

MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION
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ROLL NUMBER

DESCRIPTION

1521

2007 HOUSE APPROPRIATIONS

HB 1521

2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. HB 1521

House Appropriations Committee
Education and Environment Division

Check here for Conference Committee

Hearing Date: January ~~24~~, 2007

Recorder Job Number: 1621

Committee Clerk Signature

Shirley Branning

Minutes:

Chairman Wald: opened the hearing on HB 1521, a bill introduced by Representative Scot Kelsh to prohibit increases in tuition.

Representative Scot Kelsh (See attached handout 1-HB 1521) testified in favor of HB 1521 proposed to slow the speed of tuition increases. He stated that the tuition increases have doubled in the past 7 years.

Representative Martinson: This bill seems to be unnecessary because every institution's president and the Board office have testified that if we give them all of the money that is in the Governor's budget, they will not raise tuition beyond 5%.

Representative Kelsh: This will freeze tuition for 2 years.

Representative Martinson: It says that it may not increase tuition beyond the level now, which means they could still keep it at the same level. They could still raise it at the same level as they have now.

Kelsh: The intention of the bill is to keep tuition rates where they are right now, no increase for 2 years.

Representative Aarsvold: How would the \$20 million be distributed to the several campuses in return for the tuition freeze?

Representative Kelsh: That would be done through the board of higher ed.

Representative Aarsvold: So the campuses would share what they thought their increase would be to cover expenses and the board would allocate amounts to the campuses.

Representative Kelsh: Yes

Representative Aarsvold: Is the \$20 million adequate to cover that?

Kelsh: The BHE thought this is a ball park figure.

Chairman Wald: Do you have any studies from neighboring states to compare tuition costs.

Many students from neighboring states say they come here because it is a bargain.

Kelsh: I understand that we are mid to high in the region and with the increases in the past few years we are starting to price some students out.

Adam Little: (See attached handout 2-HB 1521) part-time lobbyist for the ND Student Association testified in opposition to HB 1521. A tuition freeze is not the best use of the state's resources.

Representative Klein: What is your Major?

Little: Biotechnology, political science and Spanish, a triple major and graduating in the spring of 2008 with 5 years.

Representative Aarsvold: We have heard from campus officials that the employment that students require to pay their bills is impacting on their enthusiasm for class work. You say you are working 32 hours a week. Does that affect your studies and your grades?

Little: I do believe it does, it is my choice to work that much because I am paying for most of my education. It provides good experience for me in managing different parts of my life. I do believe it has a slightly negative impact on my education.

Eddie Dunn: (See attached handout 3-HB 1521) Chancellor of the North Dakota University System supports HB 1521 because the high cost is making it difficult for college students to attend full time. The University System is requesting the appropriation in Section 2 of HB 1521 be increased from \$20 million to \$25.5 million. This is the estimate of the amount of revenue which would be generated by a 5% per year tuition increase in 2007-09.

Representative Gulleson This bill and others are here because of the escalation of previous years tuition increases. It may be beneficial on the attraction side for students, as well. Have you thought through that from the Chancellor's and the Board's perspective?

Dunn: It is the understanding of the board that it is important to send a message to the students that cost is extremely critical – keeping tuition lower to make it affordable to all students. Bringing a stop a stop to unreasonable increases in tuition.

Representative Aarsvold: Two year campuses have the most glaring problem. Other states are cited for their community support. Here we have nothing locally to monetarily support campuses.

Dunn: I've visited community colleges. In ND laws prevent mill levies for educational institutions.

Laura Glatt: When the 3 institutions were brought into the university system in 1980, they took a loss of funding and higher tuition. This problem was never corrected. The decision was made to give up local control.

Vice Chairman Monson You talked about \$63 million increase. I just went through 1003 and added up about \$80 some million.

Glatt: Yes, you are exactly correct. When you look at the total increase of the university budget, the total is \$80 million. The \$63 million we are talking about is the base funding portion.

Vice Chairman Monson: In your testimony you're saying it is not going to be \$20 million but it is increased to \$25.5 million. So if you got all that you want in 2003 plus this one tacked on, you're looking at over \$100 million.

Dunn: The understanding is that the \$25.5 million would be to replace or offset the tuition loss. It would be a part of that base funding; it would not be on top of it.

Vice Chairman Monson: We would be taking special funds and switching it over to state general funds, so we are looking at \$105 or \$106 million of state funding and then we just drop the special funding down by \$25.5.

Dunn: The intention of the bill is to shift the burden of a tuition increase to the general fund.

Chairman Wald: The Board of Higher Education Office (BHE) has the authority to introduce legislation, so why, if more is needed, didn't the board introduce legislation rather than to have individual sponsors?

Dunn: When the budget was submitted it was on the assumption that there would be no increase in tuition.

