



# NORTH DAKOTA STATE UNIVERSITY

SENATE APPROPRIATIONS COMMITTEE Senator Ray Holmberg, Chairman

SB 2003

8:30 a.m. Wednesday, January 14, 2009  
JOSEPH A. CHAPMAN, PRESIDENT, NDSU

SB 2003 Presentation of  
President Joseph A. Chapman  
North Dakota State University  
Before the  
Senate Appropriations Committee  
Senator Ray Holmberg, Chairman  
Wednesday, Jan. 14, 2009

Good morning, it is an honor to be with you today to present information on North Dakota State University, on how public investments in NDSU have performed, and to speak in support of the budget recommendation.

Our intent is at all times to be responsive to the expectations of the North Dakota Higher Education Roundtable for the good of the state of North Dakota and to offer a very high caliber educational experience for our students.

I believe no university has responded better to the challenge of the roundtable and aspirations of the system than North Dakota State University. In fact, our mission statement directly addresses these charges: *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.*

Our impact on the state of North Dakota is documented in a number of ways, most notably by Moody's Economy.com, which has identified NDSU as an important driver of the North Dakota economy. According to a recent Moody's report, "an increase in North Dakota State University's budget provides evidence that state government is delivering on its commitment to transforming the university into a leading academic institution," and "In the longer term, the funding will provide better resources for students and thereby enhance ND's human capital." This is a highly significant recognition of the transformation of North Dakota State University into a leading academic institution.

A 10-member team of consultant-evaluators, led by Dr. John Campbell, president emeritus of Oklahoma State University, conducted a campus visit as part of NDSU's reaccreditation from the North Central Association's Higher Learning Commission. Members of the team said they were very impressed with the enthusiasm of NDSU students, faculty and staff for the direction NDSU is headed. One consultant-evaluator said he had never seen such broad campus unity in all his years doing similar campus visits.

We have a great number of other examples to indicate that our work is responding to Roundtable and System expectations that we will:

- promote expansion and diversification of the state's economy
- enhance the quality of life of our state's citizens
- engage with the needs of the state

- become academically competitive, nationally and internationally, and
- be accessible and responsive to all citizens of the state, both individual and corporate.

An economic analysis reveals NDSU's economic impact on North Dakota was \$2.5 billion over the last eight years, and for every new dollar appropriated to NDSU, we have generated \$9.70.

Later today, you will hear presentations from the Forest Service and Upper Great Plains Transportation Institute, the Main Research Center and branch stations, the Extension Service, Agronomy Seed Farm and the Northern Crops Institute.

NDSU is North Dakota's original land-grant university. The land-grant mission is three-fold:

- Education - Morrill Act 1862.
- Research - Hatch Act 1887.
- Service - Smith-Lever Act 1914.

The original Land-Grant act was passed by Congress in 1862 as a means of preparing the country for participation in the industrial revolution. It is important for us to remember the Land-Grant system was created to prepare people for change.

The enduring quality of the legislation lies in that thought. What we at NDSU are pursuing today - preparing students for and assisting business with the global marketplace - is the 21st century version of the land-grant ideal. It is our tradition to move forward and to change as our society changes, to evolve in response to public needs.

One of the strongest indicators of success is whether people want to be a part of an institution, and we are finding that to be true at NDSU. This is significant for our state as we take seriously the need to bring and keep people in the state.

A mix of students from outside North Dakota not only improve the quality of education by bringing more diversity to the institution, they also participate in the state and local economies.

Systemwide, increased business activity generated by student spending was estimated to be \$756 million, including \$342 million in increased retail trade activity and an additional \$184 million of personal income. Student spending would generate enough additional business activity to support more than 5,500 secondary jobs. In addition, student spending in the Fargo-Moorhead area was estimated to be \$9,050 per student per academic year.

## Student Enrollment

For the ninth year in a row, NDSU has set a record enrollment. This fall the total enrollment was 13,229. A full 97 percent of our students are face to face on campus, and we enroll students from every county in North Dakota.

We have the largest freshman class in the state with 2,661 students, which also represents an unprecedented 23 percent increase in freshman students from the previous year.

