



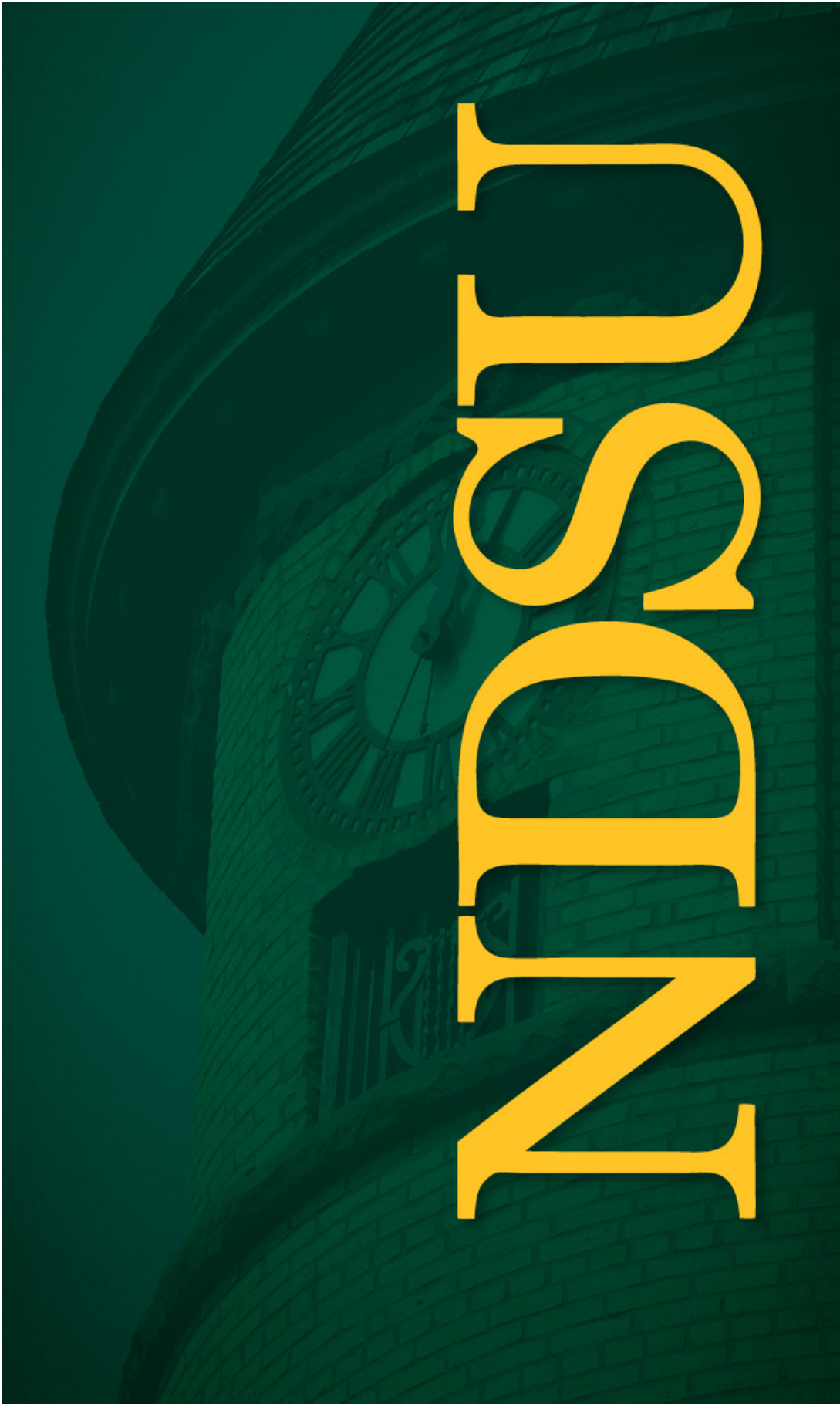
Division of Finance and Administration

FY2016 Annual Report

CONTENTS

<i>INTRODUCTION</i>	1
<i>ENROLLMENT UPDATES</i>	4
<i>TUITION, COSTS & FINANCIAL AID</i>	8
<i>NDSU AT A GLANCE</i>	11
<i>RESEARCH</i>	14
<i>BUDGETARY HIGHLIGHTS</i>	16
<i>PLANNED IMPROVEMENTS</i>	19
<i>NDSU FOUNDATION & ALUMNI ASSOCIATION</i>	21
<i>DIVISION OF FINANCE & ADMINISTRATION</i>	22
<i>FINANCIAL INFORMATION</i>	28

NDSU does not discriminate in its programs and activities on the basis of age, color, gender expression/identity, genetic information, marital status, national origin, participation in lawful off-campus activity, physical or mental disability, pregnancy, public assistance status, race, religion, sex, sexual orientation, spousal relationship to current employee, or veteran status, as applicable. Direct inquiries to Vice Provost for Title IX/ADA Coordinator, Old Main 201, NDSU Main Campus, 701-231-7708, ndsuoaaa@ndsuo.edu.



Introduction

We are proud to be the only North Dakota university in the National Science Foundation's top 100 public institutions rankings. NDSU is the state's land-grant institution, which means we have a longstanding commitment to bringing education and research solutions to the people of North Dakota; NDSU's access and affordability are exceptional among our peer universities. And even more importantly, it means we welcome and carefully nurture our students. I have served at a number of universities around the country, and I can tell you from experience that North Dakota State University uniquely combines commitment to students, citizens and research in a way few of our nationally top-ranked research university peers do. We truly are a student focused, land-grant, research university.

We are privileged to work in a prosperous state, and so our potential to be one of the most compelling factors changing our state's future path toward success is continuing to grow. Students here seek a traditional "in class" and rigorous research university environment leading to graduation and job placement in their field of study—and no university in the state is more successful at providing that opportunity. Our students learn from the best, in classroom and laboratory settings, working directly with top faculty. Complementing our academic offerings, we offer a breadth of student organizations that proportionally matches the best universities in the nation, are plentiful and varied, and offer great options for learning as part of a team as well as

leadership experience. NDSU also happens to have one of the most successful NCAA Division I athletics programs in the nation, both in terms of student-athlete academic success and the breadth of sports that succeed well into post-season championship play. North Dakota was the focus of a great deal of positive national attention in January, as our football team won its fifth FCS national championship.

I invite you to explore the many facets of NDSU.



Dr. Dean L. Bresciani, President

North Dakota's first and only top-tiered ranked public research university in the nation based on the National Science Foundation

Mission Statement

With energy and momentum, North Dakota State University addresses the needs and aspirations of people in a changing world by building on our land-grant foundation.

North Dakota State University, as a member of the North Dakota University System, is a student focused, land-grant, research university. The University provides students with affordable access to an excellent education at a highly ranked research institution; we connect teaching and research in a rich learning environment, educating future leaders who will create solutions to national and global challenges. As a land-grant institution, our research and creative activities focus on the most difficult and challenging issues faced by society. We serve the state and improve the lives of all through cutting-edge research, creative works and collaborative partnerships with the people we serve.

We reaffirm our underlying commitment to ethical behavior, we foster and celebrate diversity in all of its forms, and we safeguard and foster transparency, shared governance and academic freedom as fundamental values. We pledge to be good stewards of the resources entrusted to us by the State of North Dakota.

North Dakota State University is a student focused, land-grant, research university — an economic engine that educates students, conducts primary research, creates new knowledge and advances technology. The university provides affordable access to an excellent education at a top-ranked research institution that combines teaching and research in a rich learning environment, educating future leaders who will create solutions to national and global challenges that will shape a better world.



2015-2020: A Student-Focused Research University Serving North Dakota

NDSU’s strategic plan is built on three pillars: educational opportunities that support student access and success; research, creative works and discovery focused on grand challenges; and outreach and engagement that create better lives for North Dakotans. The three pillars mutually support the overarching mission of NDSU. NDSU is guided by the core values of:

Educational Excellence	Cutting-Edge Scholarship	Accountability	Diversity	Collaboration
We provide a rigorous and research-based learning environment that challenges students to excel both within and outside of the classroom.	We are an engaged university and acknowledge and pursue scholarship in all its forms, acknowledging the importance of both basic and applied research and the integral nature of teaching, research and outreach.	As a land-grant institution, we have a special relationship with, and are accountable to, the people of North Dakota. We strive to improve our region’s quality of life and to contribute to its economic prosperity.	We maintain a campus climate that supports and respects faculty, staff and students who have diverse cultures, backgrounds and points of view.	We operate with transparency and a commitment to shared governance and responsibility.

Major University Successes

Classified by the Carnegie Commission on Higher Education as "Doctoral Universities: Higher Research Activity"

Ranking. NDSU is now the **top ranked college or university** in not only its own state, but its five state area of ND, SD, MT, WY and ID. NDSU went from #90 to #84 in the most recent NSF "HERD" report, and research productivity continues to grow. For a third consecutive year, licensing/royalty fees broke previous records and are now in excess of \$2.5 million.

Record Setting Private Gifts & Endowments. Annual private giving has more than tripled with reciprocal gains in the permanent endowment – both are at record levels. Records for single largest private gifts have repeatedly been broken over the past several years, with several in the area of student scholarships breaking not only NDSU records but what are believed to be state endowed student scholarship records as well.

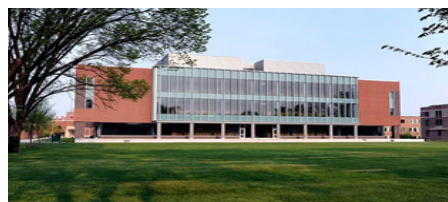
NDSU received several of the **largest endowments in its history**, many of which were enhanced through matches from the ND Higher Education Challenge Grant Fund:

- In December 2014, the Bobcat/Doosan Company established a **\$4.5 million endowed student scholarship** for undergraduates in STEM (science, technology, engineering, mathematics) related disciplines.
- In May 2016, an anonymous donor similarly created a **\$14.7 million endowed scholarship program** exclusively for undergraduate students, with a preference toward high achieving students in STEM related disciplines.
- Also in 2016, Jim Falck, a successful architect, landscape architect and painter, gave a **\$2.1 million gift** (including artwork) that will fund scholarships for students in visual arts and will also provide funding for program development, faculty development and international programs that will elevate the department.

Enrollment Growth. In light of our state's needs, NDSU has publicly accepted a responsibility to **grow from its current 14,500 to 18,000 students** through a three-pronged approach of better retention, increased graduate student enrollments and also increased undergraduate enrollments, setting the stage for NDSU to begin to pursue membership in the elite Association of American Universities, known as AAU. All three initiatives are underway and are already yielding impressive results. Enrollment will most likely be further accelerated by the growth of local area K-12 enrollments, currently increasing at the rate of 1,200 additional net new students each year (and estimated to continue said increases for eight more years). NDSU yields the largest segment of students graduating from the area's high schools.

Pancreatic Cancer Research Center. Sanku Mallik, professor of pharmaceutical sciences in the College of Health Professions, and D.K. Srivastava, a James A. Meier Professor of chemistry and biochemistry in the College of Science and Mathematics, are receiving an Institutional Development Award Center for Biomedical Research Excellence (COBRE) grant of up to **\$9.62 million**. The award will be used to establish a research center aimed at early diagnosis and treatment of pancreatic cancer. This marks the third such NIH COBRE program at NDSU in recent years.

Cutting Edge STEM Facility. NDSU's newest, state-funded academic building, the **A. Glenn Hill Center** (formerly STEM classroom building) was dedicated on December 10, 2015. The 119,505 square foot, state-of-the-art building features 23 labs and nine classrooms, with 13 areas for students to work or study collaboratively. The facility offers the capacity for 4,000-5,000 students a day, which is critical in meeting growing enrollments.



NDSU's First Endowed Chairs:

- In 2013, a consortium of industry leaders provided gifts leading to a \$6.2 million endowment establishing an **Endowed Chair of Potato Pathology**. University Distinguished Professor, Neil Gudmestad, in the department of Plant Pathology holds the position.
- CHS, the country's largest agricultural cooperative, announced a \$3.75 million endowment to NDSU on March 23, 2016, that established an **Endowed Chair in Risk Management and Trading**. William Wilson, an NDSU Distinguished Professor of Agribusiness and Applied Economics, will be the first chair holder.
- In June 2016, it was announced that an anonymous donor had created a \$4.5 million **Endowed Chair of Entrepreneurship** in the College of Business. A national search is on to fill the position.

Historic Intercollegiate Sports Achievement. NDSU's 2015-16 football team became the first team in modern American college football history, at any level, to win **five consecutive national championships**. The championship also represented the program's 13th national championship at both Division-I and Division-II levels. Football, women's soccer, men's and women's indoor track & field, men's and women's outdoor track & field, and softball won their leagues and went on to post-season NCAA championship play as applicable. Perhaps even more impressive was the academic performance of NDSU student athletes. For a third year in a row, the average GPA of student athletes exceeded the average GPA of the student body at large, with over 60 student athletes achieving perfect 4.0 GPAs.

