

North Dakota State University
Budget No. 235
Senate Bill No. 2003

| | FTE Positions | General Fund | Other Funds | Total |
|--|----------------------|----------------------|----------------------|----------------------|
| 2025-27 legislative appropriations | 1,805.96 | \$170,388,214 | \$817,690,221 | \$988,078,435 |
| 2025-27 base budget | 1,867.50 | 163,746,765 | 653,917,430 | 817,664,195 |
| Legislative increase (decrease) to base budget | (61.54) | \$6,641,449 | \$163,772,791 | \$170,414,240 |

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

| | Ongoing General Fund Appropriation | One-Time General Fund Appropriation | Total General Fund Appropriation |
|---|---|--|---|
| 2025-27 legislative appropriations | \$170,388,214 | \$0 | \$170,388,214 |
| 2023-25 legislative appropriations | 163,746,765 | 4,800,000 | 168,546,765 |
| 2025-27 legislative increase (decrease) to 2023-25 appropriations | \$6,641,449 | (\$4,800,000) | \$1,841,449 |
| Percentage increase (decrease) to 2023-25 appropriations | 4.1% | (100%) | 1.1% |

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) | (61.54) | | | |
| Added special fund authority to provide employee salary increases of 3 percent on July 1, 2025, and 3 percent on July 1, 2026 | | | \$13,805,835 | \$13,805,835 |
| Added special fund authority for employee health insurance premiums to reflect a revised premium estimate of \$1,893 per month | | | 8,876,123 | 8,876,123 |
| Added special fund authority for information technology rate adjustments | | | 90,833 | 90,833 |
| Adjusted funding distributed through the higher education funding formula to reflect changes in completed student credit-hours | | (\$12,672,786) | | (12,672,786) |

| | | | | |
|---|-----------|-------------|---------------|---------------|
| Added funding for the 96 percent minimum amount payable provision in the higher education funding formula | 6,396,841 | 6,396,841 | | |
| Added funding to reflect increasing the credit weighting for pharmacy program professional credits in the higher education funding formula | 4,235,751 | 4,235,751 | | |
| Restored funding reduced during the 2023-25 biennium due to the averaging of base rates in the higher education funding formula | 2,468,181 | 2,468,181 | | |
| Added funding for a 4 percent inflationary increase in the higher education funding formula base rates | 6,213,462 | 6,213,462 | | |
| Added one-time funding from local funds for a wrestling facility project | | 13,000,000 | 13,000,000 | |
| Added one-time funding from local funds, revenue bond proceeds, and the University System capital building fund for the University Village project | | 54,000,000 | 54,000,000 | |
| Added one-time funding from local funds and revenue bond proceeds for the Memorial Union project | | 50,000,000 | 50,000,000 | |
| Added one-time funding from grants, local funds, and the University System capital building fund for the Van Es biosafety laboratory project | | 8,000,000 | 8,000,000 | |
| Added one-time funding from the strategic investment and improvements fund (SIIF) for new horizon programming | | 16,000,000 | 16,000,000 | |
| Total | (61.54) | \$6,641,449 | \$163,772,791 | \$170,414,240 |

FTE Changes

The Legislative Assembly approved 1,805.96 FTE positions for North Dakota State University (NDSU) for the 2025-27 biennium, a decrease of 61.54 FTE positions from the 2023-25 biennium authorized level of 1,867.50 FTE positions. The 61.54 FTE positions were removed 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 NDSU for the 2025-27 biennium:

| | Other Funds |
|--|---------------|
| Wrestling facility (local funds) | \$13,000,000 |
| University Village (local funds, revenue bond proceeds, and the University System capital building fund) | 54,000,000 |
| Memorial Union (local funds and revenue bond proceeds) | 50,000,000 |
| Van Es biosafety laboratory (grants, local funds, and the University System capital building fund) | 8,000,000 |
| New horizon programming (SIIF) | 16,000,000 |
| Total | \$141,000,000 |

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 the University of North Dakota 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 is from the strategic investment and improvements fund (SIIF).

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 the University of North Dakota 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, Minot State University, and Dickinson State University.

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.

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.

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.

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.

Related Legislation

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.