
AGENCY OVERVIEW**235 North Dakota State University****Date:** 11/28/2016**Time:** 16:01:37

Statutory Authority

ND Constitution Section 215, North Dakota Century Code Chapter 15-12.

Agency Description

North Dakota State University (NDSU) is the first and remains the only North Dakota university ranked in the National Science Foundation's top 100 public research universities (and has climbed to 84th), with over \$154.0 million in annual scholarly research activity reported for the most recent NSF HERD survey. Those rankings have opened up a steady progression of new partnerships and funding opportunities with other leading universities, private entities and federal agencies, never before possible for a North Dakota university.

NDSU is proud of its tradition as the state's student focused, land-grant, research institution. It embraces that responsibility as a cornerstone of its future productivity, and the contributions it can increasingly provide to North Dakota and the state's residents, as well as the nation's current and future interests.

The University hosts a large, steadily growing and increasingly diverse student profile and is home for the largest full-time, on campus enrollment in the state's university system. NDSU is located in a vibrant and growing area of the state, and the city of Fargo is regularly cited in national publications as one of the best college towns in the nation, best locations for entrepreneurial business start-ups, and best places for young professionals. The three K-12 school districts in the Fargo-Moorhead area are collectively experiencing net new enrollment growth of over 1,200 students a year—projected to continue for at least eight more years. In partnership with the community and with a growing number of major corporate partners, NDSU has shared a responsibility for creation of an environment that compliments and blends the experiences of its students, faculty and staff with the community in which they live while attending the university.

Agency Mission Statement

With energy and momentum, North Dakota State University addresses the needs and aspirations of people in a changing world by building on our land-grant foundation.

Agency Performance Measures

NDUS has adopted several data systems that help incorporate accountability measures and transparent reporting in accordance with the Board's vision and strategic plan. These data systems, including Dashboards, Predictive Analytic Reporting, Strategic Planning Online, and the State Longitudinal Data System, provide public reports on completion and retention rates, semester-by-semester enrollment, peer comparisons, financial aid and tuition, and much more. Additionally, the publicly-available data available throughout the systems provides real-time data to researchers and decision-makers. These analytical tools complement the system's biennial report on its strategic plan, which incorporates the "flexibility with accountability" expectations created in Senate Bill 2003 passed by the 2001 Legislative Assembly.

Major Accomplishments

1. Ranked top ND research university in the nation based on NSF.
2. Completed, opened and have now "named" a new, state funded 120,000 sq. ft. STEM Classroom building to meet student demand in the science, technology, engineering and math disciplines.
3. Continued demand by prospective undergraduate and graduate students, has been reflected in new full time student enrollment records every year for the past decade, with the fall of 2016 enrollment anticipated at over 14,600 students.
4. Became the North Dakota post-secondary institution of choice for North Dakota high school graduates, and similarly the institution of choice for out of state high school graduates.
5. Continued diversity of the NDSU student body, including in the fall of 2015 1,005 international students representing 79 countries, and an increasing number of U.S. born students reflecting ethnic, cultural and geographical diversity.
6. Achieved a record 89 percent success in student job placement in their major field of study.

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7. Initiated and continued efforts for student success through improved sense of welcome and support; study of and implementation of interventions which have successfully led to improved retention and graduation rates; focus on students from historically under-represented populations, veterans, and others; and addressed high risk behaviors and other student issues.
8. Completed construction of various major athletic non-state funded facilities that collectively represent the largest collection of proximal indoor event space in a multi-state region.
9. Expanded academic collaborations include development of undergraduate and graduate programs representing the most extensive list of collaborative arrangements in North Dakota's 11-campus higher education system.
10. Positioned to efficiently provide services to sister institutions through an increasing number of NDSU shared services, by blending system resources with the campus-based expertise requisite to major research university environments.
11. Continued involvement with the Research and Technology Park and emerging technology firms that have created several thousand new jobs.
12. Solidified NDSU as one of the most successful overall NCAA Division-I athletic programs in the nation. NDSU has been one of the top ten winningest overall Division-I athletic programs in the nation. The football team, with five national championships in a row, has set a new record in NCAA and American college football history.

