

OUTLINE FOR AGENCY BUDGET PRESENTATIONS TO THE DIVISIONS OF THE APPROPRIATIONS COMMITTEES

- 1. Explain the purpose of the agency and its various divisions/programs - Cite North Dakota Century Code provisions and attach an organizational chart.**

Included in presentation

- 2. Report any audit findings included in the most recent audit and action taken to address each finding.**

After reviewing the [ND Office of the State Auditor higher education](#) audit website for UND.

- *[FY 23 Financial Statement audit](#) (NDUS) had no UND findings*
- *[FY22 UND Operational audit](#) had no findings.*
- *[2022 Single Audit](#) had no findings.*

- 3. Discuss current biennium accomplishments and challenges and next biennium goals and plans.**

Included in presentation

- 4. Compare the agency's request/recommendation totals, including full-time equivalent (FTE) positions, for the next biennium compared to the current biennium.**

SECTION 39. EXEMPTION - FULL-TIME EQUIVALENT POSITION ADJUSTMENTS. Notwithstanding any other provisions of law, the state board of higher education may adjust full-time equivalent positions as needed, subject to the availability of funds, for institutions and entities under its control during the biennium beginning July 1, 2023, and ending June 30, 2025. The North Dakota university system shall report any adjustments to the office of management and budget as part of the submission of the 2025-27 biennium budget request.

- 5. Discuss any new positions approved for your agency for the 2023-25 biennium by the 2023 Legislative Assembly, the timing of filling the positions, amounts transferred from the OMB pool for the filled positions, and funding appropriated and the amount estimated to be spent for each position for the 2023-25 biennium.**

N/A – Bill language in item 4.

- 6. Discuss employee turnover and the number of vacant positions during the 2023-25 biennium to date, the amount of savings relating to the vacant positions and employee turnover to date compared to the vacant position savings removed from your agency's budget by the 2023 Legislative Assembly, the amount of vacant position saving spent for other purposes, and any amounts transferred or anticipated to be transferred from the OMB pool.**

UND/SMHS has 66.60 FTE vacant positions with some general fund funding that were included in the 2025-27 budget request. Of that total, 28.16 FTE are funded with general fund dollars. The table below shows vacant positions included in the budget request and their current status.

