

HIGHER EDUCATION COMMITTEE - SUMMARY OF COMMITTEE FINDINGS

This memorandum provides an overview of selected findings of the 2017-18 interim Higher Education Committee.

STATUS OF THE UNIVERSITY SYSTEM Performance Indicators

The table below summarizes average freshman student retention rates at North Dakota University System institutions:

Freshman Retention Rates ¹					
	2013	2014	2015	2016	National Average 2016
2-year institutions	62%	66%	66%	65%	62%
4-year institutions	74%	77%	77%	81%	81%

¹Based on the number of freshman students who enrolled in an institution and re-enrolled at the same institution the following year.

The table below summarizes student graduation rates at University System institutions:

Student Graduation Rates ¹					
	2013	2014	2015	2016	National Average 2016
2-year institutions	41%	39%	43%	44%	24%
4-year institutions	51%	53%	51%	52%	59%

¹Based on 2-year institution students who entered college and graduated within 3 years, and on 4-year institution students who entered college and graduated within 6 years.

Student Debt

The table below summarizes student loan debt incurred by University System institution graduates:

Student Loan Debt of Graduates					
Year	2-Year College	4-Year University	Research University Undergraduate Degree	University System Average	National Average
2014	\$14,224	\$25,713	\$34,069	\$27,704	\$28,950
2015	\$14,215	\$25,042	\$32,931	\$27,034	\$30,100

Source: University System's *Student Affordability Report*.

Tuition and Fees

The table below summarizes information contained in the University System's *Student Affordability Report* regarding tuition and fee rates at system institutions compared to average tuition and fee rates at regional institutions.

Tuition and Fee Rates at University System Institutions Compared to Regional Averages									
	Research		Regional Master's		4-Year		2-Year		
	University System Average	Regional Average	University System Average	Regional Average	University System Average	Regional Average	University System Average	Regional Average	
2013-14	\$7,524	\$8,312	\$6,087	\$6,936	\$5,707	\$6,586	\$4,086	\$3,542	
2014-15	\$7,781	\$8,527	\$6,226	\$7,169	\$5,874	\$6,649	\$4,210	\$3,635	
2015-16	\$7,972	\$8,753	\$6,391	\$7,388	\$6,102	\$6,893	\$4,411	\$3,736	
2016-17	\$8,172	\$8,883	\$6,568	\$7,500	\$6,250	\$7,037	\$4,469	\$3,840	

NOTE: Regional states used in the comparison include Arizona, Colorado, Idaho, Minnesota, Montana, Nevada, New Mexico, Oregon, South Dakota, Utah, Washington, and Wyoming.

Room and Board Rates

The table below summarizes information contained in the University System's *Student Affordability Report* regarding room and board rates at University System institutions compared to room and board rates at regional institutions.

Room and Board Rates at University System Institutions Compared to Regional Averages								
	Research		Regional Master's		4-Year		2-Year	
	University System Average	Regional Average	University System Average	Regional Average	University System Average	Regional Average	University System Average	Regional Average
2013-14	\$6,944	\$8,843	\$5,467	\$7,471	\$5,413	\$7,162	\$5,940	\$5,773
2014-15	\$7,150	\$9,079	\$5,665	\$7,771	\$5,683	\$7,394	\$6,573	\$6,148
2015-16	\$7,369	\$9,327	\$6,008	\$7,810	\$6,128	\$7,535	\$7,201	\$6,471
2016-17	\$7,774	\$9,622	\$6,249	\$8,255	\$6,297	\$7,801	\$7,278	\$6,394

NOTE: Regional states used in the comparison include Arizona, Colorado, Idaho, Minnesota, Montana, Nevada, New Mexico, Oregon, South Dakota, Utah, Washington, and Wyoming.

North Dakota Career and Technical Education Scholarships and Academic Scholarships

The following schedule details the number of students who received an academic or CTE scholarship during the fall 2017 semester:

	Type of Institution Attended by Scholarship Recipients (Fall 2017 Semester)				
	2-Year Public or Tribal Institution	4-Year Public Institution	Public Research Institution	Private Institution	Total
Academic scholarship recipients	161	307	2,303	347	3,118
CTE scholarship recipients	379	352	904	173	1,808
Total	540	658	3,207	520	4,926

Open Educational Resources

Open educational resources (OER) are freely accessible learning materials that can be revised and redistributed for learning purposes. The following schedule details estimated student savings since 2015 as a result of institution use of OER.

