



House Appropriations – Education & Environment Division

68th Legislative Session
January 10, 2023

Steve Shirley, PhD, President
Brent Winiger, VP for Administration & Finance



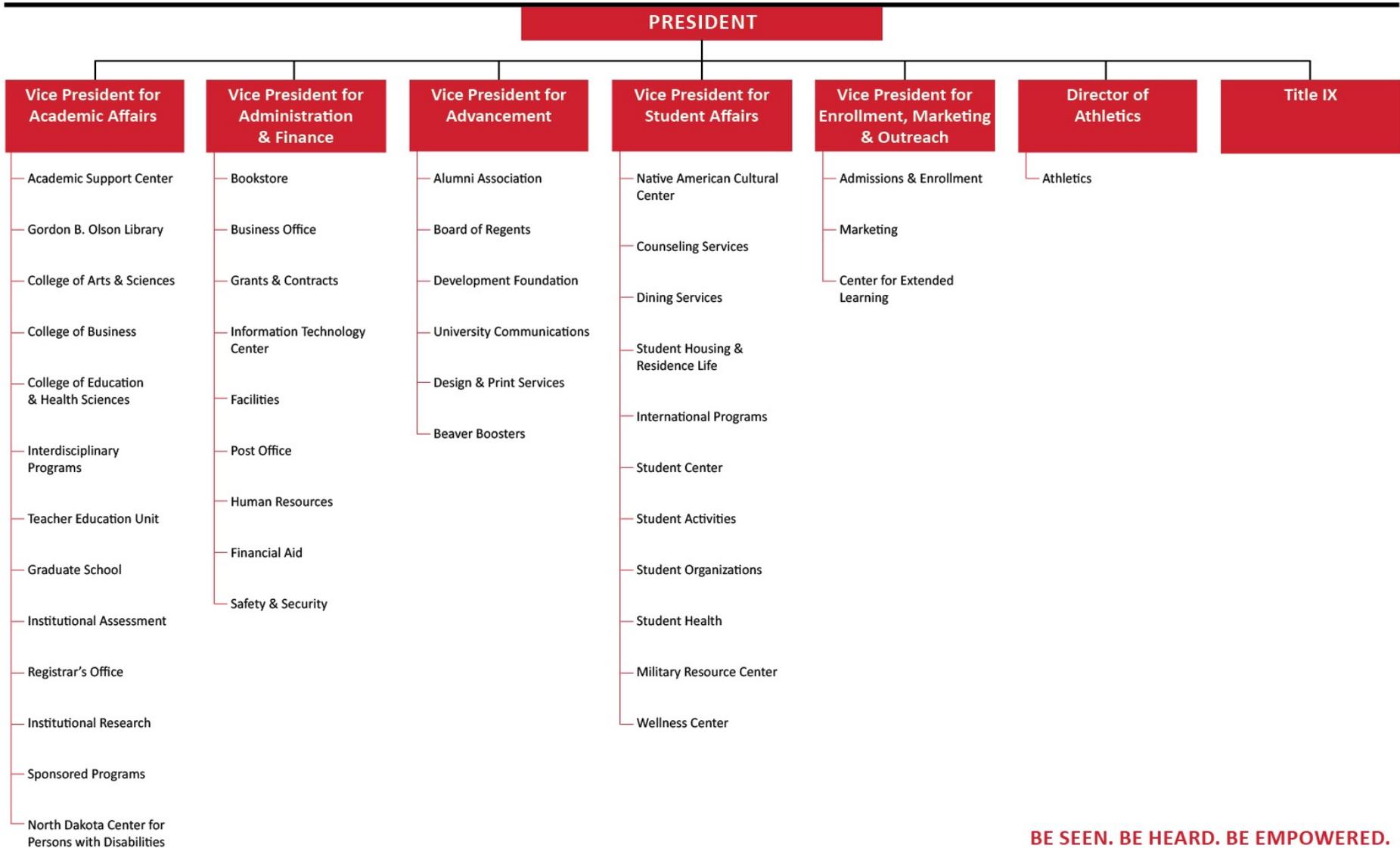
RELEVANT ND CENTURY CODE

- ND Constitution:
 - Article VIII “Education,” Section 6d:
 - “The state normal schools and teachers colleges at Valley City, Mayville, Minot, and Dickinson.”
- ND Century Code:
 - Chapter 15-13-01 – Normal Schools – Locations – Names:
 - “The state normal schools established at....Minot in the county of Ward;the name of the normal school at Minot is Minot State University.”
 - Chapter 15-18.1-05 – Postsecondary Education Minimum Standards:
 - “All postsecondary educational institutions must be accredited by national or regional accrediting agencies recognized by the United States department of education.”





