

Department 640 - NDSU Main Research Center
House Bill No. 1020

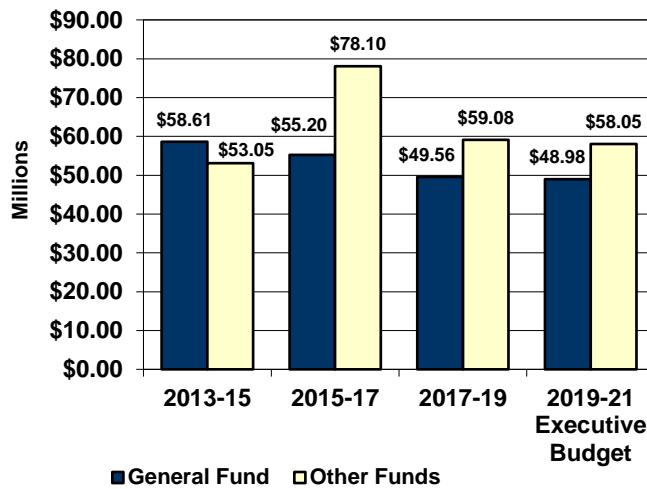
Executive Budget Comparison to Prior Biennium Appropriations

	FTE Positions	General Fund	Other Funds	Total
2019-21 Executive Budget	340.05	\$48,978,409	\$58,053,640	\$107,032,049
2017-19 Legislative Appropriations	336.12	49,557,415	59,084,828	108,642,243
Increase (Decrease)	3.93	(\$579,006)	(\$1,031,188)	(\$1,610,194)

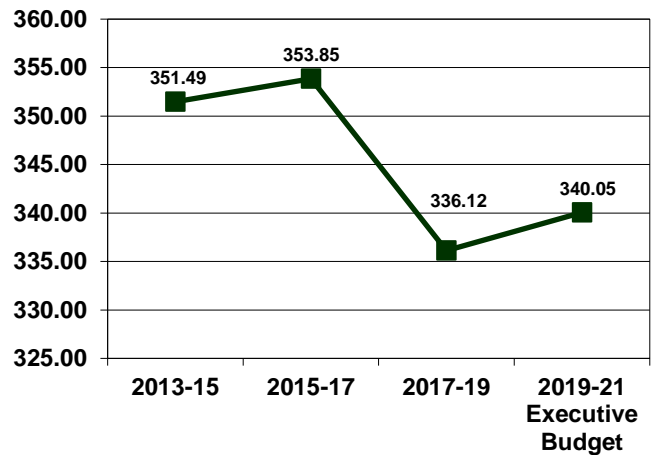
Ongoing and One-Time General Fund Appropriations

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2019-21 Executive Budget	\$48,978,409	\$0	\$48,978,409
2017-19 Legislative Appropriations	49,557,415	0	49,557,415
Increase (Decrease)	(\$579,006)	\$0	(\$579,006)

Agency Funding



FTE Positions



Executive Budget Comparison to Base Level

	General Fund	Other Funds	Total
2019-21 Executive Budget	\$48,978,409	\$58,053,640	\$107,032,049
2019-21 Base Level	49,557,415	59,084,828	108,642,243
Increase (Decrease)	(\$579,006)	(\$1,031,188)	(\$1,610,194)

First House Action

Attached is a comparison worksheet detailing first house changes to base level funding and the executive budget.

**Executive Budget Highlights
(With First House Changes in Bold)**

	General Fund	Other Funds	Total
1. Provides funding for state employee salary and benefit increases, of which \$2,724,596 is for salary increases, \$1,202,117 is for health insurance increases, and \$40,859 is for retirement contribution increases. The House added funding for salary adjustments of 2 percent per year and increases in health insurance premiums from \$1,241 to \$1,427 per month. The House did not add funding for retirement contribution increases.	\$2,441,827	\$1,525,745	\$3,967,572
2. Adjusts funding for miscellaneous expenses. The House added \$3,000,000 from other funds instead of \$2,000,000, for a total increase of \$44,258 for miscellaneous expenses.	(\$2,955,742)	\$2,000,000	(\$955,742)
3. Reduces funding for capital bond payments	(\$65,091)	\$0	(\$65,091)

4. Reduces capital funding from special funds	\$0	(\$5,997,398)	(\$5,997,398)
5. Adds one-time funding from the strategic investment and improvements fund for extraordinary repairs	\$0	\$1,440,465	\$1,440,465

Other Sections in House Bill No. 1020

Additional income appropriation - Section 3 provides that, in addition to the amount appropriated as other funds, any other income from federal acts, private grants, gifts, and donations, or from other sources received by the Main Research Center, is appropriated for the purposes designated in the act, grant, gift, or donation for the 2019-21 biennium.

