

**North Dakota University System Office  
Budget 215  
House Bill Nos. 1003, 1021, 1051, 1151, 1201**

	<b>FTE Positions</b>	<b>General Fund</b>	<b>Other Funds</b>	<b>Total</b>
2015-17 legislative appropriation (original)	104.39	\$154,629,019 <sup>1</sup>	\$5,011,216	\$159,640,235
2013-15 legislative appropriation	112.91	162,045,136	2,299,912	164,345,048
2015-17 appropriation increase (decrease) to 2013-15 appropriation	(8.52)	(\$7,416,117)	\$2,711,304	(\$4,704,813)
2015-17 general fund budget allotment (4.05 percent)	0.00	(\$6,140,975) <sup>2</sup>	\$0	(\$6,140,975)
Adjusted 2015-17 appropriation after budget allotment	104.39	\$148,488,044	\$5,011,216	\$153,499,260

<sup>1</sup>The original legislative appropriation amount includes \$37,063,250 of one-time funding from the general fund. Excluding this amount, the agency's original ongoing general fund appropriation is \$117,565,769.

<sup>2</sup>The 2015-17 biennium general fund appropriations for the North Dakota University System office include funding pools to be transferred to University System institutions. Budget allotments relating to the campus security funding pool were allocated to each institution based on distributions from the pool. See the **General fund budget allotment** item below.

**Item Description**

**General fund budget allotment** - In February 2016 the Governor ordered a 4.05 percent general fund budget allotment for state agencies.

**Status/Result**

The budget allotment reduced general fund appropriations for the University System office by \$6,140,975. The agency reduced its budget as follows:

- Internal auditing pool - \$12,150
- Core Technology Services projects and operations - \$660,886
- 2-year campus marketing - \$32,400
- Capital bond payments - \$1,467,375
- Contingent appropriation for system governance - \$1,000,000
- Contingent appropriation for unified workforce development system - \$50,000
- Student financial assistance grants - \$1,038,188
- Professional student exchange program - \$154,293
- Academic and career and technical education scholarship program - \$569,214
- Tribal college assistance grants - \$20,250
- Competitive research program (EPSCOR) - \$285,525

- Faculty commendatory grants - \$194
- Higher education challenge grants - \$850,500

The actual amount of funding needed for student financial assistance programs and capital bond payments is less than original estimates made during the 2015 legislative session. Therefore, the budget allotments in these areas did not affect the number of students receiving financial assistance or bond payment requirements of the University System.

The University System office received a \$3 million general fund appropriation for a campus security funding pool to be distributed to campuses. Budget allotments relating to this funding pool were allocated to each campus based on distributions from the pool.

**Contingent general fund appropriations** - The Legislative Assembly provided contingent general fund appropriations to the University System office in 2015 House Bill No. 1003 as follows:

- **Unified system of workforce education** - Section 3 of the bill provides a contingent appropriation of \$50,000 for costs associated with creating a unified workforce, vocational, and technical education program system. The appropriation is contingent upon the State Board of Higher Education certifying to the Office of Management and Budget that a unified workforce, vocational, and technical education program system has been established.
- **University System office transition costs** - Section 4 of the bill provides a contingent one-time appropriation of \$1 million for the purpose of reorganizing the office of the Commissioner of Higher Education (Chancellor). The funding is available only if the State Board of Higher Education submits to the Budget Section a plan to reorganize the Commissioner's office. The plan must detail the proposed organizational structure of the office, priorities of the office, and process changes to increase University System efficiencies. The Budget Section may approve all or a portion of the contingent appropriation.

The following is the status of the contingent appropriations:

- **Unified system of workforce education** - The University System office has not certified to the Office of Management and Budget that a unified workforce, vocational, and technical education program system has been established. The office identified the entire appropriation amount as a reduction for the February 2016 general fund budget allotment.
- **University System office transition costs** - The University System office requested Budget Section approval in December 2015 to use the \$1 million contingent general fund appropriation for office transition costs. A motion was approved by the Budget Section to delay action on the request until March 2016. Prior to the March 2016 Budget Section meeting, the University System office withdrew its request for approval to use the contingent appropriation and identified the entire appropriation amount as a reduction for the February 2016 general fund budget allotment. The University System office is still planning to reorganize a portion of the office using existing funds.

