



2023-25

BIENNIAL BUDGET REQUEST

NDSU » AGENCY 235

DAVID COOK, PRESIDENT

**SENATE APPROPRIATIONS - EDUCATION
AND ENVIRONMENT DIVISION**

SEN. RON SORVAAG, CHAIR

MARCH 9, 2023

N O R T H D A K O T A S T A T E U N I V E R S I T Y

NDSU



North Dakota State University is pleased to submit for consideration this agency review and summary for the 2023-25 biennial budget request.

INTRODUCTION

NDSU has a longstanding commitment of bringing educational opportunities and research solutions to the people of North Dakota. Our commitment remains focused on affordable access to a high-quality education for our students and serving state interests in a manner demonstrating sound stewardship and accountability.

NDSU is proud to support the state's agriculture industry, while also excelling in engineering, health professions, pharmaceutical, biological and physical sciences. As the SBHE's designated site for high-performance computing, NDSU's Center for Computationally Assisted Science and Technology (CCAST) provides the super-computing facilities and staffing backbone for those data intensive disciplines, and is critical to key North Dakota initiatives, particularly in the UAS industry.

Our graduates enjoy an exceptional job placement rate in their fields of study, exhibit a high level of residency in the state after graduation, and make significant contributions to the state's tax base. The university's research success has led to federal research and development expenditures, licensing revenues and new business growth, resulting in job creation and a diversified economy.

As NDSU continues to evolve and grow, we also continue our commitment to affordability, efficiency and productivity. We look forward to addressing the needs and aspirations of North Dakota.

NDSU AT A GLANCE



699

RANKED FACULTY AND LECTURERS



1,712

FULL-TIME EMPLOYEES



12,242

FALL 2022 ENROLLMENT

WHAT WE'RE ABOUT

VISION

To lead the advancement of our land-grant ideals through innovative education, research, and outreach.

VALUES

NDSU is committed to shared governance, transparency, responsible decision-making, and a sustainable future. Our core values include: collegiality, inclusivity, community, creativity, excellence, impact, innovation, integrity, resilience, responsiveness and transformation.

GOALS/OBJECTIVES

Provide transformational educational and research opportunities for our students, state and world.

WHO WE SERVE

STUDENTS

We're focused to retain/retrain/recruit the next generation of workforce and entrepreneurs.

THE COMMUNITY

NDSU supports and works with local leaders from the city of Fargo and Chamber of Commerce to contribute and ensure the success of our community.

STATE OF NORTH DAKOTA

Through workforce development, community and tribal engagement, NDSU fulfills our land grant mission for an educated citizenry.

THE WORLD

NDSU's research activities lead to the next generation of innovations and knowledge.

WHAT WE'RE PROUD OF

STUDENT FOCUSED

High-quality academic programs

Sustained delivery during the pandemic, students continued to make progress toward degree completion

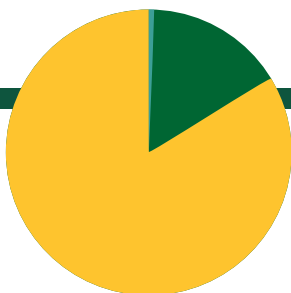
Innovative learning with face-to-face, online and hyflex delivery.

LAND GRANT

Faculty and student engagement in state and community service that enhances the public good.

RESEARCH

World-class faculty researchers, creating public/private partnerships leading to economic diversification and workforce innovation and advancement.



TOTAL AGENCY 2021-23 BUDGET: \$1.0B

● GENERAL: \$164.1M ● SPECIAL: \$839.5M ● ND CARES: \$2.1M



RECENT GRADUATES
92%
 employed or continuing education

CARNEGIE CLASSIFICATION
R1
 Very High Research Activity

FUNDRAISING CAMPAIGN
\$587M
 Goal completed one year early

NATIONAL CHAMPIONS
9
 FCS Division I Football

HOW WE MEASURE SUCCESS

<p>STUDENT SUCCESS</p> <ul style="list-style-type: none"> • 3.17 avg NDSU student GPA • 1,435 degrees awarded 2020-21 • 92% Undergrad career success (2021) • 94% Graduate career success (2021) 	<p>WORKFORCE DEVELOPMENT</p> <p>Offer degree programs in hard to find jobs in ND.</p> <ul style="list-style-type: none"> • Engineering • Nursing • Software Engineering • Security Engineer/Analyst 	<p>FINANCIAL HEALTH AND STEWARDSHIP</p> <ul style="list-style-type: none"> • Aa3 issuer-Moody's Investors Service (Nov 2021) • AA-/Stable: S&P affirmed (April 2021) • FY21 Composite Financial Index (CFI) = 5.30
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PROGRAM HIGHLIGHTS

COLLEGE OF ENGINEERING
 Mechanical, Civil, Environmental, Industrial, Biomedical Engineering programs. Computer Science, Cybersecurity, Autonomous systems, Robotics, Software Engineering.

COLLEGE OF AGRICULTURE, FOOD SYSTEMS, AND NATURAL RESOURCES

Animal Science, Agribusiness, Ag Econ, Plant Science, Crop and Weed Science, Vet Tech, Microbiology.

COLLEGE OF BUSINESS

Business Admin, Marketing, Finance, Accounting Management Info Systems, MBA, Transportation and Logistics, Supply Chain Management.

COLLEGE OF SCIENCE AND MATHEMATICS

Biological Sciences, Psychology, Biochemistry and Molecular Biology, Chemistry, Statistics, Geology, Mathematics.

COLLEGE OF HEALTH PROFESSIONS

Pharmacy, Pharmaceutical Sciences, Pharmacy Practice, Nursing, Allied Health, Public Health.

COLLEGE OF ARTS, HUMANITIES AND SOCIAL SCIENCES

Architecture, Landscape Architecture, Fine Arts, Political Science, Criminal Justice, History, English, Emergency Management, Communication.

COLLEGE OF HUMAN SCIENCES AND EDUCATION

Teacher Education and Educational Leadership, Counselor Education, Sport Management, Human Development and Family Science, Interior Design, Exercise Science, Apparel, Retail Merchandising and Design.



MAJOR ACCOMPLISHMENTS

- 1 NDSU helps fulfill the state's workforce needs by enrolling the largest number of face-to-face students of any institution in the NDUS. Each of these students was either a North Dakota resident retained in the state or an out-of-state student recruited to physically come to North Dakota. Not only will these students be the state's next generation of leaders and entrepreneurs, but while they are in college, they (along with their families) provide multiple years of beneficial economic impact for the state by working service jobs, paying rent and other living expenses and having their families visit.
- 2 NDSU has more graduates in numerous high-demand fields than any other institution in the NDUS including engineering, computer/information science and nursing.
- 3 NDSU has the highest four- and six-year graduation rates among the four-year institutions in the NDUS.
- 4 NDSU achieved post-graduation success rates (employment/graduate study) of 92 percent for undergraduate students and 94 percent for graduate students.
- 5 Among NDSU's recent graduates, 80% who started NDSU as a North Dakota resident were working in North Dakota after graduation and 41% who started NDSU as a Minnesota resident were working in North Dakota after graduation.
- 6 In 2021, NDSU completed the largest fundraising campaign in school and state history totaling \$586.7 million. In addition, the endowment grew from \$82 million in 2010 to \$457 million in 2021.
- 7 NDSU completed construction of Sugihara Hall, which is a laboratory intensive building with approximately 105,000 square feet that houses Chemistry, Biochemistry and Earth, Environmental, and Geospatial Sciences. In addition, NDSU started construction of the Peltier Complex, which will support a wide range of research involving food science, meat science, muscle biology, food safety, nutrition, consumer sensory traits and the development of new agricultural products. Designed to meet federal and state food processing and food handling regulations, the center's labs will expand research grant opportunities and partnerships with federal and state agencies.
- 8 NDSU's athletics program is ranked among the best overall NCAA Division-I programs in the nation. The new Nodak Insurance Football Performance Complex is expected to open in the fall of 2022. The entire cost of the estimated \$50 million building project is being privately funded, including a lead gift from Nodak Insurance Company, which was awarded naming rights.



CRITICAL ISSUES

NDSU serves the state and its workforce needs in two primary ways: (1) retaining North Dakota students in the state, recruiting out-of-state students and retraining non-traditionally aged students; and (2) conducting world-class applied research that helps strengthen and diversify North Dakota's economy.

In serving this mission, NDSU's has many strengths including productive faculty, good name recognition, national visibility and an attractive surrounding community. However, numerous critical issues exist which may materially impact NDSU's operations:

- 1 Enrollment has been steadily declining since 2017, this has resulted in a decrease in student credit hour production under the Higher Education Funding Formula which has resulted in a base budget decrease of \$7.5M for the upcoming 2023-25 biennium.
- 2 Inflationary pressures and workforce competition are affecting NDSU's ability to retain existing faculty, staff and recruiting top talent.
- 3 Enhanced, modern laboratory and fabrication space for Engineering and AG Engineering key program areas (precision agriculture, cybersecurity, robotics, artificial intelligence, biomedical engineering, environmental engineering) is vital to enroll, retain and graduate students to make them successful on the job when they enter the workforce today and in the future. Modernized facilities will also promote interdisciplinary collaboration for faculty to be productive and advance research opportunities in these vital program areas.
- 4 Due to increasing competition to apply for federal research grant opportunities, NDSU needs to modernize dated instructional and research lab space, and technology infrastructure to continue to provide experiential education for students as well as prioritize our R-1 Carnegie Classification status in support of our land grant mission to meet the aspirational and economic needs of ND.

We are requesting ongoing base funding for continued access to high speed research and education network resources with connectivity, maintain cybersecurity control standards, computational research tools and methods to support cybersecurity, artificial intelligence and quantum computing programming efforts.
- 5 Request modification to the Higher Education Funding Formula to reinstate a base funding minimum amount payable (NDCC 15-18.2-06), this would provide additional time to allow for evaluation and strategic planning for reductions in fixed programmatic and operational costs.
- 6 Affordability. Request consideration for additional base funding, provided through the HE Funding formula, in an amount to defray salary and operational costs so NDSU does not have to increase tuition for students during 2023-25. As student demographics change, many state markets have changed their strategy to compete for student enrollment and have not increased their tuition rates. This has created a difficult enrollment and pricing environment with future potential reciprocity agreement changes. Additional base funding to support affordable tuition pricing will provide a competitive recruiting advantage and support our land grant mission.

FALL 2022 ENROLLMENT



	Undergraduate	Professional	Graduate	Grand Total
NORTH DAKOTA	4,248	118	948	5,314
Cass	2,204	65	704	2,973
Burleigh	558	16	52	626
Morton	134	3	15	152
Ward	126	1	15	142
Grand Forks	121	6	19	146
Richland	108	2	14	124
Stutsman	82		8	90
Stark	76		10	86
Trall	66	2	3	71
Walsh	57	3	5	65
Barnes	55	2	8	65
Williams	50	3	9	62
Mercer	35		3	38
Dickey	32	1	4	37
Ransom	31		3	34
Sargent	30		2	32
Lamoure	29	2	2	33
McLean	28	1	2	31
Emmons	25		8	33
Ramsey	25	2	13	40
McHenry	23	1	2	26
McKenzie	23		4	27
Pierce	22	1		23
Foster	21	1	2	24
Bowman	20		2	22
Wells	20		1	21
Pembina	20		3	23
Mountrail	19	1	4	24
Bottineau	18	1	5	24
Benson	17		4	21
Rolette	17		2	19
McIntosh	16	1	3	20
Cavalier	15	1	1	17
Eddy	14		2	16
Hettinger	12		1	13
Renville	12		1	13
Nelson	10		2	12
Grant	9			9
Steele	7		3	10
Griggs	7	1		8
Kidder	7		1	8
Oliver	6		1	7
Adams	6		1	7
Dunn	5			5
Golden Valley	5			5
Logan	5			5
Burke	4			4
Towner	4		1	5
Sioux	4		1	5
Divide	4	1		5
Billings	2			2
Sheridan	2		1	3
Slope			1	1
MINNESOTA	5,018	111	333	5,462
OTHER	830	15	621	1,466
TOTAL	10,096	244	1,902	12,242

PERFORMANCE INDICATORS

RETENTION	2018-19	2019-20	2020-21	2021-22	2022-23
First-year retention	78.90%	78.90%	82.00%	76.10%	75.20%
Second-year retention	71.35%	71.05%	72.09%	71.10%	68.80%
4 year graduation rate	37.80%	41.22%	43.27%	44.70%	46.30%
6 year graduation rate	57.60%	60.32%	62.33%	64.90%	63.20%
OTHER INDICATORS	2018-19	2019-20	2020-21	2021-22	2022-23
Student-faculty ratio	19:1	18:1	19:1	16:1	
Percentage of first-year students taking at least 15 credits	83%	81%	71%	73%	65%
Degrees awarded	3,075	3,194	3,088	2,937	



ATHLETIC TRAINING

NDSU RESEARCH OVERVIEW

THE NATIONAL SCIENCE FOUNDATION RANKED NDSU 99 AMONG ALL PUBLIC INSTITUTIONS, 141 AMONG ALL INSTITUTIONS AND 110 AMONG NON-MEDICAL SCHOOLS.



WHY IS NDSU'S R1 STATUS IMPORTANT?

NDSU is one of only 146 universities designated as a Research 1 (R1) research institution in the United States by the Carnegie Classification of Institutions of Higher Education. The R1 classification is recognized nationally as the highest benchmark of research excellence. NDSU's R1 status signifies that we are at the forefront of cutting-edge research. NDSU is conducting research for the state of North Dakota and the region at the highest possible level, making it one of the best national research institutions. The R1 designation is critical because:

- NDSU attracts the best and brightest faculty, students, and staff to the university.
- It provides NDSU with opportunities to lead such research endeavors as the multimillion-dollar National Science Foundation Great Plains I-Corps Hub.
- NDSU can enhance high-tech innovation and industry in the region.

NDSU's R1 status allows the university to provide its students with the most current knowledge in many areas while competing and partnering with other research powerhouse institutions (some that are twice our size). NDSU is one of four R1 institutions in this region, including the University of Minnesota, Montana State University, and the University of Montana.





NDSU'S RESEARCH AND COMMERCIALIZATION FRAMEWORK

- Research 1 (R1) designation
- Research success in key areas
- Innovation and the NDSU Research Foundation
- Entrepreneurship
- The NDSU Research & Technology Park
- NDSU's land grant mission

NDSU continues to invest strategically in four areas in which it has had continued growth and success:

- » Food, Energy and Water Security
- » Cybersecurity, Computer Science and Software Engineering
- » Life Sciences
- » Entrepreneurship and Innovation

RESEARCH ACCOMPLISHMENTS IN KEY AREAS

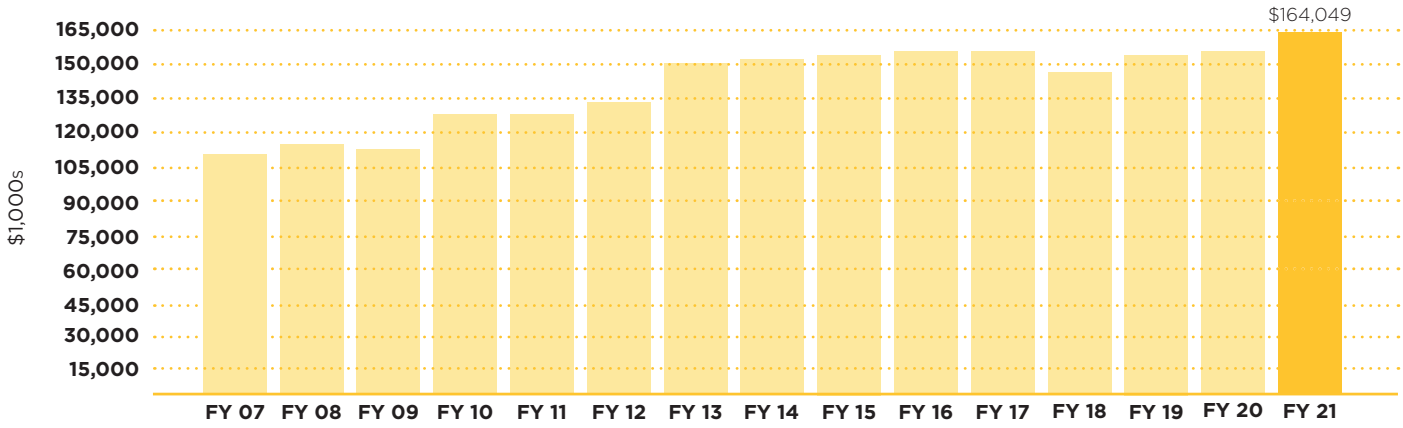
From a federal perspective, NDSU leads all North Dakota higher education institutions in research expenditures from the U.S. Departments of Defense, Transportation, Agriculture, and the National Science Foundation.

NDSU's top category rankings among all research universities in the country, according to the FY21 National Science Foundation Higher Education Research and Development Survey include:

- #14** Materials Science
- #16** Agricultural Sciences
- #20** Business Management and Business
- #25** Natural Resources and Conservation
- #29** Economics
- #43** Inter-disciplinary Sciences
- #72** Industrial and Manufacturing Engineering
- #98** Social Sciences
- #99** Civil Engineering
- #109** Life Sciences

GROWTH OF NDSU RESEARCH AND DEVELOPMENT EXPENDITURES

MORE THAN \$2.425 BILLION IN RESEARCH EXPENDITURES SINCE FY2004; \$164 MILLION IN FY2021



Source: National Science Foundation Higher Education Research & Development Survey



RECENT AWARDS

1 NSF I-Corps (engineering, business)

\$14 million grant over five years from the National Science Foundation (NSF) to establish a multi-institutional Great Plains Innovation Corps (I-Corps) Hub that will provide immersive, entrepreneurial training for scientists and engineers with the goal of moving ideas to commercialization. David Grewell, Ph.D. is Hub Director and Alan Kallmeyer, Ph.D. is PI.

2 AI Research Center (computer science, cybersecurity)

NDSU is leading a cooperative agreement from the National Science Foundation (NSF) into how innovative artificial intelligence (AI) research methodologies across the disciplines of engineering and economics can create solutions to counter problems such as the negative impacts of energy disruptions on the nation's infrastructure. The nearly \$6 million award is funded through the NSF EPSCoR Track-2 program and will result in the creation of an AI research center that will work to prepare a knowledgeable workforce with the skills to create tools that leverage AI within a broad cross-section of industries. Ying Huang, Ph.D. is PI.

3 RaMP (biology)

NDSU has received a Research and Mentoring for Post-baccalaureates (RaMP) in Biological Sciences grant of nearly \$2.9 million from the National Science Foundation (NSF). The university is one of only 12 institutions nationwide to receive the award which will provide opportunities for recently graduated undergraduate students to participate in a research lab and develop a network of research mentors across North Dakota. This combination holds promise in fueling the state's STEM workforce while providing the environment necessary to create tomorrow's high-tech industries.

4 NDSU pancreatic cancer research center (pharmaceutical sciences)

The NDSU Center for Diagnostic and Therapeutic Strategies in Pancreatic Cancer (CDTSPC) has received Phase 2 funding from the National Institutes of Health (NIH). As a Center of Biomedical Research Excellence (COBRE), the CDTSPC is focused on developing early detection and therapeutic protocols for controlling pancreatic cancer. This award will allow the Center to build upon a previous Phase 1 award, which funded the CDTSPC during the past five years. Phase 2 will provide nearly \$2 million annually for the next five years, for a total of \$9.7 million. Sanku Mallik, Ph.D. is Director of the center and Sathish Venkatchalem, Ph.D. is Co-Director.