Summary of Vacant FTE by Funding Source								
Expected Fill Date	Description	Title	Position FTE	GF FTE	General Funds	Other Funds	Total Funding	
ASAP	Onoalua recruitment-Difficult to fill	Building Services Technician	11.00		\$ 5.24	\$ 660,312	\$ 737,648	\$ 1,397,960
ASAP	Onoalua recruitment-Difficult to fill	Building Services Technician	1.00		\$ 0.36	\$ 46,262	\$ 82,242	\$ 128,504
ASAP	Recruiting	Building Services Lead	1.00		\$ 0.36	\$ 49,308	\$ 87,658	\$ 136,966
ASAP Total			13.00	5.96	\$ 755,882	\$ 907,548	\$ 1,663,430	
Fall 2025	Recruiting	Assistant Professor	1.00		\$ 0.62	\$ 199,582	\$ 122,322	\$ 321,904
Fall 2025	Recruiting	Assistant Professor (Clinic)	1.00		\$ 0.35	\$ 172,920	\$ 322,982	\$ 495,902
Fall 2025	Recruiting for Fall 2025	Associate Professor	1.00		\$ 0.37	\$ 177,602	\$ 299,822	\$ 477,424
Fall 2025	Recruiting for Fall 2025	Clinical Asst. Professor	1.00		\$ 0.36	\$ 77,498	\$ 137,774	\$ 215,272
Fall 2025	Recruiting for Fall 2025	Clinical Instructor	1.00		\$ 0.36	\$ 75,068	\$ 133,456	\$ 208,524
Fall 2025	Recruiting for Fall 2025	Post Doc Research Fellow	1.00		\$ 0.36	\$ 56,676	\$ 100,758	\$ 157,434
Fall 2025	Recruiting for Fall 2025	Post Doctorate Research Fellow	1.00		\$ 0.36	\$ 68,238	\$ 121,310	\$ 189,548
Fall 2025	Recruiting for Fall 2025	Teaching Assistant Professor	1.00		\$ 0.36	\$ 94,478	\$ 167,960	\$ 262,438
Fall 2025 Total			8.00	3.14	\$ 922,062	\$ 1,406,384	\$ 2,328,446	
Fall 2026	Recruiting for Fall 2026	Assistant Professor	1.00		\$ 0.36	\$ 54,204	\$ 96,364	\$ 150,568
Fall 2026	Recruiting for Fall 2026	Assoc. Professor	1.00		\$ 0.36	\$ 112,038	\$ 199,174	\$ 311,212
Fall 2026	Recruiting for Fall 2026	Professor	1.00		\$ 0.62	\$ 153,218	\$ 93,906	\$ 247,124
Fall 2026	Recruiting for Fall 2026	Teaching Assistant Professor	1.00		\$ 0.36	\$ 67,118	\$ 119,318	\$ 186,436
Fall 2026 Total			4.00	1.70	\$ 386,578	\$ 508,762	\$ 895,340	
N/A	Position is a grant funded position and was entered with GF funding in error. Funding will be corrected in 2026 budget. position on hold - will inactivate for '26 budget cycle if no other decision is made by then	Research Engineer	1.00		\$ 1.00	\$ 1,416,930	\$ -	\$ 1,416,930
N/A	Position will be inactivated and dollars moved to another position	Associate Professor	1.00		\$ 0.36	\$ 57,460	\$ 102,150	\$ 159,610
N/A	Position will be inactivated and dollars moved to another position	Acct Tech	1.00		\$ 0.36	\$ 29,498	\$ 52,436	\$ 81,934
N/A	Position will be inactivated and dollars moved to another position	Assistant Professor	1.00		\$ 0.36	\$ 95,666	\$ 170,070	\$ 265,736
N/A	Position will be inactivated and dollars moved to another position	Medical Lab Tech	0.80		\$ 0.62	\$ 106,852	\$ 65,488	\$ 172,340
N/A	Position will be inactivated and dollars moved to another position	Outreach Specialist	1.00		\$ 0.31	\$ 54,146	\$ 120,516	\$ 174,662
N/A	Position will be inactivated and dollars moved to another position	Professor	1.00		\$ 0.62	\$ 153,218	\$ 93,906	\$ 247,124
N/A	Position will be inactivated and dollars moved to another position	Statistician	1.00		\$ 0.02	\$ 3,358	\$ 177,172	\$ 180,530
N/A Total			7.80	3.65	\$ 1,917,128	\$ 781,738	\$ 2,698,866	
Spring 2025	Recruiting	Archivist	1.00		\$ 0.36	\$ 80,702	\$ 143,464	\$ 224,166
Spring 2025	Recruiting for Spring 2025	Marketing Coordinator	1.00		\$ 0.36	\$ 50,808	\$ 90,324	\$ 141,132
Spring 2025	Reviewing department needs before filling	Administrative Assistant	1.00		\$ 0.62	\$ 95,268	\$ 58,388	\$ 153,656
Spring 2025 Total			3.00	1.34	\$ 226,778	\$ 292,176	\$ 518,954	
Summer 2025	Recruiting for Summer 2025	Data Scientist - Data Mgmt	1.00		\$ 0.36	\$ 80,136	\$ 142,466	\$ 222,602
Summer 2025	Recruiting for Summer 2025	ESports Director	1.00		\$ 0.36	\$ 58,078	\$ 103,250	\$ 161,328
Summer 2025	Recruiting for Summer 2025	Preclrkshp Clin Sci Curric Dir	0.80		\$ 0.62	\$ 310,762	\$ 190,468	\$ 501,230
