

Report to NDSU Faculty Senate

May 22, 2025

Faculty Senate Budget Committee

This report describes the activities of the Faculty Senate Budget Committee during the 2024-2025 academic year and plans for 2025-2026

Faculty Senate Budget Committee Membership Fall 2024-Spring 2025

Carrie Miranda, AFSNR

Jeff Johnson (Chair), A&S

Newell Wright, BUSN

Lisa Montplaisir, Faculty Senate President

Shannon David, HHS

David Bertolini, Provost (ex officio)

Bruce Bollinger, VP for Finance and Administration (ex officio)

Anna Kessel, Student Government

The Faculty Senate Budget Committee (FSBC) met a total of three times during the 2024-2025 academic year. This was less frequent than is typical. Meetings took place approximately every other month between October 30th, 2024, and April 3rd, 2025.

Activities of the FSBC over the last year are summarized below:

- 1) Our first meeting of the fall semester took place on October 30th, 2024, when we met with Provost Bertolini. Our discussion focused on a range of issues, including 1) whether the new budget model was fully active and if colleges were fully responsible for their finances, 2) whether the program closures initiated in the last few years had result in expected cost savings and if any additional closures were anticipated, 3) how growth in new programs (e.g., MBA) was panning out and whether there were plans to invest in other new programs, 4) the status of hiring on campus, 5) recommendations for how the FSBC can help support the new budget model, 6) strategies for encouraging an institutional culture focused on the “greater good,” 7) whether another round of VSIPs was anticipated. Provost Bertolini confirmed that the new budget model was in its second year of full implementation and that there were still some Colleges that were running annual deficits. Work was being done in consultation with Deans and others to figure out how to rectify this situation going forward. The Provost emphasized how the decision to close programs is very difficult and that they are focusing on how to rectify budget shortfalls by reducing expenses and increasing revenues, rather than closing programs. The university received \$4M that supported the initiation of nine (9) new programs, eight (8) of which were online, with growth >200% in the first year, which was considered highly successful. A new Master’s in Project Management was mentioned, as was the availability of additional funds to support

the development of additional online programs and courses. The Provost highlighted that while the admin feels like it is important to expand the available online offerings at NDSU, they. Regarding hiring, the Provost emphasized that faculty lines remain with the college and the Dean decides how to allocate funds in keeping with their hiring plans. Not a hiring freeze per se, but plans to hire are being carefully scrutinized in light of ongoing uncertainty regarding enrollment trends and budget negotiations anticipated for the upcoming legislative season. VSIPs not anticipated in the near term. The Provost emphasized the need to create an institutional culture focused on the “greater good,” although it was acknowledged that it is a challenge to make this happen.

- 2) On January 31, 2025, we were joined by NDSU Academic Affairs Budget Director, Jody Dewald, and Provost Bertolini. Jody walked us through a range of issues, including 1) her basic job responsibilities, 2) the different types of funding sources and accounts that make up the NDSU budget, 3) how the process of solidifying the budget works between her office and the various colleges, 4) the status of the NDSU budget and expected budget situation over the next several years, 5) how VSIPs affect the budget and how faculty should interpret the most recent round of VSIPs (what does it mean for the status of the budget). Jody discussed how the Provost’s office works with the business manager in each college to sort out the budget details, with the budget itself provided by NDSU Budget Director Cindy Rott’s office following negotiations with the ND State legislative assembly. Main sources of funds consist of state appropriations and student tuition, with smaller sources such as facilities and administrative funds (aka, “indirects”) derived from externally funded grants, local funds from recharge centers, and foundation money. State appropriations cover nonacademic costs (e.g., bills, rent, etc.). After non-college unit expenses are covered (18% off the top), funds available in the allocable pool are distributed according to the incentivized tuition model. At the time of this meeting, Jody reported that 5 colleges were running positive balances (with COB being particularly well off), that spring enrollments were holding steady from the previous year after several years of declines, and emphasized the need to get students off of waitlists, if possible (funding is based on course enrollment numbers, not student admissions numbers). VSIPs deliver savings primarily in the form of reduced salary costs and faculty shouldn’t read too much into the recent round.
- 3) On April 3, 2025, we were joined by NDSU Budget Director Cindy Rott and Provost Bertolini. Cindy gave us an informal presentation that provided an overview of the NDSU budget process, including its overall structure, the source of the different funds, how these funds are allocated, etc. Briefly, the budget is based on project revenues and planned expenditures at a specific time, with different people in the budget office, administration, colleges, etc. playing different roles in the process. There are many different levels of approval for budgets (department, college, admin, state, etc.), and NDSU’s budget is distinct from related entities, such as the ND forest service, ND extension, and ND agriculture experimental. The comprehensive annual budget includes ~140 departments and ~1200 distinct budgeted funds. Tuition is very important as it constitutes 62% of total revenues, with 34% of revenues consisting of general funds. A number of things impact revenue, include whether students are full time or part time, the number of students on waitlists,

etc. Regarding the budget process, President Cook provides an initial budget and they (the budget office and the President) meet with the legislature many times to discuss the proposal. At the time of this meeting, they had met with the legislature 6-8 times, with more meetings planned. Cindy's office (basically her and two other staff members!) was in the process of preparing the annual budget for 2025-2026 and the biennial budget for system approval (note: these budgets can be found on the budget office website). Regarding planning, Cindy highlighted how it's very difficult to make projections going out even one to two years, given the number of variables involved and the challenges of quantifying these. However, they use factors such as enrollment trends, student credit hours (past and anticipated), the university's priorities, and other information to try and plan. We also spoke a bit about monies for NDSU capital (e.g., for new buildings and the like) campaigns come from. This involves the preparation of a master plan that includes a 6-year view of where they think campus growth/retraction might happen. These plans are often shared with legislature, who have in the past funded portions of these proposals. A lot of the funds though come from the many generous donors we are lucky to have. There were several questions we didn't have time to get to, so we plan to schedule another meeting with Cindy sometime in the next year.

- 4) For the 2025-2026 academic year, we plan to meet at least once or twice with the Provost to get an update on the current state of the budget, and we'd like to meet with Karin Hegstad or someone else to discuss potential budgetary ramifications of proposed reductions in federal F&A rates on external grants, and current plans should these reductions wind up being implemented. We have also discussed the possibility of holding one or more workshops or informational meetings (maybe a panel discussion?) that would serve to disseminate information about the NDSU budget and budget process to the faculty and other interested parties.