center features a workout room as well as a multipurpose gymnasium where patrons can walk and participate in a variety of games.



Mayville State University "At a Glance"

The following brochure was prepared as a snapshot review of Mayville State University. It highlights key facts, costs, student activities, contacts and recent accomplishments.



Fast Fac...

- Fall Semester 2004 Enrollment - 904
- 67 programs of study
- Most popular majors are Education, Business, Computer Information Systems.
- Bachelor's and Associate Degrees and Certificate Programs are offered.
- 15:1 student to faculty ratio
- Average class size is 18 students.

Distance Education

- online courses and programs
- Interactive Video Network (IVN)
- dual credit courses

Accreditation

- Higher Learning Commission of the North Central Association (NCA)
- National Council for the Accreditation of Teacher Education (NCATE)

2004-05 Academic Year Costs*

- Tuition: $3,014
- Fees: $1,469
  (includes $854 to lease a notebook computer)
- Room and Board: $3,508

** North Dakota full-time resident rates; non-resident rates are available at www.mayvillestate.edu.*

Priority Deadlines

- Scholarships: February 1
- FAFSA: March 15
- Admission and Housing have Rolling Deadlines.

Athletics

- NAIA Division II - Dakota Athletic Conference
- Nickname: Comets
- Approximately 25% of all full time students participate in varsity athletics.
- Women's Teams: Volleyball, Basketball, Softball, Soccer, Cheerleading
- Men's Teams: Football, Basketball, Baseball, Soccer

Student Activities

- Intramurals: 12+ sporting activities
- Student Organizations: 19
- Co-Curricular Activities: Choir, Instrumental Ensembles, Yearbook, Drama, Debate, Student Government

MAYVILLE

Campus Contacts ...

Mayville State University
330 Third Street NE
Mayville, ND 58257
1-800-437-4014
www.mayvillestate.edu

President's Office
Pamela Balch
701-788-4754
p_balch@mayvillestate.edu

MSU Foundation
Bill Krivarchka
701-788-4864
alumni_mail@mayvillestate.edu

Enrollment Services
Cherine Heckman
701-788-4842
admit@mayvillestate.edu

Financial Aid
Shirley Hanson
701-788-4767
s_hanson@mayvillestate.edu

Distance Education
Lisa Ziegler
701-788-4667
lisa_ziegler@mayvillestate.edu

Athletic Director
Mike Moore
701-788-4834
m_moore@mayvillestate.edu





Mayville State University

at a glance



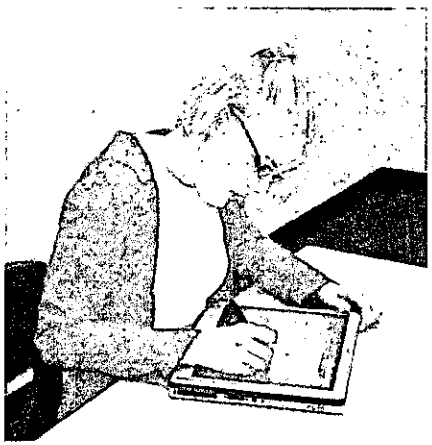
Momentum at Mayville State ...

Mayville State University is bursting with positive energy. Recent history shows many wonderful additions and changes at the institution, and the momentum continues to build.

- **Record Enrollment**
  Fall 2004 enrollment was 904, the second-highest enrollment ever at Mayville State. Fall 1969 enrollment was 924. Mayville State has had a 21% increase in enrollment in the past two years.

- ***Princeton Review***
  The Princeton Review has named Mayville State University "A Best Midwestern College" for 2004 and 2005.

- **Tablet PCs**
  In the summer of 2004, Mayville State became the first Tablet PC campus in the nation. This is one of the ways in which Mayville State is helping to enhance learning experiences for students by providing them with the opportunity to use cutting-edge technology.



- **Wireless Campus**
  Mayville State University became a wireless campus in the fall of 2004. This move provides big advantages for Mayville State students, faculty, and staff in terms of making the best technology more accessible and convenient. Access to the internet and the campus network is available without having to "plug in" to hard wired and electrical connections.

- **Music**
  Music is making a comeback on the Mayville State campus. A full-time associate professor of music has been hired and a concert choir is active. A woodwind ensemble was formed in the fall of 2004 and plans to reinstate a concert band and stage band are underway. Private donors have recently made significant financial contributions in support of music at Mayville State.

- **MSU Foundation Board of Directors**
  Mayville State has completely overhauled the MSU Foundation, and now has a board of 25 members with new vision and new strategies for acquiring financial support.

- **Bequest**
  Mayville State was named the recipient of a half-million-dollar bequest from the estate of Marian Munson late in 2003. Interest from this endowment will be used for academic scholarships for students.

- **Lewy Lee Fieldhouse Renovation & Wellness Center**
  The team spirit of many individuals and groups contributed to a Lewy Lee Fieldhouse renovation and expansion project. Renovation work included installation of a new wood arena floor, sound system, scoreboards and bleachers, replacement of classroom windows, hazardous material abatement, painting, and meeting ADA compliance. This work was completed in 2003. The second phase of the project, the addition of a wellness center, was completed in November of 2004. These projects were funded through the joint efforts of the citizens of Mayville-Portland and the students of Mayville State. On April 29, 2003 voters in Mayville and Portland, ND, approved a 1% city sales tax by an overwhelming margin, and the MSU Student Senate approved a $100 per year student fee to be used toward the Fieldhouse project and other facilities improvements. The Student Senate has recently approved a $100 per year student fee to cover Wellness Center membership fees for students.

- **Biomedical Research Program**
  Mayville State University will receive nearly one million dollars over the next five years from a National Institutes of Health (NIH) program to conduct biomedical research. It is part of $16.3 million North Dakota will receive over five years during the second phase of an NIH program aimed at making the state more competitive in attracting federal funds for biomedical research.

- **Psychology Degree**
  In the summer of 2004, the State Board of Higher Education gave Mayville State the approval to offer the Bachelor of Arts in Applied Psychology degree.

- **Partnerships with LRSC**
  Mayville State delivers its four-year business administration degree program to the campus of Lake Region State College, Devils Lake, ND. As a first step toward offering the elementary education program on the LRSC campus, Mayville State will begin offering elementary education classes at Lake Region in the fall of 2005. A half-time distance education program coordinator whose office is at LRSC has been hired.

- **Soccer**
  Soccer for men and women debuted as a new intercollegiate sport at Mayville State University in the fall of 2004. This activity has brought a number of students from all over the world to the Mayville State campus. A soccer field is currently under construction on the Mayville State campus.



- **Food Service**
  Mayville State established its own food service department in the fall of 2004, after years of contracting that service with other providers. This has been a very welcome change for the MSU students and community.

- **Early Childhood Education**
  In the fall of 2004, Mayville State began offering a four-year bachelor of arts degree in early childhood education.

- **Comprehensive Child Development Programs**
  Mayville State is North Dakota's only institution of higher education that provides a comprehensive child development program, offering Early Head Start, Head Start, Even Start, child care, and after school programming to clients in five counties, ages birth to 13, and pregnant women. These programs have received more than $1.5 million in grants in the past year.

- **Heart of the Valley Consortium**
  Mayville State was a key player in establishing the Heart of the Valley Interactive Video Network Consortium, a K-12 consortium made up of MSU plus 19 high schools and one vocational center. The consortium covers an eight-county area, more than 12,000 square miles. By utilizing state of the art telecommunications technology and a common schedule, students can enroll in classes from other schools. Mayville State provides opportunities for secondary students to take dual credit classes in English and mathematics. Activities of the HOV-ITV are coordinated by Mayville State University.

- **Traill County Technology Center**
  The Traill County Technology Center is housed in West Hall and Berg Hall on the MSU campus. The Center provides business incubator space and information technology training.

Major Accomplishments, 2003-2004

- The Information Technology Certificate was updated and specific performance objectives and requirements were added. Every Mayville State University graduate will earn this specialized certificate.

- A General Education task force completed the most significant changes to the General Education program in 30 years.

- Federal No Child Left Behind legislation was accommodated. All standards were met and majors were streamlined so that students may earn a double major in four years while enrolling in an average of 17 credits per semester.

- Mayville State's remote site in Lake Region has been accredited through NCA and service to students has been improved. A new half-time staff member has been hired and will work from the LRSC campus. Mayville State students at LRSC now also have laptop computers. This collaborative effort is a "win-win" for both campuses.

- Mayville State University will receive nearly one million dollars over the next five years from the National Institutes of Health (NIH) as part of the INBRE program to conduct biomedical research.

- An academic "think tank" was convened for the purpose of laying the foundation for new majors. Geography, history, and applied psychology majors were added.

- The four-year early childhood education major was approved for distance delivery.

Major Accomplishments, 2003-2004

- Comprehensive proposals for a "Early Learning Economic Development Center" and a "Center for Rural Business Development" were developed and presented to Governor Hoeven and staff for consideration.

- A successful collaborative grant for city strategic planning was written for the May-Port Economic Development Corporation.

- A new conceptual framework for campus-wide assessment was developed. This plan will satisfy the assessment needs of Mayville State's accreditation agencies.

- Mayville State University staff coordinated the delivery of training for academic advisors through use of the Noel-Levitz Retention Management System as an advising tool.

- The campus converted to a self-operation dining service in fall 2004 after several years of deficit operation in its relationship with an outside vendor.

- Mayville State University became a wireless campus in the fall of 2004.

- The "Building Rural Workforce Opportunities" project, funded through a U.S. Department of Labor grant, is approximately three-quarters completed. The project focus on jobs and workforce development, attempting to increase the likelihood of Mayville State University graduates establishing careers in Traill, Steele, and Griggs Counties.

Major Accomplishments, 2003-2004

- Mayville State University became the "First Tablet PC University in the Nation" with the ubiquitous adoption of the Gateway Tablet PC for students and faculty.

- The Heart of the Valley – Interactive Television Consortium has added two schools (Finley-Sharon and Minto). This brings consortium membership to 21 schools, including Mayville State (see map).

- The missions, strategic plans, by-laws, and organizational structures of the Mayville State University Foundation and its entities, the Alumni Association, M-300 Club, and Comet Athletic Club were revised. A new foundation board was established.

- $287,723 in scholarships was raised.

- News of a half-million-dollar bequest for academic scholarships from the Marion Munson estate was received.

- Fall 2004 enrollment was 904, the second-highest enrollment ever at Mayville State. Fall 1969 enrollment was 924. Enrollment has increase 21% in the past two years.

- Spring 2005 first day enrollment was 10% higher than last year. This is the largest spring enrollment for Mayville State since converting its academic terms from quarters to semesters in 1992. When looking at spring quarters, only one quarter in 1971 exceeded this spring's total.

Major Accomplishments, 2003-2004

- Enrollment Services has been re-organized to include Admissions/Records, Financial Aid, and Enrollment Services under a newly created position of Vice President of Enrollment Management.

- Men's and women's soccer programs were initiated in the fall of 2004.

- Mayville State University's Child Development Programs (CDP) received the Helen Taylor Award for Management Excellence from the Head Start – Johnson and Johnson Management Fellows Program.

- The CDP also received a regional award from the U.S. Department Agriculture in the area of technology development.

- The CDP collaborative outreach is providing comprehensive services to more than 300 children and their families across five counties in rural ND.

- The CDP received over $1 million in grants, the highest ever.

- A half-tuition discount for spouses and children of full-time faculty and staff was implemented in spring 2004.

- The newly constructed Wellness Center is complete and is being used by students, faculty, staff, and community members.

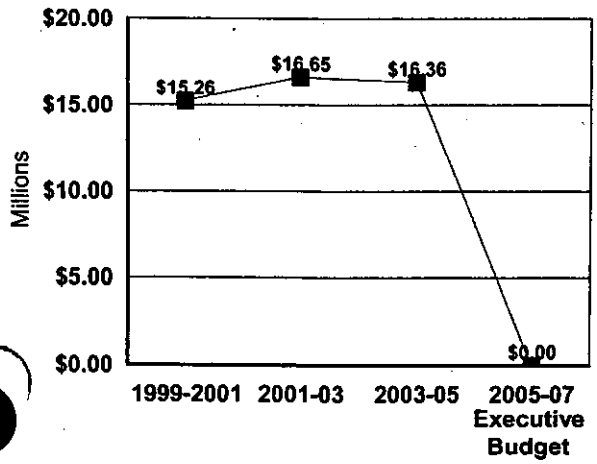
Prepared by the North Dakota Legislative Council staff for House Appropriations
February 25, 2005

Department 227 - Bismarck State College
Senate Bill No. 2003

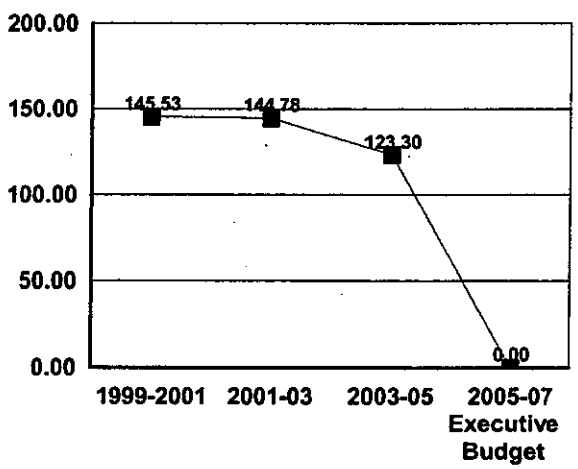
	FTE Positions	General Fund	Other Funds	Total
2005-07 Executive Budget	0.00	$0	$2,302,800	$2,302,800
2003-05 Legislative Appropriations	123.30	16,362,327	1,785,000	18,147,327[1]
Increase (Decrease)	(123.30)	($16,362,327)	$517,800	($15,844,527)

[1]The 2003-05 appropriation amounts do not reflect $24,384 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)

	General Fund	Other Funds	Total
1. Consolidates operations and extraordinary repair funding for all higher education institutions into the University System budget. The Senate appropriated operations and extraordinary repair funding for each of the higher education institutions.	($15,862,327)		($15,862,327)
2. Removes one-time funding provided in the 2003-05 biennium ($1,785,000 for student apartments) and one-time legislative funding ($500,000 for the Career and Technology Institute)	($500,000)	($1,785,000)	($2,285,000)
3. Provides funding for major capital projects for the 2005-07 biennium--student apartments ($1,800,000 revenue bonds) and plant services building ($502,800 special funds). The Senate increased funding for the new residence hall by $1,442,500 from special funds, from $1,800,000 to $3,242,500.		$2,302,800	$2,302,800

Major Related Legislation

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. 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 requirement 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 the 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 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.

Bismarck State College

Testimony for SB2003
ND Senate Appropriations Committee

January 19, 2005

Ron Harper
Chief Executive Officer
Basin Electric Power Cooperative

Dave Farnsworth
Power Generation Leader, Coal Creek Station
Great River Energy

Dr. Donna S. Thigpen
President
Bismarck State College

Dave Clark
Executive Vice President
Bismarck State College

Bismarck State College Overview

Donna S. Thigpen

BSC Vision Statement

BSC, Your Lifetime Link to Learning

BSC at a Glance

- 4th largest credit enrollment in ND University System
- Campus – 107 acres
- Buildings – 9
- Gross square feet – 415,000

Programs

- Transfer
  - Courses for first and second year leading to bachelor's degree
- Technical
  - Career training in more than 30 programs
- Corporate & Continuing Education
  - Workforce training, computer training, professional development, personal enrichment, conferences

BSC Strategic Plan

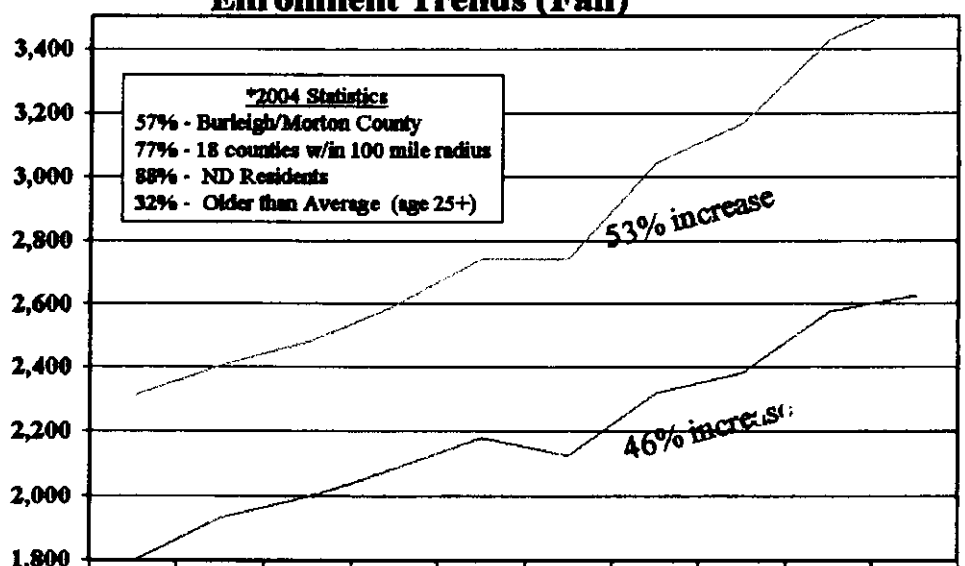
- Integrated with Roundtable Cornerstone goals
- Demonstrates we have met accountability measures
- Done in conjunction with University System requirements for campus alignment
- Linked to BSC's Learning First strategic directions

Enrollment Information

- Headcount enrollment Fall 04 – 3,546
  - Increase of 53% since Fall 1995 – 1,233 students
- FTE enrollment Fall 04 – 2,625
  - Increase of 46% since Fall 1995 – 830 students

- Enrollment numbers do not include 835 students on campus through collaborative programs
  - Bismarck Public Schools - 425
  - Dickinson State University - 184
  - Minot State University - 142
  - Minot State U-Bottineau - 15
  - University of North Dakota - 57
  - Williston State College - 12

Bismarck State College
Enrollment Trends (Fall)

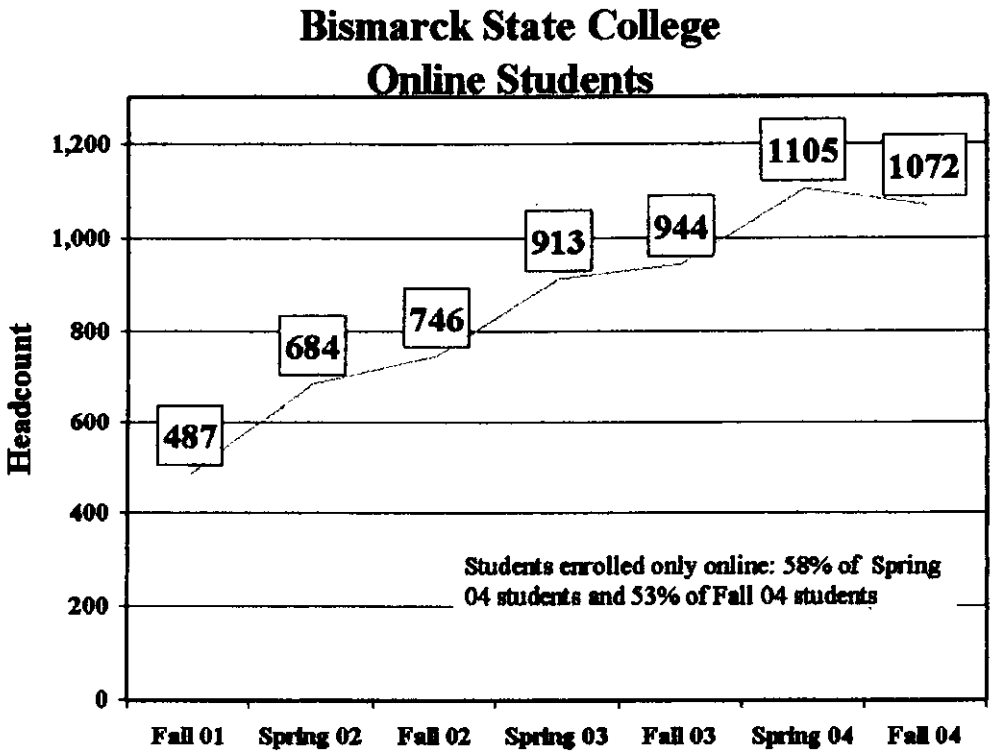


	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004*
····Headcount	2,313	2,406	2,481	2,594	2,743	2,744	3,044	3168	3430	3546
—FTE	1,795	1,932	2,001	2,082	2,181	2,126	2,320	2384	2575	2625

Online Enrollment Information

- Five energy education programs (Fall 04)
  - 354 students from 46 states
  - 260 students from out of state

- Other online programs and courses
  - Criminal Justice
  - Information Processing Specialist
  - Human Services
  - General education classes



Corporate & Continuing Education

- Nearly 28,000 people served in FY2004
  - Workforce training for business and industry
    - 2,358 individuals from 246 businesses in Southwest Workforce Training Region received training in FY04
    - Additional training requested by 40 businesses
    - 487 training events held
    - 98% of clients served satisfied with training and responsiveness of BSC

Long-term Enrollment Plans

- Use external environmental scanning and strategic planning to determine new programs
- Continue to develop new programs based on industry need
- Anticipate growth in online learning, especially with our energy programs
- These measures should result in stable or slightly increased enrollment
- Goal is 4,500 total enrollment by 2010

New Program Development

- Partnering arrangements are becoming the norm for development and delivery
- Changes in technology and emergence of new occupations demand that BSC respond quickly to industry needs
- Programs being developed that need further study and identification of start-up funds
    - Fire Technology
    - Industrial Maintenance
    - Instrumentation and Control
    - Transportation and Supply Chain Management

Growth facts

- From July 1996 to December 2004
    - 243 new positions
      Includes 137 new adjunct faculty
    - 19 new programs
    - New activities that require administrative oversight
        - Assessment
        - Distance education
        - Increased accountability
        - Workforce training
        - Grant writing and federal legislative activities

Comparison with similar institutions

- BSC student/faculty ratio 18:1
    - ND community colleges average 16:1
- BSC student/staff ratio 25:1
    - ND community colleges average 19:1
- Sq ft per FTE student 148
    - ND Community colleges average 345
    - BSC at 43% of community colleges average

- Does not include 835 students on campus through collaborative programs

Space needs related to growth

- Horizon Building
  - Move by three campus divisions to leased space results in staff serving students more effectively in Schafer Hall
  - Offices benefiting from remodeling in Schafer Hall
    - Student Affairs
    - Financial Aid
    - Admissions and Enrollment Services
    - Student Records
  - Long-term lease agreement
  - BSC Foundation has option to purchase below market value
  - Lease agreement for approximately 50% of building
    - BSC, BSC Foundation and Federal grants provide funds to pay lease

- Downtown Bismarck
  - Relocation of Allied Health programs from campus to a remodeled site will result in improved teaching and learning space for six programs
  - These programs started in last five years are spread around campus in inefficient spaces
    - Surgical Technology
    - Paramedic (EMT) Technology
    - Practical Nursing (LPN)
    - Associate Degree Nursing (ADN-RN)
    - Massage Therapy
    - Certified Nursing Assistant
- Benefits of moving Allied Health programs
  - Co-location of programs will bring about efficiencies, equipment sharing, synergy between programs
  - Strengthens partnership with City of Bismarck and their public health unit
  - Helps provide economic development and downtown revitalization
  - Faculty and students will be close to medical facilities for internship and cooperative education opportunities

NDUS Long-Term Finance Plan

- BSC strongly supports the plan
- BSC currently at 44.4% of peer benchmark
  - 2nd lowest in NDUS

- Equity distribution provides opportunity for BSC to address budget pressures, design new programs requested by industry, and attract world-class talent with more competitive salaries
- BSC would use additional funds to improve access to services by students and increase number of full-time faculty
  - BSC student to staff ratio is higher than other N.D. community colleges
  - Percentage of full-time faculty has decreased from 90 to 60 percent in past several years

BSC Center of Excellence – National Energy Center

- BSC supports Gov. Hoeven's concept of Centers of Excellence
- BSC received $500,000 in funding from 2003 Legislature for the BSC National Energy Center
- Provides economic development for state of North Dakota
- BSC has direct partnerships with 26 of largest energy companies in the U.S.

Accomplishments Cornerstone 1 Economic Development

- Increased Primary Sector Income
  - Out-of-state students in five online energy technology programs
  - New grants starting in 03-04
    - NSF for nuclear power technology - $750,000
    - NSF for Web lab - $70,500
    - Qwest for telecommunications equipment - $15,600
    - U.S. Department of Labor earmark - $297,000
    - U.S. Department of Commerce EDA grant - $1,500,000
- Other economic development activities
  - BSC doing business with 246 businesses
    - 45 are "wealth building" companies in the region
  - Training contracts
    - Power companies
    - OSHA Consultation Service
    - N.D. Tourism
  - Partnerships with Bismarck, Mandan and Dickinson
- Workforce Training Initiative

- 246 businesses received training in FY2004
  - Revenues exceeded $440,000
  - Additional training requested by 40 businesses
  - 98% of clients satisfied with training and responsiveness of BSC staff

Accomplishments Cornerstone 2
Education Excellence

- Developed new programs
  - Human Services
  - Electric Power Technology
  - Nuclear Power Technology
  - Associate Degree Nursing (ADN-RN)
  - Practical Nursing
  - Paraeducation
  - Mass Communications
- Surgical Technology program received National Merit Award for 100% pass rate on National Certification Exam in '03 and '04
- Two students received 1st and 2nd place awards in National SkillsUSA electronics contests
- Provide students and employees with access to latest technology
  - All faculty use laptop computers
  - More than 40 "smart classrooms" with latest technical capabilities
  - Off-campus Lineworker program has wireless network
- North Central Association accrediting agency approved progress report on 4-year plan for assessment of general education

Accomplishments Cornerstone 3
Flexible & Responsive System

- Offering five programs through partnerships with energy industry to help meet demand for multi-skilled technicians
- Creating new programs requested by industry
  - Industrial Maintenance
  - Instrumentation and Control
  - Transportation and Supply Chain Management
- New program in Paraeducation developed in collaboration with other two-year colleges
- Evening credit classes being offered in Mandan through a partnership with City of Mandan
- Paramedic (EMT) Technology program available in Rugby via Interactive Video Network

Accomplishments Cornerstone 4
Accessible System

- Minorities counselor position filled and multicultural program office established
- BSC received an NSF grant that provides scholarships designed for minority students studying computer science, math, and engineering technology
- BSC continues to expand online classes and programs
- Collaborative/Cooperative Programs
  - UND Graduate Programs (57 students)
  - Minot State University - Bachelor Degrees (142 students)
  - Dickinson State University - Bachelor Degrees (184 students)
  - Williston State College - Massage Therapy (13 students)
  - MSU-Bottineau - Medical Assistant (12 students)
  - Bismarck Public Schools (425 students)

Accomplishments Cornerstone 5
Funding & Rewards

- Over $1.4 million in new grants awarded in 2003-04
  - Majority of funds from National Science Foundation and U.S. Department of Labor
- $9.5 million raised for capital campaign for Career and Technology Institute
- BSC Foundation (FY04)
  - Scholarships - $175,000
  - Grants - $273,400
  - Staff and college development and awards - $27,400

Accomplishments Cornerstone 6
Sustaining the Vision

- BSC is committed to fulfilling our obligation to meet the goals and objectives of the Roundtable
- BSC participates in and supports the ongoing activities of the Roundtable, and strives to fully implement the cornerstones of the Roundtable

Bismarck State College Budget Presentation

Dave Clark

2005-07 Capital Projects
Priority #1

- Career and Technology Institute
  - National Energy Center, Higher Education Center, Workforce Training Center
  - Availability of funding will determine size and cost
  - At time budget was submitted, plans called for 70,000 sq ft of new construction at cost of $12.7 million
  - Funding sources include business and industry donations, and federal, state and local grants funds, resulting in cash and pledges of over $9.5 million to date
    - Basin Electric provided lead gift of $2 million
    - Great River Energy provided gift of $1 million
    - EDA federal funds provided investment of $1.5 million
    - City of Bismarck land transfer valued at $1.2 million

Career & Technology Institute
Component 1
National Energy Center – BSC's Center of Excellence

- Primary sector economic development
  - Out-of-state students – FY04 revenues in excess of $1.6 million
- Industry-experienced faculty includes instructors and program developers
  - Nearly 100 full- and part-time employees working on energy programs
  - Nearly 500 students enrolled in Energy Technology programs
- Federal and private foundation grant opportunities
- Direct partnerships with 26 of the largest energy companies in U.S.

Career & Technology Institute
Component 2
Higher Education Center

- Collaborative programs
  - UND, MSU, DSU, Bottineau, Williston
- 4-year public education opportunities
- Administrative and academic efficiencies

Career & Technology Institute
Component 3
Workforce Training Center

- Expand customized training opportunities
- Business incubation

2005-07 Capital Projects
Priority #2

- New Residence Hall
  - Request approval of amendments to SB2003 presented by NDUS System Office
  - Request total budget authority of $5,027,500, to include funding sources of $4,402,500 in revenue bonds and $625,000 in auxiliary reserves
  - Residence hall will provide housing for 120 students, four student resident assistants and one housing director
  - Debt service on Werner Hall and Swensen Hall paid off in 2004
  - Werner Hall is 40 years old and beyond additional renovation and repairs to provide comfortable living environment
  - Demand for on-campus housing exceeds supply

Bismarck State College

Status of 2003-05 Budget
As of December, 2004

	Original 2003-05 Appr.	2003-05 Adjustments	Adjusted 2003-05 Appr.
Operations	$16,112,327	($350,000)[1]	$15,762,327
Capital Assets	2,035,000	$524,384[2]	2,559,384
Total	$18,147,327	$174,384	$18,321,711
Less:			
Revenue Bonds-St. Apts	($1,785,000)		($1,785,000)
General Fund	$16,362,327	$174,384	$16,536,711
Estimated 2003-05 Tuition/Other Income	$11,354,200	$1,385,500[3]	$12,739,700

[1]Adjustments Include:

Add $150,000 Transfer from NDUS Board Initiative Pool
Deduct ($500,000) Transfer to Capital Assets for Career & Technology Institute
($350,000)

[2]Adjustments Include:

Add $500,000 Transfer from Capital Assets for Career & Technology Institute
Add $ 24,384 Capital Improvement Carryover
$524,384

[3]Adjustments Include:

Add $845,500 Enrollment growth
Add $540,000 Additional costs associated with enrollment growth & space needs
$1,385,500

Bismarck State College
2005-07 Budget Request
Critical Budget Issues

Enrollment Growth/Space Needs

Bismarck State College has experienced a 53% increase in students in the past nine years. This past fall we served 3,546 students. This is an increase of 1,233 students since 1995. In addition, there are 835 other graduate, baccalaureate and secondary students being served on campus through cooperative programs with the NDUS and the Bismarck School District. Thus, in reality we are serving a student enrollment of over 4,300.

BSC has added 19 new programs in the past nine years and 243 part and full-time positions to facilitate this growth. Education and support activities occur in space that is significantly below average for a school our size.

There are a number of activities required today that have a need for administrative oversight, staff and space which were not part of the BSC service structure a short time ago. These include:

- Assessment
- Distance education
- Accountability measures
- Workforce training
- Grant writing and federal legislative activities

As a result, BSC is leasing space in the Horizon office building which is directly adjacent to the campus north of the Vocational/Technical building. We house our Corporate and Continuing Education and Online Energy Education operations, College Advancement/Foundation activities, OSHA consultation and BSC executive offices in 13,282 sq ft of the Horizon office building. We previously leased about 6,000 sq ft for CCE and College Advancement/Foundation activities.

We also are planning to re-locate our allied health programs to downtown Bismarck. This space would house the following programs:

- Surgical Technology
- Paramedic (EMT) Technology
- Practical Nursing/Associate Degree Nursing
- Massage Therapy
- Certified Nursing Assistant

These programs are currently spread out around campus in less than desirable locations. The space we are looking to lease is 17,500 sq ft. The benefits of moving our allied health programs include:

- Co-location of programs will bring about efficiencies, equipment sharing and synergy between programs
- Strengthens our partnership with the City of Bismarck and their public health unit which will be in the same building
- Helps revitalize downtown Bismarck and provides economic development
- Leaves faculty and students close to downtown medical facilities for internship and cooperative education opportunities.

New Programs

Bismarck State College and the Bismarck/Mandan communities are positioned well for continued growth. Economic development efforts in Bismarck/Mandan will result in expanded opportunities for employment and education and will impact positively on Bismarck State College.

New programs must be developed to meet the needs of a constantly changing society. Existing programs must be updated and reequipped to stay current with business practices. In order to meet the recommendations of the Economic Development and Education Excellence Cornerstones, we are focused, through our strategic planning process, on aligning instructional programs more closely with the needs of the Bismarck/Mandan community and the region we serve.

Some of the fastest growing occupations in ND are in the area of health services. Rural health care facilities are on the decline in both number and services offered. Shortages exist in physicians, physician assistants, nurse practitioners and certified nursing assistants. As our population ages, the need for health care services will increase along with the demand for workers. BSC continues to work closely with the health care industry to provide an educated workforce. The most recent new health care program is the associate degree nursing initiative.

BSC is also working closely with the energy industry. Industry workforce demographic projections indicate significant turnover of staffing the next 5-10 years, without a pool of qualified replacement workers. BSC provides online energy programs to educate and train students working in plant environments and students trying to gain first time employment with the industry. Our latest initiative is the Nuclear Power Technology online program developed in cooperation with the EPCE (Energy Providers Coalition for Education) to provide relevant curriculum input and evaluation. EPCE also partners with BSC on the Electric Power Technology Program.

There are a number of new program requests pending further study and identification of start-up funs. These include programs in Fire Technology, Industrial Maintenance, Instrumentation and Controls, and Supply Chain Management/Logistics.

Partnering arrangements for the development and delivery of programs is rapidly becoming the norm. Initial program development and ongoing curriculum evolution have taken on greater significance than in the past due to rapid changes that are occurring in technology and because of new occupations that are constantly emerging.

Funding

Bismarck State College is currently funded at 44.4% of our peer benchmark average in the NDUS long term finance plan. When you consider a 53% enrollment increase, the addition of 16 new programs and several pending new programs, and lack of space to meet the education and support needs of our students you come to an understanding of the significant pressures on our operating budget.
Bismarck State College strongly supports the NDUS long term finance plan. The long term finance plan currently allocates new funds so that no more than 80% would go to parity (cost to continue operations) and no less than 20% to equity. Due to our current

low benchmark funding level BSC benefits from having more new dollars allocated to equity and less to parity. The budget request and executive budget reflects the 80% to parity, 20% to equity distribution. BSC supports a greater portion of the allocation of new funds to be directed to the equity distribution.

Bismarck State College

Summary of 2005-07 Executive Budget

General Fund

	SBHE 2005-07 Budget Request	Executive Recommendation	Restoration Request
2003-05 Appropriation	$16,362,327	$16,362,327	
Base Adjustment	(500,000)	(500,000)	
2003-05 Adjusted Appropriation	$15,862,327	$15,862,327	
Priority One			
State Linked Budget Priorities			
Campus Parity (80%)[1]	$1,006,022	$910,569	$95,453
Campus Equity (20%)[2]	396,771	359,125	37,646
Capital Assets[3]	29,724	(6,519)	36,243
Total Priority 1	$1,432,517	$1,263,175	$169,342
Subtotal 2003-05 Base Plus Priority 1	$17,294,844	$17,125,502	$169,342
Priority Two			
Funding equivalent to 21% of State revenues			
Campus Parity (80%)[1]	$143,084		$143,084
Campus Equity (20%)[2]	56,432		56,432
	$199,516		$199,516
Subtotal 2003-05 Base Plus Priorities 1 & 2	$17,494,360	$17,125,502	$368,858
Priority Three			
Additional increases to make progress on long range finance plan			
Fund 100% Parity[1]	$96,665		$96,665
4.2% Salary Increase	118,001		118,001
Capital Assets[3]	29,724		29,724
Equity Funds-62.3% of peer benchmark	2,698,121		2,698,121
Total Priority 3	$2,942,511		$2,942,511
Subtotal 2003-05 Base Plus Priorities 1, 2, 3	$20,436,871	$17,125,502	$3,311,369

Bismarck State College

Summary of 2005-07 Executive Budget

General Fund

	SBHE 2005-07 Budget Request	Executive Recommendation	Restoration Request
Priority Four			
Achieve Needs-Based Budget Request			
Equity Funds-85% of peer benchmark[2]	$3,984,952		$3,984,952
Capital Assets[3]	348,887		348,887
Total Priority 4	$4,333,839		$4,333,839
Total General Fund Needs Based Budget Request	$24,770,710	$17,125,502	$7,645,208

[1]BSC requested $1,245,771 for parity which is 75% of total parity cost.

BSC Parity Expense:	
4% & 3% Compensation Package	$1,056,250
Health Insurance Cost Increase	$297,581
Operating Expense inflation (2.2%/Yr)	$257,197
Utility Expense-CTI	$50,000
	$1,661,028
	X 75%
	$1,245,771 General Fund Share

The executive budget funded $910,569 which will put more pressure on tuition increases to fund parity related costs if restoration does not occur.

[2]BSC requested equity funds of $7,136,276 which would provide a funding level that is 85% of our peer benchmark. This equates to our needs based budget request. The executive budget funds $359,125 or 5% of our equity request. This level of equity funding will provide little improvement in our current funding level of 44% of our peer benchmark. Additional equity funding would be used to mitigate the critical budget issues previously addressed.

[3] BSC requested $658,335 for capital assets in our needs based budget request. The executive budget funds $243,481. BSC expends $90,000/bennium on special assessments leaving minimal capital asset funding for a growing campus infrastructure.

NORTH DAKOTA UNIVERSITY SYSTEM
REPORT OF CONTINUING APPROPRIATIONS
Bismarck State College

1999-01

	Beginning Balance	Revenue	Expenditures	Net Additions/ Deductions/ Transfers	Ending Balance
Auxiliary Services	850,600	4,663,700	4,184,500	(307,800)	1,022,000
Tuition Collections	183,700	8,344,100	9,900	(8,344,400)	173,500
Other Unrestricted	1,191,000	4,452,200	3,926,600	(412,300)	1,304,300
Scholarships & Fellowships	1,400	4,133,900	4,189,500	56,600	2,400
Grants & Contracts	32,900	3,252,900	2,977,400	(214,800)	93,400
Loan Funds	503,200	44,900	(18,200)	(4,500)	561,900
Plant Funds	144,400	657,800	1,264,000	677,700	215,900
Endowment Funds	-	-	-	-	-

2001-03

	Beginning Balance	Revenue	Expenditures	Net Additions/ Deductions/ Transfers	Ending Balance
Auxiliary Services	1,022,000	5,064,700	4,592,200	(57,400)	1,437,100
Tuition Collections	173,500	10,046,800	263,400	(9,604,300)	352,700
Other Unrestricted	1,304,300	6,862,000	6,289,500	(352,600)	1,524,200
Scholarships & Fellowships	2,400	5,611,200	5,681,100	70,700	5,700
Grants & Contracts	93,400	3,541,700	3,327,100	(273,300)	32,200
Loan Funds	561,900	44,400	28,600	2,200	579,900
Plant Funds	215,900	432,000	1,992,500	1,582,200	237,600
Endowment Funds	-	-	-	-	-

2003-05 Estimate

	Beginning Balance	Revenue	Expenditures	Net Additions/ Deductions/ Transfers	Ending Balance
Auxiliary Services	1,437,100	5,917,000	5,259,700	(81,500)	2,012,900
Tuition Collections	352,700	12,760,800	5,924,100	(6,567,400)	622,000
Other Unrestricted	1,524,200	8,824,500	9,997,700	(252,000)	99,000
Scholarships & Fellowships	5,700	3,659,600	3,386,700	19,900	298,500
Grants & Contracts	32,200	3,967,400	3,463,200	(96,800)	439,600
Loan Funds	579,900	47,000	5,200	1,200	622,900
Plant Funds	237,600	75,900	237,400	25,000	101,100
Endowment Funds	-	-	-	-	-

2005-07 Estimate

	Beginning Balance	Revenue	Expenditures	Net Additions/ Deductions/ Transfers	Ending Balance
Auxiliary Services	2,012,900	5,917,000	5,680,476	(588,020)	1,661,404
Tuition Collections	622,000	13,781,664	6,398,028	(7,092,792)	912,844
Other Unrestricted	99,000	8,900,000	9,000,000	1,000	-
Scholarships & Fellowships	298,500	3,952,368	3,950,000	21,492	322,360
Grants & Contracts	439,600	4,284,792	3,740,256	(95,000)	889,136
Loan Funds	622,900	47,000	5,616	1,296	665,580
Plant Funds	101,100	75,000	50,000	(125,000)	1,100
Endowment Funds	-	-	-	-	-

A-SB2003

Bismarck State College

Testimony for Engrossed SB2003
ND House Appropriations Education Subcommittee

February 28, 2005



Dr. Donna S. Thigpen
President
Bismarck State College

Dave Clark
Executive Vice President
Bismarck State College

with the exception of these pages, same testimony given to the Senate

BSC Mission/Programmatic Direction

BSC Mission

Bismarck State College, a Learning First college, provides a high quality learning-centered education that maximizes student learning and makes students partners in their education. As a comprehensive community college in the North Dakota University System, Bismarck State College offers broad-ranging, flexible, and innovative educational opportunities. We participate in partnerships that promote economic development, we provide cultural enrichment, and we champion integrity, citizenship, and the improvement of life through lifelong learning.

