
AGENCY OVERVIEW**243 Dakota College at Bottineau****Date:** 12/23/2014**Time:** 12:27:34

Statutory Authority

ND Constitution Article XIX, Section 216.

Agency Description

A referendum in 1894 stated that a school of forestry should be located in Bottineau, North Dakota, to provide, in addition to forestry, comprehensive community college curricula. The North Dakota Century Code also identified the role of Dakota College at Bottineau as offering programs in agriculture, forestry, and horticulture. Since then, the college has expanded its natural resource programming, and has also added programs in other areas that serve the needs of its constituents. For example, business, information technology, allied health, and general education/liberal arts courses now comprise a majority of the college's inventory of program offerings for students enrolled in transfer, career, and technical curriculums. For over 100 years, as the North Dakota School of Forestry, NDSU-Bottineau, MSU-Bottineau, and Dakota College, the institution has prepared men and women to become contributing members of society. Most recently, the campus has adopted a "Nature, Technology, and Beyond" focus that endeavors to leave students with a care and concern for the environment.

An institutional name change from Minot State University-Bottineau to Dakota College at Bottineau did not change the college's affiliation with Minot State. That affiliation continues to grow stronger.

Agency Mission Statement

Dakota College at Bottineau provides students with a quality education in a caring environment. The institution values diversity and personal enrichment by promoting engaged learning for employment and university transfer. With the help of a supportive community, Dakota College at Bottineau emphasizes nature and technology to accomplish its mission through an array of curricula, programs, and services.

- Liberal arts education provides students the knowledge and tools to continue their education, to serve as good stewards of the environment, and to function as responsible citizens.
- Career/technical education provides students with the knowledge and skills required to succeed by utilizing natural, human, and technological resources.
- Distance delivery provides students increased access to education and career opportunities.
- Community education provides diverse life-long learning experiences.
- Support services provide opportunities for individual growth and success.
- Campus activities provide for interpersonal development.
- Campus outreach provides area schools and groups access to college resources.
- Workforce training and development provides the human resources for economic development.
- All programs provide a greater understanding of human diversity.

Dakota College at Bottineau's curricula, programs, and services take students beyond nature and technology and leave them with an ethic of concern and care for the natural world.

Agency Performance Measures

NDUS has published annual accountability measures reports, 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, which served as the basis for the Board's previous strategic plan, the report has evolved from a written annual report to an online report. A wrap-up report is being compiled in anticipation of the launch of the Board's 2015-2020 strategic plan. Future reporting on the new strategic plan and accountability is expected to not only be online but also in a contemporary, interactive format. The information may include information on graduation and retention rates, enrollment, peer comparisons, financial aid and tuition, degrees awarded and composite financial index information for the 11 campuses, although final measures have not yet been determined.

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Major Accomplishments

1. Opened the Bottineau Children's Academy – a cooperative venture with Bottineau's Economic Development Corporation. The facility will have capacity to serve 51 children and will include a pre-school program.
2. Held the first annual Honors Symposium in December 2013. The symposium highlighted the work of the students enrolled in the college's honors program.
3. Began three new career and technical programs over the last two years: Land Management, Photography, and Health Information Management.
4. Featured the monthly NJCAA publication, *The Review*, in a special "Champions for the Community – Advocates for Education" section of the magazine. The Lumberjack hockey team was chosen for this honor for assisting Bottineau first graders over the past four years through a program called "Teaming up with Reading." The Lumberjack hockey team was also named 2013-14 academic team of the year by the NJCAA.
5. Achieved a pass rate of 100 percent for first time candidates taking the registered nurse and practical nurse licensure examination during testing year July 1, 2013 to June 20, 2014.
6. Sponsored a rummage sale and donated the profits to community service organizations. Over the years, nearly \$15,000 has been donated back to groups like the Imagination Library, Turtle Mountain Cancer Group, and Bottineau Volunteer Fire Department.
7. Revived drama group and renamed the organization the *LumberActs*. The inaugural event was a mystery dinner theater production of *The Last Pirate of the Caribbean*.
8. Coordinated a "community read" program inviting the Bottineau community to participate in a series of discussions focused on books chosen for the "read" season.
9. Continued significant growth of the Dakota College Foundation. Total net worth has grown from a little under \$1.0 million to nearly \$2.5 million. Annual scholarship awards have grown from \$100,870 to \$198,300 – an increase of nearly 100 percent.
10. Institutionalized consultations between faculty advisors and student advisees. One-to-one meetings are used to discuss class schedules, academic progress, progress toward graduation, and future plans.
11. Ranked 27 out of 700 best community colleges by the Washington Monthly for 2013.
12. Implemented an institutional policy to increase student retention and started a "First Year Sequence" or "Protective Advising" program.
13. Set fall headcount enrollment for fall 2013 with 951 students enrolled for at least one credit. The previous record was set fall, 2010, when 863 students were enrolled.

