



HIGHER EDUCATION FUNDING REVIEW COMMITTEE

Tuesday, October 6, 2026
Room 327E, State Capitol
Bismarck, North Dakota

Senator Ronald Sorvaag, Chairman, called the meeting to order at 9:04 a.m.

Members present: Senators Ronald Sorvaag, Scott Meyer, Jamie Selzler, Jonathan Sickler; Representatives Karla Rose Hanson,* Steve Swiontek*; Citizen Members Bruce A. Bollinger, Erica Buchholz, Odella Fuqua, Keith Johnson, Joann Kitchens,* Krista Lambrecht

Member absent: Representative Mike Nathe

Others present: Representative LaurieBeth Hager, member of the Legislative Management Meredith Larson, Brent Sanford, Karla Mongeon-Stewart, and Jamie Wilke, North Dakota University System; Scott Molander, Dickinson State University

It was moved by Senator Sickler, seconded by Senator Selzler, and carried on a voice vote that the minutes of the August 19, 2026, meeting be approved as distributed.

Ms. Meredith Larson, Chief Operating Officer, North Dakota University System office, presented information ([Appendix A](#)) regarding a compliance investigation at Dickinson State University (DSU). She noted:

- Significant work has been undertaken to strengthen financial management and oversight at DSU, and the institution is currently operating from a strong position.
- The investigator, CliftonLarsonAllen LLP, recommended:
 - The University System establish a centralized shared-services model administered through the University System office with clearly defined authority, accountability, and reporting responsibilities.
 - The University System establish measurable performance expectations for senior finance personnel and conduct documented periodic evaluations.
 - DSU establish regular cross-functional meetings involving finance, administration, academic leadership, and operational departments to discuss significant initiatives, budget impacts, contracts, grants, and strategic decisions.
- The University System office is working to establish a process that provides adequate oversight for the institutions while still allowing for campus autonomy.

In response to questions from committee members, Ms. Larson noted:

- The University System is considering implementing a dual reporting structure for campus financial staff to report to both the campus president and a position within the University System office.
- The University System office does not currently intend to increase staffing in the office.
- More central oversight, including data validation, is necessary systemwide.

A committee member requested:

- The University System office report to the Appropriations Committees of the 2027 Legislative Assembly regarding the status of recommendations in the report from CliftonLarsonAllen LLP.
- The University System office provide members of the committee a copy of the University System's strategic plan.

In response to questions from a committee member:

- Mr. Bruce Bollinger, Vice President for Finance and Administration, North Dakota State University, noted bank financing was obtained for the DSU rodeo building capital project, DSU bank reconciliations have been completed, and the DSU undesignated cash reserves are within State Board of Higher Education (SBHE) guidelines.
- Ms. Jamie Wilke, Director of Finance, North Dakota University System office, noted DSU identified undesignated cash reserves of \$1.3 million, or 7 percent.
- Mr. Bollinger noted the finance staff from North Dakota State University are acting in a supporting role to DSU leadership, but DSU leadership is still in control of decisionmaking.
- Mr. Scott Molander, President, Dickinson State University, noted a necessary cultural change is being implemented at DSU to ensure proper documentation and support going forward.

Mr. Brent Sanford, Commissioner, North Dakota University System, commented regarding the compliance investigation at DSU. He noted the University System needs to be able to assist the smaller campuses with financial services when staff turnover occurs.

In response to questions from committee members, Mr. Sanford noted the University System office is unsure if the other campuses are in compliance with law and SBHE policy because the University System office does not have adequate oversight of the internal processes of the campuses.

Senator Jonathan Sickler presented information ([Appendix B](#)) regarding dual-credit costs in the state. He noted the interim Higher Education Institutions Committee approved a recommendation for the Legislative Assembly to establish a flat rate to determine state aid for subsidized dual-credit student credits completed. Subsidized dual credit includes courses taught in a high school by a teacher employed by the high school, whereas unsubsidized dual credit includes courses taught by an employee of the college or university.

Mr. Alex J. Cronquist, Senior Fiscal Analyst, Legislative Council, presented a bill draft [[27.0134.03000](#)]. He noted the bill draft makes adjustments to the University System Capital Building Fund and the higher education funding formula. He noted the bill draft is a revised version of the bill draft presented to the committee at the August 19, 2026, meeting and the revisions didn't significantly affect the funding calculation.

In response to a question from a committee member, Ms. Karla Mongeon-Stewart, Deputy Commissioner and Chief Financial and Administrative Officer, North Dakota University System, noted full-time equivalent enrollment is tracked and reported each fall semester.

Chairman Sorvaag discussed a list ([Appendix C](#)) of funding concepts for the committee's consideration, including:

- The use of fall census-date full-time equivalent enrollment for the determination of state aid;
- The provision of incentive funding for degree completions and research expenditures;
- The establishment of separate funding mechanisms or rates for the University of North Dakota School of Medicine and Health Sciences, the University of North Dakota and North Dakota State University, and the nine remaining institutions under the control of the SBHE;
- Institutions receive funding necessary to be held harmless for any calculated reductions in funding for the 2027-29 biennium as compared to the current higher education funding formula;

- The implementation of a flat rate for subsidized dual-credit students;
- Adjustments to the matching fund requirements and limitations on the use of funding in the University System Capital Building Fund; and
- The removal of certain prohibitions on the source of matching funds for capital projects.

Chairman Sorvaag noted the list broadly describes the bill draft, but doesn't identify exact rates and allows for more flexibility.

Senator Jamie Selzler presented information ([Appendix D](#)) regarding a comparison of historical funding determined pursuant to the current higher education funding formula and the funding formula proposed in the bill draft. He noted the proposed funding formula would have significantly negatively impacted Mayville State University and the North Dakota State College of Science, had it been implemented in prior bienniums.

Committee members:

- Expressed support for moving forward with broad concepts rather than a recommended bill draft.
- Expressed support for modifying the current higher education funding formula rather than replacing it.
- Expressed concern regarding the use of full-time equivalent enrollment rather than successfully completed credits as the primary basis of the funding formula.
- Suggested the bill draft or list of concepts be divided into two separate proposals so the changes relating to capital projects can be considered separately from the funding formula changes.

It was moved by Senator Selzler, seconded by Representative Swiontek, and carried on a roll call vote that the committee recommend the Legislative Assembly consider certain concepts for higher education funding, including the use of fall census-date full-time equivalent enrollment for the determination of state aid; the provision of incentive funding for degree completions and research expenditures; the establishment of separate funding mechanisms or rates for the University of North Dakota School of Medicine and Health Sciences, the University of North Dakota and North Dakota State University, and the nine remaining institutions under the control of the SBHE; that institutions receive funding necessary to be held harmless for any calculated reductions in funding for the 2027-29 biennium compared to the current higher education funding formula; the implementation of a flat rate for subsidized dual-credit students; adjustments to the matching fund requirements and limitations on the use of funding in the University System Capital Building Fund; and removal of certain prohibitions on the source of matching funds for capital projects. Senators Sorvaag, Meyer, and Selzler and Representatives Hanson and Swiontek voted "aye." Senator Sickler voted "nay."

It was moved by Representative Swiontek, seconded by Senator Selzler, and carried on a voice vote that the Chairman and the Legislative Council staff be requested to prepare a report and to present the report to the Legislative Management and that the committee be adjourned sine die.

No further business appearing, Chairman Sorvaag adjourned the meeting sine die at 11:25 a.m.

Alex J. Cronquist
Senior Fiscal Analyst

ATTACH:4