

**University of North Dakota
Budget 230
Senate Bill No. 2003**

| | FTE Positions | General Fund | Other Funds | Total |
|--|----------------------|----------------------------|--------------------|---------------|
| 2013-15 legislative appropriation | 633.60 | \$228,603,736 ¹ | \$96,487,262 | \$325,090,998 |
| 2011-13 legislative appropriation | 642.20 | 157,466,196 | 30,450,000 | 187,916,196 |
| 2013-15 appropriation increase (decrease) to 2011-13 appropriation | (8.60) | \$71,137,540 | \$66,037,262 | \$137,174,802 |

¹This amount includes one-time funding. Excluding this amount, the agency's ongoing general fund appropriation is \$154,094,571.

NOTE: The 2013-15 legislative appropriations amounts have been adjusted as follows:

- Increased by \$1,719,165 from the general fund for a portion of the institution's share of the \$10 million deferred maintenance funding pool appropriated to the North Dakota University System office. A total of \$5 million has been allocated from the deferred maintenance funding pool to date.
- Decreased by \$3,671,762 from the general fund to reflect a transfer of operations funding to the University of North Dakota (UND) School of Medicine and Health Sciences as provided in Section 33 of Senate Bill No. 2003.

Item Description

Enrollment - At the end of the 2013 regular legislative session, UND FTE student enrollment projection for the 2013-15 biennium was 12,702 for the fall 2013 semester and 12,702 for the fall 2014 semester.

Tuition collections - University of North Dakota estimated tuition revenue of \$93.3 million for the 2013-14 fiscal year.

One-time funding - In Section 2 of Senate Bill No. 2003, the Legislative Assembly identified \$217,358,169 of funding from the general fund as one-time funding items for the University System. Of this amount, \$3,671,762 has been allocated for deferred maintenance and \$72,790,000 is for capital projects at UND.

Capital projects - The Legislative Assembly authorized the following capital projects for UND for the 2013-15 biennium:

| | General Fund | Other Funds | Total |
|--|---------------------------|--------------------|--------------|
| School of Medicine and Health Sciences facility | \$60,450,000 ¹ | | \$60,450,000 |
| Law School building renovation | 11,400,000 | | 11,400,000 |
| College of Business and Public Administration building renovation and addition (reauthorization from 2009-11 biennium) | | \$20,500,000 | 20,500,000 |

Status/Result

The fall 2013 semester FTE enrollment was 12,606, 96 fewer than projected and 123 fewer than the fall 2012 semester.

The current estimate for tuition collections for the 2013-14 fiscal year is \$90.8 million, \$2.5 million less than projected.

The University of North Dakota anticipates using all the funds provided for deferred maintenance during the 2013-15 biennium.

See the **Capital projects** section below for information regarding the UND capital projects.

The status of each project as of April 2014 is as follows:

- School of Medicine and Health Sciences facility - As of April 2014, an architect and project manager have been selected for the project. A facility site location has been identified and steel pilings are being installed to support the building. Construction on the building is expected to begin during the summer of 2014 and be completed by the summer of 2016.
- Law School building renovation - The project has not begun.
- College of Business and Public Administration building renovation - The project has not begun.
- Indoor track and football practice facility - The project has begun and is estimated to be complete by August 2015.

| | | | |
|---|--------------|--------------|---------------|
| Indoor track and football practice facility (reauthorization from 2009-11 biennium) | | 19,500,000 | 19,500,000 |
| Purchase of resident apartment building that is currently leased (revenue bonds) | | 8,300,000 | 8,300,000 |
| Student housing facility (revenue bonds) | | 19,187,262 | 19,187,262 |
| Wilkerson Hall dining center project (revenue bonds) | | 29,000,000 | 29,000,000 |
| Bismarck Family Practice Center skywalk project | 750,000 | | 750,000 |
| Total | \$72,600,000 | \$96,487,262 | \$169,087,262 |

¹Does not include \$62 million of loan authorization provided for the second phase of the School of Medicine and Health Sciences facility project.

Higher education challenge matching grant program - The Legislative Assembly appropriated \$29 million from the general fund to the University System office for the higher education challenge matching grant program. A total of \$10 million is available for grants to UND.

Research Enterprise and Commercialization building purchase - Section 33 of Senate Bill No. 2003 authorizes the State Board of Higher Education to enter a purchase and financing agreement or agreements with private entities to purchase the Research Enterprise and Commercialization (REAC) building located on the campus of UND.

- Purchase of resident apartment building - The institution received State Board of Higher Education approval to issue revenue bonds and is in the process of purchasing the building.
- Student housing facility - The project has not begun.
- Wilkerson Hall dining center - The project has begun and is estimated to be complete in the fall of 2015.
- Bismarck Family Practice Center skywalk project - The project has not begun.

Through April 2014, UND and the UND Foundation have received total grant funding of \$2,892,496 through the program for a collaborative energy complex; College of Business and Public Administration building; a leadership academy; and endowments for scholarships, library operations, gifted and talented programs, aviation education, sports business education, and the Law School.

In September 2013 the UND purchased the REAC building from the UND Research Foundation for \$9.8 million and obtained a loan to finance the purchase. The State Board of Higher Education was not involved in negotiations on the building.

The Chairman of the Legislative Management directed the interim Government Finance Committee to conduct a study of the purchase of the REAC building. The committee is currently conducting the study.