
AGENCY OVERVIEW

227 BISMARCK STATE COLLEGE

Date: 12/14/2006

Time: 08:07:35

STATUTORY AUTHORITY

North Dakota Century Code Chapter 15-10-01

AGENCY DESCRIPTION

As a community college, the purpose of Bismarck State College (BSC) 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 vocation-technical program; 3) keep job skills current 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 BSC service areas include the immediate, contiguous geographical region for most programs, and statewide, regional or nationwide areas for select, unique programs.

AGENCY MISSION

Bismarck State College, a Learning First college, provides a high quality learning-centered education that maximizes student learning and makes students partners in their education. As a comprehensive community college in the North Dakota University System, BSC offers broad-ranging, flexible, and innovative educational opportunities. We participate in partnerships that promote economic development, we provide cultural enrichment, and we champion integrity, citizenship, and the improvement of life through lifelong learning.

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 six 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 6th annual accountability measures report is scheduled for completion in December 2006, and will be the most current information available to the 2007 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

BSC coordinated training for 2,513 people from 266 businesses in the Southwest Workforce Training Region during 2004-05. Of the clients served, 99% were satisfied with the training, and 30% were repeat clients.

At the request of and in partnership with industry, BSC developed these new programs

Transportation and Supply Chain Management

Geographic Information Systems

Industrial Maintenance Technology

Web Page Development and Design

BSC received approval to begin offering an Associates Degree Nursing program in the fall of 2005. The program is part of a nursing career ladder that begins with certified nurse assistant (CNA) training, then moves to licensed practical nursing (LPN) and then to associate degree nursing (ADN).

The college implemented ConnectND software.

BSC's application to join the Academic Quality Improvement Program (AQIP) was accepted by the Higher Learning Commission of the North Central Association of Colleges and Schools. AQIP is a quality-based, continuous improvement model for maintaining accreditation.

BSC continues to host collaborative students who attend classes on the BSC campus. In 2004-05, more than 400 collaborative students were enrolled in programs with Dickinson State University, Minot State University, MSU-Bottineau, University of North Dakota and Williston State College. In addition, more than 400 high school students attended classes at the Technical Center.

The federal Department of Commerce awarded a \$1.5 million grant to BSC to help build the National Energy Center of Excellence. The Economic Development Administration investment will help the college respond to the education and training needs of the state's energy industry.

BSC received a HUD earmark for \$300,000 for the National Energy Center of Excellence.

BSC received an earmark of \$495,850 from the Department of Labor to implement the Industrial Maintenance Technology program, which will educate technicians who install, repair and maintain industrial production and processing equipment.

BSC received notification in January 2005 that students enrolled in the 2003-04 Practical Nursing program received a 100 percent pass rate for the National Council Licensure Examination for Practical Nurses. The national pass rate is 89.36 percent.

The Arts and Communication Department sponsored the eighth annual ArtsQuest, a springtime celebration of music, theater, art, and literature for the campus and community. One unique art form new to ArtsQuest was land art, which featured work by Canadian Greg Blair and involved participation by students from several disciplines.

BSC was designated the National Power Plant Operations Technology and Education Center in the Energy Bill passed by Congress in August 2005. U.S. Senator Byron Dorgan had the provision added to the bill.

BSC's Allied Health Campus opened in the fall of 2005 in downtown Bismarck. Programs located there are nursing, including certified nursing assistant program; surgical technology; and massage therapy.

In December 2005, BSC received \$3 million in the first round of awards provided through the ND Centers of Excellence for Economic Development. BSC's Center of Excellence focuses on education of multi-skilled technicians for the energy industry on a national scale.

BSC's Division of Corporate and Continuing Education became certified by the Learning Resources Network (LERN), the leading training and consulting services for lifelong learning professionals.

BSC sophomore Preston Schmidt was elected International Vice President of Division III of Phi Theta Kappa, the international honor society of two-year colleges, in April 2006. He is the first student from the four-state region to hold an international office in the society.

Catherine Klein, president of the BSC Board of Governors, was elected in June 2006 as the national president of the American Student Association of Community Colleges. She is the second BSC student to serve in this national leadership position in the past five years.

FUTURE CRITICAL ISSUES

Adjustments for Costs to Continue include the following:

05-07 EXTRAORDINARY REPAIRS – 2005-07 extraordinary repairs. (-\$243,481)

05-07 MAJ CAP PROJ - 2005-07 major capital projects (-\$5,530,300) \$5,027,500 to be used in the construction of a student housing facility. \$502,800 of other funds to be used to construct a plant services facility. This project is unlikely to occur if other funds are required.

