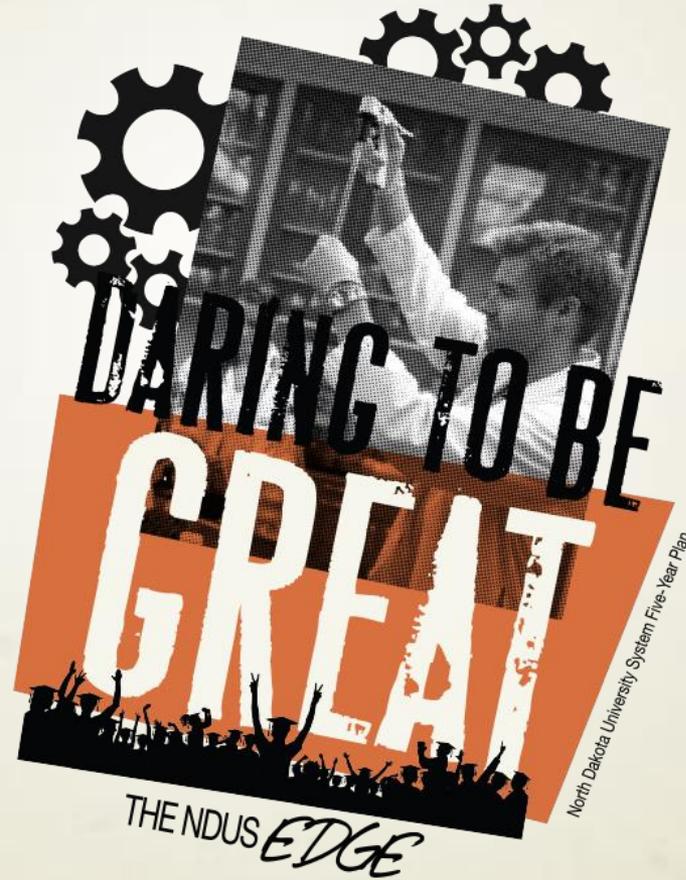


# North Dakota University System

## Government Finance Committee

September 28, 2016



# **2015-2017 APPROPRIATION 6.55% ALLOTMENT PLAN**



# ALLOTMENT PLAN GUIDELINES

- Guidelines first issued 1/22/2016 and revised after the 2/1/2016 revenue forecast.
- Address both short-term and long-term costs
- Minimize impact on academic programs and student services
- Provide presidents with discretion to adjust budgets and salary increases according to specific campus needs
- If personnel pay raises are limited, minimize impact on mid-to-lower wage employees

# ALLOTMENT PLAN GUIDELINES, continued

- Accelerate ongoing efficiency efforts and consider shared services
- Evaluate faculty course loads, class sizes and delivery methods
- Prioritize building repairs and maintenance towards safety and student/staff well-being
- Consider utilizing available reserves for essential one-time projects
- Plans should not consider:
  - Increases to tuition or student fees to offset the general fund allotment
  - Cuts to essential student services
  - Reductions in emerging, high priority programs and initiatives

# NDUS INSTITUTIONS

## 6.55 % ALLOTMENT SUMMARY

Appropriation Line Item Reductions			
	Operations	Capital Assets	Total Reduction
Bismarck State College	\$ 1,949,149	\$ 571,941	\$ 2,521,090
Dakota College Bottineau	\$ 571,689	\$ 74,567	\$ 646,256
Dickinson State University	\$ 1,279,620	\$ 495,590	\$ 1,775,210
Lake Region State College	\$ 688,836	\$ 408,601	\$ 1,097,437
Mayville State University	\$ 737,422	\$ 371,511	\$ 1,108,933
Minot State University	\$ 2,821,295	\$ 400,000	\$ 3,221,295
ND State School of Science	\$ 2,712,747	\$ 1,102,778	\$ 3,815,525
ND State University	\$ 10,354,616		\$ 10,354,616
University of ND	\$ 15,433,527		\$ 15,433,527
UND School of Medicine & Health Sciences	<u>\$ 5,024,193</u>		<u>\$ 5,024,193</u>
<b>Total UND</b>	\$ 20,457,720		\$ 20,457,720
Valley City State University	\$ 1,839,542	\$ 769,000	\$ 2,608,542
Williston State College	\$ 859,313		\$ 859,313
<b>Total Institutions</b>	<b>\$ 44,271,949</b>	<b>\$ 4,193,988</b>	<b>\$ 48,465,937</b>

