

HOUSE APPROPRIATIONS COMMITTEE HEARINGS

SB 2003



LAKE REGION STATE COLLEGE
MARCH 11, 2025

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Good morning, I am Dr. Doug Darling, President of Lake Region State College.

THE COLLEGE

Lake Region State College is a small college with a big footprint. Built by Devils Lake Public Schools, LRSC became part of the North Dakota University System in the early 1980s. Accredited since 1973, Lake Region State College serves a vital role in the community, region, state, and nation for preparing students for success. Specific programs like Nursing, Automotive Technology, and Fitness Trainer Technician have earned additional, industry-specific national accreditations.

The college serves students wishing to start the first half of a bachelor's degree to students eager to enter the workforce in the areas of technology, health care, energy, business, law enforcement, and many more trades and technical areas.

The citizens of Devils Lake built a higher ed center in its community to provide access for its residents and enhance the region's educational and training needs. The state was gifted land, buildings, and honorable employees. Lake Region State College administration is conscientious of its appropriations and operates with a smaller staff compared to many institutions of similar size.

For more than 80 years, Lake Region State College has fulfilled a mission to enhance lives and community vitality through quality education. Lake Region State College is a student-centered, open access, comprehensive community college within the North Dakota University System. The college provides quality academic education, career and technical training, workforce training, educational outreach opportunities, and life-long learning.

Lake Region State College serves as a vital educational institution within the region, catering to individuals of varying ages seeking learning opportunities. LRSC embodies more than a mere

academic institution; it functions as a nurturing environment where students feel embraced and esteemed throughout their educational journey. Lake Region State College serves students and keeps the core mission of community colleges – access to all – always top of mind. We provide access to education on our campus; online; for military personnel and their families at Grand Forks Air Force Base; for future police officers with academy locations in West Fargo, Grand Forks, and Devils Lake; through nursing programs in Devils Lake, Grand Forks, Jamestown and Mayville; with dual credit students in more than 50 high schools; and with the LAUNCH! Program at UND. Our TRAINND office offers certified nurse assistant and in-home care provider training to citizens statewide.

LRSC is proud to collaborate with other NDUS institutions and participates in statewide articulation agreements in early childhood education and nursing. LRSC is a member of the Dakota Nursing Program with Bismarck State College, Dakota College at Bottineau, and Williston State

College, and the Northern Information Technology

Consortium with Dakota College at Bottineau, Minot State

University, Turtle Mountain Community College, Valley City

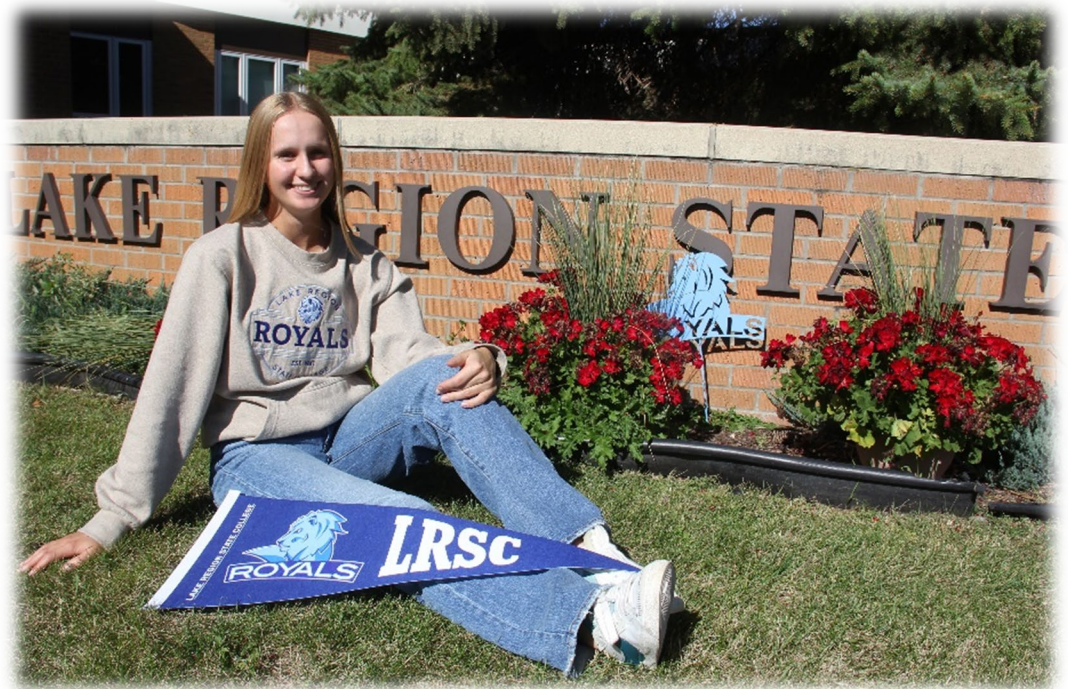
State University, and Williston State College. In addition,

LRSC has numerous program articulation agreements with

Mayville State University, Minot State University, University

of North Dakota, and Valley City State University to provide seamless transfer between associate and bachelor's degree options.

Lake Region State College has a state-of-the-art center for its Agriculture program. The program continues to thrive and has added enhancements to learning thanks to a CHS Innovative 40 Grant to be used for the purchase of ag equipment including a planter, UAS camera and software, which will capture crop growth imagery to evaluate planter technology and plant health on our 40-acre test field. Likewise, from past appropriations and fundraising, LRSC nursing, electronics, and automotive technology students study in a high-tech facility, the Bergstrom Technical Center.