Future Critical Issues

1. The time and staffing required to comply with increasing complex and numerous federal regulations is an issue. The new sexual assault and misconduct policies and procedures mandated under Title IX are one example.
2. The college's allied health and nursing programs are growing and in need of modern, state-of-the-art facilities.
3. The Nelson Science Center has not had a major or comprehensive renovation since it was built in 1971. There are life/safety issues in the building that need to be addressed.
4. Remodeling and redesigning the college residence halls into modern student living/learning facilities is required to enhance the campus climate.
5. The Pathways to Student Success Plan may direct more underprepared students to the open admissions environment afforded by community colleges. If this plan comes to fruition, it will require additional faculty and staff resources.
6. Finding faculty and staff to replace those retiring or leaving employment is increasingly difficult. The first round of advertising for the Director of Fiscal Affairs position drew two applicants.
7. According to the National Center for Education statistics, faculty average salaries are the lowest of the five community colleges in the system. Progress needs to be made to move average DCB salaries closer to the system average.
8. DCB students who successfully complete their goal of satisfying NDUS general education requirements, do so before they graduate, and successfully transfer to another school are counted as "non-completers" when calculating retention rates. This calculation creates misleading retention rate data and is counterproductive to the community college mission.
9. Dakota College embarks upon the new "Open Pathways" HLC accreditation process beginning fall, 2014.
10. Office and classroom space is needed. Collaborative programming with other NDUS institutions, particularly as it relates to IVN broadcasts, has created the need.
11. A campus and community resolution to the future of the historic Old Main building needs to be forthcoming. A decision to demolish or renovate needs to be imminent.

REQUEST SUMMARY243 Dakota College at Bottineau
Biennium: 2015-2017

Bill#: HB1003

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| Description | Expenditures 2011-2013 Biennium | Present Budget 2013-2015 | Budget Request Change | Requested Budget 2015-2017 Biennium | Optional Budget Request |
|--|---------------------------------------|--------------------------------|-----------------------------|---|-------------------------------|
| By Major Program | | | | | |
| Dakota College at Bottineau | 7,261,773 | 17,592,223 | 3,805,185 | 21,397,408 | 1,046,005 |
| Total Major Program | 7,261,773 | 17,592,223 | 3,805,185 | 21,397,408 | 1,046,005 |
| By Line Item | | | | | |
| Operating Expenses | 6,489,750 | 7,861,338 | 1,361,431 | 9,222,769 | 788,250 |
| Capital Assets | 758,230 | 1,617,140 | (90,695) | 1,526,445 | 257,755 |
| Capital Assets Carryover | 13,793 | 57,277 | (57,277) | 0 | 0 |
| Capital Projects non-state funded | 0 | 7,600,789 | 3,047,405 | 10,648,194 | 0 |
| Capital Projects Carryover - Non-State | 0 | 455,679 | (455,679) | 0 | 0 |
| Total Line Items | 7,261,773 | 17,592,223 | 3,805,185 | 21,397,408 | 1,046,005 |
| By Funding Source | | | | | |
| General Fund | 7,261,773 | 9,535,755 | 1,213,459 | 10,749,214 | 1,046,005 |
| Federal Funds | | | | | |
| Special Funds | 0 | 8,056,468 | 2,591,726 | 10,648,194 | 0 |
| Total Funding Source | 7,261,773 | 17,592,223 | 3,805,185 | 21,397,408 | 1,046,005 |
| Total FTE | 36.12 | 46.96 | 0.00 | 46.96 | 2.50 |