Vision Statement - BSC, Your Lifetime Link to Learning

Three-pronged approach to implementing mission

- Transfer
  - Courses for first and second year leading to bachelor's degree
- Technical
  - Career training in more than 30 programs
- Corporate & Continuing Education
  - Workforce training, computer training, professional development, personal enrichment, conferences

Campus initiatives to accomplish goals

Space needs related to growth

- Horizon Building
  - Move by three campus divisions to leased space results in staff serving students more effectively in Schafer Hall
  - Offices benefiting from remodeling in Schafer Hall
    - Student Affairs
    - Financial Aid
    - Admissions and Enrollment Services
    - Student Records
  - Long-term lease agreement
  - BSC Foundation has option to purchase below market value
  - Lease agreement for approximately 50% of building
    - BSC, BSC Foundation and Federal grants provide funds to pay lease

- Downtown Bismarck
  - Relocation of Allied Health programs from campus to a remodeled site will result in improved teaching and learning space for six programs
  - These programs started in last five years are spread around campus in inefficient spaces
    - Surgical Technology
    - Paramedic (EMT) Technology
    - Practical Nursing (LPN)
    - Associate Degree Nursing (ADN-RN)
    - Massage Therapy
    - Certified Nursing Assistant
- Benefits of moving Allied Health programs
  - Co-location of programs will bring about efficiencies, equipment sharing, synergy between programs
  - Strengthens partnership with City of Bismarck and their public health unit
  - Helps provide economic development and downtown revitalization
  - Faculty and students will be close to medical facilities for internship and cooperative education opportunities

- Mandan
  - Math, computer science and communications classes offered evenings
  - Provides more convenient access to college credit classes for Mandan and Morton County residents
  - Strengthens partnership with City of Mandan

- BSC needs additional space, or will need to cap enrollment

2005-07 Senate Budget Highlights

Dave Clark

Parity Funding of $910,569

- Parity consists of:

4% and 3% compensation package -	$1,056,250
Health Insurance cost increase	297,581
Operating expense inflation (2.2%/yr)	257,197
Additional utility expense – CTI	50,000
TOTAL	$1,661,028

- This funding level provides 73.1% of state share and 54.8% of overall parity.

Equity Funding of $359,125

- BSC currently funded at 44% of our peer benchmark
- Equity funding of $359,125 equates to 5% of our equity request
- Equity funding is needed to address BSC's growing enrollment and associated space needs. New program start-up costs and recruitment and retention of critical staff are other uses of equity funds.
- BSC would use additional funds to improve access to services by students and increase number of full-time faculty
  - BSC student to staff ratio is higher than other N.D. community colleges
  - Percentage of full-time faculty has decreased from 90 to 60 percent in past several years
- If parity (cost to continue) is not fully funded, it is likely that equity funding would be used to fund parity expenses.

Estimated Tuition Increases in 2005-07

- BSC plans to increase tuition 4-6% if the college does not receive new equity funding in this Legislative session

2005-07 Capital Projects

Priority #1

- Career and Technology Institute
  - National Energy Center, Higher Education Center, Workforce Training Center
  - Availability of funding will determine size and cost
  - At time budget was submitted, plans called for 70,000 sq ft of new construction at cost of $12.7 million

Same as given to Senate 1-19-05

Bismarck State College
2001-03 General Fund Carryover

Section 54-44.1-11 of the North Dakota Century Code requires a report on the amounts and uses of funds carried over from one biennium to the next. BSC carried over approximately $650,000 of unexpended general fund authority from the 2001-03 biennium. Of this amount we have expended approximately $371,700. The detail is as follows:

Office relocation and improvement	$203,600
Campus networking	46,600
Payroll	36,600
Governance, Accreditation, Employee Development	32,900
Fire Alarm replacement	25,500
Roof replacement	16,800
Miscellaneous	9,700
Total	$371,700

Bismarck State College
Report of Continuing Appropriations

SB 2015 (2003), section 34 requires reporting of continuing appropriation authority. The following page provides continuing appropriation detail.

North Dakota University System
Recommended House Appropriation Investment Plan—The NDUS an Investment in the Future of the State of North Dakota
February 24, 2005

Provide funding, at a minimum, of 21% of the state's recurring revenues, as suggested by Gov. Hoeven. This would result in an additional $4.657million over Engrossed SB2003.	$4,657,000
Core Functions	
Investment needed to address "critical" equity funding needs at BSC, LRSC and NDSU identified through comparison to their peer campus funding benchmark.	-$1,500,000
Investment needed to address part of the remaining unfunded state costs of campus on-going operations to address salary and health insurance increases, and operating and utility increases required to reduce overall potential tuition increases.	-$2,657,000
Economic Enhancement	
Investment needed to launch system-wide international student program required to maximize campus utilization, enhance diversity, and stimulate economic growth through additional new revenues and population growth.	-$500,000
	$0
In addition, at least a 21% portion of any additional state revenues resulting from the potentially improved March revenue forecast be allocated to the NDUS and used to address deferred maintenance (i.e. extraordinary repairs) needs at campuses.	

OTHER NDUS HIGH PRIORITY INVESTMENTS

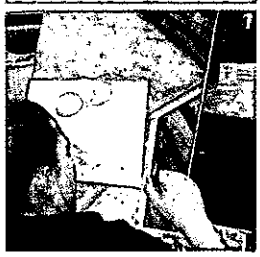
Core Functions	
UND O'Kelly Hall/Ireland Renovation (Engrossed SB2023-state bonding)	$3,500,000
Economic Enhancement	
Expansion of Workforce Training Delivery System (Engrossed SB2019)	$600,000
Centers of Excellence (Engrossed SB2018)	$50,000,000



BISMARCK STATE COLLEGE

BSC



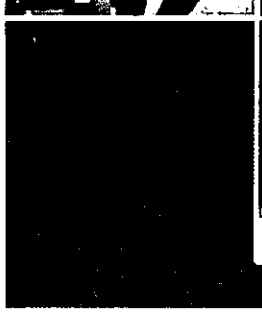


2004 Annual Report













Dear Friends and Colleagues,

Bismarck State College's strong commitment to our students and community is reflected in the highlights you'll find in this report.

Our growth continues at a steady pace, with BSC posting a record 3,430 students in the fall of 2003. This marked our 5th consecutive year of a record enrollment.

Because of the increase in students, we added 18 new employee positions in 2003-04. The number of full-time faculty grew from 105 to 110, and we increased staff positions by 13, for a total of 146 full-time staff.

As you can imagine, we needed more room for these additional employees. That was accomplished by leasing part of the Horizon Building, which was completed adjacent to the campus in December 2003. About 45 employees are located there. The College will also lease space downtown from the City of Bismarck for our allied health programs.

We will have additional space for growth with the anticipated completion of the Career & Technology Institute on campus in 2007. We are continuing to raise funds for the building, and have begun working with an architect to develop a technologically advanced facility.

I'm very excited about what the Institute will mean for further advancing Bismarck State College nationally and internationally. The National Energy Technology Training and Education Center will help prepare workers for the energy industry anywhere through online programs, while contributing an economic boost to our region. The centers for workforce training and higher education will provide far-reaching benefits for business and industry and for students seeking baccalaureate and higher degrees.

I wish to acknowledge our faculty and staff for their dedication to our students. I also want to thank community members, business and industry, and all levels of government for your continued support of Bismarck State College.

Sincerely,

Donna A. Thigpen

Donna S. Thigpen, Ed.D.
President, Bismarck State College





Bismarck State College
Enrollment

Fall 2003 Credit Enrollment

3,430 students

- Fifth consecutive year for record enrollment
- 2,287 full-time students
- 944 enrolled in at least one online class

2003-04 Non-credit Numbers

Nearly 28,000 people attended non-credit educational programs sponsored by the Division of Corporate and Continuing Education. This included training for 246 businesses in the Southwest Workforce Training Region.

Bismarck State College
Mission

Bismarck State College, a Learning First college, provides a high quality learning-centered education that maximizes student learning and makes students partners in their education. As a comprehensive community college in the North Dakota University System, Bismarck State College offers broad-ranging, flexible, and innovative educational opportunities. We participate in partnerships that promote economic development, we provide cultural enrichment, and we champion integrity, citizenship, and the improvement of life through lifelong learning.

Bismarck State College

Programs

Bismarck State College, the fourth largest college in the North Dakota University System, is a comprehensive community college providing student-centered learning in these areas: transfer courses, vocational-technical programs, online classes and programs, corporate and continuing education, and workforce training.

Transfer

BSC provides the first two years of education toward a bachelor's degree in nearly any field. Students earn an associate in arts or an associate in science degree.

Technical

Students can choose from more than 30 technical programs that prepare them for entry-level placement in specific careers. Completion leads to a program certificate, program diploma or associate in applied science degree.

Distance Learning

BSC is one of the state's leaders in online education, with several programs and more than 150 courses offered online. Distance learning is also provided through the N.D. Interactive Video Network and Interactive Television.

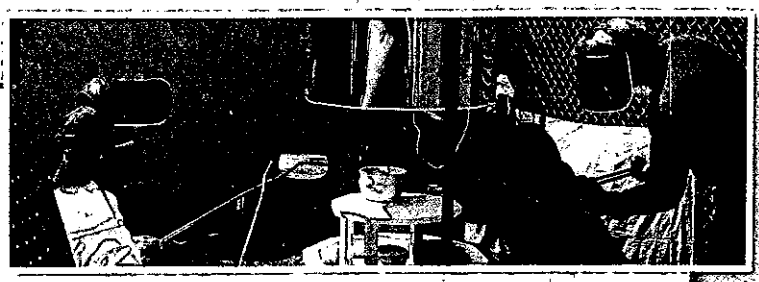
Corporate and Continuing Education

BSC provides workforce training for business and industry in the southwest quadrant of North Dakota. CCE also provides professional development and personal enrichment courses, and conference coordination services.

Bachelor's Degree and Graduate Programs

More than a dozen bachelor's degree programs and several graduate programs are offered on campus in cooperation with other N.D. University System institutions.





Learning First

Bismarck State College

The Learning First initiative emphasizes the importance of putting learning at the heart of everything that happens on campus. The initiative encourages all employees to recognize their vital part in the learning process and decision-making process on campus. When considering activities, we ask two critical questions —"How does this improve student learning?" and "How do we know?" ***Following are selected highlights of the year:***

- Representatives from each Learning First team served on a study team for the **Academic Quality Improvement Project** (AQIP). AQIP is a quality-based, continuous improvement model of accreditation through the Higher Learning Commission of the North Central Association of Colleges and Schools.
- The Embracing Diversity Team sponsored **Peace Corps programs** for students and the public to learn about opportunities for service, and also developed a poster to raise awareness about discrimination.
- The Learning Innovation Team and the Arts and Communication Department sponsored several **Lewis and Clark themed events** to commemorate the Bicentennial of the Corps of Discovery. Projects and events included class projects, concerts, art shows and BSC BookTalk.
- The Building Community Team promoted wellness through the **10K-A-Day program**, with about 80 employees participating in the walking program.
- The Embracing Diversity Team's sub-committee on aging/elderly developed a **pilot course on computer use for seniors** and two sessions were offered in April at the Center for Technology and Business. The sub-committee continues to plan enrichment classes for seniors.
- The Learning Support Team offered **stress-relieving activities** for students during finals week.
- The Infusing Technology Team provided **opportunities for employees** to learn more about technology.
- The Learning Innovation Team initiated BSC's first **online graduation** so graduates enrolled in only online classes could feel more connected to the college.
- The Managing Excellence Team researched and planned **customer service training** that is taking place during the 2004-05 academic year.

Departmental *Accomplishments*



- BSC was the only college in the state that participated in the **Fulbright Teacher Exchange Program**. BSC's Tom Stein, assistant professor of English, taught in Pravets, Bulgaria, while Stefka Atanasova came to BSC. The Fulbright program is sponsored by the U.S. Department of State to build mutual understanding between countries.

- The Allied Health programs hosted a successful **Health Career Expo** for area high school students. Instructors in seven programs gave demonstrations and answered students' questions about the programs and careers.

- Biology instructors hosted a series of **biology seminars** open to students, employees and the public. Topics ranged from natural history of the Florida Keys to resistant bacteria.

- The cover story in the **December 2003 University Business magazine** ranked BSC among seven universities and colleges nationwide that are doing a good job with full-time online study.

- BSC was recognized by the **North American Electric Reliability Council** (NERC) as a continuing education provider for three courses in the Electrical Transmission Systems Technology program. NERC's continuing education program acknowledges high-quality training programs.

- The BSC Library sponsored the 5th annual **BookTalk at BSC**, with the theme of Lewis and Clark's Corps of Discovery and their landmark expedition 200 years ago. The book discussion series for the public attracted nearly 100 people to three monthly discussions on winter Sunday afternoons.

- The Spring 2004 **Construction Education Newsline** of the National Center for Construction Education and Research cited BSC's carpentry program in an article about safety enhancement through partnerships. BSC participated in a state grant project that involved using J-rails guardrails to protect workers from falling during roof construction.

- BSC received prominent mention in the June 2004 issue of **Platt's Power magazine**. Four BSC online programs for the energy industry were cited in an article about technical education in a virtual world.

- The **College Reading and Learning Association's International Tutor Certification Program** recertified BSC's tutor training program for five years.

Major College

Accomplishments

- The fall 2003 enrollment of 3,430 marked the 5th consecutive year of a **record enrollment** for BSC. The record number reflected an 8.3 percent increase from the fall 2002. The total included 944 distance education students, of which 552 were enrolled only in online classes.

- The Higher Learning Commission of the North Central Association of Colleges and Schools approved BSC's progress report on the four-year plan for the **assessment of general education**. After considerable work and study, the Assessment Committee developed 24 assessable objectives for students. The assessment committee continues to work on improving assessment processes.

- BSC received two grants from the National Science Foundation. A grant of $750,000 funds continuing development of the **Nuclear Power Technology online program**. A second grant of $70,500 is for development of a WebLab Power Grid, a system that allows online students to access laboratory equipment.

- BSC received an earmark of $297,000 from the U.S. Department of Labor to improve the **online power plant technology curriculum**. The funds will help with enhancing and upgrading the existing courses.

- **ArtsQuest 2004**, BSC's month-long arts celebration, focused on art and nature and how the two together can create a sustainable living or working environment. Events included student talent and interactions with guest artists and scholars. Community individuals and school groups participated along with the campus community.

- BSC's **Nuclear Power Technology online program** started in the fall in partnership with the Energy Providers Coalition for Education (EPCE).

- BSC and three other community colleges developed a **Practical Nursing program** and **Associate Degree Nursing program**, adding a new dimension in career development for nurses. The ADN program will assist in meeting the registered nursing needs of North Dakota's medical facilities, particularly in rural North Dakota.

- The **multicultural program coordinator** position was funded, and with a coordinator in place, several services were started, including a multicultural club.



Selected *Awards*

- The Surgical Technology program received a **National Merit Award** for 100% pass rate by graduates who applied to take the National Certification Examination in surgical technology. The award places BSC's program in the top 10% in the country. This is the second consecutive year that BSC students met this standard.

- BSC's College Advancement Office received two regional communications awards. A brochure series won the **Silver Medallion of Achievement**, and the BSC Web site received the **Bronze Medallion of Merit**. BSC is part of an eight-state region in the National Council for Marketing and Public Relations.

- The National Institute for Leadership Development selected Dr. Janelle Masters, dean of faculty, for participation in **LEADERS**, an international program for college administrators and faculty.

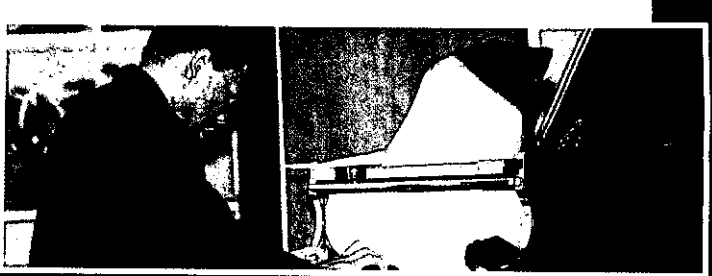
- A scene from the BSC Theater production of "The Cripple of Inishmaan" was chosen for presentation at the regional **American College Theatre Festival** held in Denver. BSC was the only two-year college among eight institutions selected from 206 entries.

- BSC student Theresa Holden received an **Award of Merit** from the American College Theatre Festival for her work as assistant director in "The Cripple of Inishmaan."

- Renee Kraft, a 2003 graduate, was honored as one of 25 **Women of Triumph** at the WomenWork! 25th Anniversary Gala in Washington, D.C. The award recognizes women who have overcome challenges and achieved economic independence.

- The Mystic women's basketball team was crowned **NJCAA Region 13 Champions**. Coach Len Stanley earned Region 13 **Coach of the Year** honors.

- Two students in the Electronics/ Telecommunications Technology program won first and second place awards in postsecondary sections at the SkillsUSA National Competition. Zach Deslauriers received the **Gold Award** in the Electronics Technology Contest. Josh Horner received the **Silver Award** in the Electronics Applications Contest.



Other *Grants*



- BSC received a grant of $15,600 from **Qwest** for telecommunications equipment that will help provide hands-on training for students in the Electronics/Telecommunications Technology program.

- BSC added more possibilities to its distance-learning program with a grant from the **Otto Bremer Foundation**. The award of $30,964 went toward expanding the EMT/Paramedic Technology program to small communities and rural areas.

- BSC received $150,000 from the **State Board of Higher Education** to fund development of the Dakota Nursing Program, which includes the Practical Nursing and Associate Degree Nursing programs.

- BSC continued to receive support for construction of the Career & Technology Institute.

  These governmental agencies provided the following amounts:
  - **N.D. State Board of Higher Education** - $300,000
  - **City of Bismarck Vision Fund** - $500,000
  - **City of Mandan Growth Fund** - $175,000

- The **North Dakota Department of Career and Technical Education** granted $199,510 in Perkins funds for educational support services and $96,765 in Tech Prep funds for coordination of Tech Prep activities in the southwest region of the state.

Bismarck State College

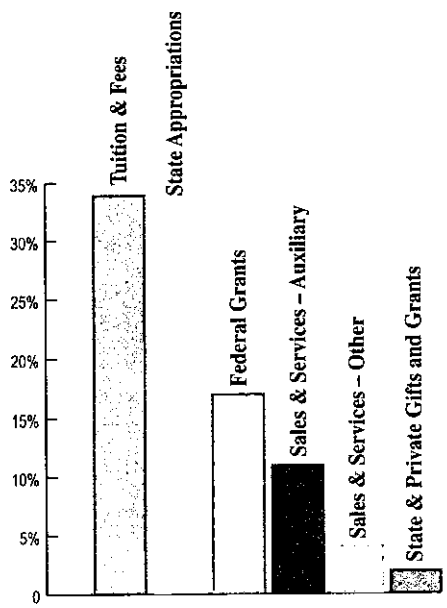
Financial Report

Operating Revenues

Tuition and Fees	$ 8,136,428
State Appropriations	7,903,269
Federal Grants	4,074,137
Sales and Services – Auxiliary	2,712,105
Sales and Services – Other	937,860
State and Private Gifts and Grants	435,978
TOTAL	**$ 24,199,777**

Non-Operating Revenues/Expenses

State Appropriations – Capital Assets	$ 152,859
Gifts	353,361
Investment Income	28,302
Other	(98,090)
TOTAL	**$ 436,432**



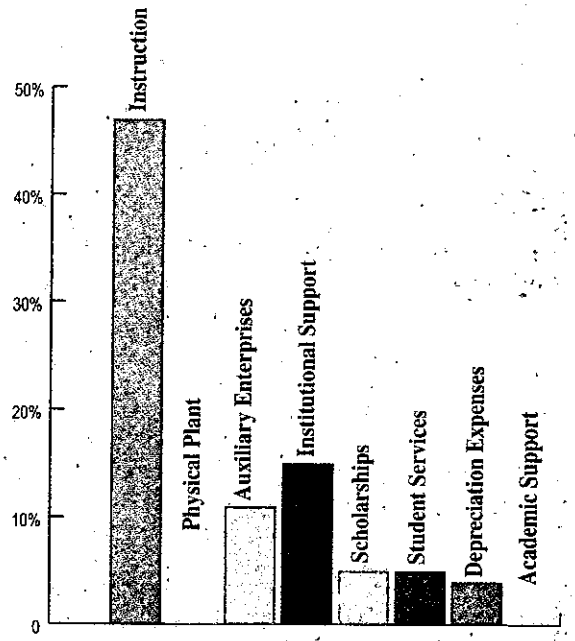
Operating Revenues



Operating Expenses

Instruction	$ 11,558,834
Physical Plant	2,149,251
Auxiliary Enterprises	2,763,388
Institutional Support	3,697,324
Scholarships	1,327,024
Student Services	1,243,297
Depreciation Expenses	976,835
Academic Support	836,501
TOTAL	**$ 24,552,454**





Operating Expenses

BSC Foundation

Private funds from the BSC Foundation provide opportunities for special programs that cannot be funded by appropriated state monies. For the grant awards, emphasis is given to innovative teaching and creative learning projects. In 2003-2004, the BSC Foundation funded these programs:

Grants for faculty, staff and students	$ 273,400
Scholarships for BSC students	175,000
College development	27,400
TOTAL	**$ 475,800**

Bismarck State College
North Dakota Senate Bill No. 2003
Centers of Excellence Testimony – Senate Appropriations Committee

Ron Harper
Chief Executive Officer
Basin Electric Power Cooperative
January 19, 2005

Mr. Chairman and members of the committee, my name is Ron Harper, I am here representing Basin Electric Power Cooperative and the Dakota Gasification Company. Basin Electric and Dakota Gasification support BSC's Center of Excellence related to a National Energy Center

As a regional generation and transmission cooperative, Basin Electric generates and transmits electricity to 120 member systems in nine states. These member systems distribute electricity to about 1.7 million consumers. We currently operate three coal-based power plants in the region with a third plant to be built in Wyoming over the next several years. We also operate nine combustion-turbine generators, one oil peaking plant and four wind turbines. We also purchase the entire output of two 40-megawatt wind farms owned by FPL Energy in North and South Dakota.

The Dakota Gasification Company owns and operates the Great Plains Synfuels Plant near Beulah. The Synfuels plant is the only commercial-scale coal gasification plant in the United States

Basin Electric and its subsidiaries employ roughly 1,800 people. In the next 10 years, we will be experiencing considerable turnover in our workforce, about 34% at Basin Electric and about 20% at the Dakota Gasification company. Other companies in the electricity and lignite industries are facing similar situations.

In June of 2003 we donated $2 million to Bismarck State College to help with their $10 million effort to expand its power plant technology training school. If we didn't think it was a good business decision, we wouldn't have invested $2 million in BSC's Center of Excellence. BSC has provided training and development services to the employee and departments of Basin Electric for more than 25 years. The Power Plant and Power Process Technology programs at the college are the only programs of their type and scope in the nation, and have been particularly beneficial to the Cooperative by providing well-trained and qualified job candidates for our power plants and the Synfuels plant.

Our membership loads are continuing to grow and we are in the process of planning for new generation resource development in the coming years. Our early estimates show an investment of more than a billion dollars in new resource development and the potential for well over a hundred jobs.

Basin Electric believes that developing Centers of Excellence in the state, similar to the efforts being undertaken at BSC are vital to maintaining and expanding our workforce. We also feel that the Centers of Excellence Initiative will be vital to promoting economic development and new job growth in other industries and areas of North Dakota.

That concludes my testimony and I would be happy to answer any questions at this time.

Bismarck State College
North Dakota Senate Bill No. 2003
Centers of Excellence Testimony
Senate Appropriations Committee, January 19, 2005

David E. Farnsworth
Power Generation Leader, Coal Creek Station
Great River Energy

Dear Chairman and Representatives of the Senate Appropriations Committee,

My name is David Farnsworth. I am the Power Generation Leader at Coal Creek Station, North Dakota's largest power station. In my position I have oversight of many of the operations, maintenance and construction activities at the facility. I have been asked to testify before the committee to discuss the ongoing and deepening partnership my company Great River Energy has with Bismarck State College (BSC) and the role BSC plays in helping to supply the skilled labor we need to successfully run our power plants and transmission systems.

Several years ago we in North Dakota's energy industry began taking a hard look at the future of our companies' workforce in the face of an aging population, increasingly complex technology, and the potential for expansion of the energy industry within the state. We recognized that the vast majority of our skilled workforce would be retiring within the next 15 years and that significant efforts would be needed to ensure an adequate supply of workers trained in the latest technology would be there for us to transition into the future. Although the energy industry pays some of the highest wages in North Dakota, the future demand for workers was likely to outstrip the supply of skilled workers that could supply the operational, maintenance, and construction needs of our power plants, pipelines, refineries, mines, and transmission systems. (See attached graph of workforce demographics and illustration of North Dakota energy worker wages).

Bismarck State College has been playing an integral role in our efforts to prepare for the future. Their physical location near the North Dakota power plants and oil fields has created great opportunities for partnerships. I want to mention a few of the ways in which my company, Great River Energy, has partnered with Bismarck State College in strengthening the region's future energy workforce:

1. Since the year 2000 Great River Energy has invested about $1.2 million in the construction and upgrade of a power plant simulator which has the latest controls technology. The simulator is housed at Bismarck State College and staffed by a BSC instructor with two decades of control room experience in the industry. The simulator is used not only to train new students enrolled in the Power Plant

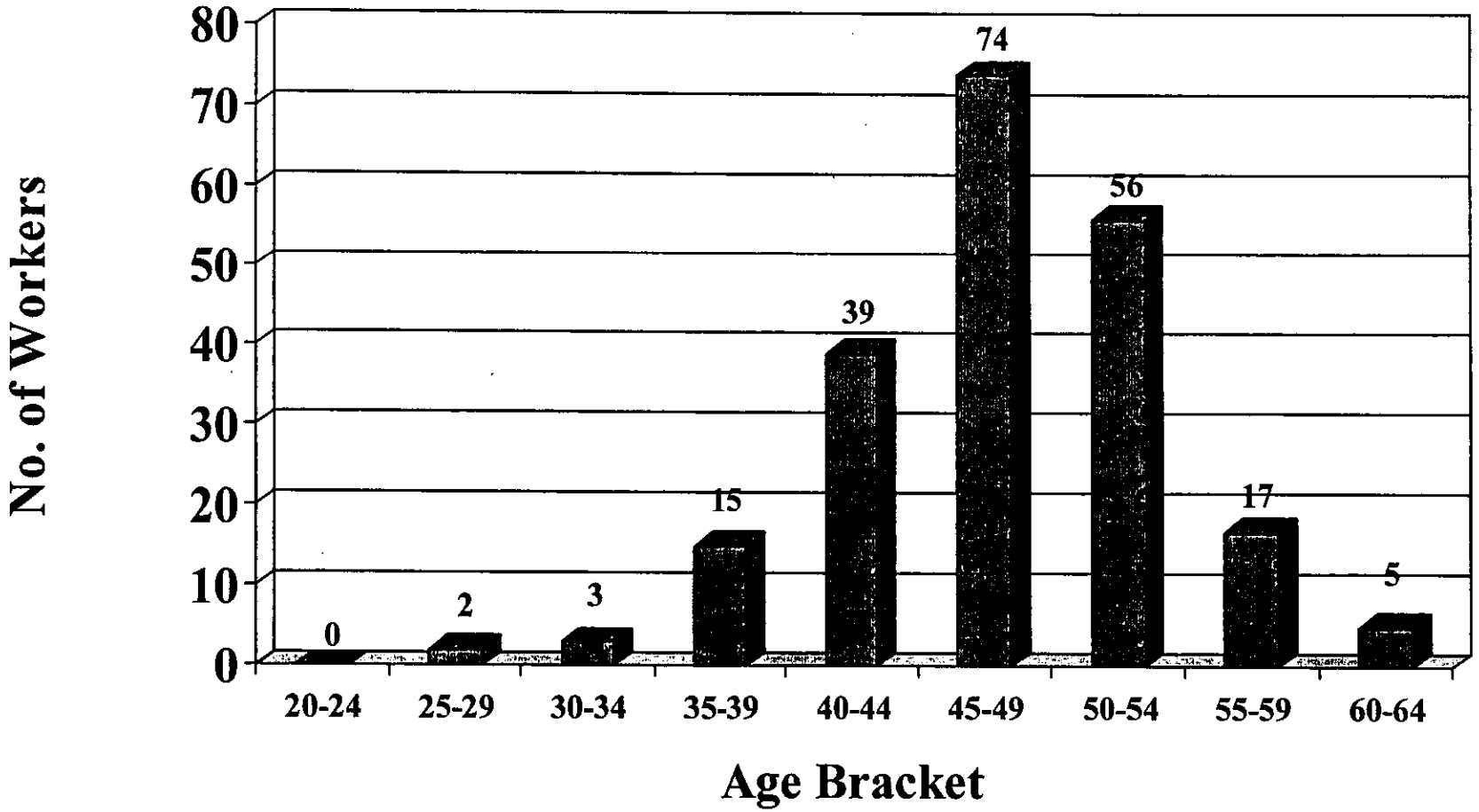
Technology program, but also in the refresher training of current control room operators and engineers at the power plants.

2. Like other companies and individuals in the local area, Great River Energy has pledged to contribute about $1 million in cash and materials to build the new Career and Technology Institute that will be built on the Bismarck State College campus. Pending final Board approval, Great River Energy plans on using the construction of the Career and Technology Institute as a project to demonstrate the use of Coal Combustion Products such as FlexCrete, a fiber-reinforced aerated concrete that is manufactured primarily with fly ash --- previously considered a waste byproduct of coal combustion. Great River Energy in partnership with Headwaters plans to construct a new FlexCrete manufacturing facility in western North Dakota and jump start production from the facility with the use of this low-cost, environmentally-friendly material in the construction of the Career and Technology Institute. The facility will not only serve as a demonstration of effective use of these Coal Combustion Products, but will also serve as a lab for students to learn about their use.

3. Great River Energy, along with others in the North Dakota energy industry, has worked actively with Bismarck State College in the curriculum development of vocational training that will benefit the industry. For example, in February 2004, the energy industry provided BSC with recommendations to create a Plant Mechanic program, create an Instrumentation and Control Technician program, and to expand the capacity to train welders at the college. The curriculum development is progressing on a schedule to have the programs in place by the Fall of 2005, and the industry and vendors are willing to assist in the supply of equipment and materials that will be used in these programs. Space limitations could well prevent these recommendations from coming to fruition. The construction of the Career and Technology Institute will help alleviate these space concerns.

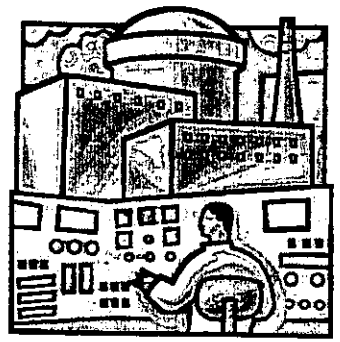
In summary, Great River Energy stands behind the effort of making Bismarck State College a National Center of Excellence for the energy industry. We believe it is the right move at the right place at the right time for the right reasons. It supports our efforts at remaining a low-cost producer and deliverer of reliable power for the future. It supports the marketing of North Dakota's energy skills at a national level. And it supports providing the skills needed to provide our children with high-paying jobs in North Dakota at a time when many in our industry will be leaving the workforce.

Demographics of Typical ND Power Plant
Snapshot taken 3/05/2004



High Paying Jobs for ND Young People
(Wages stated below include benefits)

- Skilled labor jobs in energy industry typically run from $26/hr for laborers to $44/hr for control room operators
- Local construction trades are also well-paid (year 2004 wage rates shown below – Source: ICI)
  - Laborer $23/hr
  - Electricians $37/hr
  - Plumbers/Pipe fitters $37/hr
  - Boilermakers $43/hr



- Advancement/Educational opportunities

Bismarck State College Center of Excellence

NATIONAL ENERGY CENTER
Important Facts

1. Economic Development for the State of North Dakota.

   A. Currently 468 students enrolled in the Energy Technology Programs.
   B. Currently 96 employees working on Energy Program Initiatives.

      1. 32 full-time positions directly working on the energy programs.
      2. Additional 10 part-time positions indirectly working on the programs.
      3. Fifty-four adjunct faculty nation-wide teaching ETO courses.

2. Direct partnerships with 26 of the largest energy companies in the U.S.

   Current partners: Ameren, American Public Power Association, Conectiv, DC Cook Nuclear, Dominion Nuclear, Duke Energy, Entergy Corporation, Exelon, Florida Power & Light, IBEW Local 2304, Minnesota Power, National Grid, National Rural Electric Cooperative, Nevada Power, Northwest Public Power Association, Oklahoma Gas & Electric, Reliant Energy, Sierra Pacific Power, Xcel Energy, Basin Electric, Minnkota Power Cooperative, Great River Energy, Montana Dakota Utilities, Tesoro, Madison Gas & Electric, Constellation Energy.

3. Bismarck State College currently has five technical programs directly related to the electrical industry.

   A. Power Plant Technology- trains students for entry level positions in power plants.
   B. Process Plant Technology- trains students for entry level positions in refineries and ethanol plants.
   C. Electric Power Technology- an advanced curriculum targeted at incumbent workers in six specialization areas.
   D. Electrical Transmission Systems Technology- an advanced curriculum for incumbent electrical system operators and dispatchers to help meet certification requirements.
   E. Nuclear Power Technology- trains students for entry level positions in nuclear power plants.

4. Bismarck State College is an approved educational provider for the North American Electric Reliability Councils (NERC) continuing education program.

5. International Opportunities: A contract is being negotiated between Bismarck State College and Aurana Energia to offer the Energy Technology Online

courses to students working in the electrical industry in Brazil. Course delivery to begin in late spring 2005.

6. Business and Industry donations, and federal, state and local grant funds have resulted in cash and pledges of over 9.5 million dollars toward the Career and Technology Institute, which will house BSC's National Energy Center.

7. The Energy Technology Online Department has received approximately 3.5 million dollars in grants to develop state of the art, interactive online energy curriculum.

8. Great River Energy donated a 1.2 million dollar power plant simulator at BSC and is currently exploring the possibility of purchasing a second simulator which may be donated to the BSC Energy Department.

9. Two new Energy Technology programs are being created to meet the multi-skilled worker needs of the industry.

    a. Mechanical Maintenance Program
    b. Instrumentation and Control Program

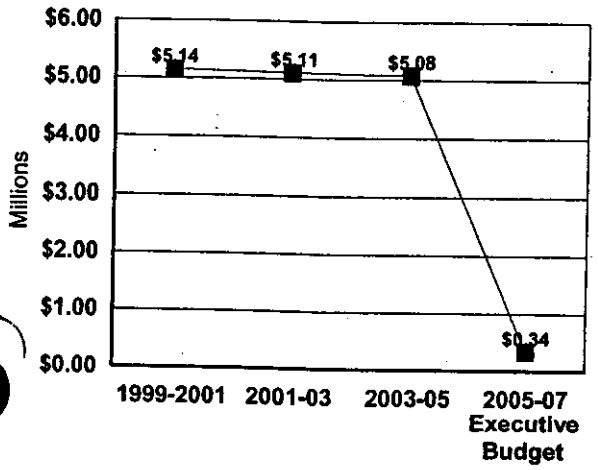
Prepared by the North Dakota Legislative Council
staff for House Appropriations
February 25, 2005

partment 228 - Lake Region State College
enate Bill No. 2003

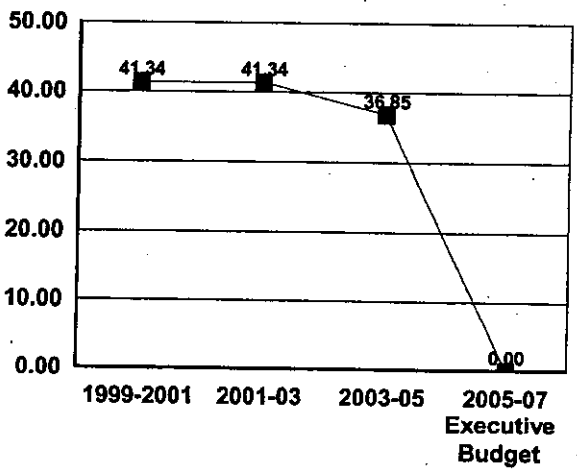
	FTE Positions	General Fund	Other Funds	Total
2005-07 Executive Budget	0.00	$343,875	$0	$343,875
2003-05 Legislative Appropriations	36.85	5,077,513	375,000	5,452,513[1]
Increase (Decrease)	(36.85)	($4,733,638)	($375,000)	($5,108,638)

[1]The 2003-05 appropriation amounts do not reflect $2,423 of general fund carryover and $330,463 of special funds 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)

	General Fund	Other Funds	Total
1. Consolidates operations and extraordinary repair funding for all higher education institutions into the University System budget. The Senate appropriated operations and extraordinary repair funding for each of the higher education institutions.	($5,077,513)		($5,077,513)
2. Removes one-time funding provided in the 2003-05 biennium--$375,000 for North Hall residence renovation		($375,000)	($375,000)
3. Provides funding for major capital projects for the 2005-07 biennium--science lab renovation	$343,875		$343,875

Major Related Legislation

nate Bill No. 2003 - Long-term finance plan review - Section 17 of Engrossed Senate Bill No. 2003 provides that it is the intent of e Legislative Assembly that the State Board of Higher Education conduct a review of the long-term finance plan, including a review of eer 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. 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 requirement 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 the 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 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.

NORTH DAKOTA UNIVERSITY SYSTEM
REPORT OF CONTINUING APPROPRIATIONS
Lake Region State College

1999-01

	Beginning Balance	Revenue	Expenditures	Net Additions/ Deductions/ Transfers	Ending Balance
Auxiliary Services	393,700	1,866,700	1,740,700	(143,100)	376,700
Tuition Collections	23,400	1,887,700	113,200	(1,783,600)	14,300
Other Unrestricted	425,500	2,703,900	2,458,300	(262,000)	409,100
Scholarships & Fellowships	-	1,508,400	1,583,600	75,200	-
Grants & Contracts	900	867,400	867,000	(1,400)	-
Loan Funds	449,500	36,900	(6,300)	(26,400)	466,300
Plant Funds	357,300	789,400	295,900	(572,600)	278,200
Endowment Funds	2,538,700	736,000	66,500	1,160,700	2,271,000

2001-03

	Beginning Balance	Revenue	Expenditures	Net Additions/ Deductions/ Transfers	Ending Balance
Auxiliary Services	376,700	2,129,400	1,982,100	(28,700)	495,300
Tuition Collections	14,300	2,237,900	202,700	(1,913,600)	136,000
Other Unrestricted	409,100	3,376,900	2,731,100	(177,700)	877,200
Scholarships & Fellowships	-	1,844,200	1,911,800	67,600	-
Grants & Contracts	-	1,777,200	1,743,600	(33,500)	-
Loan Funds	466,300	41,700	32,600	(9,600)	465,900
Plant Funds	278,200	301,400	231,900	(136,900)	210,800
Endowment Funds	2,271,000	561,200	563,100	(35,100)	2,234,100

2003-05 Estimate

	Beginning Balance	Revenue	Expenditures	Net Additions/ Deductions/ Transfers	Ending Balance
Auxiliary Services	495,300	2,262,400	2,029,200	(128,500)	600,100
Tuition Collections	136,000	2,719,100	207,400	(2,541,100)	106,600
Other Unrestricted	877,200	3,767,800	3,191,100	(454,300)	999,500
Scholarships & Fellowships	-	1,974,000	2,034,400	60,400	-
Grants & Contracts	-	1,760,500	1,743,100	(17,300)	-
Loan Funds	465,900	42,000	(2,100)	9,600	519,600
Plant Funds	210,800	416,800	1,426,200	2,906,400	2,107,800
Endowment Funds	2,234,100	491,500	745,900	362,800	2,342,500

2005-07 Estimate

	Beginning Balance	Revenue	Expenditures	Net Additions/ Deductions/ Transfers	Ending Balance
Auxiliary Services	600,100	2,285,024	2,049,492	(129,785)	705,847
Tuition Collections	106,600	2,746,291	209,474	(2,566,511)	76,906
Other Unrestricted	999,500	3,805,478	3,223,011	(458,843)	1,123,124
Scholarships & Fellowships	-	1,993,740	2,054,744	61,004	-
Grants & Contracts	-	1,778,105	1,760,531	(17,473)	-
Loan Funds	519,600	42,420	(2,121)	9,696	573,837
Plant Funds	2,107,800	420,968	1,440,462	2,935,464	4,023,770
Endowment Funds	2,342,500	496,415	753,359	366,428	2,451,984

LAKE REGION STATE COLLEGE
GENERAL FUND APPROPRIATION and TUITION CARRYOVER
FROM THE 2001-2003 BIENNIUM to THE 2003-2005 BIENNIUM

Amounts and use of 2001-03 Tuition carryover funds

$ 28,129 Convert Ag position to Nursing and cover developmental leave for Ag.
11,000 Fund part-time coordinator for Para-Educator Program.
25,000 Provide matching funds for Sign Language Program grant.
35,000 Increase equipment budgets.
24,464 Provide funds to explore Honors Online and Homeschoolers Online programs.
123,593 Total Tuition carryover (used in FY04).

Amounts and use of 2001-03 General Fund Appropriation carryover funds

Operations:
$ 0 (no carryover)

Capital Assets:
$ 2,423 Complete nursing classroom remodeling in FY04. (Total General Fund carryover.)

SENATE APPROPRIATIONS COMMITTEE HEARINGS

SENATE BILL 2003

Lake Region State College
January 18, 2005

With exception of three pages, same testimony given to the House

Lake Region STATE COLLEGE
1801 College Drive North, Devils Lake ND 58301
(701) 662-1600 ♦ 1-800-443-1313 ♦ (701) 662-1570 fax
www.lrsc.nodak.edu

II. NEW INITIATIVES, PROGRAMS, AND DEVELOPMENTS

The Lake Region State College Planning Team annually looks at current and potential programs to meet the needs of the northeast quadrant and of the entire state of North Dakota. The planning team looks at labor market information and requests from various industries within North Dakota to determine which new programs to develop. Many of the programs developed include partnerships with industry or other university system institutions. These partnerships provide additional opportunities for students while maximizing the use of resources.