Sanford Health Athletic Complex. The men's and women's basketball programs, as well as the wrestling team (which successfully transitioned in to the Big-12 Conference this year), will enjoy moving to the \$42 million renovated and now renamed Sanford Health Athletic Complex in late fall 2016. The complex includes a new indoor track facility, covered turf field during winter months, multi-field football practice fields (both turf and grass) and expanded new parking areas.

Enrollment Updates

PROGRAMS & DEGREES

UNDERGRADUATE PROGRAMS

Majors	103
Degree Programs	164
Minors	78
Certificate Programs	5

GRADUATE PROGRAMS

Master's Degrees	83
Doctoral Degrees	51
Certificate Programs	13

UNIVERSITY TOTALS

Total All Majors	219
------------------	-----

(UGRD & GRAD disciplines, unduplicated)

TOTAL DEGREE PROGRAMS

	298
--	-----

(UGRD & GRAD program/degree combinations)

DEGREE TYPES AWARDED

Baccalaureate <i>(B.S., B.A., B.F.A., etc.)</i>	17
Master's <i>(M.A., M.S., M.B.A., etc.)</i>	15
Doctorate <i>(Ph.D., Ed.D., D.M.A., etc.)</i>	3
Professional <i>(Pharm D., D.N.P.)</i>	2
Specialist <i>(Ed.S.)</i>	1

SPRING 2015 DEGREES AWARDED

Bachelor's	1,371
Master's	213
Doctorate	59
Professional	78
Certificates	17
Secondary or Tertiary Majors	83
Minors	745

Source: NDSU.edu/data

Fall 2015

NDSU's official fourth-week enrollment was 14,516 undergraduate, graduate and professional students, setting another enrollment record this fall. Other notable Fall 2015 statistics include:

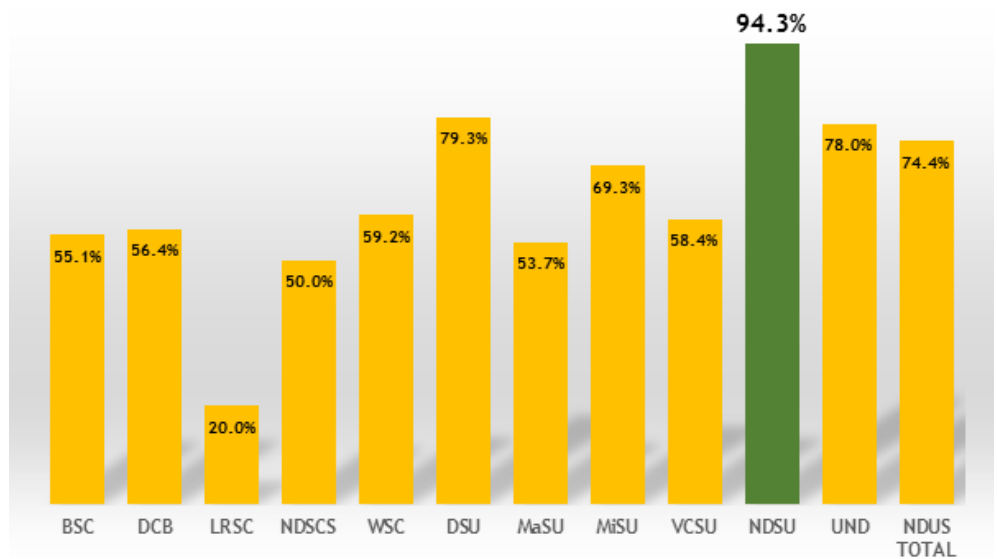
- Fall 2015 class of first-year, degree-seeking students was 2,552 - the 3rd largest in NDSU history and a 3.4% increase compared with last year
- Number of degree-seeking graduate students was at a record high, with doctoral student enrollment at a 4.5% increase from last year
- Fifty percent of entering first-year students had high school GPAs of 3.5 or higher and 30% had GPAs of 3.75 or higher; the average for all entering students was 3.43 - the highest overall GPA and ACT scores in school history
- Ninety-four percent of undergraduate students are full time and attend classes on campus

NDSU continues to lead the state in full time, face-to-face students, who are the students most likely to graduate and address the work force crisis in North Dakota.

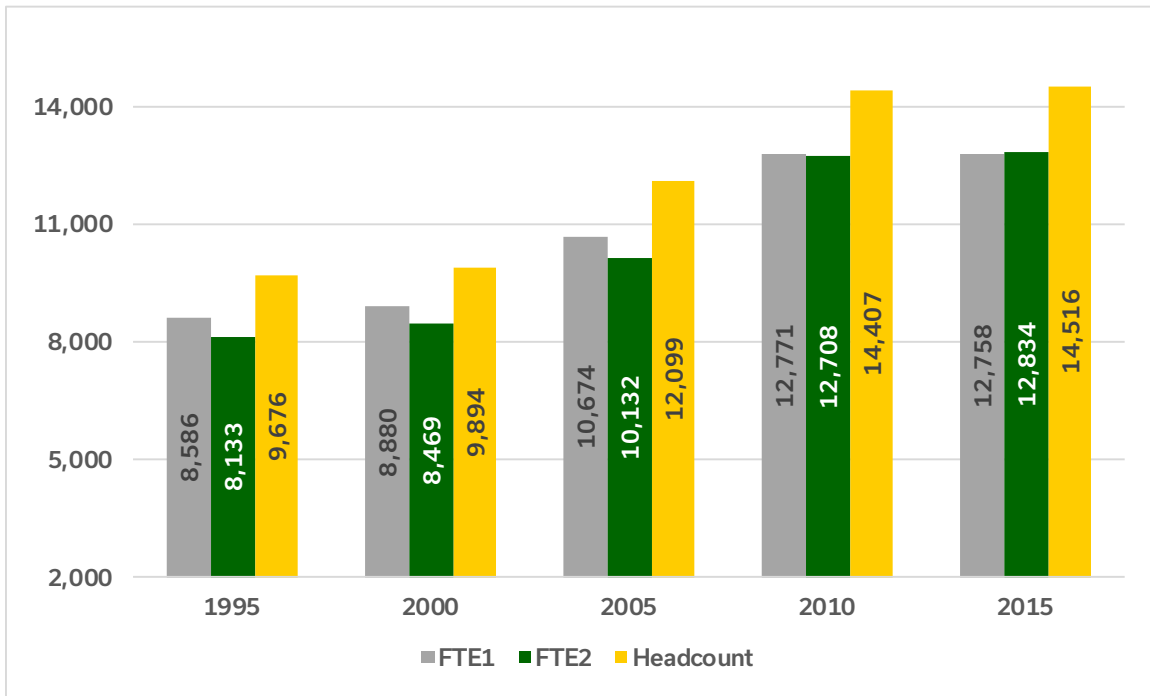
- President Dean L. Bresciani

Face-to-Face Fall 2015 On-Campus Percentages

13,689 of the 14,516 NDSU students are face-to-face with faculty in traditional classroom settings

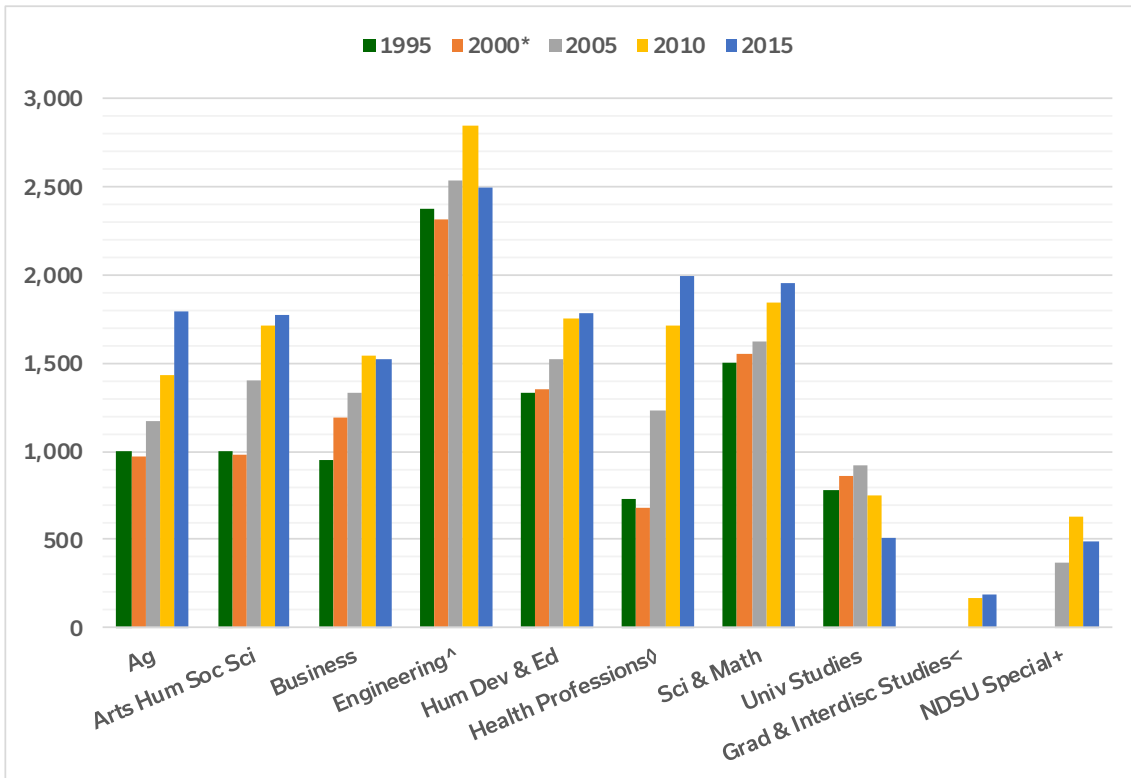


Source: NDSU Fall 2015 Enrollment Report



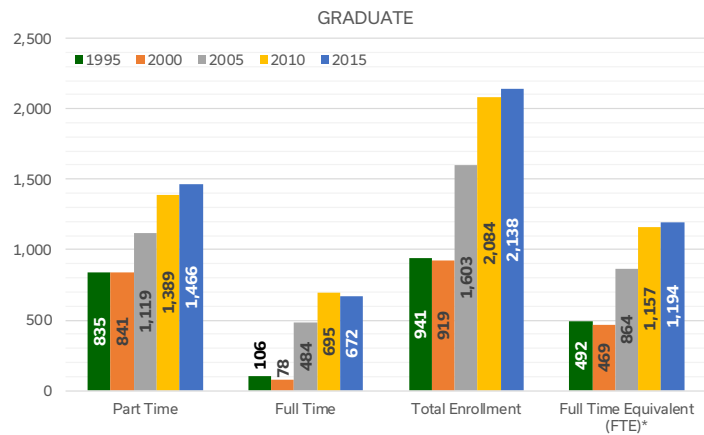
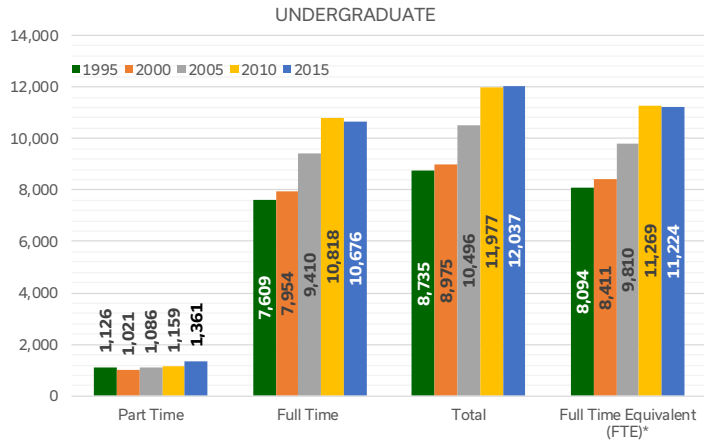
Full-Time Equivalent (FTE1): Total Full Time + Full Time Equivalent of Part-Time students
Full-Time Equivalent Enrollments Based on Total Student Credit Hours (FTE2): Student credit hours accumulated at the undergraduate level divided by 15, plus student credit hours accumulated at the graduate level divided by 12. Every professional student is counted as one FTE
Headcount: All students, regardless of number of credit hours

