

**North Dakota University System Office  
Budget No. 215  
Senate Bill Nos. 2003 and 2147**

	<b>FTE Positions</b>	<b>General Fund</b>	<b>Other Funds</b>	<b>Total</b>
2025-27 legislative appropriation	168.83	\$149,565,723 <sup>1</sup>	\$63,146,749	\$212,712,472
2023-25 legislative appropriation	<u>162.83</u>	<u>155,337,969</u>	<u>26,260,897</u>	<u>181,598,866</u>
2025-27 appropriation increase (decrease) to 2023-25 appropriation	6.00	(\$5,772,246)	\$36,885,852	\$31,113,606

<sup>1</sup>This amount includes \$25,000 of one-time funding. Excluding this amount, the agency's ongoing General Fund appropriation is \$149,540,723.

**Item Description**

**One-time funding** - The Legislative Assembly appropriated \$37.4 million, including \$25,000 from the General Fund, \$1.5 million from Bank of North Dakota profits, and \$35.86 million from the Strategic Investment and Improvements Fund (SIIF), of one-time funding to the North Dakota University System office for the 2025-27 biennium as follows:

	<b>General Fund</b>	<b>Other Funds</b>	<b>Total</b>
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
<b>Total</b>	<b>\$25,000</b>	<b>\$37,360,000</b>	<b>\$37,385,000</b>

**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

**Status/Result**

The following is a summary of the status of the University System office's one-time funding:

Higher education challenge grants	See <b>Higher Education Challenge Matching Grant Program</b> section below.
Dual-credit tuition scholarships	The University System office reported as of March 27, 2026, the Bank of North Dakota has transferred \$500,000 to the University System for dual-credit tuition scholarships.
Financial aid software system enhancements	The University System is in the process of implementing the course auditor software across the 11 institutions to ensure federal financial aid is only applied to degree-seeking courses.
Nursing education consortium	The University System has distributed the \$1.1 million in one-time funding to the eligible nursing programs in the state using the same methodology as the \$1,356,000 in ongoing funding appropriated for the nursing education consortium.
Workforce education innovation grants	The University System office reported a committee, including workforce-focused individuals from various state agencies and two members of the State Board of Higher Education (SHBE), was formed to allocate funding to campuses from the workforce education innovations grants line item. The committee reviewed applications requesting the funds from all nine eligible institutions and awarded the entirety of the \$10 million appropriation in August 2025. Funding was used to create or expand various academic programs, including the expansion of nursing education programs, the establishment of a Cybersecurity and Artificial Intelligence Program at Dickinson State University (DSU), and the establishment of an Aviation Maintenance Technology Program at the North Dakota State College of Science.

The University System office anticipates funding for student financial assistance grants will be fully expended by the last quarter of the biennium; however, the Supplemental Student Financial Assistance Grant and Academic and

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 Legislative Assembly also 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.

**Transfers to campuses** - The Legislative Assembly, in Sections 7 and 8 of Senate Bill No. 2003, provided for transfers of \$500,000 and \$342,000, respectively, to Bismarck State College (BSC) and Lake Region State College (LRSC) for the cost of separation agreements entered into by the SBHE with former presidents of the institutions.

**Higher Education Challenge Matching Grant Program** - In Section 1 of Senate Bill No. 2003, the Legislative Assembly appropriated \$24.76 million from SIIF to the 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.

**Extraordinary repairs** - The Legislative Assembly, in Senate Bill No. 2003, appropriated \$11,117,046 from the General Fund to the individual institutions, excluding the Forest Service, for extraordinary repairs. In Section 4 of the bill, the Legislative Assembly required 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. The funding is considered Tier I of the University System Capital Building Fund, but it is included in the institution's capital assets line item.

Career and Technical Education Scholarship Programs are anticipated to have approximately \$2 million and \$5 million, respectively, in unspent funds at the end of the biennium. The University System office is considering requesting the 2027 Legislative Assembly transfer \$2 million from the supplemental student financial assistance grants line item to the student financial assistance grants line item (\$1 million), Scholars Program line item (\$700,000), and the Professional Student Exchange Program line item (\$300,000) for the 2027-29 biennium.

The University System office transferred the funding to BSC and LRSC in July 2025 from the core technology services line item (\$600,000) and the system governance line item (\$242,000).

Through March 27, 2026, over \$15.1 million of challenge grants funding has been awarded to institution foundations as follows:

Institution Foundation	Total Grant Awards
BSC	\$656,360
LRSC	57,825
Williston State College	720,000
University of North Dakota (UND)	3,170,000
UND School of Medicine and Health Sciences	320,000
North Dakota State University (NDSU)	3,245,000
NDSU Agricultural Experiment Station	2,645,000
North Dakota State College of Science	1,039,900
DSU	1,271,918
Mayville State University	640,168
Minot State University	1,200,232
Valley City State University	147,645
Dakota College at Bottineau	32,285
<b>Total</b>	<b>\$15,146,333</b>

The University System office is monitoring institutional expenditures for extraordinary repairs to ensure the matching requirements are met. The University System office anticipates the entire \$11,117,046 will be matched and spent by the institutions.

**University System Capital Building Fund** - In addition to appropriating funding for specific capital projects, the 2019 Legislative Assembly established a University System Capital Building Fund for the 2019-21 biennium. The Legislative Assembly appropriated \$10 million from Bank of North Dakota profits as Tier II funding under the University System Capital Building Fund. 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 University System Capital Building Fund. The Tier III funding was 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 SBHE 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, 2023, and 2025 Legislative Assemblies continued the University System Capital Building Fund with transfers of \$19 million, \$24 million, and \$26.5 million, respectively, from SIFF to the University System Capital Building Fund.

Through March 31, 2026, the University System office has distributed funding to NDSU, DSU, and BSC for deferred maintenance projects and authorized capital projects. The University System office anticipates all campuses will begin accessing the Tier II and Tier III capital fund money by the end of the biennium.