
AGENCY OVERVIEW

241 MINOT STATE UNIVERSITY

Date: 12/13/2006

Time: 09:32:49

STATUTORY AUTHORITY

North Dakota Constitution, Article VIII, Section 6; North Dakota Century Code Chapters 15-10 and 15-13

AGENCY DESCRIPTION

Minot State University (MiSU) is a comprehensive public university whose purpose is to foster the intellectual, personal, and social development of its students, and to promote the public good through excellence in teaching, research, scholarly activity, and public service. The University offers a wide array of undergraduate programs in the liberal arts and the professions. Graduate education includes masters programs in communication disorders, criminal justice, education, management, mathematics, music, science and special education. One education specialist degree is offered in school psychology.

AGENCY MISSION

Minot State University advances knowledge, critical and creative thinking, and the vitality of community and cultures.

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

Minot State University was one of two of the eleven public institutions that showed an increase in full-time equivalent student (FTE) enrollment this past academic year. A new enrollment management program, increased recruiting and marketing efforts, and other retention efforts have contributed to this positive growth in FTE. Continued demographic challenges will require enhanced effort in regional, national, and international recruitment.

Faculty continue to perform well in the classroom and in scholarship and service. Many faculty have been recognized for their scholarly achievements, including research, publications, and contributions in service.

The strategic planning work has proceeded well. Following the collection of the focus-group results, an environmental scan of external information, and the materials gathered at a campus-wide Open House in the Student Union Atrium (campus and Minot community were invited to view the focus-group results and to provide additional comments in response to the seven questions), teams from the Planning and Budgeting Council analyzed the results and prepared reports describing the results and the conclusions. From that information, preliminary themes, strategic goals, objectives, and specific tasks have been developed and shared with the campus at an open forum. A new vision, mission, set of core values, and a core purpose were developed through a variety of open forums and meetings with the Planning and Budgeting Council, three senates, deans, and administrative team.

The Higher Learning Commission self study process is well underway. A coordinator and a self-study committee were appointed to begin the self-study work for the university's accreditation visit scheduled in April 2008. The executive committee has been meeting to develop subcommittees and set goals for the study, and a group of 12 Minot State University representatives attended the HLC Annual Meeting in April.

A specific plan to support and advance the University's recruitment of international students through targeted cooperative agreements with international institutions has been developed. A cooperative agreement was signed with a Chinese institution, SIAS International University in the Henan Province, after a productive visit in February

A first-year orientation program from a voluntary to a mandatory one has been developed and scheduled to begin in the fall of 2006. In addition, a mentoring program, which will involve volunteer faculty and staff to mentor a small number of first-year students, has been developed and will begin in the fall.

A dean of the graduate school and sponsored programs, with a grant-writing and research support office, has been hired and established.

A review and evaluation of the levels of staffing in the Advancement Office has been completed and a *new advancement vice president hired*.

A restructured and improved Office of Public Information has been completed to focus exclusively on internal and external communications.

A task force to examine the feasibility of moving to NCAA Div II completed its work. While the recommendation was favorable, the campus decided to wait to examine additional funding requirements and conference availability.

FUTURE CRITICAL ISSUES

Adjustments for Costs to Continue include the following:

05-07 EXTRAORDINARY REPAIRS – 2005-07 extraordinary repairs. -\$596,870 & one-time funding of (-\$80,000) for Student Union Ballroom repairs.

05-07 MAJ CAP PROJ - 2005-07 major capital projects (-\$8,535,000) which consists of \$5,000,000 for Crane Hall renovation and \$3,535,000 for the Center for Applied Professional Education.

