

North Dakota State Board of Higher Education

September 20, 2023, Budget and Finance Committee Meeting Minutes

The State Board of Higher Education Budget and Finance Committee met via Teams/conf. call on September 20th at 1:00 p.m. CT, via Teams.

Chair Black called the meeting to order at 1:00 p.m.

SBHE Budget and Finance Committee members present

Mr. Kevin Black, Chair
Mr. Jeffry Volk
Ms. Danita Bye
Mr. Tim Mihalick
Mr. Curtis Biller
Mr. Michael Linnell, Staff Advisor

Institution Presidents/Representatives

BSC - Ms. Rebecca Collins, Ms. Sonya Koble, **DCB** - Dean Carmen Simone, **DSU** - President Easton, Mr. Leslie Wietstock, **LRSC** – President Darling, Ms. Joann Kitchens, **MaSU** - President Van Horn, **MiSU** - Mr. Brent Winiger, **VCSU** - President LaFave, **WSC** - President Hirning, Ms. Erica Buchholz, **NDSU** - Mr. Bruce Bollinger, Ms. Karla Stewart, **UND** – Ms. Odella Fuqua.

System Office/CTS/Guests

NDUS - Chancellor Hagerott, Mr. David Krebsbach, Ms. Jane Grinde, Mr. Darin King, Ms. Lisa Johnson, Mr. Jerry Rostad, Ms. Terry Meyer, **AG Assistant Attorney** - Ms. Meredith Larson, Legal Counsel. **Guests** - Bond, Schoeneck & King, Mr. John Godsoe, Melissa Thorpe, **HUB International representatives** – Ms. Angie Mirrione, Mr. Kirk Welsh.

1. **Agenda**

Volk moved, Mihalick seconded, to approve the agenda, as presented.

Biller, Mihalick, Bye, Volk, and Black voted yes.

2. **Meeting Minutes**

Bye moved, Biller seconded, to approve the September 20, 2023, meeting minutes.

Bye, Volk, Biller, Mihalick, and Black voted yes.

3. **VCSU Viking program fee request**

Ms. Erica Buchholz, Vice President for Business Affairs, reviewed VCSU's program request; she explained the Pathway is a new program VCSU will launch during Spring 2024 that is designed to provide academic opportunities to students with intellectual disabilities. In addition to academics, this program will also focus on independent living, socialization, self-determination, and integrated work experiences. A student with intellectual disabilities enrolled in the program has the opportunity to enroll in courses to

earn credit or can choose to audit courses by paying the SBHE approved tuition and fee rates. The program also provides the opportunity for students with intellectual disabilities enrolled in the program to reside on campus if they choose to and would be charged the SBHE approved room and board fees. Mihalick moved, Biller seconded, at recommend approval for VCSU's 2023-24 VSCU Viking Pathway program fee request of \$1,000 per semester, beginning with spring 2024 semester, as presented.

Bye, Volk, Biller, Mihalick, and Black voted yes.

4. NDSU Pavek Hall Renovations request to increase authorization

Mr. Bruce Bollinger, NDSU Vice President for Finance and Administration reviewed NDSU's request to increase authorization for the Pavek Hall Renovations. Pavek Hall is one of the four high rise dormitories and was completed in 1987 at the cost of \$3.9 million. It contains 280 beds and is located in the southwest corner of the quadrangle of the high-rise residence halls. The SBHE authorized NDSU to proceed with the Pavek Hall Renovations project at an estimated cost of \$14,500,000 at its February 23, 2023 meeting. However, the construction climate had changed and when NDSU received the Guaranteed Maximum Price (GMP), it exceeded the original estimates and available funds. Additional funds have since been secured so to avoid any further increased costs and before the GMP expires, NDSU is seeking interim Chancellor approval to increase the project authorization amount and to proceed with the project, with future ratification by the SBHE.

Volk moved, Biller seconded, to recommend approval to ratify Chancellor's interim authorization for NDSU to: 1) increase the project authorization for the Pavek Hall Renovations project from an estimated cost of \$14,500,000 to \$20,500,000 to be funded from local auxiliary reserve funds, capital building tier matching fund, and appropriated operating funds; and 2) to proceed with the project.

Bye, Volk, Biller, Mihalick, and Black voted yes.

5. HR Policy 10 – Retirement

Vice Chancellor Krebsbach explained that the amendment is to comply with House Bill 1183 which was passed last session with an effective of August 1, 2023. HB 1183 expands the definition of a Peace Officer to include Peace Officers employed in the NDUS. The legislation requires Peace Officers to participant in the State's Public Safety Retirement Plan, which is essentially the NDPERS Defined Benefit Retirement Plan that offers higher contribution rates and opportunity for early retirement at the age of 55. Each campus worked with NDPERS regarding affected participants. NDUS Peace Officers are classified employees in the 4000 broadband and therefore current participants in the NDPERS Defined Benefit Retirement Plan. NDPERS, under advisement of their legal counsel, consulted with the campus HR director and the eligible employee in a few instances whereas the NDUS Peace Officer was a current participant in the NDUS Defined Contribution Retirement Plan.

The committee and Mr. Godsoe discussed eligibility provisions of the different plans and how to ensure there is no disruption and or loss of benefits, which may require changes in coordination with the legislation. Mr. Godsoe will investigate and report back with any necessary changes, if needed.

The committee discussed, provided additional language changes, and requested HR Policy 10 be amended as discussed, and returned to the committee next month for consideration. There was no opposition.

6. NDUS Retirement Plan—Secure 2.0 Act

Mr. Godsoe provided an update on the Secure 2.0 Act which is Federal legislation designed to encourage more employers to offer retirement plan benefits and more employees to participate in saving for their future. The law does so by updating and adding new retirement account provisions, including expanding catch-up contributions. Mr. Godsoe explained that the IRS delayed implementation of Secure 2.0 until January 1, 2026. This was due to administrative burdens placed on Plan Sponsors involved with required plan changes which were originally effective January 1, 2024.

Currently, NDUS retirement plan participants are allowed to make elective deferrals within the NDUS supplemental retirement plans, including catch-up contributions provided they meet an age requirement. Secure 2.0 will require plan participants fifty years of age or older to utilize an after-tax ROTH plan for catch-up contributions. The NDUS currently offers a pre-tax Roth within the 403(b) plan, but an after-tax Roth would need to be added. The NDUS payroll system will also need to be revised/adjusted to be able to identify individuals who are subject to the new provision. He noted that most plan sponsors are planning for the 2026 implementation, however, NDUS can decide if they can meet the 2024 implementation for their participant.

After further discussion, the committee members agreed to re-visit the Secure 2.0 provision at a later date, no action is necessary at this time.

7. Review Payment Processes for Retirement Plan Expenses

Mr. Godsoe stated that revenue credit earned from the NDUS retirement plan investments are allowable to pay direct, reasonable, and necessary expenses of the plans which may include paying expenses for legal services, consulting, and investment advisor services. Historically, any NDUS retirement plan expense has been paid by revenue credit that is generated within the plans, currently, four of the five plans generate a revenue credit. The 401(a) Executive Compensation Plan does not generate revenue credit. He noted that in the past it was generally just recordkeeper fees, which are assessed by the recordkeeper, however, by retaining legal services (Mr. Godsoe) and hiring an investment consultant, the expenses associated with the plan have increased. Mr. Godsoe further stated that the allocation of expenses and determining who pays the expenses amongst the participants is a fiduciary decision. The SBHE Budget and Finance Committee has previously discussed and directed expenses associated with a plan that does not generate revenue credits, be assessed to the participant's account on a pro rata basis among the participants. After reviewing that option, it was determined that there are account debit restrictions by investment type and not all participants would contribute to the expense payment in an equitable manner. The assets that could be assessed for plan expenses are limited to mutual funds. The original direction of having the fees associated with the executive comp plan would be paid for by executive comp plan participants; sixty-five percent of those assets are in a variable or fixed annuity and the debit can't be taken out of those assets. Mr. Godsoe reiterated that ERISA guidelines and Internal Revenue Code provisions must also be considered for other options and/or next steps. After discussion, the committee requested Mr. Godsoe to research some options, specifically an option that is best for all stakeholders, including on a long-term basis.

8. NDUS Presidential Compensation Study Update

Committee Chair Black and Vice Chancellor Krebsbach informed the committee that the consultant is continuing to work on collecting data as it relates to the institutions, including some follow-up the study group had requested. The study group will reconvene once all the data has been collected and reviewed; there has not been a specific timeline set.

9. Institution Finance staff updates

Bismarck State College, UND School of Health Sciences, and & Minot State University representatives, provided the committee members with campus updates. Subject matter consisted of, but was not limited to the following:

- Strategies
- Enrollment
- Budgets

10. Capital Project with Local Funds Report

Vice Chancellor Krebsbach provided the committee with a report on capital project Local funds. He stated that it is an annual required report required by Century Code.

The meeting adjourned at 2:45 p.m. CT.

