

2009 SENATE EDUCATION

SB 2166

2009 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. 2166

Senate Education Committee

Check here for Conference Committee

Hearing Date: January 20, 2009

Recorder Job Number: 7318, 7321

Committee Clerk Signature

Minutes:

Senator Freborg opened the hearing on SB 2166. All members were present except Senator Taylor. Senator O'Connell is sitting in for Senator Taylor this week.

Senator Judy Lee introduced the bill. The students of some colleges, such as Rasmussen College, are being prevented from applying for assistance through the tuition assistance grant program under the current law, because these colleges are considered a full profit institution. I am so impressed with the way they are preparing students for independent living. This would only apply to those programs that are two years or more. It is not intended to be a short course kind of program. There are some really fine programs being made available through those colleges. They are accredited by the same organization that accredits our other higher education institutions in North Dakota. It is only reasonable that these individuals who are looking to further their educations, no matter what their background maybe. I urge your favorable review of 2166.

Senator Flakoll do you know about how many students might be eligible under this bill if it were to pass?

Senator J. Lee no, I do not have that information, but I could try and get it for you.

Senator Flakoll Is there any fear of unintended consequences of other four year profit institutions moving to North Dakota, such as University of Phoenix.

Senator J. Lee I certainly would have a concern about that as well. I think the crediting bodies are a really important component here. We would want to make sure that any institution whose students might apply for this would meet the credentials and criteria that are important for us to know that the students that are applying are going to be getting an appropriate education.

Senator Flakoll if there is a concern by you and others about other totally viable institutions that move to North Dakota is there something that says you have to be established for so many years before that institution's students become eligible or something along those lines?

Senator J. Lee I share your concern on that and I would not have a problem with having some kind of criteria in place so that we could even ease into this. If we move into this cautiously I think we can do it correctly.

Betty Largent, Rasmussen College, spoke in favor of the bill (see attached testimony #1).

Senator Bakke in addition to Rasmussen College, what other colleges are there out there in the state that would qualify under this bill?

Betty Largent replied none

Senator Bakke so this would only benefit Rasmussen College at this time?

Betty Largent it would benefit the students of North Dakota who wish to go to Rasmussen.

Senator Flakoll this would only pertain to the students at the Fargo and Bismarck campus and not the Moorhead Campus is that correct?

Betty Largent that is correct. They are under the Minnesota State Grant.

Senator Flakoll what is your annual budget for Bismarck and Fargo campuses?

Betty Largent I can speak for the Bismarck campus but my annual budget for the Fargo campus is probably around \$10,000,000.

Senator Flakoll do you think Bismarck would be larger or smaller than Fargo Campus?

Betty Largent replied smaller.

Senator Flakoll in terms of student numbers in Fargo versus Bismarck what kind of differential are we looking at?

Betty Largent the Fargo Campus has 720 students and the Bismarck Campus has 477 students.

Senator Flakoll if we increase the budget to \$40,000,000 do you think you would get a larger increase of the current level or a smaller increase?

Betty Largent I don't see that it would be a larger share. Right now the average amount the student would be eligible for would be between \$275 and \$500. We attempt to meet the economic requirements of the state and the employees. We have done an aggressive movement to meet the employment needs of the state by working with the economic development commission. We knew we needed to open up Allied Health programs in Fargo. Rather than build onto the building in Fargo we elected to go five miles across the line into Moorhead and we built a 2.4 million dollar building and opened up in April. It is full to its capacity right now. A survey showed us that I had 175 students who drove from Minnesota and enrolled into Rasmussen College and gave up the Minnesota State Grant.

Martin Goldade, student of Rasmussen College, spoke in favor of the bill (see attached testimony #2).

Debora Murray spoke in favor of the bill (see attached testimony #3).

Senator Flakoll what would you expect in terms of tuition costs either per term or for a tradition school year?

Debora Murray our tuition by the credit hour is \$95.

Senator Flakoll Are you and equal opportunity institution?

Debora Murray yes we are.

Senator Flakoll what would be your understanding of the repealer language?

Laura Glatt North Dakota State University system, that is a separate program that was placed in the '70's called the tuition assistance program. It was specifically set up as a separate program for the private institutions. Over the years the program got merged into one. Both the public, private and tribal colleges all participate in the same program.

Senator Flakoll could you provide us with a written break out on how many dollars go to campuses in the university system; how many dollars go to the private colleges in the most recent time frame?

Laura Glatt I have it right here and passed out copies (see attached handout #4).

Senator Bakke Do you anticipate more small colleges coming to North Dakota because of these grants? Is it enough of a motivator to get them to open more colleges in the state?

Laura Glatt it would certainly have to deal with the provisions of the bill which require, at a minimum, of a program of two years or more and the crediting provisions of the institutions.

Senator Bakke Would the language in the repealer be appropriated in this case?

Laura Glatt that provision has not been utilized for several years. It really is unrelated to the primary purpose of this bill. It is an unutilized section of the statute so certainly there would be no impact if you were to repeal it.

Senator Freborg closed the hearing on SB 2166.

Chairman Freborg opened the discussion on SB 2166.

Senator Bakke asked if the bill is for the benefit of one college.

Senator Freborg said one that exists now.

Senator Flakoll asked if we would be ok if the University of Phoenix came to the state. We could apply amendments that would disincentivize that from happening. They would have to

be North Dakota students. One issue to consider is if we go to \$40 million for needs based grants, \$10 - \$12 million would go to the private and tribal colleges.

Senator O'Connell said they must be accredited for two years, that would give us time to deal with it if necessary.

Senator Flakoll said they must be a two year institution or more so that would eliminate the fly by night operations. There could be a legitimate higher education school that is ok.

Senator O'Connell said what if the home schoolers said they were going to start a home school college.

Senator Flakoll said they would have to start at ground zero to acquire accreditation.

Senator Lee said if that is a concern, we could say they need to be accredited as of today.

Senator Flakoll said we could consider that plus that they be approved by the Board of Higher Education.

Senator Lee said he will consider an amendment.

Chairman Freborg closed the discussion on SB 2166.

