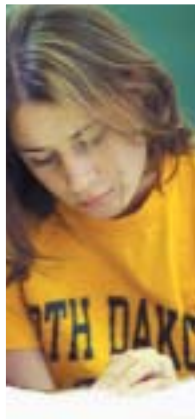


# NDSU *legislative update*

NORTH DAKOTA STATE UNIVERSITY  
FARGO, ND



2003-2005



**NORTH DAKOTA STATE UNIVERSITY  
FARGO, ND**

## **HOUSE APPROPRIATIONS SUB-COMMITTEE**

Rep. Bob Martinson, chair

2:30 p.m.

Tuesday, January 14, 2003

### **HB 1003**

**NORTH DAKOTA STATE UNIVERSITY**

Joseph A. Chapman, President, NDSU



## MAJOR THEMES

### IT'S ABOUT PEOPLE

At NDSU, student learning occurs through faculty and staff guidance. Increased investments in people are critical to attracting and retaining quality faculty and staff, thereby increasing NDSU's educational standards. As part of this increased investment, faculty and staff salaries will be increased to the mid-range of professional peers. NDSU can continue its progress toward being at the midpoint of our peer institutions by being creative in funding its salary pools. Sources of new money will be invested in people through graduate and undergraduate enrollment growth and growth in research activities.



### STUDENTS ARE PARAMOUNT

NDSU will increase student enrollment to 12,000 students, including increasing graduate student enrollment to 15 percent of total student enrollment.

While NDSU exists to serve multiple stakeholders, service to students is paramount. This is accomplished by providing superior learning environment in and out of the classroom at a cost, which is a true value to students and all citizens of North Dakota.



### LEVERAGING SUPPORT

NDSU, as described in the report of The Roundtable for the North Dakota Legislative Council Interim Committee on Higher Education, will take increasing responsibility for securing the financial resources needed to provide service and education for the people of North Dakota. NDSU plans to accomplish this by leveraging its resources through strategic partnerships with North Dakota, national and global businesses.

### PROGRAMS

NDSU is an investment by the people of North Dakota in individual and collective economic well being and quality of life. For this reason, the university will aggressively engage in statewide collaborative efforts with North Dakota businesses and with member institutions of the North Dakota University System.



NDSU will use emerging technologies to expand capabilities to meet student demand in the university's traditional areas of focus including agriculture, engineering, applied sciences and extension, as well as expansion into new academic areas and professional fields.

NDSU will emphasize increasing the university's international focus to enhance North Dakota's competitiveness in the global economy.

### STATURE



NDSU should advance to the level of Doctoral and Research University-Extensive in the new Carnegie classification system. To reach the Extensive classification will require the graduation of 50 or more doctorates in at least 15 academic disciplines per year.

NDSU will build public support for its mission and higher education by increasing public awareness of the many services the university provides.

## **North Dakota State University An Institutional Transformation**

Three years ago, North Dakota State University faculty, staff and students began an institutional transformation. The challenge was to retain historic values and services while becoming the great land-grant university North Dakota needs and deserves. Using the flexibility granted by legislators and the Board of Higher Education to make decisions locally and quickly, tremendous progress has been made. NDSU's minimum general fund appropriation requirement is \$69,942,350.

Five major campus themes have guided our efforts.

### **It's About People**

Goal: Increase faculty and staff salaries to mid-point of professional peers.  
Progress: Using local funding sources, salary increases of 3 percent and 2 percent were increased to 9.5 percent for the biennium.

### **Students Are Paramount**

Goal: Increase enrollment to 12,000, primarily targeted at the graduate level.  
Progress: Fall 2002 enrollment was 11,146, up from 10,538 in 2001. Graduate enrollment increased by 167 during this period while freshmen enrollment was down by 102 students.

Goal: Provide a superior learning environment in and out of the classroom.  
Progress: Twenty-three new faculty positions have been filled, new classrooms added, and new on-campus housing opened with more under construction.

### **Leveraging Support**

Goal: Take increasing responsibility for securing the financial resources needed to provide service and education to the people of North Dakota.  
Progress: NDSU has entered into community partnerships for an equine center, downtown creative arts center, and research and technology park. The park, now with three buildings, is the centerpiece of the NDSU/UND research corridor that is bringing new jobs and businesses to our state. Research expenditures have grown from \$35 million FY 99 to an estimated \$80 million FY 02, with a goal of \$100 million.