Enrollment by College

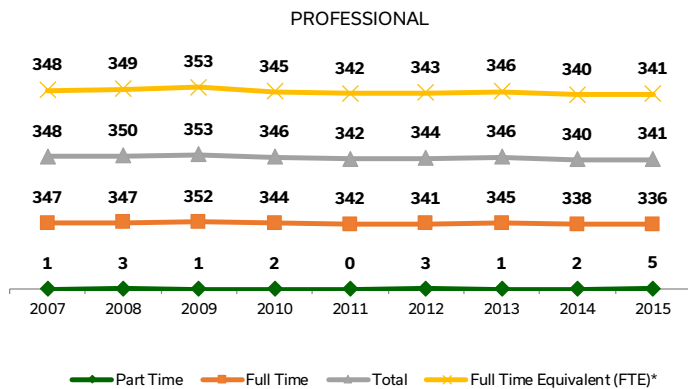
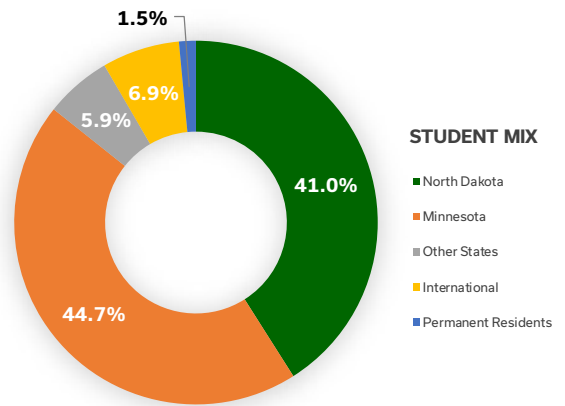
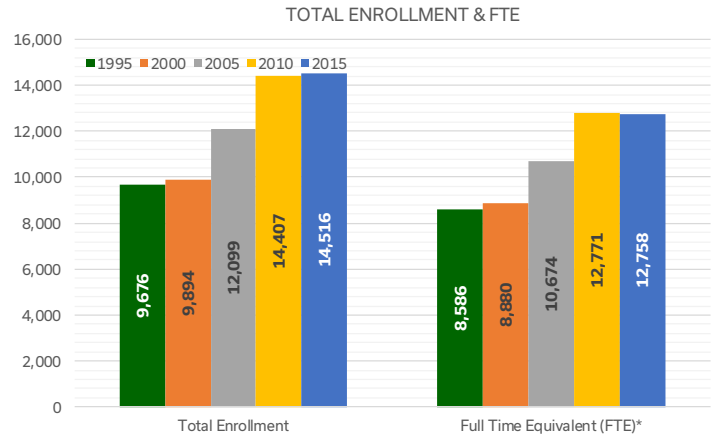


- * Includes data for all degree credit enrollments including co-op, Tri-College & continuing education
- ^ Architecture/Landscape Architecture relocated from College of Engineering & Architecture to College of Arts, Humanities & Social Sciences in 2013; College of Engineering is renamed
- ◇ Renamed from College of Pharmacy, Nursing & Allied Sciences in 2015
- < Graduate & Interdisciplinary Studies – new college spring 2006
- + Reclassified as NDSU Special effective 2006; includes Tri-College, collaborative & non-degree seeking students

Enrollment by Degree Level

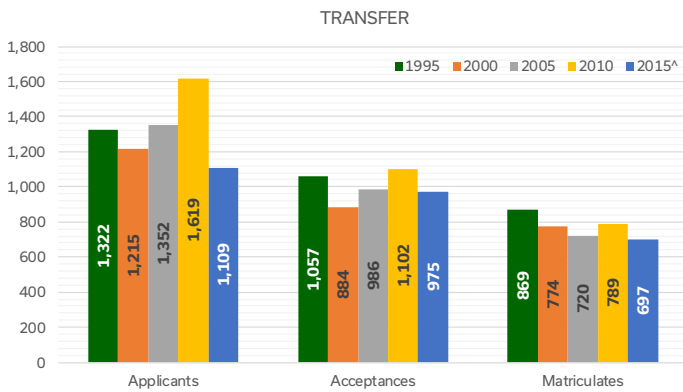
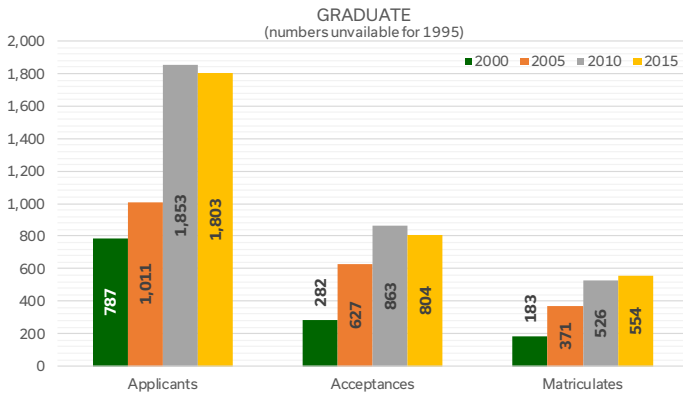
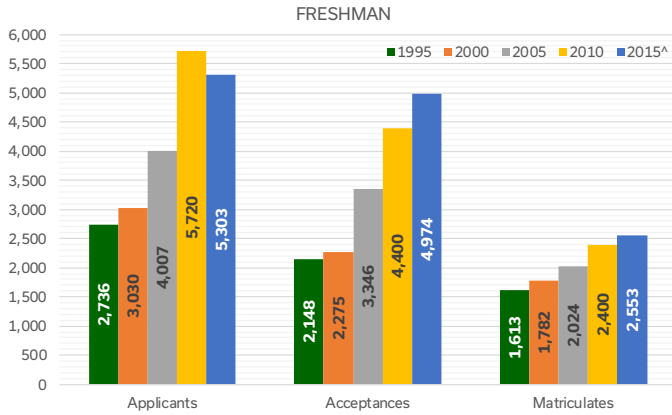


Total Enrollment, FTE, Student Mix



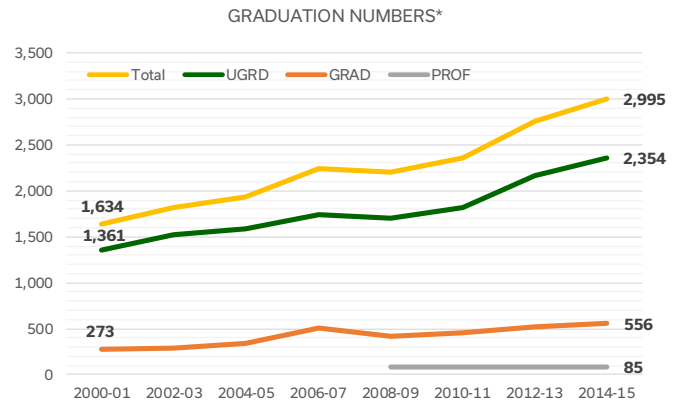
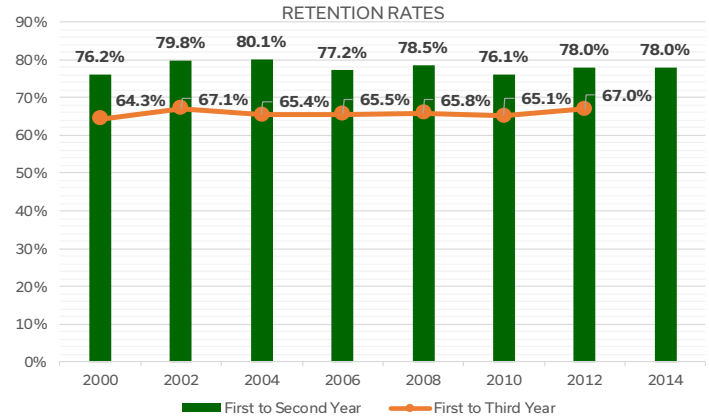
* Full-Time Equivalent (FTE): Total FTE + FTE of Part-Time

Applicants[^], Acceptances, Enrollments



[^] The APPLICANTS numbers for 2015 reflect only those students who have a completed file and are eligible for an admission decision. Prior to 2011, all submitted applications were reported, including those that did not complete the other necessary steps to be rendered an admission decision.

Retention & Graduation Rates



Entering Class of	4 Year	5 Year	6 Year
2000	17.4%	42.8%	50.9%
2001	14.1%	38.3%	46.5%
2002	22.4%	44.0%	50.6%
2003	22.9%	48.0%	52.0%
2004	24.9%	45.9%	53.2%
2005	23.3%	47.0%	53.7%
2006	23.8%	46.1%	52.7%
2007	25.5%	46.0%	53.1%
2008	25.2%	49.1%	56.1%
2009	26.9%	49.1%	53.9%
2010	26.8%	49.6%	N/A
2011	32.2%	N/A	N/A

* Graduate (GRAD) total include degrees awarded at the master, doctoral and professional doctorate levels, excluding the PharmD degree; PharmD program graduates are included in the Professional (PROF) category; Figures indicate total number of degrees conferred, not headcount; some duplication may exist among students who earned more than one degree type

Tuition, Costs & Financial Aid

MINNESOTA RECIPROCITY

112% of ND resident undergraduate rate for those students approved by the State of MN for reciprocity tuition and 127% of ND resident graduate rates based on program of instruction

TUITION EXCHANGE

Eligible for tuition at 150% of NDSU's resident tuition

Western Undergraduate Exchange (WUEP):

Alaska, Arizona, California, Colorado, Hawaii, Idaho, Nevada, New Mexico, Oregon, Utah, Washington, Wyoming and the Commonwealth of the Northern Marianas Islands

Midwest Student Exchange Program (MSEP):

Illinois, Indiana, Kansas, Michigan, Minnesota*, Missouri, Nebraska, Wisconsin

Contiguous:

Manitoba, Montana, Saskatchewan, South Dakota

*MN students not approved for the MN Reciprocity rate

Alumni Tuition Incentive Program (Undergraduate & Professional students):

Children and spouses of ND college and university graduates may be eligible for reduced tuition at NDSU through the Alumni Tuition Incentive Program. New undergraduate students who are otherwise non-resident students and are residents of states or provinces not engaged in a reduced tuition structure may be eligible for a tuition rate at 150% of the ND resident rate.

Tuition and Required Fees (Fall 2015 and Spring 2016 Rates)

UNDERGRADUATE - FULL TIME Tuition Rates (Per Academic Year)	Approx First Year of Enrollment Assessed	Regular Rate assessed on residency status (capped rate)			
		North Dakota	Minnesota*	Contig/WUE/ MSEP/Alumni Dep	Other Non- Resident
Base Rate	Freshman	\$ 6,762	\$ 7,574	\$ 10,144	\$ 18,056
Differential Tuition Rates (replaces Base Rate):					
Architecture & Landscape Architecture	Sophomore	A \$ 8,996	\$ 10,076	\$ 13,494	\$ 24,019
College of Business Major	Junior	C \$ 7,083	\$ 7,933	\$ 10,625	\$ 18,912
College of Business Minor (add-on-fee; Per Business Credit)	Junior	D \$ 13.35	\$ 14.94	\$ 20.01	\$ 35.62
Engineering	Freshman	B \$ 7,441	\$ 8,334	\$ 11,162	\$ 19,869
Nursing	Sophomore	A \$ 7,830	\$ 8,770	\$ 11,744	\$ 20,905
Pharmacy	Junior	A \$ 13,344	\$ 14,201	\$ 20,016	\$ 35,628

GRADUATE - FULL TIME Tuition Rates (Per Academic Year)		Regular Rate assessed on residency status (capped rate)			
		North Dakota	Minnesota*	Contig/MSEP	Other Non- Resident
Base Rate	12 or more credits	\$ 7,253	\$ 9,212	\$ 10,879	\$ 19,365
Differential Tuition Rates (replaces Base Rate):					
Architecture		E \$ 9,485	\$ 12,046	\$ 14,228	\$ 25,326
Engineering		\$ 7,932	\$ 10,074	\$ 11,898	\$ 21,178
Nursing		\$ 8,321	\$ 10,568	\$ 12,482	\$ 22,217
Public Health (tuition does not cap)	Per Credit	\$ 658.43	\$ 836.21	\$ 987.65	\$ 987.65

GRADUATE - PART TIME Tuition Rates (Per Credit)		Regular Rate assessed on residency status			
		North Dakota	Minnesota*	Contig/MSEP	Other Non- Resident
Base Rate	1 - 11 credits	\$ 302.21	\$ 383.80	\$ 453.31	\$ 806.90
Differential Tuition Rates (replaces Base Rate):					
Architecture & Landscape Architecture		E \$ 446.43	\$ 566.97	\$ 669.65	\$ 1,191.98
Engineering		\$ 330.90	\$ 420.24	\$ 496.34	\$ 883.49
Nursing		\$ 367.34	\$ 466.52	\$ 551.01	\$ 980.80
Public Health	Per Credit	\$ 658.43	\$ 836.21	\$ 987.65	\$ 987.64

Student Fees	Academic year	**	\$ 1,216
Student Fees	Per credit hour	**	\$ 51
Room & Board	Academic year	^	\$ 7,502

NOTE: Tuition and fees listed here do not include course fees or program fees.