Institution	Estimated Student Savings Since 2015
Bismarck State College	At least \$450,000
Dakota College at Bottineau	34,000
Dickinson State University ¹	
Lake Region State College	78,500
Mayville State University	935,500
Minot State University	130,000
North Dakota State College of Science	At least 158,000
North Dakota State University	At least 1,500,000
University of North Dakota	At least 6,000,000
Valley City State University	At least 1,000,000
Williston State College	150,000
Total	At least \$10,400,000

¹Dickinson State University does not track estimated student savings as a result of the use of OER.

Funding

The following table details information prepared by the State Higher Education Executive Officers Association regarding North Dakota higher education funding compared to national averages.

Higher Education Revenues Per Full-Time Equivalent (FTE) Student						
Year	Tuition Revenue		State Appropriations		Total	
	North Dakota	National Average	North Dakota	National Average	North Dakota	National Average
2000	\$3,789	\$3,829	\$7,805	\$9,281	\$11,594	\$13,110
North Dakota Rank	33		38		39	
2005	\$6,814	\$4,444	\$6,310	\$7,887	\$13,124	\$12,331
North Dakota Rank	10		42		26	
2010	\$7,579	\$5,093	\$7,943	\$7,506	\$15,522	\$12,599
North Dakota Rank	13		20		11	
2016	\$8,524	\$6,549	\$9,245	\$7,453	\$17,769	\$14,002
North Dakota Rank	18		8		8	
2017	\$8,774	\$6,572	\$9,552	\$7,642	\$18,326	\$14,214
North Dakota Rank	17		8		7	

NOTE: Funding amounts have been adjusted for inflation, cost of living, and other factors.

Distance education

The following schedule details headcount student enrollment at University System institutions by instructional mode for the fall 2018 semester:

	Distance Education	Face-to-Face On Campus	Unduplicated Total Headcount
Bismarck State College	2,426	2,078	3,778
Dakota College at Bottineau	746	522	996
Dickinson State University	563	1,079	1,392
Lake Region State College	1,820	411	2,072
Mayville State University	771	544	1,184
Minot State University	1,599	2,205	3,189
North Dakota State College of Science	2,228	1,438	2,957
North Dakota State University	6,414	12,884	13,796
University of North Dakota	6,536	10,316	13,847
Valley City State University	1,121	809	1,547
Williston State College	992	667	1,124
Total	25,216	32,953	45,882

Space Utilization

The following schedule details the utilization rates of classrooms and laboratories at University System institutions for the fall 2017 semester.

University System Institution Space Utilization Rates		
Institution	Classroom Utilization Rate ¹	Laboratory Utilization Rate ²
Bismarck State College	52.0%	100.0%
Dakota College at Bottineau	39.0%	37.0%
Dickinson State University	38.0%	45.0%
Lake Region State College	34.0%	Unavailable
Mayville State University	80.0%	102.0%
Minot State University	50.7%	37.1%
North Dakota State College of Science	45.4%	84.4%
North Dakota State University	73.8%	108.0%
University of North Dakota	51.4%	106.0%
Valley City State University	45.2%	50.8%
Williston State College	77.6%	82.0%

¹A 100 percent classroom utilization rate is based on the classroom being used 30 hours per week with student course enrollment of at least 80 percent of classroom seating capacity.

²A 100 percent laboratory utilization rate is based on the laboratory being used 20 hours per week with student course enrollment of at least 75 percent of laboratory capacity.

Employee Position Reductions

The University System reported institutions eliminated 661.5 FTE positions between January 1, 2016, and December 31, 2017, resulting in a cost savings of \$90.2 million for the 2017-19 biennium. The University System reported institution buyout costs relating to the employee position reductions totaled approximately \$7.9 million. The following schedules identify FTE position reductions by campus:

Job Band Group	Institution					
	Bismarck State College	Lake Region State College	Williston State College	University of North Dakota	School of Medicine and Health Sciences	North Dakota State University
Executive/Administrative	1.00	1.00	1.00	6.00	0.00	6.00
Administrative/Managerial	1.00	0.00	2.00	5.00	1.00	2.00
Academic	20.00	6.40	10.00	72.00	10.00	70.00
Professional	12.00	4.50	10.00	66.00	3.00	39.00
Technical/Paraprofessional	3.00	1.00	1.00	26.00	1.00	19.00
Office Support	9.00	2.00	0.00	32.00	5.00	18.00
Crafts/Trades	2.00	0.00	0.00	9.00	0.00	2.00
Services	4.00	1.00	1.00	15.00	0.00	2.00
Total FTE positions eliminated	52.00	15.90	25.00	231.00	20.00	158.00
Biennium cost-savings	\$6,753,124	\$1,075,133	\$2,964,790	\$35,663,750	\$5,692,991	\$18,225,736