Future Critical Issues

NDSU's productivity and national visibility combined with the attractiveness of the surrounding community and the state's current economic strength have led to over a decade of increases in demand by both undergraduate and graduate students, scholars and entrepreneurs eager to bring their research and business ideas to an environment that supports their success. Our future strategic focus, recently codified by a comprehensive academic masterplan, will be toward science, engineering, technology, public health and agricultural fields represented by the STEM disciplines. In order to meet the continued demand, NDSU's future critical issues are:

- Provide resources to support faculty and staffing of academic areas and support functions while meeting the needs of student demand. In just the past few years NDSU has increased its number of academic and teaching staff by over 100, which has resulted in a notable lowering of its student-faculty ratio. That said, maintaining reasonable faculty to student ratios, has required an increasing utilization of non-tenured, part-time, and other staffing options.
- Provide up to date classroom facilities equipped to meet the educational, technological and physical needs of our students.
- Continue to provide and maintain a safe and secure environment for students, faculty and staff.

NDSU understands its responsibility to evaluate and purposefully consider opportunities for collaboration and to find efficiencies across its academic programs and all other activities. Over the past three years we have undergone a comprehensive strategic planning process to evaluate those areas in which it is best positioned to lead, support, collaborate or contribute to the success of its constituencies.

Additionally, NDSU continues to identify those areas in which it is not best positioned or cannot efficiently lead with excellence in addressing demands of the state and nation, and must support collaboration with or redirection of state necessities to NDUS institutions better positioned to meet such demands.

At the same time, the University has also pursued a number of initiatives ranging from curriculum reviews, and restructuring of tuition, fees and course load expectations to purposeful collaboration with other state post-secondary institutions. Just a few current examples of such collaboration include development of undergraduate and graduate programs with Minot State (social work and human development), and NDSCS (the "Pathways" program, and the establishment of a two-year liberal arts preparatory program in the Fargo area.

REQUEST SUMMARY

235 North Dakota State University
Biennium: 2017-2019

Bill#: HB1003

Date: 11/28/2016

Time: 16:01:37

Description	Expenditures 2013-2015 Biennium	Present Budget 2015-2017	Budget Request Change	Requested Budget 2017-2019 Biennium	Optional Budget Request
By Major Program					
North Dakota State University	755,667,721	810,119,578	(57,540,653)	752,578,925	114,357,739
Total Major Program	755,667,721	810,119,578	(57,540,653)	752,578,925	114,357,739
By Line Item					
Campus Operations	697,152,619	748,923,645	(4,143,824)	744,779,821	15,741,054
Capital Assets	58,515,102	6,436,844	1,362,260	7,799,104	98,616,685
Capital Assets Carryover	0	21,091,860	(21,091,860)	0	0
Capital Projects - Non-State	0	11,000,000	(11,000,000)	0	0
Capital Projects Carryover - Non-State	0	22,667,229	(22,667,229)	0	0
Total Line Items	755,667,721	810,119,578	(57,540,653)	752,578,925	114,357,739
By Funding Source					
General Fund	155,748,855	181,907,000	(37,350,725)	144,556,275	64,852,739
Federal Funds					
Special Funds	599,918,866	628,212,578	(20,189,928)	608,022,650	49,505,000
Total Funding Source	755,667,721	810,119,578	(57,540,653)	752,578,925	114,357,739
Total FTE	491.21	537.10	1,358.56	1,895.66	95.00