Graduate enrollment has reached an all-time high with 1,818 students. Graduate students are vital to our growth as a research university and in our ability to retain our very best faculty.

NDSU's international enrollment, the largest in North Dakota, is at an all-time high of 1,120. This is crucial to the ongoing development of North Dakota's role in the growing global economy.

We are working to keep NDSU affordable and maintain our commitment to the student partnership in all our efforts.

The caliber of our students remains very high. For example, this year we are proud to have 23 National Merit Scholars, and nearly 600 Presidential Scholars in our student body. We have not and will not allow growth to overtake quality. We are committed to maintaining our student to faculty ratio and our core value of giving students the opportunities to interact directly with faculty. We are carefully planning to enhance the student experience with projects such as an Advising Center. We further encourage our students to participate in organizations, internships and other enhancements to complement a total learning experience.

From our newest annual employment survey:

94.9 percent of last year's graduates are either employed in fields related to their majors (75.9 percent) or continuing their educations (19 percent).

Of the NDSU graduates employed, 50.7 percent are working in North Dakota, with 66.1 percent of North Dakotans working in North Dakota.

Of the NDSU graduates employed, 34 percent of students from Minnesota are working in North Dakota, up from 32 percent in 2007, and 27 percent in 2006.

We will continue to facilitate inclusion through a President's Council on Global Outreach. NDSU must be a player in the global, knowledge-driven economy. By building true partnerships around the world, we can further expand our research, enhance our educational offerings, and help further expand the economy of North Dakota.

To foster greater global interaction among our students and faculty, the North Dakota Trade Office will locate in our Richard H. Barry Hall. Barry Hall will be home to the

College of Business and the Department of Agribusiness and Applied Economics, and also will be the site of our Center for Global Initiatives and Leadership, which will provide a broad range of interdisciplinary programming to educate students on matters of global importance, and prepare them for global leadership.

### Collaboration

Within the University System, we are very pleased with a number of collaborations. Here are a few selected highlights:

- NDSU is collaborating with the North Dakota State College of Science on the Pathways Program, which will allow students to be enrolled at both institutions, and begin their studies at NDSCS with the option to transfer for a baccalaureate degree program at NDSU.
- We recently held highly-successful discussions with area education and business leaders in Dickinson to explore collaborations to assist North Dakota's economy. This led to our adding Extension Engineers in Dickinson, Minot and Bismarck.
- NDSU also is collaborating with Dickinson State University on an initiative that will provide students in western North Dakota and parts of Montana, Wyoming and South Dakota access to engineering programs in electrical, manufacturing, industrial and computer engineering. DSU President Dick McCallum joins me in viewing this initiative as having a significant and long-term impact on the economic prosperity of the area.
- NDSU and DSU are working together to offer minors in soil science, geographic information systems and equine sciences to DSU students in Dickinson.
- Valley City State University and NDSU, which collaborate in elementary education, are expanding their collaboration to include art instruction. Students finish their undergraduate degrees in art at NDSU and then finish up requirements for an art education degree with VCSU.
- Discussions are underway with Bismarck State College to locate a research extension faculty member from the Department of Agriculture and Biosystems Engineering to do biomass research and extension at BSC's National Energy Center of Excellence.
- In conjunction with the University of North Dakota, we offer a joint doctorate in history. NDSU and UND will collaborate on a master's degree program in public health, and a Ph.D. in biomedical engineering.

In addition, we have partnered with the state in efforts to bring private sector commercialization opportunities:

- NDSU was approved for two additional awards from the North Dakota Economic Development Centers of Excellence Program totaling \$3.5 million for the Center for Surface Protection and the Center for AgBiotechnology. These centers are designed to partner with the private sector to conduct market-driven research, thereby creating technology transfer and commercialization opportunities.
- NDSU's Center of Excellence in AgBiotechnology for Oilseed Development is a partnership with Monsanto and two processing collaborators, Archer Daniels Midland and Dakota Skies Biodiesel. The Center is designed to facilitate the sustainable long-term development of oilseed agriculture in the state and do ongoing research to encourage commercialization of ag technology.
- NDSU continues to highlight specific areas of research excellence which lead to partnerships. For example, NDSU's expertise in microelectronics led to a partnership with Alien Technology on a Department of Defense project. As a result of the research expertise and the collaborations, Alien Technology chose to build a research and manufacturing facility in NDSU's Research & Technology Park.
- The NDSU Research and Technology Park has approximately 100 public and private partnerships, with companies such as Bobcat, Tesserera, Alien and Akzo Nobel.

