
AGENCY OVERVIEW
215 ND University System

Date: 12/07/2012
Time: 13:43:55

Statutory Authority

ND Constitution Article VIII, Section 6; North Dakota Century Code Chapter 15-10.

Agency Description

The North Dakota State Board of Higher Education (SBHE), established in 1939 by the voters of North Dakota, is the governing body for the state's 11 publicly funded institutions which comprise the North Dakota University System (NDUS). The SBHE carries out its constitutional responsibilities through a comprehensive set of policies. The Chancellor serves as the system's chief executive officer. The Chancellor and the system office staff support the SBHE in developing public policy for the NDUS, in advocating on its behalf, and fostering shared leadership throughout the system.

Agency Mission Statement

The mission of the North Dakota University System is to enhance the quality of life of all those we serve and the economic and social vitality of North Dakota through the discovery, sharing and application of knowledge. The Chancellor's Office supports the State Board of Higher Education in developing public policy for the governance of the North Dakota University System and in advocating on behalf of the System.

Agency Performance Measures

The North Dakota University System publishes an annual accountability measures report each December, in response to the "flexibility with accountability" expectations of SB 2003 passed by the 2001 Legislative Assembly. Organized according to the five cornerstones of the Roundtable Report, these annual reports provide a useful framework for focusing the assets of the University System on the high-priority needs of the state. The 2012 annual accountability measures report is scheduled for completion in December 2012, and will be the most current information available to the 2013 Legislative Assembly. This annual document serves as a primary tool for reporting on the agreed-upon North Dakota University System accountability measures and as a vehicle through which the system demonstrates its commitment to enhancing the economic and social vitality of North Dakota.

Major Accomplishments

1. Continued use of a web-based system designed by the NDUS to link the presidents' and chancellor's approved annual objectives and accomplishments to the Strategic Plan for the North Dakota University System and streamline reporting.
2. Enrolled a total of 48,833 undergraduate and graduate students in degree programs in Fall 2011, a record high enrollment level for the System.
3. Continued to expand the number of businesses and employees served through the TrainND workforce training regions, with 3,057 businesses and 26,237 employees participating in workforce training programs during FY 2010 and FY 2011.
4. Adopted new and enhanced programs to meet state workforce needs.
5. Maintained active partnerships and collaboration among the universities and colleges, making programs more easily accessible to students.
6. Maintained affordability of public higher education in North Dakota with tuition and required fees at four-year campuses below those of regional counterparts. A freeze in the tuition rates at North Dakota's community colleges significantly narrowed the gap between their higher rates and those of two-year regional peers.
7. Retained 66.7 percent of graduates (employed, enrolled, or both) in North Dakota one year after graduation.
8. Partnered with the North Dakota Department of Commerce for the creation of the Statewide Plan for Workforce Development and with Job Service North Dakota in developing the state's Workforce Investment Act plan.
9. Implemented the State Board of Higher Education's "Maximizing results through efficiencies" initiative which involves multiple projects relating to building a cost-effective IT system, reviewing/reengineering the academic process, and an improved capital project process.
10. Defined three performance funding measures to use in a pilot phase: fall to spring student retention at the institution where the student initially enrolled, fall to fall student retention at any institution within the NDUS, and the number of students completing degrees each year.
11. Developed a consistent system-wide policy for student placement into appropriate course levels. This policy is effective as of Fall 2012.
12. Participated in WICHE's Non-traditional No More initiative to identify and encourage former students to return to complete the degrees they previously started.
13. Continued collaborative partnerships with DPI, CTE, and ESPB to improve student preparation for college and the workforce.
14. Experienced leadership changes in the Chancellor's Office as well as at DSU and LRSC during 2012.

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15. Implemented a NDUS lecture capture solution to all 11 institutions of the NDUS. This project was an initiative of the State Board of Higher Education's (SBHE) Maximizing Results through Efficiencies.
16. Implemented mobile solutions for ODIN library services and access to information within the Student Administration, Finance, and Human Resources modules of PeopleSoft. (Initial installation by Fall 2012 continuing into Spring 2013.)

Future Critical Issues

Future critical issues include the following:

- Development and implementation of a new funding model that enables the NDUS to sustain and enhance quality for all institutions;
- Maintaining access for all students to sustain (and increase) North Dakota's high level of educational attainment;
- Addressing student preparation for college;
- Continuing to demonstrate accountability;
- Addressing deferred maintenance;
- Maintaining focus on affordability;
- Continuing to address the state's urgent and long-term workforce development and training needs at all levels;
- Capacity to prepare an increased number of new health care professionals to meet projected state needs;
- Projected retirements and the ability to attract, retain, and develop high quality faculty and staff;
- Continued development of information technology capabilities to enhance student success and achieve greater efficiency as a system;
- Revitalization and enhancement of the Roundtable process.

The following is a partial list of information technology (IT) related projects being planned for completion by the North Dakota University System (NDUS) in the 2013-15 Biennium. Please note that all projects are considered "system-wide" and provide service to most if not all 11 NDUS institutions.

Implement Additional System-wide Services – Plan, develop and coordinate IT services identified as part of the State Board of Higher Education's "Maximizing Results Through Efficiencies Initiatives" Initiative including:

- Learning Management System (LMS) – A software application for the administration, documentation, tracking, reporting and delivery of online education courses or training programs.
- Document Imaging System – A computer system (or set of computer programs) used to track and store electronic documents and/or images of paper documents. It is usually also capable of keeping track of the different versions modified by different users (history tracking).
- Unified Communications System – A system that enables the integrated use of data, video and voice in one supported product.
- Organizational Efficiencies and Support Structure – Necessary modification of the existing NDUS support structure to facilitate delivery of an expanded layer of system-wide IT services.

