

2009 SENATE EDUCATION

SB 2238

2009 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. 2238

Senate Education Committee

Check here for Conference Committee

Hearing Date: January 26, 2009

Recorder Job Number: 7685

Committee Clerk Signature

Minutes:

Chairman Freborg opened the hearing on SB 2238. All members were present.

Senator Schneider introduced the bill. See written testimony.

Senator Taylor said there has been a lot of talk about the doubling of tuition and fees. What portion of this increase is due to fees?

Senator Schneider said the fees have increased along with tuition. In Montana, fee increases have been held to the rate of inflation except fees specifically approved by students. The Board of Higher Education could take a hard look at that concept.

Senator Bakke asked what will happen at the end of the biennium when the freeze is over.

Does he expect huge tuition increases?

Senator Schneider said we need a long term commitment to affordable higher education on the part of legislators, Board of Higher Education and the governor.

Dustin Gawrylow, Executive Director of the North Dakota Taxpayers' Association. See written testimony.

Representative Stacey Dahl testified in favor of the bill. This should be the beginning of a long term discussion on student affordability. It is difficult for students and families to share the burden of the cost of higher education.

Leann Nelson, North Dakota Education Association, testified in favor of the bill. As a parent, she has two children in college and one that will start in the fall. Her children and the students she works with are all concerned about the costs. She did some research on tuition increases and found the normal rate of increase is 8% per year, about twice the rate of inflation. Her son that will start college this fall has decided to do his general classes at a two year institution so he can live at home and save money. They have a big concern because a lot of the credits don't transfer to a four year school.

Senator Flakoll asked if the percentage or the dollars bother her more.

Leann Nelson said if the percentage increases, so do the dollars.

Senator Flakoll asked which she is more bothered by, a 100% increase or the dollars that is equivalent to.

Leann Nelson said the dollars worry her.

Senator Flakoll said UND is now at the tuition rate that University of Minnesota was at 10 years ago, so a 1% increase at UND would be smaller than a 1% increase at the University of Minnesota. Do students pay in dollars or do they pay in percentages.

Leann Nelson said she cannot afford to send her child to the University of Minnesota.

Senator Flakoll said at Williston, a school with more moderate tuition increases, there has been a \$1200 increase in the past 10 years. At 30 credits per year, that is an increase of \$4 per credit per year. Is that unreasonable?

Leann Nelson said when she attended college in the 1980's, she had loans of \$15,000. Now her children are looking at loans of \$60,000. It adds up.

Senator Flakoll asked what would be a reasonable increase.

Leann Nelson said she hasn't done the research.

Laura Glatt, North Dakota University System, testified in favor of the bill. See written testimony.

She added to her written testimony that the Board of Higher Education has mandated a study of tuition and fees this year and the study has begun. 97% of the dollars received in the governor's budget for higher education are for need based financial aid for students, salary increases for health insurance and increases in utility expense. There is not much left for new programs. She also pointed out the Board of Higher Education has mandatory general education credit transfers to other state institutions of higher education.

Senator Taylor asked what benefits our institutions receive from nonresident students.

Laura Glatt said she has a document she will send down to the committee. She said nonresident students spend about \$8000 per year outside of their tuition. They also provide diversity to our campuses and subsidize fixed cost.

Senator Taylor said if the colleges were held to a 4% annual increase in tuition over 10 years, where would we be now?

Laura Glatt said she can get the numbers.

Senator Flakoll asked if the bill is revenue neutral to the campuses.

Laura Glatt said yes.

Senator Flakoll asked how she comes up with the costs. What if \$26 million were backed out of the budget.

Laura Glatt said the salary increases are based on the governor's recommendation for annual 5% salary increases for all state employees including higher education, the cost of the health insurance comes from PERS, they check with their utility companies for expected rates over the next two years. If the \$26 million was not provided and the tuition freeze was approved, they would have some tough choices. They could decide not to pay increases in health

insurance, they could decide not to give salary increases, they are stuck paying for utility increases. They could also look at reductions in programs and services.

Senator Flakoll confirmed that she was saying with a \$75 million increase, she is talking about cuts? He asked if she was referring to cuts from the wish list or cuts from what they are doing now.

Laura Glatt said 97% of the new money will go to health insurance increases, staff salary increases and utility increases.

Senator Flakoll said this week we are hearing about several higher education funding bills, could she rank them in order of the priority of the Board of Higher Education.

Laura Glatt said that is fairly easy since the board has a prioritized budget. At the top would be the costs to cover employee salary increases, utilities and health insurance increases. Then would come need based financial aid. After that would be a limit on tuition rate increases.

Senator Flakoll asked about the work force development bill.

Laura Glatt said the opportunity grant bill is a different way to look at financial aid and recruiting and retaining students. It is not necessarily something the board considered as part of the budget review.

Senator Flakoll asked if the dollars would differ from campus to campus, would it affect one more than another.

Laura Glatt said if the \$26 million were not provided and there was no freeze, what would the rate increase look like? For example, Wahpeton would have a more significant rate increase than Bismarck State even though both are two year schools, their physical size is very different. Wahpeton has higher fixed costs because of the number of facilities to maintain.

Also, Wahpeton has had decreasing enrollment over the past few years so it takes more tuition to maintain the fixed costs.

Chairman Freborg closed the hearing on SB 2238

2009 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. 2238

Senate Education Committee

Check here for Conference Committee

Hearing Date: February 2, 2009

Recorder Job Number: 8339

Committee Clerk Signature

Minutes:

Chairman Freborg opened the discussion on SB 2238. All members were present except Senator Taylor who was snowed in and could not get to Bismarck.

Senator Freborg said Senator Taylor can vote when he returns if he wishes. (Senator Taylor registered a no vote upon his return.)

Senator Bakke moved a Do Pass on SB 2238. The motion died for lack of a second.

Senator Lee moved a Do Not Pass on SB 2238, seconded by Senator Flakoll. The motion carried 3 – 2 – 0 (Senator Taylor voted no upon his return.) Senator Lee will carry the bill.

2009 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. 2238

Senate Education Committee

Check here for Conference Committee

Hearing Date: February 3, 2009

Recorder Job Number: 8482

Committee Clerk Signature

Minutes:

Chairman Freborg opened the discussion on SB 2238.

Senator Taylor missed the vote on the bill on Monday and wanted to present some amendments.

Senator Bakke moved the committee reconsider its actions on SB 2238.

Senator Freborg informed her she could not make such a motion if she was not on the prevailing side of the vote.

Senator Freborg asked if the committee could take a look at the amendment.

Senator Taylor said the amendment would limit tuition increases to 4%. It would still have a fiscal note of \$8.2 million.

No one else on the committee offered a motion to reconsider.

Chairman Freborg closed the discussion on SB 2238.

REPORT OF STANDING COMMITTEE

SB 2238: Education Committee (Sen. Freborg, Chairman) recommends DO NOT PASS
(3 YEAS, 2 NAYS, 0 ABSENT AND NOT VOTING). SB 2238 was placed on the
Eleventh order on the calendar.

2009 TESTIMONY

SB 2238

*Testimony of Sen. Mac Schneider on SB2238
Senate Committee on Education
1/25/08*

Chairman Freborg and members of the committee, my name is Mac Schneider. I have the privilege of representing Grand Forks' District 42 in the North Dakota Senate, which I am proud to say is home to an abundant supply of this state's most valuable natural resource: our dedicated, energetic, and highly-educated young people. It is on behalf of these talented young men and women that I rise in support of Senate Bill 2238.

SB 2238 would hold tuition at current levels for this biennium. It would also provide an appropriation to ensure that our campuses are not harmed by any loss of tuition revenue and are able to continue to perform their critical duties.

We are reaching a breaking point regarding college affordability in North Dakota. Since I graduated from UND in 2002, tuition and mandatory fees at that institution have increased by 99.7%.¹ They've doubled.

Rising tuition means significant debt and fewer choices for graduates

Beyond this personal example, national studies confirm that the steep rise in the cost of obtaining a college degree has taken its toll on North Dakota students.

According to the Project on Student Debt, North Dakota ranks **second in the country** in terms of the number of students who are forced to rely on loans as a way to finance their education.²

Close to 75% of North Dakota students incur debt while in school, with the average debt load amounting to a staggering **\$21,648**. North Dakota ranks **15th in the country** in this unenviable category.³

It was for these reasons that North Dakota was recently given an "F" in college affordability by the National Center for Public Policy and Higher Education.⁴

Passing SB 2238 will help turn these numbers around and minimize crippling debt that can limit students' choices upon graduation.

Keeping college affordable also keeps our institutions competitive

Getting a handle on rising tuition will not only mean less debt and more opportunities for our students, but it also means that our institutions will remain competitive in the battle to enroll our region's best and brightest.

¹ University of North Dakota, Office of the Registrar. Available at www.und.com

² Project on Student Debt. Available at http://projectonstudentdebt.org/state_by_state-view.php?area=ND

³ Id.

⁴ "Measuring Up" report card on higher education. Available at http://measuringup2008.highereducation.org/print/state_reports/short/ND.pdf

Right now, North Dakota's resident undergraduate tuition and fees rank **fourth highest** amongst the 15 schools affiliated with the Western Interstate Commission for Higher Education.⁵

Within the WICHE group, a comparison to our neighboring state of Montana is particularly notable. During the last biennium, Montana implemented a two-year tuition freeze – exactly what SB 2238 calls for.⁶ As a result, resident **students can attend the University of Montana for nearly \$1,400 less per year than it costs a North Dakota student to attend UND.**⁷

By providing the means to a more affordable college education, SB 2238 will help our institutions stay competitive and assist in the effort to attract students from around the region.

