

**Lake Region State College
Budget No. 228
House Bill No. 1003 and Senate Bill No. 2297**

	FTE Positions	General Fund	Other Funds	Total
2019-21 legislative appropriations	118.10	\$12,945,280	\$28,331,264	\$41,276,544
2019-21 base budget	129.61	12,700,623	24,111,092	36,811,715
Legislative increase (decrease) to base budget	(11.51)	\$244,657	\$4,220,172	\$4,464,829

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2019-21 legislative appropriations	\$12,945,280	\$0	\$12,945,280
2017-19 legislative appropriations	12,700,623	1,050,957 ¹	13,751,580 ¹
2019-21 legislative increase (decrease) to 2017-19 appropriations	\$244,657	(\$1,050,957)	(\$806,300)
Percentage increase (decrease) to 2017-19 appropriations	1.9%	(100.0%)	(5.9%)

¹The 2017-19 biennium general fund appropriations reflect a 2017-19 biennium supplemental appropriation of \$1 million provided in Senate Bill No. 2297. See the **Capital Projects** section below for additional information.

SUMMARY OF LEGISLATIVE CHANGES TO THE BASE BUDGET AND MAJOR FUNDING ITEMS
Changes to Base Budget

	FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Adjusted funding distributed through the higher education funding formula to reflect changes in completed student credit-hours.		(\$292,840)		(\$292,840)
Added funding through the higher education funding formula to provide for employee salary and health insurance premium rate increases.		537,497		537,497
Added special funds to provide funding for employee salary and health insurance premium rate increases.			\$626,544	626,544
Adjusted other funds due to changes in institution estimates.			238,878	238,878
Added one-time funding from Bank of North Dakota profits and institution \$1-to-\$1 matching funds for Tier II of the capital building fund program.			354,750	354,750

Added one-time funding for the precision agriculture center project.			3,000,000	3,000,000
Adjusted FTE positions.	<u>(11.51)</u>	<u> </u>	<u> </u>	<u> </u>
Total	<u>(11.51)</u>	<u>\$244,657</u>	<u>\$4,220,172</u>	<u>\$4,464,829</u>

FTE Changes

The Legislative Assembly authorized 118.10 FTE positions for Lake Region State College for the 2019-21 biennium, a decrease of 11.51 FTE positions from the number authorized by the 2017 Legislative Assembly. The 11.51 FTE positions were removed pursuant to Section 21 of Senate Bill No. 2003 (2017), which authorized the State Board of Higher Education to adjust FTE positions at institutions under its control. Section 24 of House Bill No. 1003 (2019) continues the authorization of the board to adjust positions at institutions under its control during the 2019-21 biennium.

One-Time Funding

The Legislative Assembly appropriated \$3,354,750 of one-time funding to Lake Region State College for the 2019-21 biennium. The appropriation includes \$3,000,000 from the institution's capital building fund or other funds for the precision agriculture center project and \$177,375 from Bank of North Dakota profits and \$177,375 from institution matching funds relating to the capital building fund program.

Capital Building Fund Program

The Legislative Assembly appropriated \$29 million for institution capital building funds for the 2019-21 biennium. The appropriation includes \$10 million from Bank of North Dakota profits and \$10 million from institution \$1-to-\$1 matching funds appropriated directly to each institution for Tier II of the capital building fund program. The appropriation also includes \$7 million from Bank of North Dakota profits and \$2 million from the general fund appropriated to the North Dakota University System office to be allocated to the institutions for Tier III of the capital building fund program once \$2 of matching funds have been secured for each \$1 from the state. Institutions may use their capital building funds for legislatively authorized capital projects and for extraordinary repairs and deferred maintenance projects which do not exceed \$700,000 and do not increase the square footage of a building.

Capital Projects

The Legislative Assembly provided a 2017-19 biennium supplemental appropriation of \$1 million from the general fund for the precision agriculture center project at Lake Region State College. The Legislative Assembly also provided authority for Lake Region State College to spend up to \$3 million from its capital building fund or other funds for the precision agriculture center project.

Other Sections in House Bill No. 1003

Capital projects - Budget Section approval - Section 7 allows for Budget Section approval of building projects that, net of removed buildings, do not result in additional square footage on campus.

Higher education challenge grants - Sections 8, 10, and 11 adjust the higher education challenge grant program statutory language and provides for the distribution of \$9.4 million of grant funds to eligible institutions.

Curtis and Annette Hofstad Agricultural Center - Section 14 names the Lake Region State College precision agriculture building the Curtis and Annette Hofstad Agricultural Center.

Higher education funding formula - Sections 15 and 16 adjust the higher education funding formula established in North Dakota Century Code Chapter 15-18.2, including adjusting the credit weighting for medical school and law school credits and adjusting the base credit-hour funding rates.

Carryover authority - Section 18 continues the authorization through July 31, 2021, for institutions under the control of the State Board of Higher Education to continue unexpended appropriations at the end of a biennium.

Additional funds appropriation authority - Section 20 appropriates any additional special funds received by entities under the control of the State Board of Higher Education to the respective entities.

Project management oversight - Section 21 requires capital projects authorized by the State Board of Higher Education to have adequate project oversight by an institution official or representative of an external entity. Section 36 provides that this section is an emergency measure.

Transfer authority - Section 23 provides that the State Board of Higher Education may transfer funds from an institution's operations line item to the institution's capital assets and capital building fund line items if the board determines that additional funds are needed for capital projects or extraordinary repairs. This section was amended by Section 25 of Senate Bill No. 2015 (2019) to provide authority to transfer funds from an institution's capital assets line item to the institution's operations line item after 75 percent of extraordinary repairs funding has been matched and used. Section 36 provides that this section is an emergency measure.

FTE positions - Section 24 authorizes the State Board of Higher Education to adjust FTE positions as needed, subject to the availability of funds, for institutions and entities under its control.

Extraordinary repairs matching funds - Section 25 requires institutions to match state extraordinary repairs funding on a \$2-to-\$1 basis using operations or other funding. Section 36 provides that this section is an emergency measure.

Capital building funds - Sections 29, 30, and 31 provide for transfers from the Bank of North Dakota for the establishment of capital building funds at each institution, establish matching fund requirements, and authorize the use of capital building fund money for certain capital projects. Section 36 provides these sections are an emergency measure.

Tuition rate increase limitation - Section 33 limits tuition rate increases for certain resident undergraduate tuition rates to 4 percent per year.

Related Legislation

House Bill No. 1029 - Funding formula study - Provides for a Legislative Management Higher Education Funding Formula Review Committee.

House Bill No. 1171 - Skilled workforce recruitment and retention - Provides for a skilled workforce student loan repayment program and a skilled workforce student scholarship program.

Senate Bill No. 2015 - Institution extraordinary repairs - Allows the State Board of Higher Education to transfer appropriation authority from an institution's capital assets line item to its operations line item after the institution has matched and used 75 percent of the funding appropriated from the general fund in the capital assets line item for extraordinary repairs.

Senate Bill No. 2016 - National Guard tuition waivers - Increases the National Guard tuition waiver from 25 to 35 percent.

Senate Bill No. 2297 - Higher education capital projects - Provides \$100 million of bonding authority and \$49.9 million of 2017-19 biennium general fund appropriations for various higher education capital projects.