REQUEST SUMMARY

215 ND University System

Biennium: 2013-2015

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Description	Expenditures 2009-2011 Biennium	Present Budget 2011-2013	Budget Request Change	Requested Budget 2013-2015 Biennium	Optional Budget Request
By Major Program					
System Office and Board Operations	7,062,892	7,647,654	8,006,637	15,654,291	0
Student Grant Programs	28,410,148	43,796,686	(3,267,534)	40,529,152	0
System Grant Programs	8,760,207	8,856,472	20,969,700	29,826,172	0
System Projects	41,853,561	49,022,972	1,361,133	50,384,105	0
Total Major Program	86,086,808	109,323,784	27,069,936	136,393,720	0
By Line Item					
Capital Assets	10,779,726	12,204,769	(1,768,724)	10,436,045	0
Student Financial Assistance Grants	17,571,380	21,246,146	(1,931,892)	19,314,254	0
ND Scholars Program	2,060,990	2,509,420	(395,836)	2,113,584	0
Title II Federal Program	610,207	1,006,472	0	1,006,472	0
Native American Scholarship	382,250	574,484	74,783	649,267	0
System Information Technology Services	30,273,835	36,018,203	1,344,857	37,363,060	0
Education Incentive Programs	2,868,998	3,573,340	(224,340)	3,349,000	0
Tribal Community College Grants	700,000	1,000,000	0	1,000,000	0
Academic and Tech Ed. Scholarship	1,870,896	11,129,104	(1,129,104)	10,000,000	0
Student Exchange Program	2,955,634	3,764,192	338,855	4,103,047	0
Professional Liability Insurance	1,100,000	800,000	0	800,000	0
Two Year Campus Marketing	800,000	800,000	0	800,000	0
Competitive Research Program	7,050,000	7,050,000	0	7,050,000	0
Biennium Carryover	279,994	297,848	(297,848)	0	0
System Office & Board Operations	6,782,898	7,349,806	8,304,485	15,654,291	0
Security and Emergency Preparedness	0	0	235,000	235,000	0
Energy System Study	0	0	550,000	550,000	0
NDUS Energy Impact Fund	0	0	10,000,000	10,000,000	0
Student Mental Health	0	0	969,700	969,700	0
Deferred Maintenance Pool	0	0	10,000,000	10,000,000	0
Master Plan & Space Utilization Study	0	0	1,000,000	1,000,000	0
Total Line Items	86,086,808	109,323,784	27,069,936	136,393,720	0
By Funding Source					
General Fund	82,560,974	106,267,555	27,826,253	134,093,808	0
Federal Funds	997,375	1,634,235	(339,067)	1,295,168	0
Special Funds	2,528,459	1,421,994	(417,250)	1,004,744	0
Total Funding Source	86,086,808	109,323,784	27,069,936	136,393,720	0
Total FTE	94.18	100.31	35.00	135.31	0.00

REQUEST DETAIL

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Description	Expenditures 2009-2011 Biennium	Present Budget 2011-2013	Budget Request Change	Requested Budget 2013-2015 Biennium	Optional Budget Request
Capital Assets					
Other Capital Payments	10,779,726	12,204,769	(1,768,724)	10,436,045	0
Total	10,779,726	12,204,769	(1,768,724)	10,436,045	0
Capital Assets					
General Fund	10,779,726	11,787,519	(1,351,474)	10,436,045	0
Federal Funds	0	0	0	0	0
Special Funds	0	417,250	(417,250)	0	0
Total	10,779,726	12,204,769	(1,768,724)	10,436,045	0
Student Financial Assistance Grants					
Grants, Benefits & Claims	17,571,380	21,246,146	(1,931,892)	19,314,254	0
Total	17,571,380	21,246,146	(1,931,892)	19,314,254	0
Student Financial Assistance Grants					
General Fund	17,358,587	21,246,146	(1,931,892)	19,314,254	0
Federal Funds	212,793	0	0	0	0
Special Funds	0	0	0	0	0
Total	17,571,380	21,246,146	(1,931,892)	19,314,254	0
ND Scholars Program					
Grants, Benefits & Claims	2,060,990	2,509,420	(395,836)	2,113,584	0
Total	2,060,990	2,509,420	(395,836)	2,113,584	0
ND Scholars Program					
General Fund	2,060,990	2,509,420	(395,836)	2,113,584	0
Federal Funds	0	0	0	0	0
Special Funds	0	0	0	0	0
Total	2,060,990	2,509,420	(395,836)	2,113,584	0
Title II Federal Program					
Grants, Benefits & Claims	610,207	1,006,472	0	1,006,472	0
Total	610,207	1,006,472	0	1,006,472	0
Title II Federal Program					
General Fund	0	0	0	0	0
Federal Funds	610,207	1,006,472	0	1,006,472	0
Special Funds	0	0	0	0	0

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Description	Expenditures 2009-2011 Biennium	Present Budget 2011-2013	Budget Request Change	Requested Budget 2013-2015 Biennium	Optional Budget Request
Total	610,207	1,006,472	0	1,006,472	0
Native American Scholarship					
Grants, Benefits & Claims	382,250	574,484	74,783	649,267	0
Total	382,250	574,484	74,783	649,267	0
Native American Scholarship					
General Fund	382,250	574,484	74,783	649,267	0
Federal Funds	0	0	0	0	0
Special Funds	0	0	0	0	0
Total	382,250	574,484	74,783	649,267	0
System Information Technology Services					
Operating Fees and Services	30,273,835	36,018,203	1,344,857	37,363,060	0
Total	30,273,835	36,018,203	1,344,857	37,363,060	0
System Information Technology Services					
General Fund	29,253,235	35,478,766	1,344,857	36,823,623	0
Federal Funds	0	0	0	0	0
Special Funds	1,020,600	539,437	0	539,437	0
Total	30,273,835	36,018,203	1,344,857	37,363,060	0
Education Incentive Programs					
Grants, Benefits & Claims	2,868,998	3,573,340	(224,340)	3,349,000	0
Total	2,868,998	3,573,340	(224,340)	3,349,000	0
Education Incentive Programs					
General Fund	2,868,998	3,573,340	(224,340)	3,349,000	0
Federal Funds	0	0	0	0	0
Special Funds	0	0	0	0	0
Total	2,868,998	3,573,340	(224,340)	3,349,000	0
Tribal Community College Grants					
Grants, Benefits & Claims	700,000	1,000,000	0	1,000,000	0
Total	700,000	1,000,000	0	1,000,000	0
Tribal Community College Grants					
General Fund	0	1,000,000	0	1,000,000	0