Job Band Group	Institution						
	State College of Science	Dickinson State University	Mayville State University	Minot State University	Valley City State University	Dakota College at Bottineau	Total
Executive/Administrative	2.00	2.00	0.00	3.00	0.00	0.00	22.00
Administrative/Managerial	3.00	1.00	0.00	1.00	2.10	1.00	19.10
Academic	16.00	9.00	7.00	24.00	6.00	4.00	254.40
Professional	6.00	7.00	1.50	2.00	3.50	5.00	159.50
Technical/Paraprofessional	3.00	0.00	1.00	8.00	0.50	0.00	63.50
Office Support	5.00	1.00	1.00	7.00	3.00	2.00	85.00
Crafts/Trades	5.00	0.00	0.00	1.00	1.00	0.00	20.00
Services	3.00	0.00	1.00	8.00	1.00	2.00	38.00
Total FTE positions eliminated	43.00	20.00	11.50	54.00	17.10	14.00	661.50
Biennium cost-savings	\$6,035,055	\$2,345,190	\$1,480,175	\$7,112,535	\$1,502,581	\$1,312,952	\$90,164,012

The schedule below identifies the systemwide percentage distribution of FTE positions, reductions, and projected savings.

Job Band Group	January 1, 2016, FTE Position Distribution	Distribution of FTE Position Reductions	Distribution of Projected Cost-Savings
Executive/Administrative	3%	4%	8%
Administrative/Managerial	2%	3%	4%
Academic	43%	38%	41%
Professional	23%	25%	24%
Technical/Paraprofessional	10%	9%	7%
Office Support	8%	13%	9%
Crafts/Trades	3%	3%	3%
Services	8%	6%	4%

HIGHER EDUCATION FINANCES STUDY Institution Revenues

The University System reported institution funding sources include state funds, tuition and fees, grants and contracts, sales and services, auxiliary enterprises, and other sources. Fiscal year 2016 revenues by institution are listed in the following schedule (amounts in millions):

Institution	State Funds	Tuition and Fees	Grants and Contracts	Sales and Services	Auxiliary Enterprises	Other	Total
Bismarck State College	\$17.8	\$13.1	\$11.2	\$4.0	\$3.9	\$2.0	\$52.0
Dakota College at Bottineau	4.2	1.2	2.0	0.2	1.4	0.3	9.3
Lake Region State College	7.1	3.9	3.8	0.8	1.8	1.2	18.6
North Dakota State College of Science	19.8	7.7	5.2	3.5	8.5	1.5	46.2
Williston State College	6.0	0.7	3.3	2.9	2.2	3.3	18.4
Dickinson State University	12.8	6.1	2.5	0.7	2.6	1.6	26.3
Mayville State University	7.9	4.5	5.4	1.1	2.5	1.0	22.4
Minot State University	23.7	14.7	9.3	2.0	4.1	2.5	56.3
Valley City State University	11.4	6.1	2.2	0.8	3.0	0.5	24.0
North Dakota State University	128.7	114.6	70.5	33.9	44.1	24.8	416.6
University of North Dakota	113.1	138.0	92.2	55.0	35.6	17.8	451.7
Total	\$352.5	\$310.6	\$207.6	\$104.9	\$109.7	\$56.5	\$1,141.8

Legislative Appropriations

The following is a history of legislative appropriations for higher education since the 1997-99 biennium:

Biennium	General Fund	Special Funds	Total
1997-99	\$306,825,098	\$323,595,863	\$630,420,961
1999-2001	\$334,449,287	\$713,538,799	\$1,047,988,086
2001-03	\$366,953,836	\$80,367,201	\$447,321,037
2003-05	\$364,029,938	\$110,546,775	\$474,576,713
2005-07	\$387,157,893	\$178,552,108	\$565,710,001
2007-09	\$472,036,237	\$165,419,701	\$637,455,938
2009-11	\$593,355,047	\$202,764,364	\$796,119,411
2011-13	\$657,838,539	\$108,817,759	\$766,656,298

Biennium	General Fund	Special Funds	Total
2013-15	\$910,632,494	\$177,980,941	\$1,088,613,435
2015-17	\$837,849,212	\$66,644,264	\$904,493,476
2017-19	\$625,796,780	\$2,059,950,275	\$2,685,747,055

NOTE: The special funds amounts for the 1997-99 biennium reflect the appropriation of tuition income. The special funds amounts for the 1999-2001 and 2017-19 bienniums reflect the appropriation of tuition and local funds. The special funds amounts for the 2001-03 through 2015-17 bienniums include capital projects funding and money appropriated from state special funds.