Accomplishments

Lake Region State College continues to have student successes that rank above national levels. LRSC reported a 51% graduation rate for the most recent cohort (2020), 12% higher than the national average.

Our graduates are successful. Students pass their licensure exams at rates that are equal to or higher than national averages. Licensure exams and certification are used by some career and technical education programs for assessment of student learning and to provide students with professional and educational advancement opportunities. Students in Automotive Technology, Fitness Trainer Technician, Marketing, Information Technology, and Precision Agriculture can choose to take industry certification exams. The Licensed Practice Nurse, Associate Degree Nurse, and Peace Officer Training programs prepare students to sit for state and/or national exams that are required for licensure and employment in the industry.

For the Licensed Practical Nursing program, graduates take the NCLEX-PN. The national first-time pass rate on the practical nurse exam in 2023-2024 was 89.65%. Lake Region State College's first-time pass rate for the same year was 100%.

The national first-time pass rate on the registered nurse exam in 2023-2024 was 92.18 %. Lake Region State College's first-time pass rate was 97.5 % for that same time.

Lake Region State College continues to increase student retention with targeted services. Our Student Success Center has been instrumental in keeping those numbers high. We are in the middle of the fourth five-year grant cycle for our federal TRiO-SSS grant program. TRiO works with students who are first-generation college students, students with disabilities, and students with income barriers to higher education. These students receive advising, early registration, tutoring, and a multitude of other services. Similarly, students who may not be TRiO eligible are served through our Power Skills Program. Together, these two programs have increased successful retention and transfer outcomes for our students.

The North Dakota University System has adopted several data systems that help incorporate accountability measures and transparent reporting in accordance with the State Board of Higher Education's vision and strategic plan.

These data systems, including Dashboards, Predictive Analytic Reporting, Strategic Planning Online, and the State Longitudinal Data System, provide public reports on completion and retention rates, semester-by-semester enrollment, peer comparisons, financial aid, and tuition information, and much more. Additionally, the publicly available data available throughout the system provides real-time information to researchers and decision-makers.

Following a comprehensive evaluation by the Higher Learning Commission in 2020, LRSC was awarded continued Reaffirmation of Accreditation through 2030.

Every five years, most recently in 2022, the North Dakota Department of Career and Technical Education conducted a Vision Visit to review CTE programs and ensure compliance with state and federal standards. The visit found strong evidence of institutional commitment and support

for career and technical education. The administration and faculty work closely with advisory committees and business/industry partners to improve our programs and ensure they are efficient and effective in allocating resources. LRSC also conducted an internal program review and self-evaluation of program strengths and areas of improvement in 2023. Our review had positive results and provided guidance for continued plans for improvement.

LRSC's Practical and Associate Degree Nursing Programs have continued full approval through October 2029 by the North Dakota Board of Nursing. The Associate Degree Nursing Program is accredited by the Accreditation Commission for Education in Nursing (ACEN).

Programs

For years, Lake Region State College has increased its footprint in delivering education to the northeast part of North Dakota, and statewide with high-demand programs.

LRSC has the only Paramedic-to-Nurse bridge program and the only Community

Paramedicine program in North Dakota. Upon successful completion of the Paramedic-to-Nurse bridge program, students can obtain a practical nurse degree and are eligible to test for practical nurse licensure. Our nurses stay in North Dakota with 100% of 2023 practical nurse graduates living and working in the state and 83% of associate degree nurses choosing to do the same.

Since 1987, Lake Region State College has offered its Peace Officer Training program in Devils Lake. Additional sites in West Fargo and Grand Forks provide robust access for students in eastern ND and dozens of license eligible graduates for law enforcement agencies for hire.

One big area of program growth is through the apprenticeship sector. In 2019, Lake Region State College and the Department of Labor entered into an agreement giving LRSC the ability to host apprenticeships. With the initial agreement, the Department of Labor recognizes LRSC's ability to provide apprenticeships in three primary content areas, Information Technology, Electronics, and Nursing. Specifically, IT Specialist, IT Cyber Support Technician, Electronics Technician, Electromechanical Assembly, Certified Nurse Assistant, Practical Nurse, and Associate Degree Nurse. LRSC has partnerships with numerous medical facilities from small rural long-term care facilities to larger health organizations such as Altru and Sanford. Other industry partners for



electronics and related technology apprenticeship arenas include CAE, Northrop Grumman, and North Dakota IT.

Our agriculture programming has expanded, moving from a Precision Agriculture degree to an agricultural degree with specialization certificates in Production Management and Precision Agriculture.

Lake Region State College was recognized as one of the Aspen Institute's top colleges. This honor is based on the college's excellence in education, innovative teaching practices, student success, and commitment to equity.

Strategic planning is a high priority and a key component to our plan is to expand LRSC's presence in Grand Forks. LRSC began offering dual credit courses in the Grand Forks Public School System in 2011, Nursing program for the first time in Grand Forks in 2014 and established its LAUNCH! program on the campus of UND in 2010.

LRSC is a post-secondary partner in many new career and technology centers, including Grand Forks, Grafton, and Devils Lake. Lake Region State College already works closely with the Lake Area Career and Technology Center (Devils Lake) and there is potential to create additional opportunities in high-demand career and tech programs. As Devils Lake High School constructs an addition for agriculture education, LRSC is an active partner by hosting the high school classes in our ag education center and through a shared faculty member.