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Description	Expenditures 2009-2011 Biennium	Present Budget 2011-2013	Budget Request Change	Requested Budget 2013-2015 Biennium	Optional Budget Request
Federal Funds	0	0	0	0	0
Special Funds	700,000	0	0	0	0
Total	700,000	1,000,000	0	1,000,000	0
Academic and Tech Ed. Scholarship					
Grants, Benefits & Claims	1,870,896	11,129,104	(1,129,104)	10,000,000	0
Total	1,870,896	11,129,104	(1,129,104)	10,000,000	0
Academic and Tech Ed. Scholarship					
General Fund	1,870,896	11,129,104	(1,129,104)	10,000,000	0
Federal Funds	0	0	0	0	0
Special Funds	0	0	0	0	0
Total	1,870,896	11,129,104	(1,129,104)	10,000,000	0
Student Exchange Program					
Grants, Benefits & Claims	2,955,634	3,764,192	338,855	4,103,047	0
Total	2,955,634	3,764,192	338,855	4,103,047	0
Student Exchange Program					
General Fund	2,147,775	3,298,885	338,855	3,637,740	0
Federal Funds	0	0	0	0	0
Special Funds	807,859	465,307	0	465,307	0
Total	2,955,634	3,764,192	338,855	4,103,047	0
Professional Liability Insurance					
Operating Fees and Services	1,100,000	800,000	0	800,000	0
Total	1,100,000	800,000	0	800,000	0
Professional Liability Insurance					
General Fund	1,100,000	800,000	0	800,000	0
Federal Funds	0	0	0	0	0
Special Funds	0	0	0	0	0
Total	1,100,000	800,000	0	800,000	0
Two Year Campus Marketing					
Operating Fees and Services	800,000	800,000	0	800,000	0
Total	800,000	800,000	0	800,000	0

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Description	Expenditures 2009-2011 Biennium	Present Budget 2011-2013	Budget Request Change	Requested Budget 2013-2015 Biennium	Optional Budget Request
Two Year Campus Marketing					
General Fund	800,000	800,000	0	800,000	0
Federal Funds	0	0	0	0	0
Special Funds	0	0	0	0	0
Total	800,000	800,000	0	800,000	0
Competitive Research Program					
Grants, Benefits & Claims	7,050,000	7,050,000	0	7,050,000	0
Total	7,050,000	7,050,000	0	7,050,000	0
Competitive Research Program					
General Fund	7,050,000	7,050,000	0	7,050,000	0
Federal Funds	0	0	0	0	0
Special Funds	0	0	0	0	0
Total	7,050,000	7,050,000	0	7,050,000	0
Biennium Carryover					
Operating Fees and Services	279,994	297,848	(297,848)	0	0
Total	279,994	297,848	(297,848)	0	0
Biennium Carryover					
General Fund	279,994	297,848	(297,848)	0	0
Federal Funds	0	0	0	0	0
Special Funds	0	0	0	0	0
Total	279,994	297,848	(297,848)	0	0
System Office & Board Operations					
Operating Fees and Services	6,782,898	7,349,806	8,304,485	15,654,291	0
Total	6,782,898	7,349,806	8,304,485	15,654,291	0
System Office & Board Operations					
General Fund	6,608,523	6,722,043	8,643,552	15,365,595	0
Federal Funds	174,375	627,763	(339,067)	288,696	0
Special Funds	0	0	0	0	0
Total	6,782,898	7,349,806	8,304,485	15,654,291	0
Security and Emergency Preparedness					
Operating Fees and Services	0	0	235,000	235,000	0

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Description	Expenditures 2009-2011 Biennium	Present Budget 2011-2013	Budget Request Change	Requested Budget 2013-2015 Biennium	Optional Budget Request
Total	0	0	235,000	235,000	0
Security and Emergency Preparedness					
General Fund	0	0	235,000	235,000	0
Federal Funds	0	0	0	0	0
Special Funds	0	0	0	0	0
Total	0	0	235,000	235,000	0
Energy System Study					
Operating Fees and Services	0	0	550,000	550,000	0
Total	0	0	550,000	550,000	0
Energy System Study					
General Fund	0	0	550,000	550,000	0
Federal Funds	0	0	0	0	0
Special Funds	0	0	0	0	0
Total	0	0	550,000	550,000	0
NDUS Energy Impact Fund					
Operating Fees and Services	0	0	10,000,000	10,000,000	0
Total	0	0	10,000,000	10,000,000	0
NDUS Energy Impact Fund					
General Fund	0	0	10,000,000	10,000,000	0
Federal Funds	0	0	0	0	0
Special Funds	0	0	0	0	0
Total	0	0	10,000,000	10,000,000	0
Student Mental Health					
Operating Fees and Services	0	0	969,700	969,700	0
Total	0	0	969,700	969,700	0
Student Mental Health					
General Fund	0	0	969,700	969,700	0
Federal Funds	0	0	0	0	0
Special Funds	0	0	0	0	0
Total	0	0	969,700	969,700	0

