

**Department 215 - North Dakota University System Office
 Senate Bill No. 2003**

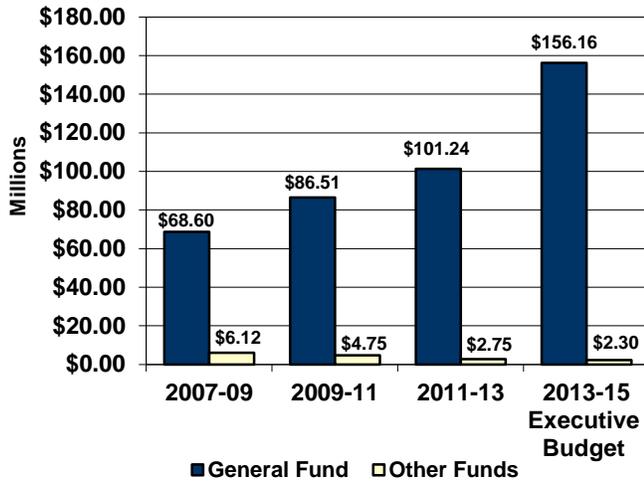
	FTE Positions	General Fund	Other Funds	Total
2013-15 Executive Budget	107.31	\$156,161,976	\$2,299,912	\$158,461,888
2011-13 Legislative Appropriations	100.31 ¹	101,239,245 ²	2,754,718	103,993,963
Increase (Decrease)	7.00	\$54,922,731	(\$454,806)	\$54,467,925

¹The number of FTE positions for the 2011-13 biennium has been adjusted by 77.01, from 23.30 to 100.31, pursuant to Section 13 of 2011 House Bill No. 1003 which authorizes the State Board of Higher Education to adjust FTE positions as needed subject to the availability of funds for institution and entities under its control. The adjusted amount includes 78.27 FTE positions transferred from North Dakota University System institutions to the University System office for System Information Technology Services functions.

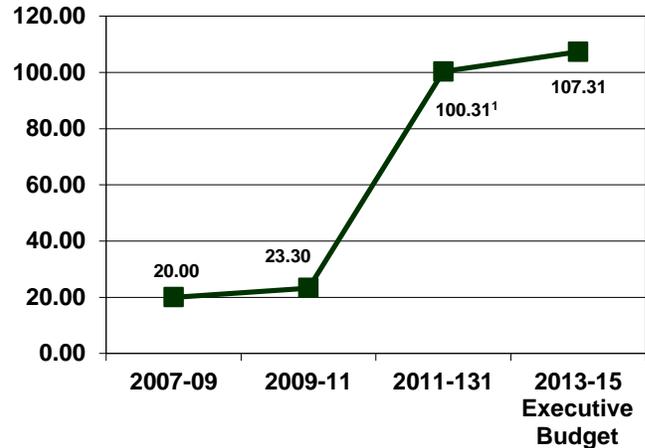
²The 2011-13 legislative general fund appropriations have been reduced for the following funding allocations made to institutions:

- \$15,240,565 for an equity and student affordability funding pool appropriated to the University System office.
- \$150,000 for campus educational leadership program funding appropriated to the University System office.

Agency Funding



FTE Positions



¹Reflects the transfer of 78.27 FTE System Information Technology Services positions from University System institutions to the University System office.

Ongoing and One-Time General Fund Appropriations

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2013-15 Executive Budget	\$113,661,976	\$42,500,000	\$156,161,976
2011-13 Legislative Appropriations	101,239,245	0	101,239,245
Increase (Decrease)	\$12,422,731	\$42,500,000	\$54,922,731

First House Action

Attached is a summary of the first house changes for the University System.

