



**HOUSE APPROPRIATIONS COMMITTEE  
ENGROSSED SENATE BILL 2003**

**NDUS SYSTEMWIDE OVERVIEW  
MARCH 8, 2021**

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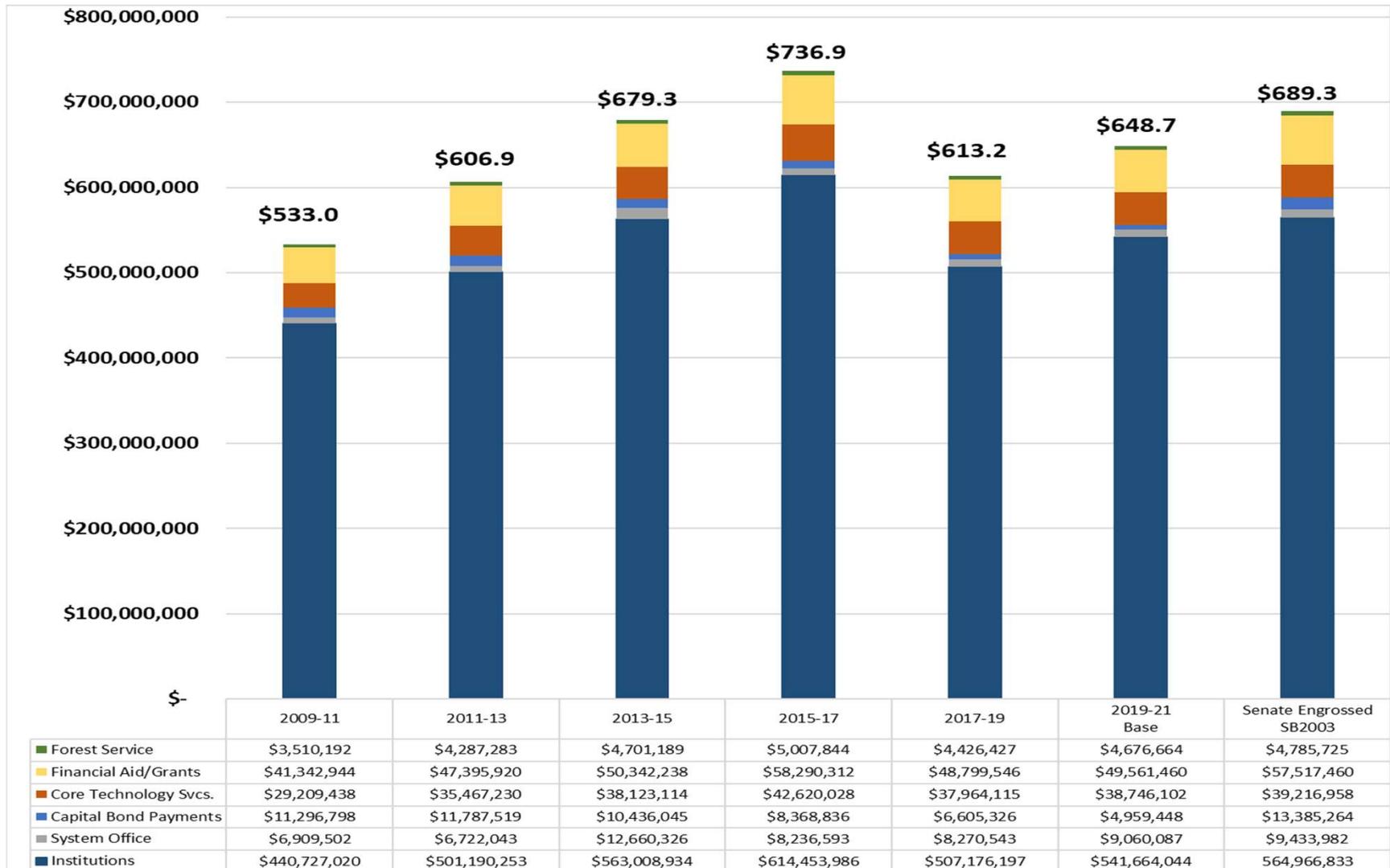


# SBHE Budget Request

3/8/2021

# NDUS State General Fund Appropriations (Ongoing)

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# Budget Comparison: Needs-Based to Engrossed SB2003

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North Dakota University System 2021-23 Needs-Based Budget <i>In Millions</i>				
	General Fund	Tuition	Other Funds	Total
2019-21 Base	\$ 648.7	\$ 647.2	\$ 1,253.7	\$ 2,549.6
Formula Production Change	\$ (1.2)	\$ -	\$ -	\$ (1.2)
Bond Payments	\$ (1.7)			\$ (1.7)
<b>Base Budget</b>	<b>\$ 645.8</b>	<b>\$ 647.2</b>	<b>\$ 1,253.7</b>	<b>\$ 2,546.7</b>
<i>% Change</i>	<i>-0.4%</i>	<i>0.0%</i>	<i>0.0%</i>	<i>-0.1%</i>
Salary Increase 3%/3%	\$ 14.7	\$ 14.2	\$ 15.0	\$ 43.9
<b>Total</b>	<b>\$ 660.5</b>	<b>\$ 661.4</b>	<b>\$ 1,268.7</b>	<b>\$ 2,590.6</b>
\$ Change	\$ 11.8	\$ 14.2	\$ 15.0	\$ 41.0
<i>% Change</i>	<i>1.8%</i>	<i>2.2%</i>	<i>1.2%</i>	<i>1.6%</i>

