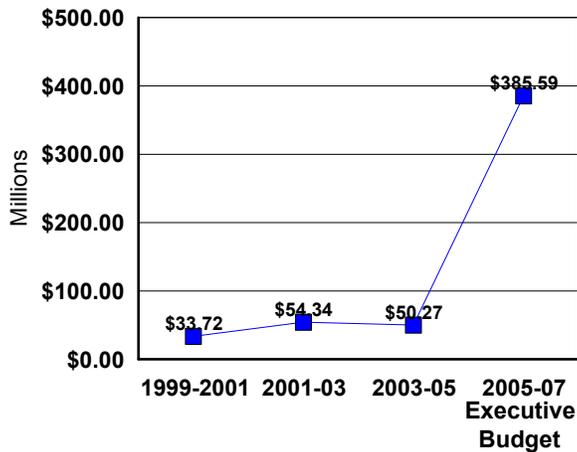


Department 215 - North Dakota University System Office
Senate Bill No. 2003

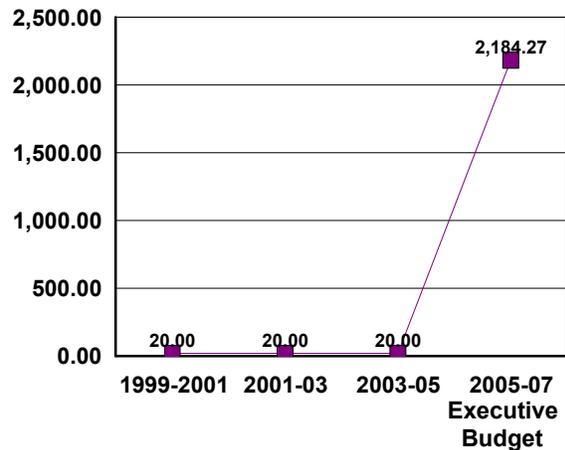
	FTE Positions	General Fund	Other Funds	Total
2005-07 Executive Budget	2,184.27	\$385,589,539	\$2,337,276	\$387,926,815
2003-05 Legislative Appropriations	20.00	50,273,529	3,855,507	54,129,036 ¹
Increase (Decrease)	2,164.27	\$335,316,010	(\$1,518,231)	\$333,797,779

¹The 2003-05 appropriation amounts reflect general fund allocations of \$6,533,856 from the technology pool and \$30,000 from the board initiatives funding to other higher education institutions and a transfer of \$218,655 from the State College of Science to the North Dakota University System office relating to expenses associated with the FTE position responsible for articulation and transfer agreements. The 2003-05 appropriation amounts do not reflect \$1,279,477 of general fund carryover from the 2001-03 biennium.

Agency Funding - General Fund



FTE Positions



Executive Budget Highlights

	General Fund	Other Funds	Total
1. Consolidates operations and extraordinary repair funding for higher education institutions into two line items in the University System budget--campus operations and contingency, extraordinary repairs, and capital emergency			
2. Increases the number of FTE positions for the University System office from 20 to 2,184.27 to account for the number of higher education institution FTE positions supported by the general fund			
3. Adjusts funding for system governance by \$545,737, from the 2003-05 adjusted appropriation of \$4,974,975, of which \$4,813,642 was from the general fund, to \$5,520,712, of which \$5,330,786 is from the general fund, to:			
a. Increase funding to replace carryover funding used during the 2003-05 biennium	\$205,694	\$64,482	\$270,176
b. Provide funding for ConnectND "backfill" positions		\$75,000	\$75,000
c. Decrease funding from special funds		(\$122,345)	(\$122,345)
d. Provide funding for a 3 percent per year salary increase	\$133,181	\$6,316	\$139,497
e. Provide funding for health insurance premium increases	\$57,169	\$5,140	\$62,309
f. Provide funding for a 2.2 percent operating inflationary adjustment	\$18,900		\$18,900

