

Report to NDSU Faculty Senate

June 1, 2026

Faculty Senate Budget Committee

This report describes the activities of the Faculty Senate Budget Committee during the 2025-2026 academic year and plans for 2026-2027

Faculty Senate Budget Committee Membership Fall 2025-Spring 2026

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The Faculty Senate Budget Committee (FSBC) met a total of three times during the 2025-2026 academic year, including hosting one open forum in December 2025.

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

- 1) Our first meeting of the fall semester took place on September 30th, 2025, when we met with Provost Bertolini. Our discussion focused on a range of issues, including 1) the current state of the budget and clarification of the budget process (when it is finalized, etc.) , 2) the status of current graduate and undergraduate enrollment, 3) whether new H1B visa surcharges were an issue for NDSU, 4) ongoing confusion about how hiring works (e.g., at what level decisions are made), and what the forecast for new hiring looks like), 6) whether tuition increases are possible/being considerate as a way to deal with budget shortfalls, 7) plans to begin offering reduced-credit degree programs will impact the NDSU budget, and 8) what the Provost views as the biggest challenges and opportunities are for NDSU as we begin to prepare for the next legislative session. Provost Bertolini walked us through the university budget process, beginning with a preliminary budget available in August for the following fiscal year and a final budget available in late summer (usually July). Details of the budget process including Version 1 and final budgets can be viewed at <https://www.ndsu.edu/budget/>. The Provost highlighted that, contrary to claims that “we don’t have a budget” well into the fall semester, the budget is 95% fixed by late summer, with the remainder largely reflecting the status of College carry-over funds. He also highlighted that headcounts were basically identical to the previous year, which is good for

planning, although an increase in faculty health and benefit costs led to an ~\$4.5M deficit. This means that a central challenge of his office is how to increase revenue. To assist with this, a consulting firm was hired to assist with student recruitment. This involved a one-time expense of \$185K, which the Provost suggested netted an additional 184 students, for an approximate return of \$1M. Regarding questions about undergraduate and graduate enrollment, the provost shared the Power BI page and stated the 1st year freshman enrollment is slightly down, but transfer and return students are up compared to last year, with a slight increase in total enrollment overall. He also highlighted that, under the current state budget formula, NDSU receives a lower funding rate per credit hour than UND, which hurts us financially and is something President Cook and others have been working on modifying. Regarding the H1B issue, the Provost didn't think this was a major issue for us at the time, although it could have ramifications for graduate enrollment and some new post-doc and faculty hires. Regarding hiring, the Provost highlighted that any hiring requests should come through the Colleges using a DocuSign form to justify the request. (Note that, as of Summer 2026, hiring plans will be based on Strategic Hiring Plans formulated by the Colleges). Factors determining whether a new hire will be made include past and expected program growth and program needs relative to existing faculty and staff. The Provost highlighted that increasing tuition is not something NDSU can do without approval from state legislature, and that the decision to do so should be made cautiously so as not to harm enrollments. Regarding the biggest challenges and opportunities, the Provost highlighted offering more flexibility in programs, including online or hybrid options, dual-credit courses, certificate programs, revenue-generating professional Masters programs, etc. Finally, the Provost highlight that senators and FSBC members can spread the message about all of the above to their colleagues and encourage creative thinking and planning on these issues.

- 2) On December 2nd, 2025, the FSBC hosted an Open Forum in Anishinaabe Theatre with Provost Bertolini. NDSU Budget Director, Cindy Rott, and VP for Finance and Administration, Bruce Bollinger, were also present and contributed to the discussion. The Provost began with an ~40-minute presentation (slide deck in PPT or PDF is available upon request). A list of the questions that were submitted and a summary of the Provost's responses are appended below:

Summary of Budget Open Forum Discussion

1. It seems like the budgets are coming out very late in the Fall semester, making it hard to plan budgets and spending for the current year (i.e., spending has already happened before we even truly understand what we have in the budget). Can you walk us through the process and the timing of getting finalized budgets to the Colleges? Is there any discussion about adjusting this process so it's easier for departments to plan and allocate funds in a timely fashion?