REQUEST DETAIL243 Dakota College at Bottineau
Biennium: 2015-2017

Bill#: HB1003

Date: 12/23/2014

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| Description | Expenditures 2011-2013 Biennium | Present Budget 2013-2015 | Budget Request Change | Requested Budget 2015-2017 Biennium | Optional Budget Request |
|--|---------------------------------------|--------------------------------|-----------------------------|---|-------------------------------|
| Operating Expenses | | | | | |
| Operating Fees and Services | 6,489,750 | 7,861,338 | 1,361,431 | 9,222,769 | 788,250 |
| Total | 6,489,750 | 7,861,338 | 1,361,431 | 9,222,769 | 788,250 |
| Operating Expenses | | | | | |
| General Fund | 6,489,750 | 7,861,338 | 1,361,431 | 9,222,769 | 788,250 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Special Funds | 0 | 0 | 0 | 0 | 0 |
| Total | 6,489,750 | 7,861,338 | 1,361,431 | 9,222,769 | 788,250 |
| Capital Assets | | | | | |
| Land and Buildings | 71,849 | 1,219,700 | (120,911) | 1,098,789 | 0 |
| Other Capital Payments | 0 | 0 | 0 | 0 | 7,755 |
| Extraordinary Repairs | 686,381 | 397,440 | 30,216 | 427,656 | 250,000 |
| Total | 758,230 | 1,617,140 | (90,695) | 1,526,445 | 257,755 |
| Capital Assets | | | | | |
| General Fund | 758,230 | 1,617,140 | (90,695) | 1,526,445 | 257,755 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Special Funds | 0 | 0 | 0 | 0 | 0 |
| Total | 758,230 | 1,617,140 | (90,695) | 1,526,445 | 257,755 |
| Capital Assets Carryover | | | | | |
| Land and Buildings | 0 | 43,582 | (43,582) | 0 | 0 |
| Other Capital Payments | 3,793 | 0 | 0 | 0 | 0 |
| Extraordinary Repairs | 10,000 | 13,695 | (13,695) | 0 | 0 |
| Total | 13,793 | 57,277 | (57,277) | 0 | 0 |
| Capital Assets Carryover | | | | | |
| General Fund | 13,793 | 57,277 | (57,277) | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Special Funds | 0 | 0 | 0 | 0 | 0 |
| Total | 13,793 | 57,277 | (57,277) | 0 | 0 |
| Capital Projects non-state funded | | | | | |
| Land and Buildings | 0 | 7,600,789 | 3,047,405 | 10,648,194 | 0 |
| Total | 0 | 7,600,789 | 3,047,405 | 10,648,194 | 0 |
| Capital Projects non-state funded | | | | | |

REQUEST DETAIL243 Dakota College at Bottineau
Biennium: 2015-2017

Bill#: HB1003

Date: 12/23/2014

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| Description | Expenditures 2011-2013 Biennium | Present Budget 2013-2015 | Budget Request Change | Requested Budget 2015-2017 Biennium | Optional Budget Request |
|---|---------------------------------------|--------------------------------|-----------------------------|---|-------------------------------|
| General Fund | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Special Funds | 0 | 7,600,789 | 3,047,405 | 10,648,194 | 0 |
| Total | 0 | 7,600,789 | 3,047,405 | 10,648,194 | 0 |
| Capital Projects Carryover - Non-State | | | | | |
| Land and Buildings | 0 | 455,679 | (455,679) | 0 | 0 |
| Total | 0 | 455,679 | (455,679) | 0 | 0 |
| Capital Projects Carryover - Non-State | | | | | |
| General Fund | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Special Funds | 0 | 455,679 | (455,679) | 0 | 0 |
| Total | 0 | 455,679 | (455,679) | 0 | 0 |
| Funding Sources | | | | | |
| General Fund | 7,261,773 | 9,535,755 | 1,213,459 | 10,749,214 | 1,046,005 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Special Funds | 0 | 8,056,468 | 2,591,726 | 10,648,194 | 0 |
| Total Funding Sources | 7,261,773 | 17,592,223 | 3,805,185 | 21,397,408 | 1,046,005 |

