



# INTERIM GOVERNMENT FINANCE COMMITTEE

9-10-14

Dr. Larry C. Skogen, Interim Chancellor

# NDUS 15-17 Budget Request

- Cost to Continue items
- Potential changes in FTE positions
- Potential new programs and initiatives
- New funding for student affordability
- Capital and deferred maintenance requests
- Other major one-time funding requests

# Primary Operating Budget Drivers

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- Maintaining student affordability
- Improving student retention and completion
- Enhancing student safety and security
- Elevating the research enterprise
- Supporting collaborative efforts
- Support new SCH higher ed funding model



# Operating Budget Request

# Cost to Continue

Continuation of FY15 salary increases	\$9.6 million
Utility cost increases-new facilities and est. increased rates/usage	\$9.1 million
Operating inflation (2.4%/2.5%)	\$8.0 million
TOTAL	\$26.7 million

NOTE: 15-17 Compensation increases not included in NDUS budget request; assume will be separately addressed by Governor and Legislature

# Funding Model

- Updated weighted student credit hours: +437,000 increase from 09-11 to 11-13
- Updated SCH\$ by tier based on final legis. appropriation
- Remove \$2.5 M base increase at WSC (oil impact) and MiSU (flood related) for formula calculations only
- Assumes tuition freeze at all campuses in 15-17
- Bring funding to the highest level in each tier
- \$49 M increase
- DSU would see a reduction of about \$1 million

# Major Program and Initiative Requests – Base Funding

- Campus Security 24 x 7 coverage (complete efforts started in 2013-15) - \$2.4 M {*approx. 15.5 FTE positions*}
- Statutorily Required Emergency and Continuity of Operations Planning - \$2.1 M {*approx. 10.5 FTE positions*}
- Central Technology Services (CTS) - \$4.5 M
  - ❖ Expanded IT security
  - ❖ Eliminate assessments, including public libraries
  - ❖ Fully fund system-wide IT systems

# Major Program and Initiative Requests – Base Funding, cont'd

- Systemwide implementation of Predictive Analytics Reporting (PAR) and Starfish/Hobsons for improved retention and graduation - \$1.9 M
- EPSCoR research funding to increase competitiveness and external funding
  - ❖ 1:1 match – from \$7.05 to \$8 million or +\$950,000
  - ❖ Seed grants, expanded undergrad research - \$3 M
  - ❖ Faculty start-up packages - \$1.0 M

# Major Program and Initiative Requests – Base Funding, cont'd

- Expanded internal audit - \$1.8 M {*FTE positions*}
  - ❖ Audit function fully funded by state
  - ❖ Move from 7 current to approx. 10 total positions, plus consulting
- College-Career Readiness in partnership with K-12 - \$753,000

# Major Program and Initiative Requests – One-Time Funding

- Campus Security 24 x 7 coverage - \$8.3 M
  - ❖ Keyless security
  - ❖ Cameras
  - ❖ Alarms
  - ❖ Lighting
- WSC-Stabilization funding due to oil impact - \$2.5 M
- Central Technology Services (CTS) - \$3.8 M
- PAR and Starfish and Hobson - \$200,000

# Major Program and Initiative Requests – **One-Time** Funding, cont'd

- ❑ Consulting services for continuation of deferred maintenance inventory and utilization - \$750,000
  - ❖ Phase I space utilization (SU) completed by Paulien in June 2014 as part of Systemwide master plan;
  - ❖ Phase II SU to be completed by December 2014;
  - ❖ Phase III SU to be completed later, based on available funding, to include detailed classroom utilization.

# Major Program and Initiative Requests – **One-Time** Funding, cont'd

- Open Educational Resources to expand e-textbook usage to reduce student cost - \$500,000
- SOMHS Health Workforce Initiative to meet ND's healthcare WF needs (increased enrollments in allied health and medical programs)
  - ❖ Cont'd one-time funding provided in 13-15 biennium - \$7.4 M
  - ❖ 15-17 increment - \$11.1 M

# Student Affordability

- Request assumes tuition freeze at all campuses in 15-17 (\$9.5 M included in funding formula request; another approx. \$21 M required for 15-17 compensation adjustments)
- ACA/CTE State Scholarship - \$3.3 M
  - ❖ \$1,500 per year merit award
  - ❖ Funding for 4 full classes for 4 years
- ACA/CTE State Scholarship - \$3.9 M
  - ❖ Increase annual award from \$1,500 to \$2,500