2009 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. 2166

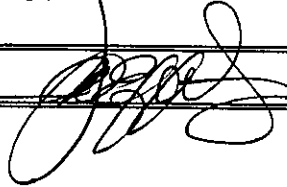
Senate Education Committee

Check here for Conference Committee

Hearing Date: January 21, 2009

Recorder Job Number: 7415, 7417, 7451

Committee Clerk Signature



Minutes:

Chairman Freborg opened the discussion on SB 2166. All members were present. Senator O'Connell is sitting in for Senator Taylor this week.

Senator Flakoll said he has some information from the North Dakota University System.

(attached)

Senator Flakoll distributed amendments that would have the grant paid to the institution rather than to the student.

Senator Flakoll moved the Flakoll amendment, seconded by Senator Bakke.

Senator Lee asked what is done now.

Senator Flakoll said the check is mailed directly to the student, he thinks.

Senator Lee said that seems like a paper shuffle.

Senator Flakoll said in some cases you could argue if the money went directly to the student, they could use it as they so choose. With the influx of money, they could use it to buy a flat screen TV, then pay for college with their credit card.

Senator Lee asked if the student receives a grant, is the college able to accept it? Are you making the institution their parent?

Senator Freborg said he doesn't think the check is made out to the student.

Senator Bakke said it is not uncommon for grant money to go directly to the school. The check is made out to the institution and the student and the student endorses it and it is applied to their bill.

Senator Flakoll said he knows at one time, checks for student loans were made out to the student with no strings attached other than it had to be paid back. The money was used for a variety of things like a down payment on a car, investing in the stock market and of course, the intended purpose, paying tuition. He is not certain how the flow of money goes in these grants.

Senator Freborg asked if the grant program is a revolving fund or does it require an appropriation.

Senator Flakoll said it requires an appropriation, it is all money out. They are grants, not loans.

Senator Freborg said it's about \$3.4 million.

Senator Flakoll said the previous biennium we were at \$4 million, the current biennium we went up about 47% to \$6 million. There is a current proposal we will be getting in 2226 that will raise that to a total of \$40 million.

Senator Freborg said that's about what it would take.

Senator Flakoll said with a standard course load of 15 credits, Debra Murray said they do about \$390 per credit hour times 30 credits per year, that comes to tuition cost of \$11,700.

There are some reference points to some of the other institutions in the handout.

Senator Freborg said we should wait for more information.

Senator Flakoll withdrew his amendment, Senator Bakke withdrew her second.

Senator Flakoll said he requested information from Laura Glatt concerning what portion of a campus' revenue came from state sources (attached). Yesterday in testimony we heard that

Rasmussen College said under current guidelines, they would receive about \$275,000 from

needs based grants. If we extrapolate that out going from \$6 million appropriation to \$40 million appropriation, that would be 6.667 times higher. So their \$275,000 times 6.667 would be \$1.83 million which would be about 18.5% of their budget. We would be taking a wider swath of students if we adopted the \$40 million proposal . They would be getting more money than UND on a percentage basis.

The committee discussed other sources of revenue for the campuses.

Later in the afternoon, Senator Flakoll moved the Flakoll amendment, seconded by Senator Lee.

Senator Lee asked if we have information from Laura Glatt.

Senator Bakke said we were told the money goes to the student.

Senator Freborg said it surprised him.

The motion passed 4 – 0 – 1.

Senator Lee moved a Do Pass As Amended on SB 2166, seconded by Senator Flakoll.

Senator Flakoll said this support of non state institutions is kind of like a voucher system for higher education. Will it trickle down to K – 12?

Senator Lee said the program supports North Dakota students, in a two year program, in the state. The school meets a niche in our employment markets.

Senator Bakke asked if the University of Phoenix could set up shop in North Dakota.

Senator Flakoll said yes they could. He had a discussion with legal counsel about location and found they could rent a 10 X 10 room with a phone and that would make them located in the state.

Senator Lee said he believes that is true in talking with Anita. They would have to be a two year program and the students would have to be residents of North Dakota.

Senator Bakke confirmed the bill states they must be North Dakota residents.

● Senator Lee said yes.

● Senator Flakoll said North Dakota students for purposed of tuition.

● The motion passed 3 – 1 – 1. Senator Lee will carry the bill.

PROPOSED AMENDMENTS TO SENATE BILL NO. 2166

Page 1, line 9, after "years." insert "Grants shall be paid directly to eligible institutions on behalf of the student."

Renumber accordingly

SF 1/21/09 2166

REPORT OF STANDING COMMITTEE

SB 2166: Education Committee (Sen. Freborg, Chairman) recommends AMENDMENTS AS FOLLOWS and when so amended, recommends **DO PASS** (3 YEAS, 1 NAY, 1 ABSENT AND NOT VOTING). SB 2166 was placed on the Sixth order on the calendar.

Page 1, line 1, after "15-62.2-00.1" insert "and subsection 2 of section 15-62.2-01"

Page 1, after line 9, insert:

"SECTION 2. AMENDMENT. Subsection 2 of section 15-62.2-01 of the North Dakota Century Code is amended and reenacted as follows:

2. A student must be in substantial need of financial assistance to receive grants under the student financial assistance program. A grant must be paid directly to an eligible institution on behalf of a student."

Renumber accordingly

2009 HOUSE EDUCATION

SB 2166

2009 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. SB 2166

House Education Committee

Check here for Conference Committee

Hearing Date: March 9, 2009

Recorder Job Number: 10462

Committee Clerk Signature

Carmen Hart

Minutes:

Brian Bowker, Campus Director, Rasmussen College, Bismarck, appeared in support.

(See Attachment 1.)

Rep. Karen Karls: I toured your school some months ago. I was fairly impressed and met people that I knew that teach there. What I am wondering is when I shared with some of my fellow legislators they were kind of put off by the phrase "for profit" in your college credentials. It seems to set you apart from other colleges and universities. Could you share some thoughts on it?

