
AGENCY OVERVIEW

240 MAYVILLE STATE UNIVERSITY

Date: 12/14/2006

Time: 14:39:05

STATUTORY AUTHORITY

North Dakota Constitution, Article VIII, Section 6; North Dakota Century Code Chapter 15-13.

AGENCY DESCRIPTION

Mayville State University (MaSU) is a regional, undergraduate institution of higher education with a focus on teaching and learning. The university operates as an institution within the North Dakota University System to provide instructional programs which, prepare students for careers as teachers in the elementary and secondary schools, and for positions in business.

AGENCY MISSION

The mission of Mayville State University is to educate and guide students, as individuals, so that they may realize their full career potential and enhance their lives. We do this in an environment that reflects our tradition of personal service, commitment to innovative technology-enriched education, and dynamic learning relationships with community, employers, and society. As a member of the North Dakota University System, Mayville State University offers undergraduate degrees.

AGENCY PERFORMANCE MEASURES

The North Dakota University System publishes an annual accountability measures report each December, in response to the "flexibility with accountability" expectations of SB 2003 passed by the 2001 Legislative Assembly. Organized according to the six cornerstones of the Roundtable Report, these annual reports provide a useful framework for focusing the assets of the University System on the high-priority needs of the state. The 6th annual accountability measures report is scheduled for completion in December 2006, and will be the most current information available to the 2007 Legislative Assembly.

This annual document serves as a primary tool for reporting on the agreed-upon North Dakota University System accountability measures and as a vehicle through which the system demonstrates its commitment to enhancing the economic and social vitality of North Dakota.

MAJOR ACCOMPLISHMENTS

- Expanded on the learner-centered focus provided in a technology-rich environment for teaching and learning.
- Provided all graduates with the IT Certificate.
- Expanded programs including business and education degree programs at Lake Region State College, a Psychology major, and additional on-line programs.
- Implemented successful instructional delivery (dual-credit courses and courses shared between area high schools) over the Heart of the Valley Interactive Television Consortium.
- Prepared major grant proposals, and received grant awards including research funding through INBRE grant.
- Transitioning from a full time president to an interim president, while a search is conducted for a permanent CEO.
- Reviewing and revising the structure of the Foundation to provide for continued fund and friend raising.
- Financial support for the ongoing operations of the Wellness Center was approved by the MSU student senate through an increase in the student fees.
- The Office of Worldwide Learning (OWL) has been established to coordinate distance learning, support faculty distance learning needs, and to provide a 'onestop' service for distance students.

FUTURE CRITICAL ISSUES

Adjustments for Costs to Continue include the following:

05-07 EXTRAORDINARY REPAIRS – 2005-07 extraordinary repairs \$358,994, including one-time general funds for Old Main Renovations - \$150,000.

05-07 MAJ CAP PROJ - The following projects were authorized by the 2005-07 Legislature: Fieldhouse Entrance, Concession & Restroom Expansion - \$1,000,000;
Outdoor Athletic Complex - \$500,000