03-05 CARRYOVER – 2003-05 capital assets carryover (-\$43,183)

REQUEST SUMMARY

227 BISMARCK STATE COLLEGE

Biennium: 2007-2009

Bill#: HB1003

Date: 12/14/2006

Time: 08:07:35

| Description | Expenditures 2003-2005 Biennium | Present Budget 2005-2007 | Budget Request Change | Requested Budget 2007-2009 Biennium | Optional Budget Request |
|---------------------------------|---------------------------------------|--------------------------------|-----------------------------|---|-------------------------------|
| BY MAJOR PROGRAM | | | | | |
| BISMARCK STATE COLLEGE | 16,573,254 | 23,082,512 | -2,387,077 | 20,695,435 | 173,159 |
| TOTAL MAJOR PROGRAMS | 16,573,254 | 23,082,512 | -2,387,077 | 20,695,435 | 173,159 |
| BY LINE ITEM | | | | | |
| OPERATING EXPENSES | 15,762,327 | 17,265,548 | 2,517,590 | 19,783,138 | 0 |
| CAPITAL ASSETS | 706,817 | 746,281 | -376,984 | 369,297 | 173,159 |
| CAPITAL ASSETS-CARRYOVER | 24,384 | 43,183 | -43,183 | 0 | 0 |
| CAPITAL ASSETS NON-STATE FUNDED | 79,726 | 5,027,500 | -4,484,500 | 543,000 | 0 |
| TOTAL LINE ITEMS | 16,573,254 | 23,082,512 | -2,387,077 | 20,695,435 | 173,159 |
| BY FUNDING SOURCE | | | | | |
| GENERAL FUND | 16,493,528 | 17,552,212 | 3,115,418 | 20,667,630 | 173,159 |
| FEDERAL FUNDS | 0 | 0 | 0 | 0 | 0 |
| SPECIAL FUNDS | 79,726 | 5,530,300 | -5,502,495 | 27,805 | 0 |
| TOTAL FUNDING SOURCE | 16,573,254 | 23,082,512 | -2,387,077 | 20,695,435 | 173,159 |
| TOTAL FTE | 123.30 | 115.15 | -9.77 | 105.38 | .00 |

REQUEST DETAIL227 BISMARCK STATE COLLEGE
Biennium: 2007-2009

Bill#: HB1003

Date: 12/14/2006

Time: 08:07:35

| Description | Expenditures 2003-2005 Biennium | Present Budget 2005-2007 | Budget Request Change | Requested Budget 2007-2009 Biennium | Optional Budget Request |
|--|---------------------------------------|--------------------------------|-----------------------------|---|-------------------------------|
| OPERATING EXPENSES | | | | | |
| OPERATING FEES AND SERVICES | 15,762,327 | 17,265,548 | 2,517,590 | 19,783,138 | 0 |
| TOTAL | 15,762,327 | 17,265,548 | 2,517,590 | 19,783,138 | 0 |
| OPERATING EXPENSES | | | | | |
| GENERAL FUND | 15,762,327 | 17,265,548 | 2,517,590 | 19,783,138 | 0 |
| FEDERAL FUNDS | 0 | 0 | 0 | 0 | 0 |
| SPECIAL FUNDS | 0 | 0 | 0 | 0 | 0 |
| TOTAL | 15,762,327 | 17,265,548 | 2,517,590 | 19,783,138 | 0 |
| CAPITAL ASSETS | | | | | |
| LAND AND BUILDINGS | 0 | 0 | 0 | 0 | 0 |
| EXTRAORDINARY REPAIRS | 706,817 | 746,281 | -376,984 | 369,297 | 173,159 |
| TOTAL | 706,817 | 746,281 | -376,984 | 369,297 | 173,159 |
| CAPITAL ASSETS | | | | | |
| GENERAL FUND | 706,817 | 243,481 | 125,816 | 369,297 | 173,159 |
| FEDERAL FUNDS | 0 | 0 | 0 | 0 | 0 |
| SPECIAL FUNDS | 0 | 502,800 | -502,800 | 0 | 0 |
| TOTAL | 706,817 | 746,281 | -376,984 | 369,297 | 173,159 |
| CAPITAL ASSETS-CARRYOVER | | | | | |
| EXTRAORDINARY REPAIRS | 24,384 | 43,183 | -43,183 | 0 | 0 |
| TOTAL | 24,384 | 43,183 | -43,183 | 0 | 0 |
| CAPITAL ASSETS-CARRYOVER | | | | | |
| GENERAL FUND | 24,384 | 43,183 | -43,183 | 0 | 0 |
| FEDERAL FUNDS | 0 | 0 | 0 | 0 | 0 |
| SPECIAL FUNDS | 0 | 0 | 0 | 0 | 0 |
| TOTAL | 24,384 | 43,183 | -43,183 | 0 | 0 |
| CAPITAL ASSETS NON-STATE FUNDED | | | | | |
| LAND AND BUILDINGS | 79,726 | 5,027,500 | -4,484,500 | 543,000 | 0 |
| TOTAL | 79,726 | 5,027,500 | -4,484,500 | 543,000 | 0 |

