

NDSU NORTH DAKOTA
STATE UNIVERSITY

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NDSU Budget Process

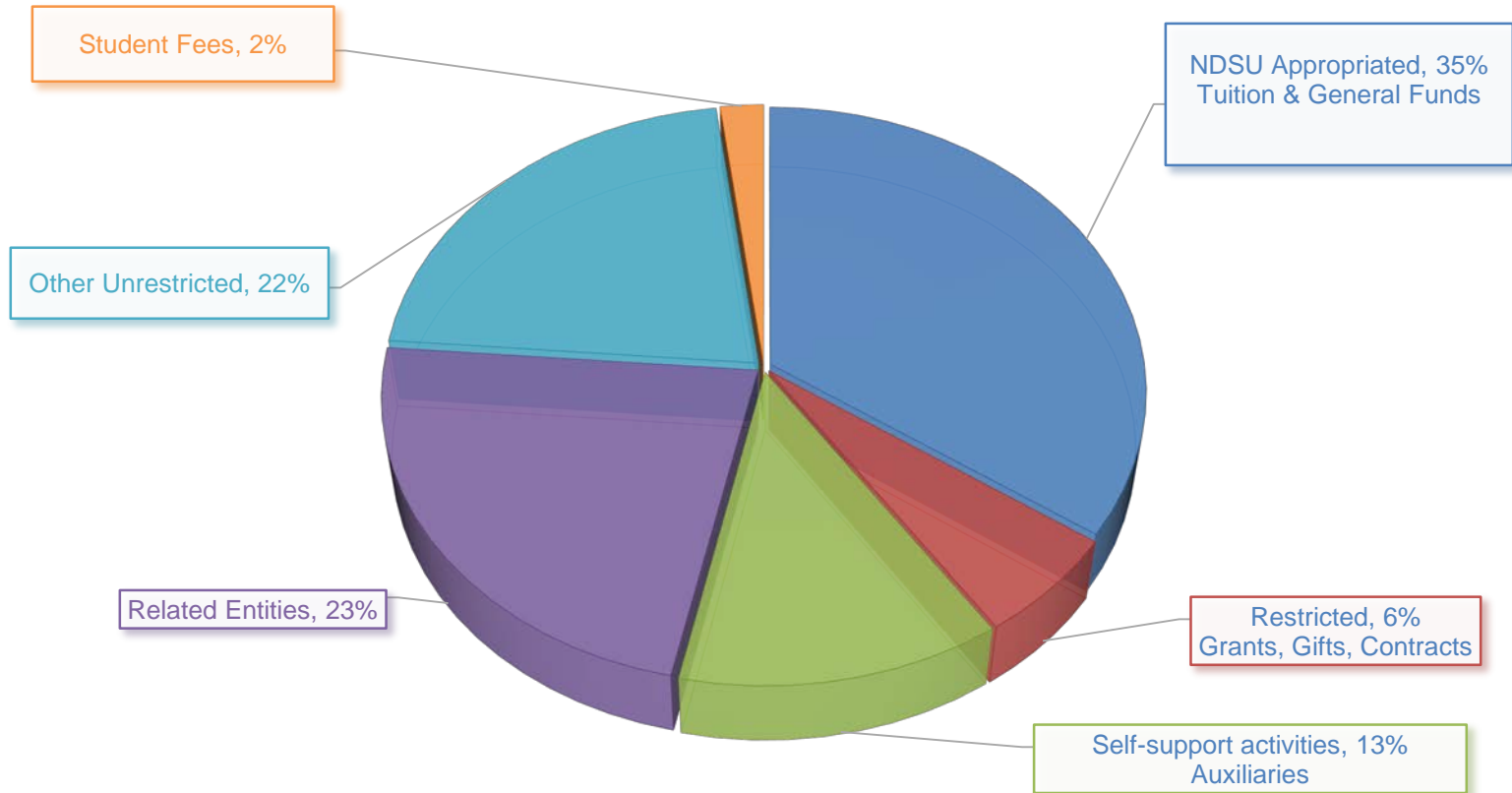
Bruce Bollinger, VPFA

Cynthia Rott, Budget Director

What is a budget?