5 Increasing plant growth through nanotechnology (engineering, food security)

Achintya Bezbaruah, NDSU professor of civil and environmental engineering and Mohiuddin Quadir, NDSU assistant professor of coatings and polymeric materials

are leading a multidisciplinary approach to develop nanotechnology-based phosphorus fertilizers that increase and improve the efficiency of the phosphorus used by plants.

6 National Science Foundation awards NDSU \$1.4 million grant (biology, STEM)

\$1.4 million NSF grant to fund student scholarships for low-income students pursuing a bachelor's degree in biological sciences and creating career and academic support for STEM degree completion. The goal of the project is to increase degree persistence for high-achieving, low-income students from rural areas interested in STEM fields. Angela Hodgson, Professor of Practice, is PI.

7 Wearable device to predict onset of diabetes (engineering, pharmaceutical sciences, computer sciences)

\$1.4 million NSF multidiscipline research for Danling Wang, assistant professor of electrical and computer engineering, Jen Li, professor of computer science, and Kristine Steffen, professor of pharmaceutical sciences to develop cutting-edge healthcare technology using artificial intelligence and build a smart, wearable device to predict the onset of diabetes by monitoring a patient's own breath without the need for a doctor to interpret the results.

8 Successful early career faculty

NDSU faculty have been successful in earning prestigious early career awards that provide them a foundation upon which they can build their research careers and impact students. NSF Career Awards are targeted at scholars who have the potential to serve as academic role models in research and education.

In 2022, three NDSU faculty received NSF Career Awards: Trung Le, Ph.D., Mohiuddin Quadir, Ph.D., and Dali Sun, Ph.D. NDSU has received nearly \$15 million in these awards over the last 25 years to conduct research in biology, biochemistry, chemistry, civil and electrical engineering, computer science, geosciences, pharmaceutical sciences, plant sciences, coatings and polymeric materials, and veterinary and microbiological sciences.

9 NSF RII ND-ACES project

NDSU is the lead institution on the NSF RII Track-1 ND-ACES: New Discoveries in the Advanced Interface of Computation, Engineering, and Science (ND-ACES) which is pumping \$20 million into the state to better understand design rules that govern in vitro biointerfaces and influence in vivo decisions surrounding the understanding of biochemistry and the cell biology of cancer cells and tumors.

10 NDSU-Sanford Health collaboration funded by NIH

\$6.4 million since 2016 for NDSU-Sanford Health collaboration on obesity-related research funded by the NIH.

RESEARCH FOUNDATION ACCOMPLISHMENTS

INNOVATION AND THE NDSU RESEARCH FOUNDATION

NDSU's research has led to notable successes in new patents and plant variety protections. The NDSU Research Foundation has secured 92 patents and earned \$3.1 million in intellectual property licensing NDSU's research results in FY21 and FY22. Heartland Forward ranks NDSU at #117 in tech transfer, thanks to our NDSU Research Foundation.

NOTEWORTHY ACHIEVEMENTS

Autonomous Farming Patent

Researcher Xin (Rex) Sun was issued a patent for a multifunctional precision agriculture robotic vehicle system that gathers crop information through multiple sensors and artificial intelligence.

The robot is equipped with different sensors and systems that perform a variety of tasks such as spray herbicides and other treatments and quick analysis of farm soil. The artificial intelligence component can help farmers control application of different treatments and save on associated costs.

Food Safety Coating Patent

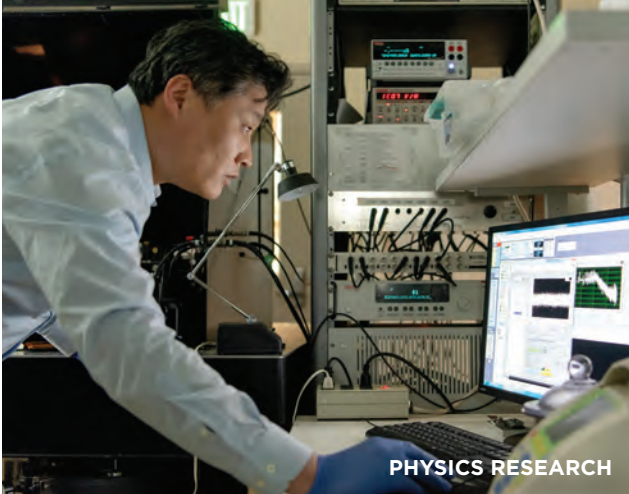
Researcher Birgit Pruess received a patent for an anti-microbial water-based rinse which can be used to reduce microbial contamination on many surfaces. This non-toxic composition has been tested on ground beef, chicken and vegetables and can enhance food safety and increasing the shelf life of food products and can also be used to clean food processing equipment and handling surfaces.

Dakota Russet Potato

Researcher Asunta (Susie) Thompson's Dakota Russet Potato was selected as one of only eight varieties accepted by McDonald's in North America. This extremely resilient variety was developed with the needs of farmers in the Midwest in mind, producing consistently high yields within the shorter growing season and thriving in a wide range of climatic conditions.



POTATO RESEARCH



PHYSICS RESEARCH



PLANT SCIENCES RESEARCH



ELECTRICAL ENGINEERING

380+

MORE THAN 380 TECHNOLOGIES
UNDER MANAGEMENT

25+

AVERAGING MORE THAN 27 POTENTIAL
IP WORTHY INVENTION DISCLOSURES
PER YEAR IN FY21 AND FY22

92

92 TOTAL ISSUED PATENTS

- 60 U.S. ISSUED PATENTS
- 2 U.S. ISSUED PLANT PATENTS
- 39 PENDING PATENT APPLICATIONS
- 37 PENDING PATENT APPLICATIONS

91

91 ACTIVE US PVP ISSUED

(includes varieties that are no longer
commercially available)

72 ACTIVE US PVP ISSUED

(commercially available varieties)

24 ACTIVE FOREIGN PBR ISSUED

34 ACTIVE US TM ISSUED

20 ACTIVE FOREIGN TM ISSUED

PENDING US PVP = 9

PENDING FOREIGN PBR = 5

\$3.1M

\$3.1+ MILLION IN LICENSING REVENUE
FROM NDSU IP IN FY21 AND FY22

ENTREPRENEURSHIP

NDSU has a long-standing commitment to technology transfer coupled with entrepreneurship training. This has been recently strengthened by the NDSU-led NSF Great Plains I-Corps Hub, a program that directly supports entrepreneurship at NDSU and 7 universities, including our partner UND. Teams with new ideas gain access to entrepreneurship training, mentoring, and customer discovery initiatives. Hub Director David Grewell, Ph.D. and PI Alan Kallmeyer, Ph.D. will lead the program.

I-Corps hubs provide training to research teams to help them bring their ideas from the laboratory to the marketplace. Each I-Corps team has an Entrepreneurial Lead (EL), an Industry Mentor (IM), and a Technical Lead (TL). Over the course of eight weeks, the teams receive entrepreneurial education, mentoring, and funding to accelerate their fundamental research into emerging products and services that can attract subsequent third-party funding.

NSF I-Corps are currently organized into regional Hubs across the nation, with five Hub awards made in 2021. Each Hub consists of a lead institution and seven or more partner institutions. The Hubs consist of universities, researchers, established entrepreneurs, local and regional entrepreneurial communities, and federal agencies.

The new Great Plains Hub is part of a group of five additional Hubs announced by the NSF on Sept. 8, 2022. In addition to NDSU, the new hubs are led by Arizona State University, Cornell University, The University of Texas at Austin, and Vanderbilt University.

Aldevron

Started at NDSU in 1998; Aldevron sold for \$9.6 billion in 2021. Aldevron is a world-class service organization specializing in nucleic acid and protein production and antibody development with operations in the United States and Europe.

NDSU RESEARCH & TECHNOLOGY PARK

A key component of our future is the NDSU-supported private-public partnership NDSU Research and Technology Park. The Technology Incubator opened in 2007 with 7 clients and since that time more than 70 companies have been located in the facility. Research and Technology Park anchor tenants include premiere ag tech companies John Deere and Appareo. Other growing companies in the park include:

Genovac

Genovac specializes in antibody discovery and production against challenging targets. Our unique combination of genetic immunization, multiple host species, multiple single B cell platforms, and state-of-the-art production facilities enables us to serve as your one-stop Gene to Antibody partner.

CorVent Medical

CorVent Medical ventilation system designed to provide ICU-standard respiratory support in an elegant and robust system that removes unnecessary complexity and cost. Reliable solutions that are easy to use for daily and off-the-shelf ventilation so providers can focus on critical patient needs.



INCUBATOR BUILDING

\$9.6B

ENTREPRENEURSHIP

Aldevron started at NDSU in 1998 and sold for \$9.6 billion in 2021.



RESEARCH I BUILDING

RESEARCH CORPORATE PARTNERS

CORPORATE PARTNERS ENGAGED IN RESEARCH WITH NDSU THROUGH SPONSORED RESEARCH, CAPSTONE PROJECTS AND THE CENTER FOR BIOPLASTICS AND BIOCOMPOSITES IN FY21 AND FY22

3M	eScience & Technology Solutions, Inc.	ND Corn Council
Action Fabricating	Evolve Golf	ND Insurance Reserve Fund
Adams County Development Corporation	Evonik	ND Pharmacy Service Corporation
Adaptive Surface Technologies, Inc	Falkirk Mining Company	Noridian Healthcare Solutions
ADM	FargoRate LLC	Northern Plains Railroad
Adventium Labs	Farm Credit Services of North Dakota	Northern Plains Sustainable Ag Society
Agri Industries Inc.	FAST Global Solutions	Northwest Green Chemistry
Akzo Nobel Coatings Inc.	Felling Trailers	Nuseed
Amazon	Ford Motor Company	ONEOK, Inc.
American Crystal Sugar Company	Fortus Medical	OpREMS LLC
American Simmental Association	Futamura	Pedigree Technologies LLC
Applied Technologies Group, Inc	GA Group	PepsiCo. Inc.
Architecture Technology Corp.	Garlock Equipment Company	Pioneer Hi-Bred International Inc.
Ardent Mills	GC Innovation	Plain Sight Innovations LLC
AURI	Great Big Kid Toys	Powder Coating Research Group
Avery Dennison	Greater ND Chamber of Commerce	PPG Industries
BASF Corporation	Green Dot Bioplastics	Precision Food Equipment, LLC
Bayer Crop Science	GreenLight Biosciences, Inc.	Premier 1 Supplies
Benson Hill Biosystem	Hercon Environmental Inc	PRx Performance LLC
BioConsortia, Inc	Horizon Resources	Purina Mills
Biogemma USA Corp	Horn Plastics	Resource Systems Group
Bioplastics Magazine	Hyundai	RheTech
Bioscience Association of North Dakota	Idaho Forest Group Timber LLC	RWDC
Blue Cross Blue Shield ND	Indigo Agriculture, Inc.	Sanford Health
BNI Energy, LTD.	Inwerken AG	Scheels Information Services
Boehringer-Ingelheim	iWALKFree, Inc.	Shaw
Border States Electric	J.R. Simplot Company	Sherwin Williams
Bobcat Company	John Deere & Company	Sheyenne Tooling & Manufacturing
Branson Ultrasonics	KFH Group	Southpointe Pharmacy
Brewers Association, Inc.	Kimberly-Clark Corporation	Syngenta Crop Protection Inc.
BTD Manufacturing	Kinesio Taping Association International	Synoptic Data Corp.
Bushel, Inc	Koch Ag & Energy LP	Tesoro Logistics Operations LLC
Cargill Inc.	KWS Seeds, LLC	toXcel
Ceres Imaging, Inc.	Lignite Energy Council	Triton Systems, Inc.
Chase Steel Services	Longboard Power LLC	TSR Parts
CHS, Inc.	M-Base	UNFI United Natural Foods, Inc
Clam Outdoors	Macaulay-Brown Inc.	UPL NA Inc.
Clark Equipment Company	Marvin	Valent BioSciences LLC
CNH Industries	Massman Automation Designs, LLC	Valent USA
Corteva Agriscience	Meadowlark	Valley Fiber Processing Inc.
Coteau Properties Company	Medtronic	Verdesian Life Sciences
Cotton Incorporated	Merck Sharp & Dohme LLC	WCCO Belting
Coyote Creek Mining Company, LLC	Mid-American Athletic Trainers' Assn	Western Cooperative Credit Union
Dakota Fiber	Minn-Dak Growers Ltd	Western Dakota Energy Association
Door Stud LLC	Monsanto Co.	Westrock
Eastman Chemical Company	Native American Fiber Program	Williams County Ag Improvement Association
Elinor Specialty Coatings	NatureWorks LLC	Winfield United
Ellingson Companies	Nau Country	Zymergen, Inc.

AGENCY OVERVIEW

Agency Statutory Authority ND Constitution, Section 215, North Dakota Century Code Chapter 15-12

DESCRIPTION

NDSU is the state's 1862 land grant institution and serves the state by bringing educational opportunities and research solutions to the people of North Dakota. Our commitment remains focused on affordable access to a high-quality education for our students and serving state interests in a manner demonstrating sound stewardship and accountability. NDSU's success has led to higher national and international visibility, not just for itself but the entire state, and most importantly, more substantial contributions to the success of North Dakota and the nation.

NDSU offers undergraduate, masters and doctoral degrees as well as undergraduate and graduate certificate programs. While the significant majority of its students are in-person, NDSU also offers online options and is committed to expanding its online and hybrid offerings.

NDSU leads the state in the enrollment of first-time freshmen, and remains the largest university in the state in terms of overall full-time enrollment. Our signature programs include Engineering (largest discipline enrollment), Agriculture (largest NDSU research productivity), and Health Professions (2nd largest discipline enrollment with nationally ranked programs for Pharmacy and Nursing).

NDSU collaborates with many institutions across the country and the state. Some of these relationships include research collaborations with other leading research universities throughout the country, administrative service agreements with other institutions within the NDUS whereby NDSU provides administrative support (e.g., payroll) to those institutions, transfer agreements designed to facilitate student transfers within the NDUS, and joint-degree programs where institutions within the NDUS collaborate on degree programs.

As NDSU continues to evolve, adapt and thrive, we also continue our commitment to affordability, efficiency and productivity. That commitment is reflected in the success of our students, local and service region communities and the statewide economic interests we serve. We look forward and remain committed to addressing the needs and aspirations of North Dakota by building on our land grant foundation.

MISSION STATEMENT

We provide transformational education, create knowledge through innovative research, and share knowledge through community engagement that meets the needs of North Dakota and the world.



PROGRAM NARRATIVE

PROGRAM GOALS AND OBJECTIVES

NDSU is proud of its tradition as the state's student focused, land grant, research institution. The mission of the university is to provide transformational education, create knowledge through innovative research, and share knowledge through community engagement that meets the needs of North Dakota and the world. We embrace this responsibility as a cornerstone of our future productivity.

NDSU continues to excel in providing high-quality accessible and affordable education to meet academic and professional standards. Research productivity remains strong; our faculty compete successfully for corporate, state, and federal research grants, and our creative activity is vibrant and diverse. We serve, and are accountable to the constituents of the state.

The vision for NDSU as outlined in our strategic plan is to be innovative in education, research and outreach, and identifies goals and objectives in five areas including Diversity, Inclusion and Respect; Student Success and Achievement; Research and Creative Activity; Education, Extension and Outreach; and Resource Planning and Development. We incorporate best practices in teaching and learning to deliver high quality curricula approved by the State Board of Higher Education to meet student and labor force needs. As a land grant institution, we serve the constituents of the state through programmatic and outreach efforts. Additionally, the university's research and creative outputs are critical to improving the vitality of the state's economy and quality of life (https://www.ndsu.edu/fileadmin/president/pdf/NDSU_Strategic_Plan_0522.pdf).

In support of these goals and objectives, student services and institutional support is necessary. NDSU must meet the needs of students by providing traditional and innovative programs to assist in the total development of the student. Moreover, we must be responsive to labor-force demands and opportunities in the state through expanded offerings while balancing our portfolio for the best and responsible use of resources. In response to the pandemic, NDSU adopted the HyFlex (Fall 2020) learning model which synchronously incorporates traditional in-person classes with remote learning. We are now seeing increasing demand for asynchronous on-line programming as well, and will expand efforts accordingly.

We are also committed to supporting student achievement and academic excellence through career preparation and development. We promote a better quality of life for our students through wellness programs, the provision of alcohol-free social activities, counseling and personal growth opportunities, as well as services for first generation students, veterans, and students with disabilities.

PROGRAM STATISTICAL DATA

NDSU consists of eight colleges: College of Agriculture, Food Systems and Natural Resources; College of Arts, Humanities, and Social Sciences; College of Business; College of Engineering; College of Human Sciences and Education; College of Health

Professions; College of Science and Mathematics; and the College of Graduate and Interdisciplinary Studies.

NDSU offers a wide range of undergraduate majors, minors and certificate programs, as well as graduate programs at the doctoral, masters, specialist and certificate levels. As a land grant institution, we are responsive to workforce demands and provide undergraduate and graduate degree programs in high-need areas such as Engineering, Nursing, Software Engineering and Security, and Teacher Education. In response to societal needs and student demand, we have launched new programs such as a degree in Supply Chain Management, and on-line initiatives in Marketing and Natural Resource Management. Strengthening relationships with communities and tribal organizations occurs through joint research projects and leadership development programs. We also partner with NDUS institutions through articulation agreements in areas such as agriculture and health professions.

As of fall 2021, NDSU student enrollment headcount was 12,461 students.

EXPLANATION OF PROGRAM COSTS

Salaries and fringe benefits continue to make up the majority of NDSU's expenses, representing approximately 73% of the University's state educational and general fund operating budgets in the most recent fiscal year. At NDSU, in order to achieve and sustain the University's viability, programming and recognition as a leading student focused, land-grant, research university, sufficient funding is required for competitive compensation and start-up packages for faculty and staff, along with the capacity to retain those faculty and staff in a performance-based, market driven environment.

Non-salary operating expenses represent the remaining 27% of the state education and general fund operating expenses. NDSU's continued focus on operational efficiencies allows us to meet extra student demand of both undergraduate and graduate students.

PERFORMANCE MEASURES:

NDUS has adopted several data systems that help incorporate accountability measures and transparent reporting in accordance with the Board's vision and strategic plan. These data systems, including Dashboards, Predictive Analytic Reporting, Strategic Planning Online, and the State Longitudinal Data System, provide public reports on completion and retention rates, semester-by-semester enrollment, peer comparisons, financial aid and tuition, and much more. Additionally, the publicly-available data available throughout the systems provides real-time data to researchers and decision-makers. These analytical tools complement the system's biennial report on its strategic plan, which incorporates the "flexibility with accountability" expectations created in Senate Bill 2003 passed by the 2001 Legislative Assembly.

