**Minot State University**
**Budget No. 241**
**House Bill No. 1003**

| | FTE Positions | General Fund | Other Funds | Total |
|---|---|---|---|---|
| **2019-21 legislative appropriations** | **407.58** | **$39,896,693** | **$64,673,602** | **$104,570,295** |
| 2019-21 base budget | 441.65 | 39,750,979 | 62,058,916 | 101,809,895 |
| Legislative increase (decrease) to base budget | (34.07) | $145,714 | $2,614,686 | $2,760,400 |

**ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS**

| | Ongoing General Fund Appropriation | One-Time General Fund Appropriation | Total General Fund Appropriation |
|---|---|---|---|
| **2019-21 legislative appropriations** | **$39,896,693** | **$0** | **$39,896,693** |
| 2017-19 legislative appropriations | 39,750,979 | 165,777 | 39,916,756 |
| 2019-21 legislative increase (decrease) to 2017-19 appropriations | $145,714 | ($165,777) | ($20,063) |
| Percentage increase (decrease) to 2017-19 appropriations | 0.4% | (100.0%) | (0.1%) |

**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 distributed through the higher education funding formula to reflect changes in completed student credit-hours. | | ($2,300,918) | | ($2,300,918) |
| Added funding relating to the hold harmless provision of the higher education funding formula. | | 710,879 | | 710,879 |
| Added funding through the higher education funding formula to provide for employee salary and health insurance premium rate increases. | | 1,735,753 | | 1,735,753 |
| Added special funds to provide funding for employee salary and health insurance premium rate increases. | | | $2,169,169 | 2,169,169 |
| Adjusted other funds due to changes in institution estimates. | | | (700,085) | (700,085) |
| Added one-time funding from Bank of North Dakota profits and institution $1-to-$1 matching funds for Tier II of the capital building fund program. | | | 1,145,602 | 1,145,602 |

| | | | | |
|---|---|---|---|---|
| Adjusted FTE positions. | (34.07) | | | |
| Total | (34.07) | $145,714 | $2,614,686 | $2,760,400 |

### FTE Changes

The Legislative Assembly authorized 407.58 FTE positions for Minot State University for the 2019-21 biennium, a decrease of 34.07 FTE positions from the number authorized by the 2017 Legislative Assembly. The 34.07 FTE positions were removed pursuant to Section 21 of Senate Bill No. 2003 (2017), which authorized the State Board of Higher Education to adjust FTE positions at institutions under its control. Section 24 of House Bill No. 1003 (2019) continues the authorization of the board to adjust positions at institutions under its control during the 2019-21 biennium.

### One-Time Funding

The Legislative Assembly appropriated $1,145,602 of one-time funding, including $572,801 from Bank of North Dakota profits and $572,801 from institution matching funds, to Minot State University for the 2019-21 biennium relating to the capital building fund program.

### Capital Building Fund Program

The Legislative Assembly appropriated $29 million for institution capital building funds for the 2019-21 biennium. The appropriation includes $10 million from Bank of North Dakota profits and $10 million from institution $1-to-$1 matching funds appropriated directly to each institution for Tier II of the capital building fund program. The appropriation also includes $7 million from Bank of North Dakota profits and $2 million from the general fund appropriated to the North Dakota University System office to be allocated to the institutions for Tier III of the capital building fund program once $2 of matching funds have been secured for each $1 from the state. Institutions may use their capital building funds for legislatively authorized capital projects and for extraordinary repairs and deferred maintenance projects which do not exceed $700,000 and do not increase the square footage of a building.

### Capital Projects

The Legislative Assembly provided authority for Minot State University to spend up to $1,130,335 from its capital building fund for dome wellness emergency generators.

### Other Sections in House Bill No. 1003

**Capital projects - Budget Section approval** - Section 7 allows for Budget Section approval of building projects that, net of removed buildings, do not result in additional square footage on campus.

**Higher education challenge grants** - Sections 8, 10, and 11 adjust the higher education challenge grant program statutory language and provides for the distribution of $9.4 million of grant funds to eligible institutions.

**Higher education funding formula** - Sections 15 and 16 adjust the higher education funding formula established in North Dakota Century Code Chapter 15-18.2, including adjusting the credit weighting for medical school and law school credits and adjusting the base credit-hour funding rates.

**Carryover authority** - Section 18 continues the authorization through July 31, 2021, for institutions under the control of the State Board of Higher Education to continue unexpended appropriations at the end of a biennium.

**Additional funds appropriation authority** - Section 20 appropriates any additional special funds received by entities under the control of the State Board of Higher Education to the respective entities.

**Project management oversight** - Section 21 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. Section 36 provides that this section is an emergency measure.

**Transfer authority** - Section 23 provides that the State Board of Higher Education may transfer funds from an institution's operations line item to the institution's capital assets and capital building fund line items if the board determines that additional funds are needed for capital projects or extraordinary repairs. This section was amended by Section 25 of Senate Bill No. 2015 (2019) to provide authority to transfer funds from an institution's capital assets line item to the institution's operations line item after 75 percent of extraordinary repairs funding has been matched and used. Section 36 provides that this section is an emergency measure.

**FTE positions** - Section 24 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.

**Extraordinary repairs matching funds** - Section 25 requires institutions to match state extraordinary repairs funding on a $2-to-$1 basis using operations or other funding. Section 36 provides that this section is an emergency measure.

**Capital building funds** - Sections 29, 30, and 31 provide for transfers from the Bank of North Dakota for the establishment of capital building funds at each institution, establish matching fund requirements, and authorize the use of capital building fund money for certain capital projects. Section 36 provides these sections are an emergency measure.

**Tuition rate increase limitation** - Section 33 limits tuition rate increases for certain resident undergraduate tuition rates to 4 percent per year.

## Related Legislation

**House Bill No. 1013 - Permanent funds distributions** - Provides distributions to University System institutions from permanent funds established for the benefit of the institutions, including an estimated 2019-21 biennium distribution of $242,000 to Minot State University.

**House Bill No. 1029 - Funding formula study** - Provides for a Legislative Management Higher Education Funding Formula Review Committee.

**Senate Bill No. 2015 - Institution extraordinary repairs** - Allows the State Board of Higher Education to transfer appropriation authority from an institution's capital assets line item to its operations line item after the institution has matched and used 75 percent of the funding appropriated from the general fund in the capital assets line item for extraordinary repairs.

**Senate Bill No. 2016 - National Guard tuition waivers** - Increases the National Guard tuition waiver from 25 to 35 percent.