

North Dakota State University

2013-15 Base General Funds to Engrossed HB1003 Summary of Increases (Decreases)

	HB1003 House Engrossed
2013-15 Base General Fund Appropriation, adjusted	\$ 143,073,784
2015-17 Base Increases (Decreases):	
<u>State share of CTC, health & utility increases</u>	
Cost to continue FY15 salary increases	-
Utilities increases (usage, rates & new facilities)	-
2015-17 Salary increases (3%/year)	-
2015-17 Health insurance increases	-
<u>Funding model adjustments</u>	-
Funding model update-SCH change	10,265,522
Funding model: average of tier	545,313
Remove document imaging at campuses, funded CTS	(121,794)
Remove internal audit campus assessments, funded in NDUS Office	(143,624)
Transfer base extraordinary repairs to NDUS pool	(2,732,244)
Total Increase in GF Base Funding	7,813,173
Total Base General Funds per Engrossed HB1003	\$ 150,886,957
2015-17 One-time Increases:	
Campus Security	-
2015-17 Special assessments	1,591,426
Total One-time Increases, excluding Capital Projects	1,591,426
2015-17 State-funded Capital Projects	-
Total 2015-17 General Funds per Engrossed HB1003	\$ 152,478,383
 CTC FY15 salary increases, 2015-17 salary (3/3%), health insurance and utility increases	
State share (60%) - <i>Unfunded</i>	\$ 11,014,693
Student share (40%)	7,343,128
<i>Tuition increase to fund student share (estimated): 2.6%</i>	
Total	\$ 18,357,821

North Dakota State University

General Fund Priorities

- Support full funding of the Higher Education Funding Formula, including the inflation factor to fund the state share of the compensation increases and utility cost increases, as included in the Executive Recommendation
- Support the funding of Dunbar Hall II, as approved by the SBHE as a Life/Safety Priority Capital Project
- Restore 2013-15 Extra-ordinary repair base funding to campus budgets; NDSU \$2,732,244
- Support additional Extra-ordinary repair base funding, as included in the Executive Recommendation; NDSU \$1,729,111

Other Fund Priorities

- Restore additional authorization of \$600,000 requested for Minard Hall in response to a legal claim
- Restore the \$11M student approved and funded Aquatic Center bonding project for legislative authorization

Sections of HB1003

- Section 4 and 5: remove; allow university system to retain legal and audit staff in order to meet reporting and compliance requirements.
- Section 6: remove; additional legislative approval requirements on non-state funded projects over \$385,000 will delay campus ability to respond to needs timely, creates inefficient use of construction timelines with delays resulting in potential increased construction costs.
- Section 7: remove; allow the State Board of Higher Education to continue to approve tuition rates.
- Sections 14, 15, 16: remove; support and restore the Higher Education funding formula as included in the Executive Recommendation.
- Section 23 and 24: remove; allow university system to continue to submit budgets via IBARS with the current process and line items; administrative burden impact due to this change would be significant.
- Section 27: restore extraordinary repairs Base funding to campus in order to facilitate institutional planning for capital needs, remove delayed use of funds requirement pending space utilization study completion.
- Section 29: support continuation of Minard Hall spending authorization.
- Section 37: remove; assessment for DOT state fleet motor coach usage.
- Section 38: remove; prescribed evaluations of campus Vice Presidents could be detrimental to the feedback process and could be personally damaging to employees.
- Section 39: remove; presumes items listed to be the highest priority of work to improve efficiency and effectiveness; lack of adequate staff resources to lead and coordinate identified projects.



NDSU	Base	One-time	Total
2013-15 Base General Funds	\$143,073,784	-	\$143,073,784
2015-17 House Increase	\$7,813,173	\$1,591,426	\$9,404,599
2015-17 Total Engrossed HB1003	\$150,886,957	\$1,591,426	\$152,478,383
SBHE Request	\$169,859,089	\$107,327,089	\$277,186,178

Mission:

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.

Degree-Seeking Student Headcount Fall 2014: 14,747

FTE Students Fall 2014: 12,934

North Dakota Residents Fall 2014

Undergraduate: 5,374 **Graduate:** 1,110 **Total:** 6,484

Graduation Rate: IPEDS: 53% **SAM:** 72% **Retention:** 78%

Signature Programs:

- Agriculture (largest research productivity)
- Engineering (largest enrollment, both NDSU and ND)
- Applied Science fields supported by High Performance Computing (fastest emerging in DOD, DOT, DOC, NSF and NIH funding)
- Public Health (Pharmacy, Nursing, Allied Sciences and Master’s of Public Health)

Collaborative Programs:

- Upper Great Plains Transportation Institute between North Dakota State University, Colorado State University, South Dakota State University, University of Colorado Denver, University of Denver, University of Utah, Utah State University and the University of Wyoming
- “Pathways” program with North Dakota State College of Science and collaborative NDSU taught/delivered courses and program with other System institutions
- Master of Public Health program with University of North Dakota

