

2011 HOUSE APPROPRIATIONS

HB 1034

2011 HOUSE STANDING COMMITTEE MINUTES

House Appropriations Committee
Roughrider Room, State Capitol

HB 1034
1/27/11
13520

Conference Committee

Committee Clerk Signature

Meredith Trauboff

Explanation or reason for introduction of bill/resolution:

A BILL for an Act relating to the cancellation of unexpended appropriations for the North Dakota university system.

Minutes:

You may make reference to "attached testimony."

Chairman Delzer: We'll open the hearing on HB 1034, and the clerk will read the title. This is out of the higher ed interim committee.

Laura Glatt, Vice Chancellor for Administrative Affairs, North Dakota University System: See attachment 1.

Chairman Delzer: That's all funds carryover, or just capital construction?

Glatt: All general funds, both operations and capital assets.

Chairman Delzer: The bill extends that for another two years.

Representative Skarphol: What would happen if we didn't pass this bill, and you were subject to the same provision that all state agencies are. How would you be adversely affected if you were subjected to the same criteria?

Glatt: In terms of operations, if we weren't allowed to carry over the operating money, it creates a 'use it or lose it' mentality. This way allows campuses to better time their expenses, leading to better expenditures. The capital assets line item is typically where we have the most significant carryover. For large projects that require relocation of faculty and students, we try to get those started in the summer months, but they may take one or two years to complete, and may cross biennial periods.

Representative Skarphol: Capital projects are allowed by statute to be carried forward by state agencies, so that's not an issue. I don't want to do something different here that we aren't doing for anyone else, and if we're not doing anything different, I'm not sure why we have to continue to pass it.

Chairman Delzer: What kind of percentage are you carrying forward? Does that show up in your base budget or go off budget?

Glatt: Absent capital assets, it is not a large amount that we carryover. Does it become part of the base next biennium? Only to this extent. Let's say you appropriate \$1 million to a campus in the 09-11 biennium. They get to the end of the biennium, and they've spent \$950,000 of that. They would carryover \$50,000 to the next biennium. What OMB does in the executive budget is start with the beginning base, the \$1 million, as your current base. That \$50,000 is in there.

Chairman Delzer: Is the amount you carry forward part of that or not?

Glatt: The cash carryover is not, but the base funding is.

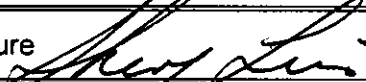
Chairman Delzer: Questions by the committee? Further testimony on 1034? If not, we'll close the hearing on HB 1034, and move on to HB 1035.

2011 HOUSE STANDING COMMITTEE MINUTES

House Appropriations Committee
Roughrider Room, State Capitol

HB1034
February 18, 2011
Recorder Job# 14749

Conference Committee

Committee Clerk Signature 

Explanation or reason for introduction of bill/resolution:

A Bill for an Act to amend and reenact section 54-44.1-11 of the North Dakota Century Code, relating to the cancellation of unexpended appropriations for the North Dakota University system.

Minutes:

Chairman Delzer: Opened the discussion on HB1034.

Representative Skarphol: Introduce the bill.

Chairman Delzer: I would ask when you look at this, has the carry forward being added to base?

Representative Skarphol: Yes it is.

Chairman Delzer: Is that something that's going to continue?

Representative Skarphol: Not if our budget prevails. We have removed it from the base.

Chairman Delzer: You've allowed the carry forward but removed it from the base?

Representative Skarphol: No, we actually took the money.

Representative Skarphol: Made a motion for a "Do Pass".

Representative Hawken: Seconded the motion.

Chairman Delzer: There is that issue with the construction dollars; they did not fall under this bill, or a different section. Or do they fall under both?

Representative Skarphol: To my knowledge this is the only carry forward authority that higher education has. I think they're excluded in the provisions with regard to state agencies.

Chairman Delzer: Is that true? I know there were cases where certain people had to sit on a group that allowed carry forward of capital construction projects. Is that different than this? Is that same money allowed in this bill as well?

Tammy Dolan, OMB: I believe that they go to the carry forward committee for their capital projects carry over.

Chairman Delzer: This is the other money?

Tammy Dolan: This affects the other money.