# Student Affordability, cont'd

- Increase State Grant Funding award 4% per year – \$1.7M
  - ❖ \$1,650 → \$1,716 → \$1,784

# Operating Budget-General Fund

	<b>Campuses, SOMHS, NDUS Office, Forest Service</b>
2013-15 Adj. Appropriation	\$679,271,846
2015-17 Request, excluding capital	\$818,577,971
Total Increase	\$139,306,125
Base increase	\$104,168,323
One-time increase	\$ 35,137,802



# Capital Budget Request

One-Time Funding

# Primary Capital Budget Drivers

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- Protect health and safety of students, faculty and staff
- Manage deferred maintenance backlog
- Address capital needs that ensure continuation of accreditation
- Flood recovery and protection
- Strategic initiatives

# 63<sup>rd</sup> Legislative Assembly

Rank	Project	Type <sup>1</sup>	State Request	Running Total	Def. Maint.
n/a	UND SOMHS Medical School Completion	NC	\$62,000,000	\$62,000,000	n/a

<sup>1</sup> nc-new construction; rn-renovation; rpl-replacement; ad-addition; re-remodel; ex-expansion

# Flood Mitigation

Rank	Project	Type <sup>1</sup>	State Request	Running Total	Def. Maint
n/a	VCSU Fine Arts Bldg, including demolition of Foss and McCarthy	NC	\$25,850,000	\$25,850,000	\$7,763,660

<sup>1</sup> nc-new construction; rn-renovation; rpl-replacement; ad-addition; re-remodel; ex-expansion

# Life Safety Projects

Rank	Project	Type <sup>1</sup>	State Request	Running Total	Reduction Def. Maint.
1	VCSU Heating Plant Replacement	NC	\$14,289,000	\$14,289,000	\$12,426,504
2	NDSU Dunbar Hall II, including demolition of Dunbar	NC	\$45,900,000	\$60,189,000	\$3,020,000
3	DCB Nelson Science Center	RN	\$1,098,789	\$61,287,789	\$525,000

<sup>1</sup> nc-new construction; rn-renovation; rpl-replacement; ad-addition; re-remodel; ex-expansion

# Deferred Maintenance Projects

Rank	Project	Type <sup>1</sup>	State Request	Running Total	Def. Maint.
1	BSC Major Campus Infrastructure	RPL	\$1,575,000	\$1,575,000	\$1,200,000
2	NDSCS Campus Water, Sewer Infrastructure	RPL	\$13,298,000	\$14,873,000	\$13,298,000
3	LRSC Switchgear, Electrical Service, Window Replacement	RPL	\$1,648,423	\$16,521,423	\$1,648,423

<sup>1</sup> nc-new construction; rn-renovation; rpl-replacement; ad-addition; re-remodel; ex-expansion

# Program/Accreditation Projects

Rank	Project	Type <sup>1</sup>	State Request	Running Total	Def. Maint.
1	NDSU Accreditation Projects (Sudro Hall Addition)	AD/RN	\$32,700,000	\$32,700,000	N/A
2	UND Strategic Renovation/Renewal	RN/RPL	\$10,000,000	\$42,700,000	\$5,000,000
3	WSC Allied Health Facility	NC	\$14,000,000	\$56,700,000	N/A
4	NDSCS Fargo Expansion Phase <sup>1</sup>	NC	\$10,000,000	\$66,700,000	N/A
5	MiSU Career & Technical Education (CTE)	NC	\$8,000,000	\$74,700,000	N/A
6	NDSU Accreditation Projects (Engineering) –Phase <sup>1</sup>	RN	\$27,200,000	\$101,900,000	N/A

<sup>1</sup> nc-new construction; rn-renovation; rpl-replacement; ad-addition; re-remodel; ex-expansion

# Other Capital Request

- 15-17 special assessment payments - \$1.3 M
- Increase extraordinary repair funding (reg'l repairs and maintenance) to 50% of formula - \$32.8 M **base** increase
- System deferred maintenance pool - \$20 M
  - ❖ Allocated to campuses based on meeting specific criteria

# Capital Budget-General Fund

	<b>Campuses, SOMHS, NDUS Office, Forest Service</b>	
Capital Projects <sup>1</sup>	\$202,559,212	One time
15-17 special assessments	\$1,259,683	One-time
Deferred maintenance pool	\$20,000,000	One-time
50% of OMB extraordinary repairs formula	\$32,860,444	Base funding
<sup>1</sup> Excludes \$62 M SOMHS and \$31.63 M NDSU Ag related entities		



QUESTIONS?



THANK YOU

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