

**Department 242 - Valley City State University
 House Bill No. 1003**

Executive Budget Comparison to Prior Biennium Appropriations

	FTE Positions	General Fund	Other Funds	Total
2015-17 Executive Budget	108.59	\$68,527,285	\$16,000,000	\$84,527,285
2013-15 Legislative Appropriations ^{1,2}	97.29	25,284,607	4,806,837	30,091,444
Increase (Decrease)	11.30	\$43,242,678	\$11,193,163	\$54,435,841

¹The number of FTE positions for the 2013-15 biennium does not reflect an adjustment of 8.30 positions, from 97.29 to 105.59, pursuant to Section 36 of 2013 Senate Bill No. 2003 which 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.

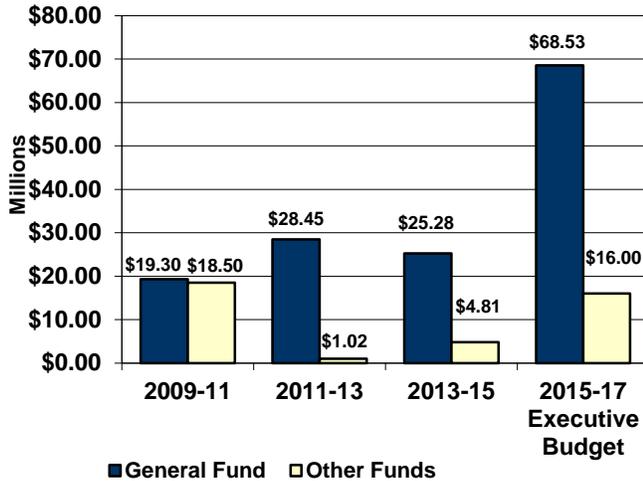
²The 2013-15 appropriation amounts do not include the following general fund allocations to the institution from one-time funding pools and one-time program funding appropriated to the North Dakota University System office:

- Deferred maintenance funding pool allocations of \$937,339.
- Capital projects contingency funding pool allocations of \$174,607.
- Grants received from the higher education challenge fund.

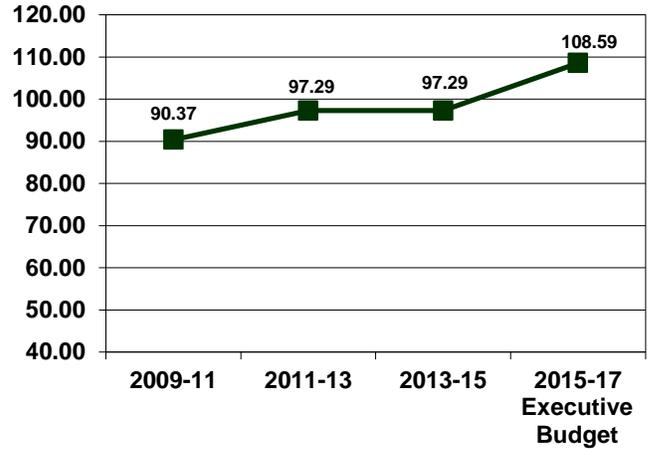
Ongoing and One-Time General Fund Appropriations

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2015-17 Executive Budget	\$27,600,606	\$40,926,679	\$68,527,285
2013-15 Legislative Appropriations	21,099,454	4,185,153	25,284,607
Increase (Decrease)	\$6,501,152	\$36,741,526	\$43,242,678

Agency Funding



FTE Positions



Executive Budget Comparison to Base Level

	General Fund	Other Funds	Total
2015-17 Executive Budget	\$68,527,285	\$16,000,000	\$84,527,285
2015-17 Base Level	21,099,454	0	21,099,454
Increase (Decrease)	\$47,427,831	\$16,000,000	\$63,427,831

Executive Budget Highlights

	General Fund	Other Funds	Total
1. Provides funding increases through the higher education funding formula for the following components:			
• Formula adjustment to reflect an increase in completed student credit-hours	\$2,720,705	\$0	\$2,720,705
• Inflation adjustment for salary, benefit, and utility increases	1,650,973	0	1,650,973

• Equity adjustment to increase the level of institution credit-hour funding to the average of the highest two institutions within its tier	1,650,973	0	1,650,973
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Total	\$5,900,583	\$0	\$5,900,583
2. Adds ongoing funding and 3 FTE positions for campus security	\$505,500	\$0	\$505,500
3. Removes funding for internal audit assessments paid to the University System office. (Funding is added to the University System office for internal audit functions.)	(\$8,463)	\$0	(\$8,463)
4. Transfers funding for predictive analytics and document imaging to the University System office	(\$42,153)	\$0	(\$42,153)
5. Increases funding for base extraordinary repairs to provide total funding of \$554,004	\$145,685	\$0	\$145,685
6. Adds one-time funding to pay off outstanding special assessments	\$243,238	\$0	\$243,238
7. Adds one-time funding for campus security projects	\$544,441	\$0	\$544,441
8. Adds one-time funding for the following capital projects:			
• Heating plant replacement	\$14,289,000	\$0	\$14,289,000
• Fine Arts Building, including demolition of two existing buildings	25,850,000	0	25,850,000
• Health, wellness, and physical education facility	0	16,000,000	16,000,000
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Total	\$40,139,000	\$16,000,000	\$56,139,000

Other Sections in Bill

Carryover authority - Section 7 continues the authorization through July 31, 2017, for institutions under the control of the State Board of Higher Education to carry over unexpended appropriations at the end of a biennium.

Transfer authority - Section 15 provides 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 17 authorizes the State Board of Higher Education to adjust FTE positions as needed for institutions and entities under its control.

Continuing Appropriations

Special revenue funds - Section 14 appropriates federal, private, and local funds received by institutions, including tuition revenue, during the 2015-17 biennium.

Deficiency Appropriation

Campus flood protection and building demolition - Senate Bill No. 2023 contains a general fund deficiency appropriation of \$3,452,000 for a flood protection project (\$3.3 million) and to demolish an obsolete building (\$152,000) at Valley City State University.

Significant Audit Findings

The State Auditor's office found Valley City State University has not established proper controls for student residency determinations and subsequent changes to student residency status.

Major Related Legislation

House Bill No. 1233 - Tuition Increase Prohibited - Prohibits tuition rate increases at all University System institutions during the 2015-17 biennium and provides a \$29.7 million general fund appropriation to the State Board of Higher Education to offset the financial impact of not allowing tuition rate increases.