
AGENCY OVERVIEW**227 Bismarck State College**

Date: 12/07/2012**Time:** 13:44:31**Statutory Authority**

North Dakota Century Code Chapter 15-10-01.

Agency Description

As a community college, the purpose of Bismarck State College is to provide an educational environment of the highest caliber at a reasonable cost; to maintain a warm and wholesome social atmosphere; to provide opportunities for advanced knowledge, improved skills, high ideals and ethical standards; and to make learning an enjoyable, rewarding experience. Students may 1) earn college credits for transfer to a four-year institution; 2) complete training in a career-technical program; 3) keep job skills current through workforce training or take non-credit courses in subjects of personal interest. The college also recognizes the importance of promoting research, public service, economic development, and cultural awareness. The service areas include the immediate, contiguous geographical region for most programs, and statewide, regional or nationwide areas for select, unique programs.

Agency Mission Statement

Bismarck State College, an innovative community college, offers high quality education, workforce training, and enrichment programs reaching local and global communities.

Agency Performance Measures

The North Dakota University System publishes an annual accountability measures report each December, in response to the "flexibility with accountability" expectations of SB 2003 passed by the 2001 Legislative Assembly. Organized according to the five cornerstones of the Roundtable Report, these annual reports provide a useful framework for focusing the assets of the University System on the high-priority needs of the state. The 2012 annual accountability measures report is scheduled for completion in December 2012, and will be the most current information available to the 2013 Legislative Assembly. This annual document serves as a primary tool for reporting on the agreed-upon North Dakota University System accountability measures and as a vehicle through which the system demonstrates its commitment to enhancing the economic and social vitality of North Dakota.

Major Accomplishments

1. Continued the pattern of record enrollments, with fall 2011 headcount reaching 4,392.
2. Offered new programs, including: renewable generation technology, petroleum technology operations, petroleum engineering technology, sustainable construction technology and water-waste water technology.
3. BSC, in partnership with MDU, installed a wind turbine on campus for use in the renewable energy program.
4. The BSC Aquatics & Wellness Center, built and managed by Bismarck Parks and Recreation, opened its doors in February 2010.
5. Bismarck Public Schools opened the Career Academy on campus, which houses several of BSC's tech programs.
6. Expanded services to veterans as part of a nationwide response to the need for increased veteran services.
7. Named to the list of Military Friendly Schools by G.I. Jobs magazine.
8. Earned continuing status as one of the "Top Ten Best places to Work" for young professionals in the Bismarck-Mandan area.
9. Recognized numerous students for receiving awards from regional and national organizations and competitions.
10. Recognized several employees for being name to "40 under 40" by the Bismarck Tribune's Business Watch magazine.
11. Received significant state and federal grants to help BSC respond to the state's education and training needs.
12. Recognized student athletes and coaches for various regional and national championships and honors.
13. Completed major renovations in the Tech Center, including expanding the welding area to serve additional students.
14. Worked with FEMA and Red Cross to assist with the massive community battle with the Missouri River flooding.
15. Hosted the Eric Sevareid Symposium (BSC's first) - headlined by CBS newsmen Dan Rather and Bob Schieffer.

Future Critical Issues**Energy Development Impact**

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Perhaps the most significant future critical issue is the current and expected impact from the energy development taking place in the western part of the state. The NDUS issued a white paper in April 2012 entitled "Higher education opportunities and challenges in oil-impacted communities" that provides specific information of the impact on the campuses in Williston, Dickinson, Minot and Bismarck. In summary, the oil development is impacting BSC most significantly in the following ways:

- 1) Enrollment decline - In spring 2012, BSC experienced its first decline in credit hour production since 2005, dropping 5.4% from spring 2011. In fall 2012, we are predicting between 5% - 8% decline in enrollment as well. Anecdotal evidence suggests students are taking jobs in the oil patch and foregoing their education in the mean time. We know that typically community college enrollments are negatively impacted by a strong local economy. We believe the significant energy development currently occurring and its corresponding impact on direct and indirect workforce opportunities is having an impact on our enrollment and consequently our tuition collections. The result has been a need to make expenditure reductions to keep our budget in balance.
- 2) Lack of affordable housing – Housing in Bismarck-Mandan has been impacted by people moving from the Williston/Dickinson area as well as people moving in from out-of-state and commuting to the oil patch. As a result, students are having difficulty finding affordable housing as BSC's on-campus housing is limited. As of July 2012, we were aware of 29 students who had withdrawn their registration to BSC due to inability to find housing.
- 3) Increased employee turnover – As a result of this energy boom, the economy has strengthened; bringing a strong demand for workers and high compensation levels with which our limited budgets cannot compete. Replacement of staff and faculty is difficult when applications for open positions are minimal, leaving our pool of available candidates extremely weak. As a result, several critical areas remain understaffed, affecting our ability to provide top service to our students and community. BSC believes knowledgeable employees are the single greatest resource and recruiting and retaining quality staff and faculty in this strong economy is a critical issue.
- 4) Safety and security concerns – As the city and campus grow in diversity, safety and security issues also grow. Currently our budget can accommodate only a bare-bones security function and we are having difficulty retaining qualified staff in that area due to competitive salary issues.
- 5) Construction costs – As a result of demand for construction in the Bismarck-Mandan area, it is increasingly difficult to secure competitive bids. BSC has several projects in the last few months that have bid significantly higher than their projections, impacting the scope of the project and/or the need to secure additional funding.