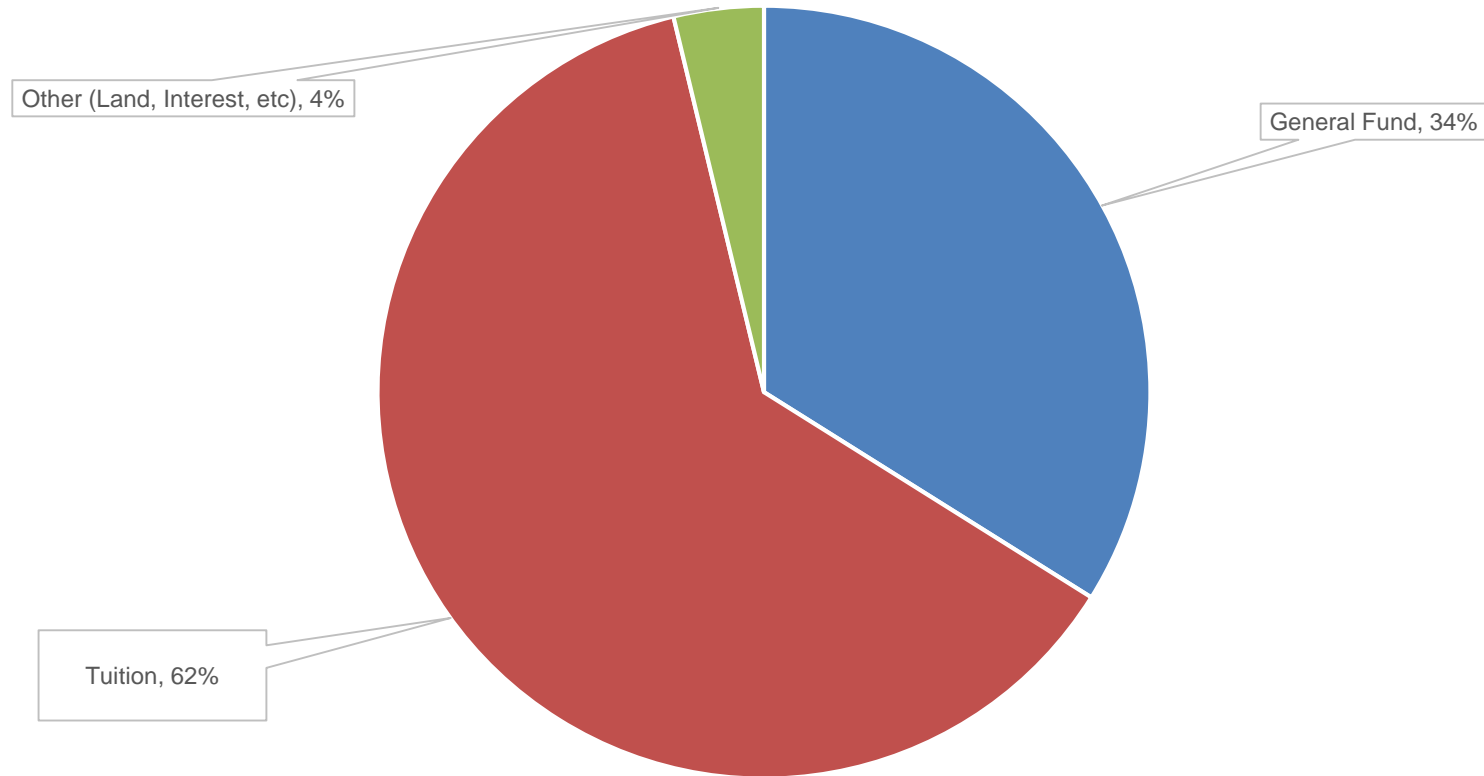
- A realistic estimate of revenues and expenditures for a set period of time, using the best information available at the time of preparation.
- A plan for allocating revenue to meet expenditures
- Complicated, technical, detailed (some say boring), required. Responsibilities outlined in State Board of Higher Education (SBHE) Policy 802.6, part 5

NDSU's Operating Revenue Budget *submitted as part of the biennial process*



NDSU's Appropriated Revenue

What are the sources?