Brian Bowker: Rasmussen is a different type of college in regards to model. Our typical student is an underprepared student quite often. They are the type of student that may be a first generation student. They don't have the support, the understanding, and a lot of times the self confidence. Sometimes the typical postsecondary collegiate environment will be very intimidating for them. What we bring to the table is a different delivery mechanism to allow more North Dakotans the opportunity that might not navigate a successfully typical postsecondary education environment that we could help them get through. The way we do that is as a propriety institution, we merge a business model and an academic model. We are actually a very good complement to the university system. With that merging of the model we run as a business. Obviously we do not have any other type of funding or support that will

build buildings for us, that will allow to support us so we do have to make sure that we can maintain the solvency and viability as a business is run. Rasmussen has done a very good job of blending academics with business. A lot of times we allow our academics and over 70% of the faculty in our system have either PhDs or master degrees or higher, and they blend in on the business side. A lot of times your campus directors and those folks will be people that have come up through different types of businesses and that understand education. To run successfully we have to be fiscally responsible, fiscally conservative, and we have to provide education to students with nothing more than the student's ability to fund their education.

There is no other source of funding for us. It is really kind of unique when we look at the fact that 71% of our students stay in the workforce, and we are providing that education with nothing more than the tuition with no other sources of funding. I like the way that Rasmussen

blends business and academics. They deliver quality education product but they do it with the mindset of a businessperson making sure that you are able to deliver what you need to deliver with maximum financial responsibility and fiscal conservatism. It is just a nice blend.

Rep. Bob Hunsakor: You can pay all your expenses off of student tuition? You have no other form of income?

Brian Bowker: That is correct. Our students are eligible for Title IV funding. A typical student will have access to Stafford loans whether subsidized or unsubsidized, the Pell grants, and also for shortage in funding they will seek private loans to make up that difference. I guess that is why we feel that this state grant is so important. It is not real important to us as an institution. With our students coming in as sometimes underprepared, we work with them and we will find ways to get funding for them. When they have to go to private loan sources, they are responsible for paying that back obviously. With typical university students our mindset I guess is if we are doing a good job to help prepare these students for entry and if we are doing

the job that we represent and will help them with financial aid peace and we will work to help put together the funding, the fact that these students are staying in North Dakota and working that they are acquiring a regionally accredited postsecondary education and they are, in essence, at times may be forced to incur more debt than a student going elsewhere because they don't have eligibility to sustain that fund, that is the inequity I guess that we are seeking to address. It doesn't really impact us institutionally, but it does have a great impact on our students who study, live, and work here in North Dakota, and have to eventually pay back student loans.

Rep. Bob Hunsakor: Your graduates are going into what type of work? Where are most of them employed at?

Brian Bowker: For the most part we offer a variety of degrees. One of our focuses is that we want to be career focused. A lot of times there is a misnomer with in the past with technical colleges and career colleges, they didn't really get people into professional orientations. We are a fully regionally accredited baccalaureate culture. Although we provide regionally accredited education, we still focus on career placement. In Bismarck we placed 84% of our students and Fargo had about a 88% placement rate. How we placed in this, we have business programs. We have criminal justice programs. We have allied health programs. We just went through ___ accreditation which went very good for our medical lab technician program which we expect to be fully accredited by the ___ organization very soon.

Chairman Kelsch: How many years typically do those students go to school at your college? What is the typical degree length?

Brian Bowker: It would depend on the program. We have many baccalaureate degrees so we do have four-year programs, and we also offer some associate degrees. It would pretty technically mirror what you find in other postsecondary environments with on an average of

two years for associate degree and four years for a baccalaureate degree. A lot of that depends on the student. Many of our students are trying to hold down a couple of jobs at the same time which does slow the progression down.

Rep. John Wall: Are there any other for profit institutions in the state that would be impacted by this bill?

Brian Bowker: I am not aware of any. He handed out some additional information. (See Attachments 2, 3, and 4.)

Martin Goldade, Student, Rasmussen College, appeared. (See Attachment 5.)

Peggy Wipf, ND University System, Director of Financial Aid and Federal Relations Coordinator, was asked to appear to answer a question for Chairman Kelsch.

Chairman Kelsch: In Brian's testimony he says that there would be an impact of approximately \$275,000. I am kind of curious why we don't have a fiscal note on the bill?

Peggy Wipf: I am not sure. I think in their testimony they're maybe just giving an estimate of additional students that would be let into the pipeline. As a result of that, it would be shifting possibly what students would be eligible, either at public, private, tribal, or adding an additional institution.

Rep. David Rust: This bill has the word nonprofit crossed out. I presume that means this bill is almost site specific to Rasmussen College?

Chairman Kelsch: That is the way I read it.

Senator Judy Lee, District 13, part of West Fargo, appeared as one of the sponsors of the bill. It permits Rasmussen College or any other. Now we have in our area a couple of others that are not nonprofit that would be a private or for profit higher education institution for offering programs. These students have not had access as you know to these grants. I think that it is highly unusual that we are permitting private students at the University of Mary and Jamestown

College to have access to these grants and we don't allow students at a college such as Rasmussen to have access to these grants. At Rasmussen it is a very interactive relationship that the students have with their faculty members. It is a very dedicated faculty. As you may be aware under the Temporary Assistance for Needy Family Rules, going to school counts as a work experience if you are in a one or two year program, but it does not if you are in a baccalaureate program. The house has passed a bill that has to do with childcare for baccalaureate programs, but the federal rules we all think here are a little goofy in doing that. You will notice that the senate education committee did add a line about the grant must be paid directly to the eligible institution on behalf of a student. You will see that it just can't be for a short course. It is intended to be going to an institution of higher learning that offers at least two academic year programs, in other words, associate degree programs.

Rep. David Rust: You said that there are a couple of others that are for profit. Do you know who they are and do you know if they are accredited by NCA?

Senator Lee: The Minnesota College of Business is in our community. It is on the Moorhead side so it is not one that right now would be accessing this money because the institution is not on the North Dakota side. My point in mentioning that is that Rasmussen is not the only one in existence and that there is the potential for others to be around so that you would be aware of that. There is a possibility that another campus might be built somewhere.

There was no opposition.

The hearing was closed.

Vice Chair Lisa Meier moved a **Do Pass**. **Rep. Karen Karls** seconded the motion.