Clearly, the energy development in western ND is beginning to have an impact on the community of Bismarck and BSC specifically, and the impact will likely intensify and continue for years to come.

Technology Advances

Two "Core Trends", identified in BSC's strategic planning process, will influence new program development: 1) advances in and proliferation of technology in the workplace and in society, and, 2) shift in national attention toward energy independence and conservation. It is important for community colleges to be responsive to the needs of business and industry in the community and region. BSC has experienced a period of unprecedented growth resulting in record enrollments up to fall 2011. From the fall of 2000 to the fall of 2011, headcount enrollment increased 60%. Part of this increase was the result of BSC establishing numerous new programs over this period. Recently added programs included Petroleum Engineering Technology, Petroleum Production Technology and Sustainable Construction. New programs are the result of a need for trained workers in a specific curriculum in Bismarck/Mandan and our service area. This is part of the reason our local economy is so strong. Likewise, we have made recent strategic funding investments in existing program areas when the need has been evident. Some specific examples include support of online programs, and adding faculty in several academic program areas. Identifying new programs and the funding sources to develop them is a future critical issue.

Another "Core Trend" identified in the strategic planning process is that of changing methods for delivering education which is driven by an accelerated rate of technological change. This trend has an enormous impact on our distance education strategies. BSC has been a leader of distance education program and course offerings in the North Dakota University System. We offered our first online courses in 1998 and enrolled 67 students. Fall 2011 online enrollment was 2,061 students. The

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college has capitalized on a distance learning market niche with our energy programs -- our online energy technology programs (most of which are entirely on-line) enrolled 727 students fall 2011. This is a very large industry with significant resources facing a serious shortage of trained workers. The anticipated retirement of thousands of energy industry technicians in the coming years will bring opportunity to our BSC programs. We are strategically positioned to take advantage of this opportunity. BSC has also had significant demand and success offering distance learning curriculum in other program areas. It is clear that convenience and choice are having a major impact on our student market. Our strong local economy is providing employment opportunities for potential students, so we need to continually think in non-traditional ways so we may serve place-bound or time-bound adults. Our data suggests a need for more distance learning opportunities. In the short term this is done by adding additional sections of existing offerings as the need arises. In the long term this fundamental shift in campus demographics requires significant analysis and strategic planning. We know our online enrollments are increasing at a higher rate than traditional on-campus enrollments. We need to be sure our program mix and delivery is congruent with the needs of our community and market. Providing expanding distance education opportunities is a future critical issue.

Developing External Funding Sources

BSC has learned and recognized how external fund support has enhanced the College's ability to serve our students, faculty and staff. Grant writing is a priority at BSC and has resulted in numerous private and federal grants that greatly expanded our external funding source base. In FY2009, BSC received \$2.2 million for NECE laboratories and \$1.8 million for the Energy Workforce Western ND Higher Ed Consortium from the Department of Energy. In FY2010, BSC received \$1.5 million from Department of Energy to incorporate smart grid technology into our energy programs. In FY2012, BSC was awarded a U.S. Department of Education Title III Strengthening Institutions grant to improve data collection, access, and use. In addition, BSC has received several Workforce Enhancement Grants from the state to enhance programs, including lineworker, welding, process plant technology, emergency medical, electronics and auto collision. Maintaining our productive working relationships with the Governor's Office, ND Department of Commerce and Congressional delegation are extremely important. In addition, industry partnerships have been vital in securing federal and state funding by providing matching cash and in-kind donations. BSC also partnered with the Bismarck-Mandan community to enable construction of two outstanding facilities on BSC's campus: BSC Aquatic and Wellness Center (Bismarck Park District) and Career Academy (Bismarck Public School District). Our success with federal earmarked awards, workforce enhancement grants and Center of Excellence funding is a result of making a strong case for funding and demonstrating an ability to deliver on what we commit in meaningful ways. The continued development of external funding sources is a future critical issue.