REQUEST DETAIL

Date: 12/14/2006

227 BISMARCK STATE COLLEGE

Bill#: HB1003

Time: 08:07:35

Biennium: 2007-2009

| Description | Expenditures 2003-2005 Biennium | Present Budget 2005-2007 | Budget Request Change | Requested Budget 2007-2009 Biennium | Optional Budget Request |
|--|---------------------------------------|--------------------------------|-----------------------------|---|-------------------------------|
| CAPITAL ASSETS NON-STATE FUNDED | | | | | |
| GENERAL FUND | 0 | 0 | 515,195 | 515,195 | 0 |
| FEDERAL FUNDS | 0 | 0 | 0 | 0 | 0 |
| SPECIAL FUNDS | 79,726 | 5,027,500 | -4,999,695 | 27,805 | 0 |
| TOTAL | 79,726 | 5,027,500 | -4,484,500 | 543,000 | 0 |
| FUNDING SOURCES | | | | | |
| GENERAL FUND | 16,493,528 | 17,552,212 | 3,115,418 | 20,667,630 | 173,159 |
| FEDERAL FUNDS | 0 | 0 | 0 | 0 | 0 |
| SPECIAL FUNDS | 79,726 | 5,530,300 | -5,502,495 | 27,805 | 0 |
| TOTAL FUNDING SOURCES | 16,573,254 | 23,082,512 | -2,387,077 | 20,695,435 | 173,159 |

CHANGE PACKAGE SUMMARY

227 BISMARCK STATE COLLEGE

Biennium: 2007-2009

Bill#: HB1003

Date: 12/14/2006

Time: 08:07:35

| Description | FTE | General Fund | Federal Funds | Special Funds | Total Funds |
|------------------------------|--------------|------------------|---------------|-------------------|-------------------|
| AGENCY BUDGET CHANGES | | | | | |
| Cost To Continue | -9.77 | -286,664 | 0 | -5,530,300 | -5,816,964 |
| 1 PARITY | .00 | 1,993,005 | 0 | 0 | 1,993,005 |
| 2 EQUITY | .00 | 524,585 | 0 | 0 | 524,585 |
| 3 CAP ASSET BASE AND INCR | .00 | 369,297 | 0 | 0 | 369,297 |
| 4 2007-09 MAJ CAP PROJ | .00 | 515,195 | 0 | 27,805 | 543,000 |
| Agency Total | -9.77 | 3,115,418 | 0 | -5,502,495 | -2,387,077 |
| OPTIONAL REQUEST | | | | | |
| 30 OPT DEF MNT INCR | .00 | 173,159 | 0 | 0 | 173,159 |
| Optional Total | .00 | 173,159 | 0 | 0 | 173,159 |

BUDGET CHANGES NARRATIVE

227 BISMARCK STATE COLLEGE

Date: 12/14/2006

Time: 08:07:35

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

PARITY - \$1,993,005

Parity is defined as the amount needed to fund operating inflation, cost to continue FY07 legislatively funded salary increases, 2007-09 health and salary increases and utilities of buildings coming online during the 2007-09 biennium. The long-term finance plan includes targeted state/student shares for each of the campuses. Approximately 93% of the state's share of these costs is included in the request. BSC intends to continue to review all vacancies and keep current vacancies open to assist in funding the shortfall. In the short-term, BSC does not have plans to cut any programs, but enrollments will be continually reviewed as well as all budgets to ensure prudent operational management. Budgets will continue to be monitored, and steps will be taken to do what is necessary to stay within budgeted expenditures.

The total (state share) general fund portion of parity consists of the following: 2.4% per year operating inflation (\$313,929), CTC FY07 legislatively funded salary increases (\$222,268), 10% annual health insurance increases (\$501,914), 5% per year salary increases (\$1,045,772) and utilities of buildings coming online (\$102,094) in 2007-09. These parity components total (\$2,185,977) , however as previously noted, the budget request only includes approximately 93% of the state's share, or (\$1,993,005). Operating inflation, totaling (192,972) is not included in the budget request.

An annual tuition increase of 4.6% would be needed to fund the remaining state share (\$192,973) and to fund the student share (\$728,659) of parity. However, if the 2007-09 budget request is funded at the level requested, the SBHE has indicated that tuition increases will be limited to no more than 5% per year in 2007-09.

It is anticipated that existing programs and services will be maintained. Ongoing evaluation of low enrollment programs will be necessary. If enrollment declines occur, BSC will need to make the necessary decisions to balance the budget.