Limiting tuition increases is also a matter of basic fairness

Beyond SB 2238's advantages to our students and institutions, using a small fraction of the state's budget surplus to make college more affordable is also a matter of fairness. Students and recent graduates directly contribute to our state's budget virtually every biennium.

To illustrate, student loans at the Bank of North Dakota totaled **\$643.3 million** in 2007, helping to create record profits of over \$51 million.⁸ While we are thankful to have such a financially strong institution contributing to our state's general fund, dollars generated off of student-held debt should be used to make college more affordable.

Bottom line

While I believe – along with the editorial boards of several North Dakota newspapers – that a tuition freeze is justified and feasible, what we are seeking here today is additional funding to help make college more affordable in North Dakota. As you are aware, the State Board of Higher Education has also requested an additional \$8.2 million which will allow them to hold tuition increases at four year institutions to 4% or less and freeze tuition levels at two year schools.

I am confident that this committee will consider SB2238 along with the State Board's request and provide the best deal possible for our students during this biennium. Minimizing debt means more choices after graduation, and more choices will result in more young residents calling North Dakota home. After all, young people are the one natural resource we do not want to export.

⁵ Western Interstate Commission for Higher Education, *Policy Insights*. December 2008. Available at: <http://wiche.edu/policy/PolicyInsights/TF08-09.pdf>

⁶ Billings Gazette. May 17, 2007.

⁷ University of Montana. Available at <http://www.umt.edu/discoverUM/AboutUM/>

⁸ Associated Press. January 24, 2008.

Opinion leaders on college affordability

- A tuition freeze “would be a tremendous help to North Dakota students in the short term.”
 - *Grand Forks Herald editorial, 11/14/08*
- “[T]here's a general agreement that tuition and required fees paid by students, as compared to the state share, need to come down . . . It will require a combination of frozen tuition and increased tuition assistance applied until an appropriate balance is reached.
 - *Bismarck Tribune editorial, 11/23/08*
- A tuition freeze remains the best scenario for students at UND, and we believe that the ND Legislature should mark that as its goal as it responds to Governor Hoeven's budget proposal and continues work on the 2009-11 budget.
 - *Dakota Student editorial, 12/09/08*

North Dakota Taxpayers' Association - PAC

Monday, January 26th 2009

Chairman, and Members of the Committee,

Over the last ten years, the tuition and required fees at all the state institutions of higher learning have more than doubled. In this same period, according to Legislative Council reports, personal income in North Dakota has gone up no more than 50%, and the Midwest Consumer Price Index in that time has barely increase 30%.

In December, Governor Hoeven proposed a very generous \$96 million increase for on-going spending, and an additional \$74 million for so-call "one time" expenditures – for a total of \$170 million in new money.

With these kinds of increases, it really does not make a whole lot of sense to the average person why members of the Board of Higher Education have made public statements that that this \$170 million total increase in spending cannot be enough to hold tuition down. But they are the ones in charge under the current system.

It is unfortunate that there is a need for Senate Bill 2238.

It is unfortunate that the Board of Higher Education has taken a stance in saying that an almost 40% increase in funding is not enough, and that if the legislature does not give them more, students will pay.

This is not how the process is supposed to work.

The North Dakota Taxpayers' Association can support this bill on the basis that if the taxpayers are going to be asked to foot an ever growing bill via state funding, there must be a considerable reduction in cost to the

student.

I would, however, like to make a few suggestions on how to make this a more complete bill that more fully addresses the situation.

1. **Return oversight to the legislature** – Currently House Bill 1447 aims to return final say regarding tuition adjustments to the legislature. This provision would return accountability to the process and ensure that the legislature's intent with appropriations is followed up with the appropriate tuition policy.
2. **Study long term policy with regard to tuition and student debt** – in the past decade, annual increases in tuition have ranged from 5% to 15%. A student entering college should be able to know what that education will cost if a degree is completed in a reasonable time span. The legislature should work on developing a long term strategy that will allow students to know what their education will cost, not just for the 1st year, but the span of their education.
3. **Study the Costs and Benefits of State Subsidies to Non-Resident Students** – 40% of all higher ed students in North Dakota are non-residents and over 50% of students at NDSU and UND are not North Dakota residents. An in-depth, independent study of whether this results in a net benefit or a net-loss to students and taxpayers should be done.

I hope that this committee can work on making SB 2238 a more complete attempt to address the issues behind tuition costs, as well as guarantee that students see considerable benefit for the recent taxpayer burden increases.

-Dustin Gawrylow, Executive Director (Lobbyist # 198)

North Dakota Taxpayers' Association (NOTA)
1720 Burnt Boat Drive - Suite 102
Bismarck, ND 58503
Phone: (701) 751-2530

North Dakota Taxpayers' Association - PAC

For Immediate Release – January 26th, 2009 ---- Contact: Dustin Gawrylow, (701) 290-9331

Group Testifies In Favor of Tuition Freeze Bill, With Conditions

Need for Separate Bill to Freeze Tuition Illustrates Lack of Accountability in Higher Education

Bismarck, N.D. – Today, the North Dakota Taxpayers' Association (NDTA-PAC) in favor of Senate Bill 2238, and asked the Senate Education Committee to strengthen the bill by putting other reforms into motion. Senate Bill 2238, as written, would provide an extra \$26.5 million on top of the Governor's proposed \$170 million spending increase for higher education.

“Our members would like to see more accountability to the legislature by the Board of Higher Education and the University System,” Executive Director Dustin Gawrylow said. “If the taxpayers are going to be hit for an extra \$26.5 million on top of the proposed \$170 million increase for higher education there needs to be some common sense reforms and investigations into current policies.”

During committee testimony today, NDTA-PAC proposed three accountability measures that should be added to SB 2238:

1. **Return oversight to the legislature** – Currently House Bill 1447 aims to return final say regarding tuition adjustments to the legislature. This provision would return accountability to the process and ensure that the legislature's intent with appropriations is followed up with the appropriate tuition policy.
2. **Study long term policy with regard to tuition and student debt** – in the past decade, annual increases in tuition have ranged from 5% to 15%. A student entering college should be able to know what that education will cost if a degree is completed in a reasonable time span. The legislature should work on developing a long term strategy that will allow students to know what their education will cost, not just for the 1st year, but the span of their education.
3. **Study the Costs and Benefits of State Subsidies to Non-Resident Students** – 40% of all higher ed students in North Dakota are non-residents and over 50% of students at NDSU and UND are not North Dakota residents. An in-depth, independent study of whether this results in a net-benefit or a net-loss to students and taxpayers should must be performed.

“It is unfortunate that the North Dakota Board of Higher Education insists that the only way they can hold the line on tuition is if they receive a \$196 million increase in funding. The sponsors of SB 2238, and the legislature as a whole has been put between a rock and hard place with the demands of the Board of Higher Education,” Gawrylow continued. “It is a sad day when the affordability of college can be taken hostage by an unelected body, but that is exactly what has happened.”

Governor Hoeven has proposed to increase on-going Higher Education spending by \$96 million, plus an additional \$74 million for so-called “one-time expenditures.” The Board of Higher Education promptly said this was not enough and would increase tuition rates if the legislature did not appropriate at least \$20 million more than the Governor's 39% funding increase.

"NDTA's stance is that a tuition freeze should not be that difficult with the Governor's \$170 million, 39% spending increase," Gawrylow continued. "Frankly, with numbers like those, a tuition reduction would be more appropriate."

ate Bill 2238 is sponsored by Senators Mac Schneider (D-Grand Forks), Richard Wardner (R-
ickinson), and JoNell Bakke (D-Grand Forks) and Representatives Corey Mock (D-Grand Forks), Stacey
Dahl (R-Grand Forks), and David Weiler (R-Bismarck).

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Resident Undergraduate Tuition

	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09*</u>	<u>2009-10*</u>	<u>10 Year % Change</u>
BSC	1592	1679	1703	1784	2016	2629	2787	3052	3204	\$3,364	\$3,532	122%
DSU	1906	1982	2067	2202	2554	3040	3329	3646	3828	\$4,019	\$4,220	121%
Mayville	1906	1982	2067	2202	2576	3014	3300	3614	3795	\$3,985	\$4,184	120%
MSU	2050	2144	2244	2384	2730	3160	3460	3790	3980	\$4,179	\$4,388	114%
MSU-B	1592	1632	1682	1782	2042	2362	2575	2830	2972	\$3,121	\$3,277	106%
SCS	1592	1632	1682	1782	2052	2670	2828	3054	3207	\$3,367	\$3,536	122%
NDSU	2480	2604	2754	2904	3374	3982	4360	4774	5013	\$5,264	\$5,527	123%
UND	2480	2604	2754	2954	3441	4009	4390	4786	5025	\$5,276	\$5,540	123%
Lake Region	1592	1632	1682	1782	2040	2328	2550	2780	2919	\$3,065	\$3,218	102%
WSU	1592	1632	1682	1811	1920	2074	2198	2374	2493	\$2,618	\$2,749	73%
VCSU	1906	1982	2067	2202	2652	3130	3428	3753	3941	\$4,138	\$4,345	128%
Average Tuition	\$1,881	\$1,955	\$2,035	\$2,163	\$2,491	\$2,945	\$3,200	\$3,496	\$3,671	\$3,854	\$4,047	114%

