

North Dakota University System office
Budget No. 215
Senate Bill Nos. 2003, 2147

	FTE Positions	General Fund	Other Funds	Total
2025-27 legislative appropriations	168.83	\$149,565,723	\$63,146,749	\$212,712,472
2025-27 base budget	162.83	133,218,615	26,260,897	159,479,512
Legislative increase (decrease) to base budget	6.00	\$16,347,108	\$36,885,852	\$53,232,960

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2025-27 legislative appropriations	\$149,540,723	\$25,000	\$149,565,723
2023-25 legislative appropriations	133,218,615	22,119,354	155,337,969
2025-27 legislative increase (decrease) to 2023-25 appropriations	\$16,322,108	(\$22,094,354)	(\$5,772,246)
Percentage increase (decrease) to 2023-25 appropriations	12.3%	(99.9%)	(3.7%)

SUMMARY OF LEGISLATIVE CHANGES TO THE BASE BUDGET AND MAJOR FUNDING ITEMS
Changes to Base Budget

	FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Adjusted FTE positions pursuant to Section 39 of House Bill No. 1003 (2023)	6.00			
Added funding to provide employee salary increases of 3 percent on July 1, 2025, and 3 percent on July 1, 2026		\$1,305,385	\$448,563	\$1,753,948
Added funding for employee health insurance premiums to reflect a revised premium estimate of \$1,893 per month		732,568	288,329	1,020,897
Transferred funding for state employee child care assistance from the Office of Management and Budget		910,000		910,000
Reduced funding for bond payments		(936,521)		(936,521)
Added funding for student financial aid system maintenance and operations		273,180		273,180
Added funding for student financial aid software licensing		180,000		180,000
Added special funds appropriation authority for systemwide purchases			249,047	249,047

Added funding for inflationary increases	740,701		740,701
Added funding for information technology security	3,190,620		3,190,620
Added funding for information technology rate adjustments	226,175	39,913	266,088
Increased funding for student financial assistance grants to provide a total of \$30.9 million	1,000,000		1,000,000
Added funding for supplemental student financial assistance grants, including \$2 million in Senate Bill No. 2147	7,000,000		7,000,000
Increased funding for tribal college grants to provide a total of \$1.6 million	200,000		200,000
Increased funding for the professional student exchange program to provide a total of \$5.2 million	1,500,000		1,500,000
Designated \$1.5 million from Bank of North Dakota profits in the University System office base budget for dual-credit tuition scholarships as one-time funding			
Added one-time funding from the strategic investment and improvements fund (SIIF) for higher education challenge grants		24,760,000	24,760,000
Added one-time funding from SIIF for the nursing education consortium to provide a total of \$2.5 million		1,100,000	1,100,000
Added one-time funding for financial aid system enhancements	25,000		25,000
Added one-time funding from SIIF for workforce education innovation grants		10,000,000	10,000,000
Total	6.00	\$16,347,108	\$36,885,852

FTE Changes

The Legislative Assembly approved 168.83 FTE positions for the University System office for the 2025-27 biennium, an increase of 6 FTE positions from the 2023-25 biennium authorized level of 162.83 FTE positions. The 6 FTE positions were added pursuant to Section 39 of House Bill No. 1003 (2023), which authorized the State Board of Higher Education to adjust FTE positions at institutions under its control. Section 39 of Senate Bill No. 2003 (2025) continues the authorization of the board to adjust positions at institutions under its control during the 2025-27 biennium.

One-Time Funding

The following is a summary of one-time funding items for the University System for the 2023-25 biennium:

	General Fund	Other Funds	Total
Higher education challenge grants (SIIF)		\$24,760,000	\$24,760,000
Dual-credit tuition scholarships (Bank of North Dakota profits)		1,500,000	1,500,000
Financial aid software system enhancements	\$25,000		25,000
Nursing education consortium (SIIF)		1,100,000	1,100,000
Workforce education innovation grants (SIIF)		10,000,000	10,000,000
Campus capital projects (including \$101,196,814 from SIIF)	9,635,000	320,421,814	330,056,814
Williston State College (WSC) health care program startup costs	1,490,000		1,490,000