Representative Skarphol: New construction is included in this bill. It's on line 22-23; if they're building a project, they get to carry the money forward. Major repairs or improvements, purchase of new equipment costing more than \$10,000.00 per unit of order during the first 12 months of the biennium; it's the carry forward.

A roll call vote was made for a "Do Pass." 13 Yea's 7 Nay's 1 Absent

Chairman Delzer: Closed the discussion.

Date: 2/18
 Roll Call Vote #: 1

2011 HOUSE STANDING COMMITTEE ROLL CALL VOTES
 BILL/RESOLUTION NO. 1034

House Appropriations Committee

Legislative Council Amendment Number _____

Action Taken: Do Pass Do Not Pass Amended Adopt Amendment
 Rerefer to Appropriations Reconsider

Motion Made By Rep. Skarphol Seconded By Rep. Hawken

Representatives	Yes	No	Representatives	Yes	No
Chairman Delzer		X	Representative Nelson	X	
Vice Chairman Kempenich		X	Representative Wieland	X	
Representative Pollert	X				
Representative Skarphol	X				
Representative Thoreson		X	Representative Glassheim	X	
Representative Bellew		X	Representative Kaldor	X	
Representative Brandenburg		X	Representative Kroeber	X	
Representative Dahl	X		Representative Metcalf	X	
Representative Dosch		X	Representative Williams		
Representative Hawken	X				
Representative Klein	X				
Representative Kreidt	X				
Representative Martinson		X			
Representative Monson	X				

Total (Yes) 13 No 7

Absent 1

Floor Assignment Rep. Skarphol

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE

HB 1034: Appropriations Committee (Rep. Delzer, Chairman) recommends **DO PASS**
(13 YEAS, 7 NAYS, 1 ABSENT AND NOT VOTING). HB 1034 was placed on the
Eleventh order on the calendar.

2011 SENATE APPROPRIATIONS

HB 1034


2011 SENATE STANDING COMMITTEE MINUTES

Senate Appropriations Committee Harvest Room, State Capitol

HB 1034
March 8, 2011
Job # 15066

Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

A bill relating to the cancellation of unexpended appropriations for the North Dakota University system.

Minutes:

See attached testimony #1.

Chairman Holmberg called the committee hearing to order on HB 1034.
Brady Larson - Legislative Council; **Tammy R. Dolan** - OMB.

Chairman Holmberg have a series of bills (HB 1033, HB 1034, HB 1035) that come from the interim higher education committee.

Brady Larson, Legislative Council Presented Neutral Testimony -

He served as a committee staff person for the interim higher education committee from which these bills originated. For a brief overview, these three bills (HB 1033, HB 1034, HB 1035) are commonly referred to as the higher education roundtable bills. They were first enacted by the 2001 Legislative Assembly based on the recommendations of the 1999-2000 Higher Education Roundtable. The original bills in 2001 granted certain authorizations to the University System for a period of two years. Each Legislative Assembly since then has extended these authorizations for an additional two years. The bills being reviewed today will extend the authorizations for another two years until 2013.

HB 1034 – allows the University System to continue unexpended general fund appropriations at the end of a biennium – also known as carryover authority. Most general fund appropriations are cancelled at the end of a biennium if the funding has not been spent by an agency. This bill provides an exemption to that. Each higher education institution and the system office are required to provide a report to the House and Senate appropriations committees regarding any funding carried over at the end of the previous biennium. So in the next few days as you hear the University System budget requests, each institution should report on how they carried any funding from the 2007-09 biennium into the current 2009-11 biennium.

Senator Warner: The 2007-09 and 2009-11, will they be reporting on anticipated carryovers into the 2011-13 biennium? Or isn't that part of this reporting requirement?

Brady Larson: There is no requirement for reporting on future or anticipated carryovers so this would only apply to carry over funding from the end of the last biennium so we'll not discuss 09-11 funding carried forward until 2011-13.

Laura Glatt, NDUS system

Testified in support of HB 1034.

Testimony attached - # 1

Senator Robinson moved Do Pass on HB 1034.

Senator Wardner seconded.