Chairman Wald: If HB 1521 is not passed, we fall below the 21%

Dunn: True

Vice Chairman Monson: If 1521 passes with the appropriation, you've exceeded 21% because you've reduced special funding and increased state funding. This means there is a higher percentage of state funding.

Glatt: The 21% target for the university system is based on state general fund appropriation.

Chairman Wald: If we make no changes in 1003 you are at 21%.

Glatt: No, we will not be at 21%, but if you pass this bill, I am not sure it would push us over 21%. When the budget was built, we estimated that it would take \$63 million to get us to 21%. The new revenue forecast came in much higher than what we projected. If you were to fund 1003 at \$63 million we would be lucky if we stay where we are today, which is at 19.5%.

Vice Chairman Monson: What is magic about 21%?

Dunn: The Roundtable wants higher education to play a much larger roll in the growth of the economy. And specifically asked the University System to take on a dual mission, education and help grow the economy in ND and higher ed would be rewarded according for helping expand the economy. The consultant, Dennis Jones, said the current amount was 21% in general fund as a reference point.

Vice Chairman Monson: The private sector discussion of 21%, was any discussion ever brought up about all the millions of dollars that we've pumped in the Centers of Excellence.

Dunn: Yes, partnerships, and the like are recognized as economic development issues. Base funding is invested in the core functions institution that benefits the students/

Representative Aarsvold: Do the Centers of Excellence (CE) somehow distort the dollars to the campuses? It seems that the research institutions have a better opportunity to take advantage of Centers of Excellence.

Dunn: Yes, if the criteria to be used by the CE are to have an impact on the community, the larger institutions benefit their communities. Every institution has an opportunity to receive reasonable funding for CE, not left to just the best of the best.

Representative Aarsvold: There are preexisting relationships with companies that give them a unique advantage.

Dunn: yes, discussions between higher education and the Department of Commerce, was the question of whether there should be separate categories. They put in the 9 criteria that get at the goal of the CE to create private sector jobs.

Representative Martinson: The 21% has nothing to do with the quality of education for our students. What type of education are we providing? If we increase our state general fund spending of \$100 million you would want a \$21 million increase without saying we could produce more rocket scientists. What if we decrease general fund spending, than are you will to take a cut proportionately? I doubt that. You talk about the private sector; half of them don't show up at the Round Table discussions. How many got together to decide the 21%? It would be nice to have board members here once in a while, to have discussion?

Dunn: Eleven of the private sector people, out of 17 did attend and they submitted their report with their recommendations to the rest of the 17 and asked them if they agree. The outcome is to be specific and realistic about requests – to protect the core funds of the institutions.

Chairman Wald: The peer institutions concept is phony and the comparisons are aggravating. It would be more realistic to compare to Minot or Dickinson.

Dunn: Peer model compares like institutions rather than unlike institutions.

Chairman Wald: Mr., Dunn, on paragraph 4 of your testimony states that educational excellence originates in the instructional component of the budget and is primarily supported through tuition income and state general fund appropriations. Educational excellence is really what we are talking about. Our young people are here because they are concerned with the type of instruction delivered in the classroom. We need to turn the corner and focus less on CE and all the peripheral stuff. The Roundtable is starting to get to me, too. The main mission is what colleges are supposed to be.

Representative Hawken: We have done a number of the things you are talking about as a legislative body. We need to be looking further ahead, but the Peer Institution basically came from the legislature and we reaffirmed it last session with \$25,000 with a report that was worthless, and not replaced. We share the blame for the peer institutions. We need to be careful, the flexibility we provide, and as we were cutting their funding has brought in dollars. This has given us the surplus that we have now, as part of the engine that made it possible. I am hearing no that we need to pull back, we can do that but we need to feel out the details. If we start to micromanage, we will pay for it. We won't have to worry about funding these universities because we won't have them all.

Vice Chairman Monson: I am disheartened by the legislature getting blamed for the increases in tuition and I see that increases started with the Roundtable. I don't see it as the legislature's fault.

Glatt: When the Roundtable was formed increases in tuition were seen, but that was also the same time frame when appropriations for higher education started going down. When the Roundtable was first formed we were at 21% of the budget, now we are at 19.5%. Tuition and the general fund finance the institutions. About 95%-100% of the appropriations are specifically appropriated by institutions. The board cannot constitutionally move those moneys between institutions. The details by line are there to tell you where the money will go. Referring to Representative Martinson's statement, you want to put your stake in the ground on 21% but if the budget goes down, are we willing to take our share of that cut? Yes! That's the deal, we share in the good times and we share in the bad times.

Representative Martinson: Make sure that is on the record.

Representative Hawken: Requests a visual to show the correlation.

Glatt: A new funding model was requested in the 80's that does not compare these institutions that are dissimilar.

Representative Martinson: The consultant said she couldn't give us a different model because Connect ND doesn't work.