Maintaining Enrollment

In addition to the energy development impact discuss above, two additional "Core Trends" identified in the strategic planning process will impact enrollment growth: 1) changing demographic patterns, and, 2) increasing competition for students from private and for-profit educational providers, particularly competition in the area of online programs. The competition for our local students is accelerating and we must maintain our sense of value and identity. Bismarck/Mandan is an attractive destination of traditional as well as older than average students and our commitment to distance learning and online education will fortify our ability to compete. We have increased BSC enrollments and provided more higher education opportunities in Bismarck/Mandan through partnerships and collaborations with our sister North Dakota University System institutions. Niche program marketing on a regional and national level similar to our energy program offerings may provide not yet established opportunities for BSC. We have had success using a model for program development and start-up that can be replicated and holds further promise for enterprising undertakings. The key for regional and national online delivery is the quantifiable demand and received value of specialized curriculum and industry networking and support.

Effective Strategic Planning Tied to Budgeting

In our 2010-12 Strategic Plan (which was the result of the work of the entire campus), we identified "Core Trends" in our community and nation-wide that will have or already are having an impact on BSC. From these "Core Trends", we have identified goals and objectives to guide us through the next several years. We have also tied the Higher Education Roundtable cornerstones to strategic initiatives that become part of departmental budget requests. It is important to direct financial resources to areas of the budget that strategically fit our planning and mission while enhancing the economic and social vitality of our students and other constituents. Effective strategic planning tied to our budgeting process is a future critical issue.

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Date: 12/07/2012
Time: 13:44:31**Keeping Tuition at a Competitive Level**

Another core trend is Bismarck's growth and potential to be a regional education hub. While we remain competitive in the Bismarck/Mandan higher education market, we are high when compared to a national and regional basis for two year schools. At BSC this is a direct result of the lack of state support for two-year schools as compared to other states. As enrollments have grown with the concurrent demand for programs and services, we have made difficult decisions to increase tuition levels. Our need for space while maintaining competitive salaries and staffing levels have all been contributing factors. We will clearly need to be effective and efficient in our financial management decisions. The affordability funding provided by the 2009 and 2011 legislative sessions has allowed us to freeze tuition for four years, helping reduce the difference with regional and national rates; but continuing support will be needed to make us more competitive with our regional community college peers. Tuition increases have the effect of restricting access to those with limited financial resources and we need to make certain that our students have every opportunity to benefit from their education at BSC. Keeping tuition at a competitive level is a future critical issue.

Competing Campus Initiatives

The BSC Executive Council is a decision-making team that prioritizes funding allocations often when there have been many competing needs. There is no question that BSC has been underfunded from a long-term finance peer comparator perspective. Prioritization is evident when you consider how we have had to deal with increased enrollments, lack of facilities, PeopleSoft implementation and community expectations that impact on resource allocation decisions. Our faculty and staff have performed at a high efficiency level over a long period of time. We have made strategic investments in energy education, allied health and general education program areas. We have added staff support as a result of our new student and administrative system and to provide an enhanced level of student services. Most of this has been done in a period of growing enrollments and tuition revenues. We now face further struggles to prioritize initiatives and maintain services in a period of declining enrollment. It is during these more uncertain times that obstacles become opportunities and efficiencies can be truly achieved as we strive to serve our students in more effective ways. We use institutional data to help guide our decision making. We believe that those initiatives clearly linked to your core mission that have financial and quality of service attributes are likely to rise to the top of the priority list. Making the right decision with limited financial resources when you have competing campus initiatives is a future critical issue.

REQUEST SUMMARY

227 Bismarck State College

Bill#: SB2003

Date: 12/07/2012

Biennium: 2013-2015

Time: 13:44:31

Description	Expenditures 2009-2011 Biennium	Present Budget 2011-2013	Budget Request Change	Requested Budget 2013-2015 Biennium	Optional Budget Request
By Major Program					
Bismarck State College	27,826,542	43,688,050	28,103,967	71,792,017	0
Total Major Program	27,826,542	43,688,050	28,103,967	71,792,017	0
By Line Item					
Operating Expenses	24,227,417	27,628,314	2,924,331	30,552,645	0
Capital Assets	2,917,153	5,475,606	15,359,766	20,835,372	0
Capital Assets-Carryover	0	498,796	(498,796)	0	0
Capital Projects Non-State Funded	475,804	10,035,000	10,369,000	20,404,000	0
Capital Projects - Carryover	0	50,334	(50,334)	0	0
Deferred Maintenance	206,168	0	0	0	0
Total Line Items	27,826,542	43,688,050	28,103,967	71,792,017	0
By Funding Source					
General Fund	27,350,738	33,602,716	17,785,301	51,388,017	0
Federal Funds					
Special Funds	475,804	10,085,334	10,318,666	20,404,000	0
Total Funding Source	27,826,542	43,688,050	28,103,967	71,792,017	0
Total FTE	111.51	126.96	10.00	136.96	0.00

