

## HIGHER EDUCATION - SUMMARY OF KEY RECOMMENDATIONS

Compared to 1999-2001 legislative appropriations for higher education, the 2001-03 executive budget recommends:

- Increasing **general fund** support by \$38,312,185.
- Removing \$177,746,228 of **tuition and other income** from the appropriation process (\$159,495,220 was appropriated for the 1999-2001 biennium).
- Removing \$578,112,820 of **local funds** from the appropriation process (\$523,858,540 was appropriated for the 1999-2001 biennium).

Major changes include:

1. The **University System office** budget is consolidated from 18 line items to five (system governance, student grant programs, campus-based programs, contingencies and board initiatives, and capital bond payments), and the line items for institutions are consolidated to two--operations and capital assets.
2. The campus-based programs line item includes:

An **equity and special needs pool** of \$19,445,765 is included in the University System office budget for the State Board of Higher Education to allocate to campuses. The funding is for:

- Critical needs in campus operations (\$2.5 million).
- One-time funding for innovation initiatives (\$2.5 million).
- Equity salary adjustments (\$1,069,596).
- Recommended compensation plan salary increases (\$13,261,034) equal to three percent of salaries for the first year of the biennium and two percent for the second year (salary increase funding is not included in the individual institutions' budgets).
- Other equity and special needs (\$115,135).

A **technology pool** of \$6,012,494 is provided in the University System office budget for:

- University System equipment (\$217,020).
- Increased system technology and network costs (\$1,200,000).
- Costs associated with the implementation of the statewide information technology network (\$4,595,474).

Funding of \$22,225,925 for the Interactive Video Network (**IVN**), On-line Dakota Information Network (**ODIN**), and Higher Education Computer Network (**HECN**) is removed from the budgets of the University of North Dakota and North Dakota State University and pooled in the University System office budget for the State Board of Higher Education to allocate to campuses.

Funding of \$3,471,100 is provided for **competitive research** matching funding which is a \$1.5 million increase from the previous biennium, \$534,000 for the **Title II program**, \$216,676 for **information technology management** needs, and \$51,560 for **disabled student services**.

3. Funding of \$1,407,513 for **Prairie Public Broadcasting** is moved from the University System office budget to the Information Technology Department budget.
4. Funding of \$56,500,200 is provided for **capital improvements** including:
  - \$11,004,380 for extraordinary repairs.
  - \$45,495,820 for capital projects.

Of the \$56,500,200, \$10,262,247 is from the general fund, \$41,161,953 is from special and federal funds, and \$5,076,000 is from state bond proceeds. Please refer to the schedules under the "Capital Construction" section for additional information regarding capital improvements.

5. Funding of \$12,730,841 is provided for **capital construction lease payments**. Of the \$12,730,841, \$11,261,502 is from the general fund, and \$1,469,339 is from special and federal funds. The funding for the capital construction lease payments relates to bonds issued by the North Dakota Building Authority for building projects authorized by the Legislative Assembly. Previously, the general fund appropriation for capital construction lease payments was provided to the Industrial Commission.