NDSU Budget Allotment

NDSU’s budget allotment is $6,402,472. Our proposed plan was developed in a collaborative effort among the President, Provost and academic deans. It addresses the allotment through both a short-term and long-term strategy and is consistent with the Chancellor’s budget allotment guidelines.

NDSU’s Strategic Vision and Strategic Plan describe our focus in the areas of learning, discovery and outreach. The research emphasis is on developing capacity in three Grand Challenge areas that build on current strengths at NDSU and address substantial needs of the citizens of North Dakota, the nation and world. The student success piece, as one of pre-existing highest priorities as highlighted in the President’s State of the University address in October, addresses the goals of improved retention and graduation rates. We will in particular protect funding for student success initiatives aimed at retention and graduation.

To meet the immediate budget allotment goal, we will:

**Delay Implementation of the Grand Challenge Interdisciplinary research initiative.**

$3,200,000 – Combination of involved salaries and operating expenses.

- This initiative is focused on developing interdisciplinary team science that addresses the needs of North Dakota, the country and the world in the areas of Food Systems and Security; Healthy Populations and Vital Communities; and Sustainable Energy, Environment and Societal Infrastructure. This delay will affect NDSU’s ability to compete for large-scale federal grants and to address critical issues.

- **Update (6/6/2016).** Two research teams have received a small amount of funding to develop detailed plans for pursuing these research objectives, and are meeting this summer. The full initiative has been delayed until the next biennial budget is approved by the legislature. The delay of this initiative does not affect NDSU’s existing research portfolio.

**Administrative/Faculty and Programmatic reductions.**

$3,202,472 – Combination of reduced salary and operating expenses.

- Restructure the degree of review of requests to hire on open faculty and staff positions. We will evaluate positions based on centrality to the mission of the department, college, and University. We expect that this will result in a decrease in the breadth of courses taught, less administrative support for faculty, and perhaps delays in processing and in service delivery.
  - **Update (6/6/2016).** Faculty and administrative positions now receive an additional level of scrutiny, and a request to hire on such a position must be accompanied by a justification based on the strategic mission of NDSU.
• Hold positions open for longer periods; the length of time that a position will be kept open will depend on the nature of the position and potential cost savings.
  o Update (6/6/2016): We have delayed hiring on open faculty and administrative positions. As of 6/6/2016, there are 95 faculty, administrative and staff positions that will remain open for between three and twelve months. We expect more positions to be vacated and kept open through the end of fiscal year 17.
• Retaining and recruiting highly qualified and experienced faculty and staff in a competitive national environment remains a priority of NDSU. NDSU plans to allocate a 3% overall average salary increase.
  o Update (6/6/2016): As directed by the Chancellor, NDSU allocated a 3% overall average salary increase.
• As specifically directed by Chancellor, evaluate course loads and class sizes, and make adjustments as needed.
  o Update (6/6/2016). We have evaluated courses based on student need and enrollment to yield approximately $400,000 in instructor savings by merging sections and eliminating low enrollment courses.
• Continue to scrutinize salary adjustments and operating expenses, including travel, for centrality to mission of department, college and University.
  o Update (6/6/2016): The Provost travel program was not provided in FY16 and will not be available in FY17. Deans and unit directors continue to scrutinize travel and other spending.
  o The NDSU Research and Technology Park is proposing to issue taxable bonds to advance refund the bonds issued by the City of Fargo in 2007 to refinance the Research I and Research II buildings. The refinancing will accomplish three goals of NDSU:
    ▪ Eliminate the private business use restrictions imposed on Research I and Research II buildings by the Internal Revenue Code as a result of the current tax-exempt financing;
    ▪ Provide for the transfer of title to Research I and Research II buildings to NDSU when the bonds are paid; and
    ▪ Reduce the interest expense to NDSU.
• Continue to evaluate shared services with NDSCS. Recently, NDSU partnered with NDSCS on payroll processing and is currently evaluating other services in order to increase efficiency.
  o Update (6/6/2016): NDSU has recently been partnering with NDSCS and reviewing the processes and protocol of best management practices with procurement. For example, this would include combining purchasing volume to receive better pricing on goods and services.
• Evaluate the feasibility, efficiency gains, and value of shared service across campus units (departments, programs and colleges).
  o Update (6/6/2016): We continue to pursue shared services across campus departments and units. Please see long-term goals at end of this document.
• Prioritize building repairs and maintenance using the criteria of safety and security, staff, student and faculty well-being, instructional needs, and the requirements of our research mission. Currently, NDSU prioritizes space renovations through the Learning Spaces Executive Committee, a representative committee charged with evaluating and prioritizing all campus requests.
Update (6/6/2016): NDSU has been prioritizing building repairs and maintenance. Some of the projects that have been approved by the SBHE have been:

- **Loftsgard Hall Room 116** - Converted a laboratory area containing growth chambers into a teaching space for interactive lab learning. The growth chambers and the space are no longer used for the originally intended function and are essentially vacated. The primary objectives for the renovated space include the ability for individual and team based learning and flexible lab/teaching space to accommodate dynamic course needs. The renovation will provide additional teaching space for investigating the internal workings and relationship of plants, soil and water and incorporate modern technologies for virtual lab activities.