REQUEST DETAIL227 Bismarck State College
Biennium: 2013-2015

Bill#: SB2003

Date: 12/07/2012

Time: 13:44:31

Description	Expenditures 2009-2011 Biennium	Present Budget 2011-2013	Budget Request Change	Requested Budget 2013-2015 Biennium	Optional Budget Request
Operating Expenses					
Operating Fees and Services	24,227,417	27,628,314	2,924,331	30,552,645	0
Total	24,227,417	27,628,314	2,924,331	30,552,645	0
Operating Expenses					
General Fund	24,227,417	27,628,314	2,924,331	30,552,645	0
Federal Funds	0	0	0	0	0
Special Funds	0	0	0	0	0
Total	24,227,417	27,628,314	2,924,331	30,552,645	0
Capital Assets					
Land and Buildings	2,635,672	4,800,000	15,604,000	20,404,000	0
Other Capital Payments	0	257,933	(47,933)	210,000	0
Extraordinary Repairs	281,481	417,673	(196,301)	221,372	0
Total	2,917,153	5,475,606	15,359,766	20,835,372	0
Capital Assets					
General Fund	2,917,153	5,475,606	15,359,766	20,835,372	0
Federal Funds	0	0	0	0	0
Special Funds	0	0	0	0	0
Total	2,917,153	5,475,606	15,359,766	20,835,372	0
Capital Assets-Carryover					
Land and Buildings	0	498,796	(498,796)	0	0
Total	0	498,796	(498,796)	0	0
Capital Assets-Carryover					
General Fund	0	498,796	(498,796)	0	0
Federal Funds	0	0	0	0	0
Special Funds	0	0	0	0	0
Total	0	498,796	(498,796)	0	0
Capital Projects Non-State Funded					
Land and Buildings	475,804	10,035,000	10,369,000	20,404,000	0
Total	475,804	10,035,000	10,369,000	20,404,000	0
Capital Projects Non-State Funded					
General Fund	0	0	0	0	0
Federal Funds	0	0	0	0	0

REQUEST DETAIL227 Bismarck State College
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Description	Expenditures 2009-2011 Biennium	Present Budget 2011-2013	Budget Request Change	Requested Budget 2013-2015 Biennium	Optional Budget Request
Special Funds	475,804	10,035,000	10,369,000	20,404,000	0
Total	475,804	10,035,000	10,369,000	20,404,000	0
Capital Projects - Carryover					
Land and Buildings	0	50,334	(50,334)	0	0
Total	0	50,334	(50,334)	0	0
Capital Projects - Carryover					
General Fund	0	0	0	0	0
Federal Funds	0	0	0	0	0
Special Funds	0	50,334	(50,334)	0	0
Total	0	50,334	(50,334)	0	0
Deferred Maintenance					
Extraordinary Repairs	206,168	0	0	0	0
Total	206,168	0	0	0	0
Deferred Maintenance					
General Fund	206,168	0	0	0	0
Federal Funds	0	0	0	0	0
Special Funds	0	0	0	0	0
Total	206,168	0	0	0	0
Funding Sources					
General Fund	27,350,738	33,602,716	17,785,301	51,388,017	0
Federal Funds	0	0	0	0	0
Special Funds	475,804	10,085,334	10,318,666	20,404,000	0
Total Funding Sources	27,826,542	43,688,050	28,103,967	71,792,017	0

CHANGE PACKAGE SUMMARY

227 Bismarck State College
Biennium: 2013-2015

Bill#: SB2003

Date: 12/07/2012

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Description	Priority	FTE	General Fund	Federal Funds	Special Funds	Total Funds
Base Budget Changes						
One Time Budget Changes						
A-B 1 Major Capital Projects		0.00	20,404,000	0	20,404,000	40,808,000
A-E 1 Remove One time Funding Spec Assess		0.00	(257,933)	0	0	(257,933)
A-E 2 Remove Capital Projects		0.00	(4,800,000)	0	(8,535,000)	(13,335,000)
Total One Time Budget Changes		0.00	15,346,067	0	11,869,000	27,215,067
Ongoing Budget Changes						
A-A 1 Cost to Continue		0.00	757,981	0	0	757,981
A-A 2 Inflationary Increases		0.00	600,750	0	0	600,750
A-A 20 2011-13 Adjusted FTE		126.96	0	0	0	0
A-A 3 Base Plus Incr for Extraord Repairs		0.00	431,372	0	0	431,372
A-A 4 State Priorities		6.00	893,700	0	0	893,700
A-A 5 Security and Emergency Preparedness		4.00	671,900	0	0	671,900
A-F 1 Remove Capital Assets Carryover		0.00	(498,796)	0	(50,334)	(549,130)
A-F 2 Remove Base Funding Extraord Repairs		0.00	(417,673)	0	0	(417,673)
A-F 3 Remove Addl Cap Proj Authority		0.00	0	0	(1,500,000)	(1,500,000)
Base Payroll Change		(126.96)	0	0	0	0
Total Ongoing Budget Changes		10.00	2,439,234	0	(1,550,334)	888,900
Total Base Budget Changes		10.00	17,785,301	0	10,318,666	28,103,967