Senator Christmann: I think I've voted for this in the past, but I would be more inclined to have voted for it this time after hearing about their expected carryovers this time which I understand we will be doing in their bills. It seems like we're getting ahead of ourselves.

Chairman Holmberg asked Laura Glatt if she could tell the committee about their expected carryovers without her notes?

Laura Glatt: I'll answer in two parts because it's a bit different for the campuses than it is for our office. For the campuses, what you will see as they present information is that their carryover primarily is related to capital projects. Wherein you've appropriated money for capital projects, perhaps they have started on it but not completed by the end of the biennium. Those funds get carried over. In terms of the campuses general fund appropriation, basically the campuses draw down 100% of that general fund appropriation so there really is no general fund draw down at the end of the biennium. Most of it is capital project related.

In terms of our office, it's a bit different because we administer several financial aid programs and scholarship programs. We typically have a fair amount of carryover in those programs as we see student attrition in those programs over the academic year. Historically, the legislature has allowed us to carryover those unspent dollars from one biennium to the next so that we can provide additional student financial aid or scholarship awards. There was an amendment that you'll see was tacked on by House Appropriations to HB 1003 that would remove that carryover in those financial aid programs and in our office for the current biennium so that will have an impact on our financial aid programs moving forward. That's something we'll want to brief you about as we do the system overview tomorrow.

What you will see in each campus' presentation as they appear before you is they will have a schedule that lays out how much was carried over from 2007-09 to 2009-11 and for what purpose.

Senator Grindberg: I'm kind of on the same wave length as Senator Christmann. Given all the attention and focus on higher education, and it could very well be that we pass these bills, I would rather we wait to have the hearings and address Higher Ed in a package versus running these bills out and then having the campus in HB 1003. I just think there is so much we have

to absorb and understand in the changing environment. I think having the hearings is going to help set the stage for these, so I would hope we would wait in passing these bills out.

Chairman Holmberg: We can if the maker of the motion and the seconder withdraw them, we can do that.

Senator Robinson withdrew the motion.

Senator Wardner dropped the second.

2011 SENATE STANDING COMMITTEE MINUTES

Senate Appropriations Committee
Harvest Room, State Capitol

HB 1034
04-05-2011
Job # 16340

Conference Committee

Committee Clerk Signature

Explanation or reason for introduction of bill/resolution:

A ROLL CALL VOTE FOR A DO PASS – NDUS - RELATING TO THE CANCELLATION OF UNEXPENDED APPROPRIATIONS

Minutes:

You may make reference to "attached testimony."

Chairman Holmberg called the committee to order in reference to HB 1034. Tad H. Torgerson, OMB and Brady Larson, Legislative Council were also present.

Chairman Holmberg: We have a motion. Senator Robinson moved a do pass. Seconded by V. Chair Grindberg. Discussion.

Chairman Holmberg: For the students who are here these are bills that have been around for awhile. We were waiting until we had some other bills taken care and now we are passing them out. We have had hearings on them. We have studied them. They are not coming out of the clouds. Would you call the roll on a DO PASS on 1034.

A ROLL CALL VOTE WAS TAKEN ON A DO PASS ON HB 1034. YEA: 13; NAY:0; ABSENT: 0. Senator Krebsbach will carry the bill on the floor. The hearing was closed on HB 1034.

Date: 3-8-11
Roll Call Vote # 1

2011 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1034

Senate Appropriations Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken: Do Pass Do Not Pass Amended Adopt Amendment
 Rerefer to Appropriations Reconsider

Motion Made By Robinson Seconded By Wardner

Senators	Yes	No	Senators	Yes	No
Chairman Holmberg			Senator Warner		
Senator Bowman			Senator O'Connell		
Senator Grindberg			Senator Robinson		
Senator Christmann					
Senator Wardner					
Senator Kilzer					
Senator Fischer					
Senator Krebsbach					
Senator Erbele					
Senator Wanzek					

Withdrawn

Total (Yes) _____ No _____

Absent _____

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent:

Date: 4-5-11

Roll Call Vote # 1

2011 SENATE STANDING COMMITTEE ROLL CALL VOTES

BILL/RESOLUTION NO. 1034

Senate APPROPRIATIONS Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken: Do Pass Do Not Pass Amended Adopt Amendment
 Rerefer to Appropriations Reconsider

