

**North Dakota State University  
Budget 235  
House Bill No. 1003**

	<b>FTE Positions</b>	<b>General Fund</b>	<b>Other Funds</b>	<b>Total</b>
2015-17 legislative appropriation (original)	537.10	\$157,410,540	\$11,600,000	\$169,010,540
2013-15 legislative appropriation	<u>491.21</u>	<u>171,193,784</u>	<u>39,819,356</u>	<u>211,013,140</u>
2015-17 appropriation increase (decrease) to 2013-15 appropriation	45.89	(\$13,783,244)	(\$28,219,356)	(\$42,002,600)
2015-17 general fund budget allotment (4.05 percent)	<u>0.00</u>	<u>(\$6,402,472)</u>	<u>\$0</u>	<u>(\$6,402,472)</u>
Adjusted 2015-17 appropriation after budget allotment	537.10	\$151,008,068	\$11,600,000	\$162,608,068

**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 \$3,500,000; and
- Campus security funding pool allocations of \$675,200.

**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, NDSU FTE student enrollment projection for the 2015-17 biennium was 13,063 for the fall 2015 semester and 13,194 for the fall 2016 semester.

**Tuition collections** - During the 2015 legislative session, tuition revenue for NDSU for the 2015-17 biennium was estimated to be \$194.5 million.

**Status/Result**

The budget allotment reduced general fund appropriations for North Dakota State University (NDSU) by \$6,402,472. The institution reduced its operations line item for the entire allotment amount. As part of the reduction, the institution is delaying the implementation of the Research and Discovery Grand Challenge Initiative (\$3,200,000) and making operating reductions (\$3,202,472). As part of the operating reductions, the institution is holding vacant positions open and evaluating options for savings from operating expenses such as travel. The institution is also developing a plan to evaluate and address the institution's budget to meet the long-term budget goals of the institution.

The actual fall 2015 semester FTE enrollment was 12,834, 229 fewer than projected and 100 fewer than the fall 2014 semester.

The current estimate for tuition collections for NDSU for the 2015-17 biennium is \$200.3 million, \$5.8 million more than projected.

**Capital projects** - The Legislative Assembly appropriated \$11.6 million from other funds for the following capital projects at NDSU:

	<b>Other Funds</b>
Aquatic center	\$11,000,000 <sup>1</sup>
Minard Hall additional costs	600,000
<b>Total</b>	<b>\$11,600,000</b>

<sup>1</sup>Includes \$10 million of revenue bonds.

**Higher education challenge matching grant program** - In Section 8 of 2015 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 North Dakota State University 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 2015 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 system institutions. A total of \$3.5 million was designated for distribution from the pool to NDSU.

**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.

The following is the status of the projects:

**Aquatic center** - The institution received State Board of Higher Education approval in April 2015 to proceed with the project and issue revenue bonds. The project began in June 2015 and is estimated to be completed in August 2016.

**Minard Hall additional costs** - The first phase of the Minard Hall project was authorized in the 2007-09 biennium and additional phases were approved in subsequent bienniums. During construction in December 2009, a portion of the building collapsed. Several lawsuits were filed and NDSU requested and received authorization from the 2015 Legislative Assembly to spend an additional \$600,000 of other funds for litigation relating to the project.

All litigation relating to the Minard Hall project has been settled. The settlement proceeds provided to NDSU are less than project expenditures and the institution anticipates seeking a deficiency appropriation of \$1.6 million from the 2017 Legislative Assembly to cover all project costs.

Through March 2016 the North Dakota State University Foundation has received \$3,286,797 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 NDSU has received its full \$3.5 million in allocations from the funding pool. The funding is being used for various campus projects, including exterior building repairs and tuckpointing, roof repairs, mechanical repairs, and heating and cooling upgrades.

North Dakota State University received distributions of \$675,200 from the campus security funding pool. The institution is using the funding for lighting upgrades, security cameras, and door card access projects.