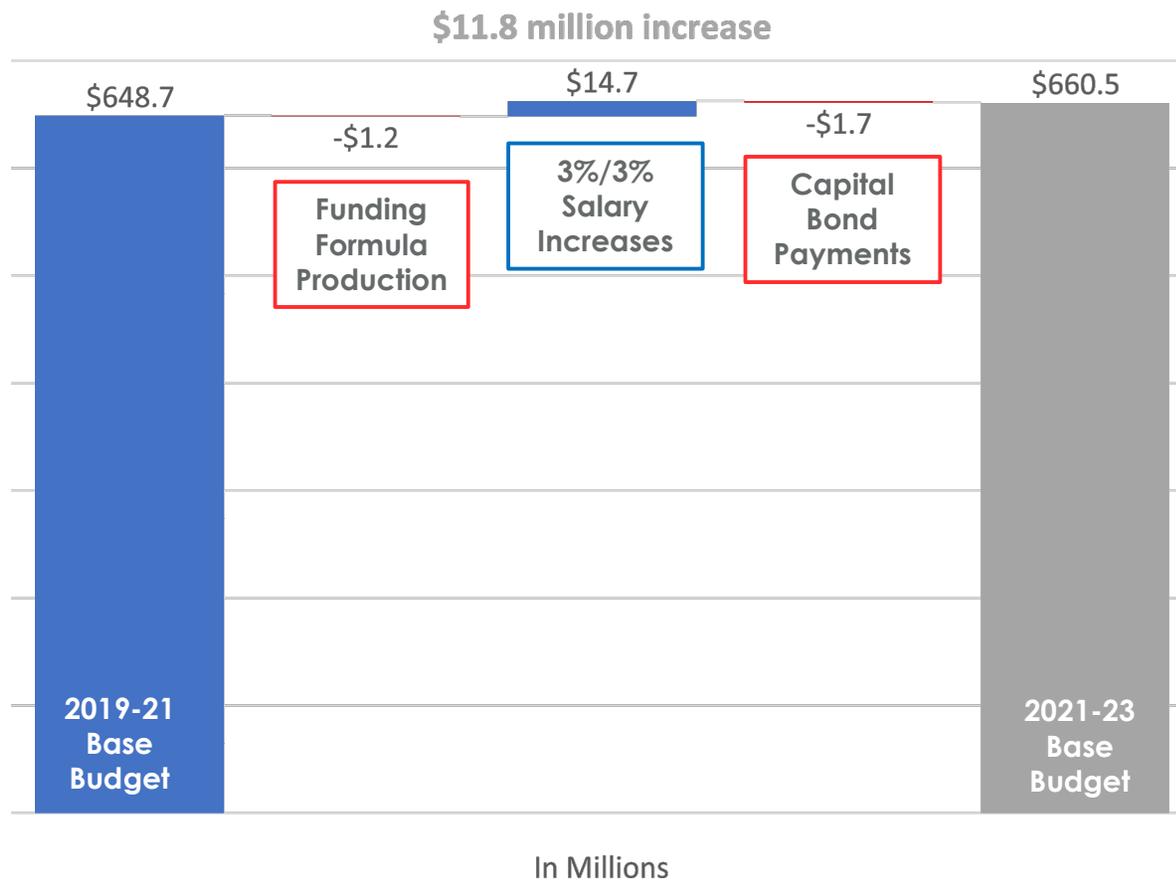
North Dakota University System 2021-23 Engrossed SB2003 <i>In Millions</i>				
	General Fund	Tuition	Other Funds	Total
2019-21 Base	\$ 648.7	\$ 647.2	\$ 1,253.7	\$ 2,549.6
Formula Production	\$ (1.2)	\$ -	\$ -	\$ (1.2)
Bond Payments	\$ (1.7)	\$ -	\$ -	\$ (1.7)
	\$ 645.8	\$ 647.2	\$ 1,253.7	\$ 2,546.7
Bond Payments	\$ 10.1	\$ -	\$ -	\$ 10.1
Formula Changes	\$ 15.3	\$ -	\$ -	\$ 15.3
Student Financial Aid	\$ 6.6	\$ -	\$ -	\$ 6.6
Compensation package	\$ 9.9	\$ 9.8	\$ 11.0	\$ 30.7
Nursing Consortium/ Shared Services	\$ 1.7	\$ -		\$ 1.7
<b>2021-23 Engrossed SB2003</b>	<b>\$ 689.4</b>	<b>\$ 657.0</b>	<b>\$ 1,264.7</b>	<b>\$ 2,611.1</b>
\$ Change	\$ 40.70	\$ 9.80	\$ 11.00	\$ 64.40
<i>% Change</i>	<i>6.3%</i>	<i>1.5%</i>	<i>0.9%</i>	<i>2.5%</i>

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# NDUS General Fund Budget Needs-Based Request