Little: Responding to some of the comments, stated that 1003 is about education of students. Some of the needs are to keep salaries competitive to attract best teachers and better facilities. Student debt is going higher and higher and from the Student Association perspective, if you take that \$25.5 million and put it into the general fund, that will raise it up the 21%. But that will lower the income from the students.

Representative Gulleson: From a student perspective, don't you see a value in using some of the one time money to put a hold on the current tuition increases?

Little: We have to continue to grow these institutions by upgrading the facilities; increases in tuition are needed to keep up with inflation.

Representative Gulleson: Disagrees and is surprised that as a student he wouldn't want this bill to pass.

Chairman Wald: If there are no further comments or questions this meeting is closed.

2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. HB 1521

House Appropriations Committee
Education and Environment Division

Check here for Conference Committee

Hearing Date: January 24, 2007

Recorder Job Number: 1741

Committee Clerk Signature

Shirley Branning

Minutes:

Chairman Wald Call for a motion on HB 1521, a bill to prohibit increases in tuition.

Representative Klein: Move a Do Not Pass.

Representative Hawken: Second the motion. Working on 1003, should we be doing 1003 on this on at the same time because they are part of the same issue?

Representative Martinson: This might be a good time to talk about caps, not to raise tuition above the 3% consumer price index.

Representative Aarsvold: My concern is that the base funding might not be adequate to do that kind of inflator.

Representative Hawken: We are not going to put much money into the base if we are going to do the one time spending. If we put it into the base, a cap would be more logical. I would hesitate to put a cap on at this point.

Representative Martinson: This is a huge issue from students and I don't believe or trust the board. They said if we don't put the \$10m in they are going to raise tuition above 5%. If we don't believe it, we should cap it.

Chairman Wald: I agree with Representatives Martinson and Hawken. We are a long way from forming out 1003 and we will have to make some adjustments.

Representative Gulleson: I would like to look at that amendment and have it in consideration on 1003 because we need to express to the students that we are going to do something as a body to hold down tuition.

Chairman Wald: There is another bill being proposed by Rep. Carlson to put a cap of 3% on student loans. The hit to the State Bank will be in the neighborhood of a 6-8% decrease.

Vice Chairman Monson: I am not interested in putting in another \$20m. The question is how to curb the inflation of tuition and this is not a bad idea, but not at accost of \$20-20.5m into it through this bill.

Representative Aarsvold: I am going to vote for the bill, against the "Do Not Pass". I think we have to send a message to the students.

Chairman Wald: Clerk will call the roll on a Do Not Pass on HB 1521.

Vote: 5 yes, 2 no, 0 absent.

Carrier: Representative Monson

Hearing closed on HB 1521

2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. HB 1521

House Appropriations Committee

Check here for Conference Committee

Hearing Date: January 29, 2007

Recorder Job Number: 2091

Committee Clerk Signature

Holly N. Sand

Minutes:

Chm. Svedjan opened the hearing on HB 1521.

Rep. Monson described HB 1521 as a bill that would freeze the tuition for two years for students in higher education universities and colleges. Higher Ed said they need \$25.5 million to make this bill work. We heard testimony from students that it would be more appropriate to have a slower rate of growth that's more steady to keep out the peaks and valleys. When we heard that and reviewed the Fiscal Note of \$25.5 million we decided by a vote of 5-2 to give this bill a Do Not Pass. We hope the Committee will back us.

Chm. Svedjan pointed out that two documents were left at the Committee members' desks: "2006-2007 Annual Tuition and Fee Summary" and "Higher Education – Resident Tuition Rate Comparison."

Rep. Wald motioned for a Do Not Pass to HB 1521. **Rep. Klein** seconded the motion.

Rep. Glassheim: There have been double digit tuition increases over the last two bienniums. Seems to me a good deal of money was being used to increase faculty salaries which are needed, partly because the state has not increased fast enough. It

seems we could say no tuition increases for one biennium. It would be good for recruitment, good for ND families and it's good for Higher Ed. I would resist the Do Not Pass.

Rep. Monson: We did hear testimony from Higher Ed that if they get the Governor's proposed budget increases would limit the tuition for the next two years at five percent or less. We felt five percent was reasonable.

Rep. Ekstrom: Students are very upset about Connect ND issue. Students tell me they leave school with up to \$50,000 in debt. We're driving students out of the state. I resist the Do Not Pass.

Rep. Skarphol: This bill is discriminatory. It benefits only students still in school. If we really want to do something about the cost of higher education to our students, we need to do something about all students. Students do not always use the funds they borrow properly. The wishes of the Committee are correct.

Rep. Nelson: Was there any discussion as to gearing this down to reduce the Fiscal Note?

Rep. Monson: No amendment was put forth to that effect. The Governor's budget is aggressive. To add to it is excessive.

Rep. Kempenich spoke in support of Do Not Pass.

Rep. Aarsvold: North Dakota students graduate with third highest debt load in the country. Given per family income, we are a very expensive state for education. Students' academic work suffers because they have to work to pay tuition.

