NORTH DAKOTA
UNIVERSITY SYSTEM
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TO: Members, Budget Section

FROM: Laura Glatt, Vice Chancellor for Administrative Affairs

DATE: September 10, 2013

RE: Local Fund Match

NDCC 15-10-12.3 requires reporting disclosure on local fund matching for projects approved by the legislative assembly. It states: "all local funds to be used for the project must be derived from sources that have been presented to and approved by the legislative assembly or the budget section pursuant to section 15-10-12.1. The source of any local matching funds required for state-funded or bonded projects must be funds raised and designated for the project and may not include funding from the state general fund, state and federal grant and contract funds, tuition or fees, endowment or investment income, institutional sales and services income including indirect and administrative costs, or transfers or loans from other institutions' funds or agency funds unless the institution has received prior approval from the legislative assembly or from the budget section pursuant to section 15-10-12.1."

Attached is a report of the state-funded projects that were authorized for 2011-13, which included a legislatively mandated match requirement associated with the state appropriation (BSC, WSC, NDSCS, MiSU and VCSU), as well as projects that were carried over from previous biennia (BSC, WSC, NDSU and the NDSU Main Research Centers).

The attached report includes the following:

- Columns 1-3 = Original legislative appropriation by funding source;
- Column 4 = Additional budget section and/or legislative appropriation authority;
- Columns 5-8 = Total adjusted appropriation authority by funding source;
- Columns 9-12 = Total cumulative expenditures through 6-30-13 by funding source;
- Footnotes for each project include details regarding each of the above, as appropriate.

I am pleased to report that the 2011-13 campus branding project at WSC and the 2009-11 carryover projects at BSC (Tech Center Renovation) and WSC (Virtual Career & Technical Ctr.) are complete and stayed within the overall appropriation authority and within the local match requirements. The remaining projects were not completed as of June 30, 2013, and will be carried over to 2013-15. Thus, the final project expenditures will be included in the next report for the 2013-15 biennium.

Attachment

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North Dakota University System
2011-13 State Funded Major Capital Projects With Local Match Components and Carryover Projects from Previous Biennia