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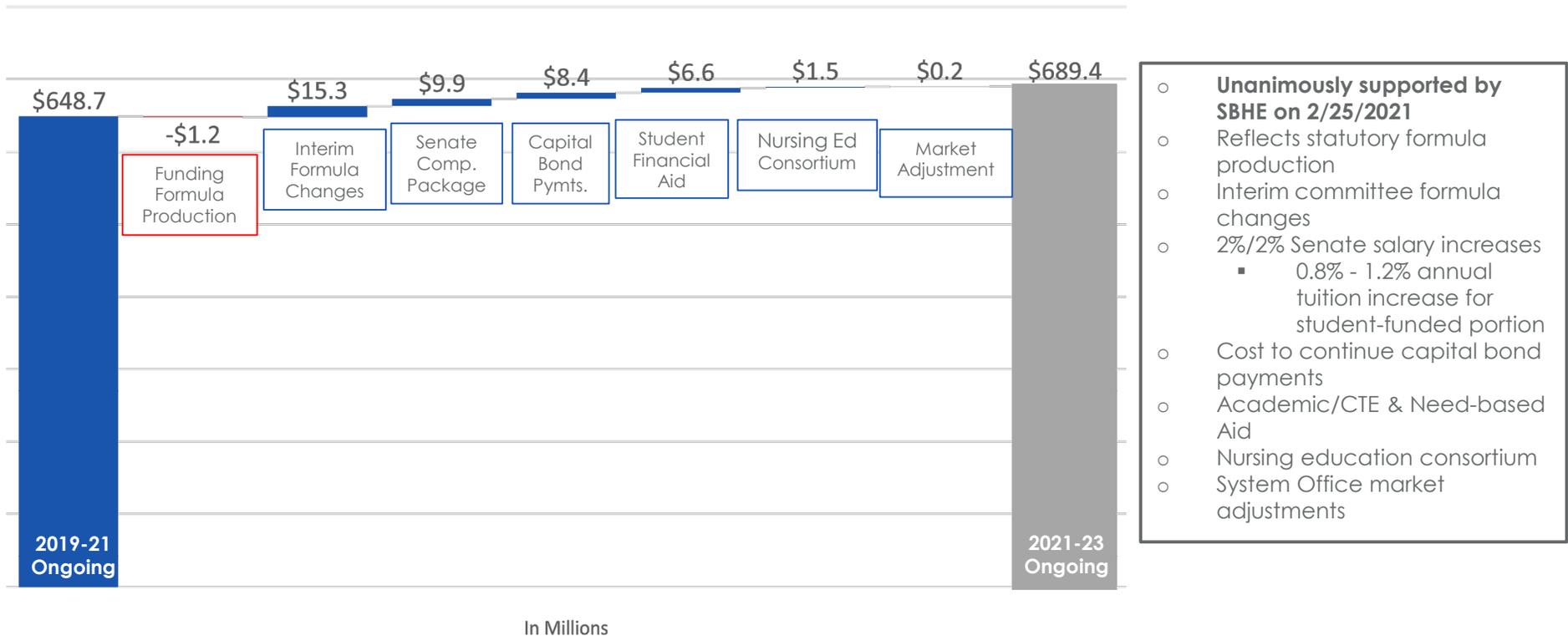
- **Unanimously approved by SBHE on 6/27/2020**
- Reflects statutory formula production & bond payment changes
- Includes 3% annual salary increases
- 1.1% - 2.0% annual tuition increase to cover student-funded portion of salary increase
- Optional investment requests also approved

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# NDUS General Fund Budget Engrossed SB2003 Senate Version

\$40.7 million increase



- o **Unanimously supported by SBHE on 2/25/2021**
- o Reflects statutory formula production
- o Interim committee formula changes
- o 2%/2% Senate salary increases
  - 0.8% - 1.2% annual tuition increase for student-funded portion
- o Cost to continue capital bond payments
- o Academic/CTE & Need-based Aid
- o Nursing education consortium
- o System Office market adjustments



# Higher Education Funding Formula

3/8/2021

# 2017-19 Completed Student Credit Hour Report Summary

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Institution	2015-2017 Adjusted SCH	2017-2019 SCH	Weighted SCH (Instructional Program Factor)	Credit Completion Factor	Institutional Size Factor	2017-2019 Adjusted SCH	2017-19 Adjusted SCH Increase (decrease)
BSC	320,093	143,405	261,426	1.1	1	287,569	(32,524)
DCB	79,753	29,618	52,285	1.8	1	94,113	14,360
LRSC	133,374	59,895	92,332	1.5	1	138,498	5,124
NDSCS	376,489	116,370	210,177	1	1.7	357,301	(19,188)
WSC	103,727	38,699	59,289	1.7	1	100,791	(2,936)
DSU	202,166	60,655	140,885	1.5	1	211,328	9,162
MASU	180,486	47,623	125,321	1.6	1	200,514	20,028
MISU	430,708	139,042	399,350	1.1	1	439,285	8,577
VCSU	232,450	64,159	171,141	1.4	1	239,597	7,147
NDSU	2,180,302	693,495	2,179,824	1	1	2,179,824	(478)
UND	3,279,783	670,553	3,334,178	1	1	3,334,178	54,395
<b>TOTALS</b>	<b>7,519,331</b>	<b>2,063,514</b>	<b>7,026,208</b>			<b>7,582,998</b>	<b>63,667</b>