Approved October 18, 2023.

Summary of Proposed Action SBHE Meeting – September 28, 2023

1. **Issue:** VCSU New Spring 2024 Program Fee Request
2. **Proposed motion: Approve** proposed 2023-24 VCSU Viking Pathway program fee request of \$1,000 per semester, beginning with spring 2024 semester.
3. **Background: Viking** Pathway is a new program VCSU will launch during Spring 2024 that is designed to provide academic opportunities to students with intellectual disabilities. In addition to academics, this program will also focus on independent living, socialization, self-determination, and integrated work experiences. A student with intellectual disabilities enrolled in the program has the opportunity to enroll in courses to earn credit or can choose to audit courses by paying the SBHE approved tuition and fee rates. The program also provides the opportunity for students with intellectual disabilities enrolled in the program to reside on campus if they choose to and would be charged the SBHE approved room and board fees.
4. **Financial implications:** Funds from the Viking Pathway program fees charged to students with intellectual disabilities will provide support for salaries and benefits for the program director, program coordinator, program advisors and peer mentors who coordinate activities and provide support to students with intellectual disabilities enrolled in the program.
5. **Academic/Student implications:** The program will provide opportunities for students with intellectual disabilities to experience higher education academics and independent living, socialization, self-determination, and integrated work experiences.
6. **Legal/policy issues:** None
7. **Review Process:**
8. **Enclosures: Proposed** Spring 2024 Program Fee request for VCSU's Viking Pathway Program.
9. **Contact person:** Erica Buchholz, VCSU Vice President for Business Affairs, erica.buchholz@vcsu.edu/701-845-7235 and Larry Brooks, VCSU Vice President for Academic Affairs, larry.brooks@vcsu.edu/701-845-7200
10. **Chancellor's Recommendation:** Chancellor Hagerott recommends approval.

Request for New or Increased Program or Course Fee

To be included with academic program request for new or increased fees required as part of a new or changed academic program. Fees required to support a new or changed academic program will be approved as part of the academic approval process. If fee increase is not associated with an academic program change, submit with other annual fee requests, in the spring of the year for SBHE approval. For all program or course fee increases, please provide the following information:

1. **Campus Name** – Valley City State University
2. **Program Title** – Viking Pathway
Viking Pathway is a new program VCSU will launch during Spring 2024 that is designed to provide academic opportunities to students with intellectual disabilities. In addition to academics, this program will also focus on independent living, socialization, self-determination, and integrated work experiences.
3. **Current Annual Fee Amount** - \$0
4. **Proposed Annual Fee Amount** - \$2,000 (\$1,000 per semester)
5. **Dollar and Percentage Increase** – n/a
6. **History of fee and related increases** – n/a
7. **Comparable in-state and out-of-state regional program/course fees and combined program/course fees and tuition for those campuses with which you are most likely to compete for students** – Minot State University (MiSU) currently assesses an annual program fee of \$8,000 for a comparable program. VCSU will not compete with MiSU for students.
8. **Other unique fees (program/course, lab, other) assessed to students in program, including the total average annual fees assessed to student in the program (for those courses that are part of the specific program)** – n/a
9. **Approximate number of students assessed fee per year** – One or two students during Year 1; Three to five students during Year 2; Five to 10 students during subsequent years.
10. **Total current annual program/course fee collections (only for this specific fee)** – \$1,000 – 2,000 during Spring 2024; \$6,000 – 10,000 during 2024-25; \$10,000 - 20,000 during 2025-26
11. **Unspent program/course fee account balance on June 30th for past three years, if applicable** – n/a
12. **Total estimated new annual program/course fee collections (only for this specific fee)** – \$6,000 – 20,000
13. **Describe when fee is assessed and for how many terms (e.g. when admitted as a major in junior year for four terms, etc.)** A program fee of \$1,000 will be assessed to each student during each semester they are enrolled in the program. Depending on the pathway they choose, students should be able to complete their program of study in two to three years or four to six semesters.

14. SBHE policy 805.3 states: “Institutions may charge special program fees to benefit students in particular programs that have exceptional and critical needs that are not adequately funded through differential tuition or other sources” and “ Institutions may charge special course fees to benefit all students in a class to cover costs such as transportation and admission on field trips, field experience or study abroad trips, insurance and testing required for specific classes, and individual sessions provided to students such as flight training and music lessons.”

15. Please provide a high-level list of program/course fee budgeted expenditures –The program fees will be used to help cover salaries and benefits for the program director, program coordinator, program advisors and peer mentors who coordinate activities and provide support to students enrolled in the Viking Pathway program.

16. Describe process for gaining student input as required by SBHE policy and student position – The program director will solicit feedback from prospective students and their families during September 2023.

Note: Students in the Viking Pathway program will have the opportunity to enroll in courses and either earn credit or simply audit the course. Students will be charged the regular course tuition and fees rate. General fund appropriations VCSU receives from the funding formula would be used to subsidize tuition and fee collections to support the Viking Pathway program.

Summary of Proposed Action State Board of Higher Education Meeting – September 28, 2023

1. **Issue:** NDSU seeks authorization to increase the project authorization for the Pavak Hall Renovations project.
2. **Proposed actions or motion:** Ratify Chancellor's interim authorization for NDSU to: 1) increase the project authorization for the Pavak Hall Renovations project from an estimated cost of \$14,500,000 to \$20,500,000 to be funded from local auxiliary reserve funds, capital building tier matching fund, and appropriated operating funds; and 2) to proceed with the project.
3. **Background information:** Pavak Hall is one of the four high rise dormitories and was completed in 1987 at the cost of \$3.9 million. It contains 280 beds and is located in the southwest corner of the quadrangle of the high-rise residence halls. The SBHE authorized NDSU to proceed with the Pavak Hall Renovations project at an estimated cost of \$14,500,000 at its February 23, 2023 meeting. However, the construction climate had changed and when NDSU received the Guaranteed Maximum Price (GMP), it exceeded the original estimates and available funds. Additional funds have since been secured so to avoid any further increased costs and before the GMP expires, NDSU is seeking interim Chancellor approval to increase the project authorization amount and to proceed with the project, with future ratification by the SBHE.
4. **Financial implications:** The project will be funded from local auxiliary reserve funds, capital building tier matching fund, and appropriated operating funds which are sufficient, available for use, and include no unrestricted gift funds. More than 75% of this project cost addresses deferred maintenance.
5. **Legal/policy issues or implications:** February 23, 2023: The SBHE approved the SBHE Budget & Finance Committee recommendation to authorize NDSU to proceed with the Pavak Hall Renovations project at an estimated cost of \$14,500,000 to be funded by local auxiliary reserve funds, capital building tier matching fund, and appropriated operating funds.
6. **Academic issues or implications** None.
7. **Review Process:** University System office staff.
8. **Attachments:** Agenda Item
9. **Contact information:** Bruce Bollinger, VP for Finance and Administration, 701/231-8412, Bruce.Bollinger@ndsu.edu
10. **Chancellor's recommendation:** Chancellor Hagerott recommends approval.

North Dakota State University, September 28, 2023

*Ratify Chancellor's interim authorization for NDSU to: 1) increase the project authorization for the **Pavek Hall Renovations** project from an estimated cost of \$14,500,000 to \$20,500,000 to be funded from local auxiliary reserve funds, capital building tier matching fund, and appropriated operating funds; and 2) to proceed with the project.*

Background Information

Pavek Hall is one of the four high rise dormitories and was completed in 1987 at the cost of \$3.9 million. It is located in the southwest corner of the quadrangle of the high-rise residence halls with 280 beds. In October of 1990 it was renamed Pavek Hall in recognition of F. Leslie Pavek, Vice President of Student Affairs.

Project Description

The SBHE authorized NDSU to proceed with the Pavek Hall Renovations project at an estimated cost of \$14,500,000 to be funded from local auxiliary reserve funds, capital building tier matching fund, and appropriated operating funds at its February 23, 2023 meeting. However, the construction climate had changed and when NDSU received the Guaranteed Maximum Price (GMP), it exceeded the original estimates and available funds. Additional funds have since been secured so to avoid any further increased costs and before the GMP expires, NDSU is seeking interim Chancellor approval to increase the project authorization amount and to proceed with the project, with future ratification by the SBHE.

Dorm rooms become the home for first year students while they live on campus. Updated facilities are critical for attracting and retaining students. This Pavek Hall project includes renovating and updating. The project may include the following:

- Bathroom modifications to meet current codes and accessibility requirements. The existing piping has experienced failures, which is at the end of its life and will be replaced.
- Replace doors, ceilings, lights, flooring, and all finishes with new.
- Replace one elevator and add stops at each floor.
- A building laundry room will be added.
- New study and lounge spaces will be created.
- The building has limited airflow, so we will add a HVAC system to provide fresh air, heating, and cooling.
- Update plumbing, electrical, fire sprinkler, and fire alarm systems as required.
- Repurpose other spaces as needed.

