

**University of North Dakota School of Medicine and Health Sciences
Budget No. 232
House Bill No. 1003 and Senate Bill No. 2012**

	FTE Positions	General Fund	Other Funds	Total
2023-25 legislative appropriations	488.83	\$80,865,916	\$171,414,111	\$252,280,027
2023-25 base budget	492.67	68,122,959	160,806,249	228,929,208
Legislative increase (decrease) to base budget	(3.84)	\$12,742,957	\$10,607,862	\$23,350,819

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2023-25 legislative appropriations	\$80,865,916	\$0	\$80,865,916
2021-23 legislative appropriations	68,122,959	0	68,122,959
2023-25 legislative increase (decrease) to 2021-23 appropriations	\$12,742,957	\$0	\$12,742,957
Percentage increase (decrease) to 2021-23 appropriations	18.7%	N/A	18.7%

**SUMMARY OF LEGISLATIVE CHANGES TO THE BASE BUDGET AND MAJOR FUNDING ITEMS
Changes to Base Budget**

	FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Adjusted funding for base payroll changes and FTE position adjustments pursuant to Section 23 of Senate Bill No. 2003 (2021)	(3.84)		\$590,744	\$590,744
Added funding to provide employee salary increases of 6 percent on July 1, 2023, and 4 percent on July 1, 2024, and to limit tuition increases		\$9,149,093	5,143,656	14,292,749
Added funding for employee health insurance premiums to reflect a revised premium estimate of \$1,643 per month, and to limit tuition increases		1,342,047	1,373,462	2,715,509
Adjusted funding distributed through the higher education funding formula to reflect changes in completed student credit-hours		1,861,864		1,861,864
Added funding for a behavioral health initiative		389,953		389,953

Added one-time funding from the community health trust fund for a Center for Rural Health grant to a clinically integrated network (Senate Bill No. 2012)			3,500,000	3,500,000
Total	<u>(3.84)</u>	<u>\$12,742,957</u>	<u>\$10,607,862</u>	<u>\$23,350,819</u>

FTE Changes

The Legislative Assembly approved 488.83 FTE positions for the University of North Dakota (UND) School of Medicine and Health Sciences for the 2023-25 biennium, a decrease of 3.84 FTE positions from the 2021-23 biennium authorized level of 492.67 FTE positions. The 3.84 FTE positions were removed pursuant to Section 23 of Senate Bill No. 2003 (2021), which authorized the State Board of Higher Education to adjust FTE positions at institutions under its control. Section 39 of House Bill No. 1003 (2023) continues the authorization of the board to adjust positions at institutions under its control during the 2023-25 biennium.

Other Sections in House Bill No. 1003

Additional funds appropriation authority - Section 3 appropriates any additional other funds received by entities under the control of the State Board of Higher Education to the respective entities, including funding for capital projects.

Economic diversification research fund - Section 10 provides for a transfer of \$5.5 million from the strategic investment and improvements fund to the economic diversification research fund, which is established in Section 16.

Project management oversight - Section 15 requires capital projects authorized by the State Board of Higher Education to have adequate project oversight by an institution official or representative of an external entity.

Campus policies and procedures - Section 19 authorizes the president of an institution to adopt policies, procedures, and directives for the institution without the approval of faculty and others through shared governance.

Higher education challenge grants - Sections 24 through 27 adjust the higher education challenge grant statutory language, provide for the distribution of up to \$20 million of grant funds to eligible institutions, and add the North Dakota State University Agricultural Experiment Station as eligible for funding under the higher education challenge grant program. Section 37 eliminates the allocation of higher education challenge grant funds for the UND School of Law; however, funding would still be made available under the UND allocation.

Higher education funding formula - Section 30 provides for all career and technical education (CTE) credits to receive a weighting factor of five in the higher education funding formula. Section 31 adjusts the base credit-hour funding rates of the higher education funding formula. Section 32 restores the 96 percent minimum amount payable provision in the higher education funding formula. Section 46 provides legislative intent that dental hygienist and dental assistant program courses be transferred to the CTE instructional program classification factor in the higher education funding formula.

Carryover authority - Section 36 continues the authorization through July 31, 2025, for institutions under the control of the State Board of Higher Education to continue unexpended appropriations at the end of a biennium. Sections 41 and 42 provide exemptions for institutions to continue appropriation authority for various projects and programs.

Transfer authority - Section 38 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 assets.

FTE positions - Section 39 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.

Tuition rate increase limitation - Section 45 provides for a tuition freeze, excluding certain high-cost programs which are limited to a tuition rate increase of 1 percent per year.

Related Legislation

House Bill No. 1241 (2023) - Workforce - Provides for a workforce education innovation program to create or enhance educational programs that address workforce needs in the state. Funding for this program was removed from House Bill No. 1003 in the Conference Committee amendment.

Senate Bill No. 2012 - Grant - Appropriates \$3.5 million for the Center for Rural Health to award a grant to a clinically integrated network.

Senate Bill No. 2015 (2023) - Funding pools - Includes funding pools from which the University System office and institutions may receive allocations, including the:

- Employer retirement contribution pool from which the UND School of Medicine and Health Sciences is to receive \$106,995, of which \$38,691 is from the general fund and \$68,304 is from other funds in accordance with provisions of Section 23 of Senate Bill No. 2015 for the 1 percent employer retirement contribution increase provided for in House Bill No. 1040 (2023); and
- Targeted market equity pool from which the UND School of Medicine and Health Sciences may receive an allocation as determined by the Office of Management and Budget in accordance with provisions of Section 20 of Senate Bill No. 2015.