TrainND Northeast continues to be a strong service provider and leader in delivering the workforce training arm of the LRSC mission. TrainND has offices in Devils Lake and Grand Forks to provide a multitude of training and opportunities for North Dakota's workforce. Distance learning is another alternative for training and TrainND Northeast offers several online certificate training programs to choose from. They provide customized employee training for business and industry, health career training opportunities, online services, and safety training for schools such as active shooter, CPR/First Aid/AED, and bloodborne pathogens.



LRSC is a strategic fit to be part the North Dakota National Security Crossroads for Autonomous Systems & AI/Cyber. Both our location and program offerings fit well into these initiatives.

Lake Region State College is supportive of ND National Guard – Camp Grafton in their efforts to provide training in UAS/Counter UAS. We are also supportive of Grand Sky, and the Northern Plains UAS Test Site. We are uniquely and strategically positioned between two large blocks of airspace that can be utilized for testing UAS systems and just 6 miles from Camp Grafton’s Regional Training Center.

LRSC utilizes small UAS in several programs – Wind Energy Tech, Agriculture, Peace Officer Training and have offered Part 107 Remote Pilot in Command training.



Lake Region has a small but mighty crew of dedicated employees here to serve students. We take pride that many students get to know the faculty and staff that are part of their educational journey. As the world of higher education evolves, the personnel needed to respond to the programmatic and administrative needs of North Dakota continue to be a challenge. Funding limitations create work overload in many areas. As more compliance and technology mandates emerge, this will continue to be a concern.

Recruitment and the retention of qualified employees is also a challenge. The current labor market results in fewer applicants and fewer staying long-term. Our employees are dedicated and are required to wear many hats and take on multiple roles.

The State Benefits Package is a strong incentive for attracting

employees, even with salaries that are often lower than the private sector. In today's challenging economy, job seekers are now placing greater emphasis on salary. This makes it vital to keep our current benefits intact and ensure our salaries are competitive. We request that the legislature continue to advocate for fully paid family health insurance and salary increases that help mitigate inflation and reflect the rising cost of living.

It is vitally important for Lake Region State College that the closing costs of the North Dakota Public Employees Defined Benefit Plan not be placed on the institutions. This would be financially detrimental to campuses like Lake Region State College that already operate within tight margins.



ENROLLMENT

Smaller campuses like Lake Region State College create large impacts on its regional and state employers. Our campus-based students continue to mostly be from the northeast part of North Dakota. In the Fall of 2024, LRSC had an enrollment of 1,897, up from 1,810 the Fall of 2023.

Our Spring 2024 enrollment bounced back slightly. The pandemic negatively impacted overall enrollments and has gradually recovered since 2022. Delivery of courses at our Grand Forks Air Force Base site continues to transition heavily more online as the mission of the base sustains a smaller enlistment.

LRSC delivers dual credit courses to over 50 schools (see map on page 10). The larger dots represent various programs we currently deliver on site, incurring additional delivery expenses for renting space and employing faculty and staff to deliver in-demand programs to Grand Forks, Jamestown, Mayville, and West Fargo.

Although the number of high schools we work with has increased, the overall number of students enrolled has remained comparable to last biennium. These courses serve two purposes; they simultaneously count toward high school and college graduation requirements.

Lake Region State College is the educational hub of the central region of northeast North Dakota. We are vital for workforce development, the retention of industry, and the overall economic development of the region. LRSC played a key role in the development of the Northeast Educational Services Cooperative Regional Education Association and continues to be an active partner with 23 K-12 school members.



Fall Enrollment Census

	2023	2024
Total Headcount:	1,810	1,897
Total Full Time:	443	470
Total Part Time:	1,367	1,427
Total Credits:	12,877	13,589
Total FTE:	858	906
Total Men:	714	723
Total Women:	1,096	1,174

Lake Region State College students thrive in co-curricular and extracurricular activity with students nominated to participate in a regional theater competition, and our marketing students qualifying for the International Career & Development Conference.