03-05 CARRYOVER – \$44,000

REQUEST SUMMARY

240 MAYVILLE STATE UNIVERSITY

Biennium: 2007-2009

Bill#: HB1003

Date: 12/14/2006

Time: 14:39:05

Description	Expenditures 2003-2005 Biennium	Present Budget 2005-2007	Budget Request Change	Requested Budget 2007-2009 Biennium	Optional Budget Request
BY MAJOR PROGRAM					
MAYVILLE STATE UNIVERSITY	9,217,026	10,906,624	3,330,803	14,237,427	927,154
TOTAL MAJOR PROGRAMS	9,217,026	10,906,624	3,330,803	14,237,427	927,154
BY LINE ITEM					
OPERATING EXPENSES	8,598,320	9,003,630	886,159	9,889,789	0
CAPITAL ASSETS	284,384	358,994	31,644	390,638	927,154
CAPITAL ASSETS-CARRYOVER	334,322	24,205	-24,205	0	0
CAPITAL ASSETS NON-STATE FUNDED	0	1,500,000	2,457,000	3,957,000	0
BIENNIUM CARRYOVER	0	19,795	-19,795	0	0
TOTAL LINE ITEMS	9,217,026	10,906,624	3,330,803	14,237,427	927,154
BY FUNDING SOURCE					
GENERAL FUND	9,217,026	9,406,624	873,803	10,280,427	927,154
FEDERAL FUNDS	0	0	0	0	0
SPECIAL FUNDS	0	1,500,000	2,457,000	3,957,000	0
TOTAL FUNDING SOURCE	9,217,026	10,906,624	3,330,803	14,237,427	927,154
TOTAL FTE	69.97	66.80	-10.91	55.89	.00

REQUEST DETAIL

240 MAYVILLE STATE UNIVERSITY
Biennium: 2007-2009

Bill#: HB1003

Date: 12/14/2006

Time: 14:39:05

Description	Expenditures 2003-2005 Biennium	Present Budget 2005-2007	Budget Request Change	Requested Budget 2007-2009 Biennium	Optional Budget Request
OPERATING EXPENSES					
OPERATING FEES AND SERVICES	8,598,320	9,003,630	886,159	9,889,789	0
TOTAL	8,598,320	9,003,630	886,159	9,889,789	0
OPERATING EXPENSES					
GENERAL FUND	8,598,320	9,003,630	886,159	9,889,789	0
FEDERAL FUNDS	0	0	0	0	0
SPECIAL FUNDS	0	0	0	0	0
TOTAL	8,598,320	9,003,630	886,159	9,889,789	0
CAPITAL ASSETS					
EXTRAORDINARY REPAIRS	284,384	358,994	31,644	390,638	927,154
TOTAL	284,384	358,994	31,644	390,638	927,154
CAPITAL ASSETS					
GENERAL FUND	284,384	358,994	31,644	390,638	927,154
FEDERAL FUNDS	0	0	0	0	0
SPECIAL FUNDS	0	0	0	0	0
TOTAL	284,384	358,994	31,644	390,638	927,154
CAPITAL ASSETS-CARRYOVER					
EXTRAORDINARY REPAIRS	334,322	24,205	-24,205	0	0
TOTAL	334,322	24,205	-24,205	0	0
CAPITAL ASSETS-CARRYOVER					
GENERAL FUND	334,322	24,205	-24,205	0	0
FEDERAL FUNDS	0	0	0	0	0
SPECIAL FUNDS	0	0	0	0	0
TOTAL	334,322	24,205	-24,205	0	0
CAPITAL ASSETS NON-STATE FUNDED					
LAND AND BUILDINGS	0	1,500,000	2,457,000	3,957,000	0
TOTAL	0	1,500,000	2,457,000	3,957,000	0

REQUEST DETAIL

Date: 12/14/2006

240 MAYVILLE STATE UNIVERSITY

Bill#: HB1003

Time: 14:39:05

Biennium: 2007-2009

Description	Expenditures 2003-2005 Biennium	Present Budget 2005-2007	Budget Request Change	Requested Budget 2007-2009 Biennium	Optional Budget Request
CAPITAL ASSETS NON-STATE FUNDED					
GENERAL FUND	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0
SPECIAL FUNDS	0	1,500,000	2,457,000	3,957,000	0
TOTAL	0	1,500,000	2,457,000	3,957,000	0
SPECIAL LINES					
BIENNIUM CARRYOVER	0	19,795	-19,795	0	0
TOTAL	0	19,795	-19,795	0	0
SPECIAL LINES					
GENERAL FUND	0	19,795	-19,795	0	0
FEDERAL FUNDS	0	0	0	0	0
SPECIAL FUNDS	0	0	0	0	0
TOTAL	0	19,795	-19,795	0	0
FUNDING SOURCES					
GENERAL FUND	9,217,026	9,406,624	873,803	10,280,427	927,154
FEDERAL FUNDS	0	0	0	0	0
SPECIAL FUNDS	0	1,500,000	2,457,000	3,957,000	0
TOTAL FUNDING SOURCES	9,217,026	10,906,624	3,330,803	14,237,427	927,154