Provost Bertolini highlighted that the initial budget is finalized and sent to the Colleges by June/July, but small adjustments can be made as late as October or early November, depending on final fall enrollment numbers. So, it's not accurate to say that "there isn't a budget" late into

the semester. There is a budget and the Colleges know what they have to spend to a fairly high degree of specificity (this year's total university academic budget was adjusted by ~\$100K between July and November) and should be able to make spending decisions based on that. It was stressed that achieving that level of accuracy in the initial (June/July) budget is impressive and that small adjustments of the sort that are regularly made really can't be helped given the established census date and state funding formula. Details about the annual and biennial budget process were provided in the Provost's prepared remarks (see attached slide deck). Briefly, NDSU is required to prepare and submit for approval a comprehensive annual budget that includes ALL FUNDS supporting ~140 Departments and over 1100 Budgeted funds. Preparation of the annual budget begins in December of the previous fiscal year (December 2025 for the FY2027 Annual Budget) and is finalized in June. The budget reflects a variety of factors including NDSU's strategic plan, SBHE priorities, and state legislative priorities. College budgets are allocated utilizing the Tuition Incentive Model, which is why they can change somewhat as the final enrollment numbers come in over the first month or so of classes.

2. Since implementing the new budget model, it seems like several colleges are regularly in the negative at the end of each fiscal year. What concrete steps are being taken to remedy this situation? Are any changes to the budget model being considered to address this? Are any more general changes to the budget model being considered at this point?

Yes, this is an issue and is something that is being actively worked on across campus. Concrete steps include ensuring existing course offerings meet minimum enrollment requirements, working with units to develop new programs or courses (e.g., online courses or programs, new certificate programs, etc.), identifying new ways to increase enrollment (outreach, dual credit programs, etc.), and identifying cost-saving measures that will hopefully help Colleges balance their budgets. No major changes to the budget model are being considered at this time.

3. For Colleges that have a budget surplus at the end of the fiscal year, do they get to keep these funds or do they get spread around to other Colleges or programs that have budget deficits? Is it possible to see what each program costs so that we can do better planning to increase our numbers?

Colleges with a surplus are often able to keep some of the surplus amount to do with as they please (this is part of the budget that remains uncertain by the end of summer). However, in some cases, a portion of those funds are taken back and used for other purposes, including balancing the budgets of Colleges or programs that have a deficit. How much is kept versus returned and used for other purposes is worked out between the Colleges and the Provost's office as well as the NDSU budget office. Although this might seem unfair, the Provost emphasized the desirability of adopting a "we're all in this together" mindset focused on the common good, rather than a College/Unit-centric approach. Providing detailed information regarding the costs of each program is more difficult than it sounds, but in principle, this is possible.

4. In the state funding formula for institutions, there are weighting factors for different disciplines and types of courses (lower division, upper division, professional and graduate courses), which means that credits completed in some disciplines and courses receive more state funding than others. Are these differential weightings taken into consideration when determining the budget allocation to different units at NDSU? If not, why not?

This is correct—e.g., pharmacy courses or upper division courses receive a larger share of funding from the state than a lower division Psychology course would. This is because it costs more to offer some courses than others. A large part of this expense has to do with the costs of maintaining the facilities where these courses are offered—e.g., in Chemistry or Pharmacy, there are vent hoods and the like that must be in continual operation, which means that keeping these facilities operational actually costs more. The extra funds received from the state for these courses covers this cost differential and so are not simply passed on to the units.

5. How is the amount per credit for "allocable tuition" determined (i.e. the amount per credit that colleges are allocated for their budgets based on SCH taught)?

I (Jeff Johnson) don't remember what was said about this

6. In the 2023-2025 biennium, the General Fund allocation increased by nearly \$26 million. In the 2025-2027 biennium there was an increase of nearly \$7 million, which represented an increase of \$33 million over the 2023 base. In the two bienniums, the total general fund increase has been \$59 million. Of this a targeted cut of \$24 million has been proposed for the 2025-2027 biennium. This leaves an increase of \$35 million in the current and past bienniums. Does this mean another large correctional cut is to be expected in the 2027-2029 biennium?

Cindy Rott questioned some of the math here and suggested that a large correctional cut was not anticipated at present.

7. Last year, Provost Bertolini got a \$20,000 raise, as did Bruce Bollinger. Dean Wallin (CAS) got a \$40,000 raise. So total, that's \$80k in raises for just those three administrators, which is about as much as we'd need to hire a new tenure-track assistant professor. Other administrators also got giant raises. Why are admins getting enormous raises when we could be hiring faculty in high-need areas or providing raises to existing faculty?