As noted earlier, there continues to be shift from low-skill jobs to technical jobs requiring post-secondary training. Lake Region State College, individually and as part of the North Dakota University System, has made concerted efforts to respond to these changes in job requirements. In recent years, the college has re-allocated resources from lower-skill, under-enrolled curriculums to high-tech curriculum offerings. Cognizant of the need for people to re-train and re-position their job skills many times throughout their lives, we have expanded our re-training efforts. We have also linked high-tech programs to four-year programs whenever possible to provide students with the much-needed professional credentials they need to maintain high-quality employment. For example, Mayville State University currently offers articulated four-year programs in Devils Lake to help address the re-training needs of place-bound adults. Students can complete their associate degree at Lake Region and move right on to completing a bachelor degree without leaving home. The college also offers articulated programs with Minot State University, North Dakota State University, and the University of North Dakota.

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persons, and interpreters requiring national certification. The shortage of interpreters— not only in North Dakota, but nationwide—has pushed wages upward. Hourly wages range from nine dollars per hour to as much as fifty dollars per hour for highly skilled interpreters. The program has graduated 35 students. They have been placed around the state and are beginning to meet the need for interpreters. The American Sign Language and Interpreting Studies program continues to see growth.

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In addition to the several hundred graduates from the campus-based Peace Officer program, sixty-five peace officers have graduated from the Lake Region State College Peace Officer Training program in

Fargo since 2002. These graduates are filling a serious shortage of peace officers in Fargo and throughout the region. Demand for this outreach program continues, with another session planned for this coming summer which is already full with a waiting list of ten students.

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The college continues to foster relationships with colleges and universities in the North Dakota University System. Program articulation agreements are proving to be very beneficial for students and the colleges. A program-to-program articulation agreement between LRSC and UND makes it easier for LRSC students and their credits to transfer directly into programs of study at the University of North Dakota. Lake Region State College students know what courses are needed when they prepare to transfer. The agreement, which includes more than 30 programs, has been a priority for both institutions. It solidifies a long partnership with UND to provide educational services for the region.

Lake Region State College has continued to grow as a higher education center for the region.

Currently, there are bachelor, master, and doctoral programs available from Mayville State University, Minot State University, and North Dakota State University through the interactive video system. Mayville State University's Bachelor of Science in Business Administration is being offered through Lake Region State College, and the college continues to explore ways to expand offerings in such areas as elementary education and computer curriculums.

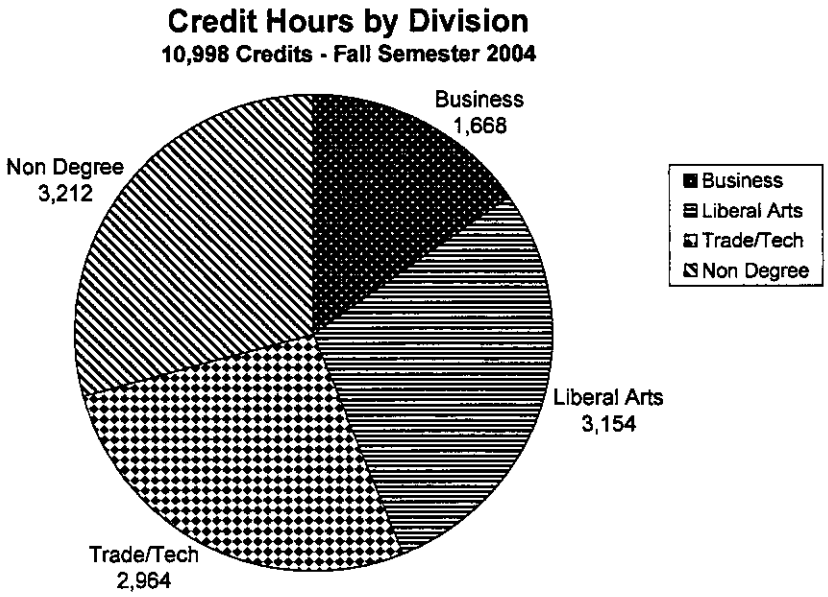
Educational opportunities for area public schools are growing, thanks to a cooperative effort from local school districts. One year ago, regional school districts launched an effort to give students improved learning services. Their efforts to provide more services and courses to rural students became the Northeast Education Services Cooperative (NESC) when 11 schools, Lake Region State College, and two tribal colleges signed a joint powers agreement in January 2002. The schools are strategizing to create a common calendar and class schedule. The members also are looking at grant incentives. Earlier this year, the group hired a grant-writer in cooperation with Lake Region State College. Leaders of the school districts and colleges participate in governance and administration of the cooperative. A governing board and an administrative board oversee the cooperative. The governing board, consisting of school board members and officials of the college, makes policy decisions on behalf of the member school districts and colleges. The administrative board, consisting of chief administrators or their designees of each school district and the colleges, coordinates the administrative services to the school districts and colleges.

Tech Prep

The Northeast Region Tech Prep is continuing to support northeast North Dakota high school students by offering technical assistance and financial support for introducing career-related, dual credit courses to schools that have not offered them in the past. It also provides a link between high schools and North Dakota University System colleges and universities.

Distance Education

- **LRSC Online**—Lake Region State College's online program continues to grow rapidly, with over 70



To nurture and sustain its enrollment, Lake Region State College provides services for several types of student groups:

- **Campus-Based Students**—Most visible are the students who come to campus and live in the residence halls or near by. These students tend to be degree-seekers who enroll in one of 16 technical programs or in the academic transfer program. Recently, we are seeing a growing number of students who place themselves in both degree-seeking tracks. These are students who are hedging for the future by completing a technical program to gain immediate earning power and also completing the transfer program so they can continue their education as time and resources allow. While the majority of campus-based students share status as degree-seekers, they are quite diverse in other ways. Many are traditional-aged students who recently graduated from high school, but a sizeable portion are adults ranging from age 25 to 50. The older students are often a bit apprehensive but excited to enroll in college in hopes of improving life for themselves and their families. LRSC has a number of programs and services that help students of all ages persist and succeed. Of special note is the strong TRIO Student Support Services program which works closely with 150 students to help them benefit from the unique support the program provides. Access to the federally funded program is restricted to

students who are first-generation college goers, low income, and/or disabled. Other special initiatives, such as a program to assist students who are victims of violence and programming to encourage support for cultural diversity, help students feel safe and welcome on our campus.

- **Grand Forks Air Force Base Outreach Center**—In addition to the on-campus student group, we serve a significant number of students through the outreach center at the Grand Forks Air Force Base. Enrollments range from 300 to 500 students per semester. This group of students is made up of military personnel, their spouses and children, and other community people who live near by. Courses offered at the base are designed to meet the time demands of military life. They are generally offered in 8-week blocks because commitment to full semester-length courses is rarely feasible for this mobile population. The majority of base students enroll in courses destined to fill requirements for degrees offered by the Community College of the Air Force and thus are not degree seekers with LRSC. However, an increasing number of base students are declaring themselves degree-seekers with Lake Region State College. These students have discovered that even if they are transferred to another base, they can continue with Lake Region through distance education programming.
- **Distance Education**—Students served through distance education make up the third leg of the LRSC enrollment triad. Although many of these students never set foot on campus, they quickly become well acquainted with campus personnel and fellow students via the technology links that make their education opportunities possible. This group of learners is quite diverse. It includes students who are still enrolled in high school who want to take advantage of the dual credit option which allow high schools to count college courses toward high school graduation requirements. Most often, dual credit courses are offered in a face-to-face format where teacher and students meet together in a classroom away from the college (usually on a high school campus). Approximately 400 students enroll in LRSC dual credit courses each semester. These students are defined as non-degree-seekers despite the fact that they intend to seek a degree after graduating from high school.

LRSC has taken great care to assure quality in the delivery of dual credit coursework, including

allowing only students who are doing A- and B-level work in high school to enroll for dual credit, hiring seasoned educators to conduct regular on-site evaluation of instructional content and methods, linking dual credit instructors with campus faculty to establish instructional benchmarks and build common expectations, and providing regular training for all new and returning instructors.

Distance education at LRSC serves many groups of learners beyond the dual-credit population. It has become the strategy of choice for many degree-seekers. Several degree options are available totally online, including degrees in Speech Language Pathology Assistant, Para-Educator, Legal Assistant, Law Enforcement, and Liberal Arts. Students in these programs enroll in online courses offered by LRSC, or they may mix and match their courses taking general education courses from a nearby college and completing their program requirements with LRSC.

In addition to online courses, LRSC uses the Interactive Video Network (IVN) to send and receive needed educational services. For example, courses on American Sign Language are delivered from LRSC to many other communities, and alternatively, LRSC students can study Spanish thanks to IVN. Sometimes technology is not the answer and LRSC finds it necessary to deliver whole programs to another community. LRSC recently delivered a full cycle of practical nurse training in the communities of Langdon and Grafton when they were faced with a critical nursing shortage. The college also delivers its Peace Officer Training program to Fargo each summer. Distance education done well requires creativity and flexibility, but it is well worth the effort because of the exciting opportunities it creates for North Dakotans.

Despite bleak demographic predictions, Lake Region State College has been effective in maintaining and even growing its enrollment. Key to this success is the college's effort to be responsive to the needs of the northeast quadrant and the state as a whole. The college is quick to answer when educational needs are presented and works hard to build partnerships with agencies and organizations that need the educational services we can offer. Lake Region State College effectively addresses a wide range of educational needs and delivers educational services to students a communities within its region and throughout the state.

HOUSE APPROPRIATIONS COMMITTEE HEARINGS
SENATE BILL 2003

Lake Region State College
~~January 18~~, 2005

I. THE COLLEGE

Lake Region State College is one of eleven campuses within the North Dakota University System. The college was founded in 1941 and has been serving North Dakota students for over sixty-five years. In fiscal year 2004, Lake Region State College's expenditures were $9.2 million. Its total economic impact in FY2004 was $27.3 million, up from $19.6 million in 1999. The largest growth came in non-general fund at 56 percent, with a total average growth of 39.5 percent. Lake Region State College is an excellent investment that has a tremendous economic impact on the region and the state (Appendix 1- Economic Impact of LRSC).

Enrollment grew by 430 percent during the sixties, from 119 full-time students in 1960 to 516 full-time students in 1969. College facilities were overflowing with students, and a building project was launched. The college moved to its present, twenty-acre campus and into a new one-story, two-building complex in 1966. Since then, there have been several additions to the original structures. Enrollment has continued to grow. Lake Region State College served 2,737 unduplicated degree students and 947 unduplicated non-credit students in 2002-03 (Appendix 2-Annual NDUS Enrollment Report 2002-2003).

To reflect the changes that occurred during this period of expansion, the name of the college was changed in August 1981 from Lake Region "Junior" College to Lake Region "Community" College. The college mission statement was also extensively revised to reflect its intent to address three broad levels of educational need throughout the service community—the need for an academic-transfer program, for vocational-technical programs, and for community education services. The college continued in this direction throughout the next two decades. More recently, the college added workforce training and

lifelong learning to its mission. Community education has been focused on distance modes of delivery to reach rural and place-bound students.

Lake Region State College, Williston State College, and Bismarck State College entered the North Dakota University System on July 1, 1984 during the beginning of the turbulent eighties. The college was immediately faced with mandatory budget cuts to respond to the state's budget shortfall, referrals which reduced revenues further, suggested solutions which often threatened the very existence of the institution, and tuition increases which placed North Dakota two-year college tuition among the highest in the nation. The budget restraints of the eighties forced Lake Region State College to critically examine its very foundation and historic mission. This examination resulted in a planning effort which focused on development of new strategies and a new mission for the college to become a responsive, diverse institution which prepares students for successful living and responsible citizenship in a rapidly changing local, national, and world community. The institutional planning process has developed short- and long-range goals, strategies, and action plans which align the campus with North Dakota Higher Education Roundtable goals and has resulted in the college becoming an entrepreneurial, proactive institution focused on quality instruction accessible to the region and state (Appendix 3-Long-Term Enrollment Plans).

An example of the new, entrepreneurial spirit is the mission of workforce training. In July 1999, the college was assigned the new mission to deliver workforce training. In the bill assigning the new mission, the legislature created independent colleges—Lake Region State College and Williston State College—to lead workforce training efforts in the northeast and northwest quadrants of the state. North Dakota State College of Science and Bismarck State College were assigned the southeast and southwest quadrants.

Development of the Workforce Training system is part of a continuing effort to strengthen the role and contribution of community colleges in North Dakota. In recent years, the two-year colleges in the North Dakota higher education system have begun an exciting endeavor to provide a more coherent, responsive set of program offerings state-wide to meet the shift in unskilled to skilled job requirements. The College Technical Education Council (CTEC) was formed with the approval of the State Board of

Higher Education. The council includes the Chancellor and Vice Chancellors of Academic Affairs and Strategic Planning of the North Dakota University System, the CEOs of the two-year colleges in North Dakota, and the Director of North Dakota Postsecondary Career and Technical Education.

In the past, as new job requirements developed, the post-secondary, two-year system was in a response mode rather than a proactive planning mode. As pressure for new programs developed, two-year colleges would respond individually—often competitively—to the need. This approach was costly, inefficient, and slow.

During the past five years, through CTEC, the two-year colleges spent considerable time building a system which has 1) identified campus strengths through a program-mapping process, 2) created a Workforce Training unit, 3) developed a follow-up information system to track graduates, 4) organized a North Dakota Community College Consortium of faculty and administration to design cooperative faculty development programs and to write collaborative grants, and 5) collaboratively undertaken a state-wide needs assessment for new vocational/technical programming utilizing a resource called CC Benefits. CTEC members have taken a leadership role in development of a general education agreement and a common course numbering project that is making transfer easier for students.

However, in a report to the Higher Education Roundtable, Dennis Jones, Consultant from NCHEMS, noted that North Dakota's community colleges are still underdeveloped. Further development of the community colleges in North Dakota is vital given the fact that the Bureau of Labor Statistics projected that while professional jobs requiring a bachelors degree will increase from 20 percent of the labor force in 1950 to 24 percent in 2005, skilled jobs requiring two-year college training will increase from 20 percent of the labor force in 1950 to 62 percent of the labor force in 2005 (*Get the Skills You Need*, ND Postsecondary Career & Technical Education). This training requirement is one of the reasons economic leaders like Alan Greenspan cite community colleges as the greatest hope for keeping the American workforce abreast of technology changes. I believe North Dakota has a particularly advantageous higher education structure with all types of institutions represented in the North Dakota University System to meet

the education and training needs of both professional and skilled workers. We need the diversity of the educational institutions in the North Dakota University System to meet the needs of all of our students, from certificate and diploma offerings to bachelors, masters, and doctorate programs.

The college is one of over twelve hundred community, junior, and technical colleges in the United States providing students the opportunity to access education and training in their local communities. Today, over one-half of all entering freshmen begin their college careers at two-year institutions. The average age in most two-year colleges is between twenty-eight and thirty-two. In addition to providing access for older, place-bound students, Lake Region State College provides a less expensive alternative for young, entering freshmen beginning their studies. Without considering incidental expenses, the average cost today of a bachelor degree at one of North Dakota's universities is more than $40,000. If a student spends two years at a two-year college—living at home and commuting—and then transfers to a university, the cost is approximately $27,500. Lake Region State College is also articulating programs with North Dakota universities that are offered in Devils Lake via classes offered at Lake Region directly, through the Interactive Video Network (IVN), or over Internet. Programs such as these result in further cost savings for students. These strategies help students reduce the debt load they carry upon leaving college.

North Dakota's two-year colleges are not only a bargain, they also provide an excellent education. Without research facilities and graduate programs, community college professors can concentrate on teaching and advising students. In the years I have been working with instructors from the five two-year colleges through a Bush faculty development grant, I have been impressed with the level of dedication and expertise of the faculty at these two-year colleges. Because of these instructors' commitment to teaching and smaller class sizes, fewer students are "washed out" in their vulnerable first years. A review of the progress of our transfer students shows that they perform as well as students who start at the university, which is impressive since many of them begin with less preparation.

II. NEW INITIATIVES, PROGRAMS, AND DEVELOPMENTS

The Lake Region State College Planning Team annually looks at current and potential programs to meet the needs of the northeast quadrant and of the entire state of North Dakota. The planning team looks at labor market information and requests from various industries within North Dakota to determine which new programs to develop. Many of the programs developed include partnerships with industry or other university system institutions. These partnerships provide additional opportunities for students while maximizing the use of resources.

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Distance Education

- **LRSC Online**—Lake Region State College's online program continues to grow rapidly, with over 70 courses scheduled to be offered online this year. During the 2003-2004 school year, LRSC had 470

enrollments in 53 online courses. Since its contract with eCollege, LRSC has developed 60 online courses. Faculty and staff have responded with positive remarks in regard to the 24/7/365 Help Desk support provided via email or a toll-free number to eCollege headquarters in Denver. Registration procedures with eCollege continue to be monitored and adjusted. The process for students is more streamlined and efficient. It provides immediate feedback to students on enrollment status, billing amounts, etc. The eCollege platform allows the Office of Continuing Education to more efficiently manage student rolls and student enrollments. It also allows for easy communication—to faculty and students—and reporting from within the system's administration module. Over 100 on-campus courses utilize the eCompanion module as a supplement to their traditional classes.

LRSC was recently granted approval to offer two degrees online. The following programs were launched online in 2004—Para-Educator and Speech Language Pathology Associate. Both are offered through NDUSO.

- **Interactive Video Network**—LRSC currently coordinates the activity of four IVN labs or classrooms—LRSC Room 171, LRSC Room 172, LRSC Room 34, and a room at the North Dakota School for the Deaf (NDSD). We anticipate installation of a fifth room at the Grand Forks Air Force Base by fall 2005.

LRSC has increased its capacity and equipment significantly in the past four years. The college's approval to offer the Associate Degree in Practical Nursing pushed this growth tremendously. (Prior to the PN program, LRSC coordinated just two active rooms.) The change this year to a one-year practical nurse degree further increased utilization of off-campus delivery sites. The equipment has also supported the unique tri-college format of delivery of degrees across the state. Bismarck State College, Williston State College, and LRSC share educational expenses and resources in order to deliver all program requirements. Through state appropriations, LRSC has purchased additional equipment—laptops, fax/copy machine, etc.—to enhance the delivery of distance education courses.

In fall 2003, LRSC delivered for the first time three courses for dual credit over the

IVN/STAGEnet system. This delivery allowed rural high school students to take advantage of college-level courses over the network. LRSC continues to deliver dual credit courses using STAGEnet to Northeast Education Services Cooperative (NESC) and other high schools.

- **Dual Credit**—LRSC has a large and successful dual credit program. The college has an extensive list of requirements and expectations of any part-time instructor who applies for approval to teach for LRSC's dual credit program and requires instructors to come to campus for an orientation. For two years, the participation rate in this orientation has been 100 percent. Orientation includes a review of policy and procedure, Student Services, Administrative Services, library services assessment guidelines, ITS services, and an intensive academic faculty meeting.

  The academic meeting allows part-time instructors the opportunity to meet with the full-time, on-campus faculty. Part-time instructors are not permitted to teach until this has been done. Topics covered in this session are syllabus guidelines, textbook selection, supplemental materials, objectives for general education, departmental and course requirements, student outcome expectations, and the assessment process and materials. LRSC requires the use of textbooks approved by campus departments. Part-time faculty members are required to submit course assessments, which contribute to the college's assessment plan for NCA (the Higher Learning Commission).

  The college has trained several full-time departmental faculty and professional staff members in classroom observation and evaluation methods used on campus and has begun observing and evaluating all off-campus dual credit courses. The goal is to have every part-time faculty member evaluated by the end of each academic year.

  Part-time instructors are also required to hand out the Student Evaluation of Teacher Effectiveness survey to their students each semester. This allows students to comment on teaching methods and resources used by their instructors. The surveys are sent to the Office of Continuing Education and tallied, and the results are sent back to the instructors, as well as to the Vice President of Instructional Services, for review and comment.

Enrollments in dual credit have increased dramatically in the last few years. The option for students to take courses on campus in Devils Lake, at the Grand Forks AFB, at their local high schools, through IVN/STAGEnet, and now online provides the access LRSC hoped to achieve and removes barriers for place-bound students. The increase can be attributed, as well, to our strong commitment to quality education.

Student Support

Lake Region State College was awarded a TRIO Student Support Services grant in 2000 from the Department of Education. The program was funded for four years and was eligible for funding renewal in 2005. A Student Support Services grant application was prepared and submitted summer 2004. Grant awards will be announced by March 1, 2005. LRSC is the only two-year college within the North Dakota University System to receive Student Support Services funding during the last awarding period. The project has provided direct services to over 150 eligible students per year. Student Support Services work is carried out by a professional staff of four.

TRIO programs are funded through the US Department of Education as educational opportunity outreach programs designed to motivate and support students from disadvantaged backgrounds. Colleges throughout the country submit competitive applications for funding for various programs within TRIO. The TRIO Student Support Services program is designed to serve students who are first-generation college-goers, which means neither of their parents completed a bachelor degree. It also targets low-income students and students with disabilities. A study of LRSC's student population in 2004 showed that 73 percent of its students met one or more of the qualification factors for participating in the Student Support Services program, and 78 percent of its students had a need for academic support.

Students eligible for the TRIO Student Support Services program receive additional one-on-one assistance with academic, financial, and personal advising, registering, tutoring, and mentoring. Students are able to take part in cultural enrichment activities, to learn and update information technology skills, and most importantly, to succeed at college.

Retention

Lake Region State College utilizes numerous strategies to encourage retention and help each student meet his/her educational goals. Placement exams are required of all students prior to initial course selection. Orientation programs are designed to help new students prepare for the rigors of college life and develop "college survival skills" that will enhance their success. Faculty advisors meet regularly with their advisees to develop and monitor educational plans. An early warning system is used to identify students who appear to be having difficulty. The Counseling Department meets with at-risk students to assess problems and develop strategies to help students get back on track.

Several special programs are available to assist and support retention. The TRIO Student Support Services program was introduced three years ago and is producing very positive results for the 150 students it serves each year. Non-TRIO students have access to tutoring and other support services through the Academic Skills Center. Campus living has been strengthened by the addition of high-speed Internet access in the resident halls providing students fast access for homework, research, and online courses. LRSC is one of six campuses across the state to participate in North Dakota WEAV (Working in Education Against Violence). This project has been very successful in educating the campus community about relationship violence and in helping students involved in dangerous or destructive relationships to stay in school. The Campus Diversity Committee also supports retention through its work to create a climate where students from all backgrounds feel welcome and valued.

All students entering college in the fall of 2004 participated in the Retention Management Survey (Noel-Levitz) as recommended by the North Dakota University System. Faculty advisors received training on how to use the survey results in their work with advisees. Strategies are being devised to provide early intervention for students identified as at risk by the survey instrument.

Every year, LRSC carefully tracks the enrollment decisions of full-time, degree-seeking students who complete spring semester and would be expected to return to college the following fall term. Among this group of students, 79 percent of those who completed academic year 2004 returned to continue their

studies last fall compared to 70 percent in 2002. In addition, 8 percent of the cohort transferred to other colleges. Both groups of students were successfully retained in college, bringing LRSC's college-continuance retention rate to 87 percent. These retention rates compare very favorably to the national average retention rate for public colleges that are reported in Noel-Levitz materials to be 52 percent.

Assessment

LRSC continuously assesses its programs and services to ensure educational excellence. Many of the college's assessment strategies were reviewed and approved during the institutional self-study process and NCA re-accreditation visit in March of 2001. Most of the assessment strategies that were developed in preparation for the NCA visit have become part of the college's ongoing institutional procedure. Student achievement is assessed using a variety of measures including tests to establish baseline knowledge of incoming students (ACT/COMPASS), tests to measure learning at the end of the program of study (CAAP), and evaluation of learning in specific courses. Instructional programs are likewise assessed using a variety of measures including self-assessment, peer review, student evaluation, and formal instructional assessment conducted by the Vice President of Instructional Services or his designee.

A comprehensive review of each technical program was recently conducted. It provided an in-depth assessment which identified the strengths and challenges of each program. As an outcome of the effort, several program-strengthening activities are now underway.

In preparation for the NCA visit, a faculty member was appointed to serve as assessment coordinator and charged with the responsibility of leading and encouraging faculty members through the process of developing and implementing effective assessment strategies. The NCA visit was concluded with the most positive possible outcome—a ten-year re-accreditation with no follow-up visit requirement. To assure that the assessment processes developed for NCA are continued and further expanded, the institution will continue to assign a faculty member to oversee assessment processes.

III. WORKFORCE TRAINING

Lake Region State College believes community colleges are a vital educational link in providing the workers needed to fuel the fast-growing knowledge- and technology-based industries necessary to support North Dakota's future economy. Lake Region State College formed its Workforce Training Division in 1999 which consists of a partnership between the University of North Dakota Office of Workforce Development and Lake Region State College. The resulting 1999 North Dakota state legislation made workforce training—on a state-wide level—a top priority. The state legislature allocated fiscal year 2000 funds to create a new workforce training system for North Dakota. The centerpiece of this plan was establishment of four defined service regions that cover the entire state.

Since its inception, the Northeast Workforce Training Partnership has been successful in meeting or exceeding its operational goals. The advisory board, as specified by North Dakota State Board of Higher Education Policy 350.2, contains representatives from business, labor, economic development, and tribal colleges. This board has approved budget, business, and operational plans and counseled partnership staff on procedural issues. Advisory board members have also been active participants in the fund-raising process, helping the college president to raise over $150 thousand. Northeast Workforce Training quadrant representatives have been responsive to our requests and timely in their solutions. To date, the Northeast Workforce Training Partnership has provided 59,887 hours of training, to 7,171 participants from 605 businesses or organizations and had a revenue total of $596,974.

The ongoing success of the Workforce Training initiative will heavily depend upon its continued funding through legislation. As stated in the Roundtable report, "*The system should be used as a key strategy in helping existing and potential businesses remain competitive, helping companies within the state transition to the knowledge-based, technology-driven economy, and assisting economic development organizations in attracting new primary sector companies to the state.*" With the help of state funding, the Northeast Workforce Training Partnership has proven its worth in each of these areas. Current state funding allows for an infrastructure designed to deliver the necessary broad array of facilitation and

delivery of training without burdening the regional businesses who pay for the actual costs of training. The benefit to our regional economy is measured by the satisfaction rating of the training provided (currently 99 percent) and the amount of repeat customers (30.6 percent) in the preceding year of operation. Many returning clients could not pursue further or more advanced training for their employees if the costs to them included the costs of maintaining the infrastructure to deliver these services. The worth of the infrastructure is also measured by its value to economic development agencies who recruit businesses to North Dakota. Availability of training is one of the top concerns of most companies deciding to expand or relocate their businesses. The presence of a Workforce Training representative from the initial meeting onward sends a powerful message about the flexibility and availability of North Dakota's educational system. The Governor's budget includes dollars for Workforce Training. Continued funding to support the Workforce Training infrastructure is much appreciated. The current Workforce Training quadrant model has made great strides in its first three years of operation. Continuation of this model can only lead to success.

The Northeast Workforce Training Partnership is proceeding quickly with its work on making the **Virtual Entrepreneur Network** and **Northeast North Dakota BizPathways** a reality. This has the potential to increase the number of business start-ups in rural areas, increase business use of high-speed access, increase the success of new business start-ups, supplement the work of local economic developers and SBA/SBDC, bring on-time information about events and human help to "geographically challenged" businesses, and build a network of mentors and professionals to make a stronger economic climate in our region.

Demand for **in-home health care providers** is expected to grow as the state's population ages. To help meet the growing demand for in-home services, the Department of Human Services is partnering with the Northeast Workforce Training Partnership to train in-home care providers. This partnership will increase the number of trained providers and should ultimately assure better care.

IV. CENTERS OF EXCELLENCE

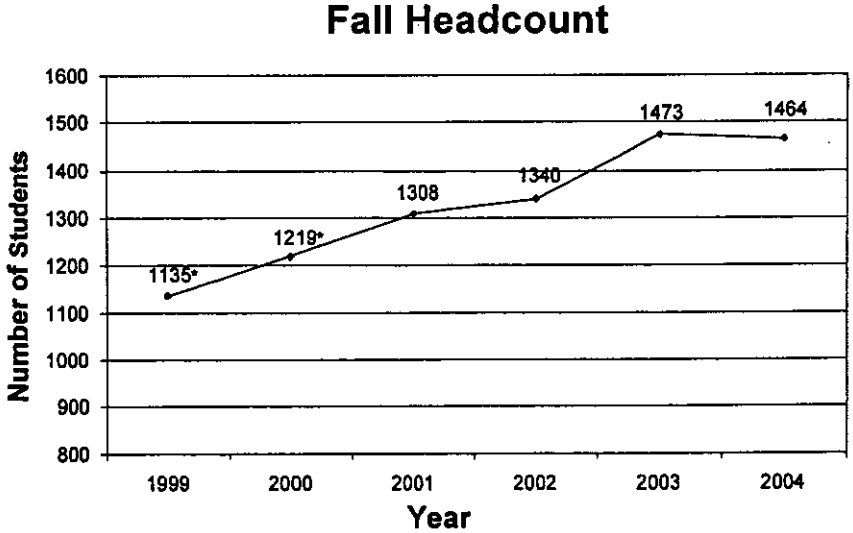
The college held presidential conversation-format meetings for the initial steps in determining a focus for a center of excellence at Lake Region State College. Participants generated many new and entrepreneurial ideas. To continue the process, these ideas were matched to the criteria for Centers of Excellence and pared down to three ideas which are being researched and developed in preparation for the Request for Proposal Process that is being developed. The college is researching the three key ideas including a center focused on cultural heritage and tourism and two centers focused on high-tech agriculture.

- **Tourism**—The college proposes researching a partnership among many small tourism-related businesses including artisan, history, heritage, eco-tourism, and nature tourism enterprises to create a center for advancement of the tourism trade and image-building for the state of North Dakota. Using best practices models in West Virginia and Kentucky, the college will examine the economic impact on entrepreneurs, artists, and communities in the state as well as this proposal's relationship to Center of Excellence criteria.
- **Advanced Manufacturing**—The college proposes researching a partnership with an intellectual property company from Minnesota to build a demonstration plant in the Lake Region. The demonstration plant will use biorefining and biomilling technology to refine North Dakota processing byproducts into nutraceuticals and pharmaceuticals. The private sector partner for this center is excited about the concept and willing to pursue talks regarding such a relationship.
- **Advanced Manufacturing/Information Technology**—The college proposes researching a partnership with Summers Manufacturing and AgriImaGIS to research, package, and deliver variable-rate application data and training to the Great Plains region of the United States. This center will build upon existing companies and technology to build a larger market for the products and services of all three partners—Summers Manufacturing, AgriImaGIS, and Lake Region State College. Research teams have been identified for each center proposed. Meetings are held with all stakeholders, private

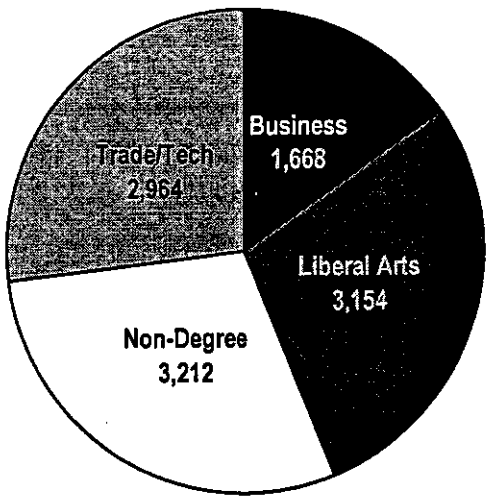
sector partners, and college representatives to further outline the role of each partner and the centers' economic impact. Each center is compared to Center of Excellence criteria throughout the stages of development. Once each center has been fully researched and outlined, a community/college team will determine the center which best fits the goals and mission of this initiative.

V. STUDENTS

The official Lake Region State College enrollment count for the past six years reflects moderate growth (see chart below) despite the significant demographic challenges faced by our region. In 1999, the fall semester third-week count showed that Lake Region State College served 1,135 students. The comparable count for this fall (2004) showed that we served 1,464 students. The fall 2004 students were enrolled in 10,998 credit hours of instruction. Seventy-one percent of the credit hours generated were for students enrolled as degree seekers, and the remaining 29 percent of the credit hours were earned by students who have not yet declared themselves to be degree-seekers. Degree-seekers were distributed across three instructional divisions: Liberal Arts Division— 29 percent, Trade and Technical Division— 38 percent, and Business Division— 21 percent (see chart on following page).



* Official reports submitted to the SBHE for the years show different numbers (smaller) due to restrictions in counting certain groups of students.



To nurture and sustain its enrollment, Lake Region State College provides services for several types of student groups:

- **Campus-Based Students**—Most visible are the students who come to campus and live in the resident halls or nearby. These students tend to be degree-seekers who enroll in one of 16 technical programs or in the academic transfer program. Recently, we are seeing a growing number of students who place themselves in both degree-seeking tracks. These are students who are hedging for the future by completing a technical program to gain immediate earning power and also completing the transfer program so they can continue their education as time and resources allow. While the majority of campus-based students share status as degree-seekers, they are quite diverse in other ways. Many are traditional-aged students who recently graduated from high school, but a sizeable portion is adults ranging from age 25 to 50. The older students are often a bit apprehensive but excited to enroll in college in hopes of improving life for themselves and their families. LRSC has a number of programs and services that help students of all ages persist and succeed. Of special note is the strong TRIO Student Support Services program which works closely with 150 students to help them benefit from

the unique support the program provides. Access to the federally funded program is restricted to students who are first-generation college goers, low income, and/or disabled. Other special initiatives, such as a program to assist students who are victims of violence and programming to encourage support for cultural diversity, help students feel safe and welcome on our campus.

- **Grand Forks Air Force Base Outreach Center**—In addition to the on-campus student group, we serve a significant number of students through the outreach center at the Grand Forks Air Force Base. Enrollments range from 300 to 500 students per semester. This group of students is made up of military personnel, their spouses and children, and other community people who live nearby. Courses offered at the base are designed to meet the time demands of military life. They are generally offered in 8-week blocks because commitment to full semester-length courses is rarely feasible for this mobile population. The majority of base students enroll in courses destined to fill requirements for degrees offered by the Community College of the Air Force and thus are not degree-seekers with LRSC. However, an increasing number of base students are declaring themselves degree-seekers with Lake Region State College. These students have discovered that even if they are transferred to another base, they can continue with Lake Region through distance education programming.
- **Distance Education**—Students served through distance education make up the third leg of the LRSC enrollment triad. Although many of these students never set foot on campus, they quickly become well acquainted with campus personnel and fellow students via the technology links that make their education opportunities possible. This group of learners is quite diverse. It includes students who are still enrolled in high school who want to take advantage of the dual credit option which allows high schools to count college courses toward high school graduation requirements. Most often, dual credit courses are offered in a face-to-face format where teacher and students meet together in a classroom away from the college (usually on a high school campus). Approximately 400 students enroll in LRSC dual credit courses each semester. These students are defined as non-degree-seekers despite the fact that they intend to seek a degree after graduating from high school.

LRSC has taken great care to assure quality in the delivery of dual credit coursework, including allowing only students who are doing A- and B-level work in high school to enroll for dual credit, hiring seasoned educators to conduct regular on-site evaluation of instructional content and methods, linking dual credit instructors with campus faculty to establish instructional benchmarks and build common expectations, and providing regular training for all new and returning instructors.

Distance education at LRSC serves many groups of learners beyond the dual-credit population. It has become the strategy of choice for many degree-seekers. Several degree options are available totally online, including degrees in Speech Language Pathology Assistant, Para-Educator, Legal Assistant, Law Enforcement, and Liberal Arts. Students in these programs enroll in online courses offered by LRSC, or they may mix and match their courses taking general education courses from a nearby college and completing their program requirements with LRSC.

In addition to online courses, LRSC uses the Interactive Video Network (IVN) to send and receive needed educational services. For example, courses on American Sign Language are delivered from LRSC to many other communities, and alternatively, LRSC students can study Spanish thanks to IVN. Sometimes technology is not the answer and LRSC finds it necessary to deliver whole programs to other communities. LRSC recently delivered a full cycle of practical nurse training in the communities of Langdon and Grafton which were faced with critical nursing shortages. The college also delivers its Peace Officer Training program to Fargo each summer. Distance education done well requires creativity and flexibility, but it is well worth the effort because of the exciting opportunities it creates for North Dakotans.

Despite bleak demographic predictions, Lake Region State College has been effective in maintaining and even growing its enrollment. Key to this success is the college's effort to be responsive to the needs of the northeast quadrant and the state as a whole. The college is quick to answer when educational needs are presented and works hard to build partnerships with agencies and organizations that need the educational services we can offer. Lake Region State College effectively addresses a wide range of educational needs

and delivers educational services to students and communities within its region and throughout the state.

VI. BUDGET

The 1999 Legislative Assembly, through the Legislative Council, asked the interim Higher Education Committee to define a clear, agreed-upon set of expectations and to develop the tools needed to meet those expectations, including a long-term finance plan. The Long-Term Finance Plan (*The NDUS Long-Term Finance Plan*, North Dakota University System) and its key components were developed at the direction of the Roundtable on Higher Education, a collaboration including representatives of the executive and legislative branches of government, the private sector, and the North Dakota University System. The plan compares funding levels of NDUS institutions to similar institutions nationwide, rather than to one another. One major goal was to move campuses that are currently less than 85 percent of peer institution funding—which includes general funds and net tuition revenues—to 85 percent within six years (by 2007-09) and all campuses to 95 percent within 12 years (by 2013-15). Lake Region State College is the furthest from its peer, currently at 42.1 percent of its peer funding (Appendix 4-Equity). That translates into a difference of $6,926,207 in state appropriation funding (Appendix 5-NDUS Resource Allocation Model). The goal of the Long-Term Finance Plan is for the state's community colleges to have 75 percent of their budgets come from state appropriations and 25 percent from tuition (Appendix 6-Optimal State Appropriation and Tuition Share). Currently, tuition collections represent 49.79 percent of available resources for salaries, operations, and equipment (Appendix 7-Tuition as a Percentage of Core Mission). Because of this shortfall in state general funding, Lake Region State College has had to sustain operations by charging much higher tuition than similar community colleges—LRSC tuition and fees are $3,065, and the national average is $1,905—and by sustaining enrollments with fewer faculty and staff to support the students (Appendix 8-LRSC Tuition vs. National Tuition). Lake Region State College has the second-highest ratio of students to staff—23.1 to 1—of any NDUS institution (Appendix 9-Ratio: Students to Staff) and fourth-highest ratio of students to faculty—17.4 to 1 (Appendix 10-Ratio: Students to Faculty).

The highest ratio of students to faculty is 20.7 to 1, and the lowest is 12.9 to 1. The effect of this level of funding has been extremely heavy workloads for personnel. During installation of the new PeopleSoft computing system, the pressure became so severe that the administration made the decision to add three positions with only two years short-term funding to support the positions. While I believe this was the only moral choice to be made, I believe it was the poorest fiscal decision I have made since becoming the CEO of Lake Region. We must have equity funding!

Compounding the problem of lack of equity funding, parity is not fully funded in the governor's budget. Parity funding is needed to cover current operations with minimal inflationary increases and projected health insurance increases as well as the second-year salary increases not covered in the current biennial budget. Further, recommended increases in salary for the 2005–07 biennium are not covered in the governor's budget. In fact, it would require a 4.7-percent tuition increase per year just to fund unfunded parity.

One of the basic principles growing out of the Higher Education Roundtable was that higher education should become more entrepreneurial and assist in growing the state economy. College budgets could expect to grow with the state's economy. The state's economy has grown, and Lake Region State College has contributed to that growth by generating nearly 50 percent of its current operations, salary, and equipment budget through tuition. We are asking that we share in the state's economic growth by receiving all of the parity funding included in our budget request and sufficient equity funding to bring us to a minimum of 55 percent of our peer college funding levels.

The continuation of condensed line items and removal of income from the appropriation process are strongly supported by Lake Region State College. The flexibility needed to manage the business of higher education today is enhanced by eliminating tuition income in the appropriation process and allowing institutional managers to make budget adjustments to various line items as necessary. Management of the institution takes place on the individual campus; the proper tools must remain in the hands of those managers.

VII. CAPITAL PROJECTS

The college has always sought funding from several sources to address capital projects before requesting state dollars. For example, a new Welcome Center/entrance/addition during the current biennium was entirely funded by community gifts. In the last several biennia, the Community College Foundation recognized the need for renovation of the auditorium and committed to raising half of the dollars needed. Another example, the college recognized the need for a connecting road on the north side of the campus. The college worked with the North Dakota Telephone Company, and an agreement was reached for North Dakota Telephone Company to build the connecting road in exchange for lease of land to build an office building. We're very proud of this cooperative venture which demonstrates that by working together we can solve difficult problems. With authorization from the legislature, the college issued revenue bonds to upgrade a portion of the men's resident halls. Three architectural firms have been scheduled for interviews to prepare for remodeling this summer. We appreciate the legislative authority to move this project forward.

Projects completed last year include asbestos removal in the student union basement, re-surfacing the main entry road, and upgrading of the fire alarm system in the Erlandson Building. The asbestos removal was funded with dollars from the asbestos lawsuit. Re-surfacing was funded with local parking fee funds. The fire alarm upgrade was funded through appropriated ADA funds.

The College Master Plan identifies several long-term needs that have been prioritized as being most critical in the future. They include the science lecture bowl and laboratories, a technical training facility, and storage and parking on the north side of the building.

The science laboratories have not been updated since they were built in 1966 and are very worn, outdated, and unsafe. Through renovation of the laboratory and classroom space, we will be able to provide state-of-the-art education and a safer, more healthful environment. Lake Region State College received a planning grant to draw up architectural renderings for the science wing classroom renovation and has been on the long-term list of projects requesting funding from the legislature for a number of

biennia. More room and ventilation is needed to store chemistry items. Ventilation hoods are aging and losing their functionality. Additional storage is needed, and space must be assigned for certain equipment so it is not exposed to other agents in main lab areas. Health department concerns have been expressed due to the lack of necessary refrigerated storage for microbiology materials. The laboratory renovation is currently included in the governor's budget for Lake Region State College. We appreciate the inclusion in our budget of this appropriation and need your support to sustain this funding through the budgeting process.