Rep. David Rust: I would have had a lot of trouble voting for this without knowing that they were accredited by North Central Association. That makes a huge difference here.

Chairman Kelsch: It specifically says that they have to be accredited in state law.

Rep. Jerry Kelsh: There is no difference in eligibility of the student for this school than for any others, right?

Chairman Kelsch: No. That is correct. The eligibility would remain the same. All it does is it just opens up the pool to more kids.

DO PASS. 14 YEAS, 0 NAYS. Rep. Karen Karls is the carrier of this bill.

Date: 3-9-09
Roll Call Vote #: _____

2009 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2166

House Education Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass Do Not Pass Amended

Motion Made By Rep Meier Seconded By Rep. Karls

Representatives	Yes	No	Representatives	Yes	No
Chairman RaeAnn Kelsch	✓		Rep. Lyle Hanson	✓	
Vice Chairman Lisa Meier	✓		Rep. Bob Hunsakor	✓	
Rep. Brenda Heller	✓		Rep. Jerry Kelsh	✓	
Rep. Dennis Johnson	✓		Rep. Corey Mock	✓	
Rep. Karen Karls	✓		Rep. Phillip Mueller	✓	
Rep. Mike Schatz	✓		Rep. Lee Myxter	✓	
Rep. John D. Wall	✓				
Rep. David Rust	✓				

Total (Yes) 14 No 0

Absent 0

Floor Assignment Rep Karls

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

REPORT OF STANDING COMMITTEE (410)
March 9, 2009 12:38 p.m.

Module No: HR-42-4301
Carrier: Karls
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

SB 2166, as engrossed: Education Committee (Rep. R. Kelsch, Chairman) recommends DO PASS (14 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Engrossed SB 2166 was placed on the Fourteenth order on the calendar.

2009 TESTIMONY

SB 2166



Betty Largent

Testimony of Rasmussen College in Support of Senate Bill 2166

Senate Education Committee, January 20, 2009

Chairman Freeborg and Members of the Committee:

I appreciate this opportunity to present my testimony before the committee in favor of Senate Bill 2166 to redefine the eligibility requirements of the North Dakota State Tuition Assistance Grant. My name is Betty Largent and I am currently the Campus Director of Rasmussen College in Fargo. Prior to my role with Rasmussen, I've been Campus Director with the former Aakers College and have worked in education for over 30 years. As an educator in my entire professional career, my remarks are not only directed towards the individual students we serve but to the greater focus of higher education needs in North Dakota.

Rasmussen College has been a part of the North Dakota community for more than 100 years. Our humble roots began in 1902 in Grand Forks where Aakers Business College was originally founded. After moving to Fargo and opening an additional campus in Bismarck in 2003, Aakers College merged with Rasmussen College and joined their system of colleges nationwide in 2007. Today our campuses in Fargo and Bismarck enroll over 1,200 students and our campuses staff nearly 110 employees statewide.

Another important milestone occurred in 2007 when the Fargo and Bismarck campuses were included in the scope of Rasmussen College's regional accreditation by the Higher Learning Commission of the North Central Association. With recognition from the same accrediting agency that accredits the University of North Dakota and North Dakota State University, we are proud to adhere to rigorous educational standards as we continue to graduate career-focused students into the local workforce.

The Rasmussen College student demographic is very different from our larger, more traditional institution peers. Our students tend to come from lower income families where the pursuit of higher education is not always as accessible. Many of our students are first generation college students, often supporting tuition costs by working full-time. Rasmussen's dynamic learning environment, from fully online classes to evening class schedules, supports the educational and professional goals of our students.

SB 2166 will allow for funding to Rasmussen College students to pursue their higher education goals and more quickly start careers in their communities. In fact, with a graduation rate of 61%, a

majority of our students stay and find jobs in the North Dakota community. Over the past 10 years, nearly 71% of Rasmussen College graduates chose to stay and work in the State of North Dakota.

Our students qualify for Title IV funding – Pell grants, Stafford and PLUS loans – yet unfortunately they are not eligible for the North Dakota Tuition Assistance Grant. SB 2166 would have a minimal impact to the state's fiscal fund. Using eligibility requirements from the state grant fund, only 275 of our 1,200 students are currently eligible to receive the state grant. With the average award amount between \$600 and \$1,000, we estimate a small impact to the state's fiscal fund at around \$275,000.

SB 2166 represents a chance for Rasmussen College students to access the same education funding as their peers at other North Dakota institutions. Our college graduates students are ready to be employed by the local workforce and SB 2166 will have a positive impact on the lives of our students and a positive commitment to higher education in North Dakota for all students.

Thank you for your time and I appreciate this opportunity to testify before the Senate Education Committee. I am happy to answer any questions you might have.

Sincerely,

Betty Largent, Campus Director – Fargo Campus

Betty.Largent@Rasmussen.edu


701—277-3889

Testimony of Martin Goldade

My name is Martin Goldade, currently I am a student of Rasmussen College and have been since June of 2005. I am working on a Bachelor Degree in Business Management with a minor in Human Resources.

I came to Rasmussen because of the personal attention that they give their students. It was evident from the moment that I walked in the door that they were very helpful and that I had made the right choice. Rasmussen has the evening classes as well and this was of particular interest to me as I am working full time during the day. I started my job with Thermal Line Windows just weeks before starting school at Rasmussen and I wanted to work my way through college by working full time. Rasmussen was the only place that I found that offered that flexibility of schedule. The small classes allow me to interact and get the most out of my classes as well as my professors.

I would like to demonstrate how Rasmussen has helped me in my professional career. I have always liked the human resource field and wondered how I would ever be able to get into it. I started at Thermal Line Windows in the plant assembling windows. After being there for a little over a year I was offered a customer service position in the office. This was due to the fact that the HR director knew that I was going to school for business. After being in the office for about six months I was again promoted to become an office supervisor as well as overseeing all warranty related customer service issues. In early 2008 the HR/ Safety position became available. I gave it considerable thought whether or not to apply. I was not sure if I was ready for such a responsibility, after much thought I decided that I was going to ask my boss if I could apply for the position. I figured I would test what I have learned at Rasmussen and see if it was worth it. When I asked my boss told me that the position was mine if I wanted it and that they had thought of me for the position but had wanted me to ask for it. I have used what I have learned at



Rasmussen almost daily and at night when I go to class I have a support group who are working professionals during the day and are my teachers at night. I have truly had the best of mentorship at Rasmussen.