University of North Dakota (UND) national security crossroads (SIIF)		16,000,000	16,000,000
North Dakota State University (NDSU) new horizon programming (SIIF)		16,000,000	16,000,000
North Dakota State College of Science (NDSCS) lease payments and aviation maintenance program	1,300,000		1,300,000
Mayville State University (MaSU) nursing simulation laboratory	500,000		500,000
Minot State University (MiSU) advancing students toward education and employment	500,000		500,000
Forest Service emerald ash borer mitigation (SIIF)		950,000	950,000
Total	\$13,450,000	\$390,731,814	\$404,181,814

Competitive Research

The Legislative Assembly provided \$6.03 million from the general fund for competitive research. The following is a summary of funding for the competitive research program:

Biennium	General Fund
2007-09	\$5,650,000
2009-11	\$7,050,000 ²
2011-13	\$7,050,000
2013-15	\$7,050,000
2015-17	\$6,588,225
2017-19	\$6,027,750
2019-21	\$6,027,750 ³
2021-23	\$6,027,750 ³
2023-25	\$6,027,750 ³
2025-27	\$6,027,750 ³

¹The 2003 Legislative Assembly provided that \$100,000 of the \$4.75 million be used for a public-private partnership for establishment of a design center at UND.

²The 2009 Legislative Assembly provided that \$400,000 of the \$7.05 million be used for the National Aeronautics and Space Administration's (NASA) Experimental Program to Stimulate Competitive Research.

³The 2019, 2021, 2023, and 2025 Legislative Assemblies provided that \$342,000 of the \$6,027,750 be used for NASA's Established Program to Stimulate Competitive Research.

Student Financial Assistance Grants

The Legislative Assembly provided \$30,917,306 from the general fund for student financial assistance grants. The maximum grant award amount under the program is \$2,750 per year. To qualify, a student must be a resident undergraduate student who has graduated from a North Dakota high school and is attending a qualified postsecondary institution in North Dakota. The award of grants is based on student need. The following is a summary of funding for student financial assistance grants:

Biennium	Maximum Grant Award	Legislative Appropriations		
		General Fund	Federal Funds	Total
2007-09	\$1,000	\$5,823,497	\$164,000	\$5,987,497
2009-11	\$1,500	\$19,025,594	\$348,428	\$19,374,022
2011-13	\$1,500	\$19,025,594	\$348,428	\$19,374,022
2013-15	\$1,650	\$21,245,679		\$21,245,679
2015-17	\$1,950	\$23,886,160		\$23,886,160
2017-19	\$1,950	\$21,917,306		\$21,917,306
2019-21	\$2,200	\$23,917,306		\$23,917,306
2021-23	\$2,200	\$23,917,306		\$23,917,306
2023-25	\$2,750	\$29,917,306		\$29,917,306
2025-27	\$2,750	\$30,917,306		\$30,917,306

Supplemental Student Financial Assistance Grants

The Legislative Assembly appropriated \$7 million from the general fund for a newly established supplemental student financial assistance grant program to pay the full cost of tuition for students with family incomes of \$80,000 or less.

Professional Student Exchange Program

The Legislative Assembly provided \$5,199,342 from the general fund for the professional student exchange program. The program assists North Dakota students enrolling in professional programs not offered in the state, including dentistry, optometry, and veterinary medicine. The following is a summary of funding for the professional student exchange program:

Biennium	General Fund	Student Loan Trust Fund	Total
2007-09	\$2,199,566	\$523,380	\$2,722,946
2009-11	\$2,346,130	\$990,970	\$3,337,100
2011-13	\$2,856,131	\$465,307	\$3,321,438
2013-15	\$3,809,708	\$465,307	\$4,275,015
2015-17	\$3,476,447	\$465,307	\$3,941,754
2017-19	\$3,234,035	\$465,307	\$3,699,342
2019-21	\$3,699,342		\$3,699,342
2021-23	\$3,699,342		\$3,699,342
2023-25	\$3,699,342		\$3,699,342
2025-27	\$5,199,342		\$5,199,342

Scholars Program

The Legislative Assembly provided \$1,807,115 from the general fund for the scholars program. The scholars program provides full-tuition scholarships to resident students who score in the upper fifth percentile of North Dakota ACT test takers and enroll in an undergraduate program in the state. The following is a summary of funding for the scholars program:

Biennium	General Fund
2007-09	\$1,478,566
2009-11	\$2,113,584
2011-13	\$2,113,584
2013-15	\$2,113,584
2015-17	\$2,113,584
2017-19	\$1,807,115
2019-21	\$1,807,115
2021-23	\$1,807,115
2023-25	\$1,807,115
2025-27	\$1,807,115

Native American Scholarship Program

The Legislative Assembly provided \$1 million from the general fund for Native American scholarships. The following is a summary of funding for the Native American scholarship program:

Biennium	General Fund
2007-09	\$380,626
2009-11	\$381,292
2011-13	\$574,267
2013-15	\$649,267
2015-17	\$649,267
2017-19	\$555,323
2019-21	\$555,323
2021-23	\$555,323

2023-25	\$1,000,000
2025-27	\$1,000,000

Career and Technical Education and Academic Scholarships

The Legislative Assembly provided \$17,216,749 from the general fund for CTE and academic scholarships. To be eligible for a scholarship, a student must be a resident of the state, complete the requirements for a high school diploma, and meet program requirements for one of the programs. Any student that meets the requirements for a CTE 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. The following is a summary of funding for CTE and academic scholarships:

Biennium	General Fund
2009-11	\$3,000,000
2011-13	\$10,000,000
2013-15	\$10,000,000
2015-17	\$14,054,677
2017-19	\$12,016,749
2019-21	\$12,016,749
2021-23	\$16,216,749
2023-25	\$17,216,749
2025-27	\$17,216,749

Higher Education Challenge Grants Program

The Legislative Assembly provided \$24.76 million from the general fund for higher education challenge grants, \$4.76 million more than the 2023-25 biennium appropriation of \$20 million. The 2025 Legislative Assembly made statutory changes to provide the same level of funding for Dickinson State University (DSU) as Bismarck State College (BSC), MiSU, and the NDSCS. The following is a summary of funding for the higher education challenge grants program:

Biennium	General Fund	Student Loan Trust Fund	Total
2013-15	\$29,000,000		\$29,000,000
2015-17	\$21,000,000	\$2,500,000	\$23,500,000
2017-19	\$2,000,000		\$2,000,000
2019-21 ¹	\$9,650,000		\$9,650,000
2021-23	\$11,150,000		\$11,150,000
2023-25	\$20,000,000		\$20,000,000
2025-27	\$24,760,000		\$24,760,000

¹In addition to the \$9,400,000 appropriated for the higher education challenge grants program in the education challenge fund line item, \$250,000 was appropriated for UND School of Law challenge matching grants in the education incentive programs line item, to provide a total of \$9,650,000 for the program.

Capital Project Bond Payments

The Legislative Assembly provided \$10,261,375 from the general fund for University System capital project bond payments. The payments are to repay bonds issued by the North Dakota Building Authority to finance higher education capital projects approved by the Legislative Assembly. The 2019 Legislative Assembly approved the issuance of bonds through the North Dakota Building Authority for higher education capital projects for the first time since 2005. The following is a summary of the 2025-27 biennium legislative appropriation compared to the 2023-25 biennium legislative appropriation for capital bond payments:

	2023-25 Biennium Legislative Appropriation	2025-27 Biennium Legislative Appropriation	Increase (Decrease) From 2023-25 Biennium
Capital bond payments - General fund	\$11,197,896	\$10,261,375	(\$936,521)

Special funds authority to repay revenue bonds issued by institutions is included in each institution's budget. Revenue bonds are issued by institutions to finance capital projects for income-producing auxiliary services, such as student housing and dining facilities.

Capital Building Fund Program

The 2019 Legislative Assembly appropriated \$29 million for institution capital building funds for the 2019-21 biennium. The appropriation included \$10 million from Bank of North Dakota profits and \$10 million from institution dollar-for-dollar matching funds appropriated directly to each institution for Tier II of the capital building fund program. The appropriation also includes \$7 million from Bank of North Dakota profits and \$2 million from the general fund appropriated to the University System office to be allocated to the institutions for Tier III of the capital building fund program once \$2 of matching funds have been secured for each \$1 from the state. Institutions could use their capital building funds for legislatively authorized capital projects and for extraordinary repairs and deferred maintenance projects which did not exceed \$700,000 and did not increase the square footage of a building.