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# Funding Formula – Current Law Base Budget by Institution

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Institution	2019-21 Base Budget	2017-19 Adjusted SCH	Statutory Rate per SCH	25% Law Enforcement Officer SCH Reduction	2021-23 Needs-Based Request	Change from 2019-21	
BSC	\$31,068,227	287,569	\$97.06	(\$243)	\$27,911,204	(\$3,157,023)	(10%)
DCB	\$7,740,826	94,113	\$97.06		\$9,134,608	\$1,393,782	18%
LRSC	\$12,945,280	138,498	\$97.06		\$13,442,616	\$497,336	4%
NDSCS	\$36,542,022	357,301	\$97.06		\$34,679,635	(\$1,862,387)	(5%)
WSC	\$10,067,743	100,791	\$97.06		\$9,782,774	(\$284,969)	(3%)
DSU	\$18,393,063	211,328	\$90.98	(\$546)	\$19,226,075	\$833,012	5%
MASU	\$16,420,616	200,514	\$90.98		\$18,242,764	\$1,822,148	11%
MISU	\$39,896,693	439,285	\$90.98	(\$3,180)	\$39,962,969	\$66,276	0.2%
VCSU	\$22,658,933	239,597	\$90.98		\$21,798,535	(\$860,398)	(4%)
NDSU	\$132,714,983	2,179,824	\$60.87		\$132,685,887	(\$29,096)	(0.02%)
UND	\$202,539,508	3,334,178	\$60.87		\$202,951,415	\$411,907	0.2%
<b>TOTALS</b>	<b>\$530,987,894</b>	<b>7,582,998</b>			<b>\$529,818,483</b>	<b>(\$1,169,411)</b>	<b>(0.2%)</b>

- Based on current law – no minimum amount payable
- Credit production cut of \$1.2 million included in SBHE needs-based request
- Formula excludes UND SMHS Healthcare Workforce Initiative funding of \$10,676,150

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# NDUS Institutions Base Budget Comparison to Engrossed SB2003

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Institution	2019-21 Base Budget	Credit Production Changes	Interim Higher Education Funding Formula Recommendations	Compensation Adjustments (2%/2%)	2021-23 Engrossed SB2003	Percent Change
BSC	\$ 31,068,227	(\$3,157,023)	\$ 3,595,837	\$ 567,019	\$ 32,074,060	3.2%
DCB	7,740,826	1,393,782	231,488	168,871	9,534,967	23.2%
LRSC	12,945,280	497,336	543,051	252,162	14,237,829	10.0%
NDSCS	36,542,022	(1,862,387)	400,900	623,564	35,704,099	(2.3%)
WSC	10,067,743	(284,969)	1,300,702	199,836	11,283,312	12.1%
DSU	18,393,063	833,012	661,971	345,940	20,233,986	10.0%
MASU	16,420,616	1,822,148	110,267	318,728	18,671,759	13.7%
MISU	39,896,693	66,276	519,587	706,274	41,188,830	3.2%
VCSU	22,658,933	(860,398)	1,940,149	412,256	24,150,940	6.6%
NDSU	132,714,983	(29,096)	3,763,288	2,219,232	138,668,407	4.5%
UND	202,539,508	411,907	2,253,590	3,337,489	208,542,494	3.0%
UND-HWI	10,676,150				10,676,150	
<b>Total</b>	<b>\$541,664,044</b>	<b>(\$1,169,412)</b>	<b>\$ 15,320,830</b>	<b>\$ 9,151,371</b>	<b>\$ 564,966,833</b>	<b>4.3%</b>

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# NDUS Institutions Base Budget Comparison to Engrossed SB2003

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Institution	2019-21 Base Budget	2021-23 Engrossed SB2003	Percent Change
BSC	\$ 31,068,227	\$ 32,074,060	3.2%
DCB	7,740,826	9,534,967	23.2%
LRSC	12,945,280	14,237,829	10.0%
NDSCS	36,542,022	35,704,099	(2.3%)
WSC	10,067,743	11,283,312	12.1%
DSU	18,393,063	20,233,986	10.0%
MASU	16,420,616	18,671,759	13.7%
MISU	39,896,693	41,188,830	3.2%
VCSU	22,658,933	24,150,940	6.6%
NDSU	132,714,983	138,668,407	4.5%
UND	202,539,508	208,554,494	3.0%
UND-HWI	10,676,150	10,676,150	
<b>Total</b>	<b>\$541,664,044</b>	<b>\$ 564,966,833</b>	<b>4.3%</b>
		<b>Includes:</b> <ul style="list-style-type: none"> <li>• (\$1.2M) base funding formula production</li> <li>• \$15.3M Interim Higher Education funding formula recommended changes.</li> <li>• \$9.2M 2%/2% salary increase</li> </ul>	

- Base FTE down 141.11
- Updated funding formula
- Senate compensation package
- Budget within 0.3% of 2013-15 before inflation