### Research Success

For FY 2008, we reported to the National Science Foundation research expenditures of \$115.5 million. Our FY 2007 research expenditures were \$107.3 million, a level of sustained activity. Our sponsored program expenditures are approximately \$200 million annually.

NDSU Research Expenditures as reported to the National Science Foundation:

| FY   | \$            |
|------|---------------|
| 1999 | 44.6 million  |
| 2000 | 50 million    |
| 2001 | 64.8 million  |
| 2002 | 72 million    |
| 2003 | 94.8 million  |
| 2004 | 102.1 million |
| 2005 | 103 million   |
| 2006 | 103.8 million |
| 2007 | 106.2 million |
| 2008 | 115.5 million |

For FY 2007, NSF ranks NDSU 128 out of 662 research universities in the United States, Guam, U.S. Virgin Islands, and Puerto Rico.

NDSU ranks 41, when ranked by research and development expenditures among 537 research universities without a medical school.

Other rankings based on total research expenditures among the universities and colleges in the NSF report for FY 2007:

Agricultural Sciences, 28  
Social Sciences, 42  
Physical Sciences, 74  
Chemistry, 94

We have signed research agreements to conduct collaborative projects with two federal scientific laboratories. NDSU will conduct separate research projects involving solar cells, polymers, and radio frequency identification.

Directors of five national laboratories toured NDSU in the fall of 2007, at the request of U.S. Senator Byron Dorgan and the Red River Valley Research Corridor. In early 2008, representatives from the NDSU Office of Research, Creative Activities and Technology Transfer visited two of the national laboratories to discuss NDSU research capabilities. Based on those meetings and further discussion, NDSU has been selected to conduct research projects for Sandia National Laboratories, Albuquerque, N.M., and Livermore, Calif., and for Pacific Northwest National Laboratory, Richland, Wash.

We also recently signed two agreements with Pittsburgh Paint and Glass, one for electronics and one on coatings.

### Research Park

The Research and Technology Park and the Technology Incubator are home to fast-paced, high-growth companies that promote economic development in North Dakota. Each of them either has the potential to compete globally or is already doing so effectively in:

- Material Sciences
- Biosciences and Life Science Technology
- Information Technology
- Nanotechnology
- Advanced Manufacturing and Sensors/Micro-Electronics

Companies currently operating in the Technology Incubator include the following:

Appareo Systems  
Avenue Right  
Bobcat  
Feed Management  
Intelligent InSites  
Pedigree Technologies  
The NDSU RFID Laboratory

In August 2008, the annual payroll of the 96 employees operating in the Technology Incubator totaled more than \$5.8 million. We anticipate that during the next decade our efforts will provide services to more than 100 new technology-based businesses in North Dakota.

We just broke ground in the Research and Technology Park for a new Appareo Systems Facility. Today, Appareo employs 40 people in engineering, manufacturing and administration, and expects to double in size over the next three years. Appareo is a “graduate” of the Technology Incubator facility, showing how effectively that effort can assist fledgling companies to prosper. The close proximity will be of great benefit to both Appareo and NDSU researchers.

### Capital Campaign

We concluded a highly successful capital campaign in October 2007. “Momentum: The \$75 Million Campaign for North Dakota State University” concluded with gifts and pledges totaling more than \$108 million. Funds include \$41 million for scholarship and scholarship endowment, \$12 million for teaching endowments and enhancements and \$25 million in support of new construction projects, including Richard H. Barry Hall, Klai Hall and the Bison Sports Arena.