REQUEST SUMMARY

241 MINOT STATE UNIVERSITY

Biennium: 2007-2009

Bill#: HB1003

Date: 12/13/2006

Time: 09:32:49

Description	Expenditures 2003-2005 Biennium	Present Budget 2005-2007	Budget Request Change	Requested Budget 2007-2009 Biennium	Optional Budget Request
BY MAJOR PROGRAM					
MINOT STATE UNIVERSITY	26,704,778	36,427,719	2,701,482	39,129,201	949,401
TOTAL MAJOR PROGRAMS	26,704,778	36,427,719	2,701,482	39,129,201	949,401
BY LINE ITEM					
OPERATING EXPENSES	26,091,928	27,215,849	2,954,699	30,170,548	0
CAPITAL ASSETS	612,850	676,870	206,233	883,103	949,401
CAPITAL ASSETS NON-STATE FUNDED	0	8,535,000	-459,450	8,075,550	0
TOTAL LINE ITEMS	26,704,778	36,427,719	2,701,482	39,129,201	949,401
BY FUNDING SOURCE					
GENERAL FUND	26,704,778	27,892,719	3,320,517	31,213,236	949,401
FEDERAL FUNDS	0	0	0	0	0
SPECIAL FUNDS	0	8,535,000	-619,035	7,915,965	0
TOTAL FUNDING SOURCE	26,704,778	36,427,719	2,701,482	39,129,201	949,401
TOTAL FTE	217.49	198.82	-13.99	184.83	.00

REQUEST DETAIL

241 MINOT STATE UNIVERSITY
Biennium: 2007-2009

Bill#: HB1003

Date: 12/13/2006

Time: 09:32:49

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	26,091,928	27,215,849	2,954,699	30,170,548	0
TOTAL	26,091,928	27,215,849	2,954,699	30,170,548	0
OPERATING EXPENSES					
GENERAL FUND	26,091,928	27,215,849	2,954,699	30,170,548	0
FEDERAL FUNDS	0	0	0	0	0
SPECIAL FUNDS	0	0	0	0	0
TOTAL	26,091,928	27,215,849	2,954,699	30,170,548	0
CAPITAL ASSETS					
LAND AND BUILDINGS	0	0	0	0	0
EXTRAORDINARY REPAIRS	612,850	676,870	206,233	883,103	949,401
TOTAL	612,850	676,870	206,233	883,103	949,401
CAPITAL ASSETS					
GENERAL FUND	612,850	676,870	206,233	883,103	949,401
FEDERAL FUNDS	0	0	0	0	0
SPECIAL FUNDS	0	0	0	0	0
TOTAL	612,850	676,870	206,233	883,103	949,401
CAPITAL ASSETS CARRYOVER					
TOTAL	0	0	0	0	0
CAPITAL ASSETS NON-STATE FUNDED					
LAND AND BUILDINGS	0	8,535,000	-459,450	8,075,550	0
TOTAL	0	8,535,000	-459,450	8,075,550	0
CAPITAL ASSETS NON-STATE FUNDED					
GENERAL FUND	0	0	159,585	159,585	0
FEDERAL FUNDS	0	0	0	0	0
SPECIAL FUNDS	0	8,535,000	-619,035	7,915,965	0
TOTAL	0	8,535,000	-459,450	8,075,550	0

REQUEST DETAIL

241 MINOT STATE UNIVERSITY

Biennium: 2007-2009

Bill#: HB1003

Date: 12/13/2006

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Description	Expenditures 2003-2005 Biennium	Present Budget 2005-2007	Budget Request Change	Requested Budget 2007-2009 Biennium	Optional Budget Request
FUNDING SOURCES					
GENERAL FUND	26,704,778	27,892,719	3,320,517	31,213,236	949,401
FEDERAL FUNDS	0	0	0	0	0
SPECIAL FUNDS	0	8,535,000	-619,035	7,915,965	0
TOTAL FUNDING SOURCES	26,704,778	36,427,719	2,701,482	39,129,201	949,401

CHANGE PACKAGE SUMMARY

Date: 12/13/2006

241 MINOT STATE UNIVERSITY

Bill#: HB1003

Time: 09:32:49

Biennium: 2007-2009

Description	FTE	General Fund	Federal Funds	Special Funds	Total Funds
AGENCY BUDGET CHANGES					
Cost To Continue	-13.99	-676,870	0	-8,535,000	-9,211,870
1 PARITY	.00	2,616,595	0	0	2,616,595
2 EQUITY	.00	338,104	0	0	338,104
3 CAP ASSET BASE AND INCR	.00	883,103	0	0	883,103
4 2007 09 MAJ CAP PROJ	.00	159,585	0	7,915,965	8,075,550
Agency Total	-13.99	3,320,517	0	-619,035	2,701,482
OPTIONAL REQUEST					
30 OPT DEF MNT INCR	.00	949,401	0	0	949,401
Optional Total	.00	949,401	0	0	949,401

BUDGET CHANGES NARRATIVE

241 MINOT STATE UNIVERSITY

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Change Group: A	Change Type: A	Change No: 1	Priority: 1
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PARITY - \$2,616,595

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.