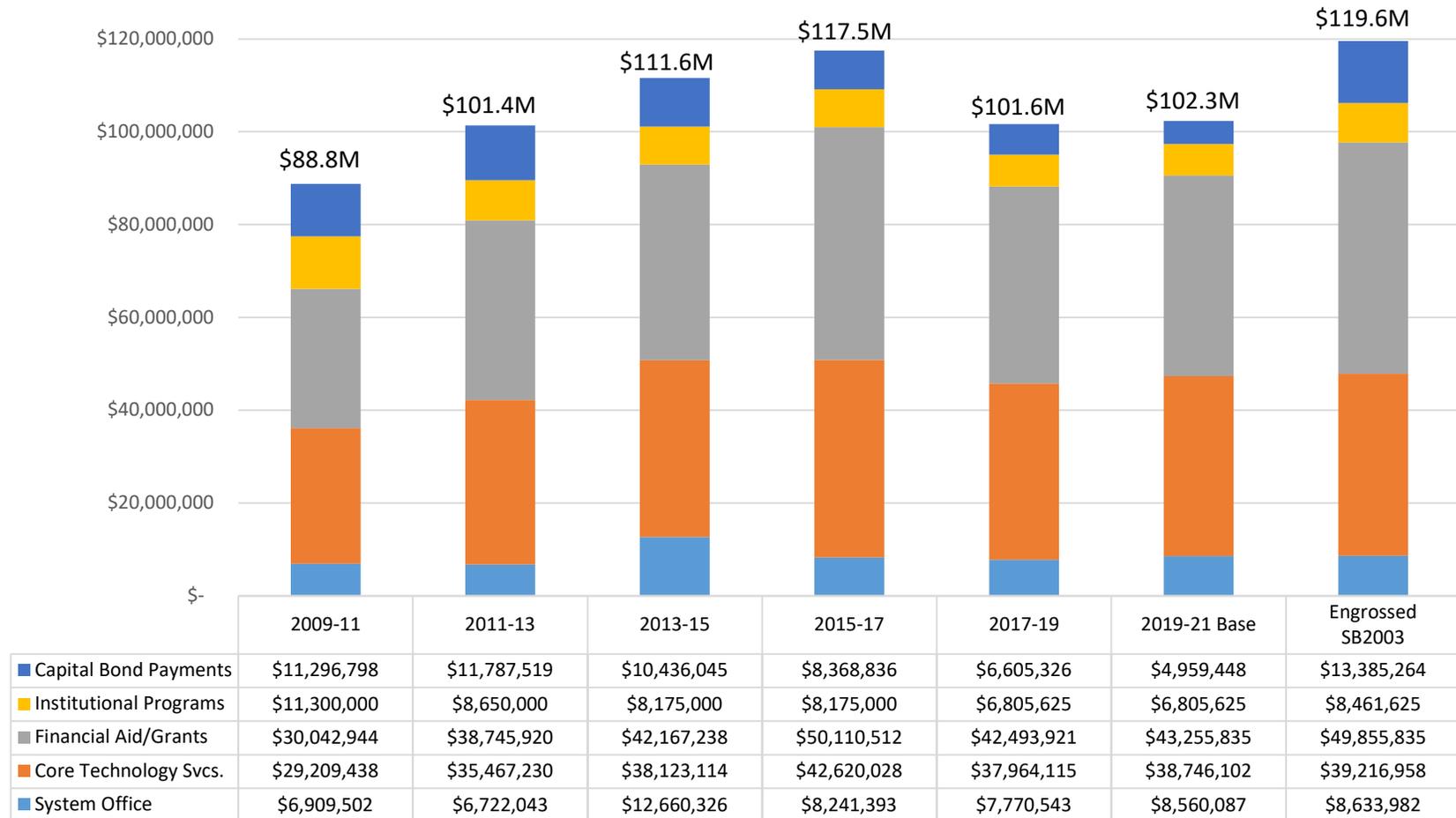


# System Office

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# NDUSO State General Fund Appropriations (Ongoing)

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# NDUS System Office Base Budget Comparison

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System Office	2019-21 Base Budget	2021-23 Senate Version	Change from Base	
System Governance	8,560,087	\$8,633,982	\$73,895	0.9%
Core Technology Services	38,746,102	39,216,958	470,856	1.2%
Financial Aid	43,255,835	49,855,835	6,600,000	15.3%
Institutional Programs	6,805,625	8,461,625	1,656,000	24.3%
Capital Bond Payments	4,959,448	13,385,264	8,425,816	169.9%
<b>Total</b>	<b>\$102,327,097</b>	<b>\$119,553,664</b>	<b>\$17,226,567</b>	<b>16.8%</b>
		<b>Includes:</b> <ul style="list-style-type: none"> <li>• \$645K 2%/2% Compensation package (2/2%; min/max; health)</li> <li>• \$200,000 System Governance market adjustments</li> <li>• \$6,600,000 Academic/CTE scholarships &amp; Need-based grants</li> <li>• \$1,356,000 Nursing education consortium</li> <li>• \$8,425,816 cost to continue 2019-21 bond payments</li> </ul>		

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# NDUS System Office Base Budget Comparison