CHANGE PACKAGE SUMMARY

243 Dakota College at Bottineau
Biennium: 2015-2017

Bill#: HB1003

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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 | 1,098,789 | 0 | 10,648,194 | 11,746,983 |
| A-E 1 Remove 2013-15 Capital Projects | | 0.00 | (1,145,320) | 0 | (7,600,789) | (8,746,109) |
| A-E 2 Remove Capital Projects Contingency Pool | | 0.00 | (16,675) | 0 | 0 | (16,675) |
| A-E 3 Remove Deferred Maintenance Pool | | 0.00 | (281,933) | 0 | 0 | (281,933) |
| A-E 4 Remove Other One-time Funding | | 0.00 | (28,500) | 0 | 0 | (28,500) |
| Total One Time Budget Changes | | 0.00 | (373,639) | 0 | 3,047,405 | 2,673,766 |
| Ongoing Budget Changes | | | | | | |
| A-A 1 CTC, Operating Inflation and Utilities Increases | | 0.00 | 131,474 | 0 | 0 | 131,474 |
| A-A 2 Governors Funding Model Increase | | 0.00 | 1,199,252 | 0 | 0 | 1,199,252 |
| A-A 20 2013-15 Adjusted FTE | | 46.96 | 0 | 0 | 0 | 0 |
| A-A 6 Base Plus Incr for Extraordinary Repairs | | 0.00 | 427,656 | 0 | 0 | 427,656 |
| A-F 1 Remove 2011-13 Capital Assets Carryover | | 0.00 | (57,277) | 0 | (455,679) | (512,956) |
| A-F 2 Remove Base Funding Extraordinary Repairs | | 0.00 | (114,007) | 0 | 0 | (114,007) |
| Base Payroll Change | | (46.96) | 0 | 0 | 0 | 0 |
| Total Ongoing Budget Changes | | 0.00 | 1,587,098 | 0 | (455,679) | 1,131,419 |
| Total Base Budget Changes | | 0.00 | 1,213,459 | 0 | 2,591,726 | 3,805,185 |
| Optional Budget Changes | | | | | | |
| One Time Optional Changes | | | | | | |
| A-D 1 Campus Security One-time | 2 | 0.00 | 598,500 | 0 | 0 | 598,500 |
| A-D 5 Special Assessments | 3 | 0.00 | 7,755 | 0 | 0 | 7,755 |
| Total One Time Optional Changes | | 0.00 | 606,255 | 0 | 0 | 606,255 |
| Ongoing Optional Changes | | | | | | |
| A-C 1 Security and Emergency Preparedness | 1 | 2.50 | 439,750 | 0 | 0 | 439,750 |
| Total Ongoing Optional Changes | | 2.50 | 439,750 | 0 | 0 | 439,750 |
| Total Optional Budget Changes | | 2.50 | 1,046,005 | 0 | 0 | 1,046,005 |

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|------------------------|-----------------------|---------------------|------------------|
| Change Group: A | Change Type: A | Change No: 6 | Priority: |
|------------------------|-----------------------|---------------------|------------------|

Base Plus Incr for Extraordinary Repairs

Currently, the campuses and Forest Service receive \$11,162,008 in base funding for extraordinary repairs, which is equivalent to an overall average of 12.7% 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 2015-17 NDUS budget request includes a total increase of **\$32,860,444** to provide increased base funding for facilities and infrastructure repairs and maintenance, equivalent to **50%** of OMB building and infrastructure formulas. The AA6 budget change code includes restoring the base amount removed in change code AF2, as well as the requested increase to reach **50%** of OMB formula. **DCB's portion of the request is \$427,656. Base funding currently received in 2013-15 is \$114,007, and the requested increase in base funding for extraordinary repairs for 2015-17 is \$313,649.**

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). 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.

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| Change Group: A | Change Type: A | Change No: 20 | Priority: |
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2013-15 Adjusted FTE

Per SB2003 (Section 36), "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 during the biennium beginning July 1, 2013, and ending June 30, 2015. The North Dakota university system shall report any adjustments to the office of management and budget before the submission of the 2015-17 biennium budget request." A report was run as of 4-30-2014 to determine the total estimated "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.

