

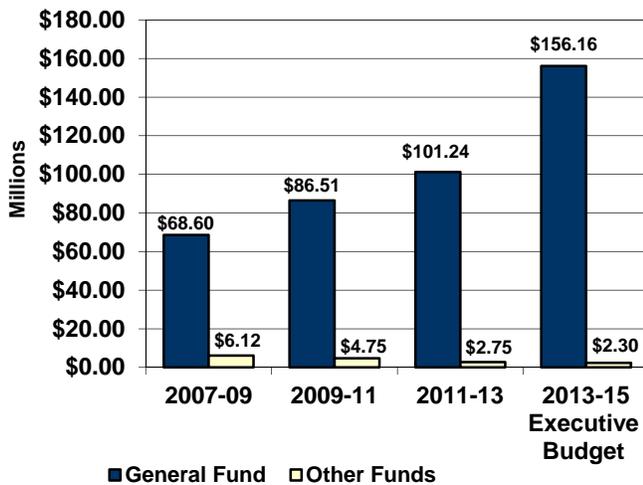
Department 215 - North Dakota University System Office
Senate Bill No. 2003

	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

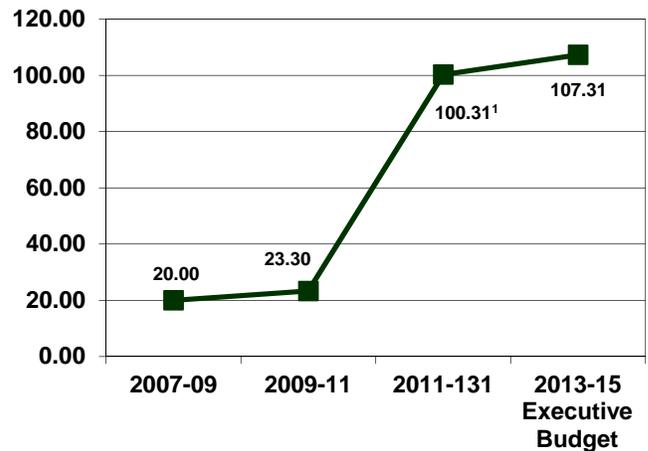
¹The number of FTE positions for the 2011-13 biennium has been adjusted by 77.01, from 23.30 to 100.31, pursuant to Section 13 of 2011 House Bill No. 1003 which authorizes the State Board of Higher Education to adjust FTE positions as needed subject to the availability of funds for institution and entities 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

Executive Budget Highlights

	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	\$566,569		\$566,569

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	\$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	\$1,000,000		\$1,000,000
8. Adds one-time funding for a new program start-up pool	\$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

Construction project variance reports - Section 3 amends North Dakota Century Code Section 15-10-47 to change the reporting frequency for higher education capital project variance reports from monthly to semi-annually.

Student financial assistance grants amounts - Section 4 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.

Academic and career and technical education scholarship amounts - Section 5 amends Section 15.1-21-02.6 to increase the academic and career and technical education scholarship award amounts from \$1,500 to \$2,500 per year.

Minard Hall project - Section 7 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 9 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).

Deferred maintenance pool - Section 10 requires the State Board of Higher Education to transfer funds from the \$10 million deferred maintenance pool appropriated to the University System office to University System institutions as recommended by the Chancellor.

New program startup pool - Section 11 requires the State Board of Higher Education to transfer funds from the \$1.5 million new program startup pool appropriated to the University System office to University System institutions as recommended by the Chancellor.

University of North Dakota School of Medicine and Health Sciences funding - Section 13 provides that a portion of the operations funding appropriated to the University of North Dakota be transferred to the UND School of Medicine and Health Sciences consistent with the proposed higher education student credit-hour funding method.

Federal, private, and other funds - Section 14 provides an appropriation through June 30, 2015, for federal, private, and other funds 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 15 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 16 authorizes the State Board of Higher Education to adjust FTE positions as needed for institutions and entities under its control.

Bond issue authorization - Section 19 authorizes the State Board of Higher Education to arrange for \$27.5 million of revenue bonds for capital projects at the University of North Dakota.

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 14 of the bill provides an appropriation for all federal, private, and other funds received by institutions during the 2013-15 biennium. The committee may wish to clarify this section to state whether tuition revenue is also intended to be appropriated to institutions.

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

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 through June 30, 2015, the limitation that mandatory student fees charged to each student at a University System institution may not increase between academic years by more than one percent of the undergraduate resident student tuition rate