- A Architecture, Nursing and Pharmacy differential tuition rates are assessed on all credits of students admitted into the professional programs.
- B Engineering differential tuition is assessed on all credits of students enrolled in pre-Engineering and Engineering programs for: Agriculture & Bio Systems, Civil, Computer, Construction Engineering/Management, Electrical, Environmental, Industrial, Mechanical and Manufacturing.
- C College of Business differential tuition is assessed on all credits of students admitted to a primary or secondary undergraduate major of: Accounting, Business Administration, Finance, Management, Management Information Systems and Marketing.
- D Students with majors outside the College of Business who have declared a minor within the College of Business will be charged tuition in accordance with their declared major. However, these students will be charged additional tuition assessed only on credits offered through the College of Business, which will be capped at 12 credits per semester. This additional rate will be applied to students who are not enrolled in a College of Business major but have been admitted to a minor in: Accounting; Business Administration; Fraud Investigation; Logistics Management; and Management Information Systems; or a Certificate in Professional Selling.
- E Architecture students with both Undergraduate and Graduate credits will have their tuition capped at the Graduate tuition rate.
- * All Minnesota rates are per the MN Reciprocity Agreement except the Pharmacy Program, which is excluded from the agreement. Minnesota residents who have not been approved by the State of Minnesota for the Reciprocity rates will be charged the MSEP tuition rate.
- ** Student fees cover the cost of selected university programs and activities, admission to fine arts and athletic events, student publications, technology, and health and wellness services. Figure does not include the \$120 new student fee.
- ^ Several room and board arrangements are available for on-campus housing. Rates presented here reflect arrangements most commonly selected by new freshmen (double room and the 7-Day Meal Plan). Rates and plans vary.

A Comparison of North Dakota and Regional Averages (2012-13 through 2015-16)

*North Dakota figures are the average of both of its doctoral universities

Undergraduate Tuition and Mandatory Fees

DOCTORAL UNIVERSITIES:	2012-13	2013-14	2014-15	2015-16
NORTH DAKOTA (NDSU/UND)*	\$7,244	\$7,524	\$7,781	\$7,972
+(-) previous year - \$	\$110	\$280	\$257	\$191
+(-) previous year - %	1.5%	3.9%	3.4%	2.5%
Arizona	\$9,693	\$10,027	\$10,368	\$10,746
Colorado	\$9,927	\$10,550	\$11,035	\$11,507
Idaho	\$6,141	\$6,434	\$6,675	\$6,902
Minnesota	\$13,309	\$13,421	\$13,626	\$13,790
Montana	\$6,339	\$6,399	\$6,450	\$6,503
Nevada	\$6,594	\$6,587	\$6,615	\$6,863
New Mexico	\$6,045	\$6,334	\$6,510	\$6,697
Oregon	\$8,367	\$8,654	\$8,948	\$9,507
South Dakota	\$7,554	\$7,868	\$7,868	\$8,315
Utah	\$6,554	\$6,821	\$7,170	\$7,431
Washington	\$12,229	\$12,250	\$12,411	\$11,883
Wyoming	\$4,278	\$4,404	\$4,646	\$4,892
REGIONAL AVERAGE	\$8,086	\$8,312	\$8,527	\$8,753
+(-) previous year - \$	\$443	\$227	\$214	\$226
+(-) previous year - %	5.8%	2.8%	2.6%	2.7%

Room and Board Rates

DOCTORAL UNIVERSITIES:	2012-13	2013-14	2014-15	2015-16
NORTH DAKOTA (NDSU/UND)*	\$6,904	\$6,944	\$7,150	\$7,369
+(-) previous year - \$	\$221	\$40	\$206	\$219
+(-) previous year - %	3.3%	0.6%	3.0%	3.1%
Arizona	\$9,197	\$9,377	\$9,709	\$9,789
Colorado	\$10,477	\$10,773	\$11,016	\$10,992
Idaho	\$6,760	\$7,115	\$7,225	\$7,333
Minnesota	\$8,412	\$8,732	\$8,920	\$9,314
Montana	\$7,666	\$7,922	\$8,193	\$8,528
Nevada	\$10,360	\$9,962	\$10,208	\$10,296
New Mexico	\$7,747	\$7,873	\$8,055	\$8,131
Oregon	\$10,291	\$10,711	\$10,904	\$11,400
South Dakota	\$6,365	\$6,819	\$6,798	\$7,534
Utah	\$6,323	\$6,663	\$7,104	\$7,395
Washington	\$9,909	\$10,719	\$11,055	\$11,174
Wyoming	\$9,084	\$9,451	\$9,755	\$10,037
REGIONAL AVERAGE	\$8,549	\$8,843	\$9,079	\$9,327
+(-) previous year - \$	\$253	\$294	\$235	\$248
+(-) previous year - %	3.1%	3.4%	2.7%	2.7%

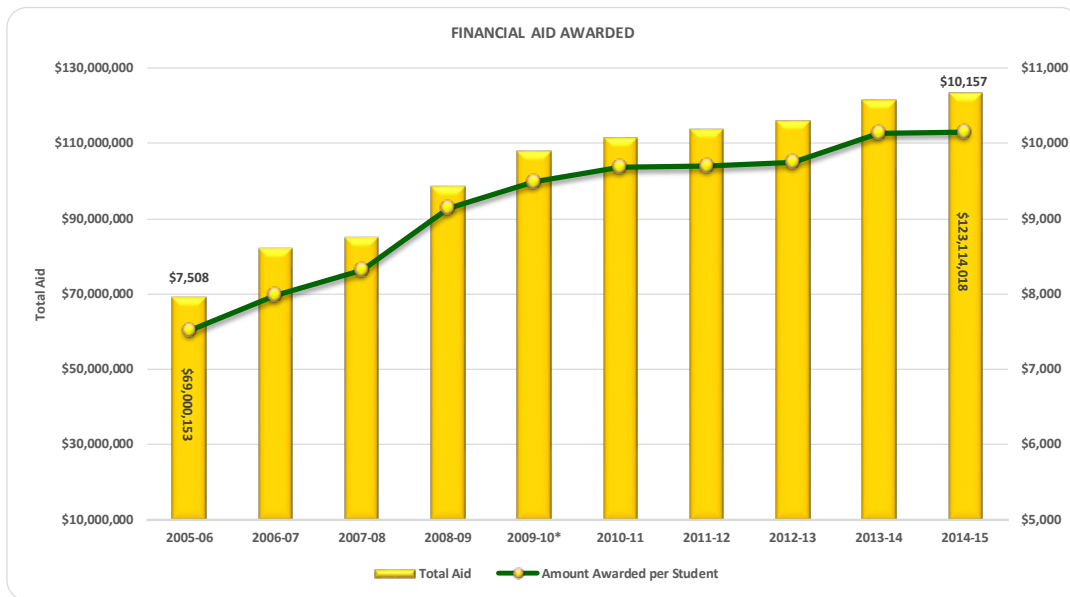
SOURCE: NDUS 2016 Student Affordability Report

Resident Tuition & Fee Comparison with Key Competitors (2015-2016)

CAMPUS	Tuition & Fees per Academic Year			Tuition & Fees per Credit Hour			Credits
	Tuition	Fees	Total	Tuition	Fees	Total	
NDSU	\$6,762	\$1,216	\$7,978	\$297.55	\$50.66	\$348.21	12
UND	\$6,548	\$1,416	\$7,964	\$272.82	\$59.03	\$331.85	12
U of MN	\$12,240	\$1,600	\$13,840	\$471.00	**		13

** http://onestop.umn.edu/documents/Tuition_and_Fees_ugrad_2015.pdf

Student Financial Aid Award Summary



* Beginning with 2009-10 and forward, veterans benefits were no longer considered a resource for financial aid purposes; therefore, total aid from 2009-10 and forward does not include veterans benefits

Total Amount Awarded

Academic Year	Total Amount	No. of Students	% of Enrollment	Total Enrollment
2005-06	\$69,000,153	9,190	75.96%	12,099
2006-07	\$81,970,398	9,953	81.20%	12,258
2007-08	\$84,740,529	9,869	78.79%	12,527
2008-09	\$98,487,230	10,775	81.50%	13,229
2009-10*	\$107,776,019	11,358	80.10%	14,189
2010-11	\$111,206,574	11,483	79.70%	14,407
2011-12	\$113,340,991	11,681	81.10%	14,399
2012-13	\$115,785,552	11,878	82.20%	14,443
2013-14	\$121,299,012	11,959	81.75%	14,629
2014-15	\$123,114,018	12,121	83.50%	14,516

2014-15 Financial Aid Breakdown

Type of Aid	Amount	Categories
Grants	\$12,769,246	Federal Pell Grant, Federal Supplemental Grant, Student Support Services Grant, ND State Grant
Loans / Work Study	\$73,380,391	Federal Direct Loan, Federal Perkins Loan, Private Alternative Loans, Work Study
Scholarships	\$31,821,854	Institutional, Private, State
Other Paid Tuition	\$5,142,527	National Guard, Other Third Party Paid Tuition
TOTAL	\$123,114,018	

NDSU at a Glance

Senior Management: President & President's Cabinet

- Dean L. Bresciani, President
- Timothy Alvarez, VP for Student Affairs
- Bruce Bollinger, VP for Finance & Administration
- Dennis Cooley, Faculty Senate President
- John Glover, President/CEO, NDSU Foundation & Alumni Association *
- Ken Grafton, VP for Agricultural Affairs
- Chuck Hoge, Interim Executive Director, NDSU Research & Technology Park
- Beth Ingram, Provost
- Matt Larsen, Director of Athletics
- Eric McDaniel, Student Body President
- Laura McDaniel, Assistant VP for University Relations
- Kelly Rusch, VP for Research & Creative Activities
- Gennifer Sprecher, Staff Senate President
- Marc Wallman, VP for Information Technology
- Stephanie Wawers, Executive Assistant to the President
- Christopher Wilson, Chief of Staff (formerly General Counsel) *
- Dale Zetocha, Executive Director, NDSU Research Foundation

Organizational Chart



Changes in Senior Management*

John R. Glover serves as the President/CEO of the North Dakota State University Foundation and Alumni Association, an institutionally-related foundation dedicated to building enduring relationships that maximize advocacy and philanthropy to support North Dakota's land-grant institution. The Foundation manages assets of more than \$250 million and executes outreach and fundraising programs for more than 85,000 alumni around the world. Glover began his role in October 2015.

A native of Rapid City, SD, he has more than 18 years of higher education philanthropy experience. Before coming to NDSU, Glover served in numerous roles of progressive responsibility with the Iowa State University Foundation (Ames, IA) in the areas of annual giving, non-collegiate units, corporate and foundation relations, and the college of engineering. More recently, he served as Assistant Vice President of Development. Glover was a part of the Foundation team that completed an \$867 million comprehensive campaign, ISU's largest effort to date. Prior to Iowa State University Foundation, Glover spent five years with the NDSU Development Foundation, executing annual giving programs. He has a Bachelor of Science degree in journalism from SDSU and has three children, ages 15, 13 and 11.

Christopher S. Wilson is the Chief of Staff. Previously, Mr. Wilson was the General Counsel of NDSU. He has also been the Associate General Counsel at Miami University in Oxford, Ohio, and a Senior Associate at the law firm of Bond, Schoeneck & King, PLLC in Syracuse, New York. Mr. Wilson received his J.D. from Cornell Law School in 1997 and his Bachelor of Arts degree from Duke University in 1994.

Divisions Reorganized to Enhance Student Recruitment, Diversity

Organizational changes designed to improve effectiveness while maintaining the university's tradition of efficient senior management were announced by NDSU President Dean Bresciani in June 2015.

The Provost, Dr. Beth Ingram, assumed leadership of Enrollment Management, while areas from the former division of Equity, Diversity and Global Outreach became part of Student Affairs. President Bresciani indicated that aligning enrollment with academic leadership is both more typical at major research universities and highly encouraged by an external consultant's analysis. "As we continue to mature as a research university, it is crucial we maintain and, in fact, increase our focus on academic and scholarly success."

Dr. Bresciani said this move will elevate and better deliver a diversity and inclusion agenda. "Dr. Timothy Alvarez, Vice President for Student Affairs, has an exceptional background in student diversity and inclusion at a peer institution. We are fortunate to have his leadership to continue to elevate this important value in our organization," Bresciani said.

NDSU FACTS

CAMPUS DEMOGRAPHICS

Buildings	95
Acres	261
Research Extension Centers:	
Number	8
Acres	18,853

FALL 2015 EMPLOYEE STATS

Administrators	83
Ranked Faculty & Lecturers	778
Part-Time Academic Staff	152
Graduate Assistants & Fellows	958
Program Administrators & Coaches	58
Extension Educators, Experiment Station & Other Researchers	254
Professional, Technical, Office, Trades & Service Staff	1,464
Temporary Workers (including students)	2,327
TOTAL EMPLOYEES	6,074
Full-Time	2,637
Part-Time	3,437
FTE	3,919

FALL 2015 FACULTY STATS

Total Faculty	853
Full-Time Faculty	712
Part-Time Faculty	141
Percent Tenured (of full-time faculty)	49.4%
Percent Holding Doctorates (of full-time faculty)	85.5%

Faculty counts include:

Professors, Associate Professors, Assistant Professors, Instructors, Lecturers/Sr. Lecturers, Part-Time Academic Staff

Planning for the Future

The Strategic Plan defines the strategic priorities for NDSU for the next five years and ensures that our resources are used effectively and purposefully to educate students, perform world-class research, pursue creative and artistic excellence, and serve the citizens of North Dakota. The Strategic Vision contains goals, tasks and metrics that define how the strategic vision will be implemented at NDSU.

2015-2020: A Student-focused Research University Serving North Dakota

Our strategic plan is built on three pillars outlined below: educational opportunities that support student access and success; research, creative works and discovery focused on grand challenges; and outreach and engagement that create better lives for North Dakotans.