### **Programs**

Goal: Engage in statewide educational collaborations  
Progress: Emerging leaders from communities across the state have participated in the Extension Service's Rural Leadership Program. The College of Pharmacy's telepharmacy program helps maintain local pharmacy services in smaller communities. Internship opportunities are placing more students with state businesses.

Goal: Meet student demands in traditional and emerging disciplines  
Progress: In the past 3 years, 19 new doctoral programs have been added, including food safety, criminal justice, and engineering.

### **Stature**

Goal: Advance to the Doctoral and Research University — Extensive classification.  
Progress: Current research expenditures meet criteria while new doctoral programs will soon allow the university to grant 50 doctorates per year.

# NORTH DAKOTA STATE UNIVERSITY

## GENERAL FUND APPROPRIATION (Excluding HECN/Campus Computer Budget)

|                            |           | 2001-03           | Executive<br>Recommendation<br>2003-05 | Increase/<br>Decrease |
|----------------------------|-----------|-------------------|--|-----------------------|
| Operations                 | \$        | 68,204,819        | \$ 68,204,819                          | \$ -                  |
| Capital Assets:            |           |                   |  |                       |
| Extraordinary Repairs      | \$        | 1,737,531         | \$ 1,737,531                           | \$ -                  |
| <b>Total General Funds</b> | <b>\$</b> | <b>69,942,350</b> | <b>\$ 69,942,350</b>                   | <b>\$ -</b>           |

(2001-03 Column excludes tuition and one-time adjustments)

## "OTHER FUNDS" APPROPRIATED In the 2003-05 EXECUTIVE RECOMMENDATION

### Major Capital Projects:

|  |           |                   |                 |
|--|-----------|-------------------|-----------------|
| Bison Sports Arena Renovation (HB1003)       | \$        | 15,000,000        |                 |
| Bison Court Apt. Bldg. Replacement (HB 1003) | \$        | 11,000,000        |                 |
| Energy Improvement Program (HB1023)          | \$        | 1,077,977         | (State Bonding) |
| <b>Total Other Funds</b>                     | <b>\$</b> | <b>27,077,977</b> |                 |

# NORTH DAKOTA STATE UNIVERSITY

## 2002-03 RESIDENT TUITION RATES

### Regional Institution Comparisons

Source: NDSU Office of Admission

|  |    |         |
|--|----|---------|
| North Dakota State University (12-20 credits)    | \$ | 2,904   |
| Minnesota State University-Moorhead (16 credits) | \$ | 3,365   |
| University of North Dakota                       | \$ | 2,954   |
| University of Minnesota-Twin Cities              | \$ | 5,420   |
| St. Cloud State University                       | \$ | 3,691   |
| Bemidji State University                         | \$ | 3,782   |
| South Dakota State University                    | \$ | 3,658 * |
| Montana State University                         | \$ | 2,900   |
| University of Minnesota-Duluth                   | \$ | 5,956   |

\*includes \$789 per semester university support fee

## ENROLLMENT HISTORY

Source: NDUS Fall Enrollment Report

|          | Headcount | Increase | FTE   | Increase |
|----------|-----------|----------|-------|----------|
| Fall '92 | 9,269     |          | 7,504 |          |
| Fall '93 | 9,507     | 238      | 7,917 | 413      |
| Fall '94 | 9,665     | 158      | 8,092 | 175      |
| Fall '95 | 9,676     | 11       | 8,196 | 104      |
| Fall '96 | 9,598     | (78)     | 8,190 | (6)      |
| Fall '97 | 9,408     | (190)    | 8,079 | (111)    |
| Fall '98 | 9,536     | 128      | 8,142 | 63       |
| Fall '99 | 9,638     | 102      | 8,253 | 111      |
| Fall '00 | 9,894     | 256      | 8,469 | 216      |
| Fall '01 | 10,538    | 644      | 9,056 | 587      |
| Fall '02 | 11,146    | 608      | 9,368 | 312      |

# NORTH DAKOTA STATE UNIVERSITY

## "OTHER FUNDS" NOT APPROPRIATED

The Following Additional Costs Are Included in the Hold-Even Budget Funded Primarily With Tuition Increases:

|   |           |                   |
|---|-----------|-------------------|
| Cost to Continue 2002-03 Salary Increase              | \$        | 2,344,404         |
| Additional Operating Costs                            | \$        | 2,970,408         |
| Health Insurance Increase (20.43%)                    | \$        | 1,847,112         |
| 2003-05 Salary Increase (3%/Year)                     | \$        | 4,464,089         |
| Library   | \$        | 500,000           |
| Student Programs and Facilities                       | \$        | 710,000           |
| Salaries and Support for Additional Faculty and Staff | \$        | 2,190,000         |
| Classroom Building Renovations                        | \$        | 220,000           |
| <b>Total Additional Costs</b>                         | <b>\$</b> | <b>15,246,013</b> |