The college was included in a research project undertaken by the Department of Commerce to determine the potential for Lake Region State College to utilize wind energy. The study determined that the potential for LRSC to utilize wind energy is excellent with a possible total payback in ten years. We are interested in grant opportunities that would improve the feasibility of utilizing wind energy and will be watching HB1308 relating to a renewable energy trust fund with interest.

VIII. TUITION LEVELS

The North Central Association accreditation team identified tuition level as the most serious problem facing the college in the next decade. The philosophy of the community college is that all persons will have access to education and/or training. Community college tuition is kept low in most states as an investment in a trained workforce for economic development. Holding the line of tuition increases at two-year colleges will assist us in coming into line with regional tuition and will provide more accessible education and training for persons entering the workforce. The needed tuition increases in the 2003-2005 biennium were counter-productive to North Dakota's desire to provide affordable, accessible education. Generous funding in this biennium will assist Lake Region State College in sustaining reasonable tuition levels.

IX. CLOSING COMMENTS

I have taken the time to share with you a bit of our development and direction so that you will have a reference point for reviewing our budget requests and priorities. The major direction for the institution in

the coming biennium will be to continue to improve vocational/technical program and distance education offerings, lead the Workforce Training model for the northeast quadrant of the state in support of economic development, improve faculty and staff salaries, facilitate the transfer process for students, strive to provide access by maintaining affordable tuition, and provide well-maintained, repaired equipment and facilities for students and staff.

SB2003 is positive in that it provides funding to renovate our science laboratories. We need your support in retaining these funds throughout the budgeting process. However, as noted earlier, the governor's budget does not include full parity funding for LRSC, and we seek your assistance in restoring these parity funds. Further, it is imperative that we receive substantial equity funding. In order to reach 55 percent of our peer institution's state funding, we would need an infusion of $1,381,736. Your support in assisting us to receive this critical funding is much appreciated.

Legislative support has helped the college maintain long-term fiscal stability and institutional viability. Partnerships between the community and the state have brought the physical plant and site to excellent repair. We look forward to your continued positive support. May you be granted the wisdom to sort out the pressing needs with fairness and sensitivity.

I will be happy to respond to any questions you may have about our proposed budget and projects priorities.

ddg-2/25/05

Appendix

Economic Impact of LRSC

In fiscal year 2004, Lake Region State College's expenditures were **$9.2 million**. Total economic impact in FY2004 was **$27.3 million**.

R. Larry Leistritz and Randall C. Coon

Appendix 1

Summary – Annual NDUS Enrollment Report 2002-2003

Institution	Degree Credit	Non-Degree Credit	Non-Credit	Total
BSC	4,311		6,566	
DSU	2,586		1,615	
LRSC	2,737		947	
MASU	903	25	104	
MISU	4,422	2,397	355	
MISU-B	781		64	
NDSCS	2,788		1,387	
NDSU	12,440	2,851	265	
UND	14,570	3,122	3,268	
VCSU	1,234			
WSC	979		705	
Duplicated NDUS Total	47,751	8,395	15,276	
Unduplicated NDUS Total	45,922	7,166	14,904	67,992
Unduplicated NDUS Total of Degree Credit, Non-Degree Credit, and Non-Credit Enrollments				52,480

Appendix 2

Source: NDUS

Long-Term Enrollment Plans

- Provide quality programs with excellent instruction.
- Respond to need for programs/courses to be delivered in creative ways.
- Create/strengthen articulation agreements, which help students achieve goals, seamlessly.

Long-Term Enrollment Plans

- Expand online course offerings and the number of students enrolled in them.
- Strengthen retention strategies to help students stay in school and reach their goals.
- Support faculty commitment to effective student advisement .

Long-Term Enrollment Plans

- Transition larger numbers of dual credit students to full-time, on-campus status.
- Expand recruitment effort for specialty programs to include high school students in North Dakota's urban centers.
- Market unique programs ~ Sign Language & Interpreting Studies and Simulation Technology ~ beyond North Dakota borders

Equity

•LRSC is the furthest of any NDUS institution away from its peers as a percentage of state appropriation support.

LRSC is only at 42.1% of its peer benchmark.

Appendix 4

North Dakota University System
Resource Allocation Model

	BSC	LRSC	WSC	UND w/Medical	NDSU w/o Ag	NDSCS	DSU	MaSU	MISU	VCSU	MISU-B
2003-05 GF "Operating" base (excludes "Capital Assets" funding)	$15,612,327	$5,032,682	$5,357,371	$117,042,820	$70,646,986	$23,718,169	$13,598,831	$8,602,335	$25,769,578	$11,304,672	$4,102,856
Peer Benchmark Total Revenues per FTE per year	$7,750	$9,250	$7,500	$13,250	$10,500	$8,500	$7,500	$9,000	$8,500	$9,000	$9,000
04-05 Adjusted Peer Benchmark Total Revenues per FTE per year	$8,785	$10,486	$8,502	$15,020	$11,903	$9,635	$8,502	$10,202	$9,635	$10,202	$10,202
Fall 2003 FTE students	2,668	760	692	11,585	10,181	2,125	1,971	681	2,989	826	465
Calculated Benchmark Funding at 100% per year	$23,439,122	$7,972,593	$5,886,136	$174,001,599	$121,180,727	$20,478,578	$16,757,210	$6,947,738	$28,800,409	$8,427,066	$4,740,650
% of total revenues to be paid by State of North Dakota	75.00%	75.00%	75.00%	60.00%	60.00%	75.00%	70.00%	70.00%	65.00%	70.00%	75.00%
Annual Peer Benchmark State Support	$17,579,342	$5,979,445	$4,414,602	$104,400,959	$72,708,436	$15,358,934	$11,730,047	$4,863,417	$18,720,266	$5,898,946	$355,487
Biennial Peer Benchmark State Support	$35,158,684	$11,958,889	$8,829,205	$208,801,919	$145,416,873	$30,717,867	$23,460,094	$9,726,833	$37,440,532	$11,797,892	$7,110,974

Appendix 5

Optimal State Appropriation and Tuition Share

A determination was made within the long-term financing plan that the optimal share of support from state appropriations and tuition should be 75% state appropriations and 25% tuition.

Tuition as a Percentage of Core Mission

Total Support for Core Mission of Instructional Access

	Biennium			
	1997-1999	1999-2001	2001-2003*	2003-2005
Local Fund (net) Tuition Revenues	1,341,323	1,631,822	1,890,847	2,410,000
General Fund (net) Tuition Collections	1,543,127	1,785,940	2,055,369	2,580,000
General Fund Appropriation for Salaries, Operating, and Equipment	4,107,420	4,410,268	5,003,513	5,032,682
Total Support for Core Mission	6,991,870	7,828,030	8,949,729	10,022,682
Total Tuition Collections as % of Total Support for Core Mission	**41.25%**	**43.66%**	**44.09%**	**49.79%**

* Tuition Collections (net) are estimated for 03-05 and 05-07. 05-07 Collections assume no tuition rate increase. 05-07 Appropriation assumes no change from 03-05.

In addition to Tuition Collections used to support General Fund operations, LRSC continues to be entrepreneurial by serving students through endeavors which are currently not being supported by state General Fund Appropriations. Following is a summary of tuition generated by such endeavors and, when added to General Fund Tuition Collections, the percentage of total support provided by institutionally-generated revenue toward its core mission of access to instructional programs.

LRSC Tuition vs. National Tuition

2003-2004

•Nationally, average tuition and fees at two-year public institutions was $1,905. *(College Board)*

LRSC tuition and fees are $3,065

Ratio: Students to Staff

- LRSC has the second-highest ratio of students to staff of any of the NDUS institutions. Highest is 24.7 to 1.

LRSC students to staff ratio: 23.1 to 1

Appendix 9

Ratio: Students to Faculty

•LRSC has the fourth-highest ratio of students to faculty. Highest is 20.7 to 1 and lowest is 12.9 to 1.

LRSC students to faculty ratio: 17.4 to 1

Additional Information

NORTH DAKOTA UNIVERSITY SYSTEM
REPORT OF CONTINUING APPROPRIATIONS
Lake Region State College

1/20/2005

1999-01

	Beginning Balance	Revenue	Expenditures	Net Additions/ Deductions/Transfers	Ending Balance
Auxiliary services	393,700	1,866,700	1,740,700	-143,100	376,700
Tuition collections	23,400	1,887,700	113,200	-1,783,600	14,300
Other unrestricted	425,500	2,703,900	2,458,300	-262,000	409,100
Scholarships and fellowships	-	1,508,400	1,583,600	75,200	-
Grants and contracts	900	867,400	867,000	-1,400	-
Loan funds	449,500	36,900	-6,300	-26,400	466,300
Plant funds	357,300	789,400	295,900	-572,600	278,200
Endowment funds	2,538,700	736,000	66,500	1,160,700	2,271,000

2001-03

	Beginning Balance	Revenue	Expenditures	Net Additions/ Deductions/Transfers	Ending Balance
Auxiliary services	376,700	2,129,400	1,982,100	-28,700	495,300
Tuition collections	14,300	2,237,900	202,700	-1,913,600	136,000
Other unrestricted	409,100	3,376,900	2,731,100	-177,700	877,200
Scholarships and fellowships	-	1,844,200	1,911,800	67,600	-
Grants and contracts	-	1,777,200	1,743,600	-33,500	-
[illegible]an funds	466,300	41,700	32,600	-9,600	465,900
[illegible]t funds	278,200	301,400	231,900	-136,900	210,800
[illegible]dowment funds	2,271,000	561,200	563,100	-35,100	2,234,100

2003-05 Estimate

	Beginning Balance	Revenue	Expenditures	Net Additions/ Deductions/Transfers	Ending Balance
Auxiliary services	495,300	2,262,400	2,029,200	-128,500	600,100
Tuition collections	136,000	2,719,100	207,400	-2,541,100	106,600
Other unrestricted	877,200	3,767,800	3,191,100	-454,300	999,500
Scholarships and fellowships	-	1,974,000	2,034,400	60,400	-
Grants and contracts	-	1,760,500	1,743,100	-17,300	-
Loan funds	465,900	42,000	-2,100	9,600	519,600
Plant funds	210,800	416,800	1,426,200	2,906,400	2,107,800
Endowment funds	2,234,100	491,500	745,900	362,800	2,342,500

2005-07 Estimate

	Beginning Balance	Revenue	Expenditures	Net Additions/ Deductions/Transfers	Ending Balance
Auxiliary services	600,100	2,285,024	2,049,492	-129,785	705,847
Tuition collections	106,600	2,746,291	209,474	-2,566,511	76,906
Other unrestricted	999,500	3,805,478	3,223,011	-458,843	1,123,124
Scholarships and fellowships	-	1,993,740	2,054,744	61,004	-
[illegible]ts and contracts	-	1,778,105	1,760,531	-17,473	-
[illegible]n funds	519,600	42,420	-2,121	9,696	573,837
Plant funds	2,107,800	420,968	1,440,462	2,935,464	4,023,770
Endowment funds	2,342,500	496,415	753,359	366,428	2,451,984

LAKE REGION STATE COLLEGE
GENERAL FUND APPROPRIATION AND TUITION CARRYOVER
from 2001-2003 to 2003-2005

Amounts and use of 2001-03 tuition carryover funds

$28,129	Convert Ag position to Nursing and cover developmental leave for ag
11,000	Fund part-time coordinator for Para-Educator Program
25,000	Provide matching funds for Sign Language Program grant
35,000	Increase equipment budgets
24,464	Provide funds to explore Honors Online and Homeschoolers Online programs
$123,593	

Amounts and use of 2001-03 General Fund Appropriation carryover funds

Operations:

$0	No carryover

Capital Assets:

$2,423	Complete nursing classroom remodeling in FY04 (Total General Fund carryover)

North Dakota University System
Recommended House Appropriation Investment Plan—The NDUS an Investment in the Future of the State of North Dakota
February 24, 2005

Provide funding, at a minimum, of 21% of the state's recurring revenues, as suggested by Gov. Hoeven. This would result in an additional $4.657million over Engrossed SB2003.	$4,657,000
Core Functions	
Investment needed to address "critical" equity funding needs at BSC, LRSC and NDSU identified through comparison to their peer campus funding benchmark.	-$1,500,000
Investment needed to address part of the remaining unfunded state costs of campus on-going operations to address salary and health insurance increases, and operating and utility increases required to reduce overall potential tuition increases.	-$2,657,000
Economic Enhancement	
Investment needed to launch system-wide international student program required to maximize campus utilization, enhance diversity, and stimulate economic growth through additional new revenues and population growth.	-$500,000
	$0
In addition, at least a 21% portion of any additional state revenues resulting from the potentially improved March revenue forecast be allocated to the NDUS and used to address deferred maintenance (i.e. extraordinary repairs) needs at campuses.	

OTHER NDUS HIGH PRIORITY INVESTMENTS

Core Functions	
UND O'Kelly Hall/Ireland Renovation (Engrossed SB2023-state bonding)	$3,500,000
Economic Enhancement	
Expansion of Workforce Training Delivery System (Engrossed SB2019)	$600,000
Centers of Excellence (Engrossed SB2018)	$50,000,000

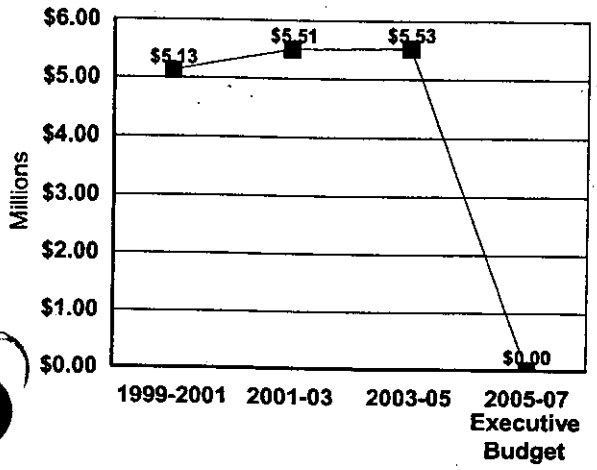
Prepared by the North Dakota Legislative Council
staff for House Appropriations
February 25, 2005

›artment 229 - Williston State College
ɛnate Bill No. 2003

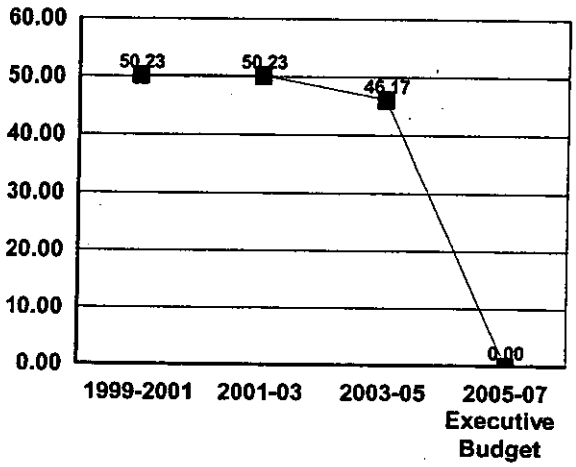
	FTE Positions	General Fund	Other Funds	Total
2005-07 Executive Budget	0.00	$0	$6,910,000	$6,910,000
2003-05 Legislative Appropriations	46.17	5,525,767	0	5,525,767[1]
Increase (Decrease)	(46.17)	($5,525,767)	$6,910,000	$1,384,233

[1]The 2003-05 appropriation amounts include funding of $49,606 relating to the transfer of funding associated with the statewide psychiatric nursing education program from the University of North Dakota to various higher education institutions.

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)

	General Fund	Other Funds	Total
1. Consolidates operations and extraordinary repair funding for all higher education institutions into the University System budget. The Senate appropriated operations and extraordinary repair funding for each of the higher education institutions.	($5,525,767)		($5,525,767)
2. Provides funding for major capital projects for the 2005-07 biennium–Rural Development Center ($2,500,000 federal funds and $3,500,000 special funds) and Energy and Transportation Training Center Addition ($910,000 special funds)		$6,910,000	$6,910,000

Major Related Legislation

ıate Bill No. 2003 - Long-term finance plan review - Section 17 of Engrossed Senate Bill No. 2003 provides that it is the intent of Legislative Assembly that the State Board of Higher Education conduct a review of the long-term finance plan, including a review of *ɛr 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. 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 requirement 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 the 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 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.

With the exception of the following page - very same testimony given to House

North Dakota
Senate Appropriations Committee
Hearing

January 18, 2004

Williston State College Budget

NDUS Campuses and Medical School
Comparison of SBHE 2005-07 Prioritized Budget Request to Executive Recommendation
(Including Requested Restoration & Increases Over Executive Recommendation)

	WSC		
	SBHE 2005-07 Prioritized Budget Request	Executive Recommendation	Restoration Request & Increases Over Executive Recommendation
2003-05 Original General Fund Appropriation	$ 5,476,161	$ 5,476,161	
Base Adjustments	49,606	49,606	
2003-05 Adjusted General Fund Appropriation, Plus (Minus) Base Adjustments	5,525,767	5,525,767	
Priority One - State-Linked Budget Priorities:			
Capital Assets Base Increase (Decrease)	22,288	(2,315)	24,603
Campus Parity (80%) - Revised	298,177	269,886	28,292
Campus Equity (20%) - Revised	57,485	52,031	5,454
Subtotal	377,950	319,602	58,349
Transfer to NDUS "operations" pool		(5,758,894)	5,758,894
Transfer to NDUS "contingency/extraordinary repairs" pool		(86,475)	86,475
Capital Projects Funded			-
Total-Priority One Increases	377,950	(5,525,767)	5,903,718
Subtotal 2003-05 Base, Plus Priority 1	5,903,717	(0)	5,903,718
Priority Two - Reach funding equivalent to at least 21% of 2005-07 recurring state revenues:			
Campus Parity (80%)	42,409		42,409
Campus Equity (20%)	8,176		8,176
Total-Priority Two Increases	50,585		50,585
Subtotal 2003-05 Base, Plus Priorities 1 & 2	5,954,302		5,954,303
Priority Three - Additional increases to make progress on goals of long-range finance plan			
Fund 100% state share of parity	28,651		28,651
Increase 2005-07 salary increases to 4.2% per year	36,015		36,015
Board initiative funding increase			-
Capital assets funding increase	22,288		22,288
Equity funding to bring all campuses to 45% of peer benchmark in 2007-09			-
Equity funding to bring all campuses to 50% of peer benchmark in 2007-09			-
Equity funding to bring all campuses to 55% of peer benchmark in 2007-09			-
Equity funding to bring all campuses to 60% of peer benchmark in 2007-09			-
Equity funding to bring all campuses to 62.3% of peer benchmark in 2007-09			-
Total-Priority Three Increases	86,954		86,954
Subtotal 2003-05 Base, Plus Priorities 1, 2 & 3	6,041,256		6,041,257
Priority Four - To achieve needs-based budget request level approved by the SBHE			
Equity funding to bring all campuses to 85% of peer benchmark in 2007-09	968,262		968,262
Capital assets funding increases	261,611		261,611
Board initiative funding increase			-
Total-Priority Four Increases	1,229,873		1,229,873
Total General Fund Needs Based Budget Request	$ 7,271,129		$ 7,271,129

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Campus-Med GF

D-SB2003
February 25, 2005

North Dakota
House Appropriations Committee
Education and Environmental Division
Hearing

February 28, 2005

Williston State College Budget

WILLISTON STATE COLLEGE

Enrollment History

Year	Semester	Head Count	Full-Time	Part-Time	FTE
04-05	Fall	937	568	369	694
04-05	Spring	950*			
03-04	Fall	871	603	268	694
03-04	Spring	872	587	285	690
02-03	Fall	770	561	209	622
02-03	Spring	813	579	234	661
01-02	Fall	748	525	223	579
01-02	Spring	720	533	187	594
00-01	Fall	687	506	181	550
00-01	Spring	654	484	170	543
99-00	Fall	714	582	132	615
99-00	Spring	705	558	147	588
98-99	Fall	674	577	97	592
98-99	Spring	718	552	166	595
97-98	Fall	788	626	162	663
97-98	Spring	710	584	126	618

headcount as of January 11, 2005

WSC Status Report
Fall 2004

- Fully accredited by the North Central Association
- College designated as a community college and assigned Workforce Training for Northwest North Dakota (July 1, 1999)
- College name changed to Williston State College (July 1, 1999)

Present Programs:

Associate of Arts (Liberal Arts)

Associate of Science (Liberal Arts)

- *Aviation added Fall 2002*

Associate of Applied Science

- Administrative Assistant*
- Administrative Assistant/Accounting
- Administrative Assistant/Health Information Management
  - Front Office*
  - Medical Billing/Coding*
- Administrative Assistant/Information Processing
- Agriculture
  - Agribusiness Sales & Management
  - Farm & Ranch Management
  - Natural Resources Management & Conservation
- Automotive Technology**
- Computer Systems Specialist
  - Management Information Systems
  - Microsoft Certified System Engineer
  - Network Analyst
  - Programming*
  - Systems Technician
  - Web Design*
- Diesel Technology**
- Entrepreneurship*
  - Recreation & Tourism
  - Agribusiness
- General & Technical Studies*
  - Career Enhancement
  - Self-Enrichment
  - Workplace Readiness
- Marketing-Management
  - Accounting
  - Management
  - Marketing
- Massage Therapy*
- Medical Transcription
- Paraeducator*
- Physical Therapist Assistant
- Nursing
  - Practical Nursing
  - Associate Degree Nursing (RN)
- Speech Language Pathology Assistant

**Certificate program available* ***Diploma available*

Distance Education:

Numerous Courses available online

Programs available online

- Associate in Arts
- Administrative Assistant (Certificate)
- Administrative Assistant-Information Processing (Certificate or Associate Degree)
- Administrative Assistant-Accounting (Associate Degree)
- Administrative Assistant-Health Information Management (Associate Degree)
- Front Office (Certificate)
- Medical Billing and Coding (Certificate)
- Medical Transcription (Certificate or Associate Degree)
- Entrepreneurship (Certificate or Associate Degree)
- Paraeducator (Certificate or Associate Degree)
- Recreation and Tourism (Associate Degree)
- Speech Language Pathology Assistant (Associate Degree)

Programs available via Interactive Video Network

- Practical Nursing Certificate in Williston & Minot
- Registered Nurse Associate Degree in Williston & Minot
- Massage Therapy Certificate or Associate Degree in Williston, Minot, & Bismarck

Employees:

Full-time	72
Part-time and adjunct	106
Administrators	4
Faculty	
Full-time Teaching	27
Full-time (part-time teaching)	7
Permanent part-time	4
Adjunct	
On-campus	28
Off-campus	25
Staff	
Full-time	35
Part-time	6
Students (part-time)	42

Athletics:

Women's

- Volleyball
- Basketball
- Golf

Men's

- Baseball
- Basketball
- Golf

Credit Student Enrollment Information:

- 936 students
- 61% full-time (568)
- 39% part-time (369)
- 71% women (665)
- 41% E-Learning (388)

- 79% North Dakota (744)
- 47% Williams County (438)
- 57% Primary service area of Burke, Divide, Dunn, Golden Valley, Mountrail, McKenzie and Williams Counties (538)

- 14% Montana (127)
- 21% Out of State (192)
- 2% Canada (15)

- 57% 18-24 years of age (533)
- 37% 25 & above years of age (349)
- 6% under 18 years of age (55)

- 4% American Indian Students (37)
- 3% Other Minority Students (26)

Market Penetration in Primary Service Area:

	Population In Area	Fall '03 Attending WSC	Fall '04 Attending WSC	% Increase/ Decrease
15 – 54 Year Olds	21,613	569	538	
Market Penetration		2.6%	2.5%	-.1%

Population Information:

- Primary Service Area
  - North Dakota Counties: Burke, Divide, McKenzie, Mountrail and Williams

1990	2000	Change
54,452	49,784	-8.8%

- Secondary Service Area
  - Montana Counties: McCone, Richland, Roosevelt, Sheridan and Valley

1990	2000	Change
39,962	34,036	-7.9%

- Workforce Training Counties
  - Bottineau, Burke, Divide, McHenry, McKenzie, Mountrail, Pierce, Renville, Ward and Williams Counties

1990	2000	Change
135,214	131,242	-2.9%

Workforce Training 2003-2004:

- A total of 193 businesses were served (decreased by 36)
    - 59 were primary sector businesses (increased by 22)
- 1387 (unduplicated count) employees attended trainings
- 230 training sessions held (decreased by 39).
- 29,556 hours of training were conducted (increase of 15,942 over previous year)

Economic Impact:

- $35,041,258 direct (Health Science & Sports Complex Building Project)
- $14,420,560 indirect

NW ND Workforce Training Quadrant
Williston State College

Performance Measures:

1) The revenue generated in Fiscal Year 2003-2004 was $179,168.00.
2) A total of 193 businesses were served, 59 were primary sector businesses.
3) There were114 businesses that requested additional trainings.
4) Training session consisted of 1,847 participants (duplicated) with several attending multiple trainings. There were 1,387 unduplicated participants.
5) There were 230 training sessions held.
6) There were 14 businesses that conducted community activities/training.
7) A total of $2,025.00 was generated from local sources. Williston State College contributed $47,576.00 in salaries.
8) Provided 29,556 contact hours of training to the region.
9) Of the clients served 100% were satisfied with the training; with 100% satisfied with the responsiveness of the Workforce Training representative in meeting their needs.
10) Of the participants served 100% were satisfied with the training provided by the NW ND Workforce Training Quadrant.

Customers:

Company Employee Size	Companies Served
1 to 4	30
5 to 9	35
10 to 19	35
20 to 49	37
50 to 99	28
100 to 249	14
250 to 499	2
500 to 999	4
1,000-2,000	6
2,000-5,000	2

Williston State College
Key Performance Indicators
Fall 2004

1. Full Time Equivalents

	Headcount	Full Time	Part Time	F.T.E.
Fall 2001	748	525	223	601
Fall 2002	770	561	209	633
Fall 2003	871	603	268	694
Summer 2002	141	7	134	44
Summer 2003	265	14	251	88
Summer 2004	260	13	247	88

Market Penetration

	Fall 2003	Fall 2002
Primary Service Area --Includes Burke, Divide, Dunn, Golden Valley, McKenzie, Mountrail, & Williams counties in North Dakota	2.6%	3.0%
Secondary Service Area --Includes Richland, Roosevelt, & Sheridan counties in Montana	0.4%	0.6%

2. Student Progress

- ACT and CAAP Scores (2003)

	ACT		CAAP	
	WSC Average	National Average	WSC Average	National Average
Reading Skills	19.9	20.4	59.4	60.5
English/Writing Skills	18.8	19.6	62.3	62.8
Math Skills	19.1	19.1	56.2	57.0
Science Skills	20.4	20.2	58.7	59.1

- Job Placement Rate (2003 graduates)
  - 63% of Vocational/Technical Students are working within their field.
  - 16% of Vocational/Technical Students are continuing their education within their field.

3. College External Reputation

- Not measured at this time.

4. Internal Work Climate

- Biennial Report on Employee Satisfaction (see attachment)
- Campus Quality Survey will be completed again this fall.

5. Personnel Full Time Equivalents

- F.T.E
  - 2002-2003: 82.3
  - 2003-2004: 86.1
  - 2004-2005: 84.5 (67.6—General Fund & Tuition Collections; 16.9—All other sources)
- Dollars Budgeted for Personnel
  - 2002-2003: $3,760,856
  - 2003-2004: $4,034,513
  - 2004-2005: $4,084,360 ($3,334,469—General Fund & Tuition Collections; $749,891—All other sources)
- Ratio of Faculty and Staff to Students (FY 2003)
  - Student to Faculty Ratio: 15.4:1
  - Student to Staff Ratio: 20.6:1

Williston State College

Rural Community College Initiative

Williston State College is partnering with 59 representatives of business and industry, community organizations, economic development, and education in the Ford Foundation sponsored Rural Community College Initiative (RCCI). Our condensed vision is **"building our region one dream at a time".** WSC, along with fifteen other rural community colleges from distressed geographic areas of the United States, is now in the "action" stage of a RCCI "Vision to Action" process. The *Ford Foundation's Goals* for the RCCI (Rural Community College Initiative) participation, which are to:

- *Expand the community college education and training access for all citizens in our region*
- *Assist in regional rural development and*
- *Promote civic engagement.*

The initiatives that the our team is taking action on include:

ENTREPRENEURSHIP

OIL FIELD TRAINING

OUTMIGRATION of YOUTH

QUALITY of LIFE

RURAL DEVELOPMENT CENTER

VALUE-ADDED AGRICULTURE



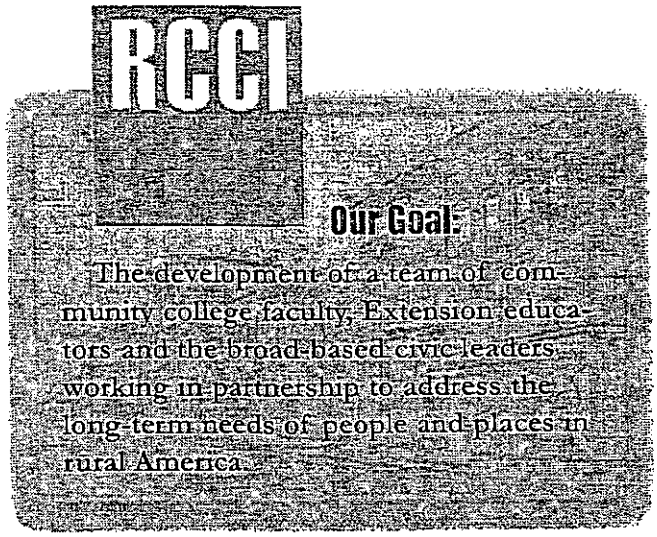
RURAL COMMUNITY COLLEGE INITIATIVE

Building New Partnerships in Support of America's Rural Communities

A Ford Foundation Supported Initiative

Report Submitted by
North Central Regional Center for Rural Development
Southern Rural Development Center

November 2004



Introduction

In the summer of 2002, two regional rural development centers (RRDCs) — the North Central Regional Center for Rural Development (NCRCRD) and the Southern Rural Development Center (SRDC) — began an ambitious project. With funding from the Ford Foundation, the Centers initiated an effort to expand the Rural Community College Initiative (RCCI) program, both in the number of participating colleges and of partners working to address the challenges facing rural America.

This new approach to RCCI was intended to demonstrate that the creation of a new partnership could become an innovative model for funneling available resources in a more effective and targeted manner in supporting the community-building efforts of rural areas. That effort brought a more proactive and sustained partnership of the rural community colleges with their state land-grant university system.

During the inaugural year, the RCCI Coordinating Team worked to strengthen the capacity of rural community colleges and land-grant personnel (most of whom were affiliated with the Cooperative Extension System) to serve as catalysts in advancing the community and economic development agenda of rural places located within their common service areas. Now that the second year of work has been completed, the project has built on the lessons learned during its first year by modifying and strengthening the manner in which the following building blocks of the RCCI program were pursued:

- The selection of new colleges;
- The quality and depth of training provided to new coaches;
- The way in which the Round One colleges could serve as important mentors to the newly selected Round Two schools;
- Improvements in the collection of information about the RCCI process that would allow further refinements to be introduced in a timely fashion during the second phase of the project; and
- The manner in which collaborative efforts between community and tribal colleges and the 1862 and 1890 land-grant systems could become more institutionalized over time.

Continued on page 4

Advisory Council

Paul Coreil
Vice-Chancellor
Louisiana State University AgCenter

Carol Davis
Acting President
Turtle Mountain Community College

David Dodson (ex-officio)
President
MDC, Inc.

Margaret Hale
Executive Associate Director
Texas Cooperative Extension, Texas A&M University

Dalton McAfee
Administrator, Cooperative Extension Program
Alcorn State University

Carlyle Ramsey
President
Danville Community College

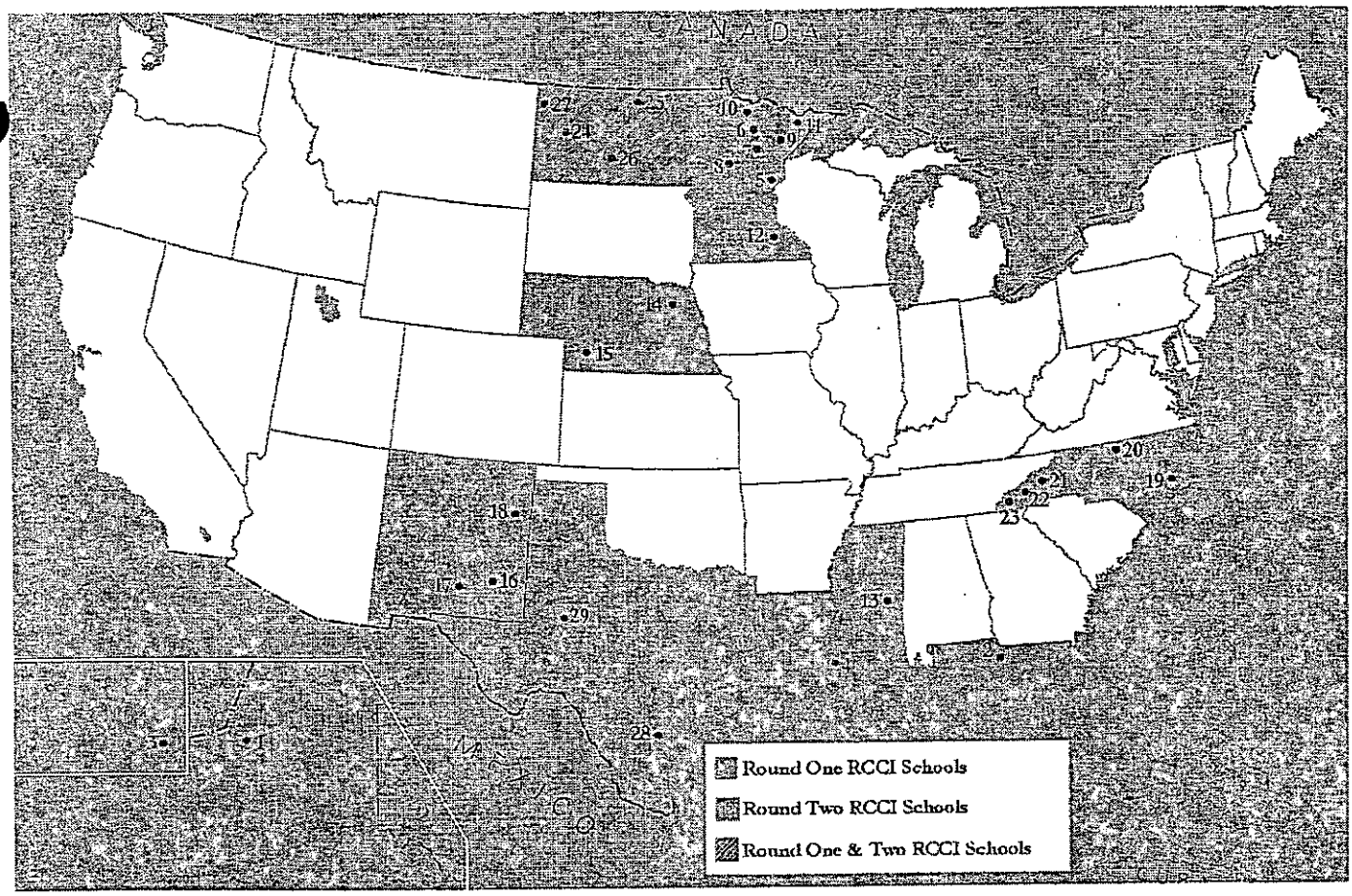
Dick Senese
Associate Dean, Community Vitality
University of Minnesota

Joe Sertich
President
Northeast Higher Education District

Ismael Sosa
President
Southwest Texas Junior College

Cheryl Sparks
President
Howard College

Morris Steen
President
North Florida Community College



College Teams

Alaska
1 University of Alaska-Fairbanks Northwest Campus*

Florida
2 North Florida Community College*

Hawaii
3 Hawaii Community College*

Louisiana
4 Louisiana Community and Technical College System*

Minnesota
5 Fond du Lac Tribal & Community College
6 Northeast Minnestoa Higher Education District:
7 Hibbing Community College
8 Itasca Community College
9 Mesabi Range Community and Technical College
10 Rainy River Community College
11 Vermillion Community College
12 Rochester Community & Technical College

Mississippi
13 East Central Community College

Nebraska
14 Little Priest Tribal College*
15 Mid Plains Community College

New Mexico
16 Eastern New Mexico University-Roswell
17 Eastern New Mexico University-Ruidoso
18 Mesalands Community College

North Carolina
19 Carteret Community College
20 Piedmont Community College
Western Carolina Partnership:
21 Haywood Community College
22 Southwestern Community College
23 Tri-County Community College

North Dakota
24 Fort Berthold Community College
25 Turtle Mountain Community College*
26 United Tribes Technical College
27 Williston State College

Texas
28 Coastal Bend College
29 Howard College

**Schools joining during Round Two*

Member Colleges



NDSU
Extension Service
North Dakota State University

Williston State College

Service Area: The credit enrollment service area includes Billings, Burke, Divide, Dunn, Golden Valley, McKenzie, Mountrail and Williams Counties, North Dakota and Daniels, McCone, Roosevelt, Sheridan and Valley Counties, Montana. The workforce training service area includes Burke, Bottineau, Divide, Pierce, McHenry, McKenzie, Mountrail, Renville, Ward and Williams Counties, North Dakota.

Enrollment: 937 credit students enrolled; 1,319 workforce development students enrolled (Fall 2004)
President: Joe McCann
Coach: Kathy Tweeten (North Dakota State University)
Team Members: Ken Quamme (Director for Technology), Mark Sovig (Executive Director - Tri-County Regional Development Council), Linda Hauge (University of Minnesota Extension Agent) and Tom Rolfstadt (Executive Director of Economic Development - City of Williston)

Williston State College serves an area grappling with declining population and low per capita income. Out migration of youth in every geographic sector except the reservations, the need to create good jobs that pay living wages and the provision of health insurance occupies the attention of community leaders across the region. The team's effort to be inclusive drove them to include the voices of communities.

The Williston State College Team created an extended Core Team that has met four times. A youth forum was held to get input from young people aged 13 to 24 from throughout the region. Working with a faculty member skilled in place-based planning, the team invited representatives of the college's service area to participate in identifying the assets and challenges of the area, creating a vision for the future for the area and designing a plan to reach that future. This extended Core Team, facilitated by a WSC agriculture instructor, identified issues and assets, developed a vision and created action plans. Dubbed the NeighBORS Project, the plan includes strategies to attract young people, value-added agriculture and a focus on entrepreneurship.

The resulting plan is now in final draft and will be published soon. The extended Core Team's plan, Neighbors Building Our Region One Dream at a Time, includes the following vision for the future:

> *We see communities alive with busy streets. These streets are inviting aesthetically and supported by a diverse population of skilled people. The mix of populations includes cutting edge technologies blended with heritage/cottage industries.*
>
> *All regional main streets have destination qualities and uniqueness. These communities are in fact learning communities supported by Williston State College, the college of the community.*
>
> *Regional land resources of the Community Team with diversity of crops, animals, enterprises and people. Diversity extends from regional efforts that preserve heritage, plants, animals and techniques; to commodity production of world-class quality commodities; and providing historical and rural experiences to residents and visitors in the Mon-Dak area.*
>
> *Education is accessible to all citizens of the neighborhood. K-12 is seamless to college access. Local citizens are welcome as partners and participants at every grade level. We are recognized as a learning neighborhood that mentors others in the process of learning communities.*

Member Colleges

Our cultural/customs and traditions support life-long learning and effective leadership. Neighborhood mentoring of leaders and entrepreneurship is common practice.

The planning process included the following steps:

- Evaluating the present economic, postsecondary educational and civic status of the region;
- Getting input from all sectors of the region;
- Formulating an RCCI vision;
- Development strategies to reach desire outcomes of the vision; and
- Determining priority action steps to be recommended.

The goals identified in the process include:

- Expanding entrepreneurship in the region;
- Expanding oil field training capacity available in the Williston Basin and Eastern Montana;
- Decreasing the out-migration of youth in the Mon-Dak region;
- Improving the quality of life in the Mon-Dak region;
- Establishing a rural development center which supports entrepreneurship, makes the college more of a cultural center for the region and supports the region's economic development targeted sectors of the economy including:
  - Value-added agriculture;
  - Technology;
  - Energy production; and
  - Tourism; and
- Increasing the presence of value-added agriculture industries in the area.

The benchmarks that the team has identified for evaluation include:

- Market penetration of minority students and of the total 18-59 year olds in WSC's thirteen-county primary service area;
- Average earned income by zip code;
- Entrepreneurship program enrollment;
- In-state employment of program completers one year later;
- Rate of poverty among Trenton Indian Service Areas registrants;
- College credit and non-credit workforce development enrollment in targeted regional workforce development programs; and
- Trenton Indian Service Area registrant employment level.

Highlights of the planning process at Williston State College include:

- Developing a new relationship with the Trenton Indian Service Area and expanded relationship with Fort Berthold Tribal and Community College;
- Convening of regional leaders and community members to work on creating a healthier future for their communities and the region;
- Opportunities to build bridges with potential funding partners; and

Identifying realistic strategies to address regional declines in per capita income and population, particularly among younger people.

WSC Economic Development Center of Excellence Update

November 1, 2004

Williston State College's Ford Foundation Rural Community College Initiative (RCCI) "set the stage" for our discussion with the governor. Three potential **Economic Development Centers of Excellence** emerged from the WSC RCCI project:

- **Entrepreneurship** – This center would focus on providing support for "home grown" entrepreneurs, changing the culture of our region, and provision for K-12 through Associate of Applied Science education and training. The philosophy underlying this center would be on developing entrepreneurs rather than completing deals.

- **"Oil Patch" Training** – This Center would enhance both pre-hire training as well as post employment upgrade training. Training will be available in close proximity to the Williston Basin employers and will be available in all oil producing regions of North Dakota.

- **Value-Added Agriculture** - This would focus on, irrigation expansion, high value crop production and adding value to crops after harvest. The center would focus on technology transfer rather than research.

The Governor's Community Forum was held on Tuesday October 26th from 2:00 – 4:00 PM.