Summer 2025	Recruiting for Summer 2025	Senior Software Engineer	1.00		\$ 0.36	\$ 70,934	\$ 126,102	\$ 197,036
Summer 2025	Recruiting for Summer 2025	Senior Web Developer	1.00		\$ 0.36	\$ 86,870	\$ 154,436	\$ 241,306
Summer 2025	Recruiting for Summer 2025	User Support Specialist	1.00		\$ 0.36	\$ 173,814	\$ 309,008	\$ 482,822
Summer 2025 Total			5.80	2.42	\$ 780,594	\$ 1,025,730	\$ 1,806,324	
TBD	Position eliminated and position number re-used for a new admin secretary role	Administrative Officer	1.00		\$ 0.62	\$ 114,666	\$ 70,280	\$ 184,946
TBD	Reviewing department needs before filling	Academic Advisor	1.00		\$ 0.36	\$ 59,242	\$ 105,316	\$ 164,558
TBD	Reviewing department needs before filling	Account Technician	1.00		\$ 0.36	\$ 53,142	\$ 94,472	\$ 147,614
TBD	Reviewing department needs before filling	Administrative Secretary	1.00		\$ 0.36	\$ 50,040	\$ 88,958	\$ 138,998
TBD	Reviewing department needs before filling	Assoc Dir, Rsrc Planning/Alloc	1.00		\$ 0.36	\$ 76,112	\$ 135,308	\$ 211,420
TBD	Reviewing department needs before filling	Copy Catalog/ODIN Rpts Lib Asc	1.00		\$ 0.36	\$ 48,348	\$ 85,950	\$ 134,298
TBD	Reviewing department needs before filling	Director of Finance	1.00		\$ 0.36	\$ 69,316	\$ 123,226	\$ 192,542
TBD	Reviewing department needs before filling	Education Librarian	1.00		\$ 0.36	\$ 73,478	\$ 130,628	\$ 204,106
TBD	Reviewing department needs before filling	Head, A/Bc	1.00		\$ 0.36	\$ 117,844	\$ 209,502	\$ 327,346
TBD	Reviewing department needs before filling	Interlibrary Loan Associate	1.00		\$ 0.36	\$ 47,848	\$ 85,060	\$ 132,908
TBD	Reviewing department needs before filling	Marketing/Communications Coord	1.00		\$ 0.36	\$ 54,756	\$ 97,336	\$ 152,092
TBD	Reviewing department needs before filling	Professor	1.00		\$ 0.36	\$ 102,318	\$ 181,900	\$ 284,218
TBD	Reviewing department needs with new Director before filling	Assistant Director	1.00		\$ 0.36	\$ 116,482	\$ 207,078	\$ 323,560
TBD	Reviewing department needs with new Director before filling	Assistant Professor	1.00		\$ 0.36	\$ 88,966	\$ 158,158	\$ 247,124
TBD	Reviewing department needs with new Director before filling	Head of Faculty Services	1.00		\$ 0.36	\$ 78,176	\$ 138,976	\$ 217,152
TBD Total			15.00	5.66	\$ 1,150,734	\$ 1,912,148	\$ 3,062,882	
1/1/2025	Recruited for this tenure track position, but hired as special appointment and using this funding	Assistant Professor	1.00		\$ 0.36	\$ 95,666	\$ 170,070	\$ 265,736
1/1/2025 Total			1.00	0.36	\$ 95,666	\$ 170,070	\$ 265,736	
2/1/2025	Recruiting	Administrative Secretary	1.00		\$ 0.62	\$ 99,786	\$ 61,158	\$ 160,944
2/1/2025	Recruiting	Operations Center Specialist	1.00		\$ 0.36	\$ 51,250	\$ 91,110	\$ 142,360
2/1/2025 Total			2.00	0.98	\$ 151,036	\$ 152,268	\$ 303,304	
3/1/2025	Recruiting	Director, Public Health Programs	1.00		\$ 0.62	\$ 131,800	\$ 80,780	\$ 212,580
3/1/2025	Recruiting	Medical Insurance Technician	1.00		\$ 0.27	\$ 51,758	\$ 138,324	\$ 190,082
3/1/2025	Recruiting	Office Coordinator	1.00		\$ 0.62	\$ 81,684	\$ 50,062	\$ 131,746
3/1/2025	Reviewing department needs before filling	Marketing Coordinator	1.00		\$ 0.36	\$ 52,632	\$ 93,564	\$ 146,196
3/1/2025 Total			4.00	1.87	\$ 317,874	\$ 362,730	\$ 680,604	
6/1/2025	Recruiting	Dir Nat'l Security Rsrch Dev	1.00		\$ 0.36	\$ 135,062	\$ 240,108	\$ 375,170
6/1/2025 Total			1.00	0.36	\$ 135,062	\$ 240,108	\$ 375,170	
7/1/2025	Funding moving to a different new position in June 2025 to better meet needs of institution	Auditor	1.00		\$ 0.36	\$ 85,024	\$ 151,152	\$ 236,176
7/1/2025 Total			1.00	0.36	\$ 85,024	\$ 151,152	\$ 236,176	
8/16/2025	Recruiting	Assistant Professor	1.00		\$ 0.36	\$ 70,726	\$ 125,732	\$ 196,458
8/16/2025 Total			1.00	0.36	\$ 70,726	\$ 125,732	\$ 196,458	
Grand Total			66.60	28.16	\$ 6,995,144	\$ 8,036,546	\$ 15,031,690	

