

University of North Dakota
Budget No. 230
House Bill No. 1003 and Senate Bill No. 2284

	FTE Positions	General Fund	Other Funds	Total
2023-25 legislative appropriation	2,060.56	\$193,209,139 ¹	\$912,461,608	\$1,105,670,747 ²
2021-23 legislative appropriation	<u>2,059.98</u>	<u>154,927,125</u>	<u>820,657,771</u>	<u>975,584,896</u>
2023-25 appropriation increase (decrease) to 2021-23 appropriation	0.58	\$38,282,014	\$91,803,837	\$130,085,851

¹This amount includes \$14,005,000 of one-time funding. Excluding this amount, the agency's ongoing general fund appropriation is \$179,204,139.

²This amount does not include any transfers of appropriation authority from the Office of Management and Budget funding pools for targeted market equity adjustments or retirement contribution increases.

Item Description

Targeted market equity - The Legislative Assembly appropriated \$82.5 million, of which \$45.1 million is from the general fund and \$37.4 million is from other funds, to the Office of Management and Budget for a targeted market equity pool to be distributed to state agencies.

Enrollment - At the end of the 2023 regular legislative session, the UND FTE student enrollment projection for the 2023-25 biennium was 10,775 for the fall 2023 semester and 10,826 for the fall 2024 semester.

Tuition collections - The university budgeted net tuition revenue of \$240.6 million for the 2023-25 biennium.

Higher education challenge matching grant program - In Section 1 of House Bill No. 1003, the Legislative Assembly appropriated \$20 million from the general fund to the North Dakota University System office for the higher education challenge matching grant program. The university may be awarded up to \$2.7 million under the program.

Extraordinary repairs - The Legislative Assembly, in House Bill No. 1003, appropriated \$4,411,566 from the general fund to UND for extraordinary repairs. In Section 4 of the bill, the Legislative Assembly required institutions to match extraordinary repairs funding on a \$1 to \$1 basis using operations or other funding. The funding is considered Tier I of the capital building fund program, but it is included in the institution's capital assets line item.

Capital building fund program - In addition to appropriating funding for specific capital projects, the 2019 Legislative Assembly established a capital building fund program for the 2019-21 biennium. The Legislative Assembly appropriated \$10 million from Bank of North Dakota profits as Tier II funding under the capital building fund program. The Tier II funding is appropriated

Status/Result

The University of North Dakota (UND) received \$4,943,881 from the general fund for targeted market equity increases. Equity increases were provided to 476 employees.

The actual fall 2023 semester FTE enrollment was 10,955, which was 180 students more than projected and 195 more than the fall 2022 semester.

The university did not change resident tuition rates for the 2023-24 academic year. The current estimate for net tuition collections for the 2023-25 biennium is \$259.4 million, \$18.8 million more than projected.

Through March 31, 2024, the UND Foundation has received \$2.7 million in grant funding through the program, including \$250,000 for the UND School of Law.

The university anticipates matching and spending the entire general fund amount appropriated in Tier I by the end of the biennium for various extraordinary repairs projects, including roofing, flooring, sidewalk, foundation, and steam line repairs.

The university plans to match and spend all funding allocated to the institution in Tiers II and III of the capital building fund program for various deferred maintenance projects, including projects in Gillette Hall, Carnegie Hall, McCannel Hall, the Chester Fritz Auditorium, and the Law School.

directly to each institution and must be matched by the institutions with \$1 from operations or other sources for each \$1 from Bank profits. The Legislative Assembly appropriated \$9 million, including \$7 million from Bank profits and \$2 million from the general fund, as Tier III funding under the capital building fund program. The Tier III funding is appropriated to the University System office, to be allocated to the institutions as matching funds are committed and must be matched by the institutions with \$2 from operations or other sources for each \$1 appropriated as Tier III funding. After an institution has matched 75 percent of the funding appropriated from the general fund as Tier I for institution extraordinary repairs and subject to State Board of Higher Education approval, each institution may use money from Tier II and Tier III of its capital building fund for extraordinary repairs and deferred maintenance projects that do not increase the square footage of a building.