Consistency with Campus Facility Master Plan and Budget

The 2016 Campus Master Plan has several sections that are directly related to this project:

1. 2.c. Maintenance and Facility Condition Standards:
 - Fire Alarms
 - HVAC
 - Electrical systems
 - Water and Waste/Vent Piping
 - Exterior doors
 - Carpet
 - Paint
 - Asbestos
 - ADA
2. 2.d.ii lists upgrade fire alarms.
3. 3.b. Deferred Maintenance Priority (DMP) Repairs:
 - DMP 8 – Mechanical System Upgrades
 - DMP 12 – Fire Alarms

- DMP 13 – Exterior Doors
 - DMP 16 – Plumbing
 - DMP 24 – Accessibility
4. 3.c. Life/Safety/Security (LSS) Priority Needs:
- LSS 6 – Card Access
 - LSS 7 – Video Surveillance

SBHE and/or Legislative History

- February 23, 2023: The SBHE approved the SBHE Budget & Finance Committee recommendation to authorize NDSU to proceed with the Pavak Hall Renovations project at an estimated cost of \$14,500,000 to be funded by local auxiliary reserve funds, capital building tier matching fund, and appropriated operating funds.

Estimated Total Purchased or Donated Costs (*ALL costs should be included in the estimate, unless specifically noted otherwise*).

	Previous Amount	Requested Amount
Planning, Permits and Insurance (design costs associated with current project, OMB preplanning revolving funds, architect and engineer fees, permits, insurance)	\$600,000	\$600,000
Land/Building Preparation and Purchase or Donated Costs (land acquisition and site preparation/development)		\$
Demolition and Disposal		\$
Construction (foundation and building construction or renovation, including fixed equipment, landscape, infrastructure and utilities, mechanical and electrical, parking and driveways or roadways)	\$13,500,000	\$19,500,000
Institutional work (value of work completed by institutional trade staff)	\$100,000	\$100,000
Contingency	\$300,000	\$300,000
Hazardous Material Abatement		\$
Other, including 3rd party costs (please describe)		\$
SUBTOTAL (<i>if total exceeds \$250,000, requires SBHE approval</i>)	\$14,500,000	\$20,500,000
Furniture, Fixture and Equipment (FF&E)		\$
TOTAL		\$

No other work, other than that specified within this request, is required for the completion of the project nor is other work planned to supplement this project using funding or authority not included within this request.

Future Operating/Improvement Costs and Funding Sources

Additional operating costs will be covered by local funds.

Source and Availability of Funds (*including FF&E*)

The project will be funded from local auxiliary reserve funds, capital building tier matching fund, and appropriated operating funds which are sufficient, available for use, and include no unrestricted gift funds. More than 75% of this project cost addresses deferred maintenance.

Project Management Oversight (*consistent with 9/25/13 SBHE approved guidelines*)

The NDSU Facilities Management Director will be the project manager supporting this project in compliance with SBHE guidelines approved 9/25/13.

Estimated Project Timeline and Completion Date

Construction will start in the winter 2023 with a completion of spring 2025.



State Board of Higher Education
Policy Summary

Title: Human Resources Policy 10 Retirement

Proposed action: Approve/Not Approve the amendments to Human Resources Policy 10.

Background information: This amendment is to comply with an amendment to state law which was effective August 1, 2023.

Financial matters: N/A

Legal/policy matters: N/A

Academic matters: N/A

Review Process:

Legal Review	8/28/2023	Recommend approval
Senior Staff	8/14/2023	Recommend approval
HRC	9/5/2023	Recommend approval
AAC	9/5/2023	Informational
Admin	9/5/2023	Recommend approval
SAC	9/5/2023	Informational
CIO	9/5/2023	Informational
Cabinet	9/13/2023	Recommend approval

Chancellor's recommendation: Approve

Committee Review

BFC	Date
SBHE	Date

Contact information: Jane Grinde, Director of Human Resources, jane.grinde@ndus.edu, 701-328-4217

NORTH DAKOTA
STATE BOARD OF HIGHER EDUCATION
Human Resources Policy Manual

Policy: 10 Retirement

Effective: ~~July 19, 2018~~ August 1, 2023

1. North Dakota law requires regular staff employees who are eighteen or more years of age and who work twenty hours or more per week for five or more months per year to participate in the Public Employee's Retirement Plan.
 - a. Employees in 1000, 2000, and 3000 bands shall participate in the TIAA retirement plan within the same guidelines noted in Sec. 10.1.
 - ~~a-b.~~ Employees who meet the definition of a Peace Officer under N.D.C.C. § 12-63-01-(3), "a public servant authorized by law or by government agency or branch to enforce the law and to conduct or engage in investigations of violations of the law," shall participate in the State's Public Safety Retirement Plan. ~~A Peace Officer must be~~ permanently employed thirty-two hours or more per week and at least twenty weeks each year of permanent employment in order to be eligible.
 - ~~b-c.~~ In lieu of participation in the TIAA retirement plan, eligible employees having accrued retirement benefits under the North Dakota Public Employees' Retirement System (PERS) may elect to continue participating in PERS. A PERS participant changing to a position that qualifies for participation in TIAA may elect to become a participant by making such election within sixty days from the change. In absence of such election, the right of participation is irrevocably waived.

History: Amended Sec. 10.2, SBHE minutes, March 13, 1987; Amended Sec. 10.1 and, 10.2, SBHE minutes, June 20-21, 1991; Amended Sec. 10.1, 10.1.1, and 10.1.2, SBHE minutes, March 20, 1997; Amended Sec. 10.1.1 and 10.1.2, SBHE minutes, May 12, 1999; Amended, SBHE minutes, July 19, 2018, September 2023 SBHE minutes.

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BISMARCK STATE COLLEGE | NORTH DAKOTA'S POLYTECHNIC INSTITUTION

Budget Finance Committee Update

Rebecca Collins

BSC Executive Vice President

Sept. 20, 2023

#NDpoly

SUCCESS >>>

BSC is extremely excited to report that our change in mission to be North Dakota's Polytechnic Institute is well on its way and generating positive results.

#NDpoly

CAPITAL PROJECTS



Polytechnic Facility

- Currently in construction
- Within budget and on time
- Completion date set for November 2024

Multipurpose Student and Athletic Facility

- Existing facility has compliance, life, health, and safety issues and violates Title IX and ADA
- SGA resolution supporting the construction of a new athletic and student facility. SGA is driving this initiative
- Facility would be 80,000 sq. ft. at \$40 million
- Proposed funding process is similar to what UND and BSC has previously used to fund their Student Union expansion and remodel
- Student vote set for Sept. 27
- Need SBHE approval to construct and change fees and Legislative approval to sell bonds

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OTHER UPDATES



Unit Cost

- BSC's model of measuring the delivery of our instructional expenses
- We have three consecutive years of unit cost improvement resulted in a decline in instructional delivery expenses

Employee Compensation Market Values

- Started a compensation market data collection and analysis in January 2021
- First compensation adjustments was made in October 2022
- All BSC positions will be at market by July 1, 2024

Composite Financial Index (CFI)

- CFI in 2016 was .6 which was below Higher Learning Commission's required 1.0
- CFI in 2022 was 4.68

ENROLLMENT TRENDS



Enrollment Trends

- Implemented the 90 x 27 strategic enrollment master plan – 90,000 credit hours by the year 2027
- Fall 2023 enrollment is up for 3 consecutive semesters
 - Headcount is up 7.8% and is at a 10-year high
 - Credit hours are up 5.38% – above our 90 x 27 Fall 2023 incremental strategic goal
- Strategic enrollment goals were accomplished while lowering our Unit Cost Instructional Delivery Expense and in a climate of rising inflationary cost
- BSC continues to have the lowest tuition, mandatory, and online fees in NDUS

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POLICY & LAW



Policy & Law

- BSC respectfully requests a review of state board policies that slow or restrict academic expansion
 - We need to respond to private and public sector rapid requests for workforce and economic development
- BSC respectfully requests a review of state policies on governance due to the recent amendments to NDCC 15-10-73

Thank you to Chancellor Hagerott and the ND State Board for their continued support and leadership.

