

**Lake Region State College  
Budget No. 228  
Senate Bill No. 2003**

	<b>FTE Positions</b>	<b>General Fund</b>	<b>Other Funds</b>	<b>Total</b>
2021-23 legislative appropriation	115.76	\$14,242,152	\$25,634,428 <sup>1</sup>	\$39,876,580
2019-21 legislative appropriation	<u>118.10</u>	<u>12,945,280</u>	<u>29,212,077</u>	<u>42,157,357</u>
2021-23 appropriation increase (decrease) to 2019-21 appropriation	(2.34)	\$1,296,872	(\$3,577,649)	(\$2,280,777)

<sup>1</sup>This amount includes \$363,000 of one-time funding. Excluding this amount, the agency's ongoing other funds appropriation is \$25,271,428.

**Item Description**

**Enrollment** - At the end of the 2021 regular legislative session, the Lake Region State College (LRSC) FTE student enrollment projection for the 2021-23 biennium was 900 for the fall 2021 semester and 925 for the fall 2022 semester.

**Tuition collections** - In the 2021-22 fiscal year budget approved by the State Board of Higher Education, tuition revenue for LRSC for the 2021-22 fiscal year was estimated to be \$5 million.

**Higher education challenge matching grant program** - In Section 1 of Senate Bill No. 2030 (2021), the Legislative Assembly appropriated \$11.15 million from the general fund to the North Dakota University System office for the higher education challenge matching grant program. Lake Region State College may be awarded up to \$350,000 under the program.

**Extraordinary repairs** - The Legislative Assembly, in Senate Bill No. 2003, appropriated \$155,367 from the general fund to LRSC for extraordinary repairs. The funding is considered Tier I of the capital building fund program, but is included in the institution's capital assets line item.

**Capital building fund** - In addition to appropriating funding for specific capital projects, the 2019 Legislative Assembly established a capital building fund program for the 2019-21 biennium. The Legislative Assembly appropriated \$10 million from Bank of North Dakota profits as Tier II funding under the capital building fund program. The Tier II funding is appropriated directly to each institution and must be matched by the institutions with \$1 from operations or other sources for each \$1 from Bank profits. The Legislative Assembly appropriated \$9 million, including \$7 million from Bank profits and \$2 million from the general fund, as Tier III funding under the capital building fund program. The Tier III funding is appropriated to the University System office, to be allocated to the institutions as matching funds are committed and must be matched by the institutions with \$2 from operations or other sources

**Status/Result**

The actual fall 2021 semester FTE enrollment was 791, 109 students fewer than projected and 76 fewer than the fall 2020 semester.

Lake Region State College has implemented a 4 percent tuition increase for the 2021-22 academic year. The current estimate for tuition collections for the 2021-22 fiscal year is \$4.25 million, \$750,000 less than projected.

Through April 2022, the LRSC Foundation has received \$308,047 in grant funding through the program.

Through April 2022, LRSC has not spent any of the \$155,367 appropriated for Tier I extraordinary repairs. Lake Region State College reports the institution has \$61,255 of carryover Tier I funds from the 2019-21 biennium remaining and has not been able to secure or allocate matching funds for the extraordinary repairs appropriation.

Lake Region State College has not accessed Tiers II or III of the capital building fund program during the 2021-23 biennium due to a lack of matching funds.

for each \$1 appropriated as Tier III funding. After an institution has matched 75 percent of the funding appropriated from the general fund as Tier I for institution extraordinary repairs and subject to State Board of Higher Education approval, each institution may use money from Tier II and Tier III of its capital building fund for extraordinary repairs and deferred maintenance projects that do not increase the square footage of a building.

The 2021 Legislative Assembly continued the higher education capital building fund program with a transfer of \$19,000,000 from the strategic investment and improvements fund to a newly created higher education capital building fund. The Legislative Assembly provided continuing appropriation authority from the fund and also provided for the University System to continue unspent 2019-21 biennium appropriation authority of \$3,335,478. Lake Region State College was allocated \$177,375 in Tier II and \$500,000 in Tier III of the capital building fund program for the 2021-23 biennium.

**Hofstad Agriculture Center** - The Legislative Assembly, in Senate Bill No. 2297 (2019), provided a 2017-19 biennium supplemental appropriation of \$1 million from the general fund to LRSC for a precision agriculture building project. The Legislative Assembly, in House Bill No. 1003 (2019), authorized LRSC to spend up to \$3 million from its capital building fund or other funds for the precision agriculture center project.

The Legislative Assembly, in Senate Bill No. 2003, appropriated \$363,000 from the strategic investment and improvements fund to LRSC to complete the Hofstad Agriculture Center project.

Lake Region State College has completed the Hofstad Agriculture Center project at a final cost of \$3 million.