REQUEST DETAIL235 North Dakota State University
Biennium: 2017-2019

Bill#: HB1003

Date: 11/28/2016

Time: 16:01:37

Description	Expenditures 2013-2015 Biennium	Present Budget 2015-2017	Budget Request Change	Requested Budget 2017-2019 Biennium	Optional Budget Request
Campus Operations					
Salaries - Permanent	248,322,299	259,339,973	(17,824,359)	241,515,614	12,798,668
Temporary Salaries	20,204,987	22,543,610	3,784,223	26,327,833	0
Fringe Benefits	109,740,395	96,164,950	9,651,908	105,816,858	0
Travel	19,520,744	18,289,650	0	18,289,650	0
Supplies - IT Software	4,082,322	3,732,450	0	3,732,450	0
Supply/Material-Professional	13,334,140	14,021,750	0	14,021,750	0
Food and Clothing	2,764,680	2,734,565	0	2,734,565	0
Bldg, Ground, Maintenance	2,200,160	2,210,800	0	2,210,800	0
Miscellaneous Supplies	1,796,933	1,787,875	0	1,787,875	0
Office Supplies	810,264	727,840	0	727,840	0
Postage	1,055,288	930,010	0	930,010	0
Printing	2,536,897	2,444,475	0	2,444,475	0
IT Equip Under \$5,000	3,906,289	1,981,100	0	1,981,100	0
Other Equip Under \$5,000	4,581,650	5,356,100	0	5,356,100	0
Utilities	21,480,119	22,781,675	0	22,781,675	0
Insurance	1,113,977	1,564,810	0	1,564,810	0
Rentals/Leases-Equip & Other	2,030,577	1,286,950	0	1,286,950	0
Rentals/Leases - Bldg/Land	17,468,457	14,275,380	0	14,275,380	0
Repairs	20,913,358	15,029,000	0	15,029,000	0
IT - Communications	4,335,078	4,305,150	0	4,305,150	0
Professional Development	1,246,401	3,014,225	0	3,014,225	0
Operating Fees and Services	22,690,391	24,676,027	0	24,676,027	0
Fees - Professional Services	10,356,887	9,247,180	0	9,247,180	0
Subcontracts and Subrecipients	5,154,392	5,343,800	0	5,343,800	0
Medical, Dental and Optical	911,881	794,350	0	794,350	0
Miscellaneous Expenses	3,332,163	3,441,250	0	3,441,250	0
Other Expenses	0	0	244,404	244,404	2,942,386
Cost of Good Sold	95,173,936	131,902,100	0	131,902,100	0
Waivers/Scholarships/Fellowshi	43,919,367	70,277,500	0	70,277,500	0
Non Operating Expenses	0	8,000	0	8,000	0
Land and Buildings	1,969,262	0	0	0	0
Facilities & Administration	10,199,325	8,711,100	0	8,711,100	0
Total	697,152,619	748,923,645	(4,143,824)	744,779,821	15,741,054
Campus Operations					
General Fund	133,786,542	154,378,296	(12,554,265)	141,824,031	15,741,054
Federal Funds	0	0	0	0	0
Special Funds	563,366,077	594,545,349	8,410,441	602,955,790	0
Total	697,152,619	748,923,645	(4,143,824)	744,779,821	15,741,054

REQUEST DETAIL235 North Dakota State University
Biennium: 2017-2019

Bill#: HB1003

Date: 11/28/2016

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Description	Expenditures 2013-2015 Biennium	Present Budget 2015-2017	Budget Request Change	Requested Budget 2017-2019 Biennium	Optional Budget Request
Capital Assets					
Land and Buildings	52,985,981	0	0	0	98,616,685
Other Capital Payments	289,359	0	0	0	0
Extraordinary Repairs	0	6,436,844	(3,704,600)	2,732,244	0
Equipment Over \$5000	3,965,270	0	4,829,140	4,829,140	0
IT Equip/Sftware Over \$5000	1,274,492	0	237,720	237,720	0
Total	58,515,102	6,436,844	1,362,260	7,799,104	98,616,685
Capital Assets					
General Fund	21,962,313	6,436,844	(3,704,600)	2,732,244	49,111,685
Federal Funds	0	0	0	0	0
Special Funds	36,552,789	0	5,066,860	5,066,860	49,505,000
Total	58,515,102	6,436,844	1,362,260	7,799,104	98,616,685
Capital Assets Carryover					
Land and Buildings	0	21,091,860	(21,091,860)	0	0
Total	0	21,091,860	(21,091,860)	0	0
Capital Assets Carryover					
General Fund	0	21,091,860	(21,091,860)	0	0
Federal Funds	0	0	0	0	0
Special Funds	0	0	0	0	0
Total	0	21,091,860	(21,091,860)	0	0
Capital Projects - Non-State					
Land and Buildings	0	11,000,000	(11,000,000)	0	0
Total	0	11,000,000	(11,000,000)	0	0
Capital Projects - Non-State					
General Fund	0	0	0	0	0
Federal Funds	0	0	0	0	0
Special Funds	0	11,000,000	(11,000,000)	0	0
Total	0	11,000,000	(11,000,000)	0	0
Capital Projects Carryover - Non-State					
Land and Buildings	0	22,667,229	(22,667,229)	0	0
Total	0	22,667,229	(22,667,229)	0	0

