

**Bismarck State College
Budget 227
House Bill No. 1003**

	FTE Positions	General Fund	Other Funds	Total
1999-2001 legislative appropriation	143.44	\$15,256,622	\$19,159,776	\$34,416,398
1997-99 legislative appropriation	<u>141.94</u>	<u>14,510,886</u>	<u>9,596,060</u>	<u>24,106,946</u>
1999-2001 appropriation increase (decrease) to 1997-99 appropriation	1.50	\$745,736	\$9,563,716	\$10,309,452

NOTE: The 1999-2001 appropriation amounts include the following general fund allocations for the agency's share of the funding pools appropriated to the Office of Management and Budget (OMB) and the University System:

- \$9,726 of the \$1.4 million funding pool appropriated to OMB for assisting agencies in providing \$35 per month minimum salary increases in July 1999 and July 2000.
- \$76,511 of the \$2,630,992 critical salary funding pool appropriated to the University System to provide market and equity salary increases, in addition to legislatively appropriated salary increases.
- \$334,250 of the \$4,290,128 equity and special needs funding pool appropriated to the University System to address equity funding issues and academic program needs.

Item Description

Per credit hour tuition model - At the February 2000 State Board of Higher Education meeting, Bismarck State College presented a proposal to implement a per credit hour tuition model, in lieu of the current flat rate tuition model, for the fall 2000 semester. The current flat rate tuition model provides a per credit hour charge for each credit up to 12 credits per semester, and a flat rate (no additional charge) for any credits above 12. The proposed per credit hour tuition model provides that students pay a per credit hour rate for each credit up to 13 credits per semester, that the 14th and 15th credits be offered at no charge, and that students pay an additional amount for each credit over 15.

Status/Result

At the February 17-18, 2000, board meeting, the State Board of Higher Education approved the per credit hour tuition model as a pilot project for Bismarck State College only. Under the flat rate tuition model, 2000-01 school year tuition for North Dakota resident students at Bismarck State College would have been \$68 per credit hour for credits up to 12 per semester. Under the per credit hour tuition model, tuition for North Dakota resident students at Bismarck State College will be \$63.42 per credit hour for all credits except the 14th and 15th credits each semester.

Bismarck State College estimates that the tuition model change will result in decreased tuition for 36 percent of the students, an increase of \$21 to \$84 per semester for 37 percent of the students, and an increase in excess of \$84 per semester for 27 percent of the students.

Bismarck State College estimates that if the total credit hour enrollment declines by five percent for the 2000-01 academic year, as a result of students taking fewer credits or electing to attend a different institution, the tuition revenue generated will still be \$100,000 more than would have been generated under the old tuition model for that year.

Work force training initiative - Section 8 of 1999 House Bill No. 1443 provides a general fund appropriation of \$875,000 for contracting with higher education institutions assigned primary responsibility for work force training programs.

Schafer Hall music addition project - The 1999 Legislative Assembly appropriated \$400,000, \$200,000 from the state general fund and \$200,000 from local funds, for the music addition project. Section 8 of 1999 House Bill No. 1003 provides that, with the approval of the Budget Section, Bismarck State College may utilize other funds in excess of \$200,000 for the music addition project.

Student Union renovation project - The 1999 Legislative Assembly appropriated \$250,000 of other funds (proceeds from the issuance of revenue bonds) for the Student Union renovation project.

1997-99 biennium carryover - Section 7 of 1999 House Bill No. 1003 provides that any unexpended general fund appropriations or excess income from the 1997-99 biennium can be expended, as directed by the State Board of Higher Education, for capital repairs and improvements, equipment, and other one-time expenditures.

Student enrollment - Enrollment at Bismarck State College was estimated to average 2,146 FTE students during the 1999-2001 biennium.

Tuition income - The Bismarck State College budget for the first year of the biennium includes tuition and student fee collections of \$3,487,629.

Bismarck State College received an allocation of \$109,813 for the first year of the biennium. The college business plan for work force training indicates that the general fund allocation will be supplemented with training revenue of \$190,000; contributions from business, industry, and the community of \$145,000; and institutional funds of \$34,900, for total first year (1999-2000) training revenue and other funding sources of \$479,713.

Expenditures for the first year of the biennium are estimated to be \$122,000 for expenses directly related to training, \$173,400 for salaries and wages, \$100,300 for operating expenses, and \$83,575 for startup costs for the work force training division, for total expenses of \$479,275.

At the January 20, 2000, board meeting, the State Board of Higher Education authorized Bismarck State College to request Budget Section approval to expand the project from 3,600 square feet to 6,200 square feet, increasing the total cost of the project from \$400,000 to \$762,000. The source of the additional \$362,000 is local funds. The Budget Section approved the Bismarck State College request at its March 9, 2000, meeting.

At the January 20, 2000, board meeting, the State Board of Higher Education authorized Bismarck State College to request Budget Section approval to expand the scope of the project to include lobby refurbishment, contract dining improvements, and meeting room configuration in the lower level, increasing the total cost of the project from \$250,000 to \$500,000. The source of the additional \$250,000 is unrestricted local fund reserves and auxiliary reserves. The Budget Section approved the Bismarck State College request at its March 9, 2000, meeting.

Bids for the project were higher than anticipated and Bismarck State College plans to submit a request to the Budget Section in June 2000 to spend an additional \$100,000 of auxiliary reserves for the project.

Bismarck State College had \$185,533 of unexpended 1997-99 biennium appropriation authority available to be spent in the 1999-2001 biennium. Of this amount, \$83,000 was used for equipment and \$102,533 was used for capital repairs and improvements.

Average FTE enrollment for the 1999-2000 school year was 2,252, 106 FTE students more than anticipated.

Due to increased enrollments, fiscal year 2000 tuition and fee income is estimated to be approximately \$230,000 more than originally estimated. The total amount of additional tuition income collected by Bismarck State College during the 1999-2001 biennium will depend upon the impact of the implementation of the per credit hour tuition model for the 2000-01 school year, as explained above.