

**University of North Dakota
Budget 230
House Bill No. 1003**

| | FTE Positions | General Fund | Other Funds | Total |
|--|----------------------|------------------------------|--------------------|----------------------|
| 2015-17 legislative appropriation (original) | 630.20 | \$235,178,054 ^{1,2} | \$6,000,000 | \$241,178,054 |
| 2013-15 legislative appropriation | <u>633.60</u> | <u>226,884,571</u> | <u>96,487,262</u> | <u>323,371,833</u> |
| 2015-17 appropriation increase (decrease) to 2013-15 appropriation | (3.40) | \$8,293,483 | (\$90,487,262) | (\$82,193,779) |
| 2015-17 general fund budget allotment (4.05 percent) | <u>0.00</u> | <u>(\$9,542,868)</u> | <u>\$0</u> | <u>(\$9,542,868)</u> |
| Adjusted 2015-17 appropriation after budget allotment | 630.20 | \$225,635,186 | \$6,000,000 | \$231,635,186 |

¹The 2015-17 biennium legislative appropriations have been adjusted to reflect a transfer of operations funding of \$5,267,850 from the University of North Dakota (UND) to the UND School of Medicine and Health Sciences as provided in Section 30 of 2015 House Bill No. 1003.

²This amount includes one-time funding. Excluding this amount, the institution's ongoing general fund appropriation is \$166,418,054.

NOTE: The 2015-17 legislative appropriations amounts do not include the following general fund allocations to the institution from one-time funding pools appropriated to the North Dakota University System office:

- Deferred maintenance funding pool allocations of \$1.35 million; and
- Campus security funding pool allocations of \$448,320.

Item Description

General fund budget allotment - In February 2016 the Governor ordered a 4.05 percent general fund budget allotment for state agencies.

Enrollment - At the end of the 2015 regular legislative session, the UND FTE student enrollment projection for the 2015-17 biennium was 12,471 for the fall 2015 semester and 12,512 for the fall 2016 semester.

Tuition collections - During the 2015 legislative session, tuition revenue for UND for the 2015-16 academic year was estimated to be \$100.2 million.

Status/Result

The budget allotment reduced general fund appropriations for UND by \$9,542,868. The institution reduced its operations line item for the entire allotment amount. As part of the reduction, the institution is offering a voluntary separation program for faculty and staff. The institution is also reviewing options to reduce operating expenses through the reduction of low-priority programs and reducing travel and other expenses.

The actual fall 2015 semester FTE enrollment was 12,455, 16 fewer than projected and 35 more than the fall 2014 semester.

The current estimate for tuition collections for UND for the 2015-16 academic year is \$99.9 million, \$300,000 less than projected.

One-time funding - In Section 2 of House Bill No. 1003, the Legislative Assembly identified \$137,115,518 of funding from the general fund as one-time funding items for the University System. Of this amount, \$68.76 million is for one-time funding items at UND as follows:

| | General Fund |
|---|---------------------|
| UND School of Medicine and Health Sciences facility - Phase 2 | \$62,000,000 |
| Airport apron project | 6,000,000 |
| North Dakota Museum of Art building repairs | 760,000 |
| Total | \$68,760,000 |

Capital projects - The Legislative Assembly appropriated funding for the following capital projects at UND during the 2015-17 biennium:

| | General Fund | Other Funds | Total |
|---|---------------------|--------------------|---------------------|
| UND School of Medicine and Health Sciences facility - Phase 2 | \$62,000,000 | | \$62,000,000 |
| Airport apron project | 6,000,000 | | 6,000,000 |
| Student engagement projects | | \$6,000,000 | 6,000,000 |
| Total | \$68,000,000 | \$6,000,000 | \$74,000,000 |

Higher education challenge matching grant program - In Section 8 of House Bill No. 1151, the Legislative Assembly appropriated \$23.5 million, including \$21 million from the general fund and \$2.5 million from the student loan trust fund, to the University System office for the higher education challenge matching grant program. A total of \$7 million was originally available for grants to the University of North Dakota Foundation. After the February 2016 budget allotment, a total of \$6,746,660 is available to be distributed to the institution foundation.

Extraordinary repairs funding pool - In House Bill No. 1003, the Legislative Assembly appropriated \$8.7 million from the general fund to the University System office for a deferred maintenance funding pool to be distributed to eligible University System institutions. A total of \$3.5 million was designated for distribution from the pool to UND.

Campus security - The Legislative Assembly appropriated \$3 million to the University System office for a campus security pool to be distributed to campuses based on campus security and risk assessments.

Through February 2016 a total of \$346,962 has been spent on building repairs for the North Dakota Museum of Art. The institution anticipates using the remaining funds by the end of the biennium.

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

The following is the status of the projects:

University of North Dakota School of Medicine and Health Sciences facility - The project began in June 2014 and is estimated to be completed during the summer of 2016. The project is anticipated to be completed on budget.

Airport apron project - The institution received State Board of Higher Education approval to begin the project in April 2016 and the project has an estimated completion date of November 2016.

Student engagement projects - The institution is planning to construct a \$6 million, 14,000 square foot, student learning center near the Chester Fritz Library. Through April 2016 the institution has received donations of \$4.5 million for the project. The institution plans to begin construction on the learning center once all project funds are raised.

Through March 2016 the University of North Dakota Foundation has received \$2,416,099 in grant funding through the program. The grants have been provided for scholarship programs, endowed professor positions, and other initiatives consistent with program guidelines.

Through March 2016 UND has received \$1.35 million in allocations from the funding pool. The funding is being used for various campus projects.

The University of North Dakota received distributions of \$448,320 from the campus security funding pool. The institution is using the funding for electronic door access, video and officer cameras, and other security initiatives.