REQUEST DETAIL

235 North Dakota State University
 Biennium: 2017-2019

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Description	Expenditures 2013-2015 Biennium	Present Budget 2015-2017	Budget Request Change	Requested Budget 2017-2019 Biennium	Optional Budget Request
Capital Projects Carryover - Non-State					
General Fund	0	0	0	0	0
Federal Funds	0	0	0	0	0
Special Funds	0	22,667,229	(22,667,229)	0	0
Total	0	22,667,229	(22,667,229)	0	0

Funding Sources

General Fund	155,748,855	181,907,000	(37,350,725)	144,556,275	64,852,739
Federal Funds	0	0	0	0	0
Special Funds	599,918,866	628,212,578	(20,189,928)	608,022,650	49,505,000
Total Funding Sources	755,667,721	810,119,578	(57,540,653)	752,578,925	114,357,739

CHANGE PACKAGE SUMMARY

235 North Dakota State University

Biennium: 2017-2019

Bill#: HB1003

Date: 11/28/2016

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Description	Priority	FTE	General Fund	Federal Funds	Special Funds	Total Funds
Base Budget Changes						
One Time Budget Changes						
A-E 1 Remove Def Mnt Pool		0.00	(2,729,400)	0	0	(2,729,400)
A-E 2 Remove Campus Security Pool		0.00	(675,200)	0	0	(675,200)
A-E 4 Remove Other One Time Funding		0.00	(300,000)	0	0	(300,000)
Total One Time Budget Changes		0.00	(3,704,600)	0	0	(3,704,600)
Ongoing Budget Changes						
A-A 1 10 Percent Reduction		(95.00)	(15,741,054)	0	0	(15,741,054)
A-A 2 Funding Model Increase		0.00	2,886,790	0	0	2,886,790
A-A 3 Other Revenue Change		0.00	21,883,282	0	(21,883,282)	0
A-A 4 Base Extr Repairs and Special Assessments		0.00	2,732,244	0	0	2,732,244
A-A 5 Base Equipment over 5000		0.00	0	0	5,066,860	5,066,860
A-A 8 Reverse current bien transfer to capital		0.00	300,000	0	0	300,000
A-F 1 Remove Prior Biennium Capital Projects		0.00	0	0	(11,600,000)	(11,600,000)
A-F 3 Remove Prior Biennium Capital Assets Carryover		0.00	(21,091,860)	0	(22,067,229)	(43,159,089)
A-F 4 Remove Base Funding Extr Repairs and Spec Assess		0.00	(2,732,244)	0	0	(2,732,244)
Base Payroll Change		1,453.56	(21,883,283)	0	30,293,723	8,410,440
Total Ongoing Budget Changes		1,358.56	(33,646,125)	0	(20,189,928)	(53,836,053)
Total Base Budget Changes		1,358.56	(37,350,725)	0	(20,189,928)	(57,540,653)
Optional Budget Changes						
One Time Optional Changes						
A-D 2 Major Capital Projects		0.00	49,111,685	0	49,505,000	98,616,685
Total One Time Optional Changes		0.00	49,111,685	0	49,505,000	98,616,685
Ongoing Optional Changes						
A-C 2 Restore 10 Percent Base Reduction	1	95.00	15,741,054	0	0	15,741,054
Total Ongoing Optional Changes		95.00	15,741,054	0	0	15,741,054
Total Optional Budget Changes		95.00	64,852,739	0	49,505,000	114,357,739

BUDGET CHANGES NARRATIVE

235 North Dakota State University

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Change Group: A	Change Type: A	Change No: 1	Priority:
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10 Percent Reduction

As requested by the Governor, a 90% budget has been prepared resulting in a reduction of \$15,741,054. To manage this change in budget an estimated reduction in salaries of \$12,798,668 (FTE=95) and estimated reduction to operating of \$2,942,386.

Introduction

NDSU's strategic plan arose from five years of collaborative work that began shortly after President Bresciani arrived on campus. The strategic plan focuses on student success, an expanding research mission, and serving the needs of North Dakota citizens. In each of these broad areas, the campus community has outlined the specific strategies that we will pursue. In an accompanying document, those strategies are further delineated into tasks and metrics. This strategic plan forms the basis for resource allocations on campus; both targeted investments and targeted reductions must align with the goals of the strategic vision and plan.

NDSU's strategic plan arose from five years of collaborative work that began shortly after President Bresciani arrived on campus. The strategic plan focuses on student success, an expanding research mission, and serving the needs of North Dakota citizens. In each of these broad areas, the campus community has outlined the specific strategies that we will pursue. In an accompanying document, those strategies are further delineated into tasks and metrics. This strategic plan forms the basis for resource allocations on campus; both targeted investments and targeted reductions must align with the goals of the strategic vision and plan.