The group assembled advised that WSC consider applying for Economic Development Center of Excellence funding for both **"Oil Patch" Training** and **Value-Added Agriculture** centers. All three of these economic development areas require further WSC effort regardless of which one might be funded as a Center of Excellence.

DDD-SB2003

WSC
Major Capitol Requests
2005-2007

The priorities of WSC have been revised through a recommendation of the college's Strategic Planning Committee and are detailed in the college's 2004 Revised Master Plan. Both of these capitol projects have been recommended for inclusion in the 2005-2007 budget request" by the State Board of Higher Education as one of the "Non-State Funded Unranked Projects" to be funded by local funding sources.

Energy and Transportation Training Center Addition to the Crighton Building to facilitate Oil Field Training and Expand the Current Diesel Technology Program. $910,000

This addition for inside oilfield training space is part of a larger plan to establish an Economic Development Center of Excellence. The SBHE approved the allocation of $100,000 of undesignated centers of Excellence funding for the WSC "Oil Field Training Center". The WSC plan for establishing the center of excellence includes investing part of funds raised into this addition to the Crighton Building. In order to meet increased pre-hire training demand brought on by increased oil field drilling activity, WSC Workforce Training has hired an "oil patch" training specialist and has a plan to phase-in a variety pre-hire trainings by the end of the calendar year.

The size of the Diesel Technology laboratory will be enlarged in order to:

1. Provide for students' safety in the laboratory setting
2. Meet National Automotive Technicians Education Foundation (NATEF) program certification standards for a 42-student laboratory.
3. Make the program eligible for Manufacturer equipment donations.

The demand for program graduates in Western North Dakota is in excess of the current capacity of WSC's Diesel Technology program. NATEF Certification will allow this program to qualify for manufacturer equipment contributions and will make WSC's diesel laboratory the only NATEF certified program between the Twin Cities and eastern Washington state.

Rural Development Center $6,000,000

This building is born out of a vision which community leaders have to establish a Rural Development Center in order to improve the quality of life in the Mon-Dak region (northwestern North Dakota and northeastern Montana) with an emphasis on entrepreneurship and innovation. The center will assist in reducing the out-migration of youth, make WSC more of a cultural focal point for the region, and as well as attracting young families to the region.

This center will fill gaps in rural development capacity that exist in the Mon-Dak Region by working cooperatively with agencies, at the local state and federal level to build capacity in the areas of: value-added agriculture, energy production, tourism, planning, Workforce Training, technology application, and facilitate meetings, workshops, cultural, and regional events. Ten different sectors of the region were involved in conceptual stage of this vision and will be involved in honing the functionality of the project.

NORTH DAKOTA UNIVERSITY SYSTEM
REPORT OF CONTINUING APPROPRIATIONS
Williston State College

1999-01	Beginning Balance	Revenue	Expenditures	Net Additions/ Deductions/ Transfers	Ending Balance
Auxiliary Services	152,900	1,483,700	1,613,600	60,500	83,400
Tuition Collections	37,700	2,128,200	56,900	(2,084,200)	24,700
Other Unrestricted	113,800	840,800	651,400	(285,500)	17,700
Scholarships & Fellowships	21,600	2,111,700	2,136,300	27,700	24,600
Grants & Contracts	111,000	796,200	702,200	(28,300)	176,700
Loan Funds	342,000	14,200	6,300	(8,400)	341,500
Plant Funds	232,200	113,600	93,800	1,581,600	1,833,700
Endowment Funds	52,900	300	-	(1,000)	52,200

2001-03	Beginning Balance	Revenue	Expenditures	Net Additions/ Deductions/ Transfers	Ending Balance
Auxiliary Services	83,400	1,781,700	1,878,700	44,700	29,700
Tuition Collections	24,700	2,566,800	150,900	(2,436,100)	4,600
Other Unrestricted	17,700	1,174,200	858,000	(298,700)	87,200
Scholarships & Fellowships	24,600	2,789,300	2,859,800	65,800	19,900
Grants & Contracts	176,700	906,100	899,600	(88,100)	44,500
[illegible] Funds	341,500	18,600	19,800	(5,200)	335,100
[illegible] Funds	1,833,700	3,246,000	4,718,900	(173,500)	187,300
[illegible]ment Funds	52,200	-	-	-	52,200

2003-05 Estimate	Beginning Balance	Revenue	Expenditures	Net Additions/ Deductions/ Transfers	Ending Balance
Auxiliary Services	29,700	2,162,400	2,375,400	234,400	51,100
Tuition Collections	4,600	3,236,800	179,600	(3,039,200)	22,700
Other Unrestricted	77,800	1,647,400	1,525,900	(84,300)	115,100
Scholarships & Fellowships	19,900	3,400,000	3,491,000	91,800	20,700
Grants & Contracts	53,900	983,600	857,800	(144,000)	35,600
Loan Funds	335,100	16,600	14,500	(3,400)	333,800
Plant Funds	187,300	1,268,700	1,165,400	(281,800)	8,800
Endowment Funds	52,200	-	-	-	52,200

2005-07 Estimate	Beginning Balance	Revenue	Expenditures	Net Additions/ Deductions/ Transfers	Ending Balance
Auxiliary Services	51,100	2,292,144	2,477,542	194,400	60,102
Tuition Collections	22,700	3,431,008	190,376	(3,241,552)	21,780
[illegible] Unrestricted	115,100	1,746,244	1,617,454	(84,300)	159,590
[illegible]rships & Fellowships	20,700	3,604,000	3,700,460	91,800	16,040
[illegible]& Contracts	35,600	1,042,616	909,268	(144,000)	24,948
Loan Funds	333,800	17,596	15,370	(3,400)	332,626
Plant Funds	8,800	300,000		(285,000)	23,800
Endowment Funds	52,200	-	-	-	52,200

2003-05 General Fund Carryover

Salaries	Operating	Equipment	Capital Improvements	TOTAL
46,135	15,838	-	-	61,973

WSC Accomplishments 2003 and 2004

First Cornerstone - Economic Development

1. WSC offered one of the nations first online Associate of Applied Science Entrepreneurship degrees.
2. President McCann is now a meets with the regional economic developers group, is currently president of the Williston Area Development Foundation, and is vice president of the Tri-County Development Corporation Board.
3. Added career and technical credit programs to better align the college's offerings to the regional labor market.
4. Increased the number of primary sector businesses served by Workforce Training from 36 in '01-'02 to 59 in '03-'04 (a 64% increase).

Second Cornerstone – Educational Excellence

1. 96% of 2001 alumni rated WSC "above average" (the highest rating available on the instrument used) and 95% would recommend WSC to others.
2. 96% of May 2004 graduates rated the services and instruction offered at WSC as "average" or "above average".
3. Established a one-year credit course schedule.
4. Began planning for the addition of a rural development building.
5. Finished the building of a Health Science and Sports Complex addition to Stevens Hall.
6. Expanded the scope of wellness activities for both WSC on-campus employees and students.
7. Increased the number of degree and certificate graduates.

Third Cornerstone – Flexible and Responsive System

1. Partnered with:
   - LRSC, MiSU and UND to offer a speech language pathology program
   - BSC, LRCS, MiSU-B to offer a two-year registered nursing program called the Dakota Nursing program
   - MiSU-B to offer an entrepreneurship program with a recreation and tourism option
   - BSC, LRCS, MiSU-B, and NDSCS to offer an paraeducator program
2. As a member of the Northwest Consortium of school districts WSC has increased access to dual credit courses via ITV instructional mode.
3. Increase business satisfaction with responsiveness of Workforce Training from 94% to 100% and worker participant satisfaction from 93% to 100%
4. Increased the number of businesses that request additional trainings from 39 in '01-'02 to 114 businesses in '03-'04 (a 193% increase).

Fourth Cornerstone – Accessible System

1. Added online credit programs in entrepreneurship, paraeducator, speech language pathology assistant, and medical transcription.
2. Increased the number of fall semester part-time students served from 209 in the fall of 2002 to 369 the fall of 2004 (a 77% increase)
3. Increased the number of students served by E-Learning education from 116 in the fall of 2002 to 388 in the fall of 2004 (a 235% increase)
4. Increased the average age of credit students served from 24.8 in the fall of 2002 to 26.2 in the fall of 2004.
5. Started the Little Teton Daycare service.
6. Increased summer session headcount enrollment from 141 in the summer of '02 to 260 in the summer of '04 (a 74% increase).
7. Increased credit headcount from 770 in the fall of 2002 to 938 in the fall of 2004 (a 21.8 % increase).
8. Upgraded the WSC Website.

Fifth Cornerstone - Funding and Rewards

1. Established a mechanism to adjust faculty salaries.
2. Provided one time bonuses to WSC employees at the end of the '04-'05 academic year.
3. Partnered with Tri-County Development Corp. to expand the scope of grant application submission

Sixth Cornerstone – Sustaining the Vision

1. WSC spent eighteen months working through the "vision to action" process as a participant of the Ford Foundation's Rural Community College Initiative RCCI. Input was gleaned from 60 community leaders and 35 young people.
2. Achieved coordination of technology planning, facilities planning, credit course schedule planning, and yearly budget setting.
3. Our partners and WSC have begun to take action on numerous projects in six initiatives (entrepreneurship, value-added agriculture, oil field training, out migration of youth, quality of life, and establishing a rural development center).

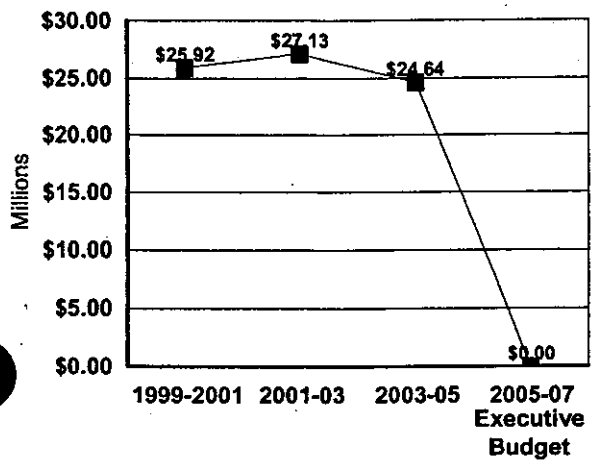
Prepared by the North Dakota Legislative Council
staff for House Appropriations
February 25, 2005

›artment 238 - State College of Science
›nate Bill Nos. 2003 and 2023

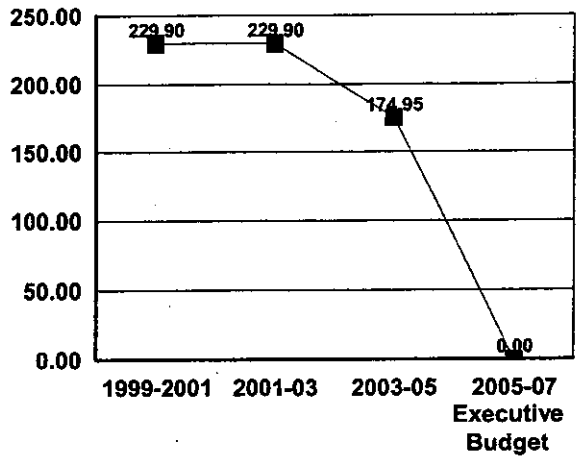
	FTE Positions	General Fund	Other Funds	Total
2005-07 Executive Budget	0.00	$0	$1,104,920	$1,104,920
2003-05 Legislative Appropriations	174.95	24,642,931	3,668,920	28,311,851[1]
Increase (Decrease)	(174.95)	($24,642,931)	($2,564,000)	($27,206,931)

[1]The 2003-05 appropriation amounts include $30,000 from the board initiatives funding for the community college consortium, $121,262 relating to the transfer of funding associated with the statewide psychiatric nursing education program from the University of North Dakota to various higher education institutions, and a transfer of $218,655 from the State College of Science to the North Dakota University System office for funding associated with a position responsible for articulation and transfer agreements.

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)

	General Fund	Other Funds	Total
1. Consolidates operations and extraordinary repair funding for all higher education institutions into the University System budget. The Senate appropriated operations and extraordinary repair funding for each of the higher education institutions.	($24,642,931)		($24,642,931)
2. Removes one-time funding provided in the 2003-05 biennium--Student Union remodeling/addition ($3,300,000) and Blikre Activities Center addition ($368,920)		($3,668,920)	($3,668,920)
3. Provides funding for major capital projects for the 2005-07 biennium--electrical distribution Phase II of IV ($736,000 state bonding included in Senate Bill No. 2023) and Blikre Activities Center addition ($368,920 of special funds)		$1,104,920	$1,104,920

Major Related Legislation

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. 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 requirement 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 the 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 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.

North Dakota State College of Science

From the Office of the
Vice President for Administrative Affairs

800 Sixth Street North
Wahpeton, ND 58076-0002

701-671-2217
1-800-342-4325
Fax: 701-671-2145

January 23, 2005

Senator Ray Holmberg, Chair
Senate Appropriations
State Capital
600 East Boulevard
Bismarck, ND 58505-0360

Dear Senator Holmberg, Chair:

During the North Dakota State College of Science testimony on January 19, 2005 a handout was given to each member of the Senate Appropriations Committee. A report on continuing appropriations was inadvertently excluded from your budget hearing materials, and is required per SB 2015 (2003), section 34. Attached to this letter is that report.

We are sorry for any inconvenience this missing report may have caused the committee.

Sincerely,

Mike

Michael F. Renk

cc: Dr. Sharon Hart, President

NORTH DAKOTA UNIVERSITY SYSTEM
REPORT OF CONTINUING APPROPRIATIONS
ND STATE COLLEGE OF SCIENCE

1999-01

	Beginning Balance	Revenue	Expenditures	Net Additions/ Deductions/ Transfers	Ending Balance
Auxiliary Services	1,722,500	10,462,100	10,213,300	(527,100)	1,444,200
Tuition Collections	130,400	8,282,100	48,600	(8,264,900)	99,000
Other Unrestricted	(10,600)	5,755,500	5,578,100	586,400	753,300
Scholarships & Fellowships	100	4,815,600	4,818,200	2,700	200
Grants & Contracts	48,000	2,127,800	2,111,200	-	64,600
Loan Funds	2,622,200	384,600	158,400	(1,500)	2,846,900
Plant Funds	1,534,200	374,000	4,246,300	4,817,000	2,479,000
Endowment Funds	4,000	-	-	-	4,000

2001-03

	Beginning Balance	Revenue	Expenditures	Net Additions/ Deductions/ Transfers	Ending Balance
Auxiliary Services	1,444,200	10,564,300	10,371,400	(106,100)	1,531,000
Tuition Collections	99,000	8,188,400	61,700	(8,154,200)	71,400
Other Unrestricted	753,300	7,730,200	7,603,700	(15,400)	864,400
Scholarships & Fellowships	200	5,192,400	5,190,500	-	2,100
Grants & Contracts	64,600	2,714,400	2,728,800	-	50,200
Loan Funds	2,846,900	363,400	258,000	17,000	2,969,400
[illegible]t Funds	2,479,000	284,400	1,283,300	(552,500)	927,600
[illegible]owment Funds	4,000	-	-	-	4,000

2003-05 Estimate

	Beginning Balance	Revenue	Expenditures	Net Additions/ Deductions/ Transfers	Ending Balance
Auxiliary Services	1,531,000	12,085,500	10,777,000	(303,400)	2,536,200
Tuition Collections	71,400	10,253,500	113,400	(9,326,500)	885,000
Other Unrestricted	864,400	10,140,400	9,857,300	505,300	1,652,800
Scholarships & Fellowships	2,100	6,005,000	5,997,200	-	9,800
Grants & Contracts	50,200	2,243,000	2,222,000	(50,600)	20,500
Loan Funds	2,969,400	343,400	95,200	65,200	3,282,800
Plant Funds	927,600	195,200	528,700	320,400	914,500
Endowment Funds	4,000	-	-	-	4,000

2005-07 Estimate

	Beginning Balance	Revenue	Expenditures	Net Additions/ Deductions/ Transfers	Ending Balance
Auxiliary Services	2,536,200	12,327,210	10,992,540	(303,400)	3,567,470
Tuition Collections	885,000	10,458,570	115,668	(9,326,500)	1,901,402
[illegible]er Unrestricted	1,652,800	10,343,208	10,054,446	505,300	2,446,862
[illegible]olarships & Fellowships	9,800	6,125,100	6,117,144	-	17,756
[illegible]nts & Contracts	20,500	2,287,860	2,266,440	(20,000)	21,920
Loan Funds	3,282,800	350,268	97,104	65,200	3,601,164
Plant Funds	914,500	199,104	539,274	320,400	894,730
Endowment Funds	4,000	-	-	-	4,000

59TH LEGISLATIVE ASSEMBLY

Senate Appropriations Committee Hearing Senate Bill 2003

With exception of these page. same testimony given to the House



North Dakota State College of Science

January 19, 2005

North Dakota State College of Science



Sharon Y. Hart, Ph.D.
President

59th Legislative Assembly



Senate Appropriations Committee

Ray Holmberg, Committee Chairman
Bill L. Bowman, Vice Chairman
Tony S. Grindberg, Vice Chairman

Senate Bill 2003
January 19, 2005

Senate Appropriations Committee

Ray Holmberg, Chairman
Bill L. Bowman, Vice Chairman
Tony Grindberg, Vice Chairman
John M. Andrist
Randel Christmann
Tom Fischer
Ralph L. Kilzer
Aaron Krauter
Ed Kringstad
Elroy N. Lindaas
Tim Mathern
Larry J. Robinson
Randy A. Schobinger
Harvey Tallackson
Russell T. Thane

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Senate Appropriations Committee Members

Ray Holmberg, Chairman
Bill L. Bowman, Vice Chairman
Tony Grindberg, Vice Chairman
John M. Andrist
Randel Christmann
Tom Fischer
Ralph L. Kilzer
Aaron Krauter
Ed Kringstad
Elroy N. Lindaas
Tim Mathern
Larry J. Robinson
Randy A. Schobinger
Harvey Tallackson
Russell T. Thane

Mission Statement

- The North Dakota State College of Science is a comprehensive, associate degree-granting college founded on a tradition of quality and integrity. We deliver learner-focused education through a unique and evolving collegiate experience. Using innovative delivery strategies, NDSCS anticipates and responds to statewide and regional needs by providing access to occupational/technical programs, transfer programs, and workforce training.

Vision Statement

- To enrich people's lives through responsive lifelong learning in a dynamic educational and technological environment.

Our Values

- Learning
- Integrity
- Flexibility
- Excellence

Highlights Included (Cont.):

- Targeted new population centers (e.g. Minneapolis)
- NDSCS won four major awards for its student recruitment material.
- NDSCS devoted additional resources to the Skills and Technology Training Center in Fargo.
- NDSCS Alumni Foundation Capital Campaign attracted $2 million in pledges.
- NDSCS developed federal funding proposals for two new on-campus initiatives and built stronger relationships with the state's congressional delegation.

2003-05 Biennium Budget Impact

New Costs	Cost Realized	State Funds Received
Required cost to continue	$209,206	0
Increase in health insurance costs	$511,142	0
Cost to cover utilities	$460,000	0
Cost to cover unfunded salaries	$510,478	0
Total Required Costs Incurred	**$1,690,826**	

Budget Strategies

Cost to cover Strategic Goals	$965,000
Cost to cover an up to 2% increase in salaries/year for two years	$719,358
Plus Required Costs Incurred	$1,690,826
Final Costs Incurred	**$3,375,184**

Campus 2004-2005 Strategic Plan Supports Roundtable

	SBHE 2005-07 Prioritized Budget Request	Executive Recommendation	Restoration Request & Increases Over Executive Recommendation
2003-05 Original General Fund Appropriation	**$24,710,324**	**$24,710,324**	
Base adjustments	(-$67,393)	(-$67,393)	
2003-05 Adjusted General Fund Appropriation, Plus (Minus) Base Adjustments	**$24,642,931**	**$24,642,931**	
Priority One – State-Linked Budget Priorities:			
Capital assets base increase (decrease)	$62,804	(-$20,168)	$82,972
Campus parity (80%) - revised	$1,195,706	$1,082,256	$113,450
Campus equity (20%) - revised	$63,126	$57,137	$5,989
Subtotal	**$1,321,636**	**$1,119,225**	**$202,412**
Transfer to NDUS "operations" pool		(-$25,008,824)	$25,008,824
Transfer to NDUS "contingency/extraordinary repairs" pool		(-$753,332)	$753,332
Capital projects funded			
Total – Priority One Increases	**$1,321,636**	**(-$24,642,931)**	**$25,964,567**
Subtotal 2003-05 Base, Plus Priority 1	**$25,964,567**		**$25,964,567**

	SBHE 2005-07 Prioritized Budget Request	Executive Recommendation	Restoration Request & Increases Over Executive Recommendation
Priority Two – Reach Funding Equivalent to at Least 21% of 2005-07 Recurring State Revenues:			
Campus parity (80%)	$170,062		$170,062
Campus equity (20%)	$8,978		$8,978
Total – Priority Two Increases	**$179,040**		**$179,040**
Subtotal 2003-05 Base, Plus Priorities 1 and 2	**$26,143,608**		**$26,143,608**

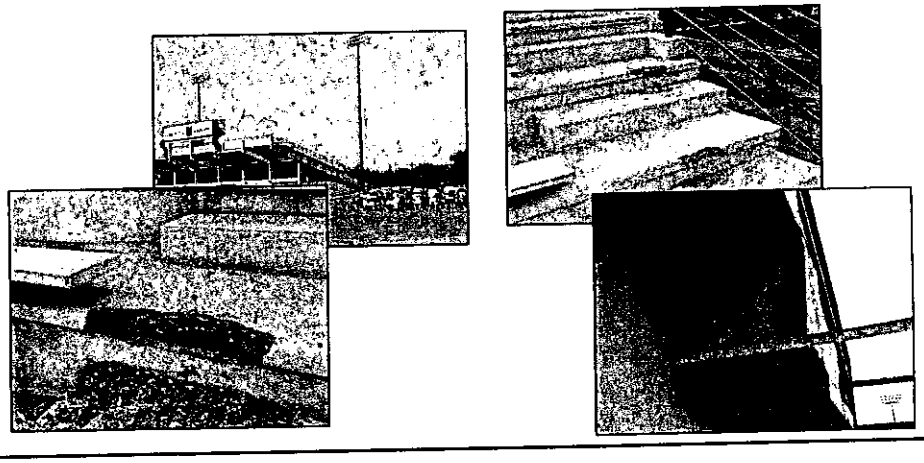
	SBHE 2005-07 Prioritized Budget Request	Executive Recommendation	Restoration Request & Increases Over Executive Recommendation
Priority Three – Additional Increases to Make Progress on Goals of Long-Range Finance Plan			
Fund 100% of state share of parity	$114,891		$114,891
Increase 2005-07 salary increases to 4.2% per year	$141,334		$141,334
Board Initiative Funding Increase:			
Capital assets funding increase	$62,804		$62,804
Equity funding to bring all campuses to 45% of peer benchmark in 2007-09			
Equity funding to bring all campuses to 50% of peer benchmark in 2007-09			
Equity funding to bring all campuses to 55% of peer benchmark in 2007-09			
Equity funding to bring all campuses to 60% of peer benchmark in 2007-09			
Equity funding to bring all campuses to 62.3% of peer benchmark in 2007-09			
Total – Priority Three Increases	**$319,029**		**$319,029**
Subtotal 2003-05 Base, Plus Priorities 1, 2 and 3	**$26,462,637**		**$26,462,637**

	SBHE 2005-07 Prioritized Budget Request	Executive Recommendation	Restoration Request & Increases Over Executive Recommendation
Priority Four – To Achieve Needs-Based Budget Request Level Approved by the SBHE			
Equity funding to bring all campuses to 85% of peer benchmark in 2007-09	$1,063,274		$1,063,274
Capital assets funding increases			
Board initiative funding increases	$737,165		$737,165
Total – Priority Four Increases	**$1,800,439**		**$1,800,439**
Total General Fund Needs-Based Budget Request	**$28,263,076**		**$28,263,076**

Blikre Activities Center Building Addition

Building Addition: New east entrance foyer, new storage room, new Catbacker Booster room (3,072 square feet X $110.00)	$337,920
Site work allowance	$10,000
Subtotal	**$347,920**
A/E fees (estimated)	$21,000
Total Addition	**$368,920**

In January NDSCS will be asking the SBHE for permission to present to the House in late February or early March to approve the renovation of the NDSCS football stadium and track. The funding ($1,400,000) of this project will be with local funds (City of Wahpeton, NDSCS Foundation, and Wahpeton School District).



2004 PRESIDENT'S REPORT



North Dakota State College of Science

Sharon Hart, Ph.D., President

CONTENTS

2 BUILDING A STRONGER NDSCS
An overview of opportunities, goals and successes that have led NDSCS on a path of excellence.

4 FOCUS
Peer into the determination inside and outside the college, the implementation of programs and the achievements in accreditation.

6 IMPROVE
Look at the steps taken to increase enrollment and heighten the educational experience.

8 DEVELOP
Glance at the financial accomplishments made possible through partnerships, grants and those in the community who support the continued success of NDSCS.

10 HIGHER EDUCATION
A summary of goals set internally and cornerstones developed externally, both of which play an integral role in the outcome of education.

11 FOUNDATION
View the economic goals and triumphs of the college, which are achieved through the continual support of alumni, administrators and friends of NDSCS.



BUILDING A STRONGER NDSCS

College administrators are like so many other people. We place so much emphasis on reaching our goals that we forget to celebrate our successes.

Three years ago, faculty, administrators and staff at the North Dakota State College of Science gathered to formulate a strategic plan designed to build a stronger NDSCS. Our collective work yielded three primary goals:

- Focus the entire institution on student learning and development;
- Improve processes for increasing enrollment and enhancing marketing; and
- Develop a revenue-generating process to address priority needs.

We also applied to The Higher Learning Commission — formerly known as The North Central Association — to participate in a ground-breaking accrediting process known as the Academic Quality Improvement Program. AQIP, by design, evaluates colleges and universities in terms of what the college is doing for its students on a yearly basis, not what a particular institution has done in the previous seven to 10 years. AQIP uses these same three goals to evaluate NDSCS for accreditation purposes, and feedback from these professionals tells us we are doing great things.

The middle section of this President's Report outlines those successes in light of our three goals. However, I would be remiss if I didn't note a number of accomplishments and special events outside of our strategic plan that nonetheless fill us with pride.

For instance, the North Dakota Legislative Council's Higher Education Committee met Nov. 19, 2003, on our campus. The visit gave us the opportunity to showcase our campus to 16 legislators — 10 state representatives and six senators — and their guests. This was a tremendous opportunity to share the story of NDSCS with the people who have a powerful impact on our continued success.

We welcomed Gov. John Hoeven and his wife, First Lady Mikey Hoeven, to our campus in April for the NDSCS Foundation's ninth annual DREAM$ Auction. This event is not only the primary fund-raising event for scholarships, it also has become the social outing of the year for the Twin Towns. Over 1,000 people joined the Hoevens in the Blikre Activities Center and helped the Foundation raise over $80,000 for scholarships, a new record.

Gov. Hoeven returned to the campus two weeks later to conduct a local forum on his Centers of Excellence proposal. Nearly 100 participants offered suggestions on three potential enterprises — a Center for Agricultural-Related Technologies, a Center for Nanoscience Technology Training and a Center for Allied Health Technologies.

The college formally launched a governmental relations function in hopes of working more closely with our state legislators and our influential congressional delegation. Harvey Link, the dean of the Arts, Science and Business Division, dedicates a portion of his time as assistant to the president for governmental relations.

College administrators reallocated nearly $1 million last year to support new and emerging initiatives. That included funding for two public affairs consulting agencies to forward our work on federal grants and to interact with our congressmen. The early indications tell us that NDSCS has positioned itself well with these government agencies and decision-makers. For instance, the two initiatives noted earlier — the Center for Agricultural-Related Technologies and the Center for Nanoscience Technology Training — have been submitted for congressional funding. This foundation could yield new revenue streams in the future.



Our enrollment continues to be a primary measurement of success, and we have stable numbers within our student body. We have six straight semesters of enrollment increases, and our summer numbers during that time have been between 675 and 698 students. Last year's fall enrollment of 2,468 students represented the highest student population since 1998. Later pages of this report talk about our efforts in recruitment and marketing, and those are paying measurable dividends.



Later pages will also note our non-credit classes for business and industry through College Outreach. When we combine over 4,600 enrollments in those programs with our credit-based students, NDSCS reached 8,872 students in 2003-2004, an 8-percent increase over the previous year.

This President's Report highlights our many outstanding achievements at NDSCS. Our success depends on the direct and indirect contributions of many people — our outstanding faculty, our dedicated staff and administrators, our loyal friends and alumni, and our students. Personally, I also appreciate the sound advice from the President's Advisory Council, a group of business leaders, policy-makers and citizens who care deeply about NDSCS.



Please read through this at your leisure, and I'm sure you'll agree that NDSCS is building for a great second century.

Sharon Y. Hart, Ph.D.,
President
Sept.1, 2004



2 IMPROVE PROCESSES FOR INCREASING ENROLLMENT AND ENHANCING MARKETING

North Dakota, like many other predominantly rural states, struggles with a declining number of high school students. NDSCS depends on stable and growing enrollments to feed its outstanding academic programs and ultimately to provide a well-educated workforce for the state and region.

Our enrollments, after years of slow decline, have rebounded in the past three years, and our official enrollment at NDSCS has remained consistently around 2,400 to 2,500 students each fall. We can attribute this outstanding news to a number of factors.

➢ Faculty and administrators have devoted resources toward our Distance Education offerings — those courses conducted via the internet, taught via interactive television network and taught at off-site locations. Our enrollment in Distance Education in 2003-2004 increased 37 percent over the previous year.

➢ Enrollment Services — a comprehensive department that includes admissions, financial aid, registration and placement functions — implemented new initiatives that drove a 3.1-percent enrollment increase. Students now can be admitted and register for classes on the day they visit NDSCS.

➢ Enrollment Services also targeted population centers in Minnesota by adding a full-time recruiter in the Minneapolis-St. Paul market. At the same time recruiters retained their same level of service to North Dakota high schools and doubled the recruiting territory in Montana.

➢ NDSCS recruiters increased the number of high school visits by 69 percent and staffed 10 percent more high school fairs. All these activities, in turn, drove up the number of campus visits by 30 percent.

➢ NDSCS won four major awards for its student recruitment material, including a regional gold award for publications improvement and a national silver award for the college's viewbook.

➢ Targeted media campaigns also increased the college's name recognition through newspaper and television stories on the NDSCS Centennial, cooperative and internship programs in Agriculture, a partnership with Eide Bailly, LLP, in Medical Transcription, and Wildcat athletics. The college's response to Gov. John Hoeven's Centers of Excellence proposal also garnered repeat coverage with statewide media.

"These accomplishments provide NDSCS a strong foundation for future growth."

➢ A dual-credit workshop for high school administrators and NDSCS staff strengthened working relationships and knowledge bases. Last year, NDSCS counted 320 dual-credit enrollments.

➢ Thirteen classes were delivered to high school students via the state's interactive television network.

➢ Four more academic options — Medical Administrative Assistant, Paraeducation, Web Design and Office Assistant — become available for online learning. NDSCS now has eight academic options that can be completed entirely via the Internet. These new offerings allow NDSCS to serve students in remote areas who may not have access to a college education because they are placebound. Many of these Distance Education students are people seeking a second career, and NDSCS now has resources to meet their needs.

➢ College administrators devoted additional resources to the Skills and Technology Training Center in Fargo. The STTC offers courses in a handful of academic options and entire degree or certificate options in select areas. The facility also allows College Outreach to better serve companies in the Fargo market with its Workforce Training programs.

These accomplishments provide NDSCS a strong foundation for future growth. For instance, the STTC's continued service in Fargo gives NDSCS a presence in North Dakota's largest city and will help the college attract adult learners who want to learn new skills.









3 DEVELOP A REVENUE-GENERATING PROCESS TO ADDRESS PRIORITY NEEDS

College administrators from coast to coast grapple with budget constraints every year. We no longer can rely on state funding to meet all our financial needs, and we must be cautious when setting our tuition rates. Legislators have similar quandaries. Their constituents regularly request funding for certain projects, and lawmakers must balance these needs against the realities of tax burdens and economic uncertainties.

We at NDSCS devoted additional energies and resources toward finding new revenue streams during the past year, and we are proud of our steps in the right direction.

➢ The college began using its coal-burning boiler again and saved $200,000 in utility costs and another $35,000 by utilizing internal expertise on the project.

➢ The NDSCS Alumni Foundation Capital Campaign attracted $2 million in pledges during its first phase. This long-term endeavor is designed to raise more money for scholarships, an endowment and instructional equipment. It also will include funds for updating specific facility projects.

➢ A number of academic and administrative departments landed grants from various sources during the past year — $40,000 from the Sloan Foundation to develop Architectural Drafting and Estimating Technology for online students; $4,275 for an Academic Services Center refugee program; a $4,300 Tech Prep grant to fund a dual-credit workshop; a $10,000 state grant for a wind energy study; a $9,600 grant for air-conditioning diagnostic equipment in the Automotive Technology labs; $4,000 toward an alternative-fuel vehicle; a $23,000 Homeland Security grant for the Campus Police Department; and a $1,200 diversity grant.



➢ NDSCS submitted major grant proposals to the National Science Foundation and the U.S. Department of Education's Title III program. Our reallocation of funds this past year (noted in earlier pages) allowed us to work closely with expert consultants to help NDSCS write strong proposals.

Cassie Teidholm was elected president of the Electrical Club, the first woman to lead the student organization in its 80-year history. Her decision to attend NDSCS and pursue a degree in Electrical Technology became a statewide feature story on women in traditionally male careers.

"We at NDSCS devoted additional energies and resources toward finding new revenue streams during the past year, and we are proud of our steps in the right direction."

➢ NDSCS also developed federal funding proposals for two new on-campus initiatives and built stronger relationships with the state's congressional delegation. Again, our governmental relations function worked closely with Golin/Harris International, a public affairs consulting agency that help develop strategies and appeals for federal funding.

➢ The college developed partnerships with Eide Bailly, LLP, the U.S. Army and Newman Signs. Established partnerships continue to keep NDSCS connected to national and international companies and bring in valuable instructional equipment and financial resources. For instance, a memorandum of agreement with the Servicemembers Opportunity Council in Washington, D.C., approves NDSCS as an online education provider for U.S. Army National Guard members stationed anywhere in the world. The partnership with Eide Bailly, LLP, which garnered significant media attention, provides industry-specific software for our Medical Transcription students. The one-year Newman Signs agreement provides outdoor advertising in western Minnesota.

➢ The college continues to place great value on its existing partnerships. Butler Machinery and Caterpillar Inc. support a faculty position in Diesel Technology and provide scholarships and approximately $1.285 million worth of equipment for instructional purposes. John Deere dealers from three states send their future technicians here for training. In fact, four of our John Deere Ag Tech students placed highly in their national competition in March. The partnership with Haas Automation ensures that our Automated Manufacturing Technician students are learning on state-of-the-art equipment.

None of these accomplishments would be possible if it weren't for the ingenuity of our faculty, administrators and staff. I sense a tremendous synergy when one department's successes influence the thinking of others. Someone's success today drives a new idea tomorrow.







ROUNDTABLE ON HIGHER EDUCATION

I started this President's Report by explaining the Academic Quality Improvement Program, an innovative method that looks at accreditation as a continuous improvement project. Evaluators measure the progress NDSCS makes on the three primary goals (outlined on the previous pages) when reviewing the college's portfolio.

The AQIP goals are not the only measuring stick for the North Dakota State College of Science. The state also has its own innovative initiative for colleges and universities.

The North Dakota University System and the Legislature joined forces in 1999 to create the Roundtable on Higher Education, a progressive alliance that positions the state's colleges and universities as drivers of the state's economic future. To that end, the 61 Roundtable participants from business and industry, higher education and the Legislature identified six cornerstones:







- Economic Development;
- Educational Excellence;
- Flexible and Responsive System;
- Accessible System;
- Funding and Rewards; and
- Sustaining the Vision.

This means that we at NDSCS evaluate our progress against two sets of objectives — the three AQIP goals we set for ourselves and the six cornerstones developed for all North Dakota college and universities.

We consider these two sets of measurements as complimentary. Looking back at the previous six pages, I see many ways in which the accomplishments at NDSCS fit within the six cornerstones. It is evident to me that great things are happening at the North Dakota State College of Science. I hope you agree.

Sharon Y. Hart, Ph.D.,
President



FOUNDATION

The NDSCS Alumni Foundation works closely with administrators to support the mission of the North Dakota State College of Science. As many states struggle to maintain funding for their colleges and universities, foundations help colleges complete special projects and supply funds for scholarships that keep higher education affordable for today's students.

The NDSCS Alumni Foundation is no different. Each year, our alumni and friends of the college offer hundreds of volunteer hours on projects designed to help NDSCS remain strong today and grow tomorrow. Three of our most visible projects are highlighted in the following paragraphs.

CENTENNIAL COURTYARD

In celebration of the North Dakota State College of Science Centennial in 2003, the Alumni Foundation developed a Centennial Courtyard between Old Main and Haverty Hall. The Courtyard is comprised of six sections of pavers, inlaid in a patio-type setting accented with landscape foliage. Each of the Courtyard pavers will be imprinted with the name of an alumnus or friend of the college. To date 557 imprinted pavers have been sold and placed in the Courtyard sections.

The imprinted pavers provide a lasting impression and will leave a permanent record on the NDSCS "Tradition of Excellence." Pavers are still available for alumni, friends of the college, and businesses and corporations for $40 each.

When you and your family or friends visit our campus, please take time to enjoy a leisurely few minutes relaxing in this beautiful outdoor Courtyard with benches and shrubbery nestled between these two landmark campus buildings, with the ripple of the U.S. flag and the North Dakota state flag casting a shadowy image over this special area.

SCHOLARSHIPS

The NDSCS Alumni Foundation, established in 1988, has assets of $7.2 million, derived from individual gifts, estates, trusts and capital campaigns. The mission of the NDSCS Foundation is to support the ongoing programs of the College and supplement state-appropriated dollars for general operating budget.

"Our [redacted]on to excellence will continue to serve our students, our communities and our state."







Scholarships totaling $270,000 are awarded each year from endowments, individually supported plans and from corporate partners in education. Last year, 369 students received scholarships from the Foundation.

The Blikre Society — developed in honor of the late Clair T. Blikre, longtime president — has been a magnet for scholarship funds and continues to attract gifts for the Foundation's support of the College.

Alumni and friends of the college are encouraged to continue to include NDSCS in their charitable giving and estate plans. Anyone needing more information should contact Woody Caspers at (701) 671-2131.

CENTENNIAL CAPITAL CAMPAIGN

As a part of the Centennial celebration at NDSCS, the Foundation launched the Centennial Capital Campaign in June 2003 with a goal of $3.5 million.

Drawing on the feasibility study conducted by the Clements Group of Salt Lake City, Utah, the campaign focuses on the three priorities listed by 92 percent of the participants interviewed for the study. Those priorities are:

- Endowment for scholarships;
- Instructional equipment and technology enhancements; and
- Classroom facility renovation.

This campaign, to run over 18 months, is currently at 62 percent of the financial goal at $2.5 million. Successfully completing this campaign will place NDSCS in a favorable position for the future and will assure future generations of students the opportunity for excellent preparation for participation and leadership in the global society we serve.

Our participation in this Centennial Capital Campaign for NDSCS is a promise to current and future generations that our dedication to excellence will continue to serve our students, our communities and our state.

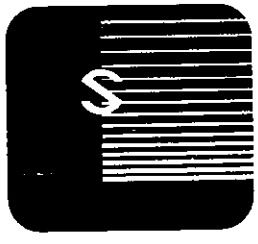
Woody Caspers,
Executive Director, NDSCS Alumni Foundation



BSB2003

59TH LEGISLATIVE ASSEMBLY

House Appropriations Committee Hearing Education and Environmental Division Senate Bill 2003



North Dakota State College of Science

February 28, 2005

North Dakota State College of Science

House Appropriations Committee
Education and Environment Division

Bob Martinson - Chairman
Thomas Brusegaard - Vice Chairman
Ole Aarsvold
Pam Gulleson
Earl Rennerfeldt
Francis J. Wald

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Appendix 27

North Dakota State College of Science



Sharon Y. Hart, Ph.D.
President

59th Legislative Assembly



House Appropriations Committee
Education and Environment Division

Bob Martinson, Committee Chairman
Tom Brusegaard, Vice Chairman

Senate Bill 2003
February 28, 2005

House Appropriations Committee Members



Education and Environment Division:

Bob Martinson, Chairman
Tom Brusegaard, Vice Chairman
Ole Aarsvold
Pam Gulleson
Earl Rennerfeldt
Francis J. Wald

Mission Statement

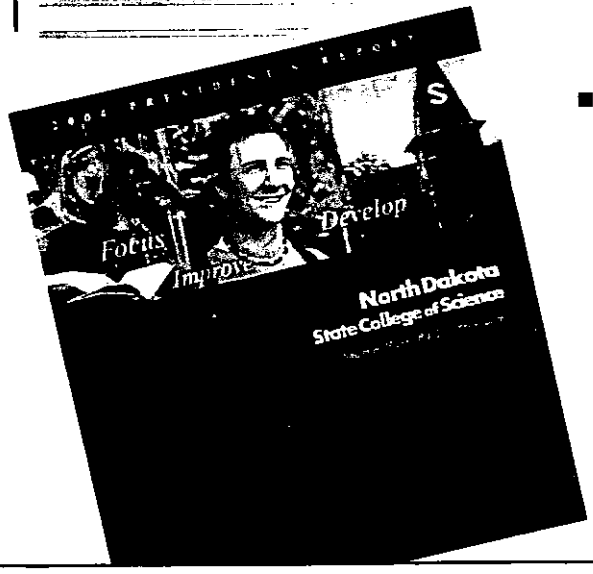


- The North Dakota State College of Science is a comprehensive, associate degree-granting college founded on a tradition of quality and integrity. We deliver learner-focused education through a unique and evolving collegiate experience. Using innovative delivery strategies, NDSCS anticipates and responds to statewide and regional needs by providing access to occupational/technical programs, transfer programs, and workforce training.