**Executive Budget Highlights
 (With First House Changes in Bold)**

	General Fund	Other Funds	Total
System governance and systemwide initiatives			
1. Increases funding for University System operations, excluding System Information Technology Services, as follows:			
Cost to continue fiscal year 2013 salary increases	\$66,830		\$66,830
Cost to continue 2011-13 biennium retirement contribution increases	53,974		53,974
2013-15 biennium operating inflation increases	64,808		64,808

Four percent annual salary increases during the 2013-15 biennium	291,805		291,805
2013-15 biennium retirement contribution increases	43,518		43,518
2013-15 biennium health insurance increases	45,634		45,634
Total	<u>\$566,569</u>		<u>\$566,569</u>
2. Increases funding for System Information Technology Services as follows:			
Cost to continue fiscal year 2013 salary increases	\$260,297		\$260,297
Cost to continue 2011-13 biennium retirement contribution increases	276,237		276,237
2013-15 biennium operating inflation increases	819,859		819,859
Four percent annual salary increases during the 2013-15 biennium	1,076,259		1,076,259
2013-15 biennium retirement contribution increases	138,728		138,728
2013-15 biennium health insurance increases	214,899		214,899
Total	<u>\$2,786,279</u>		<u>\$2,786,279</u>
3. Provides funding for 7 FTE additional University System office staff. The Senate removed the funding of \$3,056,020 for additional University System office staff and provided \$1.3 million for system governance with specific uses to be determined by the State Board of Higher Education.	\$3,056,020		\$3,056,020
4. Provides funding to expand student mental health services including after-hours crisis intervention (\$11,520), training (\$41,000), and on-campus psychiatric support for students (\$230,000)	\$282,520		\$282,250
5. Adds one-time funding for a higher education challenge fund	\$30,000,000		\$30,000,000
6. Adds one-time funding for a deferred maintenance pool to be distributed to campuses	\$10,000,000		\$10,000,000
7. Adds one-time funding for a master plan and space utilization study. The Senate removed this funding.	\$1,000,000		\$1,000,000
8. Adds one-time funding for a new program start-up pool. The Senate removed this funding.	\$1,500,000		\$1,500,000
9. Decreases funding for capital bond payments from \$12,204,769 to \$10,436,045	(\$1,351,474)	(\$417,250)	(\$1,768,724)
Student financial assistance programs			
10. Adjusts appropriations for student financial aid programs as follows:			
Increases general fund support for the needs-based student financial assistance grant program to provide assistance to part-time students and to increase the maximum grant level award to \$1,650 per year. The executive budget also adjusts anticipated federal funds authority for the program.	\$2,220,085	(\$348,428)	\$1,871,657
Increases funding for the academic and career and technical education scholarship program to allow the maximum scholarship award to be increased from \$1,500 to \$2,500 per year	3,700,000		3,700,000
Increases funding for the Native American scholarship program to provide scholarships to an additional 15 graduate students per year	75,000		75,000
Increases funding for the professional student exchange program to continue the same number of students in the program	781,609		781,609
Increases funding for education incentive programs to continue the same number of students in the program	172,656		172,656
Total	<u>\$6,949,350</u>	<u>(\$348,428)</u>	<u>\$6,600,922</u>

Other Sections in Bill

Commissioner of Higher Education (Chancellor) contract termination - Section 3 provides an \$854,520 general fund appropriation to the State Board of Higher Education for a settlement payment if the board terminates the contract of the Commissioner of Higher Education.

Construction project variance reports - Section 4 amends North Dakota Century Code Section 15-10-47 to change the reporting frequency for higher education capital project variance reports from monthly to semiannually.

Student financial assistance grants amounts - Section 5 amends Section 15-62.2-02 to increase the maximum needs-based student financial assistance grant amount from \$1,500 to \$1,650 per year.

Tribal college assistance grants - Section 6 amends Section 15-70-04 to provide that the State Board of Higher Education may only distribute one-half of the biennial appropriation for tribal college assistance grants during the first year of the biennium.

Unexpended appropriation carryover authority - Section 7 amends Section 54-44.1-11 to extend the authority of the University System to carry over unexpended appropriations at the end of a biennium.

Funding pools transfer authority - Section 8 authorizes the State Board of Higher Education to transfer funds to institutions from the deferred maintenance funding pool and the education incentive programs line item.

System Information Technology Services office consolidation - Section 9 requires all System Information Technology Services staff offices to be consolidated in the joint information technology building on the campus of the University of North Dakota (UND) within five years of the completion of the building.

Research Enterprise and Commercialization building purchase - Section 10 authorizes UND to enter financing and purchase agreements with private entities to purchase the Research Enterprise and Commercialization building located on the campus.

Minot State University flood recovery funding - Section 11 provides guidelines for the use of a \$5 million appropriation included in Section 1 of the bill for Minot State University flood recovery funding. The section allows Minot State University to use the funds to address needs of the university, including capital, as it relates to flood recovery.