BUDGET CHANGES NARRATIVE

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Change Group: A	Change Type: A	Change No: 1	Priority: 1
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Cost to Continue

The cost to continue adjustment includes the following:

- **\$424,558** - Continuation of 12-13 legislatively funded salary increase @ 3%
- **\$333,423** – Continuation of 11-13 retirement increases, including **\$48,350** for underfunded increases in 11-13, due to calculation error

Change Group: A	Change Type: A	Change No: 2	Priority: 2
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Inflationary Increases

The inflationary increase adjustment includes the following:

- **\$481,000** - Operating inflation (excluding utilities) of 2.9% for FY14 and 2.4% for FY15, based on projections from Economy.Com
- **\$119,750** - Projected utility cost increases & buildings coming online in 13-15, based on recent actual and projected cost increases. The net increase is to cover utilities for new buildings coming online.

Change Group: A	Change Type: A	Change No: 3	Priority: 3
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Base Plus Incr for Extraord Repairs

Currently, the campuses and Forest Service receive \$11,169,089 in base funding for extraordinary repairs, which is equivalent to an overall average of 14.7% of the OMB building and infrastructure formulas. In the IBARS process, we are required to remove base funding for extraordinary repairs (see change code AF2). The 2013-15 NDUS budget request includes a total increase of \$281,600 to provide increased base funding for facilities and infrastructure repairs and maintenance, equivalent to 15% of OMB building and infrastructure formulas. The AA3 budget change code includes restoring the base amount removed in change code AF2, as well as the requested increase to reach 15% of OMB formula. BSC's portion of the request is \$431,372. Base funding currently received in 2011-13 is \$417,673, and the requested increase in base funding for extraordinary repairs for 2013-15 is \$13,699.

A prioritized listing of extraordinary repair projects is included in the extraordinary repairs subschedule (because of IBAR's requirement to do so), however these priorities can very easily change, due to unforeseen circumstances and emergencies. The priority listing is only a best estimate at this time. The actual use of these dollars will be left to the discretion of the institutions (with appropriate approvals by the SBHE where required for projects greater than \$250,000). All NDUS entities will be given the authority to allocate dollars to repair and replacement priorities for regular repair and replacement projects as determined by each entity.

Change Group: A	Change Type: A	Change No: 4	Priority: 4
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State Priorities

Included in the SBHE's approved biennial budget request is a component for base funding to support initiatives tied to state needs/priorities, based on the following criteria:

- A. 10% of initiative must be funded by campus through demonstrated campus-specific efficiencies, which may not adversely affect the following areas:
 1. Student Success
 2. Campus mission, including essential academic programs
 3. Essential student services
 4. Repairs and maintenance
- B. Initiatives must address the following:
 1. ND workforce needs

BUDGET CHANGES NARRATIVE

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2. Demonstrated student demand
3. Demonstrated business need
4. Is consistent with SBHE strategic goals
5. Is compatible with campus mission, strategic plan, etc.
- C. In addition, priority will be given to requests that meet one of the following:
 1. Addresses one of the high potential program areas identified in Goal 3 of the SBHE Strategic Plan--Agriculture, Energy, Health Care, Life Sciences and Advanced Technology.
 2. Addresses one of the Department of Commerce 5 targeted industries for growth--Advanced Manufacturing, Energy, Value-Added Agriculture, Technology-Based Business and Tourism.
 3. Collaboration/partnerships (internal or external)
 - D. No infrastructure projects (building or remodeling) will be considered

The following initiatives are included in this budget request, totaling **\$893,700**:

#1 Expand internship/apprenticeship program (\$171,000):

Expand the internship and apprenticeship program to facilitate real-world employment experience for students and workforce options for employers. Our intent is to establish formal relationships with relevant employers in our trade/technical programs. We think by pairing our student availability with existing job opportunities while still being part of the academic program will provide our students increased employment opportunities and employers a pool of potential workers with the competencies they require. The initiative addresses the following criteria, as required in the SBHE guidelines:

1. **ND workforce needs** - Internships/apprenticeships may be a gateway for students to realize their career objectives and influence students to stay in ND. Also provides ND with a pipeline of students to fill critical job opportunities..
2. **Demonstrated student demand** - Internships/apprenticeships provide an opportunity for students to gain valuable work experience by applying what they are learning in the classroom. Students also have an opportunity to explore careers before committing to long-term employment. The success of our programs that have employed this concept suggests that our student demand for this initiative will be significant.
3. **Demonstrated business need** - Internships/apprenticeships provide an opportunity for businesses to observe a potential employee prior to permanent employment and gain a well-trained pool of potential employees. Both of which are vital in the tight job market.
4. **Is consistent with SBHE strategic goals** - Students who participate in internships are more likely to understand the importance of completing their education in order to realize the potential of their career objectives.
5. **Is compatible with campus mission, strategic plan, etc** - Stated Objective in BSC's 2012-17 Strategic Plan.
6. **Addresses one of the high potential program areas identified in Goal 3 of the SBHE Strategic Plan--Agriculture, Energy, Health Care, Life Sciences and Advanced Technology.** - Internships and apprenticeships would primarily be facilitated in the career and tech programs, which would include agriculture, energy and health care.
7. **Addresses one of the Department of Commerce 5 targeted industries for growth--Advanced Manufacturing, Energy, Value-Added Agriculture, Technology-Based Business and Tourism.** - All industries could be positively impacted by this program.
8. **Collaboration/partnerships (internal or external)** - Opportunities to collaborate with business and industry and ND Dept of Human Services Student Internship Stipend Program (<http://www.nd.gov/hrms/managers/internshipstipend.html>). Also opportunities for departments within BSC to collaborate on best practices with existing internships to assist in development of new ones