Final Enrollment of SB2003

2019-21 Adjusted General Fund Appropriation **\$ 132,714,983**

Base adjustments:

1/ Funding formula: Credit Hour completion adjustment	(29,096)
2/ Funding formula adjustments	3,763,288
3/ 2021-23 Salary increase 1.5% / 2.0%	2,083,656
4/ 2021-23 Health insurance increases	23,494
5/ Other Adjustment: Legal Settlement	125,000

One-time adjustments:

5/ Other Adjustment: Legal Settlement	(125,000)
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Total Base and One-time Adjustments	5,841,342
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2021-23 Total General Funds-Base, One-time **\$ 138,556,325**

4.4%

- 1/ Student Credit Hour production change
- 2/ HE Funding model adjustments; per Interim HE Committee recommendation
- 3/4 Salary compensation and health insurance amounts reflect General Fund amounts only.
- 5/ Other adjustment for Legal Settlement

Other 67th Legislative Assembly approval:

	NDSU	Capital Bldg Fund
Capital Building Fund/Extraordinary repair tier matching funds		
Tier I: Extraordinary Repairs (\$2,732,244 base + 2:1 match)	\$ 8,196,732	
Tier II: Capital Building Fund (1:1 match)	\$ 2,899,596	\$ 2,899,596
Tier III: Capital Building Fund (2 NDSU : 1 Capital Bldg match)	\$ 4,500,000	\$ 2,250,000

Agricultural Product Development Center authorization \$85m

- State Bonds \$50m
- General Funds \$20m
- Other Funds \$15m

ADDITIONAL ITEMS

2021-23 ONE-TIME FUNDING ITEMS (SB2003):

As outlined in SB2003, Section 2; NDSU received \$125,000 in one-time funding which was authorized for the A. Glenn Hill Center settlement agreement. The amount authorized by the 66th Legislative Assembly was remitted (7/22/2021) as per the SBHE approved settlement agreement to the general contractor, Roers Construction.

FEDERAL STATE FISCAL RECOVERY FUNDING (SB2345):

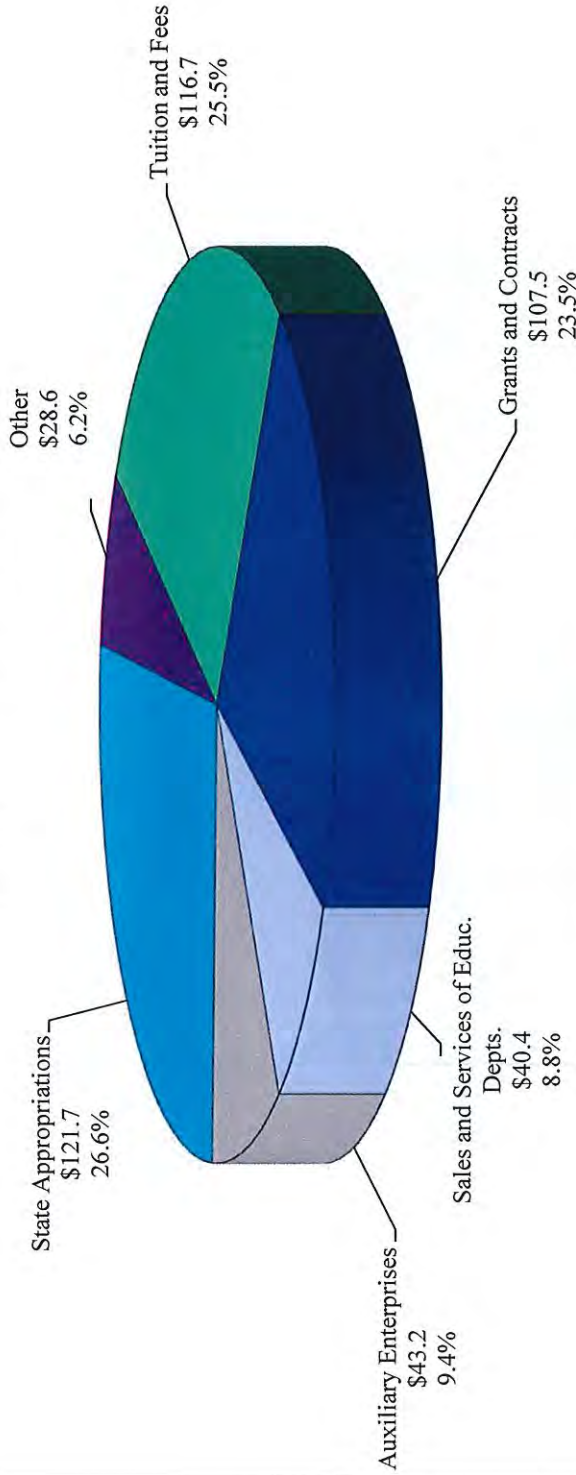
During the November 2021 special legislative session, NDSU was appropriated \$1,600,000. These funds were provided for computational research (high performance computing). As of November 30, 2022, \$898,294 has been expended, \$499,268 has been encumbered and the remaining amount has been committed. The funds will provide additional network storage for researchers, off site storage and backup, replace data center infrastructure, provide more compute power and supporting infrastructure such as high-speed network interconnect between compute nodes within the data center.

NDSU has no audit findings to report.

NDSU's change in FTE is due to increased grant and contracts activity.

North Dakota State University Total Revenue, Excluding Capital Fiscal Year 2022

(\$ in millions)
Total Revenue: \$458.1 million



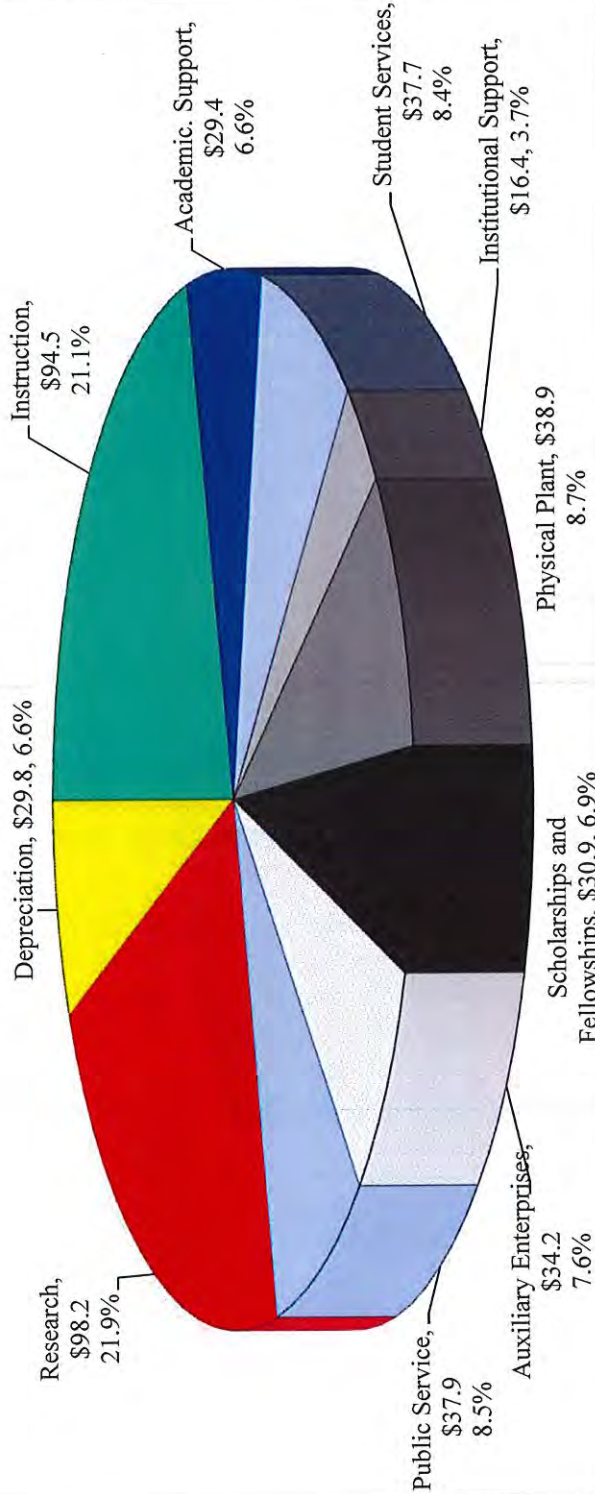
Source: Audited NDUS Financial Statements, June 30, 2022

Auxiliary Enterprises are the self-supporting activities of the campuses, such as bookstore, food service and housing.

Sales and Services of Educational Departments includes revenues related incidentally to instruction, research, public service and revenues of activities that exist to provide instructional and laboratory experience for students and incidentally creates goods and services that may be sold to students, faculty, staff and the general public. Examples are advertising in campus publications, fees for conferences organized by the institution and ticket sales for campus theatrical and musical events.

**North Dakota State University
Operating Expenses by Function
(excluding capital items and other nonoperating expenses)
Fiscal Year 2022**

**Total Operating Expenses: \$447.9 million
(in millions)**



Source: Audited NDUS Financial Statements, June 30, 2022

The **instructional function** includes expenses related to instruction (e.g. classroom, distance ed and continuing education) and instructional support. **Academic support** includes libraries, academic deans, and other departments that directly support the academic unit of the campuses. **Student services** include offices that provide a specific service to students, including career services, registration, admission and counseling. **Institutional support** includes staff that supports the institution as a whole (e.g. business office, IT support and president's office). The **physical plant function** includes upkeep, maintenance and utilities for campus facilities. **Scholarships and fellowships** include aid provided to students. **Auxiliary enterprises** are the self-supporting activities of the campuses, such as bookstore, food service and housing. **Depreciation** represents the non-cash expense of capitalized assets over time. **Public service** includes activities established primarily to provide non-instructional services that are beneficial to individuals and groups external to the institution. The **Research function** is activities specifically organized to produce research.

Conference Committee Final Version										
HB1003 Capital Building Fund										
Tier I 2:1 match; Tier II 1:1 match; Tier III 2:1 match - No Tuition Component										
Total Capital Fund = \$80.3 million										
Tier I - Extraordinary Repairs				Tier II - Capital Building Fund			Tier III - Capital Building Fund			Totals
Institution	Base Funding Formula allocated to Extraordinary Repairs (General Funds)	2 for 1 Institution Match (Special Funds)	Tier I Appropriation & Required Match	Institution Match at 1 to 1 (Special Funds)	\$10M State Funds	Tier II Totals	State Funds	2 for 1 Match	Tier III Totals	
BSC	417,673	835,346	1,253,019	425,693	425,693	851,386	500,000	1,000,000	1,500,000	3,604,405
DCB	114,007	228,014	342,021	106,064	106,064	212,128	500,000	1,000,000	1,500,000	2,054,149
LRSC	155,367	310,734	466,101	177,375	177,375	354,750	500,000	1,000,000	1,500,000	2,320,851
NDSCS	1,012,379	2,024,758	3,037,137	500,695	500,695	1,001,390	500,000	1,000,000	1,500,000	5,538,527
WSC	197,801	395,602	593,403	137,947	137,947	275,894	500,000	1,000,000	1,500,000	2,369,297
DSU	409,078	818,156	1,227,234	268,862	268,862	537,724	500,000	1,000,000	1,500,000	3,264,958
MASU	358,992	717,984	1,076,976	240,029	240,029	480,058	500,000	1,000,000	1,500,000	3,057,034
MISU	899,620	1,799,240	2,698,860	572,801	572,801	1,145,602	500,000	1,000,000	1,500,000	5,344,462
VCSU	408,319	816,638	1,224,957	309,137	309,137	618,274	500,000	1,000,000	1,500,000	3,343,231
NDSU	2,732,244	5,464,488	8,196,732	2,899,596	2,899,596	5,799,192	2,250,000	4,500,000	6,750,000	20,745,924
UND	4,411,566	8,823,132	13,234,698	4,361,801	4,361,801	8,723,602	2,250,000	4,500,000	6,750,000	28,708,300
TOTAL	11,117,046	22,234,092	33,351,138	10,000,000	10,000,000	20,000,000	9,000,000	18,000,000	27,000,000	80,351,138

The image is a cover page for a document titled "NDSU 2023-25 Biennial Budget Request Priorities". The background is a photograph of a large, multi-story brick building with a prominent arched entrance. The entrance is labeled "MIKA D. HALL" and "10". The building has a red brick facade with lighter-colored brick accents. In the foreground, there are several bright yellow flowers, possibly ranunculus, which are slightly out of focus. The sky is a clear, bright blue. A dark green horizontal band is overlaid on the image, containing the text "NDSU 2023-25" in yellow and "BIENNIAL BUDGET REQUEST PRIORITIES" in white.

NDSU 2023-25

BIENNIAL BUDGET REQUEST PRIORITIES

2023-25 BIENNIAL BUDGET REQUEST PRIORITIES

NDSU HAS PREPARED A NEEDS-BASED BUDGET, AS APPROVED AND DIRECTED BY THE ND STATE BOARD OF HIGHER EDUCATION ALONG WITH OTHER PRIORITIES FOR CONSIDERATION.

PRIORITIES	HOUSE AMENDED	SENATE REQUEST
<p>1. HE Funding Formula: Minimum amount payable (Hold Harmless)</p> <p><i>Permanent restoration of the minimum amount payable NDCC15-18.2-06; slows funding decreases as credit production drops. Provides additional time for strategic planning and efficient reduction of fixed operational costs.</i></p>	<p>\$2,054,479 (96%)</p>	<p>\$4,823,105 (98%)</p>
<p>2. HE Funding Formula: Inflationary increase adjustment</p> <p><i>Provide a permanent salary increase adjustment for the student share of 2023-25 compensation package increase. College affordability is a significant factor in student access, retention and completion.</i></p> <p><i>Provide permanent operating increase adjustment of 7.5% from general funds.</i></p>	<p>Student share of compensation package</p>	<p>Student share of compensation package</p> <p>7.5% inflationary cost increase</p>
<p>3. IT Network Infrastructure</p> <p><i>Request for base general funds for including network infrastructure funding, research and education network resources for Internet2 connectivity, Computational Research, Cybersecurity Maturity Model Certification (CMMC).</i></p>	<p>\$3,201,100</p>	<p>\$3,201,100</p>
<p>4. Behavioral Health Initiative</p> <p><i>Provides for additional services, to meet the student demand for outreach and prevention efforts to ensure the well-being for campus students.</i></p>	<p>\$1,100,000 One-time funding</p>	<p>\$1,100,000 Base funding</p>
<p>5. Workforce Development (House Amendment)</p>	<p>\$4,800,000 One-time funding</p>	<p>\$4,800,000 Base funding</p>
<p>6. Capital Project Request</p>		
<ul style="list-style-type: none"> • Engineering Project-\$111,600,000 	<p>\$84,000,000</p>	<p>\$84,000,000</p>
<ul style="list-style-type: none"> ▸ General Funds: \$83,700,000 		
<ul style="list-style-type: none"> ▸ Special Funds: \$27,900,000 		
<p>Capital Project Authorization Request-Special Funds</p>		
<ul style="list-style-type: none"> • Music Building Addition/Renovation 	<p>\$20,000,000</p>	<p>\$20,000,000</p>
<ul style="list-style-type: none"> • Sudro Hall Small Animal Research Facility Expansion and Renovation 	<p>\$3,000,000</p>	<p>\$3,000,000</p>
<p>ADDITIONAL PRIORITIES:</p>		
<p>7. Challenge Grant funding</p> <ul style="list-style-type: none"> • NDSU • NDSU-State Board Ag Research & Education (SBARE) 	<p>\$5.0M \$4.0M</p>	<p>\$5.0M \$4.0M</p>
<p>8. Capital Building Fund</p> <p><i>Eliminate private funding match (30%), continue to allow use for academic and auxiliary type buildings with Tier Funds.</i></p>	<p>Support House amendments</p>	

North Dakota University System
 2019 - 2021 Completed Student Credit Hour Report Summary
 And Final 2023-25 Estimated Incr (Decr) in Base Funding

INSTITUTION	2019-21 COMPLETED STUDENT CREDIT HRS (SCH)	2019-21 ADJUSTED WEIGHTED SCH	2021-23 Base Funding Per Credit Hour	Adjustment	Est 2023-25 Base	2021-23 Total Base Funding	Prelim Estimated Incr(Decr) Base Funding for 2023-25	% Increase (Decrease)
BSC	139,377	316,931	\$ 98.84	\$ (101,618.00)	\$ 31,223,842	\$ 32,084,055	\$ (860,213)	-2.68%
DCB	31,746	100,836	\$ 98.84	\$ -	\$ 9,966,630	\$ 9,537,862	\$ 428,768	4.50%
LRSC	54,480	132,380	\$ 98.84	\$ -	\$ 13,084,439	\$ 14,242,152	\$ (1,157,713)	-8.13%
NDSCS	106,401	317,625	\$ 98.84	\$ -	\$ 31,394,055	\$ 35,714,792	\$ (4,320,737)	-12.10%
WSC	37,801	115,583	\$ 98.84	\$ -	\$ 11,424,224	\$ 11,286,737	\$ 137,487	1.22%
DSU	60,000	229,391	\$ 92.60	\$ -	\$ 21,241,607	\$ 20,242,730	\$ 998,877	4.93%
MASU	47,249	209,125	\$ 92.60	\$ -	\$ 19,364,975	\$ 18,679,828	\$ 685,147	3.67%
MISU	128,850	421,203	\$ 92.60	\$ -	\$ 39,003,398	\$ 41,206,630	\$ (2,203,232)	-5.35%
VCSU **	67,531	266,115	\$ 92.60	\$ -	\$ 24,642,249	\$ 24,161,377	\$ 480,872	1.99%
NDSU	629,828	2,116,803	\$ 61.81	\$ -	\$ 130,839,593	\$ 138,431,325	\$ (7,591,732)	-5.48%
UND	630,113	3,375,173	\$ 61.81	\$ -	\$ 149,310,794	\$ 150,927,126	\$ (1,616,332)	0.12%
UND SMHS					\$ 59,308,649	\$ 57,446,808	\$ 1,861,841	
UND SMHS-HWI					\$ 10,676,150	\$ 10,676,150	\$ -	
Institution Total	1,933,376	7,601,165			\$ 551,480,605	\$ 564,637,572	\$ (13,156,967)	

2023-25 Adjustment for Minimum Amount Payable: 96%	
Adjustment	% Incr (Decr)
	-2.68%
	4.50%
588,027	-4.00%
2,892,145	-4.00%
	1.22%
	4.93%
	3.67%
554,967	-4.00%
	1.99%
2,054,479	-4.00%
	-1.07%
6,089,618	

2023-25 Adjustment for Minimum Amount Payable: 98%	
Adjustment	% Incr (Decr)
	-2.68%
	4.50%
460,114	0.00%
522,337	0.00%
	1.22%
	4.93%
	3.67%
	1.99%
4,823,105	-2.00%
	-1.07%
5,805,556	

PRIORITIES

1. MINIMUM AMOUNT PAYABLE \$4,823,105 (98%)

Request to restore NDCC 15-18.2-06, to provide a minimum amount payable of the previous biennium funding. By restoring this section of the code provides additional time for strategic planning and efficient reduction of fixed operational costs. Increased tuition costs for students may result when institutions need to implement cost reductions without time to evaluate the most effective and efficient strategy.

2. INFLATIONARY INCREASE ADJUSTMENT

College affordability is a significant factor in student access, retention and completion. Tuition and fee rates are a major component of affordability. Any tuition increase, particularly in the current economy, could prohibit students from obtaining the education needed to join the ND workforce.

If funded, this request would replace the need to increase annual tuition (2-year tuition freeze) for an approximate 65% of the approved compensation package. NDSU is requesting general funds for the student share of the legislatively approved compensation package increase.

