BUDGET BASICS

PREPARED BY THE NORTH DAKOTA LEGISLATIVE COUNCIL

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NORTH DAKOTA UNIVERSITY SYSTEM

GENERAL INFORMATION

The North Dakota University System consists of 11 higher education institutions under the control of the State Board of Higher Education. Of the 11 institutions, 2 are doctoral-granting institutions; 3 are master's-granting institutions; 1 is a dual-mission institution offering master's, bachelor's, and technical degrees; 1 is a polytechnic institution offering bachelor's, associate's, and technical degrees; and 4 are colleges that offer associate's and technical degrees. The University System budget also includes funding for the University of North Dakota (UND) School of Medicine and Health Sciences (SMHS) and the North Dakota Forest Service. The North Dakota State University (NDSU) Extension Service and Agricultural Experiment Station receive separate appropriations from the University System and are controlled and administered by the State Board of Agricultural Research and Education and the President of NDSU.

The University System is appropriated funding from the General Fund and special funds. Special fund sources include tuition, fees, donations, grants, sales, and other revenues. The Legislative Assembly appropriates funding to the University System office, each of the 11 institutions, UND SMHS, and the Forest Service. State funding for the University System office is used for bond payments for certain University System institution capital projects, research, systemwide information technology, student financial assistance programs, University System governance, and other systemwide grants and programs. State funding for the 11 institutions, including UND SMHS, is primarily determined using a funding formula.

STUDENT FINANCIAL ASSISTANCE

Legislative appropriations for the 2025-27 biennium for student financial assistance programs are as follows:

Program	Description	Award Amount	2025-27 Biennium Appropriations
Student financial assistance grants (General Fund)	Needs-based grants awarded to students based on free application for federal student aid information	Maximum grant of $1,375 per semester	$30,917,306
Supplemental student financial assistance grants (General Fund)	Needs-based grant program to pay the full cost of tuition for students with family incomes of $80,000 or less	Full amount of tuition	$7,000,000
Scholars Program (General Fund)	Scholarships awarded to the top-ranked high school graduates based on ACT Aspire scores	Full amount of tuition	$1,807,115
Academic and Career and Technical Education Scholarship Program (General Fund)	Scholarships awarded to resident students who achieve certain academic standards in high school	$750 per semester	$17,216,749
Native American Scholarship Program (General Fund)	Merit- or needs-based scholarships awarded to students who are enrolled	Up to $2,000 per academic year	$1,000,000

Program	Description	Award Amount	2025-27 Biennium Appropriations
	members of a federally recognized Indian tribe		
Professional Student Exchange Program (General Fund)	Secures admission opportunities and reduces tuition costs for North Dakota students who enroll in veterinary medicine, dentistry, and optometry programs at certain out-of-state institutions	The amount of the tuition reduction varies by program	$5,199,342
Dual-credit tuition scholarship (Bank of North Dakota profits)	This program incentivizes completion of dual-credit courses in high school	Maximum lifetime award of $750	$1,500,000
Career Builders scholarship and loan repayment (Bank of North Dakota profits continued from prior bienniums)	Workforce development program requiring private sector matching funds	Maximum lifetime award of $17,000	$8,600,000

ADJUSTED STUDENT CREDIT-HOUR FUNDING METHOD

The Legislative Assembly, through Senate Bill 2200 (2013), adopted a funding formula beginning with the 2013-15 biennium based on an adjusted student credit-hour calculation. The calculation involves multiplying a base amount per student credit-hour by an adjusted student credit-hour calculation for each institution.

The adjusted student credit-hour amount for an institution is determined as follows:

1. Completed student credit-hours are determined for each institution. A completed credit-hour is one for which a student met all institutional requirements and obtained a passing grade.
2. A weighted completed student credit-hour calculation is determined by multiplying each institution's completed student credit-hours by an instructional program classification factor. The factor amount for each program classification is based upon historical costs of instruction in each program.
3. The weighted completed student credit-hour amount for each institution is then adjusted for a credit completion factor which is based on total credits completed at an institution. Institutions that have a lower credit-hour output receive a greater weighting factor.
4. The adjusted student credit-hours are then multiplied by a base per credit amount which varies based on institution type. The doctoral-granting institutions receive $79.57, the regional universities receive $111.55, and the colleges receive $119.91 per adjusted student credit-hour.

