



HIGHER EDUCATION FUNDING REVIEW COMMITTEE

Wednesday, August 27, 2025
Roughrider Room, State Capitol
Bismarck, North Dakota

Senator Ronald Sorvaag, Chairman, called the meeting to order at 9:30 a.m.

Members present: Senators Ronald Sorvaag, Josh Boschee, Scott Meyer*, Jonathan Sickler; Representatives Karla Rose Hanson, Mike Nathe, Steve Swiontek*; Citizen members Bruce Bollinger, Erica Buchholz, Rebecca Collins, Keith Johnson, Krista Lambrecht, Karla Mongeon-Stewart

Members absent: None

Others present: Senator Kyle Davison, Fargo, and Representative LaurieBeth Hager, Fargo, members of the Legislative Management

Jennifer Bickel and Kelvin Hullet, Bank of North Dakota; Kevin Black, State Board of Higher Education; Heidi Grunwald, North Dakota State University; and Scott Snyder, University of North Dakota

See [Appendix A](#) for additional persons present.

**Attended remotely*

Mr. Alex J. Cronquist, Senior Fiscal Analyst, Legislative Council, presented the [Supplementary Rules of Operation and Procedure of the North Dakota Legislative Management](#).

Chairman Sorvaag welcomed the committee members and provided an outline regarding his plans for the work of the committee. He noted he would like to begin drafting any proposed legislation by the third meeting of the committee.

Mr. Cronquist presented background memorandums entitled [Higher Education Funding Methods Study - Background Memorandum](#) and [Duties of the Higher Education Funding Review Committee - Background Memorandum](#). He noted the higher education funding formula was enacted in 2013 and is based on an adjusted student credit-hour calculation multiplied by a base dollar rate to determine funding for each institution.

A committee member requested additional information regarding a \$750,000 workforce development grant from the Department of Commerce to a tribally controlled community college.

Mr. Kevin Black, Chair, State Board of Higher Education, presented information ([Appendix B](#)) regarding the board's perspectives on the higher education funding formula. He expressed support for optimizing the funding formula to adapt to the workforce needs of the state.

Mr. Cronquist presented information ([Appendix C](#)) regarding the higher education funding formula. He noted significant historical changes have been made to the weighting of academic program credits in the formula since inception, including increases to the weighting of wind energy technology, law enforcement, and pharmacy program credits by the 2025 Legislative Assembly.

Ms. Jamie Wilke, Director of Finance, North Dakota University System office, presented information ([Appendix D](#)) regarding the University System Capital Building Fund, permanent funds distributions for higher education institutions, property tax allocations, oil and gas tax revenue allocations, tuition rates, and other local funds. She noted:

- The University System Capital Building Fund Program, if fully matched and committed by the institutions, would direct over \$87.5 million toward deferred maintenance, extraordinary repairs, and approved capital projects for North Dakota University System institutions during the 2025-27 biennium.
- Permanent funds distributions provided \$22.2 million to University System institutions for the 2025-27 biennium, an increase of \$3 million from the 2023-25 biennium distributions.
- A one-mill levy on all taxable property in the state provides approximately \$6 million annually for the University of North Dakota School of Medicine and Health Sciences.

In response to requests from members of the committee, Ms. Wilke indicated additional information would be provided regarding online courses, including any duplication among campuses.

Dr. Scott Snyder, Vice President for Research and Economic Development, University of North Dakota, presented information ([Appendix E](#)) regarding the facilities and administration cost recovery percentage for federal grant awards.

Dr. Heidi Grunwald, interim Vice President for Research and Creative Activity, North Dakota State University, presented information ([Appendix F](#)) regarding state funding for research at the institution. She noted \$13.2 million was provided by the state for research activities at North Dakota State University during fiscal year 2025, excluding funding appropriated directly for agricultural research and the Upper Great Plains Transportation Institute.

Ms. Brenda Zastoupil, Director of Financial Aid, North Dakota University System office, presented information ([Appendix G](#)) regarding state student financial aid programs. She noted \$75.2 million was appropriated by the state for the 2025-27 biennium for student financial assistance programs.

Mr. Kelvin Hullet, Chief Business Development Officer, Bank of North Dakota, presented information ([Appendix H](#)) regarding the history of the Bank of North Dakota providing student loans.

Ms. Jennifer Bickel, Education Market Manager, Bank of North Dakota, presented information ([Appendix I](#)) regarding the Bank's education market and student loan program. She noted the Bank's portfolio includes nearly \$1 billion of student loans.

Mr. Hullet presented information ([Appendix J](#)) regarding the Bank's funding provided for dual-credit courses, college planning resources, and the College Save 529 Savings Plan. He noted the Bank paid approximately \$535,000 of dual-credit course costs for low-income students during the 2024-25 academic year.

Chairman Sorvaag indicated the committee would continue to meet in Bismarck and the next meeting would be tentatively scheduled for early November. He suggested representatives of the campuses review the higher education funding formula, the University System Capital Building Fund, and other state funding for higher education.

Committee members suggested the committee receive additional information regarding credits completed by remote nonresident students and their impact on the higher education funding formula, duplication of online course offerings by the institutions, tuition waivers, reserve funds, and state funding of research.

No further business appearing, Chairman Sorvaag adjourned the meeting at 2:52 p.m.

Alex J. Cronquist
Senior Fiscal Analyst

ATTACH:10