Request a permanent operating increase adjustment of 7.5% to assist with retention of faculty and staff increased salaries due to job market (locally and nationally) pressures on wages. And address the loss of purchasing power due to local and national inflationary effects on operating budgets.

NDSU looks forward to working with the Governor and Legislative Assembly to address inflation as part of a statewide plan, request consideration of an increase in the funding formula per credit hour rate for the university system institutions.

3. IT NETWORK INFRASTRUCTURE \$3,201,100

We are requesting base funding for ongoing research efforts and network infrastructure including continued access to high speed research and education network resources with connectivity, maintain cybersecurity control standards, computational research tools and methods to support cybersecurity, artificial intelligence and quantum computing programming efforts.

- Northern Tier Network-Internet2 Connectivity \$650,000
An independent network that serves research and educational institutions. This network provides direct, and high-speed access to collaborators and government laboratories across the nation that is essential to successful research operations within the state.
- Computational Research \$1,551,100
Hiring experts to support faculty research on existing cutting-edge computational resources, so that most research disciplines can effectively utilize resources available. A small portion of the base funding will be used to support regular maintenance operations on the equipment.

- Cybersecurity Maturity Model Certification (CMMC) \$1,000,000
CMMC is a set of security standards issued by the Department of Defense (DoD) intended to protect Controlled Unclassified Information, which constitutes most information associated with or produced by DoD grants and contracts. The vast majority of DoD grants and contracts in the future will require CMMC level 2 certification.

To meet this requirement, NDSU will be required to implement new infrastructure for desktops, servers, networks, and other information services. Funds will cover additional staffing, equipment, and licensing.

4. BEHAVIORAL HEALTH INITIATIVE \$1,100,000

This initiative will provide for additional counseling, disability and care team staff in support of outreach and prevention efforts to ensure the well-being of campus students. Request four FTE's \$1,025,000 (estimated salary and benefits) and \$75,000 operating funds.

- One 12-month provider
- One 12-month Disability Specialist Position
- One 10-month Nurse Practitioner for prescribing and medication management
- One 12-month Case Manager for students on Care Team

Additional operating funds to assist with professional development/training (required), educational programming, intern/trainee stipends, software.

ADDITIONAL PRIORITIES

- Engineering Building
- Music Building
- Sudro Hall

REQUEST: ENGINEERING PROJECT

NDSU PRIORITY #1

TOTAL PROJECT ESTIMATED COST: \$111,600,000

STATE GENERAL FUNDS: \$83,700,000 (75%) SPECIAL FUNDS: \$27,900,000 (25%)

BASED ON PERCENTAGE OF COST AS PER NDSU MASTER PLAN SECTION 3: PED: 15% DMP:70% LSS: 15%



The space shortage has recently become more acute with the necessity to demolish the Agricultural and Biosystems Engineering Building due to safety issues, rising deferred maintenance costs, and accessibility limitations. This will create an even greater shortage of space for students and faculty working in the precision agriculture sector, an area of great importance to the state.

Accreditation visits as far back as 2012 have listed facilities as a concern, noting that limited space and overcrowded laboratories may limit the quality and capacity of our educational programs.

NDSU provides in-person, interdisciplinary hands-on education to thousands of engineering students annually, contributing to the workforce needs of North Dakota. Industry leaders demand talent that learns in face-to-face collaborative environments. Online students account for less than 1% of enrollment in engineering and computer science programs at NDSU.

We seek growth in the following areas of high economic impact to the state, region, and world:

- **Precision agriculture and autonomous systems**
Designing the farm of the future that will improve the efficiency of food production for a growing global population.
- **Energy stewardship**
Harnessing our abundant resources in a manner that promotes the responsible and efficient generation, conversion, distribution, and storage of power and energy.
- **Computer science, cybersecurity, and artificial intelligence**
Providing advanced technological solutions for safety and security in a world that is becoming more driven by autonomous systems and marketplaces.
- **Entrepreneurship and commercialization of new technology**
Accelerating research to move innovative ideas from the lab into technology start-ups with solutions that benefit society.

A new engineering facility has been a capital project priority of NDSU since 2014, driven by increasing demands for graduates across the state and upper Midwest. Existing facilities are inadequate to meet the current and future workforce demands of the state. Laboratories are small, overcrowded, and oversubscribed for multiple purposes, resulting in safety concerns and inefficient utilization. Programs are spread out across campus, stifling collaboration in various disciplines. Student workspace is in short supply, limiting the design/build/test educational philosophy that we cultivate in our programs as demanded by our industry partners. We currently are at a serious disadvantage in attracting and retaining students who are needed to support workforce demands in high growth areas that have a critical economic impact on the state.

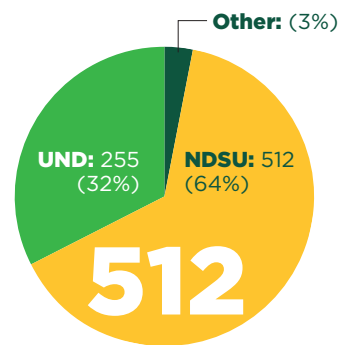
Opportunities provided by innovative new learning space:

- Collaborative learning spaces allow students to work together in multidisciplinary, team-based, face-to-face environments.
- Hands-on fabrication facilities and equipment for prototyping and testing products, devices, and systems.
- Modern educational laboratories with state-of-the-art testing facilities allow students to simulate real-world conditions using industry-standard equipment.
- Digital fabrication laboratories for rapid prototyping of engineering designs.
- Virtual reality studios allow students to simulate and test large-scale system designs in real time.
- Research facilities to expand our experimental capabilities in precision agriculture, autonomous systems, energy stewardship, cybersecurity, advanced materials, biomedical devices, among others. Dedicated research laboratories are needed to allow our faculty to remain competitive in attracting state, federal, and industry funding.
- A Center for Engineering Entrepreneurship and Innovation, highlighted by a technology acceleration center, will assist students and faculty to cultivate new ideas and facilitate commercialization of ideas into workable solutions and products for introduction into the marketplace. This center will help build new product development capacity and stimulate high-technology economic development in the state.



5,800

Job openings (in ND) requiring
College of Engineering degrees (2022)



Engineering and Computer Science
Graduates (2022)

80%

NDSU graduates from
North Dakota who stay in
North Dakota for their first job

41%

NDSU graduates from Minnesota
who stay in North Dakota
for their first job

REQUEST FOR AUTHORIZATION: MUSIC BUILDING ADDITION/RENOVATION

TOTAL PROJECT: \$20,000,000

PRIVATE DONATIONS: \$18,000,000

DEFERRED MAINTENANCE MATCHING FUNDS: \$2,000,000

BASED ON PERCENTAGE OF COST AS PER NDSU MASTER PLAN SECTION 3: PED: 85% DMP: 10% LSS: 5%



MASTER PLAN ALIGNMENT

Over the past 18 years, the Challey School of Music has become the destination program for music training in our region, offering degrees from bachelors through doctorates, serving a population of about 160 music majors. It provides the region with outstanding K-12 music teachers and the nation's universities with excellent professors in performance and conducting. While several of our regional competitors' music programs have diminished in size and scope, the Challey School of Music has grown, quadrupling the number of majors and greatly expanding the breadth of programs. Hundreds of students, faculty, and staff utilize the Reineke Fine Arts Center each day, and thousands of people attend campus and community events in the performance spaces each year.

The School and its continued growth are vital to the region and the nation because of these things; however, adequate space for rehearsals, classrooms, technology, and performances are a major challenge impeding this progress.



SCOPE OF WORK

Music building is a 96,886 square-foot building that was constructed in 1982. While the overall building is in good shape, many of the spaces lack adequate acoustical characteristics that are essential to the program. The building is deficient in other areas, as well:

- The band room is too small to hold the entire marching band simultaneously.
- Rehearsal spaces are inadequate in both size and quantity.
- Graduate student spaces, not previously designed in the original building, are in high demand.

This project will create an addition for spaces that aren't feasible in the current building. The exact size is yet to be determined but could be in the 12,000 square foot range. Some of the existing spaces will be repurposed, renovated or improved for the performance of the space. There are also plans to improve one of the entrances for better accessibility and as a more prominent feature.

Besides the programmatic improvements to the building, various deferred maintenance items will be addressed at the same time.

REQUEST FOR AUTHORIZATION: SUDRO HALL SMALL ANIMAL RESEARCH FACILITY EXPANSION AND RENOVATION

TOTAL PROJECT ESTIMATED COST: \$3,000,000

SPECIAL FUNDS: \$3,000,000 (100%)

BASED ON PERCENTAGE OF COST AS PER NDSU MASTER PLAN SECTION 3: PED: 90% DMP: 5% LSS: 5%

MASTER PLAN ALIGNMENT

The Department of Pharmaceutical Sciences' mission is to teach pharmacists how basic science is applied to the profession of pharmacy. In addition to teaching professional (Pharm.D.) students, the department has M.S., Ph.D., and Pharm.D./Ph.D. graduate programs and participates in a multidisciplinary Ph.D. program in Cellular and Molecular Biology. The department faculty are greatly contributing to the research mission of NDSU which recently was designated an R1 research institution by the Carnegie Classification of Institutions of Higher Education. Over the past five years, the College of Health Professions has procured a total of more than \$38.6M in highly competitive research grant funding from various federal sources. The long-term plan of the department is to continue to grow its research success to create new drug discoveries that improve human health and help NDSU sustain its prestigious Carnegie R1 national ranking. The future research success of the department, however, is heavily dependent on faculty access to a contemporary small animal research facility to conduct animal studies. Given the increased funding from NIH and potential for exponential growth in future research funding, the current small animal research facility in Sudro Hall is inadequate in size and scope to accommodate the anticipated research growth of the department. Without a major expansion of the current small animal research facility, the future growth of research within the department will be greatly hindered. We believe renovation and expansion of the Small Animal Research Facility located in Sudro Hall are warranted in order to conduct the biomedical research safely and effectively and accommodate the growing research needs of the pharmaceutical sciences department at NDSU.

Once Aldevron Tower was finished, space became available in Sudro for other activities. With space opening up, an opportunity presented itself to expand the small animal research facility. Although a minor renovation to the animal research facility in Sudro Hall was completed in 2016, an expansion is needed to help support research activities.

SCOPE OF WORK

The current animal facility will be upgraded to include more animal chambers, behavioral research rooms, surgical space with imaging equipment, animal breeding space, and additional support spaces. Mechanical, electrical, and other associated components of the current animal research facility will be addressed as needed.



NDSU 2023-25

EXECUTIVE RECOMMENDATION



NDSU request compare to Exec Recommendation

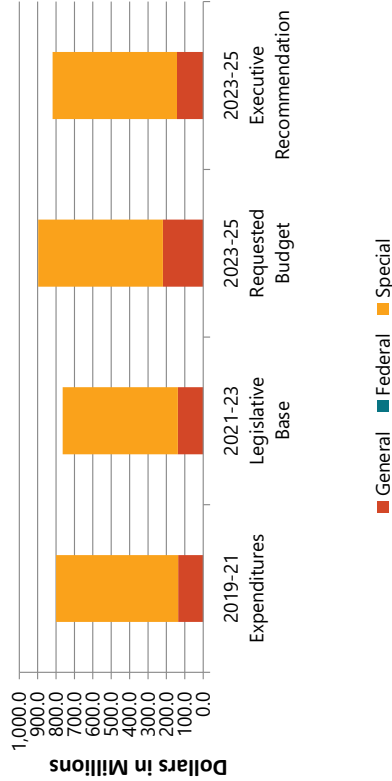
	Request	Executive Rec	Executive Rec difference from Budget Request
2021-23 Adjusted General Fund Appropriation	\$ 138,431,325	\$ 138,431,325	\$ -
General Fund Base adjustments:			
1/ Funding formula: Credit Hour completion adjustment	(7,591,732)	(7,591,732)	-
2/ Funding formula adjustments- 4% minimum payable adjustment	2,054,479	2,054,479	-
3/ 2021-23 CTC Salary package	696,301	696,301	-
3/ 2023-25 Salary package: Exec Rec 6.0% / 4.0% (total incl benefits)	-	8,521,002	8,521,002
5/ Behavioral Health Initiative	1,100,000	-	(1,100,000)
<i>Total change to GF base funding</i>	\$ (3,740,952)	\$ 3,680,050	
<i>% change to base</i>	-2.7%	2.7%	
Total General Fund Base with adjustments	\$ 134,690,373	\$ 142,111,375	
Other adjustments:			
6/ IT Network Infrastructure (not incl in SBHE request)	3,201,100	-	(3,201,100)
Capital Project:			
Engineering Building	83,700,000	-	(83,700,000)
<i>Total project request \$111.6m = GF \$83.7m + SF \$27.9m</i>			
Total GF Base and One-time Adjustments	83,160,148	3,680,050	(79,480,098)
2023-25 Total General Funds-Base, One-time, Capital Project funding	\$ 221,591,473	\$ 142,111,375	\$ (79,480,098)

Notes:

- 1/ Student Credit Hour production change
- 2/ HE Funding model adjustments: 2021-23 Base (\$61.81/SCH), Exec Recom (\$66.16/SCH-adj for comp pkg)
- 3/4 Salary compensation and health insurance amounts reflect General Fund amounts only.
Executive Recommendation includes 2023-25 compensation package of 6% (yr 1) / 4% (yr 2)
- 5/ Behavioral Health Initiative was included in the Executive Recommendation as part of the ND University System budget.

235 North Dakota State University

Agency 235



enrollment. Signature programs include Engineering (largest discipline enrollment), Agriculture (largest NDSU research productivity), and Health Professions (2nd largest discipline enrollment with nationally ranked programs for Pharmacy and Nursing).

NDSU collaborates with many institutions across the country and the state. Some of these relationships include research collaborations with other leading research universities throughout the country, administrative service agreements with other institutions within the North Dakota University System (NDUS) whereby NDSU provides administrative support (e.g., payroll) to those institutions, transfer agreements designed to facilitate student transfers within the NDUS, and joint-degree programs where institutions within the NDUS collaborate on degree programs.

NDSU continues to evolve, adapt and thrive, and continues its commitment to affordability, efficiency and productivity. That commitment is reflected in the success of the students, local and service region communities and the statewide economic interests served. NDSU remains committed to addressing the needs and aspirations of North Dakota by building on the land grant foundation.

Executive Budget Recommendation

- Reduces \$7.6 million from the General Fund higher education funding formula due to a decrease in adjusted student credits.
- Adds \$2.1 million from the General Fund for 96.0 percent minimal amount payable adjustment.
- Provides \$20.0 million of special fund authority for music building addition/renovation.
- Provides \$3.0 million of special fund authority for Sudro Hall small animal research facility expansion/renovation.
- Provides \$8.5 million from the General Fund as an inflationary increase, which includes the increase in employee health insurance and the executive compensation plan.
- Provides \$142.1 million from the General Fund for the state share of campus operations at \$66.16 per adjusted student credit hour.

Statutory Authority

North Dakota Constitution, Section 215; North Dakota Century Code Chapter 15-12.

Agency Description

North Dakota State University (NDSU) is the state's 1862 land grant institution and serves the state by bringing educational opportunities and research solutions to the people of North Dakota. NDSU's commitment remains focused on affordable access to a high-quality education for students and serving state interests in a manner demonstrating sound stewardship and accountability. NDSU's success has led to higher national and international visibility, not just for itself but the entire state, and most importantly, more substantial contributions to the success of North Dakota and the nation.

NDSU offers undergraduate, masters and doctoral degrees as well as undergraduate and graduate certificate programs. While the significant majority of its students are in-person, NDSU also offers online options and is committed to expanding its online and hybrid offerings.

NDSU leads the state in the enrollment of first-time freshmen, and remains the largest university in the state in terms of overall full-time

235 North Dakota State University

Agency 235

Request/Recommendation Comparison Summary
Biennium: 2023-25

Description	2019-21 Biennium Expenditures	2021-23 Legislative Base	2023-25 Requested Budget	2023-25 Recommendation Comparison to Leg. Base		2023-25 Executive Recommendation
				Increase (Decrease)	% Change	
By Line Item						
Campus Operations	744,420,100	756,174,321	745,747,665	23,024,118	3.0%	779,198,439
Operating Expenses	-	(125,000)	-	125,000	(100.0%)	-
Capital Assets	55,973,448	7,799,104	128,038,668	8,639,564	110.8%	16,438,668
Capital Improv-Off System	-	-	23,000,000	23,000,000	0.0%	23,000,000
Total Line Items	\$800,393,548	\$763,848,425	\$896,786,333	\$54,788,682	7.2%	\$818,637,107
By Funding Source						
General	136,007,619	138,431,325	218,390,373	3,680,050	2.7%	142,111,375
Federal	-	-	-	-	0.0%	-
Special	664,385,929	625,417,100	678,395,960	51,108,632	8.2%	676,525,732
Total Funding Source	\$800,393,548	\$763,848,425	\$896,786,333	\$54,788,682	7.2%	\$818,637,107

Total FTE 1,870.16 1,829.43 1,871.50 38.07 2.1% 1,867.50

NORTH Dakota

Be Legendary.™

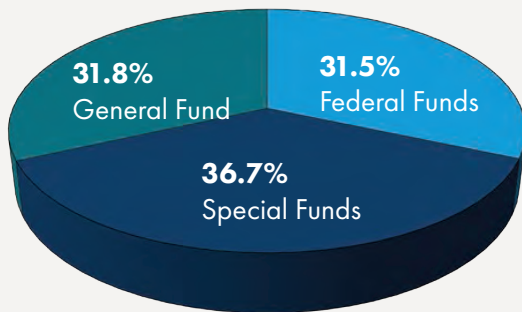
2023-25 EXECUTIVE BUDGET RECOMMENDATION

The executive budget recommendation is developed in conjunction with state agencies and the North Dakota Office of Management and Budget staff. It reflects Governor Doug Burgum's priorities and financial plan for the 2023-25 biennium.

2023-25 RECOMMENDED TOTAL APPROPRIATIONS - \$18.45 B

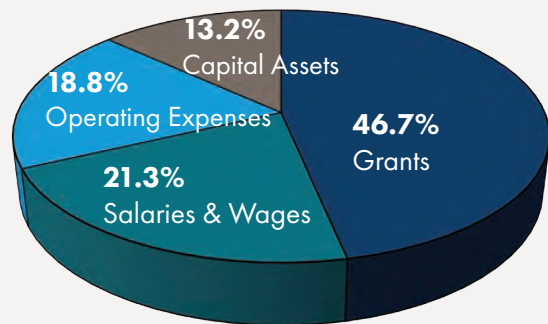
RECOMMENDED FUNDING SOURCE Total Funds

- \$5.86 billion (31.8%) from the state General Fund
- \$5.81 billion (31.5%) from federal funds
- \$6.77 billion (36.7%) from state special funds



RECOMMENDED EXPENDITURES Total Funds

- \$3.94 billion (21.3%) for salaries and wages
- \$3.47 billion (18.8%) for operating expenses
- \$2.43 billion (13.2%) for capital assets
- \$8.61 billion (46.7%) for grants

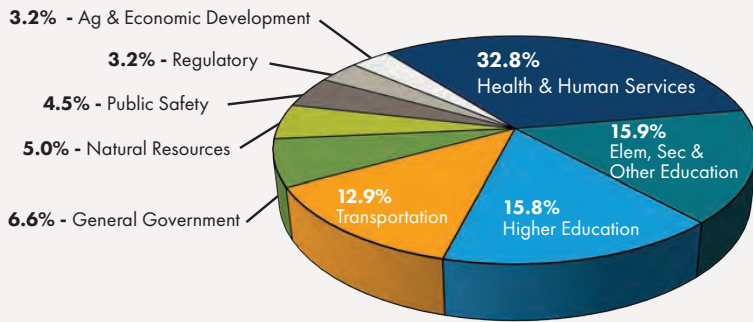


2023-25 BUDGET PROCESS

The 2023-25 biennium begins July 1, 2023, and ends June 30, 2025. After gathering information from state agencies regarding requested budgets for the upcoming biennium, the Office of Management and Budget prepared the Governor's recommended budget, presented to the legislature in December of 2022.