Funding for major capital projects is appropriated separately from the formula. In addition to appropriating funding for specific capital projects, the 2019 Legislative Assembly established a University System Capital Building Fund Program for the 2019-21 biennium. The program has continued and the 2025 Legislative Assembly provided $26.5 million from the Strategic Investment and Improvements Fund (SIIF) for the program for the 2025-27 biennium.

CAPITAL BUILDING FUND PROGRAM

The Legislative Assembly continued the University System Capital Building Fund Program for the 2025-27 biennium in Sections 10, 11, and 28 of Senate Bill 2003 (2025), including transfers of $26.5 million from SIIF which are to be matched by other institutional funds as follows:

	Tier II		Tier III	
	SIIF	Institution Match ($1 to $1)	SIIF	Institution Match (Varied)
Bismarck State College	$770,505	$770,505	$700,000	$700,000
Dakota College at Bottineau	201,537	201,537	700,000	700,000
Lake Region State College	233,263	233,263	700,000	700,000
North Dakota State College of Science	1,214,738	1,214,738	700,000	700,000
Williston State College	322,154	322,154	700,000	700,000
Dickinson State University	516,884	516,884	700,000	700,000
Mayville State University	332,070	332,070	700,000	700,000
Minot State University	906,412	906,412	700,000	700,000
Valley City State University	452,403	452,403	700,000	700,000
North Dakota State University	4,695,895	4,695,895	2,600,000	5,200,000
University of North Dakota	5,354,139	5,354,139	2,600,000	5,200,000
Total	$15,000,000	$15,000,000	$11,500,000	$16,700,000

The funding in Tiers II and III of the University System Capital Building Fund Program was transferred from SIIF to the University System Capital Building Fund, from which the campuses have continuing appropriation authority. The funding in Tier II is allocated based on campus square footage, whereas the allocation of Tier III funding was determined legislatively. The campuses may use the funding in Tiers II and III for extraordinary repairs and capital projects specifically approved by the Legislative Assembly to use funding from the University System Capital Building Fund. An additional $11.1 million from the General Fund, which must be matched by each institution with $1 of matching funds from operations or other sources, excluding NDSU and UND, which must provide $2 of matching funds from operations or other sources, was appropriated in the capital assets line item of each institution for extraordinary repairs. This amount is from each institution's funding formula allocation and is considered Tier I of the University System Capital Building Fund Program.

SUMMARY OF THE 2025-27 BIENNIUM UNIVERSITY SYSTEM BUDGET

Legislative appropriations for the 2025-27 biennium for higher education institutions, the Forest Service, and the University System office total $3,382,028,053, of which $884,921,221 is from the General Fund.

The following is a summary of ongoing and one-time General Fund appropriations for the University System since the 2007-09 biennium:

General Fund Appropriations			
Biennium	Ongoing Appropriations	One-Time Appropriations	Total
2007-09	$443,654,169	$28,382,068	$472,036,237
2009-11	$534,062,895	$59,292,152	$593,355,047
2011-13	$606,525,437	$51,313,102	$657,838,539
2013-15	$679,271,846	$231,360,648	$910,632,494
2015-17	$681,876,059	$155,973,153	$837,849,212
2017-19	$613,242,154	$66,196,476[1]	$679,438,630
2019-21	$648,667,805	$11,850,000	$660,517,805
2021-23	$686,328,526	$17,124,768	$703,453,294
2023-25	$811,682,526	$56,839,701	$868,522,227
2025-27	$871,471,221	$13,450,000	$884,921,221

[1]The 2017-19 biennium one-time amount includes $53.6 million of supplemental funding appropriated by the 2019 Legislative Assembly.

The next topic in the Budget Basics series will review the Department of Health and Human Services.