

**North Dakota State University
Budget No. 235
House Bill No. 1003**

	FTE Positions	General Fund	Other Funds	Total
2023-25 legislative appropriation	1,867.50	\$164,198,618 ¹	\$760,523,651	\$924,722,269 ²
2021-23 legislative appropriation	<u>1,829.43</u>	<u>138,556,325</u>	<u>677,017,100</u>	<u>815,573,425</u>
2023-25 appropriation increase (decrease) to 2021-23 appropriation	38.07	\$25,642,293	\$83,506,551	\$109,148,844

¹This amount includes \$4,800,000 of one-time funding. Excluding this amount, the agency's ongoing general fund appropriation is \$159,398,618.

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 NDSU FTE student enrollment projection for the 2023-25 biennium was 10,644 for the fall 2023 semester and 10,695 for the fall 2024 semester.

Tuition collections - The university budgeted net tuition revenue of \$200.9 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. In addition, the Legislative Assembly, in Section 25 of House Bill No. 1003 provided for the distribution of up to \$2.2 million of grant funds to the NDSU Agricultural Experiment Station for endowments, operations, facility repair projects, and new capital construction projects.

Extraordinary repairs - The Legislative Assembly, in House Bill No. 1003, appropriated \$2,732,244 from the general fund to NDSU 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.

Status/Result

North Dakota State University (NDSU) received \$4,351,390, including \$4,332,275 from the general fund and \$19,115 from other funds, for targeted market equity increases. Equity increases were provided to 622 employees.

The actual fall 2023 semester FTE enrollment was 10,552, which was 92 students fewer than projected and 149 fewer 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 \$200.9 million, the same as projected.

Through March 31, 2024, the NDSU Foundation has received \$4.9 million in grant funding through the program, including \$2.7 million for NDSU and \$2.2 million for the NDSU Agricultural Experiment Station.

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 elevator, heating plant, and street repairs.

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 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 \$4,349,394 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 NDSU.

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 residence hall renovations.

The university has allocated the funds for research computing, cybersecurity maturity model certification, and Internet2 network connectivity in cooperation with the University of North Dakota. The university has budgeted the funds for network service provider payments, equipment maintenance and replacement, research hardware and software, and staffing.

One-time funding - The Legislative Assembly appropriated \$111.8 million of one-time funding, including \$4.8 million from the general fund, \$59 million from SIF, and \$48 million from other local funds, for NDSU as follows:

	General Fund	SIF	Other Local Funds	Total Funds
Temporary increased minimum amount payable	\$4,800,000			\$4,800,000
Music building			\$20,000,000	20,000,000
Sudro Hall expansion			3,000,000	3,000,000
Center for engineering and computational sciences		\$59,000,000	25,000,000	84,000,000
Total	\$4,800,000	\$59,000,000	\$48,000,000	\$111,800,000

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

Temporary increased minimum amount payable	The university is using the funding for various initiatives, including curriculum changes emphasizing student success through personalized learning, digital tools, and workforce engagement.
Music building	The NDSU Foundation has provided a letter guaranteeing funding for the project and construction is anticipated to begin in the summer of 2024.
Sudro Hall expansion	The university reported the project was intended to be funded using grants; however, the project is now on hold because the institution did not receive the grant.
Center for engineering and computational sciences	The university has named the building the Offerdahl Engineering Complex. The project is in the planning and design phase and all matching requirements have been met.