

**Department 230 - University of North Dakota
 House Bill No. 1003**

Executive Budget Comparison to Prior Biennium Appropriations

	FTE Positions	General Fund	Other Funds	Total
2015-17 Executive Budget ¹	630.20	\$270,579,565	\$6,000,000	\$276,579,565
2013-15 Legislative Appropriations ^{2,3,4}	633.60	226,884,571	96,487,262	323,371,833
Increase (Decrease)	(3.40)	\$43,694,994	(\$90,487,262)	(\$46,792,268)

¹The executive budget provides for a portion of recommended funding for the University of North Dakota (UND) to be transferred to the UND School of Medicine and Health Sciences consistent with the higher education student credit-hour funding method.

²The number of FTE positions for the 2013-15 biennium does not reflect an adjustment of (3.40) positions, from 633.60 to 630.20, pursuant to Section 36 of 2013 Senate Bill No. 2003 which authorizes the State Board of Higher Education to adjust FTE positions as needed subject to the availability of funds for institutions and entities under its control.

³The 2013-15 appropriation amounts do not include the following general fund allocations to the institution from one-time funding pools and one-time program funding appropriated to the North Dakota University System office:

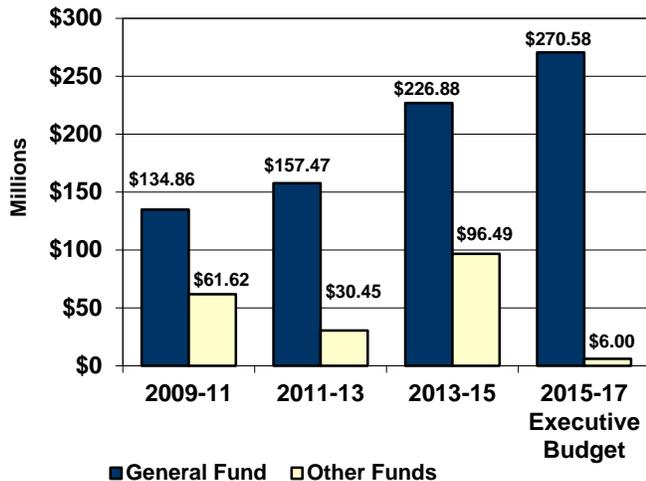
- Deferred maintenance funding pool allocations of \$2,667,599.
- Capital projects contingency funding pool allocations of \$1,813,785.
- Grants received from the higher education challenge fund.

⁴The 2013-15 biennium general fund appropriations have been reduced by \$3,671,762 to reflect a transfer of operations funding to the UND School of Medicine and Health Sciences as provided in Section 33 of Senate Bill No. 2003.

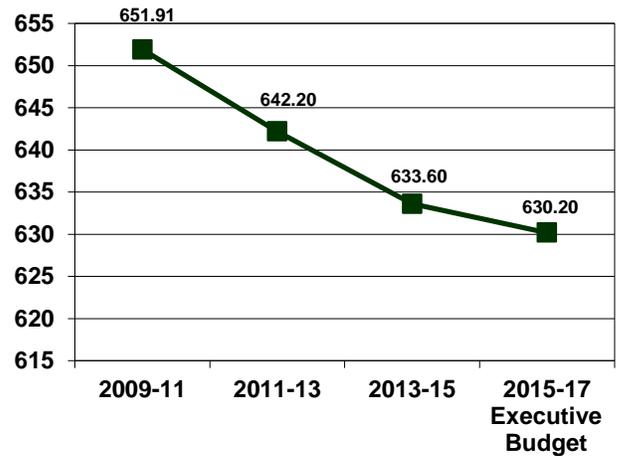
Ongoing and One-Time General Fund Appropriations

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2015-17 Executive Budget	\$191,547,480	\$79,032,085	\$270,579,565
2013-15 Legislative Appropriations	154,094,571	72,790,000	226,884,571
Increase (Decrease)	\$37,452,909	\$6,242,085	\$43,694,994

Agency Funding



FTE Positions



Executive Budget Comparison to Base Level

	General Fund	Other Funds	Total
2015-17 Executive Budget	\$270,579,565	\$6,000,000	\$276,579,565
2015-17 Base Level	154,094,571	0	154,094,571
Increase (Decrease)	\$116,484,994	\$6,000,000	\$122,484,994