7. Explain the funding included in each program/line item either in total or by division depending on the size of the agency as follows:
- Amounts included in the base level and their purpose and use; and
 - Amounts included in the request/recommendation and justification for the change from the base level. Discuss changes relating to each line item (salaries and wages, operating expenses, etc.) funding source (general fund, special funds, federal funds), and FTE positions.

Included in presentation

8. Discuss the purpose and use of any one-time funding items for the current biennium.

*Economic Diversification Research Funding - \$2.5 million – included in presentation
National Security funding - \$23 million over past 3 biennia – included in presentation*

9. Identify and justify the need for any one-time funding being requested.

National Security Crossroads Funding

10. Discuss any fees the agency charges, the appropriateness of the fee amount, fee collections that are deposited in the general fund or a special fund, and any anticipated changes from 2023 legislative session estimates during the 2023-25 biennium and estimated changes for the 2025-27 biennium.

UND is estimating fee increases to cover the additional operating costs presented. These fees include housing fees, dining fees, aviation fees and other student or service fees charged.

11. Identify any federal state fiscal relief funds remaining to be spent by your agency by December 2026. Provide the amount, the purpose, and a timeline of anticipated expenditures.

Space Education and Research Initiative at UND

- Remaining Amount - \$2,477,775
- Expecting to spend dollars by 12/31/2025

Merrifield Hall Renovation

- Remaining Amount – \$4,294,646
- Expecting to spend dollars by 6/30/2025

Hyperbaric Oxygen Therapy

- Remaining Amount - \$1,294,502
- Expecting to refund \$250,000 to the state with all other remaining funds expected to be spent by 12/31/2026

12. Discuss the need for any other sections to be added to the appropriation bill.

*See **Attachment 1** from SBHE Budget and Finance Committee meeting on April 10, 2024. UND is requesting the ability to lease or sell approximately 20 acres of land on the northwest side of campus.*

SB2003 – 65th Legislative Assembly – Biennium 2027-19

SECTION 31. TRANSFER OF LAND AUTHORIZED.

The state of North Dakota, by and through the state board of higher education, may convey certain real property known as Ray Richard's golf course or Ray Richard's golf course addition, 3801 demers avenue, lot 1, block 1, and Ray Richard's golf course addition, 3501 demers avenue, lot 2, block 1, in the records of the city of Grand Forks, if determined appropriate by the state board of higher education. If any of the real property authorized to be conveyed under this section is conveyed, the terms of the conveyance must be determined by the state board of higher education or a designee of the board. North Dakota Century Code sections 54-01-5.2 and 54-01-05.5 do not apply to the transfer authorized by this section.

13. Discuss any other bills being considered by the Legislative Assembly and their potential budgetary impact on your agency.

HB1015 - OMB appropriation - Monitor for state employee compensation

HB1023 - NDPERS appropriation - monitor for funding of state employee retirement system

HB1028 - Modifies the construction management at-risk planning, design & procurement

HB1037 - State funded grants for uncrewed aircraft systems & autonomous vehicles

HB1038 - Uncrewed aerial vehicle replacement program

HB1064 - State authorization for postsecondary educational institutions & SARA

HB1098 - Establishes ND Scholarship Program eligibility requirements for students interested in a teaching career

HB1128 - Higher Ed infrastructure revolving loan fund

HB1145 - Required posting of Ten Commandments in all K-12 & SBHE institution classrooms

HB1161 - Higher ed institutions vacant FTE funding transferred to OMB funding pool

HB1179 - Paid time off for certain faculty members

HB1181 - Limitations on gender-related words in ND Century Code, policies, procedures, etc. for any state agency or institutions receiving state funding

HB1220 - Creates a ND accelerated degree program for high-demand occupations at SBHE institutions

HB1221 - Workforce Education Innovation Program funding

HB1265 - Creates the UND State Information Technology Research Center

HB1273 - Free speech

HB1285 - State employee compensation increases 3% & 2%

HB1404 - Qualifications to receive the ND Scholarship

HCR3002 - Proposes a constitutional amendment to permit sport betting on professional and college sports, with revenues dedicated to K-12 education

SB 2003 - Appropriation for NDUS institutions, CTS and the System Office

SB 2006 - ND Aeronautics Commission appropriation

SB 2013 - Department of Trust Lands appropriation, includes land trust payments to NDUS institutions

SB 2034 - Interim Higher Ed Committee Funding Formula Changes

SB 2143 - Increases State Energy Research Center funding cap to \$10 million from \$7.5 million

SB 2147 - Creates a Supplemental State Grant Program & modifies eligibility requirements for multiple grant & scholarship programs

SB 2170 - Armed Forces Reserve Scholarship, no appropriation

SB 2212 - NDUS Capital Building Fund (Tier funds)

14. Provide a one-page itemized listing any changes your agency is requesting the committee to make to the executive budget recommendation.

Included in presentation

15. Provide additional information as necessary.

- **Attachment 2** – UND/SMHS budget request compared to Governor’s Recommendation
- **Attachment 3** – Testimony from UND CIO Madhavi Marasinghe regarding networking services transition

Attachment

#1

North Dakota State Board of Higher Education Budget and Finance Committee Meeting Notice and Agenda

April 10, 2024
Action Item

The State Board of Higher Education Budget and Finance Committee will meet via Teams on Wednesday, April 10th at 1:00 p.m. CT., via Teams, call in information 701-409-8507, passcode 535 090 947 #.

Call to Order

Committee Business

1. Agenda
2. March 13, 2024, [Meeting Minutes](#)
3. [VCSU Tier II/III Capital Funds Request](#)
4. [VCSU Line-Item Transfer from Operating to Capital Request](#)
5. [UND Tuition Exemption](#)
 - Authorize an exception to SBHE Policy 805.1 to charge tuition rates for undergraduate Canadian students, regardless of province of residency. UND is requesting undergraduate nursing and undergraduate social work/nutrition & dietetics rates for all Canadian provinces be at a factor of 1.5 moving from a 2.0 factor. Currently, Manitoba and Saskatchewan are at a factor of 1.5.