|                          | <b>2001-03</b>       | <b>2003-05</b>       | <b>Increase/<br/>Decrease</b> |
|--------------------------|----------------------|----------------------|-------------------------------|
| Estimated Tuition        | \$ 56,231,856        | \$ 70,676,843        | \$ 14,444,987                 |
| State Land               | \$ 1,330,974         | \$ 1,132,000         | \$ (198,974)                  |
| Indirect Cost Recoveries | \$ 1,000,000         | \$ 2,000,000         | \$ 1,000,000                  |
| <b>Total Other Funds</b> | <b>\$ 58,562,830</b> | <b>\$ 73,808,843</b> | <b>\$ 15,246,013</b>          |

Tuition Increase of \$14,444,987 consists of:

|  |           |                   |
|--|-----------|-------------------|
| Continuation of the 2002-03 tuition increase of \$150  | \$        | 1,319,875         |
| Continuation of the 2002-03 new students               | \$        | 871,200           |
| Tuition increase of \$470 in 2003-04; \$470 in 2004-05 | \$        | 12,253,912        |
| <b>Total</b>   | <b>\$</b> | <b>14,444,987</b> |

# NORTH DAKOTA STATE UNIVERSITY

1/13/03

## 2003-05 NEEDS BASED BUDGET

| Priority Rank | Description/Strategy   | Funding Type | Amount               |
|---------------|--|--------------|----------------------|
| 1             | Cost to Cont. '03 Salary Incr.   | Parity 1     | \$ 522,357           |
| 2             | Health Insurance Increase  | Parity 2     | \$ 913,520           |
| 3             | 03-05 Salary Increase  | Parity 3     | \$ 2,614,317         |
| 4             | Operating Inflation  | Parity 4     | \$ 726,212           |
| 5             | Adjust faculty/staff salaries/compensation to midpoint of peers based on performance, internal equity, and marketplace. Seek most qualified and diverse faculty and staff by developing competitive compensation and start-up packages.  | Equity 1     | \$ 4,523,021         |
| 6             | Provide resources and improve research infrastructure to increase competitiveness for merit-based peer-reviewed research grants. Advance the research mission of the university by identifying new opportunities through federal government initiatives. Work to increase federal and private research funding.                    | Equity 2     | \$ 4,220,338         |
| 7             | Health & Safety/ADA  | Capital 1    | \$ 603,682           |
| 8             | Renew efforts to improve diversity in student/faculty/staff populations.   | Equity 3     | \$ 75,000            |
| 9             | New online library databases and full-text electronic journals requested by academic departments to support new graduate programs.   | Equity 4     | \$ 247,538           |
| 10            | Improve the student learning experience including enhancing undergraduate research opportunities, incorporating experiential learning into academic programs, exposing students to advances in technology. Provide opportunities for graduate and undergraduate students to gain first-hand experience with business and industry. | Equity 5     | \$ 1,000,000         |
| 11            | Major Repairs - Roofs  | Capital 2    | \$ 271,834           |
| 12            | Examine current programs for adequacy in resources and infrastructure.   | Equity 6     | \$ 1,145,880         |
| 13            | Major Repairs- Mechanical  | Capital 3    | \$ 600,000           |
| 14            | Water Main Repairs   | Capital 4    | \$ 400,000           |
| 15            | Steam Line/Emergency Repairs   | Capital 5    | \$ 331,978           |
| 16            | Implement <i>ConnectND</i>   | Equity 7     | \$ 947,980           |
| 17            | Facilitate start-up businesses & entrepreneurial activity. Facilitate the transfer of technologies developed at NDSU to the private sector. Expand/nurture industrial and other partnerships.  | Equity 8     | \$ 567,500           |
| 18            | Increase the creation of multi-investigator and interdisciplinary research centers at NDSU. Encourage interdisciplinary research and instruction.  | Equity 9     | \$ 80,000            |
| 19            | Expand external funding - facilitate/support proposal writing, interdisciplinary units.  | Equity 10    | \$ 32,500            |
| 20            | Major Repairs - Remodeling   | Capital 6    | \$ 744,787           |
|               |  | <b>Total</b> | <b>\$ 20,568,444</b> |

|                |           |                   |
|----------------|-----------|-------------------|
| <b>Parity</b>  | \$        | 4,776,406         |
| <b>Equity</b>  | \$        | 12,839,757        |
| <b>Capital</b> | \$        | 2,952,281         |
| <b>Total</b>   | <b>\$</b> | <b>20,568,444</b> |