Motion Made By Robinson Seconded By Grindberg

Senators	Yes	No	Senators	Yes	No
Chairman Holmberg	✓		Senator Warner	✓	
Senator Bowman	✓		Senator O'Connell	✓	
Senator Grindberg	✓		Senator Robinson	✓	
Senator Christmann	✓				
Senator Wardner	✓				
Senator Kilzer	✓				
Senator Fischer	✓				
Senator Krebsbach	✓				
Senator Erbele	✓				
Senator Wanzek	✓				

Total (Yes) 13 No 0

Absent 0

Floor Assignment Krebsbach

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE

HB 1034: Appropriations Committee (Sen. Holmberg, Chairman) recommends DO PASS (13 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). HB 1034 was placed on the Fourteenth order on the calendar.

2011 TESTIMONY

HB 1034

HB 1034
January 27, 2011
Attachment 1

North Dakota University System
HB1033, 1034 and 1035 – House Appropriations
Laura Glatt, January 27, 2011

On behalf of the State Board of Higher Education, I appear today in support of HB1033, 1034 and 1035. These bills continue legislation which has been consistently adopted by the Legislative Assembly since the 2001 session. The bills extend the provisions for another two-year period through June 30, 2013. We appreciate the tireless work of the 2009 interim Higher Education Committee and their endorsement of these bills.

What These Bills Do?

HB1033: Provides for “block grants for base funding” and for an initiative funding appropriation for “specific strategies or initiatives” and an appropriation for capital assets renewal and replacement.

This allows for the continuation of the current appropriation bill format for the campuses of two line items-Operations and Capital Assets. This provides needed flexibility for campuses to respond to rapidly changing demands for courses, programs and training.

HB1034: Permits the carryover of unexpended funds from one biennium to the next. The bill requires the NDUS to report carryover amounts from one biennium to the next to the appropriations committee. Each campus reports this information as part of their budget presentation to the appropriation committees.

HB1035: Tuition revenues at NDUS campuses would be appropriated in the same way all other institutional funds such as grants and contracts, auxiliary revenues and private funds are appropriated.

All income, including tuition revenues, would continue to be deposited with the Bank of North Dakota. All income would also continue to be disclosed as part of the biennial budget process as required beginning on page 1, line 24 as follows:

“Biennial estimates of revenue and expenditures of the other funds by source of funds must be presented at the same time biennial budget requests for appropriations from the special revenue fund and state general fund are prepared and submitted to the office of the budget.”

All NDUS income would also continue to be subject to an annual financial audit performed by the State Auditor’s Office and would be disclosed, in detail, in the NDUS’s and state’s annual comprehensive financial statement (CAFR).

Taken together, the increased flexibility provided by these bills, allows campuses to be more entrepreneurial and more flexible and responsive to meeting the students and state needs. We are truly appreciative.

Thank you. I will be happy to answer any questions.



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**TO: Representative Jeff Delzer, Chair
North Dakota House Appropriations Committee**

**FROM: Laura Glatt, Vice Chancellor for Administrative Affairs
North Dakota University System**

DATE: January 31, 2011

RE: House Bills 1033, 1034 and 1035

Memo #E-11-03

Recently, at the hearings on HB1033, 1034, and 1035 you asked some questions for which I did not have ready answers. Please let me attempt to answer those questions below.

In talking about faculty assignments, I indicated the NDUS campuses do have employees that have faculty appointments; however, they do not teach as they have other full-time duties, such as research. A recent query of FTE faculty positions as of 12/31/10, from all fund sources, indicates that there are 13 full-time at NDSU and 28 full-time and 18 part-time "faculty" at UND that have full-time research and/or clinical appointments. These positions represent less than three percent of the total FTE faculty positions. SBHE policy requires tenured and probationary faculty duties and goals to be outlined in their annual employment contracts as follows:

Tenured and probationary faculty contracts shall identify the faculty member's tenure plan and describe the faculty member's duties and goals. The contracts shall specify the weight to be given the criteria for evaluating performance. The contract provisions shall be reviewed and, when appropriate, revised as a part of the faculty member's periodic evaluations.