**Deferred maintenance funding pool** - In House Bill No. 1003, the Legislative Assembly appropriated \$8.7 million from the general fund to the University System office for a deferred maintenance funding pool to be distributed to certain University System institutions as follows:

Institution	Total Deferred Maintenance Funding Pool Allocation Available
Bismarck State College	\$700,000
Lake Region State College	500,000
University of North Dakota	3,500,000
North Dakota State University	3,500,000
Mayville State University	500,000
<b>Total</b>	<b>\$8,700,000</b>

**Higher education challenge matching grant program** - In Section 8 of 2015 House Bill No. 1151, the Legislative Assembly appropriated \$23.5 million, including \$21 million from the general fund and \$2.5 million from the student loan trust fund, to the University System office for the higher education challenge matching grant program. The grant funds are to be distributed to institution foundations to match private donations for efforts to enhance academics at institutions. For each \$2 of private donations received by a foundation, \$1 of matching funds is available through the grant program.

Through March 2016 the State Board of Higher Education has distributed funds from the deferred maintenance funding pool as follows:

Institution	Deferred Maintenance Funding Pool Allocations (Through March 2016)
Bismarck State College	\$700,000
Lake Region State College	0
University of North Dakota	1,350,000
North Dakota State University	3,500,000
Mayville State University	172,658
<b>Total</b>	<b>\$5,722,658</b>

As a result of the February 2016 general fund budget allotment, general fund authority for the funding pool was reduced by \$850,500, from \$21,000,000 to \$20,149,500. The \$2,500,000 appropriation from the student loan trust fund for the grant program was unaffected by the budget allotment. Through March 2016 a total of \$8,895,639 of challenge grants have been distributed to institution foundations as follows:

Institution Foundation	Total Grant Awards (Through March 2016)
Bismarck State College	\$658,879
Lake Region State College	282,254
Williston State College	246,330
University of North Dakota	2,416,099
North Dakota State University	3,286,797
North Dakota State College of Science	608,282
Dickinson State University	172,000
Mayville State University	261,189
Minot State University	963,809
Valley City State University	0
Dakota College at Bottineau	0
<b>Total</b>	<b>\$8,895,639</b>

**Campus security funding pool** - The Legislative Assembly appropriated \$3 million from the general fund to the University System office for a campus security pool to be distributed to campuses based on campus security and risk assessments.

The State Board of Higher Education distributed funding from the campus security funding pool to campuses for various security improvements, including security cameras, improved lighting, and electronic door access. The following schedule details allocations from the pool:

Institution	Security Pool Allocation
Bismarck State College	\$334,104
Lake Region State College	118,787
Williston State College	371,010
University of North Dakota	448,320
North Dakota State University	675,200
North Dakota State College of Science	222,528
Dickinson State University	86,512
Mayville State University	191,138
Minot State University	421,903
Valley City State University	66,396
Dakota College at Bottineau	64,102
<b>Total</b>	<b>\$3,000,000</b>

**Career and technical education and academic scholarship programs**

- The Legislative Assembly appropriated \$14,054,677 from the general fund for career and technical education and academic scholarships, an increase of \$4,054,677 from 2013-15 legislative appropriations of \$10 million for the scholarships. Any student that meets the requirements for a career and technical education scholarship or an academic scholarship is to receive a scholarship of \$750 per semester, or \$500 per quarter, for each period the student is enrolled at a North Dakota higher education institution and maintains eligibility up to a maximum amount of \$6,000.