BISMARCK STATE COLLEGE | NORTH DAKOTA'S POLYTECHNIC INSTITUTION



Budget Finance Committee

**University of North Dakota
School of Medicine and Health Sciences**

Wednesday, September 20, 2023

**Namil Choi, MBA, CPA
Associate Dean for Administration & Finance/COO**

Members of the UND SMHS Finance Team



Namil Choi, MBA, CPA

Associate Dean for Administration & Finance
Chief Operating Officer



Terry Nelson

Director of Finance



Becky Lucke, CPA

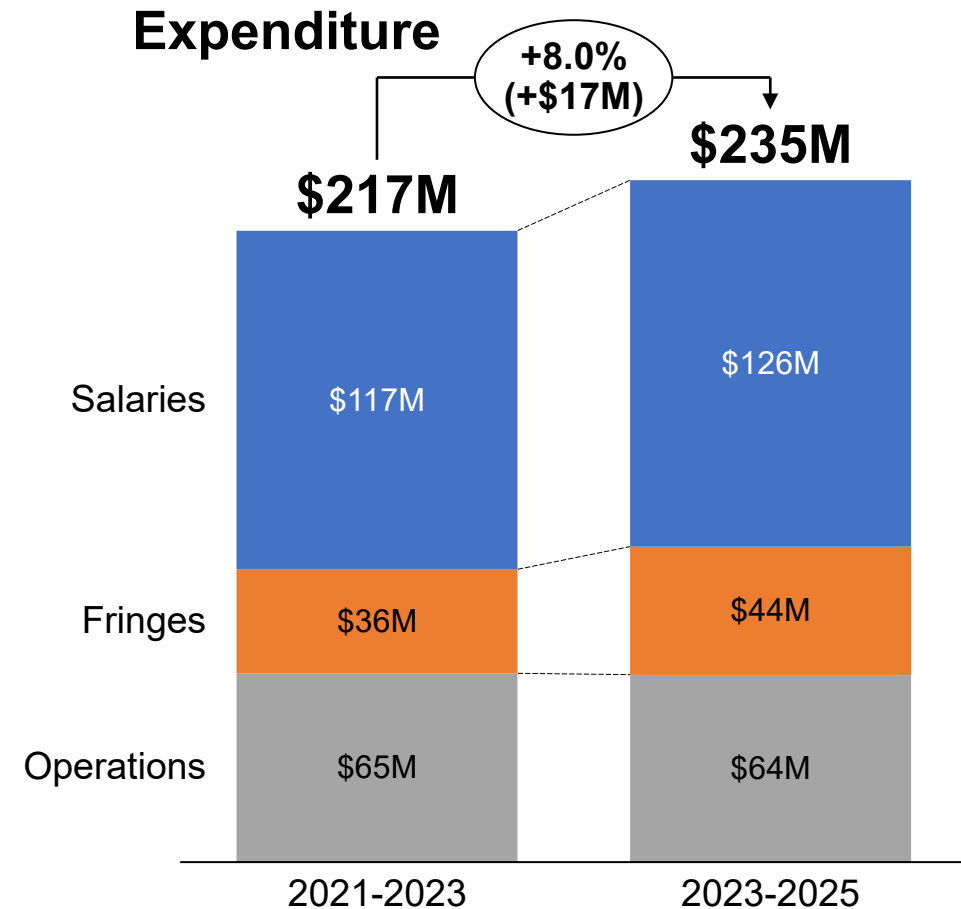
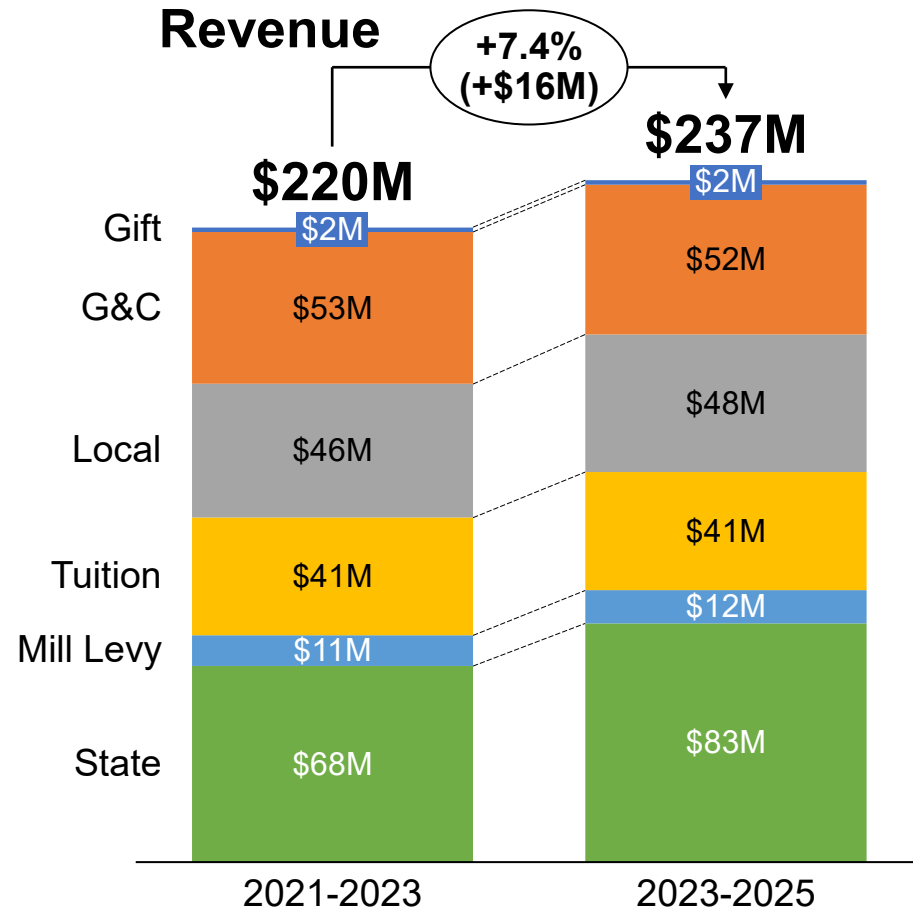
Associate Director of Finance

Purpose/Mission

The UND SMHS is the only institution within NDUS to have its **purpose** defined in ND Century Code (NDCC 15-52-01):

“The primary purpose of the University of North Dakota School of Medicine and Health Sciences is to educate physicians and other health professionals for subsequent service in North Dakota and to enhance the quality of life of its people. Other purposes include the discovery of knowledge that benefits the people of this state and enhances the quality of their lives.”

Biennial Revenue & Expenditures

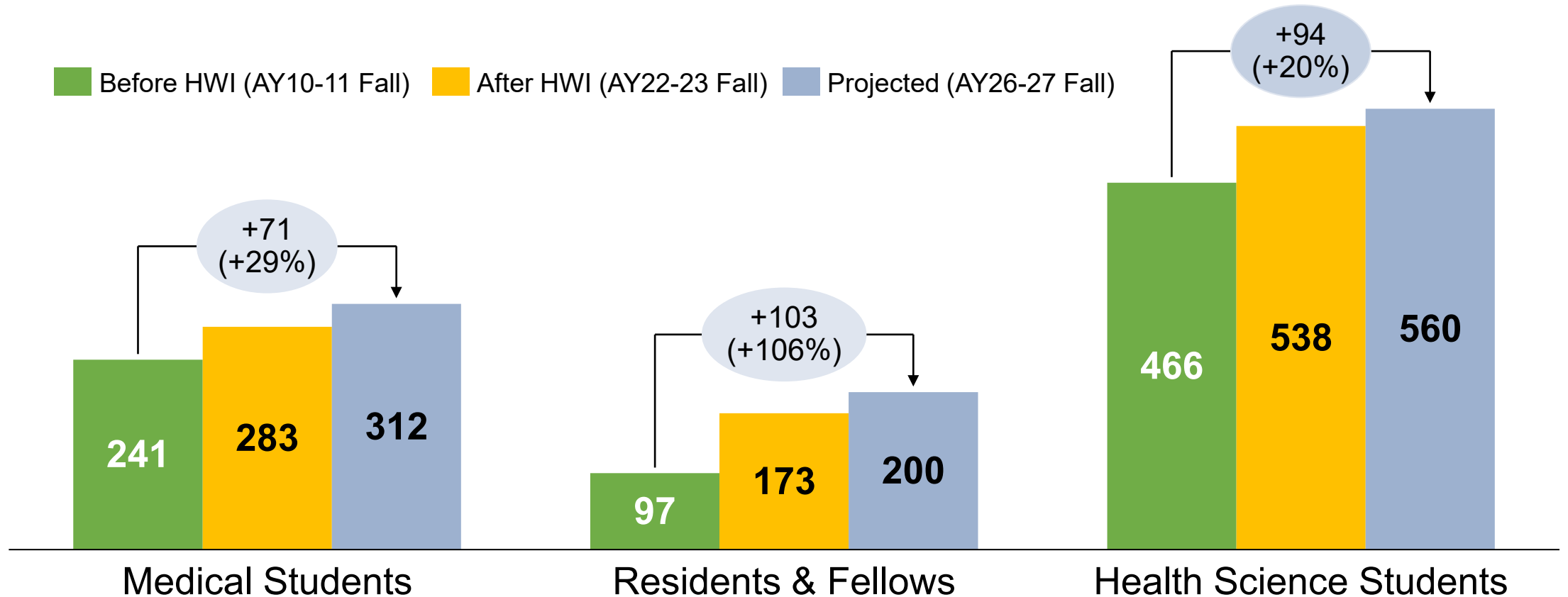


For every appropriated \$1, SMHS generates about \$1.51 in grants, contracts, tuition, and clinical revenues.

