

**Bismarck State College
Budget No. 227
House Bill No. 1003**

	FTE Positions	General Fund	Other Funds	Total
2019-21 legislative appropriation	323.93	\$31,068,227	\$70,449,402	\$101,517,629
2017-19 legislative appropriation	<u>358.35</u>	<u>39,624,971¹</u>	<u>72,991,998</u>	<u>112,616,969</u>
2019-21 appropriation increase (decrease) to 2017-19 appropriation	(34.42)	(\$8,556,744)	(\$2,542,596)	(\$11,099,340)

¹This amount includes a supplemental appropriation of \$8.9 million provided in Senate Bill No. 2297 (2019) for a nursing building project.

Item Description

Enrollment - At the end of the 2019 regular legislative session, the BSC FTE student enrollment projection for the 2019-21 biennium was 2,650 for the fall 2019 semester and 2,700 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 BSC for the 2019-20 fiscal year was estimated to be \$14.5 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. Bismarck State College may be awarded up to \$950,000 under the program.

Extraordinary repairs - The Legislative Assembly, in House Bill No. 1003, appropriated \$417,673 from the general fund to BSC 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 fund program. The Tier III funding is appropriated to the University System

Status/Result

The actual fall 2019 semester FTE enrollment was 2,598, 52 less than projected and 13 less than the fall 2018 semester.

Bismarck State College has implemented annual 4 percent tuition increases for the 2019-20 and 2020-21 academic years. The current estimate for tuition collections for the 2019-20 fiscal year is \$14.6 million, approximately \$100,000 more than projected.

Through April 2020, the BSC Foundation has received \$231,160 in grant funding through the program.

Though April 2020, BSC has matched and committed \$313,255 of the general fund amount appropriated in Tier I and plans to transfer the remainder to its operations line item.

As of April 2020, BSC plans to match \$337,500 from Tier II of the capital building fund for total Tier II capital building fund project spending of \$675,000. The institution does not intend to access Tier III of the capital building fund program.

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.

Bismarck State College was appropriated \$425,693 from Bank of North Dakota profits in Tier II and was allocated \$500,000 from Tier III under the capital building fund program.

Supplemental 2017-19 biennium appropriation - The Legislative Assembly, in Senate Bill No. 2297 (2019), provided a 2017-19 biennium supplemental appropriation of \$8.9 million from the general fund to BSC for a nursing building.

Polytechnic transition - The Legislative Assembly, in Section 5 of House Bill No. 1003, provided a 2017-19 biennium supplemental appropriation of \$2.7 million from the general fund to the State Board of Higher Education for campus workforce initiative projects, including \$1 million for the BSC polytechnic transition.

Bismarck State College purchased the Health Science Building from the BSC Foundation in June 2019 for \$8.2 million. The remaining \$700,000 will be used for equipment and building renovations expected to be completed by May 2020.

Bismarck State College is prioritizing the use of the \$1 million from the State Board of Higher Education to expand academic programming that supports the workforce needs of the region as identified by the Workforce Development Council.

The polytechnic transition has multiple steps and most of the spending will occur in fiscal year 2021. Bismarck State College estimates it will use \$184,000 for research and \$436,000 to build additional bachelor of applied science degree programs that support the state's strategic growth areas, including manufacturing, health care, finance, and agriculture. Additional funding of \$200,000 will be used to enhance and expand the institution's existing 4-year degrees in energy and cybersecurity by incorporating virtual reality simulations. The final \$180,000 will be used for teaching and learning services as well as student success initiatives targeted toward working adults and students enrolled in distance education.