Organizational Chart



BE SEEN. BE HEARD. BE EMPOWERED.

AUDIT FINDINGS

The June 30, 2022 NDUS financial audit report is being finalized by the State Auditor's Office (SAO) and is scheduled to be published in January 2023. Our communications with the SAO indicate there are no findings or recommendations.



CAMPUS HIGHLIGHTS

Higher Learning Commission Accreditation Visit

- Hosted a twice/10-year accreditation visit from HLC in April '22
- Scored “Met” on all 18 core components; best outcome possible

Continued Nursing Partnership with Trinity Health

- Began 3rd 5-yr cycle of grant: Trinity provides \$250K/yr to MSU & \$100K/yr to DCB; 40% growth in nursing grads vs 10 yrs ago

“Empowering Generations” capital campaign in-progress

- MSU’s largest-ever capital campaign with goal of \$50M; 4 pillars of Scholarships, Academic Programs, Facilities, and Athletics
- Publicly announced in Oct. '22; \$39.8M raised to-date; ongoing

MSU Outdoor Amphitheater

- Completed a \$2.8M fundraiser for a major renovation to the 50-year old facility; beautiful outdoor campus performing arts space

Magic City Daycare

- New agreement in 2021; host private daycare on campus
- 37 attendees have been children of MSU employees/students
- MSU students observe, work, and do clinical hours at daycare



CAMPUS HIGHLIGHTS

• **Financing Efficiencies**

- Restructured MSU debt by advance refunding and reissuing one bond series and the defeasance of another bond
- Improves MSU's cash flow by ~ \$550,000 annually
- Maintained "A" rating by S&P Global

• **Added Women's Wrestling**

- 2022-23 is the first season of this intercollegiate sport at MSU
- Provides added opportunities for females; first campus in NDUS

• **Hometown Pride Scholarship**

- New in 2021; \$1000 for freshmen from NW/Northcentral ND
- 27% increase in 2022 freshmen from the target area

• **10-yr increase: Graduation & Freshmen Retention rates**

- Graduation: 36% 10 yrs ago to 49% now; Retention: 66% to 72%

• **NSA/DHS Cyber Designation**

- Feb. '22: designated by Dept. of Homeland Security & National Security Agency as a Center of Excellence in Cyber Defense
- 3rd four-year campus in ND, SD, MT, & WY with this designation



DHS/NSA CYBER DEFENSE DESIGNATION FEATURED IN JUNE '22 "PRAIRIE BUSINESS" MAGAZINE

PB | **HIGHERED**
JUNE 2022
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MINOT STATE EARNS NATIONAL CYBER DEFENSE DESIGNATION

MINOT, N.D. • Minot State University has earned a national cyber-defense designation.

The designation – Center of Academic Excellence in Cyber Defense by the National Security Agency and the Department of Homeland Security – was given to the school's Management Information Systems through 2027.

The designation is awarded to regionally accredited academic institutions offering cybersecurity degrees and/or certificates at the associate, bachelor and graduate levels. The designation process is a combination of elements related to the institution, focused on outputs for determining academic achievement.

This combination assures that the institution meets the desired characteristics of a CAE-CD institution, and that the academic delivery to students is producing the qualified workforce needed by the nation.