Healthcare Workforce Initiative (HWI)

- Started in FY2012 to train more healthcare providers.
 - Medical student class increased by 16/year (total of 64 additional)
 - Health sciences students increased by 30/year (total of 90 additional)
 - Resident (post-MD training required prior to practice) slots increased from a baseline of 97 → 200 in FY2027 and beyond
 - Currently there are 35 residency slots supported by the HWI, projected to grow to 50 in FY2027
 - An additional 38 slots are funded by our clinical partners, projected to grow to 51 in FY2027 (public/private partnership)

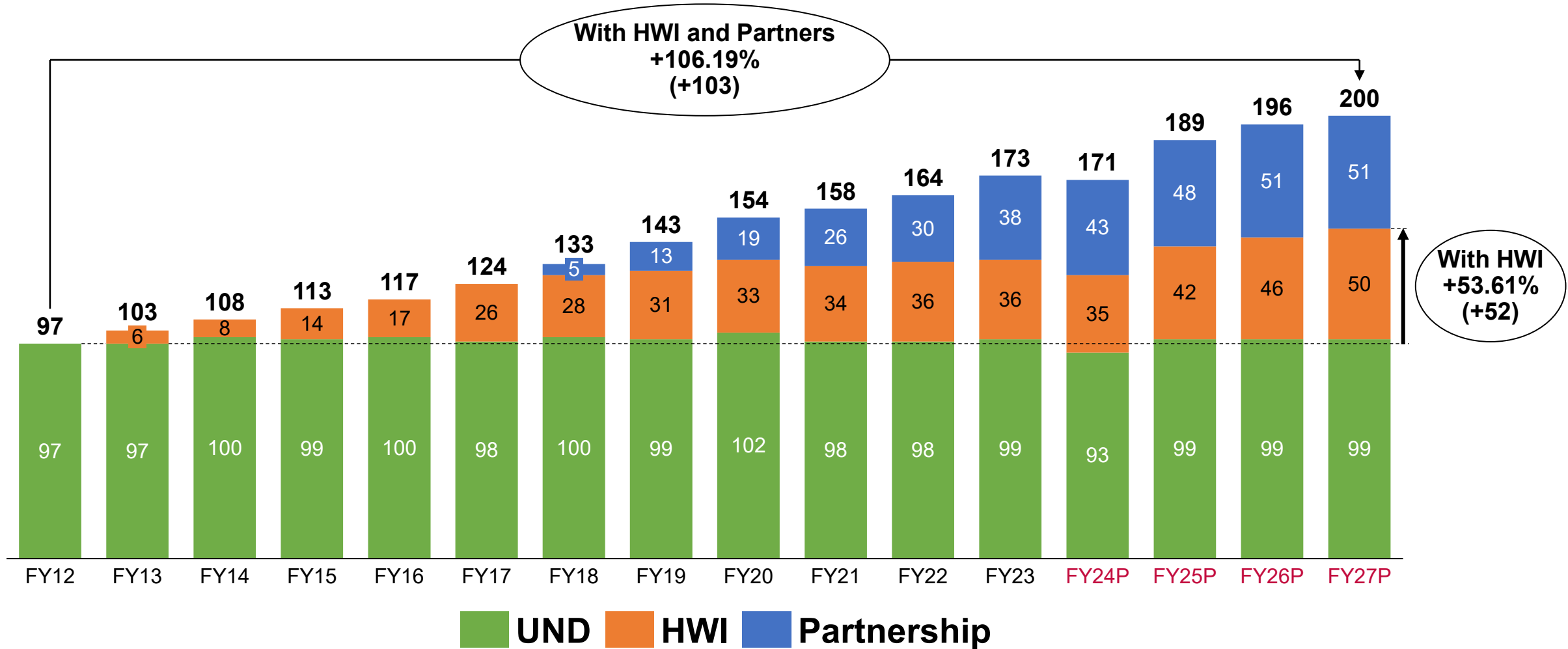
Enrollment Growth After HWI



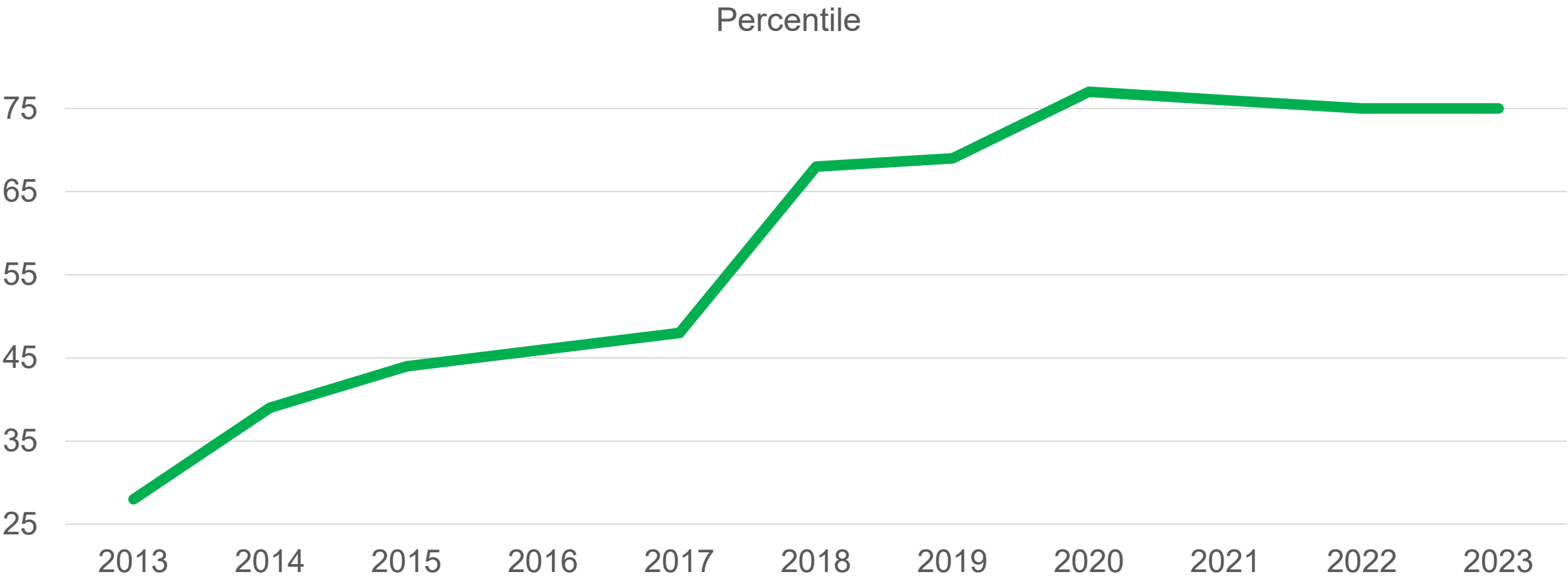
Health Science Students: includes Bachelor, Master's, and Doctoral degree programs, only in Athletic Training, Medical Lab Sciences, Occupational Therapy, Physical Therapy, Physician Assistant Studies, and Master of Public Health.

Source: UND Enrollment Dashboard

Residents by Funding Source



Retention of UND SMHS Medical Student Graduates for Practice In-State



Source: Association of American Medical Colleges Missions Management Tool 2013-2023

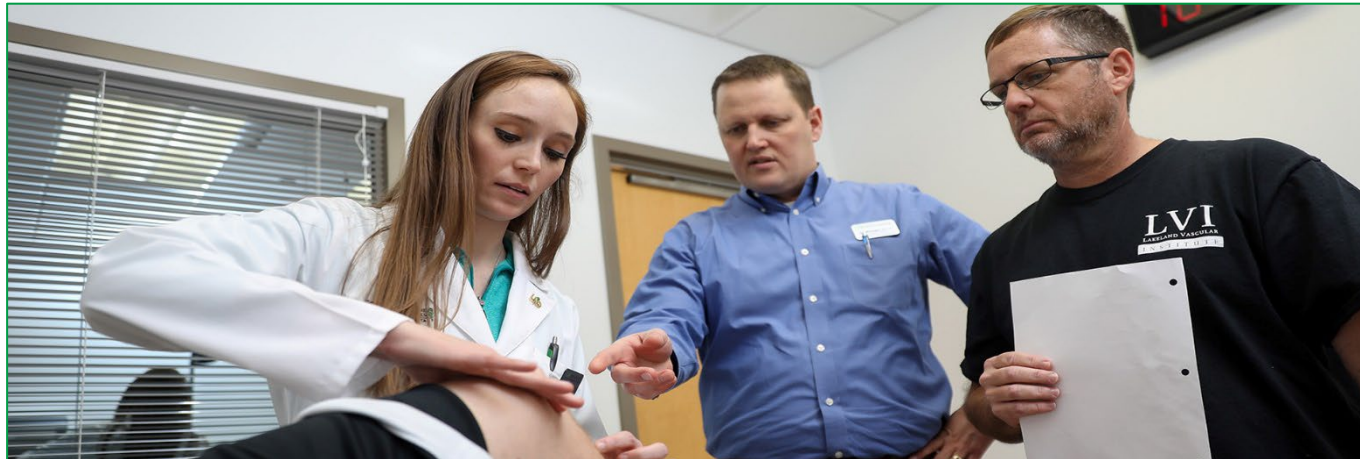
UND SMHS Outcomes

Metric	Percentile Rank
Percent of graduates practicing in rural areas	99 th
Percent of graduates entering family medicine	93 rd
Percent of graduates entering primary care	98 th