The total (state share) general fund portion of parity consists of the following: 2.4% per year operating inflation \$226,033, CTC FY07 legislatively funded salary increases \$323,569, 10% annual health insurance increases \$680,956, and 5% per year salary increases \$1,502,086 in 2007-09. These parity components total \$2,732,644, however as previously noted, the budget request only includes approximately 93% of the state's share, or \$2,616,595. Operating inflation, totaling \$116,049 is not included in the budget request.

An annual tuition increase of 5.6% would be needed to fund the remaining state share \$116,049 and to fund the student share \$1,471,423 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.

The 7% (\$116, 049) of the state's share of parity that is unfunded and cannot be covered by a tuition increase will be made up by a reduction in operating budgets, specifically physical plant, an increase in the use of local funds and a reduction in equipment purchases. A reduction in the physical plant operating budget will lead to an increase in deferred maintenance, a reduction in building cleanliness by reducing custodial services, a reduction in grounds maintenance by reducing costs for fertilizers and weed control, and a reduction in the ability of physical plant to be able to respond to campus requests for maintenance and repair of equipment and plant items. We would probably need to lower the thermostats a few degrees in the winter and raise them a few degrees in the summer.

The reduction in equipment purchases would be felt campus wide but more severely in the classroom where outdated equipment would not be replaced, new programs would have to find alternative funding sources for their needs, and funding would not be available for program expansion. On the administrative side a change in mission for a department would not be able to be supported by the institution operating budget.

Local funds that would normally be used to supplement university operations would wind up supplanting operating funds and not be available for maintenance, software purchases, equipment or personnel needs.

Change Group: A	Change Type: A	Change No: 2	Priority: 1
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EQUITY - \$338,104

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 Minot State University is \$338,104.

The equity component of the budget request (\$338,104) is based on the Long Term Finance Plan resource allocation model updated with the most current financial and statistical information available, including updated peer institution information based on the MGT study conducted this past spring. The figure of (\$338, 104) was arrived at by using a weighted distance calculation that was determined for institutions that were at less than 100% of equity with their peer institutions. Minot State would use the equity monies for the preparation involved in its North Central Accreditation visit. Expense components would consist of faculty release time to prepare the study; expenses relating to travel to and from the NCA headquarters in Chicago, IL, expenses for travel/meals/lodging for the consultant-evaluator team assigned to Minot State University by the Higher Learning Commission, and expenses involved in producing the report. Based on the campuses strategic planning process which would incorporate the Board of Higher Education Cornerstone Goals Minot State University has identified certain initiatives to be funded with the equity monies:

--Support the recommendations of the Compensation Task force Committee which include bringing university employees to their market average, employees are currently (10.2%) behind their market rate which has been a hindrance when trying to hire for key faculty and administrative positions.

--Support services for disabled students.

--Increases in the cost of utilities.

--Support new program initiatives.

--Additional support for marketing and recruiting efforts.

--Additional positions in the areas of institutional research and development.

Change Group: A	Change Type: A	Change No: 3	Priority: 1
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CAP ASSET BASE AND INCR - \$883,103

This provides an amount equal to the 2005-07 base funding \$596,870 for extraordinary repairs, plus a proportionate share, \$286,233, 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.

Change Group: A	Change Type: A	Change No: 4	Priority: 1
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2007 09 MAJ CAP PROJ - \$

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

Change Group: A	Change Type: A	Change No: 100	Priority:
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OMB Deferred Maintenance Optional - \$569,641

Executive Recommendation of \$569,641 to fund deferred maintenance. Total optional request was \$949,401.

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 \$949,401, 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). MSU will not recognize any long-term budget savings or efficiencies with the optional requests.

Change Group: A	Change Type: A	Change No: 101	Priority:
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OMB Dome Floor - \$336,400 All Special Funds

Executive Recommendation to approve dome-athletic floor replacement project; however, there are no general funds appropriated.

Change Group: A	Change Type: A	Change No: 102	Priority:
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OMB Swain Hall Renovation - \$2,500,000 General Fund Dollars; \$4,536,150 Non-State Funds

Executive Recommendation for the renovation of Swain Hall with \$2.5 million general fund dollars and \$4,536,150 from non-state funds.

Change Group: O	Change Type: A	Change No: 30	Priority: 10
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OPT DEF MNT INCR - \$949,401

“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 \$949,401, 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). MSU will not recognize any long-term budget savings or efficiencies with the optional requests