Vision Statement

- To enrich people's lives through responsive lifelong learning in a dynamic educational and technological environment.

Campus Accomplishments



- 2004 President's Report

See Appendix

Highlights Included:

- Dental Hygiene, Dental Assisting and Practical Nursing all received continued accreditation.
- College Outreach continues to bring adult learning to NDSCS. A 17% increase in courses offered through Related Study. Workforce training reached 3,106 business and industry employees, representing a 28% increase in participants.
- Distance Education witnessed a 37% growth.
- College-wide a 3.1 percent enrollment increase in credit.

Highlights Included (Cont.):

- Targeted new population centers (e.g. Minneapolis).
- NDSCS won four major awards for its student recruitment material.
- NDSCS devoted additional resources to the Skills and Technology Training Center in Fargo.
- NDSCS Alumni Foundation Capital Campaign attracted $2 million in pledges.
- NDSCS developed federal funding proposals for two new on-campus initiatives and built stronger relationships with the state's congressional delegation.

Campus 2004-2005 Strategic Plan Supports Roundtable

Cornerstone 1: Economic Development Connections

- Develop and promote an entrepreneurial spirit both inside and outside of the classroom.
- Intensify strategic partnerships with business/industry/K-12/tribal colleges, NDUS colleges and the communities located throughout the Southeast Region to improve local/state economies, improve the quality of life, and promote workforce training opportunities.

Cornerstone 2: Educational Excellence

- Apply assessment of student learning and institutional effectiveness data for continuous improvement.
- Recognize and/or reward faculty and staff for innovative and effective contributions to student learning and development.
- Improve teaching and learning with a focus on technology.

Cornerstone 3: Flexible and Responsive System

- Review program offerings and services to meet the needs of students, and business and industry.
- Implement a comprehensive enrollment plan.

Cornerstone 4: Accessible System

- State and regional residents have increased access to lifelong learning opportunities with an emphasis on distance education and underserved populations (e.g. 25-44 year olds, senior citizens, etc.) in the Southeast Region.

Cornerstone 5: Funding and Rewards

- Address priority needs of the institution by generating new sources of revenue.

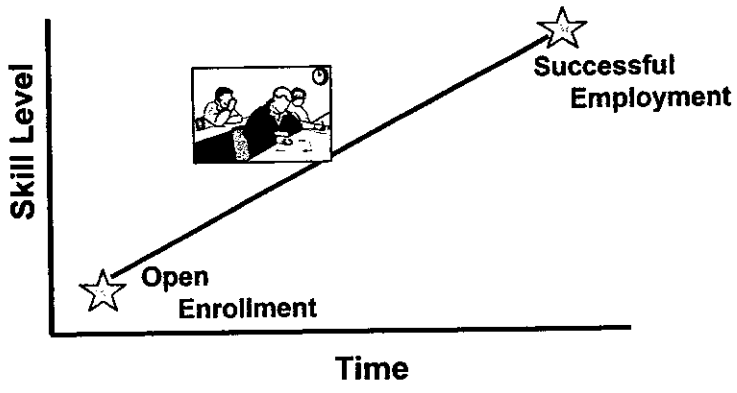
Cornerstone 6: Sustaining the Vision

- Enhance communications, consistent with the Roundtable principles, with both internal and external constituents.

North Dakota State College of Science

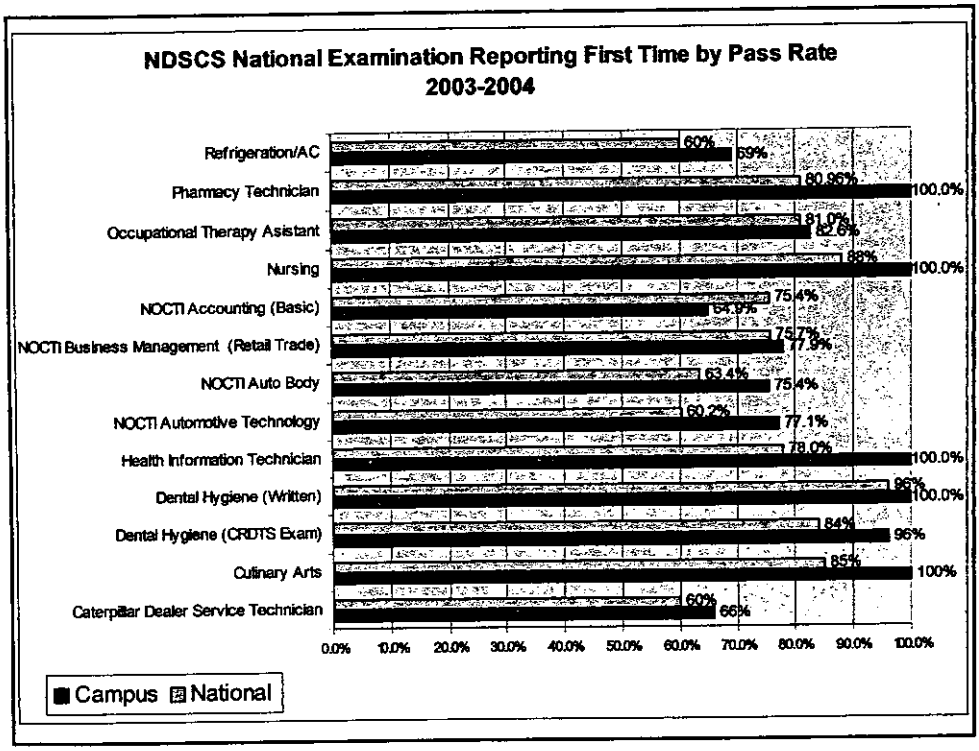
Dr. John Richman
Vice President for Academic Affairs

NDSCS Academic Affairs Philosophy



Academic Affairs Philosophy

Facilitate and support the life-long learning process by offering a developmental environment in which all learners are accepted and provided a supportive, proactive and flexible structure. Conduct annual departmental assessments to focus on improved student learning. Recruit students, faculty, and staff. Promote community involvement and growth. Provide for the development of the student's critical-thinking skills, decision-making processes, and offer personal enrichment activities so the student gains the technical proficiency and knowledge to be successful in life and make a positive impact to the State's economy.



Student Satisfaction Inventory

- Measuring student satisfaction with their academic and student life experiences is a continuous process at NDSCS. Student satisfaction is critical to student retention. Over the past eight years that NDSCS has been collecting this data, students have been remarkably consistent in their responses to what is important to them. "Affordable, quality education is available at NDSCS" has been the number one question of importance every year. This is substantiated by the fact that 92% of NDSCS students receive some form of financial aid.
- According to the results of the Student Satisfaction Inventory for 2003, students again rated *instructional effectiveness, academic advising, and concern for the individual,* highest in importance and satisfaction.

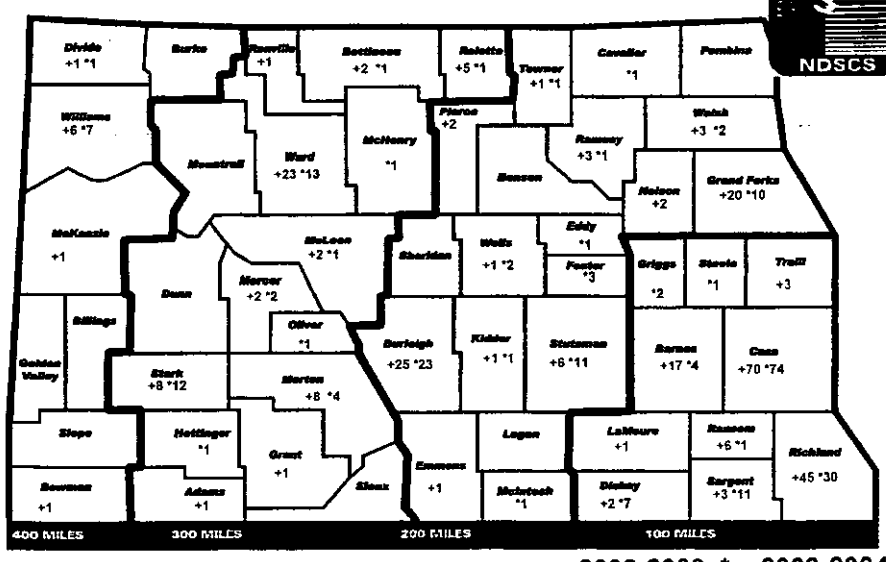
Specific strengths of NDSCS:

- Quality, affordable education
- Quality of instruction
- Academic advising
- Faculty who are knowledgeable in their fields
- Ability to register for classes with few conflicts
- Students feel welcome on the campus
- Program requirements are clear and reasonable
- The college shows concern for students as individuals

Student Satisfaction Inventory (Cont.)

According to the survey, students indicated that the College could improve in the following areas:

- Amount of financial aid available
- Amount of student parking available
- Up-to-date equipment in labs
- Earlier announcement of financial aid awards
- Well-lit and secure parking lots



\+ = 2002-2003 * = 2003-2004

NDSCS Graduates Placed Within North Dakota

North Dakota State College of Science

Comparison by States Where NDSCS Career & Technical Graduates Were Enrolled 2003-2004

- 79% of In-State Career & Technical Transfer Students Continued Their Education within North Dakota
- 67% of Out-of-State Career & Technical Transfer Students Continued Their Education within North Dakota

Comparison by States Where NDSCS Career & Technical Graduates Were Employed 2003-2004

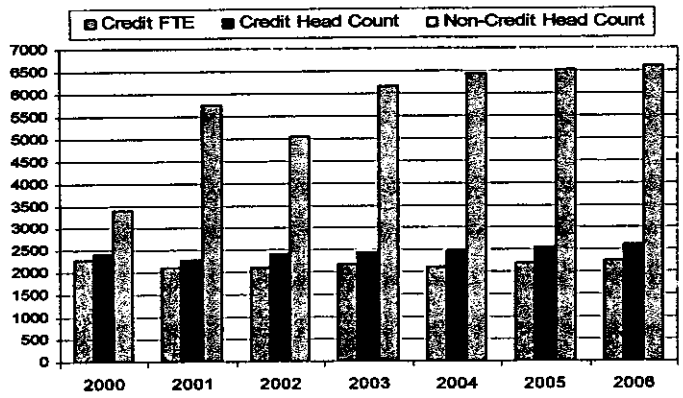
- 77% of In-State Career & Technical Graduates were Employed within North Dakota
- 24% of Out-of-State Career & Technical Graduates were Employed within North Dakota

2003-2004 Career Services Data

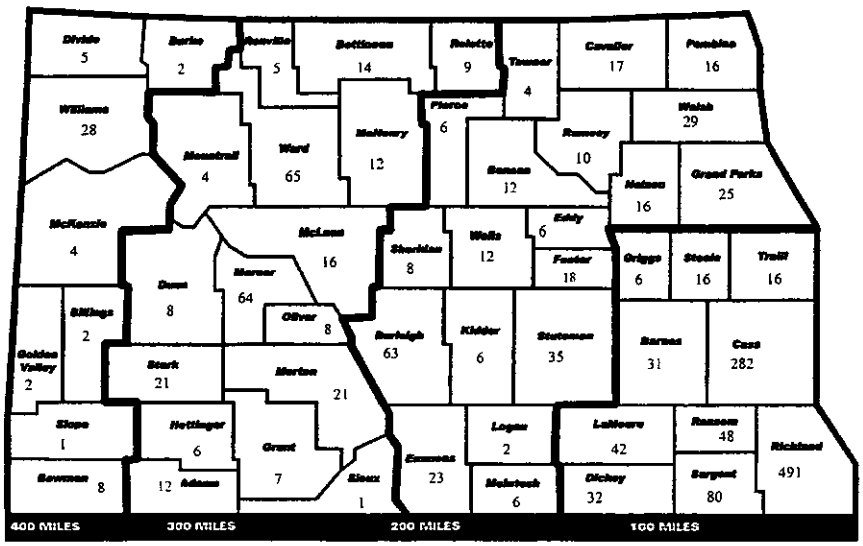
Available Jobs/Graduates	3.8
Beginning Average Salary/Monthly	$2,219
Placement Rate	95%
Percent Placed in ND	62%

Enrollment Statistics

	2000	2001	2002	2003	2004	2005	2006
Credit FTE	2276	2106	2112	2177	2129	2193	2259
Credit Head Count	2425	2292	2439	2468	2481	2555	2632
Non-Credit Head Count	3400	5752	5061	6169	6437	6526	6615



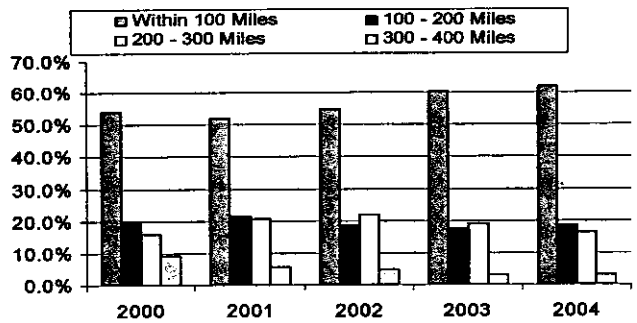
NDSCS Enrollment – Fall 2004 Semester by North Dakota County



52 (3.1%) 273 (16.2%) 314 (18.7%) 1044 (62.0%)

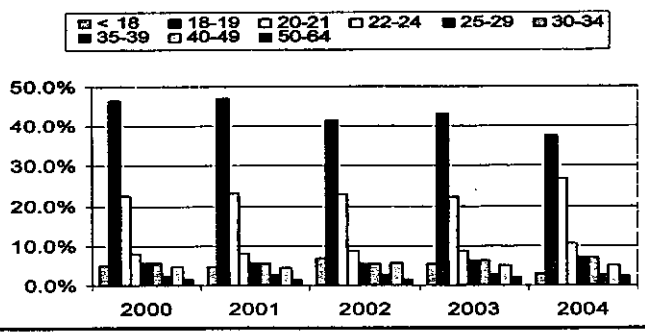
Enrollment Pattern

Miles from Campus	2000	2001	2002	2003	2004
Within 100 Miles	54.0%	52.3%	54.7%	60.3%	62.0%
100 - 200 Miles	20.0%	21.6%	18.7%	17.4%	18.7%
200 - 300 Miles	16.0%	20.7%	22.0%	19.1%	16.2%
300 - 400 Miles	9.0%	5.4%	4.6%	3.2%	3.1%



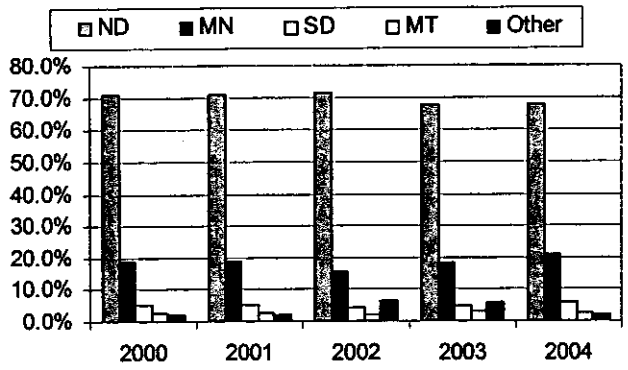
Student Age Distribution

	2000	2001	2002	2003	2004
< 18	5.2%	4.9%	7.0%	5.5%	3.0%
18-19	46.4%	46.9%	41.5%	43.0%	37.6%
20-21	22.6%	23.1%	23.0%	22.4%	26.8%
22-24	8.2%	8.0%	8.7%	8.6%	10.4%
25-29	5.6%	5.7%	5.5%	6.3%	7.1%
30-34	3.3%	3.0%	4.2%	3.6%	4.0%
35-39	2.5%	2.6%	2.7%	2.7%	2.6%
40-49	4.7%	4.6%	5.7%	5.1%	5.0%
50-64	1.4%	1.6%	1.4%	2.0%	2.4%



Student Residency

	2000	2001	2002	2003	2004
ND	70.9%	70.7%	71.6%	67.8%	67.8%
MN	18.9%	18.9%	15.4%	18.4%	21.2%
SD	5.6%	5.3%	4.2%	5.1%	5.8%
MT	2.6%	2.6%	2.4%	3.0%	2.9%
Other	2.0%	2.4%	6.4%	5.7%	2.3%



Distance Education

Goals

1. Expand program and course offerings
2. Increase access to life-long learning opportunities
3. Increase the total number of students

Delivery Methods

On-line
Dual Credit
IVN
Off Site
STTC

Course Enrollments in On-line Classes

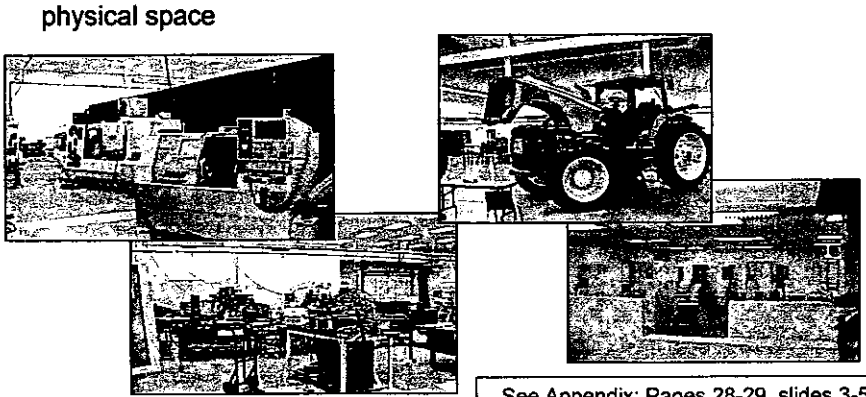
* 2001-2002 337
* 2002-2003 689
* 2003-2004 987

Academic Program Mix

	Program Mix	Enrollment
Career and Technical Programs	88%	68% *
Transfer Programs	12%	31% *
* 2004 enrollment numbers		

What Makes Career and Technical Programming High Cost?

* Specialized, expensive equipment and high operating costs run **9-10 times higher**
* High faculty to student ratios cost **75-100% more**
* Large and dedicated instructional facilities require **5 times more** physical space



See Appendix: Pages 28-29, slides 3-5

NDSCS Capped Programs Fall 2004

Program	Cap on Program	Waiting List Number	Career Openings Posted at NDSCS
Auto Body	50	23	153
Building Construction Tech	28	###	93
Dental Assisting	18	90	22
Dental Hygiene	28	106	25
Diesel	60	###	258
Electrical Tech	66	33	284
Plumbing	24	3	46
Practical Nursing	30	66	69
Recreation Engines	22	12	26

Program took all students on wait list, going beyond recommended enrollment cap.

Annually contributes $4,200,000

NDSCS On-Line eCollege

Skills & Technology

Business & Industry Partnerships And Relationships



Butler Buildings Co.

John Deere Career Partnership Program

MeritCare

Butler CAT

See Appendix: Page 30, slides 6-7

North Dakota State College of Science



Mike Renk
Vice President for Administrative Affairs

North Dakota State College of Science



Fiscal Year 2005/07
General Fund Appropriation
Budget Request

	General Funds Budget Request	Other Funds	Total
2003-05 Original General Fund Appropriation	$24,710,324	$3,668,920	$28,379,244
Base Adjustments	(-$67,393)	(-$3,668,920)	($3,736,313)
2003-05 Adjusted Appropriation (Net of Base Adjustments)	$24,642,931		$24,642,931
Executive Recommendation Adjustments:			
Decrease Extraordinary Repairs Base Funding	(-$20,168)		(-$20,168)
Campus Parity and Equity:			
Campus Parity (80%)	$1,082,256		$1,082,256
Campus Equity (20%)	$57,137		$57,137
Subtotal Campus Parity and Equity	$1,139,393		$1,139,393
Allocation to NDUS Campus Operations Pool	(-$25,000,824)		(-$25,008,824)
Allocation to NDUS Contingency/Extraordinary Repairs Pool	(-$753,332)		(-$753,332)
Capital Projects Funded		$368,920	
Subtotal-Adjustments per Executive Recommendations	(-$24,642,931)	$368,920	(-$24,274,011)

	General Funds Budget Request	Other Funds	Totals
Executive Budget Recommendation		$368,920	$368,920
Senate Adjustments:			
Allocation from NDUS Campus Operations Pool	$25,008,824		$25,008,824
Allocation from NDUS Contingency/ Extraordinary Repairs Pool	$753,332		$753,332
Adjust Funding for Major Capital Projects			
Subtotal--Senate Adjustments	$25,762,156		$25,762,156
Engrossed SB 2003	$25,762,156	$368,920	$26,131,076
Engrossed SB 2003 Compared to 2003-05 Adjusted Appropriation	$1,119,225	$368,920	$1,488,145

	General Funds Budget Request	Other Funds	Totals
Restoration Request			
Additional Parity (Increase state share to 85.8%)	$188,399		$188,399
Additional Equity			
Subtotal-Restoration Request	$188,399		$188,399
House Requested Version*	$25,950,555	$368,920	$26,319,475

*In addition, it is requested that at least a 21% portion of any additional state revenues, resulting from the potentially improved March revenue forecasts, be allocated to the NDUS and used to address deferred maintenance (i.e. extraordinary repairs) needs at the campuses.

2005-07 Extra-Ordinary Repairs Included in SBHE poll, a $20,168 decrease over last biennium		$753,332
Funds Committed:		
City of Wahpeton street taxes specials:		$77,590
4th Street specials	$76,000	
14th Street specials	$95,559	
16th Street specials	$100,000	
Total Specials	$271,559	
Annual payment $271,559 Divided by 7 years	$38,795	
Coal/Gas boiler repair		$25,000
ROOFS		$189,219
If approved by the Legislature, we have already committed		$291,809

2003-05 Extra-Ordinary Repairs	**$773,500**
Many projects were not funded or put on hold because of three major events that took place in 2003-05:	
Steam line break on the south end of campus (Total cost to repair was $344,350, the SBHE funded $47,300, and the college local funds $47,300 of the project)	(-$249,750)
The State Fire Marshal Hazard Corrections Report required college corrections	(-$154,093)
Street tax specials (on-going)	(-$33,861)
Chiller for the Student Union (Total cost $220,000, local funds $120,000)	(-$100,000)
Total extra-ordinary repairs for the Campus	**$235,796**

Total General Funds

Carry-Over from FY 2001-03 **$0**

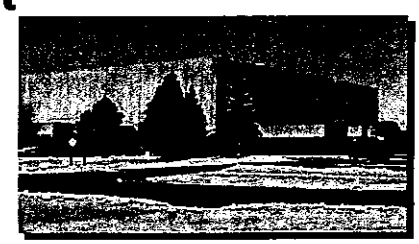
Total Capital Improvements Funds Carry-Over from FY 2001-03 **$1,671**

Tuition Increase **4% to 6%**

NDUS Continuing Appropriations
(See Appendix)

Capitol Improvements

Locally Funded Project



Claire T. Blikre Activities Center Addition project at NDSCS includes:

- New Entrance Foyer
  - Current main entrance not adjacent to parking. The new entrance will be directly accessible from the east parking lot. Plans include associated site-work adjacent to the entrance at the parking lot.
- Storage Room
  - Primary use will be for storage of a new portable wood basketball floor system.
- Catbacker Den (Booster Club Room)
  - Meeting room/lounge environment for booster club activities.

Blikre Activities Center Building Addition

Building Addition: New east entrance foyer, new storage room, new Catbacker Booster room (3,072 square feet X $110.00)	$337,920
Site work allowance	$10,000
Subtotal	**$347,920**
A/E fees (estimated)	$21,000
Total Addition	**$368,920**

Stadium Deterioration

Background:

In 1997 an engineering study was conducted on the NDSCS football stadium. It was determined that the seating area of the football stadium was starting to shown signs of deterioration from the weather. The study recommended that seating in the stadium be replaced in the next ten years.

The study strongly recommended that the college make needed repairs to extend the life of the seating. The college followed this recommendation and has invested over $100,000 in temporary repairs over the last seven years. Each year the deterioration of the stadium seating continues at a faster pace.

We have had an engineering firm test the structural integrity of the stadium every two years since the 1997 study. The reports from that firm are always the same. The life of the seating at the stadium is limited and must be replaced in the near future or the stadium should be closed for public use.

Stadium Deterioration

Background (Cont.):

In 2001 the NDSCS track was closed to all competitive track meets (the local high school ran all its track meets at the stadium until we closed it) because of the deterioration of the track. This last fall a number of groups met with campus officials to discuss the replacement of the track and the renovation of the football stadium. Campus officials asked the Athletic Department to put a task force together to develop a plan of action.

The NDSCS Athletic Department met with the Wahpeton School District (the local high school plays all of its home football games at the NDSCS Stadium), the City of Wahpeton, the NDSCS foundation and local community leaders to come up with a solution to these challenging issues. A committee was formed from this group.

Stadium Deterioration

Process:

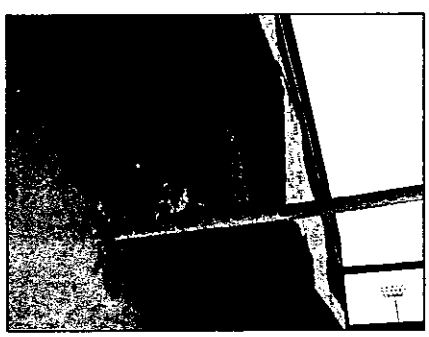
The committee recommended that NDSCS replace its track and renovate the football stadium. A study was completed and a dollar amount set to complete these two projects.

Estimates were received from local contractors to give the committee a ball park figure of $1,700,000 to complete the two projects.

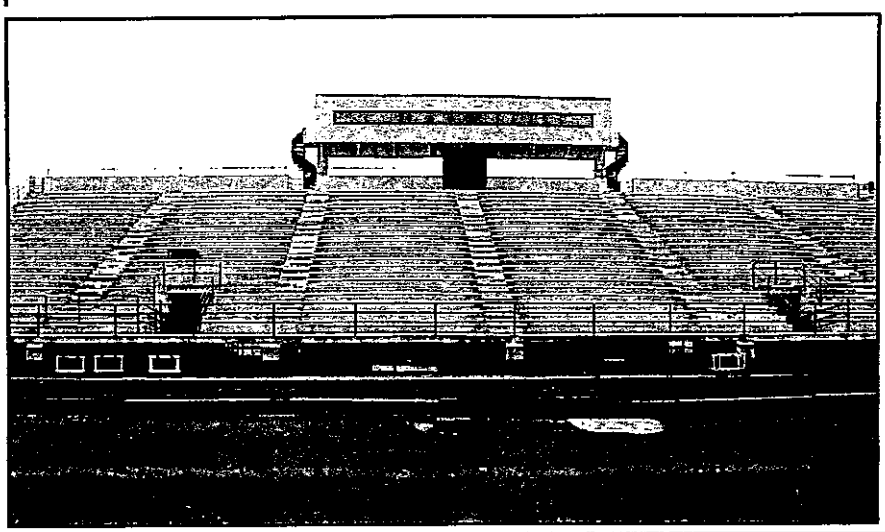
In March NDSCS will be asking the SBHE for permission to move forward in raising the funds needed to renovate the NDSCS football stadium and track. The funding ($1,700,000) of this project will be with local funds (City of Wahpeton, NDSCS Foundation, and Wahpeton School District).

We request the House accept and approve this special project funding amendment that has been brought forward to you from the State Board of Higher Education.

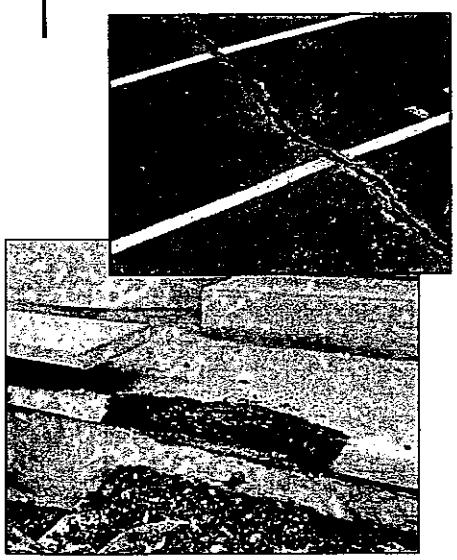




Stadium Deterioration



Stadium Deterioration



Football stadium	$654,300
Track	$374,000
Add-on restrooms and concession areas	$147,000
Locker rooms	$218,890
Fencing	$21,236
Contingency funds	$284,574
Total	$1,700,000

Appendix

North Dakota State College of Science

Student Housing

	2000	2001	2002	2003	2004
Residential Housing	42.0%	40.4%	34.8%	40.3%	40.1%
Family Housing/ Single Unit	7.3%	6.2%	8.3%	7.5%	7.5%
Off Campus	50.7%	53.4%	56.9%	52.2%	51.4%

Slide 1

Graduation and Retention Data

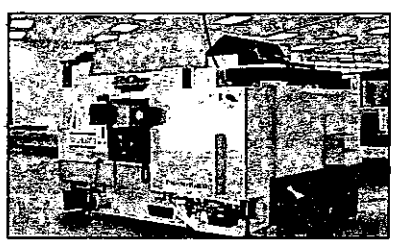
	2000	2001	2002	2003	2004
Graduation Rate	60%	61%	58%	56%	54%
Retention Rate	66%	55%	54%	57%	62%

Slide 2

Why High Cost?

Specialized Equipment and High Operating Costs

Equipment and operating costs run **9-10 times higher** for specialized Career and Technical programs compared to NDSCS Liberal Arts and transfer programs.



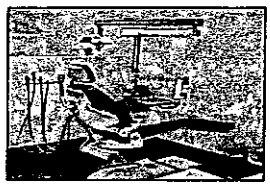
Other Implications

Researching, Purchasing and Installation of Equipment
Facility Modification to Accommodate Equipment
Instructor In-service and Training
Equipment Updating and Maintenance
Developing and Maintaining Industry Relationships

Slide 3

Why High Cost?

High Faculty to Student Ratio



Career and Technical education requires smaller class sizes which result in higher instructional costs per student educated.

Compared to NDSCS Liberal Arts and transfer curriculums, it costs **75-100% more** to appropriately staff specialized technical programs.

Some Driving Factors

Unique and Individualized Instruction Required on Many Projects
Numerous Safety Issues
Accreditation Requirements
Availability and Size of Equipment
Laboratory Space

Slide 4

Why High Cost?

Large and Dedicated Facilities

(Shops, labs, classrooms, storage and associated areas)

Career and Technical education programs require **5 times more** physical space and dedicated facilities than Liberal Arts and transfer programs.

Comparison Examples

- Automotive Lab vs. General Lecture Classroom
- Manufacturing Lab vs. Computer Lab
- Building Construction Lab vs. Science Lab

Other Implications of Large and Dedicated Facilities

- Heating
- Electrical
- Ventilation Needs
- Acoustical Needs
- Building Repair and Upkeep
- Custodial Maintenance and Services

Slide 5

Partnerships at NDSCS

The North Dakota State College of Science has realized many benefits because it has effectively developed significant relationships with numerous businesses and industries. This has resulted in substantial financial support for NDSCS and the students we serve. Examples of this support include:

- Financial contributions
- Donations of equipment, software and other instructional aids
- On-loan equipment
- Participation in industry-sponsored training
- Assistance with student recruitment
- Student scholarships
- Student sponsorships
- Placement sites for coops and internships

Slide 6

Partnerships at NDSCS

Through these and other partnerships and relationships, NDSCS has effectively leveraged the College's resources. A conservative estimate of the financial impact of these relationships during the current biennium is **$4,200,000**. This industry support assists NDSCS in our efforts to remain current in our technology and the instruction we provide.

Slide 7

North Dakota State College of Science

How can NDSCS be proactive and creative in building relationships and accessing resources for the benefit of our students and the state of North Dakota?

Slide 8

NDSCS Strategic Goal Three:

Address priority needs of the institution by generating new sources of revenue

- This goal is consistent with all six Roundtable cornerstones, especially:
  - Funding and Rewards
  - Economic Development Connections
  - Sustaining the Vision

Slide 9

Implementing the Goal

- Conducted a comprehensive program review
- Identified areas of high priority need/opportunity
- Established Institutional Advancement and Government Relations initiative
  - *Provide leadership in building positive relationships with the public and other external groups*
  - *Secure and manage funds from government agencies, business, industry, foundations and private sources*

Slide 10

Major Activities / Initiatives

- Actively developing relationships with other organizations/entities to seek areas of potential collaboration and cooperation
- Pursuing additional and/or alternative funding sources
  - Congressional-directed funding
  - National Science Foundation funding
  - Competitive grant funding
  - Other funding sources
- Identified potential *Centers of Excellence* consistent with the mission and purpose of NDSCS

Slide 11

Accomplishments

- Received funding for three congressional-directed funding requests:
  - Telepharmacy Technician Training
    (FY 04) - $200,000
  - Telepharmacy Technician Training – Year 2
    (FY 05) - $200,000
  - Center for Nanoscience Technology Training
    (FY 05) - $200,000

Slide 12

Accomplishments (Cont)

- Received Department of Education Title III Grant
  $1,825,000 (5-Year)
  Improving Access to Unique and High Cost Programs Across a Remote Geographic Service Area
- Invited to submit final National Science Foundation (NSF) Grant proposal
  $759,923 (3-Year)
  Advanced Technology Education for Manufacturing Technicians

Slide 13

Challenges

- Continued development of relationships with the public and external groups
- Continued development of additional and/or alternate funding sources
- Refine and develop funding strategies for potential *Centers of Excellence* consistent with the mission and purpose of NDSCS
- Development of Grants Management processes and infrastructure

Slide 14

North Dakota University System
Report of Continuing Appropriations
North Dakota State College of Science

2/25/2005

1999-01

	Beginning Balance	Revenue	Expenditures	Net Additions/ Deductions/ Transfers	Ending Balance	
Auxiliary Services	1,722,500	10,462,100	10,213,300	(527,100)	1,444,200	-
Tuition Collections	130,400	8,282,100	48,600	(8,264,900)	99,000	-
Other Unrestricted	(10,600)	5,755,500	5,578,100	586,400	753,300	(100)
Scholarships & Fellowships	100	4,815,600	4,818,200	2,700	200	-
Grants & Contracts	48,000	2,127,800	2,111,200	-	64,600	-
Loan Funds	2,622,200	384,600	158,400	(1,500)	2,846,900	-
Plant Funds	1,534,200	374,000	4,246,300	4,817,000	2,479,000	(100)
Endowment Funds	4,000	-	-	-	4,000	-

2001-03

	Beginning Balance	Revenue	Expenditures	Net Additions/ Deductions/ Transfers	Ending Balance	
Auxiliary Services	1,444,200	10,564,300	10,371,400	(106,100)	1,531,000	-
Tuition Collections	99,000	8,188,400	61,700	(8,154,200)	71,400	100
Other Unrestricted	753,300	7,730,200	7,603,700	(15,400)	864,400	-
Scholarships & Fellowships	200	5,192,400	5,190,500	-	2,100	-
Grants & Contracts	64,600	2,714,400	2,728,800	-	50,200	-
Loan Funds	2,846,900	363,400	258,000	17,000	2,969,400	(100)
Plant Funds	2,479,000	284,400	1,283,300	(552,500)	927,600	-
Endowment Funds	4,000	-	-	-	4,000	-

2003-05 Estimate

	Beginning Balance	Revenue	Expenditures	Net Additions/ Deductions/ Transfers	Ending Balance	
Auxiliary Services	1,531,000	11,942,200	10,670,300	(308,200)	2,494,800	(100)
Tuition Collections	71,400	10,131,900	112,200	(9,234,200)	856,900	-
Other Unrestricted	864,400	10,020,200	9,759,700	497,200	1,622,100	-
Scholarships & Fellowships	2,100	5,933,800	5,937,800	-	(2,000)	100
Grants & Contracts	50,200	2,216,400	2,200,000	(50,100)	16,400	100
Loan Funds	2,969,400	339,400	94,300	64,400	3,278,900	-
Plant Funds	927,600	192,900	523,500	315,500	912,500	-
Endowment Funds	4,000	-	-	-	4,000	-

2005-07 Estimate

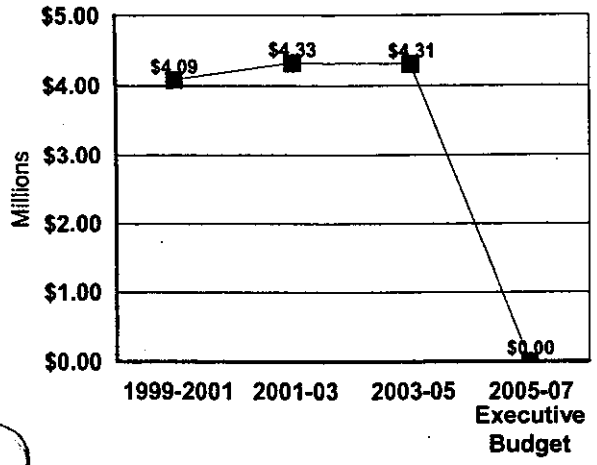
	Beginning Balance	Revenue	Expenditures	Net Additions/ Deductions/ Transfers	Ending Balance	
Auxiliary Services	2,494,800	12,181,044	10,883,706	(314,364)	3,477,774	-
Tuition Collections	856,900	10,334,538	114,444	(9,418,884)	1,658,110	-
Other Unrestricted	1,622,100	10,220,604	9,954,894	507,144	2,394,954	-
Scholarships & Fellowships	(2,000)	6,052,476	6,056,556	-	(6,080)	-
Grants & Contracts	16,400	2,260,728	2,244,000	(51,102)	(17,974)	-
Loan Funds	3,278,900	346,188	96,186	65,688	3,594,590	-
Plant Funds	912,500	196,758	533,970	321,810	897,098	-
Endowment Funds	4,000	-	-	-	4,000	-
Projected % change		2.0%	2.0%	2.0%		

Prepared by the North Dakota Legislative Council
staff for House Appropriations
February 25, 2005

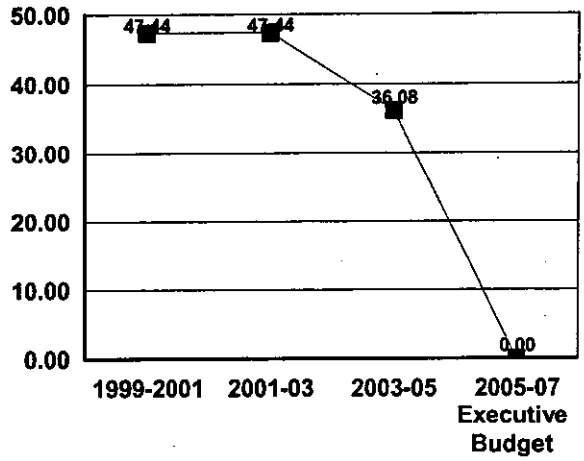
Department 243 - Minot State University - Bottineau
Senate Bill Nos. 2003 and 2023

	FTE Positions	General Fund	Other Funds	Total
2005-07 Executive Budget	0.00	$0	$0	$0
2003-05 Legislative Appropriations	36.08	4,312,519	0	4,312,519
Increase (Decrease)	(36.08)	($4,312,519)	$0	($4,312,519)

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)

	General Fund	Other Funds	Total
1. Consolidates operations and extraordinary repair funding for all higher education institutions into the University System budget. The Senate appropriated operations and extraordinary repair funding for each of the higher education institutions.	($4,215,519)		($4,215,519)
2. Removes one-time funding provided in the 2003-05 biennium--$97,000 for Thatcher Hall air-conditioning project	($97,000)		($97,000)

Major Related Legislation

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. 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 requirement 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 the 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 Univ 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 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.