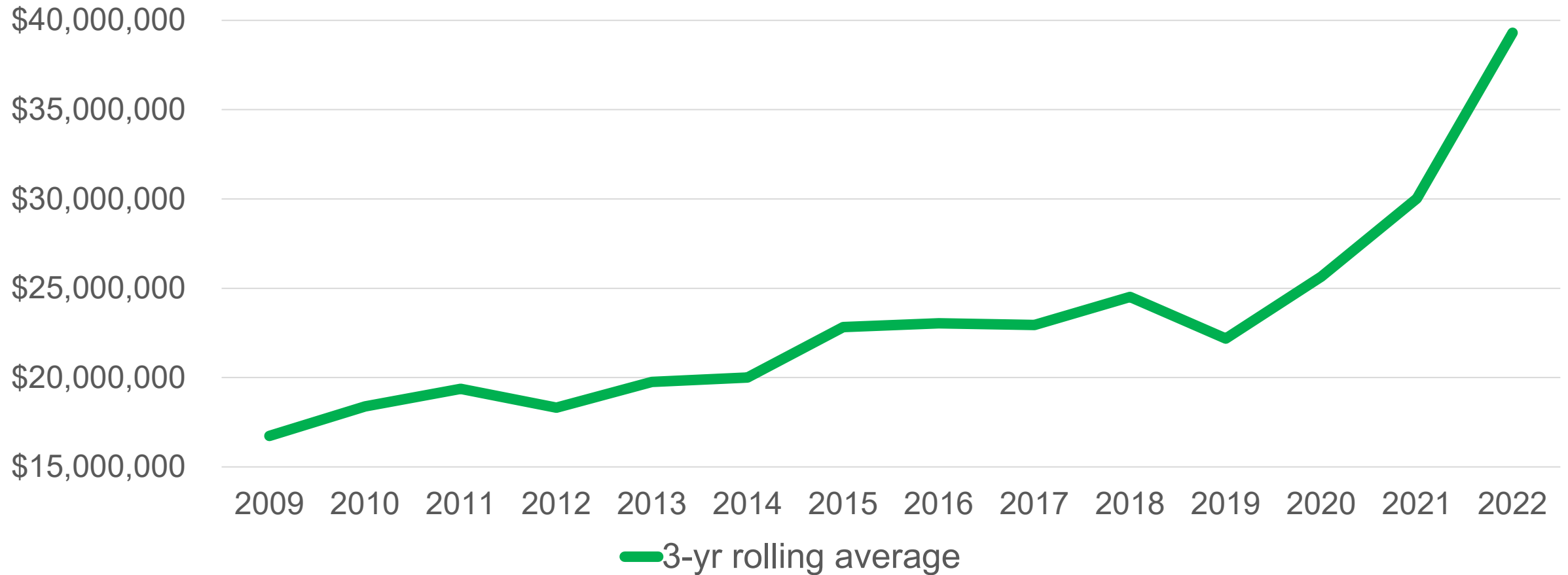
Source: Association of American Medical Colleges Missions Management Tool 2023

Value of the School to North Dakota

- Providing healthcare professionals
 - 78% of Family Medicine Physicians
 - 50% of Physicians
 - 48% of Physical Therapists
 - 52% of Occupational Therapists
 - 39% of Physician Assistants
 - 47% of Medical Laboratory Scientists



UND SMHS Sponsored Project Award

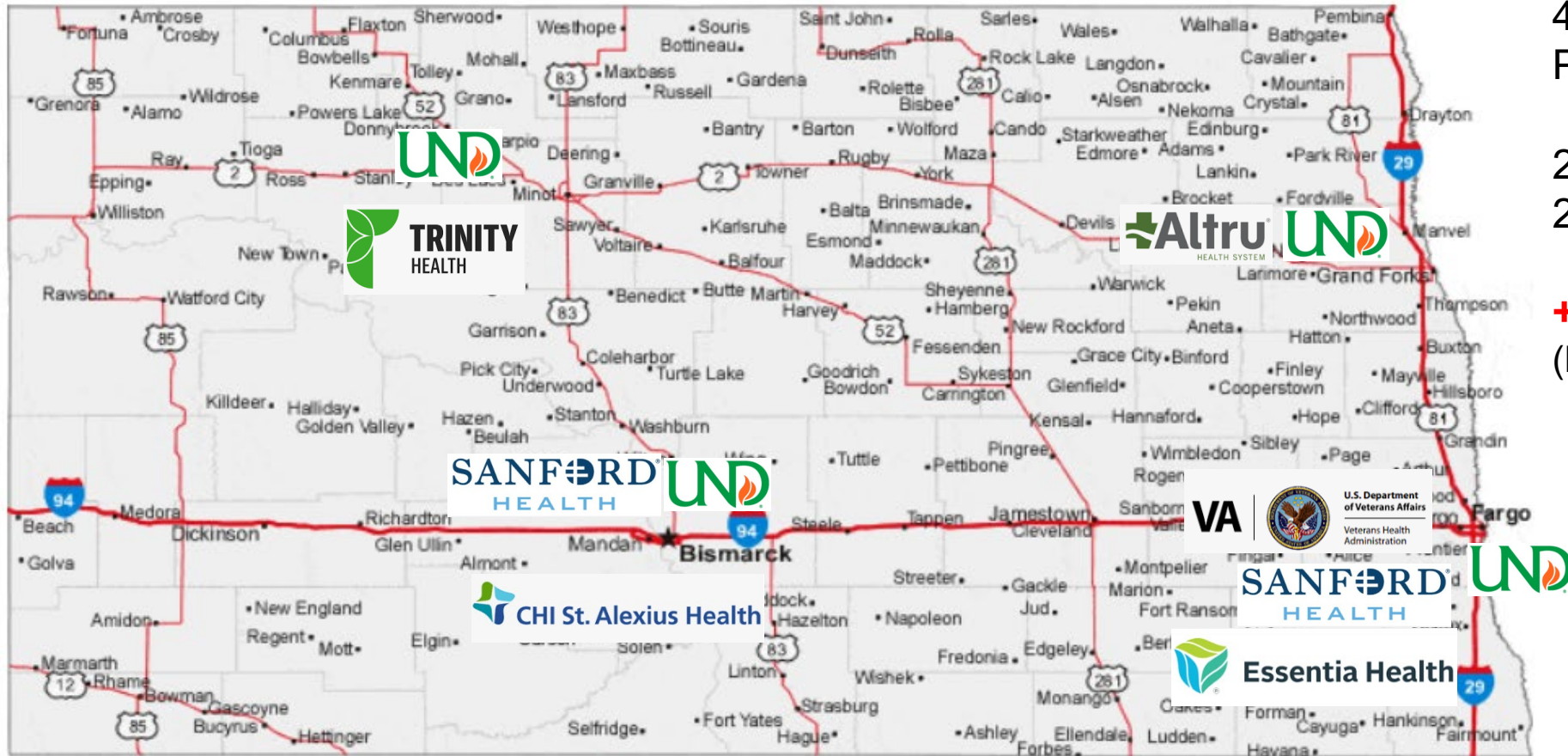


Service to the Community



- RuralMed
- Rural Opportunities In Medical Education (ROME)
- Center for Rural Health
- Centers for Family Medicine & Rural residency programs
- SIM-ND
 - Mobile simulation training with partner hospitals

How Do We Do Our Job?



4 regional campuses
Partnership & Affiliation

208 Faculty
254 Staff

+1,200 Community Faculty
(By the way, who are they?)

Community Faculty: Who are they?

- Without +1,200 Community Faculty, SMHS can not do its job.
 - Out of 1,826 active physicians in ND (AAMC 2021 Data)
 - Many are UND SMHS graduates
 - Part-time, temporary, affiliated
 - Accepts below-the-market rates or unpaid
 - Receives no benefit
 - Academic appointment in clinical track or as affiliated
 - Full-time at partner hospitals, private practitioner, or retired
 - 7 of 10 clinical department chairs are community faculty.
 - All 4 regional campus deans are community faculty.