### Centers of Excellence

We have seven state Centers of Excellence:

- Center for Advanced Electronics Design and Manufacturing
- Center on Surface Protection
- Center for AgBiotechnology: Oilseed Development
- NDSU Beef Systems Center of Excellence
- NDSU Center for Nanoscale Science and Engineering
- NDSU Technology Incubator
- Center for Biopharmaceutical Research and Production



# HB1003 One-Time Funding Reporting Requirement Section 19 For the 2007-09 Biennium

## Deferred Maintenance funding - \$2,516,935 one-time funding

The following comprise the list of repairs/maintenance completed or in progress from the period July 1, 2007- December 30, 2008 and the current budget/actual expenses estimated for each project.

|  |                     |
|--|---------------------|
| Campus Wide Roof Repair/Replacement  | \$950,000           |
| Benson Bunker Fieldhouse – Windows & Miscellaneous Repairs                                 | 490,000             |
| Sudro Sanitary Sewer Repair  | 14,650              |
| Ladd – Room #309 Renovation  | 194,209             |
| Campus Steam Line Replacement  | 420,154             |
| Lord & Burnham Greenhouse Roofing & Siding   | 31,929              |
| HVAC Upgrade – Purchasing Office   | 17,364              |
| Sudro Rooms #24, #27 Classroom Seating   | 26,226              |
| Northern Crops Institute (Loading Dock)  | 3,450               |
| Heating Plant Boiler/Feed Water Repairs  | 100,274             |
| Festival Concert Hall/Music Bldg – Hand & Guard Rails                                      | 140,000             |
| Stevens Hall Emergency Power   | 25,000              |
| Bentson Bunker Fieldhouse – Bleacher removal; install new seating (awaiting SBHE approval) | 100,000             |
| <b>Estimated Total Expenditures at 12/30/2008:</b>   | <b>\$2,513,256</b>  |
| <b>Balance at 12/30/2008 to be spent by 6/30/09</b>  | <b><u>3,679</u></b> |
| <br>   |                     |
| <b>2007-09 Biennial Allocation One-Time Funds for Deferred Maintenance:</b>                | <b>\$2,516,935</b>  |

## Capital Projects - \$4,500,000 (plus \$500,000 NDSU cost share) Minard Hall, Phases I and II

|   |             |
|---|-------------|
| Expenditures as of 12/31/2008                           |             |
| Architecture fees                                       | \$46,849    |
| Remaining funds available as of 12/31/2008              | \$4,953,151 |
| Funding expected to carryover into the 2009-11 Biennium |             |

Funding for Phase III of the Minard Renovation is being requested during the 2009-11 Biennium.

Information regarding the Minard renovation can be found in the “Major Capital Projects” section of this hearing material.

**Century Code -54-44.1-11** – North Dakota State University does not have any appropriation carryover from the 2005-07 legislative period.

## Enrollment Analysis and Tuition Rate Comparison

| <b>Fall Headcount Enrollment</b> |                  |            |
|----------------------------------|------------------|------------|
| <b>Year</b>                      | <b>Headcount</b> | <b>FTE</b> |
| 1999                             | 9,638            | 8,775      |
| 2000                             | 9,894            | 9,003      |
| 2001                             | 10,538           | 9,621      |
| 2002                             | 11,146           | 9,950      |
| 2003                             | 11,623           | 10,294     |
| 2004                             | 12,026           | 10,692     |
| 2005                             | 12,099           | 10,752     |
| 2006                             | 12,258           | 10,890     |
| 2007                             | 12,527           | 11,221     |
| 2008                             | 13,229           | 11,794     |

Enrollment rates have steadily increased over the past decade. NDSU is proud to continue the traditions that have made it a premier institution both regionally and internationally. As we continue to grow, it is important that we maintain the quality through continued funding from our State. NDSU is committed to keeping tuition rates as low as possible and through the funding of this budget request we may begin to ease tuition increases.

### Annual Tuition and Required Fees - Academic Year 2008-09

| <b>Student Category</b> | <b>Tuition</b> | <b>Fees</b> | <b>Total</b> |
|-------------------------|----------------|-------------|--------------|
| ND Resident Students    | 5,264          | 962         | 6,226        |
| MN Resident Students    | 5,504          | 962         | 6,466        |
| WUE, MSEP, ATI*         | 7,895          | 962         | 8,857        |
| Other Non-Resident      | 14,053         | 962         | 15,015       |

\* Western Undergraduate Exchange (WUE), Midwest Student Exchange Program (MSEP), Alumni Tuition Incentive (ATI).