FUNDING ANALYSIS – FY 2018 National per FTE Funding

State funding per FTE for the public institutions of higher education in North Dakota are above the national average, as are educational revenues (tuition and fees) per student.

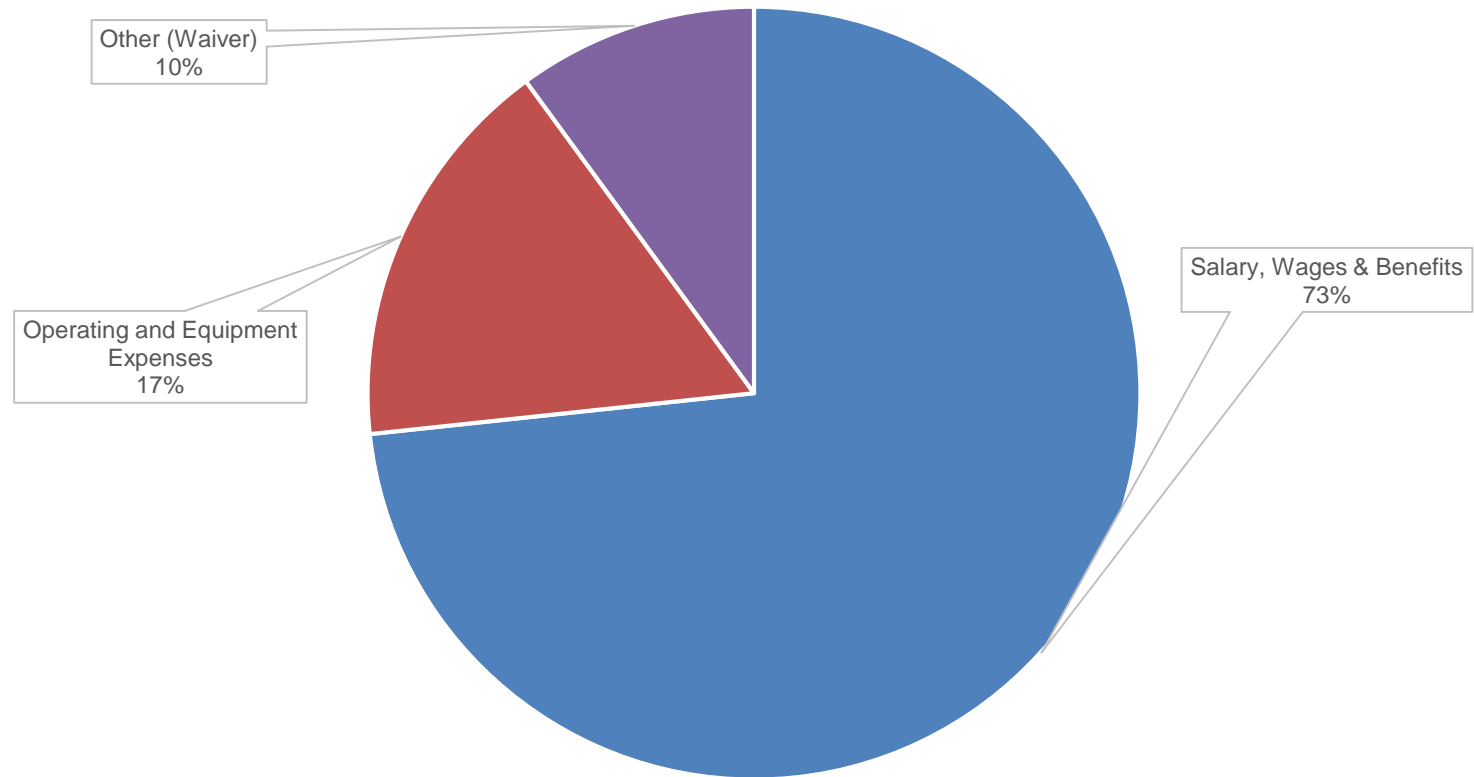
FY 2018 Total Educational Revenue per FTE - Public Institutions of Higher Ed			
Total Educational Revenues Per FTE*		Educational Appropriations (State/Local) Per FTE*	
1 Michigan	\$ 22,508	1 Wyoming	\$ 18,001
2 Illinois	21,979	2 Alaska	15,151
3 Wyoming	21,762	3 Illinois	14,605
4 Alaska	20,988	4 Hawaii	12,560
5 Delaware	19,193	5 New Mexico	10,816
6 Alabama	18,812	6 North Carolina	10,429
7 Connecticut	18,539	7 Idaho	9,857
8 Maine	17,468	8 Nebraska	9,699
9 Indiana	17,328	9 Georgia	9,166
10 Hawaii	17,313	10 Tennessee	8,774
11 North Dakota	17,271	11 New York	8,697
12 Vermont	17,142	12 California	8,553
13 Minnesota	17,105	13 North Dakota	8,273
14 Nebraska	16,652	14 Connecticut	8,123
15 South Carolina	16,318	15 Nevada	8,094
16 Iowa	16,154	16 Arkansas	7,873
17 North Carolina	15,944	17 Minnesota	7,758
18 New Jersey	15,808	18 Maine	7,750
19 Pennsylvania	15,728	19 Texas	7,707
20 Tennessee	15,635	20 Massachusetts	7,556
US	\$ 14,566	US	\$ 7,853