I hope that what I have told you will inspire you to look favorably upon Rasmussen College by allowing it's students the same grant opportunities as students of other institutions of higher learning. I believe I would not have had the wonderful opportunities that I have been given had it not been for the dedication of my teachers and the staff at Rasmussen College. Thank you for you consideration.





Testimony of Rasmussen College in Support of Senate Bill 2166; January 20, 2009

Chairman Freeborg and Members of the Committee:

My name is Debora Murray of Fargo and originally from Minot. I come before you to express my support of SB 2166. My roots originate from North Dakota homesteaders who illustrate the value of our state in the land and in the people within it. I am proud to have been born here, educated here, and raised my children here. I have made my professional career completely within our state – specifically centered on student services in the form of family housing at the University of North Dakota in Grand Forks and in my present employment with Rasmussen College in Student Financial Services.

As you are all aware, most students in the nation cannot seek postsecondary education without financial assistance programs. The rising costs of tuition and related expenses lend to a forced participation in a variety of programs, with few families able to avoid borrowing to complete their goal. At Rasmussen College we pride ourselves in assisting families to find the best possible resources to fund their educational endeavors. We find it unfortunate that the North Dakota State Tuition Assistance Grant remains outside of the reach of the student taxpayers who elect to attend Rasmussen – the only degree-granting institution in the state not eligible for the program. Students and/or parents who question this at our Bismarck and Fargo campuses are disappointed to learn that the tax dollars that they contribute towards education are not related to their desired path of study, but to the institution that they elect to attend.

Funding for the Tuition Assistance Grant should follow the student, not the school. I ask for support of SB 2166 in an effort to remedy this unfortunate application of law. The simple revision in this bill will assist taxpaying families in the state to seek postsecondary education within North Dakota without prejudice to the location, program, or choice of institution. Please carefully consider the importance of this change for the future of our great state – by supporting the bill you show approval for freedom of choice in education.

Thank you for your time and I will be happy to answer any questions you might have.

Sincerely,

Debora Murray, National Director of Student Financial Services – Rasmussen College

deb.murray@rasmussen.edu

(701) 277-3889



Same handout given to House.

Rasmussen College has been a part of the North Dakota community for over 100 years:

- Rasmussen College currently enrolls over 1,200 students at its Fargo and Bismarck campuses and our campuses staff nearly 107 employees statewide
- With a graduation rate of 61%, a majority of our students stay in the North Dakota community. Over the past 10 years, nearly 71% of Rasmussen College graduates chose to stay and work in the State of North Dakota
- This past year 84% of our Bismarck graduates were placed in careers and 88% of our Fargo graduates have also been placed into the local workforce after graduation
- Our partnerships with the local Economic Development committees and other workforce initiatives have yielded new programs of study to support the local economy such as our embedded systems program and a new partnership for Microsoft

Our students qualify for Title IV funding – Pell grants, Stafford and PLUS loans – yet they are not eligible for the North Dakota Tuition Assistance Grant:

- Using eligibility requirements from the state grant fund, only 275 of our 1,200 students are currently eligible to receive the state grant
- With the average award amount between \$600 and \$1,000, we estimate a minimal impact to the state's fiscal fund at around \$275,000
- Rasmussen College uses the Bank of North Dakota for virtually all of its Federal loans. In fact, Rasmussen students represent the third largest student borrowing group for the Bank of North Dakota

In 2007 our North Dakota campuses were included in Rasmussen's regional accreditation from the Higher Learning Commission of the North Central Association. Rasmussen as a system has been regionally accredited since 2001.

Calculation #2 with adjustments

Revenues	BSC	DSU	LRSC	MaSU	MISU	MISU-BC	NDSCS	NDSU	UND	VCSU	WSC	TOTAL
Total Operating Revenue	21,313,404	17,491,122	6,726,393	7,525,409	25,740,125	3,138,595	21,129,461	198,831,990	242,372,338	7,485,804	5,262,690	557,017,331
Federal appropriations (nonoper)	-	-	-	-	-	-	-	7,587,352	-	-	-	7,587,352
Federal grants & contracts (nonoper)	-	-	-	-	-	-	-	143,154	35,372	-	-	178,526
Gifts	786,557	837,066	428,740	634,523	1,633,882	317,280	1,361,361	8,797,122	6,624,730	795,297	550,018	22,766,576
Tax Revenues	-	-	-	183,530	-	-	-	259,118	1,899,034	-	-	2,341,682
Investment income	319,312	371,973	37,860	111,741	613,456	41,589	425,111	3,264,524	2,319,472	156,082	126,584	7,787,704
Subtotal-Revenues	22,419,273	18,700,161	7,192,993	8,455,203	27,987,463	3,497,464	22,915,933	218,883,260	253,250,946	8,437,183	5,939,292	597,679,171
Less: HECN, IVN and ODIN	-	-	-	(501,081)	-	-	-	(78,100)	(2,445,231)	(476,922)	-	(978,003)
Less: Ag Exp and Ext	22,419,273	18,700,161	7,192,993	7,954,122	27,987,463	3,497,464	22,915,933	218,805,160	250,805,715	7,960,261	5,939,292	594,177,837
Less: Laptop computers	9,795,400	8,383,225	3,260,000	5,011,399	15,047,561	2,393,272	13,742,000	79,233,489	78,243,012	6,545,233	3,211,252	224,865,843
Adjusted Revenue total	9,795,400	8,383,225	3,260,000	5,011,399	15,047,561	2,393,272	13,742,000	71,818,866	71,378,360	6,545,233	3,211,252	210,586,568
Total Revenue	32,214,673	27,083,386	10,452,993	12,965,521	43,035,024	5,890,736	36,657,933	290,624,026	322,184,075	14,505,494	9,150,544	804,764,405
General Fund as a % of Total Revenue	30.4%	31.0%	31.2%	38.7%	35.0%	40.6%	37.5%	24.7%	22.2%	45.1%	35.1%	26.2%
FTE Students	2,949	2,162	888	624	2,926	403	2,106	11,415	11,533	842	588	36,436
Revenue/FTE Student	7,602	8,649	8,100	12,747	9,565	8,679	10,881	19,168	21,747	9,454	10,101	16,307
GF Appropri/FTE Student	3,322	3,878	3,671	8,031	5,143	5,939	6,525	6,292	6,189	7,773	5,461	5,780
Total/FTE Student	10,924	12,527	11,771	20,778	14,708	14,617	17,406	25,450	27,936	17,227	15,562	22,087