Required Fees Outside Tuition

	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09*</u>	<u>2009-10*</u>	<u>10 Year % Change</u>
BSC	296	321	351	435	445	499	568	568	568	\$596	\$626	92%
DSU	396	396	396	596	584	758	824	824	944	\$991	\$1,041	138%
Lake Region	446	446	478	694	682	736	782	782	842	\$884	\$928	89%
Mayville	1200	1200	1247	1356	1404	1468	1642	1642	1642	\$1,724	\$1,810	37%
MSU	280	280	309	461	498	552	632	701	793	\$833	\$874	183%
MSU-B	326	326	407	513	511	575	626	626	661	\$694	\$729	103%
SCS	216	217	247	338	350	404	440	450	522	\$548	\$576	142%
NDSU	406	406	518	602	590	750	903	947	962	\$1,010	\$1,061	137%
UND	476	484	507	708	715	819	937	1006	1105	\$1,160	\$1,218	132%
VCSU	1191	1191	1238	1385	1374	1428	1504	1553	1642	\$1,724	\$1,810	38%
WSU	284	284	284	392	453	506	652	691	726	\$762	\$800	156%
Average Fees	\$502	\$505	\$544	\$680	\$691	\$772	\$865	\$890	\$946	\$993	\$1,043	113%

Total Cost to Students	\$2,382	\$2,460	\$2,579	\$2,843	\$3,182	\$3,718	\$4,065	\$4,386	\$4,617	\$4,848	\$5,090	114%
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* based on a .5% projected annual growth rate

North Dakota University System INSTITUTIONAL CHARGES 1999-2000 Academic Year

Institution/ Branch	Key**	TUITION								FEES**		ROOM**		BOARD	
		Resident		Nonresident		SD, MT, Saskatchewan, and Manitoba		Minnesota		Full Time	Part Time ⁽¹⁾	Double	Single	5 Day	7 Day
		Full Time	Part Time ⁽¹⁾	Full Time	Part Time ⁽¹⁾	Full Time	Part Time ⁽¹⁾	Full Time	Part Time ⁽¹⁾						
BSC	a	\$1,592	66.33	\$4,251	177.13	\$1,990	82.92	\$2,074	86.42	\$ 296.40	\$ 12.35	\$1,018 ⁽³⁾	\$1,463 ⁽³⁾	\$1,610-10 meals 1,700-15 meals	N/A
DSU*	a	1,906	79.42	5,089	212.04	2,383	99.29	2,000	83.33	396.00	16.50	1,000	1,400	1,610-15 meals	\$1,780-19 meals
MaSU	a	1,906	79.42	5,089	212.04	2,383	99.29	2,000	83.33	1,200.00 ⁽⁵⁾	50.00	1,214	1,586	N/A	1,620-10 meals 1,720-14 meals 1,828-19 meals
MiSU*	a	2,050	85.42	5,474	228.08	2,563	106.79	2,152	89.67	280.70	11.70	1,021 ⁽³⁾	1,533 ⁽³⁾	1,457-10 meals 1,650-15 meals	1,694-15 meals 1,745-19 meals
	b	2,690	112.08	7,182	299.25	4,035	168.13	3,188	132.83	280.70	11.70				
MISU-BC	a	1,592	66.33	4,251	177.13	1,990	82.92	2,074	86.42	328.00	13.58	1,026	1,394	1,662-15 meals	N/A
NDCS	a	1,592	66.33	4,251	177.13	1,990	82.92	2,074	86.42	216.50	9.02	1,040	1,436	1,400-10 meals 1,465-14 meals	N/A
	b	2,480	103.33	6,622	275.92	3,720	155.00	2,596	108.17	406.00	16.92	1,264	1,614	N/A	1,956-12 meals 2,030-15 meals 2,144-20 meals
UND*	a	2,480	103.33	6,622	275.92	3,720	155.00	2,596	108.17	476.00	19.83	1,346	1,828	N/A	1,980-10 meals 2,080-14 meals 2,110-19 meals
	b	2,690	112.08	7,182	299.25	4,035	168.13	3,188	132.83	476.00	19.83				
	c	2,900	120.83	7,743	322.63	4,350	181.25	3,188	132.83	476.00	19.83				
	d	10,955	456.46	29,249	1,218.71			11,502	479.25	476.00	19.83				
	e	4,870	194.58							476.00	19.83				
UND-LR	a	1,592	66.33	4,251	177.13	1,990	82.92	2,074	86.42	446.00	13.94 ⁽⁴⁾	1,075	1,398	1,576-10 meals 1,640-15 meals 1,490-10 meals (breakfast & lunch)	N/A
UND-W	a	1,592	66.33	4,251	177.13	1,990	82.92	2,074	86.42	284.00	11.83	750	1,140	\$600, \$900, or \$1,200 meal ticket plan	N/A
VCSU	a	1,906	79.42	5,089	212.04	2,383	99.29	2,000	83.33	1,191.00 ⁽⁵⁾	49.83	1,040	1,470	1,550-10 meals 1,760-15 meals	N/A

NOTE: All schools are on semesters

* Additional Program Fees in Engineering, Law, Pharmacy, Nursing, Architecture/Landscape Architecture, and Interior Design.

** Key: a=Undergraduate, b=Graduate, c=Law, d=Medicine, e=Physical Therapy

(1) Per credit hour for less than 12 hours per semester.

(2) Other living arrangements such as married and family housing, hi-rises, mobile home parks, and 3-4 person apartments are also available on the campuses.

(3) The rates listed for BSC and MISU represents the average single and double room rates of the dormitories. These campuses charge different rates for different dormitories.

(4) Based on 15 credits hours per semester.

(5) Includes \$854 notebook computer fee at MaSU and VCSU

North Dakota University System
INSTITUTIONAL CHARGES
 2000-2001 Academic Year

Institution/ Branch	Key**	TUITION								FEES*		ROOM ⁽¹⁾		BOARD	
		Resident		Nonresident		SD, MT, Saskatchewan, and Manitoba		Minnesota***		Full Time	Part Time ⁽¹⁾	Double	Single	5 Day	7 Day
		Full Time	Part Time ⁽¹⁾	Full Time	Part Time ⁽¹⁾	Full Time	Part Time ⁽¹⁾	Full Time	Part Time ⁽¹⁾						
BSC	a	(6)	63.42	(6)	169.33	(6)	79.28	(6)	86.42	\$ 321.10	\$ 12.35	\$1,048 ⁽³⁾	\$1,513 ⁽³⁾	\$1,660-10 meals 1,750-15 meals	N/A
DSU*	a	1,982	82.58	5,292	220.50	2,478	103.23	2,000	83.33	398.00	16.50	1,040	1,450	1,676-15 meals	\$1,850-19 meals
LRSC	a	1,632	68.00	4,357	181.56	2,040	85.00	2,074	88.42	448.00	13.94 ⁽⁴⁾	1,112	1,448	1,640-10 meals 1,708-15 meals 1,550-17 meals (breakfast & lunch)	N/A
MaSU	a	1,982	82.58	5,292	220.50	2,478	103.23	2,000	83.33	1,200.00 ⁽⁵⁾	50.00	1,254	1,640	N/A	1,668-10 meals 1,772-14 meals 1,882-19 meals
MiSU*	a	2,144	89.33	5,724	238.52	2,680	111.67	2,152	89.67	280.70	11.70	1,085 ⁽³⁾	1,630 ⁽³⁾	1,560-10 meals 1,733-15 meals	1,812-15 meals 1,832-19 meals
	b	2,814	117.25	7,513	313.06	4,221	175.88	3,188	132.83	280.70	11.70				
MiSU-BC	a	1,632	68.00	4,357	181.56	2,040	85.00	2,074	88.42	326.00	13.58	1,088	1,488	1,728-15 meals	N/A
NDCS	a	1,632	68.00	4,357	181.56	2,040	85.00	2,074	88.42	217.50	9.06	1,070	1,480	1,440-10 meals 1,510-14 meals	N/A
NDSU*	a	2,604	108.50	6,953	289.70	3,906	162.75	2,596	108.17	406.00	16.92	1,334	1,734	N/A	2,016-12 meals 2,090-15 meals 2,208-20 meals
	b	2,814	117.25	7,513	313.06	4,221	175.88	3,188	132.83	406.00	16.92				
UND*	a	2,604	108.50	6,953	289.70	3,906	162.75	2,596	108.17	484.00	20.17	1,420	1,929	N/A	2,060-10 meals 2,142-14 meals 2,194-19 meals
	b	2,814	117.25	7,513	313.06	4,221	175.88	3,188	132.83	484.00	20.17				
	c	3,024	126.00	8,074	338.42	4,536	189.00	3,188	132.83	484.00	20.17				
	d	11,940	497.50	31,880	1,328.33			11,502	479.25	484.00	20.17				
	e	4,794	199.75					4,904	204.33	484.00	20.17				
VCSU	a	1,982	82.58	5,292	220.50	2,478	103.23	2,000	83.33	1,191.00 ⁽⁵⁾	49.63	1,076	1,520	1,600-10 meals 1,818-15 meals	N/A
WSC	a	1,632	68.00	4,357	181.56	2,040	85.00	2,074	88.42	284.00	11.83	770	1,180	\$750, \$900, or \$1,200 meal ticket plan	N/A

* Additional Program Fees in Engineering, Law, Pharmacy, Nursing, Architecture/Landscape Architecture, and Interior Design.