Campus & Project	(1) 2011-13 Original Appropriation: General Fund or Perm Oil Trust	(2) Local	(3) Total	(4) Additional Bud Sec or Legis Authority	(5) Adjusted Appropriation Authority: General Fund or Perm Oil Trust	(6) Local	(7) Federal	(8) Total	(9) Cumulative Expenditures Through 6/30/13: General Fund or Perm Oil Trust	(10) Local	(11) Federal	(12) Total
Projects Authorized in 2011-13 (HB's 1003 & 1020)												
Bismarck State College												
NECE 4th Floor	$ 3,300,000	$ 1,035,000	$ 4,335,000		$ 3,300,000	$ 1,035,000		$ 4,335,000	$ 3,157,595	$ 47,271		$ 3,204,866
Project costs through June 30, 2013, totaled $3,204,866, consisting of $3,157,595 General Fund and $47,271 from the Local Match. The source of the Local Match is DOE COE Lab and Smart Grid grants												
The project is not complete as of 6/30/13; expected completion date: 12/31/13												
Williston State College												
Workforce Training Center Addition	$ 500,000	$ 1,725,000	$ 2,225,000	$ 4,513,267	$ 500,000	$ 6,238,267		$ 6,738,267	$ 500,000	$ 175,604	$ -	$ 675,604
The 2011-13 legislature appropriated $500,000 general fund and $1,725,000 other fund authority for the project. The Budget Section authorized the following additional other fund authority: $1,685,000 ($10,000 from donations and $1,675,000 from workforce training revenue) in June 2011; and $2,828,267 from private gifts and grants in June 2012.												
Project costs through June 30, 2013, totaled $675,604, consisting of $500,000 General Fund and $175,604 from the Local Match. The source of the Local Match is training revenues.												
The project is not complete as of 6/30/13; expected completion date: 6/30/15												
Campus Branding	$ 1,000,000	$ 500,000	$ 1,500,000	$ 300,000	$ 1,000,000	$ 800,000		$ 1,800,000	$ 1,000,000	$ 550,610	$ -	$ 1,550,610
The 2011-13 legislature appropriated $1 million general fund and $500,000 other fund authority for the project. The Budget Section approved net additional other fund authority from private foundation funds of $300,000 at their June & December 2011 meetings.												
Project costs through June 30, 2013, totaled $1,550,610, consisting of $1,000,000 General Fund and $550,610 from the Local Match. The source of the Local Match is private fundraising and grants.												
The project is complete as of 6/30/13.												
ND State School of Science												
Bisek Hall (Diesel Technology) Expansion	$ 10,300,000	$ 200,000	$ 10,500,000		$ 10,300,000	$ 200,000		$ 10,500,000	$ 9,125,564			$ 9,125,564
Project costs through June 30, 2013, totaled $9,125,564 General Fund. The source of the Local Match will be the NDSCS Foundation.												
The project is not complete as of 6/30/13; expected completion date: 12/31/2013												
Minot State University												
Geothermal Project	$ 4,850,000	$ 8,884,555	$ 13,734,555	$ 2,432,529	$ 7,282,529	$ 8,884,555		$ 16,167,084	$ 6,390,901		$ 2,650,000	$ 9,040,901
The 2011-13 legislature appropriated $4.85 million general fund, $8,884,555 other fund authority and $2.5 million general fund carryover (from the 09-11 boiler refurbishment) for the project. The actual carryover is included in column 4.												
Project costs through June 30, 2013, totaled $9,040,901, consisting of $6,390,901 General Fund and $2,650,000 Department of Commerce Federal ARRA Funds.												
The project is not complete as of 6/30/13; expected completion date is 06/30/14												
Valley City State University												
LD Rhoades Science Addition/Renovation	$ 10,300,000	$ 200,000	$ 10,500,000		$ 10,300,000	$ 200,000		$ 10,500,000	$ 9,194,337			$ 9,194,337
Project costs through June 30, 2013, totaled $9,194,337 from General Funds. The source of the Local Match will be the VCSU Foundation												
The project is not complete as of 6/30/13; expected completion date is 09/30/2013												
Projects Originally Authorized in Previous Biennia & Carried Over to 2011-13												
Bismarck State College												
Tech Center Renovation	$ 3,000,000	$ 409,500	$ 3,409,500	$ 116,638	$ 3,000,000	$ 526,138		$ 3,526,138	$ 2,999,257	$ 526,138	$ -	$ 3,525,395
The 2009-11 legislature appropriated $3 million general fund and $409,500 local fund authority for the project. The Budget Section authorized an additional $116,638 other fund authority, from DOC grant and matching funds in December 2010.												
Project costs through June 30, 2013, totaled $3,525,395, consisting of $2,999,257 General Fund and $526,138 from the Local Match. The source of the Local Match is Bismarck School District ($409,500) and Department of Commerce Workforce Enhancement Grant and required match ($116,638).												
The project is complete as of 6/30/13.												
Williston State College												
Virtual Career & Technical Center	$ 5,000,000	$ 1,000,000	$ 6,000,000	$ -	$ 5,000,000	$ 1,000,000		$ 6,000,000	$ 4,954,642	$ -	$ -	$ 4,954,642
Project costs through June 30, 2013, totaled $4,954,642, consisting of $4,954,642 Permanent Oil Trust Fund. WSC was unable to raise $1 million local match and the project was scaled back to fit within the general fund appropriation.												
The project is complete as of 6/30/13.												
ND State University												
Minard Hall Renovation-Phase I, II and III	$ 4,500,000	$ 500,000	$ 5,000,000	$ 17,874,300	$ 17,500,000	$ 5,374,300		$ 22,874,300	$ 16,272,826	$ 4,474,627	$ -	$ 20,747,453