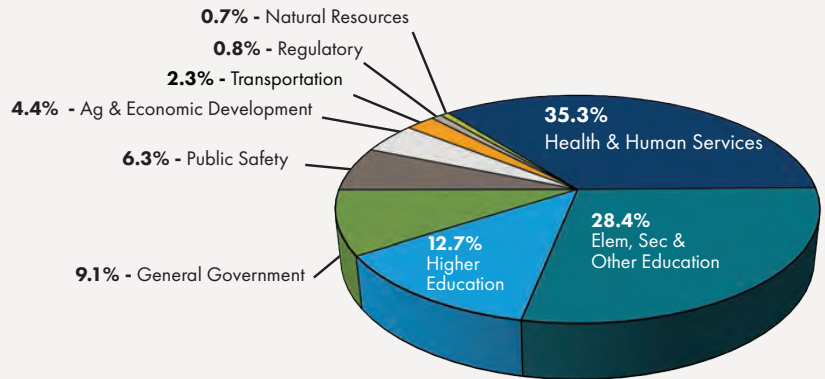
The legislature convenes in January 2023 to begin consideration of the Governor's budget and enact the appropriations bills which set the budget for the upcoming biennium.

RECOMMENDED APPROPRIATIONS FUNCTION



TOTAL FUND RECOMMENDATION

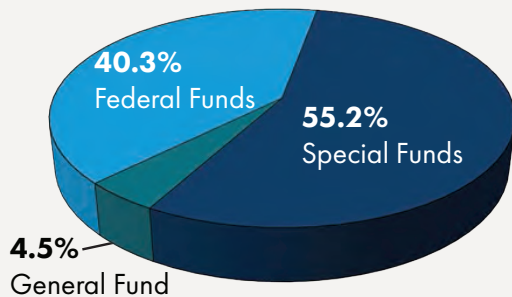
GENERAL FUND RECOMMENDATION



RECOMMENDED INVESTMENT IN INFRASTRUCTURE - \$2.75 B

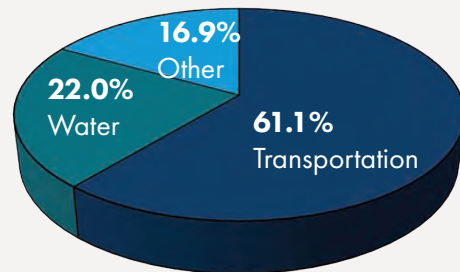
RECOMMENDED FUNDING SOURCE Infrastructure

- \$125 million (4.5%) from the state General Fund
- \$1.11 billion (40.3%) from federal funds
- \$1.52 billion (55.2%) from state special funds



RECOMMENDED PURPOSE Infrastructure

- \$1.68 billion (61.1%) for DOT infrastructure
- \$607 million (22.0%) for water infrastructure
- \$464 million (16.9%) for other projects



NDSU 2023-25

HOUSE ENGROSSED



Comparison of SBHE General and Special Funds Budget Request to Executive and House Recommendations

North Dakota State University

		2023-25 Budget Request	Executive Recommend	House Engrossed	House Budget Over (Under) Budget Request
General Funds					
2021-23 Adjusted General Fund Appropriation, (Needs Based Budget Request)					
		\$ 138,431,325	\$ 138,431,325	\$ 138,431,325	\$ -
2023-25 General Fund Adjustments:					
Base adjustments:					
	Costs to Continue Salaries	696,301	696,301	696,301	\$ -
	Base Adjustments - Funding Formula	(7,591,732)	(7,591,732)	(7,591,732)	\$ -
1	Base Adjustments - Minimum Amount Payable Salary & Fringe Benefits	2,054,479	2,054,479	2,054,479	\$ -
	GF- Exec (6%/4%); House (4%/4%) and (6%/4%) Student share/Tuition Portion		6,139,826	14,538,568	\$ 14,538,568
	Health Insurance increases General Fund and Tuition Portion		2,381,176	7,160,907	\$ 7,160,907
3	Research Network			3,201,100	\$ 3,201,100
	<i>Subtotal base adjustments</i>	<i>(4,840,952)</i>	<i>3,680,050</i>	<i>20,059,623</i>	<i>\$ 24,900,575</i>
One-time adjustments:					
4	Behaviorial Health Initiative	1,100,000		1,100,000	\$ -
5	Workforce Development			4,800,000	\$ 4,800,000
	<i>Subtotal one-time adjustments</i>	<i>1,100,000</i>	<i>-</i>	<i>5,900,000</i>	<i>4,800,000</i>
	Total GF Base and One-time Adjustments	<i>(3,740,952)</i>	<i>3,680,050</i>	<i>25,959,623</i>	<i>29,700,575</i>
	2023-25 General Fund	\$ 134,690,373	\$ 142,111,375	\$ 164,390,948	\$ 29,700,575
Special Funds					
2021-23 Special Fund Appropriation					
	Base Payroll adjustments				\$ -
	Remove prior biennium capital asset carryover	(50,000,000)	(50,000,000)	(50,000,000)	\$ -
2023-25 Adjusted Special Fund Appropriation Request					
Recommendation Special Fund Increases (Decreases):					
	Base Payroll adjustments (Costs to continue)	2,078,860	2,078,860	2,078,860	\$ -
	Salary & Fringe Benefits SF- Exec (6%/4%) House (4%/4%)		18,709,590	13,934,225	\$ 13,934,225
	Salary & Fringe Benefits		7,320,182	7,487,950	\$ 7,487,950
	Health Insurance increases				\$ -
	Total Special Fund Adjustments	2,078,860	28,108,632	23,501,035	\$ 21,422,175
2023-25 Base Special Fund Request, Executive Recommendation and House Engrossed- Special Funds					
		\$ 627,495,960	\$ 653,525,732	\$ 648,918,135	\$ 21,422,175
Capital Project Authorization/Funding					
		SBHE 2023-25 Budget Request	Executive Recommend	House Engrossed	Total
	NDSU music building (SF-Other)	20,000,000	20,000,000	20,000,000	\$ -
	NDSU Sudro Hall expansion (SF-Other)	3,000,000	3,000,000	3,000,000	\$ -
	NDSU Engineering Project	111,600,000	-	-	\$ (111,600,000)
6	NDSU center for engineering, automation, and autonomous system building \$84M = \$59M (SF-SIIF) + \$25M (SF-Other)		-	84,000,000	\$ 84,000,000
	Total Capital project authorization/funding	134,600,000	23,000,000	107,000,000	(27,600,000)
	Total All funds	\$ 896,786,333	\$ 818,637,107	\$ 920,309,083	\$ 23,522,750
Other Items, not included above:					
	Transfer from system office for cost of severance package			\$ 367,000	
Challenge Grant awards available for match:					
7	NDSU			\$ 5,000,000	
	NDSU-SBARE			\$ 4,000,000	
Capital Building Fund					
	2021-23: Current match requirements				
	NDSU match (ExtrOrd Rep GF \$2,732,244 + SF \$5,464,488)	\$ 8,196,732	\$ 2,899,596	\$ 4,500,000	\$ 15,596,328
	State Funds match	\$ -	\$ 2,899,596	\$ 2,250,000	\$ 5,149,596
	Total	\$ 8,196,732	\$ 5,799,192	\$ 6,750,000	\$ 20,745,924
8	2023-25: Capital Building Fund-House engrossed				
	NDSU match	\$ 8,196,732	\$ 5,799,192	\$ 2,250,000	\$ 16,245,924
	State Funds match	\$ -	\$ 5,799,192	\$ 2,250,000	\$ 8,049,192
	Total	\$ 8,196,732	\$ 11,598,384	\$ 4,500,000	\$ 24,295,116

Sixty-eighth
Legislative Assembly
of North Dakota

ENGROSSED HOUSE BILL NO. 1003

Introduced by

Appropriations Committee

1 A BILL for an Act to provide an appropriation for defraying the expenses of the North Dakota
2 university system; to create and enact five new sections to chapter 15-10 and section
3 15-18.2-06.1 of the North Dakota Century Code, relating to a report on higher education trends,
4 funding of severance agreements, academic program approval, disclosure of financial
5 condition, and a minimum amount payable; to amend and reenact sections 15-10-38.1,
6 15-10-38.2, 15-10-38.3, subdivision c of subsection 1 of section 15-10-48, subdivision c of
7 subsection 1 of section 15-10-49, subsection 2 of section 15-10-49, sections 15-10-57 and
8 15-10-63, subdivision k of subsection 1 of section 15-18.2-02, subsection 1 of section
9 15-18.2-05, section 15-54.1-02, subsection 1 of section 15-62.4-03, subdivision c of
10 subsection 2 of section 54-07-12, and section 54-44.1-11 of the North Dakota Century Code,
11 relating to the skilled workforce student loan repayment program, the skilled workforce
12 scholarship program, matching grants for the advancement of academics, the workforce
13 development council, higher education capital projects, state aid for institutions of higher
14 education, the university system capital building fund, student financial assistance grants, the
15 digitization of documents relating to Theodore Roosevelt, and the cancellation of unexpended
16 appropriations; to repeal sections 15-10-48.1, 15-10-53, and 15-10-58 of the North Dakota
17 Century Code, relating to matching grants for legal education, the definition of the advancement
18 of academics, and the workforce education advisory council; to provide for a transfer; to provide
19 for a pilot program; to provide for a report; to provide an exemption; to provide legislative intent;
20 and to declare an emergency.

21 BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

22 **SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds
23 as may be necessary, are appropriated out of any moneys in the general fund in the state
24 treasury, not otherwise appropriated, and from special funds derived from federal funds and

Sixty-eighth
Legislative Assembly

1 other income, to the state board of higher education and to the entities and institutions under
2 the supervision of the board for the purpose of defraying the expenses of the state board of
3 higher education and the entities and institutions under the control of the board, for the
4 biennium beginning July 1, 2023, and ending June 30, 2025, as follows:

5 Subdivision 1.

6 NORTH DAKOTA UNIVERSITY SYSTEM

		Adjustments or		
	<u>Base Level</u>	<u>Enhancements</u>		<u>Appropriation</u>
9 Capital assets - bond payments	\$13,385,264	(\$2,187,368)		\$11,197,896
10 Competitive research programs	5,685,750	0		5,685,750
11 System governance	8,605,570	2,703,085		11,308,655
12 Core technology services	62,962,817	7,863,991		70,826,808
13 Student financial assistance grants	23,917,306	12,000,000		35,917,306
14 Professional student exchange program	3,699,342	0		3,699,342
15 Academic and CTE scholarships	16,216,749	1,000,000		17,216,749
16 Scholars program	1,807,115	0		1,807,115
17 Native American scholarship	555,323	444,677		1,000,000
18 Tribally controlled community	1,000,000	1,000,000		2,000,000
19 college grants				
20 Education incentive programs	260,000	0		260,000
21 Student mental health	284,400	0		284,400
22 Veterans' assistance grants	277,875	177,000		454,875
23 Shared campus services	800,000	0		800,000
24 Nursing education consortium	1,356,000	0		1,356,000
25 NASA EPSCoR	342,000	0		342,000
26 Education challenge fund	0	36,000,000		36,000,000
27 Workforce education grants	0	10,000,000		10,000,000
28 Dual-credit tuition scholarship	1,500,000	0		1,500,000
29 Dakota digital academy	0	450,000		450,000
30 Support for single parents	0	4,500,000		4,500,000
31 Inflationary passthrough grants	<u>0</u>	<u>20,100,000</u>		<u>20,100,000</u>

Sixty-eighth
Legislative Assembly

1	Total all funds	\$142,655,511	\$94,051,385	\$236,706,896
2	Less estimated income	<u>25,757,035</u>	<u>872,198</u>	<u>26,629,233</u>
3	Total general fund	\$116,898,476	\$93,179,187	\$210,077,663
4	Full-time equivalent positions	158.83	4.00	162.83
5	Subdivision 2.			

BISMARCK STATE COLLEGE

7			Adjustments or	
8		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
9	Operations	\$100,571,387	\$6,815,663	\$107,387,050
10	Capital assets	1,922,561	31,500,000	33,422,561
11	Behavioral health initiative	<u>0</u>	<u>204,000</u>	<u>204,000</u>
12	Total all funds	\$102,493,948	\$38,519,663	\$141,013,611
13	Less estimated income	<u>70,409,893</u>	<u>34,400,734</u>	<u>104,810,627</u>
14	Total general fund	\$32,084,055	\$4,118,929	\$36,202,984
15	Full-time equivalent positions	332.90	2.43	335.33
16	Subdivision 3.			

LAKE REGION STATE COLLEGE

18			Adjustments or	
19		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
20	Operations	\$39,150,913	\$1,913,818	\$41,064,731
21	Capital assets	362,667	600,000	962,667
22	Behavioral health initiative	<u>0</u>	<u>109,000</u>	<u>109,000</u>
23	Total all funds	\$39,513,580	\$2,622,818	\$42,136,398
24	Less estimated income	<u>25,271,428</u>	<u>1,655,128</u>	<u>26,926,556</u>
25	Total general fund	\$14,242,152	\$967,690	\$15,209,842
26	Full-time equivalent positions	115.76	4.83	120.59
27	Subdivision 4.			

WILLISTON STATE COLLEGE

29			Adjustments or	
30		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
31	Operations	\$34,044,304	\$2,619,856	\$36,664,160

Sixty-eighth
Legislative Assembly

1	Capital assets	1,261,968	43,913,939	45,175,907
2	Behavioral health initiative	<u>0</u>	<u>169,140</u>	<u>169,140</u>
3	Total all funds	\$35,306,272	\$46,702,935	\$82,009,207
4	Less estimated income	<u>24,019,535</u>	<u>44,830,555</u>	<u>68,850,090</u>
5	Total general fund	\$11,286,737	\$1,872,380	\$13,159,117
6	Full-time equivalent positions	101.29	1.54	102.83

7 Subdivision 5.

8 UNIVERSITY OF NORTH DAKOTA

9			Adjustments or	
10		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
11	Operations	\$902,173,330	\$52,555,093	\$954,728,423
12	Capital assets	4,411,566	190,000,000	194,411,566
13	National security initiative	0	45,000,000	45,000,000
14	Research network	0	3,201,100	3,201,100
15	Behavioral health initiative	<u>0</u>	<u>660,000</u>	<u>660,000</u>
16	Total all funds	\$906,584,896	\$291,416,193	\$1,198,001,089
17	Less estimated income	<u>755,657,771</u>	<u>218,613,966</u>	<u>974,271,737</u>
18	Total general fund	\$150,927,125	\$72,802,227	\$223,729,352
19	Full-time equivalent positions	2,059.98	0.58	2,060.56

20 Subdivision 6.

21 NORTH DAKOTA STATE UNIVERSITY

22			Adjustments or	
23		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
24	Operations	\$756,049,321	\$40,359,558	\$796,408,879
25	Capital assets	7,799,104	107,000,000	114,799,104
26	Workforce education	0	4,800,000	4,800,000
27	Research network	0	3,201,100	3,201,100
28	Behavioral health initiative	<u>0</u>	<u>1,100,000</u>	<u>1,100,000</u>
29	Total all funds	\$763,848,425	\$156,460,658	\$920,309,083
30	Less estimated income	<u>625,417,100</u>	<u>130,501,035</u>	<u>755,918,135</u>

Sixty-eighth
Legislative Assembly

1	Total general fund	\$138,431,325	\$25,959,623	\$164,390,948
2	Full-time equivalent positions	1,829.43	38.07	1,867.50
3	Subdivision 7.			

NORTH DAKOTA STATE COLLEGE OF SCIENCE

5			Adjustments or	
6		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
7	Operations	\$95,547,465	\$4,650,059	\$100,197,524
8	Capital assets	1,012,379	19,975,000	20,987,379
9	Behavioral health initiative	<u>0</u>	<u>186,750</u>	<u>186,750</u>
10	Total all funds	\$96,559,844	\$24,811,809	\$121,371,653
11	Less estimated income	<u>60,845,052</u>	<u>22,212,951</u>	<u>83,058,003</u>
12	Total general fund	\$35,714,792	\$2,598,858	\$38,313,650
13	Full-time equivalent positions	311.61	2.34	313.95
14	Subdivision 8.			

DICKINSON STATE UNIVERSITY

16			Adjustments or	
17		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
18	Operations	\$50,826,060	\$4,755,696	\$55,581,756
19	Capital assets	409,078	18,000,000	18,409,078
20	Behavioral health initiative	<u>0</u>	<u>327,000</u>	<u>327,000</u>
21	Total all funds	\$51,235,138	\$23,082,696	\$74,317,834
22	Less estimated income	<u>30,992,408</u>	<u>19,421,619</u>	<u>50,414,027</u>
23	Total general fund	\$20,242,730	\$3,661,077	\$23,903,807
24	Full-time equivalent positions	175.50	2.50	178.00
25	Subdivision 9.			

MAYVILLE STATE UNIVERSITY

27			Adjustments or	
28		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
29	Operations	\$50,603,276	\$4,577,144	\$55,180,420
30	Capital assets	358,992	0	358,992
31	Behavioral health initiative	<u>0</u>	<u>308,734</u>	<u>308,734</u>

Sixty-eighth
Legislative Assembly

1	Total all funds	\$50,962,268	\$4,885,878	\$55,848,146
2	Less estimated income	<u>32,282,440</u>	<u>1,763,104</u>	<u>34,045,544</u>
3	Total general fund	\$18,679,828	\$3,122,774	\$21,802,602
4	Full-time equivalent positions	230.35	(3.43)	226.92
5	Subdivision 10.			

MINOT STATE UNIVERSITY

7			Adjustments or	
8		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
9	Operations	\$104,154,777	\$9,659,724	\$113,814,501
10	Capital assets	1,099,620	11,865,000	12,964,620
11	Behavioral health initiative	<u>0</u>	<u>170,000</u>	<u>170,000</u>
12	Total all funds	\$105,254,397	\$21,694,724	\$126,949,121
13	Less estimated income	<u>64,047,767</u>	<u>15,504,561</u>	<u>79,552,328</u>
14	Total general fund	\$41,206,630	\$6,190,163	\$47,396,793
15	Full-time equivalent positions	403.04	20.59	423.63
16	Subdivision 11.			

VALLEY CITY STATE UNIVERSITY

18			Adjustments or	
19		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
20	Operations	\$50,083,400	\$4,626,767	\$54,710,167
21	Capital assets	455,823	35,500,000	35,955,823
22	Behavioral health initiative	<u>0</u>	<u>236,000</u>	<u>236,000</u>
23	Total all funds	\$50,539,223	\$40,362,767	\$90,901,990
24	Less estimated income	<u>26,377,846</u>	<u>36,936,844</u>	<u>63,314,690</u>
25	Total general fund	\$24,161,377	\$3,425,923	\$27,587,300
26	Full-time equivalent positions	202.77	9.17	211.94
27	Subdivision 12.			