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Description	Expenditures 2009-2011 Biennium	Present Budget 2011-2013	Budget Request Change	Requested Budget 2013-2015 Biennium	Optional Budget Request
Deferred Maintenance Pool					
Extraordinary Repairs	0	0	10,000,000	10,000,000	0
Total	0	0	10,000,000	10,000,000	0
Deferred Maintenance Pool					
General Fund	0	0	10,000,000	10,000,000	0
Federal Funds	0	0	0	0	0
Special Funds	0	0	0	0	0
Total	0	0	10,000,000	10,000,000	0
Master Plan & Space Utilization Study					
Operating Fees and Services	0	0	1,000,000	1,000,000	0
Total	0	0	1,000,000	1,000,000	0
Master Plan & Space Utilization Study					
General Fund	0	0	1,000,000	1,000,000	0
Federal Funds	0	0	0	0	0
Special Funds	0	0	0	0	0
Total	0	0	1,000,000	1,000,000	0
Funding Sources					
General Fund	82,560,974	106,267,555	27,826,253	134,093,808	0
Federal Funds	997,375	1,634,235	(339,067)	1,295,168	0
Special Funds	2,528,459	1,421,994	(417,250)	1,004,744	0
Total Funding Sources	86,086,808	109,323,784	27,069,936	136,393,720	0

CHANGE PACKAGE SUMMARY

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Description	Priority	FTE	General Fund	Federal Funds	Special Funds	Total Funds
<u>Base Budget Changes</u>						
One Time Budget Changes						
A-B 2 Systemwide Deferred Maintenance		0.00	10,000,000	0	0	10,000,000
A-B 3 Master Plan and Space Utilization Study		0.00	1,000,000	0	0	1,000,000
A-E 4 Remove 2009-11 Carryover		0.00	(4,894,843)	0	0	(4,894,843)
Total One Time Budget Changes		0.00	6,105,157	0	0	6,105,157
Ongoing Budget Changes						
A-A 1 Cost to Continue		0.00	657,338	0	0	657,338
A-A 10 Energy Systems Study		0.00	550,000	0	0	550,000
A-A 100 NDUS Energy Impact Fund		0.00	10,000,000	0	0	10,000,000
A-A 11 Capital Bond Payment Base		0.00	10,436,045	0	0	10,436,045
A-A 12 Student Financial Aid		0.00	1,317,925	0	0	1,317,925
A-A 2 Inflationary Increases		0.00	884,667	0	0	884,667
A-A 20 2011-13 Adjusted FTE		100.31	0	0	0	0
A-A 5 Security and Emergency Preparedness		1.00	235,000	0	0	235,000
A-A 7 Other Revenue Change		0.00	0	(339,067)	0	(339,067)
A-A 8 NDUS Office Reengineering		30.00	8,457,940	0	0	8,457,940
A-A 9 Student Mental Health		4.00	969,700	0	0	969,700
A-F 1 Remove Funding Cap Bond Pmts		0.00	(11,787,519)	0	(417,250)	(12,204,769)
Base Payroll Change		(100.31)	0	0	0	0
Total Ongoing Budget Changes		35.00	21,721,096	(339,067)	(417,250)	20,964,779
Total Base Budget Changes		35.00	27,826,253	(339,067)	(417,250)	27,069,936

BUDGET CHANGES NARRATIVE

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Change Group: A	Change Type: A	Change No: 1	Priority: 1
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Cost to Continue

The cost to continue adjustment, totaling \$657,338, includes the following:

- \$66,830 – NDUS Office continuation of 12-13 legislatively funded salary increase @ 3%
- \$260,297 – SITS continuation of 12-13 legislatively funded salary increase @ 3%
- \$53,974 – NDUS Office continuation of 11-13 retirement increases, including \$8,378 for underfunded increases in 11-13, due to calculation error
- \$276,237 – SITS continuation of 11-13 retirement increases, including \$128,680 for underfunded increases in 11-13, due to calculation error. The 2011-13 retirement increases for SITS employees was included in the budgets of NDSU and UND in 2011-13. The CTC adjustment in the 2013-15 budget requests exclude SITS employees for the 2 campuses.

Change Group: A	Change Type: A	Change No: 2	Priority: 2
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Inflationary Increases

The inflationary increase adjustment, totaling \$884,667, includes the following:

- \$64,808 – NDUS Office operating inflation of 2.9% for FY14 and 2.4% for FY15, based on projections from Economy.Co
- \$819,859 – SITS operating inflation of 2.9% for FY14 and 2.4% for FY15, based on projections from Economy.Co

Change Group: A	Change Type: A	Change No: 5	Priority: 3
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Security and Emergency Preparedness

This \$235,000 request is intended to assist the NDUS in meeting federal and state and/or gubernatorial directives and to protect the lives of students, employees and the public as it relates to emergency preparedness planning and campus security.

To facilitate appropriate emergency preparedness planning on each campus, which must be tailored to each individual campus and local and regional law enforcement and emergency services, but coordinated systemwide, the budget request includes funding to support an efficient systemwide approach, where a small team of employees would provide both system and individual campus assistance. The 2013-15 request includes a total of **\$555,000 (\$185,000 each) for 3.0 new FTE positions, one each at UND, NDSU and the NDUS office.** These three employees, in addition to limited current campus resources, would serve the entire system. In addition, **\$50,000** is included for a systemwide train-the-trainer approach for planning and readiness in the NDUS Office request. The total request for the NDUS Office is **\$235,000.**

Change Group: A	Change Type: A	Change No: 7	Priority: 4
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Other Revenue Change

Decrease in federal fund appropriation authority for College Access Grant and NDPIP, totaling \$339,067, neither of which will be funded in 2013-15.

