

SB 2030: Higher Education Challenge Grant

Testimony by Rick Hedberg, Minot State University Development Foundation

Mr. Chairman and members of the Committee, my name is Rick Hedberg and I'm VP for Advancement and Executive Director of the Minot State University Development Foundation. Thank you for allowing me to speak in support of SB 2030 and the ND Higher Education Challenge Grant program.

At the Minot State University Development Foundation, we have seen, first hand, the benefit of the state matching grant program. I can speak on behalf of our institution in saying that the challenge grant program is one of the top initiatives that has come out of our legislative assembly in the last decade. There really is no argument of this point on our campus and I'd like to share with you some statistics to support this claim.

I would ask you to refer to the handout that was distributed. The first graph is titled "North Dakota Challenge Grant Dollars" and it breaks down the private dollars that were raised by our foundation and the state matching funds that were allocated through the challenge grant since the inception of the program. The interesting point of this chart is where these private donations originate. Of the approximately \$14M submitted by Minot State, nearly 2/3 of the dollars have come from donors that live out of state. I believe this point is significant, as it attracts external dollars from supporters beyond our state back here, thereby making a positive impact within North Dakota.

I recently read a report that highlighted an interesting point with baby boomers and retirees. The report stated that baby boomers are set to pass a mind-boggling \$68 trillion to their children over the next 25 years. If we can continue to provide a "carrot" like the ND Challenge Grant, our state can see a small portion of that \$68 trillion.

The next graph highlights our total support by all donors for the calendar year. As you can see, 2020 was a record year of giving at Minot State. Much of this success can be directly attributed to the challenge grant. I will be very honest in saying that our lowest fundraising total on this slide came in 2018, a year in which we had a smallest amount of challenge grant funds available at \$200,000. I don't think this is a coincidence.

The graph on the back side highlights the growth in endowed funds that support scholarships, academic programs and endowed faculty positions. As you can see, we've had very good growth in the number of endowments. The 2021 total is the fiscal year 2021. We've already added 21 new endowments in the first half of the fiscal year with virtually all these receiving challenge grant support. Just a reminder that these endowments are perpetual funds. We don't touch the principal of these endowments. They will be providing support to our students and our campus for decades and generations to come, long after all of us are gone.

The final graph highlights our development foundation total assets. Again, I don't think it's a coincidence that our foundation assets have grown considerably since the inception of the challenge grant, in fact, total assets have doubled in the last five years. If this program is allowed to continue and adequately funded, I believe you will see this growth in assets continue. The more these assets grow, the more students we are able to support, keeping our institutions affordable and limiting student debt.

I would ask you to consider funding this program at the highest level possible. I would also ask you to limit the program to our 11 state supported institutions. I believe that opening it up to private institutions will severely dilute the program and ultimately the impact on our public school students. We were disappointed to see the

floor amendments added in the senate. We have a great thing going with the ND Higher Ed Challenge Grant, let's keep the momentum.

Private giving is more important than ever—especially when state revenues are challenged. This program encourages external support for academic programs, scholarships and endowed faculty positions to make our colleges and universities affordable to all students.

Thank you for your time and consideration.