
AGENCY OVERVIEW**242 Valley City State University****Date:** 12/07/2012**Time:** 13:47:55

Statutory Authority

ND Constitution, Article VIII, Section 6.

Agency Description

Valley City State University, operating as a postsecondary educational institution within the North Dakota University System, serves the citizens of North Dakota and the surrounding area by offering a broad and diverse population of students an opportunity to challenge their individual learning capabilities.

Agency Mission Statement

Valley City State University prepares people for life through visionary leadership and exemplary practices in teaching, learning, and service.

Vision Statement: Valley City State University is nationally acclaimed for attracting and retaining talented individuals who advance quality learning opportunities and economic growth through technology and innovation.

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. Achieved an all-time record enrollment in fall 2011 of 1,384 students, a 7.7 percent increase over fall 2010.
2. Established the Great Plains STEM Education Center in 2010, which provides professional education development for K-12 teachers seeking to improve teaching methodologies for instruction in STEM content areas, and provides materials and training to increase hands-on classroom applications of STEM content. Over the past two years, the Great Plains STEM Education Center has served 1,855 teachers, 1,254 K-12 students, and 351 preservice teachers.
3. Completed the third year of a \$5.6 million Bush Foundation grant, as part of a consortium with NDSU and Minnesota State University - Moorhead to improve teacher training and further strengthen teacher education in the region over the next 10 years.
4. Graduated the largest class of Master's degree students to date (48 students) in May 2012; record Fall 2011 enrollment in the graduate program of 157 students.
5. Named the #1 Public Regional College in the Midwest by US News and World Report for 2012. This is VCSU's 14 year in a row on the list and the first time in the #1 ranking.
6. Completed new agreements with partner Universities in LaPaz, Mexico (UABCS) and in Hangzhou, China (ZJETP), for the exchange of students, faculty, and to further collaborative educational opportunities for faculty and students.
7. Completed a \$1.0 million fund-raising campaign to install artificial turf at the newly dedicated Shelly Ellig Field at VCSU's Lokken Stadium.
8. Granted a 10-year reaccreditation by the Higher Learning Commission in 2012.
9. Achieved American Association of School Library national recognition for VCSU's M.Ed. Library Information and Technologies concentration.

Future Critical Issues

There are both challenges and opportunities for Valley City State University. The University's two main challenges for the next biennium include recruitment and retention of students and maintaining functional, attractive and safe facilities.

REQUEST SUMMARY

242 Valley City State University

Bill#: SB2003

Date: 12/07/2012

Biennium: 2013-2015

Time: 13:47:55

Description	Expenditures 2009-2011 Biennium	Present Budget 2011-2013	Budget Request Change	Requested Budget 2013-2015 Biennium	Optional Budget Request
By Major Program					
Valley City State University	22,012,919	30,378,334	(2,752,352)	27,625,982	0
Total Major Program	22,012,919	30,378,334	(2,752,352)	27,625,982	0
By Line Item					
Operating Expenses	16,364,785	17,694,741	1,176,242	18,870,983	0
Capital Assets	1,231,938	10,756,735	(6,708,573)	4,048,162	0
Capital Assets Carryover	437,751	452,875	(452,875)	0	0
Capital Projects non-state funded	3,041,017	1,015,000	3,691,837	4,706,837	0
Capital Projects Carryover	0	458,983	(458,983)	0	0
Deferred Maintenance	878,524	0	0	0	0
Campus Operations	58,904	0	0	0	0
Total Line Items	22,012,919	30,378,334	(2,752,352)	27,625,982	0
By Funding Source					
General Fund	18,884,030	28,904,351	(5,985,206)	22,919,145	0
Federal Funds					
Special Funds	3,128,889	1,473,983	3,232,854	4,706,837	0
Total Funding Source	22,012,919	30,378,334	(2,752,352)	27,625,982	0
Total FTE	90.37	97.29	3.00	100.29	0.00

REQUEST DETAIL242 Valley City State University
Biennium: 2013-2015

Bill#: SB2003

Date: 12/07/2012

Time: 13:47:55

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	16,364,785	17,694,741	1,176,242	18,870,983	0
Total	16,364,785	17,694,741	1,176,242	18,870,983	0
Operating Expenses					
General Fund	16,364,785	17,694,741	1,176,242	18,870,983	0
Federal Funds	0	0	0	0	0
Special Funds	0	0	0	0	0
Total	16,364,785	17,694,741	1,176,242	18,870,983	0
Capital Assets					
Land and Buildings	0	10,300,000	(6,663,534)	3,636,466	0
Other Capital Payments	0	48,416	(48,416)	0	0
Extraordinary Repairs	1,231,938	408,319	3,377	411,696	0
Total	1,231,938	10,756,735	(6,708,573)	4,048,162	0
Capital Assets					
General Fund	1,231,938	10,756,735	(6,708,573)	4,048,162	0
Federal Funds	0	0	0	0	0
Special Funds	0	0	0	0	0
Total	1,231,938	10,756,735	(6,708,573)	4,048,162	0
Capital Assets Carryover					
Extraordinary Repairs	437,751	452,875	(452,875)	0	0
Total	437,751	452,875	(452,875)	0	0
Capital Assets Carryover					
General Fund	349,879	452,875	(452,875)	0	0
Federal Funds	0	0	0	0	0
Special Funds	87,872	0	0	0	0
Total	437,751	452,875	(452,875)	0	0
Capital Projects non-state funded					
Land and Buildings	3,041,017	1,015,000	3,691,837	4,706,837	0
Total	3,041,017	1,015,000	3,691,837	4,706,837	0
Capital Projects non-state funded					
General Fund	0	0	0	0	0
Federal Funds	0	0	0	0	0