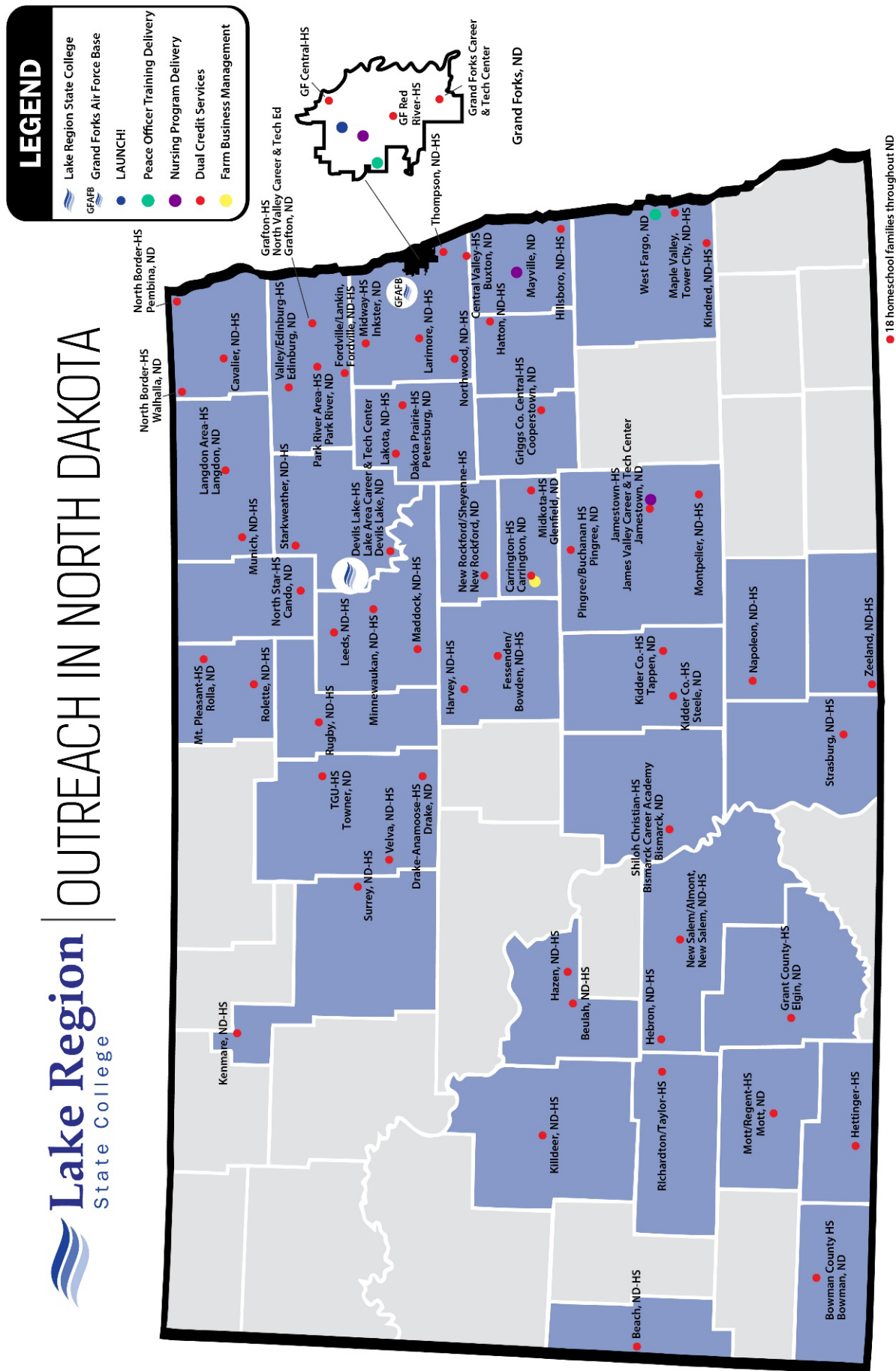


Student activities continue to grow at Lake Region State College. In 2023 LRSC launched men's and women's club hockey with strong team performance and community support. The activities were well attended with increased student engagement. LRSC also established an Esports Program that is now officially recognized as a campus sport and attracts students interested in programs of study like information and simulation technology.

Academically, students shine. Many students choose to join Phi Theta Kappa Honor Society where they excel in community service projects and further their academic goals. In 2024, LRSC was home to the student recipient of the ND 2024 New Century Scholar and recognized on the national stage. Only one is selected from each state.

A declining population base in the surrounding communities continues to concern Lake Region State College as we strive to address the demographic issues facing rural North Dakota. The college continues to be entrepreneurial in its outreach efforts to ensure adequate enrollment to sustain the college infrastructure and basic services.

OUTREACH IN NORTH DAKOTA



Economic Impact and Partnerships

Lake Region State College is a vital part of Devils Lake and the northeast sector of North Dakota area providing economic and quality-of-life opportunities for residents. Lake Region State College is an integral part of the region's economy.



Institutions like Lake Region State College contribute to the state and local economies through expenditure for goods and services and through personal spending by employees and students.

In the most recent economic contribution study of the North Dakota University System study (conducted by Nancy M. Hodur and Dean A. Bangsund), Lake Region State College continues to place a strong footprint on the region's economy. The

combined expenditures for General and Non-general Funds in FY2022 and FY2023 were \$19.0 million and \$18.7 million, respectively for LRSC. Wages, salaries, and benefits were the largest expenditure category in FY2023 totaling \$11.7 million. Operating expenditures was the next largest expenditure category totaling \$4.9 million in FY2023. Scholarships totaled \$1.9 million and Capital Improvements and Equipment totaled less than \$100,000 in FY2023.

In FY2023, for every dollar of General Funds, LRSC obtained an additional \$1.47 in Non-general Funds. In FY2022, LRSC leveraged \$1.49 from external sources for every dollar of appropriated funds. LRSC student expenditures in FY2023 were estimated to be approximately \$12,375 per student.

Direct effects from General and Non-general Fund expenditures were \$16.8 million in FY2023. Secondary effects (indirect and induced) totaled \$10.7 million. Direct employment (not including students) at LRSC in FY2023 was 271 jobs. Business activity associated with LRSC expenditures supported secondary employment of 59 jobs in FY2023. Student expenditures supported secondary employment of 45 jobs. Total direct and secondary employment associated with LRSC supported 374 jobs in FY2023 (Table 2).

Resource Development

The North Dakota Higher Education Challenge Grant Fund has benefitted Lake Region State College in many ways. The college's named endowment program that enhances scholarships and/or programs has grown substantially through this program. In addition, many donors were inspired to boost the size of endowments they had already established. In 2024, funding from these endowments and other sources provided scholarships totaling over \$500,000. Endowments providing program support enabled our faculty to continuously improve student learning outcomes.