Community Faculty: Challenges

- Current system and workflow limit their contribution.
- Need to comprehend their roles within the community-based School of Medicine model.
- Potential improvement requires support from multiple offices, but some stakeholders do not recognize the opportunity or need.
 - CTS, HRMS, Payroll, Faculty Affairs, Grant & Contract, Student Affairs, General Counsel's Office, Risk Management
- Overlooked in workflow redesign or implementation.



© LINE THREE STUDIO



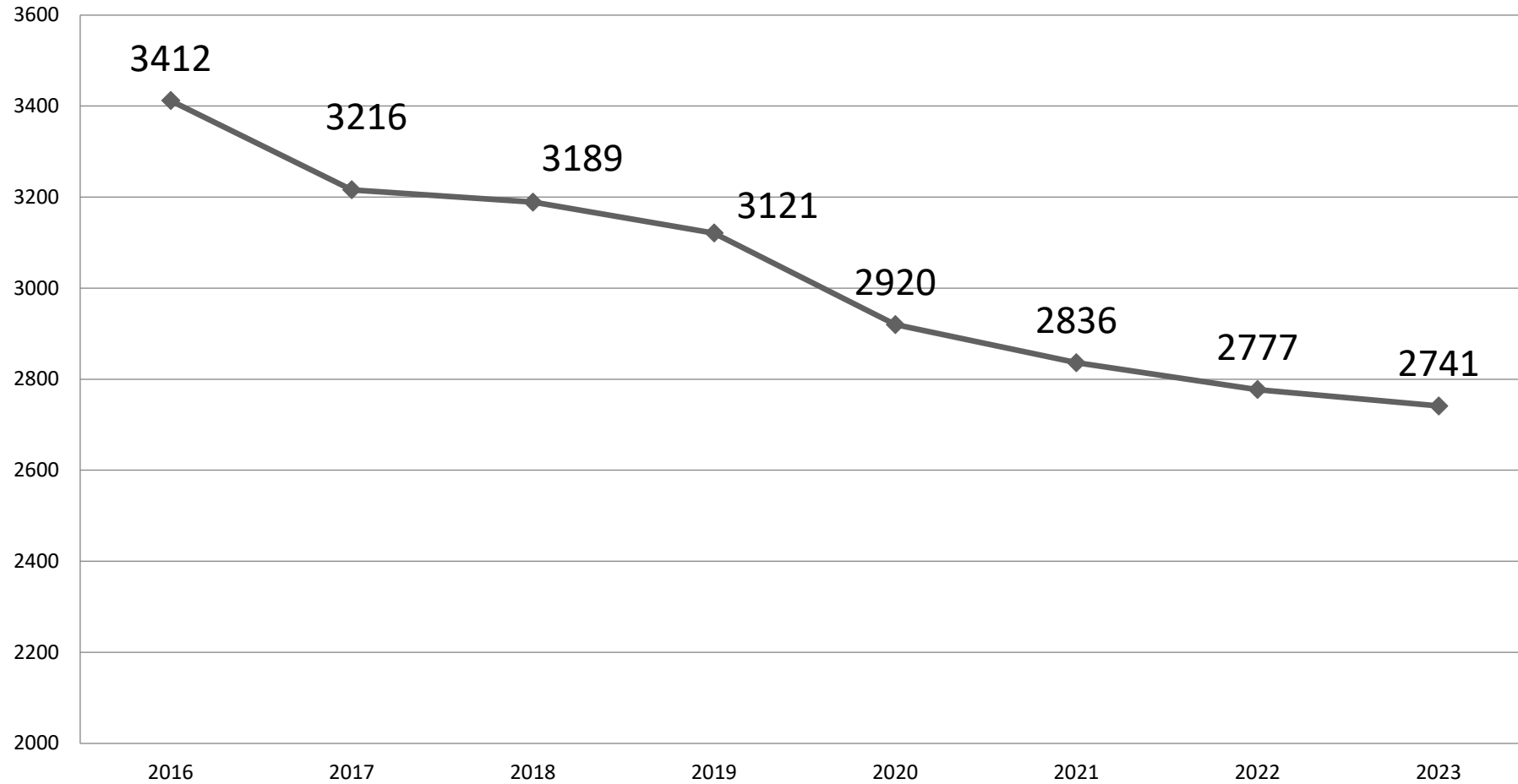
State Board of Higher
Education - BFC
Presentation

September 20, 2023

Recent Highlights at MSU

- \$44 million raised in Empower Capital Campaign; set to conclude in 2024
- Recent new degrees and credentials added in Data Science, Leadership Studies, Cyber Defense, Museum Studies, Data Analytics
- Recent new academic articulations with tribal colleges in Bismarck, Spirit Lake, and New Town as well as with WSC and LRSC
- Two-year audit from ND Auditor's Office finalized; 100% clean with no recommendations
- Recently completed \$2.8 million amphitheater renovation – all fundraised
- Defending national ACHA D1 Hockey Champions (Men) & National Runners-Up (Women)
- New Faculty positions being added in Nursing and Computer Science
- \$4.35M, 5-year grant in Dec. '22 from US Dept. of Education for MSU School Psychology to work with Turtle Mtn schools and Native American students

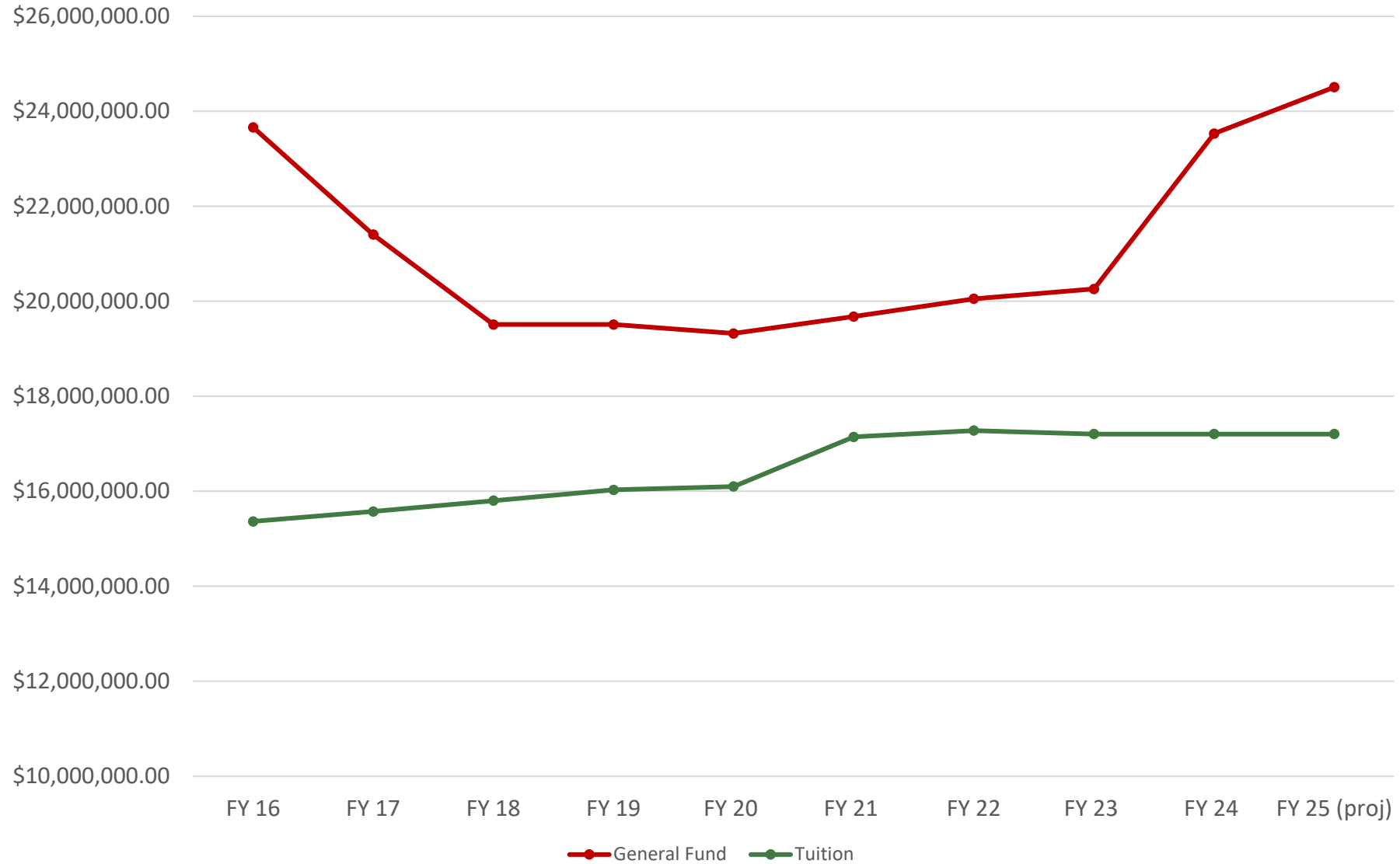
MINOT STATE FINAL FALL ENROLLMENT - HEADCOUNT