Rep. Glassheim: The debt load is driving graduates elsewhere for higher paying jobs. A freeze for two years would be in order.

Chm. Svedjan: The idea has merit. The issue is bigger than tuition and I don't think any one bill can solve it. Another consideration would be to help Higher Education be more productive. – and I don't mean this to be negative. We have to help figure out how we can help get more students into the system and have them in for shorter periods of time and get them out to be productive. How can we better utilize our system of institutions to maximize the use of them? There is no forum to discuss Higher Education policy in the legislature. I've asked the Education Section to consider is to develop language to be put in the Higher Education budget bill relating to productivity in Higher Education. Chm. Svedjan gave an analogy to healthcare.

The motion for a Do Not Pass passed by a roll call vote of 14 yeas, 9 nays and 1 absent and not voting. Rep. Monson was designated to carry the bill.

FISCAL NOTE
 Requested by Legislative Council
 01/18/2007

Bill/Resolution No.: HB 1521

1A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2005-2007 Biennium		2007-2009 Biennium		2009-2011 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues				(\$25,500,000)		(\$25,500,000)
Expenditures						
Appropriations			\$25,500,000		\$25,500,000	

1B. **County, city, and school district fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

2005-2007 Biennium			2007-2009 Biennium			2009-2011 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

2A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

Freezes tuition at Spring 2007 rates and provides an appropriation to cover lost tuition revenue.

B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

07-09 budget request was based on no more than 5% annual tuition rate increases. A five percent annual tuition rate increase generates \$25.5 million in additional revenues for the NDUS in 07-09, which would be lost under the provisions of the bill.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

\$25.5 million in lost tuition revenues if tuition is frozen at current levels. This is the amount an annual five percent tuition increase generates.

B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation is also included in the executive budget or relates to a continuing appropriation.*

The lost tuition revenues of \$25.5 million would need to be offset with increased state general fund appropriations of \$25.5 million to cover 07-09 cost increases. In addition, state base funding in HB1003 would need to increase by \$8.120 million and in HB1019 by \$2.7 million to achieve the appropriate base state funding level for the NDUS.

Name:	Laura Glatt	Agency:	North Dakota University System
Phone Number:	701-328-4116	Date Prepared:	01/22/2007

**2007 HOUSE STANDING COMMITTEE ROLL CALL VOTES
 BILL/RESOLUTION NO. 1521**

House Appropriations Full Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Not Pass

Motion Made By Wald Seconded By Klein

Representatives	Yes	No	Representatives	Yes	No
Chairman Svedjan	✓				
Vice Chairman Kempenich	✓				
Representative Wald	✓		Representative Aarsvold		✓
Representative Monson	✓		Representative Gulleon		✓
Representative Hawken	✓				
Representative Klein	✓				
Representative Martinson	✓				
Representative Carlson	✓		Representative Glassheim		✓
Representative Carlisle	✓		Representative Kroeber		✓
Representative Skarphol	✓		Representative Williams		✓
Representative Thoreson	✓				
Representative Pollert	✓		Representative Ekstrom		✓
Representative Bellew	✓	✓	Representative Kerzman		✓
Representative Kreidt	✓		Representative Metcalf		✓
Representative Nelson	✓				
Representative Wieland	✓				

Total (Yes) 14 No 9

Absent 1

Floor Assignment Monson

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE (410)
January 30, 2007 9:25 a.m.

Module No: HR-19-1494
Carrier: Monson
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

HB 1521: Appropriations Committee (Rep. Svedjan, Chairman) recommends DO NOT PASS (14 YEAS, 9 NAYS, 1 ABSENT AND NOT VOTING). HB 1521 was placed on the Eleventh order on the calendar.

2007 TESTIMONY

HB 1521

HIGHER EDUCATION - RESIDENT TUITION RATE COMPARISON

The following is a summary of resident undergraduate tuition and required fees for North Dakota higher education institutions compared to the regional average for the 2005-06 academic year:

Doctoral institutions	
North Dakota average	\$5,295
North Dakota State University	
University of North Dakota	
Regional average ¹	\$5,620
North Dakota average over (under) regional average	(\$325)
Master degree granting institutions	
North Dakota average	\$4,092
Minot State University	
Regional average	\$4,368
North Dakota average over (under) regional average	(\$276)
Other four-year institutions	
North Dakota average	\$4,091
Dickinson State University	
Mayville State University	
Valley City State University	
Regional average	\$4,063
North Dakota average over (under) regional average	\$28
Two-year institutions	
North Dakota average	\$3,202
Bismarck State College	
Lake Region State College	
Minot State University - Bottineau	
State College of Science	
Williston State College	
Regional average	\$2,713
North Dakota average over (under) regional average	\$489
¹ The regional average includes Colorado, Iowa, Kansas, Minnesota, Missouri, Montana, Nebraska, Oklahoma, South Dakota, Wisconsin, and Wyoming.	
NOTE: Additional information regarding North Dakota tuition and fees compared to the regional average as included in the <i>6th Annual Accountability Measures Report</i> prepared by the North Dakota University System in December 2006 is attached as an appendix.	

