

Schuchard-McGregor, Sara

From: ndsu-all-ag <NDSU-ALL-AG@LISTSERV.NODAK.EDU> on behalf of Lardy, Gregory <gregory.lardy@ndsu.edu>
Sent: Thursday, December 6, 2018 1:26 PM
To: NDSU-ALL-AG@LISTSERV.NODAK.EDU
Subject: Governor Burgum's Executive Budget

All,

I'm sure many of you watched Governor Burgum's executive budget address yesterday morning, which provided a high level overview of budgets and the financial outlook for the state of North Dakota. As you might expect, the presentation itself did not provide much, if any, specific detail on the direct impacts to individual budgets for our agencies, the N.D. Agricultural Experiment Station and NDSU Extension. Staff from the Ag Budget Office were able to access additional detail on those specific budgets late last night and early this morning. I am sharing a few of the highlights below.

The Governor is calling for slight budget reductions for both agencies. The overall level of the proposed cut is outlined below.

Proposed Budget Reductions (not including routine one-time and change in bond payments)

Extension = \$1,063,332
Main Station = \$2,955,742
Branch Stations = \$1,223,651

Highlights of Budget Additions

Extension: One-time funding of \$345,000 added to develop a web strategy and reimagine content
Main: One-time funding from SIIF added for \$1,440,465 for deferred maintenance

It is important to note that the Governor's Budget does include a compensation package for state employees. The details are listed below.

- 4% year one (2019) increase
- 2% year two (2020) increase with potential for additional 2% if long-term salary savings are identified
- Adds a premium to existing health plan; employees would contribute \$28/month
- Adds 1% employee and 1% state contribution to NDPERS (We are checking to see if this impacts TIAA-CREF.)

When one considers the budget enhancements, including the compensation package and proposed cuts, in total, the overall changes in the budgets are:

- NDSU Extension +2.7%
- Main Station, ND EXP -2.3%
- Branch Stations -2.1%

Given the magnitude of the earlier proposed 10% cut with a 3% contingency for our agencies (released in May 2018), this is a very good starting point for our agencies for the upcoming legislative session.

Thank you for your continued hard work and dedication to the state of North Dakota and the constituencies that we serve.

Sincerely,