Data source: SRECNA

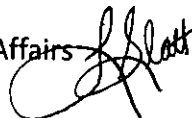
SF 2166 1/21/09

NORTH DAKOTA UNIVERSITY SYSTEM

The Vital Link to a Brighter Future

TO: Senator Layton Freborg, Chair
North Dakota State Senate Education Committee

FROM: Laura Glatt, Vice Chancellor for Administrative Affairs



DATE: January 20, 2009

RE: SB2166 Follow-Up Information

Memo #E-09-01

This morning at the hearing on SB2166—to expand state grant program participation to include for-profit institutions offering at least a two-year academic program—your committee asked about the bill's application to other for-profit institutions that may potentially offer programs in the state, such as the University of Phoenix. According to our staff attorney, as long as the for-profit institution is "located" in the state, students attending those institutions would qualify for the state-grant program as long as the student is a ND resident and meets the other requirements of the law. Our attorney interprets "institution located in this state" to mean they must have a physical presence which could mean construction of a facility or leasing rental space.

Additionally, committee members requested information on the current distribution of state grant funding by type of institution. I have attached that information as Attachment (1). I have included as Attachment (2) background information on the varying budgets we use in determining "unmet need" for the allocation of funds to students and also a history of the number of applicants assisted on Attachment (3).

Please feel free to contact me at laura.glatt@ndus.edu or at 328-4116 if you have other questions or need additional information.

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State Capitol - 600 E. Boulevard Ave., Dept. 215, Bismarck, ND 58505-0230
Phone: 701.328.2960 • Fax: 701.328.2961
E-mail: NDUS.office@ndus.nodak.edu • Web: www.ndus.nodak.edu

The North Dakota University System is governed by the State Board of Higher Education and includes:
Bismarck State College • Dickinson State University • Lake Region State College • Mayville State University •
Minot State University • Minot State University-Bottineau Campus • North Dakota State College of Science •
North Dakota State University • University of North Dakota • Valley City State University • Williston State College.

Access - General

December 2008

State Grant Program

The North Dakota Student Financial Assistance Program (State Grant) provides \$800 non-repayable grants each year to North Dakota residents pursuing undergraduate degrees at North Dakota's public, private (not-for-profit) and tribal colleges. The purpose of these need-based grants is to assist students with the cost of attending North Dakota postsecondary institutions. A State Grant also reduces the amount of money a student needs to borrow for his or her education.

- More than 33,580 North Dakota students applied for a state grant in 2007-08. The State Grant Program was able to fund 4,152 needy students or about 12 percent of the eligible students. For 2007-08, the greatest unmet need of a State Grant Program recipient was \$14,988. Unmet need for this program is calculated as follows: cost of education minus parent/student expected contribution, minus the Federal Pell Grant, minus other resources (such as veterans' benefits) equals unmet need. For academic year 2007-08, State Grant dollars were exhausted at an unmet need figure of \$5,964. In other words, those students demonstrating an unmet need of \$5,963 or less did not receive State Grant support. Historically, of the over 30,000 students who apply for the State Grant program each year, over 20,000 students exhibit some type of unmet financial aid need.

State funding to support the State Grant Program is equivalent to 1.7 percent of annual tuition collections.

Students Receiving State Grants Awarded by Institution Type				
	Public Institution	Private Non-Profit 4-Year Colleges & Hospital School of Nursing	Native American Community Colleges	Total
2008-2009 School Year (est.)				
# Applying 30,325				
# of Students Receiving Awards	3,536	581	100	4,217
\$ Awarded	\$2,828,800	\$464,800	\$80,000	\$3,373,600
% of Total \$ Awarded	84%	14%	2%	100%
% of all ND Students Attending College	87%	9%	4%	100%
2007-2008 School Year				
# Applying 33,580				
# of Students Receiving Awards	3,484	565	103	4,152
\$ Awarded	\$2,596,400	\$430,798	\$75,200	\$3,102,398
% of Total \$ Awarded	84%	14%	2%	100%
% of all ND Students Attending College	87%	9%	4%	100%

FOR MORE INFORMATION CONTACT:

Peggy Wipf, Director of Financial Aid and Federal Relations Coordinator
 701.328.4114 Peggy.Wipf@ndus.edu

▪ Application: Free Application For Federal Student Aid (FAFSA)

The FAFSA form is the application form all students complete to apply for various types of financial aid including the Federal Pell Grant, Federal Supplemental Education Opportunity Grant, Federal College-Work Study Program, Federal Perkins Loan Program, Federal Stafford Loan eligibility. Such information as family income, assets, size of family, age of the older parent, etc., are all reported on the FAFSA form. As part of this process, a federal calculation referred to as the Federal Needs Analysis Methodology (as approved by the U.S. Department of Education) computes an expected family contribution (EFC), which is the amount of money the federal government determines a family unit must contribute towards a student's education.

▪ How is eligibility for State Grant Program determined?