"Earning the designation as a Center of Academic Excellence in Cyber Defense by the NSA and DHS is a significant honor for MSU, and specifically our College of Business," said Minot State President Dr. Steven Shirley. "This designation is a strong seal of approval from the federal government



THE DESIGNATION – CENTER OF ACADEMIC EXCELLENCE IN CYBER DEFENSE BY THE NATIONAL SECURITY AGENCY AND THE DEPARTMENT OF HOMELAND SECURITY – IS AWARDED TO REGIONALLY ACCREDITED ACADEMIC INSTITUTIONS OFFERING CYBERSECURITY DEGREES AND/OR CERTIFICATES AT THE ASSOCIATE, BACHELOR AND GRADUATE LEVELS. IMAGE: COURTESY OF MINOT STATE UNIVERSITY

regarding our cyber programming, and it will create wonderful new opportunities for current and future MSU students.

"Faculty have made major strides in both our business information technology and computer science academic areas, and this academic excellence acknowledgment is

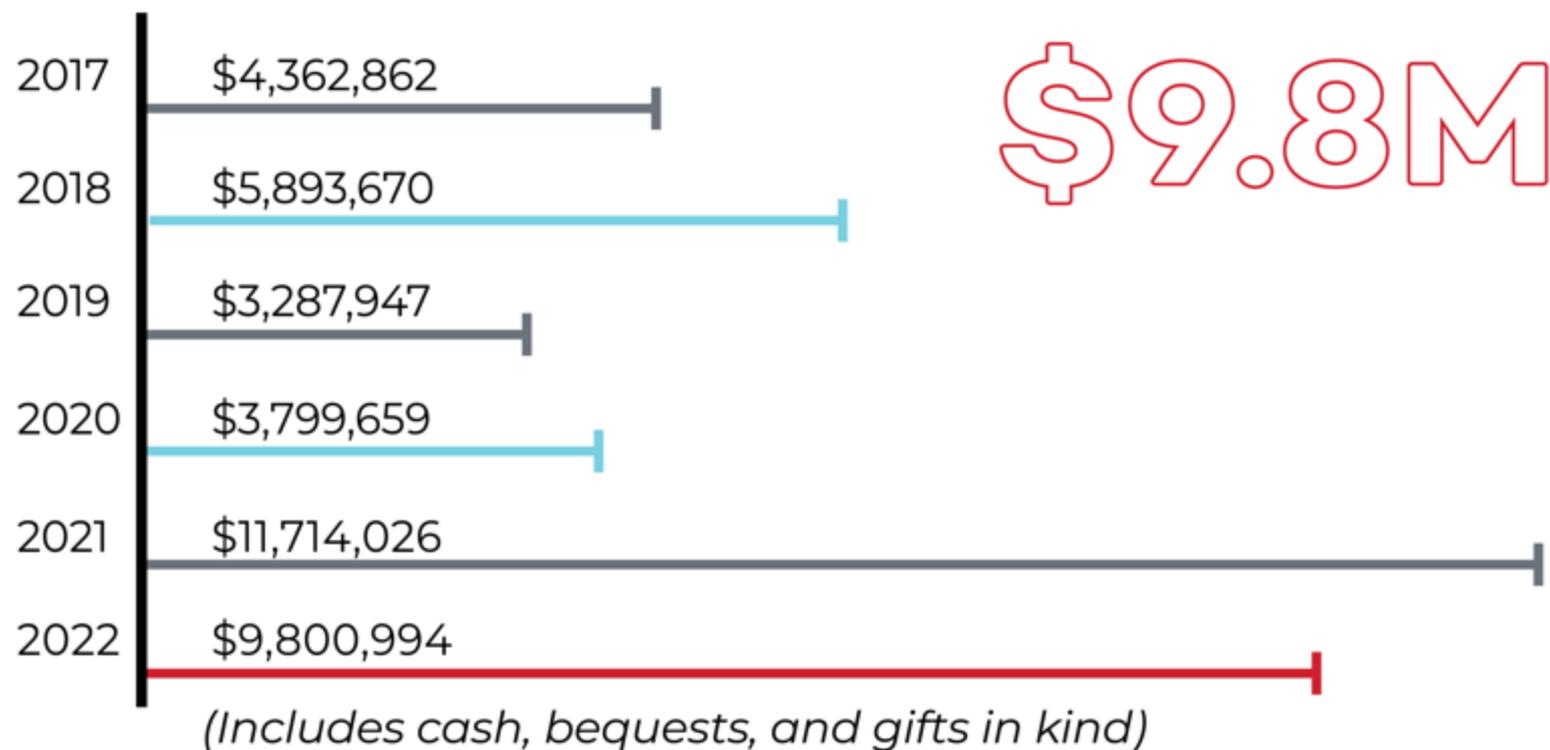
yet another important affirmation of our expertise in these critical cyber areas."