MSU-BOTTINEAU

CENTENNIAL

1906 - 2006

With exception of these pages, same testimony given to House

rooted in the past-growing towards the future

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Fifty-ninth Legislative Assembly

January 18, 2005

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MSU BOTTINEAU

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Comparison of SHBE 2005-07 Prioritized Budget
Request to Executive Recommendation
(Including Requested Restoration & Increases Over Executive Recommendation)

	MiSU-BC		
	SBHE 2005-07 Prioritized Budget Request	Executive Recommendation	Restoration Request & Increases Over Executive Recommendation
2003-05 Original General Fund Appropriation	**$ 4,312,519**	**$ 4,312,519**	
Base Adjustments	**(97,000)**	**(97,000)**	
2003-05 Adjusted General Fund Appropriation, Plus (Minus) Base Adjustments	**4,215,519**	**4,215,519**	
Priority One - State-Linked Budget Priorities:			
Capital Assets Base Increase (Decrease)	9,138	(2,938)	12,076
Campus Parity (80%) - Revised	206,357	186,778	19,579
Campus Equity (20%) - Revised	53,972	48,851	5,121
Subtotal	269,467	232,691	36,776
Transfer to NDUS "operations" pool		(4,338,485)	4,338,485
Transfer to NDUS "contingency/extraordinary repairs" pool		(109,725)	109,725
Capital Projects Funded			-
Total-Priority One Increases	**269,467**	**(4,215,519)**	**4,484,986**
Subtotal 2003-05 Base, Plus Priority 1	**4,484,986**	**-**	**4,484,986**
Priority Two - Reach funding equivalent to at least 21% of 2005-07 recurring state revenues:			
Campus Parity (80%)	29,350		29,350
Campus Equity (20%)	7,676		7,676
Total-Priority Two Increases	**37,026**		**37,026**
Subtotal 2003-05 Base, Plus Priorities 1 & 2	**4,522,012**		**4,522,012**
Priority Three - Additional increases to make progress on goals of long-range finance plan			
Fund 100% state share of parity	19,828		19,828
Increase 2005-07 salary increases to 4.2% per year	24,880		24,880
Board initiative funding increase			-
Capital assets funding increase	9,138		9,138
Equity funding to bring all campuses to 45% of peer benchmark in 2007-09			-
Equity funding to bring all campuses to 50% of peer benchmark in 2007-09			-
Equity funding to bring all campuses to 55% of peer benchmark in 2007-09			-
Equity funding to bring all campuses to 60% of peer benchmark in 2007-09	20,216		20,216

Comparison of SHBE 2005-07 Prioritized Budget
Request to Executive Recommendation
(Including Requested Restoration & Increases Over Executive Recommendation)

	MiSU-BC		
	SBHE 2005-07 Prioritized Budget Request	Executive Recommendation	Restoration Request & Increases Over Executive Recommendation
Equity funding to bring all campuses to 62.3% of peer benchmark in 2007-09	82,900		82,900
Total-Priority Three Increases	**156,962**		**156,962**
Subtotal 2003-05 Base, Plus Priorities 1, 2 & 3	**4,678,974**		**4,678,974**
Priority Four - To achieve needs-based budget request level approved by the SBHE			
Equity funding to bring all campuses to 85% of peer benchmark in 2007-09	805,971		805,971
Capital assets funding increases	107,255		107,255
Board initiative funding increase			-
Total-Priority Four Increases	**913,226**		**913,226**
Total General Fund Needs Based Budget Request	**$ 5,592,201**		**$ 5,592,201**

MINOT STATE UNIVERSITY - BOTTINEAU
2005 - 07 Budget
SBHE PRIOITIES AND EXECUTIVE RECOMMENDATION

		Operations	Capital Assets & Equip > $5K	Total	General Fund	Other Funds
	BASE BUDGET:					
	2003-05 Original Appropriation Budget					
	Operations	5,829,326		5,829,326	4,102,856	1,726,470
	Capital Assets	-	209,663	209,663	209,663	
1	**Total 2003-05 Appropriation (As of 02/29/04)**			6,038,989	4,312,519	1,726,470
	Less One-Time Allocations:					
	Capital Projects	-	(97,000)	(97,000)	(97,000)	
	Carryover	(98,742)		(98,742)		(98,742)
2	**Total Adjusted 2003-05 Budget Base**	5,730,584	112,663	5,843,247	4,215,519	1,627,728
	Add: SBHE Prioity 1 Adjustments					
	Continue 2004-05 Salary Increase	50,888		50,888	-	50,888
	Adjusted Health Insurance Increases	72,704		72,704	54,528	18,176
	Operating Inflation @ 2.5% Per Year	45,302		45,302	38,770	6,533
	4% + 3% Salary Increases	222,708		222,708	167,031	55,677
	Capital Project 2005-07	-	2,500,000	2,500,000		2,500,000
	Capital Assets Base Increase	-	9,138	9,138	9,138	-
3	**Total SBHE Prioity One Adjustments**	391,602	2,509,138	2,900,740	269,467	2,631,274
4	**TOTAL 2003-05 BASE, PLUS SBHE PRIORITY 1**	6,122,186	2,621,801	8,743,987	4,484,986	4,259,002
	ADDITIONAL INCREASES - NEEDS BASED BUDGET					
	Capital Assets Increase	-	116,393	116,393	116,393	
	Parity	-		-		
	Incremental Amt Needed for 4.2% Annual Salary Incr.	33,173		33,173	24,880	8,293
	Additional Amount for Professional Development	20,000		20,000	20,000	-
	Increase in Operating Budget	33,961		33,961	29,168	4,793
	Equity	-		-		
	ConnectND Staffing	135,000		135,000	135,000	-
	Recruiting and Retention	80,000		80,000	80,000	-
	New Program Initiatives	400,000		400,000	400,000	-
	RN Program	100,000		100,000	100,000	-
	Classroom Furniture	201,775		201,775	201,775	-
5	**Total Additional Increases -- SBHE Priorities 2, 3 & 4**	1,003,909	116,393	1,120,302	1,107,216	13,086
6	**TOTAL NEEDS BASED BUDGET REQUEST**	7,126,095	2,738,194	9,864,289	5,592,201	4,272,088
	EXECUTIVE RECOMMENDATIONS					
	Equity and Parity Adjustments - SBHE Priority 1			-	(24,699)	24,699
	Capital Assets Base Adjustment - SBHE Priority 1		(2,938)	(2,938)	(2,938)	
	Capital Assets Base Increase - SBHE Priority 1		(9,138)	(9,138)	(9,138)	
	Capital Project		(2,500,000)	(2,500,000)		(2,500,000)
	SBHE Priorities 2, 3 & 4	(1,003,909)	(116,393)	(1,120,302)	(1,107,216)	(13,086)
7	**Executive Recommendations Subtotal**	6,122,186	109,725	6,231,911	4,448,210	1,783,701
	Transfer to NDUS Operations Pool				(4,338,485)	
	Transfer to NDUS Extraordinary Repairs Pool				(109,725)	
8	**TOTAL EXECUTIVE RECOMMENDATION**				0	1,783,701

MINOT STATE UNIVERSITY - BOTTINEAU CAMPUS
EXTRAORDINARY REPORTS & CAPITAL PROJECTS
SUMMARY REPORT

2003-05 Extraordinary Repair Projects	
ADA Projects	10,000
Heating Plant Repairs	17,979
HVAC	16,709
Chemical Storage Upgrade	9,334
Greenhouse Improvements	17,000
Electrical Repairs	4,644
Roof Repairs	4,250
Stage/Exercise Area Upgrade	5,377
Miscellaneous Repair Projects	27,370
Total 2003-05 Projects	112,663
2003-05 Capital Projects	
Thatcher Hall HVAC	97,000
Total 2003-05 Capital Assets	209,663

2005-07 Base Budget Request	
Extraordinary Repairs Base	112,663
Extraordinary Repairs Base Inc.- SBHE Priority 1	9,138
Capital Project - Thatcher Hall Addition	2,500,000
Total 2005-07 Capital Assets Base Request	2,621,801
2005-07 Additional Increases	
Extraordinary Repairs Increase - SBHE Priority 3	9,138
Extraordinary Repairs Increase - SBHE Priority 4	107,255
Total 2003-05 Capital Assets Increase	116,393
Total 2005-07 Capital Assets Needs Based Request	2,738,194
2003-05 Executive Recommendation	
Extraordinary Repairs - Base Adjustment	(2,938)
Extraordinary Repairs Base Inc.- SBHE Priority 1	(9,138)
Extraordinary Repairs Increase - SBHE Priority 3	(9,138)
Extraordinary Repairs Increase - SBHE Priority 4	(107,255)
Capital Project - Thatcher Hall Addition	(2,500,000)
Executive Recommendations Subtotal	109,725
Transfer to NDUS Extraordinary Repairs Pool	(109,725)
Total 2003-05 Executive Recommendation	0
SB 2003 Amendment	
Capital Project - Entrepreneurial Center for Horticulture	3,500,000

E-SB2003

MSU-BOTTINEAU

CENTENNIAL

1906-2006

rooted in the past-growing towards the future

House Appropriation Hearings

Fifty-ninth Legislative Assembly

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BOTTINEAU

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I. INTRODUCTION

A. MSU-Bottineau in Brief

.....An overview of the College

1. Description:

   Minot State University-Bottineau (MSU-Bottineau) is a two-year institution and is part of the North Dakota University System. Minot State University is the parent campus. The college achieves its mission by providing specialized technical programs in agriculture, environmental/natural resource studies, allied health, and business as well as through traditional curricula that transfer to baccalaureate programs. MSU-Bottineau offers 28 vocational-technical programs leading to certificates, diplomas, or Associate in Applied Science (AAS) degrees; nine Certificate of Completion programs; and comprehensive transfer course work leading to Associate in Arts (AA) or Associate in Science (AS) degrees.

2. Statutory Authority:

   North Dakota Constitution, Article IX, Section 13.

3. History:

   1906 – North Dakota School of Forestry
   1969 – North Dakota State University-Bottineau Branch and Institute of Forestry
   1987 – North Dakota State University-Bottineau
   1996 – Minot State University-Bottineau Campus

4. Location:

   Bottineau is located 14 miles from the Canadian border and is equal distance from the state's east and west borders. There are 2,336 residents in the city and 7,149 in the county.

5. Campus:

   The 35-acre campus consists of five classroom buildings, three residence halls, a student center, a greenhouse, and an interactive video network (IVN) studio building. The college has four IVN equipped classrooms.

II. ENROLLMENT

A. Facts and Figures

.....Where we've been, where we're going, student characteristics

1. Ten Year History

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Headcount	356	399	421	447	508	451	526	608	620	602
FTE	337	369	389	410	467	394	389	446	443	419
Resident	237	284	337	375	432	390	453	510	534	481
Non-resident	119	115	84	72	76	61	73	98	86	121
Bottineau County	86	108	110	108	117	110	121	129	105	110
4 Surrounding Counties	47	54	57	80	89	90	88	120	119	117
ND Counties Represented	33	37	34	32	38	32	37	41	42	40
States Represented	31	31	28	23	26	18	19	28	25	29
Canadian Students	33	33	16	12	24	18	34	36	37	28

2. Program Mix

- Natural Resources -- 15%
- Business/Office Education -- 18%
- Technology -- 9%
- Medical -- 13%
- Undecided/Liberal Arts/Transfer -- 45%

3. Trends

- Over the last ten year period, our enrollment figures represent every North Dakota county and every state except Delaware and Rhode Island.
- Our ten year headcount average = 494.
- Our ten year full-time equivalency average = 406.
- For fall semester 2004, 28% of our students were 25 years of age or older--53% were female and 49% male.

III. ACHIEVEMENTS AND ACTIVITIES

A. .....Provide educational access to underserved areas.

By becoming a partner with LRSC, WSC, and BSC in the Dakota Nursing Consortium, MSU-Bottineau has brought back a nursing program to the local area. Until 1971, a program had been available through collaboration with St. Andrew's Hospital in Bottineau. Sixteen students enrolled for Fall, 2004, in the Practical Nursing Certificate curriculum. The college plans to offer the Associate degree Registered Nurse curriculum for Fall, 2005.

B. .....Communities and the private sector should partner with the North Dakota University System to meet local training and educational needs.

The college has partnered with Heart of America Medical Center in Rugby, ND, to bring a nursing program to that community in the Fall of 2005.

C. .....The University System should create a seamless organization from the perspective of the student.

MSU-Bottineau has provided dual credit course work to the following high schools via electronic delivery:

Towner	Rugby	Goodrich	Sheyenne
Rolla	Granville	St. John	Mohall
Surrey	McClusky	Bottineau	

D. .....The University System should be proactively accessible.

In cooperation with NDSU, the college's Medical Assisting program is being offered in Fargo.

E. .....Campuses must develop alternative delivery opportunities that are responsive to all students.

The Bottineau campus is a state leader in delivering instruction via interactive video. Over the last two years, the college has delivered over 80 courses to 15 different sites and has four IVN equipped classrooms.

F. *.....The North Dakota University System must develop and offer programs that are responsive to the needs of the state.*

By the end of the 2004/05 academic term, the college will have 48 classes and 11 programs online.

G. .....Program offerings should close the gap between the demand for individuals with technical skills and the number of such graduates available.

New curriculum options have been developed in the following areas:

Network Security/Assurance	Database Management	Operating Systems
Computer Systems Technology	Geographic Information Technology	Natural Resource Management
Laboratory/Field Technology		

H. .....Institutions must be assertive in retaining quality students.

MSU-Bottineau has begun a Student Success Program intended to enhance student persistence to graduation. Thirty faculty and staff are mentoring 60 students through formal monthly conferences and informal student-faculty/staff contacts. Students are selected for the program through the use of a Retention Management Survey that selects those most in need of mentoring services.

I. .....The University System should help provide direct connections and contributions to the economic growth and social vitality of North Dakota.

A proposed MSU-Bottineau Entrepreneurial Center for Horticulture seeks to play a dynamic role in revitalizing the state's rural communities. A Center would achieve its objective by creating and providing value-added and economically viable retail and educational opportunities for agriculture and small business in rural North Dakota. This activity would be accomplished through the establishment of a vegetable production demonstration site and learning center located on the MSU-Bottineau campus. It would be an example of what will work for North Dakota farms and businesses.

IV. FUTURE CRITICAL NEED

.....Campuses should allocate funds for maintenance of physical assets based on established priorities.

MSU-BOTTINEAU

MAJOR CAPITAL PROJECT...A THATCHER HALL ADDITION TO REPLACE OLD MAIN – RANKED #4 ON THE SBHE PRIORITY LIST

I. An "Old Main Solution" is required to meet standards for health safety, ventilation, efficiency, lighting, stability, etc. that will provide optimum educational usefulness:

MSU-Bottineau is seeking funding to construct an addition to Thatcher Hall to accommodate the functions now housed in Old Main. Old Main is 98 years old and has come to the end of its useful life:

Structural Deficiencies

- The building is not accessible to the mobility impaired
- Masonry needs tuck pointing
- Roof needs re-shingling
- Dormers require repair and paint
- Walls have alkaline deterioration
- Exterior doors need replacing
- Insulation required
- Relighting required
- Walls are cracking
- Restroom fixture count is inadequate
- Electrical, plumbing, heating systems require updating

Safety Hazards

- Concrete floors are broken and uneven
- Interior finishes are not flame resistant
- Stairs are constructed of wood
- Stairwells are open
- Doors are not fire rated
- Ventilation air is non-existent
- Stairway run/rise is not to code
- Corridor walls and glass not fire rated
- Fire escapes are not to code

According to a 2002 study, the expenditure necessary to simply sustain the building for the next six to ten years is approximately $1,000,000; thus, a commitment to replace Old Main must be made soon as the building repairs required to enable us to continue using the facility for just the next decade are substantial.

II. Enhancements to the learning environment that will accompany the replacement of Old Main with an addition to Thatcher Hall:

- Allows complete accessibility for the mobility impaired; Thatcher and Old Main are not now accessible
- Affords flexible and usable space as programs change to accommodate campus needs
- Increases security, supervision, and accessibility for the Library by moving the resource to one floor
- Provides a safe and healthful environment for student learning
- Incorporates up-to-date technology into a new structure
- Creates more effective user relationships
- Provides large group meeting rooms which are currently unavailable on campus

---

Sixty percent of the college's students are in general education/transfer programs. Old Main is the primary classroom building for these courses.

Cost of addition = $2,500,000
Location of addition = east side of Thatcher Hall; providing approximately 19,000 square feet on three levels

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V. COLLEGE MAJORS/PROGRAMS OF STUDY

	Diploma	AAS	AS	AA
Advertising & Marketing	X	X		
Environmental Technology-Geographic Information Tech		X		
Environmental Technology-Laboratory & Field Technician		X		
Environmental Technology-Natural Resource Management		X		
Environmental Technology-Water Management		X		
Flowershop and Greenhouse Technology	X			
Golf Course Grounds Technician	X			
Horticulture-Floral Design		X		
Horticulture-Greenhouse Technology		X		
Horticulture-Landscape Design		X		
Horticulture-Turf Management		X		
Information Management-Accounting Technician		X		
Information Management-Administrative Assistant		X		
Information Management-Medical Secretary		X		

Information Technology-Computerized Office Management			X	
Information Technology-Network Engineering			X	
Database Technology			X	
Computer Systems Technology			X	
Information Assurance/Network Security			X	
Operating Systems Technology			X	
Information Technology-WebDesign		X		
Information Technology-WebMaster			X	
Paraeducator		X	X	
Medical Assistant		X	X	
Reception Services		X		
Urban Forestry Technology		X	X	
Wildlife and Fisheries Technology			X	
Water Quality Technology		X		
*Transfer/Pre-Professional/University Parallel				X X

*MSU-Bottineau offers the applicable freshman and sophomore coursework for Bachelor degree programs. Following are examples:

Accounting
Agriculture
Art
Biology
Business Administration
Business Education
Chemistry
Computer Information Systems
Economics
Elementary Education
English
Health Professions
History
Liberal Arts
Marketing and Management
Mathematics
Music
Pharmacy
Physical Education
Psychology
Science
Secondary Education
Social Science
Sociology
Special Education
Urban Forestry
Veterinary Science
Wildlife Management

The college also offers the following Certificate of Completion programs that consist of 15 credits or less:

Advanced Medical Transcription
Bookkeeping
Medical Coding & Insurance Specialist
Office Applications Technician
Sun Microsystems Technician
Basic Grounds Worker Skills
Cisco Networking Technician
Microcomputer Technician
Operating Systems Technician
Web Technician

MINOT STATE UNIVERSITY - BOTTINEAU CAMPUS
2003-05 BUDGET STATUS
As of 12/31/2004

	Estimated Expenditures			Source of Funding	
	Operations	Capital Assets	Total	General Fund	Special Fund
Revised 2003-05 Budget	5,816,201	209,663	6,025,864	4,312,519	1,713,345
Expenditures to Date	4,198,082	173,743	4,371,825	3,178,743	1,193,082
2003-05 Budget Balance	1,618,119	35,920	1,654,039	1,133,776	520,263
Percent Remaining	27.8%	17.1%	27.4%	26.3%	30.4%

SOURCES OF SPECIAL FUNDS

Tuition	1,581,627
State Land Income	33,200
Carryover	98,518
	1,713,345

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(Including Requested Restoration & Increases Over Executive Recommendation)

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Campus Equity (20%) - Revised	53,972	48,851	5,121
Subtotal	269,467	232,691	36,776
Transfer to NDUS "operations" pool		(4,338,485)	4,338,485
Transfer to NDUS "contingency/extraordinary repairs" pool		(109,725)	109,725
Capital Projects Funded			-
Total-Priority One Increases	269,467	(4,215,519)	4,484,986
Subtotal 2003-05 Base, Plus Priority 1	4,484,986	-	4,484,986
Priority Two - Reach funding equivalent to at least 21% of 2005-07 recurring state revenues:			
Campus Parity (80%)	29,350		29,350
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Total-Priority Two Increases	37,026		37,026
Subtotal 2003-05 Base, Plus Priorities 1 & 2	4,522,012		4,522,012
Priority Three - Additional increases to make progress on goals of long-range finance plan			
Fund 100% state share of parity	19,828		19,828
Increase 2005-07 salary increases to 4.2% per year	24,880		24,880
Board initiative funding increase			-
Capital assets funding increase	9,138		9,138
Equity funding to bring all campuses to 45% of peer benchmark in 2007-09			-
Equity funding to bring all campuses to 50% of peer benchmark in 2007-09			-
Equity funding to bring all campuses to 55% of peer benchmark in 2007-09			-
Equity funding to bring all campuses to 60% of peer benchmark in 2007-09	20,216		20,216

Comparison of SHBE 2005-07 Prioritized Budget
Request to Executive Recommendation
(Including Requested Restoration & Increases Over Executive Recommendation)

	MISU-BC		
	SBHE 2005-07 Prioritized Budget Request	Executive Recommendation	Restoration Request & Increases Over Executive Recommendation
Equity funding to bring all campuses to 62.3% of peer benchmark in 2007-09	82,900		82,900
Total-Priority Three Increases	**156,962**		**156,962**
Subtotal 2003-05 Base, Plus Priorities 1, 2 & 3	**4,678,974**		**4,678,974**
Priority Four - To achieve needs-based budget request level approved by the SBHE			
Equity funding to bring all campuses to 85% of peer benchmark in 2007-09	805,971		805,971
Capital assets funding increases	107,255		107,255
Board initiative funding increase			-
Total-Priority Four Increases	**913,226**		**913,226**
Total General Fund Needs Based Budget Request	**$ 5,592,201**		**$ 5,592,201**

MINOT STATE UNIVERSITY - BOTTINEAU

Summary of Changes from 2003-05 Legislative Appropriation to Executive Recommendation, Engrossed SB2003 and Requested House Version

	General Fund	Other Funds	Total
2003-05 Original Appropriation	**$ 4,312,519**	**$ -**	**$ 4,312,519**
Base Adjustments	**(97,000)**		**(97,000)**
2003-05 Adjusted Appropriation (Net of Base Adj)	**4,215,519**	**-**	**4,215,519**
Executive Recommendation Adjustments:			
Decrease Extraordinary Repairs Base Funding	(2,938)		(2,938)
Campus Parity and Equity:			
Campus Parity (80%)	186,778		186,778
Campus Equity (20%)	48,851		48,851
Subtotal Campus Parity and Equity	235,629	-	235,629
Allocation to NDUS Campus Operations Pool	(4,338,485)		(4,338,485)
Allocation to NDUS Conting/Extraordinary Repairs Pool	(109,725)		(109,725)
Capital Projects Funded			-
Subtotal-Adjustments per Executive Recommendation	**(4,215,519)**	**-**	**(4,215,519)**
Executive Budget Recommendation	**-**	**-**	**-**
Senate Adjustments:			
Allocation from NDUS Campus Operations Pool	4,338,485		4,338,485
Allocation from NDUS Conting/Extraordinary Repairs Pool	109,725		109,725
Adjust Funding for Major Capital Projects		3,500,000	3,500,000
Subtotal-Senate Adjustments	4,448,210	3,500,000	7,948,210
Engrossed SB 2003	4,448,210	3,500,000	7,948,210
Engrossed SB 2003 Compared to 2003-05 Adj Approp	**232,691**	**3,500,000**	**3,732,691**
Restoration Request:			
Additional Parity (Increases state share to 85.8%)	32,514		32,514
Additional Equity			-
Subtotal-Restoration Request	32,514	-	32,514
House Requested Version*	$ 4,480,724	$ 3,500,000	$ 7,980,724

*In addition, it is requested that at least a 21% portion of any additional state revenues, resulting from the potentially improved March revenue forecasts, be allocated to the NDUS and used to address deferred maintenance (i.e. extraordinary repairs) needs at the campuses.

MINOT STATE UNIVERSITY - BOTTINEAU CAMPUS
EXTRAORDINARY REPAIRS & CAPITAL PROJECTS
SUMMARY REPORT

2003-05 Extraordinary Repair Projects	
ADA Projects	10,000
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HVAC	16,709
Chemical Storage Upgrade	9,334
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Stage/Exercise Area Upgrade	5,377
Miscellaneous Repair Projects	27,370
Total 2003-05 Projects	112,663
2003-05 Capital Projects	
Thatcher Hall HVAC	97,000
Total 2003-05 Capital Assets	209,663

2005-07 Base Budget Request	
Extraordinary Repairs Base	112,663
Extraordinary Repairs Base Increase	9,138
Capital Project - Thatcher Hall Addition	2,500,000
Total 2005-07 Capital Assets Base Request	2,621,801
2005-07 Additional Increases	116,393
Total 2005-07 Capital Assets Needs Based Request	2,738,194
2005-07 Executive Recommendation	
Extraordinary Repairs - Base Adjustment	(2,938)
Extraordinary Repairs Base Increase	(9,138)
Extraordinary Repairs Needs Based Increase	(116,393)
Capital Project - Thatcher Hall Addition	(2,500,000)
Executive Recommendations Subtotal	109,725
Transfer to NDUS Extraordinary Repairs Pool	(109,725)
Total 2005-07 Executive Recommendation	0
Senate Adjustments	109,725
SB 2003 Amendment	
Capital Project - Entrepreneurial Center for Horticulture	3,500,000
SB 2023 Amendment	
Capital Project - Thatcher Hall Addition	2,500,000
Total 2005-07 Capital Assets	6,109,725
Funding Sources	
General Fund	109,725
Federal Grants	3,500,000
State Bonding Funds	2,500,000
Total 2005-07 Capital Assets Funding Sources	6,109,725

MINOT STATE UNIVERSITY -- BOTTINEAU
PROJECT NARRATIVES

BIENNIUM 2003-2005 PROJECTS

THATCHER HALL 2nd FLOOR HVAC

This project involved the installation of central air conditioning and air handling equipment and controls for the 2nd floor of Thatcher Hall – approximately 19,500 sq. feet. Most of the classrooms, computer labs and faculty offices, located on the 2nd floor, have southern exposures and large expanse of glass. All of these rooms were uncomfortably warm, especially on sunny days, making instruction extremely difficult. Window air conditioning units were used but they were noisy and ineffective; especially in the computer labs. Project cost is $113, 706 (general funds). Project completed on 09/01/04.

ENERGY PERFORMANCE CONTRACTING

MSU-Bottineau entered into an agreement with Johnson Controls Inc. to install energy conservation measures, facility improvement measures and operational efficiency improvements which will result in energy savings or avoidance of operational costs. Scope of work included lighting improvements, facility systems improvements, electrical transformer replacement, and steam trap improvements. Total project cost was $378,067, and work was completed in April of 2004. Project is funded by the energy savings which are guaranteed by the contractor. Actual energy savings to date exceed guarantee savings by $27,372.

BIENNIUM 2005-2007 PROJECT

1. THATCHER HALL ADDITION - A REPLACEMENT FOR OLD MAIN

For over ten years the need for renovating or replacing Old Main has been discussed but not addressed. The 1994 and 2000 (original, 1st and 2nd revisions) Campus Master Plans emphasized the urgency to resolve the safety, maintenance and accessibility issues associated with Old Main. The State Board of Higher Education in 2002 ranked "a solution to Old Main" sixth on its 2003-05 capital projects priority list and in 2004 the project was ranked fourth on the 2005-07 priority list. The 2nd revision to the 2000 Campus Mater Plan, proposes to replace Old Main with a 19,800 sq. foot addition. The narrative that follows provides information that was pertinent to this decision.

Constructed in 1906, Old Main is the oldest building on the MSU - Bottineau Campus. The building is in need of modernization in order to meet the current standards of life safety, lighting, ventilation, electrical power, and communication systems for optimum educational usefulness . A recent building appraisal determined that Old Main is the most deficient campus building.

Following is a list of items that represent code violations, poor construction practice and hazards that contribute or are in addition to the survey criteria:

The framing system is entirely wood.
Masonry needs tuck pointing.
The roof needs to be re-shingled.
Roof dormers require repair and painting.
The foundation walls have alkaline deterioration.

Concrete floors are broken and uneven.
The building basement and upper level are inaccessible to people with impaired mobility
The exterior doors need replacing.
Many of the interior finishes are non flame-resistant.
Stairs are constructed of wood.
Stairwells are open and doors are not fire- rated.
Insulation is lacking and frost occurs in attic.
Building needs re-lighting.
Ventilation air is non-existent.
Stairway run, height to length ratio do not meet code requirements.
Corridors to not have fire-rated doors, walls, glass, and finishes.
Fire escapes are non-complying with present day codes.
Electrical, plumbing and heating systems require updating.
Interior walls have numerous cracks
Restrooms are not ADA compliant and the fixture count is not adequate.

According to a 2002 study conducted by the architectural firm of Hunter-Grobe, if Old Main is not renovated or replaced, the following is a list of expenditures necessary to sustain the building for the next six to ten years. (Note: This list doesn't address accessibility, restroom, ventilation, egress and other code violations identified above.)

1.	Shingle Re-roof & Soffit Repairs	$ 95,463
2.	Foundation Repairs	37,060
3.	Replace Concrete Floor Slab	51,780
4.	Repair Air Shaft and Stair Framing	11,715
5.	New Lighting	66,190
6.	Brick Work and Tuck Pointing	89,034
7.	Electrical upgrade	48,149
8.	Elevator	265,673
9.	Fire Alarm Upgrade	9,138
10.	Replace Exterior Doors	23,430
11.	New finishes - carpet paint (remove combustible finishes)	248,667
		$ 946,300

This study, as well as previous campus master plans, concluded that a commitment to renovate or replace Old Main must be made soon, as building repairs are badly needed in order to sustain its usability.

The architectural firm of Hunter-Grobe was engaged again during 2003 and 2004 to provide a cost estimate for total improvement (renovation) of Old Main and to compare the costs with those for an addition to Thatcher Hall. Hunter-Grobe was instructed to address all the issues of life safety, accessibility, lighting, ventilation, electrical power, communication systems and deferred maintenance. The study concluded that new construction costs were slightly lower than the cost to renovate Old Main – $2,223,565 to renovate Old Main as compared to $2,130,260 for an addition to Thatcher Hall (costs do not include furniture and equipment). Another study, a rehabilitation report prepared by YHR Partners, concluded that the costs of an Old Main renovation was $2,158,200.

Public meetings were held to discuss the future of Old Main. Opinions varied but it was determined by the campus that an addition to Thatcher Hall would provide the students and other campus constituents with the best possible learning environment.

The following is a list of some of the benefits of building an addition to Thatcher Hall:

1. Old Main has 16,090 usable square feet as compared to the 19,800 square foot Thatcher Hall addition. This nearly 4000 additional square feet can be used to develop and enhance programming as well as provide scheduling options.
2. The addition provides flexible and usable space that can furnish diverse options for learning as techniques, content, methods, and technologies change to accommodate up-to-the-moment usefulness.
3. The addition addresses accessibility (ADA) issues in Thatcher Hall.
4. A new structure provides the ability to move the Library to one floor, thereby addressing security and supervision issues while allowing for additional classroom space in Thatcher Hall. The current second floor of the Library will be converted into classrooms.
5. New construction will not disrupt and displace classes and functions – Old Main would remain usable during the construction of the addition. The renovation of Old Main would disrupt and displace classes for one year. This could create dissatisfaction and frustration for enrolled students and hesitation for prospective new students.

Additional topics appropriate for making a decision were considered as well. They included the long-term development of the college, the possibility of encountering expensive surprises during the renovation of an existing structure, and unforeseen maintenance issues created by the effects of aging on a nearly 100 year old super structure.

The Thatcher Hall addition would include:

1. Classrooms – Most of which would be flexible so they could accommodate large or small groups as needed. These rooms would be technologically equipped for face-to-face as well as distance learning capability.
2. Meeting rooms with an operable wall between them for expansion to one space. Minot State University - Bottineau lacks sufficient meeting areas for campus and off-campus groups.
3. Space for tutoring, individualized assistance and counseling for students..
4. An expanded library located on one level.
5. Renovation of the current 2nd floor Library into classroom space.
6. Offices for faculty and staff who are currently located in Old Main.
7. An elevator that would provide service to the addition and the existing 2nd floor of Thatcher Hall.
8. The Physical Plant Office and service area.
9. MSU-Bottineau Foundation office.
10. Distance Learning offices.

The estimated cost of the Thatcher Hall addition is:

Estimated cost for construction (including 6.5% inflation factor):	$2,268,727
Estimated cost for furniture and fixtures:	231,273
Total Estimated Costs	$2,500,000

2. ENTREPRENEURIAL CENTER FOR HORTICULTURE

The proposed MSU-Bottineau Entrepreneurial Center for Horticulture will seek to play a dynamic role in revitalizing North Dakota's rural communities. The depletion of the population in these areas is well documented. According to the 2000 census, only six of North Dakota's 53 counties have gained population since 1990, and in the '90's, the state lost 2,200 farms.

The Center would achieve its objective by creating and providing value-added and economically viable retail and educational opportunities for agriculture and small businesses in rural North Dakota. This activity would be accomplished through the establishment of a vegetable production demonstration site and learning center located on the MSU-Bottineau campus. The site would be an example of what will work for North Dakota farms and businesses.

The consumption of vegetables by U.S. consumers is expected to continue to rise through the year 2020 and ready-to-eat, convenience products will be in high demand; and, an opportunity for market growth appears to exist in specialty vegetables. In addition, markets for organic vegetables have been developing for decades and fresh produce is the top selling category in retail sales. An opportunity exists here as well because organic greenhouse production is underdeveloped in the United States.

In order to meet its goal, the Entrepreneurial Center will have a threefold mission:

1. Determine and develop specialty vegetable crops that are viable and add value to new or existing enterprises.
2. Determine and develop the organic market.
3. Provide educational services pertaining to product propagation and marketing as well as business planning.

The overarching objective of the project is to provide the infrastructure needed to allow the vegetable production industry in North Dakota to flourish. An Entrepreneurial Center for Horticulture on the campus of MSU-Bottineau is an integral part of making this happen.

This project will include the construction of a research facility that will consist of greenhouse, classroom, office, and laboratory space. The exact size and configuration of the facility is in development and will be determined in the next few months.

The estimated costs of the Entrepreneurial Center for Horticulture is: $3,500,000 (special funds)

NORTH DAKOTA UNIVERSITY SYSTEM
REPORT OF CONTINUING APPROPRIATIONS
Minot State University - Bottineau

1999-01

	Beginning Balance	Revenue	Expenditures	Net Additions/ Deductions/ Transfers	Ending Balance
Auxiliary Services	113,300	1,478,100	1,475,600	38,700	154,400
Tuition Collections	19,500	1,460,000	1,362,900	-	116,600
Other Unrestricted	112,800	745,700	618,000	(246,900)	(6,500)
Scholarships	(100)	1,508,100	1,508,800	-	1,900
Grants & Contracts	-	555,000	569,800	127,900	113,100
Loan Funds	325,900	18,100	2,300	(13,700)	328,100
Plant Funds	43,400	31,200	54,200	37,700	58,100
Endowment Funds	-	-	-	-	-

2001-03

	Beginning Balance	Revenue	Expenditures	Net Additions/ Deductions/ Transfers	Ending Balance
Auxiliary Services	154,400	1,549,100	1,623,100	88,900	169,300
Tuition Collections	116,600	1,439,100	1,300,800	(12,000)	242,900
Other Unrestricted	(6,500)	1,041,500	846,300	(121,200)	67,600
Scholarships	1,900	1,665,500	1,658,600	-	8,800
Grants & Contracts	113,100	504,800	501,600	(300)	116,000
Loan Funds	328,100	18,800	9,900	(3,200)	333,700
Plant Funds	58,100	21,300	30,800	9,000	57,700
Endowment Funds	-	-	-	-	-

2003-05 Estimate

	Beginning Balance	Revenue	Expenditures	Net Additions/ Deductions/ Transfers	Ending Balance
Auxiliary Services	169,300	1,591,400	1,730,900	93,000	122,700
Tuition Collections	242,900	1,587,200	1,712,600	(18,800)	98,700
Other Unrestricted	67,600	1,194,400	1,024,900	(111,300)	125,700
Scholarships	8,800	1,597,400	1,604,300	-	1,900
Grants & Contracts	116,000	446,900	475,400	(1,500)	86,000
Loan Funds	333,700	14,300	5,000	(3,800)	339,400
Plant Funds	57,700	37,900	34,000	(1,500)	60,100
Endowment Funds	-	-	-	-	-

2005-07 Estimate

	Beginning Balance	Revenue	Expenditures	Net Additions/ Deductions/ Transfers	Ending Balance
Auxiliary Services	122,700	1,623,228	1,765,518	93,000	73,410
Tuition Collections	98,700	1,731,560	1,772,088		58,172
Other Unrestricted	125,700	1,218,288	1,045,398	(111,300)	187,290
Scholarships	1,900	1,629,348	1,629,348	-	1,900
Grants & Contracts	86,000	455,838	484,908		56,930
Loan Funds	339,400	14,586	5,100	(3,800)	345,086
Plant Funds	60,100	38,658	37,900		60,858
Endowment Funds	-	-	-	-	-

MINOT STATE UNIVERSITY – BOTTINEAU
2001-03 CARRYOVER

Total: $98,518

$40,000 is being used to continue the start-up of the new Environmental Technology program. These funds are the balance of the dollars received through the Equity and Special Need Pool distributed by the SHBE. An additional $58,518 is being used to fund additional payroll and travel expenses associated with the ConnectND project.

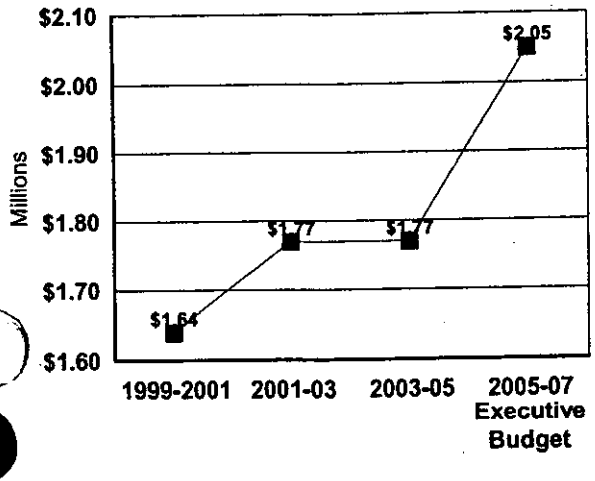
Prepared by the North Dakota Legislative Council
staff for House Appropriations
February 25, 2005

Department 244 - Forest Service
Senate Bill No. 2003

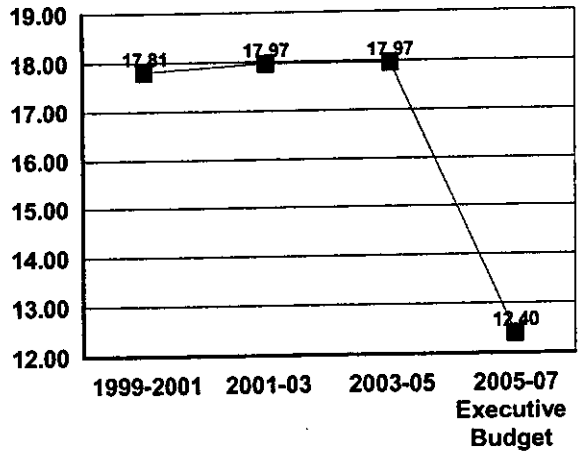
	FTE Positions	General Fund	Other Funds	Total
2005-07 Executive Budget	12.40	$2,054,653	$975,001	$3,029,654
2003-05 Legislative Appropriations	17.97	1,771,076	1,090,001	2,861,077[1]
Increase (Decrease)	(5.57)	$283,577	($115,000)	$168,577

[1]The 2003-05 appropriation amounts do not include $24,196 of general fund carryover and $202,761 of special funds 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)

	General Fund	Other Funds	Total
1. Provides funding for 3 percent per year salary increases	$82,775		$82,775
2. Provides funding for health insurance premium increases	$59,192		$59,192
3. Provides funding for a 2.2 percent operating inflation increase	$18,033		$18,033
4. Provides funding for additional part-time help for the Towner State Nursery and Turtle Mountain State Forests	$53,000		$53,000
5. Increases funding for extraordinary repairs from $31,061 to $36,638	$5,577		$5,577
6. Removes one-time funding provided in the 2003-05 biennium for major capital projects		($115,000)	($115,000)
7. Provides funding for a major capital project - Seed processing facility at the Towner State Nursery	$65,000		$65,000

Major Related Legislation

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 requirement 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 the 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.

"BUILDING SUSTAINABLE COMMUNITIES THROUGH FORESTRY"

A GUIDE TO THE NORTH DAKOTA FOREST SERVICE

AND

2005 - 2007 BUDGET NEEDS

SENATE APPROPRIATIONS COMMITTEE

SENATOR RAY HOLMBERG, CHAIRMAN

SB 2003 HEARING - JANUARY 19, 2005

Prepared By:
Larry A. Kotchman
State Forester
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A COMMITMENT TO EXCELLENCE IN PUBLIC SERVICE AND COOPERATIVE FORESTRY PROGRAMS

The North Dakota Forest Service is committed to excellence in public service. Cooperative forestry programs utilize a voluntary, educational and incentive-based approach to address natural resource needs and customer demands. The North Dakota Forest Service continually anticipates future trends and selects appropriate courses of action to address the needs of the citizens of North Dakota. The agency emphasizes long-term planning, increased productivity and a continual improvement of customer service. This philosophy stresses commitment to partnerships, teamwork, employee training, employee empowerment and open communications. Long-range strategic planning enables the North Dakota Forest Service to anticipate new opportunities, visualize the future and develop necessary strategies to best serve North Dakota.

The "Building Sustainable Communities Through Forestry" needs-based forestry initiative provides the financial roadmap to enhance North Dakota's forest resources, improve our quality of life, and strengthen the state's economy for future generations. Cooperative forestry programs have always included technical and financial assistance. To be competitive in securing external federal and state grants, the agency must increase its staffing levels to achieve the correct balance between leading edge technical capability and the increasing demands for financial incentives from customers. This initiative will ensure customers receive the best possible technical advice, financial services and cooperative forestry assistance.

"Building Sustainable Communities Through Forestry" calls for new strategies in the way the state's forest resources are managed. The plan challenges all North Dakotans to do a better job of caring for their trees and forest lands. Improving the condition of North Dakota's forest resources and public forestry services will require a combined effort by foresters, citizens, landowners, community leaders and elected officials.

Ultimately, the key to implementation will hinge on allocating the financial and personnel resources necessary to accomplish the annual work tasks. The 2005-2007 appropriation process will reflect the North Dakota Board of Higher Education's, Governor's and the Legislature's policy decisions regarding forestry programs.

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AGENCY MISSION

The North Dakota Forest Service administers forestry programs statewide. The agency operates a nursery at Towner specializing in the production of conifer (evergreen) tree stock. The nursery is the sole supplier of evergreen seedlings in North Dakota. Technical assistance relating to the management of private forest lands, state forest lands, urban and community forests, tree planting and wildland fire protection is provided by the agency. The North Dakota Forest Service also owns and manages approximately 13,278 acres of state forest lands.

Mission

"The mission of the North Dakota Forest Service is to care for, protect and improve forest and natural resources to enhance the quality of life for present and future generations."

Organizational Structure

The North Dakota Forest Service is organized under the North Dakota Board of Higher Education and has been a part of the higher education system since 1907. The agency is administered by a State Forester who reports to the president of North Dakota State University at Fargo.

The agency is authorized 17.97 FTE and is comprised of six program coordination teams. Each program team includes a coordinator and a support staff of specialists, technicians and secretaries. The coordinator leads the team; the specialist provides the program services; and the technician and secretary furnish program support. A participatory approach to decision making is used by each team. Public forestry services are delivered by the agency through seven forestry offices. The agency's headquarters is located in Bottineau.

Statutory Authority

Authority is granted to the State Forester under North Dakota Century Code 4-19 to meet the forestry needs in the state by:

- Raising and distributing acclimated forest tree planting stock for landowners;
- Promoting practical forestry to landowners, community groups, schools and other organizations interested in forestry;
- Encouraging the development, use and wise stewardship of forest resources;
- Providing assistance to landowners, producers, communities and public bodies relating to forestry, reforestation, protection of forest resources, prevention and suppression of fires, planting trees and shrubs, and the growing, harvesting, marketing and management of forest resources;
- Acquiring, when appropriate, forest lands that are suited for state forest purposes and managing these lands for the benefit of the citizens of the State.

Funding Sources

Funding for the operation of the North Dakota Forest Service is provided by the State General Fund and other income generated from tree sales.