The 2021 Legislative Assembly continued the higher education capital building fund program with a transfer of \$19,000,000 from the strategic investment and improvements fund (SIIF) to a newly created University System capital building fund. The Legislative Assembly provided continuing appropriation authority from the fund and allowed the University System to continue unspent 2019-21 biennium appropriation authority of \$3,335,478.

The 2023 Legislative Assembly continued the higher education capital building fund program with a transfer of \$24,000,000 from SIIF to the University System capital building fund. The university was allocated \$6,542,702 in Tier II and \$2,250,000 in Tier III of the capital building fund program for the 2023-25 biennium.

Research network - The Legislative Assembly, in House Bill No. 1003, appropriated \$2.5 million from the general fund for research network costs at UND.

The university has designated its research network funds for a computational research center, cybersecurity maturity model certification, and the Northern Tier, or Internet2, research network. As of April 1, 2024, UND spent \$223,578 for the computational research center and cybersecurity maturity model certification. These funds have been used primarily for salary and operating expenses for new positions supporting computational research in medicine, autonomous systems, national security, and energy. The University of North Dakota and North Dakota State University jointly oversee and fund the state's connection to the Internet2 research and education network; however, all higher education institutions in the state are eligible to use the network. As of April 1, 2024, UND has spent \$187,970 for the Internet2 research network, primarily for fees paid to various network service providers.

One-time funding - The Legislative Assembly appropriated \$136,505,000 of one-time funding, including \$14,005,000 from the general fund, \$57,400,000 from SIIF, and \$65,100,000 from other local funds, for UND as follows:

	General Fund	SIIF	Other Local Funds	Total Funds
Energy and Environmental Research Center project			\$33,000,000	\$33,000,000
Science, engineering, and national security corridor		\$57,400,000	24,600,000	82,000,000
National security initiative	\$9,000,000			9,000,000
Merrifield Hall and Twamley Hall renovation	5,000,000		7,500,000	12,500,000
School transportation study	5,000			5,000
Total	\$14,005,000	\$57,400,000	\$65,100,000	\$136,505,000

The following is a summary of the status of UND's one-time funding:

Energy and Environmental Research Center project	The university reported the Energy and Environmental Research Center intends to bond \$30,000,000 through the UND Foundation for the capital project. As of April 1, 2024, UND has spent \$4,052,655 for the project and expects the bond issue to be completed in July 2024.
Science, engineering, and national security corridor	The university is fundraising for this project to meet the required 30 percent match of \$24.6 million. The institution reported demolition of the Hyslop Sports Arena is planned for January 2025 as part of this project.
National security initiative	The university has allocated this funding for a high-speed laser for optical communications (\$5 million), satellite and space debris tracking (\$2 million), and molecular beam epitaxy (\$2 million).
Merrifield Hall and Twamley Hall renovation	The 2021 Legislative Assembly appropriated \$50 million from the federal State Fiscal Recovery Fund for a Merrifield Hall and Twamley Hall renovation project. The 2023 Legislative Assembly appropriated an additional \$12.5 million for the project, including \$5 million from the general fund and \$7.5 million from other local funds, including the institution's Tier II and Tier III capital building fund allocation. The university reported it is currently spending the original \$50 million appropriation from the 2021-23 biennium and it will begin spending the \$5 million general fund appropriation in the summer of 2024. The institution reported it is planning to utilize the \$7.5 million local funds authorization for the project; however, it may not be fully expended during the 2023-25 biennium.
School transportation study	The Legislative Assembly, in Senate Bill No. 2284, appropriated \$5,000 from the general fund for a school transportation study at UND. The university reported the data analysis associated with this work has been conducted and the results of this study were shared with the interim School Funding Task Force at its November and February meetings.