Appropriation Line	2019-21 GF Base	Compensation Package	Engrossed SB2003 Adjustments	2021-23 Engrossed SB2003
System Governance	\$8,275,687	\$173,895	(\$100,000)	\$8,349,582
Capital bond payments	4,959,448		8,425,816	13,385,264
Veterans Assistance Programs	277,875			277,875
Student Mental Health	284,400			284,400
Core Technology Services	38,746,102	470,856		39,216,958
Student Financial Assistance Grants	23,917,306		2,400,000	26,317,306
ND Scholars Program	1,807,115			1,807,115
Native American Scholarship	555,323			555,323
Education Incentive Programs	260,000			260,000
Tribal Community College Grants	1,000,000			1,000,000
Academic and Tech Ed. Scholarship	12,016,749		4,200,000	16,216,749
Student Exchange Program	3,699,342			3,699,342
Competitive Research Program	5,685,750			5,685,750
NASA EPSCOR	342,000			342,000
Shared Campus Services	500,000		300,000	800,000
Nursing Education Consortium			1,356,000	1,356,000
<b>Total</b>	<b>\$102,327,097</b>	<b>\$644,751</b>	<b>\$16,581,816</b>	<b>\$119,553,664</b>



# Investment Opportunities

3/8/2021

# 2021-23 Investment Opportunities - Optional Adjustment Requests

General Fund Investment Opportunities	NDUS Original Request	Engrossed SB2003
<b>Systemwide Projects / Initiatives</b>		
Student share of 3%/3% salary increases	\$ 14,243,098	
Funding Formula - 2.5% per credit hour rate increase for Institution specific initiatives	13,245,561	
Dakota Nursing Consortium	1,356,000	\$ 1,356,000
Math Pathways	150,000	150,000
Higher Education Funding Formula Changes		15,320,830
<b>NDUSO - System Governance</b>		
Salary market adjustments to 80% level.	672,000	200,000
Eliminate Campus Assessments	325,000	
<b>NDUSO - Student Grants</b>		
ND AC/CTE Scholarship funding shortage	4,200,000	4,200,000
North Dakota State Grant funding shortage	2,400,000	2,400,000
Financial Aid Systems - Licensing & Maintenance	300,000	
<b>Totals</b>	<b>\$ 36,891,659</b>	<b>\$ 23,626,830</b>

## 2021-23 Investment Opportunities

- Original request unanimously approved by SBHE on 6/27/2020
  - Improve student affordability
  - Strengthen institution programmatic flexibility
  - Shore up student financial aid programs
  - Improve System Governance funding
  - Increase efficiencies for student financial aid programs
  
- **SBHE unanimously endorsed Senate version 2/25/2021**

# 2021-23 Investment Opportunities - Optional Adjustment Requests

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## □ Systemwide Initiatives

- Student Share of Salary Increases-\$14.2 million
  - Eliminate need for 1.1% to 2.0% tuition increase
  - Improve student affordability
  - Senate Version: student share is \$9.7 million & tuition increase is 0.8% to 1.2%.
- Funding Formula Rate Increase- \$13.2 million
  - Programmatic funding for behavioral & mental health, increased student services, workforce initiatives, new program start up, Title IX implementation, & other institutional needs
- Nursing Education Consortium- \$1,356,000
  - Administration moves to System Office from UND
  - Continue current distribution methodology
- Math Pathways- \$150,000
  - Develop rigorous and robust courses in the areas of statistics and quantitative reasoning to better align math coursework with field of study & career goals

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# 2021-23 Investment Opportunities - Optional Adjustment Requests

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## □ **Student Financial Aid**

- ND Academic & CTE Scholarship- \$4.2 million
  - Requested 2019, but not approved
  - # eligible student continue to increase
  - Line item transfer this biennium to pay students
- ND State Grant Program- \$2.4 million
  - Maintain 6,200 need-based grants per year
- Financial Aid Systems- \$300,000
  - Antiquated systems risk failure
  - Streamline processes & administrative effort

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# 2021-23 Investment Opportunities - Optional Adjustment Requests

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## □ System Governance

- Compensation adjustments to 80% market – \$672,000
  - Long-term target is all experienced employees at 100% market
  - Interim goal is 80% market
  - Currently 18 at < 80%
  - Senate Version: Move to 70-75% of market
- Eliminate Campus Assessment for Internal Audit & Compliance functions - \$325,000
  - Now charged back to institutions