g. Provide funding for increases in FINDET of \$75,200 from \$43,704 to \$118,905 and increases in dues for the Western Interstate Commission on Higher Education of \$12,000 from \$208,000 to \$220,000 and the Midwestern Higher Education Compact of \$15,000 from \$165,000 to \$180,000	\$102,200		\$102,200
Total	\$517,144	\$28,593	\$545,737
4. Adjusts funding for the student financial assistance grant program from \$2,930,215, of which \$2,730,215 was from the general fund, to \$6,376,288, of which \$6,204,288 is from the general fund, to:			
a. Increase funding to replace carryover funding used during the 2003-05 biennium	\$174,073	\$500,000	\$674,073
b. Remove funding from the North Dakota/Minnesota reciprocity agreement		(\$500,000)	(\$500,000)
c. Decrease federal funding		(\$28,000)	(\$28,000)
d. Increase funding from the general fund	\$1,300,000		\$1,300,000
e. Provide funding for a child care component	\$2,000,000		\$2,000,000
Total	\$3,474,073	(\$28,000)	\$3,446,073
5. Adjusts funding for the professional student exchange program from \$1,678,300, to \$1,713,780 to increase funding to replace carryover funding used during the 2003-05 biennium	\$35,480		\$35,480
6. Adjusts funding for the scholars program from \$816,368 to \$862,077 to increase funding to replace carryover funding used during the 2003-05 biennium	\$45,709		\$45,709
7. Adjusts funding for the Native American scholarship program from \$204,086 to \$251,988 to increase funding to replace carryover funding used during the 2003-05 biennium (\$402) and to provide an increase in funding from the general fund (\$47,500)	\$47,902		\$47,902
8. Adjusts funding for the education incentive programs from \$830,000 to \$1,227,902 to increase funding to replace carryover funding used during the 2003-05 biennium	\$397,902		\$397,902
9. Decreases funding for professional liability insurance from \$1,850,000 to \$1,350,000	(\$500,000)		(\$500,000)
10. Adjusts funding for board initiatives by \$744,104, from the 2003-05 adjusted appropriation of \$171,836 to \$915,940, to:			
a. Increase funding to replace carryover funding used during the 2003-05 biennium	\$294,306		\$294,306
b. Provide funding for an economic enhancement initiative	\$449,798		\$449,798
Total	\$744,104		\$744,104
11. Increases funding for competitive research by \$440,000 from \$4,750,000 to \$5,190,000	\$440,000		\$440,000
12. Removes funding provided in the 2003-05 biennium for centers of excellence	(\$1,550,000)		(\$1,550,000)
13. Increases funding for the common information services pool by \$3,368,300, from the 2003-05 adjusted appropriation of \$18,555,783 to \$21,924,083, to provide funding for the following information technology priorities:			
a. Parity, including 3 percent per year salary increases, health insurance increase, and a 2.2 percent operating expense inflationary adjustment	\$1,018,300		\$1,018,300
b. Network growth	\$825,000		\$825,000
c. Antivirus software licenses	\$175,000		\$175,000
d. An On-line Dakota Information Network system service librarian	\$100,000		\$100,000
e. A systemwide learning management system	\$950,000		\$950,000
f. Interactive Video Network equipment refurbishment	\$300,000		\$300,000
Total	\$3,368,300		\$3,368,300
14. Increases funding for contingency, extraordinary repair, and capital emergency by \$5,361,572, from \$1,752,767 to \$7,114,339, to:			
a. Increase funding to replace carryover funding used during the 2003-05 biennium	\$125,911		\$125,911
b. Remove one-time funding provided for the 2003-05 biennium from		(\$1,456,074)	(\$1,456,074)

the water development trust fund			
c. An increase in funding from the general fund	\$14,318		\$14,318
d. Funding for higher education institutions' extraordinary repairs consolidated from individual higher education institution budgets	\$6,677,417		\$6,677,417
Total	\$6,817,646	(\$1,456,074)	\$5,361,572
15. Adjusts funding for capital assets by \$1,487,452, from \$12,790,689 to \$14,278,141 to properly account for bond payments for the 2005-07 biennium	\$1,550,202	(\$62,750)	\$1,487,452
16. Provides funding for the operations of all higher education institutions in one line item-- campus operations	\$319,927,548		\$319,927,548

Major Related Legislation

Senate Bill No. 2003 - Campus operations - Section 6 of Senate Bill No. 2003 provides that the State Board of Higher Education is to allocate funding to address current base campus operations, campus parity costs, and peer institution equity differentials. No less than \$300,848,627 must be allocated to support base campus operations, with the additional funds being available for parity and equity.

Senate Bill No. 2003 - Contingency, extraordinary repairs, and capital emergency - Section 9 of Senate Bill No. 2003 provides that the State Board of Higher Education is to allocate funding for ongoing campus extraordinary repairs and to meet unforeseen operations or capital asset needs and opportunities. No less than \$6,677,417 must be allocated to support ongoing extraordinary repairs of the campuses.

Senate Bill No. 2003 - Accountability measures - Section 18 of Senate Bill No. 2003 requires the University System performance and accountability report to include an executive summary and specific information regarding education excellence, economic development, student access, student affordability, and financial operations.

Senate Bill No. 2003 - This bill provides for the continuation of the following statutory provisions:

- The continuing appropriation authority for higher education institutions' special revenue funds, including tuition.
- The requirement that the budget request for the North Dakota University System include budget estimates for block grants for a base funding component and for an initiative funding component and a budget estimate for an asset funding component and the requirement that the appropriation for the North Dakota University System include block grants for a base funding appropriation and for an initiative funding appropriation and an appropriation for asset funding.
- The North Dakota University System's authority to carry over at the end of the biennium unspent general fund appropriations.

Senate Bill No. 2023 - Major capital projects - This bill authorizes the issuance of bonds by the Building Authority for higher education major capital projects, including a hazardous material handling and storage facility at North Dakota State University (\$3,500,000), an electrical distribution project at the State College of Science (\$736,000), and Murphy Hall renovation and addition (Phase II) at Dickinson State University (\$4,100,557). The bill also authorizes the Building Authority to issue bonds totaling \$2,331,554 for energy improvement projects at University of North Dakota.

Senate Bill Nos. 2034, 2035, and 2036 - These bills also provide for the continuation of the statutory provisions noted above; however, these bills provide for the continuation of the provisions through June 30, 2007, and Senate Bill No. 2003 provides for the continuation of the provisions without a sunset clause.

Senate Bill No. 2037 - Higher education information technology - This bill provides that the State Board of Higher Education is responsible for managing and regulating information technology planning and services for institutions under its control.

Senate Bill No. 2076 - Resident student - This bill redefines resident student for tuition purposes to add all members of the National Guard, spouses and children of active duty military personnel, and spouses and children of disabled veterans or veterans killed in action.

Senate Bill No. 2077 - Student financial assistance grant program - This bill increases the maximum amount for student financial assistance program grants from \$600 to \$1,000.

Senate Bill No. 2078 - Education incentive programs - This bill changes the eligibility for the technology occupations student loan program and the teacher shortages loan forgiveness program.

Senate Concurrent Resolution No. 4002 - Performance and accountability report - This resolution directs the Legislative Council to study the State Board of Higher Education performance and accountability measures included in the report required by North Dakota Century Code Section 15-10-14.2.