With this designation, Minot State is formally recognized by the U.S. government for its robust cybersecurity-related programs, having undergone in-depth assessment and met rigorous requirements. 

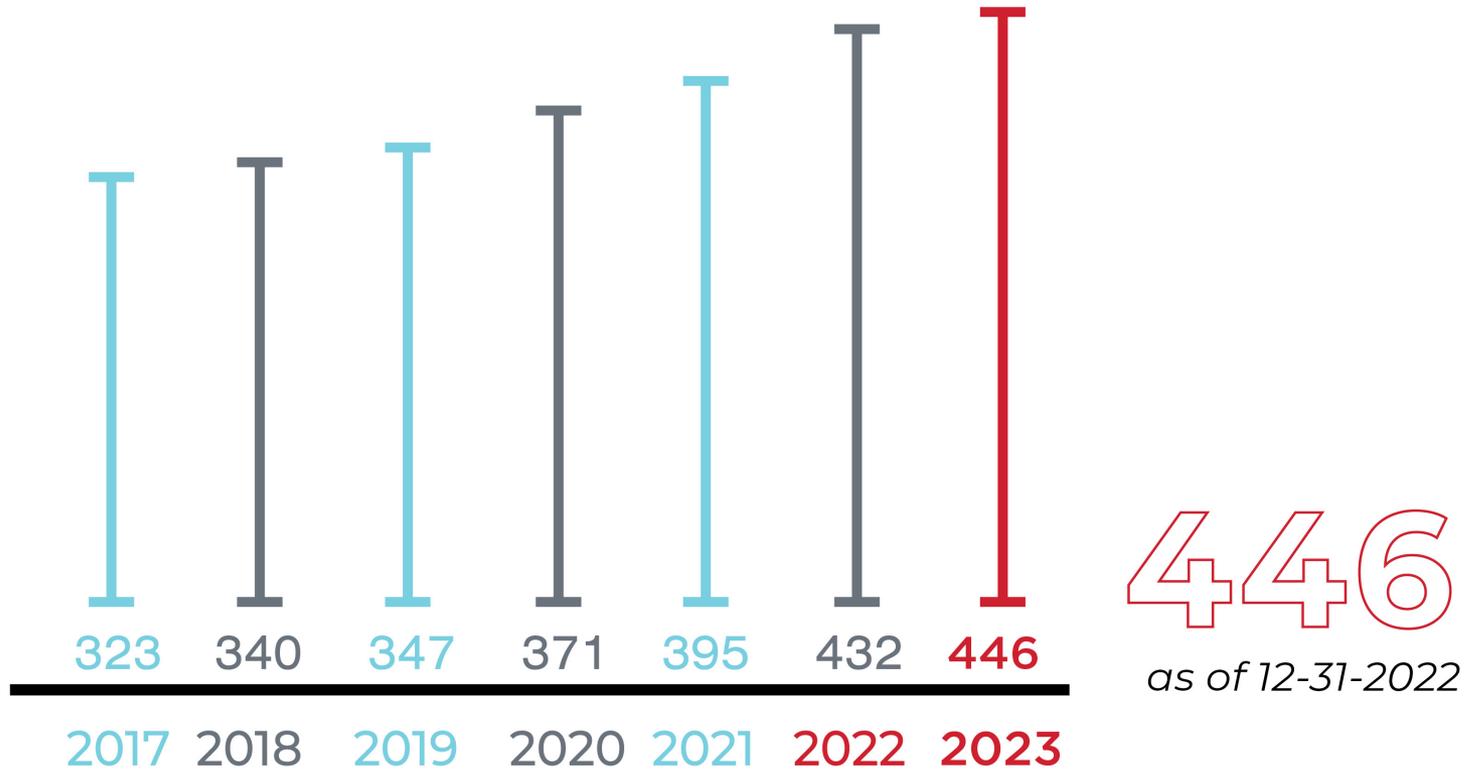
Fundraising Update and Collaboration
with the MSU Foundation



