

University of North Dakota
 Budget No. 230
 House Bill No. 1003

| | FTE Positions | General Fund | Other Funds | Total |
|---|---------------|--------------------|-------------------|--------------------|
| 2011-13 executive budget (bills as introduced) | 651.91 | \$156,873,093 | \$21,700,000 | \$178,573,093 |
| 2011-13 legislative appropriations | 651.91 | 153,602,504 | 30,450,000 | 184,052,504 |
| Legislative increase (decrease) to executive budget | 0.00 | (\$3,270,589) | \$8,750,000 | \$5,479,411 |
| Legislative increase (decrease) to 2009-11 appropriations | 0.00 | \$18,739,042 | (\$31,169,000) | (\$12,429,958) |

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

| | Ongoing General Fund Appropriation | One-Time General Fund Appropriation | Total General Fund Appropriation |
|---|--|---|--|
| 2009-11 legislative appropriations | \$127,684,788 | \$7,178,674 | \$134,863,462 |
| 2011-13 legislative appropriations | 141,005,358 | 12,597,146 | 153,602,504 |
| 2011-13 legislative increase (decrease) to 2009-11 appropriations | \$13,320,570 | \$5,418,472 | \$18,739,042 |
| Percentage increase (decrease) to 2009-11 appropriations | 10.4% | 75.5% | 13.9% |
| 2011-13 legislative increase (decrease) to executive budget | (\$4,386,722) | \$1,116,133 | (\$3,270,589) |
| Percentage increase (decrease) to executive budget | (3.0%) | 9.7% | (2.1%) |

SUMMARY OF LEGISLATIVE CHANGES TO THE EXECUTIVE BUDGET AND MAJOR FUNDING ITEMS

Salaries and Wages

The executive recommendation for the North Dakota University System included funding for parity to provide the general fund share of 3 percent annual salary increases and health insurance increases. This method of funding these costs was not changed by the Legislative Assembly.

| | Major Items FTE Positions | General Fund | Other Funds | Total |
|---|------------------------------|---------------|-------------|---------------|
| The legislative action: | | | | |
| Removed funding added in the executive budget for campus equity payments (\$2,459,984) and for limiting tuition increases (\$1,676,738) (see Equity and Student Affordability Funding Pool section below). | | (\$4,136,722) | | (\$4,136,722) |
| Removed funding for science, technology, engineering, and mathematics teacher education enhancement. | | (250,000) | | (250,000) |

| | | | | |
|---|-------------|----------------------|--------------------|--------------------|
| Adjusted funding for special assessments at institutions to remove funding to pay off special assessment balances as provided in the executive recommendation and provide funding for 2011-13 special assessment payments only. | | (183,867) | | (183,867) |
| Added funding for the joint information technology building capital project. | | 1,300,000 | \$8,000,000 | 9,300,000 |
| Added funding for the flight operations center remodeling project. | | | 750,000 | 750,000 |
| Total | <u>0.00</u> | <u>(\$3,270,589)</u> | <u>\$8,750,000</u> | <u>\$5,479,411</u> |

FTE Changes

The Legislative Assembly did not change the executive recommendation which included funding for 651.91 FTE positions, the same as the 2009-11 biennium. Pursuant to Section 13 of House Bill No. 1003, the State Board of Higher Education is authorized to adjust FTE positions as needed for institutions of higher education. Any FTE adjustment must be reported to the Office of Management and Budget prior to submission of the 2013-15 budget request.

One-Time Funding

In Section 2 of House Bill No. 1003, the Legislative Assembly identified \$49,260,357 of funding from the general fund as one-time funding items for the University System. Of this amount, \$12.5 million is for the joint information technology building project and \$97,146 is for special assessment payments at the University of North Dakota (UND). These amounts are not to be considered part of the agency's base budget for preparing the 2013-15 executive budget and UND is to report to the Appropriations Committees during the 2013 legislative session on the use of this funding.

Other Income

The Legislative Assembly approved the executive recommendation, as provided in House Bill No. 1035, to appropriate on a continuing basis (through June 30, 2013) all other funds, including tuition income, received by the institutions of higher education during the 2011-13 biennium. Consequently, the legislative appropriation for UND does not include a specific appropriation of other funds, except for capital projects.

Equity and Student Affordability Funding Pool

The executive budget recommendation included \$10 million for equity payments to campuses and \$6,640,563 for limiting tuition increases to 2.5 percent annually at four-year institutions and providing for no tuition increases at two-year institutions. The Legislative Assembly removed the funding for these items and appropriated \$15,240,565 to the University System office for an equity and student affordability funding pool to be allocated to institutions as determined by the State Board of Higher Education.

Extraordinary Repairs

The Legislative Assembly did not change the executive recommendation to provide \$4,411,566 from the general fund for extraordinary repairs, a decrease of \$5,067,653 from the 2009-11 biennium appropriation of \$9,479,219. The following is a summary of funding for extraordinary repairs:

| | 2009-11 Legislative Appropriation | 2011-13 Legislative Appropriation | Increase (Decrease) |
|--|--|--|----------------------------|
| Ongoing funding from the general fund | \$2,300,545 | \$4,411,566 | \$2,111,021 |
| One-time funding from the general fund | 7,178,674 | | (7,178,674) |
| Total | \$9,479,219 | \$4,411,566 | (\$5,067,653) |

Capital Projects

The Legislative Assembly authorized the following capital projects:

| | 2011-13 Executive Budget Recommendation | | | 2011-13 Legislative Appropriation | | |
|--|---|-------------------------|--------------|-----------------------------------|-------------------------|--------------|
| | General Fund | Other Funds | Total | General Fund | Other Funds | Total |
| Energy and Environmental Research Center Slurry Building expansion | | \$2,700,000 | \$2,700,000 | | \$2,700,000 | \$2,700,000 |
| Joint information technology building project | \$11,200,000 | | 11,200,000 | \$12,500,000 | 8,000,000 | 20,500,000 |
| University Townhome apartments | | 5,000,000 ¹ | 5,000,000 | | 5,000,000 ¹ | 5,000,000 |
| Wilkerson Hall renovation and addition | | 14,000,000 ¹ | 14,000,000 | | 14,000,000 ¹ | 14,000,000 |
| Flight operations center renovation | | | | | 750,000 | 750,000 |
| Total | \$11,200,000 | \$21,700,000 | \$32,900,000 | \$12,500,000 | \$30,450,000 | \$42,950,000 |

¹Funding from revenue bonds.

Other Sections in Bill

Revenue bond authorization - Section 15 of House Bill No. 1003 authorizes the State Board of Higher Education to issue revenue bonds for the university townhome project (\$5 million) and the Wilkerson Hall renovation and addition project (\$14 million) at UND.

Related Legislation

House Bill No.1263 - UND athletic nickname - Prohibits the State Board of Higher Education from discontinuing the use of the Fighting Sioux nickname and logo at UND.