

**North Dakota University System Office
Budget No. 215
Senate Bill Nos. 2003 and 2244**

	FTE Positions	General Fund	Other Funds	Total
2017-19 legislative appropriation	149.40	\$103,909,530 ¹	\$26,412,106	\$130,321,636
2015-17 legislative appropriation	<u>104.39</u>	<u>141,697,318</u>	<u>5,011,216</u>	<u>146,708,534</u>
2017-19 appropriation increase (decrease) to 2015-17 appropriation	45.01	(\$37,787,788)	\$21,400,890	(\$16,386,898)

¹This amount includes \$2,270,000 of one-time funding. Excluding this amount, the agency's ongoing general fund appropriation is \$101,639,530.

NOTE: The 2017-19 biennium legislative appropriations include authorization of all FTE positions for institutions and entities under the control of the State Board of Higher Education, including positions supported by special funds. Previously, only FTE positions supported by the general fund were authorized. The 2017-19 biennium legislative appropriations also include appropriation authority for all special funds received by the institutions and entities under the control of the State Board of Higher Education. Previously, special funds appropriations were provided only for certain items, such as capital projects.

Item Description

Higher education challenge matching grant program - In Section 1 of 2017 Senate Bill No. 2003, the Legislative Assembly appropriated \$2 million from the general fund to the North Dakota University System office for the higher education challenge matching grant program. The grant funds are to be distributed to eligible 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, up to \$200,000 per institution. The Legislative Assembly did not include funding for Dickinson State University matching grants.

Career and technical education and academic scholarship programs - The Legislative Assembly appropriated \$12,016,749 from the general fund for career and technical education and academic scholarships, a decrease of \$1,117,347 from the 2015-17 biennium appropriation of \$13,134,096 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 of \$6,000.

Status/Result

Through April 2018 a total of \$1,197,913 of challenge grants have been distributed to institution foundations as follows:

Institution Foundation	Total Grant Awards (Through April 2018)
Bismarck State College	\$65,741
Lake Region State College	56,912
Williston State College	0
University of North Dakota	200,000
North Dakota State University	200,000
North Dakota State College of Science	200,000
Dickinson State University	Ineligible
Mayville State University	132,595
Minot State University	142,665
Valley City State University	200,000
Dakota College at Bottineau	0
Total	\$1,197,913

A total of 4,926 students received a career and technical education or an academic scholarship during the fall 2017 semester. The following schedule details the types of North Dakota institutions attended by students receiving a scholarship during the fall 2017 semester:

	Type of Institution Attended by Scholarship Recipients (Fall 2017 Semester)				
	2-Year Public or Tribal Institution	4-Year Public Institution	Public Research Institution	Private Institution	Total
Academic scholarship recipients	161	307	2,303	347	3,118
Career and technical education scholarship recipients	379	352	904	173	1,808
Total	540	659	3,207	520	4,926

Law enforcement tuition and fee waiver - In Section 11 of Senate Bill No. 2003, the Legislative Assembly provided for a 25 percent tuition and fee waiver for eligible law enforcement officers enrolled in courses at University System institutions.

Tuition rate increase limit - In Section 27 of Senate Bill No. 2003, the Legislative Assembly limited resident undergraduate tuition rate increases to 4 percent per year during the 2017-19 biennium. There is no limit for graduate programs or for nonresident tuition rates.

Extraordinary repairs matching funds - In Section 28 of Senate Bill No. 2003, the Legislative Assembly provided that institutions must provide \$2 of matching funds from operations or other sources for each \$1 of extraordinary repairs funding used for a project.

Research networks - In Section 33 of Senate Bill No. 2003, the Legislative Assembly provided for the State Board of Higher Education to consider collaborating with Minnesota to improve research network access and performance.

Study of 2-year campuses - In Section 35 of Senate Bill No. 2003, the Legislative Assembly provided for the State Board of Higher Education to conduct a study of the reorganization of 2-year institutions.

The State Board of Higher Education approved the law enforcement tuition and fee waiver policy at its April 26, 2018, meeting. The University System office anticipates issuance of the first law enforcement tuition and fee waivers during the fall 2018 semester.

University System institutions limited resident undergraduate tuition rate increases to 4 percent for the 2017-18 academic year. The University of North Dakota used the exemption for graduate programs to increase resident tuition rates by 7 percent for its graduate school and by 9 percent for the School of Law.

The University System office is monitoring institutional expenditures for extraordinary repairs to ensure the matching requirement is met. The University System office reported to the interim Higher Education Committee at its meeting on June 4-5, 2018, regarding institutional use of extraordinary repairs funding.

The University System does not intend to collaborate with Minnesota to improve research network access and performance. The University System office is facilitating the study of existing research networks and advanced research computing centers. The objectives of the study will help determine how to sustain and grow resources for North Dakota's research universities.

The State Board of Higher Education has established five systemwide task forces to address the following issues:

- Alignment and articulation;
- Technical programs and workforce needs;
- Common enrollment management systems;
- Business and shared services; and
- Academic programs.

The task forces are scheduled to report their findings to the State Board of Higher Education during the summer of 2018.

Study of nursing programs - In Section 36 of Senate Bill No. 2003, the Legislative Assembly provided for the State Board of Higher Education to conduct a study of the organization of nursing programs at institutions under its control.

State Board of Higher Education data inconsistencies - In Section 37 of Senate Bill No. 2003, the Legislative Assembly required the State Board of Higher Education to address inconsistent human resources, employee leave, tuition waiver, and student fee practices and to report and consult with the Legislative Management regarding policies and procedures being developed to address the inconsistencies.

Employee reductions - In Section 38 of Senate Bill No. 2003, the Legislative Assembly provided legislative intent that if an institution reduces FTE positions, any reductions are to be applied among all classifications of employees with emphasis on senior administrator positions. The section also requires reports to the Legislative Management regarding employee reductions, including whether any employees in an administrative position have been transferred to a different position at an institution.

The University System plans to accept the results of the Governor's nursing workforce task force, which is studying similar issues.

Employee classifications and human resources reporting - The University System human resources council is reviewing the issues and developing potential changes to the current system.

Employee leave policies - The State Board of Higher Education, at its April 26, 2018, meeting, decided not to create a systemwide employee leave policy. The Board chose to retain current policies, allowing flexibility among the institutions.

Tuition waiver policies - The State Board of Higher Education will continue to require institutions to establish their own procedures for institutional waivers. Processes have been established for the campuses to provide waiver information to the University System office on a standardized form with standard data elements.

Student fee practices - The State Board of Higher Education has approved new tuition model implementation plans for all institutions. The new tuition models will include the merger of most course fees and some program fees into the tuition rate. North Dakota State University and Bismarck State College plan to implement the new tuition models for the fall 2018 semester. The remaining institutions plan to implement the new tuition models for the fall 2019 semester.

The University System office reported on employee reductions to the interim Higher Education Committee at its January 30-31, 2018, meeting. The University System office reported the University System eliminated 669.5 FTE positions between January 1, 2016, and December 31, 2017, due to reductions in state funding. The University System office estimates the employee position reductions resulted in over \$90 million of reduced costs for the 2017-19 biennium.