** Key: a=Undergraduate, b=Graduate, c=Law, d=Medicine, e=Physical Therapy

***Tuition rates charged Minnesota students will not be finalized until Minnesota sets their tuition rates in June or July of each year. Rates reflected here are current 1999-00 rates.

(1) Per credit hour for less than 12 hours per semester, except at BSC (see footnote 6).

(2) Other living arrangements such as married and family housing, hi-rises, mobile home parks, and 3-4 person apartments are also available on the campuses.

(3) The rates listed for BSC and MiSU represents the average single and double room rates of the dormitories. These campuses charge different rates for different dormitories.

(4) Based on 16 credits hours per semester.

(5) Includes \$854 notebook computer fee at MaSU and VCSU

(6) Effective Fall 2000, BSC will charge the per credit (part-time) tuition rate for all credit hours except for the 14th and 15th credits, which are at no charge. Fees are capped at 13 credit hours per semester.

HIGHER EDUCATION - TUITION RATES

The following is a schedule of tuition and fee rates at state institutions of higher education for the academic years 2003-04 through 2007-08. The 2001 Legislative Assembly removed tuition income from the appropriation process by providing a continuing appropriation for all special funds, including tuition. House Bill No. 1030 (2007) continues this authority through June 30, 2009. The State Board of Higher Education has the statutory responsibility for setting tuition rates.

Institution	2003-04 ¹	2004-05 ¹	2005-06 ¹	2006-07 ¹	2007-08 ¹
Bismarck State College ²					
Undergraduate					
Resident	\$2,016 13.0%	\$2,629 30.4%	\$2,787 6.0%	\$3,052 9.5%	\$3,204 5.0%
Minnesota resident ³	\$2,600 (2.4%)	\$3,390 30.4%	\$3,590 5.9%	\$3,870 7.8%	\$4,603 ¹² 5.0%
Contiguous state/province ⁴	\$2,520 13.0%	\$3,286 30.4%	\$3,483 6.0%	\$3,815 9.5%	\$4,005 5.0%
Other nonresident	\$5,383 13.0%	\$7,019 30.4%	\$7,441 6.0%	\$8,148 9.5%	\$8,555 5.0%
Dickinson State University					
Undergraduate					
Resident	\$2,554 16.0%	\$3,040 19.0%	\$3,329 9.5%	\$3,646 9.5%	\$3,828 5.0%
Minnesota resident ³	\$2,923 14.4%	\$3,406 16.5%	\$3,730 9.5%	\$3,922 5.1%	\$4,118 ¹² 5.0%
Contiguous state/province ⁴	\$3,193 16.0%	\$3,800 19.0%	\$4,161 9.5%	\$4,558 9.5%	\$4,785 5.0%
Other nonresident	\$6,820 16.0%	\$8,117 19.0%	\$8,888 9.5%	\$9,735 9.5%	\$10,222 5.0%
Lake Region State College					
Undergraduate					
Resident	\$2,040 14.5%	\$2,328 14.1%	\$2,550 9.5%	\$2,780 9.0%	\$2,919 5.0%
Minnesota resident ³	\$3,002 12.9%	\$3,404 13.4%	\$3,729 9.5%	\$3,856 3.4%	\$4,049 ¹² 5.0%
Contiguous state/province ⁴	\$2,040 (8.4%)	\$2,328 14.1%	\$2,550 9.5%	\$2,780 9.0%	\$2,919 5.0%
Other nonresident	\$2,040 (57.1%)	\$2,328 14.1%	\$2,550 9.5%	\$2,780 9.0%	\$2,919 5.0%
International students					\$7,298
Mayville State University					
Undergraduate					
Resident	\$2,576 17.0%	\$3,014 17.0%	\$3,300 9.5%	\$3,614 9.5%	\$3,795 5.0%

Institution	2003-04 ¹	2004-05 ¹	2005-06 ¹	2006-07 ¹	2007-08 ¹
Minnesota resident ³	\$2,948 15.4%	\$3,376 14.5%	\$3,696 9.5%	\$3,888 5.2%	\$4,082 ¹² 5.0%
Contiguous state/province ⁴	\$3,220 17.0%	\$3,768 17.0%	\$4,125 9.5%	\$4,518 9.5%	\$4,743 5.0%
All Canadian provinces except Saskatchewan and Manitoba				\$5,421	\$5,692 5.0%
Other nonresident	\$6,878 17.0%	\$8,047 17.0%	\$8,811 9.5%	\$5,421 (38.5%)	\$5,692 5.0%
International students					\$10,132
Minot State University Undergraduate Resident	\$2,730 14.5%	\$3,160 15.8%	\$3,460 9.5%	\$3,790 9.5%	\$3,980 5.0%
Minnesota resident ³	\$3,125 13.0%	\$3,540 13.3%	\$3,876 9.5%	\$4,077 5.2%	\$4,281 ¹² 5.0%
Contiguous state/province ⁴	\$3,413 14.5%	\$3,950 15.7%	\$4,325 9.5%	\$4,736 9.5%	\$4,973 5.0%
Other nonresident	\$7,289 14.5%	\$8,437 15.7%	\$9,238 9.5%	\$10,116 9.5%	\$10,622 5.0%
Graduate Resident	\$3,612 14.5%	\$4,180 15.7%	\$4,578 9.5%	\$5,013 9.5%	\$5,264 5.0%
Minnesota resident ³	\$4,778 13.5%	\$5,494 15.0%	\$6,017 9.5%	\$6,285 4.5%	\$6,599 ¹² 5.0%
Contiguous state/province ⁴	\$5,418 14.5%	\$6,270 15.7%	\$6,867 9.5%	\$7,520 9.5%	\$7,896 5.0%
Other nonresident	\$9,644 14.5%	\$11,160 15.7%	\$12,223 9.5%	\$13,384 9.5%	\$14,053 5.0%
Minot State University - Bottineau Undergraduate Resident	\$2,042 14.6%	\$2,362 15.7%	\$2,575 9.0%	\$2,830 9.9%	\$2,972 5.0%
Minnesota resident ³	\$3,002 12.9%	\$3,404 13.4%	\$3,729 9.5%	\$3,856 3.4%	\$4,049 ¹² 5.0%
South Dakota and Montana residents	\$2,553 14.6%	\$2,953 15.7%	\$2,953 0.0%	\$2,953 0.0%	\$3,715 25.8%
All provinces ⁵	\$2,042 14.6%	\$2,362 15.7%	\$2,575 9.0%	\$2,830 9.9%	\$2,972 5.0%
Other nonresident	\$5,452 14.6%	\$6,307 15.7%	\$6,875 9.0%	\$7,556 9.9%	\$4,458 ¹³ (41.0%)

Institution	2003-04 ¹	2004-05 ¹	2005-06 ¹	2006-07 ¹	2007-08 ¹
State College of Science ^{6,7}					
Undergraduate					
Resident	\$2,052 15.2%	\$2,670 30.1%	\$2,828 5.9%	\$3,054 8.0%	\$3,207 5.0%
Minnesota resident ³	\$3,002 12.9%	\$3,390 12.9%	\$3,590 5.9%	\$3,870 7.8%	\$4,063 ¹² 5.0%
Contiguous state/province ⁴	\$2,565 15.1%	\$3,338 30.1%	\$3,534 5.9%	\$3,818 8.0%	\$4,009 5.0%
Other nonresident	\$5,478 15.1%	\$7,129 30.1%	\$7,550 5.9%	\$8,154 8.0%	\$8,563 5.0%
Business and Industry Partnership Program ⁸					
Resident	\$2,052 15.2%	\$2,670 30.1%	\$2,828 5.9%	\$3,054 8.0%	\$3,207 5.0%
Minnesota resident ³	\$3,002 12.9%	\$3,390 12.9%	\$3,590 5.9%	\$3,870 7.8%	\$4,063 ¹² 5.0%
Contiguous state/province ⁴	\$2,052 15.2%	\$2,670 30.1%	\$2,828 5.9%	\$3,054 8.0%	\$3,207 5.0%
Other nonresident	\$2,052 15.2%	\$2,670 30.1%	\$2,828 5.9%	\$3,054 8.0%	\$3,207 5.0%
North Dakota State University					
Undergraduate					
Resident	\$3,374 16.2%	\$3,982 18.0%	\$4,360 9.5%	\$4,774 9.5%	\$5,013 5.0%
Minnesota resident ³	\$3,900 14.8%	\$4,476 14.8%	\$4,901 9.5%	\$5,142 4.9%	\$5,399 ¹² 5.0%
Contiguous state/province ⁴	\$5,061 16.2%	\$5,972 18.0%	\$6,540 9.5%	\$7,161 9.5%	\$7,519 5.0%
Other nonresident	\$9,009 16.2%	\$10,630 18.0%	\$11,641 9.5%	\$12,747 9.5%	\$13,384 5.0%
Graduate					
Resident	\$3,618 16.2%	\$4,270 18.0%	\$4,676 9.5%	\$5,120 9.5%	\$5,376 5.0%
Minnesota resident ³	\$4,778 15.0%	\$5,494 15.0%	\$6,015 9.5%	\$6,285 4.5%	\$6,599 ¹² 5.0%
Contiguous state/province ⁴	\$5,427 16.2%	\$6,404 18.0%	\$7,013 9.5%	\$7,680 9.5%	\$8,064 5.0%
Other nonresident	\$9,660 16.2%	\$11,400 18.0%	\$12,485 9.5%	\$13,671 9.5%	\$14,354 5.0%
University of North Dakota					
Undergraduate					
Resident	\$3,441	\$4,009	\$4,390	\$4,786	\$5,025