Committee Reports/Updates/Discussion

6. [Space Utilization/Deferred Maintenance](#) – Mr. Rick Tonder
7. [BSC Unit Cost Model](#) – President Jensen/Dr. John Carroll
 - a. [BSC Unit Cost Compare FY21-FY23 Report](#)
 - b. [BSC Unit Cost Compare FY21-FY23 Totals](#)
 - c. [Turnaround](#)
8. [UND Sale of Land](#)
9. [NDUS Annual Financial Review FY2023](#) – Ms. Robin Putnam
10. Institution Finance Staff Reports
 - a. [DCB](#) – Ms. Lisa Mock, Associate Dean for Business & Finance
 - b. [DSU](#) – Mr. Les Wietstock, Chief Operating Officer
 - c. [MaSU](#) – Ms. Amber Hill, VP for Business Affairs

Adjourn

Quick Links

[BFC Annual Calendar](#)

University of North Dakota

Informational Item: Sale of Surplus Land

Project Description: UND, to prepare a request for consideration by the 69th Legislative Assembly (2025-2026), will publicly solicit proposals via a request for proposal (RFP) from interested developers. Developers will submit their request including proposed use and a detailed summary of their interest to develop all or part of approximately 20 acres of surplus land owned by UND.



Figure 1.

The yellow line outlines UND's main campus in Grand Forks, ND, and the red box outlines the surplus property available for development consideration.

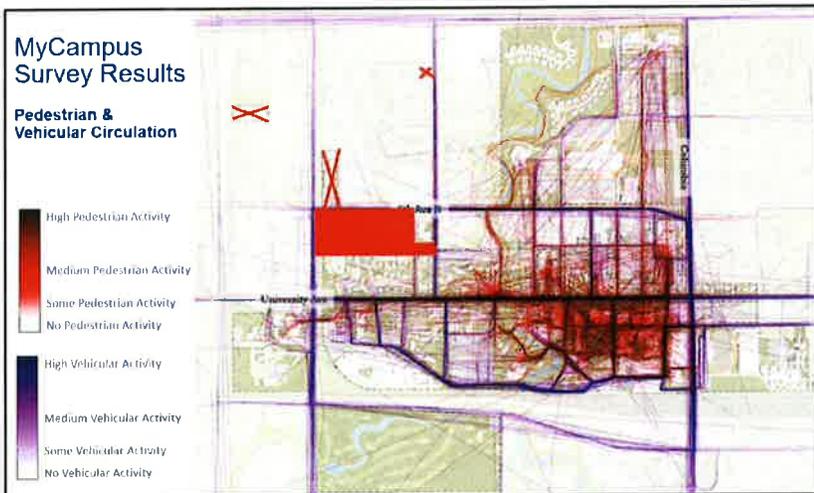


Figure 2.

Motion survey results show where the highest pedestrian and vehicular activity takes place across campus. The red box delineates the surplus property available for development consideration.

Over the last few years, UND has worked to attract private development on, and adjacent to, campus to revive the neighborhood and improve the overall UND experience for students, employees, visitors, and other stakeholders. Recently, UND has seen a lot of interest in developing land owned by and/or leased to developers.

UND's RFP will offer the ability to lease and/or purchase UND's surplus land for development purposes. The sale of land by UND would be contingent on both legislative and SBHE approval. By offering the option to lease and/or purchase the surplus land, UND will garner maximum interest from developers.

If one or more proposals are considered beneficial to UND, UND will work with the identified developer(s) to refine and summarize the proposal and include a request to sell surplus land as part of UND's legislative requests for action by the SBHE during the annual June 2024 SBHE budget meeting.

If the 69th Legislative Assembly authorizes UND to sell its surplus land, UND would present the final sale agreement to the SBHE for approval; the terms of the conveyance must be determined jointly by the SBHE or a designee of the Board and the Commissioner of University and School Lands.

Consistency with Campus Facility Master Plan and Budget: The land was acquired by UND to construct low-density apartments. The mostly vacant land on the northwest corner of campus has little connection or circulation with the campus core or key student amenities. UND has shifted its housing to the east, closer to the campus core and has adequate vacant land along University Avenue for additional housing and/or mix-use if needed.

UND's master plan does not identify a use for the surplus land. The best use of the surplus land would be private development that would enhance the neighborhood and generate new property tax revenue to support community amenities and public services that serve UND. Sale proceeds would be invested into other UND property.