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

	General Fund	Other Funds	Total
1. Provides funding increases through the higher education funding formula for the following components:			
• Formula adjustment to reflect an increase in completed student credit-hours	\$13,336,404	\$0	\$13,336,404
• Inflation adjustment for salary, benefit, and utility increases	21,337,429	0	21,337,429
• Cost to continue the UND School of Medicine and Health Science's RuralMed Program	996,843	0	996,843
	<hr/>	<hr/>	<hr/>
Total	\$35,670,676	\$0	\$35,670,676
The House adjusted the higher education funding formula and provided funding to campuses based on the adjustments.			
2. Removes funding for internal audit assessments paid to the University System office. (Funding is added to the University System office for internal audit functions.) The House added funding to the State Auditor's office to conduct higher education audits.	(\$165,136)	\$0	(\$165,136)
3. Transfers funding for predictive analytics and document imaging to the University System office	(\$324,403)	\$0	(\$324,403)
4. Increases funding for base extraordinary repairs to provide total funding of \$6,683,338. The House did not add the increased funding for extraordinary repairs and transferred existing base funding for extraordinary repairs to the University System office for an extraordinary repairs funding pool to be distributed to institutions.	\$2,271,772	\$0	\$2,271,772
5. Adds one-time funding to pay off outstanding special assessments	\$241,585	\$0	\$241,585
6. Adds one-time funding for campus security projects. The House did not add one-time funding for specific campus security projects. The House added a one-time funding pool of \$3 million to the University System office to be distributed to campuses based on campus security and risk assessments.	\$790,500	\$0	\$790,500
7. Adds one-time funding for the following capital projects:			
• UND School of Medicine and Health Sciences facility - Phase II	\$62,000,000	\$0	\$62,000,000
• Airport apron project. The House did not add funding for this project.	16,000,000	0	16,000,000
• Student engagement and success projects. The House did not add funding for this project.	0	6,000,000	6,000,000
	<hr/>	<hr/>	<hr/>
Total	\$78,000,000	\$6,000,000	\$84,000,000

Other Sections in Bill

Campus building projects - Section 6 amends North Dakota Century Code Section 15-10-12.1 to require legislative authorization to construct, purchase, receive, or renovate a building if the building or project cost exceeds \$385,000.

Capital project requests - Section 8 adds a section to Chapter 15-10 to require future University System capital projects to conform to University System master plan and space utilization studies and requires future University System capital project budget requests for new buildings over \$5 million to include a 3 percent funding request to be set aside for future maintenance costs.

Required use of information technology services - Section 9 adds a section to Chapter 15-10 to require entities under the control of the State Board of Higher Education to obtain electronic mail, file server administration, database administration, storage, application server, and hosting services through a delivery system established by the board.

Carryover authority - Section 25 continues the authorization through July 31, 2017, for institutions under the control of the State Board of Higher Education to carry over unexpended appropriations at the end of a biennium.

UND School of Medicine and Health Sciences funding - Section 32 provides that a portion of the operations funding appropriated to UND be transferred to the UND School of Medicine and Health Sciences consistent with the proposed higher education student credit-hour funding method.

Transfer authority - Section 34 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.

Bismarck Family Practice Center skywalk project and grant for civics curriculum - Section 36 cancels \$550,000 of 2013-15 biennium general fund appropriation for the Bismarck Family Practice Center skywalk project and requires the remaining \$200,000 to be provided as a grant for the development of civics curriculum.

State Fleet Services motor coaches - Section 37 requires UND and North Dakota State University to reimburse the Department of Transportation for costs associated with previous use by these institutions of State Fleet Services motor coaches.

Continuing Appropriations

Special revenue funds - Section 33 appropriates federal, private, and local funds received by institutions, including tuition revenue, during the 2015-17 biennium.

Significant Audit Findings

The State Auditor's office found UND did not receive legislative approval for a classroom scale-up project.

Major Related Legislation

House Bill No. 1051 - Higher Education Information Technology - Systemwide Email - Email Retention - Records Retention - Requires all institutions under the control of the State Board of Higher Education to use systemwide email and to retain all emails for five years. The bill also clarifies that the State Board of Higher Education and the institutions under the control of the State Board of Higher Education are included in the state's records retention policies. The bill provides a one-time general fund appropriation of \$350,000 for costs associated with implementing the email retention requirements.

House Bill No. 1151 - Higher Education Challenge Grants - Continues the higher education challenge grant program into the 2015-17 biennium and appropriates \$19 million from the general fund for grants.