

Senate Bill 2032

House Appropriations – Education & Environment Division

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Chair Monson, Vice Chair Schmidt and Committee Members: My name is Tammy Dolan, and I am here today to testify in support of Senate Bill 2032. The bill modifies the higher education funding formula to provide for a reduced base funding rate for upper division non-CTE credits completed at two-year institutions and an increased base funding amount for CTE credits completed at four-year regional institutions.

NDCC 15-18.2-05 provides base funding rates that vary by institutional type. Research institutions receive \$60.87 per student credit hour (SCH). Regional universities are paid \$90.98 per SCH, community colleges receive \$97.06 per SCH. In 2013 when the formula was developed, institutional missions were more distinct. Community colleges offered two-year or less programs focusing on career & technical education (CTE), workforce training and transfer programs. Regional universities provided four-year and some graduate educational programs but not two-year programs.

The State Board of Higher Education (SBHE) approved important mission changes for two institutions in 2018. Bismarck State College (BSC) became the state's only polytechnic institution and now offers both associates & certificate programs of two-years or less and Bachelor of Applied Science (BAS) degrees in technical fields. Dickinson State University (DSU) became the state's only dual-mission institution, offering traditional undergraduate four-year education degrees alongside certificate, associate, and graduate programs.

The modifications proposed in SB2032 align the formula payment rates to program offering changes at the institutions. Credits successfully completed by BSC students in upper division non-CTE programs will be paid at the lower regional university rate, while credits completed in associate or certificate programs will continue to be paid at the higher community college rate. DSU traditional undergraduate & graduate credits will continue to be paid at the regional university rate. Any DSU credits in CTE courses will be paid at the higher community college rate.

During the 2021-23 biennium, the provisions of this bill will reduce funding for BSC by approximately \$130,000. DSU would not be impacted because the institution did not have any completed CTE credits in during the 2017-19 biennium. Making the change now, before substantial credits are earned, allows both BSC & DSU to properly plan for program development and future operating costs.

The NDUS strongly supports the funding formula changes in **SB2032**. The statutory language is also included in Engrossed SB2003 (section 14), which your committee is also considering at this time.

Thank you for your time this afternoon. I will gladly answer any question you may have.