The 2021 Legislative Assembly enacted the capital building fund program in statute, including a newly created University System capital building fund, and provided continuing appropriation authority from the fund. The Legislative Assembly did not continue the requirement that extraordinary repairs and deferred maintenance projects not exceed \$700,000. The Legislative Assembly transferred \$19 million from SIIF to the newly created University System capital building fund, \$10 million of which is subject to dollar-for-dollar matching fund requirements and \$9 million of which is subject to \$2-to-\$1 matching fund requirements.

The 2023 Legislative Assembly continued the capital building fund program with a transfer of \$24 million from SIIF to the University System capital building fund, \$15 million of which is subject to dollar-for-dollar matching fund requirements and \$9 million of which is subject to \$2-to-\$1 matching fund requirements.

The 2025 Legislative Assembly continued the capital building fund program with a transfer of \$26.5 million from SIIF to the University System capital building fund, \$21.3 million of which is subject to dollar-for-dollar matching fund requirements and \$5.2 million of which is subject to \$2-to-\$1 matching fund requirements.

Capital Improvements

The following schedule identifies the higher education capital improvement funding contained in appropriations approved by the Legislative Assembly for the 2025-27 biennium. The schedule reflects appropriations for extraordinary repairs and major capital projects.

Entity/Project	2025-27 Legislative Appropriations		
	General Fund	Special Funds	Total
Bismarck State College			
Student housing remodel (local funds and the University System capital building fund)		\$2,200,000	\$2,200,000
Extraordinary repairs	\$417,673		417,673
Total	\$417,673	\$2,200,000	\$2,617,673
Lake Region State College (LRSC)			
Roof (SIIF)		\$2,500,000	\$2,500,000
Extraordinary repairs	\$155,367		155,367
Total	\$155,367	\$2,500,000	\$2,655,367
Williston State College			
Extraordinary repairs	\$197,801		\$197,801
Total	\$197,801	\$0	\$197,801
University of North Dakota			
Science, technology, engineering, and mathematics building (\$55.64 million from SIIF and the remainder from local funds and the University System capital building fund)		\$79,500,000	\$79,500,000
Allied health facility project (\$5 million from the community health trust fund and the remainder from local funds and the University System capital building fund)		45,000,000	45,000,000
Extraordinary repairs	\$4,411,566		4,411,566
Total	\$4,411,566	\$124,500,000	\$128,911,566
North Dakota State University			
Wrestling facility (local funds)		\$13,000,000	\$13,000,000
University Village (local funds, revenue bond proceeds, and the University System capital building fund)		54,000,000	54,000,000
Memorial Union (local funds and revenue bond proceeds)		50,000,000	50,000,000

Entity/Project	2025-27 Legislative Appropriations		
	General Fund	Special Funds	Total
Van Es biosafety laboratory (grants, local funds, and the University System capital building fund)		8,000,000	8,000,000
Extraordinary repairs	\$2,732,244		2,732,244
Total	\$2,732,244	\$125,000,000	\$127,732,244
North Dakota State College of Science			
Land purchase (local funds)		\$65,000	\$65,000
Extraordinary repairs	\$1,012,379		1,012,379
Total	\$1,012,379	\$65,000	\$1,077,379
Dickinson State University			
Woods Hall, Agriculture and technical education building, and rodeo arena projects (local funds, revenue bond proceeds, and the University System capital building fund)		\$12,500,000	\$12,500,000
Extraordinary repairs	\$409,078		409,078
Total	\$409,078	\$12,500,000	\$12,909,078
Mayville State University			
Old Main renovation (SIIF)		\$34,924,814	\$34,924,814
Extraordinary repairs	\$358,992		358,992
Total	\$358,992	\$34,924,814	\$35,283,806
Minot State University			
Dakota Hall demolition (SIIF)	\$635,000		\$635,000
Student Center renovation (revenue bond proceeds)		\$3,100,000	3,100,000
Academic facilities projects (SIIF)		8,132,000	8,132,000
Track project (local funds)		3,000,000	3,000,000
Regional health sciences institute (local funds and the University System capital building fund)	8,500,000	4,500,000	13,000,000
Extraordinary repairs	899,620		899,620
Total	\$10,034,620	\$18,732,000	\$28,766,620
Valley City State University			
Extraordinary repairs	\$408,319		\$408,319
Total	\$408,319	\$0	\$408,319
Dakota College at Bottineau			
Student housing	\$500,000		\$500,000
Extraordinary repairs	\$114,007		114,007
Total	\$614,007	\$0	\$614,007
Forest Service			
Extraordinary repairs and equipment over \$5,000	\$118,728		\$118,728
Total	\$118,728		\$118,728
Total Higher Education	\$20,870,774	\$320,421,814	\$341,292,588