Competitive Position (Regional/National):

- North Dakota State University is distinctive as a uniquely student-focused, land-grant, research university
- Ranked by the Carnegie Commission on Higher Education among the top 108 public and private universities in the country. First and remains the only North Dakota university in that Carnegie Commission elite category of “Research Universities/Very High Research Activity.”
- Ranked by the National Science Foundation as one of the top-100 research universities in the nation (No. 84 compared with a listing of 90 the previous fiscal year). NDSU was the first and remains the only North Dakota university in that category as well.
- The top-ranked college or university in its five state area to the west and south (ND, SD, MT, ID, and WY), Carnegie and National Science Foundation
- Research productivity for the past four years has continued to set new annual records for both the campus and the state; slightly over \$150M has been reported for the upcoming NSF survey with license/patent revenues already over \$2M.
- Against pervasive national trends, NDSU appears to still be trending upward (research funding is up 13% YTD over the previous year).
- 2014 saw “largest-ever” enrollment while also enrolling the largest number of North Dakota students in the state System, enrolling the largest number of full-time students in the state, enrolling the largest number of full-time students in its five state area, increasing both the average high school GPA to 3.43 and average ACT score to 24.02 of its entering class.
- The average ACT is the highest in the state System.
- Total graduate degrees awarded 2013-14 continues to increase over the past 5 years
- The most students taking face-to-face classes on-campus in the state System
- While nationally recognized as a STEM-oriented university, enrollment distributions among remaining colleges is closely balanced. That balance includes the state’s largest enrollment of students in fine and performing arts fields, and the largest enrollment in health related disciplines.
- Graduates, on almost every measure of comparability between the state’s four year schools, have the highest pass rate on professional licensures and certifications.
- NDSU athletics has for the past several years been ranked as one of the top-ten “winningest” overall NCAA Division-I programs in the nation.
- Overall academic performance of student athletes now exceeds that of the overall student body.
- Standard & Poors credit rating (AA-); new financing practices at NDSU have now been incorporated as System-wide policy.
- 2014 composite financial indicator score (CFI) has now risen from 3.90 last year to 4.25 this year.
- “Student Success Tuition Model,” which combines tuition and fees in a single and understandable cost of attendance, has become a core aspect of the tuition and fees structure of “Pathways to Student Success” being implemented by the SBHE.
- Award-winning 55-acre Research & Technology Park is now nearing “build out,” and the RTP Board has begun study of potential Phase II expansion.



Efficiency Gains:

NDSU is exceeding energy cost savings that were projected at the beginning of the energy performance contract with ESG in 2011. The energy upgrades have included retrofitting/removing approximately 3,000 T12 bulbs with T8 bulbs, scheduling HVAC systems for temperatures setback at night and on weekends to save energy, and installing low-flow faucets and toilets in various buildings. Additional efficiency upgrades include the installation of light occupancy sensors in several buildings, the replacement of pneumatic controls to reduce maintenance and to conserve energy, the addition of demand control ventilation in Minard that only uses outdoor air that is needed, and the inclusion of roof insulation in buildings.

Secondly, North Dakota State College of Science and NDSU are collaborating on “back office payroll” project where NDSU will assume back office payroll processing for NDSCS. To-date, NDSU is processing benefit enrollments in PeopleSoft, premium catch-ups, and adjustments; NDSU is doing vendor balancing and online payments, processing payroll reconciliations at the end of each pay period, and processing all garnishments. For NDSCS, this re-deployment of a payroll person allows the college to handle needed responsibilities and take advantage of expertise without having to hire an additional person. This includes having customer service for employee payroll questions, having an ACA Compliance and subject matter expert, Flex administration, compensation/classification/annual budgeting employee salaries and benefits, and employee salary comparison to market by category for annual salary increases.

Finally, NDSU recently issued \$24,000,000 in Housing and Auxiliary Facilities Revenue Refunding Bonds, Series 2015A, for the purpose of refinancing the outstanding NDSU Housing and Auxiliary Facilities Revenues Bonds Series 2005, 2006A and 2006B. The combined Gross Savings from the refunding was \$12,480,681, with the Net Present Value Savings (net of all costs) being \$5,297,981 or 19.68% of the refinanced bonds. The True Interest Cost was 2.53%.

Strengths, Challenges, Needs and Priorities:

Strengths-

- Agriculture
- Engineering (the largest college in terms of enrollment)
- Biological and physical sciences
- Center for Computationally Assisted Science and Technology is the SBHE’s designated site for high-performance computing, and provides the super-computing facilities and staffing backbone for those data intensive disciplines.
- Largest program of fine and performing arts in our state
- Nationally top-tier program in architecture/landscape architecture
- Emerging state-leading roles in select, non-MD health fields: nursing (the only North Dakota program up to and including an accredited doctorate in nursing practice), pharmacy, allied sciences and public health.



