

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

	FTE Positions	General Fund	Other Funds	Total
2019-21 legislative appropriation	118.10	\$12,945,280	\$28,331,264	\$41,276,544
2017-19 legislative appropriation	<u>129.61</u>	<u>13,751,580¹</u>	<u>24,111,092</u>	<u>37,862,672</u>
2019-21 appropriation increase (decrease) to 2017-19 appropriation	(11.51)	(\$806,300)	\$4,220,172	\$3,413,872

¹This amount includes a supplemental appropriation of \$1 million provided in Senate Bill No. 2297 (2019) for a precision agriculture center project.

Item Description

Enrollment - At the end of the 2019 regular legislative session, the Lake Region State College (LRSC) FTE student enrollment projection for the 2019-21 biennium was 1,002 for the fall 2019 semester and 1,000 for the fall 2020 semester.

Tuition collections - In the 2019-20 fiscal year budget approved by the State Board of Higher Education, tuition revenue for LRSC for the 2019-20 fiscal year was estimated to be \$5.1 million.

Higher education challenge matching grant program - In Section 1 of House Bill No. 1003, the Legislative Assembly appropriated \$9.4 million from the general fund to the 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 House Bill No. 1003, appropriated \$155,367 from the general fund to LRSC for extraordinary repairs. The funding is considered Tier I of the new capital building fund program, but is included in the institution's capital assets line item. Pursuant to Senate Bill No. 2015 (2019), an institution may transfer funding from its capital assets line item to its operations line item after it has matched and committed 75 percent of the funding appropriated from the general fund for extraordinary repairs.

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

Status/Result

The actual fall 2019 semester FTE enrollment was 974, 28 less than projected and 31 less than the fall 2018 semester.

The current estimate for tuition collections for the 2019-20 fiscal year is \$5.1 million, approximately \$50,000 less than projected.

Through May 4, 2020, LRSC has received \$126,216 in grant funding through the program.

Though April 2020, LRSC has matched and committed approximately \$13,000 of the general fund appropriation in Tier I. The institution has reported difficulty in securing matching funds for the appropriation.

Through April 2020, LRSC has raised approximately \$610,000 of matching funds for Tier II and Tier III under the capital building fund program for the Curtis and Annette Hofstad Agriculture Center. Therefore, the institution has secured matching funds for the entire \$177,375 appropriated for Tier II and \$216,313 of the \$500,000 appropriated for Tier III of the capital building fund program.

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 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 exceed \$700,000 and do not increase the square footage of a building.

Lake Region State College was appropriated \$177,375 from Bank of North Dakota profits in Tier II and was allocated \$500,000 from Tier III under the capital building fund program. The Legislative Assembly appropriated \$3 million from the LRSC capital building fund or other funds for the precision agriculture center project.

Capital projects - 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, authorized LRSC to spend up to \$3 million from its capital building fund or other funds for the precision agriculture center project.

Through April 2020, LRSC has spent \$263,391 on the Curtis and Annette Hofstad Agriculture Center project. The institution is fundraising to secure matching funds for Tier II and Tier III capital building fund appropriations and has raised approximately \$610,000 through April 2020.