Other Sections in Senate Bill No. 2003

Additional funds appropriation authority - Section 3 appropriates any additional other funds received by entities under the control of the State Board of Higher Education to the respective entities.

Extraordinary repairs matching funds - Section 4 requires institutions to match extraordinary repairs funding on a dollar-for-dollar basis using operations or other funding, except for UND and NDSU, which must match \$2 to \$1.

Strategic investment and improvements fund - Section 5 identifies \$170,006,814 for various University System projects and programs from SIIF.

Community health trust fund - Section 6 identifies \$5 million for the UND allied health facility project from the community health trust fund.

Severance agreements - Sections 7 and 8 provide for the transfer of \$500,000 and \$342,000, respectively, to BSC and LRSC from the University System office for the cost of separation agreements entered into with the presidents of the institutions.

Dual-credit tuition scholarships - Section 9 provides for a transfer of \$1.5 million from Bank of North Dakota profits to the University System office for dual-credit tuition scholarships.

Capital building fund program - Sections 10 and 11 provide for the continuation of the capital building fund program, including a transfer of \$26.5 million from SIIF to the University System capital building fund and the authorization to use money in the fund for new capital projects. Section 28 reduces the matching fund requirements for Tier III to dollar for dollar, excluding UND and NDSU which must continue to provide \$2 of matching funds for each \$1 from the University System capital building fund.

Project management oversight - Section 12 requires capital projects authorized by the State Board of Higher Education to have adequate project oversight by an institution official or representative of an external entity.

Bond issue - Section 13 authorizes the issuance of revenue bonds for capital projects at NDSU, MiSU, and DSU.

State College of Science enhanced lease payments - Section 14 designates \$800,000 for enhanced lease payments for deferred maintenance and extraordinary repairs for a facility in Fargo. The enhanced lease payments must be made pursuant to an agreement with the lessor that includes the repayment of the enhanced lease payments if the property is conveyed or leased prior to June 30, 2035.

Economic diversification research fund - Section 15 amends Section 6-09-53 relating to the economic diversification research fund to reflect the transfer of no additional money into the fund for the program during the 2025-27 biennium.

Tenure - Sections 16 and 24 amend law relating to academic tenure policy at institutions of higher education.

Higher education challenge grants - Sections 17 through 20 adjust the higher education challenge grant statutory provisions and provide for the distribution of up to \$24.76 million of grant funds to eligible institutions.

Workforce education innovation program - Section 21 limits the \$10 million for workforce education innovation grants to University System institutions, excluding UND and NDSU, and provides for a \$1.5 million limit per institution.

Presidential searches - Section 22 clarifies the authority and responsibility for the appointment of institution presidents, including who determines and selects a consultant to assist in the recruitment of applicants to be an institution president.

Commissioner of higher education contract - Section 23 provides guidance regarding the terms of the contract for the Commissioner of Higher Education, including the source of funds for a position at an institution under the control of the board awarded as a term of the contract.

Higher education funding formula - Sections 25, 26, 27, and 49 adjust the higher education funding formula for credit weighting and credit completion factor changes, to continue targeted market equity and retirement contribution pool funding, to restore 2023-25 biennium equalization reductions, to equalize calculated base rates, and to provide a 4 percent inflationary increase.

Scholars program - Section 29 adjusts the ACT requirement for the scholars program.

Carryover authority - Section 30 continues the authorization through July 31, 2027, for entities under the control of the State Board of Higher Education to continue unexpended appropriations at the end of a biennium.