Institution	2003-04 ¹	2004-05 ¹	2005-06 ¹	2006-07 ¹	2007-08 ¹
Minnesota resident ³	\$3,900 14.8%	\$4,476 14.8%	\$4,901 9.5%	\$5,142 4.9%	\$5,399 ¹² 5.0%
Contiguous state/province ⁴	\$5,163 16.5%	\$6,013 16.5%	\$6,584 9.5%	\$7,180 9.1%	\$7,538 5.0%
Other nonresident	\$9,187 16.5%	\$10,703 16.5%	\$11,722 9.5%	\$12,780 9.0%	\$13,418 5.0%
Graduate Resident	\$3,703 16.5%	\$4,313 16.5%	\$4,722 9.5%	\$5,148 9.0%	\$5,405 5.0%
Minnesota resident ³	\$4,778 15.0%	\$5,494 15.0%	\$6,015 9.5%	\$6,285 4.5%	\$6,599 ¹² 5.0%
Contiguous state/province ⁴	\$5,555 16.5%	\$6,471 16.5%	\$7,084 9.5%	\$7,722 9.0%	\$8,108 5.0%
Other nonresident	\$9,889 16.5%	\$11,519 16.5%	\$12,610 9.5%	\$13,746 9.0%	\$14,432 5.0%
School of Law Resident	\$4,045 16.5%	\$4,713 16.5%	\$5,160 9.5%	\$5,780 12.0%	\$6,069 5.0%
Minnesota resident ³	\$4,778 15.0%	\$5,494 15.0%	\$6,015 9.5%	\$6,285 4.5%	\$6,599 ¹² 5.0%
Minnesota resident (newly enrolled as of the 2006-07 academic year) ³				\$15,432	\$16,204 ¹² 5.0%
Contiguous state/province ⁴	\$6,067 16.5%	\$7,069 16.5%	\$7,740 9.5%	\$8,670 12.0%	\$9,104 5.0%
Other nonresident	\$10,801 16.5%	\$12,581 16.5%	\$13,778 9.5%	\$15,432 12.0%	\$16,204 5.0%
School of Medicine and Health Sciences Resident	\$15,343 14.1%	\$17,507 14.1%	\$18,908 8.0%	\$20,422 8.0%	\$21,443 5.0%
Minnesota resident ³	\$17,561 12.6%	\$19,608 11.7%	\$21,177 8.0%	\$21,969 3.7%	\$23,067 ¹² 5.0%
Minnesota resident (newly enrolled as of the 2006-07 academic year) ³				\$22,464	\$23,587 ¹² 5.0%
Other nonresident	\$40,963 14.1%	\$46,741 14.1%	\$50,482 8.0%	\$37,800 (25.1%)	\$39,690 5.0%
Physical Therapy ⁹ Resident	\$7,091 30.4%	\$8,091 14.1%	\$8,738 8.0%	\$9,438 8.0%	\$9,910 5.0%
Minnesota resident ³	\$7,091 30.4%	\$8,091 14.1%	\$8,738 8.0%	\$9,438 8.0%	\$9,910 ¹² 5.0%

Institution	2003-04 ¹	2004-05 ¹	2005-06 ¹	2006-07 ¹	2007-08 ¹
Contiguous state/province ⁴	\$9,811 14.1%	\$11,195 14.1%	\$12,090 8.0%	\$13,058 8.0%	\$13,711 5.0%
Other nonresident	\$9,811 14.1%	\$11,195 14.1%	\$12,090 8.0%	\$13,058 8.0%	\$13,711 5.0%
Valley City State University ¹⁰ Undergraduate					
Resident	\$2,652 20.4%	\$3,130 18.0%	\$3,428 9.5%	\$3,753 9.5%	\$3,941 5.0%
Minnesota resident ³	\$3,035 18.8%	\$3,506 15.5%	\$3,839 9.5%	\$4,037 5.2%	\$4,239 ¹² 5.0%
Contiguous state/province ⁴	\$3,315 20.4%	\$3,913 18.0%	\$4,284 9.5%	\$4,691 9.5%	\$4,926 5.0%
Other nonresident	\$7,081 20.4%	\$8,357 18.0%	\$9,152 9.5%	\$10,021 9.5%	\$10,522 5.0%
Graduate					
Resident			\$4,560	\$4,993 9.5%	\$5,243 5.0%
Minnesota resident ³			\$6,017	\$6,377 6.0%	\$6,599 ¹² 3.5%
Contiguous state/province ⁴			\$5,700	\$6,241 9.5%	\$6,554 5.0%
Other nonresident			\$12,175	\$13,332 9.5%	\$13,998 5.0%
Williston State College ¹¹ Undergraduate					
Resident	\$1,920 6.0%	\$2,074 8.0%	\$2,198 6.0%	\$2,374 8.0%	\$2,493 5.0%
Minnesota resident ³	\$2,600 (3.7%)	\$2,938 13.0%	\$3,111 5.9%	\$3,354 7.8%	\$3,521 ¹² 5.0%
Contiguous state/province ⁴	\$1,920 6.0%	\$2,074 8.0%	\$2,198 6.0%	\$2,374 8.0%	\$2,493 5.0%
Other nonresident	\$2,880 6.0%	\$3,111 8.0%	\$3,298 6.0%	\$3,561 8.0%	\$3,740 5.0%

¹Beginning with the 2002-03 academic year, the State Board of Higher Education authorized each higher education institution president to set the final tuition rate for each campus within an approved range.

²Bismarck State College implemented a per credit tuition model beginning in the 2000-01 academic year. For academic years 2000-01 through 2003-04, the institution charged a per credit (part-time) tuition rate for all credit hours except for the 14th and 15th credits, which were at no charge. Beginning with the 2004-05 academic year, the institution charges a per credit (part-time) tuition rate for all credit hours. The tuition rates shown are based on a credit load of 15 credit hours per semester, which is the number of credit hours taken by an average full-time student.

Under the current North Dakota/Minnesota reciprocity agreement, students pay the higher of the two states' rates, which allows North Dakota students attending Minnesota higher education institutions to pay the Minnesota resident rate while Minnesota students attending North Dakota higher education institutions generally pay the Minnesota rate, which is higher than the North Dakota rate. Beginning with the 2006-07 academic year, the University of North Dakota School of Law and School of Medicine and Health Sciences are removed from the reciprocity agreement. The university is allowed to establish its own tuition rates for Minnesota residents for these programs.

⁴The contiguous states and provinces are South Dakota, Montana, Saskatchewan, and Manitoba.

⁵Beginning with the 2002-03 academic year, Minot State University - Bottineau charges resident tuition rates to students from all Canadian provinces.

⁶Beginning with the 2002-03 academic year, the State College of Science is offering special reduced tuition rates to contiguous state/province and other nonresident students who live on campus with a meal plan. The following is a summary of the special reduced tuition rates:

	2003-04	2004-05	2005-06	2006-07	2007-08
Undergraduate					
Contiguous state/province	\$2,052	\$2,670	\$2,828	\$3,054	\$3,207
Other nonresidents	\$3,078	\$4,005	\$2,828	\$3,054	\$4,063

⁷The State College of Science implemented a per credit tuition model beginning in the 2004-05 academic year. For the 2004-05 academic year, the institution charged a per credit (part-time) tuition rate for all credit hours except for the 17th and 18th credits, which were at no charge. Beginning with the 2005-06 academic year, the institution charges a per credit (part-time) tuition rate for all credit hours. The tuition rates shown are based on a credit load of 15 credit hours per semester, which is the number of credit hours taken by an average full-time student.

⁸Beginning with the 2001-02 academic year, the State College of Science charges resident tuition rates to students who are enrolled in a business and industry partnership program except for students from Minnesota who are assessed tuition as specified in the reciprocity agreement between North Dakota and Minnesota.

⁹Physical therapy students pay undergraduate tuition rates during the first two years. In the students' junior year, students enter the physical therapy program and start paying tuition based on the physical therapy program tuition rates.

¹⁰Valley City State University implemented a per credit tuition model beginning in the 2005-06 academic year. The institution charges a per credit (part-time) tuition rate for all credit hours. The undergraduate tuition rates shown are based on a credit load of 15 credit hours per semester, which is the number of credit hours taken by an average full-time student. The graduate tuition rates shown are based on a credit load of 12 credit hours per semester, which is the number of credit hours taken by an average graduate full-time student.

¹¹Williston State College implemented a per credit tuition model beginning in the 2002-03 academic year. The institution charges a per credit (part-time) tuition rate for all credit hours except for the 14th, 15th, and 16th credits, which are at no charge. The tuition rates shown are based on a credit load of 15 credit hours per semester, which is the number of credit hours taken by an average full-time student.

¹²The tuition rates for Minnesota residents for the 2007-08 academic year will not be finalized until June or July 2007. The rates shown are estimates.

¹³At the June 2007 meeting of the State Board of Higher Education, Minot State University - Bottineau will request approval to charge nonresident students 1.5 times the resident rate rather than 2.67 times the resident rate. The tuition rate shown is 1.5 times the resident rate.