### Tuition and Fee Comparison to Regional Partners \*\*

#### Resident Tuition and Required Fees

|                  |         |
|------------------|---------|
| National Average | \$7,029 |
| Regional Average | \$6,426 |
| NDSU             | \$5,975 |

#### Non-Resident Tuition and Required Fees

|                  |          |
|------------------|----------|
| National Average | \$18,120 |
| Regional Average | \$16,204 |
| NDSU             | \$14,346 |

\*\* Source: "2007-08 Tuition and Fee Rates - A National Comparison"

## NDSU 2009-11 Executive Recommendation

| A. | Policy Objective   | BASE FUNDING INCREASES  | Executive Recommendation |
|----|--|---|--------------------------|
|    | <b>2007-09 Base Funding</b>                                  |   | <b>91,285,855</b>        |
| 1  | Enhance Student Preparation                                  | 100% of Parity/cost to continue/5%/5% salary and health insurance increases/utilities | 12,748,621               |
| 2  | Ensure Student Safety  | Emergency Preparedness/Security   | 192,116                  |
| 3  | Maintain Student Affordability/Enhance Student Affordability | Equity adjustment to address funding differentials (15%)                              | 4,963,065                |
| 4  | Maintain Student Affordability                               | Two and Four-Year college affordability   |                          |
| 5  | Enhancing the Economy and Student Preparation                | EPSCOR research matching funds  | varies                   |
|    |  | <b>Total Base funding Increase</b>  | <b>17,903,802</b>        |
|    |  | <b>% Increase over 07-09 Base Budget</b>  | <b>19.61%</b>            |

| B. | Policy Objective            | ONE-TIME FUNDING INCREASES               |                  |
|----|-----------------------------|--|------------------|
| 1  | Enhance Student Preparation | Deferred Maintenance                     | 5,355,817        |
|    |                             | <b>Total – One Time funding Increase</b> | <b>5,355,817</b> |

## Priority 1 Funding of 100% of Parity

**Parity—Includes costs to continue for the state share of parity only as noted below. The student share of parity costs would be funded through tuition rate increases.**

**Breakdown of parity costs—\$12,748,621 (Executive Recommendation)**

- Cost to continue FY09 Legislatively funded salary increases—\$1,889,909
  - Estimated Health Insurance based on a premium of \$825.97 per month—\$2,304,818
  - Salary increases of 5 percent per year—\$6,052,435
  - Estimated operating inflation of 2%/2.2% (excluding utilities) - \$578,737
  - Utilities increases—\$1,809,995
  - Utilities increase for new buildings—\$112,727
- 
- A 5 percent annual salary increase will help NDSU position itself as a premier institution in the region and nationally. By investing in people, NDSU and North Dakota can continue to recruit and retain the best and brightest.
  - Health insurance rates continue to increase drastically over inflation. The current budget request includes full funding of the health insurance increase of more than 13 percent.
  - For 2009-11 incremental funding for utilities is being requested for the 45,000 sq. ft additions for Richard H. Barry and Klai Halls at our downtown campus. In addition, utilities are requested for the President's house which will be approximately 5,000 square feet. Xcel Energy is also requesting a 14 percent increase effective in the current biennium. This rate increase, the additional square footage, and the demand for electricity due to increased research activities and evening classes will place a tremendous burden on the utilities budget.
  - The current budget request estimates operating inflation at 2 percent/2.2 percent for the biennium. However according to [www.inflationdata.com](http://www.inflationdata.com), the current inflation rate is 5.37 percent and is rising. The proposed increase will help NDSU maintain adequate operating budgets to continue to serve our students and the people of North Dakota.
  - The minimum tuition increase needed to match the state funding of parity at 40 percent based on the long-term finance funding model would be 5.20 percent for NDSU.