CHANGE PACKAGE SUMMARY
240 MAYVILLE STATE UNIVERSITY
Biennium: 2007-2009

Bill#: HB1003

Date: 12/14/2006

Time: 14:39:05

Description	FTE	General Fund	Federal Funds	Special Funds	Total Funds
AGENCY BUDGET CHANGES					
Cost To Continue	-10.91	-402,994	0	-1,500,000	-1,902,994
1 PARITY	.00	805,139	0	0	805,139
2 EQUITY	.00	81,020	0	0	81,020
3 CAP ASSET BASE AND INCR	.00	390,638	0	0	390,638
4 2007-09 MAJ CAP PROJ	.00	0	0	3,957,000	3,957,000
Agency Total	-10.91	873,803	0	2,457,000	3,330,803
OPTIONAL REQUEST					
30 OPT DEF MNT INCR	.00	927,154	0	0	927,154
Optional Total	.00	927,154	0	0	927,154

BUDGET CHANGES NARRATIVE
240 MAYVILLE STATE UNIVERSITY

Date: 12/14/2006
Time: 14:39:05

Change Group: A	Change Type: A	Change No: 1	Priority: 1
------------------------	-----------------------	---------------------	--------------------

PARITY - \$805,139

Parity is defined as the amount needed to fund operating inflation, cost to continue FY07 legislatively funded salary increases, 2007-09 health and salary increases and utilities of buildings coming online during the 2007-09 biennium. The long-term finance plan includes targeted state/student shares for each of the campuses. Approximately 93% of the state's share of these costs is included in the request. Additional resources are scarce. Reallocation of operating resources will be required to offset the unfunded portion of the state's share of the costs. The reallocation will stretch very scarce resources even further, and will result in fewer services for students and staff.

The total (state share) general fund portion of parity consists of the following: 2.4% per year operating inflation (\$116,480), CTC FY07 legislatively funded salary increases (\$96,928), 10% annual health insurance increases (\$201,116) and 5% per year salary increases (\$435,278). These parity components total (\$849,801), however as previously noted, the budget request only includes approximately 93% of the state's share, or (\$805,139). Operating inflation, totaling (\$44,662) is not included in the budget request.

An annual tuition increase of 8.5% would be needed to fund the remaining state share (\$44,662) and to fund the student share (\$364,200) of parity. However, if the 2007-09 budget request is funded at the level requested, the SBHE has indicated that tuition increases will be limited to no more than 5% per year in 2007-09.

Resources that are not obligated would be very difficult to locate. Therefore, reallocation will be required to offset the lack of funds, if tuition increases are limited to 5% per year. One faculty position or two staff persons will be eliminated to offset the difference in funding. The reduction in personnel will have a direct impact on employee workload and services available to students and other customers.

Change Group: A	Change Type: A	Change No: 2	Priority: 1
------------------------	-----------------------	---------------------	--------------------

EQUITY - \$81,020

The NDUS budget request includes a \$10 million increase for equity, distributed among the 11 NDUS campuses and Medical School. The recent MGT report confirms that all NDUS institutions are under funded, when compared to their peer institutions. The equity request will address all NDUS institutions' relative funding position compared to their peer institutions. However, the specific request of each campus was determined by considering both their dollar difference from their peer benchmark, as well as giving a greater weighting factor to those institutions that are further behind their peer benchmark. The equity request for Mayville State University is \$81,020.

Recruitment of full-time residential students is a high priority for the campus. Additional resources will be used to support staffing and marketing to attract additional full-time residential students.