Learning and Student Success

- Support graduate education
- Increase undergraduate student enrollment
- Improve retention and graduation rates for undergraduates

Research and Discovery

- Strategically allocate new resources to support research excellence
- Align policies and processes with the research vision
- Create research development programs that support emerging areas
- Ensure coordinated efforts to support and promote NDSU's research mission
- Tie NDSU's research initiative to the needs of North Dakota

Outreach and Engagement

- Improve communication with external stakeholders
- Align outreach activities with NDSU's mission

The three pillars mutually support the overarching mission of NDSU. The University is guided by core values of:

Educational Excellence: We provide a rigorous and research-based learning environment that challenges students to excel both within and outside of the classroom;

Cutting-edge Scholarship: We are an engaged university and acknowledge and pursue scholarship in all its forms, acknowledging the importance of both basic and applied research and the integral nature of teaching, research, and outreach;

Accountability: As a land-grant institution, we have a special relationship with, and are accountable to, the people of North Dakota. We strive to improve our region's quality of life and to contribute to its economic prosperity;

Diversity: We maintain a campus climate that supports and respects faculty, staff and students who have diverse cultures, backgrounds, and points of view;

Collaboration: We operate with transparency and a commitment to shared governance and responsibility.

This strategic vision is meant to be a dynamic document that is updated and edited as necessary to meet the needs of NDSU's faculty, staff, students, administrators and external constituents. To that end, NDSU will:

1. Improve communication pathways among faculty, staff, students, administrators and external constituents;
2. Provide timely information and training related to institutional budgets, planning, and institutional policies;
3. Report annually on progress towards strategic plan goals.



Research

NDSU

- Listed in the National Science Foundation's **top 100** public institutions in several areas, including agricultural sciences, social sciences, physical sciences, chemistry, psychology and computer sciences

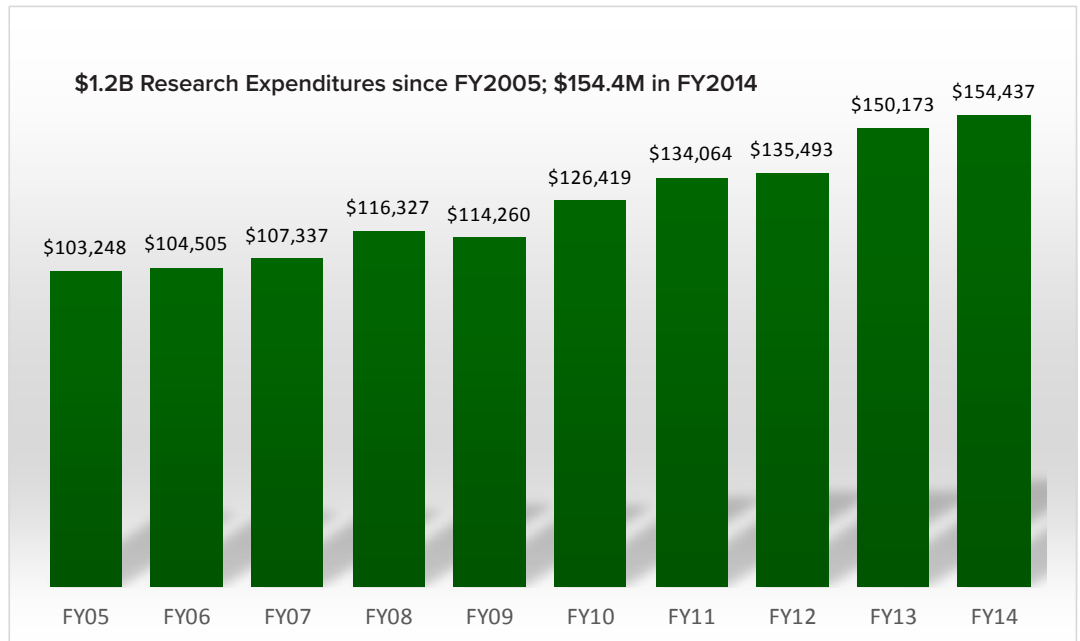
- Listed **84th** among 395 public universities based on research expenditures reported to the National Science Foundation HERD survey for fiscal year 2014

- Listed **122** out of 634 institutions when total research expenditures across all institutions are compared

- Ranked in the **Doctoral Universities: Higher Research Activity** category by the Carnegie Commission on Higher Education



Growth of NDSU Research & Development Expenditures (in thousands)



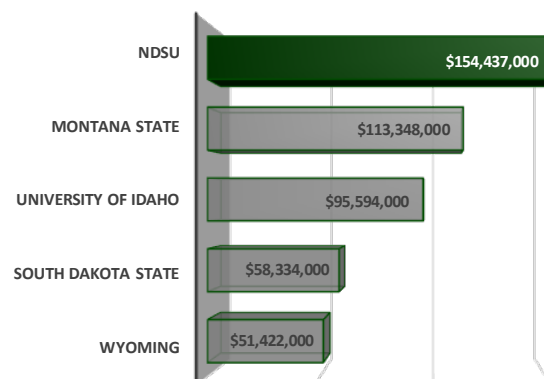
National NSF Survey Shows NDSU in Top 100 in Six Research Categories

In the FY2014 NSF HERD Survey among various categories for total research expenditures, NDSU is listed:

#14 of 188 institutions in AGRICULTURAL SCIENCES	#83 of 483 institutions in CHEMISTRY
#40 of 481 institutions in SOCIAL SCIENCES	#85 of 418 institutions in PSYCHOLOGY
#77 of 518 institutions in PHYSICAL SCIENCES <small>in the survey, the category of physical sciences includes astronomy, chemistry, physics, and other physical sciences not elsewhere classified</small>	#80 of 398 in COMPUTER SCIENCES
#105 of 607 institutions in LIFE SCIENCES	

NDSU leads the 5-state region in research

(Research expenditures for the leading research university in each state)



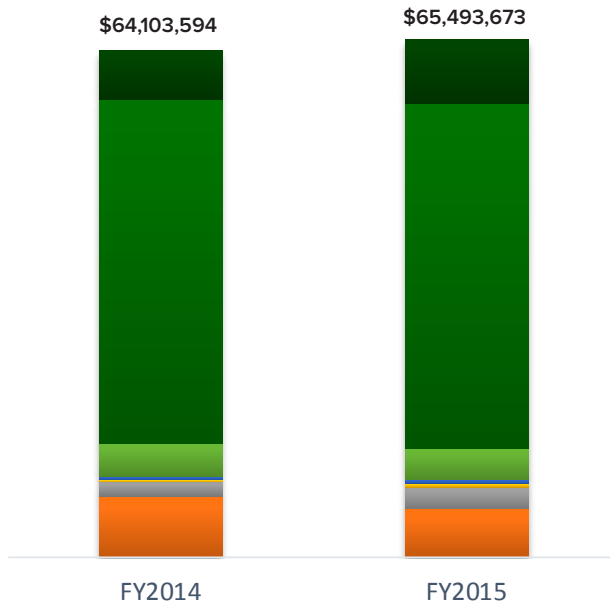
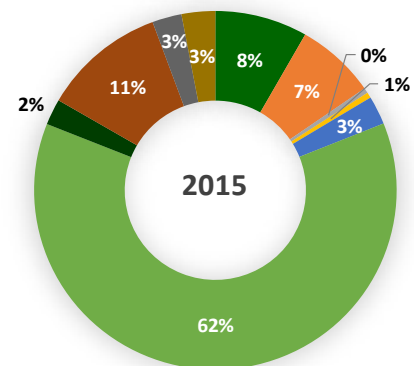
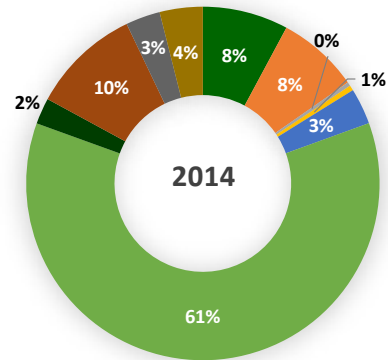
NDSU is also setting records in patents, royalties and licensing

Source: National Science Foundation HERD Survey (FY2014)

NDSU's National Science Foundation (NSF) Survey of Research & Development Expenditures

The data represented below is generated from funding awarded to NDSU. Sources of funding include: Federal government, state and local government, industry, institution and other sources, such as non-profit foundations. Institutional funds included state appropriations, tuition and fees, and gifts expended for research and development activities. In addition, un-reimbursed indirect costs and cost sharing are included as part of the institutional data. (Total R&D expenditures in the graphs below are expressed in 1,000s.)

Category	2014	2015
Engineering	\$12,114,000	\$12,678,000
Physical Sciences	\$11,551,000	\$10,951,000
Environmental Sciences	\$541,000	\$705,000
Mathematical Sciences	\$741,000	\$777,000
Computer	\$5,106,000	\$3,949,000
Life Sciences	\$94,302,000	\$95,345,000
Psychology	\$3,697,000	\$3,590,000
Social Science	\$15,425,000	\$16,906,000
Other Sciences (Interdisciplinary)	\$4,875,000	\$4,033,000
Non-Science & Engineering	\$6,085,000	\$4,608,000
TOTAL	\$154,437,000	\$153,542,000



External Awards by Source

Sources	2014	2015
Commodity	\$6,213,329	\$8,028,993
Federal	\$43,545,478	\$43,828,337
Foundation/Non-Profit	\$4,115,664	\$3,943,861
Other	\$358,114	\$408,479
Other Gov't Office	\$353,463	\$332,013
Private	\$1,880,835	\$2,856,041
State	\$7,636,711	\$6,095,949

Breakdown of External Awards & Federal Formula Funds (by category)

	2014	2015
Total External Awards	\$64,103,594	\$65,493,673
Hatch/McIntire-Stennis Funds	\$3,223,580	\$3,184,546
NDSU Extension Service Smith-Lever Formula Funds	\$3,906,862	\$3,920,040
Student Financial Aid	\$11,210,498	\$11,021,451
Total Federal Formula Funds	\$18,340,940	\$18,126,037
GRAND TOTAL	\$82,444,534	\$83,619,710

Budgetary Highlights

Budget Process

Planning	Preparation	Review	Monitoring
Budget process and priorities are discussed and planned by the President and the President's Cabinet. In support of the institutional priorities and budget decisions made, the Budget Office updates budget schedules and revenue projections to determine tentative funds available.	Budgets are prepared and reviewed by units before submission to the Budget Office and must reflect all revenue and expense activity for the upcoming year, based on the best information available at the time of budget preparation.	Budgets submitted by units are reviewed and compiled by the Budget Director and Budget Analysts to ensure accuracy and compliance with established guidelines. The Budget Office assembles documents, prepares schedules and projections and performs a comparison of budget to available funding. The final budget documents are reviewed and approved by the President before being submitted to the North Dakota University System Chancellor for final approval.	Responsibility for monitoring and comparing of budget to actual revenue and expenditures occurs at various levels within the University. For example, each department is responsible for monitoring and reviewing budgets on a regular basis and are responsible for living within their budget.

Biennial Budget

At NDSU, the biennial budget process establishes the specific financial line item details and narrative statements supporting our needs-based budget request. The request is prepared according to the guidelines established and set by the SBHE for the ND University System and its associated programs. At NDSU these programs include the ND State Forest Service, the Upper Great Plains Transportation Institute, and the Agriculture Extension Services, Experiment Stations and Northern Crops Institute.

In general, the process takes about 15 months, beginning in April of even numbered years and ending with final State budget approval by the Legislature, which in most years is complete by June in odd numbered year

The 64th Legislative Assembly (2015) approved a state general fund appropriation for the 2015-17 biennium of \$157.4 million for NDSU. The appropriations were made using the legislatively approved ND Higher Education Funding Formula. General funds have been allocated to support:

- Recruitment and retention efforts, including experiential programs and improving student advising
- Academic initiatives/needs to address state and regional work force needs

Annual Budget

As required by the State Board of Higher Education (SBHE), NDSU prepares a comprehensive annual budget for all funds. The budget process and priorities are discussed and planned by the NDSU President and the President's Cabinet. The Budget Director prepares the budget at the direction of the President and according to SBHE established guidelines for the annual budget, including: room and board; salary and operating; and tuition and fees rates for the upcoming fiscal/academic year.