Estimated income - Strategic investment and improvements fund - Section 4 provides the estimated income line item for the Main Research Center includes \$1,440,465 of one-time funding from the strategic investment and improvements fund for extraordinary repairs.

Transfer authority - Section 7 authorizes the transfer of appropriation authority between the Main Research Center, the branch research centers, NDSU Extension Service, and Northern Crops Institute and provides that any transfers be reported to the Office of Management and Budget.

FTE position adjustments - Section 8 authorizes the State Board of Higher Education to adjust or increase FTE positions for the Main Research Center and provides that any adjustments be reported to the Office of Management and Budget and Budget Section.

Unexpended general fund - Excess income - Section 9 authorizes the continuation of any unexpended general fund appropriation authority and excess income received by the Main Research Center into the 2021-23 biennium.

Exemption - Williston seed cleaning plant - Section 10 provides the \$1.5 million of special funds appropriation authority for the Williston seed cleaning plant for the 2017-19 biennium is not subject to the provisions of North Dakota Century Code Section 54-44.1-11 and may be continued and expended during the 2019-21 biennium.

Continuing Appropriations

There are no continuing appropriations for this agency.

Significant Audit Findings

The State Auditor's office reported NDSU did not have adequate journal entry approval for the Agricultural Experiment Station and Extension Service.

Major Related Legislation

Senate Bill No. 2055 - Repeals authority approved by the 2013 Legislative Assembly to convey research center land in Ward County and Williams County.

Senate Bill No. 2297 - Authorizes this issuance of \$54 million of bonds and appropriates the proceeds for the NDSU agriculture products development center project. The bill requires NDSU to obtain and utilize at least \$6 million of federal and other funds for the project.

NDSU Main Research Center - Budget No. 640

House Bill No. 1020

Base Level Funding Changes

	Executive Budget Recommendation				House Version			
	FTE Positions	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total
2019-21 Biennium Base Level	336.12	\$49,557,415	\$59,084,828	\$108,642,243	336.12	\$49,557,415	\$59,084,828	\$108,642,243
2019-21 Ongoing Funding Changes								
Base payroll changes	3.93			\$0	3.93			\$0
Salary increase		\$1,676,842	\$1,047,754	2,724,596		\$1,039,641	\$593,352	1,632,993
Health insurance increase		739,838	462,279	1,202,117		798,276	621,120	1,419,396
Retirement contribution increase		25,147	15,712	40,859				0
Adjust funding for miscellaneous expenses		(2,955,742)	2,000,000	(955,742)		(2,955,742)	3,000,000	44,258
Reduce funding for capital bond payments		(65,091)		(65,091)		(65,091)		(65,091)
Reduce capital funding from special funds			(5,997,398)	(5,997,398)			(5,997,398)	(5,997,398)
Total ongoing funding changes	3.93	(\$579,006)	(\$2,471,653)	(\$3,050,659)	3.93	(\$1,182,916)	(\$1,782,926)	(\$2,965,842)
One-time funding items								
Add one-time funding from the strategic investment and improvements fund for extraordinary repairs			\$1,440,465	\$1,440,465			\$1,440,465	\$1,440,465
Add one-time funding for a Williston seed cleaning plant				0		\$250,000	500,000	750,000
Total one-time funding changes	0.00	\$0	\$1,440,465	\$1,440,465	0.00	\$250,000	\$1,940,465	\$2,190,465
Total Changes to Base Level Funding	3.93	(\$579,006)	(\$1,031,188)	(\$1,610,194)	3.93	(\$932,916)	\$157,539	(\$775,377)
2019-21 Total Funding	340.05	\$48,978,409	\$58,053,640	\$107,032,049	340.05	\$48,624,499	\$59,242,367	\$107,866,866