## Priority 2

### Emergency Preparedness/Security

**Emergency Preparedness—Funding for campus security at 1.0 FTE per 900 students. This funding would also provide two public safety officers to provide campus planning and implementation of the emergency notification system, emergency response plans, etc for NDSU, NDSCS and VCSU.**

#### **Breakdown of Emergency Preparedness/Security Funding Request—\$192,116**

- Armed security on campus should be at a 1 to 900 ratio (This funding model is based on annual salaries of \$35k per year).
  - \$24,116 is the biennial funding needed for NotiFind; the system-wide emergency notification system.
  - \$168,000 for two public safety officers (emergency managers) who would serve NDSU, NDSCS and VCSU. Assumes a salary of \$25,000/year plus \$8,000 fringe and an operating budget of roughly \$9,000 per year.
- 
- The safety and security of NDSU's students, faculty and staff is of primary importance. With a record enrollment of more than 13,000 students in undergraduate and graduate programs, this is an energetic and vibrant campus where faculty, staff and students are moving to the next level. We must step up awareness of personal safety and property security issues. Even though NDSU and Fargo-Moorhead are wonderful places to work and study, we need to be prepared for a wide array of emergencies. NDSU must expand security as our campus grows and funding for NotiFind and additional emergency personnel will help NDSU be a safer place to live, work and study.
  - Additionally, as the campus physically expands, NDSU is committed to making all locations a safe and secure place to learn and to work. Therefore, we will also be providing full-time security at our downtown locations.
  - The current average salary for an NDSU police officer is more than \$35,000 a year, so NDSU is funding and will continue to fund at the existing market rate to ensure our students, staff, and guests are in a safe and secure environment.
  - The requested budget for two public safety officers (emergency managers) provides an annual salary of \$25,000 plus fringe benefits and operating expenditures. To hire qualified individuals in Fargo, NDSU is estimating an annual salary of \$45,000 and operating expenses of \$40,000 annually to allow for travel between the three institutions. This additional funding will need to be shared by the institutions.

## Priority 3 Equity Funding

**Equity—The Long-Term Finance plan requires a minimum of 15 percent of the total new funding be allocated to equity after parity has been funded. Equity funding is crucial in closing the gap between state and student funding differentials and in bringing NDSU closer to its peers. The current proposed funding is based on the Governor’s recommendation, rather than the funding model.**

### **Breakdown of Equity funding for NDSU—\$4,963,065 (Executive Recommendation)**

- Currently, NDSU is funded at 41 percent of its peers which makes NDSU the furthest from its peers for the NDUS system.
- **If NDSU were to receive full funding of the Governor’s executive recommendation for the 2009-11 biennial request, including the \$4,963,065 of equity funding, NDSU’s funding would increase to 50 percent of its peers.**
- With the enormous growth at NDSU it is critical that we continue to meet the needs of our students through adequate staffing of faculty and staff positions. NDSU would utilize the equity funding to hire additional faculty to keep our student/faculty ratios in line and staff to continue to maintain the high level of service we provide to our students.
- A portion of the equity funding would also be used to contribute to lease expenditures for additional space needed as a result of the enormous growth of student enrollment on the main campus as well as funding for Richard H. Barry and Klai Halls at the downtown campus.
- NDSU is committed to keeping tuition increases as low as possible. Tuition rates have continued to rise exponentially over the past decade and NDSU is dedicated to keeping education as affordable as possible in North Dakota. With the infusion of equity dollars into NDSU’s base, tuition increases can be carefully controlled and kept as low as possible.

## Priority 4 Two- and Four-Year College Affordability

**Four-Year College Affordability—SBHE proposed funding would cover the student's share of parity based on the Governor's executive budget recommendation. If this funding model is utilized over an extended period of time North Dakota can begin to re-balance the state/student shares.**

**Four-year college affordability—\$3,279,828 (SBHE Recommendation)**

- At NDSU, \$3,279,828 of additional state funding would replace the need for an estimated tuition increase of 5.2 percent per year.
- The North Dakota State Board of Higher Education (SBHE) is recommending funding of this initiative and NDSU is supportive of the initiative.
  
- The college affordability plan funds the student's share of parity for the 2009-11 biennium. With state funding of this share of the increased cost to continue, NDSU could hold tuition rate increases at a minimum.
  
- Currently, NDSU students contribute approximately 56 percent of the appropriated budget through tuition. If the 2009-11 budget were funded and NDSU held tuition, the student percent could be decreased to 51 percent of the total appropriated budget.