DAKOTA COLLEGE AT BOTTINEAU

29			Adjustments or	
30		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
31	Operations	\$23,640,055	\$2,023,135	\$25,663,190

Sixty-eighth
Legislative Assembly

1	Capital assets	114,007	5,300,000	5,414,007
2	Behavioral health initiative	<u>0</u>	<u>170,000</u>	<u>170,000</u>
3	Total all funds	\$23,754,062	\$7,493,135	\$31,247,197
4	Less estimated income	<u>14,216,200</u>	<u>5,839,622</u>	<u>20,055,822</u>
5	Total general fund	\$9,537,862	\$1,653,513	\$11,191,375
6	Full-time equivalent positions	91.86	(7.86)	84.00

7 Subdivision 13.

8 UNIVERSITY OF NORTH DAKOTA SCHOOL OF MEDICINE AND HEALTH SCIENCES

9			Adjustments or	
10		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
11	Operations	\$218,253,058	\$17,796,430	\$236,049,488
12	Healthcare workforce initiative	<u>10,676,150</u>	<u>0</u>	<u>10,676,150</u>
13	Total all funds	\$228,929,208	\$17,796,430	\$246,725,638
14	Less estimated income	<u>160,806,249</u>	<u>5,782,718</u>	<u>166,588,967</u>
15	Total general fund	\$68,122,959	\$12,013,712	\$80,136,671
16	Full-time equivalent positions	492.67	(3.84)	488.83

17 Subdivision 14.

18 NORTH DAKOTA FOREST SERVICE

19			Adjustments or	
20		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
21	Operations	\$15,343,065	\$9,252,937	\$24,596,002
22	Capital assets	<u>118,728</u>	<u>0</u>	<u>118,728</u>
23	Total all funds	\$15,461,793	\$9,252,937	\$24,714,730
24	Less estimated income	<u>10,669,315</u>	<u>8,469,894</u>	<u>19,139,209</u>
25	Total general fund	\$4,792,478	\$783,043	\$5,575,521
26	Full-time equivalent positions	28.00	1.00	29.00

27 Subdivision 15.

28 TOTAL - SECTION 1

29			Adjustments or	
30		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
31	Grand total general fund	\$686,328,526	\$232,349,099	\$918,677,625

Sixty-eighth
Legislative Assembly

1	Grand total special funds	<u>1,926,770,039</u>	<u>546,804,929</u>	<u>2,473,574,968</u>
2	Grand total all funds	\$2,613,098,565	\$779,154,028	\$3,392,252,593

3 **SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO**

4 **SIXTY-NINTH LEGISLATIVE ASSEMBLY.** The following amounts reflect one-time funding
5 items approved by the sixty-seventh legislative assembly for the 2021-23 biennium and the
6 2023-25 biennium one-time funding items included in the appropriation in section 1 of this Act:

7	<u>One-Time Funding Description</u>	<u>2021-23</u>	<u>2023-25</u>
8	Capital projects - strategic investment and improvements	\$0	\$293,290,000
9	fund		
10	Capital projects - other funds	4,363,000	170,363,939
11	University of North Dakota national security initiative	0	45,000,000
12	North Dakota state university workforce education	0	4,800,000
13	Bismarck state college polytechnic building and transition	38,000,000	0
14	University of North Dakota space command initiative	4,000,000	0
15	University of North Dakota airport apron	5,000,000	0
16	University of North Dakota Merrifield hall	50,000,000	0
17	University of North Dakota space education and research	10,000,000	0
18	North Dakota state university settlement agreement	125,000	0
19	North Dakota state university high-performance computing	1,600,000	0
20	North Dakota state university agricultural products	50,000,000	0
21	development center		
22	Dickinson state university Pulver hall and other projects	4,000,000	0
23	Mayville state university natural gas boiler project	1,600,000	0
24	Minot state university Hartnett hall	25,000,000	0
25	Valley City state university land purchase	309,000	0
26	Hyperbaric oxygen therapy	2,104,121	0
27	Math pathways	150,000	0
28	Higher education challenge grants	11,150,000	36,000,000
29	Dakota digital academy	475,000	450,000
30	Support for single parents	0	4,500,000
31	Workforce education grants	0	10,000,000

Sixty-eighth
Legislative Assembly

1	Behavioral health initiative	0	3,640,624
2	Financial aid software	0	1,554,354
3	Passthrough grants	<u>0</u>	<u>20,100,000</u>
4	Total all funds	\$207,876,121	\$589,698,917
5	Total other funds	<u>190,851,121</u>	<u>463,653,939</u>
6	Total general fund	\$17,025,000	\$126,044,978

7 The 2023-25 one-time funding amounts are not a part of the entity's base budget for the
8 2025-27 biennium. The state board of higher education shall report to the appropriations
9 committees of the sixty-ninth legislative assembly on the use of this one-time funding for the
10 biennium beginning July 1, 2023, and ending June 30, 2025.

11 **SECTION 3. ADDITIONAL FEDERAL, PRIVATE, AND OTHER FUNDS -**

12 **APPROPRIATION - EXEMPTION.** All funds, in addition to those appropriated in section 1 of
13 this Act, from federal, private, and other sources for competitive grants or other funds that the
14 legislative assembly has not indicated the intent to reject, including tuition revenue, received by
15 the state board of higher education and the institutions and entities under the control of the
16 state board of higher education, are appropriated to the board and those institutions and
17 entities, for the biennium beginning July 1, 2023, and ending June 30, 2025. All additional funds
18 received under the North Dakota-Minnesota reciprocity agreement during the biennium
19 beginning July 1, 2023, and ending June 30, 2025, are appropriated to the state board of higher
20 education for reimbursement to institutions under the control of the board. Notwithstanding
21 section 48-01.2-25, an institution receiving funds for capital projects in excess of the amounts
22 appropriated in sections 1 and 4 of this Act may spend those funds for the capital project.

23 **SECTION 4. APPROPRIATION - STRATEGIC INVESTMENT AND IMPROVEMENTS**

24 **FUND - MAYVILLE STATE UNIVERSITY - OLD MAIN RENOVATION - ONE-TIME FUNDING.**

25 There is appropriated out of any moneys in the strategic investment and improvements fund in
26 the state treasury, not otherwise appropriated, the sum of \$49,970,100, or so much of the sum
27 as may be necessary, to Mayville state university for the purpose of renovating old main, for the
28 biennium beginning July 1, 2023, and ending June 30, 2025. This funding is considered a
29 one-time funding item.

30 **SECTION 5. USE OF EXTRAORDINARY REPAIRS FUNDING - MATCHING FUNDS.** The

31 capital assets line items in subdivisions 2 through 12 of section 1 of this Act include funding

1 from the general fund for institution extraordinary repairs. An institution, excluding the university
2 of North Dakota and North Dakota state university, shall provide one dollar of matching funds
3 from operations or other sources for each one dollar of extraordinary repairs funding used for a
4 project. The university of North Dakota and North Dakota state university shall provide two
5 dollars of matching funds from operations or other sources for each one dollar of extraordinary
6 repairs funding used for a project.

7 **SECTION 6. ESTIMATED INCOME - STRATEGIC INVESTMENT AND IMPROVEMENTS**

8 **FUND.** The grand total special funds line item in subdivision 15 of section 1 of this Act includes
9 \$293,290,000 from the strategic investment and improvements fund for capital projects as
10 follows:

11 Bismarck state college multipurpose academic and athletic center	\$29,900,000
12 Williston state college medical healthcare building	34,750,000
13 University of North Dakota science, engineering, and national security corridor	57,400,000
14 University of North Dakota science, technology, engineering, and math building	52,000,000
15 North Dakota state university center for engineering and computational sciences	59,000,000
16 North Dakota state college of science agriculture, automation, and autonomous 17 systems	18,975,000
18 Dickinson state university agriculture and technical education building	17,100,000
19 Minot state university Dakota hall demolition	765,000
20 Minot state university academic building	7,600,000
21 Valley City state university McCarthy hall renovation	11,500,000
22 Dakota college at Bottineau old main renovation	<u>4,300,000</u>
23 Total strategic investment and improvements fund	\$293,290,000

24 **SECTION 7. NORTH DAKOTA STATE UNIVERSITY - WORKFORCE EDUCATION -**

25 **REPORT.** The appropriation in subdivision 6 of section 1 of this Act includes \$4,800,000 from
26 the general fund for North Dakota state university for the purpose of creating or expanding
27 programs and enrollment initiatives, as identified by the North Dakota state university president,
28 to address the workforce needs of the state, for the biennium beginning July 1, 2023, and
29 ending June 30, 2025. This funding may only be used to create or expand programs and
30 initiatives and may not be used for programs that have been closed or reduced by North Dakota

1 state university since July 1, 2021. North Dakota state university shall report to the legislative
2 management during the 2023-24 interim on the use of the funding identified in this section.

3 **SECTION 8. STUDENT SUPPORT FOR SINGLE MOTHERS - PILOT PROGRAM -**
4 **REPORT.**

- 5 1. The appropriation in subdivision 1 of section 1 of this Act includes the sum of
6 \$4,500,000 from the general fund for the purpose of supporting single mothers, for the
7 biennium beginning July 1, 2023, and ending June 30, 2025.
- 8 2. The state board of higher education may provide up to \$250,000 to each institution
9 under its control, each tribally controlled community college in this state, the university
10 of Jamestown, and the university of Mary, to provide support to students who are
11 pregnant or single mothers with a child or children under four years of age.
- 12 3. An eligible institution in subsection 2 must submit an application to the state board of
13 higher education in order to receive funding under this section. The application must
14 include the institution's plan identifying how the funding would benefit students
15 enrolled at the institution, the estimated number of students impacted, and the
16 estimated cost.
- 17 4. A student enrolled at an eligible institution in subsection 2 is eligible for support under
18 this section if the student is residing in this state and is:
 - 19 a. An unmarried pregnant individual who is experiencing an unintended pregnancy;
 - 20 b. An unmarried mother who experienced an unintended birth while attending the
21 institution; or
 - 22 c. An unmarried mother with a child or children under four years of age.
- 23 5. Funding awarded under this section may be used for on-campus room and board and
24 the costs of providing on-campus day care for the children of students eligible
25 pursuant to subsection 4.
- 26 6. If any available dollars have not been granted to an institution by the board before
27 December 31, 2024, the board may allow institutions in subsection 2 to submit
28 applications for any unused funding for the purposes of this section.
- 29 7. The state board of higher education may adopt policies and procedures as necessary
30 to enact this section.

1 8. The state board of higher education shall report to the legislative management during
2 the 2023-24 interim and to the appropriations committees of the sixty-ninth legislative
3 assembly regarding the results of this program, including the number of students
4 assisted at each institution.

5 **SECTION 9. TRANSFER - NORTH DAKOTA UNIVERSITY SYSTEM OFFICE - NORTH**
6 **DAKOTA STATE UNIVERSITY.** Of the funding appropriated in subdivision 1 of section 1 of
7 chapter 31 of the 2021 Session Laws for the biennium beginning July 1, 2021, and ending
8 June 30, 2023, that is continued pursuant to section 54-44.1-11, the state board of higher
9 education shall transfer \$367,000 to the operations line item in subdivision 6 of section 1 of this
10 Act by August 1, 2023. The North Dakota university system office may not assess institutions
11 under the control of the state board of higher education to recover the cost of this transfer.

12 **SECTION 10. TRANSFER - BANK OF NORTH DAKOTA PROFITS - STATE BOARD OF**
13 **HIGHER EDUCATION SCHOLARSHIPS.** The industrial commission shall transfer to the North
14 Dakota university system office a total of \$1,500,000 from the current earnings and
15 accumulated undivided profits of the Bank of North Dakota during the biennium beginning
16 July 1, 2023, and ending June 30, 2025, as requested by the commissioner of higher education.
17 The estimated income line item in subdivision 1 of section 1 includes \$1,500,000 for the North
18 Dakota university system office for dual-credit tuition scholarships.

19 **SECTION 11. TRANSFER - BANK OF NORTH DAKOTA PROFITS - SKILLED**
20 **WORKFORCE STUDENT LOAN REPAYMENT PROGRAM FUND.** The industrial commission
21 shall transfer the sum of \$7,500,000 from the current earnings and accumulated undivided
22 profits of the Bank of North Dakota to the skilled workforce student loan repayment program
23 fund during the biennium beginning July 1, 2023, and ending June 30, 2025.

24 **SECTION 12. TRANSFER - BANK OF NORTH DAKOTA PROFITS - SKILLED**
25 **WORKFORCE SCHOLARSHIP FUND.** The industrial commission shall transfer the sum of
26 \$7,500,000 from the current earnings and accumulated undivided profits of the Bank of North
27 Dakota to the skilled workforce scholarship fund during the biennium beginning July 1, 2023,
28 and ending June 30, 2025.

29 **SECTION 13. TRANSFER - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND -**
30 **UNIVERSITY SYSTEM CAPITAL BUILDING FUND.** The office of management and budget
31 shall transfer \$29,000,000 from the strategic investment and improvements fund to the

Sixty-eighth
Legislative Assembly

1 university system capital building fund during the biennium beginning July 1, 2023, and ending
2 June 30, 2025, as requested by the commissioner of higher education. Funding transferred
3 pursuant to this section is to be allocated to each institution as follows:

	<u>Tier II</u>	<u>Tier III</u>	<u>Total</u>
4 Bismarck state college	\$851,386	\$500,000	\$1,351,386
5 Lake Region state college	354,750	500,000	854,750
6 Williston state college	275,894	500,000	775,894
7 University of North Dakota	8,723,602	2,250,000	10,973,602
8 North Dakota state university	5,799,192	2,250,000	8,049,192
9 North Dakota state college of science	1,001,390	500,000	1,501,390
10 Dickinson state university	537,724	500,000	1,037,724
11 Mayville state university	480,058	500,000	980,058
12 Minot state university	1,145,602	500,000	1,645,602
13 Valley City state university	618,274	500,000	1,118,274
14 Dakota college at Bottineau	<u>212,128</u>	<u>500,000</u>	<u>712,128</u>
15 Total	\$20,000,000	\$9,000,000	\$29,000,000

17 **SECTION 14. CAPITAL BUILDING FUNDS - USES.** The institutions listed may use funding
18 from the respective institution's university system capital building fund allocation for the
19 following projects authorized by the sixty-eighth legislative assembly:

20 Bismarck state college multipurpose academic and athletic center	\$31,500,000
21 Lake region state college wind turbine gearbox replacement	600,000
22 Williston state college medical healthcare building	36,600,000
23 University of North Dakota science, engineering, and national security corridor	82,000,000
24 University of North Dakota science, technology, engineering, and math building	75,000,000
25 North Dakota state university center for engineering and computational sciences	84,000,000
26 North Dakota state college of science agriculture, automation, and autonomous 27 systems	19,975,000
28 Dickinson state university agriculture and technical education building	18,000,000
29 Minot state university academic building	8,000,000
30 Valley City state university McCarthy hall renovation	13,500,000

1	Dakota college at Bottineau old main renovation	<u>5,300,000</u>
2	Total	\$374,475,000

3 **SECTION 15. CAMPUS CAPITAL PROJECTS - PROJECT REQUESTS - LEGISLATIVE**
4 **INTENT.**

- 5 1. The state board of higher education may not include requests for any state funds for
6 capital projects in its budget request submitted to the sixty-ninth legislative assembly.
7 The state board of higher education may request other funds appropriation authority
8 from the sixty-ninth legislative assembly for projects funded from local funds, gifts,
9 grants, donations, the institution's allocation in the university system capital building
10 fund, or revenue bonds.
- 11 2. It is the intent of the sixty-eighth legislative assembly that this Act includes all capital
12 projects to be appropriated funding from the state, excluding projects that receive
13 funding solely from local funds, gifts, grants, donations, the institution's allocation in
14 the university system capital building fund, or revenue bonds, during the period
15 beginning July 1, 2023, and ending June 30, 2027.
- 16 3. An institution must have possession of local matching funds allocated to a project prior
17 to expending any funding from the strategic investment and improvements fund for the
18 project.
- 19 4. If an institution is unable to provide the appropriated amount of matching funds for a
20 capital project provided for in this Act, the institution may only spend a proportional
21 amount of funding from the strategic investment and improvements fund for the
22 project. If an institution is unable to provide necessary matching funds by June 30,
23 2027, to complete the project in whole or in part, the appropriation from the strategic
24 investment and improvements fund must be canceled.
- 25 5. Any inflationary or other costs associated with previously approved projects must be
26 paid from the institution's local funds or the institution's allocation in the university
27 system capital building fund.

28 **SECTION 16. CAMPUS CAPITAL PROJECTS - PROJECT MANAGEMENT.** During the
29 biennium beginning July 1, 2023, and ending June 30, 2025, each capital project authorized by
30 the state board of higher education must have adequate project management oversight by
31 either an institution official or a representative of an external entity. An institution may seek

1 assistance from the university system office for project management oversight of a capital
2 project.

3 **SECTION 17. UNIVERSITY OF NORTH DAKOTA - SCHOOL OF MEDICINE AND**
4 **HEALTH SCIENCES - OPERATIONS.** The operations line items in subdivision 5 and 13 of
5 section 1 of this Act include a funding allocation from the higher education per student credit-
6 hour funding formula attributable to inflation during the biennium beginning July 1, 2023, and
7 ending June 30, 2025. Based on the recommendation of the commissioner of higher education
8 a portion of the allocation may be transferred by the state board of higher education between
9 the university of North Dakota school of medicine and health sciences and the university of
10 North Dakota.

11 **SECTION 18.** A new section to chapter 15-10 of the North Dakota Century Code is created
12 and enacted as follows:

13 **State commissioner of higher education - Higher education trends - Report to budget**
14 **section.**

15 The state commissioner of higher education shall provide an annual report to the budget
16 section regarding trends in higher education, including state and regional student enrollment,
17 North Dakota university system institution reserves, state and regional tuition rates, state and
18 regional student financial assistance, and the North Dakota university system's response to the
19 trends and changes, including new or expanded educational programs, closed programs, and
20 future budget requests.

21 **SECTION 19.** A new section to chapter 15-10 of the North Dakota Century Code is created
22 and enacted as follows:

23 **Severance agreements - Funding - Emergency commission and budget section**
24 **approval.**

25 The cost of any severance agreement approved by the state board of higher education
26 must be paid from the North Dakota university system office budget. The North Dakota
27 university system office may not assess institutions under the control of the state board of
28 higher education to recover the cost of any severance agreement. Emergency commission and
29 budget section approval is required before the board may expend any funds pursuant to this
30 section. When considering the request, the budget section shall consider the amount obligated
31 to the individual named in the severance agreement pursuant to the individual's employment

1 contract with the board or institution under the control of the board, the cost of the severance
2 agreement, and the justification for the severance agreement provided by the board.

3 **SECTION 20.** A new section to chapter 15-10 of the North Dakota Century Code is created
4 and enacted as follows:

5 **Academic program approval.**

6 The state board of higher education shall approve or deny a request from an institution
7 under its control for a new or expanded academic program within thirty days of the institution
8 submitting its request for the program to the commissioner of higher education.