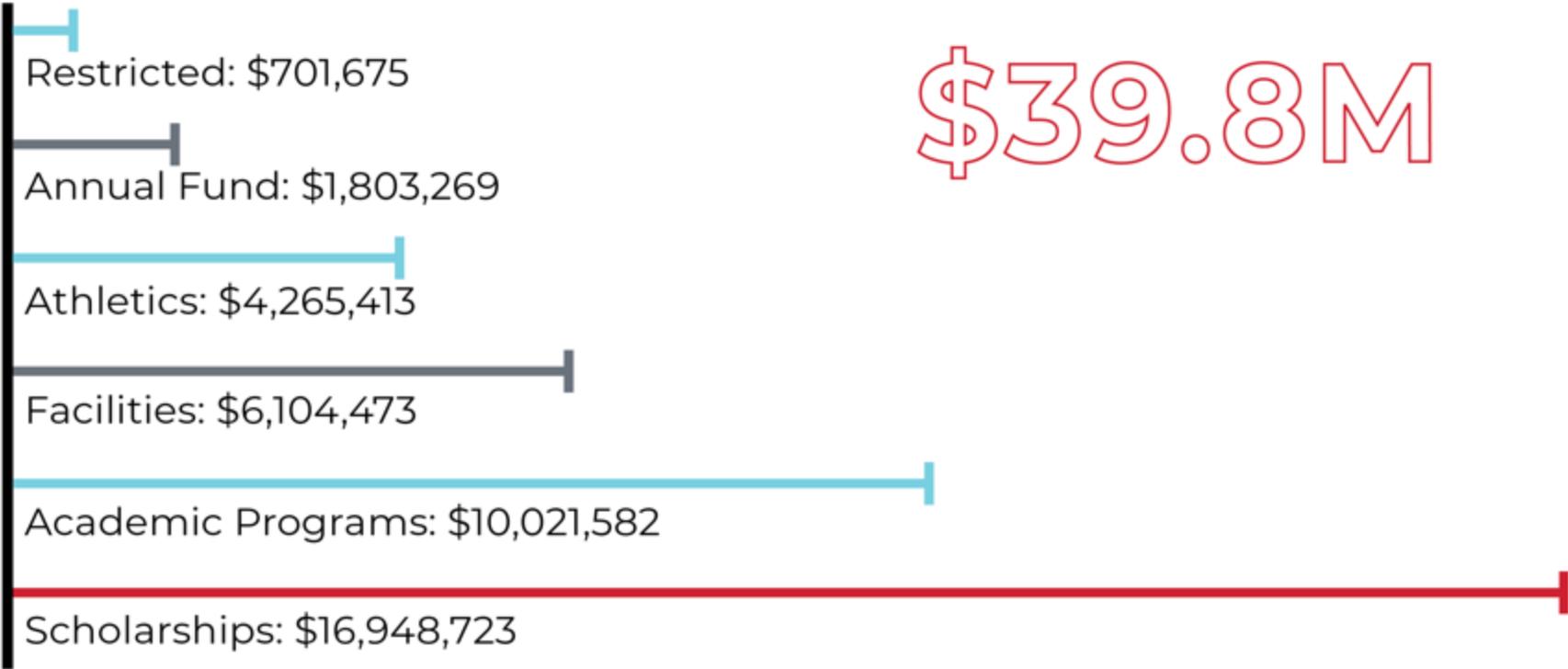
Total Support By All Donors — Fiscal Year



Fiscal Year Growth of Endowed Scholarships



\$50M Capital Campaign — Total Raised as of 12-31-2022



WORKFORCE INITIATIVES

Teacher Education “Aspire Scholars” Program

- Partner w/ K-12 to address teacher shortages; “grow your own”
- HS Scholars nominated; take MSU courses; paired w/ mentor

Special Education “Para to Professional” program

- Pathway for in-field paras to complete degrees online; DPI grant
- 27 graduates as of Dec. ‘22 (began in 2020); more enrolled now