Challenges-

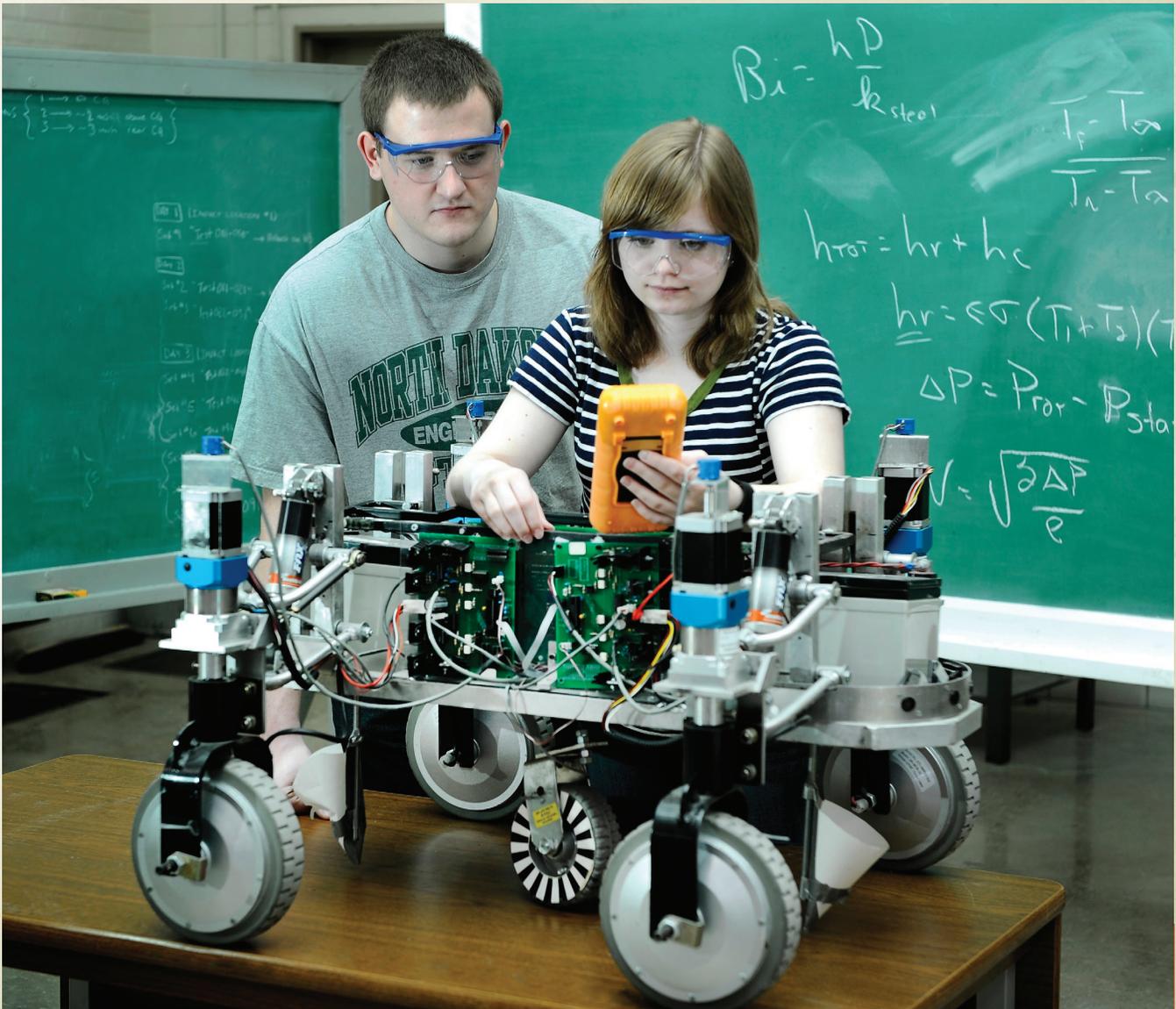
- Substantially understaffed in terms of faculty
- Facilities are the System's worst in terms of "critical" needs

Needs-

- Immediate and wide-spread attention to the condition of facilities

Priorities-

- Full funding of the state's HED formula
- Prioritized support for facilities renovation/replacement
- Support for research related initiatives and product/business incubation at both of the state's research universities



NDSU mechanical engineering students Andy Narvesen and Rachel Smith make adjustments to a four-wheel-drive, four-wheel-steering autonomous robot. When building robots like this for capstone projects, students need to apply everything they've learned in areas such as automation, computer programming, machine dynamics and instrumentation. "It's important to have a foundation in all the engineering disciplines, so it's great to be part of a project like this one that brings it all together," Narvesen said. "At NDSU, I've learned not only how everything works, but how to make it smarter, faster and better."