SBHE and/or Legislative History: NA

Attachment

#2

NDUS Institutions Comparison of SBHE General and Special Funds Budget Request Engrossed HB1003	University of North Dakota			UND SMHS			Subtotal UND and SMHS		
	SBHE 2025-27 GF Budget Request	Burgum Executive Recommendation	Executive Budget Over (Under) Budget Request	SBHE 2025-27 GF Budget Request	Burgum Executive Recommendation	Executive Budget Over (Under) Budget Request	SBHE 2025-27 GF Budget Request	Burgum Executive Recommendation	Executive Budget Over (Under) Budget Request
2023-25 Adjusted General Fund Appropriation	\$ 179,204,139	\$ 179,204,139	\$ -	\$ 80,865,916	\$ 80,865,916	\$ 80,865,916	\$ 260,070,055	\$ 260,070,055	\$ -
Base Adjustments - Funding Formula	329,005	329,005	-	8,130,500	8,130,500	8,130,500	8,459,505	8,459,505	-
IT Rate Adjustment	39,532	39,532	-	9,577	9,577	9,577	49,109	49,109	-
Employer Retirement Contribution	100,821	100,821	-	38,691	38,691	-	139,512	139,512	-
Target Market Equity	4,850,420	4,850,420	-	1,926,669	1,926,669	1,926,669	6,777,089	6,777,089	-
3% Budget Reduction	(5,535,718)	-	5,535,718	(2,408,856)	-	2,408,856	(7,944,574)	-	7,944,574
Restore 3% Budget Reduction	5,535,718	-	(5,535,718)	2,408,856	-	(2,408,856)	7,944,574	-	(7,944,574)
Inflation Factor Increase	5,535,718	-	(5,535,718)	2,729,141	-	(2,729,141)	8,264,859	-	(8,264,859)
High Performance Computing NTN	4,000,000	-	(4,000,000)	-	-	-	4,000,000	-	(4,000,000)
2023-25 Adjusted General Fund Appropriation, Net of Base Adjustments	194,059,635	184,523,917	\$ (9,535,718)	93,700,494	90,971,353	88,203,521	287,760,129	275,495,270	(12,264,859)
Executive Recommendation Base Increases (Decreases):			\$ -						\$ -
2025-27 Adjustments:			\$ -						\$ -
2023-25 Formula Rate Averaging 75% Adjustment (one-time)			\$ -						\$ -
2025-27 Governor Adjustment - 10% Netted (10% gross adjustment includes IT Rate Adjustment, Employer Retirement Contribution, Target Market Equity, Health Insurance, Remove Minimum Amount Payable, Adjustment for 2-year credits at 4- year Institutions and 4-year credits at 2-year Institutions)		9,621,862			4,622,011	4,622,011	-	14,243,873	14,243,873
Health Insurance		3,102,806			1,240,406	1,240,406	-	4,343,212	4,343,212
High Performance Computing NTN (one-time)		2,000,000	\$ 2,000,000		-	-	-	2,000,000	2,000,000
Total Adjustments	-	14,724,668	2,000,000	-	5,862,417	5,862,417	-	20,587,085	20,587,085
Total Base General Fund Request & Recommendation	\$ 194,059,635	\$ 199,248,585	\$ (7,535,718)	\$ 93,700,494	\$ 96,833,770	\$ 3,133,276	\$ 287,760,129	\$ 296,082,355	\$ 8,322,226
		\$ -			\$ -				
2023-25 Original Other Fund Appropriation	\$ 789,961,608	\$ 789,961,608	\$ -	\$ 167,914,111	\$ 167,914,111	\$ 167,914,111	\$ 957,875,719	\$ 957,875,719	\$ 957,875,719
Employer Retirement Contribution	520,248	520,248	-	68,304	68,304	68,304	588,552	588,552	588,552
Target Market Equity	-	-	-	259,427	259,427	259,427	259,427	259,427	259,427
IT Rate Adjustment	193,009	193,009	-	20,351	20,351	20,351	213,360	213,360	213,360
2023-25 Adjusted Other Fund Appropriation	\$ 790,674,865	\$ 790,674,865	\$ -	\$ 168,262,193	\$ 168,262,193	\$ 168,262,193	\$ 958,937,058	\$ 958,937,058	\$ 958,937,058
Executive Recommendation Base Increases (Decreases):									
2025-27 - 4%/3% Salary & Fringe Benefits		18,769,237	\$ 18,769,237		3,922,043	3,922,043	-	22,691,280	22,691,280
Health Insurance increases		10,164,100	\$ 10,164,100		1,834,080	1,834,080	-	11,998,180	11,998,180
Total Adjustments	-	28,933,337	28,933,337	-	5,756,123	5,756,123	-	34,689,460	34,689,460
2025-27 Total Base Special Fund Request and Recommendation - Other Funds	\$ 790,674,865	\$ 819,608,202	\$ 28,933,337	\$ 168,262,193	\$ 174,018,316	\$ 231,416,852	\$ 958,937,058	\$ 993,626,518	\$ 993,626,518
Total All funds	984,734,500	1,018,856,787	21,397,619	261,962,687	270,852,086	234,550,128	1,246,697,187	1,289,708,873	1,001,948,744

Attachment

#3

Dear Chairman and members of the Legislative IT Committee,

This letter is in response to the legislative request received on September 18, 2024, regarding documents related to the UND NetX: Elevating Connectivity project and the questions raised at the recently held Legislative IT Committee on September 10. Please allow me to take a moment to address the questions by first providing the IT Committee with the necessary background and context needed to fully evaluate the decision to outsource the management of the UND network.