Legislative Funding

	<u>1999- 2001</u>	<u>2001- 03</u>	<u>2003- 05</u>	<u>2005- 07</u>	<u>2007- 09</u>	<u>2009- 11**</u>	
Higher Ed.	334,449,287	366,953,836	361,541,418	387,157,893	468,649,624	614,224,947	84%
Total Cost to Taxpayers Biennial Change		9.72%	-1.47%	7.09%	21.05%	31.06%	

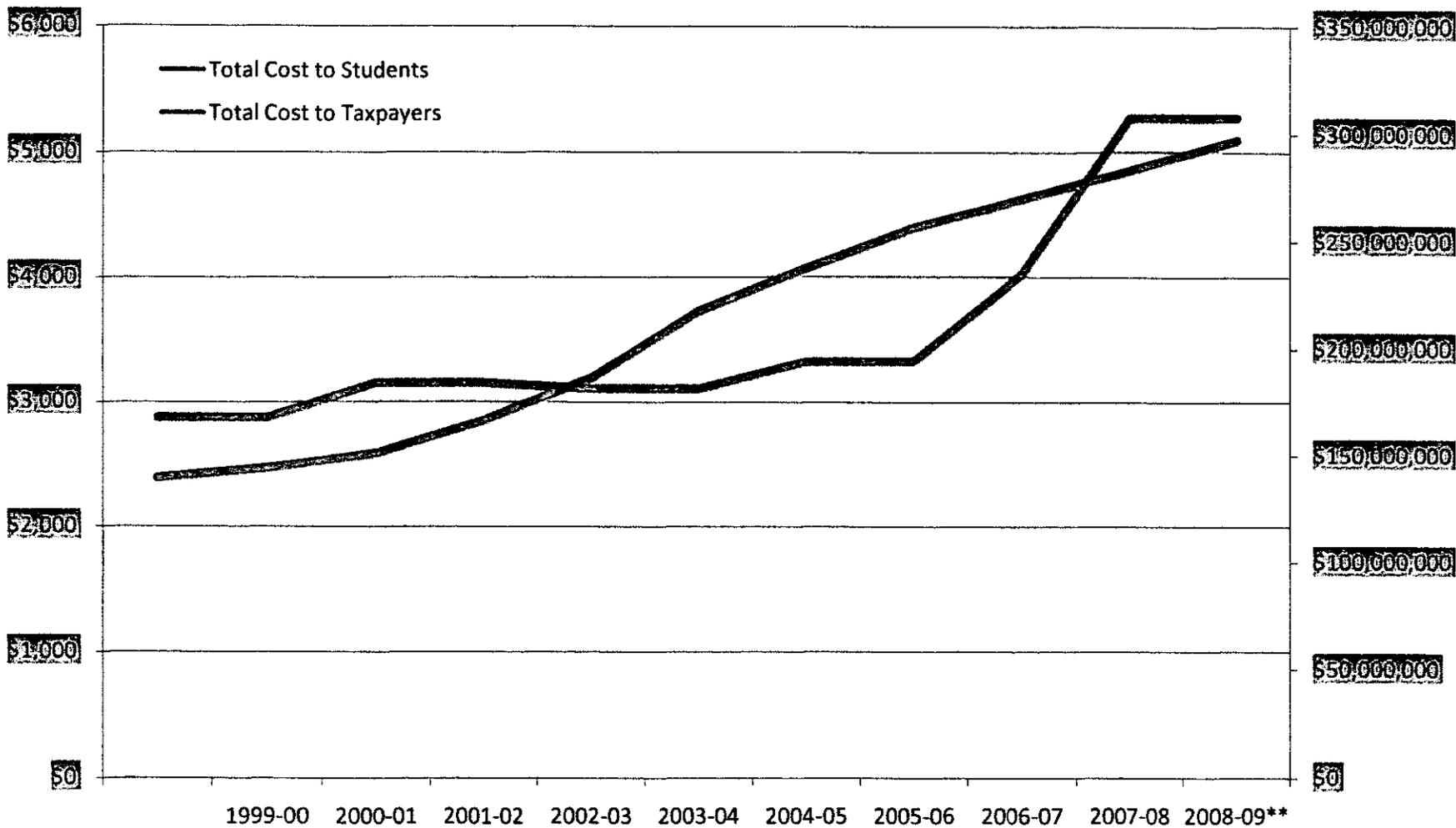
	<u>1999- 00</u>	<u>2000- 01</u>	<u>2001- 02</u>	<u>2002- 03</u>	<u>2003- 04</u>	<u>2004- 05</u>	<u>2005- 06</u>	<u>2006- 07</u>	<u>2007- 08</u>	<u>2008- 09***</u>	<u>2009- 10***</u>	<u>% Change</u>
Legislative Funding	167,224,644	167,224,644	183,476,918	183,476,918	180,770,709	180,770,709	193,578,947	193,578,947	234,324,812	307,112,474	307,112,474	84%

Total Cost to Taxpayers	\$167,224,644	\$167,224,644	\$183,476,918	\$183,476,918	\$180,770,709	\$180,770,709	\$193,578,947	\$193,578,947	\$234,324,812	307,112,474	307,112,474	84%
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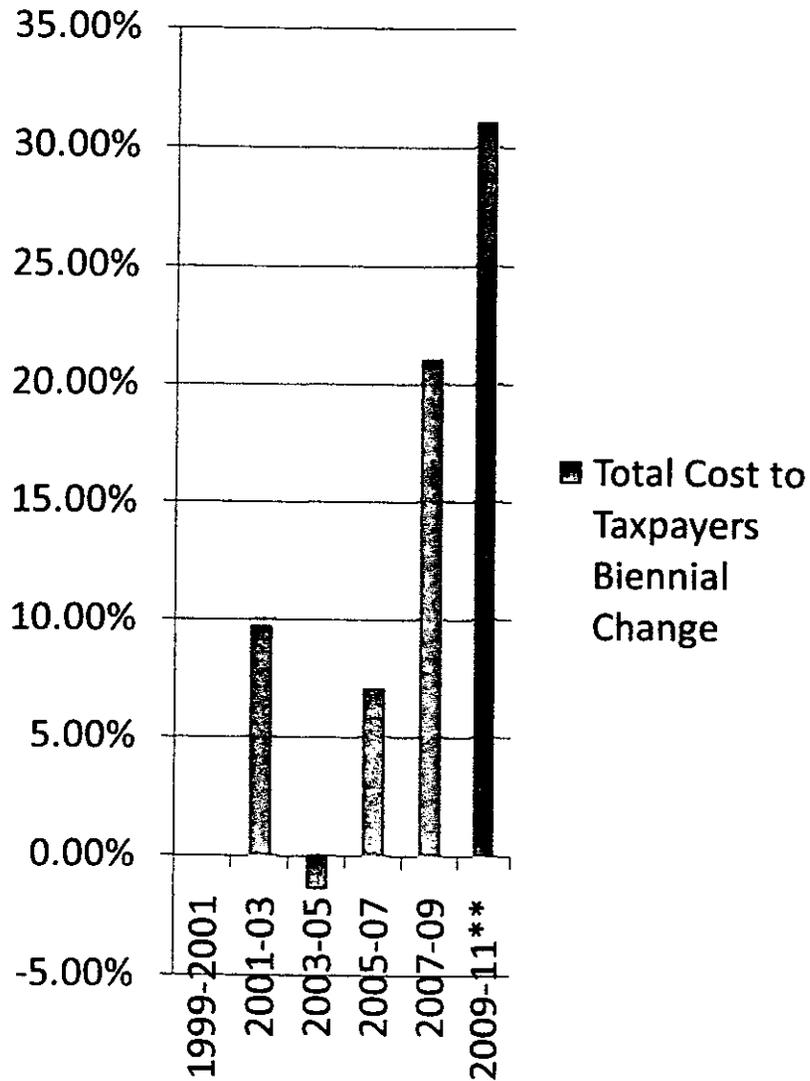
** reflects Governor Hoeven's proposed 2009-11 budget
 ***based on Governor Hoeven's proposed budget annualized

Higher Education Costs (1999-2009)