Minard Hall project - Section 12 authorizes North Dakota State University to continue 2007-09 and 2009-11 biennium appropriations for the Minard Hall project into the 2013-15 biennium. The section also requires North Dakota State University to provide reports on the status of the project to Budget Section.

Student loan trust fund - Section 13 provides that \$1,004,744 of the special funds appropriated in the bill are from the student loan trust fund to be used for the professional student exchange program (\$465,307) and for ConnectND positions (\$539,437).

UND School of Medicine and Health Sciences funding - Section 14 provides that a portion of the operations funding appropriated to UND be transferred to the School of Medicine and Health Sciences consistent with the proposed higher education student credit-hour funding method.

Federal, private, and other funds - Section 15 provides an appropriation through June 30, 2015, for federal, private, and other funds, including tuition revenue, that are received by institutions under the control of the State Board of Higher Education. The section also provides an appropriation through June 30, 2015, for funds received under the North Dakota-Minnesota reciprocity agreement.

Transfer authority - Section 16 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 projects or extraordinary repairs.

FTE positions - Section 17 authorizes the State Board of Higher Education to adjust FTE positions as needed for institutions and entities under its control.

Bond issue authorization - Section 18 authorizes the State Board of Higher Education to arrange for \$56.5 million of revenue bonds for capital projects at UND.

Continuing Appropriations

Special revenue funds - Section 15-10-12 - Provides continuing appropriation authority for higher education institutions' special revenue funds, including tuition, through June 30, 2013. Section 15 of the bill provides an appropriation for all federal, private, and other funds received by institutions during the 2013-15 biennium, including tuition revenue.

Significant Audit Findings

The State Auditor's office audit of the University System for the year ended June 30, 2011, included findings related to prior audit recommendations not being implemented.

Major Related Legislation

House Bill No. 1200 - Authorization of campus building projects - Removes the authority for the Budget Section to approve higher education capital building projects financed by gifts, grants, or donations during the three months following the close of a regular legislative session

House Bill No. 1281 - Assessment of University System institutions - Requires the State Board of Higher Education to receive Budget Section approval prior to assessing University System institutions for goods or services provided through the University System office

House Bill No. 1289 - Higher education veterans' assistance - Provides a \$274,000 general fund appropriation to the University System for supporting programs that provide assistance to veterans enrolled at or in the process of enrolling at a higher education institution

House Bill Nos. 1258, 1287, and 1291 - North Dakota academic and career and technical education scholarship eligibility - Provides for various adjustments to the eligibility requirements to receive a North Dakota academic and career and technical education scholarship

Senate Bill No. 2013 - Higher education energy impact grants - Provides \$4 million from the oil and gas impact grant fund to be distributed by the Energy Infrastructure and Impact Office to higher education institutions affected by oil and gas development

Senate Bill No. 2032 - Higher education accountability measures - Requires the University System performance and accountability report to include certain accountability measures

Senate Bill No. 2094 - Mandatory student fees - Continues on a permanent basis the limitation that mandatory student fees charged to each student at a University System institution may not increase between academic years by more than 1 percent of the undergraduate resident student tuition rate

Senate Bill No. 2148 - Foster care scholarships - Requires the University System to provide \$1,500 annual scholarships to eligible students who voluntarily remain in the foster care system after age 18

Senate Bill No. 2160 - Professional student exchange program repayment - Requires students enrolled in professional student exchange programs to repay program costs if they are not employed in the state three years after graduating from a professional program

Senate Bill No. 2200 - Higher education funding method - Implements a per credit-hour funding method to provide general fund appropriations for the operations of University System institutions

Senate Bill No. 2222 - North Dakota academic and career and technical education scholarship award levels - Increases the annual award level for North Dakota academic and career and technical education scholarships from \$1,500 per year to \$2,500 per year

Senate Bill No. 2333 - School of Medicine and Health Sciences building project enhancement - Provides a contingent \$55.7 million appropriation from the general fund to enhance the School of Medicine and Health Sciences building project. The appropriation is contingent upon the 63rd Legislative Assembly providing a separate \$68.3 million general fund appropriation for the project.

House Concurrent Resolution No. 3008 - Names, locations, and missions of higher education institutions - Removes references in the Constitution of North Dakota of the names and locations of higher education institutions

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