# NDUS INSTITUTIONS

## 6.55 % ALLOTMENT SUMMARY,

### Continued

Reductions by Category			
	One-Time	Ongoing	Total Reductions
Bismarck State College	\$ 222,000	\$ 2,299,090	\$ 2,521,090
Dakota College Bottineau	\$ 74,567	\$ 571,689	\$ 646,256
Dickinson State University	\$ 86,512	\$ 1,688,698	\$ 1,775,210
Lake Region State College	\$ 253,234	\$ 844,203	\$ 1,097,437
Mayville State University	\$ 12,519	\$ 1,096,414	\$ 1,108,933
Minot State University		\$ 3,221,295	\$ 3,221,295
ND State School of Science		\$ 3,815,525	\$ 3,815,525
ND State University		\$ 10,354,616	\$ 10,354,616
University of ND		\$ 15,433,527	\$ 15,433,527
UND School of Medicine & Health Sciences	-	\$ 5,024,193	\$ 5,024,193
Total UND		\$ 20,457,720	\$ 20,457,720
Valley City State University	\$ 357,000	\$ 2,251,542	\$ 2,608,542
Williston State College		\$ 859,313	\$ 859,313
<b>Total Institutions</b>	<b>\$ 1,005,832</b>	<b>\$ 47,460,105</b>	<b>\$ 48,465,937</b>

# NDUS SYSTEM OFFICE ALLOTMENT SUMMARY

Appropriation Line Item Reductions				
	Original GF Appropriation	Transfers to Campuses	Adjusted GF Appropriation	6.55% Allotment Reductions
System governance	\$ 7,702,343		\$ 7,702,343	\$ (314,357)
Contingent appropriations	\$ 1,050,000		\$ 1,050,000	\$ (1,050,000)
Internal audit pool	\$ 300,000		\$ 300,000	\$ (19,650)
Core technology services	\$ 45,791,528		\$ 45,791,528	\$ (1,927,472)
Open education resources training	\$ 110,000		\$ 110,000	\$ (2,750)
Two-year campus marketing	\$ 800,000		\$ 800,000	\$ (52,400)
Student mental health	\$ 316,000		\$ 316,000	\$ (7,900)
Challenge grants	\$ 21,000,000		\$ 21,000,000	\$ (1,375,500)
Veterans assistance grants	\$ 325,000		\$ 325,000	\$ -
Faculty commendation grants	\$ 4,800		\$ 4,800	\$ (314)
Tribally controlled comm. college grants	\$ 500,000		\$ 500,000	\$ (32,750)
Competitive research program	\$ 7,050,000		\$ 7,050,000	\$ (461,775)
Capital assets - bond payments	\$ 8,368,836		\$ 8,368,836	\$ (1,467,375)
Deferred maintenance pool	\$ 8,700,000	\$ (5,722,658)	\$ 2,977,342	\$ (217,500)
Campus security pool	\$ 3,000,000	\$ (3,000,000)	\$ -	\$ -
Student financial assistance grants	\$ 25,634,276		\$ 25,634,276	\$ (1,748,116)
Education incentive programs	\$ 3,349,000		\$ 3,349,000	\$ -
Scholars program	\$ 2,113,584		\$ 2,113,584	\$ -
Native American scholarships	\$ 649,267		\$ 649,267	\$ -
Academic and CTE scholarships	\$ 14,054,677		\$ 14,054,677	\$ (920,581)
Professional student exchange program	\$ 3,809,708		\$ 3,809,708	\$ (333,261)
<b>Total System Office</b>	<b>\$ 154,629,019</b>	<b>\$ (8,722,658)</b>	<b>\$ 145,906,361</b>	<b>\$ (9,931,701)</b>

# PLANNED COST SAVING MEASURES

## **Institutions are working with employees to identify potential changes and cost savings**

- 70-80% of budget is salaries and benefits
  - Evaluating open, unfilled positions
  - Voluntary separation, early retirement options
  - Hiring freeze on open positions
  - Reduction-in-force
- 2015-17 Impact = 313 FTE and \$36.7 million
- 2017-19 Impact = 509 FTE and \$59.4 million
  - 201 Vacant or Open Positions
  - 131 Early retirement/voluntary separation
  - 107 Reduction in Force
  - 70 Other funding, partial contract reductions, etc.

