

**Department 243 - Dakota College at Bottineau  
House Bill No. 1003**

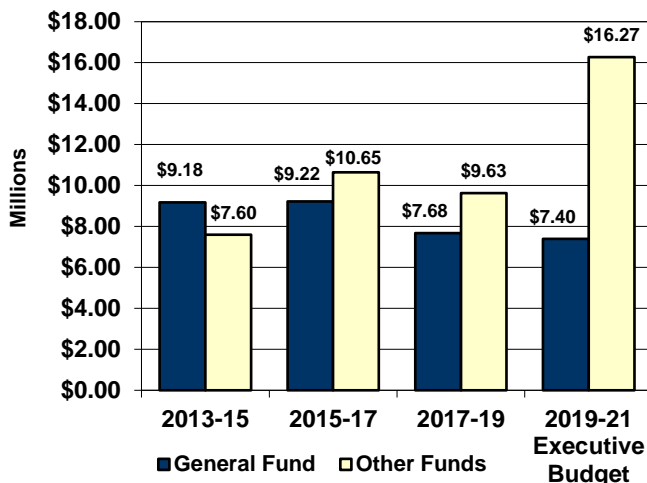
**Executive Budget Comparison to Prior Biennium Appropriations**

	FTE Positions	General Fund	Other Funds	Total
2019-21 Executive Budget	82.29	\$7,397,888	\$16,270,121	\$23,668,009
2017-19 Legislative Appropriations	84.30	7,682,539	9,629,173	17,311,712
Increase (Decrease)	(2.01)	(\$284,651)	\$6,640,948	\$6,356,297

**Ongoing and One-Time General Fund Appropriations**

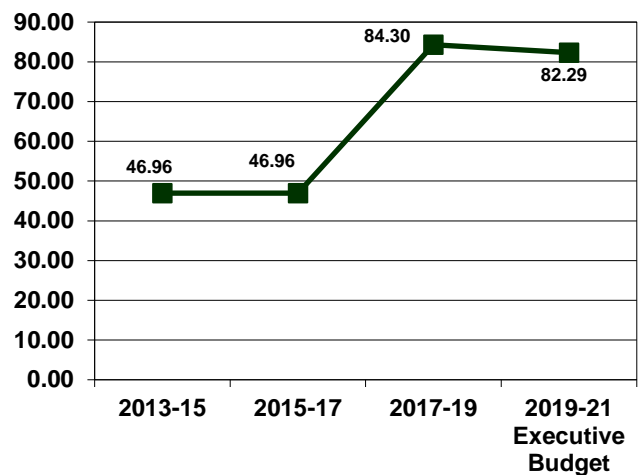
	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2019-21 Executive Budget	\$7,397,888	\$0	\$7,397,888
2017-19 Legislative Appropriations	7,652,945	29,594	7,682,539
Increase (Decrease)	(\$255,057)	(\$29,594)	(\$284,651)

**Agency Funding**



NOTE: Beginning with the 2017-19 biennium, other funds amounts include the appropriation of certain special funds. See the **Special Funds Appropriations** section below for additional information.

**FTE Positions**



NOTE: Beginning with the 2017-19 biennium, there was a change in reporting methods for University System FTE positions. See the **FTE Positions** section below for additional information.

**Executive Budget Comparison to Base Level**

	General Fund	Other Funds	Total
2019-21 Executive Budget	\$7,397,888	\$16,270,121	\$23,668,009
2019-21 Base Level	7,652,945	9,629,173	17,282,118
Increase (Decrease)	(\$255,057)	\$6,640,948	\$6,385,891

**Executive Budget Highlights**

	General Fund	Other Funds	Total
1. Provides funding adjustments through the higher education funding formula as follows:			
• Reduces funding for institution operations	(\$370,971)	\$0	(\$370,971)
• Adjusts funding to reflect changes in completed student credit-hours	(233,523)	0	(233,523)
• Adds funding for inflationary increases, including employee compensation and benefit adjustments	349,437	0	349,437
Total	(\$255,057)	\$0	(\$255,057)
2. Adds <b>one-time funding</b> from special funds derived from revenue bond proceeds for a new dining facility	\$0	\$2,500,000	\$2,500,000

**FTE Positions**

The 2019-21 biennium executive budget recommendation includes authorization of all FTE positions for institutions and entities under the control of the State Board of Higher Education, including positions supported by special funds. Prior to the 2017-19 biennium, only FTE positions supported by the general fund were authorized.

## Special Funds Appropriations

The 2019-21 biennium executive budget recommendation includes appropriation authority of all special funds received by the University System office and institutions. Prior to the 2017-19 biennium, special funds appropriations for the University System office and institutions were provided only for certain items, such as capital projects.

### Other Bill Sections Recommended to be Added in the Executive Budget (As Detailed in the Attached Appendix)

**Carryover authority** - Section 9 would continue the authorization through July 31, 2021, for institutions under the control of the State Board of Higher Education to carry over unexpended appropriations at the end of a biennium.

**Additional funds appropriation authority** - Section 10 would appropriate 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 11 would require 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.

**Transfer authority** - Section 14 would provide 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 projects or extraordinary repairs.

**FTE positions** - Section 15 would authorize 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.

**Bond issue authorization** - Section 16 would authorize the State Board of Higher Education to arrange for \$120,100,000 of revenue bonds for a new dining facility at Dakota College at Bottineau (\$2,500,000), the Memorial Union project at the University of North Dakota (\$80,000,000), and University Village Phase 2 at North Dakota State University (\$37,600,000). Section 20 would provide that this section is an emergency measure.

**Extraordinary repairs matching funds** - Section 19 would require institutions to match state extraordinary repairs funding on a \$2 to \$1 basis using operations or other funding.

### Additional Funds Appropriation Authority

**Additional special funds received** - Section 10 of the attached appendix would appropriate any additional federal, private, and other local funds received by entities under the control of the State Board of Higher Education, including tuition revenue, to the respective entities during the 2019-21 biennium.

### Significant Audit Findings

The State Auditor's office reported Dakota College at Bottineau:

- Did not have adequate documentation to support the awarding of the \$902,664 guaranteed maximum price for the construction management at-risk contract relating to the Nelson Science Center renovation; and
- Was not in compliance with North Dakota Century Code and University System procedures regarding procurement.

### Major 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. The following is a comparison of distributions from permanent funds during the 2017-19 biennium and the 2019-21 executive budget recommendation:

Institution	2017-19 Distribution	2019-21 Distribution	Increase (Decrease)
North Dakota State University	\$4,738,000	\$5,916,000	\$1,178,000
University of North Dakota	3,662,000	4,504,000	842,000
North Dakota State College of Science	1,446,286	1,736,000	289,714
Valley City State University	808,000	1,034,000	226,000
Mayville State University	542,000	668,000	126,000
Dakota College at Bottineau	186,286	242,000	55,714
Dickinson State University	186,286	242,000	55,714
Minot State University	186,286	242,000	55,714
<b>Total</b>	<b>\$11,755,144</b>	<b>\$14,584,000</b>	<b>\$2,828,856</b>

**Senate Bill No. 2116** - Allows institutions under the control of the State Board of Higher Education to access the infrastructure revolving loan fund for essential infrastructure projects.