Long-Range Strategic Planning

The North Dakota Forest Service utilizes a long-range strategic planning process to guide program implementation. "North Dakota's Forest Resource Plan" is based on input from the agency's six program coordination areas and external stakeholders. The plan outlines long-range goals and objectives, specific future initiatives, program priorities, implementation time-frames and necessary resources.

The leadership and responsibility for implementing the plan rests with the agency's six program coordination teams. Short-range annual work plans are used to guide the teams' efforts and insure implementation of the long-range strategic plan. The annual work plan is the tool that bridges the gap between planning and operations. Customer demand, program priorities and budget resources greatly influence the agency's annual directions.

The North Dakota Forest Service is currently developing an accountability measurement process to assess progress toward achieving long-range strategic goals. Accountability measures will enable the agency to document program outcomes. The agency's Quality Council is designing the process and preparing guidelines for the successful implementation of this project by January 31, 2005.

State Forester's Goals

The State Forester's long-range strategic goals are:

- to positively impact forest based economic growth and sustainability of communities by promoting the wise use of natural resources.
- to improve the protection of people, property and natural resources by enhancing interagency cooperation in wildfire management.
- to support informed decision-making and foster individual responsibility in stewards of all ages by raising public awareness about natural resource values.
- to meet the forest and conservation tree planting needs of private and public landowners by producing and marketing high quality nursery stock.
- To meet current societal demands for today and the needs of tomorrow by ensuring the health, productivity and growth of private, community and state forests.

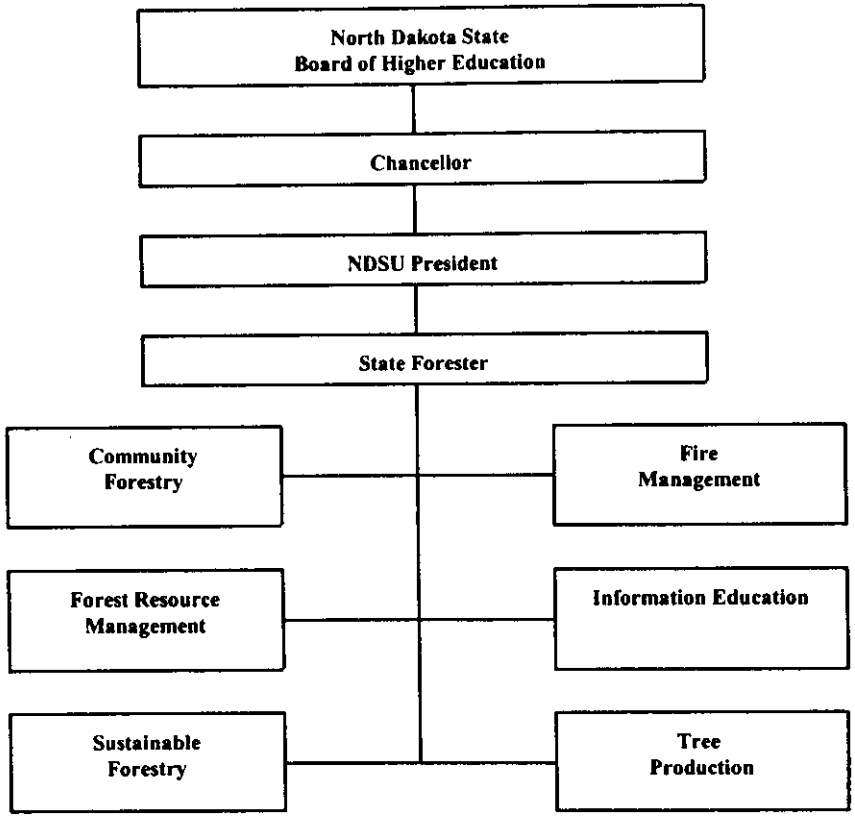
FORESTRY PROGRAMS IN NORTH DAKOTA

The North Dakota Forest Service administers six (6) forestry programs.

Public Service Programs

- Community Forestry
- Fire Management
- Forest Resource Management
- Information and Education
- Sustainable Forestry
- Tree Production

NORTH DAKOTA FOREST SERVICE ORGANIZATIONAL CHART



PUBLIC SERVICE PROGRAMS

A wide variety of customers depend on the North Dakota Forest Service as the sole provider of technical forestry assistance. The North Dakota Forest Service administers six (6) forestry program coordination areas through its major program cost center of Public Service. The following programs provide forestry services to a significant number of North Dakotans.

Community Forestry

Most of North Dakota's residents live in 372 cities and towns. For them, natural resource management means conservation activities in city parks, tree-lined streets or other green spaces within the community.

The North Dakota Forest Service provides leadership and technical assistance to cities, volunteer groups and other local government entities in all phases of forestry. Program assistance includes tree planting plans, management plans, shade tree ordinances, pest surveys and tree maintenance workshops.

The North Dakota Forest Service administers three community forestry financial assistance programs, America the Beautiful (ATB); Community Transportation Enhancement (CTE); and Family Forest Grant Programs. The programs provide approximately $220,000 in grants to eligible communities for tree planting and other forestry development projects each year.

Financial Assistance Sources

- *ATB Community Forestry Challenge Grant Program*
- *CTE Community Forestry Challenge Grant Program*
- *Family Forest Grant Program*

Accomplishments

The North Dakota Forest Service remains the sole supplier of forestry assistance to communities with populations under 7,500. Since 1991, $2,360,364 has been awarded for 721 tree planting and community forestry development projects valued at over $5.1 million. North Dakota continues to be recognized as a national leader in community forestry with its continual growth in Tree City USA awards. Fifty-five North Dakota communities achieved the award in 2004.

Community Forestry
ATB and CTE Programs 1991-2004

Number of Applications Funded	*721*
Grant Funding Awarded	*$ 2,360,364*
Total Cost of Projects	*$ 5,122,511*

Fire Management

The Fire Management Program invests in rural North Dakota through a cooperative effort to ensure the protection of lives, property and natural resources. The program is based on the principle that maximum fire prevention through education, training and equipment ensures minimal loss. Firefighter and public safety are the highest priority.

The North Dakota Forest Service administers specific programs that train, organize and equip North Dakota's 376 rural volunteer and 12 career fire departments. The Cooperative Fire Protection Assistance Program provides departments assistance in organizing, training, planning, purchasing or repairing equipment. A companion program, the Federal Excess Personal Property Program, loans surplus federal equipment to departments for enhancing firefighting capabilities.

Financial Assistance Sources

- *Cooperative Fire Protection Assistance(CFPA)*
- *Federal Excess Personal Property Program (FEPP)*

Community protection is improved through grants for wildfire hazard mitigation and "FireWise" landscape projects. Technical and financial assistance is provided to identify wildland/urban interface danger areas, and develop strategies to effectively reduce wildfire risks. "FireWise ND" is a program intended to help homeowners and communities assess wildfire risk. Fire prevention is stressed through the distribution of "Smokey Bear" fire prevention materials to schools. As America's most widely recognized public service symbol, Smokey also makes personal appearances.

Accomplishments

As of December 31, 2004, revised cooperative fire agreements have been signed with 302 fire departments for fire protection assistance. Since 1975, over $4.3 million in Cooperative Fire Protection Program cost-share has been awarded to fire departments. As of December 31, 2004, 2,544 equipment items, including 321 vehicles with an original acquisition value of $7.95 million were on loan to fire departments through the Federal Excess Personal Property Program. Fire Management provided $576,600 in Cooperative Fire Protection Assistance program funding to 230 departments for 265 projects in 2004. Over 150 rural firefighters have taken formal wildland fire training provided by the North Dakota Forest Service in preparation for emergency fire mobilization.

Fire Management Accomplishments

- *302 Cooperative Agreements with Fire Departments*
- *Total CFPA Awards (1975-2004) $4,348,611*
- *2,544 Equipment Items Valued at $7.95 Million on Loan (12/31/2004)*

Forest Resource Management



The majority of North Dakota's rural forests are privately owned. Forest Resource Management focuses on educating and assisting non-industrial private landowners to better manage, protect and utilize their natural resources. This is accomplished through the development of a forest stewardship plan and direct financial assistance for forest improvement practices. Rural forestry services are delivered through an agreement with North Dakota's local soil conservation districts.

Through a cooperative agreement, the North Dakota State University Extension Service, the NDSU College of Agriculture and the North Dakota Forest Service fund an Extension Forester position for North Dakota. This position is responsible for planning, organizing, implementing and evaluating extension education programs pertaining to forestry and natural resources. The Extension Forester works directly with the Forest Health Specialist to deliver program services including forest health surveys, insect and disease diagnosis and management recommendations on a statewide basis.

Incentives are essential to help rural landowners manage native and planted forests. The Multi-Resource Stewardship Program (MRS) and the Wildfire Hazard Mitigation Program (WHM) offer up to 75 percent cost-share assistance to landowners for accomplishing forest stewardship projects such as vegetative fire breaks, fuels reduction, and other best management practices.

EPA-319 funding is available for implementing riparian best management practices and restricted to land holdings within the Red River Basin. Cost-share dollars are offered on a 60/40 match.

The Forest Stewardship Tax Law offers tax incentives to woodland owners which they can reinvest in active management. The law is administered through participating counties and lowers the annual property tax to 50 cents per acre on enrolled lands.

Financial Assistance Sources

- *Multi-Resource Stewardship Program (MRS)*
- *EPA 319 Grant Funds (Riparian BMP Implementation)*
- *Forest Stewardship Tax Law (Available in participating Counties)*
- *Wildfire Hazard Mitigation Program (WHM)*

Accomplishments

Technical assistance is provided to over 600 rural landowners each year. Since 1991, 3,437 forest resource management plans have been requested and completed for 174,436 acres of privately-owned native and planted woodlands. Since 1997, $985,122 in cost share has been awarded for 279 tree planting, wildfire fuels reduction, windbreak establishment, forest improvement and riparian restoration practices. A total of 611 landowners have enrolled 37,058 acres in the Forest Stewardship Tax Law.

Information and Education

Informational and educational services raise public awareness about natural resource values, help support informed decision-making and foster individual responsibility in conserving natural resources. Specific audiences include elementary school students, youth organizations and adults.

The North Dakota Forest Service sponsors Project Learning Tree (PLT), a conservation education program aimed at teachers and youth leaders working with students in grades K-12. Graduate-level credit workshops are arranged in conjunction with NDSU and local school districts for teachers and volunteer educators.

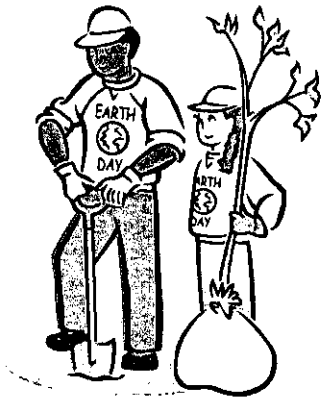
The Information and Education Program handles the daily requests for forestry information and the publication of educational materials. A newsletter entitled "The Prairie Forester" carries forestry information to over 4,000 farmers, ranchers, community residents, volunteer fire-fighters, educators and concerned citizens across the state.

I & E Services

- *Project Learning Tree (PLT)*
- *Prairie Forester Newsletter*

Accomplishments

Personnel delivered 16,809 seat hours of forestry topics to schools, youth camps and public workshops during 2004. Approximately 1,672 individual assists were made to landowners, citizens, fire departments and schools. The agency also prepared and released 45 news and magazine articles and printed 7 publications on forestry issues.



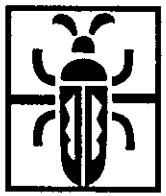
Sustainable Forestry

Private, community and state forests are an extremely valuable resource that provide a myriad benefits to the citizens of North Dakota. These forests provide wildlife habitat, clean air and water, recreational opportunities, erosion control, wind protection, forest products, scenic beauty, increased property values, and numerous other social and conservation benefits.



State forests play an important role in the economic well-being of several rural communities by attracting hunters, hikers, campers, skiers, snowmobiles, tourists and other outdoor enthusiasts. The North Dakota Forest Services owns and manages five state forests comprising approximately 13,278 acres. Aspen-birch forests, elm-ash riparian forests, oak savanna forests, tree plantations, wetlands, small lakes and native prairie are found on the property. The forests contain three campgrounds, two picnic areas and 50 miles of wooded trails. They also provide public access to four fishing lakes and protect 2.5 miles of river riparian forest. The Turtle Mountain State Forest and Homen State Forest border the Turtle Mountain Scenic Byway and the Sheyenne State Forest borders the Sheyenne River Scenic Byway. The State Forests are located in popular tourist areas and attract hunters, hikers, campers, skiers snowmobilers, wildlife viewers and other outdoor enthusiasts.

Our forest resources face many challenges today and will face increasing pressures in the future. Development for non-forest uses, changing demographic paradigms and a lack of economic incentives for landowners to retain and manage land all impact the future of forest lands. It is in North Dakota's best interest to encourage the wise use, conservation and proper management of our native, planted and community forests.



An important focus of the Sustainable Forestry Coordination Area is forest health trends. Trees weakened by drought, fire, flooding or mechanical injury are more likely to be attacked by forest pests. Left undetected, insect and disease populations can build to epidemic levels causing substantial damage to forest resources. Each season, the agency conducts a state-wide survey to detect forest pest outbreaks. Forest health assistance is available through a cooperative agreement between the North Dakota Forest Service and NDSU Extension Service, Department of Plant Science and Department of Plant Pathology.

Sustainable forestry involves the monitoring, retention, conservation, utilization and health of forest land in the face of increasing societal demands. It means fulfilling today's needs while planning for tomorrow.

Financial Assistance Sources

- *FEMA/NDDEM HMGP Living Snow Fence Grants*
- *CTE-Living Snow Fence Grants*
- *Mitigation Tree Planting Partnership Grants*

Sustainable Forestry Accomplishments

Established in the wake of disastrous blizzards in 1996-1997, the Living Snow Fence Initiative is achieving spectacular improvements in road safety and the quality of life in North Dakota. The Living Snow Fence Task Force, chaired by the State Forester, has made over $2.2 million in living snow fence incentives available. Since 1999, 40 counties have initiated 412 living snow fence projects protecting 181 miles of road.

Forest health efforts center around providing statewide monitoring of forest insect and disease conditions. The North Dakota Forest Service facilitated the formation of the "North Dakota Invasive Tree Pest Committee" to identify contingency measures for minimizing the threat of invasive species such as Emerald Ash Borer. Additional efforts include: publishing pest condition reports; Gypsy Moth detection trapping; diagnosis of tree problems on private and public lands; and training in identification of insect and disease pests.

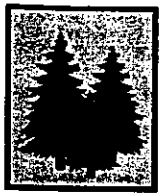
Annually over 27,500 people visit and utilize seven state forest properties for recreational opportunities. Approximately, 1,900 people camp on Turtle Mountain State Forest Recreations Areas each season. Haying and grazing are part of the management prescription on 11 State Forest tracts with 1,574 acres under lease to 11 landowners. The leased lands are predominately non-forest.

Sustainable Forestry Accomplishments

Individuals trained to identify I&D problems	*5,462*
Acres surveyed for I&D outbreaks	*464,160*
Number of Living Snow Fence Projects	*412*
Counties Participating	*40*
Miles of Roads Protected	*181*
Grant Funds Obligated	*$1,820,891*
Acres of State Forest Tracts Under Lease	*1,574*



Tree Production



The North Dakota Forest Service owns and operates the 160-acre Towner State Nursery. The nursery produces approximately 1.2 million tree seedlings annually for distribution to landowners in North Dakota. The nursery also provides tree improvement services such as testing, evaluation, selection and development of improved nursery stock for forestry and conservation plantings. Tree planting training and informational materials are also provided to help customers plant and care for trees.

The Towner Nursery is a self-supporting operation specializing in the production of conifer (evergreen) nursery stock in over twenty different species and stock types. Primary species include Colorado blue spruce, Black Hills spruce, ponderosa pine, eastern redcedar, Scotch pine and Rocky Mountain juniper. The trees are distributed at a price not to exceed 110% of the cost of production. The trees are used for farmstead, living snow fence, field windbreak, wildlife, forestry and other conservation plantings.

Accomplishments

Tree Sales: The Towner Nursery sold 1.3 million trees representing over 29 different species and age classes in 2004. Trees were shipped to 739 customers including soil conservation districts, natural resource agencies and private landowners in 2004. Since 1927, over 75 million tree seedlings have been produced and sold.

Towner State Nursery
1927-2004
Tree Seedling Production

Tree Distribution to SCDs	*49,289,762 Trees*
Additional Tree Distribution	*26,096,872 Trees*
Total Tree Distribution 1927-2004	*75,386,634 Trees*

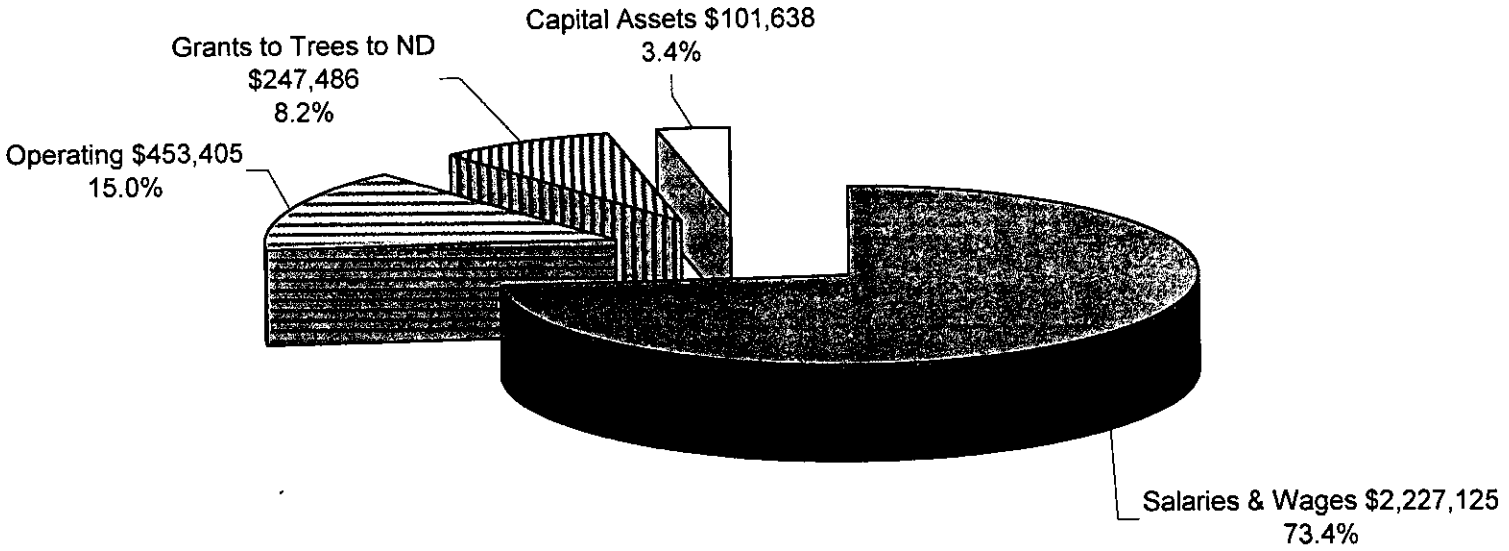
Nursery Mechanization: The Towner Nursery started a program in 1999 to mechanize tree lifting, grading, packaging, storage and greenhouse operations. The goal of the Mechanization Plan is to minimize strenuous tasks, improve efficiency and to reduce overall labor needs. The Towner Nursery depends on a part-time work force of 45 people to produce, lift, grade, package and ship over 1.2 million trees each year. As with most small rural communities in North Dakota, the available workforce in the Towner area is diminishing. Many nursery employees are retired individuals seeking part-time work. Although this is a very effective workforce, it is difficult to find people to do strenuous labor. The third mechanization phase underway in 2003-05 includes a larger forklift to transport heavy pallets of trees, an automatic strapping machine for packaging trees, equipment to sterilize greenhouse containers and a new building to ensure the safe and secure storage of specialized nursery supplies and equipment.

Seedling Ordering Information

- *Order forms and nursery catalogs are available by calling Towner State Nursery @ 701-537-5636.*

FOREST SERVICE BASE BUDGET REQUEST

2005-2007 BIENNIUM



2005 - 2007 OPERATIONS BUDGET REQUEST

The 2005-2007 "operations" base budget request for SBHE Priorities 1 and 2 is $2,928,016. The request includes $1,953,015 in general funds and $975,001 in other funds. Operations fund salaries and wages, operating expenses and grants to Trees for North Dakota.

Salaries and Wages

The salaries and wages request is $2,227,125 and funds 17.97 FTE and 45 seasonal positions who provide public forestry services relating to the management of private, state and community forest lands. The proposed base budget includes $32,125 for health insurance increases and $109,842 for salary increases. The three percent equity increase of $53,000 will provide additional part-time support funding for Towner State Nursery and State Forests.

Operating Expenses

The operating request is $453,405. The request includes $18,033 for a 2.5 percent per year operating inflation increase. Operating funds support Towner State Nursery and the field offices in Bismarck, Bottineau, Carrington, Fargo, Grafton, Lisbon and Walhalla. Expenditures include travel, telephone and motor pool costs associated with servicing over 1,200 field forestry requests throughout the state each year. Operating expenses fund annual tree production expenditures including utilities, repairs and supplies for seeding, weeding, irrigating, fertilizing, lifting, packing and shipping operations associated with both bare-root seedling and containerized tree production.

Grants to Trees for North Dakota

The grants to "Trees for North Dakota" request is $247,486. This request will continue grants to public and private entities for establishing "Family Forests" and other promotional, educational and funding raising projects associated with strengthening the tradition of tree planting and management in North Dakota. Since 1996, 203 grants have helped establish "Family Forest" projects in 100 communities. The funding is provided by the Trees for North Dakota Trust Fund.

Income

The estimated income in the 2005-2007 budget is $975,001. Nursery tree sales are projected to generate $727,515. We anticipate exceeding the $727,515 income goal and also being able to deposit approximately $72,000 into the State Forester's Nursery Reserve Account after June 30, 2007. The current balance in the fund is $431,159.77. Income also includes $247,486 from the Trees for North Dakota Trust Fund for the "Grants to Trees for North Dakota" line item.

Biennium Carryover

The 2001-2003 biennium carryover is $214,917. The carryover originated from $12,156 in unspent general fund authority and $202,761 in greater than anticipated revenues generated by tree sales at Towner State Nursery. The funding will be used for plant improvements and one-time purchases of specialized forestry office and field equipment replacements.

2005 - 2007 CAPITAL ASSETS BUDGET REQUEST

The 2005-2007 capital assets budget request is $101,638. It includes $36,638 for the base budget and $65,000 for a capital project.

Capital assets are an essential component of the Forest Service budget request and provide the means to physically improve existing facilities, acquire equipment over $5,000, upgrade existing infrastructure and make necessary repairs to buildings.

The agency is responsible for maintaining four separate field and nursery facilities located at Bottineau, Lisbon, Towner and Walhalla. These facilities consist of 38 office, shop, storage and recreational buildings. The buildings are valued at $1,537,684. Building ages vary from 1 year to 69 years. In addition, the infrastructure associated with these facilities is valued at $1,437,695.

Capital Assets Base:

The 2005-2007 capital assets budget includes $31,061 for Extraordinary Repairs and $5,577 for the proportionate share of the $1 million increase included by the North Dakota University System in the base budget request. Extraordinary repair projects identified for 2005-2007 include well and walking bridge repairs on the Turtle Mountain and Mouse River State Forests and irrigation well repairs at Towner State Nursery.

2005-2007 Extraordinary Repair Projects

- ***Well and walking bridge repairs (State Forests) $8,000***
- ***Irrigation well repairs (Towner State Nursery) $23,061***

Capital Project:

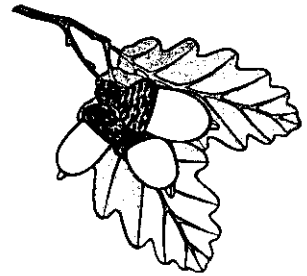
The North Dakota Board of Higher Education approved one capital project for inclusion in the Forest Service 2005-2007 budget request. The request includes $65,000 for "Seed Processing Facilities" at Towner State Nursery.

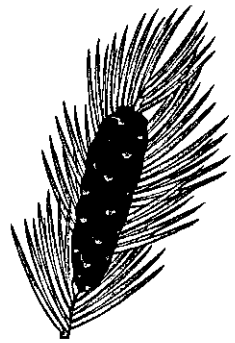
2005-2007 Capital Project

- ***Seed Processing Facilities (Towner State Nursery) $65,000***

Seed Processing Facilities - Towner State Nursery - $65,000

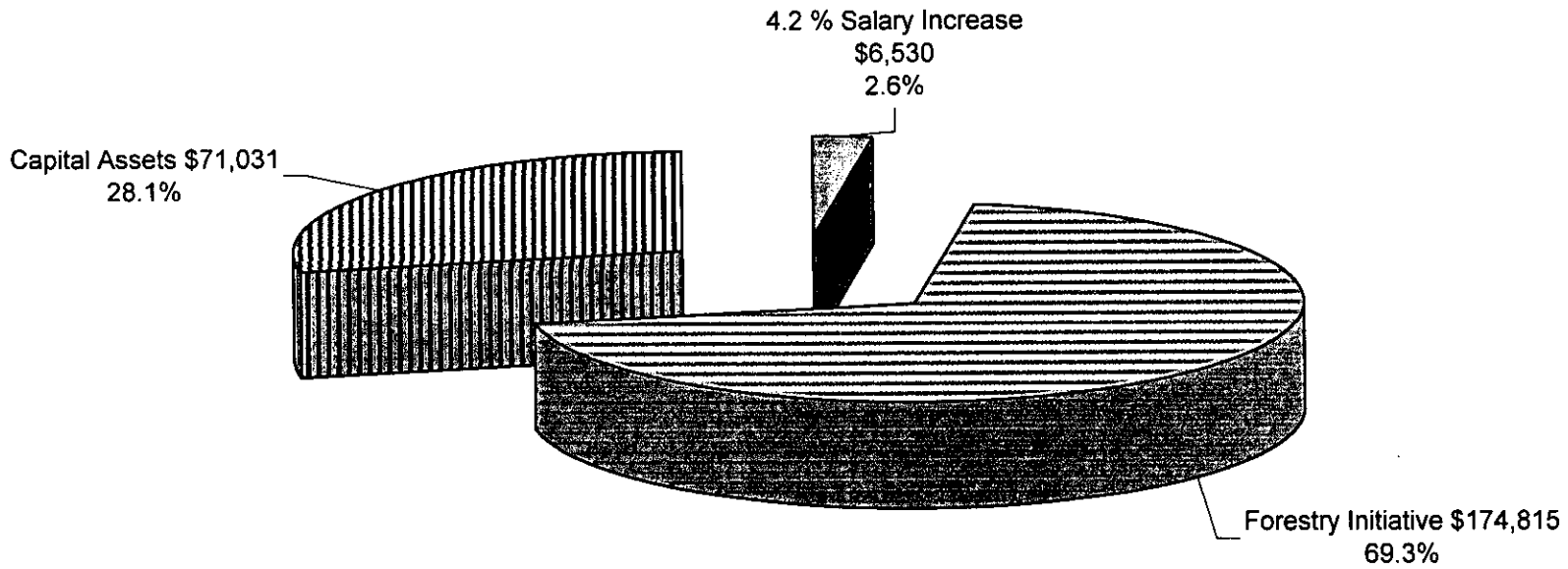
The Seed Processing Facilities will consolidate seed processing and improve cone handling, seed cleaning, and seed storage at the Towner State Nursery. The project involves improvements to the tree/supply and pole barn buildings. It includes facilities to soak and dry cones, extract seed, clean seed, and store seed. Improvements to the pole barn are needed to make space for supplies and equipment now stored in the area to be used for seed processing. This project would greatly improve efficiency in cleaning seed, would improve seed quality, and provide improved security for high value seed. The Seed Processing Facilities project is identified in the Nursery Mechanization Plan and the ND Forest Service 2004 Facilities Master Plan.





FOREST SERVICE ADDITIONAL BUDGET REQUEST

2005-2007 BIENNIUM



2005 - 2007 ADDITIONAL BUDGET REQUEST

The North Dakota Board of Higher Education has authorized the Forest Service to seek $252,376 in the 2005-2007 additional budget request under Priorities 3 and 4. The additional request includes $6,530 for an incremental amount needed for 4.2 percent annual salary increases, $71,031 for capital assets, and $174,815 for a "Building Sustainable Communities Through Forestry Initiative."

2005 - 2007 Additional Budget for SBHE Priorities 3&4

Amount	*Description*
$71,031	*Capital Assets Increase*
$6,530	*Increment for 4.2% Salary Increase*
$174,815	*Forestry Initiative*
$252,376	*Total Adjustments*

Capital Assets Funding

The Board of Higher Education approved a new capital assets funding model on April 18, 2002. Under this model, all NDUS entities would reach 100% of full funding of the OMB Building and Infrastructure formulas over a ten-year period, from 2005-07 through 2013-15. If funded at the amount requested for 2005-07, all institutions would be funded at 33% of the OMB formulas. In addition, the total outstanding deferred maintenance needs would be funded over a fourteen-year period, from 2005-07 through 2017-19. Currently, the Forest Service is funded at 10.53% of the OMB building and infrastructure formulas, and has an outstanding deferred maintenance balance of $288,000.

Under this model, the additional funds requested for 2005-07 total $71,031. The use of these dollars will be left to the discretion of the institution with appropriate approvals by the Board of Higher Education for projects greater than $100,000. The Forest Service would be given the authority to allocate dollars for repair and replacement priorities for both deferred maintenance and regular repair and replacement projects.

The Forest Service plans to use a portion of the capital asset increase to purchase equipment costing $5,000 or greater. Equipment is an essential component of programs such as tree production, forest resource management and fire management. The agency operates 10 tractors, 8 trailers and 20 other specialized forestry equipment items. Approximately, $48,011 in funding is needed for new and replacement equipment for nursery operations, as well as for firefighting, state lands maintenance and office support at the Bottineau, Lisbon and Walhalla field offices.

4.2% Salary Increase

This $6,530 request will fund an incremental adjustment to achieve 4.2% per year salary increases for 2005-2007. A national survey indicates the North Dakota Forest Service ranks 48th among state forestry agencies in average salaries for the forestry technicians, forester and state forester classifications. This parity funding is needed to help the agency be competitive in recruiting and retaining its work force.

Forestry Initiative

"Building Sustainable Communities Through Forestry" is a



2005-2007 forestry initiative to help the North Dakota Forest Service focus on improvements for North Dakota in **health, safety and the economy.** The $174,815 request will be used to help offset a general fund match deficit and will leverage federal grant support. The funds will be used for two positions (2.0 FTE) responsible for technical, financial and educational services to communities and fire districts.

The North Dakota Forest Service has currently exhausted all of its available general funds for match in the Community Forestry and Fire Management Programs. The following two critical needs will be addressed through the needs-based initiative:

Community Forestry - New federal Urban and Community Forestry Program modifications will require a 1:1 match with state funds. Approximately, $137,000 in new state appropriated funding will be needed if North Dakota wishes to retain its share of the Urban and Community Forestry allocation during the FY 2005 allocation process. The loss of these funds threatens to leave states like North Dakota without a viable Urban and Community Forestry program by eliminating funding for technical and financial assistance to communities.

Fire Management - The demand for wildfire training and protection has increased 200% in the last four years. Trained and qualified staff are essential to meet the wildfire response obligations outlined in the State Emergency Operations Plan. Since over 90% of the wildfires in North Dakota are human-caused, fire prevention outreach and response capacity are significant needs. The Fire Management Program currently needs $100,000 to match federal State Fire Assistance formula funding for a new Fire Danger Rating System aimed at improving wildfire awareness and prevention.

Critical Needs

Item	*Amount*	*Description*
Community Forestry	***$137,000***	***1:1 Program Match***
Fire Management	***$100,000***	***Fire Danger Rating System***

2005-2007 EXECUTIVE RECOMMENDATIONS

Operations

The executive 2005-2007 budget recommends $2,928,016 in "operations" for the North Dakota Forest Service. It includes $1,953,015 in general funds and $975,001 in other funds.

The executive recommendation provides a $213,000 increase in the base budget which will fund the following costs:

Forest Service Parity	$160,000
Forest Service Equity	53,000
Total increase	$213,000

The state-linked budget request for the North Dakota Forest Service under SBHE Priorities 1 and 2 is similar to the campuses and includes increases for parity and equity. The parity increase will fund operating inflationary costs of 2.5% per year, health insurance premiums, and salary increases. The equity increase will fund additional part-time support for Towner State Nursery and State Forests.

Capital Assets

The 2005-2007 executive budget recommends $101,638 in general funds for "capital assets" for the North Dakota Forest Service. It provides $31,061 for extraordinary repair projects at the Towner State Nursery and State Forests per the 2005-2007 request.

The Governor included $65,000 in general funds for a capital project at Towner State Nursery. The "Seed Processing Facilities" will consolidate seed processing and improve cone handling, seed cleaning, and seed storage at the Towner State Nursery.

The Governor also provided a $5,577 increase for the state-linked capital assets request.

General Fund

The 2005-2007 executive budget recommends $2,054,653 in general funds and $975,001 in other funds from income for the North Dakota Forest Service. The agency's budget totals $3,029,654.

Forest Service

Comparison of SBHE 2005-07 Prioritized Budget Request to Executive Recommendation

(Including Requested Restoration & Increases Over Executive Recommendation)

	Forest Service		
	SBHE 2005-07 Prioritized Budget Request	Executive Recommendation	Restoration Request & Increases Over Executive Recommendation
2003-05 Original General Fund Appropriation	**$ 1,771,076**	**$ 1,771,076**	
Base Adjustments	-	-	
2003-05 Adjusted General Fund Appropriation, Plus (Minus) Base Adjustments	**1,771,076**	**1,771,076**	
Priority One - State-Linked Budget Priorities:			
Forest Service Parity	160,000	160,000	
Forest Service 3% Increase	53,000	53,000	
Capital Assets or Contingency Fund Increase	5,577	5,577	
Capital Projects Funded		65,000	
Subtotal-Priority One Increases	**218,577**	**283,577**	
Subtotal 2003-05 Base, Plus Priority 1	**1,989,653**	**2,054,653**	
Priority Two - Reach funding equivalent to at least 21% of 2005-07 recurring state revenues:	-	-	-
Subtotal 2003-05 Base, Plus Priorities 1 & 2	**1,989,653**	**2,054,653**	-
Priority Three - Additional Increases to make progress on goals of long-range finance plan			
Increase 2005-07 salary increases to 4.2% per year	6,530		6,530
Capital assets funding increase	5,577		5,577
Subtotal-Priority Three Increases	**12,107**	-	**12,107**
Subtotal 2003-05 Base, Plus Priorities 1, 2 & 3	**2,001,760**	**2,054,653**	**12,107**
Priority Four - To achieve needs-based budget request level approved by the SBHE			
Capital assets funding increases	65,454		65,454
Balance to achieve needs-based request	174,815		174,815
Subtotal-Priority Four Increases	**240,269**	-	**240,269**
Total General Fund Needs Based Budget Request	**$ 2,242,029**	**$ 2,054,653**	**$ 252,376**

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Forest Service

North Dako[illegible]est Service
2005-07 Budget Request Summary

	Salaries and Wages	Operating Expenses	Capital Assets & Equip > $5K	Centennial Trees	Biennium Carryover	Total	General Fund	Other Funds	Total Funds
BASE BUDGET:									
2003-05 Appropriation Budget									-
Operations	2,032,158	435,372	-	247,486		2,715,016	1,740,015	975,001	2,715,016
Capital Assets			146,061			146,061	31,061	115,000	146,061
Carryover					214,917	214,917	12,156	202,761	214,917
Total Adjustment 2003-05 Appropriation (As of 02/29/04)						3,075,994	1,783,232	1,292,762	3,075,994
Less One-Time Allocations:									
Capital Projects			(115,000)			(115,000)		(115,000)	(115,000)
Carryover					(214,917)	(214,917)	(12,156)	(202,761)	(214,917)
Total Adjusted 2003-05 Budget Base	2,032,158	435,372	31,061	247,486	-	2,746,077	1,771,076	975,001	2,746,077
Add Costs to Continue									
Continue 2004-05 Salary Increase						-			-
Health Insurance Increases (revised)	32,125					32,125	32,125		32,125
Operating Inflation @ 2.5% Per Year		18,033				18,033	18,033		18,033
Salary Increases (revised)	109,842					109,842	109,842		109,842
Capital Project			65,000			65,000		65,000	65,000
Add NDUS Adjustments to Reach 21% of State Budget:									
Budget Increase (Needs based capital assets request)			5,577			5,577	5,577		5,577
Part-time Help Increase	53,000					53,000	53,000		53,000
Total 2005-07 Base Budget – SBHE Priorities 1 & 2	2,227,125	453,405	101,638	247,486	-	3,029,654	1,989,653	1,040,001	3,029,654
ADDITIONAL INCREASES - NEEDS BASED BUDGET									
Incremental Amount Needed for 4.2% Annual Salary Increase	6,530					6,530	6,530		6,530
Capital Assets Increase			71,031			71,031	71,031		71,031
Building Sustainable Communities	174,815					174,815	174,815		174,815
Total Additional Increases – SBHE Priorities 3 & 4	181,345	-	71,031	-	-	252,376	252,376	-	252,376
TOTAL NEEDS BASED BUDGET REQUEST	2,408,470	453,405	172,669	247,486	-	3,282,030	2,242,029	1,040,001	3,282,030
EXECUTIVE RECOMMENDATION									
Capital Project (change from bonding to General Fund)						-	65,000	(65,000)	-
Additional Salary Increases	(6,530)					(6,530)	(6,530)		(6,530)
Optional Capital Assets Increase			(71,031)			(71,031)	(71,031)		(71,031)
Building Sustainable Communities	(174,815)					(174,815)	(174,815)		(174,815)
TOTAL EXECUTIVE RECOMMENDATION	2,227,125	453,405	101,638	247,486	-	3,029,654	2,054,653	975,001	3,029,654

NORTH DAKOTA UNIVERSITY SYSTEM
REPORT OF CONTINUING APPROPRIATIONS
North Dakota Forest Service

	1999-01					2001-2003				
	Beginning Balance	Revenue	Expenditures	Net Additions/ Deductions/ Transfers	Ending Balance	Beginning Balance	Revenue	Expenditures	Net Additions/ Deductions/ Transfers	Ending Balance
Auxiliary Services	-	-	-	-	-	-	-	-	-	-
Tuition Collections	-	-	-	-	-	-	-	-	-	-
Other Unrestricted	48,200	73,700	59,600	12,900	75,100	75,100	53,000	60,700	21,800	89,200
Scholarships & Fellowships	-	-	-	-	-	-	-	-	-	-
Grants & Contracts	700	2,380,900	2,347,100	(33,400)	1,000	1,000	3,440,900	3,347,400	(93,900)	600
Loan Funds	-	-	-	-	-	-	-	-	-	-
Plant Funds	-	9,600	9,600	-	-	-	1,700	1,700	-	-
Endowment Funds	-	-	-	-	-	-	-	-	-	-

	2003-05 Estimate					2005-07 Estimate				
	Beginning Balance	Revenue	Expenditures	Net Additions/ Deductions/ Transfers	Ending Balance	Beginning Balance	Revenue	Expenditures	Net Additions/ Deductions/ Transfers	Ending Balance
Auxiliary Services	-	-	-	-	-	-	-	-	-	-
Tuition Collections	-	-	-	-	-	-	-	-	-	-
Other Unrestricted	89,200	57,100	62,500	25,300	109,100	109,100	57,100	62,500	25,300	129,000
Scholarships & Fellowships	-	-	-	-	-	-	-	-	-	-
Grants & Contracts	600	4,429,400	4,282,400	(147,400)	200	200	3,764,990	3,640,040	(124,825)	125
Loan Funds	-	-	-	-	-	-	-	-	-	-
Plant Funds	-	-	-	-	-	-	-	-	-	-
Endowment Funds	-	-	-	-	-	-	-	-	-	-

"BUILDING SUSTAINABLE COMMUNITIES THROUGH FORESTRY"

A GUIDE TO THE NORTH DAKOTA FOREST SERVICE

AND

2005 - 2007 BUDGET NEEDS

With the exception of the following page the same testimony was given to the Senate on 1-19-05

HOUSE APPROPRIATIONS EDUCATION & ENVIRONMENTAL DIVISION

REPRESENTATIVE BOB MARTINSON, CHAIRMAN

SB 2003 HEARING - MARCH 1, 2005

Prepared By:
Larry A. Kotchman
State Forester
North Dakota Forest Service

Forest Service

Summary of Changes from 2003-05 Legislative Appropriation to Executive Recommendation, Engrossed SB2003 and Requested House Version

	General Fund	Other Funds	Total
2003-05 Original Appropriation	$ 1,771,076	$ 1,090,001	$ 2,861,077
Base Adjustments	-	(115,000)	(115,000)
2003-05 Adjusted Appropriation (Net of Base Adj)	1,771,076	975,001	2,746,077
Executive Recommendation Adjustments:			
Increase Extraordinary Repairs	5,577		5,577
Forest Service Parity	160,000		160,000
Forest Service 3% Increase	53,000		53,000
Capital Projects Funded	65,000		65,000
Subtotal-Adjustments per Executive Recommendation	283,577	-	283,577
Executive Budget Recommendation	2,054,653	975,001	3,029,654
Senate Adjustments:			
Allocation from NDUS Campus Operations Pool			-
Allocation from NDUS Conting/Extraordinary Repairs Pool			-
Adjust Funding for Major Capital Projects			-
Subtotal-Senate Adjustments	-	-	-
Engrossed SB 2003	2,054,653	975,001	3,029,654
Engrossed SB 2003 Compared to 2003-05 Adj Approp	283,577	-	283,577
Restoration Request:			
			-
			-
Subtotal-Restoration Request	-	-	-
House Requested Version	$ 2,054,653	$ 975,001	$ 3,029,654