9 **SECTION 21.** A new section to chapter 15-10 of the North Dakota Century Code is created
10 and enacted as follows:

11 **Disclosure of financial condition.**

12 The state board of higher education shall provide a disclosure of the financial condition of
13 an institution to the qualified applicants designated as finalists pursuant to section 44-04-18.27
14 for the position of president of an institution. The disclosure of financial condition must identify
15 the institution's reserves, recent audit findings, anticipated future funding changes pursuant to
16 chapter 15-18.2, and the institution's composite financial index ratio. The state board of higher
17 education may require the qualified applicants to sign a nondisclosure agreement prior to
18 receiving the disclosure of financial condition.

19 **SECTION 22.** A new section to chapter 15-10 of the North Dakota Century Code is created
20 and enacted as follows:

21 **Campus policies and procedures.**

22 The president of an institution under the control of the state board of higher education may
23 adopt policies, procedures, and directives for the institution, with input but no authoritative
24 control from faculty and others through shared governance. The commissioner of higher
25 education and the state board of higher education may overturn or amend the president's
26 policies, procedures, and directives.

27 **SECTION 23. AMENDMENT.** Section 15-10-38.1 of the North Dakota Century Code is
28 amended and reenacted as follows:

1 **15-10-38.1. Skilled workforce student loan repayment program - Skilled workforce**
2 **student loan repayment program fund - Continuing appropriation - Report. (~~Repealed-~~**
3 **effective July 1, 2023)**

- 4 1. There is created in the state treasury the skilled workforce student loan repayment
5 program fund. The fund consists of moneys transferred into the fund by the legislative
6 assembly, matching funds received, and loan repayments. Moneys in the fund are
7 appropriated to the state board of higher education on a continuing basis for the
8 purpose of distributing student loan repayment grants directly to the Bank of North
9 Dakota or other participating lender to repay outstanding student loan principal
10 balances for eligible applicants. The state board of higher education may transfer
11 money between this fund and the skilled workforce scholarship fund established in
12 section 15-10-38.2.
- 13 2. The state board of higher education shall adopt policies and procedures to develop,
14 implement, promote, and administer a skilled workforce student loan repayment
15 program in cooperation with the Bank of North Dakota and the North Dakota workforce
16 development council with the intent of attracting and retaining individuals for
17 professional or technical skills in high demand in this state.
- 18 3. The North Dakota workforce development council in cooperation with job service North
19 Dakota shall use available labor market information to determine annually the eligible
20 high-demand professional and technical skills and emerging occupations in this state.
- 21 4. Graduates of degree or certificate programs from institutions or entities in any state
22 may apply for the skilled workforce student loan repayment program. To be eligible to
23 receive student loan repayment grants under the program, the applicant:
- 24 a. Must have successfully completed an educational program from an institution of
25 higher education;
- 26 b. Must have a student loan with the Bank of North Dakota or other participating
27 lender;
- 28 c. Following completion of an educational program, must reside and work in this
29 state in an eligible high-demand or emerging occupation; and
- 30 d. Must have met and shall continue to meet any requirements established in
31 applicable state board of higher education procedures.

- 1 5. The state board of higher education shall adopt procedures to ensure compliance with
2 residency and occupation requirements after completion of the educational program.
- 3 6. The state board of higher education shall distribute student loan repayment grants
4 from the skilled workforce student loan repayment program fund directly to the Bank of
5 North Dakota or other participating lender to repay outstanding student loan principal
6 balances for eligible applicants. The maximum annual student loan repayment grant
7 amount for which an applicant may qualify is five thousand six hundred sixty-seven
8 dollars, or one-third of the applicant's outstanding student loan principal balance upon
9 initial application for the program, whichever is less. The maximum total student loan
10 repayment grant amount for which any applicant may qualify is seventeen thousand
11 dollars.
- 12 7. If an individual is receiving loan forgiveness under any other state program, the
13 individual may not receive a student loan repayment grant under this section during
14 the same application year. ~~An individual who received a skilled workforce scholarship~~
15 ~~under section 15-10-38.2 is not eligible for loan forgiveness under this section.~~
- 16 8. An individual may receive a combined total of no more than seventeen thousand
17 dollars under this section and the skilled workforce scholarship program under section
18 15-10-38.2.
- 19 9. ~~The skilled workforce student loan repayment program must be a joint public and~~
20 ~~private effort.~~ The state board of higher education shall provide one dollar of funding
21 for each one dollar of funding funds raised from the private sector or other public
22 sources. Any matching funds received must be deposited in the skilled workforce
23 student loan repayment program fund.
- 24 10. The state board of higher education shall provide a biennial program report to the
25 legislative management by September first of each even-numbered year. The report
26 must include information regarding:
- 27 a. The eligible high-demand professional and technical skills and emerging
28 occupations;
- 29 b. The number of applicants, eligible applicants, and applicants receiving awards;
- 30 c. The amount of ~~private funding~~ matching funds raised; and
- 31 d. The average and total amounts awarded under the program.

1 **SECTION 24. AMENDMENT.** Section 15-10-38.2 of the North Dakota Century Code is
2 amended and reenacted as follows:

3 **15-10-38.2. Skilled workforce scholarship program - Skilled workforce scholarship**
4 **fund - Continuing appropriation - Report. (~~Repealed effective July 1, 2023~~)**

- 5 1. There is created in the state treasury the skilled workforce scholarship fund. The fund
6 consists of moneys transferred into the fund by the legislative assembly, matching
7 funds received, and scholarship repayments. Moneys in the fund are appropriated to
8 the state board of higher education on a continuing basis for the purpose of providing
9 grants to institutions of higher education related to skilled workforce scholarships.
10 Institutions of higher education include institutions under the control of the state board
11 of higher education, North Dakota nonpublic accredited institutions of higher
12 education, tribally controlled community colleges, state-approved educator training
13 programs, and North Dakota institutions approved to operate by the North Dakota
14 board of career and technical education. The state board of higher education may
15 transfer money between this fund and the skilled workforce student loan repayment
16 program fund established in section 15-10-38.1.
- 17 2. The state board of higher education shall adopt policies and procedures to develop,
18 implement, promote, and administer a skilled workforce scholarship program in
19 cooperation with the Bank of North Dakota and the North Dakota workforce
20 development council with the intent of attracting and retaining individuals for
21 professional or technical skills in high demand in this state.
- 22 3. The North Dakota workforce development council in cooperation with job service North
23 Dakota shall use available labor market information to determine annually the eligible
24 high-demand professional and technical skills and emerging occupations in this state.
- 25 4. The state board of higher education and the workforce development council shall
26 compile a list of qualifying educational programs annually. A qualifying educational
27 program is a program resulting in attainment of an associate's degree or lower
28 credential ~~upon successful completion of a program that may be completed within four~~
29 semesters or, six quarters, or the final two years of a baccalaureate program. A
30 qualifying educational program also must pertain to the professional and technical
31 skills and emerging occupations in high demand in this state, as determined under

- 1 subsection 3. Qualifying educational programs may include degree or certificate
2 programs.
- 3 5. Individuals enrolled in a qualifying educational program in this state may apply for a
4 scholarship under this section. Scholarships are limited to the amount charged each
5 quarter, semester, or term by the educational institution for the tuition, fees, books, and
6 supplies required for the qualifying educational program. The scholarships are
7 intended to supplement any other scholarship or financial aid grant received by a
8 student to assist the student with the costs of the qualifying educational program. An
9 individual may not receive a combined total exceeding seventeen thousand dollars
10 under this section and the skilled workforce loan repayment program under section
11 15-10-38.1.
- 12 6. To be eligible for a scholarship and payment under this section, a student must be
13 enrolled full time in an eligible program and have at least a 2.5 cumulative grade point
14 average, based on a 4.0 grading system, or maintain academic progress in the
15 program according to program requirements. A student may not receive scholarships
16 under this section for more than the equivalent of four semesters of full-time
17 enrollment or six quarters of full-time enrollment.
- 18 7. Upon completion of a qualifying educational program, a student who received a
19 scholarship under this section must reside and work in this state in an eligible
20 high-demand or emerging occupation for a minimum of three years.
- 21 8. An individual shall repay the scholarship pursuant to the terms in the individual's
22 scholarship award agreement if the individual fails to maintain either a 2.5 cumulative
23 grade point average or academic progress according to program requirements while
24 enrolled, withdraws voluntarily or involuntarily before the completion of the program for
25 which a scholarship has been received, or fails to reside and work in this state in an
26 eligible high-demand or emerging occupation for at least three years following degree
27 or certificate completion.
- 28 9. The state board of higher education, in conjunction with the Bank of North Dakota,
29 may allow an individual who received payment under this section to delay or cancel
30 repayment under this section due to financial difficulty, military service, death, or total
31 disability.

- 1 10. Each quarter, semester, or term, the state board of higher education shall distribute
2 grants to institutions of higher education to provide the amounts necessary for the
3 scholarships awarded to the students enrolled in each institution.
- 4 11. ~~The skilled workforce scholarship program must be a joint public and private effort.~~
5 ~~The state board of higher education may distribute grants only to the extent that the~~
6 ~~private sector has provided one dollar of matching funds for each dollar of funding~~
7 ~~provided by the state.~~ The state board of higher education shall provide one dollar of
8 funding for each one dollar raised from the private sector or other public sources. Any
9 matching funds received must be deposited in the skilled workforce scholarship fund.
- 10 12. The state board of higher education shall provide a biennial program report to the
11 legislative management by September first of each even-numbered year. The report
12 must include information regarding:
- 13 a. The eligible high-demand professional and technical skills and emerging
14 occupations;
- 15 b. The qualifying educational programs;
- 16 c. The number of applicants, eligible applicants, and applicants receiving awards;
- 17 d. The amount of ~~private funding~~ matching funds raised; and
- 18 e. The average and total amounts awarded under the program.

19 **SECTION 25. AMENDMENT.** Section 15-10-38.3 of the North Dakota Century Code is
20 amended and reenacted as follows:

21 **15-10-38.3. Scholarship and loan forgiveness administrative costs –Continuing**
22 **appropriation. (Effective through July 31, 2023)**

23 The state board of higher education shall retain up to one and one-half percent of any funds
24 appropriated to the board under subsection 1 of section 15-10-38.1 and subsection 1 of section
25 15-10-38.2. The retained funds must be used for promotion and administration of the programs
26 under those sections.

27 ~~**Scholarship and loan forgiveness administrative costs –Continuing appropriation.**~~
28 ~~**(Effective after July 31, 2023)**~~ The state board of higher education shall retain up to one-half of
29 one percent of any funds appropriated to the board under subsection 1 of section 15-10-38.1
30 and subsection 1 of section 15-10-38.2. The retained funds must be used for administration of
31 the programs under those sections.

1 **SECTION 26. AMENDMENT.** Subdivision c of subsection 1 of section 15-10-48 of the North
2 Dakota Century Code is amended and reenacted as follows:

3 c. The board may award up to ~~one million seven hundred thousand~~five million
4 dollars in matching grants each to the university of North Dakota and North
5 Dakota state university; and up to ~~one million five hundred thousand~~four million
6 dollars in matching grants ~~for projects at each to~~ the university of North Dakota
7 school of medicine and health sciences and the North Dakota state university
8 main research center. Of the amount available to the university of North Dakota,
9 two hundred fifty thousand dollars must be awarded for projects dedicated to
10 projects at the school of law.

11 **SECTION 27. AMENDMENT.** Subdivision c of subsection 1 of section 15-10-49 of the North
12 Dakota Century Code is amended and reenacted as follows:

13 c. The board may award up to:

14 (1) ~~Nine hundred fifty thousand~~Three million dollars each to Bismarck state
15 college, Minot state university, and the North Dakota state college of
16 science;

17 (2) ~~Seven hundred thousand~~Two million dollars each to Dickinson state
18 university, Mayville state university, and Valley City state university; and

19 (3) ~~Three hundred fifty thousand~~One million dollars each to Dakota college at
20 Bottineau, Lake Region state college, and Williston state college.

21 **SECTION 28. AMENDMENT.** Subsection 2 of section 15-10-49 of the North Dakota
22 Century Code is amended and reenacted as follows:

23 2. a. If any available dollars have not been awarded by the board before January first
24 of each odd-numbered year, in accordance with subsection 1, any institution
25 listed in subsection 1 may apply for an additional matching grant.

26 b. An application submitted under this subsection must meet the same criteria as an
27 original application.

28 c. The board shall prioritize available dollars allocated in paragraph 1 of
29 subdivision c of subsection 1 to applicants in paragraph 1 of subdivision c of
30 subsection 1. The board shall prioritize available dollars allocated in paragraph 2
31 of subdivision c of subsection 1 to applicants in paragraph 2 of subdivision c of

1 subsection 1. The board shall prioritize available dollars allocated in paragraph 3
2 of subdivision c of subsection 1 to applicants in paragraph 3 of subdivision c of
3 subsection 1.

4 d. After considering applications pursuant to subdivision c, the board shall consider
5 each application submitted under this subsection in chronological order.

6 d.e. If the remaining dollars are insufficient to provide a matching grant in the amount
7 of one dollar for every two dollars raised by the institutional foundation, the board
8 shall award a lesser amount.

9 **SECTION 29. AMENDMENT.** Section 15-10-57 of the North Dakota Century Code is
10 amended and reenacted as follows:

11 **15-10-57. Unified workforce, vocational, and technical education program system.**

12 The state board of higher education shall establish and maintain a unified system to offer
13 workforce training, vocational education, and technical education programs at institutions under
14 its control. The board shall periodically review programs offered by institutions under its control
15 and revise program offerings based on the workforce needs of the state identified by the
16 workforce ~~education advisory~~development council. The board shall develop administrative
17 arrangements that make possible the efficient use of facilities and staff. The board shall limit
18 administrative costs by eliminating duplicative administrative positions.

19 **SECTION 30. AMENDMENT.** Section 15-10-63 of the North Dakota Century Code is
20 amended and reenacted as follows:

21 **15-10-63. Capital projects.**

22 1. The university of North Dakota and North Dakota state university shall identify other
23 funds from gifts, grants, donations, the university system capital building fund, or other
24 local funds for at least thirty percent of the total estimated cost of a capital project
25 request submitted to the legislative assembly.

26 2. Bismarck state college, lake region state college, Williston state college, the North
27 Dakota state college of science, Dickinson state university, Mayville state university,
28 Minot state university, Valley City state university, and Dakota college at Bottineau
29 shall identify other funds from gifts, grants, donations, the university system capital
30 building fund, or other local funds for at least five percent of the total estimated cost of
31 a capital project request submitted to the legislative assembly.

1 3. An institution under the control of the state board of higher education may undertake a
2 facility renovation project only if the project will reduce the deferred maintenance
3 amount of the facility by no less than seventy five percent of the total cost of the
4 renovation. The institution shall maintain documentation that demonstrates the cost
5 and scope of the deferred maintenance reduction that results directly from the
6 renovation. This subsection does not apply to projects undertaken solely to correct
7 building code deficiencies or to installations of infrastructure determined by the board
8 to be essential to the mission of the institution.

9 2-4. Facility construction and renovation projects undertaken by an institution under the
10 control of the state board of higher education must conform to campus master plan
11 and space utilization requirements approved by the state board of higher education.

12 **SECTION 31. AMENDMENT.** Subdivision k of subsection 1 of section 15-18.2-02 of the
13 North Dakota Century Code is amended and reenacted as follows:

14 k. The ~~factors~~factor for credits completed in career and technical education ~~are:~~
15 (1) ~~3.0 for lower division credits;~~ and
16 (2) ~~5.0 for upper division credits~~is 5.0.

17 **SECTION 32. AMENDMENT.** Subsection 1 of section 15-18.2-05 of the North Dakota
18 Century Code is amended and reenacted as follows:

19 1. Except as provided under subsections 2 and 3, to determine the state aid payment to
20 which each institution under its control is entitled, the state board of higher education
21 shall multiply the product determined under section 15-18.2-03 by a base amount of:
22 a. ~~\$61.84~~\$72.39 in the case of North Dakota state university and the university of
23 North Dakota;
24 b. ~~\$92.60~~\$102.78 in the case of Dickinson state university, Mayville state university,
25 Minot state university, and Valley City state university; and
26 c. ~~\$98.84~~\$109.30 in the case of Bismarck state college, Dakota college at
27 Bottineau, Lake Region state college, North Dakota state college of science, and
28 Williston state college.

29 **SECTION 33.** Section 15-18.2-06.1 of the North Dakota Century Code is created and
30 enacted as follows:

1 **Base funding - Minimum amount payable.**
2 Notwithstanding any calculations required by this chapter, during each biennium an
3 institution may not receive less than ninety-six percent of the state aid to which the institution
4 was entitled under this chapter during the previous biennium.

5 **SECTION 34. AMENDMENT.** Section 15-54.1-02 of the North Dakota Century Code is
6 amended and reenacted as follows:

7 **15-54.1-02. Capital building funds - Uses - Reports.**

8 Subject to tier II and tier III capital building fund matching requirements under this chapter,
9 each institution may use its allocation of funds from the university system capital building fund
10 for projects specifically authorized by the legislative assembly to use university system capital
11 building fund moneys. In addition, after an institution has matched and committed seventy-five
12 percent of the funding appropriated for the institution's tier I extraordinary repairs and subject to
13 state board of higher education approval and matching requirements under this chapter, each
14 institution may use its allocation of funds from the university system capital building fund for
15 extraordinary repairs and deferred maintenance projects for academic and student housing
16 facilities that do not increase the overall square footage of a building. The state board of higher
17 education shall report biennially to the legislative management and to the appropriations
18 committees of the legislative assembly on the use of funding in the university system capital
19 building fund, the source of matching funds, and each institution's five-year plan for capital
20 construction spending.

21 **SECTION 35. AMENDMENT.** Subsection 1 of section 15-62.4-03 of the North Dakota
22 Century Code is amended and reenacted as follows:

- 23 1. The state board of higher education shall provide to each eligible student a financial
24 assistance grant in an amount not exceeding:
- 25 a. One thousand ~~one hundred~~ six hundred fifty dollars per semester; or
 - 26 b. ~~Seven hundred thirty-three~~ One thousand one hundred dollars per quarter.

27 **SECTION 36. AMENDMENT.** Subdivision c of subsection 2 of section 54-07-12 of the North
28 Dakota Century Code is amended and reenacted as follows:

- 29 c. The private entity agrees to donate ten million dollars from the one hundred
30 million dollars identified in subsection 1 to a higher education institution
31 foundation in North Dakota, of which two million dollars is for the purpose of

1 ~~creating an endowment to digitize~~digitizing documents relating to Theodore
2 Roosevelt and eight million dollars is for the purpose of creating an endowment
3 for the creation of a Theodore Roosevelt conservation scholars program and
4 related academic mission at a North Dakota higher education institution in
5 collaboration with the private entity; and

6 **SECTION 37. AMENDMENT.** Section 54-44.1-11 of the North Dakota Century Code is
7 amended and reenacted as follows:

8 **54-44.1-11. Office of management and budget to cancel unexpended appropriations -**
9 **When they may continue. (Effective through July 31, 20232025)**

10 Except as otherwise provided by law, the office of management and budget, thirty days after
11 the close of each biennial period, shall cancel all unexpended appropriations or balances of
12 appropriations after the expiration of the biennial period during which they became available
13 under the law. Unexpended appropriations for the state historical society are not subject to this
14 section and the state historical society shall report on the amounts and uses of funds carried
15 over from one biennium to the appropriations committees of the next subsequent legislative
16 assembly. Unexpended appropriations for the North Dakota university system are not subject to
17 this section and the North Dakota university system shall report on the amounts and uses of
18 funds carried over from one biennium to the next to subsequent appropriations committees of
19 the legislative assembly. The chairmen of the appropriations committees of the senate and
20 house of representatives of the legislative assembly with the office of the budget may continue
21 appropriations or balances in force for not more than two years after the expiration of the
22 biennial period during which they became available upon recommendation of the director of the
23 budget for:

- 24 1. New construction projects.
- 25 2. Major repair or improvement projects.
- 26 3. Purchases of new equipment costing more than ten thousand dollars per unit if it was
27 ordered during the first twelve months of the biennium in which the funds were
28 appropriated.
- 29 4. The purchase of land by the state on a "contract for deed" purchase if the total
30 purchase price is within the authorized appropriation.