ATTACH:1

Tuition and Fees Compared to the Regional Average

Measure AS2

(Legis. 4.a.)

Tuition and fees on a per-student basis compared to the regional average

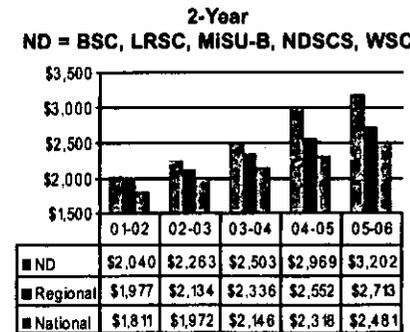
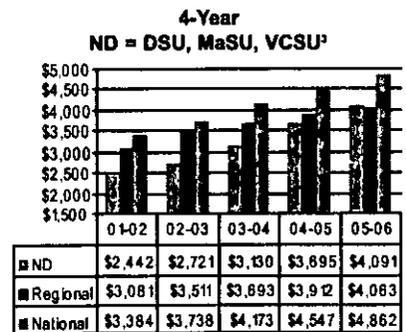
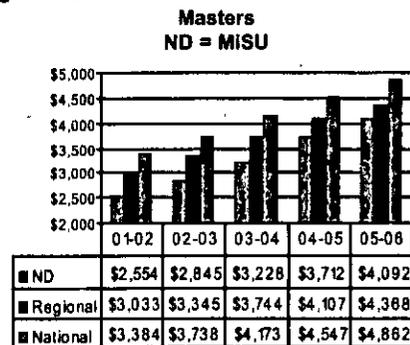
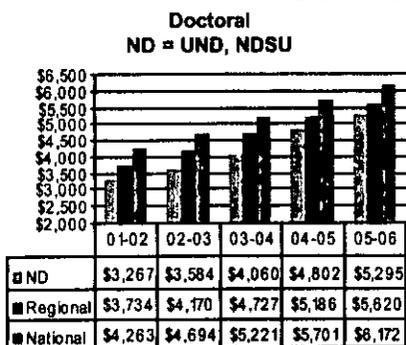
About This Measure

The FY 2005–06 average resident undergraduate tuition and required fees at UND and NDSU were \$325 (6 percent) less than the regional average and \$877 (14 percent) less than the national average. MiSU's tuition and fees were \$276 (6 percent) less than the regional average and \$770 (16 percent) less than the national average. Rates at DSU, MaSU and VCSU were about the same as their regional counterparts, but were less than the national average by \$771 (16 percent).

Tuition and fees at the two-year colleges are higher than the regional average by \$489 (18 percent) and higher than the national average by \$721 (29 percent). Regional two-year college rates have increased 55 percent during the past seven years, while North Dakota two-year college rates have increased 68 percent during the same period.

Resident Undergraduate Tuition and Required Fees: A Regional and National Comparison^{1,2}

FY 2001–02 through FY 2005–06



How do tuition and fees at North Dakota's public institutions compare to those of other states?

Tuition and fees at UND, NDSU and MiSU were less than their regional counterparts. The average rates at the four-year universities were about the same as their regional counterparts, and the average two-year college rate was more than the regional average.

¹For tuition purposes, 45 quarter hours or 30 semester hours per academic year equals full-time undergraduate student status.

²Regional average includes CO, IA, KS, MN, MO, MT, NE, OK, SD, WI and WY.

³Excludes \$854 at MaSU and \$901.75 at VCSU for annual laptop computer and other related fees.

Data Source: 2005–06 Tuition and Fee Rates: A National Comparison, Washington State Higher Education Coordinating Board; and NDUS Institutional Charges Schedule.