Total 13-15 Cost: \$190,000

10% match: \$19,000 (In FY14, the debt for a 2002 energy efficiency project will be paid in full and the utility savings (which were previously allocated to these debt payments) will be available for reallocation to new initiatives.)

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New FTE: 1.0 – Coordinator

#2 Develop teaching and learning center (\$220,500):

Develop a Teaching & Learning Center to support faculty and instructional staff that will promote teaching excellence, make classes more engaging, and provide a better student experience. The initiative addresses the following criteria, as required in the SBHE guidelines:

1. **ND workforce needs** - Improves the development of students for the ND workforce.
2. **Demonstrated student demand** - BSC students are diverse and have varying needs. Through the T&L Center, emphasis can be put on improving instruction and equipping teachers with skills to engage students.
3. **Demonstrated business need** - Students who have a better student experience tend to finish their education which will provide additional educated students to the ND workforce pipeline.
4. **Is consistent with SBHE strategic goals** - Positive student experiences and enhanced contact with instructors have been proven to improve student performance, retention and completion which are consistent with SBHE Goal 1 and 3.
5. **Is compatible with campus mission, strategic plan, etc** - Stated Objective in BSC's 2012-17 Strategic Plan
6. **Collaboration/partnerships (internal or external)** - The center would provide an opportunity for sharing teaching practices across programs, departments and disciplines as well as training on national best practices.

Total 13-15 Cost: \$245,000

10% match: \$24,500 (In FY14, the debt for a 2002 energy efficiency project will be paid in full and the utility savings (which were previously allocated to these debt payments) will be available for reallocation to new initiatives.)

New FTE: 2.0 – Coordinator and Trainer

#3 Retention coordinator/CRM specialist (\$110,700):

Implement student recruitment and retention objectives of BSC Enrollment Management Plan through the hiring of a retention coordinator/customer relationship management (CRM) specialist. The initiative addresses the following criteria, as required in the SBHE guidelines:

1. **ND workforce needs** - Initiative will result in higher graduation rates which will provide additional educated students to the ND workforce pipeline.
2. **Demonstrated student demand** - Many students do not complete their education for a variety of reasons. Retention efforts can be focused on why students stop-out in the middle of their education, so we may identify ways to assist students in continuing their education.
3. **Demonstrated business need** - Initiative will result in higher graduation rates which will provide additional educated students to the ND workforce pipeline.
4. **Is consistent with SBHE strategic goals** - The position will implement strategies to target unique populations in unique ways to meet SBHE Goals 1.1, 1.2, 1.3 pertaining to increased enrollments in NDUS institutions. The position will also develop retention initiatives and strategies to improve retention/completion and ultimately an increase in the awarding of certificates and degrees which is SBHE Goal 1.4 and 3.2.
5. **Is compatible with campus mission, strategic plan, etc** - Stated Objective in BSC's 2012-17 Strategic Plan

Total 13-15 Cost: \$123,000

10% match: \$12,300 (An existing student services position will be restructured to free up time for retention & recruitment activities.)

BUDGET CHANGES NARRATIVE

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Bill#: SB2003

Date: 12/07/2012

Time: 13:44:31

New FTE: 1.0 – Retention coordinator/CRM specialist

#4 Compliance/internal audit function (\$188,100):

Develop a compliance and internal audit function on campus to monitor compliance with internal audit standards, policies and procedures and federal/state regulatory guidelines. The initiative addresses the following criteria, as required in the SBHE guidelines:

1. **ND workforce needs** - n/a
2. **Demonstrated student demand** - n/a
3. **Demonstrated business need** - n/a
4. **Is consistent with SBHE strategic goals** - Audit findings in recent years have highlighted the need for compliance and internal audit functions on NDUS campuses
5. **Is compatible with campus mission, strategic plan, etc** - Within the Governance Category, compliance and internal controls is noted as a High Risk function in BSC's 2011 Risk Assessment Report. (Overall Governance is identified as moderate risk.) In addition, the campus has seen an increased level of regulatory reporting requirements as well as major additions/changes in federal and state policies, procedures and regulations which has proved burdensome for existing staffing levels.