## Priority 5 EPSCoR Matching Funds

**EPSCoR research matching funds—Provides a pool of money for the state to use towards federally funded EPSCoR grants that require a state match.**

**EPSCoR research matching funds - amounts vary**

- Funding would vary based on EPSCoR grants approved and state matching funds needed for the award.
  - The Governor's executive recommendation includes a funding increase of \$800,000. NDSU would be eligible for a portion of these funds based on grant state-match needs.
- 
- The National Science Foundation (NSF) established the Experimental Program to Stimulate Competitive Research (EPSCoR) in 1979 in response to Congressional concerns about the geographic concentration of federal support for academic research and development. EPSCoR is designed to expand and enhance the research capability of scientists in states that traditionally have lacked strong university-based research efforts, to compete more successfully for a portion of the federal academic research and development budget.
  - These programs represent a federal-state partnership to enhance the science and engineering research, education, and technology capabilities of states that receive smaller amounts of federal research and development funds. Through EPSCoR, participating states are building a high-quality, university-based research effort that is serving as the backbone of their scientific and technological enterprise, capable of ensuring a strong and stable economic base into the next century.
  - This funding pool will allow NDSU to further take advantage of grant funding available through EPSCoR by providing the needed matching funds to secure these awards.



## One-Time Funding Requests

**One-time funding requests will be used to fund facility and infrastructure needs primarily related to deferred maintenance.**

### **Breakdown of one-time funding requests and amounts**

- Deferred Maintenance—\$5,355,818 Executive Recommendation
- NDSU's share of the system's outstanding deferred maintenance is \$29,336,494. Deferred maintenance funding of \$5,355,818 will begin to provide funding needed to address the backlog of deferred maintenance needs on campus.

**Below is a summary of the projected expenditures for deferred maintenance for the 2009-11 biennium. The expenditures are categorized based on the NDUS approved category listing. These figures are only a projection and will be reanalyzed on a regular basis to ensure funding is utilized for the most appropriate purpose.**

### **Projected Deferred Maintenance Expenditures for 2009-11**

- Building Exterior Repairs and Maintenance - \$1,255,000
- Mechanical/Electrical Upgrades - \$2,680,818
- Interior Finishes - \$570,000
- Paving and Area Lighting - \$350,000
- Utilities and Infrastructure - \$300,000
- Miscellaneous Small Projects - \$200,000

# **Major Capital Project Requests 2009-11 Biennium**

## **Major Capital Projects State Funded Projects**

### **Minard Hall Renovation—Phase III**

#### **Cost of State funded capital projects**

- Minard Hall Renovation—Phase III—\$13 million General Fund
  
- Minard Hall is currently the main classroom building on the campus and is located in the University's historical district. It houses the College of Arts, Humanities and Social Sciences, along with the Psychology and Mathematics Departments of the College of Science and Mathematics. The existing four-floor building contains 78,000 gross square feet of classrooms and faculty offices constructed in three phases beginning in 1903. It has been renovated a number of times over the past 100+ years to meet the changing uses of the building. Its exterior is structurally sound, but the interior is in need of a complete renovation after 36 years of heavy use. The last renovation was in the late 1960's when windows were replaced, an elevator, ventilation and air conditioning systems were added, heating and electrical systems were upgraded and space was rearranged and decorated.
  
- Building modifications for the renovation would include new mechanical and electrical systems, technology upgrades, correction and elimination of all building code deficiencies, asbestos removal and elimination of coal dust infiltration, modest area increases in faculty offices and supporting spaces, additional classrooms to meet the growing instructional need requirements for both students and faculty, new roof, windows and tuckpointing of the building's exterior.
  
- Phase III will consist of renovation of the remaining portion of the building, including replacement of the HVAC system, general construction and electrical work. There is no additional operating expenses, as this is a remodel and will not increase square footage.

# Major Capital Projects Non-State Funded Projects Revenue Bond Funded

## **Niskanen Apartment Complex Expansion**

### **Cost of Revenue Bond funded capital project**

- Niskanen Apartment Complex Expansion - \$20,000,000
  
- The F Court Apartments (renamed Niskanen Apartments) were constructed in 1982, 1983, and 1984 for a predicted increase in single student and family housing. The 31,056 square foot apartment complex consisted of three, two-story buildings, each containing two bedroom units. On October 21, 2000, a fire destroyed one of the three 16-plex apartments located in the northwest corner of the University Village Apartment area. In January 2001, NDSU requested and was granted authorization to proceed with the replacement of the building immediately upon passage of Senate Bill No. 2137. Governor Hoeven signed this bill into law on January 30, 2001, to construct a new 30-unit apartment building to replace the 16-plex destroyed by fire. That project has been completed and is operational.
  
