Dear Members of the Campus Community,

Recent state budget projections indicate that North Dakota will face a shortfall in revenue collections this biennium. This shortfall can be mostly attributed to the agriculture and energy sectors; analysts do not predict a turnaround in collections during this biennium.

Due to the expected shortfall, state agencies have been asked to plan for a 4.05% budget reduction, being referred to as an allotment. The total for NDSU is approximately $6.4 million. In broad strokes, the Chancellor has directed us to scrutinize spending in particular categories, including hiring, travel, and equipment purchases; to consider shared services that yield efficiencies; to evaluate efficiencies in course delivery, specifically annual faculty course loads; and to prioritize building repairs and maintenance based on safety and well-being. We cannot consider increasing tuition or fees to offset the budget allotment.

Our approach to the budget allotment will be to use one-time savings to the greatest extent possible. In particular, we will:

- Delay funding for the Grand Challenge Initiative until Fall 2017. We will continue to evaluate the final proposals and to plan the activities associated with those proposals, but no money will be allocated to permanent expenses such as hiring faculty until FY2018 (Fall 2017).
- Intensify the level of review of requests to hire for open faculty and staff positions. We will evaluate positions based on centrality to the mission of the department, college, and University.
- Evaluate the feasibility, efficiency gains, and value of shared service across units (departments, programs and colleges)
- Reduce spending on some professional development activities that are funded centrally
- Follow all directives and stipulations from Chancellor Hagerott and the State Board of Higher Education as they become available

Please note that this message is based on information that we currently have. As the situation unfolds, we may receive information, directives, and requirements from our governing bodies; we will, of course, incorporate those into our plans at NDSU. As you can see from the attached document, the Chancellor has already provided specific parameters for working through this budget situation. We anticipate more communication from Chancellor Hagerott and from the SBHE as the spring progresses.

Currently, the reduction applies only to the current biennium. We will also be creating a study group comprised of faculty, staff and students to provide guidance in the event of more permanent budget adjustments.

We are required to provide our submission to the system office by Feb. 11. Due to the short deadline, we do not find it feasible to have the sort of campus-wide discussion that we, in normal times, might pursue. Instead, I will work with Vice Presidents to review the plan with their leadership groups and communicate with their departments and units. We plan to communicate regularly with campus about this evolving situation, and ask for both your patience and guidance as we move forward.