

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

	FTE Positions	General Fund	Other Funds	Total
2023-25 legislative appropriations	120.59	\$15,248,322	\$27,528,767	\$42,777,089
2023-25 base budget	115.76	14,242,152	25,271,428	39,513,580
Legislative increase (decrease) to base budget	4.83	\$1,006,170	\$2,257,339	\$3,263,509

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2023-25 legislative appropriations	\$15,248,322	\$0	\$15,248,322
2021-23 legislative appropriations	14,242,152	0	14,242,152
2023-25 legislative increase (decrease) to 2021-23 appropriations	\$1,006,170	\$0	\$1,006,170
Percentage increase (decrease) to 2021-23 appropriations	7.1%	N/A	7.1%

**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 for base payroll changes and FTE position adjustments pursuant to Section 23 of Senate Bill No. 2003 (2021)	4.83		\$100,044	\$100,044
Added funding to provide employee salary increases of 6 percent on July 1, 2023, and 4 percent on July 1, 2024, and to limit tuition increases		\$1,048,123	828,501	1,876,624
Added funding for employee health insurance premiums to reflect a revised premium estimate of \$1,643 per month, and to limit tuition increases		462,329	328,794	791,123
Adjusted funding distributed through the higher education funding formula to reflect changes in completed student credit-hours		(1,157,713)		(1,157,713)
Added funding for an increase in the factor for career and technical education (CTE) credits in the higher education funding formula		412,756		412,756

Added funding for the minimum amount payable under the higher education funding formula	175,271		175,271
Added funding for a behavioral health initiative	65,404		65,404
Added one-time funding for wind turbine and parking lot repairs		1,000,000	1,000,000
Total	<u>4.83</u>	<u>\$1,006,170</u>	<u>\$3,263,509</u>

FTE Changes

The Legislative Assembly approved 120.59 FTE positions for Lake Region State College for the 2023-25 biennium, an increase of 4.83 FTE positions from the 2021-23 biennium authorized level of 115.76 FTE positions. The 4.83 FTE positions were added pursuant to Section 23 of Senate Bill No. 2003 (2021), which authorized the State Board of Higher Education to adjust FTE positions at institutions under its control. Section 39 of House Bill No. 1003 (2023) continues the authorization of the board to adjust positions at institutions under its control during the 2023-25 biennium.

One-Time Funding

The Legislative Assembly, in House Bill No. 1003 (2023), provided an appropriation of \$1 million from other funds derived from the institution's allocation in the university system capital building fund to Lake Region State College for wind turbine and parking lot repairs. The Legislative Assembly provided an exemption from any University System capital building fund matching fund requirements for this funding.

Other Sections in House Bill No. 1003

Additional funds appropriation authority - Section 3 appropriates any additional other funds received by entities under the control of the State Board of Higher Education to the respective entities, including funding for capital projects.

Extraordinary repairs matching funds - Section 4 requires institutions to match state extraordinary repairs funding on a \$1 to \$1 basis using operations or other funding, except for the University of North Dakota (UND) and North Dakota State University (NDSU), which must match \$2 to \$1.

Economic diversification research fund - Section 10 provides for a transfer of \$5.5 million from the strategic investment and improvements fund (SIIF) to the economic diversification research fund, which is established in Section 16.

Capital building fund program - Sections 11 and 12 provide for the continuation of the capital building fund program, including a transfer of \$24 million from SIIF to the University System capital building fund and the authorization to use money in the fund for new capital projects. Section 33 restricts the use of capital building fund money for deferred maintenance and extraordinary repairs projects to academic and student housing facilities. Section 40 provides an exemption to allow certain campuses to use money in their capital building fund allocation for capital projects without providing matching funds. Section 48 declares Sections 11, 12, and 40 to be an emergency measure.

Project management oversight - Section 15 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.

Campus policies and procedures - Section 19 authorizes the president of an institution to adopt policies, procedures, and directives for the institution without the approval of faculty and others through shared governance.

Higher education challenge grants - Sections 24 through 27 adjust the higher education challenge grant statutory language, provide for the distribution of up to \$20 million of grant funds to eligible institutions, and add the NDSU agricultural experiment station as eligible for funding under the higher education challenge grant program. Section 37 eliminates the allocation of higher education challenge grant funds for the UND School of Law; however, funding would still be made available under the UND allocation.

Higher education funding formula - Section 30 provides for all CTE credits to receive a weighting factor of five in the higher education funding formula. Section 31 adjusts the base credit-hour funding rates of the higher education funding formula. Section 32 restores the 96 percent minimum amount payable provision in the higher education funding formula. Section 46 provides legislative intent that dental hygienist and dental assistant program courses be transferred to the CTE instructional program classification factor in the higher education funding formula.

Carryover authority - Section 36 continues the authorization through July 31, 2025, for institutions under the control of the State Board of Higher Education to continue unexpended appropriations at the end of a biennium. Sections 41 and 42 provide exemptions for institutions to continue appropriation authority for various projects and programs.

Transfer authority - Section 38 provides that the State Board of Higher Education may transfer funds from an institution's operations line item to the institution's capital assets line item if the board determines that additional funds are needed for capital assets.

FTE positions - Section 39 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.

Tuition rate increase limitation - Section 45 provides for a tuition freeze, excluding certain high-cost programs which are limited to a tuition rate increase of 1 percent per year.

Related Legislation

House Bill No. 1241 (2023) - Workforce - Provides for a workforce education innovation program to create or enhance educational programs that address workforce needs in the state. Funding for this program was removed from House Bill No. 1003 in the Conference Committee amendment.

Senate Bill No. 2015 (2023) - Funding pools - Includes funding pools from which the University System office and institutions may receive allocations, including the:

- Employer retirement contribution pool from which Lake Region State College is to receive \$35,142, of which \$14,693 is from the general fund and \$20,449 is from other funds in accordance with provisions of Section 23 of Senate Bill No. 2015 for the 1 percent employer retirement contribution increase provided for in House Bill No. 1040 (2023); and
- Targeted market equity pool from which Lake Region State College may receive an allocation as determined by the Office of Management and Budget in accordance with provisions of Section 20 of Senate Bill No. 2015.