Lake Region State College took the opportunity to match donations through the Higher Ed Challenge Grant. Our Community College Foundation staff and board worked efficiently to increase endowment funds and other gifts eligible for the criteria of the fund. Retirements and high staff turnover hurt efforts to earn all available match funds.

Despite the staffing challenge, LRSC

submitted \$661,782 for \$330,891 in matching funds from the state. These funds will help ensure student success and support vital program needs.



In 2024 The North Dakota Department of Commerce announced today that a total of \$420,176 of the State Energy Program grant funds were awarded to Lake Region State College's (LRSC) Devils Lake Solar/Renewable Energy Initiative. The initiative is a collaboration between LRSC and NextEra Energy, expanding the college's existing renewable energy program.

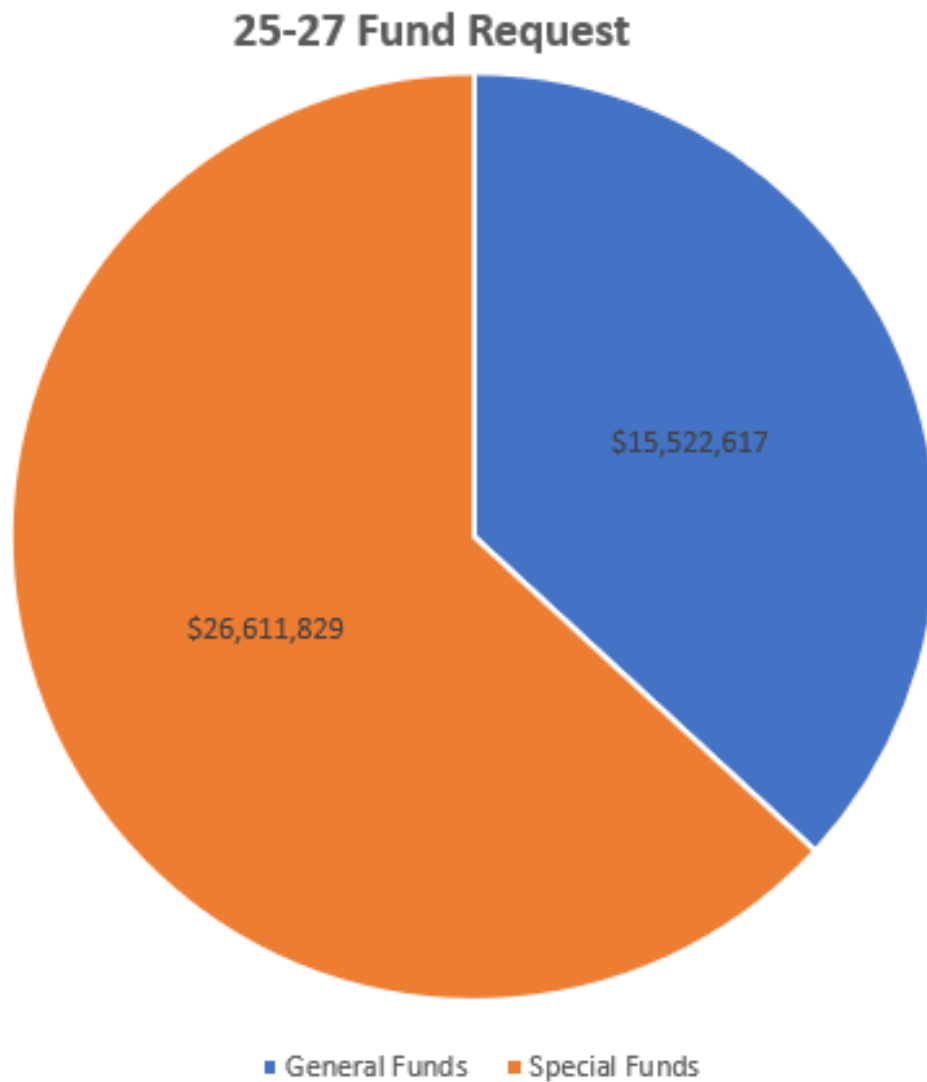
A partner to the LRSC Devils Lake Solar/Renewable Energy Initiative, NextEra Energy is the nation's largest generator of renewable energy.

The grant funding is part of the North Dakota State Energy Program (SEP), which promotes energy efficiency and conservation and is supported by financial and technical assistance through the U.S. Department of Energy. North Dakota Department of Commerce's Division of Community Services receives an annual allocation to implement SEP.