APPROPRIATED OPERATING BUDGETS

	FY '16		FY '23		FY '24		FY '25
	Actuals		Actuals		Oper Budget		Proj Budget
REVENUES							
Tuition	\$15,364,546		17,204,569		17,204,569		17,204,569
State Support - (Not including Extr. Repair)	23,659,813		20,273,487		23,528,242		24,505,401
Other - Trust Funds	91,268		230,387		189,225		189,225
BUDGETED REVENUES	39,115,627		37,708,443		40,922,036		41,899,195
EXPENSES	38,713,001		37,366,578		40,883,780		41,982,033
Net surplus/(deficit)	\$402,626		\$341,865		\$38,256		(\$82,838)

APPROPRIATED FUNDING



FY '24 Capital Building Projects (all funding sources)

• Hartnett Hall Renovation	\$26,600,000	ARPA
• Residence Hall fix-ups	\$150,000	Aux Reserves
• Second Floor Student Center Renovation	3,100,000	Student Fee
• Administration Parking Lot Drainage	\$500,000	Cap Bldg Fd
• Wrestling Center & Training Rooms	572,800	Cap Bldg Fd
• Student Center 1 st Floor Renovation	870,000	Cap Bldg Fd
• Misc. Building Repairs	250,000	Appr Reserves
• Greenhouse	150,000	Donors
• Road and Parking Lot Repairs	250,000	Ex. Ord. Repairs
• Flooring, Blinds, Misc. remodels	175,000	Var. Reserves
• Severson Entrepreneurial Ctr Remodel	330,000	Donor



Be seen. Be heard. BE INSPIRED.

**Budget Section
September 21, 2023**

Jamie Wilke
NDUS Director of Finance
701.328.4111 | jamie.wilke@ndus.edu

Chair Bekkadahl and members of the Budget Section: My name is Jamie Wilke; I am the Director of Finance for the North Dakota University System Office.

North Dakota Century Code § 15-10-12.3 requires a biennial report to the budget section detailing the source of all funds used on capital construction projects appropriated by the legislature that include local funds. The report on page three provides the details of the capital project including source of all funds.

There was one new project authorized in the 2021-23 biennium that included local funding.

1. The DCB Old Main Renovation. This project is expected to be completed in December 2023.

The report includes twelve projects authorized in previous biennia which were carried over to 2021-23 that were authorized with local funds. Of the twelve projects six have been completed prior to June 30, 2023, and the remaining six are anticipated to be completed in the 2023-25 biennium.

The six projects that have been completed are:

1. UND Chester Fritz Library Renovation project - completed May 2022.
2. UND Student Engagement projects – completed March 2022.
3. NDSU Barry Hall project - completed August 2022.
4. NDSU Main Research Station Williston Greenhouse project - completed December 2021.
5. NDSU Sudro Hall Addition/Renovation project - completed August 2022.
6. NDSU Extension Service's seed conditioning plants at Carrington and North Central Research Extension Centers - completed in June 2021 and December 2021, respectively.

The six projects anticipated to be completed in the 2023-25 biennium with expected completion dates are:

7. UND Athletics High Performance Center Phase 2 project - September 2024
8. UND Gamble Hall project – January 2024
9. NDSU Indoor Practice Facility - November 2023
10. NDSU Softball Facility project – To be determined
11. NDSU Dunbar Hall project - September 2023
12. NDSU Agricultural Products Development Center project - June 2024

This concludes my presentation. I would be pleased to answer any questions from the committee.

North Dakota University System
2021-23 Major Capital Projects Authorized With Local Funds & Carryover Projects From Previous Biennia

Campus & Projects	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
	General Fund/SIIF	Original Appropriation			Alloc. From Cap.	Additional Bud Sec	Adjusted Appropriation Authority				Cumulative Expenditures Through 6/30/23					
		State Bonds	Local	Total	Proj. Conting. Fund	or Legis Authority	General Fund	State Bonds	Local	Federal	Total	General Fund	State Bonds	Local	Federal	Total
Projects Authorized in 2021-23 (SB's 2003, 2020, HB1431)																
Dakota College at Bottineau																
Old Main Renovation	2,500,000		1,500,000	4,000,000			2,500,000	-	1,500,000	-	4,000,000	1,299,720				1,299,720
Project costs through June 30, 2023 totaled \$1,299,720 in General Funds. The Old Main Renovation is scheduled for completion December 2023. The source of the Local Funds is fundraising.																
Projects Authorized in 2019-21 (HB's 1003, 1020 & 2297)																
University of North Dakota -																
Athletics High Performance Center Phase 2			35,000,000	35,000,000			-	-	35,000,000		35,000,000			1,185,622		1,185,622
Project costs through June 30, 2023 totaled \$1,185,622 in Local Funds. The Athletics High Performance Center is scheduled for completion September 2024 . The source of the Local Funds was fundraising.																
Gamble Hall	9,000,000	6,000,000	55,000,000	70,000,000			9,000,000	6,000,000	55,000,000		70,000,000	9,000,000	6,000,000	36,468,113		51,468,113
Project costs through June 30, 2023 totaled \$51,468,113, with \$9,000,000 in General Funds, \$6,000,000 in State Bonds, and \$36,468,113 in Other Funds. The source of the Local Funds was Tier Funding and fundraising. Project completion is scheduled for completion January 2024. Remaining items are equipment installations, all major construction complete.																
North Dakota State University																
Barry Hall	-	-	3,000,000	3,000,000			-	-	3,000,000		3,000,000			2,602,555		2,602,555
Project costs through June 30, 2023 totaled \$2,602,555 in Local Funds. The source of the Local Funds was fundraising. The Barry Hall project was completed September 2022. Final completion delayed due to supply chain issues.																
Indoor Practice Facility	-	-	50,000,000	50,000,000			-	-	50,000,000		50,000,000			45,792,577		45,792,577
Project costs through June 30, 2023, totaled \$45,792,577 in Other Funds The source of the Local Funds was fundraising. The Indoor Practice Facility is scheduled for completion November 2023.																
Softball Facility	-	-	2,000,000	2,000,000			-	-	2,000,000		2,000,000			133,472		133,472
Project costs through June 30, 2023 totaled \$133,472 in Local Funds. The Softball Facility project is in the planning and programming phase. Construction has not started. The source of the Local Funds was fundraising.																
Dunbar Hall	8,000,000	40,000,000	3,200,000	51,200,000			8,000,000	40,000,000	3,200,000		51,200,000	7,516,405	40,000,000	-		47,516,405
Project costs through June 30, 2023 totaled \$47,516,405, with \$7,516,405 in General Funds, and \$40,000,000 in State Bond Funding. Sugihara Hall (Dunbar) is scheduled for completion September 2023.																
Agriculture Products Development Center	20,000,000	20,000,000	20,000,000	60,000,000			20,000,000	50,000,000	15,000,000		85,000,000	4,662,064	30,216,358			34,878,422
Project costs through June 30, 2023 totaled \$34,878,422 with \$30,216,358 in State Bonds and \$4,662,064 in General Funds. The Agriculture Projects Development Center project is scheduled for completion June 2024.																
NDSU Main Station																
Williston Greenhouse	-	-	500,000	500,000			-	-	500,000		500,000			209,757		209,757
Project costs through December 31, 2021 totaled \$209,757 in Local Funds. The Williston Greenhouse was completed December 2021. The source of the local funds was fundraising.																
Projects Authorized in 2017-19 (SB's 2003, 2020)																
North Dakota State University																
Sudro Hall Addition/Renovation	-	-	28,000,000	28,000,000					28,000,000					24,593,775		24,593,775
Project costs through June 30, 2023 totaled \$24,593,775 in Local Funds. The source of the Local Funds was fundraising. The project was completed in August 2022.																
University of North Dakota -																
Chester Fritz Library Renovation	-	-	21,000,000	21,000,000					21,000,000					7,680,000		7,680,000
Project costs through June 30, 2023 totaled \$7,680,000 in Other Funds. The source of the Local Funds was gifts and donations. The project was completed in May of 2022.																
Projects Authorized in 2015-17 (HB1003)																
NDSU Extension Service																
Seed Conditioning Plants (Carrington Research Extension Center, North Central Research Extension Center)	1,408,224		3,000,000	4,408,224	-	-	1,408,224		3,000,000		4,408,224	1,408,224		2,103,719	-	3,511,943
Project costs through June 30, 2021, totaled \$1,408,224 in General Funds and \$2,103,719 in Local funds. The source of the Local Funds was seed sales income and fundraising.																
The Carrington Seed Conditioning Plant is was completed in June 2021 and the North Central Seed Conditioning Plant in December 2021.																
University of North Dakota -																
Student Engagement Projects	\$	-	\$	-	\$	6,000,000	\$	6,000,000			6,000,000			\$	4,217,801	4,217,801
Project costs through June 30, 2023 totaled \$4,217,801 in Local Funds. The source of the Local Funds was gifts and donations. The project was completed in March 2022.																