REQUEST DETAIL242 Valley City State University
Biennium: 2013-2015

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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	3,041,017	1,015,000	3,691,837	4,706,837	0
Total	3,041,017	1,015,000	3,691,837	4,706,837	0
Capital Projects Carryover					
Land and Buildings	0	458,983	(458,983)	0	0
Total	0	458,983	(458,983)	0	0
Capital Projects Carryover					
General Fund	0	0	0	0	0
Federal Funds	0	0	0	0	0
Special Funds	0	458,983	(458,983)	0	0
Total	0	458,983	(458,983)	0	0
Deferred Maintenance					
Extraordinary Repairs	878,524	0	0	0	0
Total	878,524	0	0	0	0
Deferred Maintenance					
General Fund	878,524	0	0	0	0
Federal Funds	0	0	0	0	0
Special Funds	0	0	0	0	0
Total	878,524	0	0	0	0
Campus Operations					
Operating Fees and Services	58,904	0	0	0	0
Total	58,904	0	0	0	0
Campus Operations					
General Fund	58,904	0	0	0	0
Federal Funds	0	0	0	0	0
Special Funds	0	0	0	0	0
Total	58,904	0	0	0	0
Funding Sources					
General Fund	18,884,030	28,904,351	(5,985,206)	22,919,145	0
Federal Funds	0	0	0	0	0
Special Funds	3,128,889	1,473,983	3,232,854	4,706,837	0
Total Funding Sources	22,012,919	30,378,334	(2,752,352)	27,625,982	0

CHANGE PACKAGE SUMMARY

242 Valley City State University
 Biennium: 2013-2015

Bill#: SB2003

Date: 12/07/2012

Time: 13:47:55

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	3,636,466	0	4,706,837	8,343,303
A-E 1 Remove One time Funding Spec Assess		0.00	(48,416)	0	0	(48,416)
A-E 2 Remove Capital Projects		0.00	(10,300,000)	0	(1,015,000)	(11,315,000)
Total One Time Budget Changes		0.00	(6,711,950)	0	3,691,837	(3,020,113)
Ongoing Budget Changes						
A-A 1 Cost to Continue		0.00	424,852	0	0	424,852
A-A 2 Inflationary Increases		0.00	247,540	0	0	247,540
A-A 20 2011-13 Adjusted FTE		97.29	0	0	0	0
A-A 3 Base Plus Incr for Extraord Repairs		0.00	411,696	0	0	411,696
A-A 4 State Priorities		0.00	53,850	0	0	53,850
A-A 5 Security and Emergency Preparedness		3.00	450,000	0	0	450,000
A-F 1 Remove Capital Assets Carryover		0.00	(452,875)	0	(458,983)	(911,858)
A-F 2 Remove Base Funding Extraord Repairs		0.00	(408,319)	0	0	(408,319)
Base Payroll Change		(97.29)	0	0	0	0
Total Ongoing Budget Changes		3.00	726,744	0	(458,983)	267,761
Total Base Budget Changes		3.00	(5,985,206)	0	3,232,854	(2,752,352)

BUDGET CHANGES NARRATIVE

242 Valley City State University

Bill#: SB2003

Date: 12/07/2012

Time: 13:47:55

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

The **\$424,852** cost to continue adjustment includes the following:

- **\$232,459** - Continuation of 12-13 legislatively funded salary increase @ 3%
- **\$192,393** – Continuation of 11-13 retirement increases, including **\$29,436** 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 **\$247,540** inflationary increase adjustment includes the following:

- **\$163,466** - Operating inflation (excluding utilities) of 2.9% for FY14 and 2.4% for FY15, based on projections from Economy.Co
- **\$84,074** - Projected utility cost increases & buildings coming online in 13-15, based on recent actual and projected cost increases.

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. **VCSU's portion of the request is \$411,696. Base funding currently received in 2011-13 is \$408,319, and the requested increase in base funding for extraordinary repairs for 2013-15 is \$3,377.**

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:

BUDGET CHANGES NARRATIVE

242 Valley City State University

Bill#: SB2003

Date: 12/07/2012

Time: 13:47:55

1. ND workforce needs
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

VCSU is requesting **\$53,850** for campus-wide implementation of eFolio software. VCSU is one of two campuses piloting this software with the Department of Commerce (Division of Workforce Development) as set forth in NDCC 54-60-27. The software allows students to develop an internet-accessible portfolio of best work that employers may review.