*Excluding Ag research, extension and med school funding.

Source: FY2017 SHEEO State Higher Education Finance Report

NDSU's Appropriated Expenses

Where does it go?



Key budget facts

ND Higher Education budget consists of 11 institutions and the system office.

Responsibility for budgeting is at many levels

- State Board of Higher Education
- ND University System Office
- NDSU
- NDSU related entities

Key budget facts

NDSU's institution budget is separate from its related entities.

NDSU related entities have separate budgets:

ND Forest Service, Agriculture Experiment Stations, Extension Service, Upper Great Plains Transportation Institute, Northern Crops Institute

Key budget facts

- NDSU budget information available at www.ndsu.edu/budget
- We are required to prepare a *comprehensive* budget; which means budgets are prepared for...
 - Departments: ~140
 - Budgeted funds: ~1100

NDSU and related entities

BUDGET	FY2019-20	FY2018-19	FY2017-18	FY2016-17	FY2015-16
General Fund & Tuition					
NDSU	\$ 191,149,092	\$ 192,199,711	\$ 188,958,999	\$ 197,217,037	\$ 193,391,603
NDAES, UGPTI, NDFS, NCI	\$ 53,890,448	\$ 50,557,511	\$ 53,438,168	\$ 52,773,707	\$ 60,574,685
Total	\$ 245,039,540	\$ 242,757,222	\$ 242,397,167	\$ 249,990,744	\$ 253,966,288
Grants/Contracts & Other Funds					
NDSU	\$ 233,610,271	\$ 208,857,757	\$ 173,378,911	\$ 183,569,011	\$ 170,306,375
NDAES, UGPTI, NDFS, NCI	\$ 70,390,353	\$ 69,762,367	\$ 62,349,013	\$ 66,092,821	\$ 64,530,916
Total	\$ 304,000,624	\$ 278,620,124	\$ 235,727,924	\$ 249,661,832	\$ 234,837,291
Total	\$ 549,040,164	\$ 521,377,346	\$ 478,125,091	\$ 499,652,576	\$ 488,803,579
Operating Expenditure Budget					
NDSU	\$ 424,759,363	\$ 401,057,468	\$ 362,337,910	\$ 380,786,048	\$ 363,697,978
NDAES, UGPTI, NDFS, NCI	\$ 124,202,326	\$ 120,725,532	\$ 116,187,182	\$ 121,888,685	\$ 125,105,601
Total	\$ 548,961,689	\$ 521,783,000	\$ 478,525,092	\$ 502,674,733	\$ 488,803,579