In 2007-09, NDSU requested $5 million general fund for phases I and II of this project. 2007-09 legislative adjustments resulted in a 10% local matching requirement of $500,000. An additional $13 million general fund was authorized in the 09-11 biennium for phase III of the project. Section 31 of SB2003 (2013) authorized the carryover of the 07-09 and 09-11 authority and also indicates that NDSU shall report to the Budget Section regarding the status of the project, and may request increased spending authorization from the Budget Section for the project. Background: In November 2011 the SBHE authorized NDSU to **1)** proceed with the completion of Minard Hall to be funded with $17.5M in state general funds, $500K in matching gift funds; $4,874,300 future 2011-13 deficiency appropriation; **2)** authorize the increase in spending authorization from $18M to $22,874,300 an increase of $4,874,300, with the intent that up to this amount (less any recovered from insurance or legal action) be ultimately funded by a state general fund deficiency appropriation per NDCC 48-01.2-25; **3)** authorize NDSU to carry a deficity fund balance on the Minard Hall project as a temporary funding source after the original $18M of appropriated authority has been expended, until a state general fund deficiency appropriation for NDSU is authorized during the 2013 legislative session; **4)** authorize NDSU to take any necessary action, including litigation, to seed recovery of damages, expenses, and costs resulting from the collapse of Minard Hall, with any recovery being used to offset the ongoing costs of the Minard Hall project or, if the project is complete at the time of recovery, to reimburse the State of ND for the costs of the project to the extent that recovery dollars are available following consultation with the Chancellor. December 2011, the Budget Section authorized an additional $4,874,300 other fund authority, from insurance proceeds, legal settlements and other available funds. The additional authority was needed for the additional costs resulting from damages incurred due to the Minard Hall collapse.

Project costs through June 30, 2013, totaled $20,747,453 consisting of $16,272,826 General Funds and $4,474,627 from local funds. The sources of the Local funds is NDSU Development Foundation Local Match ($492,505) and collapse related costs accrued in a local fund with a defict balance reported at 6.30.13 of ($3,982,122).

The project was not complete as of 6/30/13; the project is substantially complete and in full operation for the Fall 2013 academic term.

	2005-07 Original Appropriation: State Bonds	Local	Total	Additional Authority	Adjusted Appropriation Authority: State Bonds	General Fund	Local	Total	Total Cumulative Expenditures Through 6/30/13: State Bonds	General Fund	Local	Total
NDSU Main Research Center:												
Research Greenhouse Complex	$ 2,000,000	$ 5,000,000	$ 7,000,000	$ 27,944,981	$ 2,000,000	$ 25,442,050	$ 7,502,931	$ 34,944,981	$ 2,000,000	$ 25,442,050	$ 3,713,077	$ 31,155,127

Section 1 of SB2023 (2005) stated, "The Main Research Center may obtain and utilize federal funds and other funds to assist in the construction of a greenhouse complex at the main research center. There is appropriated to the Main Research Center the sum of $5,000,000, or so much of the sum as may be necessary, from any federal acts, private grants, gifts and donations. or other funds that may become available for this project..."
The 2007 legislature removed all reference to "phases" for the Research Greenhouse Complex, and increased the total project authorization to $14 million by including $7 million in new state general fund authority, plus 2005-07 carryover authority of $2 million state bonding and $5 million other funding authority. The 2009 legislature added $11,450,400 GF to the project, and included an emergency clause.
The 2011 legislature added $9,494,581 to the project ($6,991,650 GF and $2,502,931 OF) for the 2011-13 biennium (HB1020).

Project costs through June 30, 2013, totaled $31,155,127, consisting of 2,000,000 state bonding proceeds, $25,442,050 state general funds, and $3,713,077 in other funds. Sources for $3,713,077 other funds include $13,173 local funds, $1,362,735 private & federal grants, $800,000 institutional collections (sales of agricultural products and services), $429,775 sale of mill & indirect costs, and $1,107,394 gifts.

The project is not complete as of 6/30/13; expected completion date: November 2013