MSU School Psychology / Bureau of Indian Ed. partnership

- \$4.35M, 5-year grant received in Dec. ‘22 from US Dept. of Education
- School Psyc. students will work w/ Turtle Mountain schools/NA students

Academic Program growth in new Bachelors programs

- Cybersecurity & Operations: 4 declared majors in F20; 34 in F22
- Exercise Science & Rehabilitation: 45 majors in F20; 78 in F22
- Entrepreneurship: 6 majors in F18; 24 in F22

Nursing Support and Scholarship Growth

- Trinity partnership; and Challenge grant growth of Nursing scholarships

New Academic offerings (UG certificates, associates)

- Data Science; Data Analytics; Associates in Accounting

Social Work @ NDSU

- Dual degree; MSU delivers the BSW degree at NDSU; 60-80 students



CURRENT CHALLENGES/PRIORITIES

Enrollment

- FTE student enrollment is 2167 in Fall '22; it was 2600 in Fall '14 – a 16.7% drop in 8 years; similar to NDUS and national data
- New strategies include addition of Hometown Pride scholarship; 4-year renewable scholarship; new/revised academic programs

Competitive Salaries

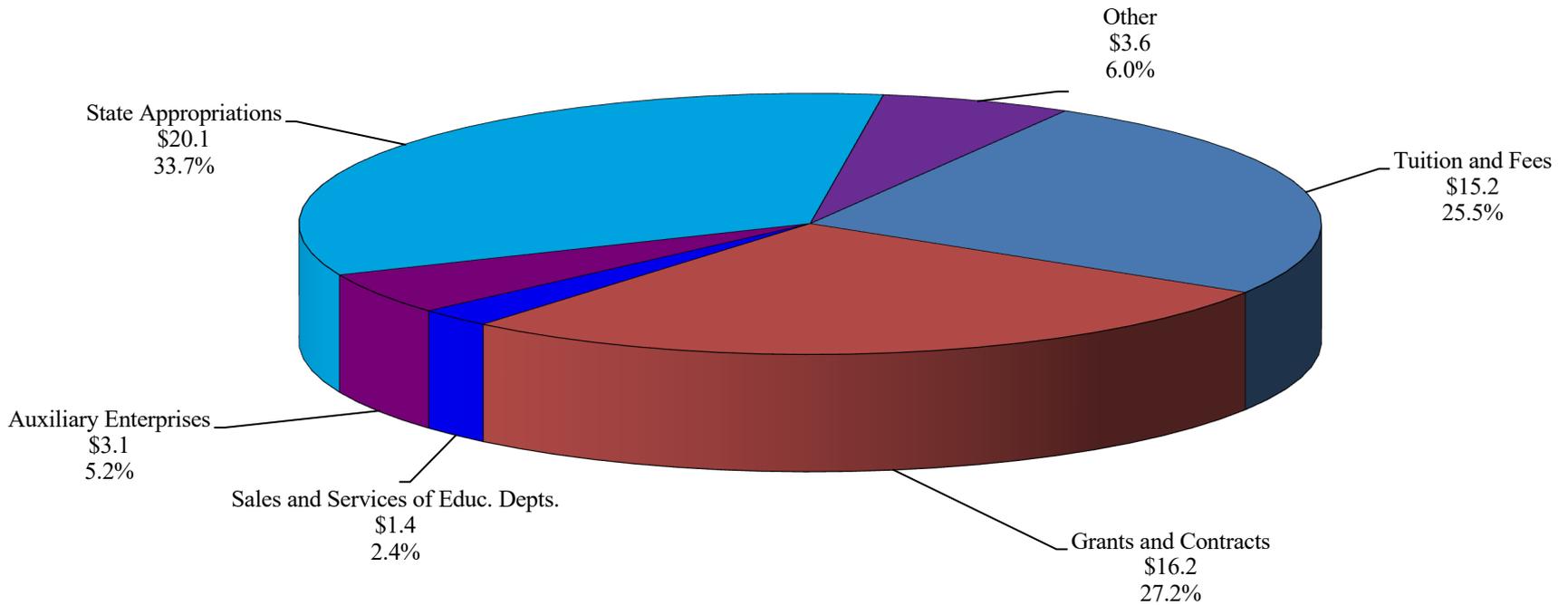
- Competition for talent from both other governmental agencies & the private sector is creating recruitment/retention challenges
- Currently reviewing and increasing salaries where possible with certain position classifications and lower-level wage earners