Total 13-15 Cost: \$209,000

10% match: \$20,900 (In FY14, the debt for a 2002 energy efficiency project will be paid in full and the utility savings (which were previously allocated to these debt payments) will be available for reallocation to new initiatives.)

New FTE: 1.0 – Compliance Officer

#5 Mobile computing to improve access/flexibility (\$203,400):

Leverage mobile computing to improve access and increase flexibility in teaching and learning. The initiative addresses the following criteria, as required in the SBHE guidelines:

1. **ND workforce needs** - Students will bring more technology experience to the workplace.
2. **Demonstrated student demand** - Statistics indicate the increasing use of mobile technology by today's students. (57% of college students use smart phones, 40% have studied for an exam using their phone). Tomorrow's students will be that much more engaged and connected with mobile technology. We need to be prepared to deliver in that medium.
3. **Demonstrated business need** - Employers are looking for students who can bring more technology experience to the workplace.
4. **Is consistent with SBHE strategic goals** - Mobile applications will assist BSC in attracting and retaining students who have grown up with this technology. Consistent with SBHE Goal 1 and 3.
5. **Is compatible with campus mission, strategic plan, etc** - Stated Objective in BSC's 2012-17 Strategic Plan

Total 13-15 Cost: \$226,000

10% match: \$22,600 (A portion of an existing position that is currently vacant will be reallocated to this initiative.)

New FTE: 1.0 – Instructional designer/technologist

BUDGET CHANGES NARRATIVE

227 Bismarck State College

Bill#: SB2003

Date: 12/07/2012

Time: 13:44:31

Change Group: A	Change Type: A	Change No: 5	Priority: 5
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Security and Emergency Preparedness

This request is intended to assist the NDUS in meeting federal and state and/or gubernatorial directives and to protect the lives of students, employees and the public as it relates to emergency preparedness planning and campus security.

To facilitate appropriate emergency preparedness planning on each campus, which must be tailored to each individual campus and local and regional law enforcement and emergency services, but coordinated systemwide, the budget request includes funding to support an efficient systemwide approach, where a small team of employees would provide both system and individual campus assistance. The 2013-15 request includes a total of \$555,000 (\$185,000 each) for 3.0 new FTE positions, one each at UND, NDSU and the NDUS office. These three employees, in addition to limited current campus resources, would serve the entire system. In addition, \$50,000 is included for a systemwide train-the-trainer approach for planning and readiness.

The NDUS currently has over 37,000 headcount students who attend class on campus; about 12,000 residential students living in campus housing; approximately 12,000 full and part-time headcount employees, necessitating adequate 24x7 full-time campus security at each NDUS institution to ensure a safe and secure environment in which to study, live and work.

Campus security staff fulfill many critical roles, including: 1.) Building Security (building lock/unlock, access control, key control, central alarm and surveillance monitoring); 2.) Public Safety (fire prevention education, fire inspection, emergency medical services, sexual assault and theft prevention); 3.) Communications (call intake – 911, dispatching services); 4.) Crime Investigation; 5.) Special Security (crowd control, high profile speakers); 6.) Parking Regulation and Control; 7.) Response

Several factors influence number of security staff: 1.) Student population; 2.) Age and gender profile; 3.) Location of institution; 4.) Number of buildings both on and off campus; 5.) Extent of on-campus housing; 6.) Days/times of classes; 7.) Campus size; 8.) Institutional and public expectations.

Given the above need and variables, the budget request includes the following total number of security staff (some of which are currently funded through allocation of campus resources): LRSC, MaSU, VCSU, DCB: 2 @ 24x7; BSC, WSC, NDSCS, DSU, MiSU: 6 @ 24x7. UND and NDSU currently provide limited 24x7 coverage, thus not additional campus security funding is requested for UND and NDSU.

Given the amount of current campus resources dedicated to this effort and in consideration of three eight-hour shifts to achieve 24x7 coverage, the net 2013-15 state funding request for **BSC is \$671,900 (4.0 FTE)**.

Change Group: A	Change Type: A	Change No: 20	Priority: 1
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2011-13 Adjusted FTE

Per HB1003 (Section 13), "the state board of higher education may adjust full-time equivalent positions as needed, subject to the availability of funds, for institutions and entities under its control. The university system shall report any adjustments to the office of management and budget before the submission of the 2013-15 biennium budget request." A report was run as of 4-30-2012 to determine the total "appropriated fte" as of that date. Consistent with the methodology used in previous biennia, the current year's annual budgets were used to estimate the amount supported by general fund only, based on the percentage of budgeted general fund revenue to total appropriated revenue.

BSC's FTE increased from 111.51 in 2011-13 to adjusted FTE of 126.96 . The increase is partly the result of state funding increasing as a proportion of state/tuition funding and as a result of new positions added with the equity funds received in 2011-13 budet. The 2013-15 request includes an additional 10.0 FTE as explained in the various budget change codes.