Process

The biennial budget has been prepared using a collaborative process that began in January 2016. At the request of the President, the Provost convened a budget study workgroup that met every week beginning on February 24th, with the final meeting on June 8th.

The study group collected and evaluated recommendations regarding a potential adjustment in NDSU's appropriation. The following principles guided the recommendations:

- There should be an institution-wide alignment of resources with priorities as expressed in the strategic plan;
- Resources should be allocated effectively to achieve excellence;
- Seeking excellence in all that NDSU does will result in mediocrity -- reallocations will not be across-the-board;
- Quality will be improved by focusing on what works, supported by assessment, data and evidence;
- Previous budget reductions and their impact on units must be taken into account.

The group deployed a Qualtrics survey to collect recommendations. Faculty and staff were invited to participate in a Town Hall Forum held in the Century Theater. In addition, Provost Ingram presented preliminary recommendations to the Chairs and Heads and to the Deans. President Bresciani and Provost Ingram discussed the budget reduction at the final Faculty Senate meeting of the year.

The group discussed recommendations and evaluated them for feasibility, likelihood of cost savings, effect on core mission of NDSU, and degree of campus support. Some recommendations are directly pointed at cost savings, while others are directed at maintaining NDSU's core missions in being a student-focused, land grant, research university.

BUDGET CHANGES NARRATIVE

235 North Dakota State University

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Budget Outcome

To manage a 10% or \$15,741,054 reduction in the 2017-19 general fund allocation to NDSU, with estimated reductions to salaries \$12,798,668 and operating \$2,942,386, the following initiatives will be implemented:

Academic Affairs Reductions. \$12,122,365

Eliminate Administrative Positions and Streamline Administrative Functions.

We will reduce the number of administrators; this group includes any person with administrative responsibilities. We have already decided to eliminate the College of University Studies, subject to State Board of Higher Education approval. A task force has been asked to explore realignment of other colleges and academic departments.

Impact

Based on data reported to NDUS, NDSU operates with a lean administrative structure. Further reductions in administrators will lead to lags in processing compliance, HR, and reimbursement paperwork. NDSU continues to seek software solutions that will create more efficient administrative functions.

In closing the College of University Studies, we will serve students through the other academic colleges. Upon matriculation, students will immediately be placed in one of the academic colleges.

Collegiate and Divisional Reductions.

Each college and unit within Academic Affairs has been assigned a goal for budget reduction that will be accomplished through the elimination of positions or reductions in operating budgets.

Impact

Colleges may reduce the number of departmental assistants, central office personnel, or specialized appointments. Operating budgets that support travel, up-to-date computers and software, printing and other such items will be reduced.

Reduce the hiring of part-time and adjunct faculty.

NDSU is committed to the success of its students, which is best accomplished when those students are taught by fulltime faculty members. We will employ part-time faculty when those faculty meet an exceptional need of a program. Deans will be asked to reallocate open lines to meet the teaching needs of programs. A task force will create policies for minimum class sizes that ensure we are offering our curriculum efficiently.

Impact

Part-time academics have traditionally filled gaps in the curriculum due to faculty departures. Departments will have less flexibility in responding to faculty resignations and retirements. Departments will offer fewer elective and upper-division courses. Class sizes will increase. Some specialized tracks in some majors may need to be merged.

Extend Hiring Freeze for Select Positions.

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NDSU implemented a hiring freeze to manage the budget allotment. The positions affected by the hiring freeze will not be automatically filled at the end of the biennium. Positions will be evaluated for centrality to NDSU's mission and may be permanently eliminated or reallocated to other units and departments.

Impact

Offer a Voluntary Separation Incentive Program.

This program began on June 15th and is open to all full time faculty and staff. Employees have until September 15th to apply to the program. Applications will be reviewed and either approved or denied.

Impact

Lines vacated due to this program may be eliminated or, alternatively, the person will be replaced with a less-experienced person who earns a lower salary. Much of the expertise on campus will be lost as a result as we move towards a younger, less-experienced work force of faculty and staff. Some specialized functions may be eliminated.

Student Affairs Reductions. \$459,455

Units within the Student Affairs division have identified budget reductions that will be accomplished through the offering of a voluntary separation incentive program, reduction of part-time staffing pools and operating budgets. Salary and benefit reduction \$336,454; operating reduction \$123,001.

