

**Department 235 - North Dakota State University
 House Bill No. 1003**

Executive Budget Comparison to Prior Biennium Appropriations

| | FTE Positions | General Fund | Other Funds | Total |
|---|---------------|---------------|----------------|----------------|
| 2015-17 Executive Budget | 537.10 | \$173,771,314 | \$11,600,000 | \$185,371,314 |
| 2013-15 Legislative Appropriations ^{1,2} | 491.21 | 171,193,784 | 39,819,356 | 211,013,140 |
| Increase (Decrease) | 45.89 | \$2,577,530 | (\$28,219,356) | (\$25,641,826) |

¹The number of FTE positions for the 2013-15 biennium does not reflect an adjustment of 45.89 positions, from 491.21 to 537.10, 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.

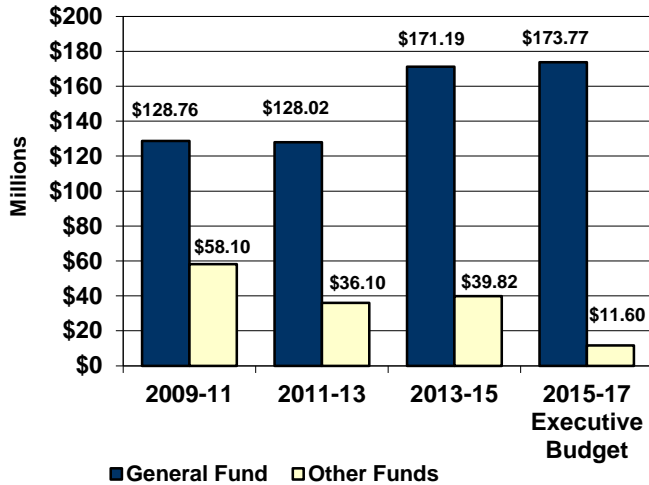
²The 2013-15 appropriation amounts do not include the following general fund allocations to the institution from one-time funding pools and one-time program funding appropriated to the North Dakota University System office:

- Deferred maintenance funding pool allocations of \$2,480,703.
- Capital projects contingency funding pool allocations of \$1,247,709.
- Grants received from the higher education challenge fund.

Ongoing and One-Time General Fund Appropriations

| | Ongoing General Fund Appropriation | One-Time General Fund Appropriation | Total General Fund Appropriation |
|------------------------------------|------------------------------------|-------------------------------------|----------------------------------|
| 2015-17 Executive Budget | \$171,339,888 | \$2,431,426 | \$173,771,314 |
| 2013-15 Legislative Appropriations | 143,073,784 | 28,120,000 | 171,193,784 |
| Increase (Decrease) | \$28,266,104 | (\$25,688,574) | \$2,577,530 |

Agency Funding



FTE Positions



Executive Budget Comparison to Base Level

| | General Fund | Other Funds | Total |
|--------------------------|---------------|--------------|---------------|
| 2015-17 Executive Budget | \$173,771,314 | \$11,600,000 | \$185,371,314 |
| 2015-17 Base Level | 143,073,784 | 0 | 143,073,784 |
| Increase (Decrease) | \$30,697,530 | \$11,600,000 | \$42,297,530 |

Executive Budget Highlights

| | 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 | \$10,268,988 | \$0 | \$10,268,988 |
| • Inflation adjustment for salary, benefit, and utility increases | 13,708,957 | 0 | 13,708,957 |

| | | | |
|--|--------------|--------------|--------------|
| • Equity adjustment to increase the level of institution credit-hour funding to the average of the highest two institutions within its tier | 2,824,466 | 0 | 2,824,466 |
| <hr/> | | | |
| Total | \$26,802,411 | \$0 | \$26,802,411 |
| 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.) | (\$143,624) | \$0 | (\$143,624) |
| 3. Transfers funding for predictive analytics and document imaging to the University System office | (\$121,794) | \$0 | (\$121,794) |
| 4. Increases funding for base extraordinary repairs to provide total funding of \$4,461,355 | \$1,729,111 | \$0 | \$1,729,111 |
| 5. Adds one-time funding to pay off outstanding special assessments | \$1,591,426 | \$0 | \$1,591,426 |
| 6. Adds one-time funding for campus security projects | \$840,000 | \$0 | \$840,000 |
| 7. Adds one-time funding for the following capital projects: | | | |
| • Aquatic center project (includes \$10 million of revenue bonding authority) | \$0 | \$11,000,000 | \$11,000,000 |
| • Increased funding for the Minard Hall project to provide total project authorization of \$23,474,300. (The requested increase in funding is for litigation associated with the project.) | \$0 | \$600,000 | \$600,000 |
| <hr/> | | | |
| Total | \$0 | \$11,600,000 | \$11,600,000 |

Other Sections in Bill

Carryover authority - Section 7 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.

Minard Hall project - Section 10 authorizes North Dakota State University (NDSU) to continue 2007-09 and 2009-11 biennium appropriations for the Minard Hall project into the 2015-17 biennium. The section also requires NDSU to provide reports on the status of the project to Budget Section.

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 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 \$10 million of revenue bonds for an aquatic center project at NDSU.

Continuing Appropriations

Special revenue funds - Section 14 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 NDSU has not established proper controls for student residency determinations and subsequent changes to student residency status.

Major Related Legislation

House Bill No. 1233 - Tuition Increase Prohibited - Prohibits tuition rate increases at all University System institutions during the 2015-17 biennium and provides a \$29.7 million general fund appropriation to the State Board of Higher Education to offset the financial impact of not allowing tuition rate increases.