With regard to carryover funds you asked about the amount of carryover funds. I have attached the schedules that were presented to the House Appropriations Education and Environment Division during the recent campus hearings outlining their carryover from 07-09 to 09-11 biennium. Campuses draw down their general fund appropriation through the State Treasurer's Office twice per month, based on updated figures of anticipated expenditures, and account for those funds in an "appropriated" fund group on the ConnectND general ledger. As mentioned during the hearing, the "appropriated" fund group on the general ledger includes both state general funds and tuition income, the two primary sources of revenue used to support the instructional mission of the campus. This would be similar to a hotel owner who collects lodging revenues from both state residents and non-state residents who deposits all receipts into one checking account that is used to cover the cost of operating the business, instead of maintaining separate accounts with receipts from residents and non-residents and debating each time a hotel expense is paid, which account the expense should be paid from.

Memo to Representative Jeff Delzer

Page 2

January 31, 2011

The "appropriated" carryover funds are maintained in a separate fund(s) for tracking purposes, although it is presumed that any remaining "appropriated" carryover balance (excluding capital assets) is tuition collections, as 100% of the general funds are drawn down from the State Treasurer by the end of the biennium.

With regard to the NDUS Office budget, the carryover authority is a bit different, but equally important, especially as it relates to the administration of the several financial aid programs administered by the office. The carryover authority allows for better planning and utilization of resources between fiscal years and biennia. In the financial aid programs, it allows for a more stable number of awards per year, leveling out the peaks and valleys in anyone year or biennium. In the financial aid programs, carryover estimates are specifically built into the budget assumptions and disclosed to the appropriations committee. By way of example, let's assume the current appropriation for the needs-based program is \$10.0 million, and we anticipate spending \$9,000,000 during the biennium, and due to student program attrition, etc., the program would have \$1,000,000 in unspent funding. If we estimate the cost of maintaining the program in 11-13 is \$11 million, we would not ask for a funding increase of \$1.0 million (\$11 million less \$10 million), because we have historically been allowed to carryover unspent funds, and the remaining \$1,000,000 at the end of 09-11 would be used to offset program expenses in 11-13. As indicated in my testimony, this authority certainly reduces the "use it or lose it" risk, and permits agencies to better plan and time their expenditures for the best use of state resources. After the conclusion of the legislative session, OMB adjusts the appropriation for the amount of the carryover, where statutorily permitted, for purposes of tracking the funds. Per OMB instructions, this adjusted appropriation is used as the starting point for the next biennial budget process, unless OMB directs changes as part of the budget preparation process.

I hope this adequately answers your questions and please feel free to contact me if you have any additional questions at 328-4116.

BSC - no reported carryover
LRSC - no reported carryover

Williston State College
Use of 2007-09 Carryover
09-11 BIENNIUM

2007-09 Carryover:

General Fund	\$ 8,495
Other Funds (Permanent Oil Trust)	<u>69,349</u>
Total Carryover	<u>\$ 77,844</u>

The \$8,495 general fund carryover was used to improve the air handling system in Stevens Hall. The \$69,349 was used for operating expenses for the WSC's Oil Rig Program, and was part of the one-time funding received from the Permanent Oil Trust Fund for the 2007-09 biennium.

