

**Valley City State University**  
**Budget No. 242**  
**House Bill No. 1003**

	<b>FTE Positions</b>	<b>General Fund</b>	<b>Other Funds</b>	<b>Total</b>
2023-25 legislative appropriation	211.94	\$27,612,092	\$63,562,421	\$91,174,513 <sup>1</sup>
2021-23 legislative appropriation	<u>202.77</u>	<u>24,161,377</u>	<u>26,686,846</u>	<u>50,848,223</u>
2023-25 appropriation increase (decrease) to 2021-23 appropriation	9.17	\$3,450,715	\$36,875,575	\$40,326,290

<sup>1</sup>This 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 VCSU FTE student enrollment projection for the 2023-25 biennium was 1,094 for the fall 2023 semester and 1,116 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 VCSU for the 2023-24 fiscal year was estimated to be \$7.9 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. The university may be awarded up to \$1.1 million under the program.

**Extraordinary repairs** - The Legislative Assembly, in House Bill No. 1003, appropriated \$408,319 from the general fund to VCSU 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

**Status/Result**

Valley City State University (VCSU) received \$770,745, including \$737,048 from the general fund and \$33,697 from other funds, for targeted market equity increases. Equity increases were provided to 132 employees.

The actual fall 2023 semester FTE enrollment was 1,112, which was 18 students more than projected and 39 more than the fall 2022 semester.

The university 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 \$8.6 million, \$700,000 more than projected.

Through March 31, 2024, the VCSU Foundation has received \$261,841 in grant funding through the program.

Through March 31, 2024, VCSU has matched and committed the entire general fund amount appropriated in Tier I for classroom and office remodels, roof repairs, sidewalk replacement, and other projects. The university transferred \$408,319 from its operations line item for use as matching funds pursuant to Section 38 of House Bill No. 1003.

The university plans to match and spend all funding allocated to the institution in Tier II and a portion of the funding allocation in Tier III of the capital building fund program for the McCarthy Hall renovation project. The university reported it will use donations and campus reserves for the matching funds.

The Legislative Assembly, in Section 40 of House Bill No. 1003, also authorized the university to expend up to \$1,025,082 from its allocation in the University

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 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 (SIIF) 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 SIIF to the University System capital building fund. The university was allocated \$463,705 in Tier II and \$500,000 in Tier III of the capital building fund program for the 2023-25 biennium.

**Capital projects** - The Legislative Assembly appropriated \$35,500,000 of one-time funding, including \$10,474,918 from SIIF, \$1,025,082 from the University System capital building fund, and \$24,000,000 from other local funds, for VCSU capital projects as follows:

	SIIF	Capital Building Fund	Other Local Funds	Total Funds
Osmon Fieldhouse addition			\$20,000,000	\$20,000,000
Student Center renovation			2,000,000	2,000,000
McCarthy Hall renovation	\$10,474,918	\$1,025,082	2,000,000	13,500,000
<b>Total</b>	<b>\$10,474,918</b>	<b>\$1,025,082</b>	<b>\$24,000,000</b>	<b>\$35,500,000</b>

System capital building fund for the McCarthy Hall renovation project without any matching funds. The university will use funds carried over in its allocation in the University System capital building fund from prior bienniums for this project.

The following is a summary of the status of VCSU's capital projects funding:

Osmon Fieldhouse addition	The university has secured pledged donations for an addition to the Osmon Fieldhouse and anticipates starting the project this biennium.
Student Center renovation	The university is seeking donations for the renovation of the Student Center.
McCarthy Hall renovation	The university reported it has used donations and campus reserves to match \$463,705 from Tier II and \$357,530 from Tier III of its allocation in the University System capital building fund to be used as other local funds for the McCarthy Hall renovation project. The institution anticipates construction will begin in the summer of 2024 with completion in the summer of 2025.