Change Group: A	Change Type: A	Change No: 3	Priority: 1
------------------------	-----------------------	---------------------	--------------------

CAP ASSET BASE AND INCR - \$390,638

This provides an amount equal to the 2005-07 base funding (\$208,994) for extraordinary repairs, plus a proportionate share (\$181,644) of the \$4 million capital assets increase that is included by the NDUS in the base budget requests. The \$4 million increase is much lower than the total amount called for in the capital asset funding model (\$24.4 million), which is part of the NDUS long-term finance plan. The NDUS is currently funded at an average of 12.2% of the OMB building and infrastructure formulas (ranging from 5.8% to 20.6%), and outstanding deferred maintenance totals \$117.8 million for the NDUS.

A prioritized listing of extraordinary repair projects is included in the extraordinary repairs subschedule (because of OMB's requirement to do so), however these priorities can very easily change, due to unforeseen circumstances and emergencies. The priority listing is only a best estimate at this time. The actual use of these dollars will be left to the discretion of the institutions (with appropriate approvals by the SBHE where required for projects greater than \$100,000). All NDUS entities will be given the authority to allocate dollars to repair and replacement priorities for both deferred maintenance and regular repair and replacement projects as determined by each entity.

Approximately 50% of the capital asset base is committed to paying annual special assessments. Therefore, needed projects continue to be postponed. The funding increase will allow Mayville State to make additional progress on basic capital improvements.

Change Group: A	Change Type: A	Change No: 4	Priority: 1
------------------------	-----------------------	---------------------	--------------------

2007-09 MAJ CAP PROJ - \$3,957,000

All details of the major capital projects are included in the Capital Assets subschedule.

Change Group: A	Change Type: A	Change No: 100	Priority:
------------------------	-----------------------	-----------------------	------------------

OMB Deferred Maintenance Optional - \$556,292

Executive recommendation to fund \$556,292 general fund for optional request of \$927,154 for deferred maintenance.

“The outstanding deferred maintenance of the NDUS, based on recently updated campus master plans, totals \$117.8 million. A one-time infusion of \$10 million would be used to address this critically unfunded need. The campus's share of the \$10 million is \$927,154, based upon a proportionate share of total outstanding deferred maintenance of the NDUS. The priority listing is only a best estimate at this time, and can easily change, due to unforeseen circumstances and emergencies. The use of these dollars will be left to the discretion of the institution to fund most critical deferred maintenance needs (with appropriate approvals by the SBHE where required for projects greater than \$100,000).

The projects included in the listing address health – safety, ADA and major repair needs on campus. The rewindow projects listed in the optional package will result in long-term budget savings through reduced heating costs.

Change Group: A	Change Type: A	Change No: 101	Priority:
------------------------	-----------------------	-----------------------	------------------

OMB West Hall Project - (\$3,957,000)

Executive Recommendation to not fund the West Hall renovation project until a Master plan for the campus is complete.

Change Group: A	Change Type: A	Change No: 102	Priority:
------------------------	-----------------------	-----------------------	------------------

OMB NW Hall Rehabilitation - \$900,000

Executive Recommendation to fund from special funds the Northwest Hall renovation project that was submitted to OMB after the budget had been submitted.

Change Group: O	Change Type: A	Change No: 30	Priority: 10
------------------------	-----------------------	----------------------	---------------------

OPT DEF MNT INCR - \$927,154

“The outstanding deferred maintenance of the NDUS, based on recently updated campus master plans, totals \$117.8 million. A one-time infusion of \$10 million would be used to address this critically unfunded need. The campus’s share of the \$10 million is \$927,154, based upon a proportionate share of total outstanding deferred maintenance of the NDUS. The priority listing is only a best estimate at this time, and can easily change, due to unforeseen circumstances and emergencies. The use of these dollars will be left to the discretion of the institution to fund most critical deferred maintenance needs (with appropriate approvals by the SBHE where required for projects greater than \$100,000).

The projects included in the listing address health – safety, ADA and major repair needs on campus. The rewindow projects listed in the optional package will result in long-term budget savings through reduced heating costs.