# **NORTH DAKOTA STATE UNIVERSITY**

## **BISON SPORTS ARENA RENOVATION**

**\$ 15,000,000**

Dedicated in 1970, the Fieldhouse and Physical Education Classroom Building featured the largest indoor seating capacity of any building of its type in the state and was opened as one of the finest multi-purpose facilities in the region. The facility consisted of 150,639 square feet of space that was divided into three levels. The main floor housed an all-purpose gymnasium, track, offices, lockers, classrooms, training and exercise room, and swimming pool; the second level contained handball and basketball courts; and the third level provided future space for offices and a press box.

The Bison Sports Arena (as it is known today) remains as the home of the Athletic Department. The multiple uses of the facility have been overwhelming due to the increase in sports, teams, and athletes, the number of which has almost doubled since the facility opened. Students, staff, faculty, and members of the community also extensively utilize the facility. As such, a major renovation is critical to meet the increased usage of the Bison Sports Arena.

The emphasis of the work at the BSA will involve improvements to the facility and the existing infrastructure. Areas of emphasis will include: HVAC system, ADA compliance, locker room expansion/upgrades, athletic training areas, classroom technology enhancements, and offices/conference/meeting rooms relocation (for space efficiency). Along with these, refurbishment of the pool area for better ventilation, chemical monitoring, and leak repair, replacement of the unsafe playing surfaces in the building, and replacement of the bleacher systems due to safety issues and concerns are also being planned.

Funding for this project would be provided through private funds obtained by fund raising and would be classified as local funds. No additional operating costs are being requested, as the building will not be enlarged.

Quality athletic facilities impact several areas: recruitment, marketing, corporate sponsorships, campus/community usage, and attraction and retention of the highest caliber of athletes and coaches. In order to help protect the State's investment, the proposed improvements to the Bison Sports Arena would provide an increased level of quality and safety for the athletes, the campus, and the community.

## **BISON COURT APARTMENT BUILDING**

**\$ 11,000,000**

Bison Court was constructed in 1958 to provide additional housing for a predicted increase in married students and veterans on campus. The 38,000 square foot facility consists of 58 garden level units — 27 one-bedroom apartments, 30 two-bedroom apartments, and one three-bedroom apartment. The apartments contain a living room, kitchen, bathroom and bedroom(s) but lack a laundry room within each unit. They also lack the privacy, amenities, space, and storage today's students seek in apartment-style living on campus.

A study was commissioned by the Division of Student Affairs and its Residence Life Department to determine the feasibility of remodeling Bison Court. The recently completed report identified approximately \$1.85 million in infrastructure costs needed to renovate the existing facility before remodeling could take place - \$137,500 (exterior construction); \$76,000 (interior construction); \$958,800 (mechanical upgrade); \$134,000 (electrical upgrade); \$274,323 (design and other fees); and \$268,482 (4% inflation factor per year to the year 2006). As a result, it was determined that it would be more economically feasible to replace the existing structure and infrastructure than to remodel the current facility.

The present Auxiliary Services Building was constructed in 1972. It currently houses the administrative offices for Residence Life, Dining Services, a warehouse and also the bakery. Due to space limitations and the age and function of the Auxiliary Services Building, the Division of Student Affairs considers it beneficial to relocate and incorporate these services into the proposed new facility. These departments are in the need of additional space, and the age of the building also poses additional costs in replacing the roof and rehabilitating the current mechanical system. Moreover, Dining Services plans to discontinue its warehouse function for the campus in the next three years. By delivering products directly to the three dining operations, there will be a cost savings for Dining Services as well as an increased efficiency in operations. By relocating the departments to the new facility, they would also be more centrally located to better serve the students living and dining on campus.

These combined factors led to the development of the proposed project. The Bison Court Apartment Complex will be a three-story, slab on grade, wood frame building encompassing 100,000 square feet. The fully accessible building will have a 220-bed capacity comprised of 80 two-bedroom and 20 three-bedroom apartments. The apartments will include a living area and kitchen, bedrooms, two bathrooms, walk-in closets, data ports for high-speed Internet access, cable television and air conditioning. Laundry facilities with a vending room will be located on each floor as well as lounges for studying and social interaction. As mentioned above, the administrative offices for the Department of Residence Life and Dining Services and a bakery will also be included in the facility, encompassing an additional 15,000 square feet.