Change Group: A	Change Type: A	Change No: 8	Priority: 5
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NDUS Office Reengineering

A re-engineering of the Chancellor's Office would build upon the existing strengths of the system and its campuses with a focus on providing oversight and accountability, and creating more efficient and effective services. Oversight functions must focus on compliance and accountability and not micromanaging the campuses. Ideally,

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oversight at a system office provides either a confirmation that everything is in order, or an alert to small issues so that they may be addressed long before they become big problems. Oversight functions must cover the spectrum of higher education processes, from admissions and degree requirements, to employment matters, and to the allocation and expenditure of funds. A thorough review of policies and procedures is needed to ensure proper governance is established at all levels.

Central to this re-engineering is a consideration of the risks highlighted in the October 2011 Larson Allen Risk Assessment for the system and campuses. Re-engineering is essential to the future, because, as the assessment of the North Dakota University System states on page 11: "The System does not consistently operate as a unified system of higher education, with the primary focus on what is in the best interest of the student and state, as opposed to the institution. In addition, there is not a collaborative mentality within some institutions and it is not productive to meeting the state's expectations."

Many of the concerns identified in the risk assessment get at core issues of governance and oversight. Unaddressed, these issues leave the system and campuses with unacceptable levels of risk and weaken the system's ability to meet the needs of the state. The system and campuses must come together to address these matters, and the system must put in place controls and provide support to the campuses. The right structure with adequate staff qualified to perform these functions are essential, and the following new positions are requested for the 2013-15 biennium:

Academic Affairs (4 FTE) - \$1,214,175 (\$1,130,575 Sal & FB; \$83,600 Operating)

The Office of Academic Affairs will work in coordination with campus academic leaders and organizations to identify strategic directions for innovative program development and educational access and degree attainment in support of both resident and nonresident students. This will include the following responsibilities: Academic Strategic Planning/Accreditation; Program Development/Workforce Needs Assessment; Online Course Offerings and Degree Programs; Enhanced Business Partnerships/External Resource Development; Institutional Research, Data Collection and Assessment; Enrollment Management/Growth/Degree Audit; Retention and Graduation/Time-to-Degree; Class Size/Under-Enrolled or Low Demand Courses; Student Learning/Outcomes Assessment

Administration:

- Budget & Finance (3 FTE) - \$1,222,650 (\$1,168,950 Sal & FB; \$53,700 Operating)
- Capital & Facilities (3 FTE) - \$964,073 (\$900,373 Sal & FB; \$63,700 Operating)
- Human Resources (3 FTE) - \$935,462 (\$875,762 Sal & FB; \$59,700 Operating)
- Support Staff (3FTE) - \$407,319 (\$370,419 Sal & FB; \$36,900 Operating)

Assessment of financial practices and consistencies between institutions and funding between campus will need to be conducted and monitored to be sure that adequate resources are available to accomplish campus missions and to assure compliance with the laws of North Dakota and the policies of the NDUS. Administration will be tasked with oversight of compliance in all areas of resource management, human, financial and legal.

Administration also will identify strategic priorities and directions for the NDUS and will work in cooperation with campuses to develop appropriate guidance that will allow each campus to achieve their respective goals, while also enhancing the achievement of the overall system goals. Providing strategic oversight is especially important in the realm of capital facilities development. A system-wide physical facilities master plan will work to connect the long-term needs of the state with the goals, needs, and missions of the campuses, including off campus sites/centers, and to the needs of local communities.

Chancellor's Office Human Resources staff will play a significant role in the recruitment and evaluation of NDUS managers/staff and of campus presidents. Human Resources will assist in the hiring process, including the screening of applicants, and work closely with the Chancellor on the annual evaluations of each president. HR staff also will work with campuses to provide development and training opportunities for their respective managers/staff/faculty.

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In coordination with University Counsel and audit staff, Human Resources also will assist in providing guidance and support, as necessary, to both NDUS and the campuses in conducting regular reviews and evaluations of risk management policies/procedures, conflict of interest policies/disclosures, public records act compliance, and appropriate personnel recruitment, development, evaluation, and disciplinary policies/processes.

Legislative & Public Affairs (3 FTE) - \$1,003,173 (\$945,473 Sal & FB; \$57,700 Operating)

The NDUS must always be responsive to the Governor, Legislature, elected officials, and the general public, and remain mindful that its mission is to serve the needs and goals of its students and the state. Legislative affairs liaisons will work in cooperation with the Chancellor and campus presidents to communicate the needs and concerns of NDUS and campuses to elected officials, and in return to understand and relay the needs and goals of the state, and how the system and campuses can support those needs and goals.

Public Affairs staff in the Chancellor's Office will lead efforts to communicate the value, mission and contributions of the NDUS to a diverse and broad number of audiences. Communication efforts will be focused on media outreach, support and coordination with campus communications units as needed, and integration of communications support for internal and external communities. Public Affairs staff will oversee a number of communication initiatives to articulate system-wide policy issues and goals, as well as to highlight unique and innovative campus programs and activities.

Audit (6 FTE) - \$1,555,822 (\$1,428,422 Sal & FB; \$127,400 Operating)

Auditors will be tasked to make sure that all NDUS and campus policies, processes and procedures ensure that proper stewardship is maintained. An overall assessment will be required to identify areas that may represent higher levels of risk to the system and campuses. Each year, an overall plan for the conduct of audits will be developed for the Chancellor's office and for the Board to monitor and measure activities designed to ensure compliance. Regular and complete feedback to campus leaders and to the Board will be important, along with prompt corrective action to areas requiring attention.