Currently, eligibility for the State Grant Program is determined by assigning to each applicant a "student budget," better known as "cost of education." The cost of education for the SSIG Program includes such things as tuition, fees, room, board, books and supplies, and miscellaneous expenses (example: personal items). At a NDUS institution, tuition and fees account for 40 percent of the total estimated student cost, while room, board, books, supplies, travel and other expenses account for the remaining 60 percent. A higher cost of education has been consistently assigned to the private non-profit colleges because of higher tuition costs. For the 2008-09 academic year, varying State Grant budgets were used (i.e., private non-profit institutions -- \$20,000; NDSU/UND -- \$15,100; four-year institutions -- \$13,500 and two-year institutions -- \$11,200) to arrive at an UNMET NEED figure. UNMET NEED is determined as follows:

Cost of education

minus	Pell Grant award (a federal grant program)
minus	Parent contribution (amount determined by a standard formula that uses such factors as taxable and non-taxable income, assets such as savings and the value of a business, and benefits including unemployment and social security)
minus	Student contribution (amount determined by a standard formula that uses such factors as taxable and non-taxable income, assets such as savings) and veteran benefits (a resource)
equals	UNMET NEED

Students are ranked in descending order according to "unmet need." Grant funds are then awarded to those with the highest "unmet need," continuing down the list until available

qualified, only 4,076 students (more than 20 percent) received the \$800 annual grants, because of the limited availability of program funding. Students who have unmet needs of \$5,964 or less did not receive program support due to lack of funding.

TABLE 1
History of State Grants Awarded

Year	# Applicants	# Applicants Showing Need	# Grants Awarded	% Eligible Students Funded	Ran Out of Funds at Unmet Need Figure of
1998-99	29,545	21,576	3,604	16.7%	\$4,058
1999-00	30,778	21,237	3,711	17.5%	\$4,000
2000-01	31,967	18,294	1,382*	7.6%	\$5,800
2001-02	33,046	20,369	2,379	11.7%	\$5,934
2002-03	35,156	24,492	2,600	10.6%	\$6,076
2003-04	30,255	21,930	2,275	10.4%	\$6,047
2004-05	37,167	19,431	2,700	13.9%	\$6,025
2005-06	33,864	20,368	2,494	12.2%	\$5,926
2006-07	33,297	20,055	3,392	16.9%	\$6,003
2007-08 (est.)	33,580	20,346	4,076	20.0%	\$5,964

* The number of awards were cut back drastically for 2000-01, in anticipation of decreasing Minnesota reciprocity and federal funds.

Source: NDUS Office, State Grant statistics

There are a significant number of qualified applicants who do not receive any state-funded, needs-based aid because adequate funds are not available; however, students may be eligible for both state needs-based aid and/or other federal needs-based financial aid such as the Pell Grant, Supplemental Educational Opportunity Grant, Perkins Loans, College Work-study and student loans.

TABLE 2
Purchasing Power of North Dakota's State Grant
Relative to Tuition at NDUS Institutions
1989-90 to 2007-08 Comparison

Year	Amount of State Grant	3		4		5	
		UND/ NDSU Tuition	(Col. 2/3)	4-Year Colleges	(Col. 2/4)	2-Year Colleges	(Col. 2/5)
1989-90	\$600	\$1506	40%	\$1182	51%	\$1152	52%
2007-08*	\$800	\$5019	16%	\$3886	21%	\$2959	27%
% increase/ decrease in purchasing power from 1989-90 to 2007-08		(24%)		(30%)		(25%)	

* Used average tuition costs by institution type



Testimony of Rasmussen College in Support of Senate Bill 2166

House Education Committee, March 9, 2009

Chairwoman Kelsch and Members of the Committee:

I appreciate this opportunity to present my testimony before the committee in favor of Senate Bill 2166 to redefine the eligibility requirements of the North Dakota State Tuition Assistance Grant. My name is Brian Bowker and I am currently the Campus Director of Rasmussen College in Bismarck. I have been a North Dakota resident for 32 years, and have lived in Bismarck for that last 22 of those. My remarks this morning are not only directed towards the individual students we serve but to the greater focus of higher education needs in North Dakota.

Rasmussen College has been a part of the North Dakota community for more than 100 years. Our humble roots began in 1902 in Grand Forks where Aakers Business College was originally founded. After moving to Fargo and opening an additional campus in Bismarck in 2003, Aakers College merged with Rasmussen College and joined their system of colleges nationwide in 2007. Today our campuses in Fargo and Bismarck enroll over 1,200 students and our campuses staff nearly 110 employees statewide.

Another important milestone occurred in 2007 when the Fargo and Bismarck campuses were included in the scope of Rasmussen College's regional accreditation by the Higher Learning Commission of the North Central Association. With recognition from the same accrediting agency that accredits the University of North Dakota and North Dakota State University, we are proud to adhere to rigorous educational standards as we continue to graduate career-focused students into the local workforce.

The Rasmussen College student demographic is very different from our larger, more traditional institution peers. Our students tend to come from lower income families where the pursuit of higher education is not always as accessible. Many of our students are first generation college students, often supporting tuition costs by working full-time. Rasmussen's dynamic learning environment, from fully online classes to evening class schedules, supports the educational and professional goals of our students.

SB 2166 will allow for funding to Rasmussen College students to pursue their higher education goals and more quickly start careers in their communities. In fact, with a graduation rate of 61%, a majority of our students stay and find jobs in the North Dakota community. Over the past 10 years, nearly 71% of Rasmussen College graduates chose to stay and work in the State of North Dakota.

Our students qualify for Title IV funding – Pell grants, Stafford and PLUS loans – yet unfortunately they are not eligible for the North Dakota Tuition Assistance Grant. SB 2166 would have a minimal impact to the state’s fiscal fund. Using eligibility requirements from the state grant fund, only 275 of our 1,200 students are currently eligible to receive the state grant. With the average award amount between \$600 and \$1,000, we estimate a small impact to the state’s fiscal fund at around \$275,000.

SB 2166 represents a chance for Rasmussen College students to access the same education funding as their peers at other North Dakota institutions. Our college graduates students are ready to be employed by the local workforce and SB 2166 will have a positive impact on the lives of our students and a positive commitment to higher education in North Dakota for all students.

SB 2166 is a positive step for all North Dakota students and I urge a ‘do pass’ recommendation.