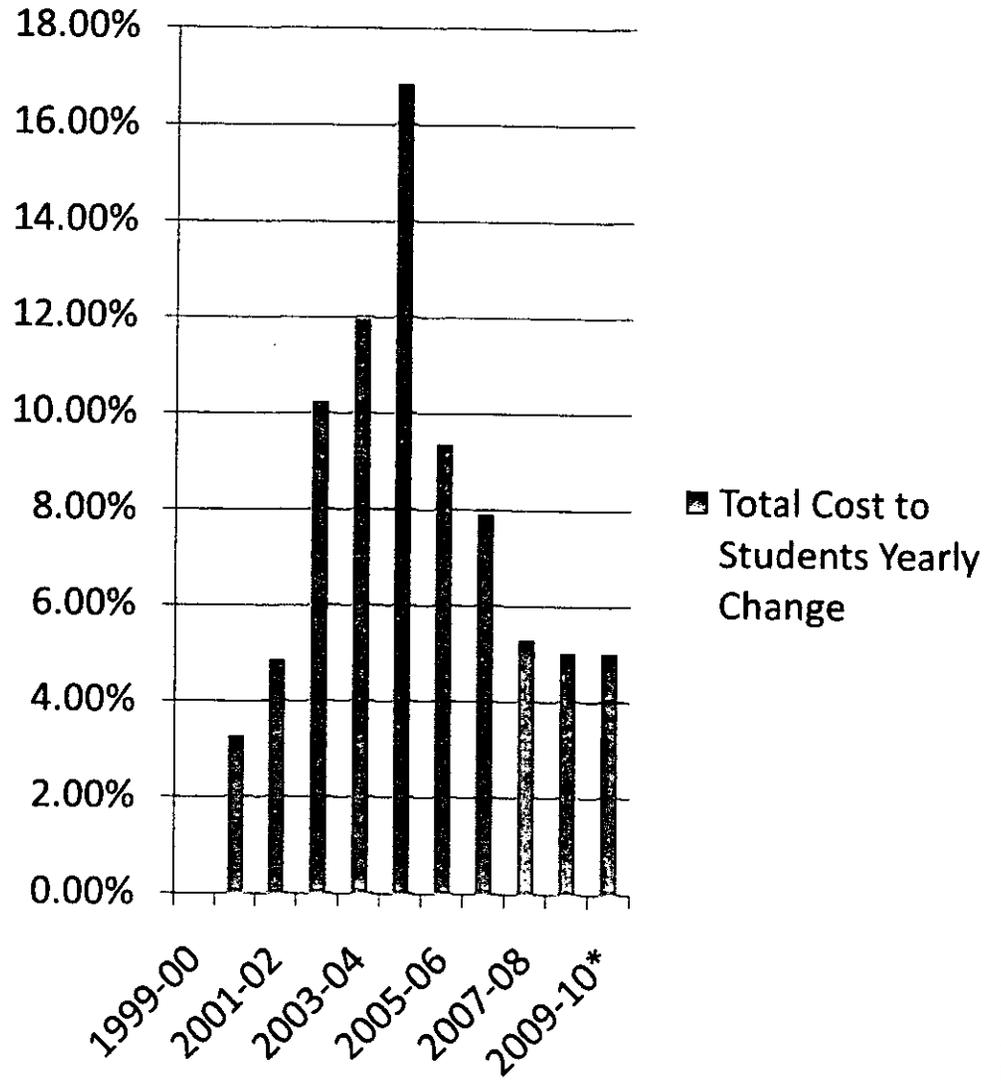
Average Cost to Student vs. Total Cost to Taxpayers



Total Cost to Taxpayers Biennial Change



Total Cost to Students Yearly Change



*reflects Governor Hoeven's intent to keep tuition growth below the rate of inflation

**reflects Governor Hoeven's Executive budget proposal

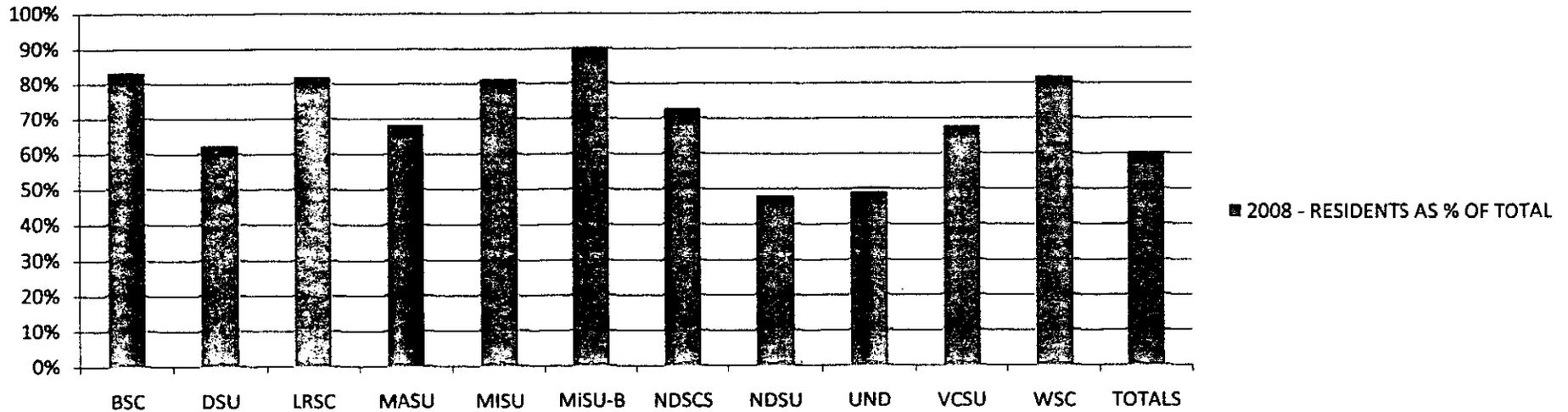
2006 HEADCOUNT ENROLLMENTS BY TUITION RESIDENCY STATUS

	BSC	DSU	LRSC	MASU	MISU	MISU-B	NDSCS	NDSU	UND	VCSU	WSC	TOTALS
RESIDENT												
NORTH DAKOTA 2006	2,926	1,716	1,314	569	2,972	512	1,693	6,399	6,539	750	720	26,110
NON-RESIDENT												
MANITOBA	1	13	1	13	44	18	0	10	80	22	3	205
MINNESOTA	64	20	54	103	40	3	512	4,493	3,870	107	4	9,270
OTHER MHEC STATES	75	19	21	17	38	6	22	150	477	19	17	861
MONTANA	39	274	2	5	131	9	68	70	168	12	93	871
SASKATCHEWAN	0	18	2	2	176	4	4	1	8	8	14	237
SOUTH DAKOTA	43	76	7	2	24	2	118	286	236	17	12	823
OTHER WICHE STATES	123	196	22	69	122	7	22	100	789	47	23	1,520
OTHER	206	240	85	52	165	44	51	749	667	55	26	2,340
NON-RESIDENT SUBTOTAL	551	856	194	263	740	93	797	5,859	6,295	287	192	16,127
GRAND TOTALS	3,477	2,572	1,508	832	3,712	605	2,490	12,258	12,834	1,037	912	42,237
RESIDENTS AS % OF TOTAL	84%	67%	87%	68%	80%	85%	68%	52%	51%	72%	79%	62%

2008 HEADCOUNT ENROLLMENTS BY TUITION RESIDENCY STATUS

	BSC	DSU	LRSC	MASU	MISU	MISU-B	NDSCS	NDSU	UND	VCSU	WSC	TOTALS
RESIDENT												
NORTH DAKOTA 2008	3,144	1,697	1,355	536	2,779	587	1,848	6,329	6,234	687	694	25,890
NON-RESIDENT												
MANITOBA	0	10	1	15	58	18	0	10	81	19	4	216
MINNESOTA	89	17	91	97	41	5	460	5,129	4,053	113	8	10,103
OTHER MHEC STATES	129	25	24	16	30	11	19	246	475	27	6	1,008
MONTANA	37	221	1	3	107	8	62	75	136	8	81	739
SASKATCHEWAN	0	16	1	2	166	3	1	3	11	5	9	217
SOUTH DAKOTA	43	76	12	8	12	2	91	276	210	15	5	750
OTHER WICHE STATES	110	222	53	70	86	3	21	106	672	66	21	1,430
OTHER	236	446	119	42	153	18	43	1,055	876	79	22	3,089
NON-RESIDENT SUBTOTAL	644	1,033	302	253	653	68	697	6,900	6,514	332	156	17,552
GRAND TOTALS	3,788	2,730	1,657	789	3,432	655	2,545	13,229	12,748	1,019	850	43,442
2008 - RESIDENTS AS % OF TOTAL	83%	62%	82%	68%	81%	90%	73%	48%	49%	67%	82%	60%