Bank of North Dakota profits - Career builders program - Sections 31 through 35 extend transfer authority for unspent funds designated from Bank profits for the career builders loan repayment and scholarship programs until June 30, 2027.

Hyperbaric oxygen therapy - Section 36 provides for the UND School of Medicine and Health Sciences hyperbaric oxygen therapy chambers to be granted to health care providers in the state.

Larry C. Skogen Polytechnic Institute - Section 37 repeals Section 15-10-74 naming the BSC Polytechnic Center the Larry C. Skogen Polytechnic Institute.

Transfer authority - Section 38 provides that the State Board of Higher Education may transfer funds from an institution's operations line item to the institution's capital assets line item if the board determines that additional funds are needed for capital assets.

FTE positions - Section 39 authorizes the State Board of Higher Education to adjust FTE positions as needed, subject to the availability of funds, for institutions and entities under its control.

Exemptions - Section 40 authorizes the continuation of unspent appropriation authority for certain projects and programs into the 2025-27 biennium.

NDSU Agricultural Research and Extension - Section 41 authorizes the continuation of unspent appropriation authority for certain NDSU agricultural research projects and programs into the 2025-27 biennium.

UND land sale - Sections 42 and 43 authorize the sale of land by UND.

UND School of Medicine and Health Sciences - Student residency - Section 44 directs UND to develop and implement student recruitment and acceptance strategies to increase resident medical student enrollment at the School of Medicine and Health Sciences and in the physician assistant program.

Funding study - Section 45 provides for a newly created Legislative Management committee to study funding for higher education.

Dual credit study - Section 46 provides for a Legislative Management study of dual credit.

Praxis Core examination report - Section 47 provides for a Legislative Management report relating to the Praxis Core examination.

Commissioner of Higher Education - Section 48 provides legislative intent for the hiring of a new Commissioner of higher education and directs the board to study the costs and benefits of a system of higher education led by a chancellor compared to a commissioner.

UND allied health facility expansion - Section 50 provides legislative intent to express support for the completion of the allied health facility expansion project at UND SMHS.

Separation and early retirement agreements - Section 51 provides legislative intent that the State Board of Higher Education not enter into any unapproved separation or early retirement agreements with a cost to the state and its institutions.

Emergency clause - Section 52 declares the capital projects, bonding, land sales, and workforce innovation grant funding to be an emergency measure.

Related Legislation

House Bill No. 1098 - This bill expands scholarship eligibility for students interested in a teaching career.

House Bill No. 1331 - This bill appropriates \$1.75 million from other funds to NDSCS to construct an artificial turf playing surface.

House Bill No. 1404 - This bill expands eligibility for the North Dakota scholarship.

House Bill No. 1600 - This bill appropriates \$400,000 from SIIF to the Office of Management and Budget to provide a grant to fund an immigration law clinic at the UND School of Law.

House Bill No. 1612 - This bill appropriates \$500,000, including \$250,000 from the community health trust fund and \$250,000 from federal funds or other sources, to UND to plan, develop, establish, and operate the North Dakota Center for Aerospace Medicine.

Senate Bill No. 2013 - This bill provides distributions to University System institutions from permanent funds established for the benefit of the institutions as follows:

Institution	2023-25 Distribution	2025-27 Distribution	Increase (Decrease)
North Dakota State University	\$7,648,000	\$8,770,000	\$1,122,000
University of North Dakota	5,986,000	6,948,000	962,000
North Dakota State College of Science	2,259,700	2,570,284	310,584
Valley City State University	1,354,000	1,566,000	212,000
Mayville State University	894,000	1,102,000	208,000
Dakota College at Bottineau	343,700	406,284	62,584
Dickinson State University	343,700	406,284	62,584
Minot State University	343,700	406,284	62,584
Total	\$19,172,800	\$22,175,136	\$3,002,336

Senate Bill No. 2147 - This bill adjusts eligibility for the career builders scholarship and loan repayment programs and appropriates \$2 million for supplemental student financial assistance grants.

Senate Bill No. 2256 - This bill appropriates \$10 million from SIIF to the Industrial Commission to provide a grant to the NDSU Research and Technology Park for research and product development activities that advance autonomous mobile equipment opportunities.