A total of 4,313 students received a career and technical education or an academic scholarship during the fall 2015 semester. The following schedule details the types of North Dakota institutions attended by students receiving a scholarship during the fall 2015 semester:

	Type of Institution Attended by Scholarship Recipients (Fall 2015 Semester)				
	2-Year Public or Tribal Institution	4-Year Public Institution	Public Research Institution	Private Institution	Total
Academic scholarship recipients	142	292	2,009	341	2,784
Career and technical education scholarship recipients	315	283	765	166	1,529
<b>Total</b>	<b>457</b>	<b>575</b>	<b>2,774</b>	<b>507</b>	<b>4,313</b>

As a result of the February 2016 general fund budget allotment, the general fund appropriation for the scholarship programs was reduced by \$569,214. However, the number of students eligible to receive a scholarship is below estimates made during the 2015 legislative session. As a result, the University System office has not had to reduce the scholarship award amount or limit the number of students receiving a scholarship.

**Student rights at disciplinary proceedings** - North Dakota Century Code Section 15-10-56, as enacted in 2015 Senate Bill No. 2150, provides that any student enrolled at an institution under the control of the State Board of Higher Education has the right to be represented, at the student's expense, by an attorney or a nonattorney advocate, during any disciplinary proceeding or during any other procedure addressing an alleged violation of the institution's rules or policies.

**Campus sexual assault policies, procedures, and support services** - House Concurrent Resolution No. 3052, as approved by the 2015 Legislative Assembly, urges the State Board of Higher Education to study sexual assault policies, procedures, and support services available at institutions under its control. The resolution suggests the board develop uniform policies to be implemented at each institution and that the policies be developed with input from health professionals, law enforcement representatives, and members of the Legislative Assembly.

**Unified workforce, vocational, and technical education program system** - Section 15-10-57, as enacted by House Bill No. 1003, requires the State Board of Higher Education to establish and maintain a unified system to offer workforce training, vocational education, and technical education programs at institutions under its control. The section requires the board to periodically review programs offered at institutions under its control and revise program offerings based on the workforce needs of the state. The section also requires the board to develop administrative arrangements among institutions under its control to make possible the efficient use of facilities and staff.

Section 3 of House Bill No. 1003 provides a contingent general fund appropriation of \$50,000 for costs associated with creating a unified workforce, vocational, and technical education program system. The appropriation is contingent upon the State Board of Higher Education certifying to the Office of Management and Budget that a unified workforce, vocational, and technical education program system has been established.

**State Board of Higher Education budget requests** - Sections 21 and 22 of House Bill No. 1003 require budget requests of entities under the control of the State Board of Higher Education to include the same detail as other state agency budget requests.

**State Board of Higher Education data inconsistencies** - Section 42 of House Bill No. 1003 requires the State Board of Higher Education to address identified data inconsistency issues and report to the 65<sup>th</sup> Legislative Assembly regarding the status of the inconsistencies.

The State Board of Higher Education updated board policies to allow advocates to fully participate on students' behalf in suspension or expulsion proceedings and to allow the right to an appeal on various grounds for at least 1 year. The goal of the policy is to provide a balance between ensuring a nondiscriminatory environment for campus stakeholders and providing procedural due process that ensures fair treatment of students and student organizations involved in campus disciplinary proceedings.

University System institutions are updating policies detailing what constitutes sexual assault. New students are required to attend awareness and prevention programs to identify potential sexual assaults, to learn how to intervene as a bystander, and how to report sexual assaults to institution officials. Institution employees are also receiving training on responsibilities to observe, prevent, and report sexual assault.

University System institutions are developing a variety of resources for students and employees affected by sexual assault. Examples of resources for victims include campus escorts, the issuance of no-contact orders, adjustment of the individuals' campus housing or class schedules, and confidential counseling and academic support services.

The Workforce Education Advisory Council was created and has been reviewing the workforce training, vocational, and technical education programs offered in the state. Recommendations for creating and maintaining a unified system will be presented by the council to the 2017 Legislative Assembly.

The State Board of Higher Education did not proceed with the requirements to use the \$50,000 contingent general fund appropriation. The board identified the contingent general fund appropriation as part of its general fund budget allotment amount.

The University System office is working with the Office of Management and Budget to develop plans to present the 2017-19 biennium State Board of Higher Education budget request in the same format as other state agencies.

The University System has identified 25 data inconsistencies to be addressed. The University System is planning to address the inconsistencies in four phases. Through April 2016 Phase I has been completed and inconsistencies in Phase II are being addressed.