

**University of North Dakota
Budget No. 230
Senate Bill Nos. 2003 and 2345; House Bill Nos. 1015 and 1505**

| | FTE Positions | General Fund | Other Funds | Total |
|---|----------------------|------------------------------|--------------------|----------------------|
| 2021-23 legislative appropriation | 2,059.98 | \$154,927,125 ^{1,2} | \$820,657,771 | \$975,584,896 |
| 2019-21 legislative appropriation | <u>2,132.17</u> | <u>148,332,155</u> | <u>981,394,045</u> | <u>1,129,726,200</u> |
| 2021-23 appropriation increase (decrease) to 2019-21 appropriation | (72.19) | \$6,594,970 | (\$160,736,274) | (\$154,141,304) |

¹The 2021-23 biennium legislative appropriations have been adjusted to reflect a transfer of operations funding of \$1,096,954 from University of North Dakota (UND) to the UND School of Medicine and Health Sciences as provided in Section 5 of Senate Bill No. 2003.

²This amount includes \$4,000,000 of one-time funding. Excluding this amount, the agency's ongoing general fund appropriation is \$150,927,125.

Item Description

Enrollment - At the end of the 2021 regular legislative session, the UND FTE student enrollment projection for the 2021-23 biennium was 10,387 for the fall 2021 semester and 10,408 for the fall 2022 semester.

Tuition collections - In the 2021-22 fiscal year budget approved by the State Board of Higher Education, tuition revenue for UND for the 2021-22 fiscal year was estimated to be \$134.8 million.

Higher education challenge matching grant program - In Section 1 of Senate Bill No. 2030 (2021), the Legislative Assembly appropriated \$11.15 million from the general fund to the North Dakota University System office for the higher education challenge matching grant program. The University of North Dakota may be awarded up to \$1.7 million under the program. In addition, the UND School of Law may be awarded up to \$250,000 under the program.

Extraordinary repairs - The Legislative Assembly, in Senate Bill No. 2003, appropriated \$4,411,566 from the general fund to UND for extraordinary repairs. The funding is considered Tier I of the capital building fund program, but is included in the institution's capital assets line item.

Capital building fund - In addition to appropriating funding for specific capital projects, the 2019 Legislative Assembly established a capital building fund program for the 2019-21 biennium. The Legislative Assembly appropriated \$10 million from Bank of North Dakota profits as Tier II funding under the capital building fund program. The Tier II funding is appropriated directly to each institution and must be matched by the institutions with \$1 from operations or other sources for each \$1 from Bank profits. The Legislative Assembly appropriated \$9 million, including \$7 million from Bank profits and \$2 million from the general fund, as Tier III funding under the capital building fund program. The Tier III funding is appropriated to the University System

Status/Result

The actual fall 2021 semester FTE enrollment was 10,842, 455 students more than projected and 91 fewer than the fall 2020 semester.

The University of North Dakota implemented a 4 percent tuition increase for the 2021-22 academic year. The current estimate for tuition collections for the 2021-22 fiscal year is \$140.8 million, approximately \$6 million more than projected.

Through April 2022, the UND Foundation has received \$1,649,915 and the UND School of Law has received \$250,000 in grant funding through the program.

The University of North Dakota anticipates fully utilizing the \$4,411,566 appropriated from the general fund for extraordinary repairs and is identifying match funding as it becomes available. Projects include roof, sidewalk, and waterline repairs and deferred maintenance at O'Kelly Hall.

The University of North Dakota plans to match and spend all of the funds in Tiers II and III of its capital building fund allocation for extraordinary repairs during the 2021-23 biennium. Projects include roof, parking lot, and road repairs.

office, to be allocated to the institutions as matching funds are committed and must be matched by the institutions with \$2 from operations or other sources for each \$1 appropriated as Tier III funding. After an institution has matched 75 percent of the funding appropriated from the general fund as Tier I for institution extraordinary repairs and subject to State Board of Higher Education approval, each institution may use money from Tier II and Tier III of its capital building fund for extraordinary repairs and deferred maintenance projects that do not increase the square footage of a building.

The 2021 Legislative Assembly continued the higher education capital building fund program with a transfer of \$19,000,000 from the strategic investment and improvements fund to a newly created higher education capital building fund. The Legislative Assembly provided continuing appropriation authority from the fund and also provided for the University System to continue unspent 2019-21 biennium appropriation authority of \$3,335,478. The University of North Dakota was allocated \$4,361,801 in Tier II and \$2,250,000 in Tier III of the capital building fund program for the 2021-23 biennium.

Tech Accelerator building refinancing - The Legislative Assembly, in Section 20 of Senate Bill No. 2003, authorized UND to enter into a refinancing agreement for the Tech Accelerator building. The building was originally financed by a bank in October 2013 at 5.38 percent interest, with monthly payments of \$59,834 and a balloon payment of \$7.7 million in October 2023.

Capital projects - The Legislative Assembly appropriated \$55 million from federal funds to UND for capital projects, including \$5 million from the federal Coronavirus Capital Projects Fund to reconstruct the university's apron at the Grand Forks airport and \$50 million from the federal State Fiscal Recovery Fund for a Merrifield Hall renovation project. The Legislative Assembly also provided carryover authority for the \$70 million appropriated for UND's Nistler College of Business and Public Administration capital project.

Space command initiative - The Legislative Assembly, in Section 6 of House Bill No. 1015, appropriated \$4 million of one-time funding from the general fund for a space command initiative at UND.

Space education and research initiative - The Legislative Assembly, in Senate Bill No. 2345, appropriated \$10 million from the federal State Fiscal Recovery Fund to UND for a space education and research initiative.

The University of North Dakota has refinanced the loan with another bank at 2.89 percent interest, with no balloon payment and monthly payments of \$53,676 ending in April 2037.

The University of North Dakota has contracted for the construction of the university's apron at the Grand Forks airport, with construction anticipated to begin in May 2022 and project completion in November 2022.

The University of North Dakota is completing the design of the Merrifield Hall and Twamley Hall building renovations. The university is estimating the total cost of the project will be \$79 million. Once the design is finalized, the university will have additional materials to assist in its philanthropic efforts to raise \$25 million for the project. The university plans to use \$4 million from its local funds for the project.

The Nistler College of Business and Public Administration project is anticipated to be substantially complete in May 2022 and the building will be fully occupied for the fall 2022 semester.

The University of North Dakota has allocated \$1 million for a satellite operations center at Robin Hall, \$300,000 for a digital engineering and big data center at Harrington Hall, \$300,000 for a satellite design and engineering laboratory at Harrington Hall, and \$2.4 million for a satellite fabrication and assembly laboratory.

The University of North Dakota has allocated \$1 million for an advanced unmanned aerial vehicle and satellite materials laboratory in Upson 1 and is allocating the remaining funds for equipment, projects, and programs.