UND THE UNIVERSITY OF NORTH DAKOTA

Required Reporting to 2011 Appropriation Committees

07-09 Final Carryover

23051 Capital Assets-Carryover - Line 51	1,565,182.00	
Expenses as of 06/30/10	(1,558,637.57)	
Expenses as of 11/30/10	(5,387.11)	Project Completed
Unspent Appropriation	1,157.32	
<hr/>		
23053 Capital-Off System-Carryover - Line 53	104,717,112.00	
Detail of Active 2007 Legislatively Approved Major Capital Projects		
O'Kelly Hall-Ireland Laboratory Renovation	220,000.00	
Expenses as of 06/30/10	(181,150.69)	
Expenses as of 11/30/10	(19,481.43)	Project Completed
Projected Expenditures thru 06/30/11	(17,315.36)	
Unspent Authorization	2,052.52	
Energy Projects - Mechanical	1,421,028.60	
Expenses as of 06/30/10	(102,575.18)	
Expenses as of 11/30/10	(869.32)	
Projected Expenditures thru 06/30/11	(646,555.10)	
Unspent Authorization	671,029.00	
College of Nursing Research Facility	10,323.48	
Expenses as of 06/30/10	(6,786.60)	
Expenses as of 11/30/10	0.00	
Projected Expenditures thru 06/30/11	0.00	
Unspent Authorization	3,536.88	
Energy Projects - Lighting	185,882.43	
Expenses as of 06/30/10	(90,865.31)	
Expenses as of 11/30/10	(1,218.33)	
Projected Expenditures thru 06/30/11	(7,916.79)	
Available Balance	85,882.00	
Detail of Inactive Major Capital Projects (other funds)	102,879,877.50	
Inactive - Wilkerson Dining Center	(4,000,000.00)	
Inactive - Squires Dining Center Renovation	(117,715.40)	
Inactive - SOM PET Scanner/Related Renovation Costs	(1,156,523.93)	
Inactive - SOM Center for Excellence in Neuroscience	(824,900.46)	
Inactive - Neuroscience Research Phase II	(17,000,000.00)	
Inactive - Athletic Complex/Wellness Center	(1,368,070.22)	
Inactive - Carnegie Library Renovation	(2,968,124.90)	
Inactive - University Housing Replacement	(102,514.09)	
Inactive - Parking Ramp Structure	(1,642,028.50)	
Inactive - SOMHS Lab & Adm	(9,800,000.00)	
Inactive - Memorial Union	(4,500,000.00)	
Inactive - Indoor Track Facility	(15,000,000.00)	
Inactive - American Indian Center	(10,000,000.00)	
Inactive - Earth Systems Sciences	(5,000,000.00)	
Inactive - SMHS-Bismarck FPC	(4,000,000.00)	
Inactive - EERC Commercialization	(5,000,000.00)	
Inactive - Allied Health Facility	(20,400,000.00)	
	0.00	

NOSCS - no reported carryover

NDSU

2009-11 CAPITAL PROJECTS OVERVIEW

2009-11 MAJOR CAPITAL PROJECTS

	2009-11 AUTHORIZATION				TOTAL	TOTAL EXPENDITURES AS OF 12/31/10	REMAINING AUTHORITY
	GF	OF	R. BONDS	S. BONDS			
Minard Hall	\$13,000,000				\$13,000,000	\$2,839,615	\$10,160,385
<ul style="list-style-type: none"> • Expected completion late 2012 – forensic study completed, expert witness opinions expected February 2011 • December 2010, SBHE approval to proceed with plans to expand the original scope and timeline of the project to include: <ul style="list-style-type: none"> • the collapsed portion of the building • redesign of the original north addition; eliminate the basement and move the mechanical room to a new fifth floor location • authorize NDSU to use general funding available from the original project to fund expenses related to the collapse • combine phases 1, 2 and 3 and expenses incidentally related to the collapse for reporting and auditing purposes • authorize NDSU to seek legislative authorization and funding, subject to consultation with the president of the state board and the chancellor • Total project authorization is \$18 million, consisting of \$17,156,856 general funds and \$843,144 other funds. 							
Niskanen Apartment Complex			20,000,000		20,000,000	13,693,033	6,306,967
<ul style="list-style-type: none"> • Building occupied fall 2010, punch list items remain, parking lot being evaluated 							
West Dining/Auxiliary Services Renovation		1,000,000	6,000,000		7,000,000	4,699,864	2,300,136
<ul style="list-style-type: none"> • Expected completion December 2011 							
Student Health Expansion		1,100,000			1,100,000	865,558	234,442
<ul style="list-style-type: none"> • Expected completion January 2011 							
Sanford Health Athletic Complex (Bison Sports Arena)		25,500,000			25,500,000	2,571,079	22,928,921
<ul style="list-style-type: none"> • Architect design phase, strength and condition equipment purchased, fundraising ongoing 							
Ellig Softball Field		4,500,000			4,500,000		4,500,000
<ul style="list-style-type: none"> • No progress at this time 							
Total 2009-11 Authorization	\$13,000,000	\$32,100,000	\$26,000,000		\$71,100,000	\$24,669,149	\$46,430,851