# PLANNED COST SAVING MEASURES, Continued

- Operating cost reductions from decreased travel, equipment, other operational costs
- Reduce non-essential facility upgrades or repairs
- Savings on capital projects
- Eliminate low enrollment and/or non-essential programs
  - Music Therapy – UND
  - College of University Studies – NDSU
  - Computer Information Systems / Business & CIS – MaSU
  - Theatre Minor – VCSU
- Delay implementation of new research initiatives
- Delay full implementation of Healthcare Workforce Initiative
- Use existing reserves for necessary capital expenditures

# HIGHER EDUCATION FUNDING FORMULA



# 2013-2015 COMPLETED STUDENT CREDIT HOUR REPORT SUMMARY

Institution	2011-2013 Adjusted SCH	2013-2015 SCH	Weighted SCH (Instructional Program Factor)	Credit Completion Factor	Institutional Size Factor	2013-2015 Adjusted SCH
BSC	318,432	161,077	299,018	1.10	1.00	<b>328,920</b>
DCB	75,764	26,552	45,700	1.80	1.00	<b>82,260</b>
LRSC	130,465	59,925	91,011	1.50	1.00	<b>136,517</b>
NDSCHS	389,385	122,322	221,864	1.00	1.70	<b>377,169</b>
WSC	89,210	31,708	52,862	1.70	1.00	<b>89,865</b>
DSU	244,256	63,493	146,289	1.40	1.00	<b>204,805</b>
MASU	155,960	44,090	102,432	1.60	1.00	<b>163,891</b>
MISU	454,284	152,640	415,631	1.10	1.00	<b>457,194</b>
VCSU	237,303	58,692	156,646	1.50	1.00	<b>234,969</b>
NDSU	2,167,389	711,017	2,211,355	1.00	1.00	<b>2,211,355</b>
UND	3,090,436	701,649	3,257,601	1.00	1.00	<b>3,257,601</b>
<b>TOTALS</b>	<b>7,352,884</b>	<b>2,133,164</b>	<b>7,000,409</b>			<b>7,544,545</b>

# 2017-2019 INSTITUTION FORMULA FUNDING

## BEFORE 10% REDUCTION

Institution	2015-2017 Original Base Budget	2013-2015 Adjusted SCH	Statutory Rate per SCH	2017-2019 Base Budget <i>Pre-10% Reduction</i>	Change from 2015-2017 <i>Pre-10% Reduction</i>	
BSC	\$ 36,580,826	328,920	\$ 114.88	\$ 37,786,307	\$ 1,205,481	3.3%
DCB	\$ 8,703,616	82,260	\$ 114.88	\$ 9,450,029	\$ 746,413	8.6%
LRSC	\$ 14,987,556	136,517	\$ 114.88	\$ 15,683,016	\$ 695,460	4.6%
NDSCS	\$ 44,731,764	377,169	\$ 114.88	\$ 43,329,152	\$ (1,402,612)	-3.1%
WSC	\$ 10,248,265	89,865	\$ 114.88	\$ 10,323,737	\$ 75,472	0.7%
DSU <i>With hold-harmless</i>	\$ 26,215,932	204,805	\$ 107.33	\$ 21,981,678 <i>\$ 25,167,295</i>	\$ (4,234,253) <i>\$ (1,048,637)</i>	-16.2% <i>-4.0%</i>
MASU	\$ 16,739,145	163,891	\$ 107.33	\$ 17,590,442	\$ 851,297	5.1%
MISU	\$ 48,758,181	457,194	\$ 107.33	\$ 49,070,643	\$ 312,462	0.6%
VCSU	\$ 25,469,668	234,969	\$ 107.33	\$ 25,219,223	\$ (250,445)	-1.0%
NDSU	\$ 157,410,539	2,211,355	\$ 72.63	\$ 160,610,714	\$ 3,200,174	2.0%
UND	\$ 224,608,494	3,257,601	\$ 72.63	\$ 236,599,561	\$ 11,991,067	5.3%
<b>TOTALS</b>	\$ 614,453,986	7,544,545		\$ 627,644,500	\$ 13,190,514	2.1%