1 5. Purchases by the department of transportation of roadway maintenance equipment
2 costing more than ten thousand dollars per unit if the equipment was ordered during
3 the first twenty-one months of the biennium in which the funds were appropriated.

4 6. Authorized ongoing information technology projects.

5 **Office of management and budget to cancel unexpended appropriations - When they**
6 **may continue. (Effective after July 31, ~~2023~~2025)** The office of management and budget,
7 thirty days after the close of each biennial period, shall cancel all unexpended appropriations or
8 balances of appropriations after the expiration of the biennial period during which they became
9 available under the law. Unexpended appropriations for the state historical society are not
10 subject to this section and the state historical society shall report on the amounts and uses of
11 funds carried over from one biennium to the appropriations committees of the next subsequent
12 legislative assembly. The chairmen of the appropriations committees of the senate and house of
13 representatives of the legislative assembly with the office of the budget may continue
14 appropriations or balances in force for not more than two years after the expiration of the
15 biennial period during which they became available upon recommendation of the director of the
16 budget for:

17 1. New construction projects.

18 2. Major repair or improvement projects.

19 3. Purchases of new equipment costing more than ten thousand dollars per unit if it was
20 ordered during the first twelve months of the biennium in which the funds were
21 appropriated.

22 4. The purchase of land by the state on a "contract for deed" purchase if the total
23 purchase price is within the authorized appropriation.

24 5. Purchases by the department of transportation of roadway maintenance equipment
25 costing more than ten thousand dollars per unit if the equipment was ordered during
26 the first twenty-one months of the biennium in which the funds were appropriated.

27 6. Authorized ongoing information technology projects.

28 **SECTION 38. REPEAL.** Sections 15-10-48.1, 15-10-53, and 15-10-58 of the North Dakota
29 Century Code are repealed.

30 **SECTION 39. EXEMPTION - TRANSFER AUTHORITY - LEGISLATIVE MANAGEMENT**
31 **REPORT.** Notwithstanding section 54-16-04, the office of management and budget shall

1 transfer appropriation authority from the operations to the capital assets line items within
2 subdivisions 2 through 14 of section 1 of this Act as requested by the state board of higher
3 education for the biennium beginning July 1, 2023, and ending June 30, 2025. The board shall
4 report any transfer of funds under this section to the legislative management.

5 **SECTION 40. EXEMPTION - FULL-TIME EQUIVALENT POSITION ADJUSTMENTS.**

6 Notwithstanding any other provisions of law, the state board of higher education may adjust
7 full-time equivalent positions as needed, subject to the availability of funds, for institutions and
8 entities under its control during the biennium beginning July 1, 2023, and ending June 30, 2025.
9 The North Dakota university system shall report any adjustments to the office of management
10 and budget as part of the submission of the 2025-27 biennium budget request.

11 **SECTION 41. EXEMPTION - CAPITAL BUILDING FUND - LAKE REGION STATE**

12 **COLLEGE - ESTIMATED INCOME.** The estimated income line item in subdivision 3 of
13 section 1 of this Act includes \$600,000 from the Lake Region state college allocation in the
14 university system capital building fund. This amount is for the replacement of the wind turbine
15 gear box and is not subject to matching requirements under chapter 15-54.1.

16 **SECTION 42. EXEMPTION - PROJECT AUTHORIZATIONS.** Any unexpended amounts
17 remaining from the \$49,900,000 appropriated from the general fund for capital projects at
18 institutions under the control of the state board of higher education in section 2 of chapter 53 of
19 the 2019 Session Laws are not subject to section 54-44.1-11 and any unexpended funds from
20 the appropriations are available to the respective institutions to complete the projects during the
21 biennium beginning July 1, 2023, and ending June 30, 2025.

22 **SECTION 43. EXEMPTION - FEDERAL STATE FISCAL RECOVERY FUND.** The amounts
23 appropriated from federal funds derived from the state fiscal recovery fund to the state board of
24 higher education and institutions under the control of the state board of higher education in
25 section 1 of chapter 548 and section 1 of chapter 550 of the 2021 Special Session Session
26 Laws are not subject to section 54-44.1-11 and any unexpended funds from these projects and
27 programs are available for the projects and programs during the biennium beginning July 1,
28 2023, and ending June 30, 2025.

29 **SECTION 44. TUITION RATE INCREASE LIMITATIONS.**

30 1. Except as provided in this section, notwithstanding any other provision of law, the state
31 board of higher education may not increase tuition and fee rates for resident students

- 1 attending institutions of higher education under its control during the 2023-24
2 academic year as compared to the tuition rate in effect during the 2023 spring
3 semester.
- 4 2. Except as provided in this section, notwithstanding any other provision of law, the state
5 board of higher education may not increase tuition and fee rates for resident students
6 attending institutions of higher education under its control during the 2024-25
7 academic year as compared to the tuition rate in effect during the 2024 spring
8 semester.
- 9 3. Tuition rates charged for high-cost undergraduate differentiated tuition programs and
10 for graduate level programs, including programs offered through the university of North
11 Dakota school of medicine and health sciences, the university of North Dakota school
12 of law, or the North Dakota state university school of pharmacy, may be increased by
13 up to one percent for the 2023-24 academic year as compared to the tuition rate in
14 effect during the 2023 spring semester.
- 15 4. Tuition rates charged for high-cost undergraduate differentiated tuition programs and
16 for graduate level programs, including programs offered through the university of North
17 Dakota school of medicine and health sciences, the university of North Dakota school
18 of law, or the North Dakota state university school of pharmacy, may be increased by
19 up to one percent for the 2024-25 academic year as compared to the tuition rate in
20 effect during the 2024 spring semester.
- 21 5. This section does not apply to tuition rates for nonresident students attending
22 institutions of higher education under the control of the state board of higher
23 education. For purposes of this section, the residency of students for tuition purposes
24 must be determined under section 15-10-19.1.
- 25 6. This section does not apply to tuition rates determined under tuition reciprocity
26 agreements entered into by the state board of higher education with other states or
27 state education compacts.
- 28 7. For purposes of this section, an institution must calculate a resident tuition rate
29 increase based on the tuition rate paid by an average full-time resident student.

30 **SECTION 45. LEGISLATIVE INTENT - WEIGHTED CREDIT-HOURS - INSTRUCTIONAL**
31 **PROGRAM CLASSIFICATION FACTORS.** It is the intent of the sixty-eighth legislative

Sixty-eighth
Legislative Assembly

- 1 assembly that dental hygienist courses be transferred to the career and technical education
- 2 instructional program classification within the higher education funding formula.
- 3 **SECTION 46. EMERGENCY.** Section 35 of this Act is declared to be an emergency
- 4 measure.

Department 235 - North Dakota State University
House Bill No. 1003

First Chamber Comparison to Base Level

	General Fund	Other Funds	Total
2023-25 First Chamber Version	\$164,390,948	\$755,918,135	\$920,309,083
2023-25 Base Level	138,431,325	625,417,100	763,848,425
Increase (Decrease)	\$25,959,623	\$130,501,035	\$156,460,658

First Chamber Changes

A summary of the first chamber's changes to the institution's base level appropriations and the executive budget is attached as an appendix.

Selected Bill Sections Included in the First Chamber Version

Additional funds appropriation authority - Section 3 appropriates any additional other funds received by entities under the control of the State Board of Higher Education to the respective entities, including funding for capital projects.

Extraordinary repairs matching funds - Section 5 requires institutions to match state extraordinary repairs funding on a \$1 to \$1 basis using operations or other funding, except for the University of North Dakota (UND) and North Dakota State University (NDSU), which must match \$2 to \$1.

Strategic investment and improvements fund - Section 6 identifies \$293,290,000 for various institution capital projects from the strategic investment and improvements fund (SIIF).

NDSU workforce education - Section 7 identifies \$4.8 million appropriated from the general fund to NDSU for creating or expanding programs and enrollment initiatives to address workforce needs.

Support for single parents - Section 8 identifies \$4.5 million appropriated from the general fund to the North Dakota University System office for support for single mothers.

Severance agreements - Section 9 provides for the transfer of \$367,000 from University System office carryover to NDSU for the cost of a severance agreement entered into with the previous President of NDSU. Section 19 provides for future severance agreements to be paid from the University System office budget, subject to Emergency Commission and Budget Section approval.

Career builders - Sections 11 and 12 provide for transfers totaling \$15 million from Bank profits to the career builders program. Sections 23 through 25 amend language to continue and expand the program.

Capital building fund program - Sections 13 and 14 provide for the continuation of the capital building fund program, including a transfer of \$29 million from SIIF to the University System capital building fund and the authorization to use money in the fund for new capital projects. Section 34 restricts the use of capital building fund money for deferred maintenance and extraordinary repairs projects to academic and student housing facilities. Section 41 provides an exemption to allow Lake Region State College to use money in its capital building fund allocation for the wind turbine gear box replacement without providing matching funds.

Capital project requests - Section 15 restricts the State Board of Higher Education from requesting state funds for capital projects from the 69th Legislative Assembly. Section 30 requires institutions to identify matching funds for future capital project requests for state funds.

Project management oversight - Section 16 requires capital projects authorized by the State Board of Higher Education to have adequate project oversight by an institution official or representative of an external entity.

Higher education trends - Section 18 provides for the Chancellor of the University System to provide an annual report to the Budget Section regarding higher education trends.

Academic program approval - Section 20 requires the State Board of Higher Education to approve institution requests for new academic programs within 30 days.

Disclosure of financial condition - Section 21 requires the State Board of Higher Education to provide a disclosure of financial condition to qualified applicants designated as finalists for the position of president.

Campus policies and procedures - Section 22 provides the president of an institution may adopt policies, procedures, and directives for the institution without the approval of faculty and others through shared governance.

Higher education challenge grants - Sections 26 through 28 adjust the higher education challenge grant statutory language and provide for the distribution of up to \$36 million of grant funds to eligible institutions. Section 38 eliminates the allocation of higher education challenge grant funds for the UND School of Law; however, funding would still be made available under the UND allocation. Section 38 also eliminates the definition of "projects dedicated exclusively to the advancement of academics" to allow the matching grants to be used as the donor and institution choose.

Workforce Development Council - Section 29 provides for the Workforce Development Council to replace the Workforce Education Advisory Council, which is eliminated in Section 38.

NDSU 2023-25

NDSU TRANSFORM



3.1.2023 DR. COOK'S UPDATE ON REORGANIZATION EFFORTS UNDERWAY AT NDSU

COLLEGE MERGERS AND ACADEMIC LEADERSHIP

I recently asked Dean Chuck Peterson, as NDSU's most senior dean, to convene a special meeting of the deans to receive their input regarding: (1) the college merger plan and (2) the provost position. I did not attend the meeting to encourage open discussion. Dean Peterson reported back that the deans were unanimous in their support for the merger plan, which includes consolidating our seven colleges down to five. After receiving additional campus input this past month, we have made a few slight modifications to the plan. The organization structure with the most recent changes highlighted can be found on the NDSU Presidents webpage NDSU Transform.

A critical part of the realignment process is college leadership. We need deans who combine academic and administrative excellence with financial acumen. We are in an excellent position with our existing deans and plans to recruit nationally to fill several open positions. Here is the status of college leadership:

1. COLLEGE OF ARTS AND SCIENCES

The current College of Arts, Humanities and Social Sciences is being merged with the College of Science and Mathematics and being renamed the College of Arts and Sciences. Kimberly Wallin will continue to be the dean of the re-named college. Kimberly has exhibited courageous and strong leadership through recent changes. I am extremely pleased and supportive of her efforts. Please join me in congratulating Dean Wallin.

2. COLLEGE OF BUSINESS

The College of Business national dean search is currently being conducted. Applications are due by March 1, and we expect finalists to be on campus by April. This process is moving forward smoothly and I am excited to meet the candidates.

3. COLLEGE OF HEALTH PROFESSIONS AND HUMAN SCIENCES

Dean Peterson will be retiring this May after a long and successful career at NDSU. We will be starting a national search for the new dean this fall. I have asked the Provost to start an internal search for an interim dean to serve until the permanent dean begins.

4. COLLEGE OF ENGINEERING

Alan Kallmeyer has begun his role as Interim Dean, while also filling the role of Interim Dean of the College of Business. I am extremely appreciative of Alan's commitment to the university as he balances these two roles. We will start a national search for a new engineering dean in the fall of 2024.

5. COLLEGE OF AGRICULTURE, FOOD SYSTEMS AND NATURAL RESOURCES

Greg Lardy continues to fill the role of Dean; however, David Buchanan, the long-standing and successful Associate Dean of the College recently announced his retirement. The Provost and I are working with Dr. Lardy and his leadership team to determine next steps with filling the Associate Dean position.

6. PROVOST

In addition to the college merger plan, the Deans also believed that stability at the Provost position is needed. With the transformation we are going through, including several dean searches, having certainty and expertise in the Provost role is critical to ensuring our success.

At this point in the academic calendar, a national Provost search would not be feasible until the fall semester, with an expected hire some time in the spring semester of 2024. The new provost would then require numerous months to become familiar with NDSU. We would have to postpone the deans' searches pending the conclusion of the provost search because many top candidates would be reluctant to apply with an interim provost. This entire process would cause significant delays which would exacerbate our problems rather than alleviate them.

Understanding this situation, the Deans unanimously supported to have Interim Provost Bertolini continue in his role for a term of three years, followed by a search for a permanent provost. This is a strong vote of confidence from the Deans in David's leadership as he has helped us through these difficult financial and organizational challenges. In addition, I consulted with the Chancellor and the Chair of the State Board of Higher Education, who support this decision. I have also discussed this matter with the leadership of each of the Senates and our equity office to ensure compliance with our hiring policies. I concur with the Deans' vote of confidence, and I am appointing David Bertolini as Provost with a fixed term of three years starting March 1, with a search to follow. This stability will allow Provost Bertolini to continue working on our transformation activities and will allow our dean searches to proceed without delay. Please join me in congratulating Provost Bertolini.

STRATEGIC REDUCTIONS

Last month, I proposed a series of strategic reductions and investments, and I asked for community input. We received considerable feedback, and I want to thank everyone who took time to provide their thoughts. These are not easy decisions which is reflected in those comments. Just like the material we received regarding the college mergers, the comments are available ndsuhigher.edu/provost/ndsuhigher_transform.

Last month, the proposals included a total reduction of 34.5 FTE positions, which included 26 current employees and 8.5 FTE vacant lines. Those proposals can be found at

nds.edu/president/nds_transform. After reviewing comments and exploring new academic arrangements, we may be able to reduce the number of reductions to 27.5 FTE which would include 19 current employees and 8.5 FTE vacant lines. These FTE reductions do not include the two dean positions that are being eliminated as a result of the college mergers.

In order to achieve these changes, we analyzed student and workforce demand in the impacted departments of Earth, Environmental, and Geospatial Sciences as well as Hospitality and Event Management. By aligning portions of these departments with other academic units, we may be able to keep a limited portion of the academic offerings. The Provost and Deans are working with these units to explore these possibilities. These changes will likely still involve the termination of tenured faculty, and therefore we will follow guidelines required by NDSU Policy 350.3 (in accordance with SBHE Policies 605).

Beyond those two departments, twelve additional non-tenured faculty positions are being reduced in other departments (i.e., these are part of the 34.5/27.5 referenced above). All employees whose position is affected are having one-on-one meeting with their Deans today. We will be working with each of these employees to coordinate their remaining time with the university and our teach-out obligations for students in the impacted majors.

We also received considerable feedback related to the elimination of the Agricultural Systems Management major. As a result of that feedback, we will be merging the Precision Agriculture and Agricultural Systems Management majors together. The merger will still require difficult budget decisions, but it will allow us to offer two options in the new major to students that will meet the evolving needs of the workforce going forward.

All current and prospective students whose majors are affected by these cuts are being advised by NDSU personnel on their options. Every current student has the option of continuing until graduation with their current major.

STRATEGIC INVESTMENTS.

We cannot transform NDSU by simply making reductions; we must reinvest in ways to enhance our student experience. Our enrollment issues are going to become more difficult in the future with increased competition from other institutions and demographic changes that will see fewer high school graduates in coming years. Another challenge relates to policy-makers in Minnesota who are exploring a tuition freeze for public universities and “free” college for families with an annual salary less than \$120,000. More than 50% of our student population are Minnesota residents. I do not know whether these initiatives will succeed, but the trend line is clear. We will be facing stiffer competition for a reduced number of students for years to come.

With the current academic year coming to a close, we need to initiate limited and strategic investments to help with enrollment, retention and student success. Given this situation, I have asked Provost Bertolini to immediately implement the following strategic investments:

A. PROFESSIONAL ADVISING

We need to ensure that more students that start at NDSU complete their degree programs. The best way to do this is to provide excellent comprehensive advising services to our 1st and 2nd year students through professional advisors. This benefits our retention efforts and reduces the load on faculty enabling them to concentrate on teaching and research.

B. CREATING FULLY ONLINE PROGRAMS

We take pride in our traditional, in-person education, and we should. However, we need to strategically augment our current program offerings with fully-online degrees aimed at non-traditional student populations and the workforce needs of North Dakota. Moving forward, we will launch new online programs aimed at addressing the state’s high-demand workforce needs. These programs will help students achieve their professional goals while mitigating the state’s workforce shortages and alleviating NDSU’s enrollment shortages.

C. BISON BRIDGE PROGRAM

This is a successful program that we terminated years ago due to budget shortfalls. Starting immediately, we will revitalize this initiative, learning from our past efforts, to prioritize how we recruit, retain, and invest in first generation, Pell-eligible and students of color. The program consists of programming before the first week of school, mentoring throughout the academic year, along with assistance with summer internship and scholarships for underserved students.

LEGISLATIVE BUDGET IMPACT

Additional investments will be dependent upon the result of the legislative process. Right now, the Legislature has reached the “cross-over” phase, where bills pass to the other chamber of legislature for further consideration. We want to thank the Legislature, particularly the members of the House Appropriations – Education and Environmental Division and the Government Operations Division, for their hard work and support of our budget priorities. We will have greater certainty for our budget situation at the end of legislative session in April.

BUDGET MODEL AND FINANCIAL SERVICES

Finally, the work on the new incentivized budget model and restructured financial services is continuing. The new model and services structure will be in place by July 1, which corresponds with the day that we will convert from seven colleges to five. With these changes, NDSU is evolving its financial operations to meet our changing world.

I want to thank every member of our community for their commitment to NDSU and its mission. That support is never more important than when difficult decisions are necessary. As we move forward together through these tumultuous times, I’m confident that NDSU will be in a stronger position to serve its mission as the state’s 1862 Land Grant University.



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