Impact

Student Success Programs including academic tutoring, counseling center and substance-free programming efforts would see reduction in availability through reduced hours and programmatic efforts and offerings. Assessment efforts would be hindered by eliminating technology that supports survey and assessment activities.

Finance and Administration Reductions. \$2,585,894

Units within the Finance and Administration division have identified budget reductions that will be accomplished through the offering of a voluntary separation incentive program, eliminating open positions where possible and reducing operating budgets. Salary and benefit reduction \$669,714; operating reduction \$1,916,180.

Impact

Facilities Management's ability to respond to and manage campus basic repair and service needs will be impacted with reduced operating budgets in HVAC, Electrical, Painting, Building maintenance. Elimination of the Biological Safety Officer position, elimination of a Customer Account Services Collection Officer, reallocation of Purchasing Contract Administrator and Center for Child Development Teacher salary to local funding sources, elimination of Custodian position.

Athletics Reductions. \$420,125

Athletics has identified budget reductions that will be accomplished by reducing operating expenses for administrative travel, medical and office supplies, postage and printing, repair services and phone services. Salary and benefit reduction \$135,135; operating reduction is \$284,990.

Impact

BUDGET CHANGES NARRATIVE

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Reduction of expenses to critical unit operations, funding will be reallocated and prioritized to minimize impacts to student athlete where possible. Student athletes may be affected by missed class time (bus vs air travel), number of student athletes allowed to travel, reduction of non-conference opponents as a part of the overall schedule, extended uniform replacement cycles and equipment resulting in poor condition and potential safety issues.

President's Office Operating Reductions. \$153,215

Operating budget reductions have been identified including office supplies, professional development, postage and printing, repair services, travel, computer replacement cycle extended.

Voluntary Separation Incentive Program.

This program began on June 15th and is open to all full time faculty and staff. Employees have until September 15th to apply to the program. Applications will be reviewed and either approved or denied.

Impact

Lines vacated due to this program may be eliminated or, alternatively, the person will be replaced with a less-experienced person who earns a lower salary. Much of the expertise on campus will be lost as a result as we move towards a younger, less-experienced work force of faculty and staff. Some specialized functions may be eliminated.

Encourage the development of new programs.

A task force will provide recommendations on the feasibility of expanding certain programs that meet the needs of North Dakota and could generate additional revenue for NDSU. These programs could include professional master's programs, graduate certificates, and the expansion of summer school.

Impact

Investment in new programs will provide NDSU with the resources to reinvest in the campus. The goal is to ameliorate the impacts cited above. However, this is a long-term solution to the budget reduction since the development of new programs can take several years.

Strategic Investments

NDSU remains a top-100 public research university, and is committed to the discovery and transmittal of new knowledge. To that end, we will continue to invest in the infrastructure necessary to remain a high research university. Over the next biennium, we will begin the launch of electronic research administration, support high performance computing (CCAST), support core research facilities and invest in areas of strategic research importance (Grand Challenge Initiative). We will reallocate faculty lines to the two Grand Challenge research areas that were identified in Spring 2016: Healthy Populations and Cancer Test Beds.

We continue to focus on student retention and graduation. Within this category, we will invest in early alert initiatives to identify at-risk students, a seamless advising system that will better serve students, and data analytics that will help us to identify programs and courses that are critical to students' pathways to graduation (Student Success Campus and PAR).

BUDGET CHANGES NARRATIVE

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Change Group: A	Change Type: A	Change No: 2	Priority:
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Funding Model Increase

Based on the final 2015-17 appropriations, the campuses received the following “base funding per adjusted student credit hour (ASCH)” for 2015-17:

- Two-year campuses - \$114.88;
- Four-year campuses - \$107.33;
- UND/NDSU - \$72.63

The 2017-19 increase (decrease) was calculated based on the change in adjusted student credit hours from 11-13 to 13-15, and then multiplied by 90 percent of the current (2015-17) base ASCH. The 90 percent amounts are as follows:

- Two-year campuses - \$103.39;
- Four-year campuses - \$96.60;
- UND/NDSU - \$65.37

NDSU's 2017-19 increase totals \$2,886,790 and will be used for programmatic and general operations.

Change Group: A	Change Type: A	Change No: 3	Priority:
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Other Revenue Change

Change package adjustment for initial data file upload correction to funding sources General Fund and Tuition.