Other Sections for NDSU Main Research Center - Budget No. 640

	Executive Budget Recommendation	House Version
Additional income appropriation	Section 3 would provide that, in addition to the amount appropriated as other funds, any other income from federal acts, private grants, gifts, and donations, or from other sources received by the Main Research Center, is appropriated for the purposes designated in the act, grant, gift, or donation for the 2019-21 biennium.	Section 3 provides that, in addition to the amount appropriated as other funds, any other income from federal acts, private grants, gifts, and donations, or from other sources received by the Main Research Center, is appropriated for the purposes designated in the act, grant, gift, or donation for the 2019-21 biennium.
Estimated income - Strategic investment and improvements fund		Section 4 provides the estimated income line item in subdivision 4 of Section 1 of this Act includes \$1,440,465 of one-time funding from the strategic investment and improvements fund for extraordinary repairs.

Other Sections for NDSU Main Research Center - Budget No. 640

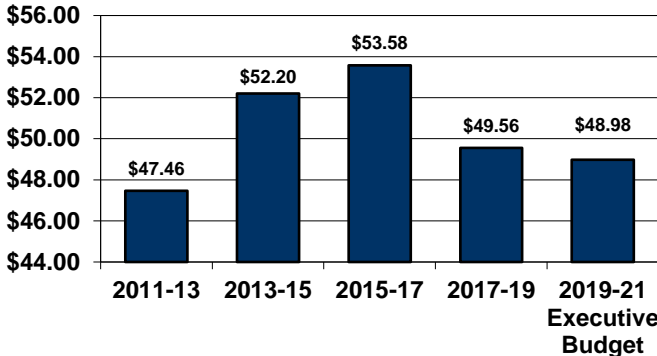
	<u>Executive Budget Recommendation</u>	<u>House Version</u>
Transfer authority	Section 6 would authorize the transfer of appropriation authority between the Main Research Center, the branch research centers, NDSU Extension Service, and Northern Crops Institute and provide that any transfers be reported to the Office of Management and Budget.	Section 7 authorizes the transfer of appropriation authority between the Main Research Center, the branch research centers, NDSU Extension Service, and Northern Crops Institute and provides that any transfers be reported to the Office of Management and Budget.
FTE position adjustments	Section 7 would authorize the State Board of Higher Education to adjust or increase FTE positions for the Main Research Center and provide that any adjustments be reported to the Office of Management and Budget.	Section 8 authorizes the State Board of Higher Education to adjust or increase FTE positions for the Main Research Center and provides that any adjustments be reported to the Office of Management and Budget and the Budget Section.
Unexpended general fund - Excess income	Section 8 would authorize the continuation of any unexpended general fund appropriation and excess income received by the Main Research Center into the 2021-23 biennium.	Section 9 authorizes the continuation of any unexpended general fund appropriation authority and excess income received by the Main Research Center into the 2021-23 biennium.
Exemption - Williston seed cleaning plant		Section 10 provides the \$1.5 million of special funds appropriation authority for the Williston seed cleaning plant for the 2017-19 biennium is not subject to the provisions of North Dakota Century Code Section 54-44.1-11 and may be continued and expended during the 2019-21 biennium.

Department 640 - NDSU Main Research Center

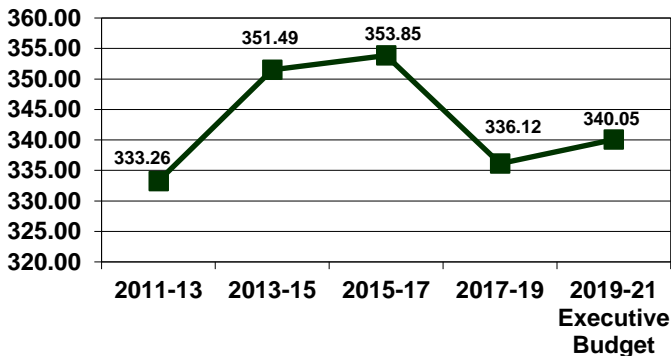
Historical Appropriations Information

Ongoing General Fund Appropriations Since 2011-13

Ongoing General Fund Appropriations (in Millions)