The average salary increase for all eligible employees, excluding the ND Forest Service and Ag related entities, was 3.0% in FY15. One-time allocations were made to a variety of programs. Examples include:

- Marketing/Advertising initiatives
- Campus Safety and security initiatives
- Campus improvements and deferred maintenance projects
- Faculty operating, software and equipment requests

ND Legislature General Fund Appropriations for NDSU - Main Campus Only

(Does not include other NDSU entities, e.g., Agriculture Experiment Station, NCI or other similar separately appropriated agencies)

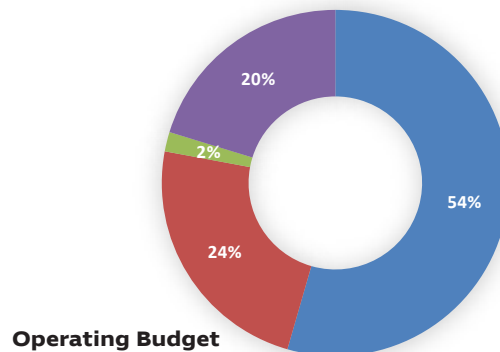
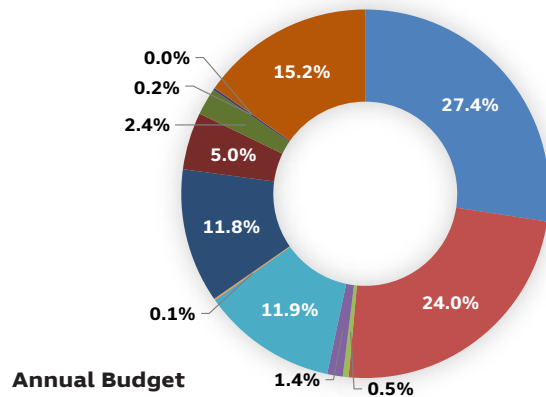
Fiscal Year	Salaries, Operating & Equipment	Capital Improvements		Yearly Grand Total	Biennial Total
2017	\$75,330,860	\$4,022,991		\$79,353,851	\$176,275,128
2016	\$72,644,964	\$27,276,312	***	\$96,921,276	
2015	\$67,839,185	\$38,315,656	**	\$106,154,841	\$176,840,714
2014	\$68,767,355	\$1,918,518		\$70,685,873	
2013	\$77,445,495	\$1,993,813		\$79,439,308	\$133,875,595
2012	\$48,235,092	\$6,201,194	*	\$54,436,286	
2011	\$54,470,160	\$9,425,072	*	\$63,895,232	\$125,996,580
2010	\$54,835,385	\$7,265,963	*	\$62,101,348	
2009	\$55,197,103	\$5,591,680	*	\$60,788,783	\$110,952,354
2008	\$47,046,090	\$3,117,481		\$50,163,571	
2007	\$41,761,958	\$258,497		\$42,020,455	\$86,793,615
2006	\$43,299,070	\$1,474,090		\$44,773,160	
2005	\$38,154,841	\$706,168		\$38,861,009	\$79,749,610
2004	\$40,182,433	\$706,168		\$40,888,601	
2003	\$40,226,452	\$992,388		\$41,218,840	\$80,543,682
2002	\$38,579,702	\$745,140		\$39,324,842	
2001	\$37,111,009	\$683,188		\$37,794,197	\$74,921,622
2000	\$35,170,058	\$1,957,367		\$37,127,425	

*Figure includes state funding for Minard Hall Project: \$17,500,000
 **Figure includes state funding for STEM Building Project: \$29,367,709
 *** Figure includes state funding for STEM Building Project Carryover: \$15,424,741
 Unexpended FY14 Capital Improvements will be carried over to FY15

NDSU 2015-16 Budgets (\$488,803,579)

State General Fund Appropriations	\$133,995,267
Tuition Income	\$117,474,021
Other (land, interest, etc.)	\$2,497,000
Federal Appropriations	\$6,671,837
Grants & Contracts	\$58,127,816
Other current Restricted Revenue	\$638,700
Auxiliaries Sales & Service	\$57,599,268
Nonauxiliary Sales & Service	\$24,587,750
Unrestricted-Tuition & Fees	\$11,622,781
Fed/State/Private Grants & Contracts	\$925,000
Investments & Endowments	\$132,200
Other Current Restricted Revenue	\$74,531,939
TOTAL 2015-16 ANNUAL BUDGET	\$488,803,579

Salaries, Wages & Benefits	\$266,187,019
Operating Expenses	\$114,722,479
Equipment	\$8,905,850
Other: Incl. COGS, Scholarships, Debt Service	\$98,988,231
TOTAL 2015-16 OPERATING BUDGET	\$488,803,579



The activities of all NDSU entities are combined in these graphs, including the Agriculture Experiment Station and other similar separately appropriated agencies. Capital projects are excluded.

Changes to State Funding: ND Higher Education Funding Formula

The 2013 North Dakota Legislative Assembly approved the Governor's recommendation for a more transparent and equitable mechanism for providing state funding of higher education. The new formula recognized the relative cost of education for each institutional tier (two-year colleges, four-year universities and research universities) and used completed student credit hours that were weighted for these relative costs (instruction, physical plant and volume), as the sole basis for the funding allocation.

2013-2015 Biennium

The formula equalized funding using student credit hours within the tiers with \$16.5 million appropriated to transition all tiers to the new formula. NDSU received \$6.4 million in base funding for the equalization. After equalization, state base funding was allocated using the equalized and weighted per student credit hour amount as determined for the research tier of \$71.41.

NDSU's Base Increases:

Funding model base adjustment; used to fund the portion of the "state share" of the cost to continue and provided a 4% and 3% salary increase for the biennium	\$8,894,843
Equalization/equity payment provided from the new funding model	\$6,431,392
Total increase for the 2013-15 biennium (12% increase)	\$15,326,235

NOTE: NDSU also received funding for a new, state-of-the-art \$29,600,000 STEM classroom building (noted on page 4 of this presentation.)

2015-2017 Biennium

NDSU's Base Increases:

Funding model base adjustment used to fund the portion of the "state share" of the cost to continue FY2015 salary and retirement increases, operating inflation, utility increase and 2015-17 salary (3% salary adjustment for FY2016 and FY2017), health insurance and retirement increases; tuition increase of 2.4% was approved to cover the "student share" of the costs to continue	\$11,121,436
Additional operating dollars received for the 2015-17 biennium	\$3,215,320
Total increase for the 2015-17 biennium (10% increase)	\$14,336,756

2017-2019 Biennium

State agencies within North Dakota government have been asked by the Governor to prepare a ninety-percent (90%) General Fund budget for the upcoming legislative session in 2017. For NDSU, that is approximately a \$15,741,054 biennial budget reduction. NDSU is in the initial planning stages for this reduction.

A Budget Study Group was convened on the campus to collect and evaluate recommendations regarding the

potential adjustment in NDSU's appropriation. The following principles guided the recommendations:

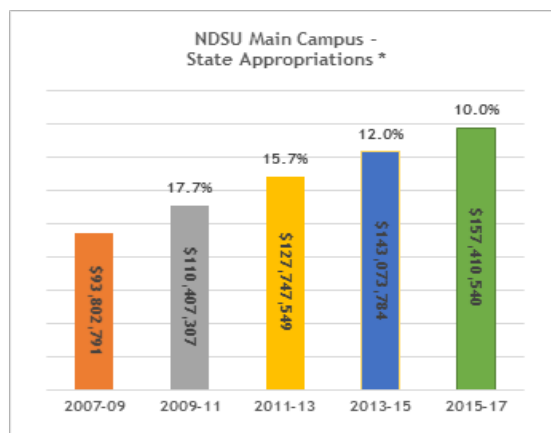
- There should be an institution-wide alignment of resources with priorities as expressed in the strategic plan;
- Resources should be allocated effectively to achieve excellence;
- Seeking excellence in all that NDSU does will result in mediocrity – reallocations will not be across-the-board;
- Quality will be improved by focusing on what works, supported by assessment, data and evidence;
- Previous budget reductions and their impact on units must be taken into account.

RECOMMENDATIONS (made in no particular order and are suggestions that merit further consideration):

- Eliminate administrative positions and streamline administrative activities
- Reduce hiring or part-time academics and adjuncts
- Reduce operating expenditures
- Reduce or delay funding for the Grand Challenge initiative
- Encourage the development of programs that increase enrollment and serve the needs of North Dakota
- Review policies and practices for tuition waivers
- Consider early retirement incentives that would yield cost savings
- Consider the closure of programs and centers to meet any remaining budget reduction
 - This recommendation should be a last resort in meeting NDSU's budget reduction goals, but may be necessary if other avenues do not provide sufficient expense reductions.

The committee further recommends that work groups consisting of faculty, staff, administrators and students be convened to guide the implementation of each recommendation.

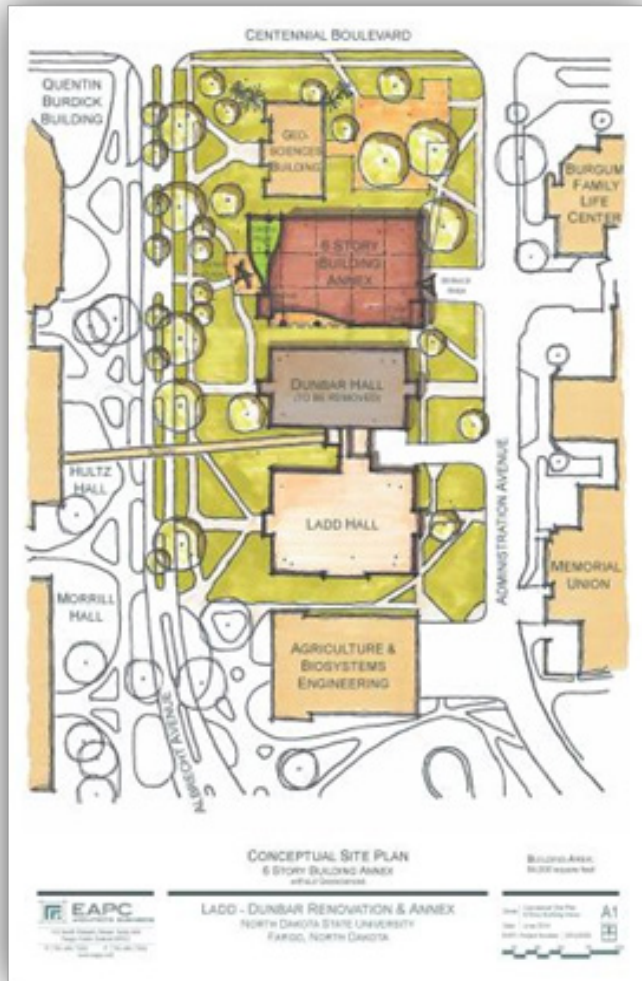
Source: Budget Study Work Group Final Report (June 8, 2016)



* 2015-17 state appropriations were made using the legislatively approved ND Higher Education Funding Formula. Amounts include deferred maintenance but exclude capital projects, Agricultural Experiment Station and other similar separately appropriated agencies.

Planned Improvements

2017-19 Major Capital Project Requests - State Funded (no NDSU bonding planned)



Dunbar II - \$49,111,685

New six-story building replacement
~106,000 square feet

Minimizes educational programs & research having to be off-line during renovation

No other facilities on campus contain infrastructure where activities could be moved

Consolidates Departments of:
Chemistry & Biochemistry
Geosciences

Center for Protease Research shared CORE laboratories

Accommodates:
Upper-level undergraduate students
Graduate students
Faculty (offices, research)
Improved lab areas

Project will address:
Safety and code concerns
Critical deferred maintenance issues
Accessibility (ADA compliance)
Space issues

2017-19 Major Capital Project Requests - Other Funding

Funding Source: Revenue Bonding

New Residence Hall

\$39,505,000

- Current demand for living in on-campus residence halls exceeds inventory of beds
- Number of first-year-only student residence halls: 11 halls with 2,422 total beds;
Number of remaining student residence halls (including second year and transfer): 4 halls with 845 total beds
- Approximately 250 non-first-year students placed on waiting list for residence hall rooms in 2015
- Project pre-program includes:
 - Community areas of four double-bedrooms sharing privatized bathroom
 - Living quarters, laundry, hall director room, vending, student study spaces and common building mini-kitchen
 - 130,000 sq. ft. building, seven-to-eight stories
 - Approximately 400 total beds

University Village

\$10,000,000

- Original facility constructed in 1969 to provide additional housing for increase of married students on campus
- Oldest apartment facilities on campus, representing almost half of total available units; consists of approximately 246 apartment units within 27 buildings
- Phase I: removing approximately eight of the 27 existing buildings; rebuilding as one large, three-to-four story complex
- Possible unit types: studio, one-, two-, and/or three-bedroom units with the privacy, amenities, space and storage sought by today's students in apartment-style campus living

Funding Source: Auxiliary/Local Funds

West Dining Center

\$1,500,000

- Current demand for contract dining continues to exceed seating capacity
- Capacity of the three campus dining centers in 2015 is 1,039 seats serving 6,500 students daily, including 2,960 freshmen and 249 upper-class student meal plans
- Projected new residence hall (above) will be located near WDC, creating greater demand and seating capacity shortage
- Planned expansion includes 200 additional seats for a total capacity of 600, along with a large group meeting room

Residence Dining Center - Phase II (Cook-to-Order Stations)

\$1,500,000

- Students requested larger variety of healthy and fresh foods, more food options for those with various dietary needs
- Project will incorporate the addition of made/cook-to-order stations; display cooking capabilities; authentic ethnic options; ability to customize meals
- Deficient stations currently in place will be improved, including expansion of the gluten free room

Residence Dining Center - Phase III

\$2,000,000

- Project focus will be on kitchen renovation: space reorganization; new vent hoods; new cold food prep area; new dedicated dry storage; expanded coolers and freezers; new equipment where needed
- Also includes updating plumbing systems and installing a new roof



NDSU Foundation & Alumni Association

The North Dakota State University Foundation and Alumni Association is an institutionally-related foundation charged with facilitating opportunities for external partners to enhance the advancement of education, research and service at NDSU. We collaborate with campus partners, students and alumni, along with business, industry and the community to share NDSU's story, raise funds, manage assets and administer resources. The Foundation manages total assets of nearly \$250 million, including an endowment of approximately \$143 million.