DCB has added the following positions since the last biennium:

Retention coordinator

Payroll Specialist

Mental Health Counselor

Admin Assistant in Student Services

Assistant Athletic Director

Photography Instructor

Math instructor (Minot programs)

Nursing instructor (Valley City programs)

2 Security Officers

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|------------------------|-----------------------|---------------------|------------------|
| Change Group: A | Change Type: B | Change No: 1 | Priority: |
|------------------------|-----------------------|---------------------|------------------|

Major Capital Projects

The capital project request for DCB includes the following projects:

Nelson Science Center Renovation \$1,098,789 GF

Dormitory Updates and Remodeling \$3,784,076 Local funds

Allied Health and Wellness Center \$6,864,118 Split equally between DCB fundraising and City of Bottineau

Project justification narrative is included in the Capital Assets subschedule.

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|------------------------|-----------------------|---------------------|--------------------|
| Change Group: A | Change Type: C | Change No: 1 | Priority: 1 |
|------------------------|-----------------------|---------------------|--------------------|

Security and Emergency Preparedness

Campus security (24x7 coverage) - Included in the 2013-15 biennial budget request were amounts to fund three eight-hour shifts to achieve 24x7 coverage at all campuses except UND and NDSU, who indicated they provided limited 24x7 coverage at the time. Three campuses (WSC, DSU and MiSU) received most of the funding that was requested for 24x7 coverage in 2013-15, but the remaining 6 campuses each received \$100,000 (substantially less than what was requested). **The 2015-17 budget request includes \$2,411,750 to achieve 24x7 coverage at the remaining campuses:** [BSC (3Fte) - \$505,500; LRSC (3Fte) - \$405,500; NDSCS (1.5Fte) - \$252,750; MaSU (3Fte) - \$405,500; VCSU (3Fte) - \$505,500 and **DCB (2Fte) - \$337,000**]. 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.

Emergency management – Item 8 of SBHE Policy 906 (Emergency Preparedness and Management; Continuity of Operations; Security) states, “The chancellor and institution presidents shall, subject to funding and staffing constraints, develop and implement plans under which the system and institutions substantially shall comply with these Policy 906 requirements by July 1, 2014.” **The 2015-17 budget request includes a total of \$2,157,750 for a full-time emergency manager at all campuses (\$205,500 each), except DCB whose request is for a one-half time emergency manager (\$102,750).**

These positions are needed to develop and implement the plan required under Policy 906 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. These plans are intended to provide the framework to address the immediate requirements for a major disaster or emergency in which normal operations are interrupted and special measures must be taken to: 1.) protect the lives of students, employees and the public; 2.) provide essential services and operations; 3.) manage immediate communications and information regarding emergency operations; 4.) manage university resources effectively in emergency operations; 5.) provide and analyze information to support decision-making. Emergency response is based on the Incident Command System (ICS), the management structure adopted throughout the United States and internationally, and a requirement of the State of ND and various US Department of Homeland Security Presidential Decision Directives and National Incident Management System (NIMS) guidance. The State of ND Division of Emergency Management (DEM) has indicated their interest in having a single point of contact and coordination within the NDUS for emergency response; however, no resources exist for this purpose.

Total security and emergency preparedness request for **DCB is \$439,750 (2.5 FTE).**

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| Change Group: A | Change Type: D | Change No: 1 | Priority: 2 |
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Campus Security One-time

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Total requested one-time funds for campus security is \$598,500 for DCB, including funds for the following:

\$200,000 Card access system for all buildings (Operating)

\$100,000 Additional security cameras (Operating)

\$175,000 Change door locks in all buildings (Extraordinary Repairs)

\$4,500 Security team equipment (Operating)

\$17,500 Security team vehicle (Operating)

\$1,500 Security office equipment (Operating)

\$25,000 Security lighting/emergency phones (Operating)

\$75,000 Improve building main entrance sight lines (Extraordinary Repairs)

\$598,500 Total

The total request is included in the following budget lines, as noted above: Operating \$348,500 and Extraordinary Repairs \$250,000