The following is a summary of ongoing and one-time general fund appropriations for the University System since the 2007-09 biennium:

General Fund Appropriations			
Biennium	Ongoing Appropriations	One-Time Appropriations	Total
2007-09	\$443,654,169	\$28,382,068	\$472,036,237
2009-11	\$534,062,895	\$59,292,152	\$593,355,047
2011-13	\$606,525,437	\$51,313,102	\$657,838,539
2013-15	\$679,271,846	\$231,360,648	\$910,632,494
2015-17	\$681,876,059	\$155,973,153	\$837,849,212
2017-19	\$613,242,154	\$12,554,626	\$625,796,780

The University System reported the following preliminary funding formula calculations for the 2019-21 biennium:

Institution	2017-19 Biennium Base Budget	2019-21 Biennium Preliminary Funding Formula Calculation	Increase (Decrease)	
Bismarck State College	\$30,600,597	\$29,778,252	(\$822,345)	(2.7%)
Dakota College at Bottineau	7,652,945	7,419,422	(233,523)	(3.1%)
Lake Region State College	12,700,623	12,407,783	(292,840)	(2.3%)
North Dakota State College of Science	35,089,376	35,024,772	(64,604)	(0.2%)
Williston State College	8,360,503	9,649,723	1,289,220	15.4%
Dickinson State University	17,806,843	17,578,334	(228,509)	(1.3%)
Mayville State University	14,249,605	15,693,258	1,443,653	10.1%
Minot State University	39,750,979	37,450,061	(2,300,918)	(5.8%)
Valley City State University	20,429,502	20,211,528	(217,974)	(1.1%)
North Dakota State University	128,591,042	127,874,712	(716,330)	(0.6%)
University of North Dakota	191,944,182	198,528,171	6,583,989	3.4%
Total	\$507,176,197	\$511,616,016	\$4,439,819	0.9%

Campus Debt

Total long-term debt by campus is identified in the following schedule (amounts in millions):

Institution	June 30, 2015	June 30, 2016	June 30, 2017
Bismarck State College	\$12.62	\$11.96	\$11.14
Dakota College at Bottineau	0.04	0.06	0.07
Lake Region State College	4.53	4.16	3.79
North Dakota State College of Science	8.54	8.42	8.09
Williston State College	11.76	11.37	10.95
Dickinson State University	0.06	0.04	0.03
Mayville State University	10.12	9.44	8.58
Minot State University	16.70	12.88	12.56
Valley City State University	6.02	5.87	9.83
North Dakota State University	123.59	120.50	115.76
University of North Dakota	118.73	117.44	114.84
Total	\$312.71	\$302.14	\$295.64

Committee Considerations

The committee, through the Legislative Management Chairman, forwarded certain committee recommendations to State Board of Higher Education for consideration by the board. Recommendations to the board include:

1. Consider implementation of a direct admissions program.
2. Consider studying to determine whether student achievement measure (SAM) retention and completion data is more appropriate for University System institutions than integrated postsecondary education data system (IPEDS) data.

3. Consider reviewing distance education programs provided by University System institutions from a systemwide perspective.

Committee Recommendations

The committee recommends the following bill drafts:

1. A bill draft [19.0258.01000] to create a higher education funding formula review committee to study the funding formula during the 2019-20 interim.
2. A bill draft [19.0259.01000] to extend the expiration date of Section 15-18.2-06, which establishes a minimum amount payable to an institution through the higher education funding formula, through June 30, 2021.
3. A bill draft [19.0261.01000] to increase the maximum grant award and funding available for the student financial assistance grant program.

The committee made certain recommendations to the 2019 Legislative Assembly without bill drafts, including:

1. Continue the higher education challenge matching grant program.
2. Continue the requirement for \$2 of matching funds from operations or other sources for each \$1 of extraordinary repairs funding used for a project.