Legal Services

- Legal Counsel (2 FTE) - \$487,338 (\$456,338 Sal & FB; \$31,000 Operating)
- Compliance (3 FTE) - \$746,648 (\$686,948 Sal & FB; \$59,700 Operating)

University Counsel provides legal representation and advice to the State Board of Higher Education, the Chancellor's Office, and the individual campuses. A centralized university counsel supports the human resource, compliance and auditing functions within the Chancellor's office. University Counsel also can provide specialization to maximize the provision of expert representation and reduce the expense of relying on specialized outside counsel in such areas as litigation, employment law, student discipline, business contracts, intellectual property, real estate, construction laws, health and safety laws, environmental regulations, and governance.

Compliance officers will work closely with university counsel, internal auditors, and the campuses to ensure compliance with federal, state and local laws. Compliance will work with the campuses on day-to-day operational matters following established procedures, while the auditors also will focus on the effectiveness of those procedures and safeguard measures.

Total (30 FTE) - \$8,536,660 (\$7,963,260 Sal & FB; \$573,400 Operating)

Change Group: A	Change Type: A	Change No: 9	Priority: 6
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Student Mental Health

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Research suggests that mental health concerns negatively affect the academic success of students and that counseling can lead to improved academic success and retention of students. The NDUS Student Mental Health Task Force concluded that to ensure students' success and safety it is essential to find a solution to the problem of inadequate services and ensure the mental health needs of students are being properly addressed.

In November of 2008, the Student Affairs Council of the North Dakota University System (NDUS) approved the formation of a Task Force on Student Mental Health Services. The charge of the task force was to identify the critical issues related to student mental health, determine the mental health services currently available on each of the NDUS campuses, assess the capacity and effectiveness of the campuses to meet the mental health needs of students, and make recommendations to the Chancellor on how to improve services where necessary. The task force concluded that there was varying levels of the availability and level of service related to mental health among the ND University System campuses.

During the 2011 legislative year, a biennial budget request based on the task force findings was proposed, and was not funded. The need for student mental services is still desperately needed more than ever in the ND University System. With human service centers (especially those located in western North Dakota) minimally staffed and booking months out -- the once off-campus mental health resources readily available to students are now scarce.

The needs of the campuses in the ND University System regarding mental health needs are still high; most of the following recommendations were taken from the report submitted by the NDUS Student Mental Health Task Force in January of 2010. However, some **modifications to the original recommendations have been made to reflect cost/need changes, also adjustments were made to ensure efficiencies and equitability among the campuses.** In its effort to understand what a minimal level of mental health related services could be considered a necessity for System campuses, recommendations are based on the International Association of Counseling Services (IACS) Accreditation Standards. The total 2013-15 request, which includes the following 7 recommendations, totals **\$969,700.**

Recommendation 1: Licensed Full-Time Counselors (3 FTE - \$435,403)

Each System campus should have a minimum of one full-time, licensed mental health counselor on staff. This would add a full-time position to WSC, DSU and DCB (\$406,203). In addition, MaSU and MiSU currently have unlicensed full-time staff members, and \$29,200 would provide contract supervision for these counselors. NOTE - Although the 3 FTE related to these counselors are reflected in the FTE totals of the NDUS Office budget request, the intent would be to allocate the funding and FTE for the positions to WSC, DSU and DCB.

Recommendation 2: After Hours Crisis Intervention and Emergency Services (\$11,520)

Each System campus should utilize an on-call after-hours mental health system to extend the availability of mental health services to students beyond normal business hours. A service such as First Link in Fargo could be utilized to service all System schools. The estimated cost of such a contract is \$40/month per school. If the First Link system were used, there would be a charge of \$40/month for an additional phone line; this is the line to which System schools would forward their phones during non-business hours. If after-hours on-call services are provided year-round on each campus, the biennial cost of this service would be **\$11,520.**

Recommendation 3: Education and Training (\$28,000)

Mental Health First Aid (MHFA) is a 12-hour training course designed to train participants on important skills to help someone who is developing a mental health problem or experiencing a mental health crisis. Like CPR training, MHFA will enhance key staff competence in recognizing and responding to mental health issues within individuals on campus (and in the community). The proposal calls for \$22,000 for the cost of WICHE to train key staff on MHFA and \$6,000 for training for 2 employees to become certified MHFA instructors.

Recommendation 4: Students of Concern Committees/Behavioral Intervention Teams (\$13,000)

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The System should create state-wide guidelines for the creation, training, and functioning of students of concern committees/behavioral intervention teams. The request would fund 2-Day behavioral intervention team training by The National Center for Higher Education Risk Management (NCHERM).

Recommendation 5: Alcohol and Other Drugs (\$0)

The use of alcohol and other drugs can cause, mask, mimic, and exacerbate mental health concerns, for this reason it is important that all System campuses have ongoing prevention and treatment programs related to the use of alcohol and other drugs. The recommendation for ongoing participation in North Dakota Higher Education Consortium for Substance Abuse Prevention (NDHECSAP) by all campuses doesn't require additional funding.

Recommendation 6: System-Wide Consortium for Mental Health (1 FTE - \$251,748)

The System should consider creating and staffing an organization similar to the NDHECSAP. If mental health-related consortium responsibilities would be assumed by the NDHECSAP Director one full-time staff member to assist both consortiums with ongoing programming and technical assistance would be needed.

- To recruit and retain a mid-level professional with the skills necessary to provide assistance for both mental health and substance abuse prevention, a salary level similar to that of a full-time counselor position could be considered for this position. If funded as a full-time, 12-month position, the biennial salary and fringe benefits would be **\$136,518**.
- Additionally, hiring a PhD-level graduate research assistant to help with technical assistance, data collection and dissemination is also recommended. The salary for this position would be \$18,900/year and graduate tuition (based on a resident status, full-time doctoral student load (6 credits) at \$317.50/credit rate, plus fees, for NDSU) \$5,715, for a total biennial cost of **\$49,230**.
- A biennial operating budget of **\$66,000** (the current operating budget for the Substance Abuse Prevention Consortium) would seem appropriate for a mental health related consortium to provide support to all campuses equitably. This budget level would also allow for the 70% travel that is proposed for this position.