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|------------------------|-----------------------|---------------------|--------------------|
| Change Group: A | Change Type: D | Change No: 5 | Priority: 3 |
|------------------------|-----------------------|---------------------|--------------------|

Special Assessments

Campuses must currently fund special assessment payments from their extraordinary repairs funding for city improvements to adjacent property, further reducing the amount left for on-campus improvements. This one-time request, totaling **\$1,259,684**, is the estimated amount needed for the 15-17 installment payments. The amounts, by campus, are: **BSC-\$491,800; WSC-\$45,000; UND-\$68,815; NDSU-\$407,089; NDSCS-\$98,794; MaSU-\$74,876; VCSU-\$65,555; DCB-\$7,755.**

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|------------------------|-----------------------|---------------------|------------------|
| Change Group: A | Change Type: E | Change No: 1 | Priority: |
|------------------------|-----------------------|---------------------|------------------|

Remove 2013-15 Capital Projects

To remove **\$8,746,109** funding authorized for capital projects for the 2013-15 biennium per SB2003-Section 2, **(\$1,145,320 GF, \$7,600,789 OF)**. Campuses will report on the status of the individual projects to the appropriations committees of the sixty-third legislative assembly, as required. Capital projects include:

- **Campus Backup Generator \$375,820 GF (est completion date September 15, 2014)**
- **Thatcher Hall Heating Upgrades \$769,500 GF (est completion date September 15, 2014)**
- **Gross Hall Update \$732,460 OF (no funding – not moving forward at this time)**
- **Mead Hall Update \$1,171,586 OF (no funding – not moving forward at this time)**
- **Milligan Hall Remodel/Update \$896,743 OF (no funding – not moving forward at this time)**
- **Old Main Remodel \$4.8 million OF (no funding – not moving forward at this time)**

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| Change Group: A | Change Type: E | Change No: 2 | Priority: |
|------------------------|-----------------------|---------------------|------------------|

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Remove Capital Projects Contingency Pool

To remove **\$5,483,413** for the capital projects contingency pool per SB2003-Section 2. SB2003-Section 24 provided the following legislative intent: "The capital projects contingency pool line item contained in subdivision 1 of section 1 of this Act includes funding that may be transferred to institutions for capital projects as provided under this section. The state board of higher education may transfer funds from the capital projects contingency pool to an institution if the lowest acceptable bid received for a capital project exceeds the legislative appropriation provided for this project. The board shall provide a prorated amount to institutions from the pool if the amount of funding required for eligible projects exceeds available funding. An institution may only receive funding from the pool for capital projects that receive a general fund appropriation and are authorized under this Act. For purposes of this section, the "legislative appropriation provided for a project" does not include funds appropriated from private donations and other local funds to enhance a project. During the 2013-14 interim, the state board of higher education shall provide periodic reports to the budget section regarding funds distributed from the capital projects contingency pool."

The pool funding is the result of a legislatively imposed five percent reduction (except at SMHS where Phase I was reduced by 2.5%) to each approved 13-15 state funded capital project. Ninety-five percent of the project was funded in each individual campus capital asset line item, with the remaining five percent pooled for SBHE allocation. The intent was to encourage a diligent effort in developing, reviewing and awarding capital projects to meet necessary programmatic needs while limiting total cost, to the greatest extent possible. After pooling the five percent, the legislature then reduced the total amount of the pool by \$1 million. Due to the \$1 million reduction, the amount in the pool is closer to 4.45% (2.17% SMHS) on a project-by-project basis.

The best case scenario would be for the SBHE to have all projects (design and related firm costs) in hand at the same time in order to fairly evaluate and distribute these pooled funds. However, that is not feasible. Smaller, less complex projects will move ahead more quickly than will some of the more complex projects. Holding up all projects for the last one is not reasonable as it will slow progress and may result in increased costs. Thus, each project will need to be considered on a case-by-case basis as ready.