- The project will consist of the addition of approximately four new apartment buildings, encompassing 200,000 square feet, adjacent to the current structure. These fully accessible buildings will feature two-bedroom apartments consisting of a kitchen, two bathrooms, data ports for high speed Internet access, cable television, and air conditioning. Laundry facilities will be located on each floor, as well as lounges for studying and social interaction. A large community room will also be included in this project. The expansion will provide an additional 800 beds to the campus.
  
- Enrollment this fall reached an all time high of 13,229 students. NDSU's record enrollment includes 2,661 new freshmen, 495 more than last year, an unprecedented 22.9 percent increase. Subsequently, NDSU had over 400 students in nine motel properties. The proposed expansion of the apartment complex would meet the demand and need for immediate housing on campus. In addition, expanding the campus options for apartment style living will serve both first-year and upper-class students and will meet the overall demand for on-campus housing.

# Major Capital Projects Renovations Non-State Funded Projects

## **Auxiliary Enterprises/West Dining Services Renovation**

### **Student Health Services Expansion**

#### **Cost of Locally funded capital projects**

- Auxiliary Enterprises/West Dining Services Renovation—\$7 million  
*Funded through revenue bonds and auxiliary funds*
  - Student Health Services Expansion—\$1.1 million  
*Funded through student fees and auxiliary funds*
- The **Auxiliary Enterprises building** is a 29,116 square foot, one-story building that currently houses the Dining Services Production Bakery and Commissary Operations, as well as the NDSU University Police department.
    - As food services' methods of food preparation and delivery have evolved on campus, the functions in the building have changed. In addition, space allocation and equipment have not changed to keep pace with the revised functions and scope, so the existing food service layout for supply, production and delivery is outdated.
  - The **West Dining Center** opened in 1971 and had some minor renovations done in 1999. The renovation and expansion of the West Dining Center will be focused on upgrades to the dining room, relocation of a portion of the serving area into the current dining room, and building an addition to the south that will expand seating capacity and greatly improve the look of the building.
  - When the Wallman Wellness Center opened in fall 2001, **Student Health Services** housed 1.5 FTE health care providers. Now, with 3.0 FTE – one physician and two nurse practitioners – the current space has been maximized and is no longer sufficient.
    - The 4,000 square foot expansion would include provider offices, exam rooms, storage, mechanical and radiology/X-ray service areas.

# Major Capital Projects

## Non-State Funded Projects (cont.)

### Projects carried-over from the 2007-09 Biennium

#### Ellig Softball Complex

#### Bison Sports Arena Renovation

##### Cost of Privately funded capital projects

- Ellig Softball Complex—\$4.5 million  
*Funded through private donations*
  - Bison Sports Arena renovation—\$25.5 million  
*Funded through private donations*
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- The existing softball complex is the site of four diamonds used primarily by university students, including intramural participants and intercollegiate athletes. Several youth and adult community teams also use the complex. The project includes the construction of a press box, dug outs, locker rooms, and restrooms for both the athletes and the general public. The project also includes the upgrade and partial replacement of the irrigation system as well as the complete retooling of each diamond. Finally, bleachers, lights, and a maintenance storage area are paramount to the success of the project.
  - The independent study done by a consulting firm in 2003 recommended that the emphasis of work done at the Bison Sports Arena focus on improvements to the facilities and the existing infrastructure: the HVAC system; ADA compliance; locker room expansion and upgrades; athletic training areas; classroom technology enhancements; relocation of offices, conference, and meeting rooms; and replacement of the unsafe playing surfaces and bleacher systems in the building.
  - The scope of the project has since been expanded to include: the replacement of the existing roof; new north and south entrances to the building; a new practice gym; improvements for the wrestling, track and baseball programs; and an addition to the east side of the building to accommodate suites and premium seating facilities.