2006-07 Annual Tuition and Fee Summary Contiguous States

State	Classification	Campus	Annual Tuition	Mandatory Fees	Total
MN	Comprehensive I	Bemidji State	\$5,500.00	\$770.00	\$6,270.00
MN	Comprehensive I	MSU-Mankato	\$5,104.00	\$736.00	\$5,840.00
MN	Baccalaureate II	Metropolitan State University	\$4,830.00	\$252.90	\$5,082.90
MN	Comprehensive I	MSU-Moorhead	\$5,402.70	\$832.90	\$6,235.60
MN	Comprehensive I	St. Cloud State University	*	*	\$5,722.00
MN	Baccalaureate II	Southwest State University	\$5,400.00	\$840.00	\$6,240.00
MN	Comprehensive I	UM-Duluth	*	*	\$8,932.00
MN	Baccalaureate I	UM-Morris	\$8,720.00	\$1,592.00	\$10,312.00
MN	Research I	UM-Twin Cities	*	*	\$9,609.00
MN	Comprehensive I	Winona State University	\$5,180.00	\$770.00	\$5,950.00
MN	Associate	UM-Crookston	\$7,200.00	\$368.00	\$7,568.00
MN	Two-year campus	Alexandria Technical College	\$3,810.00	\$354.00	\$4,164.00
MN	Two-year campus	Anoka-Ramsey Community College	\$3,390.00	\$414.30	\$3,804.30
MN	Two-year campus	Anoka Technical College	\$4,042.50	\$421.80	\$4,464.30
MN	Two-year campus	Central Lakes College	\$3,760.00	\$478.00	\$4,238.00
MN	Two-year campus	Century College	\$3,810.00	\$433.80	\$4,243.80
MN	Two-year campus	Dakota County Technical College	\$4,081.80	\$504.00	\$4,585.80
MN	Two-year campus	Fond du Lac Tribal and Community College	\$3,764.00	\$451.00	\$4,215.00
MN	Two-year campus	Hennepin Technical College	\$3,765.00	\$182.00	\$3,947.00
MN	Two-year campus	Hibbing Community College	\$3,777.90	\$474.30	\$4,252.20
MN	Two-year campus	Inver Hills Community College	\$3,962.10	\$405.90	\$4,368.00
MN	Two-year campus	Itasca Community College	\$3,844.00	\$459.00	\$4,303.00
MN	Two-year campus	Lake Superior College	\$3,450.00	\$249.00	\$3,699.00
MN	Two-year campus	Mesabi Range Community & Technical College	\$3,779.00	\$474.00	\$4,253.00
MN	Two-year campus	Minneapolis Community & Technical College	\$3,923.00	\$362.00	\$4,285.00
MN	Two-year campus	Minnesota State College-Southeast Technical	\$3,994.20	\$357.00	\$4,351.20

*Tuition fee information provided in a lump sum total.

NOTE: When information on fees/credit was reported rather than a semester fee the amounts shown were calculated using 15 credits/semester.

Attachment A

2006-07 Annual Tuition and Fee Summary Contiguous States

State	Classification	Campus	Annual Tuition	Mandatory Fees	Total
MN	Two-year campus	MN State Community & Tech-Fergus Falls	\$3,990.00	\$341.00	\$4,331.00
MN	Two-year campus	MN West Community and Technical College	\$4,085.40	\$375.30	\$4,460.70
MN	Two-year campus	Normandale Community College	\$3,866.00	\$452.00	\$4,318.00
MN	Two-year campus	North Hennepin Community College	\$3,948.00	\$309.00	\$4,257.00
MN	Two-year campus	Northland Community and Technical College	\$4,170.00	\$420.00	\$4,590.00
MN	Two-year campus	Northwest Technical College	\$4,225.50	\$264.00	\$4,489.50
MN	Two-year campus	Pine Technical College	\$3,645.00	\$426.00	\$4,071.00
MN	Two-year campus	Rainy River Community College	\$3,815.00	\$510.00	\$4,325.00
MN	Two-year campus	Ridgewater College	\$3,895.50	\$459.30	\$4,354.80
MN	Two-year campus	Riverland Community College	\$3,915.00	\$511.80	\$4,426.80
MN	Two-year campus	Rochester Community and Technical College	\$3,930.00	\$568.00	\$4,498.00
MN	Two-year campus	St. Cloud Technical College	\$3,898.80	\$403.50	\$4,302.30
MN	Two-year campus	St. Paul College, Community & Tech College	\$3,835.50	\$298.80	\$4,134.30
MN	Two-year campus	South Central College	\$3,823.50	\$399.30	\$4,222.80
MN	Two-year campus	Vermilion Community College	\$3,863.00	\$504.00	\$4,367.00
MT	Comprehensive I	MSU-Billings	*	*	\$5,055.00
MT	Comprehensive II	MT Tech of the Univ of Montana	\$5,604.52	\$200.00	\$5,804.52
MT	Doctoral II	MSU-Bozeman	*	*	\$5,730.00
MT	Comprehensive I	MSU-Northern	*	*	\$4,317.68
MT	Doctoral II	University of Montana-Missoula	*	*	\$5,136.00
MT	Baccalaureate II	Western Montana College of the U of MT (2005-06 data-unable to find 2006-07 on website)	\$2,678.40	\$745.00	\$3,423.40
MT	Two-year campus	Dawson Community College	\$1,331.00	\$1,092.00	\$2,423.00
MT	Two-year campus	Flathead Valley Community College	*	*	\$2,544.30
MT	Two-year campus	Miles Community College (2005-06 data-unable to find 2006-07 on website)	*	*	\$2,835.00

*Tuition fee information provided in a lump sum total.

NOTE: When information on fees/credit was reported rather than a semester fee the amounts shown were calculated using 15 credits/semester.