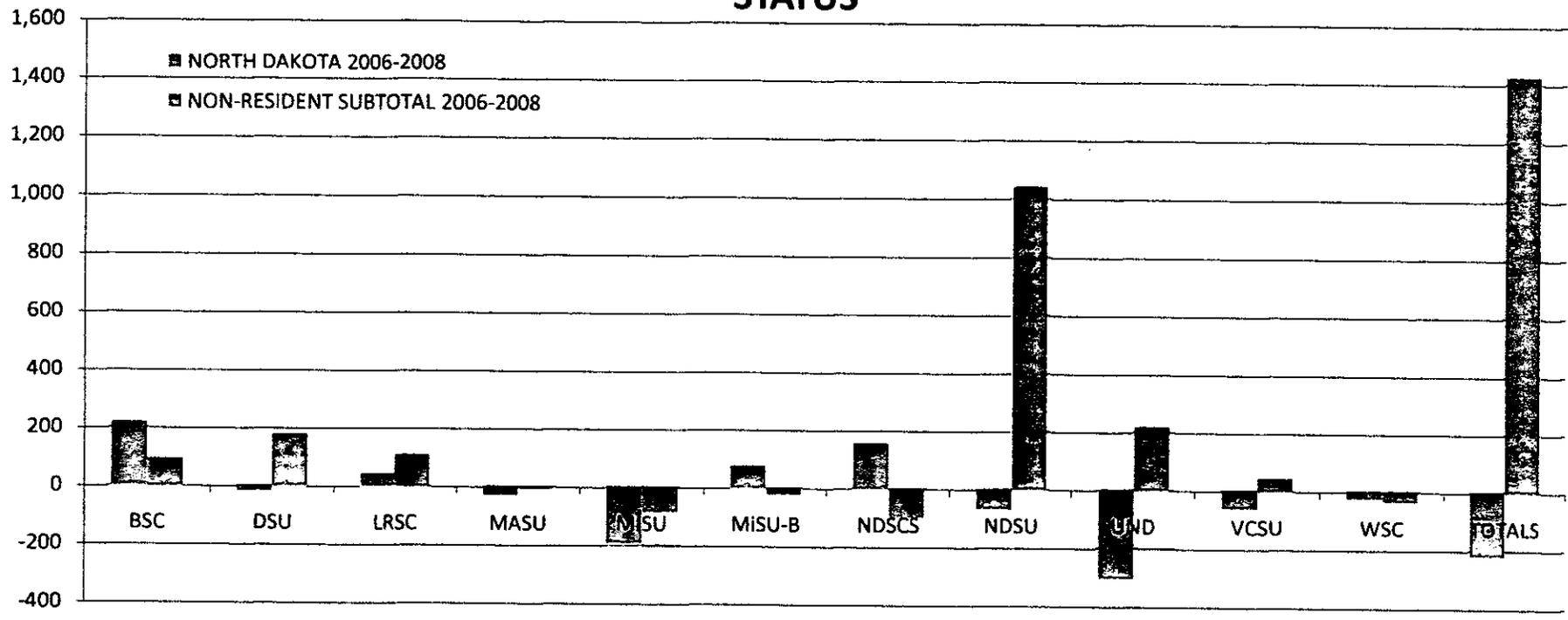
2008 - RESIDENTS AS % OF TOTAL



2006 to 2008 CHANGE HEADCOUNT ENROLLMENTS BY TUITION RESIDENCY STATUS

	BSC	DSU	LRSC	MASU	MISU	MISU-B	NDSCS	NDSU	UND	VCSU	WSC	TOTALS
RESIDENT												
NORTH DAKOTA 2006-2008	218	-19	41	-33	-193	75	155	-70	-305	-63	-26	-220
NON-RESIDENT												
MANITOBA	-1	-3	0	2	14	0	0	0	1	-3	1	11
MINNESOTA	25	-3	37	-6	1	2	-52	636	183	6	4	833
OTHER MHEC STATES	54	6	3	-1	-8	5	-3	96	-2	8	-11	147
MONTANA	-2	-53	-1	-2	-24	-1	-6	5	-32	-4	-12	-132
SASKATCHEWAN	0	-2	-1	0	-10	-1	-3	2	3	-3	-5	-20
SOUTH DAKOTA	0	0	5	6	-12	0	-27	-10	-26	-2	-7	-73
OTHER WICHE STATES	-13	26	31	1	-36	-4	-1	6	-117	19	-2	-90
OTHER	30	206	34	-10	-12	-26	-8	306	209	24	-4	749
NON-RESIDENT SUBTOTAL 2006-2008	93	177	108	-10	-87	-25	-100	1041	219	45	-36	1425
GRAND TOTALS	311	158	149	-43	-280	50	55	971	-86	-18	-62	1,205

2006 to 2008 CHANGE HEADCOUNT ENROLLMENTS BY TUITION RESIDENCY STATUS





Out-of-state students benefit state colleges

Lloyd Omdahl

The Dickinson Press - 01/25/2009

In a recent flurry of letters to state newspapers, the North Dakota Taxpayers' Association claimed that state taxpayers were "subsidizing" out-of-state college students. Instead of subsidizing out-of-state students, it suggested that reducing the number of out-of-state students would result in cheaper tuition for in-state students.

Apparently, the Association did not bother to analyze the recent report prepared by Dr. F. Larry Leistritz of North Dakota State University on the economic impact of the institutions of higher learning on the state and particularly on the 11 college cities.

North Dakota state and local governments have been seeking the magic employment bullet by pouring millions of dollars into economic development strategies since the founding of the first Economic Development Commission in 1957. Our goal — no, our obsession — has been to increase the number of jobs available in the state so we can keep our young people in the state and win back the hearts of those who left for greener pastures.

If given the opportunity, we would mortgage the Bank of North Dakota to attract any industry that would generate 35,000 jobs in 11 strategic locations across the state. It is an industry we already have. It is called the North Dakota University System and its prosperity rests on the enrollment of 40,000 students, each of whom pour around \$8,000 into local economies, thereby enhancing business profits and tax revenues all across the state.

Making up 35 percent of the college enrollment, the out-of-state students bring a major portion of those profits and taxes. And the chambers of commerce in each of the 11 college cities know that every student — in-state or out-of-state — is an economic asset to the community. It is a narrow view that discounts the importance of out-of-state students to the state's economic and social well-being.

The claim that the elimination of out-of-state students would lower tuition for in-state students is dubious. By enrolling in our institutions, the out-of-state students are helping meet the sunk costs at a time when the state high schools are graduating too few students to maintain our present institutions. The truth is that we need out-of-state students. The classrooms and facilities are going to exist whether out-of-state students are enrolled or not.

Half of the enrollment at the University of North Dakota and North Dakota State now consists of out-of-state students. Eliminating these students would not result in cutting the operating costs of these institutions in half. Some cutting would be possible but, with fewer students enrolled, the per-student cost of running the colleges would go up, meaning increased costs for the remaining students.

But universities are about more than economic benefits. As soon as they come into existence, they are obligated to help society educate young people, regardless of residence. This obligation does not end at state boundaries. The overly parochial view of the Taxpayers' Association would have North Dakota shirk this obligation.

The North Dakota Taxpayers' Association proposed a comprehensive study of the matter. A good idea. This myth about the burden of out-of-state students — believed by many across the state — should be put to rest once and for all with an objective analysis focused on the costs and benefits of having out-of-state students in our colleges.



North Dakota University System – SB2238

Testimony to Senate Education on January 26, 2009 by Laura Glatt

I appear before you today in support of this measure to freeze tuition rates for the next two academic years, with sufficient state funding to cover the revenue differential of \$26.5 million.

The SBHE budget request included funding to permit freezing tuition rates at the two-year colleges and limiting tuition rate increases to no more than four percent per year at the four-year campuses in 2009-11. The estimated cost of this proposal is \$8.2 million. This was not funded in the executive budget recommendation. The SBHE budget request also included a total of \$20 million (\$14 million increase) for needs-based financial aid. The executive budget includes a total of \$40 million, an increase of \$33 million over 2007-09.

In recent years, cost increases in such areas as health insurance, utilities, and technology, coupled with some years of stable or declining appropriations, have made it difficult to limit tuition rate increases. Rates have increased about 20% in the past three years, and over 50% in the past five years. As a result, North Dakota's tuition rates have continued to increase, as have those in other states. While the gap has narrowed in more recent years, ND's combined tuition and fee rates are still less than our regional counterparts at all campuses, with the exception of the two-year campuses as is noted in the chart below:

NDUS Tuition and Fee Rate Variance Compared to Regional Averages

	UND/NDSU	MISU	4-year	2-year
2001-02 ND rates compared to Region \$\$	(\$467)	(\$479)	(\$639)	+\$63
2001-02 ND rates compared to Region %%	(12.5%)	(15.7%)	(20.7%)	+3.1%
2007-08 ND rates compared to Region \$\$	(\$363)	(\$140)	(\$152)	+\$617
2007-08 ND rates compared to Region %%	(5.7%)	(2.9%)	(3.2%)	+20.5%

Based on Resident Undergraduate Rate

Unfortunately, ND household income has not kept pace at the same rate; therefore, a larger portion of household income is required to cover tuition and fees today as compared to 2007-08 as follows:

Comparison of ND and Regional Average Tuition and Fees as a Percent of Median Household Income

	2001-02	2007-08
UND/NDSU		
ND	9.2%	14.7%
Region	9.1%	13.5%
MiSU		
ND	7.2%	11.6%
Region	7.4%	10.4%
4-year		
ND	6.9%	11.3%
Region	7.5%	10.3%
2-year		
ND	5.8%	8.8%
Region	4.7%	6.3%

The long-term finance plan, adopted by the SBHE, and used for the first-time in developing the 2001 budget calls for a shared approach between the state, students and institutions to funding higher education. The plan suggests the cost shares as outlined below, among the state and students, while the campuses are responsible for generating increasing shares of their budget from other non-state sources, and continuing to function at per student appropriations that are far less than their counterparts.

NDUS Long-Term Finance Plan State/Student Shares

	Target State Share	Actual State Share 1/	Target Student Share	Actual Student Share 1/
UND/NDSU	60%	38-40%	40%	60-62%
MiSU	65%	53%	35%	47%
4-year	70%	49-68%	30%	32-51%
2-year	75%	49-69%	25%	31-51%

1/ Based on 2005-07 biennium figures

This model implies regular, but controlled increases in tuition rates. However, again, due to rapidly increasing costs in some areas, and years when the state was not been able to fully fund the state's share, students have picked up a larger portion of the cost. This shift has occurred over several years. The SBHE's goal is to re-balance these shares over time. This bill would certainly go a long way in kick-starting that change.

A balanced funding plan would promote opportunities to freeze or limit tuition rate increases for all students and, also provide additional needs-based financial assistance to those students and families with the least ability to pay. Limited tuition rate increases would not only help financial aid dollars to go further, it would also help middle-income families, who many times do not have access to financial aid.



It is critically important that any plan to limit or freeze tuition rates include sufficient funding to offset revenue losses. If not, instructional programs and services would suffer, as these costs are paid from a combination of general funds and tuition revenues.

Thank you for your consideration of this bill and I would be happy to answer any questions.

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SECTION 1. TUITION INCREASE ~~PROHIBITED~~ LIMITED. Notwithstanding any other provision of law, the state board of higher education may not increase tuition by more than 4 percent per year for students attending four year institutions under its control beyond the level in effect during the 2009 spring semester. The state board of higher education may not increase tuition for students attending two year institutions beyond the level in effect during the 2009 spring semester.

Change the appropriation to 8.2 million