The total estimated cost is \$59,850, consisting of \$6,000 for initial training, \$4,000 for advanced training, \$23,600 for administrative tools, assessment modules, and customization, and \$26,250 for all students' online account/space where they upload their projects, post their reflections on each item, and organize their portfolio for employer or faculty viewing. Through the pilot project currently underway, several VCSU faculty are sufficiently trained to provide the needed faculty workshops to prepare all campus faculty to work with the software. Initial training costs, totaling \$6,000, can therefore be removed from the total project cost, and serves as the 10% match for the project.

The initiative addresses the following criteria, as required in the SBHE guidelines:

1. **ND workforce needs** - The software allows students to develop an internet-accessible portfolio of best work that employers may review.
2. **Demonstrated student demand** - This product will provide students with an accessible, polished tool they can use for job searches. It provides a platform for showcasing best work and documenting achievement of learning outcomes, so students can demonstrate to employers that they are well-prepared for work. VCSU students have requested an improved tool for this purpose; the current Senior Portfolio is a less professional tool, and lacks the accessibility students need when they respond to potential employers. (currently they create a DVD, not an internet-based portfolio.)
3. **Demonstrated business need** - The purpose of this pilot project was "to enhance the ability of state and local economic development officials to effectively access North Dakota's skilled workforce through the system." Employers will be able to search the database for potential employees, and have a better idea of their actual skills and abilities through the documentation the software provides.
4. **Is consistent with SBHE strategic goals** - Goal 3.8: "Students and Alumni will report levels of satisfaction...": The portfolio process requires student reflection and access to student work, allowing faculty and students to directly assess the success of program activities, skill acquisition, and technology knowledge and abilities.
5. **Is compatible with campus mission, strategic plan, etc** - VCSU Strategic Plan, Goal 1, Strategy 1.1: Innovation and Quality. This initiative will use cutting edge technologies to advance teaching and learning; foster continuous improvement through the use of an accessible data collection framework; and enhance communication with our students' future employers.
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.** - This software substantially improves on the current campus-developed senior portfolio and university assessment process by gathering

BUDGET CHANGES NARRATIVE

242 Valley City State University

Bill#: SB2003

Date: 12/07/2012

Time: 13:47:55

materials in a single database (for assessment purposes) and providing students with a easy-to-create, polished professional electronic portfolio they can more easily present to prospective employers.

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 - 3 @ 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, **VCSU's state funding request is \$450,000, including 3 new 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.

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 projects (all details are included in the capital assets subschedules):

BUDGET CHANGES NARRATIVE

242 Valley City State University

Bill#: SB2003

Date: 12/07/2012

Time: 13:47:55

- Vangstad Hall Renovation \$3,636,466 GF
- W.E. Osmon Fieldhouse Addition (Phase II) \$4,706,837 OF

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

To remove \$48,416, which was appropriated to pay off special assessments at the VCSU in the 2011-13 biennium (HB1003-Section 2).

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

To remove **\$11,315,000** funding authorized for capital projects for the 2011-13 biennium per HB1003-Section 2, (**\$10.3 million GF, \$1,015,000 OF**).

- Rhoades Science Addition/Renovation - **\$10.3 million GF, \$200,000 OF**
- Locken Football Field Artificial Turf - **\$815,000 OF**

Campuses will report on the status of the individual projects to the appropriations committees of the sixty-third legislative assembly, as required.

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

To remove **\$911,858** capital assets carryover from 2009-11.

- **\$26,478 GF** – Extraordinary repairs
- **\$426,397 GF** – Deferred maintenance
- **\$458,983 OF** – Snoeyenbois renovation

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

To remove **\$408,319** 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 the use of this funding to-date is:

- Building Exterior \$10,900
- Mechanical and Electrical Upgrades \$29,651
- Interior Finishes \$12,645
- Structural Repairs \$81,500
- Paving and Area Lighting \$750
- Total \$135,466

Change Group: R	Change Type: A	Change No: 1	Priority:
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BUDGET CHANGES NARRATIVE

242 Valley City State University

Bill#: SB2003

Date: 12/07/2012

Time: 13:47:55

Remove Initial Funding Request

Removes the initial funding request for VCSU'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

VCSU's equalization payment is \$1,961,854.

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

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

BUDGET CHANGES NARRATIVE

242 Valley City State University

Bill#: SB2003

Date: 12/07/2012

Time: 13:47:55

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

VCSU's formula payment is \$2,448,427 and includes 3.00 FTE for security personnel.

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

Provides funding to stabilize a hillside that is sliding and is threatening campus structures. Total project cost is \$605,800, of which \$505,800 is from the general fund. Local funds will cover the remaining project costs.