2006-07 Annual Tuition and Fee Summary Contiguous States

State	Classification	Campus	Annual Tuition	Mandatory Fees	Total
SD	Baccalaureate II	Black Hills State University	*	*	\$5,001.00
SD	Baccalaureate II	Dakota State University	*	*	\$5,059.50
SD	Comprehensive I	Northern State University	\$2,540.00	\$2,752.00	\$5,292.00
SD	Specialized/Engineering	SD School of Mines & Tech	*	*	\$5,330.00
SD	Comprehensive I	SD State University	\$2,528.00	\$2,144.00	\$4,672.00
SD	Doctoral II	University of SD	\$2,540.80	\$2,868.80	\$5,409.60
ND	Doctoral II	University of North Dakota	\$4,786.00	\$1,006.00	\$5,792.00
ND	Doctoral II	North Dakota State University	\$4,774.00	\$947.72	\$5,721.72
ND	Baccalaureate II	Dickinson State University	\$3,646.00	\$824.72	\$4,470.72
ND	Baccalaureate II	Maville State University	\$3,614.00	\$1,642.72	\$5,256.72
ND	Baccalaureate II	Valley City State University	\$3,753.00	\$1,553.47	\$5,306.47
ND	Two-year campus	Bismarck State College	\$3,051.60	\$568.84	\$3,620.44
ND	Two-year campus	Lake Region State College	\$2,780.00	\$782.72	\$3,562.72
ND	Two-year campus	North Dakota State College of Science	\$3,054.00	\$450.16	\$3,504.16
ND	Two-year campus	Minot State University-Boitneau	\$2,830.00	\$626.72	\$3,456.72
ND	Two-year campus	Williston State College	\$2,739.60	\$691.30	\$3,430.90

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*Tuition fee information provided in a lump sum total.

NOTE: When information on fees/credit was reported rather than a semester fee the amounts shown were calculated using 15 credits/semester.

January 23, 2007
Handout #2
HB 1521

**Testimony to House Appropriations Education and
Environment Division
on HB1521**

**by Chancellor Eddie Dunn
North Dakota University System**

JANUARY 23, 2007

Chairman Wald and members of the House Appropriations Education and Environment Division. For the record, I am Eddie Dunn, Chancellor of the North Dakota University System.

The North Dakota University System supports thoughtful measures that will limit tuition rate increases for students and, therefore, is supportive of HB1521. Although NDUS tuition rates are still lower than the regional and national average for all of the four-year universities in North Dakota, the gap has narrowed significantly in recent years. In addition, tuition at the two-year colleges in North Dakota continues to exceed both regional and national averages.

Increasing tuition rates, coupled with limited state need-based financial aid, is making it more difficult for students to attend college on a full-time basis. It is also extending time-to-degree and creating substantial student debt at the time of graduation.

The University System appreciates the bill sponsors including an appropriation to offset the revenues which would be lost as a result of freezing tuition during the 2007-09 biennium. This consideration is critical since one of the core functions of the colleges and universities, and also one of the cornerstones established by the Roundtable on Higher Education, is an expectation that the NDUS institutions will assure educational excellence. Educational excellence originates in the instructional component of the budget and is primarily supported through two revenue sources: state general fund appropriations and tuition income. It is through increases in tuition income that students are picking up an increasing portion of the cost of higher education.

In supporting HB1521, it is important to mention that the 2007-09 NDUS budget request was built on two major assumptions:

1. The NDUS budget would be restored to a minimum of 21% of the state general fund, as recommended by the private sector members of the Roundtable on Higher Education. At the time the NDUS budget was submitted, it was estimated that an increase in base funding of \$63 million was needed to accomplish this goal.

2. The second assumption was, if the \$63 million increase in base funding was achieved, the NDUS would limit tuition rate increases to no more than five percent per year. The point is, assumptions one and two are inter-dependent.

Since the original bill was submitted, which showed an estimated impact of \$20 million, a more thorough analysis of the impact was conducted revealing the expected impact to be \$25,500,000. Therefore, the University System is requesting the appropriation in Section 2 of HB1521 be increased from \$20 million to \$25,500,000. This is the estimate of the amount of revenue which would be generated by a 5% per year tuition increase in 2007-09. It is important that the funds appropriated to replace the lost tuition revenues become part of the NDUS funding base since these funds are committed to base expenditures.

It is also requested, as explained during the appropriation hearings on January 12, that \$8.120 million in one-time funding be shifted to base funding in HB1003 (the NDUS appropriation bill) and that the \$2.7 million increase requested in HB1019 (Career and Technical Education appropriation bill) for workforce training also be included in the base funding. These adjustments will help bring base funding in the 2007-09 biennium to the \$63 million originally requested by the SBHE and is consistent with the balanced state/tuition spending plan originally submitted as part of the SBHE funding request.

Thank you. I will be happy to answer any questions.