The SBHE approved the 13-15 capital projects contingency pool guidelines as follows:

- All projects must be designed and bid based on the reduced project amount (original project amount less 4.45%/2.17%).
- For fiscal year 2014, campuses (excluding the SMHS) may request an allocation from the capital projects contingency pool, up to a maximum of 4.45% of the legislative appropriation for that project, if the lowest acceptable bid (or CM maximum price) exceeds the legislative appropriation provided for the project. The SMHS may submit a request for an allocation from the capital projects contingency pool, up to a maximum of 2.17% of the legislative appropriation for that project, if the lowest acceptable bid (or CM maximum price) exceeds the legislative appropriation provided for the project.
- The NDUS Office will consider and review each individual project request as submitted, with the Chancellor making an allocation recommendation of between 0-4.45percent (2.17% at SOMHS) to the SBHE, who has the final allocation authority.
- At the end of fiscal year 2014, the allocation criteria will be re-evaluated based on remaining funds, and adjustments to the guidelines may be made, as necessary.

Amounts that have been allocated to the campuses through 6-30-14, totaling \$3,138,331, are being removed by the following campuses: (BSC-\$560,626; LRSC-\$251,433; WSC-\$607,551; NDSU-\$1,247,709; NDSCS-\$358,778; MaSU-\$95,559 and **DCB-\$16,675**). The unallocated balance as of 6-30-14, totaling **\$2,345,082**, is being removed by the NDUS Office. **DCB received \$16.675 for the Campus Backup Generator project.**

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|------------------------|-----------------------|---------------------|------------------|
| Change Group: A | Change Type: E | Change No: 3 | Priority: |
|------------------------|-----------------------|---------------------|------------------|

Remove Deferred Maintenance Pool

To remove **\$10 million** for the deferred maintenance pool, per SB2003-Section 2. SB2003-Section 21 provided the following legislative intent: "The deferred maintenance funding pool line item includes funding that must be used to address deferred maintenance and other infrastructure needs at institutions based on the university system

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master plan and space utilization study. However, the state board of higher education may distribute up to one-half of the funds in the pool to institutions prior to the completion of the master plan and space utilization study.”

The SBHE approved allocation of \$5 of the \$10 million on September 25, 2013. Given the facility master plan was not completed at the time, the initial \$5 million was distributed based on the following:

- statewide OMB extraordinary repairs formula, which addresses both buildings and infrastructure to bring campuses to a common (or close to common)percent position of the formula ;
- Each campus/entity should receive some minimum amount of funding—recommended \$75,000 minimum, except for the Forest Service a minimum of \$30,000;
- Make adjustments to recognize that some campuses have to use a portion of their extraordinary repair formula funding for the payment of city special assessments, on infrastructure not owned by the campus.

With the near completion of the System facility master plan, the SBHE approved the allocation of the remaining \$5 million on June 26, 2014, so the campuses could begin much needed projects. The allocation was based on the following:

- First allocate \$275,000 to VCSU to address a recently identified safety issue at VCSU in the recently retired Science Building. The \$275,000 includes costs for engineering services, relocation and demolition. It does not include other costs related to build a barrier for the hill or to replace asphalt. In April 2014, the SE wall on the main floor of the VCSU Science Building began to buckle, significantly reducing the structural integrity of that portion and the upper two levels of the building. Additionally, the roof on the SW corner has been significantly compromised and the ceiling in that area has failed. VCSU engaged a structural engineer to analyze the building. The engineer indicated that VCSU should transition remaining operations to another site immediately due to safety concerns. VCSU has and continues to move forward with the transition in a practicable and safe manner. The cost of \$275,000 does not include cost to build a retaining wall or a barrier for the hill and replace asphalt.
- Allocate remaining \$4,725,000 to the 11 institutions based on the average of: the actual deferred maintenance for facilities examined by consultants during the master plan visits (represents about 24% of the overall state appropriated GSF for Type I and II buildings)= +\$200 million; extrapolated deferred maintenance when applied to all appropriated buildings, based on above “sample” condition (“If the condition of these buildings represents similar condition in the rest of the buildings and identified needs to the heating plants and site infrastructure are added in..”)

