NDUS History of Equity Funding and Percent of General Fund Peer Benchmark (Including 2011-13 Request)

2011-13 Request 1/	2009-11 1/	2007-09 1/	2005-07 1/	2003-05 1/	2001-03 1/

%	GF	Peer	
Ben	che	narki	if

			benchmark ii										
		Equity	Equity & Parity		% GF Peer								
	Re	equested	are Fully Funded	Equity Received	Benchmark								
BSC	\$	806,990	60%	\$ 573,904	51%	524,585	53%	\$ 359,125	51%		46%	\$ 419,694	50%
LRSC		326,715	56%	402,575	48%	244,425	47%	129,140	46%		42%	150,502	48%
WSC		250,000	86%	250,000	75%	92,124	63%	52,031	62%		61%	34,433	72%
UND 2/		4,594,560	63%	2,607,460	55%	3,922,024	53%	1,531,059	50%		56%	1,319,554	66%
NDSU		7,069,226	47%	4,108,963	39%	4,140,843	41%	1,331,324	41%		49%	1,481,649	55%
NDSCS		250,000	98%	250,000	90%	33,694	88%	57,137	87%		77%	-	84%
DSU		702,509	59%	594,988	51%	544,871	49%	157,804	47%		58%	114,760	69%
MaSU		250,000	96%	250,000	87%	81,020	75%	-	71%		88%	,	93%
MiSU		250,000	83%	462,110	76%	338,104	67%	149,314	66%		69%	142,371	74%
VCSU		250,000	106%	250,000	95%	39,569	86%	-	81%		96%	-	97%
DCB		250,000	89%	250,000	79%	38,742	89%	48,851	71%	8	58%	40,037	67%
Total	\$	15,000,000	i i	\$ 10,000,000		\$ 10,000,000	E	\$ 3,815,785		\$ -	:	\$ 3,703,000	

^{1/} Used same set of peers in 2011-13, 2009-11 and 2007-09, based on MGT of America review. Prior to that time in 2005-07, 2003-05 and 2001-03, used peers selected with assistance of Dennis Jones, NCHEMS.

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^{2/} Includes SMHS

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

	1999		2000		2001*
2	Legislative		Report of the		Long-Term
STATE OF THE PARTY	Study		Roundtable		Finance
A	Resolution		on Higher Education		Plan Finalized
5	多學習的關係認	製造製	Elimanus arababbah	1	

*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:

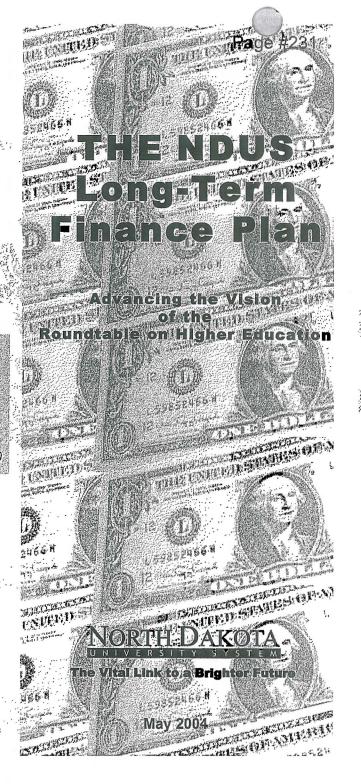
- Provides adequate funding to maintain campus capacity to support core functions
- Recognizes the unique mission of each campus
- Provides resources needed to protect the state's investment in facilities and infrastructure
- Encourages collaboration among campuses and with the private sector
- Maintains 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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Web site: www.ndus.nodak.edu



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 Dakote

The Long-Term Finance Plan: Three Key Components

Component

• 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.

Application

Parity: Funds needed to continue current programs and sérvices, 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

Goal

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.

Incentive Funds:

Provide the State Board

of Higher Education

special initiatives that

goals of the Roundtable

on Higher Education.

flexibility to finance

support state and

system priorities

consistent with the

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

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

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)

Dedicates 2 percent of the NDUS state appropriation to special initiatives by the 2007-09 biennium