Recommendation 7: Psychiatric Support (\$230,000)

This would provide on-campus availability at least once/month for all campuses. It is suggested the System consider contracting with the UND School of Medicine to visit (in person or over telemedicine) the eleven campuses in need of service once a month.

Change Group: A	Change Type: A	Change No: 10	Priority: 7
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Energy Systems Study

The NDUS has heating/cooling system investments of \$150-200 million. At the physically largest campuses these systems range in age from about 30-45 years; however, many of the smaller campuses have aged systems as well. The amount and age of these systems requires strategic, orderly, effective and efficient planning for replacement/upgrades. In the absence of such a plan, costly failures and immediate solutions may lead to less than ideal solutions. Furthermore, adhoc solutions do not allow for such things as proper state funding strategies, partnerships, collaborations, and leveraging purchases. Effective short-term and long-term planning for replacement and upgrade of utility systems will: 1.) help avoid costly emergency repairs to outdated systems; 2.) if replacement is properly funded, help avoid costly business disruptions; 3.) permit coordination and planning for collaborative system-wide solutions; 4.) provide environmental solutions; 5.) ensure regulatory requirements are met avoiding costly penalties and solutions; 6.) promote energy conservation, and reduction of long-term operational costs; 7.) address emerging technologies, and alternative fuels; 8.) identify preventive maintenance plans, etc. The consulting contract would include the following components: a.) current plant condition assessment; b.) environmental and regulatory assessment; c.) fuel sourcing analysis; d.) economic analysis; e.) energy conservation opportunities; f.) report development and recommendations.

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The request for this study is **\$550,000**. A system-wide effort would provide for pricing leverage for consulting services, and provide common, consistent assumptions and results. Further, the project would closely examine opportunities for internal partnerships and shared systems and technologies, and aggregate purchasing power. Funds allocated for this study and plan may be used to engage a viable ND firm, although specific experts in ND, in this particular area of expertise, are limited. Future funding invested in repair and replacement, as a result of this study and plan, may also be invested in ND firms/contractors/suppliers. Beyond that direct impact, minimizing funds invested in ongoing plant operational costs, can be reallocated and better utilized to support ND's workforce development and economic development efforts.

Change Group: A	Change Type: A	Change No: 11	Priority: 8
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Capital Bond Payment Base

This request is based on estimates provided by the Industrial Commission. Bond payments for state general fund obligation bonds issued through the Industrial Commission are estimated at **\$10,436,045** (all GF) for the 2013-15 biennium. This represents a decrease of \$1,768,724 from the 2011-13 biennial appropriation, consisting of a decrease in general funds of \$1,351,474 and a decrease in special funds of \$417,250. The 2011-13 funding has been removed with change code AF1.

Change Group: A	Change Type: A	Change No: 12	Priority: 9
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Student Financial Aid

This request, totaling \$1,317,925, includes proposed funding increases for the ND Indian Scholarship (\$75,000), Education Incentive Program (\$172,656) and Professional Student Exchange (PSEP) program (\$781,609). And 288,660???

ND Indian Scholarship - Approximately 240 grants are currently funded per year @ \$1,200, of which about 16 are graduate students. The \$75,000 increase would provide funding for an additional 15 graduate students per year. With the additional funding, undergraduate awards would remain at \$1,200 per year, but graduate students would receive approximately \$1,800 per year.

Education Incentive Program – The \$172,656 increase would fund the same number of new cohorts in 2013-15, that are anticipated to be funded in 2012-13, and continue funding for students in the programs.

Professional Student Exchange Program (PSEP) – The \$781,609 increase would fund same # news slots as current biennium, and continue funding for students in the programs.

Change Group: A	Change Type: A	Change No: 20	Priority: 1
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2011-13 Adjusted FTE

Per HB1003 (Section 13), "the state board of higher education may adjust full-time equivalent positions as needed, subject to the availability of funds, for institutions and entities under its control. The university system shall report any adjustments to the office of management and budget before the submission of the 2013-15 biennium budget request." A report was run as of 4-30-2012 to determine the total "appropriated fte" as of that date. Consistent with the methodology used in previous biennia, the current year's annual budgets were used to estimate the amount supported by general fund only, based on the percentage of budgeted general fund revenue to total appropriated revenue.

Change Group: A	Change Type: A	Change No: 100	Priority: 10
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NDUS Energy Impact Fund

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A \$10 million base funding request is included to address urgent budgeting needs of higher education in oil-impacted communities, specifically at Williston State College, Minot State University, Dickinson State University and Bismarck State College. Most obvious are housing, employee salaries, employee turnover, safety and security, academic issues and availability, cost of living, transportation, and business and industry expectations. Base funding, as opposed to one-time funding, is required to permanently address these issues, as projections suggest long-term oil development, and related impacts. A lengthy white paper <http://ndus.edu/uploads/reports/97/oil-impact-white-paper---april-2012.pdf> provides much more detail regarding the unique budgeting implications and considerations as a result of the oil boom, flooding and other factors at WSC, MiSU, DSU and BSC. Additional detail from the campuses, which provide background information for the white paper can be found at <http://www.ndus.edu/uploads/resources/3273/oil-impact-white-paper---april-2012-background.pdf>.