Role of Finance & Administration

The Budget responsibilities have been delegated to the VPFA and Budget Director as outlined in the policy:

- Ensure institutional budget complies with Board guidelines
- Accountability for all funds; prepare a comprehensive budget
- Reporting budget and other fiscal status to the Board
- Monitoring procedures in place to ensure campus operations comply with Board policies and guidelines

Budget Responsibilities

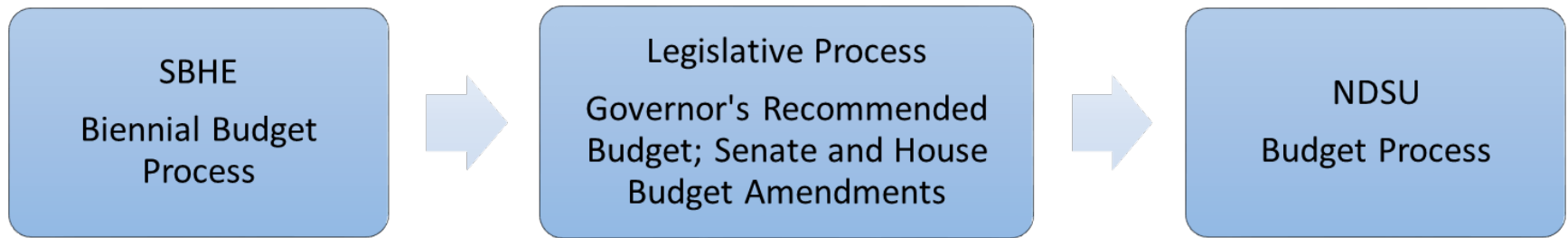
NDSU will fulfill the responsibilities of State Board of Higher Education (SBHE) Policy 802.6, part 5:

- Allocate institution resources in a manner consistent with expected Board outcomes and pertinent laws, rules, policies and governing accounting policies and procedures, and, within limits established by this policy, reallocate resources within the institution. Annual budgets are approved at the institutional level, not functional or departmental level;
- Institutions may make budget revisions, adequately documented and the president or other institution officer who is delegated that authority has approved the revisions;
- Ensure that the Board's budget guidelines for a given fiscal year are incorporated into the institution budget are carried out operationally;
- Be accountable for all funds, property, equipment, and other facilities assigned or provided to the institution to ensure that all are used consistent with laws, policies or other specific requirements;
- Periodically report budget and other fiscal status to the Board, consistent with the format and intervals as established by the Board, to alert the Board to significant budget and fiscal variances;
- Adequately plan and make necessary budget or spending adjustments to avoid unusual deficit fund balances at fiscal year end;
- Ensure that monitoring procedures are in place to ensure the campus operates within the annual budget as approved, except as otherwise permitted by the policy; and
- Ensure that all institution officers and employees act in a manner that is consistent with established university system priorities.

Biennial Budget Key Facts

- Covers two year period
- Next budget will be for 2021-2023
 - July 1, 2021 through June 30,2023
- Begins with the costs to continue salary and benefits.

Biennial Budget Process



Biennial Budget Process

- SBHE sets priorities
 - Higher Education Funding Formula
 - Operating budget request priorities in about **April** of even numbered years
 - Capital project
 - Request priorities in about **June** of even numbered years

SBHE Budget Process

- After priorities are established and set by the SBHE, detailed budget plans are developed by the university system office in compliance with the ND Office of Management and Budget (OMB) requirements.

Legislative Budget Process

- Final SBHE request submitted to the Governor in **July** of even numbered years
- Governor releases Executive Budget Recommendation in **December** of even numbered years

Legislative Budget Process

- All budget requests are analyzed, discussed, approved and set for final appropriation by the Legislature (Jan-May).
- State General Funds, in large part, is driven by the Higher Ed Funding Formula
- In general, the budget process takes about **15 months**, beginning in April of even numbered years and ending in June of odd numbered years.

NDSU Budget Process

- After the Legislative session concludes any new resources are provided to the Provost
- Provost determines the allocations in support of institutional and SBHE priorities

Thank you!



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