CAPITAL ASSETS CARRYOVER 2007-09

	TOTAL CARRYOVER	EXPENDITURES AS OF 12/31/10	REMAINING AUTHORITY
Minard Hall	\$3,540,559.00	\$2,186,718.00	\$1,353,841.00
<ul style="list-style-type: none"> • See above for status 			
Base Extraordinary Repairs Funding	228,732.00	227,732.00	1,000.00
<ul style="list-style-type: none"> • Projects completed include mechanical and electrical upgrades, card access upgrades, Family Life Center foundation work • Remaining carryover will be spent by 6/30/2011 			
One-time Deferred Maintenance Funding	119,924.21	118,324.21	1,600.00
<ul style="list-style-type: none"> • Projects completed include Benson Bunker Fieldhouse bleachers, misc. classroom modifications • Remaining carryover will be spent by 6/30/2011 			
Total Authorization	\$3,889,215.21	\$2,532,774.21	\$1,356,441.00

DSU

**Projects funded with 2007-2009 Carryover funds
As of 1-3-2011**

Total Carryover	\$269,103*
Delong Hall to Murphy Hall Sidewalk	\$36,600
Strom Center Re-Roof	\$68,982
Tuck pointing Murphy Hall	\$12,779
Chimney Tuck Pointing and Repair	\$29,394
Tuck Pointing Klinefelter Hall	\$32,277
Agriculture Building Re-Roof	<u>\$47,786</u>
Total	<u>\$227,818</u>

- All of the 2007-2009 carryover had been expended, however on 11-29-2010, \$41,285 of general fund carryover that had been used to fund the Badlands Activity Center Fencing was returned to the state general fund. Philanthropic funds raised by the DSU Foundation were used to fund the project in lieu of state general funds.*



Legislative Reporting Requirements One-Time Funding 2009-2011 Biennium

Deferred Maintenance - General Fund (Adj. Appr.*) 1,730,120

Misc small projects <\$50K	559,349
Building exterior	200,607
Mechanical/ electrical upgrades	320,262
Interior finishes	228,255
Structural repairs	738
Utilities/Infrastructure	250,672
Balance to be allocated as needed	170,237

*180,000 transferred to Science -- Library building renovation project

Science-Library Building Renovation & Addition - General Fund (Adj. Appr.) 5,138,328

Project is in progress and on track to be completed July 2011

Carry-over 2007-09 - General Fund 486,876

Performance Contract -- Coal Boiler Plant	311,026
Misc small projects <\$50K	175,850

Agassiz Hall Housing Renovation -- Revenue Bonds 3,668,500

Project is in progress and on track to be completed March 2011

MISU Carryover Report

Project	Swain	Card Key Access	Landscaping	Dome Floor
07-'09 Carryover	\$ 4,637,855	\$ 116,568	\$ 159,044	\$ 10,000
Expenditures Through 12-31-10	4,637,855	116,568	159,044	10,000
Unexpended Balance	\$ 0	\$ -	\$ -	\$ -
Expected Completion Date	Project complete but waiting for the final bills	completed	completed	completed

Budget Overview

Trudy Collins
Vice President for Business Affairs



2007-09 Unexpended Appropriations

• Oil Trust funds for Steamline project	\$ 94,329
- Spent \$87,872	
- Balance to remain unspent \$6,456	
• Extraordinary Repairs - Osmon Fieldhouse	276,569
• Extraordinary Repairs - Tuckpointing	48,670
• Extraordinary Repairs - Sidewalks/ADA	<u>24,640</u>
• Unexpended appropriations Total	<u>\$444,208</u>



DAKOTA COLLEGE AT BOTTINEAU
2009-2011 Appropriation Status Report

Line Item	Original Appropriation	Adjusted Appropriation	Expenditures Through 11/30/2010	Balance	Percent Remaining
Operations	5,862,372	5,923,784	3,898,902	2,024,882	34%
Capital Assets	3,189,725	1,189,725	949,902	239,823	20%
Capital Assets - Carryover	0	668	0	668	100%
Capital Assets - Off System	0	700,000	0	700,000	100%
Deferred Maintenance	97,021	97,021	66,730	30,291	31%
Total	9,149,118	7,911,198	4,915,534	2,995,664	38%