Inflationary impacts of materials/goods

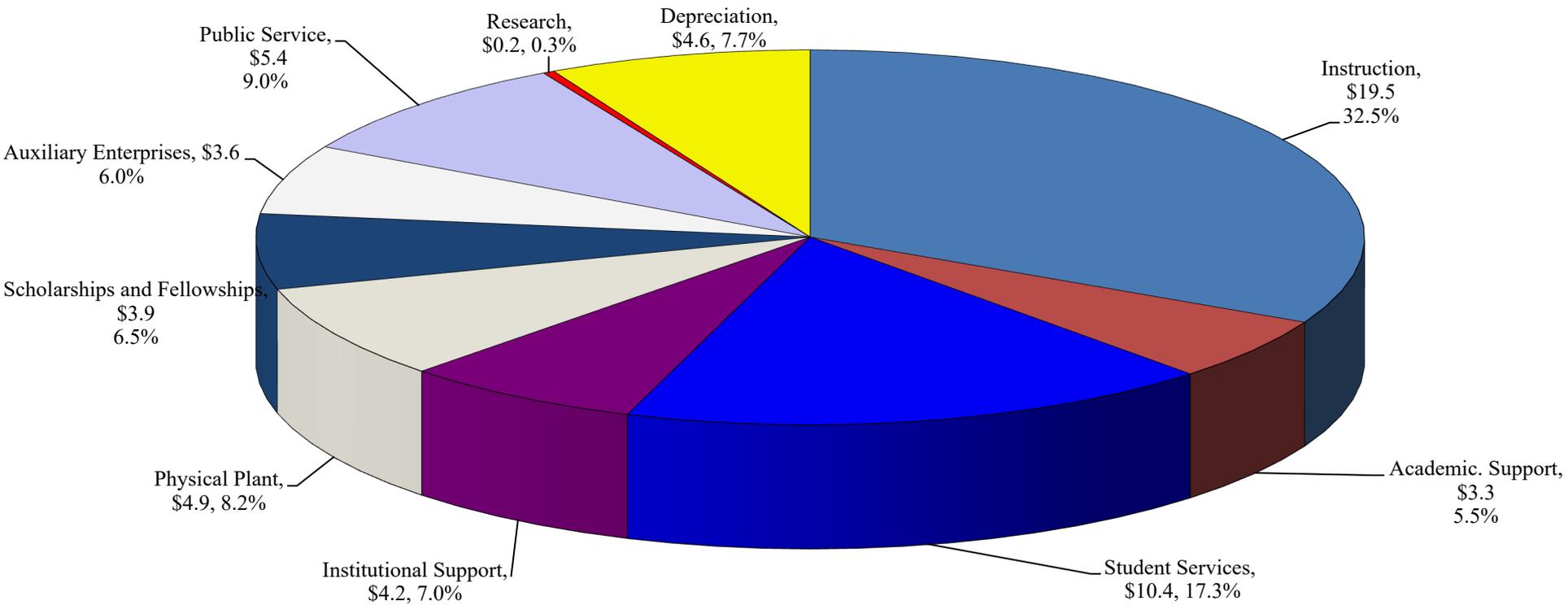
- Renovation and construction project costs have escalated dramatically during the past 12-24 months
- Utilities, food costs, transportation, and other ongoing operating expenditures are driving costs up across every aspect of campus



Minot State University
Total Revenue, Excluding Capital
Fiscal Year 2022
(\$ in millions)
Total Revenue \$59.6 million



Minot State University
Operating Expenses by Function
(excluding capital items and other nonoperating expenses)
Fiscal Year 2022
(in millions)
Total Operating Expenses: \$60.0 million