Summary

After two years of needs assessment and cost-benefit analysis in collaboration with CTS, on July 1, 2024, UND executed the contract to outsource the management of the UND local area network from CTS to Apogee. The transition of services will take approximately a year. The new partnership allows UND to reduce its network operational cost by \$13M over 10 years, ensure network hardware and software are refreshed and meet current standards, keep network cost controlled and predictable, have on-site staff to support network services, monitor the network 24/7/365, and rapidly adapt to changing needs of the community.

During the first phase of the transition of services to Apogee, before the start of the semester, Apogee successfully transitioned the network management for ten Residential Hall buildings. To accommodate increased enrollment and the bandwidth needs of our students, the total number of wireless access points in the residential halls was more than doubled from 684 to 1509 at no extra charge to UND. This allows students to connect up to ten devices simultaneously with minimum speeds of 100Mbps download and 25Mbps upload. This is a significant improvement in the student connectivity experience.

Discussions and planning to transition the rest of the academic and administrative buildings are underway.

History of UND Network Support

Since the merger of NDUS IT and UND IT in 2012, CTS has provided network services to UND. In 2017, UND formalized this relationship through a Service Level Agreement (SLA). Since then, UND has partnered with CTS to invest in network design and upgrades, addressing deferred maintenance to better meet the needs of the UND community. UND funds all operations and upgrades of the network with a combination of appropriated funds and student technology fees. Network services provided by CTS include professional services, hardware, software, and licensing costs. CTS staff work remotely but will occasionally come on-site for planned work or during emergencies.

UND is the only institution in the NDUS system that relies on CTS for its network services due to the merger in 2012. All other institutions within NDUS manage their own network services.

Reason for Outsourcing

With the growth in the student population, the number of devices our students bring to campus, the increase in research activity, and the increase in costs for hardware and software to maintain a robust network, it was necessary for UND to reevaluate how the institution provides for and manages network services. Since part of the network is paid by the student technology fee, it is imperative that the network meets our students' growing needs for increased bandwidth and supports the multiple devices that they bring to UND. UND has a responsibility to its students and to the State of North Dakota to provide optimal services in the most fiscally responsible manner possible.

Evaluation Process

Two years ago, UND started to identify possible options for reducing the cost of operation while providing additional network services, such as a 24/7/365 network operation center (NOC). In addition, UND sought a pathway to provide on-site technical field support staff to build relationships with our community, address potential issues proactively, and provide stakeholder network performance reports for transparency. Also, of importance moving forward is providing the institution with the ability to adapt quickly to the changing needs of our community and take advantage of emerging technologies while keeping the cost controlled and predictable. After two years of study, the decision to transition UND network services to a managed hosted vendor was the result of (1) a thorough assessment of needs, (2) detailed cost comparisons, and (3) continuous discussions with stakeholders, including NDUS CTS. Key benefits of a managed hosted service are 24/7/365 service, improved network security, reduced downtime, and predictable costs. These advantages help position the university for both current needs and future growth.

CTS has been a vital partner in this process the entire time. CTS was instrumental in helping to do a ten-year cost projection analysis. CTS was given a copy of the vendor proposal to review. CTS understands and has agreed to assist and facilitate the transition, for which UND is grateful.

NDIT was also involved in several conversations with CTS and the vendor to iron out technical details and to understand communication and escalation of issues.

Vendor Selection Process

UND procured the services from Apogee through a cooperative contract established by E&I Cooperative Services in accordance with NDUS procedure 803.1 (5). E&I Cooperative Services is a non-profit sourcing cooperative exclusively focused on serving the education community.

Apogee, whose business model is solely focused on higher education, including residence halls, with significant years of experience providing services to 400+ higher education institutions, some larger than UND, will greatly benefit UND. Apogee's parent company Boldyn's expertise in wireless and technologies such as 5G private cellular networks will benefit UND as we embrace innovative pedagogy and high-intensity research activities requiring cutting-edge technology. The partnership will enable support of the NDUS Strategic Plan and the UND LEADS strategic plan while setting up UND and its community for success in the years to come.

Cost of Operation Comparison

The projected total cost of network operations over the next ten years with CTS as our service provider is \$46M. Apogee's projected cost over the ten years is \$33M. Transitioning to Apogee provides an opportunity to enhance the network and increase the level of services at a lower cost. With the transition, the total cost of operations over ten years is reduced by \$13M. The reduction in cost will be in the best interests of our students and taxpayers.

The current average yearly cost of managing the UND network is over \$2M. This does not include major equipment replacement cycles, as UND operates on a capital expenditure (CapX) model for major replacements. UND has been attending to refresh cycles based on the availability of funds. The Apogee model allows UND to transition to an operational expense (OpX) model, ensuring the cost is controlled and predictable and keeping the equipment refreshed to meet the standards.