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Change Group: A	Change Type: B	Change No: 1	Priority: 1
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Major Capital Projects

The 2013-15 capital project request includes the following project (all details are included in the capital assets subschedules):

- Communications and Fine Arts Center \$40,808,000 (\$20,404,000 GF; \$20,404,000 OF)

Change Group: A	Change Type: E	Change No: 1	Priority: 1
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Remove One time Funding Spec Assess

To remove a total of \$819,357, which was appropriated to pay off special assessments at the following campuses in the 2011-13 biennium (HB1003-Section 2): **BSC-\$257,933**

Change Group: A	Change Type: E	Change No: 2	Priority: 2
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Remove Capital Projects

To remove **\$13,335,000** funding authorized for capital projects for the 2011-13 biennium per HB1003-Section 2, **(\$4,800,000 GF, \$7,000,000 RB, \$1,535,000 OF)**. Additional other fund authority, authorized by the Budget Section, is adjusted in change code **AF3**. Campuses will report on the status of the individual projects to the appropriations committees of the sixty-third legislative assembly, as required. Name of the projects and funding sources is as follows:

Plant Services Building - \$1,500,000 GF

Student Union Addition/Renovation - \$7,000,000 RB; \$500,000 OF

NECE 4th Floor Completion - \$3,300,000 GF; \$1,035,000 OF

Change Group: A	Change Type: F	Change No: 1	Priority: 1
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Remove Capital Assets Carryover

To remove **\$549,130** capital assets carryover from 2009-11.

Change Group: A	Change Type: F	Change No: 2	Priority: 2
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Remove Base Funding Extraord Repairs

To remove **\$417,673** base funding for extraordinary repairs. This base amount, plus an increase to the base, is being requested for 2013-15, and is reflected in **change code AA3**. The status of this funding to-date is:

Building Exterior - \$12,865

Interior Finishes - \$42,316

BUDGET CHANGES NARRATIVE

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Utilities/Infrastructure - \$89,062

Misc. Projects <\$50,000 - \$125,312

Change Group: A	Change Type: F	Change No: 3	Priority: 3
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Remove Addl Cap Proj Authority

To remove additional **other fund** authority, authorized by the Budget Section during FY12:**BSC \$1,500,000** (Student Union)

Change Group: R	Change Type: A	Change No: 1	Priority:
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Remove Initial Funding Request

Removes the initial funding request for BSC's portion (if any) of the following budget request items:

- Cost to Continue
- Inflationary Increases
- Increased Extraordinary Repairs
- State Priorities
- Security and Emergency Preparedness
- Student Mental Health
- Statewide Nursing Consortium
- Healthcare Workforce Initiative

Change Group: R	Change Type: A	Change No: 2	Priority:
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Formula Funding Equalization

The Executive Budget includes funding to move the higher education institutions to a cost-based, per completed student credit hour (SCH) funding model. This adjustment equalizes current funding levels to the highest existing per SCH within each tier of institutions. Total funding provided equals \$21,090,261. Three institutions now at the highest level (University of North Dakota, Minot State University, and Williston State College) do not receive additional funding.

Equalized per Adjusted SCH amounts are as follows:

- Two-year Colleges - \$104.88
- Four-year Comprehensive Universities - \$98.75
- Research Institutions - \$66.35

BSC's equalization payment is \$3,537,996.

Change Group: R	Change Type: A	Change No: 3	Priority:
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Formula Funding

BUDGET CHANGES NARRATIVE

227 Bismarck State College

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The Executive Budget includes funding to move the higher education institutions to a cost-based, per completed student credit hour (SCH) funding model. After funding levels were equalized, an inflationary factor of 6.15% per year was added for:

- Cost to continue adjustments
 - Salary and retirement contributions
 - Maintaining extraordinary repair levels at 15% of the OMB formula
 - Medical School class size increases
- 4% annual salary increases
- Health insurance premium increase
- State share of increased retirement contributions
- Operating expense inflation
- Utility cost increases

A factor of 2.5% was added to the non-research institutions for the Student Mental Health and Campus Security initiatives. Additionally, factor of .08% was added to the research institutions to fund the Statewide Nursing Consortium.

The final per Adjusted SCH payment amounts recommended in the Executive Budget are as follows:

- Two-year Colleges - \$117.60
- Four-year Comprehensive Universities - \$110.80
- Research Institutions - \$72.70

BSC's formula funding adjustment is \$3,830,552 and 4.00 FTE for security officers.

Change Group: R	Change Type: B	Change No: 1	Priority:
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Capital Project Recommendation

Provides \$13.3 million from the general fund to remove the current library structure and replace it with a Communication & Learning Commons building (library) that would also house academic departments, such as Communications and Art.

The recommendation is \$27,508,000 less than requested. (\$7,104,000 general fund and \$20,404,000 special fund authority)