Minot State University

Comparison of 2021-23 Base Budget

to 2023-25 SBHE Request and Executive Recommendation

	2021-23 Base Level	Requested Adjustments	2023-25 SBHE Needs-Based Budget	Executive Recommendation	Difference from 2021-23 Base Level	Difference from SBHE Needs-Based Budget
Campus Operations	\$ 104,154,777	\$ 1,085,464	\$ 105,240,241	\$ 111,779,393	\$ 7,624,616	\$ 6,539,152
Capital Assets	\$ 1,099,620	\$ 1,721,140	\$ 2,820,760	\$ 2,820,760	\$ 1,721,140	
Total Appropriation	\$ 105,254,397	\$ 2,806,604	\$ 108,061,001	\$ 114,600,153	\$ 9,345,756	\$ 6,539,152
General Fund	\$ 41,206,630	\$ 2,474,364	\$ 43,680,994	\$ 45,463,792	\$ 4,257,162	\$ 1,782,798
Special Funds	\$ 64,047,767	\$ 332,240	\$ 64,380,007	\$ 69,136,361	\$ 5,088,594	\$ 4,756,354
Total Funding Sources	\$ 105,254,397	\$ 2,806,604	\$ 108,061,001	\$ 114,600,153	\$ 9,345,756	\$ 6,539,152



MINOT STATE UNIVERSITY

2023-2025 General Funds Budgets Comparison

	<u>SBHE Request</u>		<u>Exec Rec.</u>	
2021-2023 General Fund Base Budget	\$ 41,206,630		\$ 41,206,630	
Base Budget Request				
- Funding Formula increase	\$ 1,342,514		\$ 1,342,514	
- Behavioral Health Initiative	\$ 170,000			
- Salary continuation adjustment	\$ 196,850		\$ 196,850	
- Salary and Insurance Package			<u>\$ 2,717,798</u>	
 Total Base General Fund Request	 \$ 1,709,364		 \$ 4,257,162	
 2023-2025 General Fund Base Budget	 <u>\$ 42,915,994</u>	 4.1%	 <u>\$ 45,463,792</u>	 10.3%
One-Time Capital Funding				
Dakota Hall Renovation	\$ 765,000		\$ 765,000	(SIIF)



UPDATE - NOV. '21 SPECIAL SESSION APPROPRIATION

- \$25M appropriation for Hartnett Hall
- Construction underway – environmental/asbestos remediation completed last spring and renovation began last summer
- Scheduled for completion in Dec. '23 / Jan. '24
- THANK YOU!



ONE-TIME FUNDING - DAKOTA HALL DEMOLITION

- \$765,000 demolition; 29,736 square foot building
- Residence Hall built in 1931; poor quality housing - mostly vacant – no current student occupants; (Daycare on 1st floor)
- Ranked in 1st group by SBHE among campus capital projects
- Full renovation estimated at \$6.5M+; asbestos, new room layouts, full plumbing replacement, new fire suppression, elevator, flooring, new roof, electrical upgrades.
- Non-competitive - old-style residence hall. Plenty of other modern, suite-style apartment options on/near campus
- Demolition would save steam loop heating, electricity, insurance, maintenance; approximately \$50,000/annually



ONE-TIME FUNDING - DAKOTA HALL DEMOLITION



ONE-TIME FUNDING - DAKOTA HALL DEMOLITION



SPECIAL FUNDS AUTHORITY – **MSU STUDENT CENTER 2ND FLOOR** **RENOVATION**

- Students voted in March 2022 to self-fund a renovation of the 2nd Floor of the Student Center
- Expands student gathering and activity spaces in the Center
- \$3.1 million renovation
- Seeking special funds Legislative authority for bond financing
 - funded from a new student fee (\$87.12/student/semester)
 - no state funding required



MINOT STATE UNIVERSITY SUPPORTS:

- An increase to support the general fund portion of the compensation package
- A minimum amount payable percentage in the funding formula
- A construction inflation adjustment for ARPA-funded projects
- Continued support/increases to the Challenge Fund
 - The Higher Ed Challenge Fund has been a MAJOR boost with donor philanthropy to grow scholarships



**THANK YOU FOR YOUR TIME TODAY AND
YOUR SERVICE TO NORTH DAKOTA**

QUESTIONS?