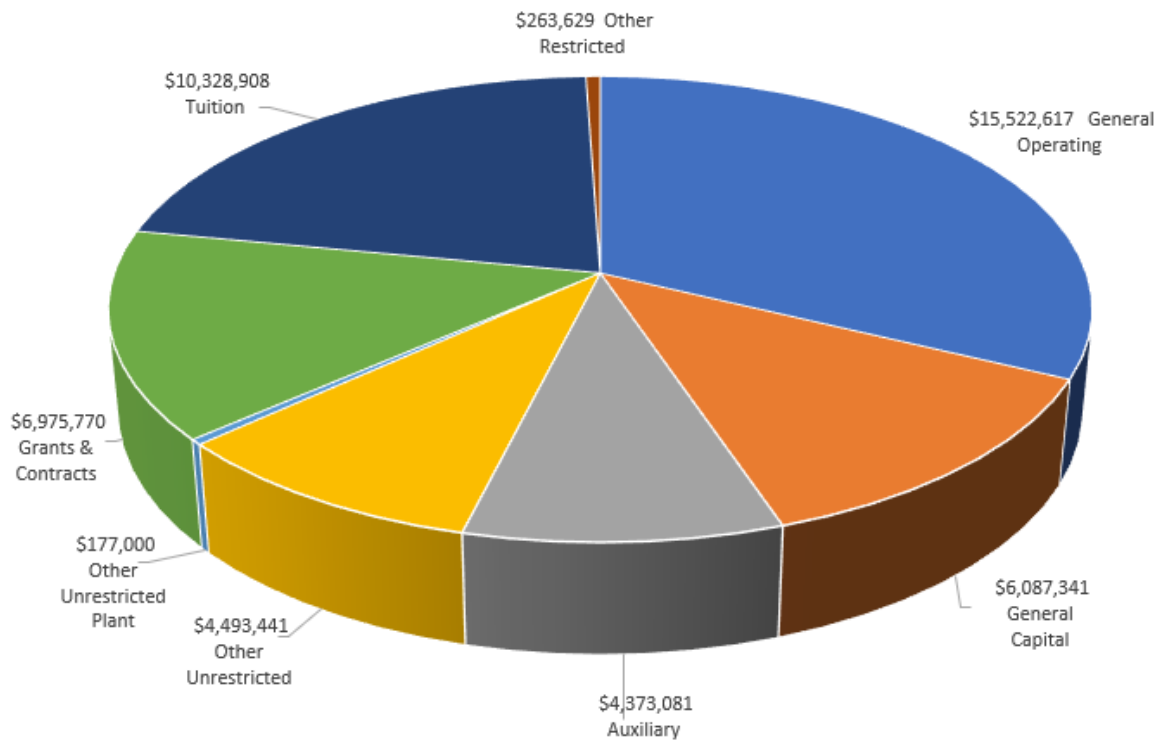
An earlier grant from the ND Department of Commerce will allow LRSC to develop a Global Wind Organization (GWO)-certified training site for wind turbine, wind energy and renewable energy technicians. This initiative will allow for the creation of the Devils Lake Energy Safety Training Center (DLESTC) to meet renewable energy safety standards for technicians working in the wind industry.

BUDGET REQUEST FOR 2025-2027 BIENNIUM

We accomplish our mission with a budget of just over \$15 million in state appropriations each biennium. Our funding request for the 2025/2027 biennium includes both general funds and special funds as shown below.



LRSC 2025-2027 Fund Breakdown



In addition to the instructional services, the college maintains other support services required to meet the needs of all students and student groups, to provide leadership and direction, and to coordinate all institutional affairs and operating guidelines in compliance with the policies and regulations established by the Board of Higher Education, the State of North Dakota, and the federal government.

Physical facilities are planned and maintained to create an operating environment conducive to learning through the most economical means possible. In the summer of 2023 LRSC replaced 126 windows in the academic building, and in the north and south residence halls. LRSC also replaced the gearbox on the wind turbine. In the summer of 2024 LRSC replaced one roof and completed phase one of the restoration process. LRSC also completed phase one of the asphalt (driveway and parking lot) project.



Lake Region State College						
Comparison of 2025-27 Budget Request to 2025-27 Executive Recommendation & Senate Engrossed SB2003						
NDU S Institutions Comparison of SBHE General and Special Funds Budget Request to Executive Recommendation to Senate Engrossed SB2003	Lake Region State College					
	SBHE 2025-27 GF Budget Request	Burgum Executive Recommendation	Armstrong Executive Recommendation	Senate Recommendations (Engrossed SB2003)	Senate Recommendation Over (Under) Budget Request	
2023-25 Original General Fund Appropriation	\$ 15,248,322	\$ 15,248,322	\$ 15,248,322	\$ 15,248,322	\$ -	
Base Adjustments - Funding Formula	(609,933)	(609,933)	(609,933)	(1,555,241)	(945,308)	
IT Rate Adjustment	5,632	5,632	5,632		(5,632)	
Employer Retirement Contribution	14,693	14,693	14,693	14,693	-	
Target Market Equity	411,788	411,788	411,788	411,788	-	
Inflation Factor Increase	452,115				(452,115)	
2023-25 Adjusted General Fund Appropriation, Net of Base Adjustments (Needs Based Budget Request)	15,522,617	15,070,502	15,070,502	14,119,562	(1,403,055)	
Executive Recommendation Base One-time Increases (Decreases): 25-27 Adjustments:						
2023-25 Formula Rate Averaging (Burgum 75%/Armstrong 100%-one-time adjustment, Senate one- going)		104,307	139,076	139,076	139,076	
2025-27 Governor Adjustment - Burgum 10% Netted/Armstrong 9% Netted (10%/9% gross adjustment includes IT Rate Adjustment, Employer Retirement Contribution, Target Market Equity, Health Insurance, Remove Minimum Amount Payable, Adjustment for 2-year credits at 4-year Institutions and 4-year credits at 2-year Institutions)		599,754	454,189		-	
Funding Formula Adjustments (Credit Completion Factor/Disipline Cluster Changes)-moving POTP & Wind classes to the CTE cluster				1,234,489	1,234,489	
4% Funding Formula Rate Increase/Rate Equalization		(945,308)	(945,308)	723,262	723,262	
Remove Minimum Amount Payable		345,554	345,554		-	
Health Insurance					-	
Total Adjustments	-	104,307	(8,489)	2,098,827	2,098,827	
2025-27 Base General Fund Request & Recommendation	\$ 15,522,617	\$ 15,174,809	\$ 15,064,013	\$ 16,216,389	\$ 693,772	