The following allocations, totaling \$10 million, were provided to the campuses and Forest Service, and are being removed in this budget change code: BSC-\$759,580; LRSC-\$256,259; WSC-\$271,181; UND-\$2,667,599; NDSU-\$2,480,703; NDSCS-\$639,328; DSU-\$437,527; MaSU-\$408,233; MiSU-\$830,318; VCSU-\$937,339; **DCB-\$281,933**; Forest Service-\$30,000. **DCB has not expended any of the funds as of 6-30-14, and are in the process of developing a plan to address several significant deferred maintenance items.**

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| Change Group: A | Change Type: E | Change No: 4 | Priority: |
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Remove Other One-time Funding

To remove **\$28,500** one-time funding for campus software updates (SB2003-Section 2).

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| Change Group: A | Change Type: E | Change No: 5 | Priority: |
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Remove One-time Line Transfers

To reverse one-time **\$59,205** transfer from operating line to capital line (SB2003-Section 35). Adjustment needed to increase operating and decrease capital asset line

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| Change Group: A | Change Type: F | Change No: 1 | Priority: |
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Remove 2011-13 Capital Assets Carryover

BUDGET CHANGES NARRATIVE

243 Dakota College at Bottineau

Bill#: HB1003

Date: 12/23/2014

Time: 12:27:34

To remove **\$512,956 (\$57,277 GF, \$455,679 OF)** capital assets carryover from 2011-13, including carryover for the following:

- Extraordinary repairs \$13,695 GF
- Paving project \$43,582 GF
- Entrepreneurial Center for Horticulture \$455,679 OF (est completion 12-31-14)

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

To remove **\$114,007** base funding for extraordinary repairs. This base amount, plus an increase to the base, is being requested for 2015-17, and is reflected in **change code AA6**.

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| Change Group: R | Change Type: A | Change No: 1 | Priority: |
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SCH Production Adjustment

Adjusts statutory operations funding to reflect changes in adjusted student credit hour (ASCH) production to the 2011-13 levels.

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| Change Group: R | Change Type: A | Change No: 2 | Priority: |
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Inflationary Increase

Provides an inflationary adjustment to cover the State's share of the following cost increases:

- Costs to continue FY15 3% salary increases - \$62,336
- 2015-17 annual salary increases of 4% FY16 and 4% FY17 - \$304,635
- Health insurance premiums @ \$1,161.59 per month - \$200,048
- 1% Retirement contribution increase on 1/1/2016 - \$32,747

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| Change Group: R | Change Type: A | Change No: 3 | Priority: |
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24/7 Campus Security

Provides \$337,000 and 2.00 FTE for 24/7 security coverage.

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| Change Group: R | Change Type: A | Change No: 4 | Priority: |
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Extraordinary Repairs

Provides \$171,062 for base extraordinary repairs, including \$57,055 to increase funding to 20% of the OMB formula.

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| Change Group: R | Change Type: A | Change No: 5 | Priority: |
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Eliminate IA and IT Assessments

BUDGET CHANGES NARRATIVE

243 Dakota College at Bottineau

Bill#: HB1003

Date: 12/23/2014

Time: 12:27:34

Reduces base funding by \$4,806 for the State's share of costs related to the centralized document imaging system being transferred to the Core Technology Services division in the NDUS System Office budget.

Reduces base funding by \$3,562 due to elimination of the State's share of campus assessments for the Internal Audit department. Full funding for the department has been provided in the NDUS System Office budget

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| Change Group: R | Change Type: A | Change No: 6 | Priority: |
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Tuition Freeze

Provides \$197,133 from the general fund in lieu of tuition increases to cover the student share of 2015-17 inflationary adjustments (cost to continue FY15 salary increases, utilities, 2015-17 salary increases and health insurance premiums increases)

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| Change Group: R | Change Type: A | Change No: 7 | Priority: |
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SCH Rate Balancing

Provides \$462,481 to increase final per SCH rate to \$132.58, which is the average of the top two institutions in the two-year college tier.

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| Change Group: R | Change Type: B | Change No: 1 | Priority: |
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Campus Security One-Time

Provides \$448,875 for security related equipment purchases and/or facility repairs to strengthen campus security. May include a variety of needs, such as windows, cameras, card access, door locks, or any other necessary one-time purchase/repair.

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| Change Group: R | Change Type: B | Change No: 2 | Priority: |
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Special Assessment Payoff

Pays off the institution's existing special assessments balance.