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|------------------------|-----------------------|---------------------|--------------------|
| Change Group: A | Change Type: A | Change No: 2 | Priority: 1 |
|------------------------|-----------------------|---------------------|--------------------|

EQUITY - \$524,585

The NDUS budget request includes a \$10 million increase for equity, distributed among the 11 NDUS campuses and Medical School. The recent MGT report confirms that all NDUS institutions are under funded, when compared to their peer institutions. The equity request will address all NDUS institutions' relative funding position compared to their peer institutions. However, the specific request of each campus was determined by considering both their dollar difference from their peer benchmark, as well as giving a greater weighting factor to those institutions that are further behind their peer benchmark. The equity request for Bismarck State College is \$524,585.

Equity funding will be utilized to support new and existing programs that expand our capacity to meet the needs of business and industry. Two new programs that will need ongoing operational support are our Industrial Maintenance program that will start in 2007 with grant funds and the Instrumentation and Control program that is scheduled to start-up sometime in the 2007-09 biennium. We also plan to use equity funding to support programs and activities associated with our National Energy Center of Excellence facility.

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| Change Group: A | Change Type: A | Change No: 3 | Priority: 1 |
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CAP ASSET BASE AND INCR - \$369,297

This provides an amount equal to the 2005-07 base funding (\$243,481) for extraordinary repairs, plus a proportionate share (\$125,816) of the \$4 million capital assets increase that is included by the NDUS in the base budget requests. The \$4 million increase is much lower than the total amount called for in the capital asset funding model (\$24.4 million), which is part of the NDUS long-term finance plan. The NDUS is currently funded at an average of 12.2% of the OMB building and infrastructure formulas (ranging from 5.8% to 20.6%), and outstanding deferred maintenance totals \$117.8 million for the NDUS.

A prioritized listing of extraordinary repair projects is included in the extraordinary repairs subschedule (because of OMB'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 \$100,000). All NDUS entities will be given the authority to allocate dollars to repair and replacement priorities for both deferred maintenance and regular repair and replacement projects as determined by each entity.

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|------------------------|-----------------------|---------------------|--------------------|
| Change Group: A | Change Type: A | Change No: 4 | Priority: 1 |
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2007-09 MAJ CAP PROJ - \$543,000

All details of the major capital projects are included in the Capital Assets subschedule.

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|------------------------|-----------------------|-----------------------|------------------|
| Change Group: A | Change Type: A | Change No: 100 | Priority: |
|------------------------|-----------------------|-----------------------|------------------|

OMB Deferred Maintenance - \$103,895

Executive Recommendation to fund outstanding deferred maintenance by \$103,895.

The outstanding deferred maintenance of the NDUS, based on recently updated campus master plans, totals \$117.8 million. A one-time infusion of \$10 million would be used to address this critically unfunded need. The campus's share of the \$10 million is (\$173,159), based upon a proportionate share of total outstanding deferred maintenance of the NDUS. The priority listing is only a best estimate at this time, and can easily change, due to unforeseen circumstances and emergencies. The use of these dollars will be left to the discretion of the institution to fund most critical deferred maintenance needs (with appropriate approvals by the SBHE where required for projects greater than \$100,000).

All projects included in the Optional Deferred Maintenance package are issues related to the health and safety of our staff and students. None of these projects will result in any long-term budget savings or efficiencies, but will result in creating an environment where health and safety issues are addressed.

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| Change Group: A | Change Type: A | Change No: 101 | Priority: |
|------------------------|-----------------------|-----------------------|------------------|

OMB Schafer Hall - \$543,000

Executive Recommendation for Schafer Hall renovation 1st floor for \$515,195 general fund and \$27,805 special funds.

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|------------------------|-----------------------|----------------------|---------------------|
| Change Group: O | Change Type: A | Change No: 30 | Priority: 10 |
|------------------------|-----------------------|----------------------|---------------------|

OPT DEF MNT INCR - \$173,159

The outstanding deferred maintenance of the NDUS, based on recently updated campus master plans, totals \$117.8 million. A one-time infusion of \$10 million would be used to address this critically unfunded need. The campus's share of the \$10 million is (\$173,159), based upon a proportionate share of total outstanding deferred maintenance of the NDUS. The priority listing is only a best estimate at this time, and can easily change, due to unforeseen circumstances and emergencies. The use of these dollars will be left to the discretion of the institution to fund most critical deferred maintenance needs (with appropriate approvals by the SBHE where required for projects greater than \$100,000).

All projects included in the Optional Deferred Maintenance package are issues related to the health and safety of our staff and students. None of these projects will result in any long-term budget savings or efficiencies, but will result in creating an environment where health and safety issues are addressed.