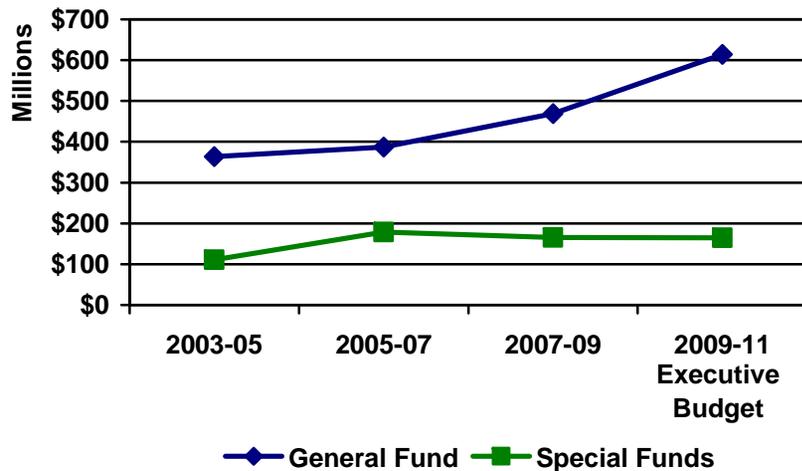


HIGHER EDUCATION - SUMMARY OF KEY RECOMMENDATIONS

The 2009-11 executive budget recommends the following higher education funding changes compared to 2007-09 legislative appropriations for higher education:

- Increase **general fund** support by \$145,575,323, or 31.1 percent, including approximately \$74.1 million of one-time funding from the general fund. The increase in funding is due in part to increasing funding for campus operations by approximately \$49 million, increasing funding for major capital projects by approximately \$33.1 million, and increasing funding for student financial assistance by approximately \$34 million.
- Decrease support from **special funds** by \$1,023,657, or 0.6 percent. Special funds support relates primarily to major capital projects funded from local sources or through the issuance of revenue bonds.
- Adjust the authorized number of **full-time equivalent (FTE) positions** from 2,136.59 to 2,141.42 to reflect the number of FTE positions supported by the general fund.

Higher Education Appropriations



Biennium	General Fund	Special Funds	Total
2003-05	\$364,029,938	\$110,546,775	\$474,576,713
2005-07	\$387,157,893	\$178,552,108	\$565,710,001
2007-09	\$468,649,624	\$165,419,701	\$634,069,325
2009-11 - Executive budget	\$614,224,947	\$164,396,044	\$778,620,991

Key recommendations include:

1. Funding of \$74,153,245 is provided for **one-time general fund appropriations**, including:

System security and emergency preparedness pool	\$4,000,000
Repairs, maintenance, and security	20,000,000
Electronic medical records system	225,000
Campus master plan development	3,000,000
Major capital projects	46,928,245
Total	\$74,153,245

2. Funding of \$49.4 million from the general fund for **campus parity** as requested by the State Board of Higher Education for costs to continue the fiscal year 2009 legislatively authorized salary increases, 5 percent per year salary increases for the 2009-11 biennium, estimated health insurance increases, and operating inflation of 2.0 percent for fiscal year 2010 and 2.2 percent for fiscal year 2011.
3. Funding of approximately \$10 million from the general fund for **campus equity** payments allocated as follows:

Bismarck State College	\$416,578
Lake Region State College	196,229
Williston State College	135,135
University of North Dakota (UND)	2,441,063
UND School of Medicine and Health Sciences	590,899
North Dakota State University	4,963,065
State College of Science	135,135
Dickinson State University	443,692
Mayville State University	135,135
Minot State University	272,798
Valley City State University	135,135
Minot State University - Bottineau	135,135
Total	\$9,999,999

4. Funding of \$40,348,428, of which \$40,000,000 is from the general fund and \$348,428 is from federal funds, for the **student financial assistance grant program**. The expanded program will assist approximately 11,340 students compared to the current level of 4,000 students. In addition, the program will increase the average individual student grants from \$800 to \$2,000. Of the \$40,000,000 general fund appropriation, \$700,000 is designated for grants to tribally controlled community colleges to defray the costs of education associated with enrollment of nonbeneficiary students. The total program funding amount represents an increase of \$34,360,931 from the 2007-09 legislative appropriation of \$5,987,497.

5. Funding of \$3,337,100, of which \$2,346,130 is from the general fund and \$990,970 is from the student loan trust fund, for the **professional student exchange program**. The funding includes \$193,000 from the general fund to continue current student funding and provides the following estimated number of available new openings: seven veterinarian, eight dentist, and four optometrist. In addition, \$467,590 of funding from the student loan trust fund is to be used to support currently enrolled students and provide an estimated five new openings per year under the Kansas State University veterinary medical education program. This level represents a total funds increase of \$614,154 from the 2007-09 legislative appropriation of \$2,722,946.
6. Funding of \$2,113,584 from the general fund for the **scholars program**. The funding includes \$450,000 to increase the number of new positions available by 50. This level represents a general fund increase of \$635,018 from the 2007-09 legislative appropriation of \$1,478,566.
7. Funding of \$6,450,000 from the general fund is recommended for **competitive research** matching funding. This represents an increase of \$800,000 from the 2007-09 legislative appropriation of \$5,650,000.

8. A **common information services pool** of \$30,250,638, of which \$29,209,438 is from the general fund and \$1,041,200 is from special funds (\$1,020,600 from the student loan trust fund), is provided for support of the Higher Education Computer Network, the Interactive Video Network (IVN), the On-line Dakota Information Network (ODIN), and other related technology initiatives. The funding includes an increase of \$2,306,255 for parity, \$1,220,000 for increased bandwidth costs, and \$1,041,200 for ConnectND support positions. This level of funding represents an increase of \$4,267,345 from the 2007-09 ongoing appropriation of \$25,983,293.
9. Funding of \$247,985,347 is provided for **capital assets**, including:

	General Fund	Special Funds	Total
Capital construction lease payments	\$11,296,798	\$717,250	\$12,014,048
Campus extraordinary repairs	26,714,054		26,714,054
Campus master plan development	3,000,000		3,000,000
Major capital projects	46,928,245	159,329,000	206,257,245
Total	\$87,939,097	\$160,046,250	\$247,985,347

Please refer to the schedules under the **Capital Construction** section for additional information regarding capital improvements.