Provost Bertolini clarified that he received a raise of \$9K not \$20K and highlighted that Dean Wallin's extra compensation had to do with her taking on additional responsibilities related to the new Honors College. More generally, he highlighted that, as with faculty and staff, administrative raises are proposed by the State Board of Higher Ed, not by himself or the President, and are approved by the state legislature, with the amount reflecting the current market and what the state can afford. Regarding the question about why we aren't using these

funds to support faculty hires instead, it was pointed out that, first, a typical faculty line would cost considerably more than the amount of these raises (~\$80K going by the above numbers) if you factor in things like F&A, retirement contributions, etc. (i.e., total compensation as opposed to salary alone). Second, the university wasn't given the option of either accepting raises or receiving additional funds for faculty lines or other things, so this is something of a false choice. It was noted that faculty also received raises last year. In each case (faculty and admin), these were the raises SBHE proposed and the state legislature approved and so they were accepted.

8. How much are we spending on the Gallup survey?

\$150,000 per year.

9. There's this persistent rumor that R1, R2, and Barry Hall were financed with long term bonds long ago, and that the continued resource shortage comes (among other things) from the fact that NDSU needs to keep paying bond interest. Is there something to that?

Yes, R1, R2, and Barry Hall were financed in part with long term bonds that NDSU is still paying on, but this is not a major factor in the University's ongoing resource shortages. The Provost noted that NDSU is in relatively good shape with respect to the debt it is carrying.

10. Will there be another round of VSIPs this year?

Nothing is planned at present, but it is possible. Cindy suggested that we'll need to see where the budget is at come April.

end

3) On April 20th, 2026, we were joined by Provost Shari Veil and Bruce Bollinger. The discussion provided a comprehensive overview of how the university's budget currently operates, how hiring decisions are made, and how proposed changes at the state level may affect future funding. Here is an AI-generated summary of this discussion (checked for accuracy by JSJ):

At a high level, the university operates on a decentralized budget model. Of the roughly \$167M total academic budget, about \$93M is distributed to colleges as "allocable tuition", while the rest supports central functions like administration, student affairs, and facilities. College budgets are driven primarily by student credit hours and enrollment (with a ~2-year lag), meaning units that grow enrollment gain resources, while those that shrink lose them.

Although tuition has increased recently, most of that revenue is already committed to covering rising costs—especially partially funded salary increases and benefits like health insurance. As a result, there is very little new discretionary funding, and colleges are largely managing ongoing financial pressure through internal reallocation rather than expansion.

Hiring reflects this reality. There is no central pool of faculty lines at the provost level—decisions are made by deans based on budget and strategic priorities. While there is no formal hiring freeze, many positions are not being refilled due to budget constraints or are being redirected to areas of higher demand. A more formal strategic hiring process is also being implemented, where colleges are reviewing programs and prioritizing hires based on enrollment data and long-term needs. (Jeff note: This process is taking place this summer, so be sure to discuss with your Chairs/Deans if you have thoughts).

Despite the structured nature of the budget model, Bruce Bollinger highlighted that there remains significant flexibility in how resources are used. The model itself is intended as a guiding framework rather than a rigid formula, and many decisions are made through negotiations between colleges. These can include arrangements such as shared teaching responsibilities, salary splits, or other service agreements. The formula does not fully capture the complexity of the institution, and active management is required to make it function effectively.

Graduate programs are another area of increasing pressure. Tuition waivers now come directly out of college budgets, making the cost of graduate education more visible and creating incentives to reduce time-to-degree and limit excess credits. This, combined with declining enrollment trends, is contributing to a broader structural squeeze on resources.

Looking ahead, there is also a proposed state funding model that could shift incentives significantly. The proposal would tie funding more directly to (1) teaching activity (student credit hours), (2) degrees in high-demand workforce areas, and (3) research productivity and PhD training for research institutions like North Dakota State University and University of North Dakota. If implemented, this would move the system further toward performance-based funding, with clearer financial incentives tied to enrollment, graduate output, and external research funding.

Overall, the key takeaway is that most financial decisions are happening at the college level within tight constraints, and future funding may increasingly depend on measurable outputs.

- 4) Natasha Fillmore (HHS) will be taking over as Chair of FSBC in the Fall 2026.