Current Fundraising Goals:

1. **Maximize philanthropic support for NDSU, with total gift production of \$25.0 million (\$17.0 million in cash/pledges; \$8.0 million in deferred gifts) and begin campaign planning.**

As of April 30, 2016, total fundraising production stands at more than \$28.4 million.

The Foundation is beginning to work with University leadership regarding a new, comprehensive fund raising campaign to advance priority initiatives identified to make a difference for students, faculty, facilities and programs.

2. **Pursue private gifts (in range of \$6-to-\$8 million) to complete financing for the Competitive Edge (Sanford Health Athletic Complex) Campaign.**

As of the end of April 2016, we have nearly \$5.1 million left to raise for the Edge Campaign, against the Foundation's \$41.0 million guarantee. NDSU will request final payments from the Foundation by December 31, 2016, and it is estimated that our loan balance will be approximately \$16.0 million. Our loan timeline remains open until December 31, 2013.

Summary of Financial Overview of NDSU Foundation and Alumni Association:

Total Fundraising Production FY2015		\$28,608,290
Endowment Value as of 12-31-15		\$142,674,144
Total Assets Value of 12-31-15		\$249,109,715
Funds transferred to NDSU in FY15 (breakdown as follows):		
a. Gifts, grants, scholarships	\$3,725,098	
b. Departmental, building and equipment	<u>\$15,306,586</u>	
Total Transferred		\$19,031,684
Total Budget Analysis for FY15:		
Revenue	\$5,417,615	
Expenses	<u>\$4,538,735</u>	
Budget Surplus		\$878,880
Operating Revenue as of 12-31-15		\$3,464,434

Source: NDSU Foundation & Alumni Association

Division of Finance & Administration

The Division of Finance and Administration provides the fiscal and administrative counsel to the executive offices of the University, assuring that the institution operates within the legal and regulatory parameters of the State Board of Higher Education and the North Dakota University System. We provide human resources and fiscal management and coordination of University-wide planning, budgeting and policy analysis. The Division is also responsible for maintaining the physical environment and ensuring the safety of students, faculty, and staff. Through partnerships with units across the University, Finance and Administration strives to provide the highest level of service attainable.

MISSION

Finance and Administration is a critical pillar of the University, providing supportive learning and partnership

VISION

Finance and Administration strives to be a resourceful partner by providing direct and advisory services while promoting accountability to the University and its extended community

CORE VALUES

Our division is committed to excellence and we demonstrate that through our innovative problem solving, cooperative relationships, and focus on customer service

OFFICE OF THE VICE PRESIDENT



Bruce Bollinger
Vice President

701.231.8411
bruce.bollinger@ndsu.edu

Gina Haugen
Assistant to the Vice President
701.231.6177

gina.a.haugen@ndsu.edu

Kim Matzke-Ternes
Administrative Assistant
701.231.7080
kim.matzke-ternes@ndsu.edu

Mailing Address:
NDSU Dept. 3000
P.O. Box 6050
Fargo, ND 58108-6050

Physical Address:
1340 Administration Ave.
Old Main 11
North Dakota State University
Fargo, ND 58102

ndsu.edu/vpfa/

Who We Are

www.ndsu.edu/vpfa

ACCOUNTING

ndsu.edu/accounting/

Gary Wawers
Controller
701.231.8210
gary.wawers@ndsu.edu



The NDSU Accounting Office is the university's central accounting office responsible for leadership and management in the following areas: accounts payable; general ledger; financial systems training; banking; investments; capital asset management; long-term debt; taxes; external audits coordination; and financial reporting.

BUDGET

ndsu.edu/budget/

Cynthia Rott
Director
701.231.7458
cynthia.rott@ndsu.edu

The NDSU Budget Office is responsible for: planning, development, analysis, and implementation of the fiscal management process and preparation of the NDSU comprehensive annual and biennial budgets; coordination, preparation, maintenance and reporting of budgeting systems/activities; long range planning; capital project review and monitoring; and providing management with information, analyses and recommendations for budgetary needs consistent with NDSU and SBHE guidelines, procedures and policies.

CENTER FOR CHILD DEVELOPMENT

ndsu.edu/childcenter/

Debra Habedank
Director
701.231.8281
debra.habedank@ndsu.edu



The Center for Child Development is an education and service program that employs high quality teachers to educate children of NDSU faculty and staff. Their primary goals are to:

- Serve as an education and research facility for North Dakota State University
- Educate and care for children using a developmentally appropriate curriculum
- Provide support and strengthen the quality of life for young children and their families

CUSTOMER ACCOUNT SERVICES

ndsu.edu/cas/

Karin Hegstad
Director
701.231.8422
karin.hegstad@ndsu.edu



Customer Account Services facilitates the processes used for assessing and collecting revenue generated by the University. Their mission is to maintain a high level of customer support while efficiently and accurately performing all functions in the collection of the University's account receivables.

FACILITIES MANAGEMENT

ndsu.edu/facilities/

Michael Ellingson
Director
701.231.7307
michael.ellingson@ndsu.edu



NDSU's Facilities Management supports the University by enhancing the quality of its physical facilities (buildings, infrastructure, grounds and related services.) This is done through planning, designing, engineering, constructing and maintaining in a responsive, service-oriented, effective, and environmentally-conscious manner.

GRANT & CONTRACT ACCOUNTING

ndsus.edu/grants/

Ann Young
Director
701.231.8356
ann.young@ndsus.edu



Grant and Contract Accounting, as a component of NDSU Finance and Administration operations, is committed to providing high quality financial services to faculty and administrative staff dealing with sponsored programs. Through sound financial leadership, Grant and Contract Accounting supports the research, instruction and outreach activities of North Dakota State University.

HUMAN RESOURCES/PAYROLL

ndsus.edu/hr/

Colette Erickson
Director
701.231.8961
colette.erickson@ndsus.edu



Human Resources and Payroll supports, promotes and impacts the success of the University and its diverse community by providing services in employee relations, recruitment, performance development and management, onboarding, training, benefits, compliance and payroll.

PURCHASING

ndsus.edu/purchasing/

Stacey Winter
Director
701.231.8954
stacey.winter@ndsus.edu



Purchasing provides the University with professional technical assistance in procuring quality equipment, goods and services in specified commodity areas by following established state and institutional guidelines on the basis of competitive bids; assists campus in redistribution and disposal of excess/surplus property in compliance with all law and policies; and provides campus with timely and cost effective mailing and shipping services.

UNIVERSITY POLICE & SAFETY OFFICE

ndsus.edu/police_safety/

Mike Borr
Director
701.231.9535
mike.borr@ndsus.edu



The University Police and Safety Office provides professional services and resources to help the campus be a safe and secure environment while being prepared to respond to the emergency service needs of the community. To accomplish this, the department serves as the lead institutional unit responsible for safety and security, law enforcement, risk management and emergency preparedness and response.

TECHNICAL SERVICES

Matthew Chaussee
Manager
701.231.9764
matthew.chaussee@ndsus.edu



Technical services in the Division of Finance and Administration center on leveraging technology in a way that increases employee productivity. This is accomplished through technology-related training, project management, cross-divisional communication within North Dakota State University and direct involvement with technology projects administered by the University System.

STUDENT LOAN SERVICE CENTER

slsc.ndus.edu

Kelly Bisek
Director
701.231.9547
kelly.bisek@ndsus.edu



The Student Loan Service Center (SLSC) provides loan servicing for institutional loans issued by the eleven state colleges and universities in the North Dakota University System. This includes monitoring, reporting and collecting on loans in accordance with state and federal laws and regulations.

2015-16 Division Highlights

Over the last fiscal year, the employees in Finance and Administration continued to foster and build teams, not only within the division but also across the campus, in order to fulfill the core mission of NDSU and the division.

The financial stability of the University continues to improve. Per the calculated composite financial index (CFI), NDSU has risen from 1.2 in 2009 and 2.4 in 2010 to 3.36 in 2015. This financial improvement has also been noted in the ratings report to management by the rating agencies of Moody's Investors Service and Standard and Poor's. The University was rated **Aa3** with a **stable** outlook and **'AA-/Stable'**, respectively, by the agencies.

The following will highlight some of the major accomplishments achieved by the division:

Accounting/Financial Operations

- Facilitated issuance of approximately \$10.9 million of refunding bonds for NDSU Housing & Auxiliary Facilities System issued in July 2016. Expectations are for a \$1.86 million net present value savings, which represents 18.3% of the refunded debt
- Facilitated issuance of approximately \$18.9 million of taxable refunding bonds for the NDSU Research & Technology Park issued in July 2016. A small economic gain was achieved, but the significant benefits were in removing the tax-exempt bond restrictions on the prior debt
- No formal audit findings found for NDSU in the FY2015 financial audit. No proposed audit adjusting entries to NDSU financials
- One formal audit finding in special operations audit for FY2014 and FY2015
- Minimal federal audit issues for NDSU
- Implemented accounting procedures for the endowment spending process of ND Challenge Grant awards
- Continued increases on University Procurement card use, providing efficiency to the payment process and a larger rebate to NDSU
- Created a series of short accounting training videos for internal university department use
- Contributed to the NDUS shared services objectives by assisting NDSCS with purchasing practices
- Improved facilitation of study abroad activities through implementation of a special credit card and procedures for group leaders
- Created financial forecasting models for auxiliary department to assist in long-term capital and financing projects
- Facilitated or assisted with multiple internal audit, performance audit and program audit related issues

Budget

- Supervision of the business unit service with Information Technology Services (ITS) to promote efficiency for that division
- Built and promoted the 2015-17 biennial budget with the Governor and Legislature
- Designed and built the FY2017 annual budget
- Evaluated and refined NDSU's budget model

Center for Child Development

- Accredited Early Childhood Program through the National Association for the Education of Young Children, recognizing high-quality early childhood programs providing a safe and nurturing environment while promoting the physical, social, emotional and intellectual development of young children
- Awarded two grants: 1) United Way of Cass-Clay Pilot Project-Understanding Child Traumatic Stress: Implications for Educators; and 2) the USDA Child and Adult Care Food Program
- Provided support for NDSU faculty research on young children
- Maintained our national accreditation through the National Association for the Education of Young Children
- Provided student hands-on experiences with children and families through courses in Nursing, Pharmacy, Health, Nutrition and Exercise Science, Human Development and Family Science, and Early Childhood and Elementary Education.
- Developed or maintained partnerships with Early Intervention Partners, Minnesota State University-Moorhead, GiGi's Playhouse through a Caring and Sharing Community Giving Project, ND Lion's Club, United Way of Cass-Clay, Rethinking Mental Health, Child Care Aware, USDA Child and Adult Care Food Program, Cass Public Health, Fargo Police Department, NDSU Dining Services, ND Workforce Development-Childcare, and Area Preschool Advocates
- Provided tours of the Center for Child Development to the high schools of Fargo North, Moorhead, Fergus Falls and Enderlin and the Moorhead Early Head Start Program

Customer Account Services

- Students within the Department of Allied Sciences complete long internships as part of their curriculum. Per contract agreements, NDSU has collected and paid the hospitals 85% of the students' tuition. (The remaining 15% is retained by the University to defray internal costs.)

It was discovered that eight of the 18 affiliated hospital programs charged tuition at a lower rate and would then refund the extra amount, which NDSU had paid to them, directly back to the students. The contracts with the eight affiliates were revised to indicate that NDSU would pay the programs' actual tuition up to 85% of the University's approved tuition rate. This has resulted in an annual saving of at least \$25,000.