Change Group: A	Change Type: A	Change No: 4	Priority:
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Base Extr Repairs and Special Assessments

Currently, the campuses and Forest Service receive \$11,162,008 in base funding for extraordinary repairs, which is equivalent to an overall average of 11.8% of the OMB building and infrastructure formulas. In the IBARS process, we are required to remove base funding for extraordinary repairs (see change code **AF4**).

The AA4 budget change code includes restoring the base amount removed in change code AF4. NOTE: Any reductions to this base amount, that are included in the 10 percent total reductions, are reflected with a change code of AA1.

In addition, the budget limit for the **Forest Service** includes an increase of \$22,014, to bring funding to 15 percent of OMB formula. That increase is also included in this budget change package.

A prioritized listing of extraordinary repair projects is included in the extraordinary repairs subschedule (because of IBAR’s requirement to do so), however these priorities can very easily change, due to unforeseen circumstances and emergencies. The priority listing is only a best estimate at this time. The actual use of these dollars will be left to the discretion of the institutions (with appropriate approvals by the SBHE where required). All NDUS entities will be given the authority to allocate dollars to repair and replacement priorities for regular repair and replacement projects as determined by each entity.

BUDGET CHANGES NARRATIVE

235 North Dakota State University

Bill#: HB1003

Date: 11/28/2016

Time: 16:01:37

NDSU's categories for \$2,732,244 extraordinary repair funding:

- Building Exterior \$1,000,000
- Mechanical and Electrical Upgrades \$700,000
- Interior Finishes \$432,244
- Paving and Area Lighting \$100,000
- Utilities and Infrastructure \$500,000

Change Group: A	Change Type: A	Change No: 5	Priority:
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Base Equipment over 5000

Equipment purchases are budgeted at the beginning of each fiscal year for a variety of uses, including instructional, maintenance, office, etc. Some items are new and others are for replacement of existing equipment. Funding sources include tuition, grants, and local funds.

Change Group: A	Change Type: A	Change No: 8	Priority:
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Reverse current bien transfer to capital

To restore base operating transfer of \$300,000 to extraordinary repairs for 2:1 matching requirements as specified in HB1003, section 38. The transfer out of the capital asset line is reflected in change package AE4.

Change Group: A	Change Type: C	Change No: 2	Priority: 1
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Restore 10 Percent Base Reduction

This optional base budget request is a restoration of the 10 percent base reduction of \$15,741,054. Funding will be restored to salaries \$12,798,668 and operations \$2,942,386. See narrative information provided for change package AA1 for detail.

Change Group: A	Change Type: D	Change No: 2	Priority:
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Major Capital Projects

Please see Capital Project schedules for more detail.

Change Group: A	Change Type: E	Change No: 1	Priority:
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BUDGET CHANGES NARRATIVE

235 North Dakota State University

Bill#: HB1003

Date: 11/28/2016

Time: 16:01:37

Remove Def Mnt Pool

To remove **\$8.7 million** for the deferred maintenance pool, per HB1003-Section 2. HB1003-Section 25 provided the following legislative intent: "The deferred maintenance funding pool line item includes funding that must be used for eligible projects to address deferred maintenance at institutions identified in this subsection. To be eligible to receive funding under this subsection, a project must be identified in campus master plan and space utilization studies and be approved by the board. The maximum amount that may be transferred to each institution from the funding pool is as follows: \$3.5 million each to NDSU and UND; \$700,000 to BSC and \$500,000 each to MaSU and LRSC."

The following allocations, totaling \$4,332,058, were approved by the SBHE and allocated to the campuses as of January 31, 2016, and are being removed in this budget change code: **BSC-\$80,000; UND-\$1,350,000; NDSU-\$2,729,400; MaSU-\$172,658**. The unallocated balance, totaling **\$4,367,942** is removed from the NDUS Office.

NDSU projects total of \$2,729,400 approved by the SBHE (as of January 2016) include the following:

- Ceres Hall Tuckpointing and Exterior \$1,300,000
- Music Education Building Tuckpointing and Exterior \$825,000
- Katherine Kilbourne-Burgum Hall/Family Life Center Roof \$425,100
- Music Education Lighting \$179,300

Change Group: A	Change Type: E	Change No: 2	Priority:
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Remove Campus Security Pool

To remove \$3 million for the campus security pool per HB1003-Section 2.

