



HIGHER EDUCATION FUNDING REVIEW COMMITTEE

Wednesday, November 12, 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 A. Bollinger, Erica Buchholz, Rebecca Collins, Keith Johnson, Krista Lambrecht, Karla Mongeon-Stewart

Members absent: None

Others present: Senator Brad Bekkedahl, Williston, and Representative LaurieBeth Hager, Fargo, members of the Legislative Management;

Zahi Atallah, Williston; Kevin Black, State Board of Higher Education; Dan Leingang, Bismarck State College; Brent Sanford and Jamie Wilke, North Dakota University System

It was moved by Representative Nathe, seconded by Senator Meyer, and carried on a voice vote that the minutes of the August 27, 2025, meeting be approved as distributed.

Mr. Alex J. Cronquist, Senior Fiscal Analyst, Legislative Council, presented information ([Appendix A](#)) regarding the calculation of the higher education funding formula.

In response to a question from a committee member, Mr. Cronquist noted cost was a consideration in 2013 when the program weighting factors were originally determined.

Mr. Cronquist presented information ([Appendix B](#)) regarding higher education funding and funding methods in other states. He noted North Dakota is the only state in the Midwest with a performance-based funding formula that does not incentivize universities for the number of credentials awarded, the number of science, technology, engineering, and mathematics (STEM) and health professions credentials awarded, or the enrollment of students from underrepresented groups.

Ms. Jamie Wilke, Director of Finance, North Dakota University System, presented information ([Appendix C](#)) regarding institution reserve funds, including allocated and unallocated reserve funds. She noted total appropriated reserves were \$227.5 million at the end of fiscal year 2025, of which \$187 million was designated for certain purposes.

In response to questions from committee members, Ms. Wilke noted the North Dakota University System office does not audit reserve fund spending, but institutions are required to submit broader financial reports to the University System office.

Mr. Brent Sanford, Commissioner of Higher Education, North Dakota University System, presented information ([Appendix D](#)) regarding fall 2025 enrollment, including headcount, full-time students, and full-time equivalent students. He noted:

- The number students enrolled in dual-credit courses is 6,013, an increase of 17 percent from the fall 2024 semester.

- University System enrollment continues to increase.
- Traditional new freshman enrollment in the state is increasing.

Mr. Sanford presented information ([Appendix E](#)) regarding remote nonresident students, including the impact on the higher education funding formula of credits completed by remote nonresident students. He noted approximately one-half of online-only students live out of state and might be taking only one class at a time.

In response to questions from committee members, Ms. Mongeon-Stewart noted:

- Many online students may be seeking to complete prerequisite courses before enrolling in a certain academic program.
- Nondegree seekers are not eligible for federal financial aid.
- Each institution has its own policy regarding tuition rates for nonresident online students.

Dr. Dan Leingang, Interim President, Bismarck State College, presented information ([Appendix F](#)) regarding online education, including the economic impact and return on investment of online education in the state. He noted:

- Many out-of-state online students at Bismarck State College are sponsored by employers.
- Out-of-state online students are enrolled in courses with students that reside on campus or in the state.
- Partnerships with national and international corporations brings revenue to the state.

In response to questions from committee members, Mr. Leingang noted:

- Development of online platforms also benefits on-campus students.
- A reduction of out-of-state online students would reduce contributions from out-of-state employers and increase local costs.

Ms. Karla Mongeon-Stewart, Vice President for Finance and Administration, University of North Dakota, presented information ([Appendix G](#)) regarding online education, including the economic impact and return on investment of online education in the state. She noted:

- North Dakota does not have enough high school graduates to meet workforce needs and the state must compete nationally to grow its workforce.
- The University of North Dakota (UND) is a leader in online engineering programs.
- UND will collect \$73.5 million in tuition and fees from out-of-state online students in the 2025-27 biennium.
- Students enrolled in online courses are charged all mandatory student fees, including those that are used for on-campus expenses.

In response to a question from a committee member, Ms. Mongeon-Stewart noted UND's online content design team also supports courses delivered face to face.

Ms. Wilke presented information ([Appendix H](#)) regarding the University System Capital Building Fund pursuant to North Dakota Century Code Section 15-54.1-02. She noted \$108.1 million in state appropriations and required matching funds was expended through the University System Capital Building Fund between July 1, 2019 and June 30, 2025.

Ms. Mongeon-Stewart presented information ([Appendix I](#)) regarding findings and recommendations resulting from a review of the higher education funding formula, the University System Capital Building Fund, and other higher education funding issues. She noted:

- The existing funding formula is effective, but may need some adjustments.
- The delay in recognition of credits in the funding formula cannot be improved if the formula continues to be based on credit hours successfully completed.
- Changes to University System Capital Building Fund matching requirements could benefit smaller institutions.

In response to questions from committee members, Ms. Mongeon-Stewart noted:

- The Classification of Instructional Programs (CIP) code is determined and regulated by the federal government.
- One-time bridge funding could be an effective solution to help growing institutions until the funding formula recognizes the credits.

Mr. Kevin Black, Chair, State Board of Higher Education, commented regarding the higher education funding formula. He expressed support for funding institutions on a real-time basis and noted current credit weighting may reflects costs, but not state priorities.

Mr. Sanford commented regarding the higher education funding formula. He noted:

- Weighting credits can incentive institutions to promote certain courses and programs over others.
- Recruiting more resident high school graduates is a good growth strategy for University System institutions.

Dr. Zahi Atallah, Williston, commented regarding higher education funding. He noted 2-year and 4-year programs might have the same academic program costs due to professional exam requirements, but this is not recognized in the higher education funding formula.

Committee members commented regarding the potential to separate the budgets and enrollment numbers of UND and the UND School of Medicine and Health Sciences. They noted the Legislative Assembly should not discourage institutions under the control of the State Board of Higher Education from being innovative, agile, and flexible.

No further business appearing, Chairman Sorvaag adjourned the meeting at 3:14 p.m.

Alex J. Cronquist
Senior Fiscal Analyst

ATTACH:9