NDSU requests that this project replace the proposed \$9.0 million Living Learning Residence Hall West currently listed as a Non-State Funded Project in the NDUS 2003-05 Major Capital Project Ranking SBHE Priority List and as the number 4 ranked project in NDSU's 2002 Campus Master Plan Proposed Capital Projects Master List for the 2003-05 biennium. The major difference in the projects is the apartment size — the Bison Court Apartments will be larger as compared to the LLC-West. Building comparisons are as follows:

|                           | <b>Current Bison Court</b>                          | <b>Proposed Bison Court</b>   |
|---------------------------|---|---|
| <b>Square Footage</b>     | 38,000 sq. feet                                     | 100,000 sq. feet  |
| <b>No. of Stories</b>     | 1   | 3   |
| <b>Building Type</b>      | Concrete block and brick                            | Wood frame with wood trusses for floors and roof  |
| <b>No. of Apartments</b>  | 27 one-bedroom<br>30 two-bedroom<br>1 three-bedroom | 80 two-bedroom<br>20 three-bedroom  |
| <b>Amenities</b>          | One bathroom, telephone                             | Two bathrooms, walk-in closets, data ports for high speed internet access, cable television, air conditioning |
| <b>Laundry Facilities</b> | One per building                                    | One per floor   |
| <b>Lounges</b>            | None  | One per floor   |

NDSU assessed student priorities, and the current location of the Bison Court Apartments was given precedence for its location to other housing and dining facilities, future expansion capabilities, and access to athletic facilities, campus core, public transit and the community. The University believes that by doubling the area of the current building, sufficient space will be realized to satisfy increasing enrollment and the income needed for the project.

The total cost for the project is approximately \$11.0 million — \$9.0 million for the apartment complex, \$0.50 million for parking, asbestos abatement and demolition of the current facility, and \$1.5 million for the administrative offices and bakery. Financing will be through revenue bonds. An emergency clause is being requested so that architect selection may begin spring 2003 with the design phase following during the summer of 2003.

## ENERGY IMPROVEMENT PROGRAM

**\$ 1,077,977**

The State Facility Energy Improvement Program (SFEIP) was introduced and passed by the Fifty-sixth Legislative Assembly in SB2312 and is encompassed in N.D.C.C. 54-44.5-08. These enactments allow the state to bond for energy conservation programs, and the utility cost savings associated with the planned modifications in the agency/campus budget are intended to cover debt service costs. If the campus realizes more savings than what is being projected, it will be able to keep the additional savings. In contrast, if the actual savings are less than projected, the campus will have to fund the shortfall within the current appropriation because no additional funds would be provided. Bonds issued for this purpose do not count towards the statutory limitation for bonded indebtedness issued by the state and thus, will not set energy conservation proposals against other major capital needs requiring state bonding support.

The program is designed to identify potential state facility energy improvement projects and to select facilities for in-depth energy audits. The objective is then to provide funding for the purchase and installation of energy improvements that, when implemented, will significantly reduce energy consumption and costs, while updating energy systems.

This is the second cycle of projects submitted by NDSU under SFEIP. The first cycle of projects, which included a combination of replacement of lighting and ballasts, vending machine controls, and pneumatic room controls (\$296,348), was authorized by the SBHE at the September 2001 meeting. These projects are now under way. The currently proposed projects will involve a combination of such items as fan, pump and hood VAV (variable air volume) controls replacements/modifications, pneumatic room control replacements, steam trap repairs, lighting retrofits, and the maintenance, repair and balancing of existing equipment and systems in the following NDSU buildings with the project costs, annual savings, and simple paybacks also listed:

| <b>PROPOSED BUILDING/<br/>PROJECT</b> | <b>ESTIMATED<br/>COST</b> | <b>ESTIMATED<br/>ANNUAL<br/>SAVINGS</b> | <b>PAYBACK<br/>(YEARS)</b> |
|---------------------------------------|---------------------------|---|----------------------------|
| Memorial Union                        | \$ 278,370                | \$ 38,224                               | 7.3                        |
| Family Life Center                    | \$ 605,007                | \$ 86,505                               | 7.0                        |
| E. Morrow Lebedeff Hall               | \$ 54,814                 | \$ 6,479                                | 8.5                        |
| Bentson/Bunker Fieldhouse             | \$ 139,816                | \$ 14,114                               | 9.9                        |
| <b>Total</b>                          | <b>\$ 1,077,977</b>       | <b>\$ 145,322</b>                       | <b>7.4</b>                 |

The energy cost savings realized will be used to cover the debt service on the bonds issued to finance the projects.