Inflationary Rate Factor - \$452,115

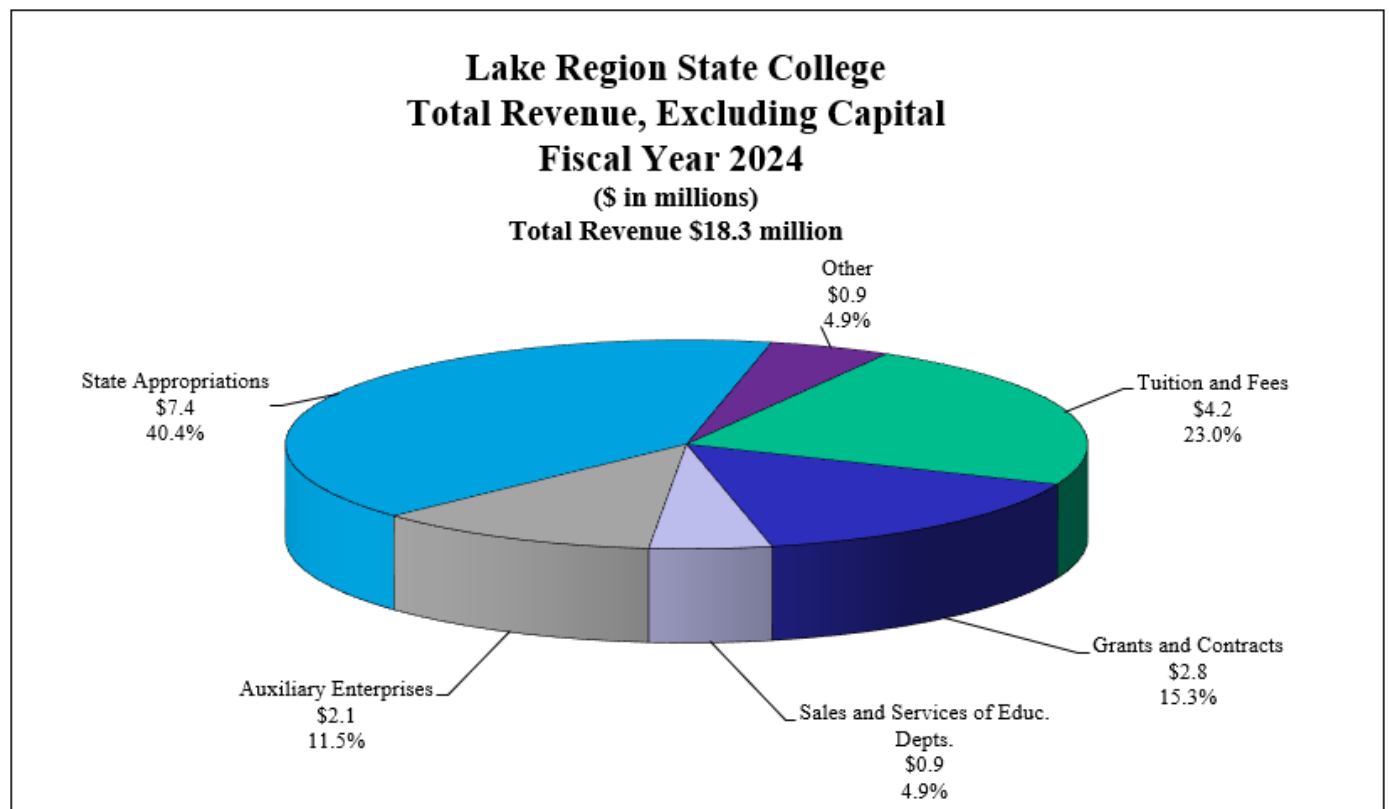
LRSC has been directly affected by inflation. According to the U.S. Inflation Calculator, the total inflation in the last 4 years was 19.4%. With the tuition freeze last biennium, LRSC was unable to raise tuition to cover the non-salary increases. Increased tuition is the only other way to cover this cost.

Roof Restoration, Hofstad Ag Center Parking, Parking Curb & Gutter, Voltage Project - \$6,087,341

LRSC is requesting additional dollars for deferred maintenance projects that would take seven biennia to cover out of the deferred maintenance funding.

These projects would address Roof Restoration of 29 roofs, add a parking lot for the Hofstad Ag Center, update the remaining asphalt on campus, and update the voltage requirements prior to Otter Tail Power Company upgrading their electrical distribution system within Devils Lake.