Sincerely,

Brian Bowker, Campus Director – Bismarck Campus

Brian.Bowker@Rasmussen.edu

701—530 - 9600



Chairwoman Kelsch and Members of the Committee:

I appreciate the opportunity to testify in favor of SB 2166. I am writing to quell any concerns or misconceptions about the nature of federal and state financial aid programs. Students throughout North Dakota rely on many sources of college funding. States grants are certainly beneficial to many lower income students who could not have attended college without such funds.

SB 2166 does not attempt to change the current process of the administering the state grant program. The bill's amendment was drafted to maintain the same eligibility standards as other North Dakota colleges and universities. The bill has already earned a 'do pass' recommendation from the Senate Education Committee and subsequent passing on the Senate floor. Any concerns about the constitutionality of SB 2166's amendment are addressed below.

30 states currently allow private, for-profit institutions access to need-based grants funded by state fiscal funds. Among those states are the following:

Alabama, Alaska, Arizona, Arkansas, California, Colorado, Connecticut, Florida, Idaho, Illinois, Indiana, Iowa, Kentucky, Louisiana, Maryland, Massachusetts, Minnesota, Nebraska, New Jersey, New York, North Carolina, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, Tennessee, Vermont, Washington, West Virginia

These 30 states awarded \$282,184,000 in state need-based grants to students attending for-profit institutions for the academic year 2006-2007. This total dollar amount only represented an average of 5.1% of a state's total educational spending.*

The crucial component of SB 2166 is that the money will continue to be given to the students. In all of the 30 states that have state grant programs available to all institutions (private, public non-profit, for-profit) the money is given to the STUDENTS. However, this money passes through the education institution to ensure that the student is in fact enrolled and to ensure that the money is used for tuition expenses.

Almost all state and federally funded aid programs operate in this fashion. Giving money directly to students would lend to potential misuse of grant money, perhaps for non-educational expenses. Rasmussen College in Minnesota benefits from the Minnesota State Grant program and each campus receives the money from the state of Minnesota to be disbursed towards a student's tuition. SB 2166 is not a change from the current process; it merely wants to allow for any North Dakota student to achieve their education goals, regardless of academic institution they choose in the state of North Dakota.

I thank you for the opportunity to testify in favor of SB 2166. The proposed changes simply create a needed opportunity for North Dakota students struggling to fund their education. In these tough economic times, SB 2166 represents a chance for deserving, tax-paying students to have equal access to state funds. I hope for your approval.

Sincerely,

Brian Bowker – Campus Director, Bismarck campus

Brian.Bowker@rasmussen.edu



Attachment 4

Testimony of Rasmussen College in Support of Senate Bill 2166; January 20, 2009

Chairman Freeborg and Members of the Committee:

My name is Debora Murray of Fargo and originally from Minot. I come before you to express my support of SB 2166. My roots originate from North Dakota homesteaders who illustrate the value of our state in the land and in the people within it. I am proud to have been born here, educated here, and raised my children here. I have made my professional career completely within our state – specifically centered on student services in the form of family housing at the University of North Dakota in Grand Forks and in my present employment with Rasmussen College in Student Financial Services.

As you are all aware, most students in the nation cannot seek postsecondary education without financial assistance programs. The rising costs of tuition and related expenses lend to a forced participation in a variety of programs, with few families able to avoid borrowing to complete their goal. At Rasmussen College we pride ourselves in assisting families to find the best possible resources to fund their educational endeavors. We find it unfortunate that the North Dakota State Tuition

Assistance Grant remains outside of the reach of the student taxpayers who elect to attend Rasmussen College, the only degree-granting institution in the state not eligible for the program. Students and/or parents who question this at our Bismarck and Fargo campuses are disappointed to learn that the tax dollars that they contribute towards education are not related to their desired path of study, but to the institution that they elect to attend.

Funding for the Tuition Assistance Grant should follow the student, not the school. I ask for support of SB 2166 in an effort to remedy this unfortunate application of law. The simple revision in this bill will assist taxpaying families in the state to seek postsecondary education within North Dakota without prejudice to the location, program, or choice of institution. Please carefully consider the importance of this change for the future of our great state – by supporting the bill you show approval for freedom of choice in education.

Thank you for your time and I will be happy to answer any questions you might have.

Sincerely,

Debora Murray, National Director of Student Financial Services – Rasmussen College

d.murray@rasmussen.edu

(701) 277-3889

Testimony of Martin Goldade

My name is Martin Goldade, currently I am a student of Rasmussen College and have been since June of 2005. I am working on a Bachelor Degree in Business Management with a minor in Human Resources.

I came to Rasmussen because of the personal attention that they give their students. It was evident from the moment that I walked in the door that they were very helpful and that I had made the right choice. Rasmussen has the evening classes as well and this was of particular interest to me as I am working full time during the day.

I started my job with Thermal Line Windows, a local window manufacture, just weeks before starting school at Rasmussen and I wanted to work my way through college by working full time. Rasmussen was the only place that I found that offered that flexibility of schedule. The small classes allow me to interact and get the most out of my classes as well as my professors.

I would like to demonstrate how Rasmussen has helped me in my professional career. I have always liked the human resource field and wondered how I would ever be able to get into it. I started working Thermal Line Windows in the plant assembling windows. After being there for a little over a year I was offered a customer service position in the office. This was due to the fact that the HR director knew that I was going to school for business.

After being in the office for about six months I was again promoted to become an office supervisor as well as overseeing all warranty related customer service issues. In early 2008 the HR/Safety Manager position became available. I gave it considerable thought whether or not to apply. I was not sure if I was ready for such a responsibility, after much thought I decided that I was going to ask my

boss if I could apply for the position. I figured I would test what I have learned at Rasmussen and see if it was worth it. When I asked my boss told me that the position was mine if I wanted it and that they had thought of me for the position but had wanted me to ask for it.

I have used what I have learned at Rasmussen almost daily and at night when I go to class I have a support group who are working professionals during the day and are my teachers at night. I have truly had the best of mentorship at Rasmussen.

I hope that what I have told you will inspire you to look favorably upon Rasmussen College by allowing it's students the same grant opportunities as students of other institutions of higher learning. I believe I would not have had the wonderful opportunities that I have been given had it not been for the dedication of my teachers and the staff at Rasmussen College. Thank you for your consideration.