	2005-07 Adjusted Appropriation	2007-09 Executive Recommendation	2007-09 Increase from Adjusted Approp	Percentage Increase
BSC	\$243,481	\$473,192	\$229,711	94.3%
LRSC	\$43,662	\$125,604	\$81,942	187.7%
WSC	\$86,475	\$157,198	\$70,723	81.8%
UND	\$2,300,545	\$5,928,876	\$3,628,331	157.7%
NDSU	\$1,692,226	\$4,209,162	\$2,516,936	148.7%
NDSCS	\$753,332	\$1,386,445	\$633,113	84.0%
DSU	\$383,690	\$1,018,763	\$635,073	165.5%
MASU	\$208,994	\$1,946,930	\$1,737,936	831.6%
MISU	\$596,870	\$1,452,744	\$855,874	143.4%
VCSU	\$258,416	\$796,235	\$537,819	208.1%
MISU-BC	\$109,725	\$158,702	\$48,977	44.6%
Forest Service	\$36,638	\$60,204	\$23,566	64.3%
Main Station (Includes Branch Stations)	\$740,465	\$840,465	\$100,000	13.5%

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ADD 100,000 TO ONE TIME DEFERRED MAINT.

January 23 2007
standout # 7
HB 1521

North Dakota Student Association
HB-1401 House Appropriations-Education
January 23rd, 2007

Good morning Mr Chairman, members of the Committee, my name is Adam Little and I am the part time lobbyist for the North Dakota Student Association (NDSA).

As a student who worked an average of 32 hours per week during 2006 so that I can pay for a very large majority of my own education, I can certainly appreciate the concept of a tuition freeze. This would equivocate to about 280 dollars over the next year that I could put towards other expenses, or 280 dollars less in loans that I would have to take out. For students who aren't graduating in a year, that's 854 dollars for the next biennium.

A tuition freeze sounds awesome. You probably aren't expecting this from a student, but I'm not sure it's the best use of the state's resources, so please hear me out, I'd like to apply a little bit of the education I've been paying for these past 4 years. If we freeze tuition at current levels, we need to make sure to fund the universities for the difference, because if we do not adequately fund the difference lost from not increasing tuition, one of two things will happen. Programs will get cut and our education's may suffer, or the universities will have to find other ways to fund this, such as fees. Both situations will only hurt current students and will be a negative image for our university system.

I've thought long and hard about what exactly to say here, but the easiest way I can explain it is the motto that we follow in NDSU student government "Leave the university better than you found it". If we freeze tuition now, even with adequate funding, we have no idea what the future may hold, and we may have to catch up that lost income when the freeze ends by increasing tuition by higher and higher rates in 2009 or 2010. Yes the 25.5 million would keep our universities operating at the high caliber they are already operating at, however what happens when that

funding isn't available? At the very minimum, tuition would have to increase at the rate of inflation over the past 2 years just to catch up to where it would have been with 2 years of 5% increases, not to mention whatever increase would be needed for the future.

Let's face it, students want to pay the least amount they have to, and thus the lower the tuition increases the better. At the very least, every student I have spoken to believes that increasing tuition at the rate of inflation is not unreasonable because at least that much is necessary to keep our universities operating at the same level. I believe that instead of capping tuition increases at 0%, cap them at approximately 3% which is close to inflation, and funding the 2% difference from the NDUS budget out of that 20 million dollars in this bill. Then what I believe would be more beneficial is using the remaining sum to fund other important areas in higher education. Currently our overall budget looks awesome, but a key difference that we recognize as a university system and as students is that we need to have a minimum of 21% of the general fund in base funding, which would allow our university system to continue to be a driving force in our state and continue to grow as leading institutions in the Midwest.

One time funding is great, but it is only a bandaid. An example would be the ConnectND program. This is a program that has a lot of potential; however students are tired of paying higher and higher fees for a program that they see limited benefit for, as I'm sure you've heard many times. While the governor did appropriate several million dollars in one time funding to CND, base funding is much more important. This would allow the system to hire on the permanent positions it needs to fix the system and help it operate at peak efficiency. One time funding only allows them to hire out one time consultants at exorbitant prices. I'm not an economics major, but even I know this is not a very efficient use of CND resources. Without additional CND funding in the base, we could potentially see our student fee double in the near future just to keep the system operating. This is just one example of the importance of adequately funding the NDUS at a

minimum of 21% of the general fund.

What I'm suggesting here is looking at this beyond a 2 year solution. Tuition freezes sound awesome, and I assure you every student would accept it with open arms. But I encourage you to use this money in a different way, and reach a compromise. Cap tuition at 3%, fund the 2% difference out of this bill, and use the remaining money to leverage the base funding of the NDUS at a minimum of 21%. This will provide a more long term solution and the students of tomorrow will thank you, and a tuition increase of only 3% would be very warmly received by the students of today. I thank you for your time, and I'll take any questions you may have.