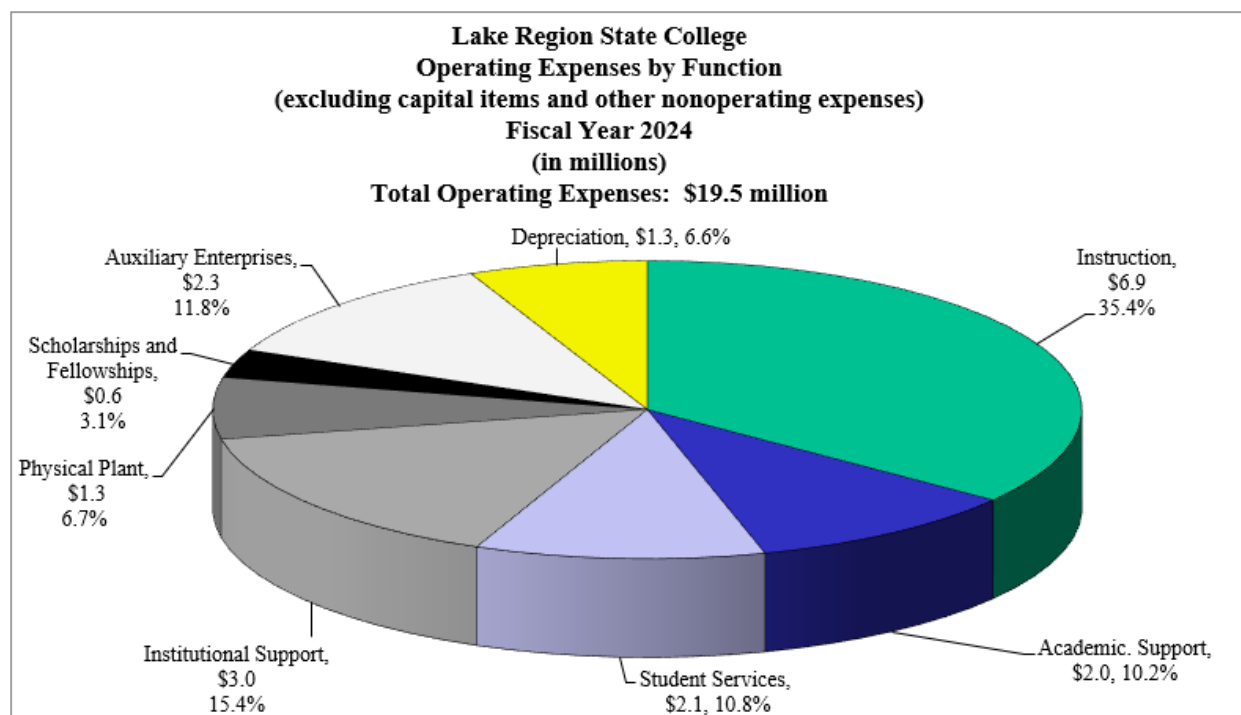
While the total of the Parking, Roof Restoration and Voltage Project are over \$6 million, we only get \$921,429 in Tier I, II & III each biennium. With SB2003 engrossed, we would get \$1,388,630 in Tier funding. Even if we were able to raise the match on Tier II & III which would be \$733,263, that would only give us \$2 million to complete this project. It would be unlikely that we could find \$733,263 in matching funds. If we were able to, it would still take over 3 biennia to complete this project. That's only if there are no inflationary increases, increased damage, and no other deferred maintenance needs.



The current funding model for higher education is the most equitable model we have ever used.

As we look ahead to the next biennium, we have many challenges to our mission. Like other colleges in the North Dakota University System, we have the continuing challenge of adjusting to the state's demographic shifts while also developing programming and services to meet the state's emerging needs. LRSC is facing continuing challenges of lower appropriations due to the lower enrollment post Covid (due to the look back period). In addition to that, we have faced high inflation and will have the expenses associated with a presidential search and early retirement agreement.

The combination of these three factors creates a very challenging environment for the 2025-2027 biennium.



Sales and Services of Educational Departments include revenues related incidentally to instruction, research, public service, and revenues of activities that exist to provide instructional and laboratory experience for students and incidentally create goods and services that may be sold to students, faculty, staff, and the general public. Examples are advertising in campus publications, fees for conferences organized by the institution and ticket sales for campus theatrical and musical events.

The instructional function includes expenses related to instruction (e.g., classroom, distance education and continuing education) and instructional support. Academic support includes libraries, academic deans, and other departments that directly support the academic unit of the campuses.

Student services include offices that provide a specific service to students, including career services, registration, admissions, financial aid, and counseling. Institutional support includes staff that support the institution as a whole (e.g., business office, IT support and president's office). The physical plant function includes upkeep, maintenance, and utilities for campus facilities. Scholarships and fellowships include aid provided to students.

Auxiliary enterprises are self-supporting activities of the campuses, such as bookstore, food service and housing. Depreciation represents the non-cash expense of capitalized assets over time. Public service includes activities established primarily to provide non-instructional services that are beneficial to individuals and groups external to the institution.

AUDIT

Lake Region State College's 2021-2023 Financial Statement audit resulted in a clean audit with no findings. Audit findings from the 2019-2021 audit resulted in LRSC implementing recommendations regarding procurement.

SUMMARY

This is my last year as President at Lake Region State College, and I can't be prouder of the accomplishments this campus achieves despite being smaller and operating with an extremely tight budget. We are frugal and make the most of each dollar in order to create an educational environment that serves students and the North Dakota workforce.

Our motto is "We change lives!" and we live that motto every day. Our students are the heart of Lake Region State College. We strive to create an environment where students know they matter. The college's dedicated staff and faculty are prepared to help you reach your goals. We value our industry partners and will continue our work with program advisory boards, internships, apprenticeships, and more.

I encourage you to examine the great things we do, and additional things we can achieve when funded adequately for the biennium and have the ability to address our budget needs without worrying about cuts. We run a tight ship and when that happens, there isn't much to cut when the budget is restricted.

Thank you for the opportunity to present today on the wonderful things taking place at Lake Region State College and the state support needed to keep this college on course to enhance life and community vitality through quality education.

Appendix A