Economic Impact

Apogee works with the local Cisco sales rep within the state where the institution resides to procure equipment. The majority of the Cisco equipment comes from CDW. CDW has locations all over the U.S., similar to Marco (current vendor). CDW is headquartered in Illinois, while Marco is in Minnesota. Apogee will work with the North Dakota Cisco rep in the best interest of UND. The three people Apogee is hiring in support of the contract will all be local to North Dakota. In addition, the contract will require Apogee personnel to travel to North Dakota regularly, contributing to the local economy through hotel stays, car rentals, dining, etc.

Additionally, enhancements to the network at UND will enable academic and research capabilities and drive economic growth through increased collaboration with industry and research partners, increasing student and employee retention, attracting talented researchers, and creating operational efficiencies, innovation, and commercialization opportunities.

Transition from CTS to Apogee

UND will transition network services from CTS to Apogee over the fiscal year 2025. Through the FY25 SLA, UND agreed to continue to pay for CTS professional services through June 30, 2025, if needed. UND has hired one network position from CTS. Apogee on-site staff includes a network engineer, a field service technician, and a network technician – wireless specialist. Apogee has advertised three on-site positions and has already hired one position to support the Apogee Residence Halls network.

Management of the Residence Halls network transition to Apogee is complete. Plans are underway to transition the network in academic and administrative buildings.

Benefits Realized

By partnering with Apogee to transition the Residential Halls network before the students arrived on campus this fall, UND has seen significant improvement in network services. Within six weeks of engagement, Apogee upgraded ten residential halls by more than doubling the number of wireless access points in the buildings to accommodate student needs. UND did not incur any additional costs as a result of this significant upgrade, as the vendor provides a contracted level of service and coverage. With the new services, students can now connect up to 10 devices simultaneously with guaranteed 100mbps download and 25mbps speed. Additionally, security has been enhanced by providing a Personal Area Network (PAN) for each user, allowing secure communication between the devices a student has added to their PAN, such as phones, appliances, laptops, printers etc.

During the welcome weekend and the first week of the semester, Apogee had a team of four people on site to ensure the start of the school year went as smoothly as possible. They were integrated with UND's team, and their professional support resulted in a seamless transition for our students.

Additionally, the monthly performance reports and regular meetings to assess services have strengthened the relationship and provided an opportunity for continuous improvement.

Response to Documents Requested on September 18, 2024

1. The current status full report on network management produced by the new network management vendor, Apogee
 - a. For the Apogee Residence Hall Network, Apogee provides a monthly service review report showing general data on the service, case metrics broken down by several parameters (channel, volume, location/building as well as network bandwidth utilization etc.) UND (University Information Technology) also has unrestricted access to our Customer Success manager should we have questions or concerns at any time.
 - i. Apogee project update ('2) UND – Apogee Project Update 082324.pdf')
 - ii. Apogee Stewardship Meeting reports providing the status for the months of August and September ('3) UND – Stewardship Report 8292024.pdf' and '4) UND – Stewardship Report 202409.pdf')
2. The network management contract with Apogee
 - a. UND procured the services from Apogee through a cooperative contract established by E&I Cooperative Services in accordance with NDUS procedure 803.1 (5). E&I Cooperative Services is a non-profit sourcing cooperative exclusively focused on serving the education community.
 - b. The lead agency on the original procurement for 'high-speed internet and cable services' was the State of North Carolina, acting through the University of North Carolina at Charlotte. See attached '5) Process Letter 2022-05-01.pdf', which outlines the original procurement process certified by E&I for adoption by E&I for its members and the resulting master agreement between E&I and Apogee ('6) E&I Master Agreement.pdf').
 - c. See fully executed Apogee Contract ('7) Managed Network Services (UND-Apogee).pdf')
3. The network management contract with the old vendor
 - a. CTS has been managing UND's network since 2012. The partnership was formalized in 2017, and a Service Level Agreement was reviewed and revised each fiscal year. See attached SLAs for FY24 ('8) FY24 SLA Master Agreement – Final.docx') . FY25 ('9) FY25 SLA Master Agreement FINAL.docx.pdf')., and Network Services Responsibilities ('10) F25_Network_SLA_signed.pdf')
4. Documents related to any state equipment purchased by Apogee through the new agreement, including the amounts for each equipment purchase and information regarding Apogee's compliance with the state procurement process
 - a. Apogee has not purchased state equipment through the new agreement. UND will maintain control of these equipment assets throughout their useful lifespan. At the end of the useful life of the currently installed network

equipment, UND will dispose of any non-serviceable equipment via the standard surplus process.

5. Any current or recently expired agreements between UND and NDUS Core Technology Services to provide network management services
 - a. Please see #3 above.

The network at UND is considered critical infrastructure and serves as the backbone of all digital activities. As such, it is imperative that UND futureproof the network to support the growing needs of our community in a fiscally responsible manner.

I hope the above adds clarity to the questions you had. Please reach out if you have additional questions or need further clarification.

Sincerely,

Madhavi

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