HB1003-Section 25 provided the following legislative intent: "The campus security funding pool line item includes funding that must be used to address security needs at institutions based on campus risk and security assessment."

The three highest priorities, based on assessments and student surveys, were to address funding for surveillance (cameras), card access and lighting. Campuses were asked for estimated costs to address those items, and a proportionate amount of the total was allocated, based on the \$3 million funding available. Allocations are being removed by the following campuses: **(BSC-\$334,104; LRSC-\$118,787; WSC-\$371,010; UND-\$448,320; NDSU-\$675,200; NDSCS-\$222,528; DSU-\$86,512; MaSU-\$191,138; MiSU-\$421,903; VCSU-\$66,396 and DCB-\$64,102)**.

NDSU was allocated \$675,200 in funding which was used to address the following priorities:

- Surveillance: \$202,016
- Card Access: \$233,096
- Lighting: \$240,088

Change Group: A	Change Type: E	Change No: 4	Priority:
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Remove Other One Time Funding

BUDGET CHANGES NARRATIVE

235 North Dakota State University

Bill#: HB1003

Date: 11/28/2016

Time: 16:01:37

To remove base operating transfer of \$300,000 to extraordinary repairs for 2:1 matching requirements as specified in HB1003, section 38. See change package AA8.

Change Group: A	Change Type: F	Change No: 1	Priority:
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Remove Prior Biennium Capital Projects

To remove \$11,600,000 funding authorized for capital projects for the 2015-17 biennium per HB1003-Section 2, and HB1139-Sec 1. Campuses will report on the status of the individual projects to the appropriations committees of the sixty-fifth legislative assembly, as required.

NDSU projects authorized from special funds are:

- Aquatic Center \$11,000,000
- Minard Hall (increase in authorization) \$600,000

Change Group: A	Change Type: F	Change No: 3	Priority:
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Remove Prior Biennium Capital Assets Carryover

To remove \$43,159,089 capital assets carryover from 2013-15.

NDSU projects authorized:

General Funds \$21,091,860

- STEM Classroom and Lab Building \$15,424,741
- Deferred maintenance (2013-15) \$569,269
- Stevens Hall 2nd Floor/Music Education Building \$208,675
- Heating Plant Boiler Replacement \$1,385,440
- KKB-FLC Footing Stabilization \$593,812
- EML Window & Entryway \$199,770
- QBB Electrical Upgrades \$743,402
- Campus Wide Retention Pond \$359,632
- Library Entryway and Circulation \$1,487,092
- Thordarson Hall Demolition \$120,027

Other Special Funds \$22,067,229

- CCAST \$4,270,000
- Sanford Health Athletic Complex \$17,568,272
- Minard Hall \$228,957

Change Group: A	Change Type: F	Change No: 4	Priority:
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Remove Base Funding Extr Repairs and Spec Assess

BUDGET CHANGES NARRATIVE

235 North Dakota State University

Bill#: HB1003

Date: 11/28/2016

Time: 16:01:37

To remove \$2,732,244 base funding for extraordinary repairs.

The categories for the estimated uses of these funds is noted below, all projects are expected to be completed by June 30, 2017.

- Mechanical and Electrical \$1,939,893
- Interior Finishes \$382,514
- Utilities and Infrastructure \$409,837

Change Group: A	Change Type: F	Change No: 5	Priority:
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Remove Base Funding Equipment over 5000

Change Group: R	Change Type: A	Change No: 1	Priority:
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Governor's Funding Model Change

Adjusts the state's share of campus operations at \$ xx.xx per adjusted student credit hour.

Change Group: R	Change Type: A	Change No: 4	Priority:
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Inflationary adjustment for health insurance increase

Provides additional general funds for the increase in employee health insurance. This amount was calculated through the formula to allow the rates to remain equalized.

Change Group: R	Change Type: A	Change No: 5	Priority:
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Inflationary adjustment for salary

Inflationary increase for the Executive Compensation plan. This amount was calculated through the formula to allow the rates to remain equalized.

Change Group: R	Change Type: B	Change No: 2	Priority:
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Capital Project - New Residence Hall

Provides \$ 39,505,000 in other funds for the construction of a New Residence Hall.

Change Group: R	Change Type: B	Change No: 3	Priority:
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Capital Project - University Village Replacement

Provides \$ 10 million in other funds for University Village Replacement - Phase I Project.