



# **ND Higher Education Challenge Grant**

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Senate Appropriations – Education and Environment Division

January 21, 2025

# Background

- The 63rd Legislative Assembly initiated this program to enhance North Dakota University System institutions through a matching grant fund.
- One dollar in matching grants for every two dollars of nonstate, non-federal dollars raised by the institutional foundations of North Dakota public colleges and universities for projects dedicated to the advancement of academics.
- Distributions of grant awards are made based upon the review and approval of the legislatively prescribed grant review committee.
  - Grant review committee consists of:
    - the Governor, or the Governor's designee, who serves as the chairman of the committee;
    - two members of the House of Representatives Appropriations Committee;
    - two members of the Senate Appropriations Committee;
    - two members appointed by the Governor; and
    - two members appointed by the State Board of Higher Education.

# N.D.C.C. 15-10-48 through 15-10-53

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- N.D.C.C. 15-10-48 establishes expectations for advancement of academics utilizing the challenge grant for the research universities (UND and NDSU)
- N.D.C.C. 15-10-48.2 (New in 2023) establishes expectations for challenge grant funding for the NDSU Agriculture Research and Extension at the agricultural experiment station.
- N.D.C.C. 15-10-49 establishes expectations for advancement of academics utilizing the challenge grant for two-year and four-year institutions of higher education
- N.D.C.C. 15-10-50 establishes foundation liability for pledge amounts
- N.D.C.C. 15-10-51 establishes the challenge grant review committee
- N.D.C.C. 15-10-52 establishes the challenge grant review committee compensation
- N.D.C.C. 15-10-53 defines challenge grant projects are to be dedicated to the advancement of enhanced academics include investments in research, scholarships, technology, endowed chairs, and investments in educational infrastructure, but exclude scholarships intended solely for the benefit of athletics, campus facility repair projects, and new capital construction projects.

# Legislatively Approved Funding

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- 63<sup>rd</sup> Legislative Assembly approved \$29,000,000 (HB 1204 & SB 2003)
- 64<sup>th</sup> Legislative Assembly approved \$23,500,000 (HB 1151)
  - 2016 Allotment reduced by \$1,375,500 to total of \$22,124,500
- 65<sup>th</sup> Legislative Assembly approved \$2,000,000 (SB 2003)
- 66<sup>th</sup> Legislative Assembly approved \$9,650,000 (HB 1003)
  - School of Law included for first time at \$250,000
- 67<sup>th</sup> Legislative Assembly approved \$11,150,000 (SB 2030)
  - UND School of Medicine and Health Sciences included for first time at \$1,500,000
- 68<sup>th</sup> Legislative Assembly approved \$20,000,000 (HB 1003)
  - NDSU Agriculture Research and Extension included for first time at \$2,200,000
  - Repealed UND School of Law N.D.C.C. 15-10-48.1
  - Added further definition for pooled funding to N.D.C.C. 15-10-49

# Use of Awards by Category & Biennium as of June 30, 2024

Award Category	State Challenge Funds Award Amount	Private Donation Submitted for Match	Total Funds, (State + Private)	Percentage of Total
<b>Educational Infrastructure</b>	\$ 17,722,191	\$ 37,197,305	\$ 54,919,496	20%
<b>Endowed Chair(s)</b>	3,795,443	9,214,428	13,009,871	5%
<b>Multiple</b>	7,637,783	15,275,566	22,913,349	8%
<b>Research</b>	1,969,399	3,938,600	5,907,999	2%
<b>Scholarships</b>	58,234,000	119,397,573	177,631,574	64%
<b>Technology</b>	1,607,195	3,214,189	4,821,384	2%
<b>Grand Total</b>	<b>\$ 90,966,011</b>	<b>\$188,237,662</b>	<b>\$279,203,673</b>	<b>100%</b>

Biennium	State Challenge Funds Award Amount	Private Donation Submitted for Match	Total Funds, (State + Private)
<b>2013-15</b>	\$ 28,050,473	\$ 56,423,457	\$ 84,473,930
<b>2015-17</b>	22,124,500	45,200,354	67,324,854
<b>2017-19</b>	2,000,000	6,101,111	8,101,111
<b>2019-21</b>	9,650,000	20,353,349	30,003,349
<b>2021-23</b>	11,150,000	22,398,757	33,548,757
<b>2023-25</b>	17,991,038	37,760,633	55,751,671
<b>Grand Total</b>	<b>\$ 90,966,011</b>	<b>\$188,237,662</b>	<b>\$279,203,673</b>

# Endowed vs. Non-Endowed Scholarships

- Since the program's inception in 2013, \$53.6 million in state funds were dedicated to scholarships and matched with nearly \$110 million in private donations.
  - \$163.6 million scholarship investment
    - Approximately 90% in endowed scholarships
    - Approximately 10% in regular scholarships

ND HE Challenge Grant State Awards-Regular Scholarships & Endowed Scholarships by Biennium							
Biennium	2013-15	2015-17	2017-19	2019-21	2021-23	2023-25	Grand Total
Scholarships-Regular	925,341	1,550,823	183,229	1,233,203	774,071	563,915	5,230,582
Scholarships-Endowed	8,277,545	15,232,947	1,694,169	8,029,117	7,334,806	7,876,368	48,444,952

\*Data as of 12/31/2023 Semi-Annual Report

# Endowed vs. Non-Endowed Scholarships

ND HE Challenge Grant Awards-Endowed Scholarships vs Regular Scholarships		
Campus	State Challenge Funds Award Amount- Endowed Scholarships	State Challenge Funds Award Amount- Regular Scholarships
BSC	\$ 5,622,079	\$ 17,287
DCB	842,631.84	368,849.00
DSU	2,031,124.44	1,130,548.18
LRSC	1,333,677.70	136,965.02
MaSU	2,719,745.18	1,064,698.75
MiSU	3,968,301.42	121,051.61
NDSCS	2,438,749.33	575,784.22
NDSU	12,037,563.38	363,119.00
UND	12,041,065.53	-
UND School of Law	152,500.00	-
UND SMHS	1,806,470.00	-
VCSU	2,811,560.68	25,913.00
WSC	639,483.51	1,426,366.00
<b>Grand Total</b>	<b>\$ 48,444,952</b>	<b>\$ 5,230,582</b>
	<b>90.3%</b>	<b>9.7%</b>
*Data as of 12/31/2023 Semi-Annual Report		

# 2023-25 Challenge Grant Allocation Applied to \$50 Million Proposal

Institution	Total Available per NDCC 15-10-48 & 49 and HB1003	Allocation %	Adjusted for \$50M Using Allocation % from 2023 HB1003
BSC	\$ 1,700,000	9%	\$ 4,250,000
DCB	600,000	3%	1,500,000
DSU	1,100,000	6%	2,750,000
LRSC	600,000	3%	1,500,000
MaSU	1,100,000	6%	2,750,000
MiSU	1,700,000	9%	4,250,000
NDSCS	1,700,000	9%	4,250,000
NDSU	2,700,000	14%	6,750,000
NDSU-ARE	2,200,000	11%	5,500,000
UND	2,450,000	12%	6,125,000
*UND School of Law	250,000	1%	625,000
UND SMHS	2,200,000	11%	5,500,000
VCSU	1,100,000	6%	2,750,000
WSC	600,000	3%	1,500,000
	<b>\$ 20,000,000</b>		<b>\$ 50,000,000</b>

\*Part of UND allocation, \$250,000 to go to UND Law School





**THANK YOU**

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David Krebsbach, Vice Chancellor for Administrative Affairs/CFO