- **Sudro Hall Animal Chambers and Lab Maintenance/Remodeling** – Upgraded the existing Sudro Hall small animal chambers, adjacent rooms, and expand into an adjoining lab. The renovation of the space is to meet biosafety requirements that are outlined by the DCD in Biosafety in Microbiological and Biomedical Laboratories, and OSHA’s Blood borne Pathogen Standard and the NIH Guidelines for Research Involving Recombinant or Synthetic Nucleic Acid Molecules are also drivers for this activity. With a recently awarded grant that involves research that includes the use of infectious disease agents, it is required to convert the current Small Animal Facility into an Animal Biosafety Level 2 (ABSL-2) Research Facility. Currently, the facility does not meet the Animal Biosafety Level 1 (ABSL-1) Guidelines.

- **E. Morrow Lebedeff Hall 3rd Floor Ventilation Upgrade** – EML currently has one air handling unit located on first floor that supplies all three floors. The unit has three zone controls for temperature, one for each floor that have created several temperature and comfort issues for occupants as well as inadequate ventilation of the spaces. This project will focus on third floor, which is a mix of classrooms and office suites. A new rooftop air handling unit and associated components will be installed for the third floor during this phase. Asbestos materials will be removed to accommodate ductwork installation along with as much additional asbestos removal as the budget will allow for cost efficiencies. This will include ceiling and flooring work, in addition to new lighting where applicable. Installation of the new air handling system will require some work in the first floor mechanical room to separate the systems. The existing first floor air handling unit will now serve two floors, allowing for increased ventilation flows, until funding is available for future phases to upgrade the AHU, ductwork, controls, and to change out the steam fed fin tube radiation heating loops to a hot water system on first and second floors.

- Forego for one year other research activities outlined in strategic plan, including establishment of a President’s lecture series, a Ph.D. fellowship program, travel grants to visit federal agencies, competitive packages for graduate students and other such initiatives. We expect this will decrease NDSU’s competitiveness in seeking large-scale federal grants, other state and local grants, and public and private contracts.
Update (6/6/2016): The activities in this category were new programs beyond our current robust support of research activities on campus; these were aimed at enhancing current support of NDSU’s research mission. To support graduate assistants, we have reprioritized some funds to support graduate students who teach undergraduates. We continue to seek programs that support our research mission at a lower cost. For example, NDSU recently sponsored NSF day for the region, a program that provides guidance for researchers who seek funding from NSF. Researchers continue to be successful in obtaining federal, state and local grants.

To meet the long-term budget goals of NDSU, for planning purposes, the Office of the Provost is in the process of creating a broadly representative advisory task force. This task force will be charged with studying and recommending long-term budget adjustments, if such adjustments become necessary. The following principles will underpin the task force’s work:

- 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;

It is expected that the committee will solicit input from all sectors of campus, but especially those that might be affected by its recommendations.

Update (6/6/2016): The committee has met weekly since February and will deliver a final report to the President in June. The committee solicited input using a Qualtrics survey (which received over 250 responses), a town hall meeting for the campus, and by having individual discussions with the campus community. In addition, the Faculty Senate Budget Committee provided guidance. The Provost has discussed the draft of the report with the Deans, the Faculty Senate Budget Committee, the department chairs and heads, and her direct reports. We will begin implementation of the recommendations of this report during the 2016-2017 academic year with the goal of achieving the required budget reduction in the appropriate time frame. Some of the ideas that are being considered for implementation are:

- A conservative early retirement plan that will reduce salary and fringe benefit expenditures while preserving the core mission of NDSU
- A reorganization of NDSU’s administrative structure, starting with an analysis of central functions (Vice Presidents and Deans) and proceeding through Centers, Departments and Units. Any cost-saving administrative reorganizations will proceed the implementation of shared services across campus.

As outlined above, NDSU is on track to meet both the FY17 budget allotment and the biennium budget reduction goals.