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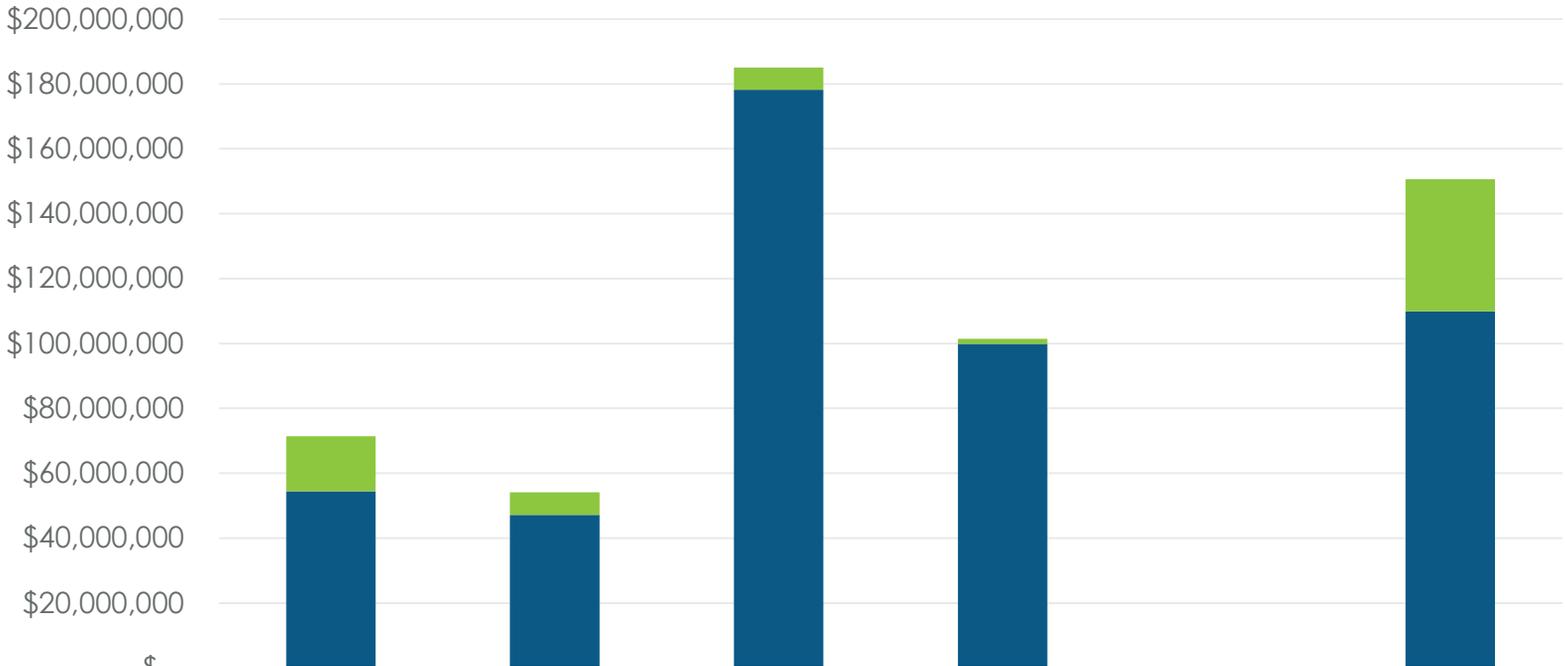


# Capital Budget

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# Capital Project History – State Funded

All NDUS institutions and NDSU agriculture entities  
Paid by State General Fund, Permanent Oil Trust Fund or State Bonds



	2009-11	2011-13	2013-15	2015-17	2017-19	2019-21
■ NDSU Ag Entities	\$17,000,000	\$6,991,650	\$6,875,000	\$1,500,000	\$100,000	\$40,750,000
■ NDUS Institutions	\$54,408,248	\$47,136,000	\$178,174,763	\$99,909,212	\$-	\$109,900,000

# 2021-23 Investment Opportunities - Capital Funding Request

Institution Priority	SBHE Priority	Project Title	Project Cost	Funding Source		% Life Safety & Deferred Maintenance	% Program & Enrollment Driven	% Locally Funded	Deferred Maintenance Addressed
				General	Other				
* DCB	1	1	Old Main Renovation for Nursing School	\$ 4,000,000	\$ 2,000,000	\$ 2,000,000	100%	50%	\$ 4,000,000
LRSC	1	2	Parking Lot and Infrastructure Repair	\$ 250,000	\$ 250,000		100%	0%	\$ 250,000
MaSU	1	2	Natural Gas Boiler Installation	\$ 1,600,000	\$ 1,600,000		100%	0%	\$ 1,600,000
WSC	1	2	Parking Lot and Infrastructure Repair	\$ 850,000	\$ 850,000		100%	0%	\$ 850,000
* NDSU	1	3	Ag Products Development Center	\$14,000,000	\$14,000,000		90%	10%	\$ 10,500,000
<p>Note: Total project is \$61,200,000. The 2019 Legislative Assembly approved \$60.0 million, with \$40 million from State bonds &amp; cash plus \$20 million local funds/fundraising. NDSU has committed to raise \$6.0 million and is now requesting \$14.0 million state dollars in lieu of the remaining local funds / fundraising. As of 7/6/2020, \$4.2 million has been raised.</p>									
MISU	1	4	Hartnett Hall Renovation	\$25,231,000	\$25,231,000		75%	25%	\$ 18,923,250
NDSU	1	5	Hektner Student Center Improvements	\$ 7,210,455	\$ 7,210,455		75%	25%	\$ 3,605,228
UND	1	6	Merrifield Hall/Twamley Hall Renovation	\$79,000,000	\$56,000,000	\$23,000,000	49%	51%	\$ 35,550,000
DSU	1	7	Dickinson Sports Center	\$ 7,000,000	\$ 1,000,000	\$ 6,000,000		100%	86%
BSC	1	8	Cyber Security Tech Center Addition	\$ 3,200,000	\$ 3,200,000			100%	0%
VCSU	VCSU did not submit any requests this biennium								
<b>Grand Total</b>				<b>\$142,341,455</b>	<b>\$111,341,455</b>	<b>\$31,000,000</b>			<b>\$75,278,478</b>