Change Group: A	Change Type: B	Change No: 2	Priority: 1
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Systemwide Deferred Maintenance

The NDUS, along with all other state agencies, utilizes an OMB statewide formula in determining the amount of regular ongoing repair and maintenance funding that is needed to maintain state funded facilities and. Based on the NDUS building and infrastructure valuation, at 100% of the OMB formula, the NDUS should receive about \$75 million per biennium to address regular repair and maintenance, thereby avoiding deferring maintenance projects. However, during the current 11-13 biennium, the NDUS received \$11.1 million in base funding for this purpose or about 15% of the OMB formula. Based on this level of funding, the NDUS would be on about a 300 year replacement cycle. The industry suggests that every \$1 of ordinary repair that is delayed today, will cost on the average \$3 in major repairs later.

In the 09-11 and 07-09 biennium, in addition to the base funding referred to above, the NDUS received one-time funding infusions for deferred maintenance of \$20 million in 09-11 and \$10 million in 07-09. If the \$20 million level could be sustained on a permanent basis, the 300 year replacement cycle would be reduced to about 100 years. Although still too long, it would be good progress in the right direction.

Thus, filling the \$64 million funding gap between the \$75 million formula requirement and the \$11 million current base, either on a one-time or permanent basis, would prevent or limit additional deferred maintenance. This **\$10 million** pool would be allocated to the various campuses based on solid data and projection evaluation.

Change Group: A	Change Type: B	Change No: 3	Priority: 2
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Master Plan and Space Utilization Study

The one-time funding of \$1.0 million would be used to hire an external consultant to complete a system-wide campus facility master plan, including a space utilization study, to the extent funds are available.

Change Group: A	Change Type: E	Change No: 4	Priority: 1
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Remove 2009-11 Carryover

To remove 2009-11 carryover for the following:

- State grant program \$2,220,552 GF
- Scholars program \$395,836 GF
- Indian Scholarship program \$217 GF
- SITS \$11,536 GF
- Education Incentive program \$396,996
- PSEP program \$442,754
- Academic and Tech Ed Scholarships \$1,129,104
- NDUS Office operating \$297,848 GF

Change Group: A	Change Type: F	Change No: 1	Priority: 1
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Remove Funding Cap Bond Pmts

To remove 2011-13 appropriation authority for bond payments for state general fund obligation bonds issued through the Industrial Commission (\$11,787,519 GF; \$417,250 OF)

Change Group: R	Change Type: A	Change No: 1	Priority:
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Career & Technical and Academic Scholarships

Provides \$3.7 million from the general fund to increase the Career & Technical and Academic Scholarship limits to \$2,500 per year, with a cap of \$10,000 per student. Total biennial funding is \$13.7 million from the general fund.

Change Group: R	Change Type: A	Change No: 2	Priority:
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Student Financial Assistance Grants

Provides \$1,931,425 from the general fund, in addition to the \$288,660 requested by the SBHE, to increase the needs-based, Student Financial Assistance grant cap to \$1,650 per year. Total biennial funding is now \$21,245,679.

Change Group: R	Change Type: A	Change No: 3	Priority:
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Security and Emergency Preparedness Not Funded

Removes the \$235,000 and 1.00 FTE requested for security planning. The 29.75 FTE requested in campus budget for security officers were included in the Executive Recommendation.

Change Group: R	Change Type: A	Change No: 4	Priority:
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Student Mental Health - Adjust to Recommendation

Provides \$11,520 for after-hours crisis intervention, \$41,000 for training and \$230,000 for on-campus psychiatric support for students.

Did not include \$251,748 and 1.00 FTE for the system-wide consortium for mental health.

Licensed full-time counselors were funded in the campus budgets.

Change Group: R	Change Type: A	Change No: 5	Priority:
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Energy Systems Study - Not Funded

Removes \$550,000 requested for an energy systems study.

Change Group: R	Change Type: A	Change No: 6	Priority:
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Energy Impact Fund - Adjust to Recommendation

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Removes funding for an energy impact fund within the NDUS System Office.

\$4.0 million is included in the Department of Trust Lands budget for energy impact grants to qualifying universities.

Change Group: R	Change Type: A	Change No: 7	Priority:
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System Office Reengineering - Adjust to Recommendation

Provides \$3,056,021 million from the general fund for 7.00 FTE and related operating expenses within the System Office.

The amount recommended is \$5.4 million and 23.00 FTE less than requested.

Change Group: R	Change Type: A	Change No: 8	Priority:
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Compensation Package

Provides \$1,810,844 for the Executive Compensation package, as follows:

System Office	SITS	
\$ 291,805	\$ 1,076,259	4% Annual Salary Increases
\$ 45,634	\$ 214,899	Health Insurance increase to \$981.69 per month
\$ 43,518	\$ 138,728	1% State Share of retirement contribution increase
\$ 280,805	\$ 1,429,886	Total

Change Group: R	Change Type: B	Change No: 1	Priority:
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ND Higher Education Challenge Fund

Recommends creation of a \$30 million North Dakota Higher Education Challenge Fund to provide matching grants for academic enhancements to the NDUS colleges and universities. For every two private dollars donated, the state will provide one dollar from the general fund.

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\$10 million will be dedicated to each of the research universities. Any funds not committed by December 31, 2014 will be re-pooled and available to both research institutions through June 30, 2015.

The remaining \$10 million will be dedicated to the two-year colleges and four-year comprehensive universities. Of the pool, one million dollars will be dedicated to each campus through December 31, 2014. Funds not committed by that date will be re-pooled and available to all two and four year schools through June 30, 2015.

Minimum private donation to access the Challenge Fund is \$50,000 for research institutions and \$10,000 for two and four year institutions.

The North Dakota University System Foundation is not eligible for matching grant dollars.

Change Group: R	Change Type: B	Change No: 2	Priority:
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New Program Start-up Pool

Provides \$1.5 million from the general fund to be distributed to NDUS institutions to offset the start-up costs for initiating new or expanding existing academic and technical programs.