

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

	FTE Positions	General Fund	Other Funds	Total
2023-25 legislative appropriation	120.59	\$15,248,322 ¹	\$27,528,767	\$42,777,089 ¹
2021-23 legislative appropriation	<u>115.76</u>	<u>14,242,152</u>	<u>25,634,428</u>	<u>39,876,580</u>
2023-25 appropriation increase (decrease) to 2021-23 appropriation	4.83	\$1,006,170	\$1,894,339	\$2,900,509

¹This amount does not include any transfers of appropriation authority from the Office of Management and Budget funding pools for targeted market equity adjustments or retirement contribution increases.

Item Description

Targeted market equity - The Legislative Assembly appropriated \$82.5 million, of which \$45.1 million is from the general fund and \$37.4 million is from other funds, to the Office of Management and Budget for a targeted market equity pool to be distributed to state agencies.

Enrollment - At the end of the 2023 regular legislative session, the LRSC FTE student enrollment projection for the 2023-25 biennium was 802 for the fall 2023 semester and 807 for the fall 2024 semester.

Tuition collections - In the 2023-24 fiscal year budget approved by the State Board of Higher Education, tuition revenue for LRSC for the 2023-24 fiscal year was estimated to be \$4.9 million.

Higher education challenge matching grant program - In Section 1 of House Bill No. 1003, the Legislative Assembly appropriated \$20 million from the general fund to the North Dakota University System office for the higher education challenge matching grant program. Lake Region State College may be awarded up to \$600,000 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. In Section 4 of the bill, the Legislative Assembly required institutions to match extraordinary repairs funding on a \$1 to \$1 basis using operations or other funding. The funding is considered Tier I of the capital building fund program, but it is included in the institution's capital assets line item.

Capital building fund program - 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

Status/Result

Lake Region State College (LRSC) received \$514,691, including \$419,723 from the general fund and \$94,968 from other funds, for targeted market equity increases. Equity increases were provided to 104 employees.

The actual fall 2023 semester FTE enrollment was 858, which was 56 students more than projected and 61 more than the fall 2022 semester.

Lake Region State College did not change resident tuition rates for the 2023-24 academic year. The current estimate for tuition collections for the 2023-24 fiscal year is \$4.9 million, the same as projected.

Through March 31, 2024, the LRSC Foundation has received \$164,495 in grant funding through the program.

Through March 31, 2024, LRSC has matched and committed \$60,296 of the general fund amount appropriated in Tier I.

Lake Region State College plans to spend all funding allocated to the institution in Tier III of the capital building fund program to replace the gearbox in the wind turbine and for parking lot and road repairs. The Legislative Assembly, in Section 40 of House Bill No. 1003, authorized the institution to expend up to \$1 million from its allocation in the University System capital building fund for the wind turbine and parking lot projects without any matching funds. The institution will use its Tier III allocation of \$500,000 from the 2021-23 biennium and the

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 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 increase the square footage of a building.

The 2021 Legislative Assembly continued the higher education capital building fund program with a transfer of \$19,000,000 from the strategic investment and improvements fund to a newly created University System capital building fund. The Legislative Assembly provided continuing appropriation authority from the fund and allowed the University System to continue unspent 2019-21 biennium appropriation authority of \$3,335,478.

The 2023 Legislative Assembly continued the higher education capital building fund program with a transfer of \$24,000,000 from the strategic investment and improvements fund to the University System capital building fund. Lake Region State College was allocated \$266,062 in Tier II and \$500,000 in Tier III of the capital building fund program for the 2023-25 biennium.

\$500,000 allocation from the 2023-25 biennium for the projects. Lake Region State College spent approximately \$569,000 for the gearbox replacement and will spend the remaining \$431,000 for parking lot and road repairs by the end of the biennium. The institution anticipates requesting additional funding from the 2025 Legislative Assembly for parking, curb, and gutter repairs.