FTE Positions



Ongoing General Fund Appropriations					
	2011-13	2013-15	2015-17	2017-19	2019-21 Executive Budget
Ongoing general fund appropriations	\$47,464,748	\$52,199,521	\$53,581,255	\$49,557,415	\$48,978,409
Increase (decrease) from previous biennium	N/A	\$4,734,773	\$1,381,734	(\$4,023,840)	(\$579,006)
Percentage increase (decrease) from previous biennium	N/A	10.0%	2.6%	(7.5%)	(1.2%)
Cumulative percentage increase (decrease) from 2011-13 biennium	N/A	10.0%	12.9%	4.4%	3.2%

Major Increases (Decreases) in Ongoing General Fund Appropriations

2013-15 Biennium

- 1. Added funding for 3 FTE positions, including 1 nematologist, 1 nematology technician, and 1 crop development technician \$655,000

2015-17 Biennium

- 1. Added funding for 2 FTE bioinformatics positions \$800,000
- 2. Added funding for precision agriculture operating expenses and grants \$600,000
- 3. Increased funding for equipment (this item was affected by August 2016 budget reductions) \$550,000

2017-19 Biennium

- 1. Reduced funding for salaries and wages, including removal of 17.73 FTE positions (\$1,946,615)
- 2. Reduced funding for operating expenses (\$355,589)
- 3. Restored funding for equipment \$260,000
- 4. Additional budget reductions and funding adjustments (\$3,239,879)

2019-21 Biennium (Executive Budget Recommendation)

- 1. Reduces general fund support for miscellaneous expenses (\$2,955,742)

**GOVERNOR'S RECOMMENDATION FOR THE
NORTH DAKOTA STATE UNIVERSITY EXTENSION
SERVICE AS SUBMITTED BY THE
OFFICE OF MANAGEMENT AND BUDGET**

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the North Dakota state university extension service, the northern crops institute, the upper great plains transportation institute, the main research center, branch research centers, and agronomy seed farm for the purpose of defraying the expenses of the North Dakota state university extension service, the northern crops institute, the upper great plains transportation institute, the main research center, branch research centers, and agronomy seed farm, for the biennium beginning July 1, 2019, and ending June 30, 2021, as follows:

Subdivision 1.

NORTH DAKOTA STATE UNIVERSITY EXTENSION SERVICE

	Base Level	Adjustments or Enhancements	Appropriation
Extension Service	\$51,188,489	\$1,935,763	\$53,124,252
Soil conservation committee	1,091,520	0	1,091,520
Total all funds	\$52,280,009	\$1,935,763	\$54,215,772
Less estimated income	26,646,689	1,240,295	27,886,984
Total general fund	\$25,633,320	\$695,468	\$26,328,788
Full-time equivalent positions	242.51	0.00	242.51

Subdivision 2.

NORTHERN CROPS INSTITUTE

	Base Level	Adjustments or Enhancements	Appropriation
Northern Crops Institute	\$3,642,721	\$160,899	\$3,803,620
Total all funds	\$3,642,721	\$160,899	\$3,803,620
Less estimated income	1,755,830	142,023	1,897,853
Total general fund	\$1,886,891	\$18,876	\$1,905,767
Full-time equivalent positions	12.80	0.00	12.80

Subdivision 3.

UPPER GREAT PLAINS TRANSPORTATION INSTITUTE

	Base Level	Adjustments or Enhancements	Appropriation
Upper great plains transportation institute	\$22,618,201	(\$196,779)	\$22,421,422
Total all funds	\$22,618,201	(\$196,779)	\$22,421,422
Less estimated income	18,717,068	240,154	18,957,222
Total general fund	\$3,901,133	(\$436,933)	\$3,464,200
Full-time equivalent positions	43.88	0.00	43.88

Subdivision 4.

MAIN RESEARCH CENTER

	Base Level	Adjustments or Enhancements	Appropriation
Main Research Center	\$109,217,936	(\$2,185,887)	\$107,032,049
Total all funds	\$109,217,936	(\$2,185,887)	\$107,032,049
Less estimated income	59,084,828	(1,031,188)	58,053,640
Total general fund	\$50,133,108	(\$1,154,699)	\$48,978,409
Full-time equivalent positions	340.05	0.00	340.05

Subdivision 5.