Facilities Management

- STEM building opened for spring semester; bus lane was added to move bus traffic away from Old Main
- \$11,000,000 Aquatics Center project underway
- Expanded number of water bottle filling stations on campus to 30
- Added and replaced student lounge and study furniture in Minard, Civil & Industrial Engineering (CIE), Electrical Engineering (EE), Construction Management & Engineering (CME), and Loftsgard Hall
- Updated restrooms in Electrical Engineering, Dolve, and Katherine Kilbourne Burgum Family Life Center (KKB FLC)
- Updated classrooms or common spaces with new finishes (carpet, paint, ceilings and/or lighting) in CIE, CME, Hultz, Dolve, Minard, South Engineering, Klai, and Morrill Halls
- Refinished canon in front the Bentson Bunker Fieldhouse (BBF)
- Improved campus safety by replacing approximately 160 walkway lights with new LED fixtures and by installing new additional walkway lighting on campus
- Replaced outdated fire alarms in EE and Morrill
- Expanded automatic door openers on outside doors in CME, Quentin Burdick Building (QBB), EE, University Policy and Safety Office (UP&SO), CIE, Music Education, Robinson, and Hultz Halls
- Replaced deteriorating outside doors on Library, CIE, CME, EE, BBF, Music Ed, and Sheperd Arena
- Replaced classroom projections screens in Morrill and South Engineering
- Submitted NDSU Campus Master and Capital Projects Plans

Capital Projects:

- Parking Lot Reconstruction:
WE Lot
R Lot
AD Lot
BH Lot
- MU Pay Lot Expansion
- BBF Cooling and Ice Storage System
- Storm Water Retention Pond
- RDC Expansion
- Reed Hall Phase II Restroom Restoration
- Ceres Hall and Music Ed Tuckpointing
- Old Main Roof Replacement
- Partial Administration Avenue Water/Sewer Project
- Churchill Hall Renovation
- E. Morrow Lebedeff (EML) 3rd Floor Ventilation
- Music Ed Lighting, Fire Alarm and Associated Electrical/Mechanical Work
- Heating Plant Boiler Replacement Completion

- QBB Generator Replacement
- Library ADA Entrance and Elevator Work
- Music Education Entrance Work
- Stevens Hall North ADA Entrance Work

Human Resources/Payroll

- Implemented PeopleSoft Manager Self-Service Hiring and Onboarding Module. This module allows us to increase efficiencies by ensuring accurate data, initiating and tracking approvals, limiting errors made with manual data entry, and shortening the timeframe of the approval process.
- Achieved 100% submittal of Staff Responsibility Reviews, helping to streamline the salary administration process
- Accomplished successful ACA tax reporting and coordination of campus communication regarding 1095-C forms for electronic and paper issuance, ran and reported year-end data and issued 1095-C forms for 3,000 employees
- Provided a Human Resources/Payroll "Hot Topic Session" addressing FMLA designated leave; this has resulted in a 45% increase in this type of leave since June 2015 (FY15=75 and FY16=137)
- Canceled an on-line job posting subscription that was not as effective as others currently in use, resulting in an annual savings of \$8,000

Technical Services

- Business Process Analysis: Developed a more efficient reporting process for Ag Comm involving splitting apart reports by department and automating email distribution of those reports within MS Excel. What was once a tedious three-to-four hour process each month now takes 10-to-15 minutes utilizing macros. There are added benefits of reducing human error and the potential for extending this solution to similar processes. Many other areas across campus could be realizing significant efficiencies with these types of solutions.
- Microsoft Office Specialist (MOS) Certifications: This was a highly successful staff development project. There has been continued interest in certification from faculty, staff, students and others. The foundation has been laid to develop this as either a credit bearing course or potentially even as a revenue generating activity. We have the opportunity to develop MOS certification at NDSU in a way that allows Tri-College students to take advantage of our program.
- PowerBI: The PowerBI tools available within Excel allow quick transformation of data and creation of aggregate reports. Any departments doing manual formatting of raw data with MS Excel should be considering use of the PowerQuery feature, part of the BI toolset. The data transformation commands can be readily applied to refreshed data within seconds after saving the new raw datasets. These tools lessen the need for standalone Access databases and significantly reduce complexity of combining datasets. Both Facilities Management and Parking see a use for PowerBI after seeing it demonstrated, along with its potential use within more Finance and Administration departments and, possibly, to a broader audience.
- Room Utilization and Other Inter-Divisional Initiatives: There are three systems supported by the NDUS Office

where certain room attributes are stored (FAMIS, Ad Astra and PeopleSoft-Campus Solutions.) Until this year, there was not a communication mechanism in place to ensure changes to physical spaces on campus were reflected in all the systems housing that data. This was highlighted while working on a recent classroom utilization project. Much of the time on this initiative was spent reconciling current physical status of rooms with how they are coded in each of these systems. That exercise is largely completed and we now have access to much more meaningful data, serving as a stepping stone to better understanding our classroom/lab spaces and how to schedule more effectively.

University Police & Safety

- Utilized Safety and Security funding to extend coverage of the video surveillance system. A number of academic buildings, through additional funding, are being added to the video infrastructure in addition to the majority of Residence Halls.
- Transitioned to the Lexipol Policy Management System through a cooperative funding opportunity with the State. Lexipol is America's leading provider of risk management resources for law enforcement organizations, providing comprehensive, up-to-date, defensible policy solutions written by legal and public safety professionals, and offering continual training to ensure officers maintain a high level of proficiency with policy and law. This supports the department's mission to provide the utmost in professional services and resources to help the campus be a safe and secure place to live, learn, work and visit.
- Conducted or assisted with approximately 70 safety and awareness training sessions that focused on both personal safety and risky behaviors, such as Personal Safety and Multi Hazard Response, Freshman Parent Orientation Sessions, Alcohol and Sexual Violence Awareness, Alcohol and Risk Mitigation, Active Shooter Response, Basic Narcotics Awareness, and Self-Defense Calls for Women (RAD) Rape Aggression Defense.
- Received several Federal Awards provided by the NDDOT, including Alcohol Enforcement grant, Click It or Ticket grant, Underage Drinking Enforcement grant, and Distracted Driving grant, that enable more officers to be available for patrol to assist with curbing certain behaviors. The NDSU Police Department has participated in this multi-agency regional safety effort since the fall of 2010.
- Had one of its officers accepted and added to the Red River SWAT team, currently consisting of approximately 26 members from area law enforcement agencies. Continued (since 2009) to have an officer represented on the Red River Valley Regional Bomb Squad, comprised of eight members from area law enforcement agencies.
- Installed a replacement liquid scintillation counter to verify that all identified radiation research areas remain safe and uncontaminated in support of the NDSU radioactive materials license and to maintain a robust radiation safety program.
- Continued successful work on the Worker's Compensation Experience Rate Modification and Discount Programs, resulting in significant premium reductions of over \$400,000.
- Initiated the first implementation stages of an AED program, to be coordinated and maintained under the Safety Office as opposed to being highly departmentalized. Will provide a more efficient system to train, monitor and replace AEDs and their components as necessary.
- Received a two percent discount on NDSU's upcoming Risk Management Workers Compensation Program premium for implementing an aggressive Slip, Trip and Fall (STF) prevention program. Written program was enhanced and an on-line training module was created. The Safety Office provided the funding for purchase of "Crew Guard" slip-resistant overshoes from Shoes for Crews for Dining Service employees as a pilot study.



Financial Information

NDSU's overall financial standing continues to be sound with total assets of \$625 million and total liabilities of \$198 million resulting in a net position total of \$429 million (an increase of \$49.7 million over the previous fiscal year.) The University has done well in managing its financial resources and is better off as a result of the current year's activities.

This annual report consists of a series of financial statements. The Statement of Net Position; Statement of Revenues, Expenses, and Changes in Net Position; and the Statement of Cash Flows provide information on the University as a whole and present a long-term view of the University's finances. The Statement of Net Position and the Statement of Revenues, Expenses, and Changes in Net Position report information in a way that helps answers the question, "Is the University as a whole financially better off or worse as a result of the year's activities?" The Statement of Cash Flows summarizes transactions affecting cash during the fiscal year. It also provides information about the ability of the University to generate future cash flows necessary to meet its obligations and to evaluate its potential for additional financing.

Other non-financial factors, such as the condition of the campus' infrastructure, changes in legislative funding and changes in student enrollments, need to be considered in order to assess the overall health of the System.

Fiscal 2016 Financial Highlights

Overall - Strong Financial Position, Positive Trend

Key Ratios View by NDUSO & SBHE

- Key ratios show very little change in fiscal 2016, with some very slight improvements in viability ratio and operating income margin and slight decreases in liquid asset related figures
- All financial ratios are in line with NDUS averages

HLC Composite Financial Index (CFI)

- With Component Units (Foundations), the CFI decreased from 3.36 to 2.71, mainly due to the net asset decrease at the NDSU Development Foundation
- Without Component Units (University only) as requested by SBHE, the CFI remained the same as FY15 at 2.62

Statement of Net Position (Balance Sheet)

The largest changes on the Balance Sheet are in Capital Assets and Investments:

1. Capital Asset acquisition during FY2016 contributed to the increase, particularly major construction projects such as the STEM building, SHAC renovation and Aquatic Center
 2. A new accounting standard (GASB 72) required recognition of the commercially developed 19th Avenue North property as a Long-Term Investment at \$5,487,500
- Long-term debt balances remain steady
 - Unrestricted Net Position increase is primarily due to the accounting standard change that requires recognition of the 19th Avenue North commercial property as an investment

Statement of Revenues, Expenses and Other Changes in Net Position (Income Statement)

- Grant revenue downward trend slowing
- Scholarship/Fellowship expense decrease in FY16 is primarily due to an NDUS Scholarship allowance calculation that counts ND State Grants as institutional grants. NDSU is seeking a change to the formula because the numbers are skewed at the institutions but correct from an NDUS system perspective
- Capital interest on long-term debt continue trending downward due to past debt retirement and refinancing
- Operating revenues and expenses have no material fluctuations
- No other notable trends
- The Prior Period Adjustment is related to the implementation of GASB 72 recognized commercial property as an investment, as noted above

Long-Term Liabilities

- Totals trending downward slightly
- No debt refinancing during FY16. NDSU closed on two refunding transactions shortly after 6/30/2016, which will be reflected in FY17 financials

Indirect Cost Recoveries & Grant Expenses (Facilities & Administrative)

- Required schedule for bond issues
- Grant expenses down last five years; F&A recoveries down 3.4% in FY16

Housing & Auxiliary System Income Statement

- Continued strong coverage - required coverage is 1.10; current coverage is 2.30

For detailed financial information, please see NDSU's [Annual Financial Report for June 30, 2016](#)

Bond Rating

A bond rating is the measure of quality and safety of a bond. It indicates the likelihood that a debt issuer will be able to meet scheduled repayments. "AAA" is the best possible rating and "D" is the worst. Bond ratings are requested when the University plans to issue or refinance debt. For NDSU, the following are its bond ratings with the respective rating agencies:

Aa3 / Stable: Moody's Investors Services (July 2016)

The rating reflects "the system's very strong debt service coverage and incorporates NDSU's recognition as top research institution within its five state region, a growing national research profile and focus on STEM programming, stable student demand with favorable demographics in the Fargo area and strong growth of flexible reserves to support debt and operations. The university's conservative budgeting and careful fiscal oversight help to mitigate softening operations with the strategic decision to use cash flow to fund a backlog of deferred maintenance. Offsetting credit factors include state funding pressure with the State of North Dakota rated Aa1 with a negative outlook, and a growing fixed cost base."

The stable outlook incorporates "expectations of stable student demand and continued slow revenue growth, with strategic spending on deferred maintenance constraining operating cash flow in the near term but continued still solid debt service coverage." Other factors supporting the rating reflect Moody's view of the university:

- Good student demand as North Dakota's land grant university with considerable regional reach and located in economically and demographically vibrant Fargo area
- Expanding research profile supported by higher NSF national rankings and increased focus on STEM programming
- Growing financial reserves add financial flexibility
- Solid state support of capital creates favorable operating and financial leverage relative to peers

Market Profile: Solid student demand with growing research profile, strong regional recognition for STEM programs

Operating Performance: Thinning operations with strategic reserve use, but healthy debt service coverage will continue; increased state funding pressure

Wealth and Liquidity: Strong recent reserve growth adds flexibility and cushion for capital plans

Leverage: Favorable leverage through good state capital support

Governance and Management: Good strategic positioning bolstered by careful planning

AA- / Stable: S&P Global Ratings

S&P Global Ratings affirmed its 'AA-' long-term rating to NDSU. The outlook is stable.

They assessed NDSU's enterprise profile as strong characterized by stable enrollment, solid matriculation rates, and good geographic diversity which has helped offset local demographic pressures. The university's financial profiles was assessed as very strong characterized by healthy available resources, good financial policies, and a very low debt burden. The 'AA-' rating reflects S&P Global Ratings assessment of NDSU's strengths:

- Healthy financial resource ratios for the rating category and low pro forma maximum annual debt service burden at 2.0% of fiscal 2015 adjusted operating expenses;
- Adequate demand trends, the second-largest headcount (14,516 in fall 2015) and the largest full-time enrollment (FTE) within the North Dakota University System (NDUS);
- Relatively broad geographical draw for a public flagship institution as demonstrated by NDSU's large out-of-state and international student population (59% of total enrollment in fall 2015.)

Somewhat offsetting factors, in their opinion, include:

- Relatively small endowment size and limited fundraising history compared with similar rated public flagship institutions and the rating agency;
- Declining high school demographics within the state although to date, NDSU's enrollment has not suffered as a result of negative demographic trends; and
- Potential for pressures to state funding environment in the near-term due to declines in the oil and gas industry which could pressure operating revenues.

The stable outlook reflects the rating agency's expectation that over the outlook period, NDSU's enrollment will be stable, financial operations and financial resource ratios will remain in line with similar rated universities in the rating category. They also expect the university will keep operations close to break-even on a full accrual basis despite potential pressures to state funding. In their view, beyond the outlook period, they could consider a positive rating action if the university posts strong full-accrual operating surpluses, and increases its endowment size and financial resource ratios to levels commensurate with a higher rating.