

North Dakota University System Office
Budget No. 215
Senate Bill Nos. 2003, 2030, and 2345; House Bill No. 1375

	FTE Positions	General Fund	Other Funds	Total
2021-23 legislative appropriation	158.83	\$128,198,476 ¹	\$26,232,035	\$154,430,511
2019-21 legislative appropriation	<u>148.90</u>	<u>113,977,097</u>	<u>32,470,993</u>	<u>146,448,090</u>
2021-23 appropriation increase (decrease) to 2019-21 appropriation	9.93	\$14,221,379	(\$6,238,958)	\$7,982,421

¹This amount includes \$11,300,000 of one-time funding. Excluding this amount, the agency's ongoing general fund appropriation is \$116,898,476.

Item Description

Higher education challenge matching grant program - In Section 1 of Senate Bill No. 2030, the Legislative Assembly appropriated \$11.15 million from the general fund to the North Dakota University System office for the higher education challenge matching grant program. The grant funds are to be distributed to eligible institution foundations to match private donations for efforts to enhance academics at institutions. For each \$2 of private donations received by a foundation, \$1 of matching funds is available through the grant program. In Sections 10 and 17 of Senate Bill No. 2003, the Legislative Assembly provided that the University of North Dakota (UND) School of Medicine and Health Sciences is eligible for up to \$1.5 million from the challenge grant program.

Career and technical education and academic scholarship programs - The Legislative Assembly appropriated \$16,216,749 from the general fund for career and technical education and academic scholarships, an increase of \$4.2 million from the 2019-21 biennium appropriation for the scholarships. Any student that meets the requirements for a career and technical education scholarship or an academic scholarship is to receive a scholarship of \$750 per semester, or \$500 per quarter, for each period the student is enrolled at a North Dakota higher education institution and maintains eligibility up to a maximum of \$6,000.

Extraordinary repairs - The Legislative Assembly, in Senate Bill No. 2003, appropriated \$11,117,046 from the general fund to the individual institutions, excluding the Forest Service, for extraordinary repairs. In Section 9 of the bill, the Legislative Assembly provided that institutions must provide \$2 of matching funds from operations or other sources for each \$1 of extraordinary

Status/Result

Through April 30, 2022, a total of \$7,982,833 of challenge grants has been awarded to institution foundations as follows:

Institution Foundation	Total Grant Awards (Through April 2022)
Bismarck State College	\$582,871
Lake Region State College	308,047
Williston State College	0
UND	1,649,915
UND School of Law	250,000
UND School of Medicine and Health Sciences	476,000
North Dakota State University	1,700,000
North Dakota State College of Science	490,500
Dickinson State University	601,750
Mayville State University	512,347
Minot State University	734,950
Valley City State University	577,068
Dakota College at Bottineau	99,385
Total	\$7,982,833

The University System office estimates \$16.1 million of career and technical education and academic scholarships will be awarded during the 2021-23 biennium. Awards in the fall 2021 semester totaled \$3.8 million and were made to 5,071 students.

The University System office is monitoring institutional expenditures for extraordinary repairs to ensure the matching requirement is met.

repairs funding used for a project. The funding is considered Tier I of the capital building fund program, but it is included in the institution's capital assets line item.

Capital building fund program - In addition to appropriating funding for specific capital projects, the 2019 Legislative Assembly established a capital building fund program for the 2019-21 biennium. The Legislative Assembly appropriated \$10 million from Bank of North Dakota profits as Tier II funding under the capital building fund program. The Tier II funding is appropriated directly to each institution and must be matched by the institutions with \$1 from operations or other sources for each \$1 from Bank profits. The Legislative Assembly appropriated \$9 million, including \$7 million from Bank profits and \$2 million from the general fund, as Tier III funding under the capital building fund program. The Tier III funding is appropriated to the University System office, to be allocated to the institutions as matching funds are committed and must be matched by the institutions with \$2 from operations or other sources for each \$1 appropriated as Tier III funding. After an institution has matched 75 percent of the funding appropriated from the general fund as Tier I for institution extraordinary repairs and subject to State Board of Higher Education approval, each institution may use money from Tier II and Tier III of its capital building fund for extraordinary repairs and deferred maintenance projects that do not increase the square footage of a building.

The 2021 Legislative Assembly continued the higher education capital building fund program with a transfer of \$19,000,000 from the strategic investment and improvements fund to a newly created higher education capital building fund. The Legislative Assembly provided continuing appropriation authority from the fund and also provided for the University System to continue unspent 2019-21 biennium appropriation authority of \$3,335,478.

Math pathways - The 2021 Legislative Assembly appropriated \$150,000 of one-time funding from the general fund for a math pathways program.

Dakota Digital Academy - The Dakota Digital Academy was launched during the fall of 2020 using federal funding from the Coronavirus Relief Fund to coordinate, expand, and enhance education opportunities in computing and cyber sciences in North Dakota. During the November 2021 special legislative session, the Legislative Assembly appropriated \$475,000 from the federal State Fiscal Recovery Fund to the University System office for the Dakota Digital Academy.

Through April 2022, the University System office has distributed \$6,611,801 to UND and \$500,000 to Dickinson State University during the 2021-23 biennium from the higher education capital building fund.

The University System will begin curriculum development for the math pathways program in the spring of 2022.

The University System anticipates using the entire appropriation for the Dakota Digital Academy during the 2021-23 biennium.