\*Included in Governor's Budget Recommendation



# Engrossed SB2003 One-Time & Capital Projects

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# Post-Crossover One-Time Funding & Capital Projects

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Initiative	Bill #	Amount	Funding Source
Math Pathways	SB2003	\$150,000	General Fund
NDSU Litigation Settlement	SB2003	\$125,000	General Fund
NDSU Litigation Legal Fees	SB2003	\$474,657	Carryover
Capital Tiers	SB2003	\$19,000,000	SIIF
NDSU Ag Prod Center	SB2003	\$20,000,000	GF Carryover
NDSU Ag Prod Center	HB1431	\$50,000,000	Bonding
DCB Center for Rural Health Renovation	SB2003	\$2,000,000	SIIF
DCB Center for Rural Health Renovation	SB2003	\$2,000,000	Fundraising
LRSC Precision Ag Building	SB2003	\$363,000	SIIF
Challenge Grant	SB2030	\$21,500,000	General Fund

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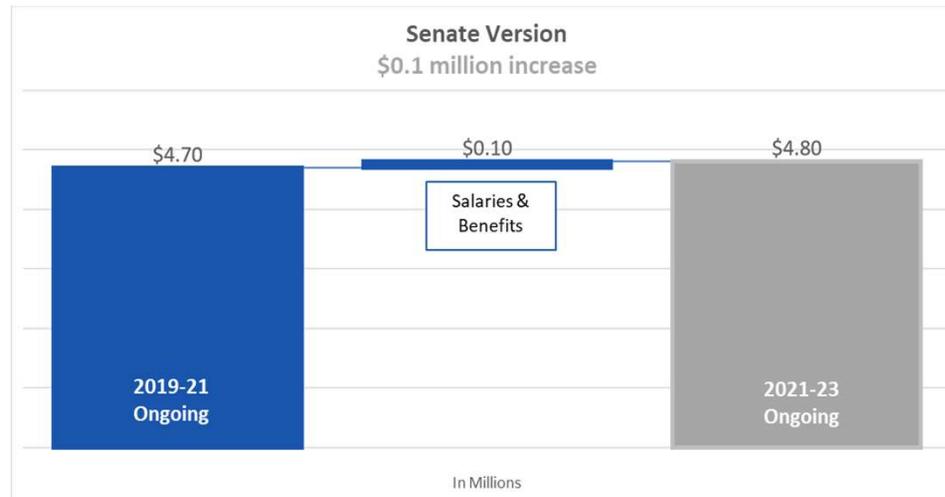
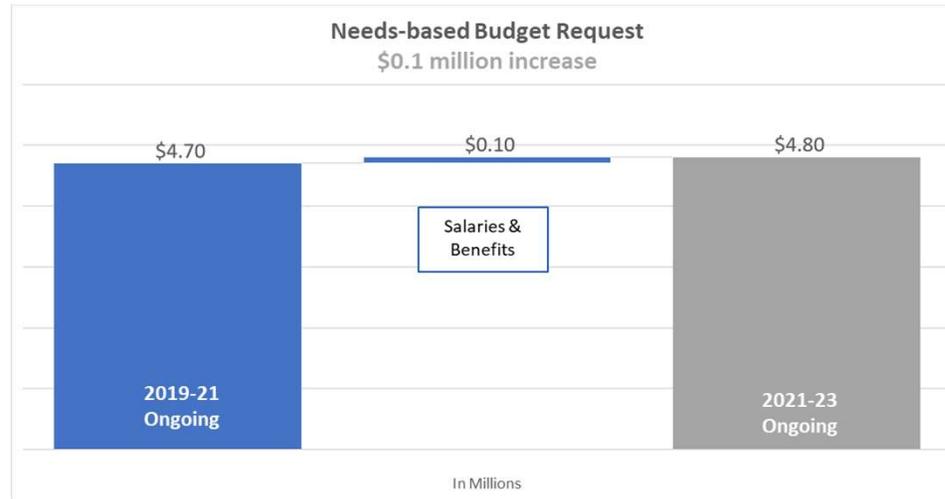


# Forest Service

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# ND Forest Service General Fund Base Budget Comparison

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# Required Reporting

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# Required Reporting

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<b>2019 - HB1003, Section 2:</b> Status of all 2019-21 one-time funding items:
Capital projects
Education Challenge Grants (Sections 8,10,11)
UND School of Law matching grants (Section 9)
Tier II and Tier III Capital Building funds (Sections 29-31)
Theodore Roosevelt digitization (Section 4)
Campus network upgrades (NDSU/UND- Section 2, 32)
<b>2019 HB1003, Section 5:</b> Campus Workforce Initiative Projects
<b>2019 HB1003, Section 18:</b> Carryover funds
<b>2019 HB1003, Sections 23 &amp; 30:</b> Report on transfers between appropriation line
<b>2019 HB1003, Section 33:</b> Tuition rate increase limitations
<b>Coronavirus Funds Report</b>

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# Most Recent Audit Findings

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- No outstanding systemwide financial audit findings
- No System Office operational findings

# North Dakota Student Association

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- Gracie Lian, President, North Dakota Student Association

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Thank You!