Funding Source

General Funds	7,148,118	7,211,198	4,915,534	2,295,664	32%
Federal Funds	0	0	0	0	0%
Special Funds	2,000,000	700,000	0	700,000	100%
Total	9,148,118	7,911,198	4,915,534	2,995,664	38%

North Dakota University System Office
Status of 2007-09 Carryover

	Total General Fund Carryover	Total Other Fund Carryover	Total Carryover	Required Allocation per SB2003-Sec 25 1/	Expended through 01/20/11 2/	Current Unexpended Carryover 3/
System Governance Carryover:	276,862	107,344	\$ 384,206	(200,000)	(138,422)	\$ 45,784
Other Carryover:						
Student Financial Assist Grants	553,546	-	553,546	-	(553,546)	-
Scholars Program	343,242	-	343,242	-	(343,242)	-
Native American Scholarships	1,175	-	1,175	-	(1,175)	-
Education Incentive	89,650	-	89,650	-	(89,650)	-
Professional Student Exchange	244,398	-	244,398	-	(244,398)	-
SITS	55,332	9,231	64,563	-	(9,231)	55,332
Other Carryover	1,287,343	9,231	1,296,574	-	(1,241,242)	55,332
Total 2007-09 Carryover Status	\$ 1,564,205	\$ 116,575	\$ 1,680,780	\$ (200,000)	\$ (1,379,664)	\$ 101,116

Estimated Balance for FY11

1/ Section 25 (SB2003) required the SBHE to use \$200,000 of NDUS unspent 2007-09 general fund appropriation for marketing and student retention at Valley City State University for the blennium beginning July 1,2009 and ending June 30,2011.

2/ System Governance expenditures included expenses for Peer Review, Adult Council, Mission Review, ITD Enhancements, Computer Equipment, Office Training, Joint Boards Speaker. Expenditures for other line items are for specific grants, i.e., Student Financial Assist Grant, Scholars Program, etc.

3/ Unexpended funds estimated to be expensed for the following projects: Employee Retirement SL and AL payout, Risk Assessment Services, Intern, Training.

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North Dakota University System

HB1033, 1034 and 1035 – Senate Appropriations

Laura Glatt, March 8, 2011

On behalf of the State Board of Higher Education, I appear today in support of HB1033, 1034 and 1035. These bills continue legislation which has been consistently adopted by the Legislative Assembly since the 2001 session. The bills extend the provisions for another two-year period through June 30, 2013. We appreciate the tireless work of the 2009 interim Higher Education Committee and their endorsement of these bills.

What These Bills Do?

HB1033: Provides for “block grants for base funding” and for an initiative funding appropriation for “specific strategies or initiatives” and an appropriation for capital assets renewal and replacement.

This allows for the continuation of the current appropriation bill format for the campuses of two line items-Operations and Capital Assets. This provides needed flexibility for campuses to respond to rapidly changing demands for courses, programs and training.

HB1034: Permits the carryover of unexpended funds from one biennium to the next. The bill requires the NDUS to report carryover amounts from one biennium to the next to the appropriations committee. Each campus reports this information as part of their budget presentation to the appropriation committees.

HB1035: Tuition revenues at NDUS campuses would be appropriated in the same way all other institutional funds such as grants and contracts, auxiliary revenues and private funds are appropriated.

All income, including tuition revenues, would continue to be deposited with the Bank of North Dakota. All income would also continue to be disclosed as part of the biennial budget process as required beginning on page 1, line 24 as follows:

“Biennial estimates of revenue and expenditures of the other funds by source of funds must be presented at the same time biennial budget requests for appropriations from the special revenue fund and state general fund are prepared and submitted to the office of the budget.”

All NDUS income would also continue to be subject to an annual financial audit performed by the State Auditor’s Office and would be disclosed, in detail, in the NDUS’s and state’s annual comprehensive financial statement (CAFR).

Taken together, the increased flexibility provided by these bills, allows campuses to be more entrepreneurial and more flexible and responsive to meeting the students and state needs. We are truly appreciative.

Thank you. I will be happy to answer any questions.