# 2017-2019 INSTITUTION BASE BUDGET REQUEST

Institution	2015-2017 Original Base Budget	2013-2015 Adjusted SCH	90% of Statutory Rate per SCH	2017-2019 Base Budget Request	Change from 2015-2017	
BSC	\$ 36,580,826	328,920	\$ 103.39	\$ <b>34,007,018</b>	\$ (2,573,808)	-7.0%
DCB	\$ 8,703,616	82,260	\$ 103.39	\$ <b>8,504,861</b>	\$ (198,755)	-2.3%
LRSC	\$ 14,987,556	136,517	\$ 103.39	\$ <b>14,114,441</b>	\$ (873,115)	-5.8%
NDSCS	\$ 44,731,764	377,169	\$ 103.39	\$ <b>38,995,482</b>	\$ (5,736,282)	-12.8%
WSC	\$ 10,248,265	89,865	\$ 103.39	\$ <b>9,291,184</b>	\$ (957,081)	-9.3%
DSU	\$ 26,215,932	204,805	\$ 96.60	\$ <b>19,784,124</b>	\$ (6,431,808)	-24.5%
<i>With hold-harmless</i>				\$ <i>22,650,565</i>	\$ <i>(3,565,367)</i>	<i>-13.6%</i>
MASU	\$ 16,739,145	163,891	\$ 96.60	\$ <b>15,831,890</b>	\$ (907,255)	-5.4%
MISU	\$ 48,758,181	457,194	\$ 96.60	\$ <b>44,164,950</b>	\$ (4,593,231)	-9.4%
VCSU	\$ 25,469,668	234,969	\$ 96.60	\$ <b>22,698,005</b>	\$ (2,771,663)	-10.9%
NDSU	\$ 157,410,539	2,211,355	\$ 65.37	\$ <b>144,556,276</b>	\$ (12,854,263)	-8.2%
UND	\$ 224,608,494	3,257,601	\$ 65.37	\$ <b>212,949,377</b>	\$ (11,659,117)	-5.2%
<b>TOTALS</b>	\$ 614,453,986	7,544,545		\$ <b>564,897,610</b>	\$ (49,556,376)	-8.1%

# 2017-19 NDUS BUDGET REQUEST

	<b>2015-17 Base Appropriation</b>	<b>2017-19 Budget Request</b>	<b>Base Budget Decrease</b>
<b>Institutions</b>	\$ 614,453,986	\$ 564,897,609	\$ (49,556,377)
<b>System Office</b>	\$ 117,515,769	\$ 105,241,854	\$ (12,273,915)
<b>Forest Service</b>	\$ 5,007,844	\$ 4,583,951	\$ (423,893)
<b>Total Budget Request</b>	<b>\$ 736,977,599</b>	<b>\$ 674,723,414</b>	<b>\$ (62,254,185)</b>

# 2017-19 BUDGET REQUEST

## Optional Adjustment Requests (OAR)

### Base OARs

- Permanently reinstate NDCC 15-18.2-06, which sunsets 6/30/2017, to establish a minimum amount payable of 96% of the previous biennium formula funding (\$2.9 million)
- Restore 10% base budget reduction (\$72.3 million)

# 2017-19 BUDGET REQUEST

## Optional Adjustment Requests (OAR)

### Base OARS, continued

- System-wide technology projects: learning management system, online course catalog, scheduling module (\$2.6 million)
- System Office Policy Director (1.00 FTE, \$245,000)

# 2017-19 BUDGET REQUEST

## Optional Adjustment Requests (OAR)

### One-Time OARs

- System Office financial aid system development and website update (\$480,000)
- SoMHS Healthcare Workforce Initiative (\$7.0 million)
- VCSU Communication & Fine Arts Building (\$26.6 million)
- NDSU Dunbar II (\$49.1 million)

**QUESTIONS?**





# THANK YOU

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