RESEARCH CENTERS

	Base Level	Adjustments or Enhancements	Appropriation
Dickinson Research Center	\$6,825,551	(\$118,534)	\$6,707,017
Central grasslands research center	3,423,624	(33,939)	3,389,685
Hettinger research center	4,975,133	9,565	4,984,698
Langdon research center	2,964,607	3,810	2,968,417
North central research center	4,953,652	35,851	4,989,503
Williston research center	5,118,890	(1,271)	5,117,619
Carrington research center	9,175,491	270,370	9,445,861
Total all funds	\$37,436,948	\$165,852	\$37,602,800
Less estimated income	20,281,691	525,551	20,807,242
Total general fund	\$17,155,257	(\$359,699)	\$16,795,558
Full-time equivalent positions	109.81	0.00	109.81

Subdivision 6.

AGRONOMY SEED FARM

	Base Level	Adjustments or Enhancements	Appropriation
Agronomy Seed Farm	\$1,536,129	\$35,519	\$1,571,648
Total Special funds	\$1,536,129	\$35,519	\$1,571,648

Full-time equivalent positions	3.00	0.00	3.00
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Subdivision 7.

BILL TOTAL

	Base Level	Adjustments or Enhancements	Appropriation
Grant total general fund	\$98,709,709	(\$1,236,987)	\$97,472,722
Grant total other funds	128,022,235	1,152,354	129,174,589
Grand total all funds	\$226,731,944	(\$84,633)	\$226,647,311

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-SEVENTH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-fifth legislative assembly for the 2017-19 biennium and the 2019-21 one-time funding items included in the appropriation in section 1 of this Act:

One-Time Funding Description	2017-19	2019-21
Seed Cleaning Plants	\$1,500,000	\$0
Road and bridge asset management system	300,000	0
Junior master gardener program	15,000	0
Extension service web strategy & content re-imaging	0	345,000
Extraordinary repairs	0	1,440,465
Total all funds	\$1,815,000	\$1,785,465
Total other funds	1,700,000	1,440,465
Total general fund	\$115,000	\$345,000

The 2019-21 one-time funding amounts are not a part of the entity's base budget for the 2019-21 biennium. The extension service and main research center shall report to the appropriations committees of the sixty-seventh legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2019 and ending June 30, 2021.

SECTION 3. ADDITIONAL INCOME - APPROPRIATION. In addition to the amount included in the grand total special funds appropriation line item in section 1 of this Act, any other income, including funds from federal acts, private grants, gifts, and donations, or from other sources received by the North Dakota state university extension service, the northern crops institute, the upper great plains transportation institute, the main research center, branch research centers, and agronomy seed farm, except as otherwise provided by law, is appropriated for the purpose designated in the act, grant, gift, or donation, for the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 4. DICKINSON RESEARCH EXTENSION CENTER - MINERAL RIGHTS INCOME. The Dickinson research extension center may spend up to \$755,000 of revenues received during the 2019-21 biennium from mineral royalties, leases, or easements for ongoing operational expenses. Any revenues received in excess of \$755,000 may be spent only for one-time expenditures for the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 5. WILLISTON RESEARCH EXTENSION CENTER - MINERAL RIGHTS INCOME. The Williston research extension center shall report to the sixty-seventh legislative assembly on amounts received and spent from mineral royalties, leases, or easements in the biennium beginning July 1, 2017, and ending June 30, 2019 and the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 6. TRANSFER AUTHORITY. Upon approval of the state board of agricultural research and education and appropriate branch research center directors, the director of the main research center may transfer appropriation authority within subdivisions 1, 2, 4, and 5 of section 1 of this Act. Any amounts transferred must be reported to the director of the office of management and budget.

SECTION 7. FULL-TIME EQUIVALENT POSITION ADJUSTMENTS. The board of higher education may adjust or increase full-time equivalent positions as needed for the entities in section 1 of this Act, subject to availability of funds. The board shall report any adjustments to the office of management and budget pursuant to this section.

SECTION 8. UNEXPENDED GENERAL FUND - EXCESS INCOME. Any unexpended general fund appropriation authority to and any excess income received by entities listed in section 1 of this Act are not subject to the provisions of section 54-44.1-11, and any unexpended funds from these appropriations or revenues are available and may be expended by those entities, during the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 9. EXEMPTION. The amounts appropriated for the veterinary diagnostic laboratory and the seed cleaning plants contained in subdivision 4 of section 1 of chapter 20 of the 2017 Sessions Laws, are not subject to the provisions of section 54-44.1-11, and any unexpended funds from these appropriations or related revenues are available and may be expended during the biennium beginning July 1, 2019, and ending June 30, 2021.